ASX / MEDIA ANNOUNCEMENT **7 October 2020**

DRILLING TO COMMENCE NEXT MONTH AT HIGHLY PROSPECTIVE WELD NORTH RARE EARTHS PROJECT

Recently acquired project located just 84km north of Lynas Corporation's new rare earths mine

HIGHLIGHTS

- **Drilling contractors engaged with drilling set to commence in November**
- **Weld North, located ~350km from Kalgoorlie, covers a large circular magnetic anomaly**
- **Located 84km directly north of Lynas Corporation's Mt Weld rare earths mine in WA**
- **Lynas recently selected Kalgoorlie as the location to build its new $500m cracking and leaching plant for processing rare earth material from its Mt Weld mine**
- **Acquisition complements RareX's flagship Cummins Range Project (assays awaited for balance of recent drilling)**

Australian rare earths developer RareX Limited (ASX: REE) (**RareX** or the **Company**) is pleased to announce that it has engaged drilling contractors to commence its maiden drilling program at the recently acquired Weld North Project in Western Australia (Figure 1) in November.

The Weld North Project is located north of Laverton and covers a large, circular magnetic anomaly prospective for a carbonatite intrusive complex similar to those that host the majority of the world's existing rare earth element production – including the world-class Mt Weld mine, owned by Lynas Corporation Limited, and RareX's Cummins Range Rare Earth Project.

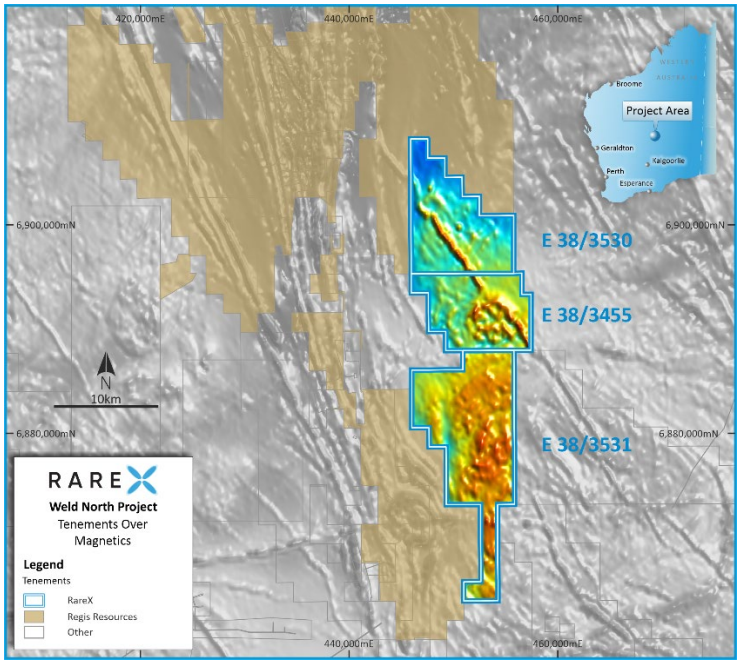

Figure 1: Location of the Mt Weld North tenements

Weld North Project Overview

The Weld North Project is defined by a circular magnetic anomaly target located entirely within RareX's Exploration Licence Application E38/3455 (Figure 2).

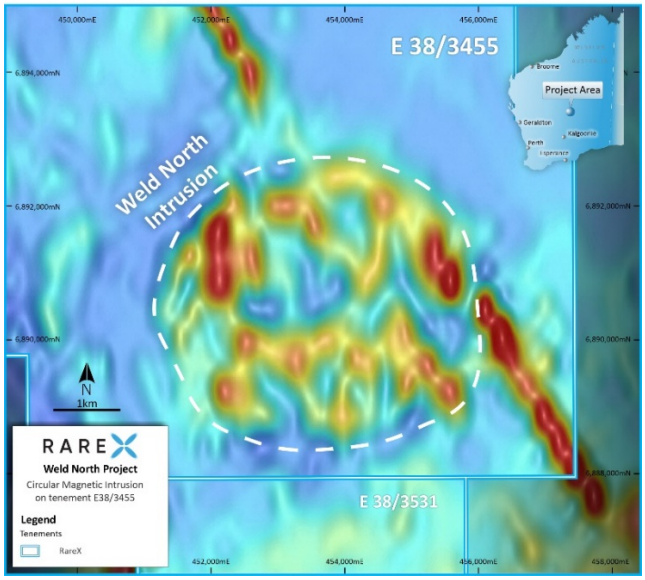

Figure 2: Airborne magnetic anomaly image showing the Weld North circular anomaly which RareX consider to be prospective for being caused by a REE-bearing circular carbonatite intrusive complex or a barren late stage granite intrusive and sitting below regolith cover which masks the buried bedrock source for this magnetic anomaly.

It is located 84km directly north of the Mt Weld carbonatite-hosted rare earth element (REE) deposit held by Lynas Corporation Limited (ASX: LYC, Mkt Cap A$1.5bn).

The Lynas Mt Weld carbonatite complex forms a strong circular magnetic anomaly with a diameter of 4km and which hosts a total rare earth element oxide (TREO) resource of 55.2Mt at 5.4% TREO for 2.98Mt of contained rare earth oxide (REO) (2.5% TREO cut-off) (source: Lynas Corporation Limited 2019 Annual Report announced to the ASX on 2 October 2019).

By comparison, the Weld North circular magnetic anomaly has a diameter of 5km with a similar magnetic anomaly pattern to the Mt Weld carbonatite complex (Figures 2 and 3), where the magnetic anomaly amplitude is less pronounced – indicating less magnetite content of the rocks.

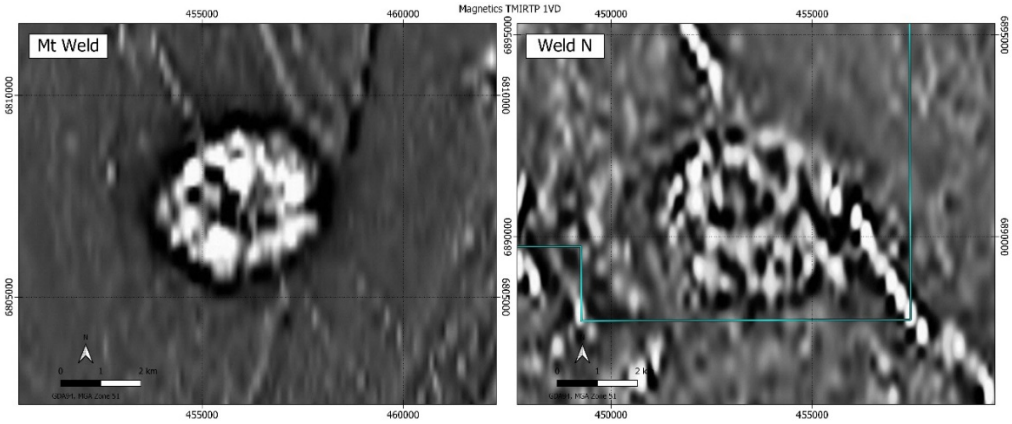

Figure 3: Comparison of airborne magnetic anomaly images of the Mt Weld REE mineralised carbonatite (left) and RareX Weld North magnetic target (right), shown as black and white 1st derivative filtered images.

This characteristic may not have a bearing on the REE potential of the target, since many REE-bearing carbonatite phases are non-magnetic. For example, the majority of the current RareX Cummins Range REE resource is closely associated with non-magnetic carbonatite intrusive rocks and shear zones within a circular diatreme structure (see REE ASX announcement dated 12 November 2019).

It is possible that the Weld North magnetic anomaly is caused by an Archean granitic intrusion. Surface inspection of the Weld North intrusion did not result in any positive identification of a magnetic source, nor identification of any primary geology due to the significant sandy cover sequence. RareX plans to undertake aircore drilling to test under the cover sequence, to assess if the source of the magnetic anomaly is caused by a carbonatite intrusion, similar to Mt Weld, or a granitic intrusion.

The circular shape and size comparison to Mt Weld indicates that the Weld North magnetic anomaly is highly prospective for a significant rare earths discovery (Figure 2).

RareX is committed to progressing exciting greenfields exploration targets like Weld North as it continues to progress its flagship Cummins Range Rare Earths Project towards production.

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

Jeremy Robinson
Executive Director
RareX Limited
Ph: 08 6143 6720

Competent person's statement

Information in this release that relates to Exploration Results is based on and fairly represents information and supporting documentation prepared and compiled by Mr Guy Moulang, an experienced geologist consulting for RareX Limited. Mr Moulang is a Member of the Australian Institute of Geoscientist sand has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken 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 release of the matters based on his information in the form and context in which it appears.

Additional information regarding Mt Weld Mineral Resource estimate

JORC Classification	Million tonnes	TREO* %	**Contained REO** '000 tones
Measured	17.3	7.9	1,370
Indicated	12.0	5.5	660
Inferred	25.9	3.6	930
Total	**55.2**	**5.4**	**2,980**

* TREO = total Rare Earth Oxides (La2 O3 , CeO2 , Pr6 O11, Nd2 O3 , Sm2 O3 , Eu2 O3 , Gd2 O3 , Tb4 O7 , Dy2 O3 , Ho2 O3 , Er2 O3 , Tm2 O3 , Yb2 O3 , Lu2 O3) + Yttrium (Y2 O3). Totals may not balance due to rounding of figures. Mineral Resources have been reported above a cut-off of 2.5% TREO.

The Mineral Resource estimate for the Mt Weld Rare Earth Deposit referred to in this announcement was reported by Lynas Corporation Ltd (**Lynas**) as of 30 June 2019. The Mineral Resource estimate was first reported by Lynas in accordance with the requirements of ASX Listing Rule 5.8 in its ASX announcement titled "Lynas announces a 60% increase to Mt Weld Ore Reserves, one of the world's richest sources of Rare Earths", dated 6 August 2018. Lynas most recently confirmed in its 2019 Annual Report announced to the ASX on 2 October 2019 that all material assumptions and technical parameters underpinning the estimated Mineral Resources set out in the ASX announcement dated 6 August 2018 continue to apply and have not materially changed, with the exception of depletion of stockpiles processed and minor depletion of the in-situ resources from mining.

Appendix 1

Weld North Section 1 Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	No drilling undertaken
Drilling Techniques	*Drill type (eg core, reverse circulation, open- hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	No drilling undertaken
Drill Sample Recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	No drilling undertaken

Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	No drilling undertaken
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	No drilling undertaken
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	No drilling undertaken

Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *The verification of significant intersections by either independent or alternative company personnel.* *Discuss any adjustment to assay data.*	No drilling undertaken
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	No drilling undertaken
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	No drilling undertaken
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	No drilling undertaken
Sample security	*The measures taken to ensure sample security*	No drilling undertaken

Weld North Section 2 Reporting of Exploration Results		
Criteria	***JORC Code Explanation***	
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	The Weld North Project is composed of three tenements. Tenement E38/3455 is granted. Tenements E38/3530 and E38/3531 are applications.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	No significant exploration has been completed over the Weld North intrusion.
Geology	*Deposit type, geological setting and style of mineralisation.*	As described in the body of the report, RareX are exploring for a carbonatite pipe, much like the Mt Weld deposit 80km to the south. The geological setting is ideal to host a Mt Weld type mineralised carbonatite intrusion. However the shape and magnetic signature may be sourced from a granitic intrusion. Surface inspection of the Weld North intrusion did not result in any positive identification of a magnetic source, nor identification of any primary geology. This is due to a sandy cover sequence.
Drill hole information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar* *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* *dip and azimuth of the hole* *down hole length and interception depth* *hole length.*	No drilling undertaken

	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	No drilling undertaken
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results* *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	No drilling undertaken
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	Maps and diagrams are included in the body of the announcement
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Reporting is considered balanced
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	Historic open file government airborne magnetic data has been reprocessed by Resource Potentials geophysical consultants based in Perth, WA, to produce a series of enhanced magnetic anomaly images with the specific aim to better define anomaly patterns that may be produced by a buried carbonatite intrusive complex, where such intrusive bodies often contain significant REE mineralisation. The outline of a prospective magnetic anomaly zones was used to determine the area for applying for an exploration licence with the WA DMIRS.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling.*	Exploration is ongoing

	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	

RareX Limited
Suite 23, 513 Hay Street, Subiaco WA 6008 Ph: 08 6143 6720 ACN: 105 578 756