



**RareX Limited**

**ACN 105 578 756**

## **Options Prospectus**

This Prospectus is being issued for up to up to approximately 5,555,556 quoted Options exercisable at \$0.0675 each and expiring on 26 May 2025 (**Quoted Options**) on the basis of 1 free attaching Quoted Option for every 2 Shares subscribed for under the Placement (**Offer**).

The Offer under this Prospectus closes at 5.00pm (WST) on Thursday, 10 August 2023\*

**THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.**

**IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR SUITABLY QUALIFIED PROFESSIONAL ADVISER WITHOUT DELAY.**

**The Options offered under this Prospectus are of a speculative nature.**

\*The Company reserves the right, subject to the Corporations Act and Listing Rules to extend the Closing Date for the Offer.

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## Important Information

This Prospectus is dated Tuesday, 8 August 2023 and was lodged with the ASIC on that date with the consent of all Directors. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus.

No Quoted Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Prospectus will be made available in electronic form. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company as detailed in the Corporate Directory.

The Company will also provide copies of other documents on request (see Section 5.3).

The Quoted Options offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks.

Applications for Quoted Options will only be accepted on an Application Form attached to or provided by the Company with a copy of this Prospectus either in paper or electronic form. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of goods and services tax, unless otherwise disclosed. No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and accompanying Application Form within Australia.

No action has been taken to permit the offer of Quoted Options under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Quoted Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus except to the extent permitted below.

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of Quoted Options issued under this Prospectus. The Company will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (<https://www.rarex.com.au/>). By making an application under the Offer, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation, or particular needs of any particular Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to their particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult their stockbroker, solicitor, accountant or other professional adviser without delay.

Definitions of certain terms used in this Prospectus are contained in Section 7. All references to currency are to Australian dollars and all references to time are to the time in Perth, Western Australia unless otherwise indicated.

## Corporate Directory

### Directors

|                  |                        |
|------------------|------------------------|
| Jeremy Robinson  | Non-Executive Chairman |
| Danny Goeman     | Non-Executive Director |
| Shaun Hardcastle | Non-Executive Director |
| Cameron Henry    | Non-Executive Director |
| John Young       | Non-Executive Director |

### CEO and Company Secretary

|               |                         |
|---------------|-------------------------|
| James Durrant | Chief Executive Officer |
| Oonagh Malone | Company Secretary       |

### Registered and Principal Office

Level 1, 338 Barker Road  
Subiaco, WA 6008

Phone: +61 8 6383 6593  
Email: [info@rarex.com.au](mailto:info@rarex.com.au)  
Website: <https://www.rarex.com.au/>

### Share Registry

Automic Pty Ltd  
Level 5, 191 St Georges Terrace  
Perth, WA 6000

Telephone:  
1300 288 664 (within Australia)  
+61 2 9698 5414 (outside Australia)

### Auditor\*

SW Audit  
Level 18, 197 St Georges Terrace  
Perth, WA 6000

### Joint Lead Managers

Bell Potter Securities Limited  
Level 37, Exchange Plaza 2, The Esplanade  
Perth WA, 6000

Canaccord Genuity (Australia) Limited  
Level 4, 60 Collins Street  
Melbourne, VIC 3000

### Solicitors

Hamilton Locke  
Central Park Building  
Level 48, 152 - 158 St Georges Terrace  
Perth WA 6000

**ASX Codes:** REE, REEO

\* These entities are included for information purposes only. They have not been involved in the preparation of this Prospectus.

## Indicative Timetable

| Event                                                                                                  | Date                     |
|--------------------------------------------------------------------------------------------------------|--------------------------|
| Lodgement of Prospectus with ASIC                                                                      | Tuesday, 8 August 2023   |
| Opening Date of Offer                                                                                  | Wednesday, 9 August 2023 |
| Issue of Quoted Options offered under this Prospectus                                                  | Wednesday, 9 August 2023 |
| Appendix 2A – Quoted Options                                                                           | Wednesday, 9 August 2023 |
| Closing Date of Offer                                                                                  | Thursday, 10 August 2023 |
| Commencement of trading on a normal settlement basis of the Quoted Options issued under the Prospectus | Thursday, 10 August 2023 |

### Note:

- \* The dates and times noted above are indicative only and subject to change. Any material changes will be notified by the Company to ASX. The Company reserves the right to amend any or all of these dates and times, including amending the Closing Date of the Offer, without prior notice subject to the Corporations Act, the Listing Rules and other applicable laws.

## Investment Overview

This Section is intended to highlight key information for potential investors. It is an overview only, and is not intended to replace the Prospectus. Potential investors should read the Prospectus in full before deciding to invest in Quoted Options.

| Key Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Further Information  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <p><b>Transaction specific prospectus</b></p> <p>This Prospectus is a transaction specific prospectus for an offer of options to acquire continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.</p>                                                                                                                                                                                                   | Section 5.4          |
| <p><b>Offer</b></p> <p>This Prospectus contains an offer of up to approximately 5,555,556 Quoted Options to the subscribers of the Tranche 2 Placement Shares, on the basis of one (1) free attaching Quoted Option for every for every two (2) Tranche 2 Placement Shares subscribed for under the Placement.</p> <p>The Quoted Options will have an exercise price of \$0.0675 each and will expire at 5.00pm (WST) on 26 May 2025.</p> <p>Following the receipt of Shareholder approval at the general meeting convened on 14 July 2023 (<b>Meeting</b>), the Company intends to issue the Tranche 2 Placement Shares on 9 August 2023 raising approximately \$500,000 (before costs).</p> <p>The Company received Shareholder approval at the Meeting for the issue of the Quoted Options.</p> <p>No additional funds will be raised through the issue of Quoted Options under the Offer.</p> | Sections 1.1 and 1.2 |
| <p><b>Eligibility</b></p> <p>The Offer is limited to the Tranche 2 Participants.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Sections 1.2 and 1.3 |
| <p><b>What is the purpose of the Offer?</b></p> <p>The primary purpose of the Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued upon conversion of any Quoted Options that are issued under the Offer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Section 1.3          |
| <p><b>Risk factors</b></p> <p>Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 4, including (but not limited to) risks in respect of:</p> <p>(a) <b>Resource Risk:</b> There is inherent uncertainty with mineral resource and ore reserve estimates. Regardless of JORC Code or other status, there is a risk that actual mining performance will not deliver performance in line with mineral resource and ore reserve estimates.</p> <p>(b) <b>Exploration &amp; Development Risks:</b> Mineral exploration and development are high-risk undertakings. Even if an apparently viable</p>                                                                                                                                                              | Section 4            |

| Key Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Further Information |
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| <p>deposit is identified, there is no guarantee that it can be economically exploited. The future exploration and development activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.</p> <p>(c) <b>Future capital and funding requirements:</b> The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.</p> <p>(d) <b>Environmental Risk:</b> Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulation.</p> <p>(e) <b>General market risks:</b> Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, employment rates and industrial disruption.</p> |                     |
| <p><b>Use of funds</b></p> <p>No funds will be raised as a result of the Offer. Funds raised from the Placement and any funds raised from the exercise of the Quoted Options will be applied towards:</p> <p>(a) resource definition drilling;</p> <p>(b) completion of a definitive feasibility study for Stage 1 phosphate DSO development;</p> <p>(c) completion of a pre-feasibility study for the fully-staged Cummins Range Project; and</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Section 3.2</p>  |

| Key Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                            |                |                  | Further Information |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------|------------------|---------------------|
| (d) general working capital.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                            |                |                  |                     |
| <b>Effect on control of the Company</b><br>It is not expected that the Offer will have any effect on the control of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                |                  | Section 3.5         |
| <b>Indicative capital structure</b><br>The indicative capital structure upon completion of the Offer is set out below:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                            |                |                  | Section 3.1         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Shares                     | Quoted Options | Unquoted Options | Performance Rights  |
| Existing                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 668,775,462                | 44,444,474     | 21,500,000       | 58,000,000          |
| Maximum Tranche 2 Shares to be issued                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 11,111,111                 | -              | -                | -                   |
| Maximum Securities to be issued under the Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | -                          | 5,555,556      | -                | -                   |
| Total                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 679,886,573                | 50,000,030     | 21,500,000       | 58,000,000          |
| <b>Directors’ and management personnel participation</b><br>Shareholder approval was received at the Meeting for the Directors and certain management personnel (or their respective nominees) ( <b>Tranche 2 Participants</b> ) to participate in the Placement by subscribing for up to 11,111,111 Shares ( <b>Tranche 2 Placement Shares</b> ) and up to 5,555,556 free attaching quoted Options, exercisable at \$0.675 each and expiring on 26 May 2025, to the Tranche 2 Participants ( <b>Quoted Options</b> ).<br>The issue of the Tranche 2 Shares will raise approximately \$500,000 (before costs).<br>The Tranche 2 Placement Shares and Quoted Options (together, the <b>Tranche 2 Securities</b> ) comprise the following: |                            |                |                  | Section 1.1         |
| Director / Management                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Tranche 2 Placement Shares | Quoted Options |                  |                     |
| Jeremy Robinson and Cameron Henry <sup>*</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 6,666,667                  | 3,333,334      |                  |                     |
| John Young                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1,266,667                  | 633,334        |                  |                     |
| Shaun Hardcastle                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 555,556                    | 277,778        |                  |                     |
| Danny Goeman                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 555,556                    | 277,778        |                  |                     |
| James Durrant                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 811,112                    | 405,556        |                  |                     |
| Other management personnel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 1,255,553                  | 627,777        |                  |                     |
| <b>Note:</b><br>1. Mr Robinson and Mr Henry’s Tranche 2 Securities will be held jointly via Churchill SIG Pty Ltd, of which both Mr Robinson and Mr Henry are shareholders and Mr Robinson is the sole director.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                            |                |                  |                     |

| Key Information                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Further Information |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <p><b>Forward looking statements</b></p> <p>This Prospectus contains forward-looking statements which are identified by words such as ‘may’, ‘could’, ‘believes’, ‘estimates’, ‘targets’, ‘expects’, or ‘intends’ and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are considered reasonable.</p> <p>Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the management.</p> <p>The Directors cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.</p> <p>The Directors have no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.</p> <p>These forward looking statements are subject to various risk factors that could cause the Company’s actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.</p> | <p>Section 4</p>    |

## 1. Details of the Offer

### 1.1 Background to the Offer

On 5 May 2023, the Company announced a capital raising of approximately \$4.5 million (before costs) (**Placement**). The Placement is comprised of the following two tranches:

- (a) the issue of 88,888,886 Shares at an issue price of \$0.045 per Share (**Tranche 1 Placement Shares**), with one free-attaching quoted Option for every 2 Shares subscribed for under the Placement (**Tranche 1 Quoted Options**) raising approximately \$4.0 million (before costs); and
- (b) the issue of 11,111,111 Shares to the Directors and certain management personnel (or their respective nominees) (**Tranche 2 Participants**) at an issue price of \$0.045 per Share (**Tranche 2 Placement Shares**), with one free-attaching Quoted Option for every 2 Tranche 2 Placement Shares subscribed for under the Placement (**Quoted Options**) (collectively, the **Tranche 2 Securities**) raising approximately \$500,000 (before costs).

The Tranche 2 Securities comprise the following issues:

| Director / Management                            | Tranche 2 Placement Shares | Quoted Options   |
|--------------------------------------------------|----------------------------|------------------|
| Jeremy Robinson and Cameron Henry <sup>(1)</sup> | 6,666,667                  | 3,333,334        |
| John Young                                       | 1,266,667                  | 633,334          |
| Shaun Hardcastle                                 | 555,556                    | 277,778          |
| Danny Goeman                                     | 555,556                    | 277,778          |
| James Durrant                                    | 811,112                    | 405,556          |
| Other management personnel                       | 1,255,553                  | 627,777          |
| <b>TOTAL</b>                                     | <b>11,111,111</b>          | <b>5,555,556</b> |

**Note:**

- 1. Mr Robinson and Mr Henry's Tranche 2 Securities will be held jointly via Churchill SIG Pty Ltd, of which both Mr Robinson and Mr Henry are shareholders and Mr Robinson is the sole director.

The Tranche 1 Placement Shares were issued on 11 May 2023 using the Company's available 15% placement capacity under Listing Rule 7.1 and 10% placement capacity under Listing Rule 7.1A. The Tranche 1 Placement Shares issued under the Placement were offered to sophisticated and professional investors (or their respective nominees) without disclosure under the Corporations Act (**Tranche 1 Participants**).

The Tranche 1 Quoted Options were issued to the Tranche 1 Participants on 26 May 2023 using the Company's available 15% placement capacity under Listing Rule 7.1.

The Tranche 2 Shares will be issued to the Directors (or their respective nominees) on or around 9 August 2023 following Shareholder approval pursuant Listing Rule 10.11 at the general meeting convened on 14 July 2023 (**Meeting**). The Tranche 2 Shares will be issued

to certain management personnel (or their respective nominees) on or around 9 August 2023 following Shareholder approval at the Meeting pursuant Listing Rule 7.1.

The Quoted Options were approved by Shareholders at the Meeting. The Company expects the issue of the Quoted Options to occur on or around 9 August 2023.

## **1.2 The Offer**

The Company is offering pursuant to this Prospectus, up to approximately 5,555,556 Quoted Options exercisable at \$0.0675 per Quoted Option and expiring at 5.00pm (WST) on 26 May 2023 (**Offer**).

Only the Tranche 2 Participants may apply for Quoted Options under the Offer.

No funds are payable under the Offer.

An Application Form in relation to the Offer will be issued to the person eligible to receive Quoted Options under the Offer (or their nominees) together with a copy of this Prospectus in electronic form.

Applications for Quoted Options under the Offer must be made on the Application Form accompanying this Prospectus and received by the Company on or before the relevant Closing Date.

No funds will be raised as a result of the Offer as the Quoted Options are offered on a free-attaching basis to the Tranche 2 Shares to be issued under the Placement.

## **1.3 Purpose of the Offer**

The primary purpose of the Offer is to remove the need for an additional disclosure document to be issued upon the sale of any Shares that are issued upon conversion of any Quoted Options that are issued under the Offer.

The Offer is being made such that the relief provided under ASIC Corporations (Sale Offer That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Quoted Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Quoted Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

## **1.4 Opening and Closing Dates**

The Company will accept Application Forms from 9 August 2023 (**Opening Date**) until 5.00pm (WST) on 10 August 2023 or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules (**Closing Date**).

## **1.5 Minimum subscription**

There is no minimum subscription for the Offer.

## **1.6 Withdrawal of Offer**

The Company reserves the right not to proceed with the Offer at any time before the issue of Quoted Options.

## **1.7 Issue date**

It is expected that the Quoted Options will be issued on 9 August 2023 and trading of the Quoted Options on the ASX is expected to commence on 10 August 2023.

It is the responsibility of Applicants to determine their allocation prior to trading in the Quoted Options. Applicants who sell Quoted Options before they receive their holding statements do so at their own risk.

### **1.8 ASX quotation**

The Company intends to submit an Appendix 2A for Official Quotation of the Quoted Options being issued pursuant the Offer on or around 9 August 2023.

In any event, application will be made to ASX no later than 7 days after the date of this Prospectus for official quotation of the Quoted Options under the Offer. If permission is not granted by ASX for the Official Quotation of the Quoted Options offered by this Prospectus within 3 months after the date of this Prospectus (or such period as the ASX allows), any issue or transfer of Quoted Options (or Shares issued on exercise of the Quoted Options) will be void in accordance with section 723 of the Corporations Act.

### **1.9 CHESS**

The Company participates in the Clearing House Electronic Sub-register System, known as CHESS. ASX Settlement Pty Limited, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Quoted Options.

If you elect to hold your Securities on the CHESS sub-register, ASX Settlement Pty Limited will send you a CHESS statement.

If you elect to hold your Securities on the Issuer Sponsored sub-register, your statement will be despatched by the Share Registry.

The statements will set out the number of existing Securities held (where applicable) and the number of new Quoted Options allotted under this Prospectus and provide details of a Shareholder's holder identification number (for Shareholders who elect to hold Securities on the CHESS sub-register) or Shareholder reference number (for Shareholders who elect to hold their Securities on the Issuer Sponsored sub-register).

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

### **1.10 International Offer Restrictions**

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

This Prospectus, and any accompanying Application Form, do not, and is not intended to, constitute an offer of Quoted Options in any jurisdiction in which it would be unlawful. In particular, this Prospectus, and any accompanying Application Form, may not be distributed to any person, and the Quoted Options may not be offered or sold, in any country outside Australia.

### **1.11 Risk factors**

An investment in Securities should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are certain specific risks associated with an investment in the Company which are detailed in Section 4.

### **1.12 Taxation implications**

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for Quoted Options.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. As a result, Applicants should consult their professional tax adviser in connection with subscribing for Quoted Options.

### **1.13 Major activities and financial information**

A summary of the major activities and financial information relating to the Company, for the financial year ended 30 June 2022, can be found in the Company's Annual Report announced on ASX on 31 October 2022. Copies of this document are available free of charge from the Company. The Company's continuous disclosure notices (i.e. ASX announcements) since 30 June 2022 are listed in Section 5.3. The Directors strongly recommend that Applicants review the Annual Report and all other announcements prior to deciding whether to participate in the Offer.

### **1.14 Privacy**

If you complete an application for Quoted Options, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess the Application, service your needs as a Security holder, facilitate distribution payments and corporate communications to you as a Security holder, and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your Securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests can be made in accordance with Principle 12 of the Australian Privacy Principles and may be made in writing to the Company's registered office.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

### **1.15 Enquiries concerning Prospectus**

Enquiries relating to this Prospectus should be directed to the Company by telephone on +61 8 6383 6593 or by email via [info@rarex.com.au](mailto:info@rarex.com.au).

For general shareholder enquiries, please contact the Share Registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia).

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## **2. Application for Quoted Options**

### **2.1 Application Form**

Persons entitled to apply for Quoted Options under the Offer should complete and submit an Application Form, in accordance with the instructions on the Application Form. Please read the instructions carefully.

Please complete the Application Form by filling in the details in the spaces provided.

Completed Application Forms must be lodged at any time after the issue of this Prospectus and on or before the Closing Date.

### **2.2 Acceptance of Application**

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Quoted Options accepted by the Company. The Application Form does not need to be signed to be a binding acceptance of Quoted Options.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

By completing and returning your Application Form, you will be deemed to have represented that you are entitled to apply for Quoted Options under the Offer. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given the Prospectus, does not prohibit you from being given the Prospectus and that you:

- (a) agree to be bound by the terms of the Offer;
- (b) declare that all details and statements in the Application Form are complete and accurate;
- (c) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Application Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the Quoted Options to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Application Form;
- (e) declare that you have a registered address in Australia, or another country which permits the Company to make the Offer to you without the requirement to lodge any documents with your local regulatory authority;
- (f) acknowledge that the information contained in, or accompanying, the Prospectus is not investment or financial product advice or a recommendation that Quoted Options

are suitable for you given your investment objectives, financial situation or particular needs; and

- (g) acknowledge that the Quoted Options have not, and will not be, registered under the securities laws in any other jurisdictions outside Australia.

### 3. Effect of the Offer

#### 3.1 Capital structure on completion of the Offer

Assuming that no existing Options are exercised, or Performance Rights converted into Shares, the effect of the Offer on the Company's issued capital as at the date of this Prospectus is as shown in the following table.

|                                                    | Shares             | Quoted Options <sup>3</sup> | Unquoted Options <sup>4</sup> | Performance Rights <sup>5</sup> |
|----------------------------------------------------|--------------------|-----------------------------|-------------------------------|---------------------------------|
| Existing Securities on issue                       | 668,775,462        | 44,444,474                  | 21,500,000                    | 58,000,000                      |
| Maximum Tranche 2 Shares to be issued <sup>2</sup> | 11,111,111         | -                           | -                             | -                               |
| Maximum Securities to be issued under the Offer    | -                  | 5,555,556                   | -                             | -                               |
| <b>Total<sup>1</sup></b>                           | <b>679,886,573</b> | <b>50,000,030</b>           | <b>21,500,000</b>             | <b>58,000,000</b>               |

#### Notes:

- Assumes the Offer is fully subscribed.
- Assumes the Tranche 2 Shares are issued.
- Comprising:
  - 44,444,474 Tranche 1 Quoted Options exercisable at \$0.0675 each and expiring on 26 May 2025 and otherwise on the same terms and conditions as the Quoted Options;
  - 5,555,556 Quoted Options to be issued under this Prospectus, the terms and conditions of which are set out in Section 5.1.
- 21,500,000 unquoted Options comprising:
  - 10,000,000 Options exercisable at \$0.15 each and expiring on 30 November 2023;
  - 7,000,000 Options exercisable at \$0.15 each and expiring on 31 December 2023; and
  - 4,500,000 Options exercisable at \$0.10 each and expiring on 1 March 2026.
- 58,000,000 Performance Rights issued to Directors (or nominees) and employees which vest into 58,000,000 Shares subject to the satisfaction of various milestones.

#### 3.2 Use of funds

No funds will be raised as a result of the Offer.

The Company will receive \$0.0675 for each Quoted Option exercised. If all Quoted Options are issued and exercised, the Company will receive approximately \$375,000 (before costs). There is no certainty that any of the Quoted Option will be exercised.

It is currently intended that any funds raised by the exercise of the Quoted Options will be applied towards:

- (a) resource definition drilling;
- (b) completion of a definitive feasibility study for Stage 1 phosphate DSO development;
- (c) completion of a pre-feasibility study for the fully-staged Cummins Range Project; and
- (d) general working capital.

The application of funds will depend on when Quoted Options are exercised and the status of the Company's projects and requirements at the relevant time.

The above is a statement of current intentions at the date of this Prospectus. Intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.

### **3.3 Substantial Shareholders**

Based on available information as at the date of this Prospectus, the only person, together with their associates, who has a voting power in 5% or more of the Shares on issue is Mr Simon (Sui Hee) Lee with a holding of 35,746,210 Shares and a voting power of 5.35%.

Following the issue of the Tranche 2 Shares, Mr Lee's anticipated voting power will be 5.26%.

The Offer will not have an effect on the quantity of Shares held by existing Shareholders as only Quoted Options are being offered under this Prospectus.

### **3.4 Diluting effect of the Offer**

On the assumptions that:

- (a) all of the Quoted Options offered under this Prospectus are issued and exercised into Shares; and
- (b) no other Securities are issued or exercised (including the Options and Performance Rights currently on issue),

the diluting effect on the percentage interest of existing Shareholders' would be 0.81%.

### **3.5 Effect of the Offer on control of the Company**

The Company is of the view that the Offer will not affect the control (as defined by section 50AA of the Corporations Act) of the Company. No new investor or existing Shareholder will have a voting power greater than 20% as a result of the completion of the Offer.

### **3.6 Financial effect of the Offer**

The Company does not consider that the Offer will have a material effect on the financial position of the Company.

The Offer (assuming all Quoted Options are issued and exercised) will have an effect on the Company's financial position of increasing the cash balance by approximately \$375,000 (before costs).

### **3.7 Expenses of the Offer**

The expenses of the Offer will be met from the Company's existing cash reserves. The Offer will have an effect on the Company's financial position of reducing the cash balance by approximately \$16,000.

Please refer to Section 5.11 for further details on the estimated expenses of the Offer.

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## **4. Risk Factors**

As with any investment in Securities, there are risks involved. This Section identifies the major areas of risk associated with an investment in the Company but should not be taken as an exhaustive list of the potential risk factors to which the Company and its security holders are exposed. Potential investors should read the entire Prospectus and consult their professional advisers before deciding whether to apply for Quoted Options.

The Directors consider that the following summary represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Investors should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

### **4.1 Risks specific to the Company**

#### **(a) Exploration & development risk**

Potential investors should understand that mineral exploration and development are high-risk undertakings. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration and development activities of the Company may be affected by a range of factors, including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

In addition, the construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence operations.

#### **(b) Future capital and funding requirements**

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until its projects are successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. Should the Company require additional funding, there can be no assurance that additional financing will be available on acceptable terms or at all. Any inability to obtain additional financing, if required, would have a material adverse effect on the Company's business, financial condition and results of operations.

In order to successfully develop its projects and for production to commence, the Company will require further financing in the future, in addition to amounts raised pursuant to the Placement or on exercise of any Quoted Options. Any additional equity financing may be dilutive to Shareholders, may be undertaken at lower prices than the then market price or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve restrictions on financing and operating activities.

Although the Directors believe that additional capital can be obtained, no assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities, including resulting in the Tenements being subject to forfeiture, and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of Shares and of securities convertible into Shares in the future. The increase in the number of Shares issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of Shares. In addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders will be diluted.

**(c) New projects and potential acquisitions**

The Company will actively pursue and assess other new business opportunities in the resources sector. These new business opportunities may take the form of direct project acquisitions, joint ventures, farm-ins, acquisition of tenements/permits, and/or direct equity participation.

The acquisition of projects (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence or prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Directors will need to reassess at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or raising additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with the new project/business activities will remain.

**4.2 Risks relating to the mining industry generally**

**(a) Resource risk**

There is inherent uncertainty with mineral resource and ore reserve estimates. Regardless of JORC Code or other status, there is a risk that actual mining performance will not deliver performance in line with mineral resource and ore reserve estimates.

**(b) Operating risk**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining; difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs; adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its Tenement interests. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

**(c) Metallurgy**

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

**(d) Environmental risks**

The operations and proposed activities of the Company are subject to Australian laws and regulations in respect to the environment. As with most exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. It is the Company's intention to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations.

The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making the Company's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(e) **Native title claims and Aboriginal heritage**

In the future if the existence of native title claims occur over the area covered by the Tenements, or a subsequent determination of native title over the area occurs, this will not impact the rights or interests of the holder provided the Tenements have been or will be validly granted in accordance with the *Native Title Act 1993* (Cth) (**NT Act**).

If any of the Tenements were not validly granted in compliance with the NT Act, this may have an adverse impact on the Company's activities. The Company is not aware of any circumstances to indicate that any of the Tenements were not or will not be validly granted in accordance with the NT Act.

The grant of any future tenure to the Company over areas that are covered by registered claims or determinations will likely require engagement with the relevant claimants or native title holders (as relevant) in accordance with the NT Act. The Directors will closely monitor the potential effect of native title claims involving the Tenements in which the Company has or may have an interest.

There remains a risk that additional Aboriginal sites may exist on the land the subject of the Tenements. The existence of such sites may preclude or limit mining activities in certain areas of the Tenements.

(f) **Third party tenure risks**

Under Western Australian, New South Wales, and Commonwealth legislation, the Company may be required, in respect of exploration or mining activities on the Tenements, to recognise the rights of, obtain the consent of, and/or pay compensation to the holders of third-party interests which overlay areas within the Tenements, including other mining tenure, pastoral leases or petroleum tenure.

The Company will continue to be required to negotiate access arrangements and pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a Tenement. The Company's ability to resolve access and compensation issues will have an impact on the future success and financial performance of the Company's operations. If the Company is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Company.

Any delays or costs in respect of conflicting third-party rights (for example, in relation to the assignment of any access agreements or the relocation of existing infrastructure on any existing miscellaneous licences that overlap with a Tenement), obtaining necessary consents, or compensation obligations, may adversely impact the Company's ability to carry out exploration or mining activities within the affected areas.

(g) **Rare earth elements and phosphate price and demand volatility and exchange rate risks**

If the Company achieves success leading to mineral production, the revenue it will derive through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The price of rare earth elements (**REE**) and phosphate may fluctuate and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand,

exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of minerals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market values of REE, phosphate, and other minerals could cause the development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of REE and phosphate are produced, a profitable market will exist for it.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.

In addition to adversely affecting any potential future reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(h) **Competition risk**

The industry in which the Company is involved is subject to domestic and global competition, including major mineral exploration and production companies. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

The Company's current and future potential competitors may include entities with greater financial and other resources than the Company which, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these entities.

(i) **Third party contractor risks**

The Company is unable to predict the risk of insolvency or managerial failure by any of the third party contractors used by the Company in any of its activities or the insolvency or other managerial failure by any of the other service providers used by the Company for any activity. The effects of such failures may have an adverse effect on the Company's activities.

(j) **Reliance on key personnel**

The Company is reliant on a number of key personnel and consultants, including members of the Board. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

(k) **Staffing**

It may be difficult for the Company to attract and retain suitably qualified and experienced people given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

(l) **Climate change**

There are a number of climate-related factors that may affect the Company's business. Climate change or prolonged periods of adverse weather and climatic conditions (including rising sea levels, floods, hail, drought, water, scarcity, temperature extremes, frosts, earthquakes and pestilences) may have an adverse effect on the Company's ability to access its Projects and therefore the Company's ability to carry out services.

Changes in policy, technological innovation and consumer or investor preferences could adversely impact the Company's business strategy, particularly in the event of a transition (which may occur in unpredictable ways) to a lower-carbon economy.

(m) **Occupational health and safety**

Site safety and occupational health and safety outcomes are a critical element in the reputation of the Company and its ability to retain and be awarded new contracts in the resources industry. While the Company has a strong commitment to achieving a safe performance on site a serious site safety incident could impact upon the reputation and financial outcomes for the Company.

Additionally, laws and regulations as well as the requirements of customers may become more complex and stringent or the subject of increasingly strict interpretation and/or enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities, to suspended operations and increased costs.

Industrial accidents may occur in relation to the performance of the Company's services. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have operational and financial implications for the Company which may negatively impact on the financial performance and growth prospects for the Company.

(n) **Insurance**

The Company intends to continue to insure its operations in accordance with industry practice. In certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

(o) **Unforeseen expenses**

The Company's cost estimates and financial forecasts include appropriate provisions for material risks and uncertainties and are considered to be fit for purpose for the proposed activities of the Company. If risks and uncertainties prove to be greater than expected, or if new currently unforeseen material risks and uncertainties arise, the expenditure proposals of the Company are likely to be adversely affected.

#### **4.3 General risks**

##### **(b) General economic climate**

Factors such as inflation, currency fluctuations, interest rates, legislative changes, political decisions and industrial disruption have an impact on operating costs. The Company's future income, asset values and share price can be affected by these factors and, in particular, by exchange rate movements.

##### **(c) General market risks**

Share market conditions may affect the value of the Company's Securities regardless of the Company's operating performance. The Company is exposed to general market and economic condition risks including adverse changes in levels of economic activity, exchange rates, interest rates, commodity prices, government policies, inflation, events affecting global financial liquidity, employment rates and industrial disruption.

##### **(d) Government and legal risk**

Changes in government, monetary policies, taxation and other laws can have a significant impact on the Company's assets, operations and ultimately the financial performance of the Company and its Shares. Such changes are likely to be beyond the control of the Company and may affect industry profitability as well as the Company's capacity to explore and mine.

The Company is not aware of any reviews or changes that would affect its permits. However, changes in community attitudes on matters such as taxation, competition policy and environmental issues may bring about reviews and possibly changes in government policies. There is a risk that such changes may affect the Company's development plans or its rights and obligations in respect of its permits. Any such government action may also require increased capital or operating expenditures and could prevent or delay certain operations by the Company the future performance of the Company or any return on an investment in the Company.

##### **(e) Litigation risks**

The Company is exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position. As at the date of this Prospectus, there are no material legal proceedings affecting the Company.

##### **(f) Force majeure**

Force majeure is a term used to refer to an event beyond the control of a party claiming that the event has occurred. Significant catastrophic events – such as war, acts of terrorism, pandemics, loss of power, cyber security breaches or global threats

– or natural disasters – such as earthquakes, fire or floods or the outbreak of epidemic disease – could disrupt the Company's operations and interrupt critical functions, or otherwise harm the business. To the extent that such disruptions or uncertainties result in delays or cancellations of the deployment of the Company's products and solutions, its business, results of operations and financial condition could be harmed.

(g) **Taxation**

The acquisition and disposal of Securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Securities from a taxation point of view and generally. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Securities under this Prospectus.

(h) **Unforeseen risk**

There may be other risks which the Directors are unaware of at the time of issuing this Prospectus which may impact on the Company, its operations and/or the valuation and performance of its Shares.

#### 4.4 **Investment speculative**

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Quoted Options offered under this Prospectus.

Therefore, the Quoted Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Quoted Options.

Potential investors should consider that the investment in the Company is highly speculative and should consult their professional advisers before deciding whether to apply for Quoted Options pursuant to this Prospectus.

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## 5. **Additional information**

### 5.1 **Terms and conditions of Quoted Options**

The terms and conditions of the Quoted Options are as follows:

- (a) **(Entitlement)**: Each Quoted Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) **(Exercise Price)**: The Options have an exercise price of \$0.0675 per Option (**Exercise Price**).
- (c) **(Expiry Date)**: The Options expire at 5.00pm (WST) on 26 May 2025 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- (d) **(Exercise Period):** The Options are exercisable at any time and from time to time on or prior to the Expiry Date.
- (e) **(Quotation of the Options):** It is the Company's current intention to seek quotation of the Options. There is no certainty that quotation of the Options will be granted. The quotation of the Options will be subject to the Company offering the Options under a prospectus prepared in accordance with Chapter 6D of *the Corporations Act 2001* (Cth) and lodged with ASIC and satisfying the quotation conditions set out in the Listing Rules.
- (f) **(Notice of Exercise):** The Options may be exercised by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

The Options held by each holder may be exercised in whole or in part, and if exercised in part, at least 1,000 must be exercised on each occasion.

Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

- (g) **(Timing of issue of Shares on exercise):** Within 5 Business Days after the Exercise Date the Company will:
  - (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
  - (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act; and
  - (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (h) **(Transferability):** The Options are freely transferable from the date of issue, subject to any restriction or escrow arrangements imposed by ASX or under Australian securities laws and paragraph (i).
- (i) **(Restrictions on transfer of Shares):** If the Company is required but unable to give ASX a notice under paragraph (g)(ii), or such a notice for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, Shares issued on exercise of Options may not be traded and will be subject to a holding lock until 12 months after their issue unless the Company, at its sole discretion, elects to issue a prospectus pursuant to section 708A(11) of the Corporations Act.
- (j) **(Shares issued on exercise):** Shares issued on exercise of the Options will rank equally with the then Shares of the Company.
- (k) **(Quotation of Shares on exercise):** If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options in accordance with the Listing Rules.

- (l) **(Reconstruction of capital):** If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.
- (m) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.
- (n) **(Change in exercise price):** There will be no change to the exercise price of the Options or the number of Shares over which the Options are exercisable in the event of the Company making a pro-rata issue of Shares or other securities to the holders of Shares in the Company (other than a bonus issue).
- (o) **(Adjustment for bonus issues of Shares):** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
  - (i) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
  - (ii) no change will be made to the Exercise Price.

## 5.2 Rights and liabilities attaching to Shares

A summary of the rights attaching to Shares in the Company is below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution and the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

### (a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company. Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution.

### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of Shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and

- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder will, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the Share, but in respect of partly paid Shares will have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) **Dividend rights**

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which will be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

No dividend will carry interest as against the Company.

The Company must not pay a dividend unless the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution of the Company, divide among the shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

(e) **Issue of further issues**

Subject to the Corporations Act and the Constitution, the Board may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Board decides. The Company must not issue shares or grant options if the issue or grant would result in a breach of the Listing Rules.

(f) **Transfer of Shares**

Shares can be transferred upon delivery of a proper instrument of transfer to the Company or by a transfer in accordance with the ASX Settlement Operating Rules. The instrument of transfer must be in writing, in any usual or common form or in any other form that the Directors approve.

Until the transferee has been registered, the transferor is deemed to remain the holder, even after signing the instrument of transfer.

In some circumstances, the Directors may refuse to register a transfer if upon registration the transferee will hold less than a marketable parcel. The Board may

refuse to register a transfer of Shares upon which the Company has a lien. The Company must refuse to register a transfer of Shares where the Corporations Act, Listing Rules or ASX Settlement Operating Rules or a law about stamp duty requires the Company to do so.

(g) **Variation of rights**

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(h) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

### 5.3 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the Offer a copy of:

- (a) the financial statements of the Company for the financial year ended 30 June 2022 as lodged with ASX on 31 October 2022 (**Annual Financial Report**), being the last financial statements for a financial year of the Company lodged with ASIC before the issue of this Prospectus;
- (b) the half yearly report and review financial statements of the Company for the half year ended 31 December 2022 as lodged with ASX on 15 March 2023; and
- (c) the following notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report referred to in paragraph (a) above, until the date of this Prospectus:

| Date lodged  | Subject of Announcement                                      |
|--------------|--------------------------------------------------------------|
| 31 July 2023 | Quarterly Activities/Appendix 5B Cash Flow Report            |
| 31 July 2023 | RareX agrees to sell 35% interest in NSW portfolio to KCC    |
| 14 July 2023 | Results of Meeting                                           |
| 11 July 2023 | Phosphoric acid leach test supports RareX Stage-3 operations |
| 6 July 2023  | DSO Rock Phosphate Samples prepared from Cummins Range       |

| Date lodged   | Subject of Announcement                                      |
|---------------|--------------------------------------------------------------|
| 29 June 2023  | RareX partners with InvestorHub for investor engagement      |
| 15 June 2023  | Diamond drilling underway at Cummins Range                   |
| 14 June 2023  | Letter to Shareholders regarding Notice of General Meeting   |
| 14 June 2023  | Notice of General Meeting/Proxy Form                         |
| 8 June 2023   | Bioavailability tests confirm potential of Cummins Range     |
| 1 June 2023   | RareX announces completion of baseline environmental studies |
| 29 May 2023   | Cleansing Notice                                             |
| 29 May 2023   | Application for quotation of securities - REE                |
| 26 May 2023   | REEO Top 20                                                  |
| 26 May 2023   | Application for quotation of securities - REE                |
| 25 May 2023   | Options Prospectus                                           |
| 15 May 2023   | Resources Rising Stars Presentation                          |
| 11 May 2023   | Cleansing Notice                                             |
| 11 May 2023   | Application for quotation of securities - REE                |
| 10 May 2023   | KCC: Extensive porphyry complex confirmed at Trundle         |
| 5 May 2023    | Proposed issue of securities – REE                           |
| 5 May 2023    | Proposed issue of securities – REE                           |
| 5 May 2023    | A\$4.0 Million Institutional Placement for RareX             |
| 3 May 2023    | Trading Halt                                                 |
| 2 May 2023    | KCC: Earth AI fieldwork underway at Cundumbul project        |
| 1 May 2023    | Cummins Range Resource soars to 519Mt 0.32% TREO, 4.6% P2O5  |
| 27 April 2023 | Trading Halt                                                 |
| 26 April 2023 | Quarterly Activities/Appendix 5B Cash Flow Report            |
| 14 April 2023 | RareX Investor Presentation – Phosphate Enabled Rare Earths  |
| 13 April 2023 | Cummins Range Project Development and Strategy Update        |
| 31 March 2023 | Key Management and Board Changes to Accelerate Development   |
| 30 March 2023 | Substantial increase in Cummins Range Mineral Resource       |
| 28 March 2023 | Trading halt                                                 |
| 24 March 2023 | KCC: Kincora Retraction and Amended Announcement             |

| Date lodged      | Subject of Announcement                                      |
|------------------|--------------------------------------------------------------|
| 23 March 2023    | Phosphate testwork confirms potential to produce fertiliser  |
| 21 March 2023    | KCC: Drilling at Trundle intersects shallow mineralisation   |
| 16 March 2023    | More Broad 400m and 200m Rare Earth and Phosphate Intercepts |
| 15 March 2023    | Half Year Accounts                                           |
| 3 March 2023     | Appendix 3X – Danny Goeman                                   |
| 1 March 2023     | Notification regarding unquoted securities - REE             |
| 1 March 2023     | Global Commodities Marketing Executive Joins RareX Board     |
| 14 February 2023 | RareX Sustainability Report                                  |
| 10 February 2023 | Notification regarding unquoted securities - REE             |
| 31 January 2023  | Quarterly Activities/Appendix 5B Cash Flow Report            |
| 30 January 2023  | Change of Registered Address and Principal Place of Business |
| 23 January 2023  | Outstanding New 500m and 280m Intercepts at Cummins Range    |
| 19 January 2023  | KCC: Kincora commences Drilling at the brownfield Trundle p. |
| 18 January 2023  | \$1.92M Refund for R&D Activities undertaken by RareX        |
| 23 December 2022 | Change of Directors' Interest Notices                        |
| 23 December 2022 | Notification of cessation of securities - REE                |
| 13 December 2022 | Change of Director's Interest Notice                         |
| 13 December 2022 | Notification of cessation of securities - REE                |
| 30 November 2022 | Constitution                                                 |
| 30 November 2022 | Results of Meeting                                           |
| 29 November 2022 | Outstanding Wide Rare Earths-Phosphate Intercepts            |
| 23 November 2022 | Cummins Range Rare Earth and Phosphate Project Update        |
| 7 November 2022  | RareX signs MOU for Supply of Phosphate Products Locally     |
| 1 November 2022  | Letter to Shareholders                                       |
| 1 November 2022  | Notice of Annual General Meeting/Proxy Form                  |
| 31 October 2022  | Appendix 4G                                                  |
| 31 October 2022  | Corporate Governance Statement 2022                          |

The following documents are available for inspection throughout the period of the Offer during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 5.12 and the consents provided by the Directors to the issue of this Prospectus.

#### **5.4 Information excluded from continuous disclosure notices**

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules other than as is set out in this Prospectus.

The Company is continuing to progress its scoping study at its Cummins Range project and anticipates announcing the study on the ASX Market Announcements Platform during the current quarter.

#### **5.5 Determination by ASIC**

ASIC has not made a determination which would prevent the Company from relying on Section 713 of the Corporations Act in issuing the Quoted Options under this Prospectus.

#### **5.6 Market price of Shares**

The highest and lowest closing market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.052 on 8 May 2023.

Lowest: \$0.035 on 29 June 2023.

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.039 per Share on 8 August 2023.

#### **5.7 Interests of Directors**

##### **(a) Information disclosed in this Prospectus**

Other than as set out in this Prospectus, no Director (or entity in which they are a partner or director) holds or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (i) the formation or promotion of the Company;
- (ii) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or the Offer; or
- (iii) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed director:

- (i) as an inducement to become, or to qualify as, a Director; or
- (ii) for services provided in connection with the formation or promotion of the Company, or the Offer.

##### **(b) CEO and Directors' interests in Securities**

The relevant interests of the CEO and each of the Directors in Securities as at the date of this Prospectus is set out below.

| CEO / Director                  | Shares     | Unquoted Options | Performance Rights |
|---------------------------------|------------|------------------|--------------------|
| James Durrant <sup>(1)</sup>    | -          | -                | 10,500,000         |
| Jeremy Robinson <sup>(2)</sup>  | 22,621,149 | -                | 15,000,000         |
| John Young <sup>(3)</sup>       | 6,337,333  | -                | 4,500,000          |
| Shaun Hardcastle <sup>(4)</sup> | 2,664,379  | -                | 4,500,000          |
| Danny Goeman <sup>(5)</sup>     | -          | 4,500,000        | -                  |
| Cameron Henry <sup>(6)</sup>    | 3,779,222  | -                | 4,500,000          |

**Notes:**

1. Mr Durrant's Securities are held indirectly by Ms Toni-Louise Gianatti, Mr Durrant's spouse.
2. Mr Robinson's Securities are held as follows:
  - (a) 21,696,149 Shares held directly;
  - (b) 6,666,667 Shares indirectly and jointly held via Churchill SIG Pty Ltd, of which both Mr Robinson and Mr Henry are shareholders and Mr Robinson is the sole director;
  - (c) 925,000 Shares held indirectly by Mr Kim Robinson and Mrs Jennifer Robinson ATF Kim Robinson Super Fund A/C; and
  - (d) 15,000,000 Performance Rights held directly.
3. Mr Young's Securities are held as follows:
  - (a) 500,000 Shares held indirectly by Mr John A Young & Mrs Cheryl K Young ATF The Forever Young Family Trust;
  - (b) 5,837,333 Shares held indirectly by Mr John A Young & Mrs Cheryl K Young ATF The Forever Young Superannuation Fund; and
  - (c) 4,500,000 Performance Rights held directly.
4. Mr Hardcastle's Securities are held indirectly through Rod Dog Pty Ltd.
5. Mr Goeman's Securities are held directly.
6. Mr Henry's Securities are held indirectly as follows:
  - (a) 3,779,222 Shares through Meesha Investments Pty Ltd as trustee for the Henry Family Trust; and
  - (b) 6,666,667 Shares jointly held via Churchill SIG Pty Ltd, of which both Mr Robinson and Mr Henry are shareholders and Mr Robinson is the sole director.

The relevant interest of the CEO and each of the Directors (or their respective nominees) in Securities following completion of the Offer and assuming the Company completes the issue of the Tranche 2 Shares is set out in the table below:

| CEO / Director | Shares | Unquoted Options | Quoted Options | Performance Rights |
|----------------|--------|------------------|----------------|--------------------|
|----------------|--------|------------------|----------------|--------------------|

|                                 |            |           |           |            |
|---------------------------------|------------|-----------|-----------|------------|
| James Durrant <sup>(1)</sup>    | 811,112    | -         | 405,556   | 10,500,000 |
| Jeremy Robinson <sup>(2)</sup>  | 29,287,816 | -         | 3,333,334 | 15,000,000 |
| John Young <sup>(3)</sup>       | 7,604,000  | -         | 633,334   | 4,500,000  |
| Shaun Hardcastle <sup>(4)</sup> | 3,219,935  | -         | 277,778   | 4,500,000  |
| Danny Goeman <sup>(5)</sup>     | 555,556    | 4,500,000 | 277,778   | -          |
| Cameron Henry <sup>(6)</sup>    | 10,445,889 | -         | 3,333,334 | 4,500,000  |

**Notes:**

1. The Securities in which Mr Durrant is expected to hold a relevant interest following completion of the Offer are held indirectly by Ms Toni-Louise Gianatti, Mr Durrant's spouse.
2. The Securities in which Mr Robinson is expected to hold a relevant interest following completion of the Offer are as follows:
  - (a) 21,696,149 Shares held directly;
  - (b) 6,666,667 Shares and 3,333,334 Quoted Options indirectly and jointly held via Churchill SIG Pty Ltd, of which both Mr Robinson and Mr Henry are shareholders and Mr Robinson is the sole director;
  - (c) 925,000 Shares held indirectly by Mr Kim Robinson and Mrs Jennifer Robinson ATF Kim Robinson Super Fund A/C; and
  - (d) 15,000,000 Performance Rights held directly.
3. The Securities in which Mr Young is expected to hold a relevant interest following completion of the Offer are as follows:
  - (a) 500,000 Shares held indirectly by Mr John A Young & Mrs Cheryl K Young ATF The Forever Young Family Trust;
  - (b) 7,104,000 Shares and 633,334 Quoted Options held indirectly by Mr John A Young & Mrs Cheryl K Young ATF The Forever Young Superannuation Fund; and
  - (c) 4,500,000 Performance Rights held directly.
4. Mr Hardcastle's Securities are held indirectly through Rod Dog Pty Ltd.
5. Mr Goeman's Securities are held directly.
6. The Securities in which Mr Henry is expected to hold a relevant interest following completion of the Offer are held indirectly as follows:
  - (a) 3,779,222 Shares through Meesha Investments Pty Ltd as trustee for the Henry Family Trust; and
  - (b) 6,666,667 Shares and 3,333,334 Quoted Options jointly held via Churchill SIG Pty Ltd, of which both Mr Robinson and Mr Henry are shareholders and Mr Robinson is the sole director.

**(c) Remuneration of Directors**

The Constitution of the Company provides that the non-executive directors are entitled to be paid an amount of fees which does not in any year exceed in aggregate the amount last fixed by ordinary resolution. The aggregate amount fixed is \$500,000 following approval by Shareholders on 26 May 2021. This aggregate amount is to be allocated among the non-executive directors equally, having regard to the proportion

of the relevant year for which each director held office, or as otherwise decided by the Board. The amount may also be provided in a manner the Board decides, which may include provision of non-cash benefits, in which case, the Board must also decide the manner in which the value of those benefits is to be calculated.

The Constitution also provides that:

- (i) the Directors shall be entitled to be paid reasonable travelling, accommodation and other expenses incurred by them respectively in or about the performance of their duties as Directors; and
- (ii) if any of the Directors being willing are called upon to perform additional or special duties for Company, the Company may remunerate that Director as determined by the Directors and that remuneration may be either in addition to or in substitution for his or her share in the fee-pool described.

The remuneration of executive directors is to be fixed by the Board. As at the date of this Prospectus, the Company does not have an executive director.

The table below sets out the remuneration provided to the Directors of the Company and their associated companies during the last two financial years (FY), inclusive of directors fees, consultancy fees, non-monetary benefits, superannuation benefits and share-based payments.

| Director                       | FY ended 30 June 2022 (\$) | FY ended 30 June 2021 (\$) |
|--------------------------------|----------------------------|----------------------------|
| Jeremy Robinson <sup>(1)</sup> | 1,114,192                  | 281,937                    |
| John Young                     | 316,186                    | 61,066                     |
| Shaun Hardcastle               | 305,348                    | 54,564                     |
| Danny Goeman <sup>(2)</sup>    | -                          | -                          |
| Cameron Henry <sup>(3)</sup>   | 300,769                    | 56,899                     |

**Notes:**

- Mr Robinson transitioned from Managing Director to Non-Executive Chairman on 31 March 2023. As a result of Mr Robinson's new commitments as Non-Executive Chairman, the Board (other than Mr Robinson) resolved to decrease Mr Robinson's annual Non-Executive Chairman fees to \$88,400 per annum (including superannuation) effective from 3 April 2023. Mr Robinson will also be remunerated for any additional work performance outside of his role as a Director under a consultancy agreement at a rate of \$1,500 per day (excluding GST).
- Mr Goeman was appointed as a Non-Executive Director on 1 March 2023 and therefore did not receive any fees during the 2022 or 2021 FYs.
- Mr Young transitioned from Non-Executive Chairman to Non-Executive Director on 31 March 2023. As a result of Mr Young's new commitments as a Non-Executive Director, the Board (other than Mr Young) resolved to decrease Mr Young's annual Non-Executive Director fees to \$55,250 per annum (including superannuation) effective from 3 April 2023.

## 5.8 Related party transactions

There are no related party transactions involved in the Offer.

## 5.9 Interests of other persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Quoted Options offered under this Prospectus or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Quoted Options offered under this Prospectus; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Quoted Options offered under this Prospectus.

Hamilton Locke will be paid approximately \$10,000 (plus GST) in fees for legal services in connection with the Offer. Hamilton Locke has been paid approximately \$42,000 (including GST) for other legal services to the Company over the past 24 months.

## 5.10 Joint Lead Manager Mandate

On 1 May 2023, the Company entered into a mandate with Canaccord Genuity (Australia Pty Ltd) (**Canaccord**) and Bell Potter Securities Ltd (**Bell Potter**) (together, the **Joint Lead Managers**) in connection with the Placement for the provision of lead manager services and bookrunner services, including the coordination and management of the Placement (**Joint Lead Manager Mandate**).

Under the Joint Lead Manager Mandate, the Joint Lead Managers will receive a 6% capital raising fee in cash in respect of funds raised under the Placement.

The Joint Lead Managers fees will be split equally between Canaccord and Bell Potter, calculated after payment of distribution fees to the retail advisers of the Joint Lead Managers and any other agreed parties.

The Joint Lead Manager Mandate contains additional provisions, including warranties and indemnities in respect of the Company, which are considered standard for agreements of this nature.

No further fees are payable to the Joint Lead Managers in respect of the Offer.

## 5.11 Expenses of Offer

The estimated expenses of the Offer are as follows:

| Estimated expenses of the Offer                | \$            |
|------------------------------------------------|---------------|
| ASIC lodgement fee                             | 3,000         |
| ASX quotation fee (excluding GST)              | 3,000         |
| Legal and preparation expenses (excluding GST) | 10,000        |
| <b>Total</b>                                   | <b>16,000</b> |

## 5.12 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of Options under this Prospectus), the Directors, any persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive

statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Hamilton Locke has given its written consent to being named as the solicitors to the Company in this Prospectus. Hamilton Locke has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

Canaccord and Bell Potter have given their written consent to being named in this Prospectus as the joint lead managers to the Placement. Canaccord and Bell Potter have not withdrawn their consent prior to the lodgement of this Prospectus with the ASIC.

Automic has given its written consent to being named in this Prospectus as share registry to the Company. Automic has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

### **5.13 Electronic Prospectus**

Pursuant to Regulatory Guide 107 ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Shares in response to an electronic application form, subject to compliance with certain provisions. If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both.

The Company and the Joint Lead Managers reserve the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

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## **6. Directors' Statement and Consent**

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Jeremy Robinson  
**Non-Executive Chairman**

Dated: 8 August 2023

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## 7. Definitions

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

**\$** means Australian dollars.

**Annual Financial Report** means the financial statements of the Company for the financial year ended 30 June 2022 as lodged with ASX on 31 October 2022.

**Applicant** means a person who submits an Application Form.

**Application** means a valid application for Quoted Options made on an Application Form.

**Application Form** means the application form accompanying this Prospectus relating to the Offer.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited ACN 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

**ASX Settlement** means ASX Settlement Pty Limited ACN 008 504 532.

**ASX Settlement Operating Rules** means ASX Settlement Operating Rules of ASX Settlement.

**Automic** means Automic Pty Ltd ACN 152 260 814.

**Bell Potter** means Bell Potter Securities Limited ACN 006 390 772.

**Board** means the Directors meeting as a board.

**Business Day** means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

**Canaccord** means Canaccord Genuity (Australia) Limited ACN 075 071 466.

**CHESS** means ASX Clearing House Electronic Subregister System.

**Closing Date** has the meaning given to it in Section 1.4.

**Company** means RareX Limited ACN 105 578 756.

**Constitution** means the constitution of the Company as at the date of this Prospectus.

**Corporations Act** means *Corporations Act 2001* (Cth), as amended or modified from time to time.

**Directors** mean the directors of the Company as at the date of this Prospectus.

**Electronic Prospectus** means the electronic copy of this Prospectus located at the Company's website.

**Issuer Sponsored** means Shares issued by an issuer that are held in uncertified form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

**Joint Lead Managers** means the joint lead managers of the Placement, being Bell Potter and Canaccord.

**Joint Lead Manager Mandate** has the meaning given in Section 5.10.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in Section 1.1.

**NT Act** means the *Native Title Act 1993* (Cth).

**Offer** means the offer of Quoted Options to the Tranche 2 Participants as made pursuant to this Prospectus.

**Official List** means the official list of ASX.

**Official Quotation** means quotation of Securities on the Official List.

**Opening Date** has the meaning given to it in Section 1.4.

**Option** means the right to acquire one Share in the capital of the Company.

**Performance Right** means a right to acquire one Share in the capital of the Company, subject to the satisfaction (or where permitted, waiver by the Company) of certain performance conditions.

**Placement** has the meaning given in Section 1.1.

**Prospectus** means this prospectus dated 8 August 2023.

**Quoted Options** means the Options offered under this Prospectus.

**REE** means Rare Earth Elements.

**Section** means a Section of this Prospectus.

**Securities** mean any securities including Shares, Options or Performance Rights issued or granted by the Company.

**Share** means a fully paid ordinary share in the capital of the Company.

**Share Registry** means Automic.

**Shareholder** means a holder of Shares.

**Tenements** means the tenements and claims of the Company.

**TMD** means target market determination.

**Tranche 1 Placement Shares** means the 88,888,886 Shares issued under the Placement to the Tranche 1 Participants.

**Tranche 1 Participants** has the meaning given in Section 1.1.

**Tranche 1 Quoted Options** has the meaning given in Section 1.1.

**Tranche 2 Participants** has the meaning given in Section 1.1.

**Tranche 2 Placement Shares** means the 11,111,111 Shares to be issued under the Placement to the Tranche 2 Participants.

**Tranche 2 Securities** means the Tranche 2 Placement Shares and Quoted Options.

**WST** means Western Standard Time.