Annual Report RareX Limited

2023

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Review of Operations

The Board of RareX Limited (**RareX**) is pleased to provide a review of operations across the Company's asset portfolio for the 2023 financial year and to date.

CEO's Statement

"FY2023 has been a productive year for RareX, with the delivery of a significantly increased Mineral Resource Estimate for our flagship Cummins Range Rare Earths & Phosphate Project and an evolution in our planned development pathway for this unique critical minerals project towards a staged, three-phase development approach. We've expanded our management and governance team to build a senior leadership team that is highly relevant to the business and its transition towards operations, and we've established RareXploration to curate a portfolio of synergistic assets with exciting exploration potential. Our regional presence in the Kimberley is becoming more established as we work with local businesses, community members and government in the region, and our positive relationship with the Jaru Traditional Owners has continued to strengthen.

"Whilst these efforts are not yet reflected in our share price performance – in a large part due to macroeconomic factors that are impacting many companies across the junior resources sector – I am confident we have the fundamentals in place for robust growth: We hold the largest undeveloped rare earths deposit in Australia and we've developed a low risk, low capital intensity strategy for its development. Our metallurgical pathway is well defined, with first product samples now becoming available for customer feedback, and we're seeing positive signs of a recovery in rare earth pricing alongside continued strong phosphate prices. The supply of phosphate and rare earths from reliable supply chains is becoming increasingly sought-after, particularly by automotive manufactures where rare earths feed the magnet motors and high-purity phosphate (such as ours) is fed into Lithium-Iron-Phosphate (LFP) battery technology. These exceptional foundations, coupled with exciting upcoming work programs within our RareXploration initiative, should see improved sentiment in the near term.

"I would like to acknowledge the hard work and commitment of the small, but highly skilled RareX team for their efforts over the year and would also like to thank all our shareholders for their continued support."

James Durrant
CEO

Watch our CEO summarise the year on the Investor Hub

Cummins Range Rare Earths & Phosphate Project

RareX's flagship, 100%-owned Cummins Range Project is a nationally significant rare earths and phosphate project located in the Kimberley region of Western Australia, 135km southeast of the town of Halls Creek. Halls Creek is well provisioned for infrastructure with power, water and a sealed airstrip. The Cummins Range Project is serviced by the Great Northern Highway which connects to the Port of Wyndham.

Mineral Resource Update

RareX reported a substantial increase in the Mineral Resource Estimate (**MRE**) for the Cummins Range Project during the reporting period.

The update, which was released in two stages for the Rare Dyke and Phos Dyke, delivered a total Indicated and Inferred Mineral Resource of 519Mt at 0.32% TREO (total rare earths oxide) and 4.6% P_2O_5 (phosphate) with appreciable quantities of niobium and scandium.

The amount of contained TREO is 1.6Mt with 360Kt of contained NdPr oxide. This MRE makes Cummins Range the second-largest rare earths deposit, and the largest undeveloped rare earths deposit, in Australia.

Within the large phosphate resource are significant tonnes of high-grade TREO including 52Mt at 1.02% TREO from a 0.6% cut-off. This accounts for one-third of the total contained TREO for the MRE and shows there are significant tonnages of high-grade rare earth veins within the phosphate Resource.

Table 1. Cummins Range Mineral Resource Estimate, P_2O_5 ≥2.5%

RARE DYKE Classification	Tonnes (Mt)	P_2O_5 (%)	TREO + Y_2O_3 (ppm)	HREO (ppm)	Nd_2O_3 (ppm)	Pr_6O_{11} (ppm)	Nb_2O_5 (ppm)	Sc_2O_3 (ppm)	ThU (ppm)
Indicated	45.9	6.2	5700	290	910	270	1000	90	90
Inferred	368.9	4.0	3030	160	490	150	570	60	40
Total	414.8	4.2	3320	180	540	160	620	70	50
PHOS DYKE Classification	**Tonnes (Mt)**	**P_2O_5 (%)**	**TREO + Y_2O_3 (ppm)**	**HREO (ppm)**	**Nd_2O_3 (ppm)**	**Pr_6O_{11} (ppm)**	**Nb_2O_5 (ppm)**	**Sc_2O_3 (ppm)**	**ThU (ppm)**
Indicated	20.8	8.0	3580	300	720	190	470	80	100
Inferred	83.8	5.4	2340	200	470	120	450	60	60
Total	104.6	5.9	2590	220	520	140	450	70	70

COMBINED Classification	Tonnes (Mt)	P_2O_5 (%)	TREO + Y_2O_3 (ppm)	HREO (ppm)	Nd_2O_3 (ppm)	Pr_6O_{11} (ppm)	Nb_2O_5 (ppm)	Sc_2O_3 (ppm)	ThU (ppm)
Indicated	66.6	6.8	5010	290	850	250	830	90	90
Inferred	452.7	4.2	2900	170	490	140	550	60	40
Total	519.3	4.6	3170	190	540	160	580	70	50

Notes:
1. Due to effects of rounding, the total may not represent the sum of all components.
2. TREO (ppm) includes: Light Rare Earth Oxides (LREO): La_2O_3, CeO_2, Pr_6O_{11}, Nd_2O_3; and Heavy Rare Oxides (HREO): Sm_2O_3, Eu_2O_3, Gd_2O_3, Tb_4O_7, Dy_2O_3, Ho_2O_3, Er_2O_3, Tm_2O_3, Yb_2O_3, Lu_2O_3; + Y_2O_3
3. ThU comprises ThO_2 + U_3O_8 (ppm)
4. Mineral Resource is reported from all blocks, classified as either Indicated or Inferred, where interpolated block grade is >2.5%P_2O_5

The relatively high NdPr and HREO (heavy rare earth oxide) content at Cummins Range is consistent with that of monazite dominant mineralisation, resulting in an attractive Basket Price of US$34.20/kg for the Project as shown below:

Table 2. Mineral Resource-Based Basket Price

Element	Price US$/kg	% of TREO	Basket Price US$/Kg	% of Basket Price
LREO				
La_2O_3	1.1	24.1%	0.3	0.8%
CeO_2	1.1	45.5%	0.5	1.5%
Pr_6O_{11}	110.0	4.9%	5.4	15.8%
Nd_2O_3	110.0	16.9%	18.6	54.3%
Sub-Total		91.4%	24.7	72.4%
HREO				
Sm_2O_3	2.5	2.4%	0.1	0.2%
Eu_2O_3	26.0	0.6%	0.2	0.4%
Gd_2O_3	36.0	1.5%	0.5	1.6%
Tb_4O_7	2,300.0	0.2%	3.9	11.4%
Dy_2O_3	595.0	0.8%	4.5	13.2%
Ho_2O_3	-	0.1%	-	0.0%
Er_2O_3	-	0.2%	-	0.0%
Tm_2O_3	-	0.02%	-	0.0%
Yb_2O_3	-	0.1%	-	0.0%
Lu_2O_3	-	0.02%	-	0.0%
Y_2O_3	10.0	2.7%	0.3	0.8%
Sub-Total		8.6%	9.4	27.6%
Total Basket Price				
US$/kg			34.2	

The Rare Dyke and Phos Dyke MRE includes 67Mt at 0.5% TREO and 7% P_2O_5 in the higher-confidence Indicated category, which is mostly contained in the upper 100m. Importantly, the concentration of the high value metals Neodymium and Praseodymium is 73kt.

A phosphate cut-off was chosen for the MRE as it better represents the geology and economic potential of the deposit in that it captures the phosphate and almost all of the rare earths.

Full details of the Cummins Range MRE were provided in the Company's ASX announcements dated 30 March and 1 May 2023.

Revised Development Strategy

Exploration and resource development programs undertaken throughout FY2023 re-framed the Cummins Range Project as a highly significant phosphate-hosted rare earths deposit commencing from surface.

This new understanding of the resource, coupled with metallurgical testwork undertaken during the reporting period (see below), suggested the option for an initial fast-tracked DSO (direct shipping ore) phosphate fertiliser phase (Stage 1), followed by phosphate-RE beneficiation (Stage 2) and subsequently beneficiation from the underlying fresh rock and potential value chain development (Stage 3).

This staged approach is expected to lower the risk associated with building the full rare earth value chain outright at the beginning, by delivering a simpler and lower-cost DSO phosphate operation using existing infrastructure, whilst maintaining development towards a large scale, strategic, rare earth and phosphate critical minerals project.

Feasibility studies commenced during FY2023 to investigate this pathway, with a specific emphasis on accelerating the DSO phase while maintaining a technical pathway towards the ultimate goal of producing rare earth critical metals.

Enhanced Scoping Study

Subsequent to the end of the reporting period, RareX delivered an enhanced Scoping Study for Cummins Range as a DSO start-up, 3-stage phosphate-enabled rare earth critical minerals project.

The enhanced Scoping Study built upon learnings and recommendations from an earlier Scoping Study completed in September 2022, metallurgical testwork and the 2023 updated Mineral Resource Estimate (outlined above). The Study's main contributors were Primero, Mining Plus, Ausenco, Shawmac and MBS Environmental.

Cautionary Statement

The Scoping Study referred to in this report was completed to determine the viability of a combined mine, DSO operation and regolith beneficiation processing plant, under a staged development approach, in the East Kimberly region of Western Australia, using phosphate and rare earth deposits at Cummins Range to produce phosphate and rare earth concentrate products. It is a preliminary technical and economic study of the potential viability of the Project. This Scoping Study is an order of magnitude technical and economical assessment and is supported by Indicated and Inferred Mineral Resources[1].

The Study is based on the material assumptions outlined below. These include assumptions about the availability of funding. While RareX considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Study will be achieved. To achieve the range of outcomes indicated in the Study, initial funding of approximately A$45M will likely be required for Stage 1 followed by A$304M for Stage 2 and A$63M for Stage 3. Investors should note that there is no certainty that RareX will be able to raise that amount of funding when needed. It is also possible that such funding may only be available on terms that may be dilutive or otherwise affect the value of RareX's existing shares. It is also possible that RareX could pursue other value realisation strategies such as a sale, partial sale or joint venture of the Project. If it does, this could materially reduce RareX's proportionate ownership of the Project.

The Study includes appropriate assessment of realistically assumed modifying factors together with other relevant operational factors. The production target disclosed in the Study is underpinned by ore feed classifications of 73% Indicated Resources and 27% Inferred. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised. The Study demonstrates a potentially viable project and has given the Board of RareX the confidence to approve the commencement of a Definitive Feasibility Study (DFS) for Stage 1 and Pre-Feasibility Study (PFS) for Stage 2 which will commence in Q3 2023. Additionally, the Board supports the on-going environmental baseline studies and the finalisation of Native Title Agreement negotiations.

[1] ASX Announcement 1 May 2023: Cummins Range Resource Soars to 519Mt 0.32% TREO, 4.6% P_2O_5. The Company confirms that it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

The project concept outlined in the Scoping Study comprises:

Stage 1: Low CAPEX (A$45M), direct shipping ore (**DSO**), direct application (**DA**), high-bioavailability, organic rock phosphate fertiliser for agricultural purposes. A production rate of up to 300ktpa of 23% P_2O_5 is forecast for a period of 3 years.

Stage 2: Installation of a mid-sized beneficiation plant of A$304M to produce 550ktpa phosphate-rare earth mineral concentrate from the weathered resource for the phosphoric acid and rare-earth concentrate market.

Stage 3: A$63M upgrade of the Stage 2 plant in year 13 to produce a concentrate from the un-weathered, fresh, rock below c.130m RL.

This staged development approach has the benefits of initiating early cashflows, building confidence with the regulators on environmental management, furthering community relationships and social performance, providing greater mineral resource definition, allowing bulk samples for metallurgy and piloting, and establishing a functioning supply chain; all of which substantially de-risk Stage 2 which transitions the project into a rare-earth critical mineral mine.

Key project metrics are presented in the table below.

Table 3: Enhanced Scoping Study Results Summary

Key project metrics			
Physicals	**Stage 1**	**Stage 2**	**Stage 3**
Product type	DSO	Phos-RE Con	Phos-RE Con
Av. prod. rate (dry) (ktpa)	270	503	480
Average grade (%)	23% P_2O_5	33% P_2O_5; 2.3% TREO	32% P_2O_5; 1.6% TREO
Duration (yr)	3	10	5
Costs			
CAPEX (A$M)	45	304	63
OPEX (A$M/a)	35	139	171
OPEX (A$/t product)	122	259	328
Total SUSCAP (A$M/a)	1	7	8
Closure (A$M)	-	-	41
Products			
Average TREO production (ktpa)	-	12	7
Average P_2O_5 production (ktpa)	63	169	156
Product price (A$/t)	254	553	468
Financial outcomes			
Payback (pre-tax) (yr)	1.65	1.41	1.69
Average EBITDA LOM (A$M/a)	81		
Total EBITDA (A$M)	1,450		
Government tax (30%) (A$M)	406		
Government royalty (A$M)	205		
Native title contributions (A$M)	84		
NPV8 (pre-tax / post-tax) (A$M)	549 / 333		
IRR (pre-tax / post-tax) (%)	39% / 27%		

Notes:

- Government royalties: 7.5% DSO, 5% Con
- Native title (NT) contributions per currently negotiated outcomes - note the agreement has not been executed

The production target disclosed in the Study is underpinned by ore feed classifications of 73% Indicated Resources and 27% Inferred. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

Full details of the Cummins Range Enhanced Scoping Study were provided in the Company's ASX announcement dated 22 August 2023.

Based on the positive outcomes of the Enhanced Scoping Study, the RareX Board has resolved to now commence a Definitive Feasibility Study for the Stage 1 DSO phosphate operation and a Pre-Feasibility Study for the Stage 2 phosphate concentrate operation.

Metallurgical testwork

Metallurgical test work programs continued throughout the reporting period. Following positive results from a 2022 sighter testwork program[2], a bulk flotation program was carried out to assess if similar, or better, flotation performance can be achieved at larger scale with the same simple flotation circuit. The bulk flotation using larger float cells is a good intermittent step to simulate pilot testing and to assess if similar flotation kinetics can be achieved.

The test was performed on the same regolith composite that were tested in the sighter program and was undertaken at Auralia Metallurgy in Perth. Results were reported subsequent to the end of the reporting period, with a summary of the flotation testwork results with comparison to the sighter float results shown in Table 4.

Table 4: Flotation Results Summary

Product	Bulk Float				Sighter Float[1]			
	P_2O_5		TREO		P_2O_5		TREO	
	Grade %	Recovery %	Grade %	Recovery %	Grade %	Recovery %	Grade %	Recovery %
Rougher Concentrate	22.6	96.3	0.51	81.7	23.8	94.3	0.55	79.1
Cleaner Concentrate FINAL	**34.4**	**91.1**	**0.72**	**70.7**	**34.1**	**85.7**	**0.70**	**63.9**
Head Grade	12.9	100	0.33	100	12.9	100	0.33	100

As shown, excellent results were achieved from the bulk flotation test producing a phosphate concentrate of 34.4% aligning to the sigher float performance. The bulk float P_2O_5 recovery of 91.1% was also encouraging and was better that the sighter program.

The flotation tests were not focused on concentrating rare earths and the TREO head grade is relatively low for this composite, however, the recovery trend of the rare earth showed high similarities, albeit slightly lower recoveries, to the phosphate (as shown in Figure 1) for this composite. This is in line with expectations and further supports the Scoping Study[3] assumptions for the product recoveries and the production of a combined concentrate of apatite and monazite.

[2] ASX announcement 04 October 2022: Met Testwork Delivers Premium Phosphate Concentrate
[3] ASX announcement 22 Aug 2023: Enhanced Scoping Study for Cummins Range

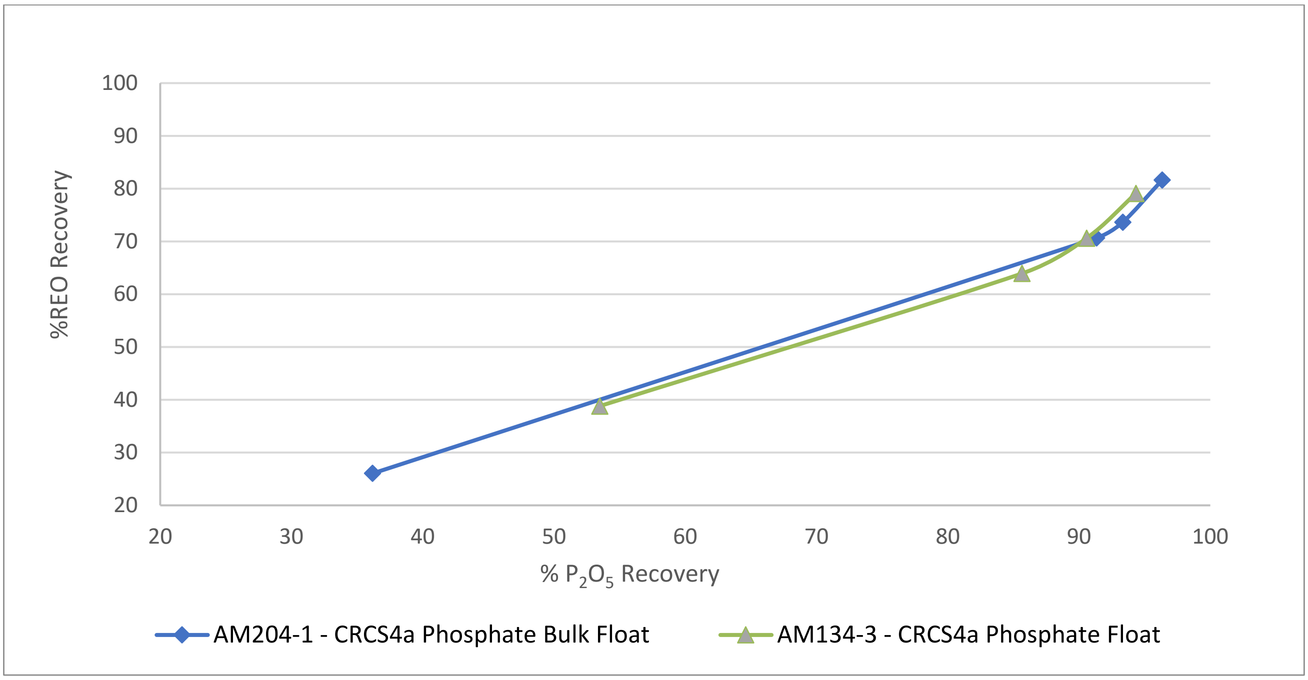

Figure 1: TREO recovery vs. P_2O_5 recovery

The bulk float results have further demonstrated the potential of producing a premium phosphate-rare earth mineral concentrate from the Cummins Range deposit using a simple, proven beneficiation technique.

Phosphate Bioavailability Testwork

Testwork on samples from Cummins Range confirmed the strong potential of the Direct Shipping Ore (**DSO**) phosphate product to be used as direct-application agricultural fertiliser.

88 samples were selected from the two main geological units, the Rare Dyke (**RD**) and the Phos Dyke (**PD**). The samples were selected to ensure broad coverage of different P2O5 grades, locations within the orebody, and different weathering profiles. The testwork program comprised industry-standard 2% citric acid leach test and was conducted at LabWest Mineral Analysis.

The phosphorus bioavailability results were compared with industry "high" standard for the citric acid method and are shown in Figure 2 and Figure 3 for Rare Dyke and Phos Dyke respectively. As indicated, the majority of the 88 samples were shown to have very high phosphorus bioavailability which was 2-4 times the industry high standard (>9.4% P_2O_5 dissolution in 2% citric acid). Good bioavailability is also observed across all grades and weathering zones revealing potential for increased production volumes.

These exceptional results demonstrate the potential of Cummins Range DSO material for use as direct application fertilisers.

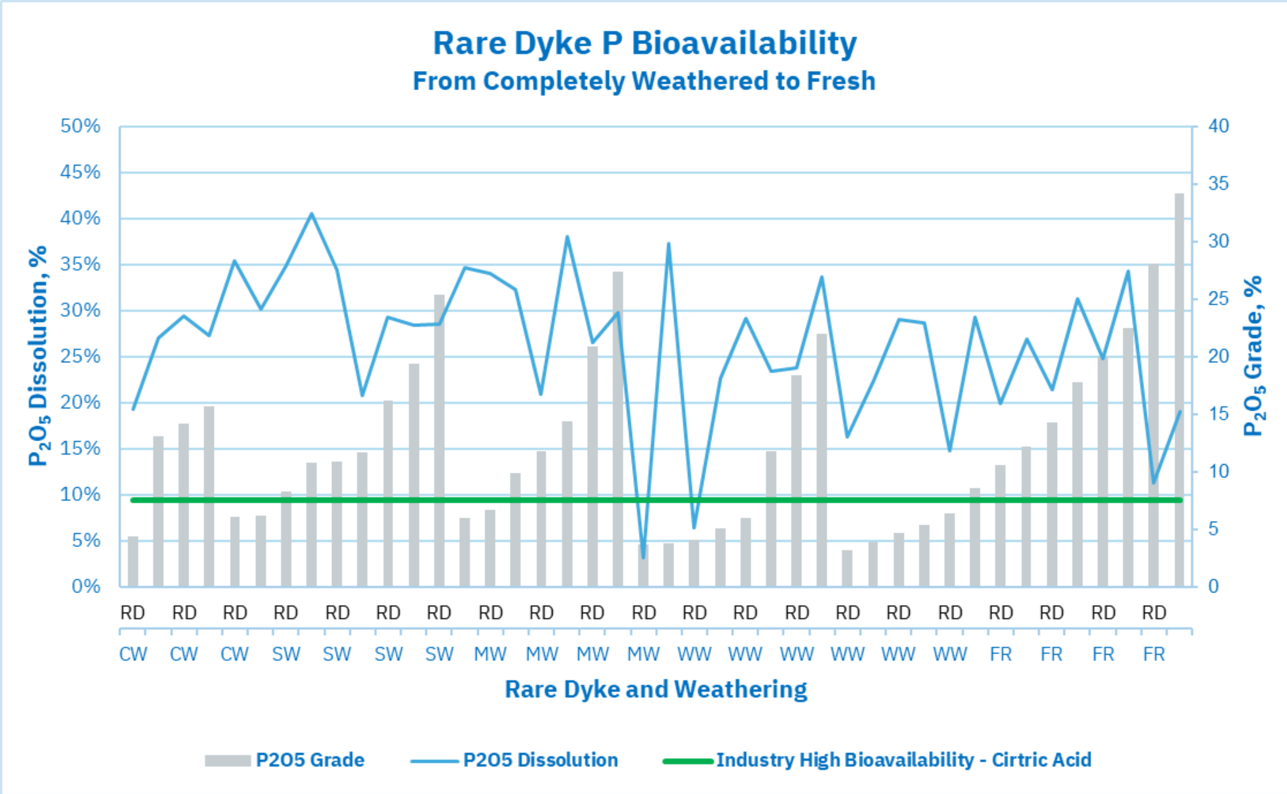

Figure 2: Phosphorous Bioavailability Results vs. Industry Standard - Rare Dyke

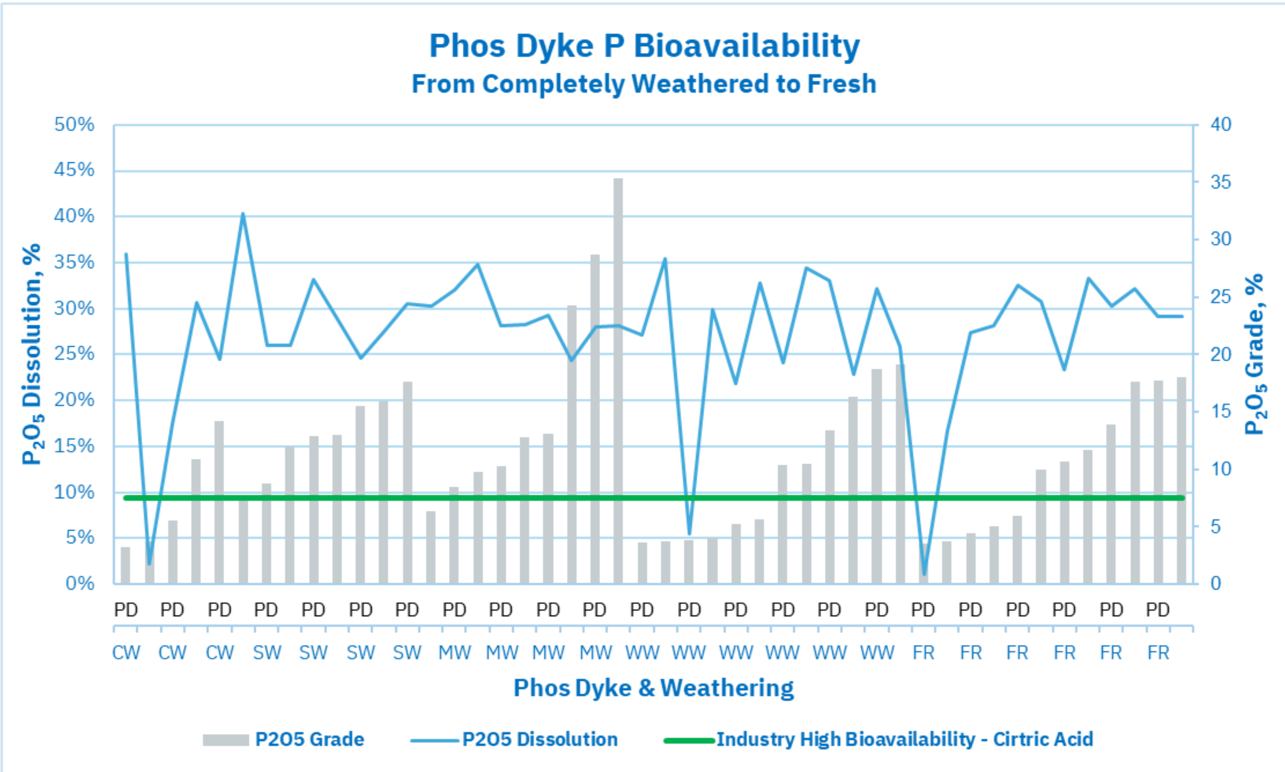

Figure 3: Phosphorous Bioavailability Results vs. Industry Standard - Phos Dyke

Note: CW – Completely Weathered; SW – Strongly Weathered; MW – Moderately Weathered, WW – Weakly Weathered; FR – Fresh

The Cummins Range Resource is an igneous deposit which means the rocks are naturally lower in impurities and deleterious elements when compared with sedimentary rocks. The results from the 88 samples confirm very low levels of deleterious elements including fluorine (F), chlorine (Cl), cadmium (Cd) and lead (Pb) which are well below industry limits as shown in Table 5.

Table 5: Deleterious Elements Results Summary

Deleterious Element	Unit	Assay Range	Average Level	Industry Limit for Phosphorus Fertilisers[4]
F	%	0.18 - 4.00	1.02	<4
Cl	%	0.01 - 0.11	0.03	<2
Cd	mg/kg P	3.31 - 137.64	32.82	<300
Pb	mg/kg	1.70 – 208.00	24.32	<500

Following the positive results, additional formic acid and water leach tests are planned to further assess the phosphorus bioavailability of the potential DSO material. RareX has appointed a fertiliser consultant to leverage current and future DSO testwork results, assist with better understanding of the agronomic effects of the Cummins Range DSO material and support the development of product marketing and offtake agreements.

In addition to the DSO analysis, phosphate mineral beneficiation studies for both the Rare Dyke and Phos Dyke materials are underway, with the rare earth deportment also being studied. Phosphate-optimised beneficiation is a strong alternative to rare earth-optimised flotation and may deliver greater value realisation from the Cummins Range Resource.

Geotechnical Assessment

Geotechnical tests were performed on diamond core from along a near surface high-grade zone within the orebody to provide some high-case strength parameters of the rocks to be mined.

Note that for near-surface material in the weathered zone of the deposit, core at Cummins Range is quite friable and as such most core is not suitable for strength testing at the lab; therefore, core sections that are sufficiently coherent for lab testing are representing a rock strength high-case for processing feed. Sections of phoscorite and ultramafic sample that were sufficiently coherent were tested at E-Precision Laboratory, Perth.

Results returned UCS values in the range of 70 MPa for the phoscorite samples, which are the likely higher grade ore feed for the Project. The ultramafic sample failed at 22 MPa, albeit a microfracture appears to be the release mechanism in this case not the rock mass. This warrants further testing as part of a broader geotechnical campaign, required for detailed designs and approvals which seeks to assess slope mechanics as well as ore parameters.

The comparatively low rock strength within the pit shell presents an opportunity towards reduced operating costs via surface-mining, thus eliminating drill and blast operating operations. RareX has reached out to potential providers of surface miners and surface mining services to establish the viability of this operational pathway. Surface miners could provide further upside to mining and

[4] Industry limit as stated in "National Code of Practice for Fertilizer Description and Labelling", Fertiliser Australia 2018

processing costs through pre-screening and crushing of ore in-situ and reduce environmental impacts common with regards to blasting operations.

MoU with OrdCo

RareX signed a collaboration Memorandum of Understanding (**MoU**) with Ord River District Co-operative Ltd (**OrdCo**) during the reporting period to develop a phosphate product roadmap to support the Kununurra agricultural sector with a portion of Cummins Range's phosphate product mix.

OrdCo, which has been in operation since 1963, is the leading independent agricultural co-operative based in the Ord River Irrigation Area (**ORIA**) and provides a complete range of farming inputs and services to the local region and greater surrounds.

The east Kimberley is the largest producer of irrigated horticulture in the region, powered by the Ord Irrigation Scheme as water from Lake Argyle and Lake Kununurra is diverted and gravity fed through kilometres of open channels to irrigate farmlands. In the process, sustainable hydroelectricity is produced to power the east Kimberley.

The ORIA has expanded from a historical base of around 15,000 ha to approximately 21,000 ha. Developments that will bring the area to 28,000 ha are underway with the potential to increase to 60,000 ha or more. Outside the ORIA, value add developments on many stations, such as dryland cropping using wet season rainfall, are now resulting in significant cropping areas. This means the total area of intensive agriculture and therefore demand for fertilisers is increasing quickly across the region.

Under the terms of the MoU, the parties agreed to discuss and negotiate the terms of a binding off-take agreement and distribution agreement, and to jointly develop a product roadmap for the phosphate products to be produced from the Cummins Range Project. This work is ongoing with crop trials being initiated.

The MoU also contemplates undertaking studies to evaluate the potential to capture carbon credits as part of general R&D-based activities.

Heritage and Environmental Update

Flora and fauna surveys for both the dry and wet seasons were completed during the June 2023 Quarter in line with Federal and State regulatory guidance, with strong input on ecological cultural values from the Jaru people, the Traditional Owners of the land on which the Project is located. Information collected during the field surveys is now being compiled and analysed, with preliminary observations consistent with expectations of floral and faunal assemblages for the project area.

The results of the survey will be used to inform regulatory approvals and drive the development of an environmental management plan for the project. The management plan will ensure that any future mining activities are undertaken in a way that minimise the impact on the environment.

The survey results and study outcomes will be used to develop a project description with the relevant information to engage the regulator for pre-referral discussions. The Company believes that by focussing approvals on the above water table portion of the resource, demonstrating a relatively low impact project and by developing robust environmental and cultural management plans, approvals can be secured through the Environmental Protection Authority (**EPA**) at State level. If the Project is deemed high impact, it will be referred for federal review through the Department of Climate Change, Energy, the Environment and Water (**DCCEEW**).

Negotiations with the Jaru Traditional Owners are on track with a draft Mining Agreement and compensation proposal complete. The RareX team, with support from Allens law firm, will continue to meet with the Traditional Owners Negotiation Committee (**TONC**) and the PBC board with the goal of completing negotiations before the start of the 2023 wet-season.

RareX thanks the Jaru TONC for a constructive, collaborative, and pragmatic approach to the negotiations.

Exploration

Drilling and exploration programs were undertaken throughout the reporting period aimed at infilling and extending the Cummins Range Mineral Resource Estimate (**MRE**). Results from these programs fed into the MRE updates announced for the Rare Dyke and Phos Dyke, announced on 30 March and 1 May 2023 respectively.

A new program of diamond drilling commenced at Cummins Range late in the reporting period.

The program was undertaken by Kalgoorlie-based drilling company, Kal Drill, and comprised PQ drilling targeting the Indicated portion of the Mineral Resource within both the Rare and Phos Dykes, which totals 67Mt at 0.5% TREO and 7% P_2O_5.

The drilling program supports all three proposed stages of the Cummins Range development roadmap (see ASX announcement 13 April 2023).

A program of reverse circulation (**RC**) drilling by Stark Drilling was completed at Cummins Range in August 2023, focused on infilling and upgrading the shallow high-grade phosphate DSO Resource to support the Stage 1 DSO phosphate operation.

Non-core Projects

RareXploration is the internal division of the Company which focusses on the non-core projects of RareX including investments and tenement holdings.

RareX holds material ownership in 3 listed companies: Kincora Copper (ASX:KCC), Cosmos exploration (ASX:C1X) and Canada Rare Earths Corporation (LL.V). During the reporting period, RareX agreed to adjust its interest in KCC from project level to corporate level. This transaction is expected to complete later in the year.

New South Wales Gold Projects

Throughout the reporting period, RareX held a 35% free-carried interest in six tenements in joint venture with Kincora Copper Limited (ASX: KCC). The tenements are located in Australia's foremost porphyry region in the Lachlan Fold Belt, NSW, and include the Trundle, Fairholme, Jemalong, Cundumbul and Condobolin Projects.

In addition to its 35% asset level interest, RareX also held 3% of Kincora Copper shares.

Weld North

A lithogeochemical soil survey was completed over the Weld North Project. Soil samples were taken on a 1km grid. Assay results were still awaited at the end of the reporting period, with results to be used to create a geochemical assessment of lithologies and identify potential anomalies.

Hong Kong Project

No work was undertaken during the reporting period and the Hong Kong tenement E47/3566 was relinquished during the June 2023 Quarter. The gold tenement was plainted and, following legal advice, the Company elected not to challenge the plaintiff in the Warden's Court.

Moroccan Cobalt Projects

No work was undertaken on the Moroccan projects during the reporting period. The Company is in the process of finalising the divestment of these assets.

Corporate

Key management and board changes

RareX announced several key changes to its management and board structure during FY2023, aimed at enhancing market reach and driving the development of the Company's Cummins Range Project.

Effective 3 April 2023, experienced mining executive Mr James Durrant assumed the role of Chief Executive Officer (**CEO**), leveraging his extensive experience in rare earths, bulk commodities and fertilizers to lead the Company through its next phase of growth.

In conjunction with Mr Durrant's appointment, RareX founder and Managing Director, Mr Jeremy Robinson, transitioned to the role of Non-Executive Chairman, while Chairman, Mr John Young, transitioned to Non-Executive Director.

Mr Durrant joined RareX as General Manager – Projects in 2021 and has been Chief Operating Officer since January 2023. He was previously Director of Projects with Canyon Resources and, before that, held project development and marketing leadership roles at Danakali Limited. Prior to that, he spent seven years with BHP Billiton Iron ore.

Mr Danny Goeman was appointed to the Board as a Non-Executive Director, bringing over 20 years of marketing and sales experience including industry analysis, price negotiation, market segmentation and product placement across multiple commodities and multiple jurisdictions including Australia, Asia and Europe.

Mr Goeman was previously the global director of sales & marketing and shipping at Fortescue Metals Group (ASX: FMG) for four years before becoming a senior advisor to the chief executive in September 2022. Prior to FMG, he was head of marketing at international potash development company, Danakali (ASX: DNK), where he developed the off-take strategy, off-take contract frameworks and led the off-take negotiations on behalf of the Colluli Mining Share Company cumulating in a binding take-or-pay offtake deal with a tier 1 fertiliser company. He became its chief executive from September 2017 to August 2018. Prior to Danakali, Mr Goeman worked within Rio Tinto and held leading roles in commodity price negotiations, market analysis, market segmentation and price forecasting.

Experienced mining operations manager, Kay Hofmann, was appointed as Cummins Range Study Manager. Mr Hofmann was most recently Manager – Ground Control and Water at Mineral Resources Limited (ASX: MIN) and, prior to that, held a number of production roles at BHP and BHP Billiton Iron Ore.

Capital Raising

In May 2023, RareX completed a share placement to institutional, sophisticated and professional investors at $0.045 per share to raise $4.0 million (before costs), with approximately 88.9 million new fully paid ordinary shares issued (**Placement**). The Placement included a one-for-two free attaching option exercisable at $0.0675 and expiring 24-months from the issue. The Attaching Options were quoted on the ASX effective 26 May 2023.

The Placement saw strong support from existing shareholders and new investors, with demand significantly exceeding shares available under the offer.

In addition, Directors and management agreed to subscribe for a further $500,000 on the same terms as the Placement, subject to shareholder approval, which was approved at a General Meeting in July.

Funds raised in the Placement were allocated to fund the following activities at Cummins Range:

- Resource definition drilling;
- Completion of a definitive feasibility study (DFS) for Stage 1 phosphate DSO development;
- Completion of a pre-feasibility study (PFS) for the fully-staged Cummins Range Project; and
- General working capital.

$1.92M Refund for R&D Activities

During the year, RareX received a $1.92 million refundable tax offset for eligible research and development (R&D) expenditure conducted at the Company's Cummins Range Project during the 2021-22 financial year.

The R&D activities were primarily focused on testing the hypothesis relating to the development of an innovative process for the extraction of rare earth elements from the Cummins Range deposit.

Equity Investments

As of 30 June 2023 RareX's investments were as follows:

<table>
<tr><th>Company</th><th>Ticker</th><th># shares</th><th>Price (native currency)</th><th>FX</th><th>Value (A$)</th><th>Pricing date</th></tr>
<tr><td>Cosmos Exploration Limited</td><td>ASX: C1X</td><td>10,000,000</td><td>A$0.38</td><td>1</td><td>3,800,000.00</td><td>30/6/2023</td></tr>
<tr><td rowspan="2">Kincora Copper Limited</td><td rowspan="2">TSXV: KCC</td><td>4,983,333</td><td>CAD$0.061</td><td>1.13</td><td>343,257.96</td><td>30/6/2023</td></tr>
<tr><td colspan="5">35% free carry interest in exploration licences: Condobolin, Cundumbul, Fairholme, Jemalong and Trundle</td></tr>
<tr><td>Canadian Rare Earth Company</td><td>TSXV: LL</td><td>24,579,658</td><td>CAD$0.04</td><td>1.13</td><td>1,110,213.99</td><td>30/6/2023</td></tr>
<tr><td colspan="5">Value of share investments (C1X, KCC, CREC)</td><td>A$5,253,471.95</td><td>30/6/2023</td></tr>
</table>

Sustainability Report

RareX's inaugural Environmental, Social & Governance Framework and Maiden Sustainability and Self-Assessment Report for 2022 was published on 14 February 2023, providing an overview of the Company's ESG framework and its ESG performance over the prior financial year.

Directors' Report

The Board of Directors has pleasure in presenting its report on the consolidated entity consisting of RareX Limited (**Company** or **RareX**) and the entities (**Group** or **Consolidated Entity**) it controlled at the end of, or during, the year ended 30 June 2023.

1. Directors

The names and details of the Company's Directors in office at any time during the year to 30 June 2023 and until the date of this report are as follows. Directors were in office for the entire period unless otherwise stated.

Mr Jeremy Robinson
Non-Executive Chairman – Transitioned effective 3 April 2023 (previously Managing Director from 27 September 2019)

Mr Robinson is an experienced mining executive having held senior roles at multiple junior and mid-tier mining and exploration companies. Mr Robinson holds a Bachelor of Commerce from the University of Western Australia majoring in Corporate Finance, Investment Finance and Marketing.

ASX-listed directorships in last 3 years:

Executive Chairman, Cosmos Exploration Limited (from 22 March 2021)
Non-Executive Director, BBX Minerals Limited (from 25 August 2023)
Non-Executive Director, Green Technology Metals Limited (to 20 July 2021)

Interests held in the Company at date of this report:

29,287,816 shares
15,000,000 performance rights
3,333,334 quoted options

Mr Danny Goeman
Non-Executive Director - Appointed 1 March 2023

Mr Goeman has over 20 years of marketing and sales experience including industry analysis, price negotiation, market segmentation and product placement across multiple commodities and multiple jurisdictions including Australia, Asia and Europe. He was previously the global director of sales & marketing and shipping at Fortescue Metals Group for four years before becoming a senior advisor to the chief executive in September 2022. Prior to FMG, he was head of marketing at international potash development company, Danakali, where he developed the off-take strategy and off-take contract frameworks and led the off-take negotiations on behalf of the Colluli Mining Share Company. He became its chief executive from September 2017 to August 2018. Prior to Danakali, Mr Goeman worked within Rio Tinto and held leading roles in commodity price negotiations, market analysis, market segmentation and price forecasting.

ASX-listed directorships in last 3 years: Nil

Interests held in the Company at date of this report:

5,555,556 shares
4,500,000 unquoted options
277,778 quoted options

Mr Shaun Hardcastle
Non-Executive Director – Appointed 1 December 2017

Mr Hardcastle has over 15 years' experience as a corporate lawyer and extensive experience in corporate governance, risk management and compliance. He has been involved in a broad range of cross-border and domestic transactions including IPOs, capital raisings, joint ventures, corporate restructuring, project finance and asset/equity sales and acquisitions. Mr Hardcastle has practiced law both in Australia and overseas and is a partner at Hamilton Locke.

ASX-listed directorships in last 3 years:

Non-Executive Director, Cygnus Metals Limited (to 3 April 2023)
Non-Executive Director, Schrole Group Ltd (to 18 May 2021)
Non-Executive Director, Arizona Lithium Limited (to 14 July 2020)
Non-Executive Director, Bunji Corporation Limited (to 28 April 2020)

Interests held in the Company at date of this report:

3,219,935 shares
4,500,000 performance rights
277,778 quoted options

Mr Cameron Henry
Non-Executive Director – Appointed 2 June 2020

Mr Henry was the founding Managing Director of engineering firm, Primero Group, where he led the Company's strategic and operational direction resulting in its successful listing on the ASX in 2018 and rapid growth globally and its ultimate takeover by NRW Holdings in February 2021. Mr Henry has over 20 years of industry experience in the development and delivery of minerals processing, energy and infrastructure projects across Australia, Indonesia, North and South America.

ASX-listed directorships in last 3 years:

Non-Executive Director, Green Technology Metals Limited (from 12 March 2021)

Interests held in the Company at date of this report:

10,445,889 shares
4,500,000 performance rights
3,333,334 quoted options

Mr John Young
Non-Executive Director– Transitioned effective 3 April 2023 (previously Non-Executive Chairman from 18 February 2020)

Mr Young has a Bachelor of Applied Science (Geology) and is a member of AusIMM. Mr Young is a highly experienced geologist who has worked on exploration and production projects encompassing gold, uranium and specialty metals, including tungsten, molybdenum, tantalum and lithium. Mr Young's corporate experience includes appointments as Chief Executive Officer of Marenica Energy Limited and CEO and Director of Thor Mining PLC. Mr Young was Exploration Manager of Pilbara Minerals Ltd before taking on the roles of Technical Director and then Non-Executive Director and has also held the role of Managing Director of Bardoc Gold Limited.

ASX-listed directorships in last 3 years:

Non-Executive Director, Trek Metals Ltd (from 2 September 2019)
Non-Executive Chairman, Green Technology Metals Limited (from 25 May 2021)
Non-Executive Director, Astute Metals NL (from 3 March 2023)
Non-Executive Director, Mosman Oil & Gas Ltd (AIM) (to 4 September 2023)
Non-Executive Director, Bardoc Gold Limited (to 13 April 2022)

Interests held in the Company at date of this report:

7,604,000 shares
4,500,000 performance rights
633,334 quoted options

2. Company Secretary

Ms Oonagh Malone – Appointed 1 February 2018

Ms Malone is a principal of a corporate advisory firm which provides company secretarial and administrative services. Ms Malone has over 15 years' experience in administrative and company secretarial roles for listed companies and is a member of the Governance Institute of Australia. Ms Malone currently acts as company secretary for ASX-listed Aston Minerals Limited, African Gold Limited, Benz Mining Corp, Caprice Resources Limited, Carbine Resources Limited and Riversgold Ltd. Ms Malone is a non-executive director of Peak Minerals Ltd.

3. Principal Activities

The principal activities during the year of the entities within the consolidated entity were mineral exploration.

4. Review of financial performance

The net consolidated loss from continuing operations for the year ended 30 June 2023, after income tax, amounted to $9,321,840 (2022: $11,225,184).

During the year ended 30 June 2023, total expenses amounted to $11,503,656 (2022: $14,477,574). Unrestricted cash and cash equivalents amounted to $4,310,622 as at 30 June 2023 (30 June 2022: $8,232,977).

5. Dividends

No dividend has been declared or paid by the Company since the end of the previous financial year and the Directors do not at present recommend a dividend.

6. Likely Developments and Expected Results

Other than as referred to in this report, further information as to likely developments in the operations of the Company and likely results of those operations in future financial years would, in the opinion of the Directors, be speculative.

7. Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs during the financial year ending 30 June 2023, other than as follows:

- Following the exercise of 15,000,000 unquoted options (exercisable at $0.025 each and expiring 27 September 2022) utilising the cashless exercise facility, the Company issued 9,460,038 shares to Managing Director, Jeremy Robinson;
- Completion of a share placement raising $4,000,000 (before costs) via the issue of 88,888,886 ordinary shares at an issue price of $0.045 per share with a one-for-two free attaching quoted option (REEO) exercisable at $0.0675 each expiring on 26 May 2025; and
- The issue of 500,000 shares on 29 May 2023 following the conversion of vested performance rights.

8. Significant Events After Balance Date

Subsequent to 30 June 2023, there have been no significant events with the exception of the below:

- A share placement to Directors and management personnel on 9 August 2023 raising $500,000 (before costs) via the issue of 11,111,111 ordinary shares at an issue price of $0.045 per share with a one-for-two free attaching quoted option (REEO) exercisable at and expiring on 26 May 2025;
- The issue of 3,500,000 shares on 14 August 2023 following the conversion of vested performance rights; and
- As announced on 31 July 2023, RareX has executed a conditional agreement with Kincora Copper Limited (**Kincora**) to sell its carried 35% asset level interests in the Trundle, Fairholme, Jemalong, Cundumbul and Condobolin exploration licences in New South Wales. In consideration, RareX will be issued 40 million Kincora CDIs and granted a 1% NSR for the vended licences. The transaction is subject conditions precedent including Kincora obtaining shareholder approval which was obtained at an annual general and special meeting convened on 26 September 2023 and the parties obtaining approvals required under the Mining Act 1992 (NSW).

9. Indemnity and Insurance for Group Officers and Auditor

To the extent permitted by law, the Company indemnifies every person who is or has been:

- an Officer against any liability to any person (other than the Company or a related entity) incurred while acting in that capacity and in good faith; and
- an Officer or auditor of the Company, against costs and expenses incurred by that person in that capacity in successfully defending legal proceedings and ancillary matters.

The Company has in respect of any person who is or has been a director or officer of the Company paid a premium in respect of a contract insuring all directors and officers against a liability. The Company maintains insurance policies for the benefit of the relevant director or officer for the term of their appointment and for a period of seven years after retirement or resignation.

The Company has entered into a Deed of Indemnity, Access and Insurance with each of its Directors and the Company Secretary. Under the Deeds of Indemnity, Access and Insurance the Company will indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Deeds of Indemnity, Access and Insurance also provide for the right to access Board papers and other Company records.

To the extent permitted by law, the Company has agreed to indemnify its auditor SW Audit, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify either SW Audit during, or since the end of, the financial year.

10. Remuneration Report – Audited

This report details the nature and amount of remuneration for each Director of RareX and the Group and for the executives receiving the highest remuneration in accordance with the requirements of Section 300A of the Corporations Act 2001 and its Regulations. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Act. This remuneration report forms a part of the Directors' Report.

For the purposes of this report, Key Management Personnel (**KMP**) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the Group, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

Remuneration Policy

The remuneration policy of RareX has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives. The Board of RareX believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated entity, as well as align interests of directors, executives and shareholders.

The Board believes that shares are an effective remuneration tool which preserves the cash reserves of the Company whilst providing valuable remuneration. During the year ended 30 June 2023, 4.5m options (2022: Nil) and 10.5m performance rights (2022: Nil) were issued to key management personnel of the Company.

The Board's policy for determining the nature and amount of remuneration for board members and senior executives of the consolidated entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the Board.
- All executives receive a base salary (which is based on factors such as length of service and experience).
- The Board reviews executive packages annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors.

All remuneration paid to directors and executives is valued at the cost to the Company and is expensed over the appropriate vesting period. Shares issued under the Employee Share Plan are valued using the Black Scholes methodology.

Non-Executive Directors

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Currently there is a maximum aggregate sum of $500,000 per annum, which is to be divided between the non-executive directors in the proportions agreed between them or, failing agreement, equally.

Company performance, shareholder wealth and director and executive remuneration

Shares have been issued to directors and executives to encourage the alignment of personal and shareholder interests in prior years. Options have been issued to directors to encourage the alignment of personal and shareholder interests in the current year.

Executive and non-executive directors, other key management personnel and other senior employees have been granted ordinary shares and options. The recipients of shares and options are responsible for growing the Company and increasing shareholder value. If they achieve this goal the value of the shares and options granted to them will also increase. Therefore, the shares and options provide an incentive to the recipients to remain with the Company and to continue to work to enhance the Company's value.

There is no policy in place which limits exposure to risk in relation to those securities in the Company which constitute an element of directors' remuneration and which are linked to satisfaction of Company performance conditions.

The table below sets out summary information about the consolidated entity's earnings and movements in shareholder wealth for the five years to 30 June 2023:

	30-Jun-23	30-Jun-22	30-Jun-21	30-Jun-20	30-Jun-19
Revenue	$2,181,816	$3,252,390	$659,202	$2,642,553	$725,440
Net loss before tax	($9,321,840)	($11,225,184)	($5,387,175)	($6,687,791)	($2,209,009)
Net loss after tax	($9,321,840)	($11,225,184)	($5,387,175)	($6,687,791)	($2,209,009)
Share price at end of	3.6 cents	5.3 cents	7.2 cents	9.2 cents	0.1 cents[1]
Basic loss per share	(1.54 cents)	(2.32 cents)	(1.33 cents)	(2.48 cents)	(0.06 cents)[1]
Diluted loss per share	(1.54 cents)	(2.32 cents)	(1.33 cents)	(2.48 cents)	(0.06 cents)[1]

Note: No dividends have been declared or paid since the Company was listed.

[1] The share price at end of year and basic and diluted loss per share for the years ended 30 June 2019 and prior are disclosed in the above table on a pre-consolidated basis. On 2 August 2019 the shareholders of the Company approved the consolidation of the Company's capital on a 1 for 25 basis.

Key Management Personnel Remuneration Policy

The remuneration structure for key management personnel, as determined by the Board, is based on a number of factors, including length of service, particular experience of the individual concerned and their role within the organisation.

RAREX

Key Management Personnel Remuneration

Remuneration for the year ended 30 June 2023

Key Management Person	Short-term benefits			Long Term benefits	Post-employment benefits	Long term incentives	Total
	Salary or Fees Paid or Payable $	Consulting Fees $	Non Monetary Benefits $	Long Service Leave $	Superannuation $	Share-based payments $	$
J Young	61,250	-	-	-	-	77,032	138,282
J Robinson	285,628	4,500	1,571	-	25,292	256,828	573,819
S Hardcastle	54,996	-	-	-	-	77,032	132,028
C Henry	49,774	-	-	-	5,226	77,032	132,032
D Goeman	16,667	-	-	-	1,750	128,700	147,117
J Durrant[1]	263,750	-	-	-	25,771	354,728	644,249
O Malone	51,000	-	-	-	-	18,409	69,409
	783,065	**4,500**	**1,571**	**-**	**58,039**	**989,761**	**1,836,936**

1 Remuneration from appointment as CEO effective 3 April 2023.

Remuneration for the year ended 30 June 2022

Key Management Person	Short-term benefits			Long Term benefits	Post-employment benefits	Long term incentives	Total
	Salary or Fees Paid or Payable $	Consulting Fees $	Non Monetary Benefits $	Long Service Leave $	Superannuation $	Share-based payments $	$
J Young	70,417	-	-	-	-	245,769	316,186
J Robinson	270,000	-	1,446	-	23,568	819,178	1,114,192
S Hardcastle	59,579	-	-	-	-	245,769	305,348
C Henry	50,000	-	-	-	5,000	245,769	300,769
O Malone	48,000	-	-	-	-	120,231	168,231
	497,996	**-**	**1,446**	**-**	**28,568**	**1,676,716**	**2,204,726**

Options

4,500,000 options were granted to Mr Danny Goeman as part of his remuneration during the year ended 30 June 2023 (2022: nil) as per the table below. The Director Options were granted for nil consideration and vested immediately. There were no performance conditions for these options. 30,000,000 options were exercised or forfeited during the year by current KMP.

	Director Options
Underlying value of the security	$0.054
Exercise price	$0.10
Valuation date	27/02/2023
Expiry date	1/03/2026
Life of Options in years	3
Volatility	102.88%
Risk free rate	3.51%
Number of Options	4,500,000
Valuation per Option	$0.0286
Valuation	$128,700

1 The options issued to D Goeman were formally approved and issued by the Board post year end. Given the certainty of the grant, the value has been brought to account in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023.

Performance Rights

Performance rights on issue to KMP are set out below. 10,500,000 performance rights were issued as part of KMP remuneration during the year ended 30 June 2023 (2022: 30,000,000).

Director	Class	Grant date	No. of performance rights	Fair value per performance right ($)	Total fair value of performance rights issued ($)	Expense to Statement of Profit or Loss for the year[1] ($)
J Young	A	26/5/2021	1,500,000	0.078200	117,300	-
	B	26/5/2021	1,500,000	0.073800	110,700	29,553
	C	26/5/2021	1,500,000	0.070300	105,450	47,479
			4,500,000		333,450	77,032
J Robinson	A	26/5/2021	5,000,000	0.078200	391,000	12
	B	26/5/2021	5,000,000	0.073800	369,000	98,540
	C	26/5/2021	5,000,000	0.070300	351,500	158,276
			15,000,000		1,111,500	256,828
S Hardcastle	A	26/5/2021	1,500,000	0.078200	117,300	-
	B	26/5/2021	1,500,000	0.073800	110,700	29,553
	C	26/5/2021	1,500,000	0.070300	105,450	47,479
			4,500,000		333,450	77,032
C Henry	A	26/5/2021	1,500,000	0.078200	117,300	-
	B	26/5/2021	1,500,000	0.073800	110,700	29,553
	C	26/5/2021	1,500,000	0.070300	105,450	47,479
			4,500,000		333,450	77,032
J Durrant	A	1/07/2022	1,500,000	0.009400	14,100	14,100
	B	1/07/2022	1,500,000	0.006800	10,200	6,804
	C	1/07/2022	1,500,000	0.005100	7,650	3,824
	D	10/02/2023	2,000,000	0.060000	120,000	110,000
	E	10/02/2023	2,000,000	0.060000	120,000	110,000
	F	10/02/2023	2,000,000	0.060000	120,000	110,000
			10,500,000		391,950	354,728
O Malone	A	5/2/2021	500,000	0.112400	56,200	-
	B	5/2/2021	500,000	0.106100	53,050	3,366
	C	5/2/2021	500,000	0.101100	50,550	15,043
			1,500,000		159,800	18,409
Total			**40,500,000**		**2,663,600**	**861,061**

1 Performance rights are expensed on a straight-line basis over the vesting period.

The Board considers that the performance rights are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of the management and are consistent with the strategic goals and targets of the Company.

No performance rights issued to KMP vested during the year (2022: nil). At 30 June 2023, the performance rights held by KMP that vest on meeting the following performance conditions before the expiry date are:

Class	Vesting Condition	Number
A	20 Day VWAP of $0.20 and 12 months continuous service within 3 years from the date of issue	12,000,000
B	20 Day VWAP of $0.25 and 18 months continuous service within 3 years from the date of issue	12,000,000
C	20 Day VWAP of $0.30 and 24 months continuous service within 3 years from the date of issue	12,000,000
D	A JORC Code compliant inferred or indicated resource of 1MT contained TREO at the Cummins Range Project and 24 months service	2,000,000
E	Granting of a mining license for the Cummins Range project and 24 months service	2,000,000
F	Completion of a positive pre-feasibility study for the Cummins Range Project and 24 months service	2,000,000

The movement during the reporting period in the number of ordinary shares of RareX held directly, indirectly or beneficially by KMP including their personally related entities is as follows:

Shares – 30 June 2023

KMP	Held at 1 July 2022 or at date of appointment as KMP	Acquired	Disposed	Other	Held at 30 June 2023
D Goeman	-	-	-	-	-
S Hardcastle	2,664,379	-	-	-	2,664,379
C Henry	3,779,222	-	-	-	3,779,222
J Robinson	13,161,111	9,460,038	-	-	22,621,149
J Young	6,337,333	-	-	-	6,337,333
J Durrant	-	-	-	-	-
O Malone	580,588	-	-	-	580,588
	26,522,633	9,460,038	-	-	35,982,671

Shares – 30 June 2022

KMP	Held at 1 July 2021	Acquired	Disposed	Other	Held at 30 June 2022
S Hardcastle	2,108,823	555,556	-	-	2,664,379
C Henry	1,577,000	2,202,222	-	-	3,779,222
J Robinson	9,300,000	3,861,111	-	-	13,161,111
J Young	3,004,000	3,333,333	-	-	6,337,333
O Malone	580,588	-	-	-	580,588
	16,570,411	9,952,222	-	-	26,522,633

The movement during the reporting period in the number of options over ordinary shares of RareX held directly, indirectly or beneficially by KMP including their personally related entities is as follows:

Options – 30 June 2023

KMP	Held at 1 July 2022 or at date of appointment as KMP	Granted	Exercised	Expired/ Forfeited/ Other	Held at 30 June 2023
D Goeman	-	4,500,000	-	-	4,500,000
S Hardcastle	3,000,000	-	-	(3,000,000)	-
C Henry	6,000,000	-	-	(6,000,000)	-
J Robinson	15,000,000	-	(15,000,000)	-	-
J Young	6,000,000	-	-	(6,000,000)	-
J Durrant	-	-	-	-	-
O Malone	-	-	-	-	-
	30,000,000	4,500,000	(15,000,000)	(15,000,000)	4,500,000

Options – 30 June 2022

KMP	Held at 1 July 2021	Granted	Exercised	Expired/ Forfeited/ Other	Held at 30 June 2022 or date of resignation
S Hardcastle	3,000,000	-	-	-	3,000,000
C Henry	6,000,000	-	-	-	6,000,000
J Robinson	17,750,000	-	-	(2,750,000)	15,000,000
J Young	6,000,000	-	-	-	6,000,000
O Malone	-	-	-	-	-
	32,750,000	-	-	(2,750,000)	30,000,000

The movement during the reporting period in the number of performance rights of RareX held directly, indirectly or beneficially by KMP and their personally related entities is as follows:

Performance Rights – 30 June 2023

KMP	Held at 1 July 2022 or at date of appointment as KMP	Granted	Converted	Expired/ Forfeited/ Other	Held at 30 June 2023	Vested at 30 June 2023
D Goeman	-	-	-	-	-	-
S Hardcastle	4,500,000	-	-		4,500,000	-
C Henry	4,500,000	-	-	-	4,500,000	-
J Robinson	15,000,000	-	-	-	15,000,000	-
J Young	4,500,000	-	-	-	4,500,000	-
J Durrant	-	10,500,000	-	-	10,500,000	-
O Malone	1,500,000	-	-	-	1,500,000	-
	30,000,000	10,500,000	-	-	40,500,000	-

Performance Rights – 30 June 2022

KMP	Held at 1 July 2021	Granted	Converted	Expired/ Forfeited/ Other	Held at 30 June 2022	Vested at 30 June 2022
S Hardcastle	5,250,000	-	-	(750,000)	4,500,000	-
C Henry	4,500,000	-	-	-	4,500,000	-
J Robinson	15,000,000	-	-	-	15,000,000	-
J Young	4,500,000	-	-	-	4,500,000	-
O Malone	1,500,000	-	-	-	1,500,000	
	30,750,000	-	-	(750,000)	30,000,000	-

Details of share-based payments in existence during the year ended 30 June 2023 are disclosed in this Directors' Report and Notes 20 and 27 to the Annual Financial Statements.

Contracts with Directors and Key Management Personnel

A summary of contracts entered into with Executives is set out below:

Executive	James Durrant
Role	Chief Executive Officer
Term of Agreement	Ongoing until terminated in accordance with the agreement
Base salary per annum excluding any superannuation (Non-performance based)*	$280,000
Termination Conditions	3 months notice by either party
Elements of remuneration related to performance issued during the year	• 1,500,000 performance rights expiring 26 May 2024 vesting on 20 day VWAP of $0.20 and 12 months continuous service • 1,500,000 performance rights expiring 26 May 2024 vesting on 20 day VWAP of $0.25 and 18 months continuous service • 1,500,000 performance rights expiring 26 May 2024 vesting on 20 day VWAP of $0.30 and 24 months continuous service • 2,000,000 performance rights expiring 10 February 2026 vesting on a JORC Code compliant inferred or indicated resource of 1MT contained TREO at the Cummins Range Project and 24 months service • 2,000,000 performance rights expiring 10 February 2026 vesting on granting of a mining license for the Cummins Range project and 24 months service • 2,000,000 performance rights expiring 10 February 2026 vesting on completion of a positive pre-feasibility study for the Cummins Range Project and 24 months service

* Base salary as reviewed during the year and as at 30 June 2023; salaries are reviewed annually.

[END OF REMUNERATION REPORT]

11. Auditor Independence and Non-Audit Services

The Group's current auditor, SW Audit, did not perform any services in addition to its statutory audit services (2022: nil).

12. Auditor's Independence Declaration

The auditor's independence declaration for the reporting period ended 30 June 2023 has been received and can be found on page 31.

13. Share Options

At the date of this report 71,500,030 options (2022: 66,000,000) to acquire ordinary shares in RareX were on issue.

Type of Options	Expiry date	Exercise price	Number
Unquoted options	30/11/2023	$0.15	10,000,000
Unquoted options	31/12/2023	$0.15	7,000,000
Unquoted options	1/03/2026	$0.10	4,500,000
Quoted options	26/05/2025	$0.0675	50,000,030

Share-based payments and options issued to directors, consultants and eligible employees, are disclosed in this Directors' Report and Notes 20 and 27 to the Annual Financial Statement.

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

14. Directors' Meetings

The number of meetings of Directors (including meetings of committees of directors) held during the year ended 30 June 2023 and the number of meetings attended by each director was as follows:

Director	Directors' Meetings Eligible to Attend	Directors' Meetings Attended
D Goeman	1	1
S Hardcastle	4	4
C Henry	4	4
J Robinson	4	4
J Young	4	4

15. Risk Management

The Company takes a proactive approach to risk management including monitoring actual performance against budgets and forecast and monitoring investment performance. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the consolidated entity's objectives and activities are aligned with the risks and opportunities identified by the Board.

16. Environmental Regulations and Performance

The Company is required to carry out the exploration and evaluation of its mining tenements in accordance with various State Government Acts and Regulations.

In regard to environmental considerations, the Company is required to obtain approval from various State regulatory authorities before any exploration requiring ground disturbance, is carried out. It is normally a condition of such regulatory approval that any area of ground disturbed during the Company's activities is rehabilitated in accordance with various guidelines. There have been no significant breaches of these guidelines.

This report is made in accordance with a resolution of the Directors.

Jeremy Robinson

Chairman

29 September 2023

Accountants & Advisors

Take the lead

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF RAREX LIMITED

As lead auditor, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

SW Audit

SW Audit
Chartered Accountants

Richard J Gregson

Richard Gregson
Partner

Perth, 29 September 2023

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Consolidated 2023 $	2022 $
Income			
Other income	4(a)	2,181,816	918,001
Gain on disposal of subsidiary	5(a)	-	334,389
Profit from sale of tenements	5(b)	-	2,000,000
Total income		2,181,816	3,252,390
Expenses			
Administration expenses		(1,246,994)	(1,301,175)
Consultants and management expenses	7(a)	(1,304,288)	(1,497,927)
Depreciation and amortisation	7(b)	(136,754)	(120,860)
Financial costs		(17,576)	(22,507)
Legal expenses		(64,097)	(76,000)
Share-based payment expense	27	(1,569,668)	(2,157,619)
Exploration expenses	6	(6,893,499)	(5,784,066)
Foreign exchange gain/(loss)		893	(996)
Fair value increase/(decrease) in financial assets	4(b)	289,799	(2,542,787)
Share of loss from associate	5(a), 14	(561,472)	(468,605)
Exploration and evaluation expensed	12	-	(505,032)
Total expenses		(11,503,656)	(14,477,574)
Loss before income tax		(9,321,840)	(11,225,184)
Income tax expense	8	-	-
Loss attributable to the owners of RareX Limited		(9,321,840)	(11,225,184)
Other comprehensive loss		-	-
Foreign currency translation reserve		(1,004)	(2,534)
Total comprehensive loss attributable to owners of the parent		(9,322,844)	(11,227,718)
Loss per share			
- basic and diluted	9	(1.54) cents	(2.32) cents

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2023

		Consolidated	
		2023	2022
	Notes	$	$
ASSETS			
Current Assets			
Cash and cash equivalents	10	4,310,622	8,232,977
Trade and other receivables	11	474,737	502,311
Total Current Assets		4,785,359	8,735,288
Non-current Assets			
Exploration and evaluation costs	12	-	-
Financial assets at fair value	13	1,404,631	1,114,832
Investment in associate	14	969,922	1,531,394
Plant and equipment	15	282,975	139,737
Right of use asset	16	216,574	305,090
Total Non-current Assets		2,874,102	3,091,053
TOTAL ASSETS		7,659,461	11,826,341
LIABILITIES			
Current Liabilities			
Trade and other payables	17	1,805,816	1,790,180
Provisions		97,321	148,035
Lease liability	18	91,532	83,011
Total Current Liabilities		1,994,669	2,021,226
Non-current Liabilities			
Lease liability	18	148,589	240,121
Total Non-current Liabilities		148,589	240,121
TOTAL LIABILITIES		2,143,258	2,261,347
NET ASSETS		5,516,203	9,564,994
EQUITY			
Contributed equity	19	49,739,062	45,715,177
Reserves	20	9,824,081	8,574,917
Accumulated losses		(54,046,940)	(44,725,100)
TOTAL EQUITY		5,516,203	9,564,994

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Contributed equity $	Options reserve $	Share- based payment reserve $	Foreign currency translation reserve $	Accumulated losses $	Total equity $
At 1 July 2022		45,715,177	6,163,712	2,414,702	(3,497)	(44,725,100)	9,564,994
Currency translation differences		-	-	-	(1,004)	-	(1,004)
Total comprehensive income / (loss) for the year, net of tax		-	-	-	-	(9,321,840)	(9,321,840)
Issue of share capital – cash	19	4,000,000	-	-	-	-	4,000,000
Transaction costs on share issues	19	(295,615)	-	-	-	-	(295,615)
Share-based payment expense	27	-	-	1,569,668	-	-	1,569,668
Exercise of Options		289,500	(289,500)	-	-	-	-
Shares issued on exercise of options	19	30,000	-	(30,000)	-	-	-
At 30 June 2023		49,739,062	5,874,212	3,954,370	(4,501)	(54,046,940)	5,516,203
At 1 July 2021		35,315,630	6,163,712	257,083	(963)	(33,499,916)	8,235,546
Currency translation differences		-	-	-	(2,534)	-	(2,534)
Total comprehensive income / (loss) for the year, net of tax		-	-	-	-	(11,225,184)	(11,225,184)
Issue of share capital – cash	19	10,650,000	-	-	-	-	10,650,000
Transaction costs on share issues	19	(656,703)	-	-	-	-	(656,703)
Share-based payment expense	27	-	-	2,157,619	-	-	2,157,619
Shares issued on exercise of options	19	406,250	-	-	-	-	406,250
At 30 June 2022		45,715,177	6,163,712	2,414,702	(3,497)	(44,725,100)	9,564,994

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	Consolidated 2023 $	Consolidated 2022 $
CASH FLOWS USED IN OPERATING ACTIVITIES			
Payments to suppliers and employees		(9,551,013)	(7,204,037)
Interest received		9,174	2,119
Interest paid		(17,575)	(22,507)
Proceeds from research and development tax incentives		2,141,754	703,870
Other income		30,888	41,572
NET CASH FLOWS USED IN OPERATING ACTIVITIES	21	(7,386,772)	(6,478,983)
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(191,475)	(57,985)
Payments for acquisition of tenements		-	-
Refund/(payment) of security deposits		(20,000)	10,000
Cash disposed on loss of control of subsidiary		-	(2,796)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(211,475)	(50,781)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue	19	4,039,500	10,610,000
Proceeds from exercise of options		-	406,250
Share issue transaction costs	19	(295,615)	(656,703)
Payment of finance lease liability		(83,012)	(74,785)
Share application funds		15,000	-
NET CASH FLOWS FROM FINANCING ACTIVITIES		3,675,873	10,284,762
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,922,374)	3,754,998
Cash and cash equivalents at beginning of year		8,232,977	4,477,985
Effect of movement in exchange rate		19	(6)
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	4,310,622	8,232,977

The accompanying notes form part of these financial statements.

Notes to and forming part of the Consolidated Financial Statements

1. CORPORATE INFORMATION

The financial statements of RareX Limited (the Company or the Group) for the year ended 30 June 2023 were recognised for issue in accordance with a resolution of the Directors. RareX Limited is a for profit entity. RareX Limited (the parent) is a company limited by shares, incorporated in Australia, and whose shares are publicly traded on the Australian Securities Exchange. The nature of the operations and principal activities of the consolidated entity are described in the Directors' Report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements include separate financial statements for RareX Limited as an individual entity and the consolidated entity consisting of RareX Limited and its controlled entities.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. These financial statements have also been prepared on a historical cost basis, except for financial assets which have been measured at fair value. These financial statements are presented in Australian dollars.

Australian Accounting Standards set out accounting policies that the Australian Accounting Standards Board has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the consolidated financial statements are presented below and have been consistently applied unless stated otherwise.

Going concern

As at 30 June 2023, the Group had working capital of $2,790,690 (2022: $6,714,062) and returned a loss attributable to owners of $9,321,840 (2022: $11,225,184). The cash balance at 30 June 2023 was $4,310,622 (2022: $4,785,359) and net current assets of $4,785,737 (2022: $8,735,288). The ability of the Group to continue as a going concern is dependent upon the future successful raising of the necessary funding through equity and/or debt and the successful exploitation of the Group's tenements.

The Directors believe it is appropriate to prepare the financial statements on a going concern basis because the Directors have appropriate plans to raise additional funds if required.

These financial statements have been prepared on the basis that the Group can meet its commitments as and when they fall due and can therefore continue normal business activities and the recognised of its assets and settlement of its liabilities can occur in the ordinary course of business.

However, the conditions outlined above indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and to be able to pay its debts as and when they fall due, and therefore the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

(b) Statement of Compliance

These financial statements comply with Australian Accounting Standards and International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board.

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

(c) New accounting standards and interpretations

The Group has adopted all of the new and revised Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Future effects of the implementation of these standards will depend on future details.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted by the Group.

New accounting Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Company have not been applied in preparing these consolidated financial statements. The Company has not elected to adopt any new Accounting Standards or Interpretations prior to their applicable date of implementation.

There are no standards that are not yet effective and that would be expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 30 June 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (**OCI**) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(e) Investment in joint operations

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

The Group can elect to contribute to ongoing exploration costs in proportion to its interests or dilute (a farm-out arrangement). If contributions are made during the reporting period, they are accounted for as exploration expenditure. Once the joint arrangement partner had earned its interest, the Company recovers expenditure equivalent to the other joint arrangement partner's interest.

The Group does not record any expenditure made by the farminee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements. Any cash consideration received directly from the farminee is credited against costs previously incurred in relation to the whole interest.

When the Group, acting as an operator, receives reimbursement of direct costs recharged to the joint operation, such recharges represent reimbursements of costs that the operator incurred as an agent for the joint operation and therefore have no effect on profit or loss.

In many cases, the Group also incurs certain general overhead expenses in carrying out activities on behalf of operation. As these costs can often not be specifically identified, joint operation agreements allow the operator to recover the general overhead expenses incurred by charging an overhead fee that is based on a fixed percentage of the total costs incurred for the year, often in the form of a management fee. Although the purpose of this recharge is very similar to the reimbursement of direct costs, the Group is not acting as an agent in this case. Therefore, the general overhead expenses and the overhead fee are recognised in profit or loss as an expense and income, respectively.

(f) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination shall be measured at fair value, which shall be calculated as the sum of the acquisition date fair value of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity issued by the acquirer, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured at fair value as at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will recognised in accordance with AASB 9 either in profit or loss or in other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured.

(g) Segment reporting

Management has assessed that the Group's reportable business segments under the quantitative criteria set out in AASB 8 Segment Reporting and has determined that no additional operating segments disclosures are required.

AASB 8 requires the 'management approach' to the identification, measurement and disclosure of operating segments. The 'management approach' requires that operating segments be identified on the basis of internal reports that are regularly reviewed by the entity's chief operating decision maker, for the purpose of allocating resources and assessing performance. This could also include the identification of operating segments which sell primarily or exclusively to other internal operating segments.

In its adoption of the 'management approach' to segment reporting, the Group has identified that it continues to operate as a gold, copper and base metals explorer and developer, in a single reportable business segment, under one segment manager, in one geographical location being Australia, consistent with the prior year. The information disclosed in the financial statements is the same information recognised internally by the chief operating decision maker. Accordingly, no additional quantitative or qualitative disclosures are required.

(h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short-term deposits with an original maturity of not more than 3 months that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above. The consolidated entity does not have any bank overdraft facilities.

Where the Company calls cash in advance from its joint venture partners, the cash recognised as an asset with an offsetting liability for the amount of expenses not yet incurred on the relevant joint venture project at balance date. The liability is then released to the profit and loss as the expenditure is incurred.

(i) Trade and other receivables

Trade receivables are generally paid on 30-day settlement terms and are recognised and carried at original invoice amount less an allowance for impairment. Trade receivables are non-interest bearing.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectible are written off when identified. An impairment provision would be recognised when legal notice has been sent and a reply not received within 30 days.

(j) Investments and other financial assets

Investments and financial assets in the scope of AASB 9 Financial Instruments are recognised as either financial assets at fair value through profit and loss or amortised cost. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each financial year end, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit and loss, directly attributable transaction costs.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

(i) Recognition and Derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the consolidated entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are recognised when the right to receive cash flows from the financial assets has expired or when the entity transfers substantially all the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

(ii) Financial assets measured at amortised cost

Loans and receivables including loan notes are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at the transaction price minus principal repayments and minus any allowance for impairment or collectability. Gains and losses are recognised in profit or loss when the loans and receivables are recognised or impaired. Loans and receivables are included with receivables in current assets in the statement of financial position, except for those with maturities greater than 12 months after balance date, which are classified as non-current. Loans and receivables with maturities greater than 12 months are carried at amortised cost using the effective interest rate method.

(k) Plant and Equipment

Plant and equipment is stated at historical cost less depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of these items.

Subsequent costs are included in the asset's carrying amount recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the consolidated entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight line and diminishing value methods to allocate the cost of the specific assets over their estimated useful lives. The expected useful lives are detailed in Note 15.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The directors have determined that items of plant and equipment do not generate independent cash inflows and that the business of the consolidated entity is, in its entirety, a cash-generating unit. The recoverable amount of plant and equipment is thus determined to be its fair value less costs to sell.

An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the statement of comprehensive income as an expense.

(ii) Derecognition and disposal

An item of plant and equipment recognised upon disposal or when no further future economic benefits are expected from its use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the statement of comprehensive income. When revalued assets are sold, it is consolidated entity policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

(l) Right of use assets

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognised a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to Consolidated Statement of Profit or Loss and Other Comprehensive Income as incurred.

(m) Trade and other payables

Trade payables and other payables are carried at the transaction price minus principal repayments. They represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year that are unpaid and arise when the consolidated entity becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

(n) Provisions and employee benefits

Provisions are recognised when the consolidated entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the consolidated entity expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. The risks specific to the provision are factored into the cash flows and as such a risk-free corporate bond rate relative to the expected life of the provision is used as a discount rate. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(o) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(p) Employee leave benefits

(i) Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled with 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. Liabilities for annual leave expected to be settled within 12 months of the reporting date are recognised in the current provision for the employee benefits. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable. For annual leave, expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(ii) Long Service Leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(q) Share-based payment transactions

Equity settled transactions

The consolidated entity provides benefits to its directors, employees and consultants in the form of share-based payments, whereby directors and employees render services in exchange for options to acquire shares, rights over shares (equity-settled transactions) and shares. The consolidated entity has also issued ordinary shares and unlisted options as consideration to vendors for the acquisition of exploration licenses and drilling services.

The cost of these equity-settled transactions is measured by reference to the fair value to the Company of the equity instruments at the date at which they were granted in the case of options and shares for directors, employees and consultants; and the closing share price on, or just before, either the date of entering into, or executing, an exploration license purchase agreement in the case of options and shares issued to tenement vendors as consideration for the settlement price. The fair value of the unlisted options and shares issued under the Plan is determined using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

The cost of equity-settled transactions are recognised as an expense, together with a corresponding increase in equity over the period in which the vesting and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant directors and employees become fully entitled to the options (the vesting date) or shares.

At each subsequent reporting date until vesting, the cumulative charge to the statement of comprehensive income reflects:

(i) the grant date fair value of the options and shares;

(ii) the current best estimate of the number of options and shares that will ultimately vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of vesting conditions being met, based on best available information at balance da

(iii) the extent to which the vesting period has expired.

The charge to the statement of comprehensive income for the period is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it has vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options and shares is reflected as additional share dilution in the computation of diluted earnings per share.

(r) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(s) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the consolidated entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Rendering of Services

Where the work performed in relation to a joint venture or other contract outcome can be reliably measured, the right to receive compensation for the services provided and the stage of completion can be reliably measured. Stage of completion is measured by reference to the labour hours performed to date as a percentage of total estimated labour hours in relation to a joint venture or for each contract. Where it is probable that a loss will arise in relation to a joint venture or from a contract, the excess of total costs over revenue is recognised as an expense immediately.

Where the contract outcome cannot be reliably measured, revenue is recognised only to the extent that the costs that have been incurred are recoverable.

Unearned revenue is recognised in respect of progress billings and advances on exploration contracts in progress, received in advance, or not represented by work done or reimbursable expenditure incurred, under joint venture arrangements. Such revenue is recognised and brought to account over time as it is earned.

(ii) Interest revenue

Revenue is recognised as interest accrued using the effective interest method. This is a method of calculating the amortised costs of a financial asset and allocating the interest revenue over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(iii) Research and development

Research and development tax offset income compensates the Group for expenses incurred and is recognised in profit or loss as other income in the period for which the research and development grant application is lodged.

All revenue is stated net of Goods and Services Tax (GST).

(t) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets, liabilities and their carrying amounts for financial statements purposes.

Deferred income tax are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax loss can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax consolidation legislation

RareX Limited and its wholly-owned Australian controlled entity formed a tax consolidated group on 1 July 2008. However, they continue to account for their own current and deferred tax amounts. The consolidated entity has applied the stand alone taxpayer approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. The current and deferred tax amounts are measured in a systematic manner that is consistent with the broad principles in AASB 112 Income Taxes.

In addition to its own current and deferred tax amounts, RareX also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

Members of the tax consolidated group have not entered into a tax funding agreement and as no current tax assets or liabilities or deferred tax assets are recognised in relation to tax losses or unused tax credits, no contributions or distributions are required to be made under AASB Int 1052 Tax Consolidation Accounting.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

(u) Earnings per share

Basic earnings per share is calculated as profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that are recognised as expenses; and

- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Exploration Expenditure

Exploration and evaluation costs are accumulated and accounted for separately on an area of interest basis. An area of interest is represented by an exploration project, which may include multiple tenements within a single geographic region.

For each area of interest, the Company makes an election regarding its treatment of exploration and evaluation expenditure (including the costs of tenement acquisitions) and whether it will be charged to the income statement as incurred, under the expense category "exploration expenditure" (or other appropriate expense category), or capitalised as an exploration and evaluation asset, or a combination thereof.

An exploration and evaluation asset can only be recognised in relation to an area of interest if the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:
  a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and
  b) exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Capitalised exploration and evaluation expenditures are recorded as an exploration asset at cost less impairment charges. All capitalised exploration and evaluation expenditure are monitored for indicators of impairment. Where an impairment indicator is identified, an assessment is performed for each area of interest to which the exploration and evaluation expenditure is attributed. To the extent that capitalised expenditure is not expected to be recovered it is charged to the income statement.

(w) Financial Liabilities and Equity Instruments Issued by the Consolidated Entity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

(x) Investments in associates

An associate is an entity over which the Group is able to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's interests in associates are accounted for using the equity method after initially being recognised at cost. Under the equity method, the Group's share of the profits or losses of the associate is recognised in the Group's profit or loss and the Group's share of other comprehensive income items is recognised in the Group's condensed consolidated statement of other comprehensive income.

Unrealised gains and losses on transactions between the Group and an associate are eliminated to the extent of the Group's interest in the associate.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates and judgements

(i) Impairment – general

The Company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the Company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

(ii) Options and share-based payment transaction

The Consolidated Entity measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black-Scholes or Monte Carlo model, using the assumptions and inputs detailed in Note 27.

(iii) Tenement acquisition costs

The Directors have elected to expense certain tenement acquisition costs in relation to the Cummins Range Rare Earths Project as disclosed in note 6.

4. INCOME

	Consolidated	
	2023 **$**	**2022** **$**
(a) Other Income		
Interest received	9,174	1,905
Research and Development Grant	2,141,754	703,870
Rental income	30,888	-
Refund of stamp duty	-	170,677
Australian Government cash flow boost	-	41,549
	2,181,816	918,001
(b) Fair value net increase/ (decrease) in financial assets		
Shares in Kincora Copper Ltd (TSXV: KCC.V)	3,564	(1,003,102)
Shares in Canada Rare Earth Corp (TSXV: LL.V)	286,235	(1,539,685)
	289,799	(2,542,787)

5. DISPOSAL OF SUBSIDIARY

(a) Gain/(loss) on disposal of subsidiary

There was no disposal of a subsidiary during the year ended 30 June 2023.

In the year ended 30 June 2022, Cosmos Exploration Ltd (**Cosmos**) was divested from the Group. RareX received $315,000 cash in settlement of the loan balance and 10 million shares in the separated Cosmos company. The 10 million shares are valued at the issue price of $0.20 per share and have been recognised as an investment from 1 December 2021. At 30 June 2022, Rarex held 28.57% of the issued share capital and, per AASB 128 Investments in Associates, was classified as an associate as it held more than 20% of the voting rights. Consequently, the investment in Cosmos has been accounted for under an equity accounting basis and the financial statements recognises Rarex's share of Cosmos's post divestment loss of $468,605.

The net gain on the disposal of Cosmos was $334,389.

(b) Profit/(loss) from sale of tenements

	$
Shares at fair value (10 million Cosmos shares at $0.20)	2,000,000

As the Group had previously expensed its exploration expenditure on the tenements spun out to Cosmos and had no capitalised exploration and expenditure asset for these tenements, the fair value of the entire consideration received of 10 million Cosmos shares has been brought to account as a profit from the sale of the tenements. On disposal of its subsidiary Cosmos, RareX sold six of its tenements relating to the Orange East and Byro East projects to Cosmos and consideration was received in shares.

6. EXPLORATION EXPENSES

During the year, the Directors elected to expense the following costs in relation to the exploration activities of the Group to the Consolidated Statement of Profit or Loss and Other Comprehensive Income:

	Consolidated	
	2023 $	2022 $
Balance at the beginning of the year	-	-
Exploration expenditure incurred	6,893,499	5,784,066
Exploration expenditure expensed	(6,893,499)	(5,784,066)
Balance at the end of the year	-	-

The Directors have elected to expense exploration expenditure for all areas of interest of the Group (Note 2(v)).

7. OTHER EXPENSES

	Consolidated	
	2023 $	2022 $
(a) Consultants and management expense		
Consultants	511,687	362,645
Directors’ fees - executive	61,250	225,833
Directors' fees – non-executive	141,726	169,996
Salary and on costs	1,362,134	1,186,574
Company secretarial fees	51,000	48,000
Less: Expenditure allocated to exploration and evaluation	(823,509)	(495,121)
	1,304,288	1,497,927
(b) Depreciation and amortisation included in income statement		
Depreciation of plant & equipment	27,067	20,681
Depreciation of motor vehicles	21,171	11,998
Depreciation of right of use assets	88,516	88,181
	136,754	120,860

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8. INCOME TAX

	Consolidated 2023 $	Consolidated 2022 $
(a) Income tax expense		
The major components of income tax expense are:		
Statement of profit or loss and other comprehensive income		
Current income tax		
Current income tax charge/(benefit)	-	-
Adjustments in respect of current income tax of previous years	-	-
Deferred income tax	-	-
Relating to origination and reversal of temporary differences	-	-
Income tax expense/(benefit) reported in statement of profit or loss and other comprehensive income	-	-
(b) Numerical reconciliation of accounting profit to tax expense		
A reconciliation between tax expense and the accounting profit before income tax multiplied by the consolidated entity's applicable income tax rate is as follows:		
Accounting loss before income tax	(9,321,840)	(11,225,184)
At the consolidated entity's statutory income tax rate of 25% (2022: 25%)	(2,330,460)	(2,806,296)
Non-deductible or assessable items	4,176	2,964
Share-based payments	392,417	539,405
Unrealised loss on associates	140,368	77,036
Research and development grant	(535,439)	-
Fair value increase in financial assets	(72,450)	-
Fringe benefits tax	2,650	2,354
Capital raising expenditure	(111,496)	(82,530)
Increase in unrecognised deferred tax assets	2,510,234	2,267,067
	-	-
(c) Current tax assets and liabilities		
Current tax liability	-	-

(d) Recognised deferred tax assets and liabilities

The Group has not recognised any deferred tax assets or liabilities during the year (2022: Nil).

(e) Tax losses
The Group has Australian revenue tax losses for which no deferred tax recognized is recognised on the statement of financial position of $35,126,756 (2022: $30,151,312) which are available indefinitely for offset against future taxable income subject to continuing to meet the relevant statutory tests.

The Group has no Australian capital tax losses available (2022: nil).

(f) Unrecognised temporary differences
As at 30 June 2023, the Group has other temporary differences (excluding tax differences relating to tax losses) for which no deferred tax recognized is recognised in the statement of financial position of $138,789 (2022: $164,536). None of these unrecognised temporary differences relate to investments in subsidiaries, associates or joint ventures.

(g) Tax consolidation
Members of the tax consolidated group and the tax sharing agreement

RareX Limited and its 100% owned Australian resident subsidiary were both subsidiaries in a tax-consolidated group with Geoinformatics Exploration Australia Pty Ltd as the head entity until 2 July 2007. A new tax-consolidated group was formed on 1 July 2008 with RareX Limited as Head Entity. Members of the new tax-consolidated group have not yet entered into a tax sharing agreement.

9. EARNINGS PER SHARE

The following reflects the income used in the basic and diluted earnings per share computations.

	Consolidated 2023 $	 2022 $
(a) Earnings used in calculating earnings per share		
For basic and diluted earnings per share		
Loss from continuing operations after tax for the year	(9,321,840)	(11,225,184)
(b) Weighted average number of shares		
Weighted average number of shares used in calculation of basic earnings per share	606,478,419	484,402,945
Weighted average number of shares used in calculation of diluted earnings per share	606,478,419	484,402,945
(c) Earnings per share		
Basic loss per share	(1.54 cents)	(2.32 cents)
Diluted loss per share	(1.54 cents)	(2.32 cents)

10. CASH AND CASH EQUIVALENTS

	Consolidated 2023 $	Consolidated 2022 $
Cash at bank	4,310,622	8,232,977
	4,310,622	8,232,977

11. TRADE AND OTHER RECEIVABLES

	Consolidated 2023 $	Consolidated 2022 $
Trade debtors	9,095	15,843
Sundry debtors	1,085	41,280
Security and tenement deposits	134,442	114,442
GST input tax refundable	221,915	241,284
Prepayments	108,200	89,462
	474,737	502,311

Fair value and credit risk
Due to the short term nature of the receivables, their carrying value is assumed to approximate their fair value. GST input tax refundable is receivable from the Commonwealth of Australia and is therefore viewed as having low credit risk.

12. EXPLORATION AND EVALUATION ASSETS

	Consolidated 2023 $	Consolidated 2022 $
Hong Kong Gold Project		
Opening balance	-	505,032
Movement for the year	-	(505,032)
	-	-

The Company purchased, for $1, the 70% interest in the Hong Kong Gold Project it had previously sold to Pacton Gold Inc in 2018 resulting in the Group now having a 100% ownership and control of the Hong Kong Gold Project (which is an unincorporated tenement holding). In accordance with the Group's accounting policy, the Directors have decided to fully expense the acquisition cost of the 30% interest in the Hong Kong Gold Project which it had carried forward since 2018 cost.

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13. FINANCIAL ASSETS AT FAIR VALUE

	Consolidated 2023 $	2022 $
Financial assets at fair value through profit or loss		
Non-Current		
Shares in listed corporations, at fair value		
Kincora Copper Ltd (TSXV: KCC.V) (4,983,333 shares; 2022: 4,983,333) shares)[1]	283,999	280,435
Canada Rare Earth Corp (TSXV: LL.V) (24,579,658 shares; 2022: 24,579,658)[2]	1,120,632	834,397
Investment in Atlas Management Sarl (20% interest) (Note 23(c))	507,084	507,084
Less: Impairment	(507,084)	(507,084)
	1,404,631	1,114,832

[1] The market value of the shares in Kincora Copper Ltd as at 30 June 2023 is based on a closing price of Kincora Copper Ltd shares of CAD0.05 (2022: CAD0.05) and an exchange rate of 1AUD = 0.87735CAD (2022: 0.8885CAD).

[2] The market value of the shares in Canada Rare Earth Corp as at 30 June 2023 is based on a closing price of Canada Rare Earth Corp shares of CAD0.04 (2022: CAD0.034) and an exchange rate of 1AUD = 0.87735CAD (2022: 0.8885CAD).

14. INVESTMENT IN ASSOCIATE

In accordance with AASB 128, the Group has recognised its initial investment in Cosmos Exploration Limited less its share of Cosmos' post divestment loss. At disposal of subsidiary, RareX have sold their six tenements to Cosmos and consideration was received by shares.

	Consolidated 2023 $	2022 $
Cosmos Exploration Limited (10,000,000 shares) (Note 5(b))	2,000,000	2,000,000
Loss brought forward	(468,606)	-
Less: Share of Cosmos' post divestment loss for the period	(561,472)	(468,606)
	969,922	1,531,394

As part of the divestment of Cosmos, it was agreed that RareX would retain a 25% interest in the Orange East Project (EL 8442) which is free carried until completion of a bankable feasibility study.

Interests in associates are accounted for using the equity method of accounting. During the period, Rarex's shares in Cosmos remained unchanged whilst Cosmos increased its share capital resulting in a reduction in Rarex's equity interest in Cosmos. Information relating to associates that are material to the consolidated entity are set out below:

Name	Nature of investment	Country of incorporation	Equity interest (%) 2023	Equity interest (%) 2022	Investment ($) 2023	Investment ($) 2022
Cosmos Exploration Limited	Ordinary shares	Australia	18	28	969,922	1,531,394

Summarised financial information	Cosmos Exploration Ltd 2023 $	2022 $
Summarised statement of financial position		
Current Assets		
Cash and cash equivalents	2,559,244	3,335,875
Trade and other receivables	82,925	226,223
Non-current Assets		
Property, plant and equipment	83,383	-
Exploration and evaluation costs	6,244,272	2,000,000
Total Assets	8,969,824	5,562,098
Current Liabilities		
Trade and other payables	121,652	314,723
Provisions	14,956	11,974
Loans and borrowings	-	-
Total Liabilities	136,608	326,697
Net Assets	8,833,216	5,235,401
Summarised statement of profit or loss and other comprehensive		
Interest revenue	58,743	3,909
RareX loan forgiveness	-	322,453
Accounting, audit and corporate fees	(132,849)	(337,103)
Directors' fees, salaries, superannuation, and consulting costs	(277,053)	(187,656)
Exploration expenditure expensed	(1,567,662)	(1,026,622)
Share based payment expensed	(173,490)	(328,105)
Other expenses	(251,055)	(87,075)
Profit before income tax	(2,343,366)	(1,640,199)
Income tax expense	-	-
Profit after income tax	(2,343,366)	(1,640,199)
Other comprehensive income	(410)	-
Total comprehensive loss net of tax	(2,343,776)	(1,640,199)
Reconciliation of the consolidated entity's carrying amount		
Opening carrying amount	1,531,394	-
Initial recognition of investment in Cosmos	-	2,000,000
Share of loss after income tax	(561,472)	(468,606)
Closing carrying amount	969,922	1,531,394
Commitments		
Minimum exploration commitments		
Within one year	1,229,145	452,128
One to five years	2,928,443	3,131,200
	4,157,588	3,583,328
Cosmos Exploration Ltd has no contingent liabilities.		

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15. PLANT AND EQUIPMENT

	Consolidated 2023 $	2022 $
Original Cost		
Computer Equipment		
At 1 July	38,665	27,592
Additions	7,177	11,073
Disposals	-	-
At 30 June	45,842	38,665
Plant and Equipment		
At 1 July	113,712	66,800
Additions	-	46,912
Disposals	-	-
At 30 June	113,712	113,712
Motor Vehicles		
At 1 July	59,989	59,989
Additions	184,299	-
Disposals	-	-
At 30 June	244,288	59,989
Total Property, Plant and Equipment		
At 1 July	212,366	154,381
Additions	191,476	57,985
Disposals	-	-
At 30 June	403,842	212,366
Accumulated Depreciation		
Computer Equipment		
At 1 July	23,908	18,931
Depreciation charge for year	8,177	4,977
Accumulated depreciation on disposals	-	-
At 30 June	32,085	23,908
Plant and Equipment		
At 1 July	29,064	13,360
Depreciation charge for year	18,890	15,704
Accumulated depreciation on disposals	-	-
At 30 June	47,954	29,064
Motor Vehicles		
At 1 July	19,657	7,659
Depreciation charge for year	21,171	11,998
Accumulated depreciation on disposals	-	-
At 30 June	40,828	19,657
Total Accumulated Depreciation		
At 1 July	72,629	39,950
Depreciation charge for year	48,238	32,679
Accumulated depreciation on disposals	-	-
At 30 June	120,867	72,629

	Consolidated 2023 $	 2022 $
Total Plant and Equipment		
Original cost	403,842	212,366
Accumulated depreciation	(120,867)	(72,629)
Net carrying amount	282,975	139,737

The useful life of the assets was estimated as follows:

Sundry equipment:	5 to 15 years
Computer equipment:	2- 4 years
Motor vehicles:	5 to 8 years
Furniture and Fittings:	5 to 15 years
Library:	7 years
Leasehold improvements:	Over the remainder of the lease term up to 2 years

No assets have been pledged as security for borrowings.

16. RIGHT OF USE ASSET

	Consolidated 2023 $	 2022 $
Land and buildings - right-of-use		
Opening balance	305,090	380,630
Additions	-	-
Depreciation	(88,516)	(75,540)
	216,574	305,090

The consolidated entity leases land and buildings for its offices and warehouse under agreements of between four to five years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

17. TRADE AND OTHER PAYABLES

	Notes	Consolidated 2023 $	Consolidated 2022 $
Trade payables	(i) – (ii)	1,657,184	1,548,666
Accrued expenses		148,632	241,514
Estimated stamp duty accrued on Cummins Range acquisition		-	-
		1,805,816	1,790,180

(i) Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.
(ii) Trade payables are non-interest bearing and are normally settled on 30 day terms.

18. LEASE LIABILITIES

	Consolidated 2023 $	Consolidated 2022 $
Current liability	91,532	83,011
Non-current liability	148,589	240,121
	240,121	323,132
Maturity		
Within 1 year	91,532	83,011
1-2 years	73,692	92,235
2-5 years	74,897	147,886
Over 5 years	-	-
	240,121	323,132
Opening balance	323,132	385,280
Initial recognition of new leases	-	-
Interest	17,575	22,507
Principal	(100,586)	(84,655)
	240,121	323,132

The consolidated entity leases land and buildings for its offices and warehouse under agreements of between four to five years with options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

RAREX

19. ISSUED CAPITAL

		Consolidated	
		2023	2022
	Notes	$	$
Ordinary shares	(a)	49,739,062	45,715,177

(a) Ordinary shares

Issued and fully paid ordinary shares carry one vote per share and carry the right to dividends. Unless stated otherwise, references to shares, options and performance rights in these financial statements are on a post-consolidation basis.

		Consolidated			
		2023		2022	
		No. of shares	$	No. of shares	$
Movement in ordinary shares on issue					
As at 1 July		569,926,537	45,715,177	435,343,204	35,315,630
Add:	Shares issued on exercise of options	500,000	30,000	16,250,000	406,250
	Issue of shares to Directors	9,460,038	289,500	7,222,222	650,000
	Shares issued via placement	88,888,887	4,000,000	111,111,111	10,000,000
Less:	Transactions costs on share issues	-	(295,615)	-	(656,703)
As at 30 June		668,775,462	49,739,062	569,926,537	45,715,177

(b) Capital risk management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain appropriate returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures an appropriate cost of capital available for the entity.

In order to maintain or adjust the capital structure, the entity may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares, enter into joint ventures or sell assets.

The entity does not have a defined share buy-back plan.

No dividends were paid in the year ended 30 June 2023.

The consolidated entity is not subject to any externally imposed capital requirements.

Management reviews management accounts on a monthly basis and actual expenditures against budget on a monthly basis.

20. RESERVES

	Consolidated 2023 $	Consolidated 2022 $
Options reserve	5,874,212	6,163,712
Share-based payment reserve	3,954,370	2,414,702
Foreign currency translation reserve	(4,501)	(3,497)
	9,824,081	8,574,917
(a) Movement in reserves		
Options reserve		
Balance at beginning of the financial year	6,163,712	6,163,712
Consideration received from issue of options	-	-
Fair value of options issued	(289,500)	-
Balance at end of financial year	5,874,212	6,163,712
Share-based payment reserve		
Balance at beginning of the financial year	2,414,702	257,083
Fair value of performance rights issued	1,539,668	2,157,619
Balance at end of financial year	3,954,370	2,414,702
Foreign currency translation reserve		
Balance at beginning of the financial year	(3,497)	(963)
Currency translation differences	(1,004)	(2,534)
Balance at end of financial year	(4,501)	(3,497)

(b) Nature and purpose of reserves

The options reserve records the fair value of share options issued, using the Black-Scholes option pricing model, to the Company's directors, employees, consultants and brokers as well as the vendors of drilling services and tenements.

The share-based payments reserve records the value of performance rights issued to the Company's directors.

The foreign currency translation reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

(c) Movement in options

Expiry date of options	Notes	Exercise price	On issue at 1 July 2022	Granted	Exercised	Cancelled / expired / forfeited	On issue at 30 June 2023
27/09/22	(i)	$0.0250	5,000,000	-	(5,000,000)	-	-
27/09/22	(ii)	$0.0250	5,000,000	-	(5,000,000)	-	-
27/09/22	(iii)	$0.0250	5,000,000	-	(5,000,000)	-	-
11/10/22	(iv)	$0.0850	16,000,000	-	-	(16,000,000)	-
12/12/22	(v)	$0.0607	1,000,000	-	-	(1,000,000)	-
12/12/22	(vi)	$0.0607	1,000,000	-	-	(1,000,000)	-
12/12/22	(vii)	$0.0607	2,000,000	-	-	(2,000,000)	-
12/12/22	(viii)	$0.0607	1,500,000	-	-	(1,500,000)	-
12/12/22	(ix)	$0.0607	1,500,000	-	-	(1,500,000)	-
11/10/22	(x)	$0.0607	1,500,000	-	-	(1,500,000)	-
11/10/22	(xi)	$0.0850	3,000,000	-	-	(3,000,000)	-
22/12/22	(xii)	$0.0607	2,000,000	-	-	(2,000,000)	-
22/12/22	(xiii)	$0.0607	2,000,000	-	-	(2,000,000)	-
22/12/22	(xiv)	$0.0607	2,000,000	-	-	(2,000,000)	-
11/10/22	(xv)	$0.0850	1,250,000	-	-	(1,250,000)	-
11/10/22	(xvi)	$0.0850	1,250,000	-	-	(1,250,000)	-
22/12/22	(xvii)	$0.0607	2,000,000	-	-	(2,000,000)	-
22/12/22	(xviii)	$0.0607	2,000,000	-	-	(2,000,000)	-
22/12/22	(xix)	$0.0607	2,000,000	-	-	(2,000,000)	-
11/10/22	(xx)	$0.0850	7,000,000	-	-	(7,000,000)	-
30/11/23	(xxi)	$0.1500	10,000,000	-	-	-	10,000,000
31/12/23	(xxii)	$0.1500	5,000,000	-	-	-	5,000,000
31/12/23	(xxiii)	$0.1500	2,000,000	-	-	-	2,000,000
01/03/26	(xxiv)	$0.1500	-	4,500,000	-	-	4,500,000
26/05/25	(xxv)	$0.0675	-	44,444,474	-	-	44,444,474
			81,000,000	48,944,474	(15,000,000)	(49,000,000)	65,944,474

All options granted have been valued according to the Black Scholes model.

(i) Issued to J Robinson in September 2019; vesting on 6 months employment and 20 day VWAP exceeding $0.05

(ii) Issued to J Robinson in September 2019; vesting on 6 months employment and 20 day VWAP exceeding $0.10

(iii) Issued to J Robinson in September 2019; vesting on 6 months employment and 20 day VWAP exceeding $0.15

(iv) Issued to a consultant in October 2019; vested immediately

(v) Issued to S Hardcastle and S Patrizi in December 2019; vesting on 20 day VWAP exceeding $0.10

(vi) Issued to S Hardcastle and S Patrizi in December 2019; vesting on 20 day VWAP exceeding $0.15

(vii) Issued to S Hardcastle and S Patrizi in December 2019; vesting on 20 day VWAP exceeding $0.20

(viii) Issued to an employee in December 2019; vesting on 20 day VWAP exceeding $0.10

(ix) Issued to an employee in December 2019; vesting on 20 day VWAP exceeding $0.15

(x) Issued to an employee in December 2019; vesting on 20 day VWAP exceeding $0.20

(xi) Issued to a consultant in December 2019; vested immediately

(xii) Issued to J Young in February 2020; vesting on 20 day VWAP exceeding $0.10

(xiii) Issued to J Young in February 2020; vesting on 20 day VWAP exceeding $0.15

(xiv) Issued to J Young in February 2020; vesting on 20 day VWAP exceeding $0.20

(xv) Issued to a consultant in March 2020; vested immediately

(xvi) Issued to a consultant in June 2020; vested immediately

(xvii) Issued to C Henry in June 2020; vesting on 20 day VWAP exceeding $0.10

(xviii) Issued to C Henry in June 2020; vesting on 20 day VWAP exceeding $0.15

(xix) Issued to C Henry in June 2020; vesting on 20 day VWAP exceeding $0.2

(xx) Issued to a consultant in June 2020; vested immediately

(xxi) Issued to a broker in November 2020; vested immediately

(xxiii) Issued to a corporate advisor in February 2021; vested immediately

(xxiv) Issued to D Goeman in March 2023; vested immediately

(xxv) Quoted options issued on 26 May 2023 as per prospectus dated 24 May 2023

(d) Movement in performance rights

	Note	Exercise price	On issue at 1 July 2022	Granted during the year	Vested during the year	Cancelled / expired / forfeited	On issue at 30 June 2023
Class A	(ii)	$0.000	13,500,000	-	-	-	13,500,000
Class B	(ii)	$0.000	13,500,000	-	-	-	13,500,000
Class C	(i)	$0.000	13,500,000	-	-	-	13,500,000
Class D	(i)	$0.000	-	2,000,000	-	-	2,000,000
Class E	(i)	$0.000	-	2,000,000	-	-	2,000,000
Class F	(i)	$0.000	-	2,000,000	-	-	2,000,000
Class D	(ii)	$0.000	-	4,000,000	-	-	4,000,000
Class E	(ii)	$0.000	-	4,000,000	-	(500,000)	3,500,000
Class F	(ii)	$0.000	-	4,000,000	-	-	4,000,000
			40,500,000	18,000,000	-	(500,000)	58,000,000

(i) Performance rights issued to Directors and key management personnel
(ii) Performance rights issued to other employees and contractors.

Class	Vesting Condition of Current Performance Rights- vesting will occur:	Number on issue at 30 June 2023
A	20 Day VWAP of $0.20 and 12 months continuous service within 3 years from the date of issue	13,500,000
B	20 Day VWAP of $0.25 and 18 months continuous service within 3 years from the date of issue	13,500,000
C	20 Day VWAP of $0.30 and 24 months continuous service within 3 years from the date of issue	13,500,000
D	A JORC code compliant inferred or indicated resource of 1MT contained TREO at the Cummins Range Project and 24 months service	6,000,000
E	Granting of a mining license for the Cummins Range project and 24 months service	5,500,000
F	Completion of a positive pre-feasibility study for the Cummins Range Project and 24 months service	6,000,000

21. STATEMENT OF CASH FLOWS RECONCILIATION

	Consolidated 2023 $	2022 $
Reconciliation of the net loss after tax to net cash flows from operations		
Loss from ordinary activities after income tax	(9,321,840)	(11,225,184)
Adjustments for:		
Depreciation	136,754	120,860
Impairment	344	334,355
Payments to suppliers and employees	(8,772)	-
Equity settled share-based payments	1,569,668	2,157,619
Unrealised (gain)/loss on investments	(289,799)	2,542,787
Foreign exchange gain	(756)	(2,832)
Share of loss from equity accounted interest	561,473	468,605
Gain on sale of subsidiary	-	(2,334,389)
Other	-	18,488
Changes in assets and liabilities		
Movement in trade and other receivables	25,966	(212,875)
Movement in other assets	(9,966)	(67,311)
Movement in trade and other payables	869	1,637,694
Movement in provisions	(50,713)	83,200
Net cash flow used in operating activities	(7,386,772)	(6,478,983)

22. SEGMENT INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting to the chief operating decision maker (**CODM**), which has been identified by the Group as the Board of Directors.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

At 30 June 2023, the Group had the following segments:

	Operating Profit/(Loss)		Total Assets		Total Liabilities	
	30 June 2023 $	30 June 2022 $	30 June 2023 $	30 June 2022 $	30 June 2023 $	30 June 2022 $
Rare Earths (Western Australia)	(7,158,050)	(5,746,412)	398,471	252,986	(1,345,661)	(1,388,935)
Gold/Nickel/Copper (Western Australia)	-	(217,483)	-	-	-	-
Cobalt (Morocco)	(20,956)	(21,968)	140	377	(1,781)	-
Copper/Gold (New South Wales)	-	16,018	-	-	-	-
Copper/Gold (Kenya)	-	(59,457)	-	-	-	-
Corporate	(2,142,834)	(5,195,882)	7,260,850	11,572,978	(795,816)	(872,412)
	(9,321,840)	(11,225,184)	7,659,461	11,826,341	(2,143,258)	(2,261,347)

23. COMMITMENTS

	Consolidated	
	2023 $	2022 $
Estimated commitments for which no provisions were included in the financial statements are as follows:		
(a) Exploration Expenditure Commitments:		
Payable		
- not later than one year	320,792	199,000
- later than one year and not later than five years	772,287	572,000
	1,093,079	771,000

Included in overall commitments calculations are estimates of the Company's expected commitments in respect of its sole funded exploration licenses.

All the exploration expenditure commitments are non-binding, in respect of outstanding expenditure commitments, in that the Company or its joint venture partners have the option to relinquish and lose these licenses or their contractual commitments at any stage, at the cost of its cumulative expenditures up to the point of relinquishment.

(b) Lease Commitments
In the previous year, the Company entered into lease commitments which resulted in recognition of any right-of-use asset, or associated lease liability. Please refer Note 16 and 18.

24. CONTINGENT LIABILITIES

As the Company has not completed a positive bankable feasibility within 36 months of the acquisition of the Cummins Range Rare Earths Project, the further deferred consideration of $1,000,000 payable in cash or shares to Element 25 Ltd has been replaced by a royalty of 1% (capped at $1,000,000) of the net smelter return on commercial production. As this royalty is subject to commercial production at the Cummins Range Rare Earths Project, it is disclosed as a contingent liability and has not been brought to account as a liability in the financial statements as at 30 June 2023.

25. RELATED PARTY DISCLOSURES

(a) Ultimate parent
The ultimate Australian parent entity and the ultimate parent of the consolidated entity is RareX Limited.

(b) Subsidiaries and associate
The subsidiaries of RareX Limited are listed in the following table:

Name	Nature of investment	Country of incorporation	% Equity interest		Investment $	
			2023	2022	2023	2022
Cosmos Exploration Limited	Ordinary shares	Australia	19	28	969,922	1,531,394
Cummins Range Pty Ltd	Ordinary shares	Australia	100	100	4,782,250	4,782,250
Geoinformatics Exploration Tasmania Pty Ltd	Ordinary shares	Australia	100	100	1	1
Galaxis Minerals Pty Ltd (formerly Great Northern Hydrogen Pty Ltd)	Ordinary shares	Australia	100	100	1	1
Leogang Austria Pty Ltd	Ordinary shares	Australia	100	100	10	10
RareX Kenya Ltd	Ordinary shares	Kenya	100	100	1	1
Ste Clancy Morocco Sarl	Ordinary shares	Morocco	100	100	15	15

(c) Transactions with related parties

The following table provides the total amount of transactions (GST exclusive where GST applies) entered into with related parties for the relevant financial year. The transactions have all been undertaken on an arms' length basis.

	Consolidated	
	2023 $	2022 $
Sales of goods and services		
Rent, rates and office charges to Cosmos Exploration Ltd, a related party of Jeremy Robinson.	26,746	46,892
Entertainment charges to Green Technology Metals Ltd, a related party of John Young and Cameron Henry.	3,164	-
Repayment of expenses to Cosmos Exploration Ltd, a related party of Jeremy Robinson. (Refer Note 5 for further details of divestment)	-	315,534
Amounts owed in respect of related party transactions included in the trade debtors and other debtors		
Cosmos Exploration Ltd	558	7,362
Purchase of goods and services		
Legal fees billed by Hamilton Locke, a company associated with Shaun Hardcastle	29,857	8,627
Consulting fees billed by Primero Group Ltd, a company previously associated with Cameron Henry	172,656	178,593
Office Rental charges from Green Technology Metals Ltd, a related party of John Young and Cameron Henry	57,261	-
Amounts owed in respect of related party transactions included in the trade creditors and accruals balance		
Legal fees billed to Hamilton Locke Ltd, a company associated with Shaun Hardcastle	6,991	-
Consulting fees billed by the Primero Group Ltd, a company previously associated with Cameron Henry	4,096	-
Office Rental charges from Green Technology Metals Ltd, a related party of John Young and Cameron Henry	56,478	-

26. DIRECTORS AND KEY MANAGEMENT PERSONNEL

(a) Details of Key Management Personnel

The names of the Company's officeholders in office at any time during the financial year are as follows. Officeholders were in office for the entire period unless otherwise stated.

Danny Goeman	Director (Non-Executive) (appointed 1 March 2023)
Shaun Hardcastle	Director (Non-Executive)
Cameron Henry	Director (Non-Executive)
Jeremy Robinson	Director (Managing Director to 3 April 2023, Non-Executive Chairman from 3 April 2023)
John Young	Director (Non-Executive Chairman to 3 April 2023, Non-Executive Director from 3 April 2023)
James Durrant	Chief Executive Officer (appointed 3 April 2023)
Oonagh Malone	Company Secretary

(b) Compensation for Key Management Personnel

	Consolidated	
	2023	2022
	$	$
Short-term employee benefits	783,065	497,996
Consulting fees	4,500	-
Non-monetary benefits	1,571	1,446
Post-employment benefits	58,039	28,568
Share-based payments	989,761	1,676,716
Total Compensation	1,836,936	2,204,726

27. SHARE-BASED PAYMENT EXPENSE

(a) Recognised share-based payments expenses
The expense recognised for the expensing of employee and consultant services received is shown below:

	Consolidated	
	2023 $	2022 $
Recognised in the Statement of Profit or Loss and Other Comprehensive Income		
Expense recognised under employee share scheme		
Expense arising from equity-settled share-based payment transactions – directors and key management personnel (performance rights)	861,061	1,676,716
Expense arising from equity-settled share-based payment transactions – director (options)	128,700	-
Expense arising from equity-settled share-based payment transactions – other employees (performance rights)	542,407	480,903
	1,532,168	2,157,619
Equity payment recognised for consulting fees		
Equity-settled share-based payment transactions – options issued for consideration for facilitation of acquisition and ongoing consultancy services	37,500	-
Total recognised in the Statement of Profit or Loss and Other Comprehensive Income	1,569,668	2,157,619

(b) Weighted average remaining contractual life
The weighted average remaining contractual life of the options on issue is 1.58 years (2022: 0.49 years).

(c) Range of exercise price
The range of the exercise prices of the options on issue is $0.025 - $0.150 (2022: $0.025 - $0.150).

(d) Weighted average fair value
The fair value of the options issued as share-based payments during the year was $0.091 per option (2022: $0 per option).

(e) Weighted average share price
The weighted average price per share in relation to shares issued during the year was $0.0125 (2022 $0.0822).

(f) Option valuation

During the year, 4,500,00 unlisted options were issued to a Director and vested during the year. The options have been valued by the Directors using the Black-Scholes option pricing model based on the following:

	Director Options
Underlying value of the security	$0.054
Exercise price	$0.10
Valuation date	27/02/2023
Expiry date	1/03/2026
Life of Options in years	3
Volatility	102.88%
Risk free rate	3.51%
Number of Options	4,500,000
Valuation per Option	$0.0286
Valuation	$128,700

During the year ended 30 June 2022, no options were issued.

(g) Performance rights valuation

During the year ended 30 June 2023, the following share-based payments were made which have been accounted for in the share-based payments reserve. The following performance rights, which were issued to Directors, key management personnel and employees, were recorded at their fair value in the share-based payment reserve. The performance rights have been valued by the Directors at the closing share price on the grant date, less discounts to reflect the effects of any market based vesting conditions as detailed in the below table. The expected vesting period for each performance right for performance based vesting conditions is the period until expiry of the performance right.

For personal use only

KMP	Class	Grant date	No. of performance rights	Fair value per performance right ($)	Total fair value of performance rights issued ($)	Expense to Statement of Profit or Loss for the year[1] ($)
J Young	A	26/5/2021	1,500,000	0.078200	117,300	-
	B	26/5/2021	1,500,000	0.073800	110,700	29,553
	C	26/5/2021	1,500,000	0.070300	105,450	47,479
			4,500,000		333,450	77,032
J Robinson	A	26/5/2021	5,000,000	0.078200	391,000	12
	B	26/5/2021	5,000,000	0.073800	369,000	98,540
	C	26/5/2021	5,000,000	0.070300	351,500	158,276
			15,000,000		1,111,500	256,828
S Hardcastle	A	26/5/2021	1,500,000	0.078200	117,300	-
	B	26/5/2021	1,500,000	0.073800	110,700	29,553
	C	26/5/2021	1,500,000	0.070300	105,450	47,479
			4,500,000		333,450	77,032
C Henry	A	26/5/2021	1,500,000	0.078200	117,300	-
	B	26/5/2021	1,500,000	0.073800	110,700	29,553
	C	26/5/2021	1,500,000	0.070300	105,450	47,479
			4,500,000		333,450	77,032
J Durrant	A	1/7/2022	1,500,000	0.009400	14,100	14,100
	B	1/7/2022	1,500,000	0.006800	10,200	6,804
	C	1/7/2022	1,500,000	0.005100	7,650	3,824
	D	10/02/2023	2,000,000	0.060000	120,000	110,000
	E	10/02/2023	2,000,000	0.060000	120,000	110,000
	F	10/02/2023	2,000,000	0.060000	120,000	110,000
			10,500,000		391,950	354,728
Other employees & contractors	A	5/2/2021	2,500,000	0.112400	224,800	-
	B	5/2/2021	2,500,000	0.106100	212,200	16,841
	C	5/2/2021	2,500,000	0.101100	202,200	75,225
	D	10/02/2023	4,000,000	0.060000	240,000	168,750
	E	10/02/2023	3,500,000	0.060000	240,000	168,750
	F	10/02/2023	4,000,000	0.060000	240,000	168,750
			19,000,000		1,359,200	598,316
Total			58,000,000		3,863,000	1,440,968

1 Performance rights are expensed on a straight-line basis over the vesting period.

18 million performance rights were issued to KMP and other employees and contractors during the year ended 30 June 2023 (2022: Nil). See Note 20 for the movement in the performance rights during the year.

The performance rights have been valued by the using the Black-Scholes option pricing model based on the following. For the performance rights issued in the year, the fair value for each class of performance right and the discount applied to share price at grant date to reflect market based vesting condition at year end are as follows:

Classes D, E and F		**Number of Rights**	**Valuation per Right**	**Total Fair Value**
KMP				
Underlying value of the security	$0.06			
Exercise price	Nil			
Grant date	10/2/23			
Volatility	N/A			
Risk free rate	N/A			
Performance Right:				
Class D		2,000,000	$0.06	$120,000
Class E		2,000,000	$0.06	$120,000
Class F		2,000,000	$0.06	$120,000
		6,000,000		$360,000
Underlying value of the security	$0.06			
Other employees & contractors				
Underlying value of the security	$0.06			
Exercise price	Nil			
Grant date	10/2/23			
Volatility	N/A			
Risk free rate	N/A			
Performance Right:				
Class D		4,000,000	$0.06	$240,000
Class E		3,500,000	$0.06	$210,000
Class F		4,000,000	$0.06	$240,000
		11,500,000		$690,000
Total		17,500,000		1,050,000

The performance rights will vest on meeting the following performance conditions before the expiry date:

Class	**Vesting Condition - vesting will occur:**	**Number**
A	20 Day VWAP of $0.20 and 12 months continuous service within 3 years from the date of issue	12,000,000
B	20 Day VWAP of $0.25 and 18 months continuous service within 3 years from the date of issue	12,000,000
C	20 Day VWAP of $0.30 and 24 months continuous service within 3 years from the date of issue	12,000,000
D	A JORC code compliant inferred or indicated resource of 1MT contained TREO at the Cummins Range Project and 24 months service.	360,000
E	Granting of a mining license for the Cummins Range project and 24 months service.	360,000
F	Completion of a positive pre-feasibility study for the Cummins Range Project and 24 months service.	360,000

On meeting vesting conditions, performance rights will each convert into one ordinary share with no further consideration. Performance rights were valued at the closing share price on the grant date, less discounts to reflect the effects of any market based vesting conditions as detailed the table above. The expected vesting period for each performance right for performance-based vesting conditions is the period until expiry of the performance right.

28. AUDITOR'S REMUNERATION

The auditor of RareX Limited was SW Audit.

	Consolidated	
	2023 $	**2022 $**
Amounts received or due and receivable by SW Audit		
- an audit or review of the financial statements of the entity and its controlled entity	32,000	23,500
- other services in relation to the entity and its controlled entity	-	-
	32,000	23,500

29. INFORMATION RELATING TO RAREX LIMITED ('the Parent Entity')

	2023 $	**2022 $**
ASSETS		
Current Assets	4,606,477	8,531,893
Non-current Assets	1,705,543	1,900,336
TOTAL ASSETS	6,312,020	10,432,229
LIABILITIES		
Current Liabilities	647,228	627,114
Non-current Liabilities	148,589	240,121
TOTAL LIABILITIES	795,817	867,235
NET ASSETS	5,516,203	9,564,994
EQUITY		
Issued capital	49,739,062	46,175,177
Reserves	9,828,582	8,578,414
Accumulated losses	(54,051,441)	(45,188,597)
TOTAL EQUITY	5,516,203	9,564,994
Loss of the parent entity	(15,142,568)	(11,523,755)
Total comprehensive loss of the parent entity	(15,142,568)	(11,523,755)

Contingent liabilities of the parent entity: Nil.

	2023 $	2022 $
Reserves included in the parent entity:		
Options reserve	5,874,212	6,163,712
Share-based payment reserve	3,954,370	2,414,702
	9,828,582	8,578,414

Commitments for the acquisition of property, plant and equipment by the parent entity: Nil.

30. FINANCIAL INSTRUMENTS, RISK MANAGEMENT OBJECTIVES AND POLICIES

The consolidated entity's principal financial instruments comprise cash and short-term deposits.

The main purpose of these financial instruments is to finance the consolidated entity's operations. The consolidated entity has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. It is, and has been throughout the entire period under review, the consolidated entity's policy that no trading in financial instruments shall be undertaken.

For all financial instruments of the Company, the carrying value approximates the fair value.

The main risk arising from the consolidated entity's financial instruments is cash flow interest rate risk. Other minor risks are summarised below or disclosed at Note 19 in the case of capital risk management. The Board reviews and agrees policies for managing each of these risks.

(a) Cash Flow Interest Rate Risk

The consolidated entity's exposure to the risks of changes in market interest rates relates primarily to the consolidated entity's short-term deposits with a floating interest rate. These financial assets with variable rates expose the consolidated entity to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The consolidated entity does not engage in any hedging or derivative transactions to manage interest rate risk. In regard to its interest rate risk, the consolidated entity continuously analyses its exposure. Within this analysis consideration is given to potential renewals of existing positions, alternative investments and the mix of fixed and variable interest rates. The sensitivity to the movement in interest rates for the likely range of outcomes is immaterial.

Based on the sensitivity analysis only interest revenue from variable rate deposits and cash balances is impacted, resulting in a decrease or increase in overall income.

(b) Liquidity risk

The consolidated entity manages liquidity risk by maintaining sufficient cash reserves and through the continuous monitoring of budgeted and actual cash flows. Further, the consolidated entity only invests surplus cash with major financial institutions.

Contracted maturities of payables:

	Consolidated	
	2023	2022
	$	$
Payable		
- less than 6 months	1,805,816	1,790,180
- 6 to 12 months	-	-
- 1 to 5 years	-	-
- later than 5 years	-	-
Total	1,805,816	1,790,180

(c) Commodity price risk
The consolidated entity has no direct commodity exposures.

(d) Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. Given the current level of transactions denominated in foreign currency, the Directors consider foreign current risk not material.

(e) Price risk
The Group is exposed to price risk on the value of its financial assets being listed investments.

If there was a 10% increase or decrease in market price of these listed investments, the net realisable value of these listed investments would increase/(decrease) by $140,463 (2022: $111,483). Accordingly, an increase of 10% in the value of the listed investments would decrease the net loss by $140,463 (2022: $111,483) and a decrease of 10% in the value of the listed investments would increase the net loss $140,463 (2022: $111,483).

(f) Carrying values of financial instruments not recognised at fair value
Due to their short term nature, the carrying value of financial assets and financial liabilities, not recognised at fair value, recorded in the financial statements approximates their respective fair values, determined in accordance with accounting policies disclosed in Note 2 of the financial statements.

(g) Fair value hierarchy
The following table details the Groups assets and liabilities, measured or disclosed at fair value using a three level hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);

- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 $	Level 2 $	Level 3 $	Total $
2023				
Financial assets:				
Fair value through profit or loss:				
Listed investments	1,404,631	-	-	1,404,631
2022				
Financial assets:				
Fair value through profit or loss				
Listed investments	1,114,832	-	-	1,114,832

(h) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes. All financial assets and financial liabilities of the Group at the balance date are recorded at amounts approximating their carrying amount. The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last trade price. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

31. SUBSEQUENT EVENTS

Subsequent to 30 June 2023, there have been no significant events with the exception of the below:

- A share placement to Directors and management personnel on 9 August 2023 raising $500,000 (before costs) via the issue of 11,111,111 ordinary shares at an issue price of $0.045 per share with a one-for-two free attaching quoted option (REEO) exercisable at and expiring on 26 May 2025;

- The issue of 3,500,000 shares on 14 August 2023 following the conversion of vested performance rights; and

- As announced on 31 July 2023, RareX has executed a conditional agreement with Kincora Copper Limited (**Kincora**) to sell its carried 35% asset level interests in the Trundle, Fairholme, Jemalong, Cundumbul and Condobolin exploration licences in New South Wales. In consideration, RareX will be issued 40 million Kincora CDIs and granted a 1% NSR for the vended licences. The transaction is subject conditions precedent including Kincora obtaining shareholder approval which was obtained at an annual general and special meeting convened on 26 September 2023 and the parties obtaining approvals required under the Mining Act 1992 (NSW).

Directors' Declaration

The Directors of RareX Limited declare that:

1. In the opinion of the Directors:

   (a) the attached financial statements and the notes thereto of the Company and of the consolidated entity are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2023 and of their performance for the year ended on that date; and

      (ii) complying with Accounting Standards;

   (b) the attached financial statements and the notes thereto of the Company and of the consolidated entity are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board; and

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ending 30 June 2023.

Signed in accordance with a resolution of the Directors made pursuant to Section 295(5) of the Corporations Act 2001.

On behalf of the Board

Jeremy Robinson
Chairman
Dated 29 September 2023

SW Accountants & Advisors

Take the lead

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAREX LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of RareX Limited (the Company) and its subsidiaries (the Group) which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of RareX Limited is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended, and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(a) in the financial report, which indicates that the Group incurred a net loss of $9,321,840 and operating cash outflows of $7,386,772 during the year ended 30 June 2023. As stated in Note 2(a), these events and conditions, along with other matters as set forth in Note 2(a), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Brisbane
Level 15
240 Queen Street
Brisbane QLD 4000
T + 61 7 3085 0888

Melbourne
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530 Collins Street
Melbourne VIC 3000
T + 61 3 8635 1800

Perth
Level 18
197 St Georges Terrace
Perth WA 6000
T + 61 8 6184 5980

Sydney
Level 7, Aurora Place
88 Phillip Street
Sydney NSW 2000
T + 61 2 8059 6800

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them, all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 20 to 27 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of RareX Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

SW Audit

SW Audit
Chartered Accountants

Richard J Gregson

Richard Gregson
Partner

Perth, 29 September 2023

Mineral Resource Statement

The following information is provided in accordance with Listing Rule 5.21 and as at 30 June 2023.

Mineral Resource Estimation Governance Statement

RareX Limited ensures that the Mineral Resource Estimates are subject to appropriate levels of governance and internal controls. The Mineral Resource Estimates have been generated by independent external consultants and internal employees who are experienced in best practices in modelling and estimation methods. Where applicable, the consultants have also undertaken review of the quality and suitability of the underlying information used to generate the resource estimations. The Mineral Resource estimates follow standard industry methodology using geological interpretation and assay results from samples won through drilling. RareX Limited reports its Mineral Resources in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code) (2012 Edition). Competent Persons named by the Company qualify as Competent Persons as defined in the JORC Code.

Mineral Resource for Cummins Range Project, Western Australia

The tables below sets out the Mineral Resources as at 30 June 2022 (estimated in July 2021) and as at 30 June 2022 (estimated in May 2023) for the Cummins Range Project, Western Australia. The Company confirms that the change in the Resource Estimates are the consequence of additional drilling undertaken.

Mineral Resource Estimate as at 30 June 2023 (P_2O_5 ≥2.5%)

RARE DYKE Classification	Tonnes (Mt)	P_2O_5 (%)	TREO + Y_2O_3 (ppm)	HREO (ppm)	Nd_2O_3 (ppm)	Pr_6O_{11} (ppm)	Nb_2O_5 (ppm)	Sc_2O_3 (ppm)	ThU (ppm)
Indicated	45.9	6.2	5700	290	910	270	1000	90	90
Inferred	368.9	4.0	3030	160	490	150	570	60	40
Total	414.8	4.2	3320	180	540	160	620	70	50
PHOS DYKE Classification	**Tonnes (Mt)**	**P_2O_5 (%)**	**TREO + Y_2O_3 (ppm)**	**HREO (ppm)**	**Nd_2O_3 (ppm)**	**Pr_6O_{11} (ppm)**	**Nb_2O_5 (ppm)**	**Sc_2O_3 (ppm)**	**ThU (ppm)**
Indicated	20.8	8.0	3580	300	720	190	470	80	100
Inferred	83.8	5.4	2340	200	470	120	450	60	60
Total	104.6	5.9	2590	220	520	140	450	70	70
COMBINED Classification	Tonnes (Mt)	P_2O_5 (%)	TREO + Y_2O_3 (ppm)	HREO (ppm)	Nd_2O_3 (ppm)	Pr_6O_{11} (ppm)	Nb_2O_5 (ppm)	Sc_2O_3 (ppm)	ThU (ppm)
Indicated	66.6	6.8	5010	290	850	250	830	90	90
Inferred	452.7	4.2	2900	170	490	140	550	60	40
Total	519.3	4.6	3170	190	540	160	580	70	50

Mineral Resource Statement as at 30 June 2022 (TREO cut-off 1.0%)

Category	Tonnes (Mt)	TREO (%)	NdPr (%)	Nb_2O_5 (%)	HREO (ppm)
Indicated	4.9	2.11	0.41	0.23	1,150
Inferred	1.6	1.60	0.31	0.16	800
Total	**6.5**	**1.98**	**0.38**	**0.21**	**1,060**

Competent Person's Statements

The exploration and metallurgical results for Cummins Range in this report were reported by the Company in accordance with Listing Rule 5.7. The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements.

The mineral resource estimate in this report were reported by the Company in accordance with Listing Rule 5.8 on 19 July 2021 (prior year resource), and 30 March 2023 with a further upgrade on 1 May 2023 (current resource). The Company confirms it is not aware of any new information or data that materially affects the information included in the previous announcements and that all material assumptions and technical parameters underpinning the estimates in the previous announcement continue to apply and have not materially changed.

Schedule of Mining Tenements

As at 30 June 2023, the Company had interests in mining tenements as set out below:

Australian Tenement Schedule				
State	**Project**	**Tenement No**	**RareX Interest**	**Note**
WA	Cummins Range	E80/5092	100%	Rare Earths and Phosphate
WA	Cummins Range Extension	E80/5372	100%	
WA	Weld North	E38/3455	100%	Ionic Clay Rare Earths
WA	Weld North	E38/3530	100%	
WA	Weld North	E38/3531	100%	
WA	Mt Mansbridge	E80/5430	100%	Heavy Rare Earths
NSW	Condobolin	EL 7748	35%	Kincora JV – subject of transaction to convert interest to equity
NSW	Cundumbul	EL 6661	35%	
NSW	Fairholme	EL 6552	35%	
NSW	Fairholme	EL 6915	35%	
NSW	Trundle	EL 8222	35%	
NSW	Jemalong	EL 8502	35%	

Moroccan Tenement Schedule			
Licence Name	**Licence No**	**RareX interest**	**Note**
Tizi Belhaj	234 08 79	20%	Divestment of these tenements is underway
Bou Amzil	233 88 04	20%	
Imdere	233 94 05	20%	

ASX Additional Information

Corporate Governance

RareX Limited's Corporate Governance Statement for FY2023 is available on the Company's website www.rarex.com.au

Shareholder Information

The following information is based on share registry information processed up to 27 September 2023.

Distribution of Fully Paid Ordinary Shares

The number of holders, by size of holding, for quoted securities in the Company is:

Spread of Holders	Number of Holders	Number of Shares	Number of Holders	Number of Options
1 – 1,000	273	79,828	1	1
1,001 – 5,000	525	2,006,740	0	0
5,001 – 10,000	911	7,483,086	0	0
10,001 – 100,000	2,735	111,221,707	47	2,231,246
100,001 and over	964	562,595,212	78	47,768,783
Total	**5,408**	**683,386,573**	**126**	**50,000,030**

There are 1,993 holders of unmarketable parcels of ordinary shares comprising a total of 12,975,965 shares amounting to 1.90% of issued shares. There are 70 holders of unmarketable parcels of quoted options exercisable at $0.0675 each and expiring on 26 May 2025 comprising a total of 4,961,373 options amounting to 9.92% of issued quoted options.

There are 683,386,573 ordinary fully paid shares and 50,000,030 options currently listed and trading on the Australian Securities Exchange. There is no current on-market buy back taking place.

Substantial Holders

The Company notes the following substantial shareholder notices have been given to the Company under the Corporations Act:

Substantial Shareholder	Number Held
Mr Simon (Sui Hee) Lee	35,746,210

Voting Rights - Fully Paid Ordinary Shares

Every shareholder present in person or by proxy, attorney or representative has one vote on a show of hands, and on a poll, one vote for each fully paid share.

Twenty Largest Holders of Shares

	Shareholder	Number Held	% of Issued Shares
1	Mr Simon (Sui Hee) Lee	35,746,210	5.23
2	Mr Jeremy Kim Robinson	21,571,149	3.16
3	Citicorp Nominees Pty Limited	20,663,050	3.02
4	HSBC Custody Nominees (Australia) Limited	16,301,241	2.39
5	1215 Capital Pty Ltd	8,159,171	1.19
6	Mr Brett John Holdsworth <BJ Holdsworth A/C>	8,129,820	1.19
7	Chetcuti Holdings Pty Ltd	8,055,789	1.18
8	BNP Paribas Nominees Pty Ltd <IB Au Noms Retailclient DRP>	7,254,028	1.06
9	Churchill Strategic Investments Group Pty Ltd	6,666,667	0.98
10	West Trade Enterprises Pty Ltd <Minderup Super Fund A/C>	6,158,604	0.90
11	Mr Kim Robinson	6,114,706	0.89
12	Hawksburn Capital Pte Ltd <Methuselah Strategic Fnd A/C>	5,774,661	0.84
13	Mr Michele Parrella	5,750,000	0.84
14	Mr Maxwell Alfred Kippe	5,200,000	0.76
15	Mrs Cheryl Kaye Young & Mr John Alexander Young <The Forever Young Super A/C>	4,600,000	0.67
16	Swancave Pty Ltd <BMC Family A/C>	4,500,000	0.66
17	Clarkson's Boathouse Pty Ltd	4,500,000	0.66
18	Quality Life Pty Ltd <Longship Fund A/C>	4,180,719	0.61
19	BNP Paribas Nominees Pty LTd ACF Clearstream	4,078,912	0.60
20	BNP Paribas Noms Pty Ltd	4,076,602	0.60
Total		**187,481,329**	**27.43**

Twenty Largest Holders of Quoted Options

	Optionholder	Number Held	% of Issued Options
1	Citicorp Nominees Pty Limited	4,166,668	8.33
2	Churchill Strategic Investments Group Pty Ltd	3,333,334	6.67
3	Sunlora Pty Ltd <The Three Fish Super A/C>	2,500,000	5.00
4	HSBC Custody Nominees (Australia) Limited	2,394,443	4.79
5	HSBC Custody Nominees (Australia) Limited – A/C 2	2,166,668	4.33
6	Mr Richard John Portlock & Mrs Elizabeth Mary Portlock <Portlock Super Fund A/C>	2,000,000	4.00
7	Mrs Julie Carol Fidler	2,000,000	4.00
8	1215 Capital Pty Ltd	1,984,749	3.97
9	Hawksburn Capital Pte Ltd <Methuselah Strategic Fnd A/C>	1,666,667	3.33
10	Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	1,444,445	2.89
11	Nysha Investments Pty Ltd <Sanghavi Family A/C>	1,166,667	2.33
12	Goffacan Pty Ltd	1,100,000	2.20
13	Vivre Investments Pty Ltd	907,868	1.82
14	Certane Ct Pty Ltd <BC1>	833,334	1.67
15	Clarkson's Boathouse Pty LTd <Clarkson Super Fund A/C>	833,334	1.67
16	Mr Andrew Fulford	750,000	1.50
17	Equity Trustees Limited <Lowell Resources Fund A/C>	722,223	1.44
18	Mrs Cheryl Kaye Young & Mr John Alexander Young <The Forever Young Super A/C>	633,334	1.27
19	Ms Lu Zhang	611,111	1.22
20	Biddle Partners Pty Ltd <Biddle Super Fund A/C>	600,000	1.20
Total		**31,814,845**	**63.63**

Unquoted Equity Securities

Quantity	Class
10,000,000	Options exercisable at $0.15 each on or before 30 November 2023
2,000,000	Options exercisable at $0.15 each on or before 31 December 2023
5,000,000	Options exercisable at $0.15 each on or before 31 December 2023 vesting 5 February 2022
4,500,000	Options exercisable at $0.10 each on or before 1 March 2026
13,500,000	Performance rights vesting on 20 day VWAP of $0.20 and 12 months service expiring 5 February 2024
13,500,000	Performance rights vesting on 20 day VWAP of $0.25 and 18 months service expiring 5 February 2024
13,500,000	Performance rights vesting on 20 day VWAP of $0.30 and 24 months service expiring 5 February 2024
2,500,000	Performance rights vesting on 1Mt contained TREO resource at Cummins Range and 24 months service
5,500,000	Performance rights vesting on granting of mining licence at Cummins Range and 24 months service
6,000,000	Performance rights vesting on positive PFS for Cummins Range and 24 months service

Holders of Unquoted Securities Holding 20% or More of Each Class

Class	Holder	Number
Options exercisable at $0.15 each on or before 30 November 2023	CG Nominees (Australia) Pty Ltd	10,000,000
Options exercisable at $0.15 each on or before 31 December 2023	A and R Assets Pty Ltd Mr Leo Samson Horn	1,000,000 1,000,000
Options exercisable at $0.15 each on or before 31 December 2023 vesting 5 February 2022	Dr Christopher Baker & Mrs Judith Homewood	1,250,000
Performance rights vesting on 20 day VWAP of $0.20 and 12 months service expiring 5 February 2024	Mr Jeremy Kim Robinson	5,000,000
Performance rights vesting on 20 day VWAP of $0.25 and 18 months service expiring 5 February 2024	Mr Jeremy Kim Robinson	5,000,000
Performance rights vesting on 20 day VWAP of $0.30 and 24 months service expiring 5 February 2024	Mr Jeremy Kim Robinson	5,000,000
Performance rights vesting on 1Mt contained TREO resource at Cummins Range and 24 months service	Mr Alastair Roger Harvey Mr Kit Hodgson Mr Damien Krebs Mrs Sabrina Wynne Ms Lu Zhang	500,000 500,000 500,000 500,000 500,000
Performance rights vesting on granting of mining licence at Cummins Range and 24 months service	Ms Toni Louise Gianatti Louise Rebbecca Scott	2,000,000 1,500,000
Performance rights vesting on positive PFS for Cummins Range and 24 months service	Ms Toni Louise Gianatti Louise Rebbecca Scott	2,000,000 1,500,000