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RAREX SIGNS MOU FOR SUPPLY OF LOCALLY PRODUCED PHOSPHATE PRODUCTS TO WA'S ORD RIVER REGION

Binding MOU with Ord River District Co-Operative (ORDCO) encompasses off-take and development of a commercialisation strategy for phosphate products from the Cummins Range Project

HIGHLIGHTS

- **Binding MoU executed with the leading independent Ord River District Co-Operative**
- **Potential to sell phosphate products and by-products locally including rock phosphate, phosphoric acid, MAP, DAP, MSP, DSP and Gypsum from the Cummins Range Rare Earths and Phosphate Project**
- **Carbon credits to be investigated as part of an R&D program, further enhancing RareX's ESG credentials**
- **Potential to generate early cash-flow from the local distribution of direct-application phosphate products ahead of the commencement of rare earth production**
- **Significant opportunity to add further value to the Cummins Range Project**

Sustainable rare earths and phosphate developer RareX Limited (**RareX**, the **Company**) (ASX: REE) is pleased to announce that it has executed a binding Memorandum of Understanding (**MoU**) with Ord River District Co-operative Ltd (**ORDCO**) to progress commercial off-take and product development opportunities for phosphate products from its 100%-owned **Cummins Range Project** in WA as outlined in the recent scoping study.

ORDCO, which has been in operation since 1963, is the leading independent agricultural co-operative based in the Ord River Irrigation Area (**ORIA**), Kununurra, Western Australia and provides a complete range of farming inputs and services to the local region and greater surrounds.

The east Kimberley is the largest producer of irrigated horticulture in the region, powered by the Ord Irrigation Scheme as water from Lake Argyle and Lake Kununurra is diverted and gravity fed through kilometres of open channels to irrigate farmlands. In the process, sustainable hydroelectricity is produced to power the east Kimberley.

The ORIA has expanded from a historical base of around 15,000 ha to approximately 21,000 ha. Developments that will bring the area to 28,000 ha are underway with the potential to increase to

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60,000 ha or more. Outside the ORIA, value add developments on many stations, such as dryland cropping using wet season rainfall, are now resulting in significant cropping areas. This means the total area of intensive agriculture and therefore demand for fertilisers is increasing quickly across the region.

Under the terms of the MOU, the parties have agreed to discuss and negotiate the terms of a binding off-take agreement and distribution agreement, and to jointly develop a product roadmap for the phosphate products to be produced from the Cummins Range Rare Earths and Phosphate Project.

The MoU also contemplates undertaking studies to evaluate the potential to capture carbon credits as part of general R&D-based activities.

The potential products and by-products from RareX's proposed mine site and rare earths refinery include phosphoric acid, rock phosphate, mono super phosphate (**MSP**), double super phosphate (**DSP**), mono ammonia phosphate (**MAP**), double ammonia phosphate (**DAP**) and gypsum – all of which are currently imported to the region from interstate and international suppliers.

The MOU with ORDCO follows both a positive a scoping study and recent highly positive metallurgical testwork results which confirmed the potential to produce a premium phosphate concentrate from the Cummins Range Project, highlighting the potential to deliver a valuable phosphate co-product as part of its rare earths business.

Commenting on the MOU, Ord River District Co-operative Chief Executive Officer, Dan Raymond, said:

"At the current time, all fertiliser requirements for the ORIA and surrounding farms are purchased internationally or from southern distributors by ORDCO on behalf of growers. ORDCO is partnering with RareX to locally source and develop a range of farm fertiliser products from their Cummins Range Project. If successful, this will significantly change the cost of fertiliser inputs for the northern agriculture sector and help to breakdown another barrier to successful farming in the north. It is an exciting development for ORDCO, RAREX and northern farmers."

Commenting on the MOU, RareX Managing Director, Jeremy Robinson, said:

"In choosing to collaborate with ORDCO, we are pleased to be working with local communities in the region where we operate as part of a sustainable venture that could deliver significant benefits to stakeholders across the district. From a commercial perspective, we also like the opportunity to potentially develop early cash-flow by selling phosphate products locally ahead of the full development of our rare earths business."

The MoU is binding insofar as it obliges the parties to discuss and negotiate the terms of a binding offtake agreement, distribution agreement and product roadmap. The parties are also bound to make available resources and personnel to progress the matters contemplated in the MoU. The parties are however not bound to proceed to definitive binding documentation and neither party is

obliged to proceed with any potential opportunity. Either party may terminate the MoU on the provision of 30 days' written notice.

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

ABOUT RAREX LIMITED – ASX: REE

RareX Limited (ASX: REE) is a Perth-based rare earths company committed to becoming a near- term producer of neodymium and praseodymium (NdPr). RareX's focus is on developing rare earths deposits in Australia, including the flag-ship Cummins Range Rare Earths – Phosphate Project.

NdPr is a core enabler of decarbonisation of our society and enables low carbon technologies, especially in the electric mobility sector, robotics solutions and renewable energy, e.g. the wind energy sector. NdPr is the key raw material for manufacturing rare earth powered permanent magnet NdFeB electric motors, the heart of the next industrial revolution the *Electrification of our Society*.

RareX's focus is on developing rare earths deposits in Australia, including the Cummins Range Rare Earths Phosphate Project in the East Kimberley region of Western Australia. RareX is committed to developing a sustainable, ethical, transparent and secure low carbon rare earth supply chain solution for the global electric mobility market and NdFeB permanent motor downstream ecosystem.

For further information on the Company and its projects visit www.rarex.com.au

Forward-Looking Statements

This release may include forward-looking statements, which may be identified by words such as "expects", "anticipates", "believes", "projects", "plans", and similar expressions. These forward-looking statements are based on RareX's expectations and beliefs concerning future events as at the date of this release. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of RareX, which could cause actual results to differ materially from such statements. There can be no assurance that forward-looking statements will prove to be correct. RareX makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.