

ASX Release 31 January 2024

December 2023 Quarterly Report

Highlights

Cummins Range Rare Earths & Phosphate Project (Kimberley Region, WA)

- Latest mineralogical testwork confirms favourable mineralogy for rare earths beneficiation, further supporting RareX's proposed product strategy for Cummins Range focused on the sale of a combined apatite and monazite mineral concentrate to an existing phosphoric acid production plant for apatite leaching and further upgrade of the rare earths (RE) enriched leach residue by flotation.
- Bulk product samples being generated for mine gate dual-mineral concentrate and derivative products.
- Memorandum of Understanding (MOU) signed with global fertiliser trader and distributor, Nitron Group, for the off-take of 250ktpa of Stage 1 pre-strip DSO phosphate and 250ktpa of Stage 2 mineral concentrate from Cummins Range.
- Binding Term Sheet executed with Newhaul Pty Ltd for the formation of a joint venture company to provide haulage services to the Cummins Range Project.
- Binding term sheet signed with KMG Logistics, the owner and operator of the 2.5Mtpa bulk loading facility (BLF) at Wyndham Port, regarding RareX's use of the BLF for product shipments from Cummins Range.
- Call Option Deed executed with Mud Ark Pty Ltd, giving RareX the exclusive option to purchase 4Ha of freehold industrially allocated land at Wyndham Port for product storage and transfer.
- \$1.97m R&D tax refund received in January for work completed at Cummins Range, bolstering balance sheet.

RareXploration

- Magnetics and gravity surveys completed over the Cummins Range Project area, identifying two potential new ultramafic pipes. The new targets present a similar geophysical response to the existing Mineral Resource area, offering an exciting "near-mine" target for Resource growth.
- Exploration targets being prepared across the priority exploration tenements.
- New tenements applied for and analysis underway for synergistic inorganic growth.

Corporate

- Transaction completed for RareX to become a major shareholder in copper-leveraged Kincora Copper, clearing the way for Kincora to secure project JV development partners for its NSW copper projects.
- Cash and listed investments of \$5.024 million at Quarter-end, with additional \$1.97m R&D rebate received in January 2024.

RareX Limited (ASX: REE) (**RareX** or **the Company**), is pleased to provide its activities and cash flow reports for the quarter ended 31 December 2023.

Management Comment

Commenting on the Quarter, RareX's CEO, James Durrant, said: *"The final quarter of 2023 marked a very busy and productive period for RareX, with important steps taken to further de-risk and advance the development of our flagship Cummins Range Rare Earths & Phosphate Project in Western Australia."*

For more information,
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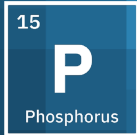
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“Results from the latest round of mineralogical and metallurgical testwork have been very positive, providing further support for our product strategy at Cummins Range and confirming favourable mineralogy for rare earths beneficiation. We are now moving ahead with flotation testwork on the leach residue, with all the results received to date suggesting the potential to deliver high-grade rare earth and phosphate products to feed into the green energy market via the magnet and battery supply chains respectively.”

“We have also de-risked the early stages of the project development after securing a landmark MOU for potential product off-take of the overburden material with global fertiliser distributor, Nitron Group. The MOU provides the opportunity to sell some of the pre-strip material from Cummins Range as a stand-alone product, potentially providing RareX with a low-risk pathway to establish the project and its supply chain ahead of the full-scale project development. We are now working through the process with Nitron to negotiate a binding offtake agreement.”

“In addition, we have also made strong progress towards securing key infrastructure for product transport and shipping, with separate agreements covering the bulk loading facility at Wyndam Port and a nearby land package for product storage, and negotiations also underway for haulage services. Collectively, these agreements have materially de-risked the Cummins Range supply chain, with long-form contracts now being negotiated.”

“Our RareXploration team has been busy defining new targets for drilling in 2024, with magnetics and gravity surveys completed in the September Quarter identifying several new high-priority areas. These include two potential new ultramafic pipes that present a similar geophysical response to our existing Mineral Resource area. Carbonatite pipes – such as the one that hosts the current Cummins Range Resource – often occur in clusters, with these new targets presenting a very exciting opportunity for follow-up exploration, which, if successful, could materially add to the NPV of the Cummins Range project.”

“With these strong foundations at Cummins Range – and with positive movements in both rare earths and phosphate prices in recent weeks – we expect 2024 to be a very exciting period for RareX shareholders.”

CUMMINS RANGE RARE-EARTHS-PHOSPHATE PROJECT

Rare Earths Beneficiation Testwork

Following the positive dilute acid leach and RE flotation results at BTMR, the next important step of RareX’s metallurgical testwork program was to demonstrate good mineralogy of the leach residue to support the Company’s proposed product strategy.

A Quantitative Evaluation of Materials by Scanning Electron Microscopy (QEMSCAN) analysis was performed at ALS Metallurgy during the December Quarter to better understand the mineralogy of the leach residue and confirm favourable RE mineral distribution that will be used to support further RE beneficiation testwork.

The major RE deportment data and monazite liberations are shown in Figure 1 and Figure 2 respectively.

As indicated, monazite is the main RE hosting mineral, accounting for approximately ~70% of the total rare earth elements. Bastnasite (10%) and crandallite (20%) host the remaining RE. The RE deportment is very well aligned to the mineralogy analysis on the head sample that was used for generating this leach residue, suggesting that the RE minerals remained intact during the dilute phosphoric acid leaching process.

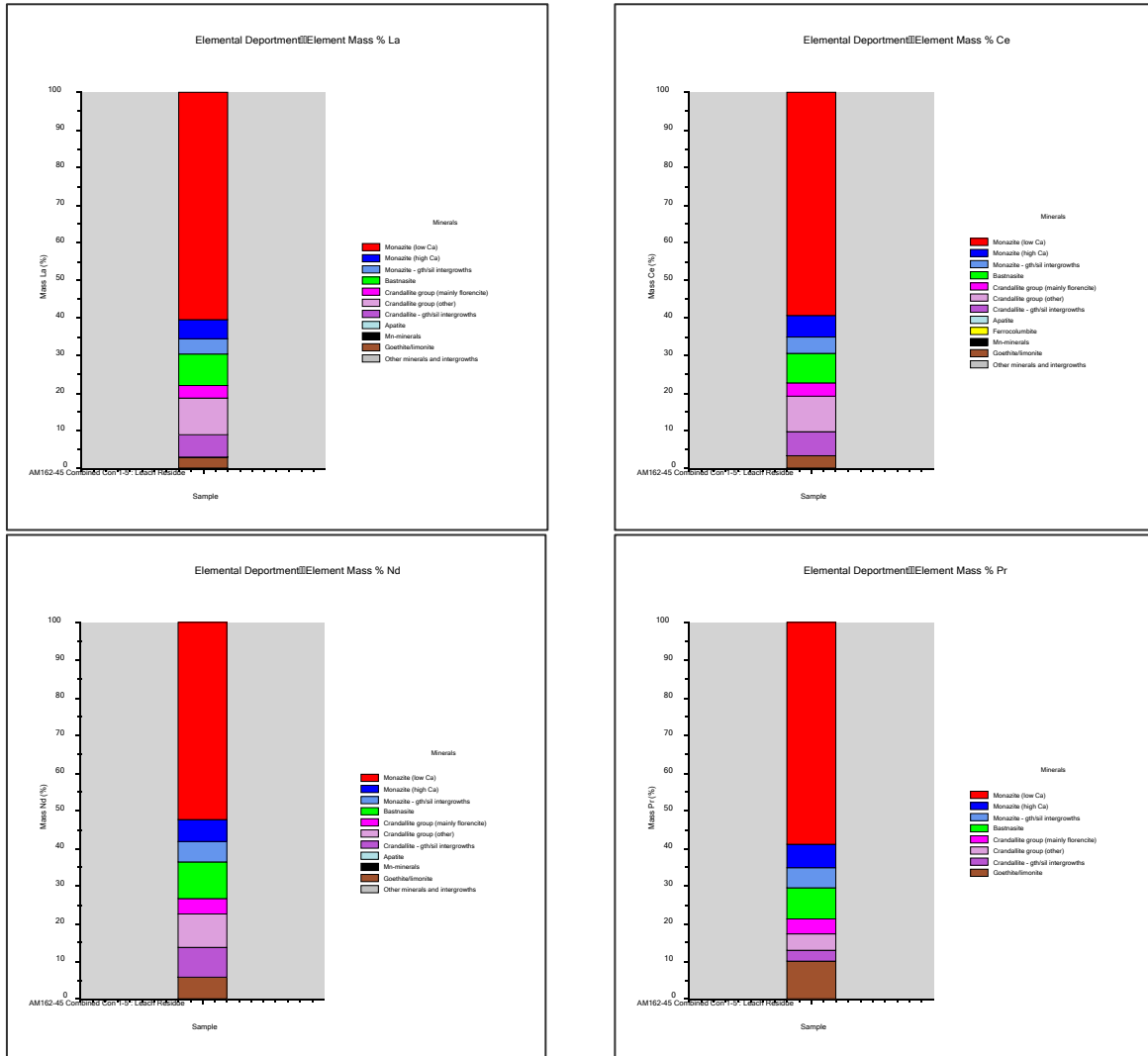


Figure 1. La, Ce, Nd and Pr element department to minerals

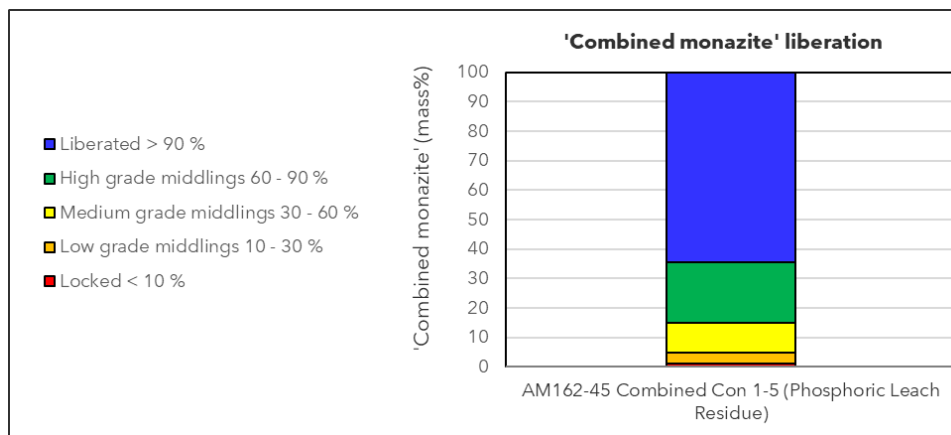
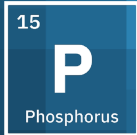


Figure 2. Combined monazite liberations



Monazite locking and liberation analysis showed minimal locking of monazite with other minerals post the dilute acid leach. Improved liberations were also observed, showing 64.4% 'well liberated' (at -53µm grind size) monazite (i.e., >90% monazite) and another 20.5% classified as 'high grade middlings' (60-90% monazite).

It was also noted that this leach residue is generated from the same head sample that was tested at BTMR and achieved >20 times RE upgrade¹. This result is well aligned to RareX expectations and further supports the proposed product processing strategy at the offtaker's facility. The similar mineralogy and the improved RE mineral liberations provide further confidence to RareX that a >30% RE concentrate can be produced from the leach residue suitable for typical RE refineries.

RareX is currently in the process of producing mineral concentrate and product derivatives (leach liquor and RE residue) samples to advance offtake discussions and refine process design criteria. RE flotation is also being carried out on leach residues to confirm that similar, if not better, flotation upgrades can be achieved.

Preparation of bulk samples

Bulk flotation of a 90kg sample was completed and generated ~18kg of dual mineral concentrate samples. A 10kg sample of the concentrate was leached with dilute phosphoric acid to generate product derivatives to better support off-take discussions.

In addition to the above, samples from the 2022-2023 drilling programs were delivered to RareX's Perth-based warehouse for preparation of bulk composites for future testwork and product sample generation.

Offtake MOU

During the Quarter, Nitron Group (Nitron), a US headquartered global fertiliser trading and distribution company, signed an off-take MOU for product from both initial stages of production from the Cummins Range Project.

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 Study² and the product strategy³.

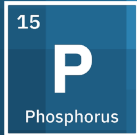
Following the distribution of product samples, Nitron formally expressed interest in the pre-strip material (Stage 1) which has the potential to provide a low-cost, low-risk start up platform for the main critical mineral rare earth and phosphate project at Cummins Range. The negotiation process for a binding Off-take Agreement has commenced supported by RareX Director, Danny Goeman, who has extensive experience in off-take 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 are working with the commercial team to optimise the mine schedules, on the soon to be released mineral resource estimate update, 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.

¹ ASX announcement 28 October 2023: Rare Earths Beneficiation Work Delivers Strong TREC Upgrades

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.



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 metric tons per year of NPK fertiliser products throughout the globe.

Supply Chain Infrastructure Agreements

Bulk Loading Facility

During the Quarter, RareX signed a Term Sheet with KMG Logistics Pty Ltd (KMG) to utilise the existing bulk loading facility (BLF) at Wyndham Port.

KMG, the owner of the BLF, agreed to a binding exclusivity period to negotiate a long-form bulk loading facility agreement (BLF Agreement) by 30 June 2024, under which RareX would have access to at least 600ktpa of capacity at the BLF for an initial 5-year term (subject to extension).

The Term Sheet also grants RareX a binding first right of refusal in the event of any proposed asset sale by KMG during this period.

The Term Sheet sets out indicative commercial terms for the BLF Agreement, which are subject to further negotiation between the parties based on engineering and other works to be undertaken to understand the operating requirements of the shared facilities. The Term Sheet does not contain any other material binding terms.

RareX intends to produce approximately 500ktpa of bulk products from its mine site at Cummins Range, initially commencing by monetising the pre-strip as a direct-application rock phosphate (Stage-1)² with an anticipated rate of 300ktpa in 2025. Once the beneficiation plant is commissioned in approximately 2027/2028, RareX will then produce a rare earths and phosphate dual mineral concentrate at approximately the same production rate.

KMG is an iron ore producer from the Kimberley, with its mine currently in care and maintenance. They intend to begin operations from a new mine in mid-2024, producing approximately 1Mtpa of iron ore direct shipping ore (DSO). Engineering assessment of KMG's bulk handling facility (BLF) and the associated marine conditions indicates a total capacity of approximately 2.5Mtpa, ensuring ample spare capacity for RareX's proposed production rates.

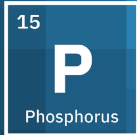
The BLF has historically been used for loading transshipment barges which subsequently load an anchored ocean-going vessel (OGV) approximately 500m from the BLF in deeper water in the centre of the channel. Recent work by KMG has determined that Supramax OGVs (48,000 to 60,000 DWT) will be able to load directly at the BLF.

RareX is now using the operational learnings and practises of KMG to define a complimentary and efficient loading process which has no detrimental impact on KMG's operations.

Land Access for Product Transfer and Storage

RareX signed a Call Option Deed with the owner of Lot 715, Barytes Road, Wyndham Port for 4 hectares of land suitable for the storage and transfer of product from all stages of the Cummins Range Project.

The Call Option Deed includes the agreed form of the contract of sale that the parties will enter into should RareX



elect to exercise its option to purchase the land.

Under the Call Option Deed, RareX has the right to enter the property during the option period to conduct investigations pertaining to the civil construction necessary for the design and installation of bulk handling and storage infrastructure.

RareX is now preparing an integrated commercial and technical solution for the Port, tying together the storage area and the bulk loading facility.

Product Haulage

Subsequent to the end of the Quarter, RareX partnered with Newhaul Pty Ltd for the purposes of providing product haulage and logistical support for the Cummins Range Project.

Newhaul is a logistics specialist with extensive experience in providing haulage capability for resource projects. They bring exceptional indigenous engagement, operational discipline, and data-driven haulage management experience to the project. Additionally, they have a clear roadmap for the decarbonisation of their haulage fleet.

The term sheet lays out the binding obligations to define forecast operational costs in support of the Project's Definitive Feasibility Studies and to reach a binding haulage contract before the end of FY24.

Additionally, the terms bind Newhaul to immediately establish a special purpose vehicle (**JV Co**) to provide haulage services to the Project and to provide an option for Cummins Range Company to enter into the JV by acquiring 50% of the shares in JV Co for \$1 plus the value of the tangible assets of the JV Co minus the liabilities (**Option**).

The Option is exercisable subject to Cummins Range Company having entered into a haulage agreement with JV Co and at least 500,000 tonnes of product from the Project having been hauled by JV Co under the haulage agreement in any consecutive 12-month period. The Option expires in 2030.

The joint venture agreement outlines the corporate governance and operational management details of the joint venture, once entered into by Cummins Range Company.

Port joint venture company

A tripartite joint venture initiative is being pursued to establish a port storage and handling facility on the optioned land at Wyndham Port, adjacent to the BLF. The initiative is designed to bring operational and logistics experience into the company to own and operate truck receivals, product storage and reclaim.

The initiative is considering a relevant government grant as a condition precedent on the formation of the JV. Although a key enabler for the bulk critical and strategic mineral products of Cummins Range, the facility being proposed by the JV is being designed for co-use and modular expansion, potentially providing other regional critical mineral projects incentives for development.

RareXploration

Regional Magnetics and Gravity Surveys

Results from magnetics and gravity surveys were reported during the December Quarter, delivering a number of new targets including two ultramafic bodies to the north of the existing Mineral Resource area.

The aerial magnetics and ground gravity surveys were completed over 100%-owned tenements E80/5092 and

E80/5372 at Cummins Range in September.

Both surveys identified numerous targets, including a likely second ultramafic pipe in the northern portion of E80/5092.

Currently the RareXploration team are integrating the new data and prioritising rare earths exploration targets to follow-up in the first few months of 2024. RareXploration is the division of RareX focused on target generation and investment curation. The adjacent anomalies to the Cummins Range deposit are the obvious priority for this team in the short term before moving focus to the other tenements in the RareXploration portfolio.

The magnetic survey was flown by MagSpec Airborne Surveys at 50m spacing. The ground gravity survey was completed by Atlas Geophysics at a 400m spacing with 200m in-fill in areas of interest. Supervision and ongoing interpretation of the surveys was conducted by Resource Potentials.

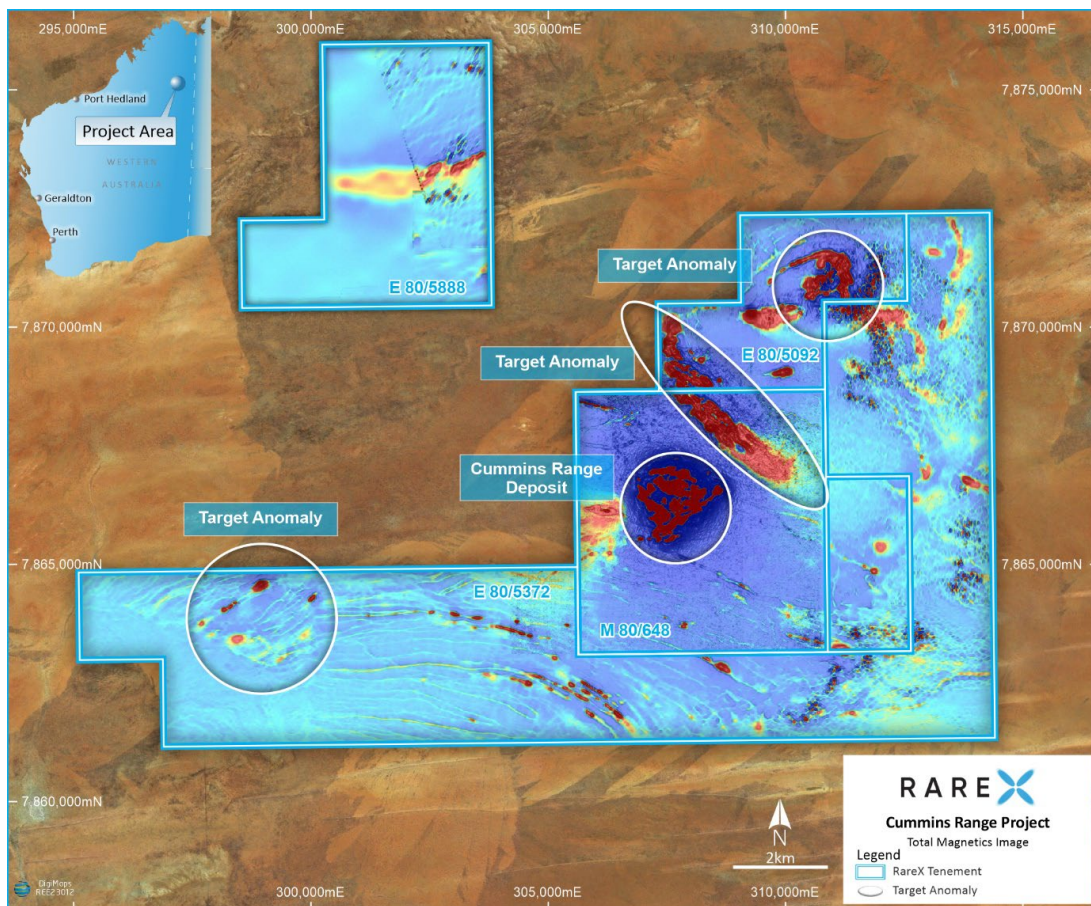


Figure 3. Total magnetics image on RareX tenements

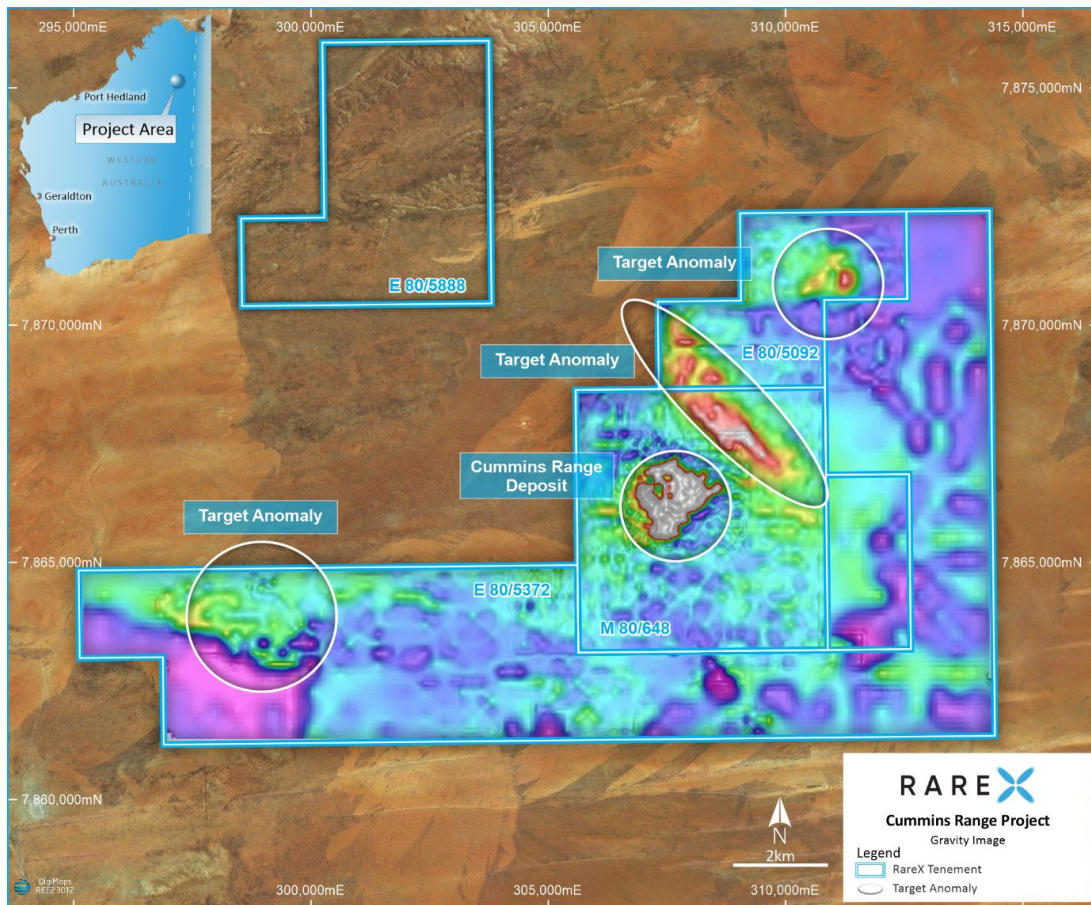


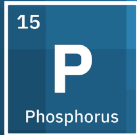
Figure 4. Ground Gravity image on RareX tenements

The Cummins Range carbonatite is hosted in an ultramafic pipe and produces a strong magnetic and gravity anomaly in contrasting country rocks of paleoproterozoic granitic rocks and neoproterozoic sediments. The carbonatites have intruded into the ultramafic pipe and have likely used the same deep tapping structures to move through the earth's crust.

Results from the surveys indicate two large well-defined ultramafic bodies to the north of the existing Cummins Range deposit. The body immediately to the north of Cummins Range measures 4km long and up to 1km wide. Geophysics has defined internal structures and irregularities in the body, which may have been caused by intruding carbonatites similar to those within the Cummins Range pipe.

A second pipe-like circular ultramafic body measuring 1km in diameter has been defined 6km to the north of the Cummins Range deposit. The magnetic and gravity responses over this intrusion also show irregular responses similar to those seen at the Cummins Range pipe.

Numerous other anomalies have also been identified.



WELD NORTH

No work was completed during the quarter.

MT MANSBRIDGE

No work was completed during the quarter.

RED DRAGON

No work was completed during the quarter.

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

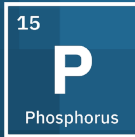
Sale of NSW Copper-Gold Interests

During the Quarter, Kincora Copper Limited (ASX & TSXV: KCC, Kincora) formally completed its previously announced acquisition of RareX's minority and carried interest in various NSW copper projects (see ASX Announcement 31 July 2023).

In consideration for the Company's divestment of its project-level ownership in the Trundle, Fairholme, Jemalong, Cundumbul and Condobolin licenses, RareX received 40 million Kincora Chess Depositary Interests ("CDIs") and a 1% Net Smelter Return Royalty ("NSR").

As part of the transaction, Mr Jeremy Robinson, founder and Chairman of RareX, has joined the Kincora's board as a non-executive director.

Kincora is progressing discussions and negotiations with potential third-party asset level investors and partners for its NSW porphyry portfolio, including project level funding and other corporate transaction structures.



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 exploration results 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 18 October, 13 November and 28 November 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

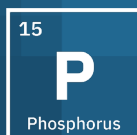
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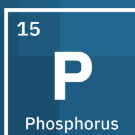
Appendix A: RareX Limited Interests in Mining Tenements

The following information is provided pursuant to Listing Rule 5.3.3 for the quarter ended and as at 31 December 2023. There were no acquisitions during the quarter. The Company confirms that it disposed of its interest in the NSW tenements the subject of the Kincora transaction 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	Red Dragon	E39/2213	100%	Rare Earths

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

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 31 December 2023, pertain to payments to the directors as fees, salary and superannuation. During the quarter, the Company spent approximately \$498k on project and exploration activities. The exploration expenditure relates primarily to sample preparation and assaying costs, consulting fees for study work, geophysical survey costs and metallurgical test work.

Appendix C: RareX Limited Investments

In addition to its cash reserves, RareX maintains the following investments in listed companies as at 31 December 2023:

Company	Ticker	# shares	Price (native currency)	FX	Value (A\$)	Pricing date
Cosmos Exploration Limited	ASX: C1X	10,000,000	A\$0.082	1	820,000.00	29/12/2023
Kincora Copper Limited	TSXV: KCC	44,983,333	CAD\$0.05	1.15	2,586,541.65	29/12/2023
Canadian Rare Earth Company	TSXV: LL	24,579,658	CAD\$0.025	1.15	706,665.17	29/12/2023
Value of share investments (C1X, KCC, CREC)					A\$4,113,206.82	29/12/2023

Appendix 5B

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

Name of entity

RareX Limited

ABN

65 105 578 756

Quarter ended ("current quarter")

31 December 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(498)	(2,501)
(b) development	-	-
(c) production	-	-
(d) staff costs	(207)	(450)
(e) administration and corporate costs	(741)	(995)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	23	33
1.5 Interest and other costs of finance paid	-	-
1.6 Income and other taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(1,423)	(3,913)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(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	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	486
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	-	(7)
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)	-	(22)
3.10	Net cash from / (used in) financing activities	-	457

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,334	4,367
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,423)	(3,913)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	457
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	911	911

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	854	277
5.2	Call deposits	-	2,000
5.3	Bank overdrafts	-	-
5.4	Other* (provide details)	57	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	911	2,277

*The Company holds funds in term deposits as security against a property lease and credit card facility.

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	55
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>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.</i></p>		
<p>Payment of Director fees, salaries and superannuation of \$55K.</p>		

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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>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.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	40	8
7.3 Other– Instalment arrangement	-	-
7.4 Total financing facilities	40	8
7.5 Unused financing facilities available at quarter end		32
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.		
The Company has a credit card facility of which it has a secured term deposit against.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,423)
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)	(1,423)
8.4 Cash and cash equivalents at quarter end (item 4.6)	911
8.5 Unused finance facilities available at quarter end (item 7.5)	32
8.6 Total available funding (item 8.4 + item 8.5)	943
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	(0.66)
<i>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.</i>	
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?	
Answer: The Company has completed its drilling and external study programmes which accounted for a large percentage of the cash outflow in the current and prior quarters. The Company does not anticipate these ongoing cash outflows and will continue to closely monitor its available cash and adjust its expenditure as required.	
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?	
Answer: The Company has its LR7.1 capacity available and its LR7.1A capacity available if required. The Company has liquid investments in listed companies, Kincora Copper (KCC), Cosmos Exploration (C1X) and Canada Rare Earth Corp (CREC). The Company also has a strong track record of being able to raise funds if required and has received a tax refund of \$1.97m for its R&D activities on 16 Jan 2024.	

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

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?

Answer: Yes. The Company expects to continue its operations and exploration activities and will review and adjust according to its available funding.

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 January 2024

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.