ASX / MEDIA ANNOUNCEMENT **5 February 2021**

ISSUE OF UNQUOTED OPTIONS

RareX Limited (**RareX** or **Company**) advises that pursuant to the Proposed Issue of Securities lodged with ASX on 5 February 2021, the Company has now issued the following unquoted options:

- 5,000,000 unquoted options exercisable at $0.15 expiring on 31 December 2023 subject to 12 months voluntary escrow; and
- 2,000,000 unquoted options exercisable at $0.15 expiring on 31 December 2023.

There is no consideration payable and the options were issued under the Company's capacity under Listing Rule 7.1.

Terms and conditions pertaining to the options is set out in Appendices 1 and 2.

This announcement has been authorized for release by the Company Secretary of RareX Limited.

For further information, please contact:

Oonagh Malone
Company Secretary
Ph: +61 8 6143 6720

Appendix 1: Terms and Conditions of Corporate Advisory Options

(a) Number of Options: 5,000,000

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

(c) Exercise Price: Each Option is exercisable at $0.15.

(d) Expiry Date: Each Option will expire at 5:00 pm (WST) on 31 December 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Voluntary escrow: The Options will be subject to 12 months voluntary escrow during which period they cannot be exercised, transferred or sold.

(f) Exercise Period: The Options are exercisable at any time prior to the Expiry Date (**Exercise Period**), after which the Options will lapse.

(g) Notice of Exercise: The Options may be exercised during the Exercise Period 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.

(h) Exercise Date: A Notice of Exercise is only effective on and from the later of 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**).

(i) Timing of issue of Shares on exercise: Within 10 Business Days after the Exercise Date, the Company will:

a. 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, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; 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.

If a notice delivered under paragraph (i)b. for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a

prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(j) Shares issued on exercise: Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

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

(l) 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.

(m) Change in exercise price: An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) Transferability: The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

Appendix 2: Terms and Conditions of Consultancy Options

(a) Number of Options: 2,000,000

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

(c) Exercise Price: Each Option is exercisable at $0.15.

(d) Expiry Date: Each Option will expire at 5:00 pm (WST) on 31 December 2023 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) Exercise Period: The Options are exercisable at any time prior to the Expiry Date (**Exercise Period**), after which the Options will lapse.

(f) Notice of Exercise: The Options may be exercised during the Exercise Period 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.

(g) Exercise Date: A Notice of Exercise is only effective on and from the later of 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**).

(h) Timing of issue of Shares on exercise: Within 10 Business Days after the Exercise Date, the Company will:

a. 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, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; 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.

If a notice delivered under paragraph (h)b. for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) Shares issued on exercise: Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

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

(k) 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.

(l) Change in exercise price: An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Transferability: The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.