

11 January 2023

RETENTION LICENCE 00007 RENEWAL APPROVED FOR MAKUUTU WESTERN ZONE

- **Application for renewal of RL 00007 lodged and approved within two weeks by Uganda's Directorate of Geological Survey and Mines (DGSM)**
- **RL 00007 currently has an Inferred Resource of 39 million tonnes at 470 ppm TREO with potential for addition with additional drilling planned for 2023**
- **RL 00007 expected to be the next tenement that will progress to MLA**

The Board of Ionic Rare Earths Limited ("IonicRE" or "The Company") (ASX: IXR) is pleased to advise that Retention Licence (RL) 00007, at its Makuutu Rare Earths Project ("Makuutu" or "the Project") in Uganda, has been renewed for a further two years.

Makuutu is being developed by Rwenzori Rare Metals Limited ("RRM"), a Ugandan private company which owns 100% of the Makuutu Project. IonicRE is a 51% owner of RRM and moving to 60%, with a first right over the remaining 40%.

RL 00007, illustrated in Figure 1, covers the Makuutu Western Zone (MWZ), and contains an Inferred Resource of 39 million tonnes at 470 ppm TREO (Table 2 and ASX: 3 May 2002). RL 00007 is located immediately west of the Retention Licence (RL) 1693, which is currently under Mining Licence Application (MLA) and will provide the basis for additional capacity and organic growth at Makuutu once initial mining and processing activity commences.

This renewed RL is also immediately south of the prospective exploration target located at EL00257, where applications have been submitted for drilling to commence this year to further define the scale of potential ionic clay mineralisation to the west of the MLA area. Once these new exploration approvals have been granted, the Company intends to initiate the Phase 5 drill program at Makuutu to move the resource to an Indicated Resource classification.

IonicRE's Managing Director Mr Tim Harrison stated;

"The rapid approval of the renewal of RL 00007, which occurred within 2 weeks of finalising the submission documentation, is another positive reflection of the strong support IonicRE and the Project has within Uganda. As the Company, via RRM, finalises the MLA at Makuutu for RL 1693, we remain confident that Makuutu will continue to grow and support a much larger Project."

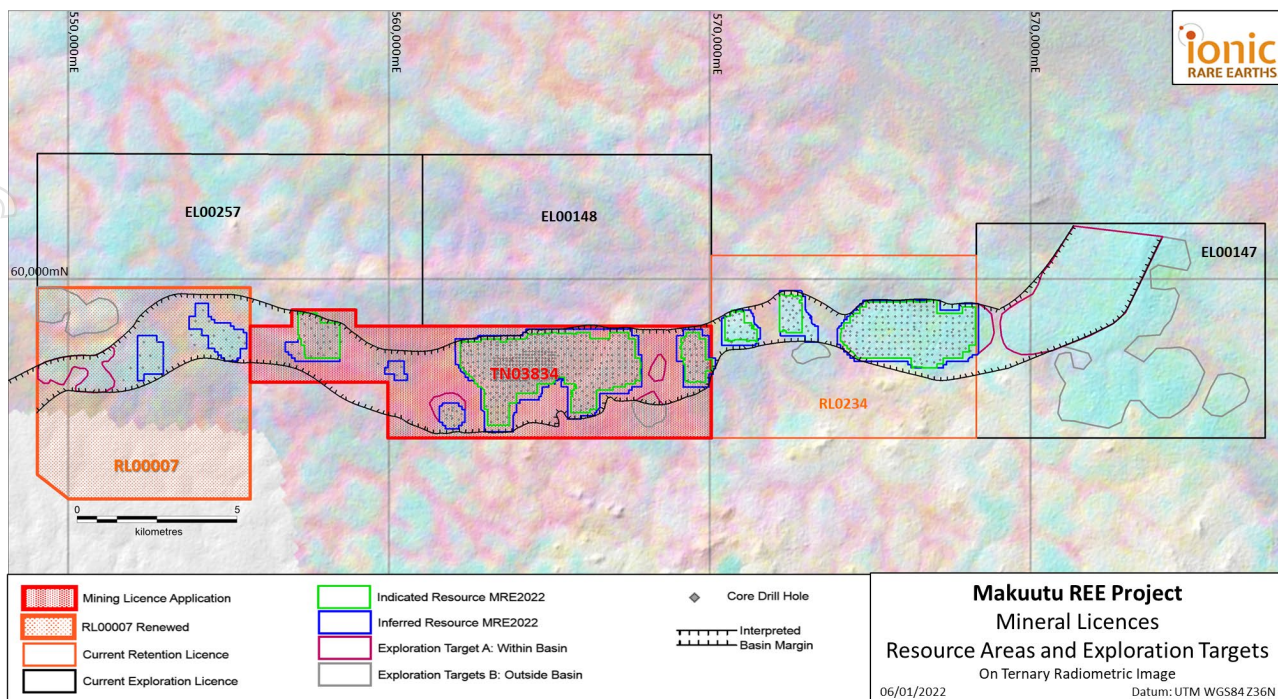


Figure 1: Makuutu Project resource map showing resources and exploration target areas within the renewed RL 00007, or the Makuutu Western Zone, located immediately adjacent (west) to MLA TN03834 over Makuutu Central Zone (RL 1693 shown with bold red border).

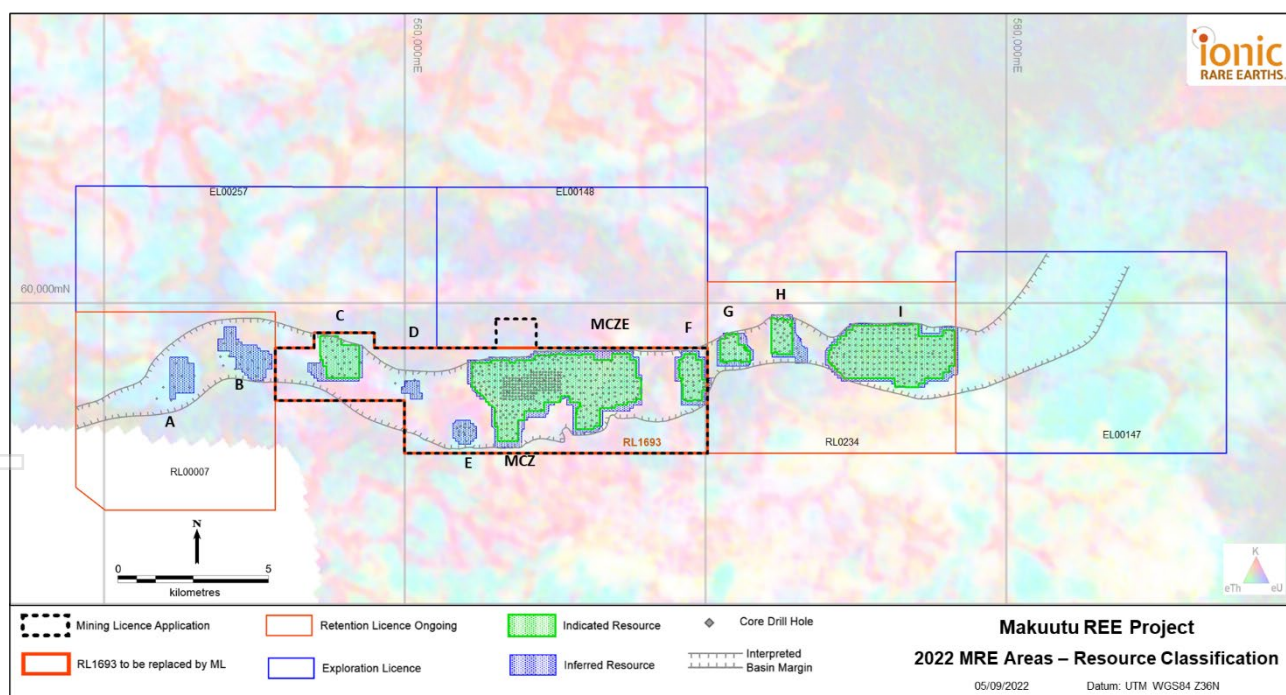


Figure 2: Makuutu Project resource map showing resources areas estimated to date, with areas A and B within RL 00007 at the western end of the 37 km mineralisation trend, immediately west of RL1693.

Table 1: Makuutu Resource above 200ppm TREO-CeO₂ Cut-off Grade (ASX: 3 May 2022)

Resource Classification	Tonnes (millions)	TREO (ppm)	TREO-CeO ₂ (ppm)	LREO (ppm)	HREO (ppm)	CREO (ppm)	Sc ₂ O ₃ (ppm)
Indicated Resource	404	670	450	500	170	230	30
Inferred Resource	127	540	360	400	140	180	30
Total Resource	532	640	430	480	160	220	30

Rounding has been applied to 1Mt and 10ppm which may influence averaging calculation.

All REO are tabulated in announcement 3 May 2022 with formulas defining composition of (Light Rare Earth Oxides ("LREO"), HREO and Critical Rare Earth Oxides ("CREO")).

Table 2: Mineral Resources by Area (ASX: 3 May 2022)

Classification	Indicated Resource			Inferred Resource			Total Resource		
Area	Tonnes (millions)	TREO (ppm)	TREO-CeO ₂ (ppm)	Tonnes (millions)	TREO (ppm)	TREO-CeO ₂ (ppm)	Tonnes (millions)	TREO (ppm)	TREO-CeO ₂ (ppm)
A				13	580	390	13	580	390
B				26	410	290	26	410	290
C	31	580	400	3	490	350	35	570	400
D				6	560	400	6	560	400
E				18	430	280	18	430	280
Central Zone	151	780	540	12	670	460	163	770	530
Central Zone East	59	750	490	12	650	430	72	730	480
F	18	630	420	7	590	400	25	620	410
G	9	750	500	5	710	450	14	730	480
H	6	800	550	7	680	480	13	740	510
I	129	540	350	19	530	350	148	540	350
Total Resource	404	670	450	127	540	360	532	640	430

Rounding has been applied to 1Mt and 10ppm which may influence averaging calculations.

Highlighted rows providing Inferred Resource Estimate for RL 00007 only, external to the MLA application.

Table 3: Makutu Rare Earths Project Tenement Details

Licence ID	Licence Type	Application Date	Granted Date	Expiry / Renewal Date	Area (km ²)
RL00007	Retention	12/12/2022	20/12/2022	26/11/2024	43.38
RL 1693 / TN03834	Retention	02/09/2022	Pending	Pending	43.78
RL00234	Retention	26/06/2021	06/07/2021	05/07/2024	47.03
EL00257	Exploration	15/07/2021	21/10/2021	20/10/2024	55.51
EL00147	Exploration	19/10/2020	28/12/2020	27/12/2023	60.30
EL00148	Exploration	21/10/2020	28/12/2020	27/12/2023	48.15

Authorised for release by the Board.

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About Ionic Rare Earths Ltd

Ionic Rare Earths Limited (ASX: IXR or IonicRE) is set to become a miner, refiner and recycler of sustainable and traceable magnet and heavy rare earth needed to develop net-zero carbon technologies.

The flagship Makuutu Rare Earths Project in Uganda is well-supported by existing tier-one infrastructure and is on track to become a long-life, low Capex, scalable and sustainable supplier of high-value magnet and heavy rare earths oxides (REO). In May 2022, IonicRE announced a substantial, 70% increase to the Mixed Rare Earths (MRE) basket at Makuutu and the potential for a 50+ year life of mine (LOM), and is finalising the mining licence application (MLA) which it expects to be approved in 2023.

As part of an integrated strategy to create downstream supply chain value, IonicRE is also evaluating the development of its own magnet and heavy rare earth refinery, or hub, to separate the unique and high value magnet and heavy rare earths dominant Makuutu basket into the full spectrum of REOs plus scandium. A refinery Scoping Study is on target to be completed by Q1 2023, targeting the US as the preferred location, and supply chain engagement across new emerging supply chains in the US, EU and UK.

Ionic Technologies International Limited (“IonicTech”), a 100% owned UK subsidiary, acquired in H1 2022, has developed processes for the separation and recovery of REEs from mining ore concentrates and recycled permanent magnets. Post-acquisition, IonicTech is now focusing on the commercialisation of the technology to achieve near complete extraction from end of life / spent magnets and waste (swarf) to high value, separated and traceable magnet rare earth products with grades exceeding 99.9% REO. This technology provides first mover advantage in the industrial elemental extraction of REEs from recycling, enabling near term magnet REO production capability to support demand for early stage alternative supply chains.

This three-pillar strategy completes the circular economy of sustainable and traceable magnet and heavy rare earth products needed to supply applications critical to electric vehicles, offshore wind turbines, communication and key defence initiatives.

IonicRE is a Participant of the UN Global Compact and adheres to its principles-based approach to responsible business.



Figure 3: Makuutu Rare Earths Project Location with major existing infrastructure

Competent Persons Statement

The information in this report that relates to Mineral Resources for the Makuutu Rare Earths deposit was first released to the ASX on 3 May 2022 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.

Forward Looking Statements

This announcement has been prepared by Ionic Rare Earths Limited and may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Ionic Rare Earths Limited. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this document speak only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Ionic Rare Earths Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions or circumstances on which any such forward looking statement is based.