

26 April 2023

QUARTERLY REPORT FOR THE PERIOD ENDING 31 MARCH 2023

HIGHLIGHTS

MAKUUTU RARE EARTHS PROJECT

- IonicRE's ownership moves to 60%;
- Makuutu Stage 1 Definitive Feasibility Study (DFS) finalised confirming technical and financial viability for an initial 35-Year mine life with first MREC production targeted for Q4 2024;
- Maiden Makuutu Ore Reserve Estimate announced over RL 1693 of 172.9 Mt at 848 ppm TREO, or 584 ppm TREO – CeO₂, and 30 ppm Sc₂O₃;
- Makuutu Stage 1 plant capacity is 5.0 million tonne per annum (tpa) Run of Mine (ROM) throughput, producing a value-added mixed rare earth carbonate (MREC) (including Scandium) product, via a modular heap desorption processing plant;

Makuutu Stage 1 DFS Financial Metrics

- Stage 1 delivers an EBITDA of A\$2.29 billion (US\$1.60 billion¹)
- Stage 1 Post Tax Free Cash Flow total ~ A\$1.46 billion (US\$1.02 billion)
- Stage 1 Pre-tax NPV₈ of ~US\$406 million (~A\$580 million);
- Stage 1 Post-tax NPV₈ of ~US\$278 million (~A\$397 million);
- Stage 1 Capital Expenditure ("CAPEX") of US\$120.8 million;
- Stage 1 Post-tax IRR of ~32.7%;
- Stage 1 Post-tax capital payback of ~3 years from first MREC production;
- Renewal of Retention License, RL 00007, the next tenement that the Company will progress to MLA, was lodged and approved within two weeks by Uganda's Directorate of Geological Survey and Mines (DGSM) – a clear indication of the Government's strong support for Makuutu;
- Demonstration plant approvals received and construction commenced;

MAGNET RECYCLING TO PRODUCE RARE EARTH OXIDES (REOs)

- IonicTech magnet recycling demonstration plant progressing towards production of separated and refined magnet rare earth oxides (REOs) by the end of Q2 2023;

- **Key appointments made in the UK to advance Ionic Technologies towards REO production via recycling and strengthen engagement with potential Europe and UK stakeholders; and**

CORPORATE

- **Engagement continues with governments, government bodies, and potential strategic partners interested in the unique appeal of the Makuutu basket of magnet and heavy rare earths to feed new emerging supply chains.**

Ionic Rare Earths Limited (“IonicRE” or “The Company”) (ASX: IXR) is pleased to provide its Quarterly Report for the period ending **31 March 2023**. This report includes development activities at its now 60% owned Makuutu Rare Earths Project (“Makuutu” or “the Project”) in Uganda, announced after the quarter end and the Company’s 100% owned magnet recycling subsidiary in the UK, Ionic Technologies International Limited (“IonicTech”).

Significantly during the March quarter, the Company announced results of the Makuutu Stage 1 DFS, which is a key milestone towards the receipt of a Mining Licence at Makuutu and a step closer towards a final investment decision for the Project.

The next phase of work at Makuutu is to build the Demonstration Plant to further unlock value, firstly by proving the potential to achieve higher desorption heap stack heights to improve capital efficiency with a view to further increasing production capacity. Secondly, optimising desorption conditions to explore improved extractions and minimising the dissolution of impurities, to further optimise economics.”

The IonicTech team has made great progress through the first quarter of 2023, and with commissioning underway the Company is on track towards being a magnet REO producer by the middle of 2023. The magnet recycling demonstration plant, located at our facility in Belfast is on track, and adding more technical expertise and leadership to the overall program will greatly enhance the existing team as IonicRE look towards producing recycled magnet REOs by mid-2023.

Additionally, the capability added to the wider IonicRE team has provided immediate impact and we look forward to further leveraging progress on key relationships and opportunities identified in the USA, Europe and the UK through 2023.

Makuutu Rare Earths Project – Stage 1 DFS overview

Makuutu is one of the world’s largest ionic adsorption clay (IAC) hosted Rare Earth Element (REE) deposits comprising six licenses covering approximately 300 km² located 120 km east of Kampala in Uganda. The deposit stretching 37 kilometres is situated near high quality tier one infrastructure and has the potential to provide western customers with a strategic alternative supply of heavy rare earth

oxides to support the growth of manufacturing and industries critical to achieve net-zero carbon initiatives for 50 years and beyond.

Makuutu is being developed by Rwenzori Rare Metals Limited (“RRM”), a Ugandan private company which owns 100% of the Makuutu Project. IonicRE is a 60% owner (ASX: 13 April 2023) of RRM with the completion and approval of the Stage 1 Definitive Feasibility Study (ASX: 20 March 2023) and Mining Licence Application (MLA) which is expected within the next quarter. IonicRE also has the first right over the remaining 40% stake in RRM and Makuutu and is progressing discussions with partners to increase its ownership.

The Project has been explored since 2012. RRM, and shareholders have completed all exploration works on the Project, which includes Retention Licences RL 1693, RL 00007, RL00234 and Exploration Licenses EL 00147, EL 00148 and EL 00257.

Since August 2019, IonicRE has funded exploration and project development activities which includes nearly 12,953 meters of core drilling across the three licenses, initial metallurgical variability and optimisation test work, mine planning and process design estimation, together with completion of the Stage 1 DFS.

The Stage 1 DFS focused on the Makuutu central tenement, Retention Licence 1693, and is the first of RRM’s six (6) tenements to progress to the MLA stage, driven by the timeline controlled under the Ugandan Mining Act to progress from Exploration Licence to Retention Licence, and ultimately to Mining Licence Application within an 11-year period.



Figure 1: Makuutu Rare Earths Project location with major existing infrastructure.

The Stage 1 DFS contemplates a proposed open pit mining operation, and evaluation of an annualised mining rate of 5 Mtpa of mineralisation from the Project. Several scenarios were run to determine the optimal mine plan design with the May 2022 Mineral Resource Estimate (MRE) used as the basis for the mine plan and mining optimisation studies.

The Stage 1 Project NPV, with Scandium production assumed, using a discount rate of 8%, was pre-tax, US\$406 million, and post-tax US\$278 million, and an IRR of 32.7%. The payback period was determined at three (3) years from first production.

The Makuutu Stage 1 development will also be a significant contributor to Uganda, with estimated gross royalty payments of US\$199 million plus corporate tax contributions of US\$438 million over the Stage 1 development of the Project, based upon only RL1693 at this stage.

All capital, operating and revenue inputs used in the DFS are on a US dollar basis.

A summary of the Makuutu Stage 1 DFS results are provided in Table 1. The financial modelling of the DFS has been carried out on a 100% ownership basis to determine Project value.

The forecast REO production over the Stage 1 development, for a mine life of 35 years indicated a total of 40,448 tonnes of REO equivalent product, as a MREC, a value-added product, with approximately 71% magnet and heavy REO content within.

The average head grade over the first ten years is 928 ppm TREO (652 ppm TREO-CeO₂) generating an average production of 1,303 tonnes per annum of REO equivalent MREC product. After that, given the reduction in TREO head grade from years 11 to 35, to 814 ppm TREO (554 ppm TREO-CeO₂), the average REO production over the last 25 years of operation is 1,097 tonnes per annum.

Of note, is that the DFS considers only the initial RL 1693 for the purposes of the study, to support the MLA of the first of six (6) tenements that make up the greater Makuutu Project. It is envisaged that the Stage 1 development at Makuutu will be supported with further growth expected to be derived from other tenements at the Project which will progress to MLA with further exploration over the next decade. A full list of the tenements at Makuutu is provided in Table 2, showing that the MLA for RL 1693 was initiated in early September 2022. A map of the overall tenements and RL 1693 (MLA TN03834) is illustrated in Figure 2.

RRM will continue to implement the highest levels of Environmental, Social and Corporate Governance (ESG) compliance and standards in developing and operating the Project. RRM aims to establish a long life, sustainable mining operation with a dominant Ugandan workforce composition that can ultimately be the template for successful mining projects within Uganda, and Eastern Africa.

A Maiden Ore Reserve Estimate has also now been completed for the Makuutu Stage 1 Project across RL 1693, based on the Indicated Mineral Resource (based on a 200ppm TREO-CeO₂ cut-off grade) tabled above. The Mineral Resources reported are inclusive of the Ore Reserves for the Stage 1 Project.

As shown in Table 3, total current Ore Reserves for the Makuutu Stage 1 over RL 1693 are 172.9 Mt at 848 ppm TREO, or 584 ppm TREO – CeO₂, and 30 ppm Sc₂O₃.

Table 1: Makuutu Stage 1 DFS Financial and Technical Summary (ASX: 20 March 2023).

| Parameter | Unit | DFS Results |
|--|--------|-------------|
| Stage 1 Duration | Years | 35 |
| Stage 1 Feed, dry | Mt | 172.9 |
| Stage 1 Waste, dry | Mt | 98.8 |
| Stage 1 Strip Ratio | Mt | 0.57 |
| Stage 1 TREO Head Grade | ppm | 848 |
| Stage 1 TREO-CeO ₂ Head Grade | ppm | 584 |
| Total REO Feed | Kt | 146.7 |
| Total REO Production | Kt | 40.1 |
| Average REO Production | t/a | 1,156 |
| Stage 1 Sc ₂ O ₃ Head Grade | ppm | 30 |
| Total Sc ₂ O ₃ Feed | t | 5,112 |
| Total Sc ₂ O ₃ Production | t | 511 |
| Annual Average Sc ₂ O ₃ Production | t/a | 15 |
| Recoveries – TREE-Ce | % | 35% |
| Yield – TREO-CeO ₂ | ppm | 208 |
| MREC Payability | % | 70% |
| Total Stage 1 Revenue | USD, M | 3,984 |
| REO Revenue, Stage 1 | USD, M | 3,707 |
| Sc ₂ O ₃ Revenue, Stage 1 | USD, M | 277 |
| REO Revenue (excl Sc ₂ O ₃), per t Ore | USD/t | 21.44 |
| REO Revenue (excl Sc ₂ O ₃), per kg REO | USD/kg | 91.64 |
| Total Stage 1 OPEX | USD, M | 2,143 |
| Mining OPEX | USD, M | 757 |
| Processing OPEX | USD, M | 1,309 |
| G&A OPEX | USD, M | 260 |
| OPEX, annual average | USD, M | 61.24 |
| OPEX, per t Ore (dry) | USD/t | 12.40 |
| OPEX, per kg REO | USD/kg | 52.99 |
| OPEX, per kg REO (less Sc ₂ O ₃ credit) | USD/kg | 46.13 |
| Govt Royalties | USD, M | 199 |
| Social Fund Package – CSR | USD, M | 40 |
| CAPEX, upfront | USD, M | 120.81 |
| CAPEX, sustaining | USD, M | 19.28 |
| Tax | USD, M | 438 |
| Total Free Cash Flow | USD, M | 1,023 |
| EBITDA | USD, M | 1,602 |
| Pre-Tax NPV ₈ (01-Jul-23) | USD, M | 406 |
| Post-Tax NPV ₈ (01-Jul-23) | USD, M | 278 |
| IRR | % | 32.7% |
| Payback from First Production | Years | 3 |

Table 2: Makuutu Rare Earths Project Tenement Status and 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 | 01/09/2022 | 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 |

Highlighted row showing tenement supporting Stage 1 development for RL 1693 only, supporting the MLA application.

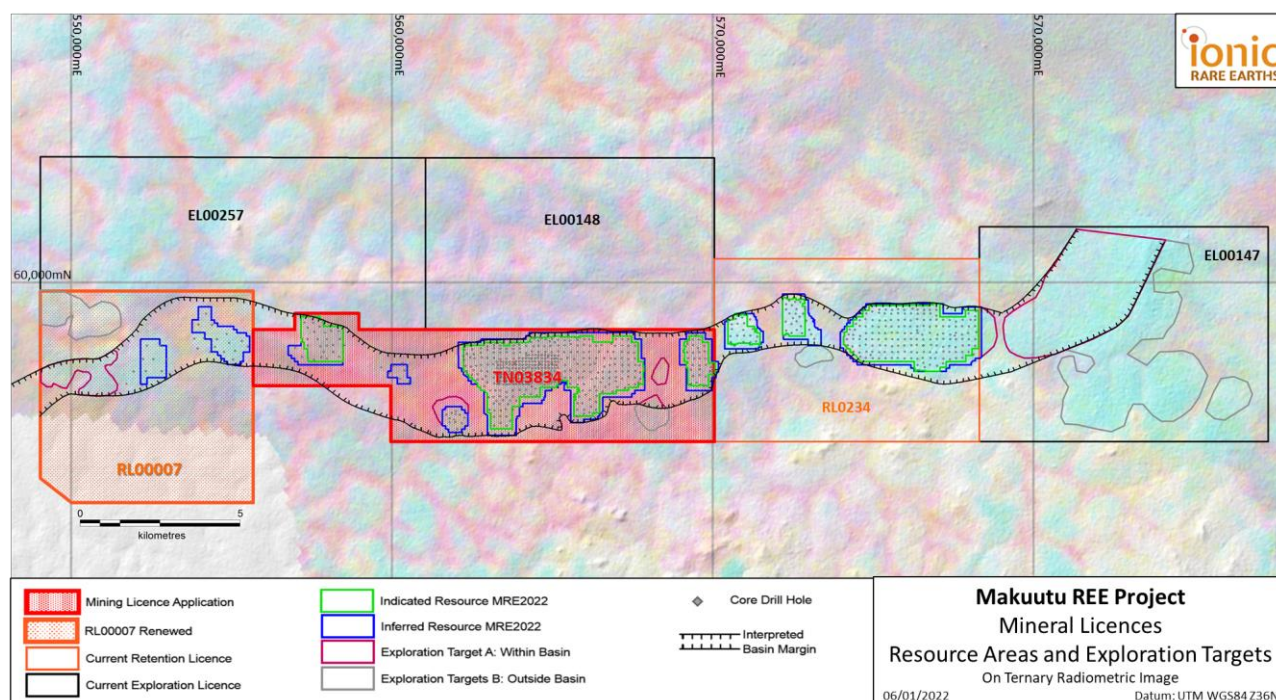


Figure 2: Makuutu Project resource map showing resources and exploration target areas, and the Stage 1 Mining Licence Application TN03834, which is the focus of the Feasibility Study.

Table 3: Maiden Makuutu Stage 1 Ore Reserve Estimate (ASX: 20 March 2023).

| Classification | Tonnage (Mt) | TREO Grade (ppm) | TREO-CeO ₂ Grade (ppm) | LREO (ppm) | HREO (ppm) | CREO (ppm) | Sc ₂ O ₃ (ppm) |
|----------------|--------------|------------------|-----------------------------------|------------|------------|------------|--------------------------------------|
| Proven | - | - | - | - | - | - | - |
| Probable | 172.9 | 848 | 584 | 629 | 219 | 296 | 30 |
| Total | 172.9 | 848 | 584 | 629 | 219 | 296 | 30 |

Mining Licence Application over RL 1693 (TN03834)

With the finalisation of the Makuutu Stage 1 DFS, IonicRE finalised the documentation submission to the Ugandan Directorate of Geological survey and Mines (DGSM) and the Ugandan Mining Cadastre portal to support the MLA, which was initiated on 1 September 2022.

RRM are in regular contact with the DGSM, and the Company will update the market on progress of the MLA, now expected to be granted in the second quarter. This will not delay construction of the Demonstration Plant which is progressing with approval received from the Ministry of Energy and Mineral Development (MEMD) to progress activity on site (ASX: 11 April 2023).

Retention Licence 00007 renewed for two more years

RL 00007, illustrated in Figure 2 (orange highlight), covers the Makuutu Western Zone (MWZ), and contains an Inferred Resource of 39 million tonnes at 470 ppm TREO (Table 5 and ASX: 3 May 2002). RL 00007 is located immediately west of the Retention Licence (RL) 1693, which is currently under 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.

IonicTech magnet recycling demonstration plant progressing towards production

During Q1 2023, the majority of the Demonstration Plant equipment was received to the Belfast facility, which is being installed and hydrostatic testing of vessels commencing at the end of the quarter and announced to the market post end of the quarter (ASX: 17 April 2023). Commissioning is progressing to schedule and process commissioning will continue throughout April and May.

Also during Q1, the Company was able to source, globally, in excess of 40 tonnes of NdFeB permanent magnets from wind turbines, electric vehicle (EV) motors, magnetic resonance imaging (MRI) scanners, and other applications, plus swarf from alloy and magnet manufacturing, to provide a diverse feedstock range for Demonstration Plant trials.

To assist with the execution of the program, several appointments to the team at IonicTech were made in Q1 with additional new hires expected over the Q2 as the Company increases activity. The overall IonicTech program remains on track to produce first separated and refined magnet REOs by the end of Q2, 2023.

Supply chain and strategic partner activity

During Q1, IonicRE continued discussions and initiated new discussions with groups looking at getting access to Makuutu's near development source of magnet and heavy rare earths. Post completion of the Makuutu Stage 1 DFS, a number of new enquiries have been received which the Company is progressing.

During Q1, and with the release of the European Commission Critical Raw Material Act, a substantial increase in the engagement across European and UK markets was undertaken in addition to ongoing engagement with key potential stakeholders in the US.

The Company looks forward to providing further updates as progress unfolds.

Corporate

Ms Jill Kelley resigned as Executive Director of the Company effective 2 March 2023.

During the quarter, the company expended approximately \$1,242,000 on the exploration and study activities reported above.

Payments to related parties of the entity and their associates totalled \$732,000 and consisted of \$32,500 Director fees, \$7,800 in superannuation related to Director fees, \$191,700 Executive Service fees and termination payment of \$500,000 to Ms Jill Kelley as approved by shareholders at a General Meeting held on 28 February 2023.

End Notes

The information contained in this announcement related to the Company's past announcements is extracted from, or was set out in, the following ASX announcements which are referred to in this Quarterly Activities Report:

- Announcement dated 11 January 2023; Retention Licence 00007 Renewed for a further two years
- Announcement dated 1 February 2023; Key Appointments Strengthen EU & UK Supply Chain Engagement
- Announcement dated 2 February 2023; Update on U.S. Downstream Strategy
- Announcement dated 7 March 2023; Director Resignation
- Announcement dated 20 March 2023; Makuutu Definitive Feasibility Study
- Announcement dated 24 March 2023; Clarification on Makuutu DFS

Authorised for release by the Board.

For enquiries, contact:

Tim Harrison
Managing Director
Ionic Rare Earths Limited
investors@ionicre.com
+61 (3) 9776 3434

Peter Taylor
Investor Relations
NWR Communications
peter@nwrcommunications.com.au
+61 (0) 412 036 231

Table 4: Makuutu Rare Earth Project Resource Tabulation of REO Reporting Groups at 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 | 404 | 670 | 450 | 500 | 170 | 230 | 30 |
| Inferred | 127 | 540 | 360 | 400 | 140 | 180 | 30 |
| Total | 532 | 640 | 430 | 480 | 160 | 220 | 30 |

Notes; Tonnes are dry tonnes rounded to the nearest 1.0Mt.

All ppm rounded from original estimate to the nearest 10 ppm which may lead to differences in averages. TREO = Total Rare Earth Oxide

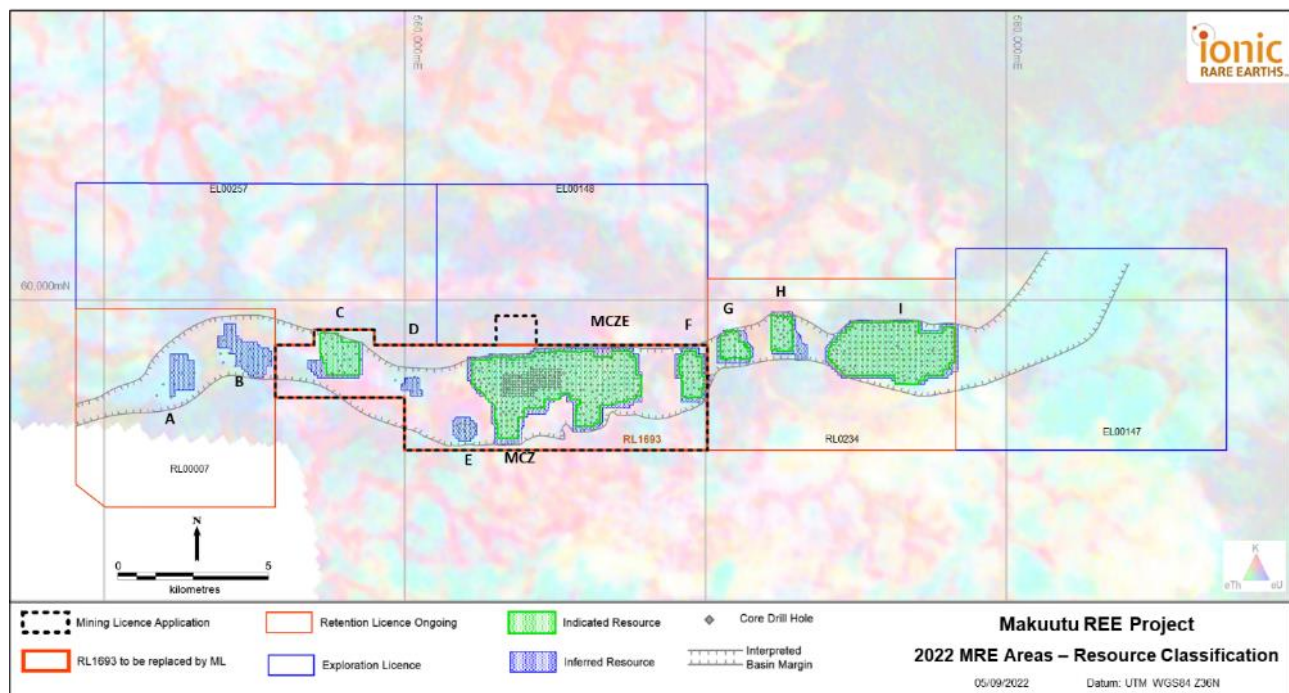


Figure 3: Makuutu Project resource map showing RL 1693 Mineral Resource Estimate areas which supports the Mining Licence Application TN03834, along with other tenement resource areas estimated to date, and additional exploration tenements across the 37 km mineralisation trend.

Table 5: Mineral Resources by Area (ASX: 3 May 2022), RL 1693 Resource Areas shaded blue to comprise basis for Stage 1 DFS.

| 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 Indicated Resource Estimate for RL 1693 only, supporting the MLA (TN03834).

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 earths needed to develop net-zero carbon technologies.

The flagship Makuutu Rare Earths Project in Uganda, 60% owned by IonicRE, 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 March 2023, IonicRE announced a positive Stage 1 Definitive Feasibility Study (DFS) for the first of 6 tenements to progress to a Mining Licence Application (MLA) which is pending in Uganda. The Makuutu Stage 1 DFS defined a 35-year life initial project producing a 71% rich magnet and heavy rare earth carbonate (MREC) product basket and the potential for significant potential and scale up through additional tenements. The Stage 1 MLA is expected to be awarded in Q2 2023.

Ionic Technologies International Limited ("IonicTech"), a 100% owned UK subsidiary acquired in 2022, has developed processes for the separation and recovery of rare earth elements (REE) 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% rare earth oxide (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.

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.

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.

Competent Persons Statements

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.

The information in this report that relates to Ore Reserves for the Makuutu Rare Earths deposit was first released to the ASX on 20 March 2023 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.

The information in this report that relates to Production Targets or forecast financial information derived from the production target for the Makuutu Rare Earths deposit was first released to the ASX on 20 March 2023 and is available to view on www.asx.com.au. Ionic Rare Earths Limited confirms that all material assumptions and technical parameters underpinning the Production Targets or forecast financial 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

IONIC RARE EARTHS LIMITED

ABN

84 083 646 477

Quarter ended ("current quarter")

31 March 2023

| Consolidated statement of cash flows | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|---|----------------------------|---------------------------------------|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | - | - |
| 1.2 Payments for | | |
| (a) exploration & evaluation | - | - |
| (b) development | - | - |
| (c) production | - | - |
| (d) staff costs | (211) | (693) |
| (e) administration and corporate costs | (1,231) | (3,125) |
| 1.3 Dividends received (see note 3) | | |
| 1.4 Interest received | 71 | 207 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Government grants and tax incentives | 452 | 726 |
| 1.8 Other – IonicTech Operating | (2,190) | (3,395) |
| 1.9 Net cash from / (used in) operating activities | (3,109) | (6,280) |
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire or for: | | |
| (a) entities | - | - |
| (b) tenements | - | - |
| (c) property, plant and equipment | (689) | (1,537) |
| (d) exploration & evaluation capitalised | (1,242) | (5,524) |
| (e) investments | - | - |
| (f) other non-current assets | (6) | (158) |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| Consolidated statement of cash flows | | Current quarter \$A'000 | Year to date (9 months) \$A'000 |
|--------------------------------------|--|----------------------------|---------------------------------------|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) entities | - | - |
| | (b) tenements | - | - |
| | (c) property, plant and equipment | - | - |
| | (d) investments | - | - |
| | (e) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | (1,937) | (7,219) |
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of equity securities (excluding convertible debt securities) | - | - |
| 3.2 | Proceeds from issue of convertible debt securities | - | - |
| 3.3 | Proceeds from exercise of options | - | 1,260 |
| 3.4 | Transaction costs related to issues of equity securities or convertible debt securities | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other – reclassify loan to Associate | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | 1,260 |
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 19,561 | 26,760 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (3,109) | (6,280) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | (1,937) | (7,219) |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | 1,260 |
| 4.5 | Effect of movement in exchange rates on cash held | 31 | 25 |
| 4.6 | Cash and cash equivalents at end of period | 14,546 | 14,546 |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 5. | Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$A'000 | Previous quarter \$A'000 |
|-----|---|------------------------------------|-------------------------------------|
| 5.1 | Bank balances | 14,366 | 19,381 |
| 5.2 | Call deposits | 180 | 180 |
| 5.3 | Bank overdrafts | - | - |
| 5.4 | Other (provide details) | - | - |
| 5.5 | Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 14,546 | 19,561 |

| 6. | Payments to related parties of the entity and their associates | Current quarter \$A'000 |
|---|--|------------------------------------|
| 6.1 | Aggregate amount of payments to related parties and their associates included in item 1. | 732 |
| 6.2 | Aggregate amount of payments to related parties and their associates included in item 2 | - |
| <i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i> | | |

| 7. | Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i> | Total facility amount at quarter end \$A'000 | Amount drawn at quarter end \$A'000 |
|-----|---|---|--|
| 7.1 | Loan facilities | - | - |
| 7.2 | Credit standby arrangements | - | - |
| 7.3 | Other (please specify) | - | - |
| 7.4 | Total financing facilities | - | - |
| 7.5 | Unused financing facilities available at quarter end | | - |
| 7.6 | Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well. | | |
| | | | |

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

| 8. | Estimated cash available for future operating activities | \$A'000 |
|--|--|------------|
| 8.1 | Net cash from / (used in) operating activities (item 1.9) | (3,109) |
| 8.2 | (Payments for exploration & evaluation classified as investing activities) (item 2.1(d)) | (1,242) |
| 8.3 | Total relevant outgoings (item 8.1 + item 8.2) | (4,351) |
| 8.4 | Cash and cash equivalents at quarter end (item 4.6) | 14,546 |
| 8.5 | Unused finance facilities available at quarter end (item 7.5) | - |
| 8.6 | Total available funding (item 8.4 + item 8.5) | 14,546 |
| 8.7 | Estimated quarters of funding available (item 8.6 divided by item 8.3) | 3.3 |
| <p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p> | | |
| 8.8 | If item 8.7 is less than 2 quarters, please provide answers to the following questions: | |
| 8.8.1 | Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not? | |
| | Answer: N/A | |
| 8.8.2 | Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful? | |
| | Answer: N/A | |
| 8.8.3 | Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis? | |
| | Answer: N/A | |
| <p><i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i></p> | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 26 April 2023

Authorised by: Brett Dickson – Company Secretary
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.