

20 November 2023

IONIC RARE EARTHES RAISES \$5.9 MILLION

- **IonicRE has received firm commitments to raise \$5.9 million in a Placement of approximately 280.9 million shares at \$0.021 each;**
- **Placement includes Director participation of \$0.4 million;**
- **Shareholders to be provided with an opportunity to participate through a Security Purchase Plan**
- **Funds raised will support:**
 - **Completion of the demonstration plant at the Makuutu Ionic Adsorption Clay Rare Earth Project where first rare earth product is on track to be produced in Q1 2024; and**
 - **Ramp up of the Ionic Technologies' Magnet Recycling Demonstration Plant to 24/7 continuous operation from early January 2024.**

Ionic Rare Earths Limited (ASX: IXR) ("IonicRE" or "the Company") is pleased to announce it has received firm commitments to raise \$5.9 million by way of a share placement at \$0.021 ("Placement"). The Placement was oversubscribed and was strongly supported by both key existing shareholders and new institutional investors.

IonicRE Managing Director, Tim Harrison, commented; "The strong response to the raise reflected the potential of the Company as a unique magnet and heavy rare earth development opportunity with the potential to become an end to end vertically integrated rare earth and magnet supply chain participant. The recent updates on the Company's progress of the demonstration plants at Makuutu (ASX: 10 Nov 2023) and the Ionic Technologies' Belfast recycling facility (ASX: 15 Nov 2023) together with continuing advanced discussions to increase its interests in the Makuutu Rare Earth Projects from its current 60% interest augur well for positive news flow in the coming months."

Placement Details

The Company has received binding commitments from new and existing institutional and sophisticated investors to raise \$5.9 million (before costs) through the issue of 280,952,381 fully paid ordinary shares ("Shares") at an issue price of \$0.021 per Share, representing a 18.9% discount to the volume weighted average price ("VWAP") over the past 10 trading days. Shares issued under the Placement will be issued utilising the Company's existing placement capacity pursuant to Listing

Rules 7.1 and 7.1A and are expected to be issued on Friday, 24 November 2023. The Shares issued under the Placement will rank equally with IonicRE's existing Shares quoted on the ASX.

Mr. Sufian Ahmad, a director of the Company, will subscribe for 19,047,619 Shares (\$400,000) under the Placement, subject to receiving approval at a General Meeting of Shareholders to be held early in 2024.

Canaccord Genuity (Australia) Limited and MST Financial Services Pty Limited acted as Joint Lead Managers to the Placement.

SPP Details

In addition to the Placement, the Company will offer eligible existing shareholders with a registered address in Australia or New Zealand who were holders of Shares at 7:00pm (AEST) on Friday, 17 November 2023 (the "**Record Date**") ("**Eligible Shareholders**"), the opportunity to apply for New Shares via a non-underwritten Securities Purchase Plan ("**SPP**"), without incurring brokerage fees. The Company may raise up to \$2 million (before costs) under the SPP at the same price as the Placement (\$0.021 per Share).

Eligible Shareholders will have the opportunity to apply for up to \$30,000 worth of Shares. The Shares issued under the SPP will rank equally with the Company's existing Shares.

Further information in relation to the SPP, including the terms and conditions, is expected to be made available to Eligible Shareholders on Tuesday, 28 November 2023, together with the SPP Offer Booklet. Eligible Shareholders should review the SPP terms and conditions in full before deciding whether or not to participate in the SPP.

Under the ASX Listing Rules, IonicRE directors are entitled to participate fully in the SPP if they are Australian / New Zealand residents.

Indicative Timeline

Event	Date
Trading halt	Thursday, 16 November 2023
Record date for eligibility to participate in SPP	Friday, 17 November 2023
Trading halt lifted and announcement of Placement and SPP	Monday, 20 November 2023
Settlement of New Shares under the Placement	Friday, 24 November 2023
Allotment, quotation and trading of New Shares under the Placement	Monday, 27 November 2023
SPP Offer open date	Tuesday, 28 November 2023
SPP closing date	Tuesday, 12 December 2023
Announcement of SPP Participation Results	Tuesday, 19 December 2023
Allotment of New Shares under the SPP	Tuesday, 19 December 2023

The above timetable is indicative only and subject to change. The Company reserves the right to amend these dates at its absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and other applicable laws. The quotation of the Shares to be issued pursuant to the SPP is subject to approval from the ASX. The Company reserves the right to withdraw the Placement (or any part of it) or the SPP without notice to you.

Use of Funds

It is the intention of the Company to use the funds raised under both the Placement and the SPP to provide working capital, advance the demonstration plant activities at both the magnet recycling facility in Belfast, Northern Ireland and the Makuutu Rare Earths Project in Uganda, as well as to meet the costs of the issue.

The Joint Lead Managers will receive a fee equal to 6% of the Placement proceeds and 20 million unlisted options with an exercise price of \$0.0315 (being a 50% premium to the issue price of Shares under the Placement) and will expire 3 years after the date the options are issued.

All amounts are in Australian dollars unless otherwise specified.

Nothing contained in this announcement constitutes investment, legal, tax or other advice. Investors should seek appropriate professional advice before making any investment decision.

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 earths needed to develop net-zero carbon technologies.

The 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 six (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.

Ionic Technologies International Limited (“Ionic Technologies”), 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. Ionic Technologies is 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). In June 2023, Ionic Technologies announced initial production of high purity magnet REOs from its newly commissioned Demonstration Plant. This technology and operating Demonstration Plant 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. In September 2023, Ionic Technologies announced with the support of the UK government, collaboration partnerships to build a domestic UK supply chain, from recycled REOs to metals, alloys and magnets and supplying UK based electric vehicles (EV) manufacturing, with potential to replicate across other key markets.

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 integrated strategy completes the circular economy of sustainable and traceable magnet and heavy rare earth products needed to supply applications critical to EVs, 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.

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.