2 July 2020

DRILLING TO RESUME AT MAKUUTU

- **Approvals received from Ugandan Government for re-commencement of drilling at the Makuutu Rare Earths Project**
- **Drill rig has been secured with mobilisation to site next week with commencement of drilling scheduled for Monday 13 July**
- **3,700m drilling program designed to identify the full potential of the 26km long Makuutu mineralisation corridor and increase the size of the significant Mineral Resource Estimate**

Ionic Rare Earths Limited ("IonicRE" or "the Company") (ASX: IXR) is pleased to advise that the Ugandan Government has provided approvals necessary for resumption of drilling on its Makuutu Rare Earths Project. Furthermore, a contract has been signed with the drilling contractor to mobilise to site next week and commence drilling on Monday 13th July 2020.

Recently IonicRE completed site preparatory works for the commencement of drilling in addition to the strict health, safety and hygiene standards, that had already been implemented at the Company's core drilling base at Makuutu.

The company and partners within Uganda are recruiting additional personnel and working with the Ugandan Directorate of Geological Survey and Mines (DGSM) to assist with the drilling recommencement with a view to positioning IonicRE to be able to accelerate drilling in due course.

IonicRE is excited to resume drilling as a follow-on from the very positive drill results announced to the ASX on 28th May 2020 and updated Mineral Resource Estimate announced 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-Ce_2O_3

It is also important to recognize 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[1].

*****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.

[1] Refer ASX announcement 4 September 2019

The drilling program of more than 3,700 metres is designed to identify the full potential of the 26 kilometre long Makuutu mineralisation corridor and increase the resources classified as Indicated. Makuutu, which is an ionic adsorption clay rare earth deposit, has potential to be one of the largest deposits of its type outside of southern China.

Through this drill program and other activities, IonicRE will be earning up to 60% of the Makuutu Rare Earths Project.

The Company will keep the market informed of progress towards resuming exploration activities.

Authorised for release by Brett Dickson, Company Secretary.

***** ENDS *****

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Table 1: Makuutu Resource above 300ppm TREO-Ce_2O_3 Cut-off Grade

Resource Classification	Tonnes (millions)	TREO (ppm)	TREO-Ce_2O_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 crossed-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 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.