

Major Drilling Program Underway to take Cummins Range Critical Minerals Project to the Next Level

Drilling commences as Government support for critical minerals projects ramps up

HIGHLIGHTS

- Major drill program underway with up to three drill rigs in action.
- Drilling designed to convert Exploration Target (ASX: 16 February 2022) to Resources.
- Drilling to continue through to October, fully-funded by recent capital raising.
- RareX notes major Government support for critical mineral projects.
- NdPr Prices up 370% in recent times on the back of booming demand.



RareX Limited (ASX: **REE**) (**RareX**) is pleased to announce the start of the 2022 field season at its 100%-owned Cummins Range Rare Earths Project in Western Australia, with the largest drilling program in the Project's history now underway.



The program will quickly ramp up with up to three rigs expected to be in operation through until October to drill out the Exploration Target of 23Mt at 1.6% TREO to 41Mt at 2.4% TREO¹ as announced on 16 February 2022, positioning Cummins Range as one of the largest rare earths deposits in Australia.

The potential quantity and grade of the Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The exploration program is fully-funded by the Company's recent capital raising of A\$10.6 million, as announced on 3 March 2022.

RareX also notes recent increases in Government support in the critical minerals sector including rare earths. This ongoing transformation in terms of support and the significant change in the financial ecosystem for the critical materials sector is highlighted by the fact that two Australian peers in the rare earth sector recently secured significant financing support from the Australian Government.

On 4 April 2022, Iluka (ASX: ILU) secured \$1.2 billion worth of support from the Federal Government's Export Finance Australia for their domestic Eneabba rare earth oxide refinery in Western Australia. The significance of this transaction is emphasized by the fact that the same agency granted \$719 million in total loans, guarantees and bonds the previous financial year.

On 2 February 2022, Hastings (ASX: HAS) secured a loan of up to A\$140-million from the Northern Australian Infrastructure Fund (NAIF) for their Yangibana mixed carbonate rare earth project in Western Australia and, on 16 March 2022, Arafura (ASX: ARU) was awarded grant funding of \$30 million under the Federal Government's Modern Manufacturing Initiative (MMI).

Additionally, \$239 million in loans have been granted to EcoGraf Ltd (ASX: EGR) and Renascor Resources (ASX: RNU) through the Critical Minerals Facility.

The strong underlying increase in demand for rare earths – fuelled by the rapid transition towards electric mobility, spearheaded by electric vehicles – has been reflected in a continuous price increase since April 2020.

The price for 1kg NdPr oxide has increased from US\$37/kg NdPr Oxide to US\$138/kg NdPr Oxide (Source: SMM – Shanghai Metal Exchange) today, representing a price increase of approximately 370%.

RareX Managing Director, Jeremy Robinson, said: *"These recent events clearly show that we are witnessing a fundamental change in the Australian critical materials space. We believe that RareX can play a vital role in this sector through the development of our Cummins Range Project. We are excited to have commenced this fully funded important drilling program to take the deposit to the next level as a globally significant critical minerals project."*

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

¹ TREO = Lanthanide Oxides + Yttrium Oxide + Scandium Oxide



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Competent Person's Statement

The information in this announcement that relates to the Exploration Target is based on and fairly represents information compiled by Mr Guy Moulang, an experienced geologist engaged by RareX Limited. Mr Moulang is a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking 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 announcement of the matters based on this information in the form and context in which it appears and confirms there are no material changes to the information as first reported to the ASX on 16 February 2022.