

Positive Scoping Study for Cummins Range Shows Potential for Sustainable, Long-Life Rare Earths Project

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HIGHLIGHTS

- Strong financials with attractive NPV, IRR and payback period and low cash costs.
- Significant production profile of sustainably, Australian produced rare earth and phosphate products with local placement opportunities.
- Scoping Study base only on current 2021 Indicated and Inferred Resources with 85% of the mine plan in the Indicated category.
- Study considers the utilisation of grid-connected hydroelectric power for refinery operations, a potential world first for rare earth refineries.
- Board approves commencement of Pre-Feasibility Study

PERTH, September 12, 2022 - [Rarex Ltd.](#) (RareX) (ASX:REE) is pleased to report positive outcomes from a Scoping Study (Scoping Study, the Study) completed on its 100% owned Cummins Range Rare Earths Project (the Project, Cummins Range), located in the Kimberley region of WA. The Scoping Study was led by Primero with support from Mining Plus among other leading consultancies.

RareX Managing Director, Jeremy Robinson, said: "This Scoping Study shows that the Cummins Range Project has the potential to be a world leader in the application of low carbon energy solutions to rare earths projects. The Project's maximum resource utilisation and refining capacity powered by green hydroelectric power, demonstrate RareX's commitment to reducing its potential carbon footprint. The Study has been based on the current 2021 Resource and has good potential to grow in scale in the coming 12 months."

The Study demonstrates a potentially viable project and has given the Board of RareX the confidence to approve the commencement of a Pre-Feasibility Study (PFS) which will commence in Q3 2022.

This Study is an order of magnitude technical and economical assessment and is partially supported by Inferred Mineral Resources. The Study includes appropriate assessment of realistically assumed modifying factors together with other relevant operational factors.

The Project concept outlined in the Scoping Study comprises a mine and flotation beneficiation facility at site producing a rare earth mineral concentrate and a phosphate mineral concentrate which is trucked along mainly sealed roads to Wyndham Port. At Wyndham Port, a hydroelectric powered rare earth refinery facility is envisaged which produces a mixed rare earth carbonate (MREC) product for export with a by-product of merchant grade phosphoric acid. Additional to these products is the phosphate mineral concentrate which itself contains elevated rare earth grades.

Both phosphate products (phosphoric acid and mineral concentrate) have a market in the fertiliser sector and there is an opportunity for RareX to participate in the production of fertilisers by reacting the self-generated phosphoric acid with the mineral concentrate from the mine site, however, this was outside of the scope of this Study.

Products have been priced according to their grades and market intelligence. MREC pricing is based on the Cummins Range basket price of US\$29.31/kg backed by industry knowledge and information from international metals market analysis and pricing index companies. Phosphate pricing is based on market sources. Additionally, a pricing credit is assumed for the phosphate mineral concentrate which contains appreciable rare earths.

Further opportunity exists to produce a combined phosphate and rare earth mineral concentrate at site - allowing for reduced site infrastructure - with separation and processing at port. This should result in a substantially larger mining operation.

Key Project Metrics

Financial	Units	Value
Total Capital Expenditure	AU\$ million	430
Discount Rate (pre-tax, nom)	%	8.0 %
NPV ₈	AU\$ million	633
IRR (pre-tax, nom)	%	29 %
Payback	Yrs	2.8
LOM EBITDA	AU\$ billion	1.9
Products	Units	Volume
MREC Product (dry)	Ktpa	8.9
Phosphate Concentrate Produced (dry)	Ktpa	128.8
Phosphoric Acid Produced	Ktpa	13.5
Capex split2F[1]	Units	Value
Cummins Range Mine Site and Beneficiation	AU\$ million	200
Wyndham Port Refinery Facility	AU\$ million	229
Opex	Units	Value
Cash Costs	AU\$/kg TREO in MREC	26.63
By-Product Credit	AU\$/kg TREO in MREC	(20.5) ⁴
Cash Costs (after credit)	AU\$/kg TREO in MREC	6.15
Product price	Units	Value
Basket price (ex Sc ₂ O ₃)	US\$/t	29,310
MREC Price (FOB)	US\$/t	13,580
Phosphate Price inc. REO Credit (FOB)	US\$/t	405
Phosphoric Acid Price (FOB)	US\$/t	926

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