

## ASX Release 19 February 2024

### RareX Business Development Strategy

RareX recognises 1H2024 as an opportune time to leverage its internal capabilities for growth and business development in the global rare earths sector

Engage with this announcement at the RareX [investor hub](#).

#### Highlights

- Cummins Range Project development activities now focused largely on off-take, permitting and approvals, freeing up internal capacity to pursue attractive growth opportunities at the current point in the market cycle.
- Exploration targets being prepared for near-mine anomalies identified recently at Cummins Range with the potential to add material value to the Project, and at Red Dragon with rare earths and nickel-copper-PGE potential.
- Business development capacity allocated to Canada, where significant advanced rare earth deposits present attractive complementary acquisition opportunities.
- Business development capacity allocated to the Kingdom of Saudi Arabia, where significant geological potential exists for carbonatite - hosted rare earth deposits proximal to European markets.
- RareX remains bullish on the longer-term outlook for rare earths, which are expected to see +6% compound annual growth rates year-on-year for the foreseeable future, a bifurcation of the market due to Chinese supply constraints, and the underlying demand required from military applications consumer electronics and the continued growth of electric vehicles and wind turbines.

RareX Limited (ASX: REE – **RareX** or **the Company**) is pleased to provide shareholders with an update on its broader business development strategy, which is aimed at leveraging the capabilities of its team to grow the Company while its 100%-owned Cummins Range Project, already Australia's largest undeveloped rare earths project, moves through the permitting and off-take stages.

The Company is aiming to identify, acquire and potentially develop other high-quality complementary rare earth assets in stable jurisdictions proximal to the three key end-markets of Asia, Europe and USA, taking advantage of the current downturn in the global rare earths sector. The addition of other high-quality rare earth assets to the Company's existing Tier-1 Cummins Range Project would provide RareX with a significant long-term growth runway.

RareX CEO, James Durrant, said: *"Cummins Range is at a point where engineering works are substantively completed, and the focus has shifted to preparing for the submission of project approvals and securing offtake – the latter being important to the conclusion of the PFS."*

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*“This means the in-house engineering and geology teams have reserve capacity and we are very excited to turn this energy and capability towards the business development opportunities that the current market presents to us.*

*“Importantly, this is not a distraction in any way from Cummins Range but is rather a way to maximise our position in this difficult market so that we may come out of it thriving, rather than having simply survived. We stand by our firm belief in the rare earth fundamentals, and in the fundamentals of hard rock mineral exploitation - and this market presents us with an opportunity not to be missed.*

*“Our in-house team is fully capable of assessing and evaluating potential projects and resources and our global experience, as well as our critical evaluation of regions, has led us to focus our attention on carbonatites in the Arabian Peninsula and in eastern Canada.*

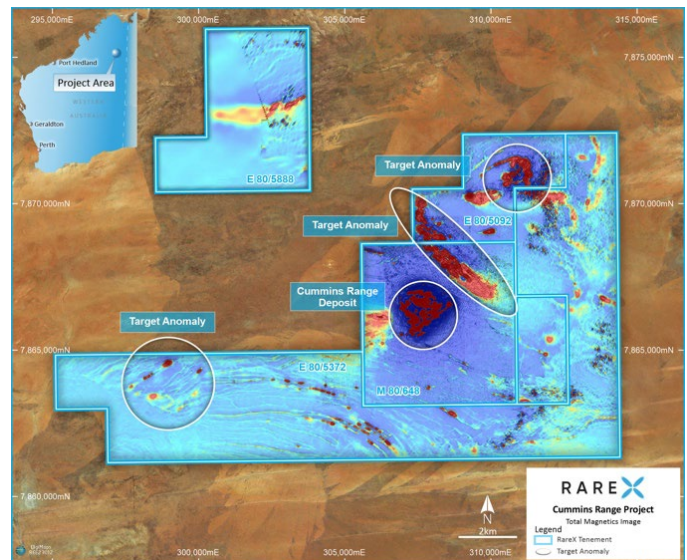
*“We believe that with our current team, our expert connections technically and corporately, and with the capability and support of the board, we have a real potential to grow at a time when others are shrinking. Of course, we are also implementing cost saving initiatives which will see us pare back on our corporate overheads and we are consulting out some of the team to other businesses, which is excellent for their professional growth and the retention of our intellectual property.”*

### Cummins Range developments

RareX’s flagship project, Cummins Range, contains 44M tonnes at 1% TREO, within a global resource of 500M tonnes at 0.3% (when using a P<sub>2</sub>O<sub>5</sub> cut-off)<sup>1</sup>, with “near-mine” targets<sup>2</sup> that present potential scale increases.

The concomitant apatite phosphate mineral at Cummins Range has the potential to supply the LFP acid precursor supply chain<sup>3</sup>, increasing and diversifying revenue. The apatite, along with the monazite, means Cummins Range remains potentially the simplest and most capital efficient rare earth project in Australia<sup>4</sup>.

The off-take process is well underway in the Asia-Pacific, including in Australia and India, and includes the generation of substantial quantities of product and product derivative samples which continue to inform process design criteria.



**Figure 1 - Cummins Range "near-mine" targets**

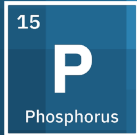
<sup>1</sup> ASX Announcement 25 January 2024: Cummins Range Mineral Resource Estimate Update. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcement, and the material assumptions and technical parameters underpinning the mineral resource estimate continue to apply and have not materially changed.

<sup>2</sup> ASX Announcement 13 November 2023: Geophysical Surveys Identify Potential New Ultramafic Pipes

<sup>3</sup> ASX Announcement 12 October 2023: Cummins Range Project Product Strategy Update

<sup>4</sup> ASX Announcement 14 November 2023: RareX Investor Presentation.

In relation to notes 2, 3 and 4, The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements.



### Business Development – existing portfolio

Beyond Cummins Range, RareX is applying for Exploration Incentive Scheme (EIS) funding in support of drilling of the large magnetic anomaly at Red Dragon.

RareX will investigate Red Dragon's potential to be a large RE-Nb carbonatite or Ni-Cu-PGE magmatic intrusion and new drilling, focused on new interpretations in the region, will be conducted if the grant application is successful.

Additionally, RareX has exposure to prospective heavy rare earth mineralisation through its Mount Mansbridge tenement portfolio, located 60 kilometres from Browns Range. Although previous work has been completed in the region, with mixed success, RareX has access to new ground that is believed to have potential for significant heavy rare earth opportunities. Exploration targets are being prepared for this ground and a field survey will be conducted in due course.

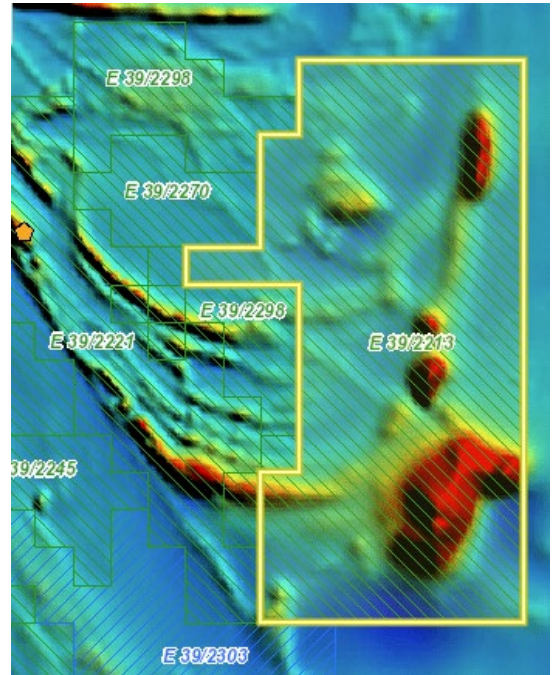


Figure 2 - Red Dragon IOCG potential

### Business Development – portfolio growth

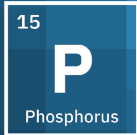
In a market of suppressed rare earth pricing and poor company valuations, coupled with a highly capable and energetic team with temporary capacity and a firm belief in the rare earth fundamentals, RareX is well positioned to pursue complementary projects through its business development arm, RareXploration.

The RareXploration team has been evaluating projects and jurisdictions for a careful but ambitious expansion and has prioritised Canada and the Kingdom of Saudi Arabia (KSA).

The common factors are strategic geopolitical alignment, application of rule of law, good infrastructure, low-cost energy and proximity to end-markets, access to significant, government-backed, finance with the overlay of appropriate geology. Canada represents a stable known quantity proximal to the USA markets and KSA provides for a first-mover opportunity in the rare earths space, proximate to Europe.

### Canada

With its proximity to the USA, with growing new-electric manufacturing giga factories, clean energy, and endowment of carbonatites, Canada has been assessed by RareXploration as a natural growth region where a project can be targeted to leverage the learnings and development stage of Cummins Range. RareX has been working with local geological consultants and to assess pre-screened opportunities and sees Canada as an attractive region to acquire a significant, advanced stage exploration project.



### Kingdom of Saudi Arabia

Following a successful visit to Saudi Arabia to the Future Minerals Forum, RareX intends to pursue a low-risk, low-cost, high opportunity partnership with an experienced Saudi mining firm for the purposes of early movement in an emerging jurisdiction for rare earth and related metals.

The Saudi Government invited RareX to the Future Minerals Forum for the purposes of advancing the rare earth mining sector - part of the third pillar of the Kingdom of Saudi Arabia's Industrial Economy. In the coming weeks, RareX intends to formalise a local partnership and begin applications for relevant projects through the formal tender process. RareX sees KSA and the Arabian Shield to be an attractive region to identify and secure a large, early-stage project opportunity.

### Rare Earth Market Update

Current prices are weak and, according to SMM analysts as reported by Reuters<sup>5</sup>, have potentially bottomed, however, demand remains very strong for strategic energy and electronic applications and prices are forecast to recover well. RareX is leveraged to a rebound in Rare Earth prices and supply chain de-risking.

The pricing outlook for rare earths appears to be turning positive with Reuters reporting: *"Rare earth prices have likely bottomed out and are poised to rise later this year on demand from electric vehicles (EVs) and wind power and as dominant producer China is expected to pull back on expanding output quotas..."*

*"The price in China of praseodymium oxide, one of the most widely used rare earth elements, fell 34% in 2023, while terbium oxide and neodymium oxide tumbled to their lowest levels since late 2020 last month, Shanghai Metals Market (SMM) data showed."*

Reach Markets reported<sup>6</sup>: *"UBS holds a longer-term price outlook of US\$95/kg and expects a recovery over the next 2-3 years to reach this target. Their rare earth analysts expect to see a US\$75/kg NdPr price by the end of the year."*

*"More broadly, global total rare earth oxide (TREO) demand is expected to grow at 6% CAGR all the way through to 2035, driven primarily by the permanent magnet sector. This is forecast to be 5 times the amount that China can supply."*

The MCA<sup>7</sup> Commodity Demand Outlook 2030 highlights the criticality of the Rare Earth Sector forecasting a very strong outlook in demand (the highest of all metals in the report). The report also focusses on the supply chain risk due to the dominance of a single country in not only the mining, but also the processing, of rare earth metals.

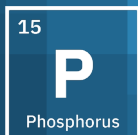
The supply chain vulnerability, coupled with the very strong demand in rare earth metals for strategic applications, means this group of 14 elements remains steadfast on the critical minerals list of Australia<sup>8</sup>.

<sup>5</sup> [https://www.reuters.com/markets/commodities/rare-earths-prices-seen-rebounding-second-half-2024-02-05/#:~:text=BEIJING%2FHANOI%2C%20Feb%205%20,\(expanding%20output%20quotas%2C%20analysts%20said.](https://www.reuters.com/markets/commodities/rare-earths-prices-seen-rebounding-second-half-2024-02-05/#:~:text=BEIJING%2FHANOI%2C%20Feb%205%20,(expanding%20output%20quotas%2C%20analysts%20said.)

<sup>6</sup> <https://reachmarkets.com.au/news/rare-earths-industry-review/>

<sup>7</sup> <https://minerals.org.au/wp-content/uploads/2022/12/Commodity-Outlook-2030.pdf>

<sup>8</sup> <https://www.industry.gov.au/publications/australias-critical-minerals-list-and-strategic-materials-list>



Phosphate  
Enabled  
Rare Earths

In its recent report, The Role of Critical Minerals in Clean Energy Transitions<sup>9</sup>, the International Energy Agency (IEA) forecast demand for neodymium to rise significantly over the next decade. The IEA projects demand for neodymium to increase between 73 per cent and 113 per cent between 2020 and 2030. That is, 31 kt in 2020 will rise to between 54 kt and 66 kt in 2030.

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

### Cummins Range Mineral Resource Estimate P<sub>2</sub>O<sub>5</sub>≥2.5%

RARE DYKE Classification	Tonnes (Mt)	P <sub>2</sub> O <sub>5</sub> (%)	TREO + Y <sub>2</sub> O <sub>3</sub> (ppm)	HREO (ppm)	Nd <sub>2</sub> O <sub>3</sub> (ppm)	Pr <sub>6</sub> O <sub>11</sub> (ppm)	Nb <sub>2</sub> O <sub>5</sub> (ppm)	Sc <sub>2</sub> O <sub>3</sub> (ppm)	ThU (ppm)
Indicated	44.4	6.0	5560	280	880	260	990	90	80
Inferred	363.7	3.9	2960	160	480	140	570	70	40
<b>Total</b>	<b>408.2</b>	<b>4.1</b>	<b>3240</b>	<b>180</b>	<b>520</b>	<b>160</b>	<b>610</b>	<b>70</b>	<b>40</b>

PHOS DYKE Classification	Tonnes (Mt)	P <sub>2</sub> O <sub>5</sub> (%)	TREO + Y <sub>2</sub> O <sub>3</sub> (ppm)	HREO (ppm)	Nd <sub>2</sub> O <sub>3</sub> (ppm)	Pr <sub>6</sub> O <sub>11</sub> (ppm)	Nb <sub>2</sub> O <sub>5</sub> (ppm)	Sc <sub>2</sub> O <sub>3</sub> (ppm)	ThU (ppm)
Indicated	33.0	7.6	3430	290	670	170	500	80	100
Inferred	83.1	5.6	2390	200	460	120	450	60	60
<b>Total</b>	<b>116.2</b>	<b>6.2</b>	<b>2690</b>	<b>230</b>	<b>520</b>	<b>140</b>	<b>460</b>	<b>70</b>	<b>70</b>

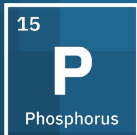
COMBINED Classification	Tonnes (Mt)	P <sub>2</sub> O <sub>5</sub> (%)	TREO + Y <sub>2</sub> O <sub>3</sub> (ppm)	HREO (ppm)	Nd <sub>2</sub> O <sub>3</sub> (ppm)	Pr <sub>6</sub> O <sub>11</sub> (ppm)	Nb <sub>2</sub> O <sub>5</sub> (ppm)	Sc <sub>2</sub> O <sub>3</sub> (ppm)	ThU (ppm)
Indicated	77.4	6.7	4,650	280	790	230	780	90	90
Inferred	446.9	4.2	2,860	170	480	140	550	70	40
<b>Total</b>	<b>524.3</b>	<b>4.6</b>	<b>3,120</b>	<b>190</b>	<b>520</b>	<b>150</b>	<b>580</b>	<b>70</b>	<b>50</b>

- Notes:
- Due to effects of rounding, the total may not represent the sum of all components
  - TREO (ppm) includes: Light Rare Earth Oxides (LREO): La<sub>2</sub>O<sub>3</sub>, CeO<sub>2</sub>, Pr<sub>6</sub>O<sub>11</sub>, Nd<sub>2</sub>O<sub>3</sub>; and Heavy Rare Oxides (HREO): Sm<sub>2</sub>O<sub>3</sub>, Eu<sub>2</sub>O<sub>3</sub>, Gd<sub>2</sub>O<sub>3</sub>, Tb<sub>4</sub>O<sub>7</sub>, Dy<sub>2</sub>O<sub>3</sub>, Ho<sub>2</sub>O<sub>3</sub>, Er<sub>2</sub>O<sub>3</sub>, Tm<sub>2</sub>O<sub>3</sub>, Yb<sub>2</sub>O<sub>3</sub>, Lu<sub>2</sub>O<sub>3</sub>; + Y<sub>2</sub>O<sub>3</sub>
  - ThU comprises ThO<sub>2</sub> + U<sub>3</sub>O<sub>8</sub> (ppm)
  - Mineral Resource is reported from all blocks, classified as either Indicated or Inferred, where interpolated block grade is >2.5%P<sub>2</sub>O<sub>5</sub>

The mineral resource estimate referred to in this announcement was reported by the Company in accordance with Listing Rule 5.8 on 25 January 2024. 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.

<sup>9</sup> <https://www.iea.org/reports/the-role-of-critical-minerals-in-clean-energy-transitions>





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### 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](http://www.rarex.com.au)**

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