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ASX / MEDIA ANNOUNCEMENT **3 March 2022**

RareX Completes A$10.0M Institutional Placement to Accelerate Resource Growth at Cummins Range

Major drilling program to commence within weeks to advance substantial Australian rare earths deposit

Highlights

- **Firm commitments received to raise A$10.0 million with strong demand from domestic and offshore institutional investors**
- **Strong institutional investor interest highlights the quality and scale of RareX's flagship Cummins Range Rare Earths Project, strategically located in Western Australia**
- **RareX is now fully funded to complete an extensive drill program following its recently announced Exploration Target for the primary zone, which is in addition to the existing JORC 2012 Mineral Resource[1] of 18.8Mt at 1.15% TREO[2]**
- **Directors intend to invest a further A$650,000, subject to shareholder approval on the same terms as the Placement, taking the total capital raising to $10.65 million**

RareX Limited (**RareX** or **the Company**) (ASX: REE) is pleased to announce it has received firm commitments to raise A$10.0 million (before costs) to underpin a major new phase of resource growth and development studies on its flagship 100%-owned Cummins Range Rare Earths Project in the Kimberley Region of Western Australia.

The proceeds will put the Company in a very strong position to advance Cummins Range to the next level as a large, high-quality strategic rare earths asset which is poised to benefit from rising prices and strong demand for critical minerals.

Share Placement

The Company is undertaking a share placement to institutional, sophisticated and professional investors at A$0.09 per share (**Placement Price**), with approximately 111.11 million new fully-paid ordinary shares to be issued (**Placement**).

The new shares will be issued under the Company's existing placement capacity under ASX Listing Rules 7.1 and 7.1A (67,618,981 and 43,492,131 respectively). Settlement of the

[1] Indicated 11.1Mt at 1.32% TREO + 0.17% Nb_2O_5; Inferred 7.7Mt at 0.88% TREO + 0.11% Nb_2O_5

[2] TREO = Lanthanide Oxides + Yttrium Oxide + Scandium Oxide

Placement is expected to occur on Wednesday, 9 March 2022 and the new shares will rank equally with the Company's existing shares on issue.

The Placement Price represents a:

- 10.0% discount to the last traded price of A$0.10 on 28 February 2022; and
- 18.1% discount to the 15-day volume weighted average price of A$0.109.

Current Directors, in aggregate, have agreed to subscribe for up to A$650,000 (subject to shareholder approval), taking the total capital raising to $10.65m (before costs).

Use of Funds

Funds raised in the Placement will be used to fund the following activities:

- A major new program of drilling at Cummins Range Rare Earths Project, with 30,000 metres budgeted for 2022 to expand and upgrade the current Mineral Resource;
- Further drilling to evaluate the recent high-grade phosphate discovery adjacent to Cummins Range;
- Study work and permitting activities at Cummins Range Rare Earths Project;
- Business development activities; and
- General working capital.

Canaccord Genuity (Australia) Limited and Bridge Street Capital Partners Pty Ltd acted as Joint Lead Managers to the Placement.

RareX Managing Director, Jeremy Robinson said: "*We are very pleased with the overwhelming demand for this equity capital raising from both offshore and domestic institutions, many of which are first time investors in RareX.*

"This is a strong endorsement of our corporate strategy and is testament to the underlying quality of RareX's Cummins Range Project. We are now fully funded to pursue an extremely exciting drilling program to grow the Resource to the next level as set out in our recently released Exploration Target.

"If we are successful, Cummins Range would rank as a top-3 rare earths project in Australia and one of the largest and most significant new rare earths development assets globally. The rare earths sector is about to go through another phase of significant growth, and we are very well placed to benefit with ownership of a large, high-grade asset in a Tier-1 jurisdiction.

"We thank our existing shareholders for their ongoing support and welcome many new high-quality institutions to our register."

RareX on track to expand resource at Cummins Range

The Cummins Range Project is located 130km south-west of Halls Creek in the East Kimberley Region of Western Australia and is one of only two known carbonatite-hosted rare earth

deposits in Australia. The Current JORC 2012 Mineral Resource of the Project is 18.8Mt at 1.15% TREO + 0.14% Nb_2O_5 (Indicated Resource of 11.1Mt at 1.32% TREO + 0.17% Nb_2O_5; Inferred Resource of 7.7Mt at 0.88% TREO + 0.11% Nb_2O_5).

Recent drilling success indicates wide zones of high-grade mineralisation in the primary zone, extending mineralisation at depth and providing confidence to deliver upon the recently announced Exploration Target of 23-41Mt at 1.6-2.4% TREO for the primary zone. This Exploration Target is **in addition** to the existing JORC 2012 Mineral Resource of 18.8Mt at 1.15% TREO.

The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

If this Exploration Target is realised, Cummins Range has the potential to be a top-3 rare earth deposit in Australia.

The Exploration Target is supported by exceptional assay results received for diamond hole CDX0016, targeting the north-western extension of the primary rare earths zone down-dip. The hole intersected a cumulative total of 51m at 2.5% TREO, comprised of four high-grade zones of:

- 21.2m at 1.8% TREO from 134.3m;
- 7.3m at 3.5% TREO from 174m;
- 2.2m at 6.8% TREO from 247.3m; and
- 13.8m at 2.7% TREO from 273m.

The preliminary mineralogy on primary ore confirms relatively coarse massive monazite as the rare earths host within carbonatite (same as Mt Weld) with mineral expression from surface.

RareX intends to target the primary zone as part of a major new drilling program set to commence in April.

This announcement has been authorised for release by the Board of RareX.

For further information, please contact:

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Competent Person's Statements

The information in this announcement that relates to the Exploration Target is based on and fairly represents information compiled by Mr Guy Moulang, an experienced geologist engaged by RareX Limited. Mr Moulang is a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Moulang consents to the inclusion in this announcement of the matters based on this information in the form and context in which it appears and confirms there have been no material changes since the information was first reported on 16 February 2022.

The Mineral Resource estimate in this announcement 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.

Information in this release that relates to Exploration Results is based on and fairly represents information and supporting documentation reviewed or compiled by Mr Guy Moulang. Mr Moulang consents to the inclusion in this release of the matters based on his information in the form and context in which it appears. The Company confirms that there have been no material changes since the information was first reported in accordance with Listing Rule 5.7 on 16 February 2022.

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