ASX / MEDIA ANNOUNCEMENT **30 January 2020**

Seismic Survey Identifies Multiple New Drill Targets to Expand Maiden JORC Resource

HIGHLIGHTS

- Recently completed passive seismic survey identifies multiple new drill targets
- Scope to significantly grow Maiden JORC Resource of 13Mt at 1.13% TREO
- 4 new target areas identified adjacent to existing Resource envelope:
  - Western Target Area – 300m N-S by 150m E-W
  - Eastern Target Area – 750m N-S by 250m E-W
  - Northern Target Area – 150m N-S by 500m E-W
  - Depth Extension – untested channels down dip of known mineralisation
- Newly identified Southern Target sits outside the existing Resource envelope
- Expanded drill program to commence in coming months

RareX Limited (**ASX: REE**) ("**RareX**" or "**the Company**") is pleased to report the initial results of the recently completed passive seismic geophysical survey at its Cummins Range Rare Earths Project in the east Kimberley region of Western Australia.

Background

On 15 November 2019, RareX announced its Maiden JORC 2012 Inferred Resource of 13Mt @ 1.13% TREO ("**JORC Resource**"). In December 2019, RareX undertook a passive seismic survey at its Cummins Range Project to search for both extensions along strike and at depth of the known JORC Resource. Areas of higher REE grades at Cummins Range are typically a result of upgrading due to weathering. The mineral monazite contains the rare earth elements and is resistive to weathering. As the surrounding mafics and carbonates are weathered over time the monazite remains and is concentrated producing weathering profiles with high monazite concentrations and REE intersections up to 41m @ 3.85% in hole KRC112 (*ASX release 15th October 2019*). The passive seismic survey was used to identify deeper weathering in the carbonatite complex which will help to target future drilling. A total of 992 stations were surveyed in December 2019 on 100m spaced north south lines at 25m intervals.

Results

The survey has identified deep weathering profiles continuing to the east, west and north of the current defined resource area. These areas have been named Eastern, Western and Northern Target areas. An area south of the current JORC Resource has also been identified, known as the Southern Target. These areas are show in Figure 1.

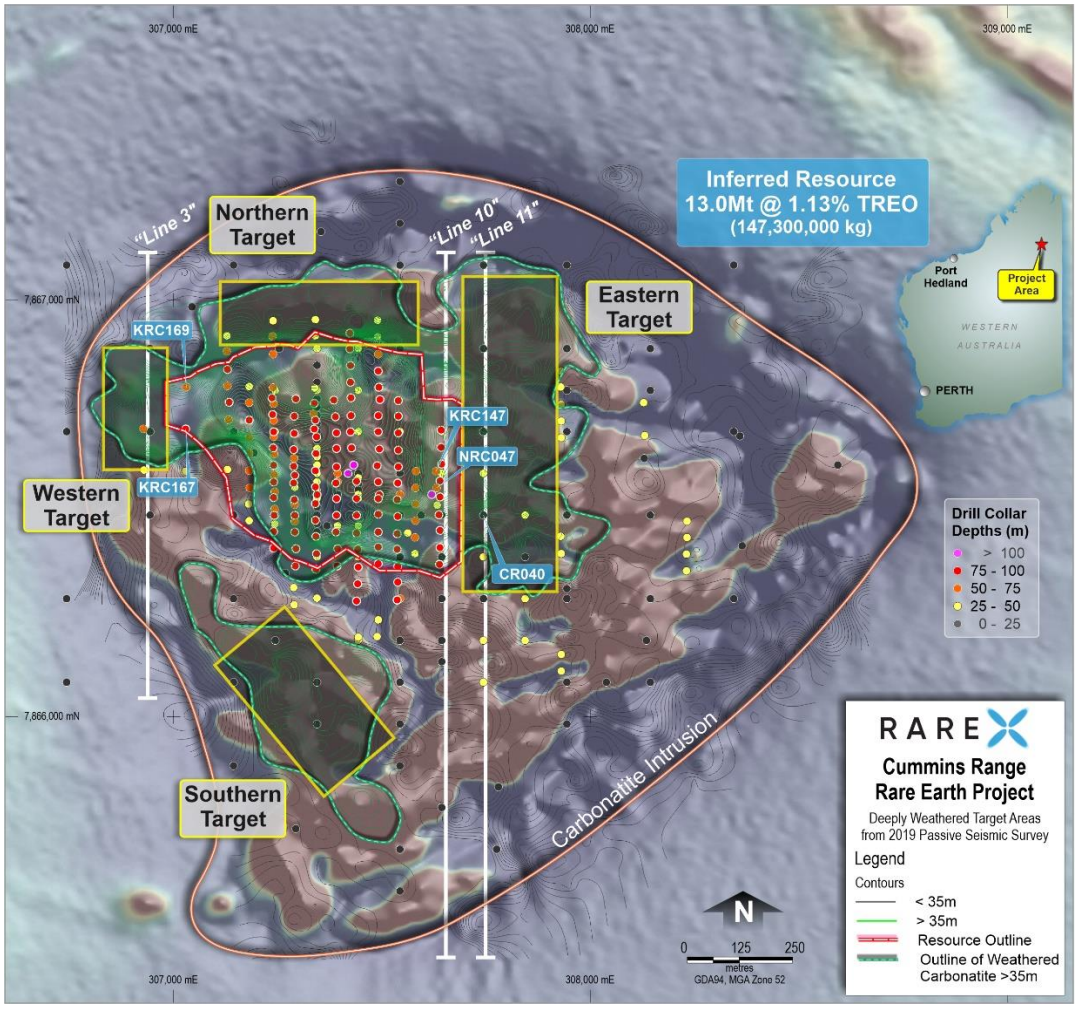


Figure 1 - Passive Seismic Survey depth to fresh rock contour map, Background image Airborne Magnetics TMI 1VD PSC, MGA Zone 52

RareX considers the Western and Eastern Targets as high-priority drill targets due to the presence of high grade drill results at the edges of the adjoining delineated JORC Resource.

Western Target

The Western Target abuts the western boundary of the existing JORC Resource and is approximately 300m N-S by 150m E-W, with variable weathering between 35 to 70 metres below surface and remains untested to the base of weathering along strike from mineralised drill holes:

- **5m at 1.2% TREO** from 95m to EOH *(*KRC167: *ASX release 15th October 2019)*
- **8m at 1.7% TREO** from 17m *(*KRC169: *ASX release 15th October 2019)*

An image of seismic survey line 3 is shown below to highlight untested potential of the deeply weathered channel in the western extension zone as indicated by the dash line.

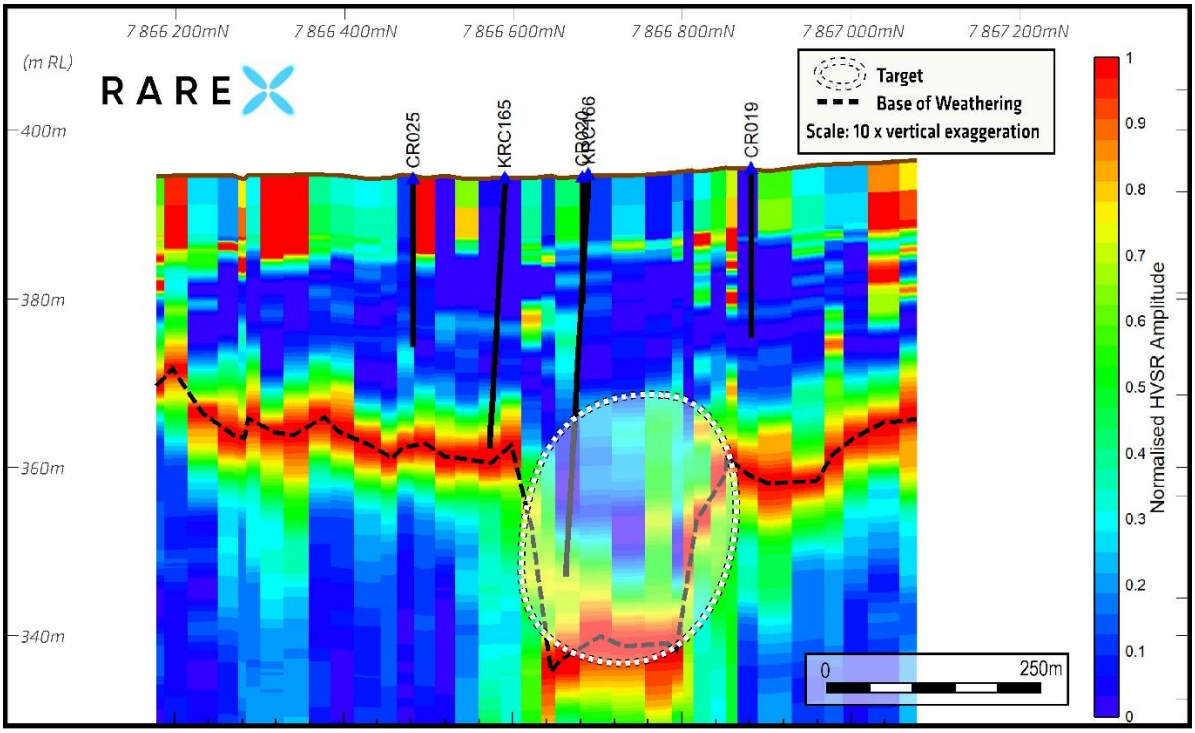


Figure 2 - Passive Seismic Survey Line 3, 306950mE

Eastern Target

The Eastern Target sits on the eastern boundary of the existing JORC Resource and is approximately 750m N-S by 250m E-W, with variable weathering between 35 to 70 metres below surface. RareX's Maiden JORC 2012 Inferred Resource of 13Mt @ 1.13% TREO announced on 15 October 2019, was closed off to the east due to lack of drilling, with drill holes on the eastern resource boundary reaching to grades of:

- **46m at 1.6% TREO** from 18m (KRC147)
  - Including **15m at 3.13% TREO** from 36m *(ASX release 15th October 2019)*
- **5m at 6.7% TREO** from 37m (NRC047)
  - Including **2m at 15.5% TREO** from 37m *(ASX release 15th October 2019)*

Historically, the Eastern Target area has been poorly tested with seven 1983 Rio Tinto (formerly CRA) aircore drill holes which are all less than 30m deep. One of the drill holes CR040 finished in gossanous rock grading 1.6% REE. An image of the seismic survey line 11 is shown below to illustrate the untested potential of the eastern zone beneath previous shallow reconnaissance drilling.

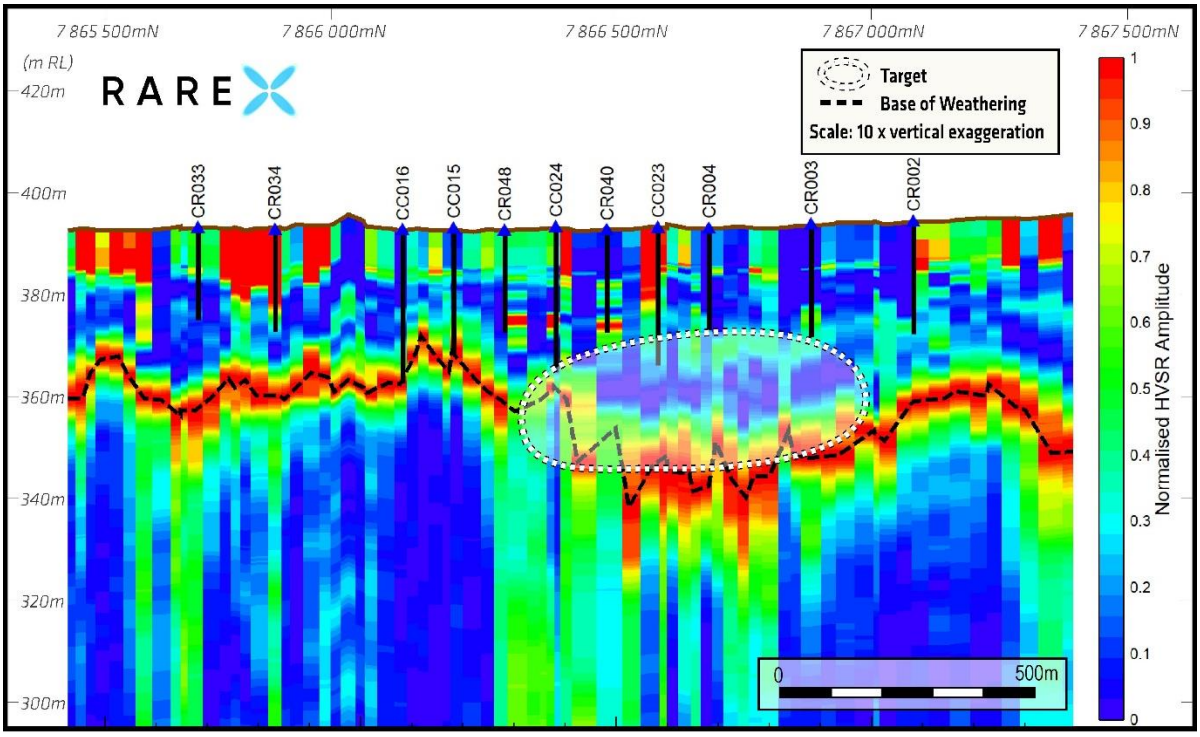


Figure 3 - Passive Seismic Survey Line 11, 307750mE

Depth Extensions

At multiple locations there is good scope to grow the existing JORC Resource in existing channels at depth. The below image is showing approximately 200m of an untested portion of a mineralised channel on Line 10.

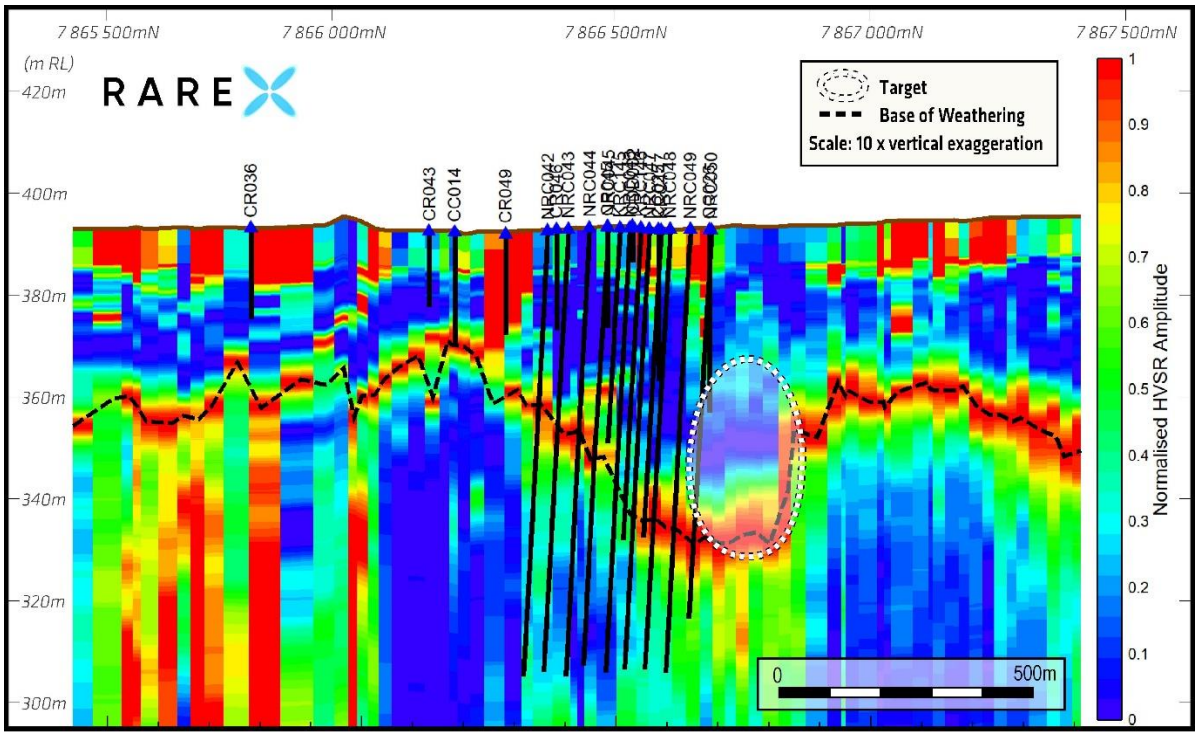


Figure 4 - Passive Seismic Survey Line 10, 307650mE

Northern Target

The Northern Target represents a prospective zone approximately 150m N-S by 350m E-W. This target area has eight historical drill holes with seven having mineralisation. The most significant intersection in this target area is **4m @ 1.24% TREO** in hole KRC117 *(ASX release 15th October 2019)*.

Southern Target

The Southern Target represents an enticing target separated from the existing JORC Resource and is untested to the depth of weathering and largely overlain by aeolian sands. This area requires further investigation and reconnaissance drilling.

Further Work

Interpretation of the results in combination with the current drill database and resource model is ongoing to define controls on higher grade material within the existing JORC Resource ahead of the upcoming drill program.

RareX is highly encouraged by the results of this passive seismic survey and believes it has provided highly useful information in targeting extensions to the existing JORC Resource and possible areas of new mineralisation.

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

For further information, please contact:

Jeremy Robinson
Executive Director

Competent persons' statements

Information in this release that relates to current Exploration Results is based on and fairly represents information and supporting documentation prepared and compiled by Mr Guy Moulang, an experienced geologist consulting for RareX Limited. Mr Moulang is a Member of the Australian Institute of Geoscientist and has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Moulang consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Inferred Mineral Resources and prior Exploration Results was first reported by the Company on 15 October 2019. The Company confirms that it is not aware of any new information or data that materially affects the

information included in the original market announcements, and in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Table 1. Historical Drill Table

Hole ID	East	North	RL	Depth	Azimuth	Dip	From	To	Width	TREO	Date Drilled
CR040	307744.1	7866483	392	20	-90	0	19	20	1	1.90%	1983

Appendix 1: JORC Code, 2012 Edition – Table 1		
Cummins Range Section 1 Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or* *mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	No drilling undertaken
Drilling Techniques	*Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	No drilling undertaken
Drill Sample Recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	No drilling undertaken
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	No drilling undertaken
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	No drilling undertaken

Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	No drilling undertaken
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *The verification of significant intersections by either independent or alternative company personnel.* *Discuss any adjustment to assay data.*	No drilling undertaken
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	No drilling undertaken
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	No drilling undertaken
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	No drilling undertaken
Sample security	*The measures taken to ensure sample security*	No drilling undertaken

Cummins Range Section 2 Reporting of Exploration Results		
Criteria	***JORC Code Explanation***	
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Cummins Range REO deposit is located on tenement E80/5092 and is 100% owned by RareX Pty Ltd which is a wholly owned subsidiary of Sagon Resources Ltd RareX has purchased the tenement from Element 25 with a potential capped royalty payment of $1m should a positive PFS study be completed within 36 months of purchase finalisation.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	CRA Exploration defined REO mineralisation at Cummins Range in 1978 using predominantly aircore drilling. Navigator Resources progressed this discovery with additional drilling after purchasing the tenement in 2006. Navigator announced a resource estimate in 2008. Kimberly Rare Earths drilled additional holes and upgraded the resource estimate in 2012.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Cummins Range REO deposit occurs within the Cummins Range carbonatite complex which is a 2.0 km diameter near-vertical diatreme pipe that has been deeply weathered but essentially outcropping with only thin aeolian sand cover in places. The mineralisation has been defined using a combination of grade and various regolith units defined by detailed geological logging of all holes. The current resource sits primarily within the oxidised/weathered zone.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.* *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	Significant intercepts from historic drilling have been used in this announcement. Drill intercepts from drill holes with the prefix KRC and NRC have been previously announced in the 15 October 2019 maiden resource announcement. Drilling and assaying particulars are describe in the Table 1 of that announcement. Drill hole CR040 was also quoted in this announcement. The drill hole was an aircore drill hole completed in 1983 by CRA exploration. The drill hole was part of an initial reconnaissance grid over the carbonatite intrusion. Drill collar details are within the announcement. Assays were done by Amdel, in East Perth. Only 4 REE were assay for La, Ce, Eu and Yb. Yttrium was also assayed for. Samples were assayed using XRF, AAS (Atomic Absorption Spectometry) or ES (Emission Spectroscopy). Samples analysed via AAS were digested using a perchloric acid digestion. Drilling information can be obtained from the 1983 Annual Report (A14632).
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	No drilling undertaken

	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	No drilling undertaken
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Maps and diagrams are included in the body of the announcement
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Reporting is considered balanced
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	The Passive Seismic survey was completed using 7 TE3 Tromino Seismometers. Garmin GPSMap 66i were used to locate stations. The Trominos were placed on the ground at each station with a bucket placed over the top to reduce noise pollution. The Trominos were left for 20 minuets with a sampling frequency of 128Hz. The quality of the data was check each night by a geophysicist. The survey data was interpreted by Resource Potentials geophysical consultants based in Perth, WA. Historic open file government airborne magnetic data has been recently reprocessed by Resource Potentials geophysical consultants based in Perth, WA, to produce a series of enhanced magnetic anomaly images with the specific aim to better define anomaly patterns that may be produced by a buried carbonatite intrusive complex, where such intrusive bodies often contain significant REE mineralisation..
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling. Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Exploration is ongoing