**RareX Limited**
**ACN 105 578 756**

# Notice of General Meeting

**The General Meeting of the Company will be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia on Monday, 14 September 2020 at 12.00pm (WST).**

**THE COMPANY IS TAKING PRECAUTIONS TO FACILITATE AN IN PERSON MEETING IN ACCORDANCE WITH COVID-19 RESTRICTIONS. IF THE SITUATION IN RELATION TO COVID-19 CHANGES IN A WAY AFFECTING THE ABILITY TO FACILITATE AN IN PERSON MEETING AS PROPOSED, THE COMPANY WILL PROVIDE A FURTHER UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.**

The Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from their accountant, solicitor or other professional advisor prior to voting.

**Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on (08) 6143 6720.**

**Shareholders are urged to attend or vote by lodging the proxy form attached to the Notice**

**RareX Limited**
**ACN 105 578 756**
**(Company)**

# Notice of General Meeting

Notice is hereby given that the general meeting of Shareholders of RareX Limited will be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia on Monday, 14 September 2020 at 12.00pm (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of the Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Saturday, 12 September 2020 at 5.00pm (WST).

Terms and abbreviations used in the Notice are defined in Schedule 1.

# Agenda

## 1 Resolutions

### Resolution 1 – Ratification of prior issue of Placement Shares

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the following issues of Placement Shares:*

(a) *10,825,038 Placement Shares under Listing Rule 7.1; and*

(b) *31,174,962 Placement Shares under Listing Rule 7.1A,*

*on the terms and conditions in the Explanatory Memorandum.'*

### Resolution 2 – Ratification of prior issue of Lead Manager Options

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 7,000,000 Options to Canaccord Genuity (Australia) Limited (or its nominees) on the terms and conditions in the Explanatory Memorandum.'*

### Resolution 3 - Ratification of prior issue of Consultant Options

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

'*That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of Consultant Options as follows:*

(a) *1,500,000 Options to Mr Jayson Meyers (or his nominees); and*

(b) *1,500,000 Options to Ms Sharna Riley (or her nominees),*

*on the terms and conditions in the Explanatory Memorandum*.'

## Resolution 4 - Ratification of prior issue of Securities to Talaxis Limited

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of Securities to Talaxis Limited (or its nominees) as follows:*

(a) *312,500 Shares and 1,250,000 Options on 3 March 2020; and*

(b) *312,500 Shares and 1,250,000 Options on 2 June 2020,*

*on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 5 – Approval to issue Director Placement Shares

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

*'That, pursuant to and in accordance Listing Rule 10.11, section 195(4) of the Corporations Act and for all other purposes, Shareholders approve the issue of Director Placement Shares to Directors (or their nominees) as follows:*

(a) *up to 2,000,000 Director Placement Shares to John Young;*

(b) *up to 500,000 Director Placement Shares to Shaun Hardcastle;*

(c) *up to 1,000,000 Director Placement Shares to Cameron Henry; and*

(d) *up to 500,000 Director Placement Shares to Jeremy Robinson,*

*on the terms and conditions in the Explanatory Memorandum.'*

## Resolution 6 – Election of Director – John Young

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, in accordance with Article 7.6(b) of the Constitution and for all other purposes, John Young, a Director who was appointed on 2 June 2020, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'*

### Resolution 7 – Election of Director – Cameron Henry

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That, in accordance with Article 7.6(b) of the Constitution and for all other purposes, Cameron Henry, a Director who was appointed on 18 February 2020, retires and, being eligible, is elected as a Director on the terms and conditions in the Explanatory Memorandum.'*

### Resolution 8 - Ratification of prior issue of Director Options

To consider and, if thought fit, to pass with or without amendment, each as a **separate** ordinary resolution the following:

*'That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of Director Options to the Directors as follows:*

(a) *6,000,000 Options to John Young (or his nominees); and*

(b) *6,000,000 Options to Cameron Henry (or his nominees),*

*on the terms and conditions in the Explanatory Memorandum.'*

### Resolution 9 - Approval to issue Consideration Shares to Element 25 Limited

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

*'That pursuant to and in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to $500,000 worth of Consideration Shares to Element 25 Limited (or its nominees) on the terms and conditions in the Explanatory Memorandum*.'

## Voting exclusions

Pursuant to the Listing Rules, the Company will disregard any votes cast in favour of:

(a) Resolution 1 by or on behalf of any person who participated in the issue of the Placement Shares, or any of their respective associates;

(b) Resolution 2 by or on behalf of Canaccord Genuity (Australia) Limited (and its nominees) who participated in the issue or is a counterparty to the agreement being approved, or any of their respective associates;

(c) Resolution 3(a) and (b) by or on behalf of Mr Jason Meyers and Ms Sharna Riley respectively (or their respective nominees) and any person who participated in the issue of the securities, or any of their respective associates;

(d) Resolution 4(a) and (b) by or on behalf of Talaxis Limited (or its nominees) and any person who participated in the issue of the securities, or any of their respective associates;

(e) Resolution 5(a), (b), (c) and (d) by or on behalf of Messrs Young, Hardcastle, Henry and Robinson (and their respective nominees), and any other person who will obtain a material benefit as a result of the issue of the Director Placement Shares (except a benefit solely by reason of being a holder or ordinary securities in the entity), or any of their respective associates;

(f) Resolution 8(a) and (b) by or on behalf of Jason Young and Cameron Henry respectively (or their respective nominees) and any person who participated in the issue of the securities, or any of their respective associates; and

(g) Resolution 9 by or on behalf of Element 25 Limited (or its nominees) and any person who will obtain a material benefit as a result of the proposed issue (except a benefit solely by reason of being a Shareholder), or any of their respective associates.

The above voting exclusions do not apply to a vote cast in favour of the relevant Resolution by:

(a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way;

(b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or

(c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

(i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and

(ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Shares held by or for an employee incentive scheme must only be voted on a Resolution under the Listing Rules if and to the extent that they are held for the benefit of a nominated participant in the scheme; the nominated participant is not excluded from voting on the Resolution under the Listing Rules; and the nominated participant has directed how the Shares are to be voted.

**BY ORDER OF THE BOARD**



Oonagh Malone
Company Secretary
**RareX Limited**
Dated: 13 August 2020

**RareX Limited**
**ACN 105 578 756**
**(Company)**

# Explanatory Memorandum

## 1. Introduction

The Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia on Monday, 14 September 2020 at 12.00pm (WST).

The Explanatory Memorandum forms part of the Notice which should be read in its entirety. The Explanatory Memorandum contains the terms and conditions on which the Resolutions will be voted.

The Explanatory Memorandum includes the following information to assist Shareholders in deciding how to vote on the Resolutions:

| | |
|---|---|
| Section 2 | Action to be taken by Shareholders |
| Section 3 | Resolution 1(a) and (b) – Ratification of prior issue of Placement Shares |
| Section 4 | Resolution 2 – Ratification of prior issue of Lead Manager Options |
| Section 5 | Resolution 3(a) and (b) – Ratification of prior issue of Consultant Options |
| Section 6 | Resolution 4(a) and (b) – Ratification of prior issue of Securities to Talaxis Limited |
| Section 7 | Resolution 5(a), (b), (c) and (d) – Approval to issue Director Placement Shares |
| Section 8 | Resolution 6 – Election of Director – John Young |
| Section 9 | Resolution 7 – Election of Director – Cameron Henry |
| Section 10 | Resolution 8(a) and (b) – Ratification of prior issue of Director Options |
| Section 11 | Resolution 9 – Approval to issue Consideration Shares to Element 25 Limited |
| Schedule 1 | Definitions |
| Schedule 2 | Terms and conditions of Lead Manager Options, Consultant Options and Talaxis Options |
| Schedule 3 | Terms and conditions of Director Options |

A Proxy Form is located at the end of the Explanatory Memorandum.

## 2. Action to be taken by Shareholders

Shareholders should read the Notice including the Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

### 2.1 Impact of COVID-19 on the Meeting

The health and safety of members and personnel, and other stakeholders, is the highest priority and the Company is acutely aware of the current circumstances resulting from COVID-19.

Based on the best information available to the Board at the time of the Notice, the Board considers it will be in a position to hold an 'in-person' meeting to provide Shareholders with a reasonable opportunity to participate in and vote at the Meeting, while complying with the COVID-19 restrictions regarding gatherings. The Company, however, strongly encourages Shareholders to submit proxies prior to the Meeting.

If the situation in relation to COVID-19 were to change in a way that affected the position above, the Company will provide a further update ahead of the Meeting by releasing an ASX announcement.

### 2.2 Voting in person

Given the current COVID-19 circumstances and in the interests of public health and safety of our Shareholders, the Company will implement arrangements to allow Shareholders to physically attend the Meeting in accordance with COVID-19 protocols and government advice.

The Company will strictly comply with applicable limitations on indoor gatherings in force at the time of the Meeting. If you attend the Meeting in person, you will be required to adhere to COVID-19 protocols in place at the time of the Meeting.

### 2.3 Proxies

Shareholders are encouraged to vote by voting online or by completing a Proxy Form.

Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Lodgement instructions (which include the ability to lodge proxies electronically) are set out in the Proxy Form to the Notice of Meeting.

Proxy Forms can be lodged:

| | |
|---|---|
| Online: | At https://investor.automic.com.au/#/loginsah |
| By mail: | Share Registry – Automic, GPO Box 5193, Sydney NSW 2001 |
| By email: | meetings@automicgroup.com.au |
| By mobile: | investor.automic.com.au Or scan the QR Code available on the proxy form |

### 2.4 Chair's voting intentions

The Chair intends to exercise all available proxies in favour of all Resolutions, unless the Shareholder has expressly indicated a different voting intention.

## 3. Resolution 1(a) and (b) – Ratification of prior issue of Placement Shares

### 3.1 General

On 18 June 2020, the Company announced that it had received binding commitments for a placement to raise $2.3 million before costs (**Placement**) by the issue of Shares at $0.05 each (**Placement Shares**) to sophisticated and professional investors.

On 24 June 2020, the Company issued a total of 42,000,000 Placement Shares using the Company's placement capacity under Listing Rules 7.1 and 7.1A.

Resolution 1 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Placement Shares.

Each of the Resolutions which form part of Resolution 1 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of each of the Resolutions which form part of Resolution 1.

### 3.2 Listing Rules 7.1, 7.1A and 7.4

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.1A provides that an eligible entity may seek shareholder approval at its annual general meeting to allow it to issue Equity Securities comprising up to 10% of its issued capital. The Company obtained this approval at its annual general meeting held on 28 November 2019.

The issue of Placement Shares does not fit within any of the exceptions to Listing Rules 7.1 and 7.1A and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's placement capacity under each of Listing Rules 7.1 and 7.1A. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under those Listing Rules for the 12 month period following the issue of the Placement Shares.

Listing Rule 7.4 provides an exception to Listing Rules 7.1 and 7.1A. It provides that where a company in general meeting ratifies previous issues of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issues did not breach Listing Rules 7.1 and 7.1A), those securities will be deemed to have been made with Shareholder approval for the purpose of Listing Rules 7.1 and 7.1A, as applicable.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rules 7.1 and 7.1A.

If each of the Resolutions which form part of Resolution 1 is passed, the issue will be excluded in calculating the Company's 15% limit in Listing Rule 7.1 and 10% limit in Listing Rule 7.1A,

effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the issue date.

In the event that Resolution 1(a) is not passed, the Placement Shares will continue to be included in the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue or agree to issue without obtaining prior Shareholder approval to the extent of 10,825,038 Equity Securities for the 12 month period following the issue of those Placement Shares.

In the event that Resolution 1(b) is not passed, the Placement Shares will continue to be included in the Company's 10% limit under Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue or agreed to issue without obtaining prior Shareholder approval, to the extent of 31,174,962 Equity Securities, until the current Listing Rule 7.1A mandate expires on the earlier of:

(a) 28 November 2020;

(b) the Company's next annual general meeting; or

(c) the date Shareholders approve a transaction under Listing Rule 11.1.2 or 11.2.

### 3.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Placement Shares:

(a) the Placement Shares were issued to sophisticated and professional investors, none of whom is a related party of the Company or a Material Investor. Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement. The participants in the Placement were identified through a bookbuild process, which involved the Lead Manager seeking expressions of interest to participate in the capital raising from non-related parties of the Company, and are existing contacts of the Company and clients of the Lead Manager;

(b) a total of 42,000,000 Placement Shares were issued on 24 June 2020 as follows:

(i) 10,825,038 Placement Shares were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval; and

(ii) 31,174,962 Placement Shares were issued within the 10% limit permitted under Listing Rule 7.1A, without the need for Shareholder approval;

(c) the Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;

(d) the Placement Shares were issued at $0.05 per Share;

(e) the proceeds from the issue of the Placement Shares are intended to be used to fund the Company's RC drilling program at its Cummins Range Rare Earths Project and for general working capital;

(f) there are no other material terms to the agreement for the subscription of the Placement Shares; and

(g) a voting exclusion statement is included in the Notice.

## 4. Resolution 2 – Ratification of prior issue of Lead Manager Options

### 4.1 General

On 24 June 2020, the Company issued Canaccord Genuity (Australia) Limited (**Lead Manager**) (or its nominees) 7,000,000 unquoted Options exercisable at $0.085 each on or before 11 October 2022, as partial consideration for lead manager, broker and bookrunner services provided by the Lead Manager to the Company in connection with the Placement (**Lead Manager Options**).

The Lead Manager Options were issued in accordance with a mandate entered into between the Company and the Lead Manager (**Lead Manager Mandate**), a summary of the material terms of which is in Section 4.4 below.

The Lead Manager Options were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Resolution 2 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Lead Manager Options.

Resolution 2 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 2.

### 4.2 Listing Rules 7.1 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are in Section 3.2 above.

The issue of the Lead Manager Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Lead Manager Options.

The effect of Shareholders passing Resolution 2 will be to restore the Company's ability to issue further Equity Securities, to the extent of 7,000,000 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

In the event that Resolution 2 is not passed, the Company's ongoing capacity to issue or agreed to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of 7,000,000 Equity Securities for the 12 month period following the issue of those Lead Manager Options.

### 4.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Lead Manager Options:

(a) a total of 7,000,000 Lead Manager Options were issued on 24 June 2020 to the Lead Manager (or its nominees), none of whom is a related party of the Company or a Material Investor;

(b) the Lead Manager Options are exercisable at $0.085 each on or before 11 October 2022 and were otherwise issued on the terms and conditions in Schedule 2;

(c) the Lead Manager Options were issued for nil cash consideration, as part consideration for lead manager, broker and bookrunner services provided by the Lead Manager to the Company in relation to the Placement. Accordingly, no funds were raised from the issue of the Lead Manager Options;

(d) the Lead Manager Options were issued in accordance with the Lead Manager Mandate, a summary of the material terms of which is in Section 4.4 below; and

(e) a voting exclusion statement is included in the Notice.

### 4.4 Summary of material terms of the Lead Manager Mandate

The Company and the Lead Manager entered into an agreement for the provision of lead manager, broker and bookrunner services in relation to the Placement for a term of 6 months. The Lead Manager agreed to assist the Company with the structure of the Placement, the due diligence process as well as assist with general marketing of the Placement.

In consideration for the Lead Manager's services, the Company agreed to pay the Lead Manager:

(a) a management fee of 2% of the Gross Proceeds;

(a) a capital raising fee of 4% of the Gross Proceeds; and

(b) the Lead Manager Options.

The Lead Manager Mandate contains additional provisions including termination rights, reimbursement obligations, and warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

## 5. Resolution 3(a) and (b) - Ratification of prior issue of Consultant Options

### 5.1 General

On 20 December 2019, the Company issued Mr Jayson Meyers and Ms Sharna Riley (or their respective nominees) (**Consultants**) 1,500,000 unquoted Options each (**Consultant Options**), exercisable at $0.085 each on or before 11 October 2022 in lieu of fees for geophysical consulting services provided to the Company.

The Consultant Options were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval.

Each of the Resolutions which form part of Resolution 3 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Consultant Options.

Each of the Resolutions which forms part of Resolution 3 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of each of the Resolutions which forms part of Resolution 3.

## 5.2 Listing Rules 7.1 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are in Section 3.2 above.

The issue of the Consultant Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Consultant Options.

The effect of Shareholders passing each of the Resolutions which forms part of Resolution 3 will be to restore the Company's ability to issue further Equity Securities, to the extent of 3,000,000 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

In the event each of the Resolutions which forms part of Resolution 3 are not passed, the Company's ongoing capacity to issue or agreed to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of 3,000,000 Equity Securities for the 12 month period following the issue of those Consultant Options.

## 5.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Consultant Options:

(a) the Consultant Options were issued to Mr Jason Meyers and Ms Sharna Riley (or their respective nominees), none of whom is a related party of the Company or a Material Investor;

(b) a total of 3,000,000 Consultant Options were issued on 20 December 2019 to the Consultants (or their respective nominees) in the following proportions:

(i) 1,500,000 Consultant Options to Mr Jason Meyers (or his nominee); and

(ii) 1,500,000 Consultant Options to Ms Sharna Riley (or her nominee);

(c) the Consultant Options are exercisable at $0.085 each on or before 11 October 2022 and were otherwise issued on the terms and conditions in Schedule 2;

(d) the Consultant Options were issued for a consideration of $0.00001 per Option, as part consideration for geophysical consulting services by the Consultants to the Company;

(e) no funds were raised from the issue of the Consultant Options;

(f) the Consultant Options were not issued pursuant to an agreement; and

(g) a voting exclusion statement is included in the Notice.

## 6. Resolution 4(a) and (b) - Ratification of prior issue of Securities to Talaxis Limited

### 6.1 General

On 3 March 2020, the Company announced that it had entered into partnership agreement (**Partnership Agreement**) with Talaxis Limited (**Talaxis**) to assist the Company to secure offtake, financial partners and strategic investors to develop the Company's Cummins Range Rare Earths Project located in Western Australia. Pursuant to the Partnership Agreement, the Company has agreed to issue Talaxis (or its nominees) 5,000,000 Options exercisable at $0.085 each on or before 11 October 2022 and 1,250,000 Shares. A summary of the material terms of the Partnership Agreement is in Section 6.4 below.

The following Securities were issued to Talaxis within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval:

(a) 312,500 Shares and 1,250,000 Options on 3 March 2020; and

(b) 312,500 Shares and 1,250,000 Options on 2 June 2020.

Each of the Resolutions which form part of Resolution 4 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Securities.

Each of the Resolutions which forms part of Resolution 4 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of each of the Resolutions which forms part of Resolution 4.

### 6.2 Listing Rules 7.1 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are in Section 3.2 above.

The issue of the Securities does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Securities.

The effect of Shareholders passing each of the Resolutions which forms part of Resolution 4 will be to restore the Company's ability to issue further Equity Securities, to the extent of 3,125,000 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

In the event each of the Resolutions which forms part of Resolution 4 are not passed, the Company's ongoing capacity to issue or agreed to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of 3,125,000 Equity Securities for the 12 month period following the issue of those Securities.

## 6.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Securities:

(a) the Securities were issued to Talaxis Limited (or its nominees), who is not a related party or a Material Investor;

(b) a total of 3,125,000 Securities were issued, which comprises of:

(i) 312,500 Shares and 1,250,000 Options issued on 3 March 2020; and

(ii) 312,500 Shares and 1,250,000 Options issued on 2 June 2020

(c) the Shares issued are fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;

(d) the Options are exercisable at $0.085 each on or before 11 October 2022 and were otherwise issued on the terms and conditions in Schedule 2 (**Talaxis Options**);

(e) the Securities were issued for nil cash consideration, as part consideration for consulting services provided to the Company. Accordingly, no funds were raised from the issue of the Securities;

(f) the Securities were issued in accordance with the Partnership Agreement, a summary of the material terms of which are set out at Section 6.4 below; and

(g) a voting exclusion statement is included in the Notice.

## 6.4 Summary of Partnership Agreement

The Company and Talaxis entered into a partnership agreement for the provision of consulting services in relation to the Cummins Range Rare Earth Project. The Partnership Agreement commenced on 1 March 2020 and will continue until terminated by either party. Talaxis has agreed to assist the Company with providing market research covering the rare earths industry, organise a series of meetings with the Company's management in attendance and assist the Company in managing commercial relationships and contract negotiations.

In consideration for Talaxis' services, the Company agreed to pay Talaxis:

(a) a retainer of $5,000 per month; and

(b) the following Securities:

(i) 5,000,000 Options to be vested to Talaxis in four equal amounts of 1.25 million Options, on a quarterly basis in advance; and

(ii) 1.25 million Shares to be vested to Talaxis in four equal amounts of 312,500 Shares, on a quarterly basis in advance.

In addition to the payment for fees, Talaxis is entitled to certain commissions in respect of offtake arrangements, project financing and equity investments that are made by the Company as a result of Talaxis engagement.

The Partnership Agreement contains additional provisions including termination rights, disbursement obligations and indemnities in respect of the Company, which are considered standard for agreements of this nature.

## 7. Resolution 5(a), (b), (c) and (d) – Approval to issue Director Placement Shares

### 7.1 General

Pursuant to Resolution 5, the Company is seeking Shareholder approval for the issue of up to 4,000,000 Director Placement Shares at an issue price of $0.05 each to raise up to $200,000 (before costs) as follows:

(a) 2,000,000 Shares to John Young (or his nominee);

(b) 500,000 Shares to Shaun Hardcastle (or his nominee);

(c) 1,000,000 Shares to Cameron Henry (or his nominee); and

(d) 500,000 Shares to Jeremy Robinson (or his nominee).

Each of the Resolutions which forms part of Resolution 5 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of each of the Resolutions which forms part of Resolution 5.

### 7.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

(a) a related party (Listing Rule 10.11.1);

(b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (30%+) in the company (Listing Rule 10.11.2);

(c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial holder (10%+) in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);

(d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or

(e) a person whose relation with the company or a person referred to in Listing Rule 10.11.1 or 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

The Directors are related parties of the Company by virtue of being Directors. As the proposed issue of Director Placement Shares involves the issue of Shares to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an

exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Shares as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Director Placement Shares will not be included in the use of the Company's 15% annual placement capacity pursuant to Listing Rule 7.1.

If each of the Resolutions which form part of Resolution 5 is passed, the Company will be able to proceed with the issue of the Director Placement Shares in the proportions set out above in Section 7.1.

If each of the Resolutions which form part of Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Director Placement Shares.

### 7.3 Specific information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Placement Shares:

(a) the Director Placement Shares will be issued to Directors John Young, Shaun Hardcastle, Cameron Henry and Jeremy Robinson (or their respective nominees);

(b) pursuant to Listing Rule 10.11.1, Messrs Young, Hardcastle, Henry and Robinson are related parties by virtue of being Directors;

(c) the maximum number of Director Placement Shares to be issued is 4,000,000 in the following proportions:

(i) 2,000,000 Director Placement Shares to John Young (or his nominee);

(ii) 500,000 Director Placement Shares to Shaun Hardcastle (or his nominee);

(iii) 1,000,000 Director Placement Shares to Cameron Henry (or his nominee); and

(iv) 500,000 Director Placement Shares to Jeremy Robinson (or his nominee);

(d) the Director Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

(e) the Director Placement Shares will be issued no later than one month after the date of the Meeting;

(f) the issue price will be $0.05 per Director Placement Share, being the same as all other Placement Shares;

(g) the funds raised will be used for the same purposes as all other funds raised under the Placement as described in Section 3.3(e);

(h) there are no other material terms to the agreement by the Directors to subscribe for Director Placement Shares; and

(i) a voting exclusion statement is included in the Notice.

### 7.4 Chapter 2E of the Corporations Act

In accordance with Chapter 2E of the Corporations Act, in order to give a financial benefit to a related party, the Company must:

(a) obtain Shareholder approval in the manner set out in section 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of Director Placement Shares constitutes giving a financial benefit to related parties of the Company.

The Board considers that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Director Placement Shares because the Shares will be issued on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

## 8. Resolution 6 – Election of Director – John Young

### 8.1 General

Article 7.6(a) of the Constitution allows the Board to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to Article 7.6(b) of the Constitution, any Director so appointed may retire at the next general meeting of the Company and is eligible for election by Shareholders at that meeting.

On 18 February 2020, John Young was appointed as a Non-Executive Chairman of the Company.

Mr Young resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 6.

If elected, the Board considers Mr Young to be an independent Director.

If Resolution 6 is passed, Mr Young will be elected as a Non-Executive Director of the Company.

If Resolution 6 is not passed, Mr Young will not be elected as a Non-Executive Director of the Company and his position as Non-Executive Chairman will be terminated, taking effect at the date of the Meeting.

### 8.2 John Young

Mr Young is a highly experienced geologist and was co-founder and executive director of successful ASX200 lithium producer Pilbara Minerals Limited (ASX: PLS). Mr Young played a

critical role in growing Pilbara from a junior ASX-listed company to a globally significant $2 billion lithium producer in the Pilbara region of Western Australia. Mr Young currently serves as a non-executive director of ASX-listed Bardoc Gold Limited (ASX: BDC) and Trek Metals Ltd (ASX: TKM).

Mr Young has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

### 8.3 Board recommendation

Resolution 6 is an ordinary resolution.

The Board (other than Mr Young) recommends that Shareholders vote in favour of Resolution 6.

## 9. Resolution 7 – Election of Director – Cameron Henry

### 9.1 General

A summary of Article 7.6(a) and 7.6(b) of the Constitution is in Section 8.1 above.

On 2 June 2020, Cameron Henry was appointed as a Non-Executive Director of the Company.

Mr Henry resigns as a Director at the Meeting and, being eligible, seeks approval to be elected as a Director pursuant to Resolution 7.

If elected, the Board considers Mr Henry to be an independent Director.

If Resolution 7 is passed, Mr Henry will be elected as a Non-Executive Director of the Company.

If Resolution 7 is not passed, Mr Henry will not be elected as a Non-Executive Director of the Company and his position as Non-Executive Director will be terminated, taking effect at the date of the Meeting.

### 9.2 Cameron Henry

Cameron Henry is the founding Managing Director of ASX-listed engineering firm, Primero Group Limited (ASX: PGX), where he has led the Company's strategic and operational direction resulting in its successful listing on the ASX in 2018 and rapid growth globally.

Mr Henry has been instrumental in positioning the Group to grow within the resources sector as a leader in sub-$150 million CAPEX EPC projects, ensuring it can differentiate its services offering across design, construction and operation. Primero now operates in several regions globally with annual revenues of approximately $200 million.

Mr Henry has over 20 years of industry experience in the development and delivery of minerals processing, energy and infrastructure projects across Australia, Indonesia, North and South America. He has been a member of the Australian Institute of Company Directors since 2013 and has previously held non-executive roles with ASX-listed resource company Titan Minerals Limited.

Mr Henry has acknowledged to the Company that he will have sufficient time to fulfil his responsibilities as a Director.

### 9.3 Board recommendation

Resolution 7 is an ordinary resolution.

The Board (other than Mr Henry) recommends that Shareholders vote in favour of Resolution 7.

## 10. Resolution 8(a) and (b) – Ratification of prior issue of Director Options

### 10.1 General

On 18 February 2020 and 2 June 2020, the Company issued John Young and Cameron Henry (or their respective nominees) respectively, 6,000,000 unquoted Options each (**Director Options**), exercisable at $0.0607 each on or before 22 December 2022. The Director Options were issued to Mr Young upon his appointment as Non-Executive Chairman and Mr Henry upon his appointment as Non-Executive Director.

The Director Options issued to each of Mr Young and Mr Henry are subject to the following vesting conditions set out below:

| Tranche | Number | Vesting Conditions |
|---|---|---|
| 1 | 2,000,000 | The 20-Day VWAP of the Company Shares exceeding $0.10 |
| 2 | 2,000,000 | The 20-Day VWAP of the Company Shares exceeding $0.15 |
| 3 | 2,000,000 | The 20-Day VWAP of the Company Shares exceeding $0.20 |

The Director Options were issued within the 15% annual limit permitted under Listing Rule 7.1 and under Listing Rule 10.12 exception 12, without the need for Shareholder approval.

Each of the Resolutions which form part of Resolution 8 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of the Director Options.

Each of the Resolutions which forms part of Resolution 8 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of each of the Resolutions which forms part of Resolution 8.

### 10.2 Listing Rules 7.1 and 7.4

Summaries of Listing Rules 7.1 and 7.4 are in Section 3.2 above.

The issue of the Director Options does not fit within any of the exceptions to Listing Rule 7.1 and, as it has not yet been approved by Shareholders, effectively uses up part of the Company's 15% placement capacity under Listing Rule 7.1. This reduces the Company's capacity to issue further Equity Securities without Shareholder approval under that Listing Rule for the 12 month period following the issue of the Director Options.

The effect of Shareholders passing each of the Resolutions which forms part of Resolution 8 will be to restore the Company's ability to issue further Equity Securities, to the extent of 12,000,000 Equity Securities, during the next 12 months without the requirement to obtain prior Shareholder approval.

In the event each of the Resolutions which forms part of Resolution 8 are not passed, the Company's ongoing capacity to issue or agreed to issue Equity Securities under Listing Rule 7.1 without obtaining prior Shareholder approval will continue to be reduced to the extent of 12,000,000 Equity Securities for the 12 month period following the issue of those Director Options.

### 10.3 Specific information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the Director Options:

(a) the Director Options were issued to Directors John Young and Cameron Henry (or their respective nominees);

(b) a total of 12,000,000 Director Options were issued as follows:

(i) 6,000,000 Director Options to Jason Young (or his nominee); and

(ii) 6,000,000 Director Options to Cameron Henry (or his nominee);

(c) the 6,000,000 Director Options issued to Jason Young (or his nominee) were issued on 18 February 2020 and the 6,000,000 Director Options issued to Cameron Henry (or his nominee) were issued on 2 June 2020;

(d) the Director Options are exercisable at $0.0607 each on or before 22 December 2022 and were otherwise issued on the terms and conditions in Schedule 3;

(e) the Director Options were issued for nil cash consideration, as part consideration for joining the Board of the Company. Accordingly, no funds were raised from the issue of the Director Options;

(f) the Director Options were issued in accordance with Mr Young and Mr Henry's letter of appointment as Non-Executive Chairman and Non-Executive Director respectively. The letters of appointment were on terms considered standard for agreements of this nature; and

(g) a voting exclusion statement is included in the Notice.

## 11. Resolution 9- Approval to issue Consideration Shares to Element 25 Limited

### 11.1 General

On 5 July 2019, the Company's wholly owned subsidiary (RareX Pty Ltd) (**RareX**) entered into a binding agreement (**Option Agreement**) with Element 25 Limited (ACN 119 711 929) (**E25**). Pursuant to the Option Agreement, RareX holds an exclusive option to acquire 100% of the Cummins Range Project (**E25 Option**).

In addition to the upfront consideration already paid by the Company for the E25 Option, RareX (through the Company) has agreed to pay the following deferred consideration to E25 under the Option Agreement (**Deferred Consideration**):

(a) $500,000 cash; and

(a) $500,000 cash or at the election of RareX, $500,000 worth of Shares in the Company issued to E25 with an issue price based off a 30 day VWAP prior to the date of issue (subject to a minimum price of $0.017 per Share) (**Consideration Shares**).

For further details of the material terms of the Option Agreement, refer to the Company's announcement dated 2 August 2019.

As at the date of this Notice, the Company has not elected whether it will satisfy the Deferred Consideration obligation via cash or cash and Shares, however, the Company seeks Shareholder approval to issue the Consideration Shares to E25 in the event the Company decides to exercise its election to issue Consideration Shares to discharge its obligation under the Option Agreement in respect of the Deferred Consideration.

Resolution 9 seeks the approval of Shareholders for the issue of the Consideration Shares under and for the purposes of Listing Rule 7.1.

Resolution 9 is an ordinary resolution.

The Board recommends that Shareholders vote in favour of Resolution 9.

### 11.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is in Section 3.2 above.

The proposed issue of Shares does not fit within any of the exceptions to Listing Rule 7.1 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 9 seeks the required Shareholder approval to the issue of Consideration Shares under and for the purposes of Listing Rule 7.1.

If Resolution 9 is passed, the Company will be able to proceed with the issue of the Consideration Shares to E25 and the Company's obligations under the Option Agreement would be discharged. In addition, the issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 9 is not passed, the Company will not be able to proceed to issue the Consideration Shares and the Company would need to pay $500,000 in cash on or before the date being 12 months from the date of settlement to E25.

### 11.3 Specific information required by Listing Rule 7.3

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Consideration Shares:

(a) the Consideration Shares will be issued to E25, whom is not a related party or considered to be a Material Investor of the Company;

(b) a maximum of up to $500,000 worth of Shares are to be issued as Consideration Shares. The number of Shares can be calculated by dividing $500,000 by the issue price, which is based on a 30 day VWAP prior to the date of issue (subject to a minimum price of $0.017 per Share);

(c) the Consideration Shares will be fully paid ordinary shares in the capital of the Company and will rank equally in all respects with the Company's existing Shares on issue;

(d) the Consideration Shares are intended to be issued no later than three months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules);

(e) the Consideration Shares will be issued for nil cash consideration as part consideration for the acquisition of the Cummins Range Project and E25 Option. Accordingly, no funds will be raised from the issue;

(f) a summary of the material terms of the Option Agreement is set out in Section 11.1 above and the Company's announcement on 2 August 2019; and

(g) a voting exclusion statement is included in the Notice.

# Schedule 1 Definitions

In the Notice, words importing the singular include the plural and vice versa.

| | |
|---|---|
| **$** | means Australian Dollars. |
| **Article** | means an article of the Constitution. |
| **ASX** | means ASX Limited ACN 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited. |
| **Board** | means the board of Directors. |
| **Chair** | means the person appointed to chair the Meeting of the Company convened by the Notice. |
| **Company** | means RareX Limited ACN 105 578 756. |
| **Consideration Shares** | means up to $500,000 worth of Shares to be issued to E25 (or its nominees) pursuant to the Option Agreement which are the subject of Resolution 9. |
| **Constitution** | means the constitution of the Company as at the date of the Meeting. |
| **Consultant Options** | means the 3,000,000 Options issued on 20 December 2019 to the Consultants, which are the subject of Resolution 3(a) and (b). |
| **Consultants** | means Mr Jason Meyers and Ms Sharna Riley. |
| **Corporations Act** | means the *Corporations Act 2001* (Cth). |
| **Director** | means a director of the Company. |
| **Director Options** | means the 12,000,000 Options issued on 18 February 2020 and 2 June 2020 to John Young and Cameron Henry respectively, which are the subject of Resolution 8(a) and (b). |
| **Director Placement Shares** | means the 42,000,000 Shares issued on 24 June 2020 under the Placement and which are the subject of Resolution 5(a) to (d). |
| **E25** | means Element 25 Limited (ACN 119 711 929). |
| **Equity Security** | has the same meaning as in the Listing Rules. |
| **Explanatory Memorandum** | means the explanatory memorandum which forms part of the Notice. |
| **Gross Proceeds** | means the amount equal to the total number of Shares issued or sold under the Placement, multiplied by the issue price of $0.05 per Share. |
| **Key Management Personnel** | has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling |

| | |
|---|---|
| | the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group. |
| **Lead Manager** | means Canaccord Genuity (Australia) Limited ACN 075 071 466. |
| **Lead Manager Mandate** | means the agreement entered into between the Company and the Lead Manager for the provision of broker, lead manager and bookrunner services to the Placement. |
| **Lead Manager Options** | means 7,000,000 Options issued to the Lead Manager on the terms and conditions in Schedule 2 which are the subject of Resolution 2. |
| **Listing Rules** | means the listing rules of ASX. |
| **Material Investor** | means, in relation to the Company:<br>(a) a related party;<br>(b) Key Management Personnel;<br>(c) a substantial Shareholder;<br>(d) an adviser; or<br>(e) an associate,<br>of the above who have or will (as applicable) receive securities in the Company which constitute more than 1% of the Company's anticipated capital structure at the time of issue. |
| **Meeting** | has the meaning given in the introductory paragraph of the Notice. |
| **Notice** | means this notice of general meeting. |
| **Option** | means an option to acquire a Share. |
| **Option Agreement** | has the meaning given in Section 11.1. |
| **Partnership Agreement** | has the meaning given in Section 6.1. |
| **Placement** | has the meaning given in Section 3.1. |
| **Placement Shares** | means the 42,000,000 Shares issued on 24 June 2020 under the Placement and which are the subject of Resolution 1(a) and (b). |
| **Proxy Form** | means the proxy form attached to the Notice. |
| **Resolution** | means a resolution referred to in the Notice. |
| **Schedule** | means a schedule to the Notice. |
| **Section** | means a section of the Explanatory Memorandum. |
| **Securities** | means any Equity Securities of the Company. |

| | |
|---|---|
| **Share** | means a fully paid ordinary share in the capital of the Company. |
| **Shareholder** | means the holder of a Share. |
| **Talaxis** | means Talaxis Limited. |
| **Talaxis Options** | means 2,500,000 Options issued to Talaxis on the terms and conditions set out in Schedule 2 (the subject of Resolution 4). |
| **VWAP** | means volume weighted average market price. |
| **WST** | means Western Standard Time being the time in Perth, Western Australia. |

# Schedule 2 Terms and conditions of Lead Manager Options, Consultant Options and Talaxis Options

The terms of the Lead Manager Options, Consultant Options and Talaxis Options are as follows:

1. (**Entitlement**): Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. (**Issue Price**): The Options will be issued for nil or nominal consideration as part consideration for lead manager/broker services provided by the Lead Manager to the Company in relation to the Placement.

3. (**Exercise Price**): The Options have an exercise price of $0.085 per Option (**Exercise Price**).

4. (**Expiry Date**): The Options expire at 5.00 pm (WST) on 11 October 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

5. (**Exercise Period**): The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

6. (**Quotation of the Options**): The Options are unquoted. An application for quotation of the Options may be made by the Company in the future at the sole discretion of the Company.

7. (**Transferability of the Options**): The Options are transferable with the prior written approval of the Company.

8. (**Notice of Exercise**): The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

   Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

9. (**Timing of issue of Shares on exercise**): Within 5 Business Days after the Exercise Date the Company will:

   (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

   (b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

   (c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

10. (**Restrictions on transfer of Shares**): If the Company is required but unable to give ASX a notice under paragraph 9(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their

issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

11. (**Shares issued on exercise**): Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

12. (**Reconstruction of capital**): If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

13. (**Participation in new issues**): There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

14. (**Adjustment for bonus issues of Shares**): If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

    (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

    (b) no change will be made to the Exercise Price.

15. (**Change of Control**): Upon the occurrence of:

    (a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:

        (i) having received acceptances for greater than 50% of the Company's shares on issue; and

        (ii) having been declared unconditional by the bidder; or

    (a) a court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the amalgamation or merger of the Company with any other company or companies and the requisite majorities of Shareholders approve the proposed compromise or arrangement at such meeting,

    (**Change of Control Event**) or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

# Schedule 3 Terms and conditions of Director Options

The terms of the Director Options are as follows:

1. (**Entitlement**): Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

2. (**Issue Price**): The Options will be issued for nil or nominal consideration as part consideration for lead manager/broker services provided by the Lead Manager to the Company in relation to the Placement.

3. (**Exercise Price**): The Options have an exercise price of $0.0607 per Option (**Exercise Price**).

4. (**Expiry Date**): The Options expire at 5.00 pm (WST) on 22 December 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

5. (**Exercise Period**): The Options are exercisable at any time and from time to time on or prior to the Expiry Date.

6. (**Vesting Conditions**): The Options are subject to the following vesting conditions:

| Tranche | Number | Vesting Conditions |
|---|---|---|
| 1 | 2,000,000 | The 20-Day VWAP of the Company Shares exceeding $0.10 |
| 2 | 2,000,000 | The 20-Day VWAP of the Company Shares exceeding $0.15 |
| 3 | 2,000,000 | The 20-Day VWAP of the Company Shares exceeding $0.20 |

7. (**Quotation of the Options**): The Options are unquoted. An application for quotation of the Options may be made by the Company in the future at the sole discretion of the Company.

8. (**Transferability of the Options**): The Options are transferable with the prior written approval of the Company.

9. (**Notice of Exercise**): The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

   Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

10. (**Timing of issue of Shares on exercise**): Within 5 Business Days after the Exercise Date the Company will:

    (a) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;

(b) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and

(c) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

11. (**Restrictions on transfer of Shares**): If the Company is required but unable to give ASX a notice under paragraph 9(b), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.

12. (**Shares issued on exercise**): Shares issued on exercise of the Options will rank equally with the then Shares of the Company.

13. (**Reconstruction of capital**): If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

14. (**Participation in new issues**): There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

15. (**Adjustment for bonus issues of Shares**): If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

(a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and

(b) no change will be made to the Exercise Price.

16. (**Change of Control**): Upon the occurrence of:

(a) a takeover bid under Chapter 6 of the Corporations Act having been made in respect of the Company and:

(i) having received acceptances for greater than 50% of the Company's shares on issue; and

(ii) having been declared unconditional by the bidder; or

(a) a court orders a meeting to be held in relation to a proposed compromise or arrangement for the purposes of, or in connection with, a scheme for the amalgamation or merger of the Company with any other company or companies and the requisite majorities of Shareholders approve the proposed compromise or arrangement at such meeting,

(**Change of Control Event**) or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Options will be dealt with, including, without limitation, in a manner that allows the holder of the Options to participate in and/or benefit from any transaction arising from or in connection with the Change of Control Event.

RareX Limited | ACN 105 578 756

# GM Registration Card

**If you are attending the meeting in person, please bring this with you for Securityholder registration.**

**Holder Number:**

SAMPLE

## Vote by Proxy: REE

Your proxy voting instruction must be received by **12.00pm (WST) on Saturday 12 September 2020,** being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY VOTE ONLINE

### Vote online at https://investor.automic.com.au/#/loginsah

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting form.**

- ✓ **Save Money:** help minimise unnecessary print and mail costs for the Company.
- ✓ **It's Quick and Secure:** provides you with greater privacy, eliminates any postal delays and the risk of potentially getting lost in transit.
- ✓ **Receive Vote Confirmation:** instant confirmation that your vote has been processed. It also allows you to amend your vote if required.

## SUBMIT YOUR PROXY VOTE BY PAPER

**Complete the form overleaf in accordance with the instructions set out below.**

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: **https://investor.automic.com.au/#/home** Shareholders sponsored by a broker should advise their broker of any changes.

### VOTING UNDER STEP 1 - APPOINTING A PROXY

If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chairman of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided

**Individual**: Where the holding is in one name, the Shareholder must sign.

**Joint holding**: Where the holding is in more than one name, all of the Shareholders should sign.

**Power of attorney**: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies**: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address**: Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at https://automic.com.au.

### ATTENDING THE MEETING

Completion of a Proxy Voting Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Voting Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

### POWER OF ATTORNEY

If a representative as power of attorney of a Shareholder of the Company is to attend the Meeting, a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms.

## Contact

**Return your completed form**

**BY MAIL**
Automic
GPO Box 5193
Sydney NSW 2001

**IN PERSON**
Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

**BY EMAIL**
meetings@automicgroup.com.au

**All enquiries to Automic**

**WEBCHAT**
https://automic.com.au/

**PHONE**
1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

AUTOMIC

## STEP 1: Appoint Your Proxy

### Complete and return this form as instructed only if you do not vote online

I/We being a Shareholder entitled to attend and vote at the General Meeting of RareX Limited, to be held at **12.00pm (WST) on Monday 14 September 2020 at the offices of the Company at Suite 23, 513 Hay Street, Subiaco, Western Australia** hereby:

**Appoint the Chairman of the Meeting (Chair)** OR if you are not appointing the Chairman of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**
Unless indicated otherwise by ticking the "for"," against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

## STEP 2: Your Voting Direction

| Resolutions | | For | Against | Abstain |
|---|---|---|---|---|
| 1a. | Ratification of prior issue of Placement Shares – Listing Rule 7.1 | ☐ | ☐ | ☐ |
| 1b. | Ratification of prior issue of Placement Shares – Listing Rule 7.1A | ☐ | ☐ | ☐ |
| 2. | Ratification of prior issue of Lead Manager Options | ☐ | ☐ | ☐ |
| 3a. | Ratification of prior issue of Consultant Options – Jayson Meyers | ☐ | ☐ | ☐ |
| 3b. | Ratification of prior issue of Consultant Options – Sharna Riley | ☐ | ☐ | ☐ |
| 4a. | Ratification of prior issue of Securities to Talaxis Limited - 3 March 2020 | ☐ | ☐ | ☐ |
| 4b. | Ratification of prior issue of Securities to Talaxis Limited – 2 June 2020 | ☐ | ☐ | ☐ |
| 5a. | Approval to issue Director Placement Shares – John Young | ☐ | ☐ | ☐ |
| 5b. | Approval to issue Director Placement Shares – Shaun Hardcastle | ☐ | ☐ | ☐ |
| 5c. | Approval to issue Director Placement Shares – Cameron Henry | ☐ | ☐ | ☐ |
| 5d. | Approval to issue Director Placement Shares – Jeremy Robinson | ☐ | ☐ | ☐ |
| 6. | Election of Director – John Young | ☐ | ☐ | ☐ |
| 7. | Election of Director – Cameron Henry | ☐ | ☐ | ☐ |
| 8a. | Ratification of prior issue of Director Options – John Young | ☐ | ☐ | ☐ |
| 8b. | Ratification of prior issue of Director Options – Cameron Henry | ☐ | ☐ | ☐ |
| 9. | Approval to issue Consideration Shares to Element 25 Limited | ☐ | ☐ | ☐ |

***Please note:*** *If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.*

## STEP 3: Sign Here + Contact

### SIGNATURE OF SECURITYHOLDERS – THIS MUST BE COMPLETED

| Individual or Securityholder 1 | Securityholder 2 | Securityholder 3 |
|---|---|---|
| Sole Director and Sole Company Secretary | Director | Director / Company Secretary |

Contact Name:

Email Address:

Contact Daytime Telephone

Date (DD/MM/YY) ☐☐ / ☐☐ / ☐☐

**By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).**

SAMPLE

REE