RARE X

ASX REE

19 February 2020

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- **Competent Person Statement:** The information in this presentation relating to the Mineral Resource estimate for the Cummins Range Rare Earths Project is extracted from the Company's ASX announcement entitled '*Globally Significant Maiden Resource of 13Mt at 1.13% TREO'* as updated by the ASX announcement entitled '*Update to Mineral Resource Estimate Announcement',* both released on 15 October 2019. SG1 confirms that it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the Mineral Resource estimate in the previous announcements continue to apply and have not materially changed.
- This presentation has been approved for release by the Board of RareX Limited.

Investment Highlights

- **Strategically Located Asset**: RareX Limited (**REE** or **RareX**) is focused on developing its 100% owned Cummins Range Rare Earths Project located in Western Australia – a Tier 1 mining jurisdiction.
- **Significant Maiden JORC 2012 Resource**: RareX has declared a significant rare earths Mineral Resource estimate with an Inferred JORC Resource of 13Mt at 1.13% TREO.
- **Exploration Upside**: Resource remains open at depth and along strike with no drilling since 2011. Drilling program to commence in coming months.
- **Superior Geology and Mineralogy**: Weathered carbonatite (same as Mt Weld) with mineral expression from surface.
- **Low CAPEX Strategy**: Strategy to sell a monazite concentrate to existing downstream refiners as China transitions to a net importer of rare earth material.



Corporate Snapshot

Capital Structure	
ASX Code	REE
Share Price (17 February)	$0.036
Shares on Issue	311m
Market Capitalisation	$11.2m
Net Cash	$2.2m
Listed Investments	$1.0m*
Enterprise Value	$8.0M

Shareholders	
Top 20 Shareholders	53%
Number of Shareholders	1,300

Board and Management	
Chairman	John Young
Executive Director	Jeremy Robinson
Non-Executive Director	Shaun Hardcastle
Exploration Manager	Guy Moulang
Consultant Metallurgist	Gavin Beer
Consultant Geophysicist	Jayson Meyers



*Subject to completion of NSW Sale announced 31st January 2020

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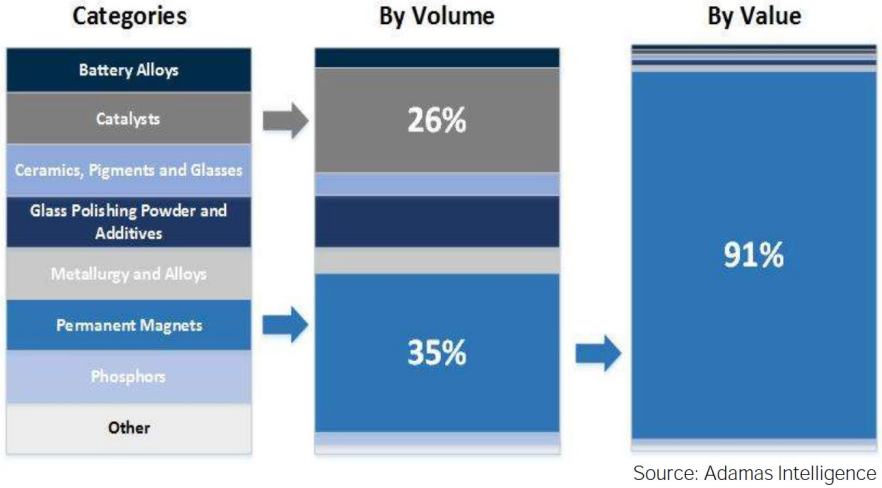
Rare Earths

- Rare Earths are a group of 17 elements essential to the new world economy. They are grouped in to Light Rare Earth Elements (**LREE**) and Heavy Rare Earth Elements (**HREE**).
- RareX is focused on the production of LREE's Neodymium-Praseodymium (**NdPr**) which are critical to the manufacture of Neodymium-Iron-Boron (**NdFeB**) Rare Earth Permanent Magnets (**REPM**) which contain approximately 32% NdPr.



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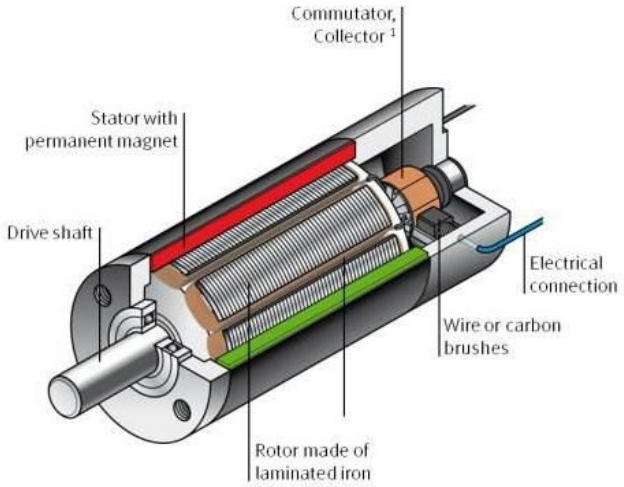


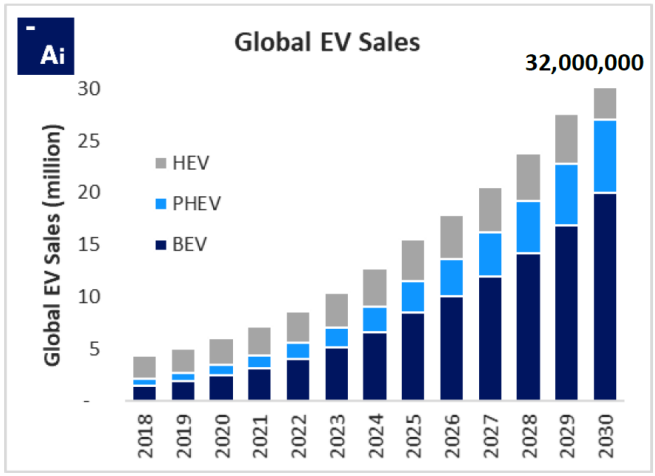
Rare Earth Permanent Magnets (REPMs)

Electric Vehicles

- Whatever the type of EV (BEV, HEV PHEV) or the power source (Li Batteries, H Fuel Cells etc) they all use REPM motors.
- Each EV requires approximately 1kg to 2kg of REPM which is used in rare earth magnets forming part of an EVs electric motors. EVs expected to grow from 3m to 35m by 2030.

Wind Turbines

- Wind power and Solar power set to dominate the renewable energy economy as cost effective mass deployable technologies.
- Wind power historically dominated by onshore capacity now increasingly moving to offshore capacity as turbines become larger and more efficient. Offshore has greater use of REPM's compared to onshore.
- Each MW of direct drive REPM wind turbine capacity contains 600kg of REPM containing 200kg of NdPr.



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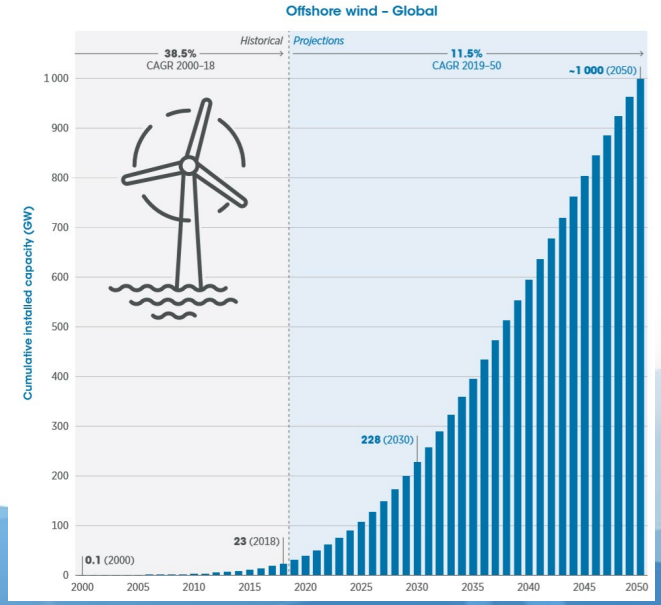
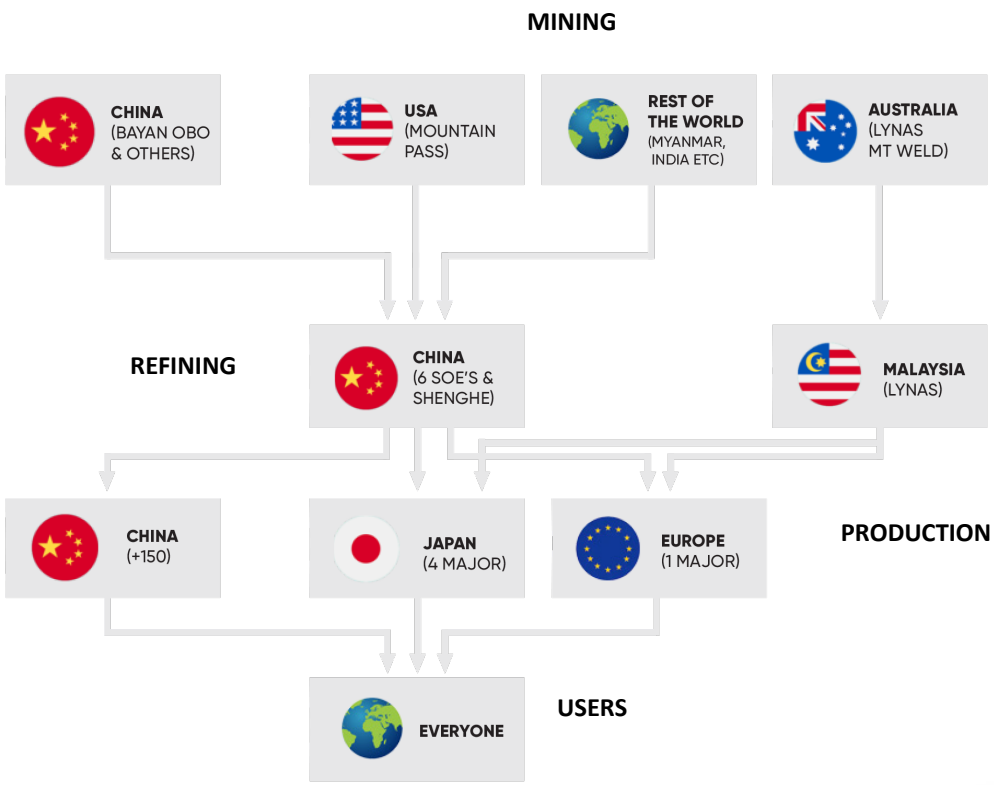


Rare Earths Market

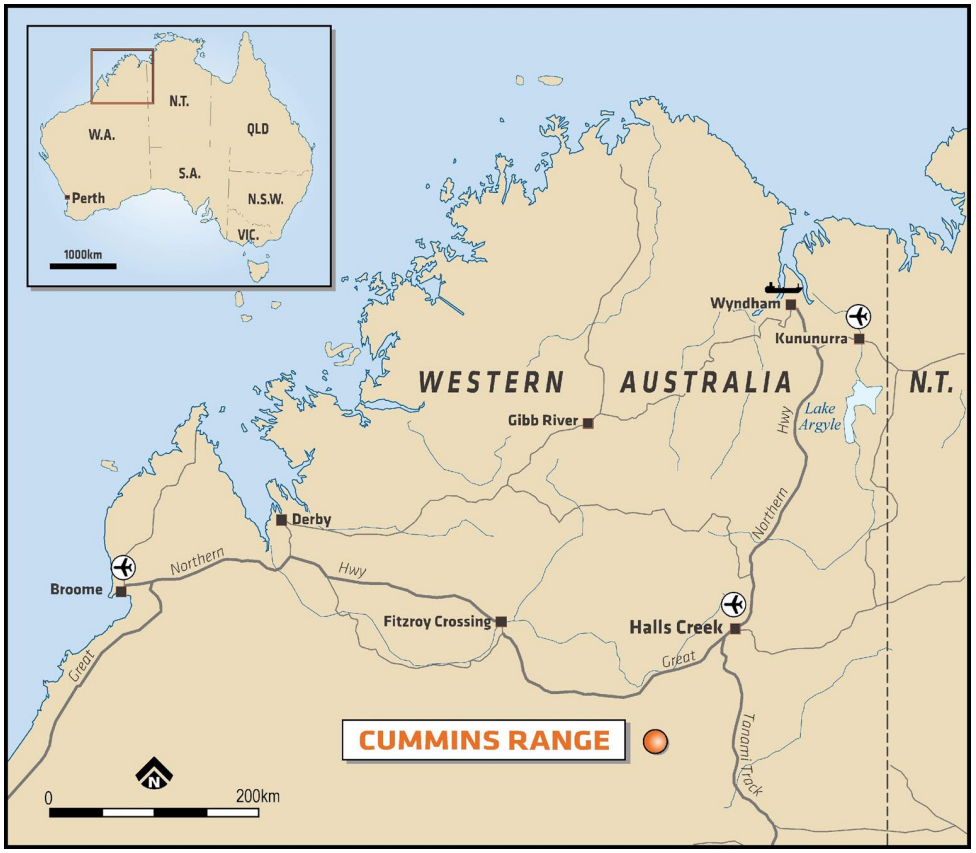
- **China dominates production of rare earths and rare earth magnets accounting for 80% of global production** representing a strategic weakness for the United States of America.
- **China has recently become significant importer of Rare Earths concentrates for processing** – In 2019 China supply dropped to only 61% (essentially 100% 2015) following ongoing crackdown on illegal supply.
- Rare earth prices extremely sensitive to trade disputes such as in 2011 when NdPr traded above US$280/kg (600% above current prices).

SIMPLIFIED RARE EARTH SUPPLY CHAIN



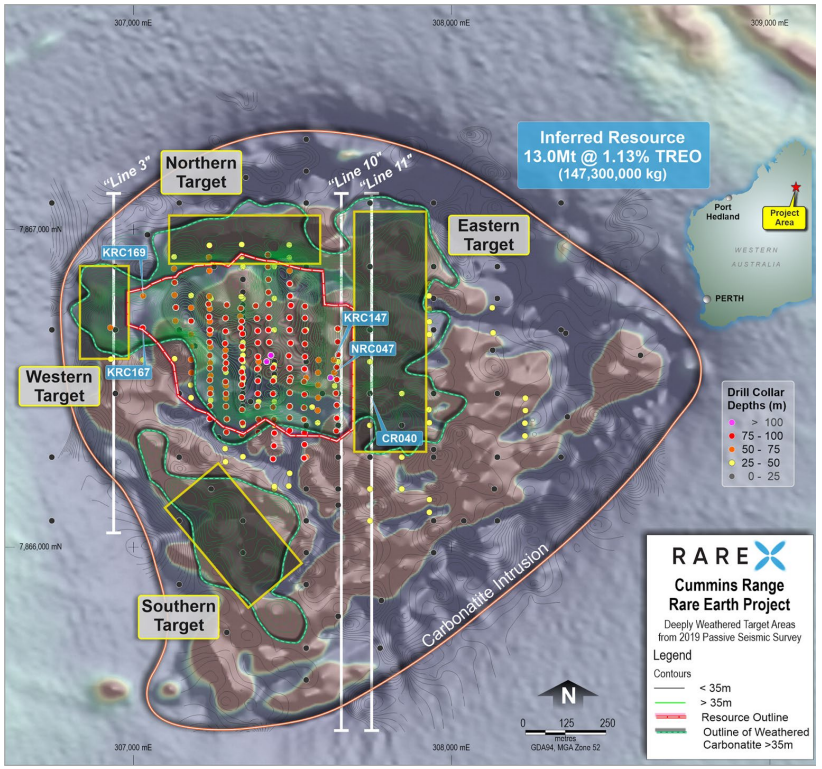
Superior Location and Infrastructure

- **Tier-1 Mining Jurisdiction**: Located in the Kimberley region of Western Australia.
- **Airstrip and Township Nearby**: 130km from Halls Creek Township and Airstrip.
- **Good Access**: Accessible via Great Northern Highway, Tanami Track and pastoral tracks.
- **Established Mining District**: Located near Northern Minerals Browns Range Rare Earth Mine and Pantoro's Nicholson's Gold Mine.
- **Port Facilities**: Potential access to Wyndham Port and Darwin Port.



Significant Maiden JORC 2012 Resource

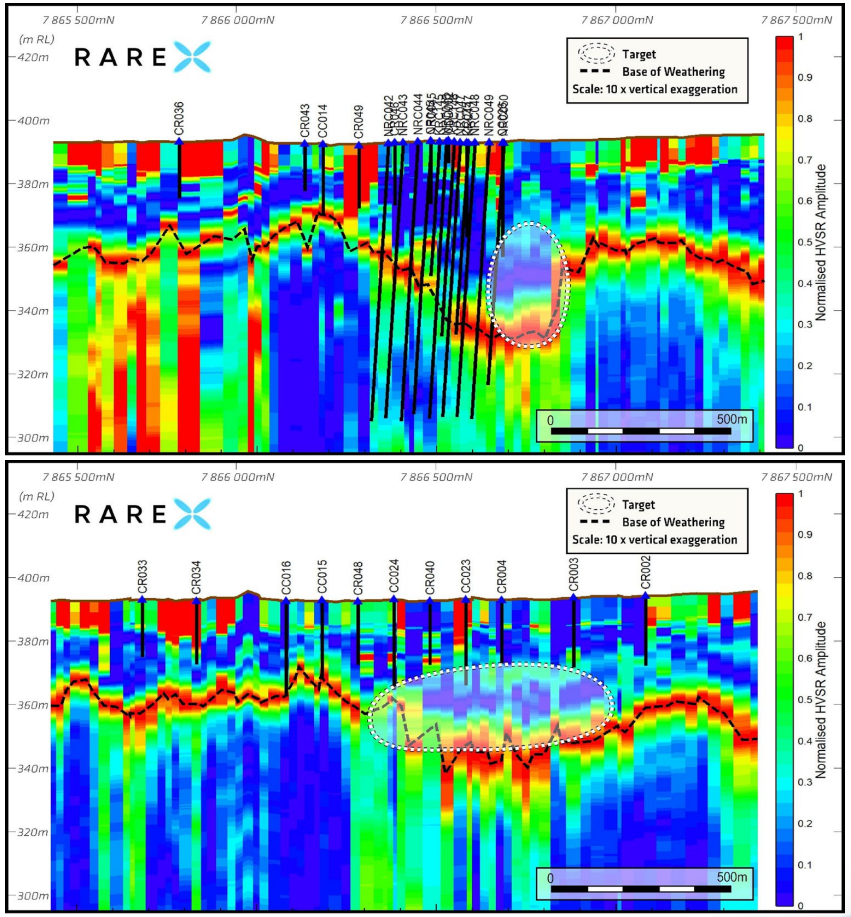
- Significant Maiden JORC 2012 Inferred Resource of 13Mt at 1.13% TREO released 15 October 2019.
- Weathered carbonatite with REE mineralisation mostly hosted within laterite horizon (same at Mt Weld).
- Deposit outcrops and has dimensions amenable to low strip ratio open pit mining.
- Existing Resource occupies a small portion of the Cummins Range Intrusive Complex that is approximately 2km by 2km.



Cummins Range Inferred Mineral JORC 2012 Resource		
Tonnes (Mt)	Grade (TREO)	TREO (kg)
13.0	1.13%	147,300,000

Substantial Exploration Upside

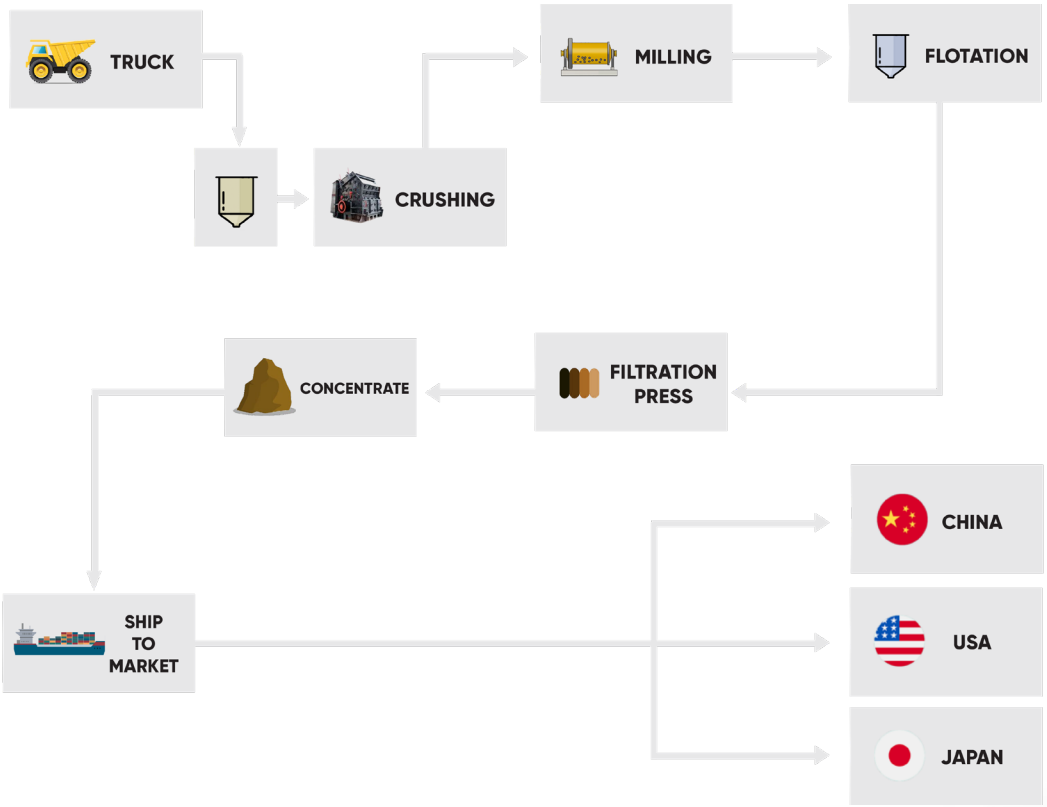
- No active exploration since 2011 with large part of 48.5 square km of ground remaining untested.
- At least 2 NW-SW structures controlling the depth of weathering with higher grade - mineralisation remains open on these trends.
- Passive seismic recently completed highlighting multiple areas to extend the resource and make new discoveries.
- Primary mineralisation also open at depth and totally unexplored.
- Clear potential to expand the existing Mineral Resource through RC drilling.



Low Capital Strategy

- Rare Earth mineralogy dominated by monazite – monazite is the most well understood Rare Earth Mineral from a processing perspective.
- RareX is working with industry experts to review test work and plan further optimisation to improve un-optimised concentrate grade and recoveries.
- Strategy is to produce a saleable monazite concentrate to sell on a FOB / CIF basis to China which will significantly reduce CAPEX.

SIMPLIFIED FLOWSHEET



Development Pathway

- Cummins Range is located in the Tier-1 mining jurisdiction of Western Australia situated on Jaru land.
- RareX takes its social, environment and corporate governance responsibilities very seriously and has adopted an inclusive approach with stakeholders as it develops Cummins Range.
- Critical Minerals Facilitation Office (**CMFO**) within the Department of Industry, Science, Energy and Resources established on 1 January 2020 to fast track the development of Australian critical mineral projects such as Cummins Range.
- Funding available through Northern Australia Infrastructure Fund (**NAIF**) and Export Finance Australia (**EFA**).

Australian Government
Department of Industry, Science, Energy and Resources

Australian Government

export finance australia

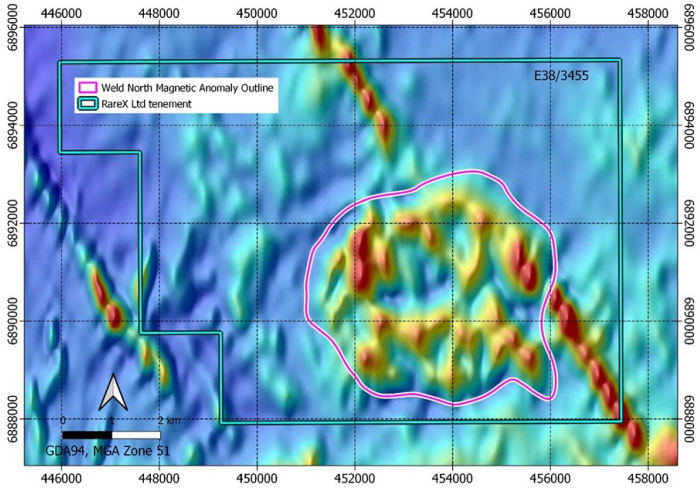
Australian Government

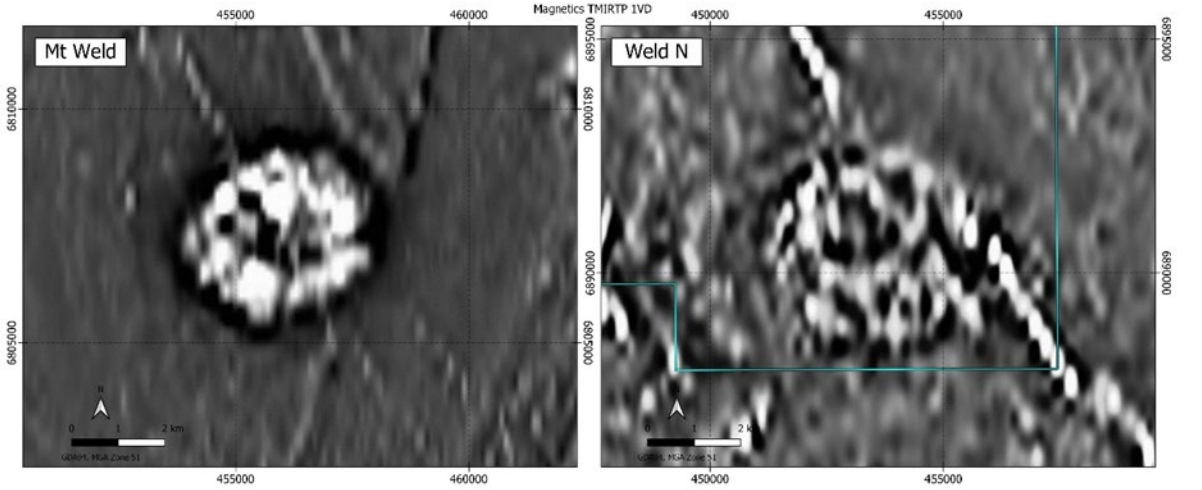
NAIF
Northern Australia Infrastructure Facility

Kimberley Land Council

Exploration – Weld North

- RareX has applied for a tenement called Weld North approximately 80km north of Mt Weld.
- 5km wide airborne magnetic circular anomaly which RareX consider to be prospective for being caused by a REE-bearing circular carbonatite intrusive complex and sitting below regolith cover which masks the buried bedrock source for this magnetic anomaly.
- Part of greenfield exploration strategy to discover another world-class rare-earth carbonatite deposit in Australia.





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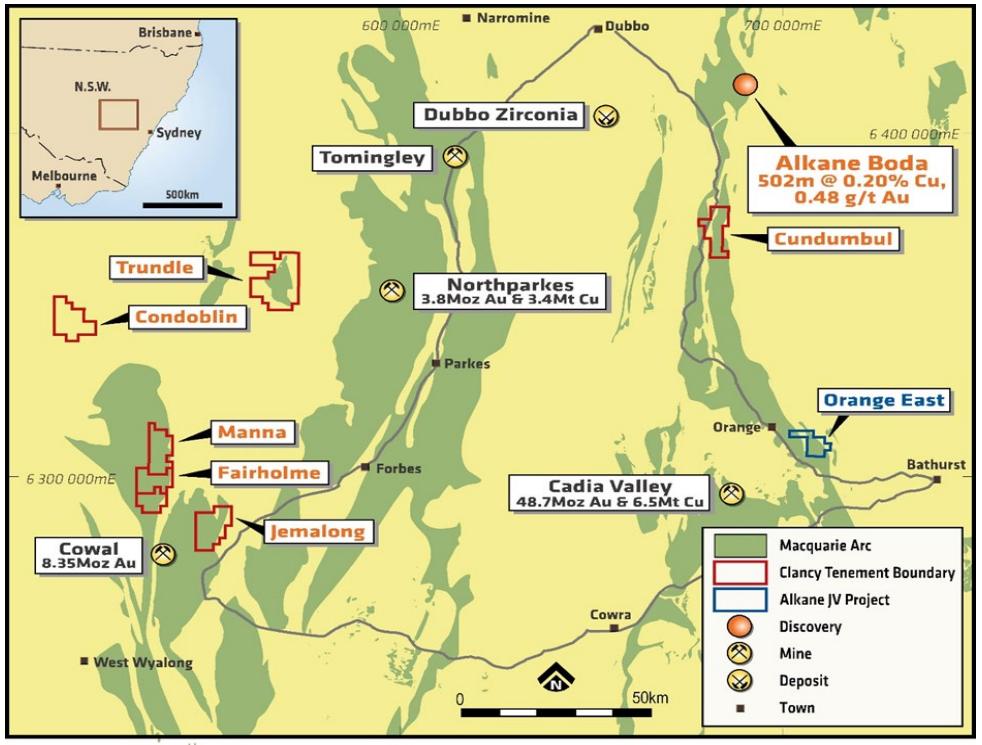
NSW Cu/Au Assets – 35% Free Carried

Recently announced partial sale of NSW Copper Gold assets to TSXV listed Kincora Copper:

- RareX to retain a 35% free carry interest
- RareX to receive upfront cash payments of circa A$200,000
- RareX to own circa 9.9% of TSXV listed Kincora Copper*
- Kincora Copper is attractive partner to add value to RareX's NSW Copper Gold Assets:
    - industry leading technical team with an exceptional track-record of Tier 1 copper discovery's including the Cadia and Marsden porphyry deposits in the Lachlan Fold Belt of NSW
    - well-funded for exploration success



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News Flow

SEPT QTR 2019	SHAREHOLDERS MEETING TO APPROVE PLACEMENT	MOVE TO 100% OWNERSHIP OF CUMMINS RANGE
DEC QTR 2019	MAIDEN JORC 2012 RESOURCE	PASSIVE SEISMIC SURVEY
MAR QTR 2020	MAIDEN DRILL PROGRAM	COMMENCEMENT OF METALLURGICAL PROGRAM
JUN QTR 2020	METALLURGICAL PROGRAM RESULTS	RESOURCE EXPANSION DRILLING
SEP QTR 2020	ASSAY RESULTS	RESOURCE UPDATE
DEC QTR 2020	PRE-FEASIBILITY STUDY	OFFTAKE DISCUSSIONS

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