57-71 RE Rare Earths

15 P Phosphorus

RAREX
Phosphate Enabled Rare Earths

ASX Release
9 November 2023

RareX signs offtake MOU with Nitron for Stage 1 and Stage 2 products

MOU signed with global fertiliser trader and distributor, Nitron Group, for 250ktpa of Stage 1 pre-strip DSO phosphate and 250ktpa of Stage 2 mineral concentrate from Cummins Range

Highlights

- **Memorandum of Understanding (MOU) signed with Nitron** for offtake from Stage 1 and Stage 2 production from the Cummins Range Rare Earths & Phosphate Project.
- **Nitron is the world's second largest distributor of fertilisers**, with a dominant market position in Latin America, and growing positions in North America, Europe, Africa and - importantly for RareX - in SE Asia and New Zealand.
- **MOU Stage 1 offtake: 250ktpa of direct application Direct Shipping Ore (DSO)** phosphate (25% P_2O_5) from 2025.
- **MOU Stage 2 offtake: 250ktpa of high-grade phosphate concentrate product** (32% P_2O_5) from 2028. This provides an opportunity for additional product from lower-grade rare earth resources, potentially expanding the volume of mineable ore from Cummins Range.
- **The MOU provides a pathway to a binding Offtake Agreement**. RareX will employ the services of marketing and shipping executive and RareX board member, Danny Goeman, to lead this process.
- The **price and payment terms will be based on comparable international benchmarks**. Index Mundi reports current phosphate prices as USD345/t for 32% P_2O_5[1].
- The scoping study showed that Cummins Range can produce a fertiliser product from the pre-strip (300ktpa for 3 years) before moving into a dual mineral concentrate product of rare earth and phosphate minerals.

RareX Limited (ASX: REE – **RareX** or **the Company**) is pleased to advise that Nitron Group (**Nitron**), a US headquartered global fertiliser trading and distribution company, has signed an offtake MOU for product from both initial stages of production from the 100%-owned Cummins Range Rare Earths & Phosphate Project located in the Kimberley region of Western Australia.

RareX CEO, James Durrant, said: *"This MOU marks another material step towards de-risking our product and project development strategy and we are very pleased to have Nitron on-board as a potential future offtake partner for our product sales. The ability to sell some of the pre-strip material as a stand-alone product means we have a low-risk start-up pathway for the project and the supply chain before we lead into the full project with the installation of a beneficiation plant. The benefits of this low-risk development pathway to deliver a critical minerals rare earth project*

[1] https://www.indexmundi.com/commodities/?commodity=rock-phosphate

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

should not be understated. It makes Cummins Range fundable, executable and operatable and, once the beneficiation plant is installed, we'll be in a position to produce more rare earths for less capital expenditure than any of our peers."

Cummins Range has the potential to monetise the mine's pre-strip as a direct application, direct shipping rock phosphate fertiliser, before the production of a beneficiated rare earth and phosphate dual mineral concentrate as described in the scoping study[2] and the product strategy[3].

Following the distribution of product samples, Nitron has now formally expressed interest in the pre-strip material (Stage 1) which will provide a low-cost, low-risk start up platform for the main critical mineral rare earth and phosphate project at Cummins Range. Negotiations for a binding Offtake Agreement will commence shortly with support from RareX Director, Danny Goeman, who has extensive experience in offtake contracts through his time leading Danakali (ASX:DNK) and heading FMG's global iron ore marketing and sales function (ASX:FMG). The RareX technical team will now be able to work with the commercial team to optimise the mine schedules in the start-up period.

Through the MOU, Nitron also confirmed interest in up to 250ktpa of phosphate mineral concentrate from the Stage 2 operation. RareX has the potential to produce this product through the proposed beneficiation plant. This phosphate concentrate could be produced from low-grade rare earths blocks within the Cummins Range orebody. The Scoping Study did not assume this ore would be monetised, which means the MOU with Nitron opens up a pathway to monetise more of the Resource than previously considered.

Nitron Group Corporation is the world's second largest distributor of fertilisers, with a dominant market position in Latin America, and growing positions in North America, Europe, Africa and - importantly for RareX - in SE Asia and New Zealand. Nitron traded more than $3 billion in revenue in 2021 and provides a wide range of logistical and financial services to its clients. Nitron trades over 8 million metrics tons per year of NPK fertiliser products throughout the globe.

[2] ASX Announcement 22 August 2023: Enhanced Scoping Study for Cummins Range: The production targets were first disclosed in the Company's scoping study entitled "Enhanced Scoping Study for Cummins Range as a DSO start-up, 3-stage phosphate-enabled rare earth critical minerals project" released on 22 August 2023. The Company's confirms that the material assumptions underpinning the production target continue to apply and have not materially changed.
[3] ASX Announcement 12 October 2023: Cummins Range Project Product Strategy Update.

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

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.

Phosphate is the feedstock for the emerging dominant battery technology; lithium-ferro-phosphate (LFP). The global LFP battery market is projected to grow from $10 billion in 2021 to $50 billion by 2028 as more EVs adopt the safer and longer life technology and grid stabilization batteries expand to balance intermittent renewable generation.

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) 8 6383 6593
E info@rarex.com.au
W ree.investorhub.com/welcome
rarex.com.au

RareX Limited (ASX:REE)
@rarex_asx