57-71 RE Rare Earths | 15 P Phosphorus

RAREX Phosphate Enabled Rare Earths

ASX Release
31 July 2023

June 2023 Quarterly Report

Highlights

- Updated Indicated and Inferred Mineral Resource Estimate (**MRE**) delivered for the Cummins Range Rare Earths and Phosphate Project, positioning it as the largest undeveloped rare earths project in Australia:
  - Global Resource of 519Mt at 0.32% TREO and 4.6% P_2O_5, for a total of 1.6 million tonnes of contained TREO and 24 million tonnes of contained P_2O_5[1]
  - 760% increase in contained TREO and 1300% increase in P_2O_5 compared with the 2021 MRE
  - High-value NdPr content represents an excellent 22% of total contained TREO with 360Kt of NdPr contained
- Development strategy evolved to capitalise on high grade phosphate near surface, and metallurgical learnings, leading to a 3-Staged approach, beginning with direct shipping ore phosphate before transitioning into rare earths – Scoping Study imminent
- Broader-scale bioavailability tests further support the potential of Cummins Range phosphate DSO for use as direct application organic fertiliser for agricultural applications
- Key environmental flora and fauna baseline field surveys completed, representing a critical step in securing project approvals
- Diamond drilling commenced at Cummins Range late in the quarter to support the completion of mining studies, with an initial focus on metallurgy and DSO sample preparation
- A$4.0 million institutional placement completed to accelerate resource definition and development studies at Cummins Range
- Strong cash and listed investments of $10m[2]

Australian sustainable rare earths company, RareX Limited (ASX: REE) (RareX or the Company), is pleased to provide its activities and cash flow reports for the quarter ended 30 June 2023.

Management Comment

Commenting on the quarter, RareX's CEO, James Durrant, said: *"The June quarter has been another busy and successful period for RareX, with the delivery of a second major update to the Mineral Resource Estimate at our flagship Cummins Range Rare Earths & Phosphate Project – results which firmly cement the Project's status as Australia's largest undeveloped rare earths deposit – and the completion of key work programs to support our evolved staged development strategy, for which there is an imminent improved scoping study.*

"The Mineral Resource update announced on 1 May demonstrates significant quantities of both contained rare earth oxides and phosphate at Cummins Range, providing RareX with exposure to two global mega-trends – the

[1] ASX Announcement 1 May 2023: Indicated 66.6Mt at 0.50% TREO and 6.8% P_2O_5; Inferred 452.7Mt at 0.29% TREO ad 4.2% P_2O_5

[2] Includes $500k tranche 2 placement approved subsequent to quarter end, cash at bank on 30 June 2023 and investments as noted in Appendix C

For more information, please contact:

Investors: James Durrant, CEO
Media: Nicholas Read, Read Corporate
Engage and Contribute: Investor Hub

P +61 (0) 8 6383 6593
P +61 (0) 8 9388 1474
W ree.investorhub.com/welcome

RareX Limited
ASX:REE
ABN: 65 105 578 756

RareX HQ
Level 1, 338 Barker Road
Subiaco WA 6008
Australia

P +61 (0) 8 6383 6593
E info@rarex.com.au
ree.investorhub.com/welcome
rarex.com.au

RareX Limited (ASX:REE)
@rarex_asx

move towards decarbonisation through electrification and the growing urgency to improve agricultural yields to feed a growing global population.

"We believe these twin opportunities provide a solid platform for Cummins Range to deliver significant value for shareholders, and we're now expediting the study program to define a roadmap for the Project's near-term development.

"To support this objective, during the quarter we completed baseline flora and fauna environmental surveys, representing an important milestone towards completing the approvals process. We expect to lodge formal submissions for environmental approval early next year.

"In support of Stage-1, we progressed an important testwork program focused on the bioavailability of the proposed direct application phosphate products being produced at Cummins Range. This testwork confirmed the high bioavailability of Cummins Range DSO phosphate, providing strong support for its use as organic direct application fertiliser. With the Cummins Range Project located in the heart of the Ord Valley – one of Australia's premier agricultural regions – there is the potential for RareX to become a major supplier of organic fertiliser to local farmers. Crop trials are being prepared as we work towards price and volume outcomes.

"We also recently embarked on a major drilling program to support our proposed three-stage project development roadmap at Cummins Range, with diamond drilling to assist with metallurgical testwork and DSO sample preparation and RC drilling recently commenced to focused on resource infill and extensional drilling.

"These programs are underpinned by the successful $4 million institutional share placement completed in May, which attracted strong support from both offshore and domestic institutions.

"With a strong balance sheet, and with our work programs progressing on multiple fronts, RareX is on-track to deliver a scoping study for the proposed staged operation at Cummins Range and a definitive feasibility study on Stage-1 by the end of the year."

CUMMINS RANGE RARE-EARTHS-PHOSPHATE PROJECT

Updated Mineral Resource Estimate

RareX reported a further substantial increase in the Mineral Resource Estimate (**MRE**) for the Cummins Range Rare Earths-Phosphate Project during the reporting period.

The second instalment of the updated Cummins Range MRE (following the updated MRE reported on 30 March 2023) combines the Rare Dyke and Phos Dyke and contains an Indicated and Inferred Mineral Resource of 519Mt at 0.32% TREO (total rare earths oxide) and 4.6% P_2O_5 (phosphate) with appreciable quantities of niobium and scandium.

The amount of contained TREO is 1.6Mt with 360Kt of contained NdPr oxide. This MRE makes Cummins Range the second-largest rare earths deposit, and the largest undeveloped rare earths deposit, in Australia.

Within the large phosphate resource are significant tonnes of high-grade TREO including 52Mt at 1.02% TREO from a 0.6% cut-off. This accounts for one-third of the total contained TREO for the MRE and shows there are significant tonnages of high-grade rare earth veins within the phosphate Resource.

Table 1. Cummins Range Mineral Resource Estimate, P_2O_5 ≥2.5%

RARE DYKE Classification	Tonnes (Mt)	P_2O_5 (%)	TREO + Y_2O_3 (ppm)	HREO (ppm)	Nd_2O_3 (ppm)	Pr_6O_{11} (ppm)	Nb_2O_5 (ppm)	Sc_2O_3 (ppm)	ThU (ppm)
Indicated	45.9	6.2	5700	290	910	270	1000	90	90
Inferred	368.9	4.0	3030	160	490	150	570	60	40
Total	414.8	4.2	3320	180	540	160	620	70	50
PHOS DYKE Classification	**Tonnes (Mt)**	**P2O5 (%)**	**TREO + Y2O3 (ppm)**	**HREO (ppm)**	**Nd2O3 (ppm)**	**Pr6O11 (ppm)**	**Nb2O5 (ppm)**	**Sc2O3 (ppm)**	**ThU (ppm)**
Indicated	20.8	8.0	3580	300	720	190	470	80	100
Inferred	83.8	5.4	2340	200	470	120	450	60	60
Total	104.6	5.9	2590	220	520	140	450	70	70

COMBINED Classification	Tonnes (Mt)	P_2O_5 (%)	TREO + Y_2O_3 (ppm)	HREO (ppm)	Nd_2O_3 (ppm)	Pr_6O_{11} (ppm)	Nb_2O_5 (ppm)	Sc_2O_3 (ppm)	ThU (ppm)
Indicated	66.6	6.8	5010	290	850	250	830	90	90
Inferred	452.7	4.2	2900	170	490	140	550	60	40
Total	519.3	4.6	3170	190	540	160	580	70	50

Notes:
1. Due to effects of rounding, the total may not represent the sum of all components.
2. TREO (ppm) includes: Light Rare Earth Oxides (LREO): La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3; and Heavy Rare Oxides (HREO): Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3; + Y_2O_3
3. ThU comprises ThO_2 + U_3O_8 (ppm)
4. Mineral Resource is reported from all blocks, classified as either Indicated or Inferred, where interpolated block grade is >2.5%P_2O_5

The relatively high NdPr and HREO (heavy rare earth oxide) content at Cummins Range is consistent with that of monazite dominant mineralisation, resulting in an attractive Basket Price of US$34.2/kg for the Project as shown below:

Table 2. Mineral Resource-Based Basket Price

Element	Price US$/kg	% of TREO	Basket Price US$/Kg	% of Basket Price
LREO				
La_2O_3	1.1	24.1%	0.3	0.8%
CeO_2	1.1	45.5%	0.5	1.5%
Pr_6O_{11}	110.0	4.9%	5.4	15.8%
Nd_2O_3	110.0	16.9%	18.6	54.3%
Sub-Total		91.4%	24.7	72.4%
HREO				
Sm_2O_3	2.5	2.4%	0.1	0.2%
Eu_2O_3	26.0	0.6%	0.2	0.4%
Gd_2O_3	36.0	1.5%	0.5	1.6%
Tb_4O_7	2,300.0	0.2%	3.9	11.4%
Dy_2O_3	595.0	0.8%	4.5	13.2%

Element	Price US$/kg	% of TREO	Basket Price US$/Kg	% of Basket Price
Ho_2O_3	-	0.1%	-	0.0%
Er_2O_3	-	0.2%	-	0.0%
Tm_2O_3	-	0.02%	-	0.0%
Yb_2O_3	-	0.1%	-	0.0%
Lu_2O_3	-	0.02%	-	0.0%
Y_2O_3	10.0	2.7%	0.3	0.8%
Sub-Total		8.6%	9.4	27.6%
Total Basket Price				
US$/kg			34.2	

The addition of the Phos Dyke resource adds significant phosphate tonnages with an increase of 105Mt at an average grade of 6% P_2O_5 and 0.26% TREO. The TREO grade is lower than the Rare Dyke but has a higher NdPr content of 25% and Higher HREO content 8%. The updated Rare Dyke and Phos Dyke MRE includes 67Mt at 0.5% TREO and 7% P_2O_5 in the higher-confidence Indicated category, which is mostly contained in the upper 100m. Importantly, the concentration of the high value metals neodymium and praseodymium is 73kt.

A phosphate cut-off was chosen for the MRE as it better represents the geology and economic potential of the deposit in that it captures the phosphate and almost all of the rare earths.

Substantial quantities of phosphate will be mined to access rare earth mineral concentrations and RareX intends to extract value from both the phosphate and rare earths. In addition, the Company will investigate the value opportunities presented by the appreciable quantities of niobium and scandium present in the deposit.

Full details of the Cummins Range MRE were provided in the Company's ASX Announcement dated 1 May 2023.

Bioavailability Testwork

Recent testwork on samples from Cummins Range during the June quarter has further confirmed the strong potential of the Direct Shipping Ore (**DSO**) product to be used as direct-application agricultural fertiliser.

To better understand the DSO potential of the Cummins Range deposit, an additional 88 samples were selected from the two main geological units, the Rare Dyke (**RD**) and the Phos Dyke (**PD**). The samples were selected to ensure broad coverage of different P_2O_5 grades, locations within the orebody, and different weathering profiles. The testwork program comprised industry-standard 2% citric acid leach test and was conducted at LabWest Mineral Analysis.

The phosphorus bioavailability results were compared with industry "high" standard for the citric acid method and are shown in Figure 1 and Figure 2 for Rare Dyke and Phos Dyke respectively. As indicated, the majority of the 88 samples were shown to have very high phosphorus bioavailability which was 2-4 times the industry high standard (>9.4% P2O5 dissolution in 2% citric acid). Good bioavailability is also observed across all grades and weathering zones revealing potential for increased production volumes.

These exceptional results demonstrate the potential of Cummins Range DSO material for use as direct application fertilisers.

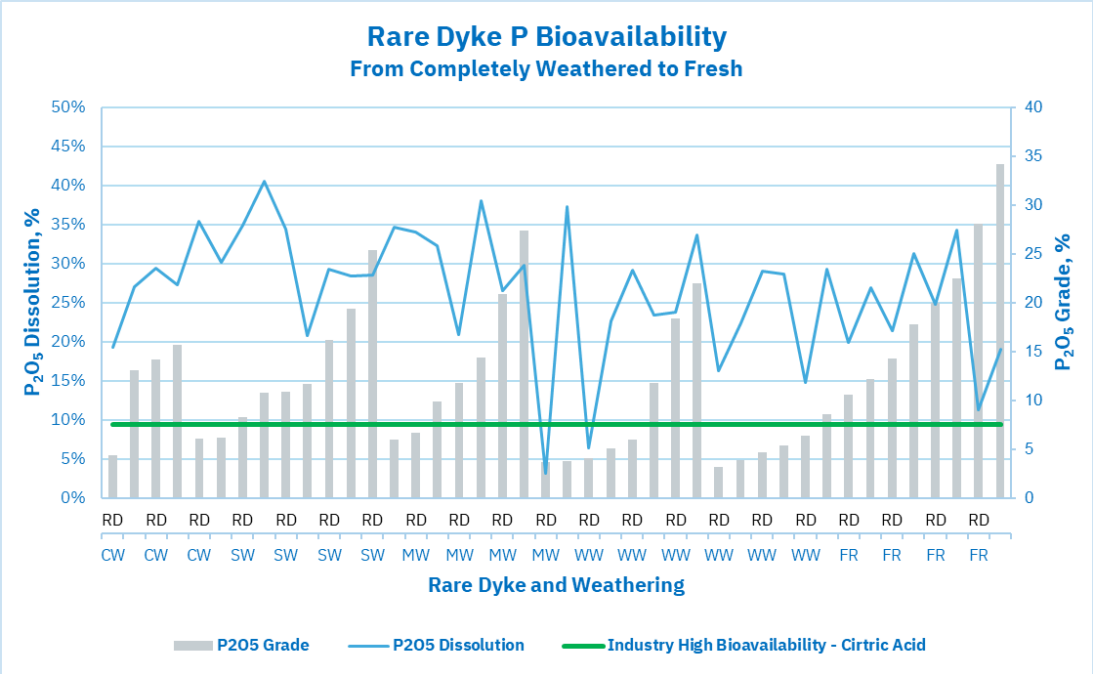

Figure 1: Phosphorous Bioavailability Results vs. Industry Standard - Rare Dyke

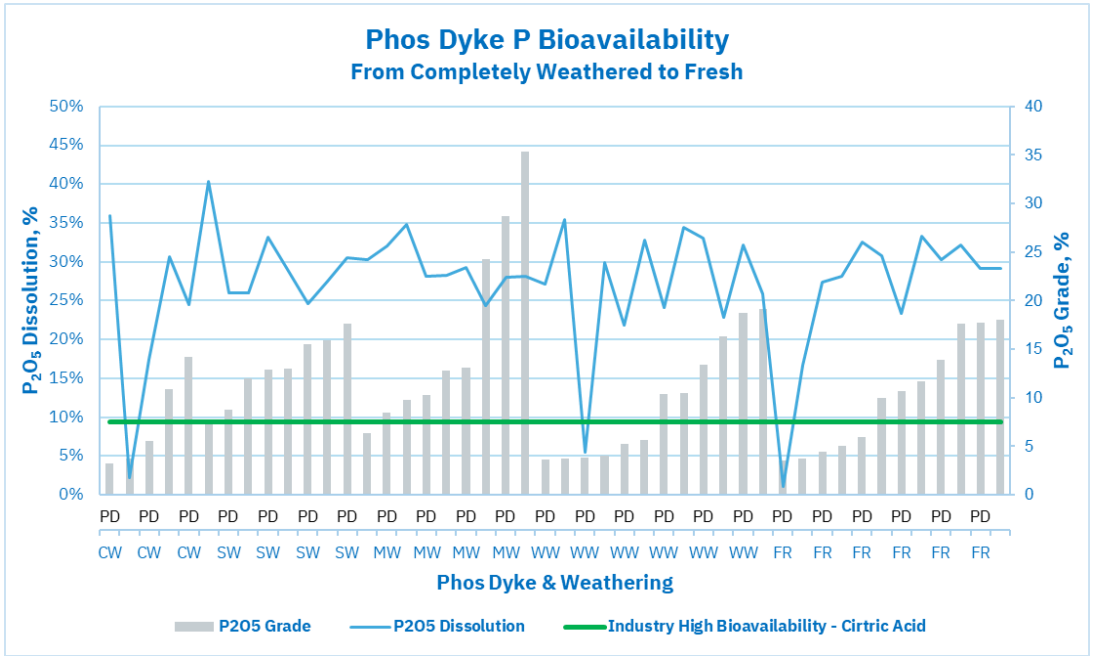

Figure 2: Phosphorous Bioavailability Results vs. Industry Standard - Phos Dyke

Note: CW – Completely Weathered; SW – Strongly Weathered; MW – Moderately Weathered, WW – Weakly Weathered; FR – Fresh

The Cummins Range Resource is an igneous deposit which means the rocks are naturally lower in impurities and deleterious elements when compared with sedimentary rocks. The results from the 88 samples confirm very low levels of deleterious elements including fluorine (F), chlorine (Cl), cadmium (Cd) and lead (Pb) which are well below industry limits as shown in Table 1.

Table 3: Deleterious Elements Results Summary

Deleterious Element	Unit	Assay Range	Average Level	Industry Limit for Phosphorus Fertilisers[3]
F	%	0.18 - 4.00	1.02	<4
Cl	%	0.01 - 0.11	0.03	<2
Cd	mg/kg P	3.31 - 137.64	32.82	<300
Pb	mg/kg	1.70 – 208.00	24.32	<500

Following the positive results, additional formic acid and water leach tests are planned to further assess the phosphorus bioavailability of the potential DSO material. RareX has recently appointed a fertiliser consultant to leverage current and future DSO testwork results, assist with better understanding of the agronomic effects of the Cummins Range DSO material and support the development of product marketing and offtake agreements.

In addition to the DSO analysis, phosphate mineral beneficiation studies for both the Rare Dyke and Phos Dyke materials are underway, with the rare earth deportment also being studied. Phosphate-optimised beneficiation is a strong alternative to rare earth-optimised flotation and may deliver greater value realisation from the Cummins Range Resource.

RareX has signed a collaboration Memorandum of Understanding (**MOU**) with OrdCo[4] to develop a phosphate product roadmap to support the Kununurra agricultural sector with a portion of Cummins Range's phosphate product mix. These latest testwork results clearly support this component of the work being completed under the MOU.

Heritage and Environmental Update

Flora and fauna surveys for both the dry and wet seasons were completed during the June Quarter in line with Federal and State regulatory guidance, with strong input on ecological cultural values from the Jaru people, the Traditional Owners of the land on which the Project is located. Information collected during the field surveys is now being compiled and analysed, with preliminary observations consistent with expectations of floral and faunal assemblages for the project area.

The results of the survey will be used to inform regulatory approvals and drive the development of an environmental management plan for the project. The management plan will ensure that any future mining activities are undertaken in a way that minimise the impact on the environment.

[3] Industry limit as stated in "National Code of Practice for Fertilizer Description and Labelling", Fertiliser Australia 2018
[4] ASX Announcement 7 November 2022: RareX Signs MOU for Supply of Phosphate Products Locally

Next steps include the completion of a scoping study assessing a multi-staged approach, with Stage 1 focussing on a simplified rock phosphate DSO operation, whilst subsequent stages look at more capital-intensive works to extract both phosphate and rare earths as a concentrate.

The survey results and study outcomes will be used to develop a project description with the relevant information to engage the regulator for pre-referral discussions. The Company believes that by focussing approvals on the above water table portion of the resource, demonstrating a relatively low impact project and by developing robust environmental and cultural management plans, we can secure approvals through the Environmental Protection Authority (**EPA**) at State level. If the Project is deemed high impact, it will be referred for federal review through the Department of Climate Change, Energy, the Environment and Water (**DCCEEW**). The Company intends to lodge its submissions for environmental approval before the end of 2023 and anticipates a 6 month review period.

Negotiations with the Jaru Traditional Owners are on track with a draft Mining Agreement and compensation proposal complete. The RareX team, with support from Allens law firm, will continue to meet with the Traditional Owners Negotiation Committee (**TONC**) and the PBC board with the goal of completing negotiations before the start of the 2023 wet-season.

RareX wishes to take this opportunity to thank the Jaru TONC for a constructive, collaborative, and pragmatic approach to the negotiations.

Exploration

A new program of diamond drilling commenced at Cummins Range late in the reporting period.

The program is being undertaken by Kalgoorlie-based drilling company, Kal Drill, and will comprise PQ drilling targeting the Indicated portion of the Mineral Resource within both the Rare and Phos Dykes, which totals 67Mt at 0.5% TREO and 7% P_2O_5.

The drilling program will support all three proposed stages of the Cummins Range development roadmap (see ASX Announcement 13 April 2023), including:

- Collection of high-grade phosphate DSO samples for distribution to potential offtake partners to support the Stage 1 phosphate DSO operation.
- Collection of moderate-grade phosphate and low TREO grade samples to conduct further beneficiation and comminution tests for the production of phosphate concentrate to support the Stage 2 phosphate concentrate operation.
- Targeting the higher-grade rare earths component of the Mineral Resource (which totals 52Mt grading 1% TREO – see ASX announcement 1 May 2023) to obtain additional samples for beneficiation studies for the Stage 3 rare earths and phosphate concentrate operation.

Initial results from the diamond drilling program are expected to be received in coming months.

A program of reverse circulation (**RC**) drilling by Stark Drilling is also scheduled to commence at Cummins Range in July 2023, focused on infilling and upgrading the shallow high-grade phosphate DSO Resource to support the Stage 1 DSO phosphate operation.

NON-CORE PROJECTS

WELD NORTH

A lithogeochemical soil survey was completed over the Weld North Project. Soil samples were taken on a 1km grid. Assay results have not been received as yet. Results will be used to create a geochemical assessment of lithologies and identify potential anomalies.

HONG KONG PROJECT

The Hong Kong tenement E47/3566 was relinquished during the quarter. The gold tenement was plainted and, following legal advice, the Company elected not to challenge the plaintiff in the Warden's Court.

MOROCCAN COBALT PROJECTS

No work was undertaken on the Moroccan projects during the quarter. The Company is in the process of finalising the divestment of these assets.

CORPORATE

Capital Raising

During the quarter, RareX received firm commitments to raise A$4.0 million (before costs) via a share placement to institutional, sophisticated and professional investors at A$0.045 per share with approximately 88.9 million new fully paid ordinary shares issued (**Placement**). The Placement included a one for two free-attaching option exercisable at A$0.0675 and expiring 24-months from the issue. The Attaching Options were quoted on the ASX effective 26 May 2023.

The Placement saw strong support from existing shareholders and new investors, with demand significantly exceeding shares available under the offer.

In addition, Directors and management have agreed to subscribe for a further A$500,000 on the same terms as the Placement, subject to shareholder approval, which was approved at a General Meeting in July.

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

- Resource definition drilling;
- Completion of a definitive feasibility study (**DFS**) for Stage 1 phosphate DSO development;
- Completion of a pre-feasibility study (**PFS**) for the fully-staged Cummins Range Project; and
- General working capital.

Canaccord Genuity (Australia) Limited and Bell Potter Securities Limited acted as Joint Lead Managers to the Placement.

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

Competent Person's Statements

The mineral resource estimate referred to in this announcement was reported by the Company in accordance with Listing Rule 5.8 on 1 May 2023. 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.

Prior results regarding bioavailability were reported in accordance with Listing Rule 5.7 and the Company confirms there have been no material changes since the information was first reported on 7 June 2023.

About RareX Limited – ASX: REE

RareX Limited (ASX: REE), a Perth based project development and exploration Company, was founded on the fundamental belief of the electronics revolution and the electric vehicle mega-trend. Our focus is rare earths and associated battery and electronic metals.

Cummins Range, in the East Kimberley region of Western Australia, is our flagship project which aims to produce a sustainable, ethical, transparent and secure low carbon rare earth and phosphate supply chain solution for its products which satisfy the two global mega-trends of population growth and electrification.

RareX maintains exploration upside programs in the immediate vicinity of the Cummins Range Project and also more broadly to identify targets and progress projects complementary to the founding beliefs and expertise of the core team.

Rare earths and in particular, NdPr, are core enablers of decarbonisation and electrification of our society. NdPr supports high strength magnets which enables low carbon technologies, especially in the electric mobility sector, robotics solutions and renewable energy, particularly the wind energy sector.

Phosphates are one of the three macro nutrients required in fertilisers. Fertilisers are in ever more demand due to population growth, depleting soils and reduced arable land requiring ever more intensive farming.

RareX maintains material investments in Kincora Copper (ASX:KCC), Cosmos Exploration (ASX:C1X) and Canada Rare Earth Corporation (LL.V).

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

RareX Limited
ASX:REE
ABN: 65 105 578 756

RareX HQ
Level 1, 338 Barker Road
Subiaco WA 6008
Australia

P +61 (0) 863 836 593
E info@rarex.com.au
W ree.investorhub.com/welcome
rarex.com.au

RareX Limited (ASX:REE)
@rarex_asx

Appendix A: RareX Limited Interests in Mining Tenements

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended and as at 30 June 2023. There were no acquisitions during the quarter. The Company relinquished the Hong Kong Project during the quarter.

Australian Tenement Schedule				
State	**Project**	**Tenement No**	**RareX Interest**	**Note**
WA	Cummins Range	E80/5092	100%	Rare Earths and Phosphate
WA	Cummins Range Extension	E80/5372	100%	Rare Earths and Phosphate
WA	Weld North	E38/3455	100%	Ionic Clay Rare Earths
WA	Weld North	E38/3530	100%	Ionic Clay Rare Earths
WA	Weld North	E38/3531	100%	Ionic Clay Rare Earths
WA	Mt Mansbridge	E80/5430	100%	Heavy Rare Earths
WA	Hong Kong	E47/3566	0%	Relinquished
NSW	Condobolin	EL 7748	35%	Kincora JV
NSW	Cundumbul	EL 6661	35%	Kincora JV
NSW	Fairholme	EL 6552	35%	Kincora JV
NSW	Fairholme	EL 6915	35%	Kincora JV
NSW	Trundle	EL 8222	35%	Kincora JV
NSW	Jemalong	EL 8502	35%	Kincora JV

Moroccan Tenement Schedule			
Licence Name	**Licence No**	**RareX interest**	**Note**
Tizi Belhaj	234 08 79	20%	Divesting this asset
Bou Amzil	233 88 04	20%	Divesting this asset
Imdere	233 94 05	20%	Divesting this asset
Bou Amzil Extension	PR 384 22 26	-	Divesting this asset

The Company continues to review its existing asset portfolio with a view to ensuring that projects complementary to RareX's exploration and development strategy are retained or acquired and those that are no longer considered a strategic fit are divested in a way that can add shareholder value, through either joint venture, sale or spin-out.

Appendix B: Disclosures in relation to Quarterly Cashflow Report

In line with its obligations under ASX Listing Rule 5.3.5, RareX Limited notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 30 June 2023, pertain to payments to the directors as fees, salary and superannuation and to Primero Group in connection with study work. During the quarter, the Company spent approximately $718k on project and exploration activities. The exploration expenditure relates primarily to assaying of core from the Cummins Range Project, a soil sampling program at Weld North and metallurgical test work.

RareX Limited
ASX:REE
ABN: 65 105 578 756

RareX HQ
Level 1, 338 Barker Road
Subiaco WA 6008
Australia

P +61 (0) 8 6383 6593
E info@rarex.com.au
ree.investorhub.com/welcome
rarex.com.au

RareX Limited (ASX:REE)
@rarex_asx

Appendix C: RareX Limited Investments

In addition to its cash reserves, RareX maintains the following investments in listed companies as at 30 June 2023:

Company	Ticker	# shares	Price (native currency)	FX	Value (A$)	Pricing date
Cosmos Exploration Limited	ASX: C1X	10,000,000	A$0.38	1	3,800,000.00	30/6/2023
Kincora Copper Limited	TSXV: KCC	4,983,333	CAD$0.061	1.13	343,257.96	30/6/2023
		35% free carry interest in exploration licences: Condobolin , Cundumbul, Fairholme Jemalong and Trundle*				
Canadian Rare Earth Company	TSXV: LL	24,579,658	CAD$0.04	1.13	1,110,213.99	30/6/2023
Value of share investments (C1X, KCC, CREC)					**A$5,253,471.95**	**30/6/2023**

* Subsequent to the end of the quarter, RareX Limited has agreed to sell its 35% asset level interests in the Trundle, Fairholme, Jemalong, Cundumbul and Condobolin exploration licences in NSW to its Joint Venture partner, Kincora Copper Limited, for consideration comprising 40 million Kincora Chess Depositary Interests (**CDIs**) and a 1% Net Smelter Return Royalty. Following the transaction, which is subject to various conditions precedent, RareX will maintain a holding of approximately 45 million shares (18%) in Kincora.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
RareX Limited	
ABN	Quarter ended ("current quarter")
65 105 578 756	**30 June 2023**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(718)	(6,182)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(484)	(1,876)
	(e) administration and corporate costs	(390)	(1,470)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	9
1.5	Interest and other costs of finance paid	(4)	(18)
1.6	Income and other taxes paid	(5)	(19)
1.7	Government grants and tax incentives	-	2,142
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,600)**	**(7,414)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(172)	(191)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	(20)
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (Refund of security deposit)	-	-
2.6	**Net cash from / (used in) investing activities**	**(172)**	**(211)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	4,000	4,040
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(266)	(270)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Reduction in finance lease liability)	(21)	(82)
3.10	Share application funds	15	15
3.11	**Net cash from / (used in) financing activities**	**3,728**	**3,703**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	**2,355**	**8,233**
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,600)	(7,414)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(172)	(211)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,728	3,703

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**4,311**	**4,311**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	4,311	2,355
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**4,311**	**2,355**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	194
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	Total facility amount at quarter end $A'000	Amount drawn at quarter end $A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other– Instalment arrangement	-	-
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,600)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,600)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,311
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,311
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.7

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 July 2023

Authorised by: The Board of RareX Limited

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash*

Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.