RARE X

Super-charging our rare earths growth strategy in 2021

New partners and new opportunities at a time of rising REE prices

RRS Investor Presentation, 9 February 2020 | Jeremy Robinson, Managing Director



ASX REE

Disclaimer & Competent Person Statement

This presentation contains summary information about RareX Limited (REE) and is current as of 7th December 2020. The information in this presentation is of a general background and does not purport to be complete. This presentation is not investment or financial product advice (nor tax, accounting or legal advice) and is not intended to be used for the basis of making an investment decision. The information contained in this presentation has been prepared without taking into account the objectives, financial situation or needs of individuals. Investors should obtain their own advice before making any investment decision. REE has prepared this document based on information available to it at the time of preparation. No representation or warranty, express or implied, is made as to the fairness, accuracy or completeness of the information, opinions and conclusions contained in this presentation.

This presentation contains certain "forward-looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "should", "could", "may", "predict", "plan", "will", "believe", "forecast", "estimate", "target" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

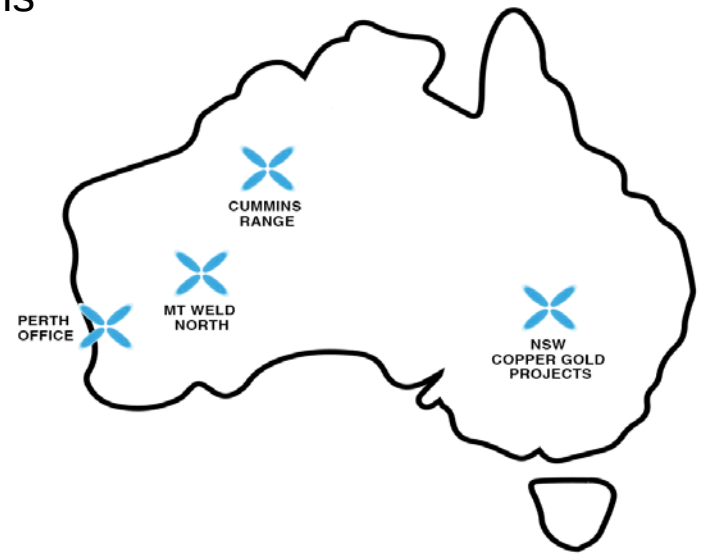
Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. This presentation contains statements that are subject to risk factors associated with REE and the mining exploration industry. It is believed that the expectations reflected in these statements are reasonable, but they may be affected by a range of variables which could cause actual results or trends to differ materially. REE disclaim any intent or obligation to publicly update any forward-looking statements, whether as a result of new information, future events or results or otherwise. To the maximum extent permitted by law, REE, their related bodies corporate (as that term is defined in the Corporations Act 2001 (Cth)) and the officers, directors, employees, advisers and agents of those entities do not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss arising from the use of the presentation or its contents or otherwise arising in connection with it.

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. REE 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 authorised for release by the Managing Director of RareX Limited. For further information, please contact Jeremy Robinson - +61 8 6143 6720 – www.rarex.com.au

Investment Overview

- **Strategically located asset**: 100%-owned Cummins Range Rare Earths Project in Western Australia – Tier-1 mining jurisdiction
- **Significant maiden JORC 2012 Rare Earths Mineral Resource**: Inferred Resource of **13Mt at 1.13% TREO with 22.1% NdPr**
- Outstanding assays from recent resource drilling up to **70m at 5.4% TREO and 0.64% Nb_2O_5**
- **Landmark MoU** executed with US$4.6B global rare earths giant, **Shenghe Resources**
- **Rare Earths Prices up strongly in recent months**
- **High-quality exposure to Lachlan Fold Belt exploration**: via 35% stake in Trundle Project with Kincora Copper (RareX owns 7.8% of Kincora)





A Rare Earth explorer and developer with significant exposure to copper-gold exploration in the world-class Lachlan Fold Belt of NSW

ASX REE

Corporate Snapshot

Capital Structure	
ASX Code	REE
Share Price (8th February 2021)	$0.13
Shares on Issue	408m
Market Capitalisation	$53.0m
Net Cash	$5.0m
Listed Investments (14.95m TSXV:KCC)	$1.5m
Enterprise Value	$46.5m

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

Shareholders	
Top 40 Shareholders	42%
Number of Shareholders	3,839

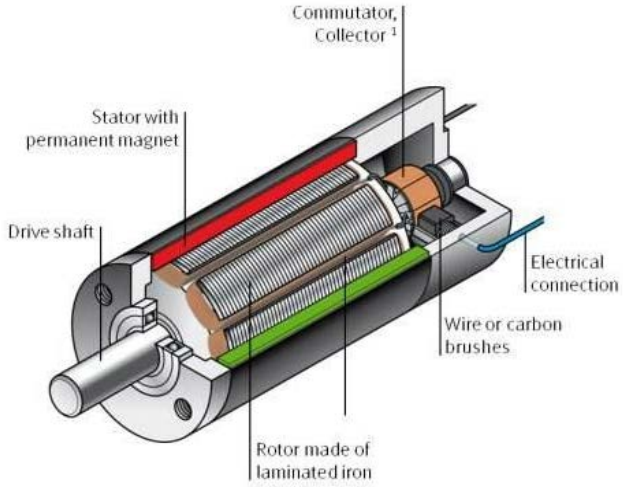
Share Price

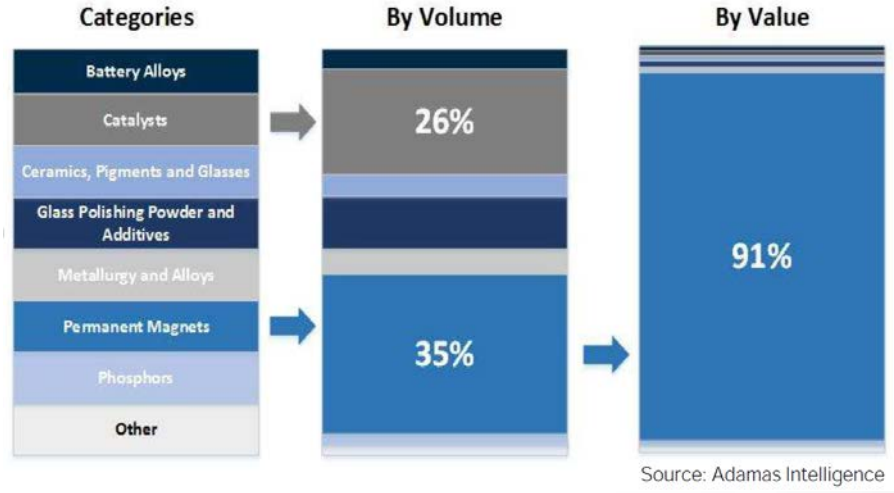


ASX REE

Rare Earth Elements

- Rare Earths are a group of 17 elements essential to the new world economy – grouped into 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

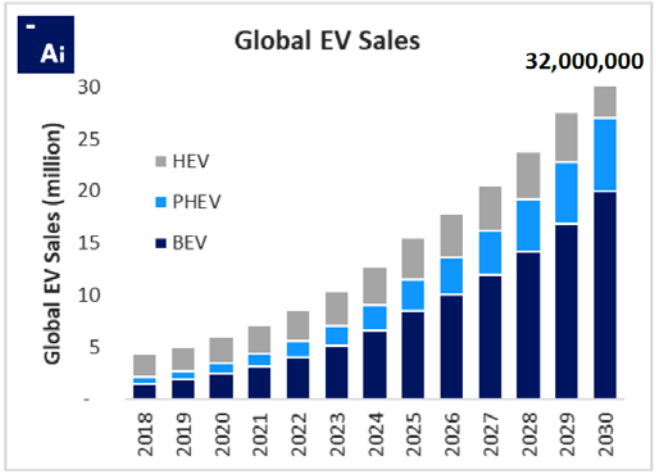




Rare Earth Permanent Magnets (REPMs)

Electric Vehicles

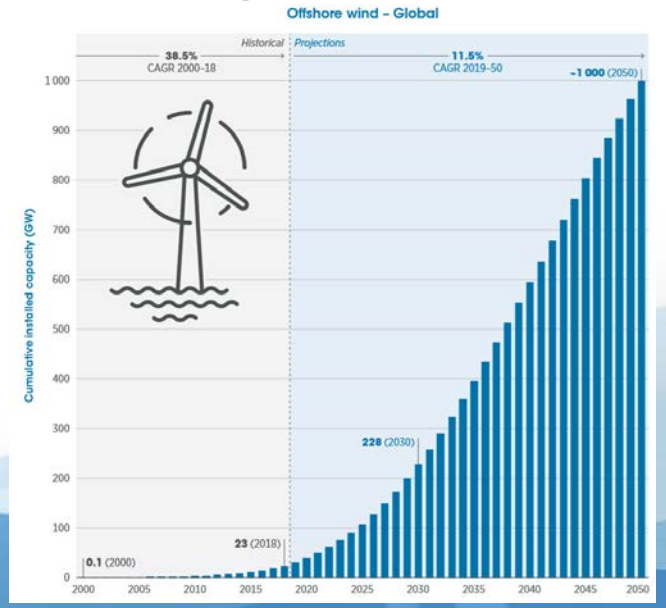
- Whatever the type of EV (BEV, HEV PHEV) or the power source (Li Batteries, H Fuel Cells etc), they all use REPM motors
- Each EV requires approximately 1kg to 2kg of REPM which form part of an EV's electric motor – EV sales are expected to grow from 3m to 32m by 2030



Source: Adamas Intelligence

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



Rare Earths Prices on the Rise

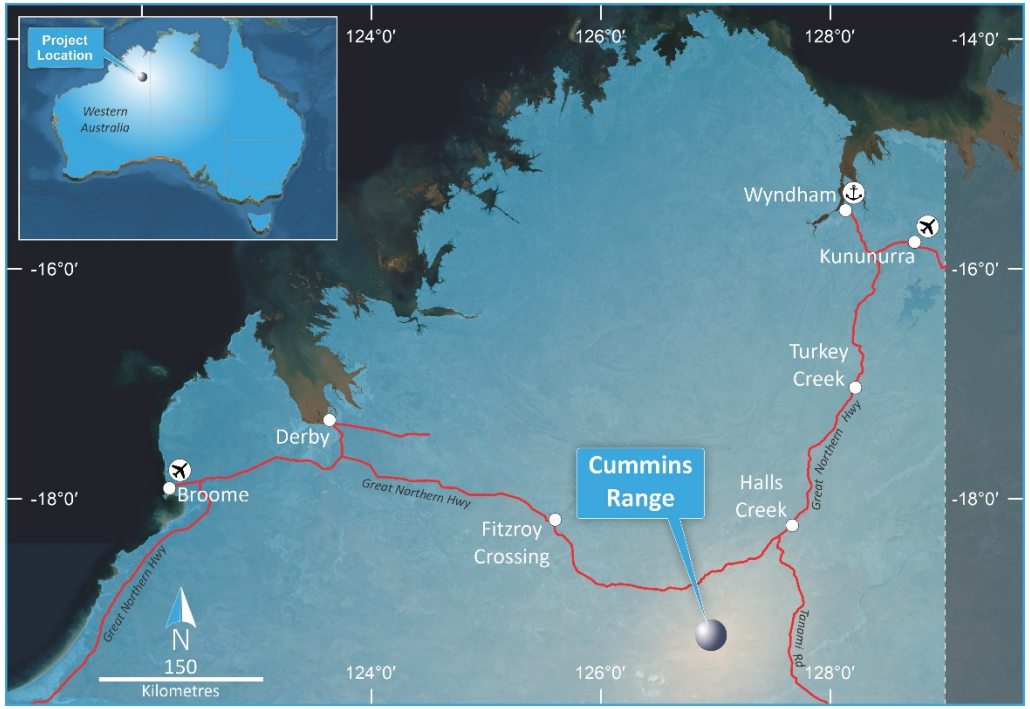
- China dominates production of rare earths and rare earth magnets, historically accounting for 80% of global production
- Neodymium (Nd) Praseodymium (Pr), Dysprosium (Dy) and Terbium Prices rising sharply over past 3 months





Cummins Range Rare Earths Project

- **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 and Darwin Ports



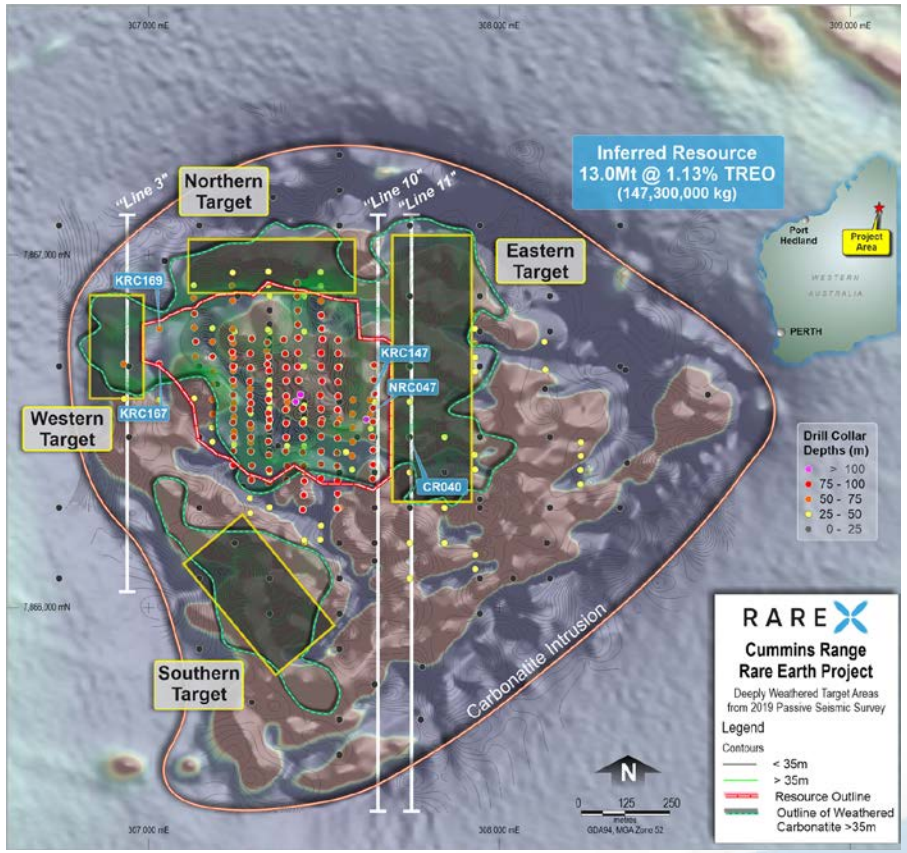
Advanced, high-quality Rare Earths Project located in a Tier-1 mining jurisdiction

ASX REE

Substantial Maiden JORC 2012 Resource

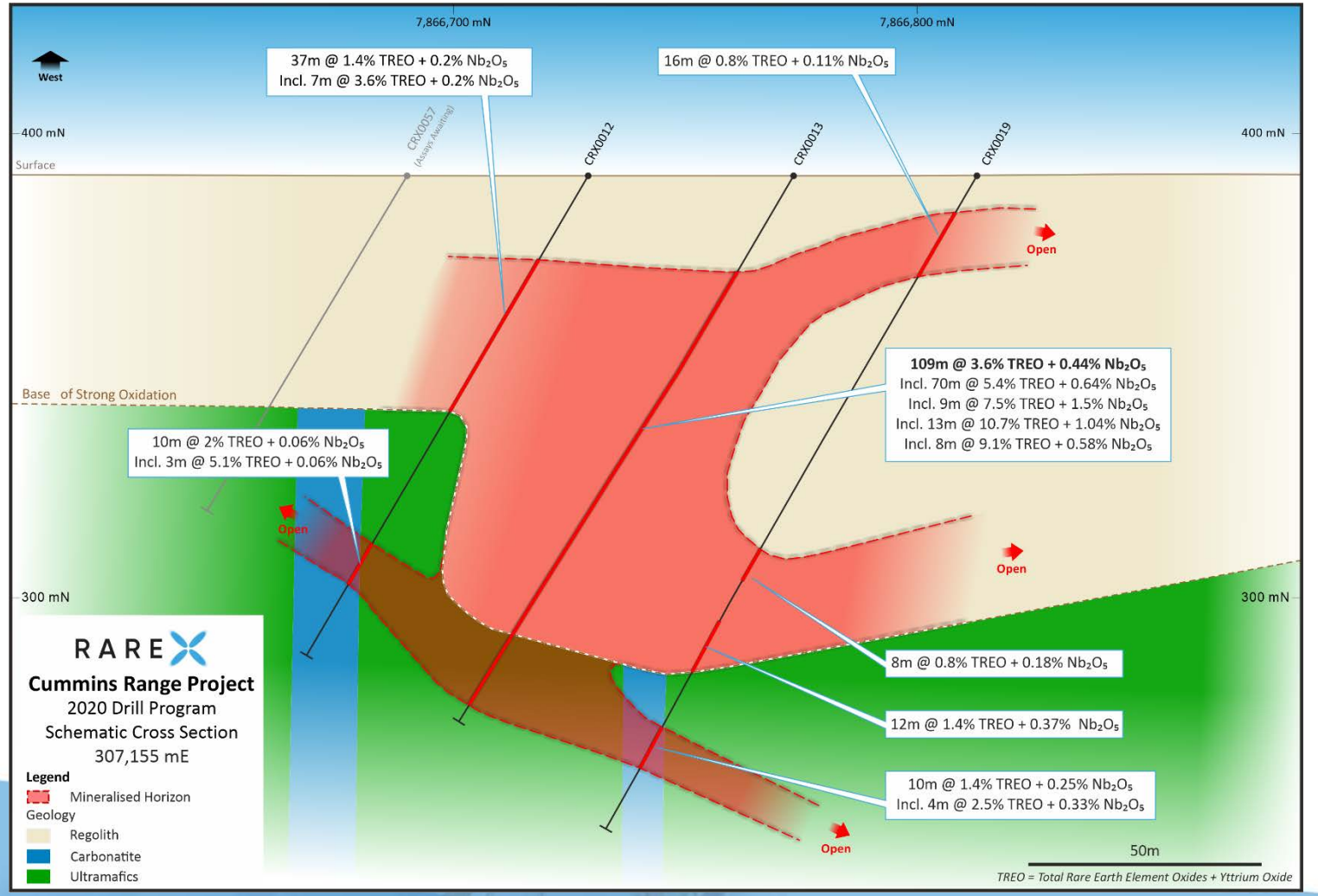
- Significant maiden JORC 2012 Inferred Resource of **13Mt at 1.13% TREO** released 15 October 2019
- Neodymium and Praseodymium **"NdPr" content of 22.1%** and ultra low thorium of 50ppm ThO_2 equals premium product
- **Weathered carbonatite** with REE mineralisation mostly hosted within laterite horizon (same at Mt Weld)
- **Deposit outcrops** and has dimensions amenable to **low strip ratio open pit mining**
- **Recently completed 6,143m of drilling**

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



ASX REE

Recent High-Grade Drill Results



- Spectacular recent results from 2020 drill program include
  - **109m at 3.6% TREO and 0.44% Nb_2O_5**
  - **90m at 3.8% TREO and 0.29% Nb_2O_5**
  - **41m at 4.0% TREO and 0.21% Nb_2O_5**
- Highlights high grade NW trending channel
- Niobium represent potential highly valuable by-product – worth over 3 times rare earths basket price

Plans for 2021



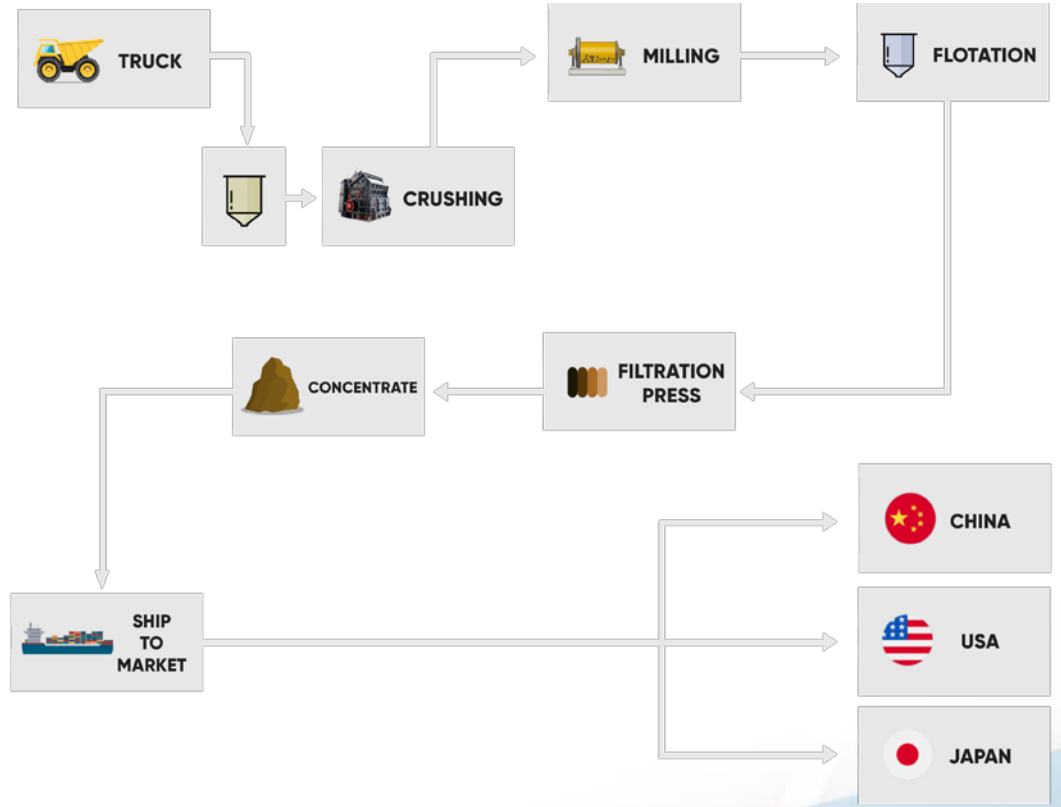
- Resource upgrade currently underway – targeted for March Quarter 2021
- Metallurgical test work currently underway – expect 1H 2021
- Drill planning underway – drilling expected to resume late March/early April
  - Both diamond and RC to extend resource laterally and at depth
- Stakeholder meetings ahead of Mining Lease Application

Low Capital Strategy

- Rare Earth mineralogy dominated by monazite – the most well understood Rare Earth Mineral from a processing perspective
- **RareX consulting metallurgist Mr Gavin Beer to lead metallurgical testwork on completion of final assays**
- Strategy is to produce a saleable monazite concentrate to sell on an FOB / CIF basis to refineries worldwide
- **This approach will significantly reduce CAPEX**

RareX has a low CAPEX development strategy for Cummins Range, based on production of a monazite concentrate

SIMPLIFIED FLOWSHEET



MoU with Shenghe Ressources

盛和资源
SHENGHE RESOURCES

- Shenghe Resources Holdings Co is a vertically integrated US$4.6Bn global rare earths producer
- Non-Binding MoU executed with Global Rare Earths Producer Shenghe Resources on 4th February 2021
- Establishes framework for the formation of a jointly owned Rare Earths Trading Company sourcing rare earths concentrates globally (ex-China)
- Potential for Shenghe investment in RareX's flagship Cummins Range Rare Earths Project
- Potential for joint investment by RareX and Shenghe in existing and proposed rare earths refineries located outside of China

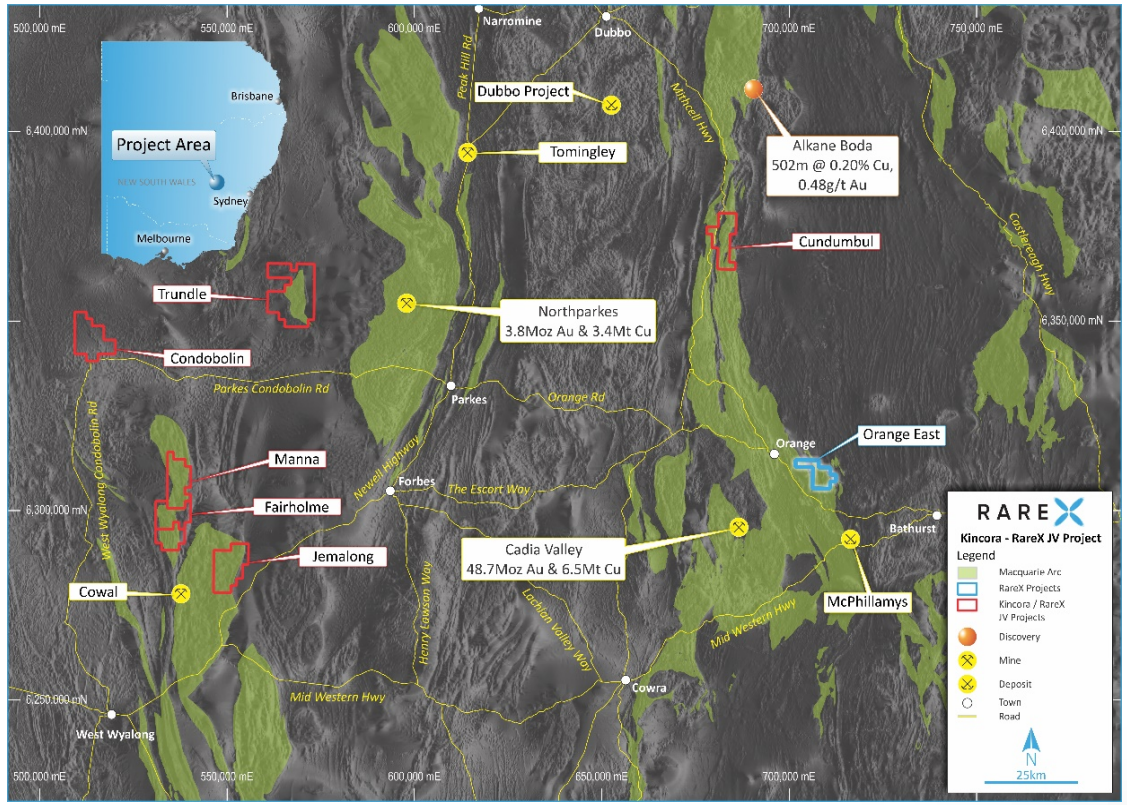
Shenghe Resources Holdings Co.



- Shenghe Resources Holdings Co. is a vertically integrated US$4.6Bn global rare earths producer
- Listed on Shanghai Stock Exchange (600392)
- Leading producer of rare earths, zirconium and titanium
- Shenghe maintains significant global investments
  - 8% in MP Materials (NYSE: MP) – market capitalisation US$4.6b
  - 9.6% in Greenland Minerals (ASX: GGG) – market capitalisation of A$380m
- Shenghe are a major supplier of Apple Inc.

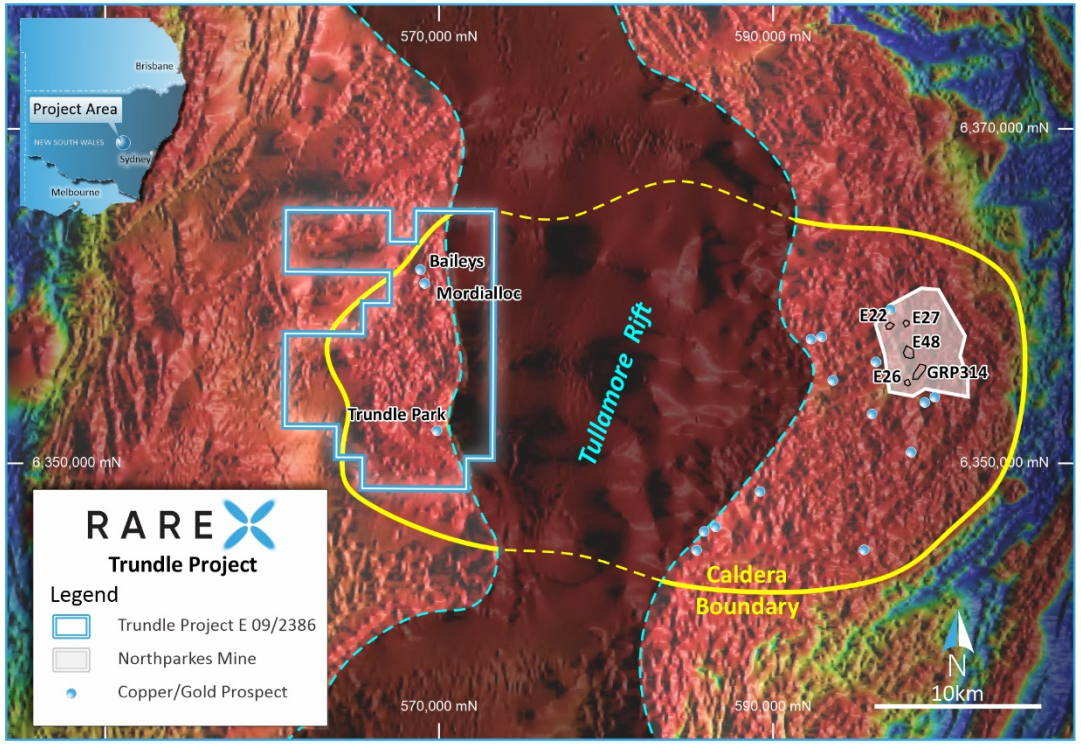
NSW Copper-Gold Assets

- **RareX retains a 35% free-carried interest** over multiple projects and owns 7.8% of TSX:V-listed Kincora Copper
- Kincora has recently mobilised 2nd Diamond Drill rig at Trundle park
- Kincora exploration led by **John Holliday, principal discoverer of the world-class Cadia deposit**
- Potential for Kincora ASX listing to provide share price catalyst
- RareX recently retained **100%-ownership of Orange East** Project



ASX REE

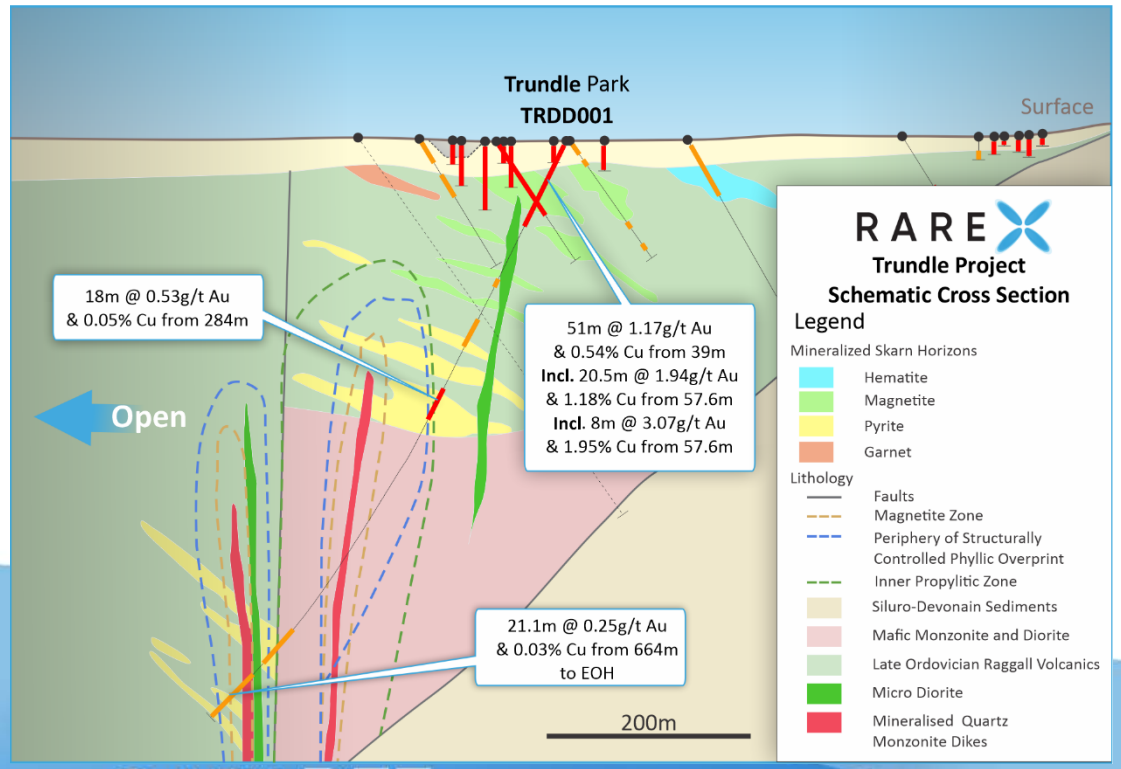
Trundle Project – 35% Free-Carried



- **The only brownfield porphyry project held by listed juniors in the Macquarie Arc**
- Trundle is the western section of the Northparkes intrusive complex, which hosts the second largest porphyry mine in Australia
- Confirmed similar geological settings/controls as Cadia and Northparkes, Australia's largest and second largest porphyry mines
- Seeking to discover a cluster of new porphyry deposits

Trundle Project – Trundle Park Target

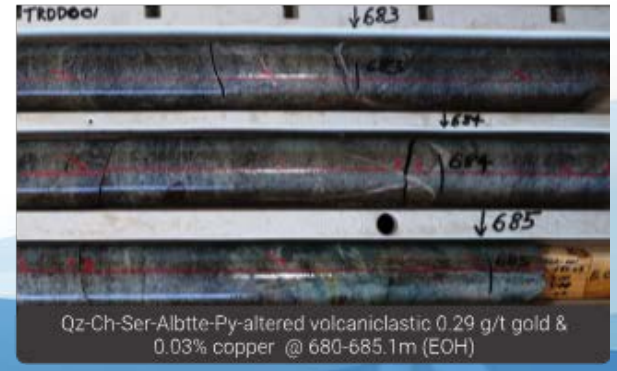
- Drilling at Trundle Park returning multiple intercepts in skarn
  - TRD001 – **51.0m at 1.17g/t gold and 0.54% copper** from 39m
  - TRD008 – **87.7m at 0.65g/t gold and 0.19% copper** from surface
- Similar in style to the Big Cadia skarn that is peripheral to the Cadia porphyry copper-gold




Native copper, chalcocite, chalcopyrite and black chlorite in skarn: 4.24g/t gold & 1.6% copper @ 60.6-61.6m


Coarse pyrite in skarn: 0.63g/t gold & 3.4% copper @ 64.1-65m


Qz-Ch-Ser altered skarn with patchy chalcopyrite and bornite: 2.44g/t gold & 0.20% copper @ 286-287m



Qz-Ch-Ser-Albtte-Py-altered volcaniclastic 0.29 g/t gold & 0.03% copper @ 680-685.1m (EOH)

ASX REE

Key Investment Takeaways

- ✓ **High-quality, advanced Rare Earth Project in WA**
- ✓ **Recently completed major drilling program with significant assays**
- ✓ **Building a portfolio of high-quality Rare Earth assets**
- ✓ **Major partner in Shenghe Resources**
- ✓ **Significant exposure to NSW porphyry copper-gold exploration**

With a $50.0m market capitalisation, strongly leveraged to exploration success and growth on two fronts



ASX REE

RARE X



ASX REE