

27 October 2020

IONICRE MOVES TO 51% OWNERSHIP OF MAKUUTU RARE EARTHS PROJECT

Ionic Rare Earths Limited (“IonicRE” or “the Company”) (ASX: IXR) is pleased to advise it has moved to 51% ownership and control of the Makuutu Rare Earths Project. The Company continues its progress to the agreed minimum potential ownership level of 60%.

The project & executive teams continue to deliver above expectations, inclusive of the following:

- Upgrading the Inferred and Indicated Mineral Resource to **78.6 Mt @ 840 ppm TREO, at a cut-off grade of 300 ppm TREO-Ce₂O₃** (ASX:23 June 2020); while maintaining its Exploration Target (ASX: 4 September 2019) at:

270 – 530 million tonnes grading 0.04 – 0.1% (400 – 1,000 ppm) TREO*

*This Exploration Target is conceptual in nature but is based on reasonable grounds and assumptions. There has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource; and

- **Completion of the 3,700 metre drill program** since the resumption of field activities (ASX: 11 June 2020) testing the 26-kilometre long mineralisation corridor on an area more than three (3) times larger than the existing Mineral Resource area (ASX: 15 July 2020). Assays from the tranche three (3) samples – 45 Resource expansion holes – are due imminently.

Furthermore, IonicRE is finalising the completion of the Makuutu Rare Earths Project technical and economic study to support the renewal of Retention Licence 1693 and remains on track to submit the study to the Ugandan Directorate of Geological Survey and Mines before the 1st November 2020.

The schedule of activity at Makuutu is expected to remain robust over the next 4 months as our focus on the timely development of the Makuutu Rare Earths Project increases. This includes sampling, transport and assaying drill core, review and incorporate new assay data in an update to the Mineral Resource Estimate, and optimisation of the project basis to reflect the growing scope of the Makuutu Rare Earths Project.

IonicRE is also actively planning the next steps to advance Makuutu to be a globally significant producer of both Heavy Rare Earths Oxides (HREO) and Critical Rare Earth Oxides (CREO) both of which are highly sought-after by potential customers globally.

The Terms of Reference for the Environmental and Social Impact Assessment in Uganda has been finalised and submitted to NEMA (National Environmental Management Authority) and the Company continues to enjoy strong relationships with key stakeholders.

Strategic partnership discussions continue with a wide range of parties globally regarding potential off-take, direct/indirect investment, and integration with existing supply chains. The company will update the market as these ongoing discussions develop.

.***** ENDS *****

Authorised for release by Brett Dickson, Company Secretary.

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Table 1: Makuutu Mineral Resource Estimate above 300ppm TREO-Ce₂O₃ Cut-off Grade.

Resource Classification	Tonnes (millions)	TREO (ppm)	TREO-Ce ₂ O ₃ (ppm)	LREO (ppm)	HREO (ppm)	CREO (ppm)
Indicated Resource	9.5	750	520	550	200	280
Inferred Resource	69.1	860	620	640	210	320
Total Resource	78.6	840	610	630	210	310

Rounding has been applied to 0.1Mt and 10ppm which may influence grade average calculations.

Competent Person Statements

Information in this report that relates to previously reported Exploration Targets and Exploration Results has been cross-referenced in this report to the date that it was originally reported to ASX. Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcements.

The information in this report that relates to Mineral Resources for the Makuutu Rare Earths deposit was first released to the ASX on 23 June 2020 and is available to view on www.asx.com.au. Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.