

28 July 2020

## SECOND DRILL RIG MOBILISED TO MAKUUTU AND DRILLING UPDATE

- **Second drill rig has commenced operating at the Makuutu Rare Earths Project**
- **3,700 metres drilling program will test the full potential of the 26-kilometre-long Makuutu mineralisation corridor and increase the size of the already significant Mineral Resource Estimate**
- **393 metres completed to date across 22 drill holes in current program**
- **Community engagement activities progressing well**

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

Further to the ASX announcement on 15<sup>th</sup> July 2020, to date 22 drill holes totaling 393 metres have been completed as part of the 3,700 metre Phase 2 drill program. Early drilling was designed to confirm confidence of the internal geological continuity of the mineralisation by infilling on a 100m x 100m hole spacing. Additional drilling is focused on increasing the size of the existing Mineral Resource Estimate by drilling out the Makuutu Central Zone on a 400m x 400m grid over an area of approximately 16 square kilometres, more than 3 times the existing Mineral Resource Estimate area.

The 3,700 metre drill program is the largest undertaken on the project to date, and will dwarf the previous 990 metres of core drilling which delivered a Mineral Resource Estimate announced to the ASX on 23<sup>rd</sup> 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<sub>2</sub>O<sub>3</sub>**

IonicRE recently announced positive drill results to the ASX on 28<sup>th</sup> May 2020 and a significant portion of the 26-kilometre-long Makuutu mineralisation corridor remains untested. Major intercepts previously reported informing the resource extension targets include;

RRMDD042: 4.4 metres @ 981 ppm TREO from 3.80 metres  
RRMDD043: 3.5 metres @ 589 ppm TREO from 2.95 metres  
RRMDD044: 2.0 metres @ 617 ppm TREO from 2.70 metres  
RRMDD045: 7.2 metres @ 556 ppm TREO from 0.95 metres  
RRMDD046: 5.5 metres @ 642 ppm TREO from 3.75 metres  
RRMDD057: 8.0 metres @ 1,077 ppm TREO from 4.5 metres

This drill program will potentially realise the significant resource 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 4<sup>th</sup> 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 increased activities in community engagement, recently hosting delegations from the local Bugweri District Local Government, Makuutu Subcounty Authority, and local media to receive an update on the current activities of the Makuutu Rare Earths Project.

Ionic Rare Earths Chief Executive Officer Mr. Tim Harrison commented:

*“We are excited to now have the second rig drilling at Makuutu, which will significantly accelerate the overall drill program and provide potential for a substantial increase in the mineral resource estimate. We maintain a 100% focus on the timely evaluation of Makuutu, and the second rig now greatly accelerates the overall development timeline. We intend to position ourselves to take full advantage of the favourable project attributes and the near-term projected upside in the REE market.”*

*“Further to this, our engagement with our stakeholders, local residents, wider community members, and local government is progressing very well, with information and updates being provided on the Company’s exploration and development plans. We are grateful for their ongoing support.”*



**Figure 1: IonicRE hosts the Bugweri District delegation at Makuutu to observe activities and receive a project update.**

## Drilling Program

The planned diamond core drilling program, which follows on from the core drilling program undertaken by the Company in Q1 2020, is illustrated in both Figure 2 and Figure 3, will comprise:

- 1) In-fill drilling within the area of the current Mineral Resource (on tenement RL 1693) to assess short range REE grade variability for application to resource grade estimation confidence.
- 2) Resource extensional drilling to expand the current Mineral Resource area further to the east (on tenement RL 1693).
- 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 samples for testwork on individual variability samples and composite bulk samples for advanced-stage metallurgical and mineralogical evaluation.

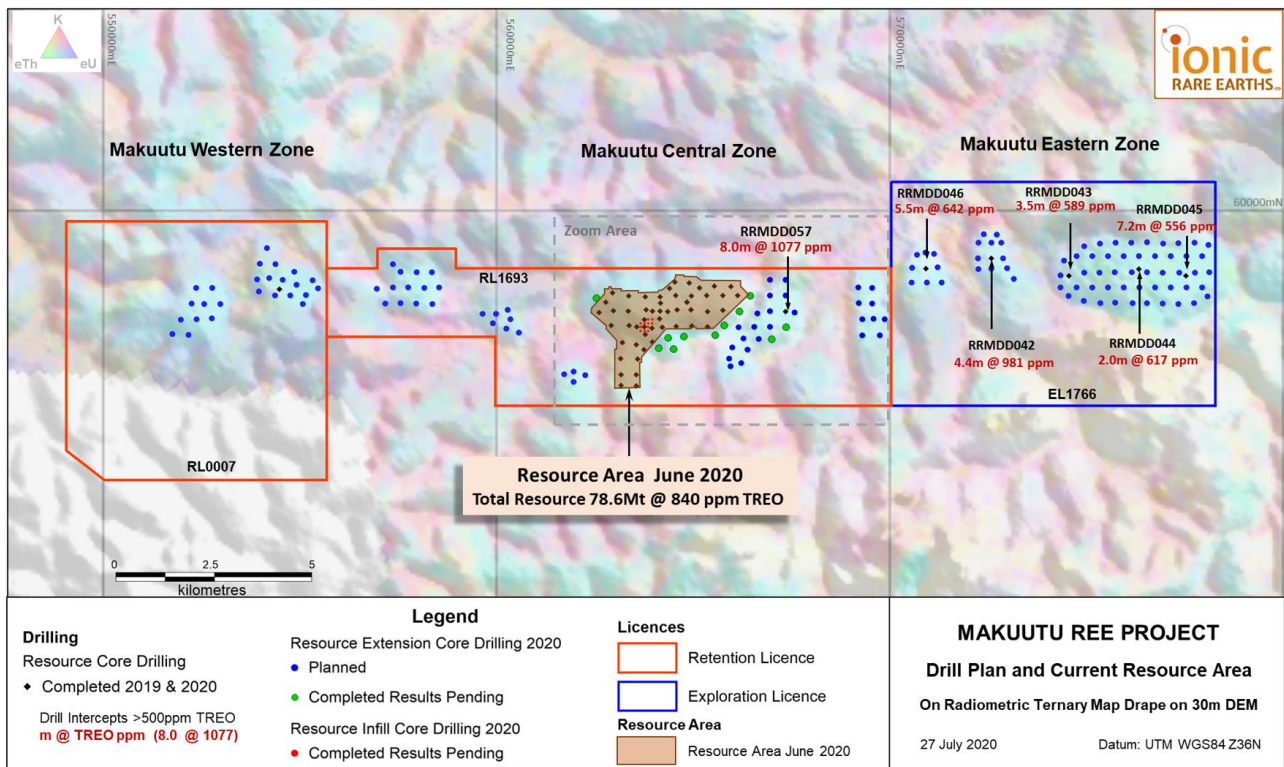


Figure 2: Current drill program showing both completed and planned drill holes stretching over 26 kilometres across the three tenements at the Makuutu Rare Earths Project.



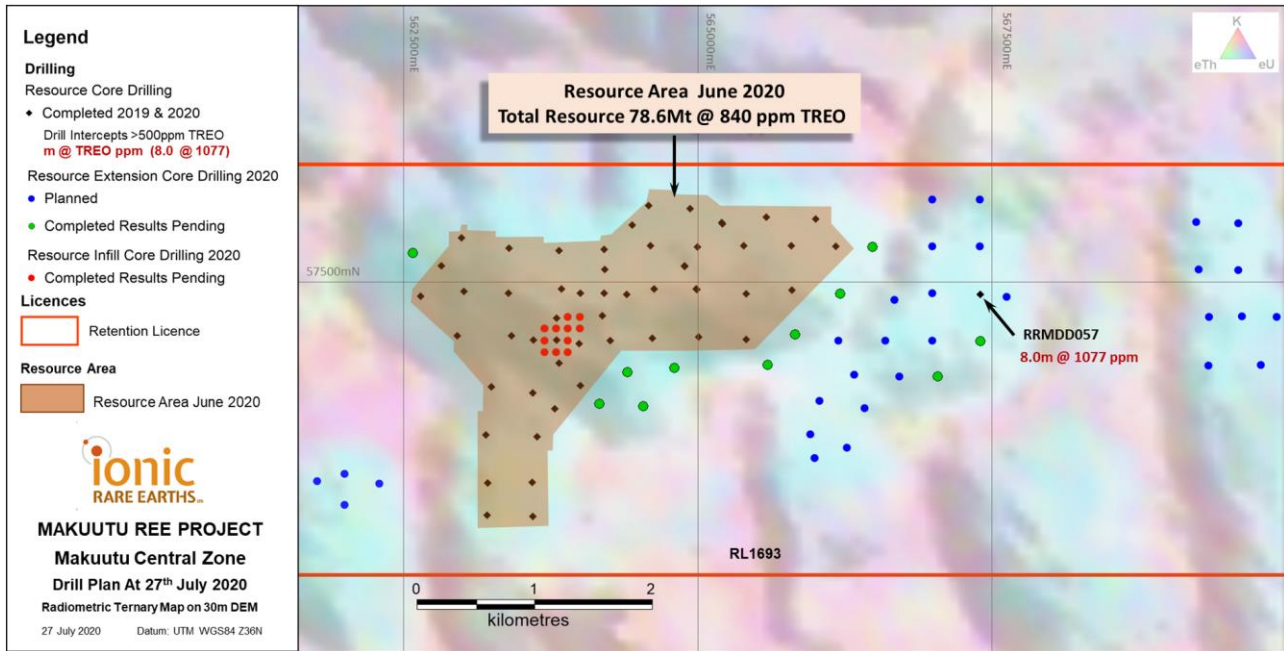


Figure 3: Current drill program showing both completed and planned drill holes adjacent to the existing June 2020 Mineral Resource Estimate.

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

Table 1: Makuutu Resource above 300ppm TREO-Ce<sub>2</sub>O<sub>3</sub> Cut-off Grade.

Resource Classification	Tonnes (millions)	TREO (ppm)	TREO-Ce <sub>2</sub> O <sub>3</sub> (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
<b>Total Resource</b>	<b>78.6</b>	<b>840</b>	<b>610</b>	<b>630</b>	<b>210</b>	<b>310</b>

Rounding has been applied to 0.1Mt and 10ppm which may influence grade average calculations.

**Table 2: Makuutu Rare Earths Project Reconnaissance RRMDD Diamond Core Hole Details (Datum UTM WGS84 Zone 36N)**

Drill Hole ID	UTM East (m.)	UTM North (m.)	Elevation (m.a.s.l.)	Drill Type	Hole Length EOH (m.)	Azimuth	Inclination
RRMDD042 <sup>1</sup>	572,636	58,752	1,106	DD	11.20	0	-90
RRMDD043 <sup>1</sup>	574,615	58,301	1,125	DD	12.50	0	-90
RRMDD044 <sup>1</sup>	576,391	58,482	1,145	DD	15.00	0	-90
RRMDD045 <sup>1</sup>	577,588	58,310	1,147	DD	18.50	0	-90
RRMDD046 <sup>1</sup>	570,974	58,487	1,103	DD	12.00	0	-90
RRMDD057 <sup>2</sup>	567,405	57,393	997	HQ DD	16.50	0	-90

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](http://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.*

<sup>1</sup> Announced to ASX 23<sup>rd</sup> December 2019. Elevation is not considered accurate. Recorded with handheld GPS

<sup>2</sup> Reported to ASX on 28th May 2020.