

15 July 2020

DRILLING RECOMMENCES AT MAKUUTU, SECOND RIG SECURED

- **Drilling has commenced at the Makuutu Rare Earths Project**
- **IonicRE will add a second drill rig in less than 2 weeks to accelerate program and results**
- **3,700m drilling program designed to test the full potential of the 26km long Makuutu mineralisation corridor and increase the size of the already significant Mineral Resource Estimate**

Ionic Rare Earths Limited (“IonicRE” or “the Company”) (ASX: IXR) is pleased to advise that drilling has recommenced at the Makuutu Rare Earths Project in Uganda.

The resumption of drilling will include approximately 3,700 metres of diamond core and is aimed at enabling IonicRE to progressively work towards increasing the size of the existing Mineral Resource Estimate and also improve the geological confidence. This new drilling program is the largest undertaken on the project to date and will dwarf the previous 990 metres of core drilling which has delivered a Mineral Resource Estimate announced to the ASX on 23rd June 2020 and set out in Table 1 of:

78.6 Million tonnes @ 840 ppm TREO, at a cut-off grade of 300 ppm TREO-Ce₂O₃

IonicRE recently announced positive drill results to the ASX on 28th May 2020 and a significant portion of the 26-kilometre-long Makuutu mineralisation corridor remains untested. Drilling by IonicRE of the central zone, as well as drilling in areas outside of this known rare earth corridor has exceeded management expectations and historical drilling results.

This drill program will potentially realise the significant exploration potential at Makuutu as evidenced by the Exploration Target of **270 – 530 million tonnes grading 0.04 – 0.1%** (400 – 1,000 ppm) TREO as announced to the ASX on 4th September 2019.

*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.

Additionally, IonicRE has been able to secure a second drill rig with a view to expedite the drilling program and accelerate project evaluation. The second drill rig will mobilise to site next week.

Commenting on project advancement, Ionic Rare Earths Chief Executive Officer Mr. Tim Harrison commented: *“The success of project activities to date have provided us with the confidence to accelerate drilling and rapidly work towards defining the full potential of the Makuutu deposit.”*

As a company, we are 100% focused on the timely evaluation of Makuutu, leveraging off positive results to be active and nimble in progressing this project towards commercial production. The near surface mineralisation, simple low capital intensity process flowsheet, elevated heavy and critical rare earth mixed product content, high payability and high margin product potential is making this project highly attractive for both investors and for diversified strategic supply. We intend to position ourselves to take full advantage of the favourable project attributes and rapid development timeline potential.”



Figure 1: Drilling resuming at Makuutu Rare Earths Project with hole RRMDD058

Drilling Program

The planned diamond core drilling program, which follows on from the core drilling program undertaken by the Company in Q1 2020, will comprise:

- 1) In-fill drilling within the area of updated Mineral Resource (on tenement RL 1693) to further assist in upgrading of Inferred resources to Indicated status;
- 2) Resource extensional drilling to expand the current Mineral Resource area further to the east (on tenement RL 1693); and
- 3) Exploration drilling on adjacent tenements (EL 1766 to the east and on RL 0007 to the west).

Furthermore, the company intends to collect drill core for both testwork of variability samples and composite bulk samples for advanced-stage metallurgical testing and mineralogical evaluation.

The Company will keep the market informed of progress of both drill program and project activities.

Table 1: Makuutu Resource 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.

Authorised for release by Brett Dickson, Company Secretary.

***** ENDS *****

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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.