ACN 105 578 756

Notice of Extraordinary General Meeting

The Extraordinary General Meeting of the Company will be held at the offices of the Company at Unit 6, 94 Rokeby Road, Subiaco, Western Australia on Friday, 24 September 2021 at 10 am (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 AN UPDATE AHEAD OF THE MEETING BY WAY OF AN ASX ANNOUNCEMENT.

The Notice of Extraordinary General Meeting should be read in its entirety. If Shareholders are in doubt as to how to vote, they should seek advice from a suitably qualified professional Advisor prior to voting.

Should you wish to discuss any matter, please do not hesitate to contact the Company Secretary by telephone on +61 (8) 6383 6593.

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

Notice of Extraordinary General Meeting

Notice is hereby given that the extraordinary general meeting of Shareholders of RareX Limited will be held at the offices of the Company at Unit 6, 94 Rokeby Road, Subiaco, Western Australia on Friday, 24 September 2021 at 10.00 am (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 Wednesday, 22 September 2021 at 5.00 pm (WST).

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

Agenda

1 Resolutions

Resolution 1 – Approval to dispose of major asset

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

"That, for the purposes of Listing Rule 11.4.1(b) and for all other purposes, approval is given for the sale of the Cosmos Assets to Cosmos Exploration Limited, a subsidiary entity of the Company, on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by or on behalf of Cosmos and any other person who will obtain a material benefit as a result of the transaction (except a benefit solely by reason of being a holder of ordinary securities in the Company).

However, this does not apply to a vote cast in favour of this 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.

BY ORDER OF THE BOARD



Oonagh Malone
Company Secretary
RareX Limited
Dated: 24 August 2021

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 10.00 am (WST) on Friday, 24 September 2021 at the offices of the Company at Unit 6, 94 Rokeby Road, Subiaco, Western Australia.

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 information about the following to assist Shareholders in deciding how to vote on the Resolutions:

Section 2	Action to be taken by Shareholders
Section 3	Resolution 1 - Approval for disposal of a major asset
Section 4	Enquiries
Schedule 1	Definitions
Schedule 2	RareX Pro-forma Unaudited Consolidated Statement of Financial Position as at 31 December 2020
Schedule 3	Cosmos Pro-forma Unaudited Consolidated Statement of Financial Position as at 31 December 2020
Schedule 4	Key risk factors facing Cosmos

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

1.1 Purpose of this document

The main purpose of this document is to:

(a) explain the terms of the Spin-out, and the manner in which the Spin-out (or parts of the Spin-out) will be implemented (if approved); and

(b) to provide such information as is prescribed or otherwise material to the decision of Shareholders whether or not to approve the Resolutions required to give effect to the Spin-out.

1.2 ASIC and ASX

A final copy of this Notice of Meeting and Explanatory Memorandum has been lodged with ASIC and ASX. Neither ASIC, ASX nor any of their respective officers takes any responsibility for the contents of this document.

1.3 Forward looking statements

Some of the statements appearing in this document may be in the nature of forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan', 'consider', 'foresee', 'aim', 'will' and similar expressions are intended to identify forward-looking statements. Indications of guidance on future production, resources, reserves, sales, capital expenditure, earnings and financial position and performance are also forward-looking statements.

You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties, many of which are outside the Company's control. Those risks and uncertainties include factors and risks specific to the Company and Cosmos such as (without limitation) the status of exploration and mining applications and licences and the risks associated with the non-grant or expiry of those applications and licences, liquidity risk, risks associated with the exploration or developmental stage of projects, funding risks, operational risks, changes to Government fiscal, monetary and regulatory policies, the impact of actions of Governments, the potential difficulties in enforcing agreements, protecting assets, increases in costs of transportation and shipping of international operations, alterations to resource estimates and the imprecise nature of resource and reserve statements, any circumstances adversely affecting areas in which the Company operates, fluctuations in the production, volume and price of commodities, any imposition of significant obligations under environmental regulations, fluctuations in exchange rates, the fluctuating industry and commodity cycles, the impact of inflation on operating and development costs, taxation, regulatory issues and changes in law and accounting policies, the adverse impact of wars, terrorism, political, economic or natural disasters, the impact of changes to interest rates, loss of key personnel and delays in obtaining or inability to obtain any necessary Government and regulatory approvals, insurance and occupational health and safety. For more information on the risk factors facing Cosmos, please refer to Schedule 4.

Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected.

None of the Company, Cosmos, any of their respective officers or any person named in this document or involved in the preparation of this document make any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, and you are cautioned not to place undue reliance on those statements.

The forward-looking statements in this document reflect views held only as at the date of this document.

1.4 No financial product advice

This document does not constitute financial product, taxation or investment advice nor a recommendation in respect of the Cosmos Shares. It has been prepared without taking into account the objectives, financial situation or needs of Shareholders or other persons. Before deciding how to vote or act, Shareholders should consider the appropriateness of the

information, having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their circumstances.

1.5 No internet site is part of this document

No internet site is part of this Notice of Meeting and Explanatory Memorandum. The Company maintains an internet site (rarex.com.au). Any reference in this document to this internet site is a textual reference only and does not form part of this document.

1.6 Important Notices

Event	Date
Cosmos lodges Prospectus with ASIC	16 September 2021
RareX Priority Offer Record Date	23 September 2021
Opening Date of RareX Priority Offer	24 September 2021
Date of Extraordinary General Meeting	24 September 2021
Closing Date of RareX Priority Offer	11 October 2021
Opening Date of Public Offer	11 October 2021
Closing Date of Public Offer	25 October 2021
Cosmos Shares commence trading on ASX	11 November 2021

These dates are indicative only and may change without notice.

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 information available to the Board at the time of approving this 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 restrictions regarding gatherings and physical distancing. 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 announcement on the ASX market announcements platform.

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

(a) Voting by proxy

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

(i) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;

(ii) a proxy need not be a member of the Company; and

(iii) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

(b) Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

(i) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (ie as directed);

(ii) if the proxy has two or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;

(iii) if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (ie as directed); and

(iv) if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (ie as directed).

(c) Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

(i) an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;

(ii) the appointed proxy is not the chair of the meeting;

(iii) at the meeting, a poll is duly demanded on the resolution; and

(iv) either the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

2.4 Chair's voting intentions

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

3. Resolution 1 - Approval for disposal of a major asset

3.1 Background and Overview of the Spin-out

RareX was admitted to the Official List of ASX on 6 July 2007 under its former name, Clancy Exploration Limited. RareX's assets comprise of exploration projects in Western Australia and New South Wales, predominantly prospective for rare earth elements (**Rare Earths**), copper and gold.

RareX's existing project portfolio comprises:

(a) Rare Earths projects, including:

(i) Cummins Range Rare Earths Project (100% interest) located in Western Australia; and

(ii) Weld North Rare Earths Project (100% interest) located in Western Australia;

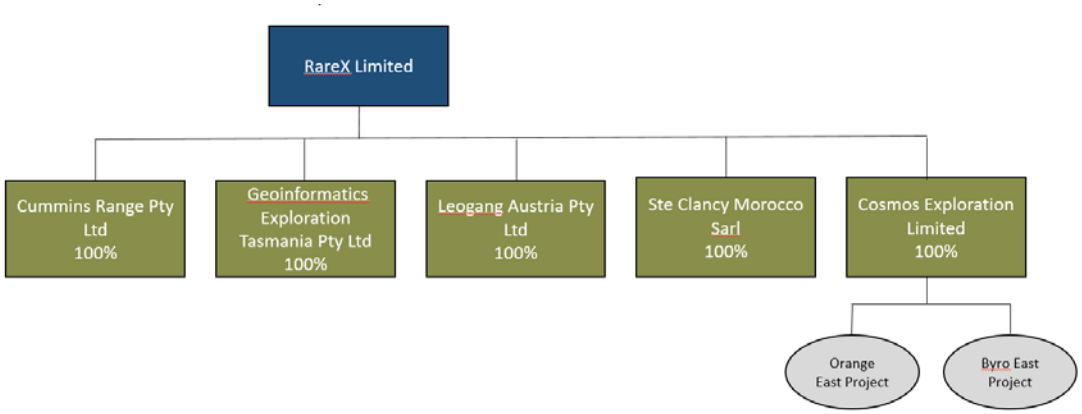
(b) a 35% free-carried interest in active gold-copper exploration projects in NSW through a joint venture agreement with TSX-V listed Kincora Copper Limited;

(c) Orange East Project (100% interest) located in New South Wales; and

(d) a 100% legal and beneficial interest in four granted exploration licences and one pending application that, in conjunction with two additional pending applications made by Cosmos, comprise the Byro East Project located in Western Australia.

The current corporate structure of RareX is shown below in Figure 1.

Figure 1. RareX current structure



Cosmos was incorporated on 22 March 2021 as a subsidiary of RareX in preparation for the proposed spin-out of the Byro East Project and Orange East Project (together, the **Cosmos Assets**).

As announced on 23 April 2021, RareX is proposing, subject to Shareholder approval, to spin-out the Cosmos Assets via a demerger of Cosmos who will in-turn make an application for admission to the Official List of ASX (**Spin-out**). Following the Spin-out, RareX will retain a 25% free carry interest in the Orange East Project until the completion of a Bankable Feasibility Study (refer to Section 3.3(b)).

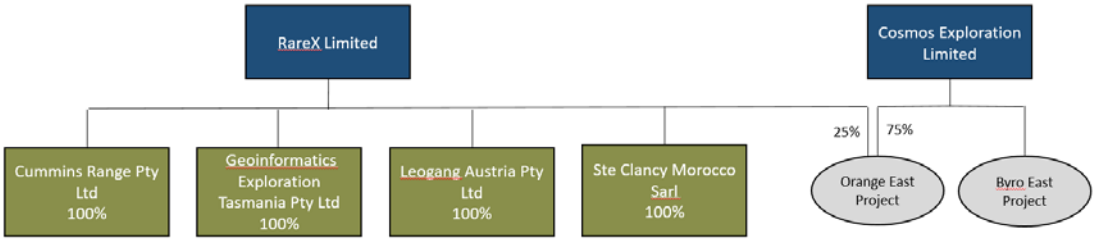
In the event:

(a) Resolution 1 is passed; and

(b) RareX proceeds with the Spin-out,

RareX and Cosmos will have the respective corporate structures set out below in Figure 2.

Figure 2. RareX structure post Spin-out



Note:

1. The 25% interest in the Orange East Project to be retained will be held by RareX or one of its subsidiaries.

3.2 Purpose of the Spin-out

The decision to pursue a demerger and separate listing of the Cosmos Assets follows a strategic review of RareX's asset base in light of the success of its ongoing resource and

exploration drilling program at its flagship Cummins Range Rare Earths Project, located in the Kimberley region of Western Australia.

RareX's primary purpose for undertaking the Spin-out is to facilitate a greater focus on RareX's high-quality Rare Earths projects in Western Australian in line with the Board's commitment to deliver value for Shareholders. The Board considers that, given RareX's strategic focus on its Rare Earths exploration projects, in particular the Cummins Range Rare Earths Project, the value of the Cosmos Assets are not currently reflected in RareX's share price.

Specifically, the Spin-out is being undertaken to achieve the following objectives:

(a) the Spin-out will allow RareX to dedicate its efforts to the Cummins Range Rare Earths Project and, in doing so, remove the internal competition for valuable capital;

(b) minimise future shareholder dilution as a result of capital raisings to support the Cosmos Assets, while at the same time providing investors with leverage to the exploration upside of the Cosmos Assets through Rarex's shareholding in Cosmos;

(c) drive superior value for shareholders in both entities; and

(d) enable both Cosmos and RareX to undertake more targeted marketing to investors as both companies have a clear and more easily understood investment proposition.

RareX Shareholders will retain exposure to the Cosmos Assets through RareX's retained interest in Cosmos Shares. The Board is of the view that retaining a shareholding in Cosmos (rather than conducting an in-specie distribution) will enhance RareX's direct interest in the Orange East Project, providing greater influence over the Project in the event that exploration is successful and the parties proceed under a joint venture arrangement. This provides RareX with the potential to realise greater value in the future for its retained shareholding in Cosmos.

The current market value of the Cosmos Assets is estimated at $3.5 million. While it is difficult to value early stage exploration assets with limited exploration to date, the Board has based the valuation on various factors, including but not limited to:

(a) the stage of exploration and information currently available;

(b) the Cosmos Assets location, geological attributes and geological assessment; and

(c) initial market feedback received by the Lead Manager.

The value of the Cosmos Assets is not identifiable in RareX's reviewed half year accounts for the period ended 31 December 2020 because exploration and evaluation expenditure on the Cosmos Assets has been expensed.

3.3 Material Terms and Conditions of the Demerger Implementation Deed

To give effect to the Spin-out, RareX and Cosmos (and various subsidiaries) entered into a demerger implementation deed on 23 August 2021 in relation to the Spin-out and for the sale and purchase of the assets comprising the Cosmos Assets (**DID**). The DID incorporates a tenement sale agreement for the transfer of the relevant interests in the Cosmos Assets (**Sale Agreement**). The key terms of the DID and Sale Agreement are summarised below:

(a) **Consideration**

In consideration for a 100% interest in the Byro East Project and a 75% interest in the Orange East Project, Cosmos will issue RareX 10,000,000 fully paid ordinary shares in Cosmos (**Consideration Shares**), being the number of Cosmos Shares to the value of $2 million at a deemed issue price of $0.20.

(b) **RareX free carry interest**

RareX (or a subsidiary of RareX) will retain a 25% free carry interest in the Orange East Project until completion of a bankable feasibility study (**BFS**), after which time RareX and Cosmos will contribute in proportion to their participating interests pursuant to an unincorporated joint venture arrangement.

(c) **Reimbursement of Expenditure**

Cosmos will pay Rarex:

(i) $30,000 in cash reimbursement for expenditure incurred on the Byro East Project in the 12 months preceding the Spin-out; and

(ii) $50,000 in cash reimbursement for expenditure incurred on the Orange East Project in the 12 months preceding the Spin-out,

(together, the **Cash Reimbursement**).

(d) **Costs of the IPO**

Costs associated with the Spin-out and IPO will be split between RareX and Cosmos on a 50:50 basis (**Cosmos Expenses**). RareX will meet the Cosmos Expenses incurred from 1 January 2021 until the date that Cosmos is admitted to the Official List. Immediately after Cosmos' admission to the Official List, Cosmos will repay RareX 50% of the Cosmos Expenses.

(e) **Conditions Precedent**

The Spin-out will only proceed if the conditions precedent to the DID and Sale Agreement are satisfied or waived. The key conditions precedent are summarised below:

(i) RareX obtaining all necessary Shareholder approvals for the Spin-out at the RareX Shareholder Meeting;

(ii) Cosmos receiving valid applications for not less than $5,000,000 under the Public Offer;

(iii) receipt of ASX conditional admission letter in relation to the admission of Cosmos to the Official List;

(iv) all Authority consents and approvals necessary for the transfer of the Tenements being obtained, including, if required, the consent of the Minister under the *Mining Act 1978* (WA) and the Secretary under the *Mining Act 1992* (NSW) (or their respective delegates);

(v) obtaining all shareholder and other regulatory approvals or waivers required (including those required pursuant to the ASX Listing Rules and the Corporations Act, if required);

(vi) Cosmos confirming in writing to RareX that it is satisfied with the outcome of its due diligence investigations; and

(vii) Cosmos and RareX and, if required under third party agreement, the relevant third party, executing, in relation to any third party agreement, a deed of assignment and assumption in a form acceptable to Cosmos and RareX, each acting reasonably.

3.4 Taxation

From a tax perspective, RareX will not seek a private taxation ruling from the ATO seeking Demerger Relief for income tax purposes on the basis that the Spin-out will have no direct tax implications of Shareholders.

3.5 Plans for RareX following completion of the Spin-out

The dominant business activity of RareX following the completion of the Spin-out will be the continued exploration and development of its flagship Cummins Range Rare Earths Project.

(a) **Cummins Range Rare Earths Project**

The Cummins Range Rare Earths Project has a maiden JORC 2012 Indicated resource of 11.1 million tonnes at 1.34% TREO + 0.17% Nb_2O_5 (0.5% TREO cut-off) and 4.9 million tonnes at 2.11% + 0.23% Nb_2O_5 (1.0% TREO cut-off) as announced on 19 July 2021.

A revised geological model was established in early 2021, based largely on the 58 RC drill holes that were completed in August-October 2020, leading to the identification of significant new high-grade exploration targets. A new phase of exploration, comprising more than 6,000m of reverse circulation and diamond drilling that commenced in June 2021 aims to target these new high priority targets.

(b) **Board changes**

RareX's current Directors are Jeremy Robinson as Managing Director, John Young as Non-Executive Chair, and Shaun Hardcastle and Cameron Henry as Non-Executive Directors. There are no proposed changes to the Board and senior executive team as part of the Spin-out.

3.6 Advantages and disadvantages of the Spin-out

(a) **Advantages**

(i) RareX will have a clearer focus and corporate strategy.

(ii) The Board believes a separate entity focused on the Cosmos Assets presents a better prospect of delivering greater value to Shareholders.

(iii) Shareholders will retain exposure to the Cosmos Assets through RareX's shareholding in Cosmos, and have the opportunity to increase exposure

through participation in the Cosmos IPO through the RareX Priority Offer (as further detailed in section 3.8).

(iv) The Spin-out will deliver a structure that allows for Cosmos to focus specifically on advancing the Spin-out and for RareX to focus its efforts to progress the Cummins Range Rare Earths Project, with neither Cosmos nor RareX affected by events or occurrences relating to the other's projects.

(v) The RareX Board sees considerable underlying value in the Cosmos Assets that is not currently being valued by the market, a dedicated fully funded vehicle will assist the market in valuing these assets.

(vi) Future capital raisings are expected to be more readily achieved by each individual entity as the focus of the funding will be on either specifically, RareX's Rare Earths focussed projects or the Cosmos Assets focussed on nickel, copper, PGE and gold. In addition, the Spin-out is expected to provide greater flexibility to both RareX and Cosmos to attract strategic investors.

(vii) After a full and proper assessment of all available information, the Directors believe that the Spin-out is in the best interests of RareX Shareholders.

(b) **Disadvantages**

(i) RareX will incur costs associated with the Spin-out, including, but not limited to legal, accounting and advisory fees incurred in the preparation of documentation required to give effect to the Spin-out and tax advice obtained in relation to any taxation consequences of the Spin-out.

(ii) There are a number of potential disadvantages arising from Cosmos seeking further funding. These include, but are not limited to:

(A) dilution of Cosmos Shareholders' shareholdings via an initial public offer; and

(B) uncertainty regarding Cosmos's ability to raise required funding.

(iii) Assuming completion of the Spin-out, there will be two separate companies that will require funding and will incur ongoing administrative costs which in some instances may lead to duplication.

(iv) A significant amount of time will be spent during coming months by the Board and by Company management in giving effect to the Spin-out.

3.7 Failure to achieve completion of the Spin-out

Failure to achieve completion of the Spin-out may result in a reduced level of expenditure on the Cosmos Assets by RareX, or development may occur on a delayed timetable, through joint venture or other mechanisms.

The Board has considered all the alternatives currently available and believes that the Spin-out is expected to result in the most advantageous result for existing Shareholders.

3.8 Public Offer

In conjunction with the Spin-out, Cosmos intends to seek admission to the Official List and undertake the Public Offer of 25,000,000 Cosmos Shares by way of a prospectus (**Prospectus**) at an issue price of $0.20 each to raise $5,000,000 (before costs) (**Public Offer**).

3.9 RareX Priority Offer

The Public Offer will incorporate a priority offer to Eligible RareX Shareholders registered on the RareX Priority Offer Record Date of 23 September 2021 (**RareX Priority Offer**).

In order to be eligible to participate in the RareX Priority Offer, an applicant must:

(a) be a resident in Australia, New Zealand or Singapore; and

(b) hold a minimum of 1 RareX Share,

on the RareX Priority Offer Record Date (**Eligible RareX Shareholders**).

It is expected that Eligible RareX Shareholders who apply for Cosmos Shares under the RareX Priority Offer will not be allocated less than a minimum allocation of 10,000 Cosmos Shares at a price of $0.20 per Share ($2,000) (**Minimum Allocation**).

Whilst priority will be given to Eligible RareX Shareholders, the Cosmos Directors, in consultation with the Lead Manager, will allocate Cosmos Shares at their sole discretion with a view to ensuring an appropriate Shareholder base for the Company going forward. While it is intended that as many Eligible RareX Shareholders as possible receive at least the Minimum Allocation under the RareX Priority Offer, there is no guarantee that all Eligible RareX Shareholders will have their Applications accepted in full. Eligible RareX Shareholders are encouraged to submit an application form as soon as possible after the RareX Priority Offer Opening Date and in any event prior to the RareX Priority Offer Closing Date, in accordance with the instructions that will be included in the prospectus to be lodged with ASIC.

Further details of the RareX Priority Offer will be set out in the prospectus to be lodged by Cosmos on or around 16 September 2021.

3.10 Background of the Cosmos Assets

Cosmos' assets on listing will comprise of the Cosmos Assets set out below:

(a) **Orange East Project**

The copper-gold Orange East Project is located in New South Wales, 15km along strike from the McPhillamys Gold Mine owned by Regis Resources Limited. Both, McPhillamys Gold Mine and the Orange East Project are hosted in the Silurian volcaniclastic rocks of the Anson Formation adjacent to the GCFZ and both have coincident Au-As-Ba-Bi-Pb-Cu-Mo-Te surface anomalies, with the Gunnarbee geochemical anomaly extending over an area ~1,000m north-south by 200m east-west.

The Orange East Project is comprised of the following tenement.

Table 1. Orange East Project tenement

Tenement	Registered Holder	Status
EL8442	RareX	Granted

(b) **Byro East Project**

Cosmos intends to target orthomagmatic Ni-Cu-PGE sulphide systems in the under-explored Narryer Terrane. The location of the Byro East Project is 650 km north of Perth and is targeted on the criteria being proximal to first-order structures and existing historical Ni-Cu-Co occurrences.

Two first-order craton structures encapsulate the Narryer Terrane to the west and east of the project. First-order structures are fundamental for forming Ni-Cu-PGE intrusive complexes as they allow mafic/ultramafic mantle partial melts (host rocks) to ascend from depth into the upper crust.

Byro East Project's prospectivity for magmatic Ni-Cu-PGE systems has gained further traction identifying other potential mafic/ultramafic linear trends that intersect the main project area. These magnetic linear trends occur along strike from known nickel occurrences and are, interpreted to be analogous to those hosting the world-class, Ni-Cu-PGE mineralisation at the Chalice Gold Mines, Julimar Project.

The Byro East Project is comprised of the following tenements.

Table 2. Byro East Project tenements

Tenement	Registered Holder/ Applicant	Status
E09/2386	RareX	Granted
E09/2387	RareX	Granted
E09/2408	RareX	Granted
E09/2409	RareX	Granted
ELA09/2443	RareX	Pending
ELA09/2525	Cosmos	Pending
ELA09/2527	Cosmos	Pending

3.11 JORC Competent Person Statement

The mineral resource estimate for the Cummins Range Project reported in this Notice of Meeting were reported by the Company in accordance with listing rule 5.8 on 19 July 2021. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcement and that all material assumptions and technical parameters underpinning the estimates in the previous announcement continue to apply and have not materially changed.

3.12 Cosmos Board and Key Management Personnel

Cosmos was incorporated on 22 March 2021. The board of directors of Cosmos (**Cosmos Board**) is set out below.

(a) Board of Directors

(i) Jeremy Robinson - Executive Chair

Mr Robinson holds a Bachelor of Commerce from the University of Western Australia majoring in Corporate Finance, Investment Finance and Marketing. Mr Robinson is a current Non-Executive Director of Rarex and has previously held positions as Non-Executive Director of Apex Minerals Limited and Company Secretary of Mungana Goldmines Limited.

(ii) Andrew Denniss - Non-Executive Director

Mr Denniss holds a bachelor's degree in Agribusiness from Curtin University. Mr Denniss has 15 years' experience in finance and banking both within Australia and the UK. He has been involved in a broad range of cross jurisdictional transactions. Mr Denniss sits on several private company boards both in Australia and the UK.

(iii) James Bahen - Non-Executive Director and Joint Company Secretary

Mr Bahen is a Corporate Advisory Executive and Chartered Secretary who commenced his career in audit and assurance with a chartered accounting firm. Mr Bahen is a member of the Governance Institute of Australia (GIA) and holds a Graduate Diploma of Applied Finance and a Bachelor of Commerce degree majoring in Accounting and Finance. He is currently a Company Secretary to a number of ASX listed entities, and is a Non-Executive Director of Minrex Resources Limited (ASX:MRR) and UUV Aquabotix Ltd (ASX:UUV).

(b) Key Management Personnel

The Cosmos Board will be supported by:

(i) Kristian Hendricksen - Exploration Manager

Kristian Hendricksen is a geologist with over 14 years of industry experience, having held mining and senior exploration geological roles with Xstrata Nickel (unlisted) and, most recently, green fields explorer Encounter Resources Ltd. During his tenure with Xstrata Nickel, Mr Hendricksen played an integral role in discovering the Odysseus Ore deposit and was a pivotal member in the technical and operational success of Encounter Resources Ltd. Mr Hendricksen has extensive experience in various commodities and deposit styles, including magmatic nickel sulphide, orogenic gold, sediment-hosted copper, lead-zinc MVT, and iron ore.

(ii) Robert Featherby - Joint Company Secretary

Robbie Featherby is a corporate advisory executive who holds a Bachelor of Commerce Degree majoring in Finance and Economics. Mr Featherby has an extensive experience in the finance industry, most recently spending 4 years

in London working at a leading investment research provider in the private equity sector.

3.13 Disclosure to ASX

As an entity with shares quoted on the Official List of the ASX, RareX is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of documents lodged in relation to RareX may be obtained for a fee from, or inspected at, an office of ASIC or can be accessed at either the ASX announcements platform or RareX's website.

3.14 Risk Factors

The business, assets and operations of Cosmos will be subject to certain risk factors that have the potential to influence its operating and financial performance in the future. These risks can impact on the value of an investment in its securities and include those highlighted in the table below.

The risk factors set out in Schedule 4 ought not to be taken as exhaustive of the risks faced by Cosmos or by investors in Cosmos. The risk factors, and others not specifically referred to, may in the future materially affect the financial performance of Cosmos and the value of the Cosmos Shares. Therefore, the Cosmos Shares carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

3.15 Effect of Spin-out on RareX

A pro-forma statement of financial position of RareX is contained in Schedule 2, which shows the financial impact of the Spin-out on RareX based on its reviewed half year accounts for the period ended 31 December 2020. Furthermore, RareX, being an ASX listed entity, is subject to the continuous disclosure requirements set out in Chapter 3 of the ASX Listing Rules. As such, RareX is required to lodge quarterly reports detailing RareX's current cash position. Any use of funds by RareX will be detailed in these quarterly reports and any significant transactions will be disclosed to Shareholders.

3.16 Directors' Interests and Recommendations

The table below sets out the number of securities in RareX held by RareX Directors and proposed directors of Cosmos (and their related entities) at the date of the Meeting:

Table 3. Directors' interests

Director	Relevant Interest in RareX Shares	% of RareX issued capital	RareX Options	RareX Performance Rights
Jeremy Robinson	9,300,000	2.14	17,750,000	15,000,000
John Young	3,004,000	0.69	6,000,000	4,500,000
Shaun Hardcastle	2,108,823	0.48	3,000,000	4,500,000
Cameron Henry	1,557,000	0.36	6,000,000	4,500,000
Andrew Denniss	250,000	0.06	Nil	Nil

Director	Relevant Interest in RareX Shares	% of RareX issued capital	RareX Options	RareX Performance Rights
James Bahen	Nil	Nil	Nil	Nil

After considering all relevant factors, the Directors, with the exception of Jeremy Robinson, who has a material personal interest in the Spin-out by virtue of being a proposed director of Cosmos, recommend RareX Shareholders vote in favour of Resolution 1 for the reasons summarised in Sections 3.1 and 3.6 of this Notice.

3.17 Additional important information for RareX Shareholders

(a) RareX current capital structure

The capital structure of RareX as at the date of this Notice is:

Table 4. RareX capital structure

Security type	Number
Fully paid ordinary shares	435,343,204

(b) Cosmos proposed capital structure

The indicative capital structure of Cosmos upon Admission to the Official List will be:

Table 5. Indicative Cosmos capital structure

Security type	Number (based on $5 million Public Offer)	%
Consideration Shares[1]	10,000,000	28.6
Public Offer Shares[2]	25,000,000	71.4
Total Shares on completion of IPO	**35,000,000**	**100**
Cosmos Performance Rights[3]	3,000,000	50
Lead Manager Options[4]	1,250,000	20.83
Corporate Advisor Options[5]	1,750,000	29.17
Total unquoted securities on completion of IPO	**6,000,000**	**100**

Notes:

1. $2 million in Cosmos Shares at a deemed issue price of $0.20 (10,000,000 Cosmos Shares).
2. Public Offer of 25,000,000 Cosmos Shares at an issue price of $0.20 each to raise $5,000,000 (before costs).
3. 3,000,000 Cosmos Performance Rights, comprising of the following 3 tranches, each with an expiry date 3 years after the date of issue:
   (i) 999,999 Cosmos Performance Rights vesting upon Cosmos Shares attaining a 20-Day VWAP of at least $0.30, to be issued to the Cosmos Directors as follows:
      (A) Jeremy Robinson: 333,333;
      (B) Andrew Denniss: 333,333; and
      (C) James Bahen: 333,333.
   (ii) 999,999 Cosmos Performance Rights vesting upon Cosmos Shares attaining a 20-Day VWAP of at least $0.35, to be issued to the Cosmos Directors as follows:
      (A) Jeremy Robinson: 333,333;
      (B) Andrew Denniss: 333,333; and
      (C) James Bahen: 333,333.
   (iii) 1,000,002 Cosmos Performance Rights vesting upon Cosmos Shares attaining a 20-Day VWAP of at least $0.40, to be issued to the Cosmos Directors as follows:
      (A) Jeremy Robinson: 333,334;
      (B) Andrew Denniss: 333,334; and
      (C) James Bahen: 333,334.
4. Lead Manager Options to be issued to Canaccord in consideration for acting as lead manager to the Public Offer, with an exercise price of $0.25 and expiry date 3 years after the date of issue.
5. Corporate Advisor Options to be issued to Golden Triangle in consideration for corporate advisory services in relation to the Public Offer, with an exercise price of $0.25 and expiry date 3 years after the date of issue.

Shareholders should note this structure is indicative only as at the date of this Notice and that Cosmos retains discretion to amend the structure and issue more or less Cosmos Shares or other forms of securities, such as options.

3.18 Information concerning RareX Shares

The rights attaching to the RareX Shares will not alter.

For the information of Shareholders, the highest and lowest recorded sale prices of RareX's Shares as traded on ASX during the 12 months immediately preceding the date of this Explanatory Memorandum, and the respective dates of those sales were:

Table 6. Share price information

Date	Highest Price	Date	Lowest Price
7 October 2020	$0.205	9 September 2020	$0.057

The latest available closing price of RareX Shares on ASX prior to the date of this Notice was $0.086 at the close of trading on 23 August 2021.

3.19 ASX Listing Rule 11.4

The Company is proposing to spin out the Cosmos Assets. Under Listing Rule 11.4 and 11.4.1, a listed company can only spin out a major asset if:

(a) the securities in the spin-out vehicle (other than being retained by the company itself) are being offered, issued or transferred pro rata to the holders of the ordinary shares in the company, or it another way that, in ASX's opinion, is fair and reasonable in all the circumstances; or

(b) the company's shareholders approve the spin out.

The Spin-out is regarded as a spin-out of a major asset for these purposes and paragraph (a) above does not apply, so it is a requirement for the Spin-out to proceed that the Company's Shareholders approve the Spin-out under paragraph (b) above.

Resolution 1 seeks the required shareholder approval to the Spin-out under and for the purposes of Listing Rule 11.4.1(b).

If Resolution 1 is passed, RareX will be able to proceed with the proposed Spin-out of Cosmos and the Cosmos Assets.

If Resolution 1 is not passed, RareX will not be able to proceed with the proposed Spin-out of Cosmos and the Cosmos Assets.

4. Enquiries

Shareholders are requested to contact RareX’s company secretary, Oonagh Malone on +61 8 6383 6593 if they have any queries in respect of the matters set out in this Notice

Schedule 1 Definitions

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

$ or A$	means Australian Dollars.
Admission	means the admission of Cosmos to the ASX Official List.
ASIC	means the Australian Securities & Investments Commission.
ASX	means the ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX	means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.
ASX Listing Rules	means the Listing Rules of ASX.
ATO	means the Australian Taxation Office
Authority	means any government department, local government council, government or statutory authority or any other party under a law which has a right to impose a requirement or whose consent is required with respect to activities on a Tenement.
Board	means the board of Directors.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Canaccord	means Canaccord Genuity (Australia) Limited ACN 075 071 466.
Chair	means the person appointed to chair the Meeting of the Company convened by the Notice.
Clause	means a clause of the Constitution.
Closely Related Party	means: (a) a spouse or child of the member; or (b) has the meaning given in section 9 of the Corporations Act.
Company or RareX or REE	means RareX Limited ACN 105 578 756.
Constitution	means the constitution of RareX as at the date of the Meeting.
Cosmos	means Cosmos Exploration Limited ACN 648 890 126.
Cosmos Assets	has the meaning given in Section 3.1 of the Explanatory Memorandum.

Cosmos Board	means the board of directors of Cosmos, as set out in Section 3.12.
Cosmos Option	means an option to acquire a Cosmos Share.
Cosmos Share	means a fully paid ordinary share in the capital of Cosmos.
Cosmos Shareholders	means a holder of Cosmos Shares.
Corporate Advisor Options	means 1,750,000 Cosmos Options with an exercise price of $0.25 and expiry date 3 years after the date of issue, to be issued to Golden Triangle (or its nominees) in consideration for corporate advisory services in relation to the Public Offer.
Corporations Act	means the *Corporations Act 2001* (Cth).
Demerger Relief	means a confirmation from the Australian Taxation Office that: (a) the shareholders of an entity conducting a spin out may be eligible to choose to receive roll-over under Division 125 of the *Income Tax Assessment Act 1997* (Cth) in respect of the proposed demerger; (b) the Commissioner for Taxation will not make a determination under section 45A, 45B(3)(a) or 45B(3)(b) of the *Income Tax Assessment Act 1936* (Cth) in respect of the entity's shareholders participating in the In-specie Distribution; and (c) section 45 of the *Income Tax Assessment Act 1936* (Cth) will not apply to the demerger transaction.
DID	means the demerger implementation deed between RareX and Cosmos dated 23 August 2021.
Directors or **RareX Directors**	means the current directors of Rarex.
Duty	means any transfer, transaction or registration duty or similar charge imposed by any government or government department, a governmental or semi-governmental or judicial person (whether autonomous or not), charged with the administration of any applicable law, and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them.
Equity Security	has the same meaning as in the Listing Rules.
Explanatory Memorandum	means the explanatory memorandum which forms part of the Notice.
Extraordinary General Meeting or Meeting	means the meeting convened by the Notice.
Golden Triangle	means Golden Triangle Pty Ltd (ACN 622 693 243).
IPO	means initial public offering.

JORC Code	means the Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves 2012 Edition.
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 Options	means 1,250,000 Cosmos Options with an exercise price of $0.25 and expiry date 3 years after the date of issue, to be issued to Canaccord (or its nominees) in consideration for acting as lead manager to the Public Offer.
Listing Rules	means the listing rules of ASX.
Meeting	has the meaning given in the introductory paragraph of the Notice.
Notice or Notice of Meeting	means this notice of meeting including the Explanatory Memorandum and the Proxy Form.
Option	means an unquoted option to acquire a Share.
Prospectus	has the meaning given in Section 3.8.
Proxy Form	means the proxy form attached to the Notice.
Public Offer	means the initial public offering by Cosmos of 25,000,000 Cosmos Shares at $0.20 each to raise $5,000,000 (before costs).
RareX Priority Offer	has the meaning given in Section 3.9.
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 (including Shares, Options and/or Performance Securities).
Share	means a fully paid ordinary share in the capital of RareX.
Shareholder or RareX Shareholder	means the holder of a Share.
Spin-out	has the meaning given in Section 3.1 of the Explanatory Memorandum.
Tenements or Cosmos Tenements	means the tenements and tenement applications set out in Section 3.10.

Trading Day	has the meaning given in the Listing Rules.
VWAP	means volume weighted average market price.
20-Day VWAP	means the volume weighted average price of Cosmos Shares over 20 consecutive Trading Days on which trades were recorded on ASX.
WST	means Western Standard Time as observed in Perth, Western Australia.

Schedule 2 RareX Pro-forma Unaudited Consolidated Statement of Financial Position as at 31 December 2020

	Reviewed 31 December 2020	Post reporting date transactions	Pro forma adjustments	Pro forma 31 December 2020
	$	$	$	$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	4,339,065	138,919	(20,000)	4,457,984
Trade and other receivables	194,562			194,562
Other current assets	-			-
Total Current Assets	**4,533,627**	**138,919**	**(20,000)**	**4,652,546**
NON-CURRENT ASSETS				
Exploration & evaluation assets	505,032			505,032
Financial assets at fair value	1,953,392	1,007,307	2,000,000	4,960,699
Property, plant and equipment	128,818			128,818
Right of use asset	89,884			89,884
Total Non-Current Assets	**2,677,126**	**1,007,307**	**2,000,000**	**5,684,433**
TOTAL ASSETS	**7,210,753**	**1,146,226**	**1,980,000**	**10,336,979**
LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	200,361			200,361
Provisions	39,695			39,695
Lease liability	19,723			19,723
Total Current Liabilities	**259,779**	**-**	**-**	**259,779**
NON-CURRENT LIABILITIES				
Lease liability	70,831			70,831
Total Non-Current Liabilities	**70,831**	**-**	**-**	**70,831**
TOTAL LIABILITIES	**330,610**	**-**	**-**	**330,610**
NET ASSETS	**6,880,143**	**1,146,226**	**1,980,000**	**10,006,369**
EQUITY				
Contributed equity	33,589,732	2,599,898		36,189,630
Reserves	5,739,863			5,739,863
Accumulated losses	(32,449,452)	(1,453,672)	1,980,000	(31,923,124)
TOTAL EQUITY	**6,880,143**	**1,146,226**	**1,980,000**	**10,006,369**

1. Post reporting date transactions
    a. The issue of 25,000,000 Shares in REE via placement in March 2021 raising $2,750,000.

b. The issue of 800,000 Shares in REE for consultancy services in April 2021 with a fair value of $84,000.
c. The issue of 900,000 placement Shares in REE to Directors in June 2021 raising $90,000, as approved by shareholders.
d. Payment of capital raising costs totalling $324,102.
e. Acquisition of 24,779,658 shares in Canada Rare Earth Corp. for $1,007,307.
f. Payment of exploration expenditure, operating expenses and other working capital outflows totalling $1,369,672 for the period 1 January 2021 to 30 June 2021.

2. Pro forma adjustments
   a. The issue by Cosmos of 10,000,000 Cosmos Shares with a fair value of $0.20 per share (total fair value of $2,000,000) to REE for the purchase of the Byro East Project and the Orange East Project. The Acquisition has been accounted for as an asset acquisition and a share-based payment transaction using the principles of AASB 3 Business Combinations and AASB 2 Share-Based Payment.
   b. Cash reimbursement received by REE from Cosmos for expenditure incurred on the Byro East Project ($30,000) and the Orange East Project ($50,000).
   c. 50% of the Cosmos IPO costs payable by REE estimated at $100,000.
   d. The issue of 3,000,000 Cosmos Performance Rights to Related Parties.

Schedule 3 Cosmos Pro-forma Unaudited Consolidated Statement of Financial Position as at 31 December 2020

	Incorporation	Pro forma adjustments	Unaudited pro forma 31 December 2020
	$	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	1	4,409,417	4,409,418
Total Current Assets	**1**	**4,409,417**	**4,409,418**
NON-CURRENT ASSETS			
Exploration & evaluation assets	-	2,000,000	2,000,000
Total Non-Current Assets	**-**	**2,000,000**	**2,000,000**
TOTAL ASSETS	**1**	**6,409,417**	**6,409,418**
LIABILITIES	**-**	**-**	**-**
NET ASSETS	**1**	**6,409,417**	**6,409,418**
EQUITY			
Contributed equity	1	6,598,424	6,598,425
Reserves	-	372,727	372,727
Accumulated losses	-	(561,734)	(561,734)
TOTAL EQUITY	**1**	**6,409,417**	**6,409,418**

1. Pro forma adjustments
    a. Issue of 25,000,000 shares at $0.20 for $5,000,000.
    b. Repayment of IPO costs to RareX estimated at $100,000.
    c. Reimbursement of $30,000 expenditure incurred on Byro East tenements over the last 12 months to RareX which has been which has been adjusted against the fair value of the 10,000,000 shares issued to RareX..
    d. Reimbursement of $50,000 expenditure incurred on Orange East tenements over the last 12 months to RareX which has been which has been adjusted against the fair value of the 10,000,000 shares issued to RareX..
    e. Issue of 10,000,000 fully paid ordinary shares to RareX in consideration for the acquisition of Orange East and Byro East.
    f. Capital raising costs are estimated to be approximately $410,583. The costs directly attributable to the capital raising being $321,576, are offset against contributed equity, with the remaining costs of the Offer expensed through accumulated losses.
    g. 3,000,000 0.25 options with a 3 year expiry date will be issued to Advisors for services provided. Black and Scholes valuation is $372,727.
    h. The issue of 3,000,000 Cosmos Performance Rights to Related Parties. In accordance with AASB 2: Share based payment, the value of the Performance Rights are to be expensed over the vesting period. Therefore, as at the pro forma date, no adjustment has been made to account for the vesting of these Performance Rights.

Schedule 4 Key risk factors facing Cosmos

Risk	Description
Failure of Cosmos to raise capital and/or list on a recognised securities exchange	There is a risk that Cosmos may fail to raise sufficient capital to develop the Cosmos Assets in the future. Any additional future equity financing (if successful) will dilute existing shareholders to the extent they do not participate, and any debt financing, if available, may involve restrictions on Cosmos's operating activities and business strategy. If Cosmos is unable to obtain additional funding as needed, it may be required to reduce the scope of its operations or scale back its business plans or exploration programmes, as the case may be or forfeit rights to some or all of its projects which could have a material adverse effect on Cosmos's activities.
RareX not retaining Cosmos Assets	Under the Spin-out, RareX will be transferring the Cosmos Assets to Cosmos. Accordingly, Shareholders need to be aware that any investment made in RareX upon the basis of the Cosmos Assets should be undertaken in the knowledge that RareX (or its subsidiaries) will not be holding those assets following completion of the Spin-out, other than to the extent that RareX will retain a 25% interest in the Orange East Project. However, RareX will be issued Cosmos Shares in consideration for the Cosmos Assets and the RareX Shareholders will continue to have an interest in the Cosmos Assets. Post completion of the Spin-out, the RareX Board will have little ability to influence the progression of the Cosmos Assets.
Exploration, development, mining and processing risks	The Tenements to be held by Cosmos under the Spin-out are at the early stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these licences, or any other licences that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited. The future exploration activities of Cosmos may be affected by a wide range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, tribal and traditional ownership processes, changing government regulations and many other factors beyond the control of Cosmos.

Risk	Description
	The success of Cosmos will also depend on Cosmos having access to sufficient development capital to allow for progressing exploration opportunities towards mining operations, being able to maintain title to its licences and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful, this could lead to a diminution in the value of the licences, a reduction in the base reserves of Cosmos and possible relinquishment of the licences. Each of Cosmos's exploration licences are for a specific term and carry with them annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, Cosmos could lose title to or its interest in these tenements if licence conditions including environmental are not met or insufficient funds are available to meet expenditure commitments. The exploration costs of Cosmos are based on certain assumptions with respect to method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially affect Cosmos's viability.
Title and grant risk	As at the date of this Notice, 3 of the 7 Tenements that comprise the Byro East Project are the subject of pending applications (**Pending Tenements**). The Pending Tenements must be granted before Cosmos may undertake mineral exploration on the relevant Tenements. Accordingly, there is a risk that these applications may not be granted in their entirety or only granted on conditions unacceptable to Cosmos. If the Pending Tenements are not granted, the Company will not acquire an interest in these tenements. Unless and until these tenements are granted and transferred to the Company, the Company has limited rights and can undertake only preliminary exploration work on those tenements. Cosmos also has a beneficial interest in Byro East Project Tenements E09/2386, E09/2408, E09/2409, E09/2387 and ELA09/2443 and Orange East Project Tenement, EL8442. These Tenements will be transferred to Cosmos pursuant to the Sale Agreement and subject to the conditions precedent under the Sale Agreement. Under Western Australian and New South Wales law, exploration tenements are valid for set periods of time and renewal is subject to the approval of the applicable Minister. There is no guarantee that Cosmos will

Risk	Description
	be successful in the renewal of exploration tenements as they reach their expiry date. If in future, tenements are not extended, Cosmos may suffer damage through loss of opportunity to discover and/or develop any mineral resources. The Orange East Project Tenement, EL8442, expired on 11 May 2021 and on 6 May 2021 RareX lodged an application for renewal with the NSW Department to renew EL8442 for a further term of 5 years. On 8 July 2021, RareX received correspondence from the NSW Department indicating that it proposed to renew EL8442. The Tenement is yet to be formally renewed and the renewal application remains pending. Activities under existing title conditions of EL8442 will continue until a determination of the renewal application has been made.
Third party risks	Under Western Australian and Commonwealth legislation, the Company may be required to obtain the consent of and/or pay compensation to the holders of third-party interests which overlay areas within the Byro East Project Tenements, including pastoral leases, petroleum tenure and other mining tenure in respect of exploration or mining activities on the Byro East Project Tenements. Several of the Byro East Project Tenements overlap a File Notation Area. In respect to the File Notation Area, third party tenure and access rights may be granted in the future. All of the Byro East Project Tenements overlap pastoral leases and ELA09/2443 and ELA09/2525 overlap two Crown Reserves. The existence of the Crown Reserves may require additional approvals or plans to be implemented by the Company in order to progress with exploration activities on the Tenements. Lastly, the Orange East Project Tenement, EL8442, overlaps parcels of private land. Any delays in respect of conflicting third-party rights, obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.
Management and Key Personnel	RareX and Cosmos have engaged directors and key management personnel, as set out in Sections 3.5 and 3.12. The Spin-out may lead to circumstances which precipitate unforeseen personnel changes. Recruiting and retaining qualified personnel are important to both RareX and Cosmos's success. The number of persons skilled in the exploration and development of mining

Risk	Description
	properties is limited and competition for such persons is strong. There can be no assurance given that there will be no detrimental impact on Cosmos if one or more key employees, including the directors, leave Cosmos or RareX.
Estimation of Mineral Resources and Ore Resources	There is a degree of uncertainty to the estimation of mineral resources and ore reserves and corresponding grades being mined or dedicated to future production. Until mineral resources or ore reserves are actually mined and processed, the quantity of mineral resources and ore reserves must be considered as estimates only. In addition, the grade of mineral resources and ore reserves may vary depending on, among other things, metal prices. Any material change in quantity and grades of mineral resources, ore reserves, or stripping ratio may affect the economic viability of the properties. In addition, there can be no assurance that metal recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production. Fluctuation in the prices of relevant commodities, results of drilling, metallurgical testing and the evaluation of mine plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources and / or ore reserves, could have a material adverse effect on Cosmos's financial condition.
Joint Venture Parties, Agents and Contractors	Cosmos is unable to predict the risk of financial failure or default by a participant in any future joint venture to which Cosmos may become a party (noting that Cosmos has no current joint venture intentions other than with RareX in respect of the Orange East Project). Further, Cosmos is unable to predict the risk of insolvency or managerial failure by any of the contractors used by Cosmos in any of its activities or the insolvency or other managerial failure by any of the other service providers used by Cosmos for any activity. The effects of such failures may have an adverse effect on Cosmos's operations.
Exploration and Operations	The current and future operations of Cosmos, including exploration, appraisal, development and possible production activities may be affected by a range of exploration and operating factors, including: (a) geological conditions; (b) limitations on activities due to seasonal or adverse weather patterns; (c) alterations to program and budgets; (d) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling,

Risk	Description
	metallurgical laboratory work and production activities; (e) mechanical failure of operating plant and equipment, industrial and environmental accidents, acts of terrorism or political or civil unrest and other force majeure events; (f) industrial action, disputation or disruptions; (g) unavailability of transport or drilling equipment to allow access and geological and geophysical investigations; (h) unavailability of suitable laboratory facilities to complete metallurgical test-work investigations; (i) failure of metallurgical testing to determine a commercially viable product; (j) shortages or unavailability of manpower or appropriately skilled manpower; (k) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment; and (l) prevention or restriction of access by reason of inability to obtain consents or approvals. Certain of Cosmos's tenements in the future may become subject to agreements with third parties which limit the commodities that Cosmos may exploit on these tenements; with third parties having certain rights. Whilst Cosmos does not consider these limitations to be unduly onerous, there is a risk that these restrictions may not be in Cosmos's best interests or that the third parties may, in asserting their rights over Cosmos's tenements, not act in Cosmos's best interests.
Environmental, rehabilitation and other regulatory risks	Cosmos's operations are and will be subject to environmental regulation. Environmental regulations are likely to evolve in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance and assessments of proposed projects. Environmental regulations could impact on the viability of Cosmos's projects. Cosmos may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining or other activities for which it was not responsible. As a condition of the Tenements, Cosmos may also be required to rehabilitate, level, re-grass, reforest or contour land that has been damaged or adversely affected by exploration activities, failure to do so may render the Tenements liable to cancellation. Cosmos is also required to lodge rehabilitation security by way of cash deposit.

Risk	Description
	It is Cosmos's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.
Annual Rents and Levies	An annual rental and an administrative levy are payable, based on the size of the Tenements. Tenements are also subject to expenditure requirements in accordance with work programs approved by the relevant state government. Payment of rentals and levies are currently up to date. Failure to comply with expenditure requirements may render the Tenements liable to cancellation.
Mining Tax and Royalties	There is a risk that the Commonwealth, Western Australian or New South Wales Governments may seek to introduce further, or increase existing, taxes and royalties.
Encumbrances on Title	Cosmos may at a future date be required to encumber part or all of its tenure to expedite future commercial transactions.
Unforeseen Risks	There may be other risks which the Cosmos Board are unaware of at the time of issuing this Notice which may impact on Cosmos and its operations, and on the valuation and performance of the Cosmos Shares.
Land owner and access risk	Cosmos may be required to pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. Cosmos's ability to resolve compensation issues and compensation costs involved will have an impact on the future success and financial performance of Cosmos's operations. If Cosmos is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of Cosmos. Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions. Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential. In respect to the Orange East Project Tenement, EL8442, Cosmos is party to three exploration land access agreements which sets out the access and compensation requirements to affected private land owners.
Economic conditions	General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on Cosmos's exploration, development and production activities, as well as on its ability to fund those activities. If activities cannot be funded, there is a risk that the tenements

Risk	Description
	comprising the Cosmos Assets may have to be surrendered or not renewed. General economic conditions may also affect the value of Cosmos Shares and its valuation regardless of its actual performance.
Native Title & Heritage Sites	The *Native Title Act 1993* (Cth) recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with native title in Australia and this may impact on Cosmos's operations and future plans. Cosmos must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration and mining operations. The existence of any native title claims over the area covered by the Tenements, or a subsequent determination of native title over the area, will not impact the rights and interests of the holder under the Tenements provided they have been validly granted. However, the grant of any future tenure over areas that are covered by a registered claim or a positive determination of native title will require engagement with the relevant claimants or native title holders (as relevant) in accordance with the Native Title Act. Title searches demonstrate that all of the Byro East Project Tenements wholly overlap one registered native title determination (being Wajarri Yamatji Part A) and one registered native title claim (Wajarri Yamatji #1). Searches in respect of the Orange East Tenement indicate that the Tenement does not overlap any native title claims or determinations. Title searches demonstrate that Byro East Tenement E09/2387 overlaps with one 'other heritage place' and Byro East Tenement ELA09/2527 overlaps with one registered Aboriginal heritage site. In respect to the Orange East Tenement, the title searches indicates that one Aboriginal site is recorded on the tenement.
Non-completion of the Spin-out	There can be no assurance that the Spin-out will complete, as a consequence, there is a risk that costs associated with the Spin-Out and management time allocated to the Spin-Out will have been wasted.
Climate Change	There are a number of climate-related factors that may affect the operations and proposed activities of Cosmos. The climate change risks particularly attributable to Cosmos include:

Risk	Description
	(a) the emergence of new or expanded regulations associated with transitioning to a lower-carbon economy and market changes related to climate change mitigation. Cosmos may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact Cosmos and its profitability. While Cosmos will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that Cosmos will not be impacted by these occurrences; and (b) climate change may cause certain physical and environmental risks that cannot be predicted by Cosmos, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which Cosmos operates.
COVID-19 Risks	The outbreak of the coronavirus disease (**COVID-19**) is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Cosmos Assets remains unknown. Cosmos's Share price may be adversely affected in the short to medium term by the economic uncertainty caused by COVID-19. Further, any governmental or industry measures taken in response to COVID-19 may adversely impact Cosmos's operations and are likely to be beyond the control of Cosmos.

RareX Limited | ACN 105 578 756

Proxy Voting Form

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

Your proxy voting instruction must be received by **10.00am (WST) on Wednesday, 22 September 2021,** 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

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.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair 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 Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair 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.

STEP 2 - VOTES ON ITEMS OF BUSINESS

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

Individual: Where the holding is in one name, the Shareholder must sign.
Joint holding: Where the holding is in more than one name, all 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.

Lodging your Proxy Voting Form:

Online:
Use your computer or smartphone to appoint a proxy at https://investor.automic.com.au/#/loginsah or scan the QR code below using your smartphone
Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting 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

BY FACSIMILE:
+61 2 8583 3040

All enquiries to Automic:
WEBCHAT: https://automicgroup.com.au/

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

SAMPLE

STEP 1 - How to vote

APPOINT A PROXY:
I/We being a Shareholder entitled to attend and vote at the Extraordinary General Meeting of RareX Limited, to be held at **10.00am (WST) on Friday, 24 September 2021 at the offices of the Company at Unit 6, 94 Rokeby Road, Subiaco WA 6008** hereby:

Appoint the Chair of the Meeting (Chair) OR if you are not appointing the Chair 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
1. Approval to dispose of major asset	☐	☐	☐

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 – Signatures and contact details

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

AUTOMIC

REE