57-71 RE Rare Earths

15 P Phosphorus

RAREX Phosphate Enabled Rare Earths

ASX Release
8 November 2023

# Infrastructure sharing term sheet signed for bulk loading facility at Wyndham

**RareX has signed a binding term sheet with KMG Logistics regarding the use of the bulk loading facility at Wyndham Port for product shipments from the Cummins Range Project**

## Highlights

- Term Sheet signed with KMG Logistics Pty Ltd (**KMG**), the owner and operator of the 2.5Mtpa bulk loading facility (**BLF**) at Wyndham Port, including key terms under which RareX would utilise the BLF for product shipments from the Cummins Range Rare Earths & Phosphate Project.
- The BLF can load barges for transhipment and direct load Supramax vessels of around 60,000 DWT.
- The Term Sheet provides for capacity of up to 600ktpa for RareX over an initial 5-year term, with RareX to also have exclusive rights to any further available capacity.
- The Term Sheet provides for a binding exclusivity period and requires the parties to negotiate in good faith to determine applicable service fees by 30 April 2024 before finalising a long-form bulk loading facility agreement (**BLF Agreement**) by 30 June 2024.
- The Term Sheet provides for first right of refusal for the BLF in the event of a sale by KMG during the term of the Term Sheet.

RareX Limited (ASX: REE – **RareX** or **the Company**) has significantly de-risked a key component of the bulk handling supply chain for its 100%-owned Cummins Range Rare Earths & Phosphate Project in the Kimberley region of Western Australia, with a Term Sheet signed with KMG Logistics Pty Ltd (**KMG**) to utilise the existing bulk loading facility (**BLF**) at Wyndham Port.

KMG, the owner of the BLF, has 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 CEO, James Durrant said: *"We are delighted to be collaborating with KMG to deliver a shared infrastructure agreement for the existing bulk loading facility that is mutually beneficial and minimises the project footprint. This agreement is one of several that we are currently working on to stitch the full Cummins Range bulk supply chain together, with the aim of delivering a simple, low-cost route to get our rare earths and phosphate project to market.*


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*We are very much looking forward to defining a final long-form agreement with KMG and working with them together to bolster the Kimberley region's mineral potential."*

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)[1] 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 transhipment 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 intends to leverage the operational learnings and practises of KMG to define a complimentary and efficient loading process which has no detrimental impact on KMG's operations.

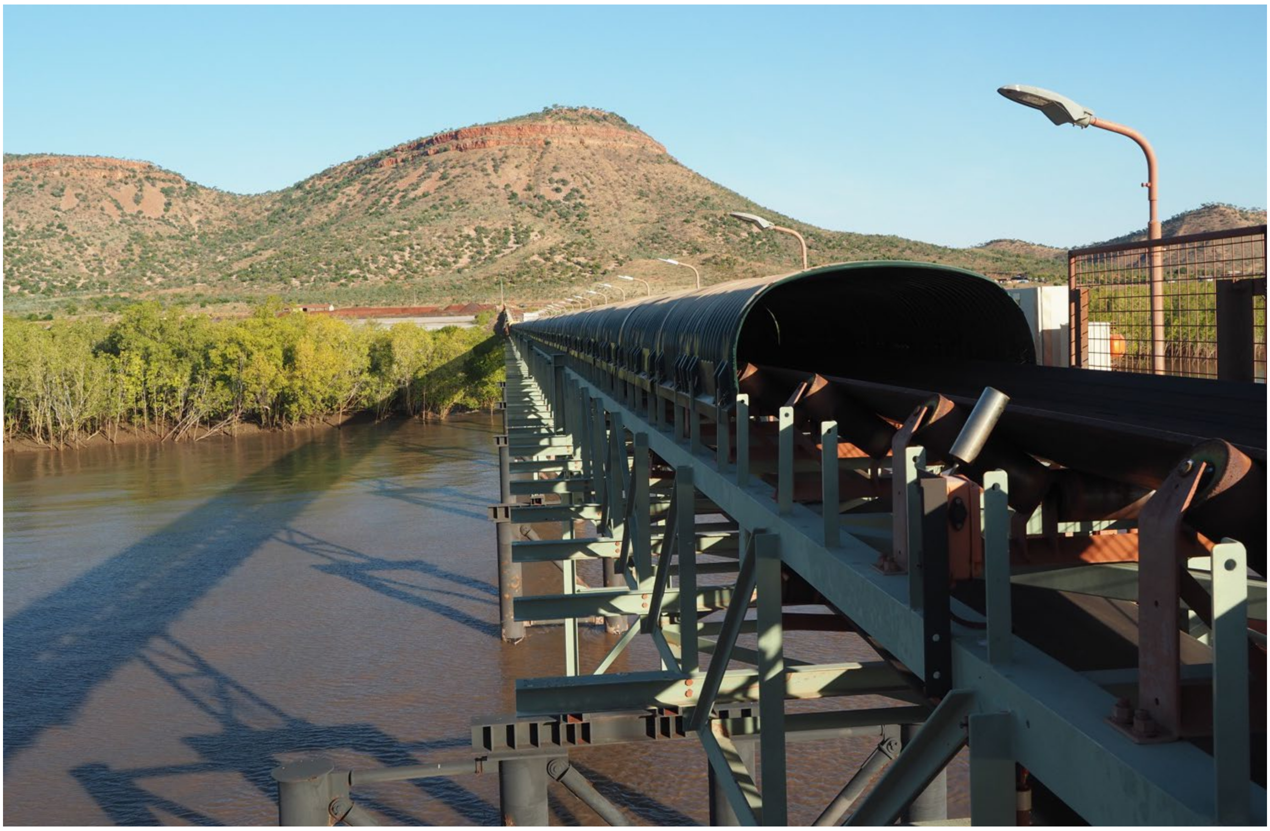

**Figure 1:** Bulk Loading Facility at Wyndham Port

[1] 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.

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

## 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**