

## ACQUISITION OF WELD NORTH PROJECT

### HIGHLIGHTS

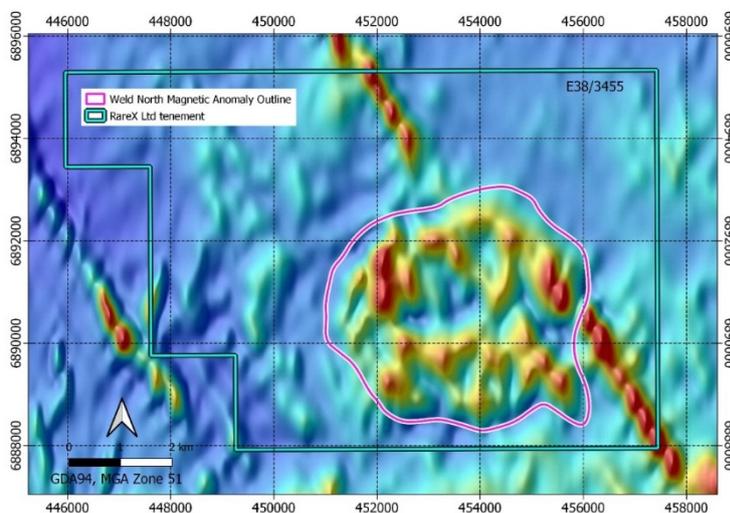
- RareX acquires E38/3455 known as the Weld North Project
- Located 84km directly north of Lynas Corporation's Mt Weld rare earths mine in WA
- Lynas recently selected Kalgoorlie as the location to build its new \$500m cracking and leaching plant for processing rare earth material from its Mt Weld mine
- Weld North located approximately 350km from Kalgoorlie
- Acquisition complements RareX's flagship Cummins Range Project also located in WA
- Evaluation underway on prospective areas of the overall tenement package

Australian rare earths developer, RareX Limited (ASX: REE) (**RareX**) or the **Company**) is pleased to announce that it has submitted a tenement application with the Western Australian Department of Mines Industry Regulation and Safety (**DMIRS**) for exploration licence E38/3455.

The project is located north of Laverton in Western Australia covering a large, circular magnetic anomaly prospective for being caused by 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 both of which are located in Western Australia. RareX's new project is known as Weld North.

### Weld North Project Overview

The Weld North Project is defined by a circular magnetic anomaly target located entirely within RareX's exploration license application E38/3455 and its location 84 kilometers 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).



*Figure 1: 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.*

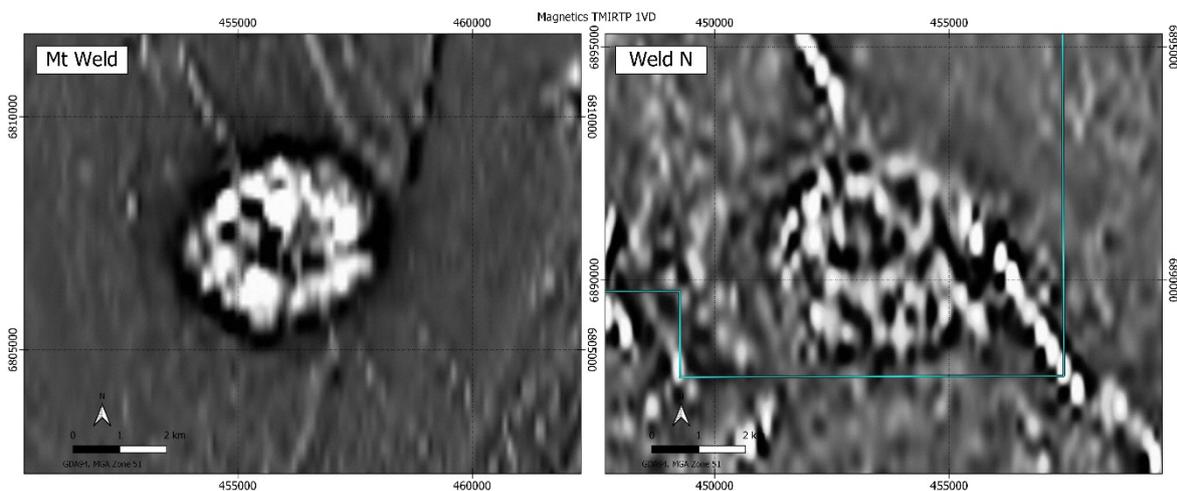


The Lynas Mt Weld carbonatite complex forms a strong circular magnetic anomaly with a diameter of 4km and which hosts a total rare earth element oxide (TREO) resource of 55.2 Mt at 5.4% TREO for 2.98 Mt of contained rare earth oxide (REO) (2.5% TREO cut-off) (Source: Lynas Corporation Limited 2019 Annual 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 1 and 2), where the magnetic anomaly amplitude is less pronounced indicating less magnetite content of the rocks. 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 occurs 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, where the bedrock geology does not outcrop in the center of the magnetic anomaly target, due to regolith and soil cover. RareX plans to undertake reconnaissance geochemical sampling and drill testing to assess if the source of the magnetic anomaly target 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 exciting green fields exploration targets like Weld North as it continues to progress its flagship Cummins Range Project Rare Earths Project towards production.



*Figure 2: 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.*

### **Next Steps**

RareX will now proceed with DMIRS requirement for granting the tenement and will carry out reconnaissance mapping work before commencing ground disturbing exploration following granting, anticipated to be in early to mid-2020. RareX remains focussed on progressing its flagship Cummins Range REE project towards production, with a passive seismic survey currently in progress ahead of



the maiden drill program to commence next quarter to help explore target areas, better define the geometry of mineralisation and to expand the existing resource.

Jeremy Robinson  
**Executive Director**  
RareX Limited



### Competent person 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 Leo Horn, an experienced geologist consulting for Sagon Resources Limited. Mr Horn 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 Horn 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 tonnes
Measured	17.3	7.9	1,370
Indicated	12.0	5.5	660
Inferred	25.9	3.6	930
<b>Total</b>	<b>55.2</b>	<b>5.4</b>	<b>2,980</b>

\* TREO = total Rare Earth Oxides (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> , 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> ) + Yttrium (Y<sub>2</sub> O<sub>3</sub> ). 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

Cummins Range Section 1 Sampling Techniques and Data		
Criteria	JORC Code Explanation	
<b>Sampling techniques</b>	<p><i>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.</i></p> <p><i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i></p> <p><i>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.</i></p>	No drilling undertaken
<b>Drilling Techniques</b>	<p><i>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).</i></p>	No drilling undertaken
<b>Drill Sample Recovery</b>	<p><i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></p> <p><i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></p> <p><i>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.</i></p>	No drilling undertaken

<p><b>Logging</b></p>	<p><i>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.</i></p> <p><i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></p> <p><i>The total length and percentage of the relevant intersections logged.</i></p>	<p>No drilling undertaken</p>
<p><b>Sub-sampling techniques and sample preparation</b></p>	<p><i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></p> <p><i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></p> <p><i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></p> <p><i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></p> <p><i>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.</i></p> <p><i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></p>	<p>No drilling undertaken</p>
<p><b>Quality of assay data and laboratory tests</b></p>	<p><i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total</i></p> <p><i>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.</i></p> <p><i>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.</i></p>	<p>No drilling undertaken</p>



<b>Verification of sampling and assaying</b>	<p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>The use of twinned holes.</i></p> <p><i>The verification of significant intersections by either independent or alternative company personnel.</i></p> <p><i>Discuss any adjustment to assay data.</i></p>	No drilling undertaken
<b>Location of data points</b>	<p><i>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.</i></p> <p><i>Specification of the grid system used.</i></p> <p><i>Quality and adequacy of topographic control.</i></p>	No drilling undertaken
<b>Data spacing and distribution</b>	<p><i>Data spacing for reporting of Exploration Results.</i></p> <p><i>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.</i></p> <p><i>Whether sample compositing has been applied.</i></p>	No drilling undertaken
<b>Orientation of data in relation to geological structure</b>	<p><i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></p> <p><i>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.</i></p>	No drilling undertaken
<b>Sample security</b>	<p><i>The measures taken to ensure sample security</i></p>	No drilling undertaken



## Cummins Range Section 2 Reporting of Exploration Results

Criteria	<i>JORC Code Explanation</i>	
<b>Mineral tenement and land tenure status</b>	<p><i>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.</i></p> <p><i>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.</i></p>	The Cummins Range REO deposit is located on tenement E80/5092 and is 100% owned by RareX Pty Ltd which is a wholly owned subsidiary of Sagon Resources Ltd RareX has purchased the tenement from Element 25 with a potential capped royalty payment of \$1m should a positive PFS study be completed within 36 months of purchase finalisation.
<b>Exploration done by other parties</b>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	CRA Exploration defined REO mineralisation at Cummins Range in 1978 using predominantly aircore drilling. Navigator Resources progressed this discovery with additional drilling after purchasing the tenement in 2006. Navigator announced a resource estimate in 2008. KRE drilled additional holes and upgraded the resource estimate in 2012.
<b>Geology</b>	<i>Deposit type, geological setting and style of mineralisation.</i>	The Cummins Range REO deposit occurs within the Cummins Range carbonatite complex which is a 2.0 km diameter near-vertical diatreme pipe that has been deeply weathered but essentially outcropping with only thin aeolian sand cover in places. The mineralisation has been defined using a combination of grade and various regolith units defined by detailed geological logging of all holes. The current resource sits primarily within the oxidised/weathered zone.
<b>Drill hole information</b>	<p><i>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:</i></p> <p style="padding-left: 40px;"><i>easting and northing of the drill hole collar</i></p> <p style="padding-left: 40px;"><i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></p> <p style="padding-left: 40px;"><i>dip and azimuth of the hole</i></p> <p style="padding-left: 40px;"><i>down hole length and interception depth</i></p> <p style="padding-left: 40px;"><i>hole length.</i></p>	No drilling undertaken

	<i>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.</i>	
<b>Data aggregation methods</b>	<p><i>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.</i></p> <p><i>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.</i></p> <p><i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></p>	No drilling undertaken
<b>Relationship between mineralisation widths and intercept lengths</b>	<p><i>These relationships are particularly important in the reporting of Exploration Results</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>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').</i></p>	No drilling undertaken
<b>Diagrams</b>	<i>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.</i>	Maps and diagrams are included in the body of the announcement
<b>Balanced reporting</b>	<i>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.</i>	Reporting is considered balanced
<b>Other substantive exploration data</b>	<i>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.</i>	Historic open file government airborne magnetic data has been recently 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.
<b>Further work</b>	<i>The nature and scale of planned further work (eg tests for lateral extensions or large scale step out drilling.</i>	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.*

