

EXPLORATION UNDERWAY AT HIGHLY PROSPECTIVE WELD NORTH RARE EARTHS PROJECT

*Drilling program buoyed by recent strong appreciation in Rare Earths pricing,
with NdPr Oxide price up 40% in recent weeks*

HIGHLIGHTS

- All drill pads cleared and air-core drilling to commence later this week at the Weld North Rare Earths Project, located ~350km north of Kalgoorlie.
- Drilling targeting a large circular magnetic anomaly, which may offer geological similarities to Lynas Corporation’s world-class Mt Weld rare earths mine, located 84km directly south.
- Rare Earths prices have increased significantly in China, with the Neodymium-Praseodymium (NdPr) Oxide price up 40% over recent weeks.

Australian rare earths explorer, RareX Limited (ASX: REE) (**RareX or the Company**), is pleased to advise that exploration programs have commenced at the Weld North Rare Earths Project, located 350km north of Kalgoorlie in Western Australia, with drilling set to commence later this week.

The Weld North Project covers a large, circular magnetic anomaly that may represent a carbonatite intrusive complex similar to those that host the majority of the world's existing rare earth element production – including Lynas Corporation’s world-class Mt Weld mine, located 84km south of Weld North, and RareX’s Cummins Range Rare Earth Project.

The drilling program will comprise high-impact, inexpensive air-core drilling to test under the cover sequence across the full width of the interpreted intrusion.

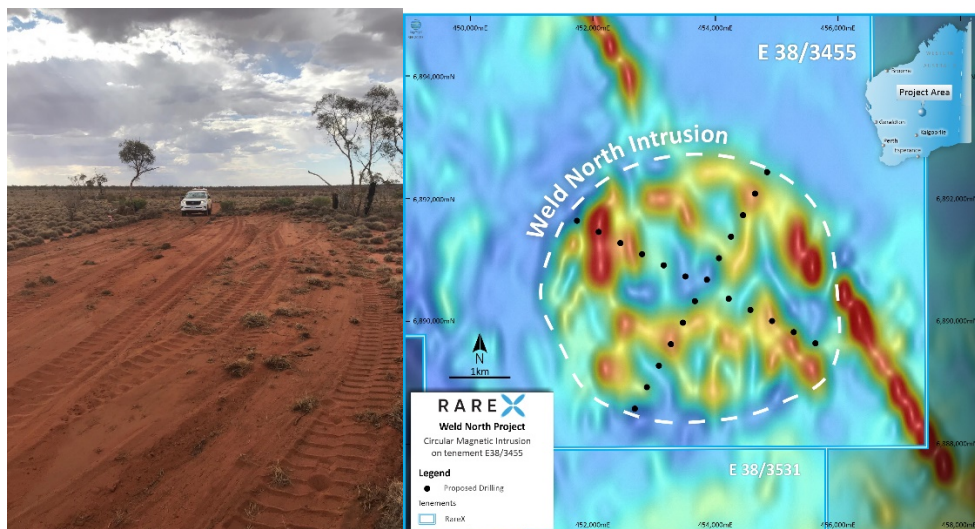


Figure 1: Planned Drilling over Airborne magnetic anomaly image showing the Weld North circular anomaly, which RareX considers to be prospective for being caused by a REE-bearing circular carbonatite intrusive complex or a barren late-stage granite intrusive and sitting below regolith cover which masks the buried bedrock source for this magnetic anomaly.

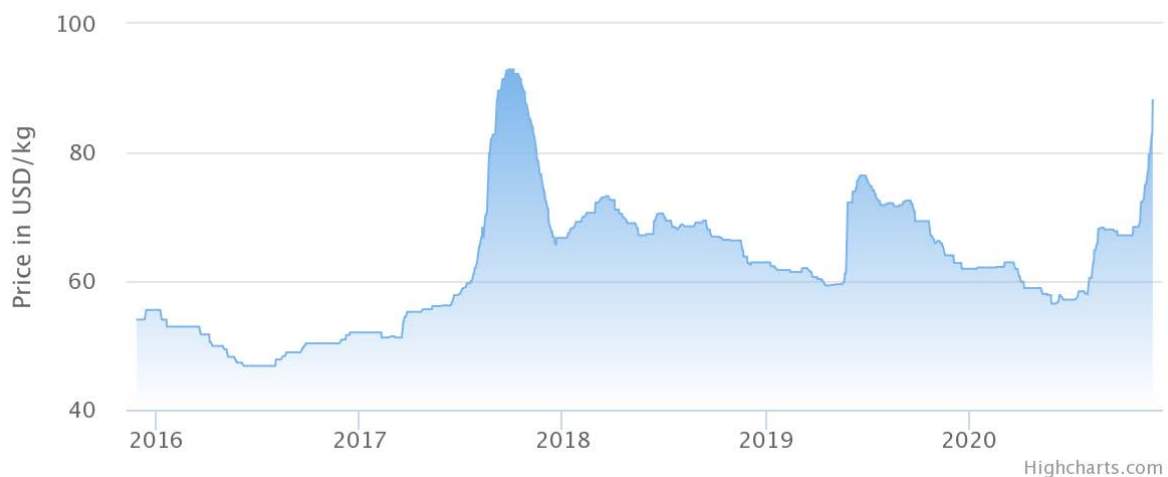


The program will assess if the source of the magnetic anomaly is a carbonatite intrusion, similar to the high-grade Mt Weld mine, or a granitic intrusion. Drilling will take 2-3 weeks, with results expected to be available in January.

RareX is commencing drilling of this high-potential rare earths target against the backdrop of renewed interest in the rare earths sector and recent strong appreciation in the prices of many of the major rare earth elements, particularly those used in Rare Earth Permanent Magnets (**REPMs**) used in the high-growth electric vehicle and renewable energy sectors.

The price of Neodymium-Praseodymium (**NdPr**) Oxide has moved sharply higher over recent weeks, increasing by approximately 40% since the start of November to a current price of US\$68/kg.

Neodymium Oxide (Nd) ask price chart



RareX Managing Director, Jeremy Robinson, said: *“This is a really exciting drilling program which will deliver our first real assessment of the geology of the intrusive complex at Weld North, and whether it has a similar make-up to Lynas’ world-class Mt Weld mine to the south.*

“While our core focus remains on the development of our flagship Cummins Range Rare Earths Project in WA, success from this drilling at Weld North could deliver a substantial re-rating for RareX.

“We are also greatly encouraged by the recent surge in pricing for key rare earths elements, driven by the rapidly growing use of Rare Earth Permanent Magnets.”

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).

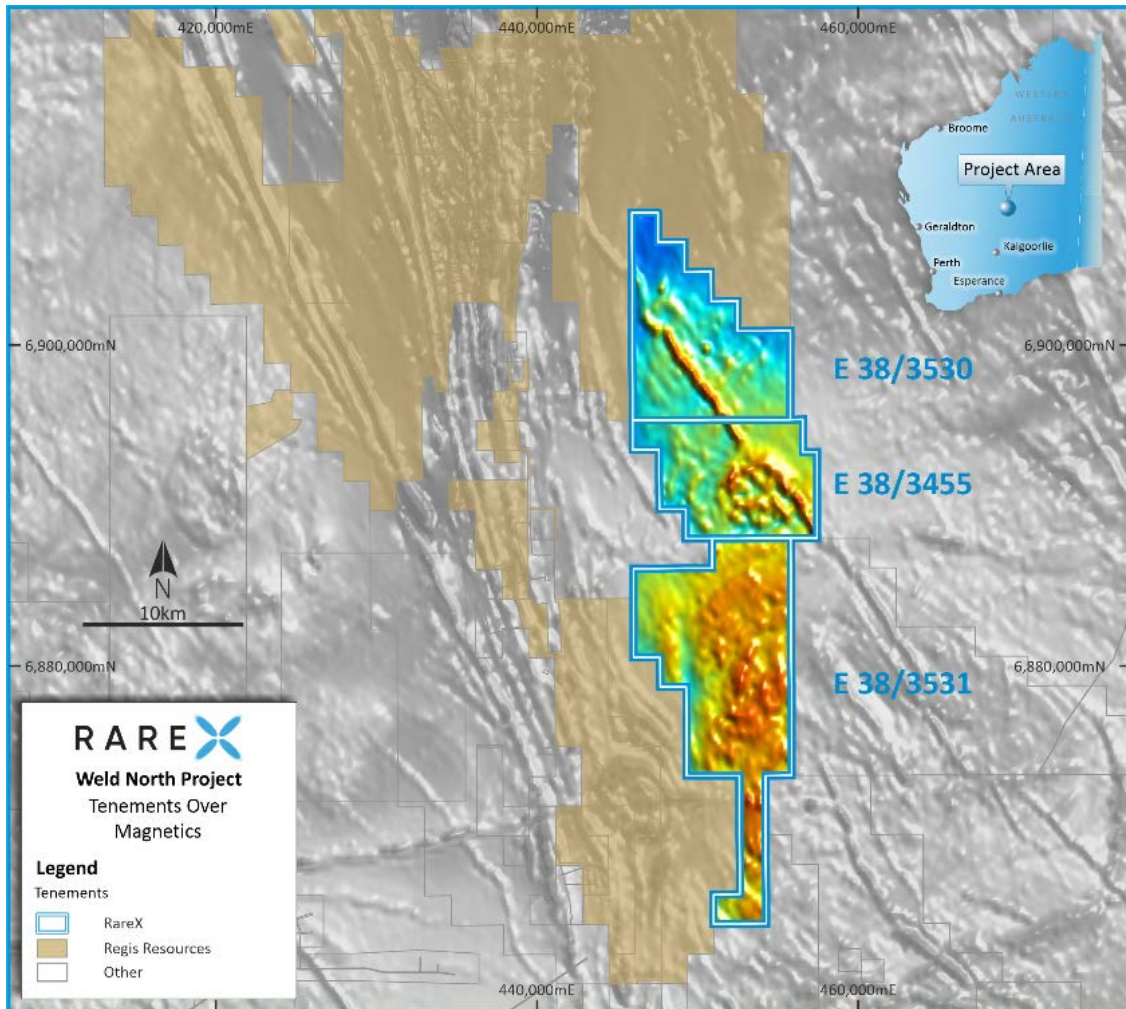


Figure 2: Location of the Mt Weld North tenements

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\$3.3bn).

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 54.5Mt at 5.4% TREO for 2.8Mt of contained rare earth oxide (**REO**) (2.5% TREO cut-off) (source: Lynas Corporation Limited 2020 Annual Report announced to the ASX on 6 October 2020).

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 (Figure 3), where the magnetic anomaly amplitude is less pronounced – indicating less magnetite content of the rocks.

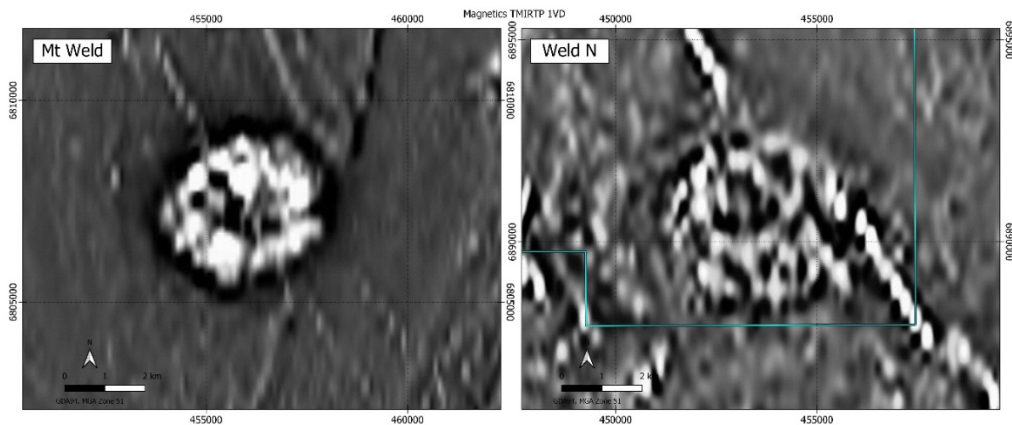


Figure 3: Comparison of airborne magnetic anomaly images of Lynas Corporation's Mt Weld REE mineralised carbonatite (left) and RareX's Weld North magnetic target (right), shown as black and white 1st derivative filtered images.

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.

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.

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 has been authorized for release by the Board of RareX Limited.

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Competent Person's Statements

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 and 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. The Company confirms there are no material changes to the information since it was first reported to the ASX.

Additional information regarding Mt Weld Mineral Resource estimate

JORC Classification	Million tonnes	TREO* %	Contained REO '000 tones
Measured	16.7	7.5	1,300
Indicated	11.9	5.3	600
Inferred	25.9	3.6	900
Total	54.5	5.2	2,800

* 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 2020. 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 2020 Annual Report announced to the ASX on 6 October 2020 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.