

COMPANY UPDATE AND OPERATIONAL INITIATIVES

HIGHLIGHTS

- RareX in robust financial position
- Approximately A\$1.8 million in cash
- 9.9% ownership of listed equity in TSXV-listed Kincora Copper Limited
- Equity holding in Kincora valued at A\$0.5 million to A\$1.0m million
- RareX 35% free carried interest in upcoming NSW East Lachlan Fold drill program led by expert team at Kincora Copper which is well-funded with circa C\$3.5 million in cash
- Material cost saving initiatives implemented
- 25% reduction in RareX staff and Board fees and salaries
- 25% reduction in RareX administrative costs

RareX Limited (“RareX” or “the Company”) is pleased to update shareholders on its activities and initiatives to strengthen RareX’s balance sheet. The Company believes it is prudent to pursue cost saving initiatives given the COVID-19 pandemic and resultant global macroeconomic conditions.

Robust Financial Position

The Company remains well funded with approximately A\$1.8 million in cash and approximately A\$0.5 million to A\$1.0 million in listed Kincora Copper Limited (TSXV:KCC) (“Kincora”) equity (depending on share price and prevailing exchange rate) following completion of the Kincora transaction (refer to ASX Announcement dated 31 January 2020).

Rare Earths Exploration

The Board has decided to defer the scheduled drilling program at Cummins Range Rare Earths Project located in the East Kimberley scheduled for April for at least one month while it assesses the unfolding global health crisis resulting from the COVID-19 pandemic. The Cummins Range Project remains drill ready with all government approvals in place and heritage clearance currently being completed. The Company’s immediate focus will be on further refining the drilling program and advancement of its Weld North Project also located in Western Australia.



East Lachlan Fold Copper Gold Drill Program

RareX retains a 35% free carried interest in its former NSW copper gold assets now being explored by Kincora. Kincora plans to drill the exciting Trundle Project located nearby the world class Northparkes Complex and mine owned China Molybdenum Co and Sumitomu Group within the next 4 to 8 weeks. Kincora is exploring for giant copper gold deposits like the North Parkes Complex, the world class Cadia Ridgeway complex being mined by Newcrest Limited and the recent Boda Discovery by Alkane Limited. RareX has meaningful interest in any exploration success by Kincora through its 35% free carry in the project and 9.9% interest in Kincora with no obligations to contribute until completion of a scoping study.

Cost Saving Initiatives

RareX's Board and staff have agreed to a 25% reduction in their respective fees and salaries to be reviewed quarterly. The Company has a lean management structure with a three-person Board including one executive and one further geologist on staff. The Company has also made reductions to many of its other arrangements with contractors and service providers to enable an overall reduction in administration costs of at least 25%.

This announcement has been authorized for release by Jeremy Robinson, Executive Director.

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