

20 October 2023

MINING LICENCE APPROVED FOR GRANTING AT MAKUUTU BY UGANDAN DGSM

- **The Company's Large Scale Mining License TN03834 has been Approved for Granting by the Uganda Directorate of Geological Survey and Mines (DGSM);**
- **Mining Licence Application (MLA) TN03834 covers Retention Licence (RL) 1693, the focus of the Stage 1 Feasibility Study announced March 2023; and**
- **Makuutu is the most advanced Ionic Adsorption Clay (IAC) project in development with product not committed to China and able to provide rare earths to new supply chains looking to decouple from existing sources.**

The Board of Ionic Rare Earths Limited ("IonicRE" or "The Company") (ASX: IXR) is pleased to announce that the Company, via Rwenzori Rare Metals Limited ("Rwenzori"), has received advice from the Ugandan Directorate of Geological Survey and Mines (DGSM) that the Large-Scale Mining License TN03834 for the Makuutu Heavy Rare Earth Project has been Approved for Granting over Retention Licence (RL) 1693.

This approval comes after the recent show of support for the project from The Hon Dr Ruth Nankabirwa Ssentamu, the Ugandan government Minister for Energy and Mineral Development, who spoke highly of the Project at the Africa Down Under Mining Conference in early September (ASX: 11 September 2023).

The approval to grant the mining licence follows the gazetting of the updated Mining and Minerals (Licencing) Regulations 2023 to provide a clear framework for mineral development in Uganda, and the submission of documentation which has been reviewed and approved by Ugandan DGSM. Subsequent to this, the MLA has been signed and gazetted in Uganda paving the way for the formal issuance the of Mining Licence once the first annual fees have been paid and land access to the RL1693 has been verified by the Ugandan department.

The Stage 1 Mining Licence (TN03834) covers the area set out in IonicRE's mining licence application (as shown in Figure 1), which covers approximately 44 square kilometres of the Project's near 300 square kilometres of tenements at Makuutu. The Company announced a positive Feasibility Study over RL1693 earlier this year (ASX: 20 March 2023) and received approval to build a Demonstration Plant at Makuutu, which is progressing well.

Ionic Rare Earths Managing Director Tim Harrison said the notice received on the approval to grant the mining licence by the DGSM was an important milestone for the Project.

"We are pleased with the announcement today that the DGSM has officially approved for granting the Large Scale Mining License TN03834 over RL 1693, which now completes all regulatory

approvals on the award of the Mining Licence for the Makuutu Heavy Rare Earth Project. This is a vital step for Ionic Rare Earths and Rwenzori, and in mining, refining, and recycling heavy rare earths critical for the energy transition, advanced manufacturing, and defence.”

“This announcement reinforces the Makuutu Project as one of the world’s largest and most advanced development-ready heavy rare earth element assets, and we look forward to progressing the next steps and commissioning our Demonstration Plant at Makuutu.”

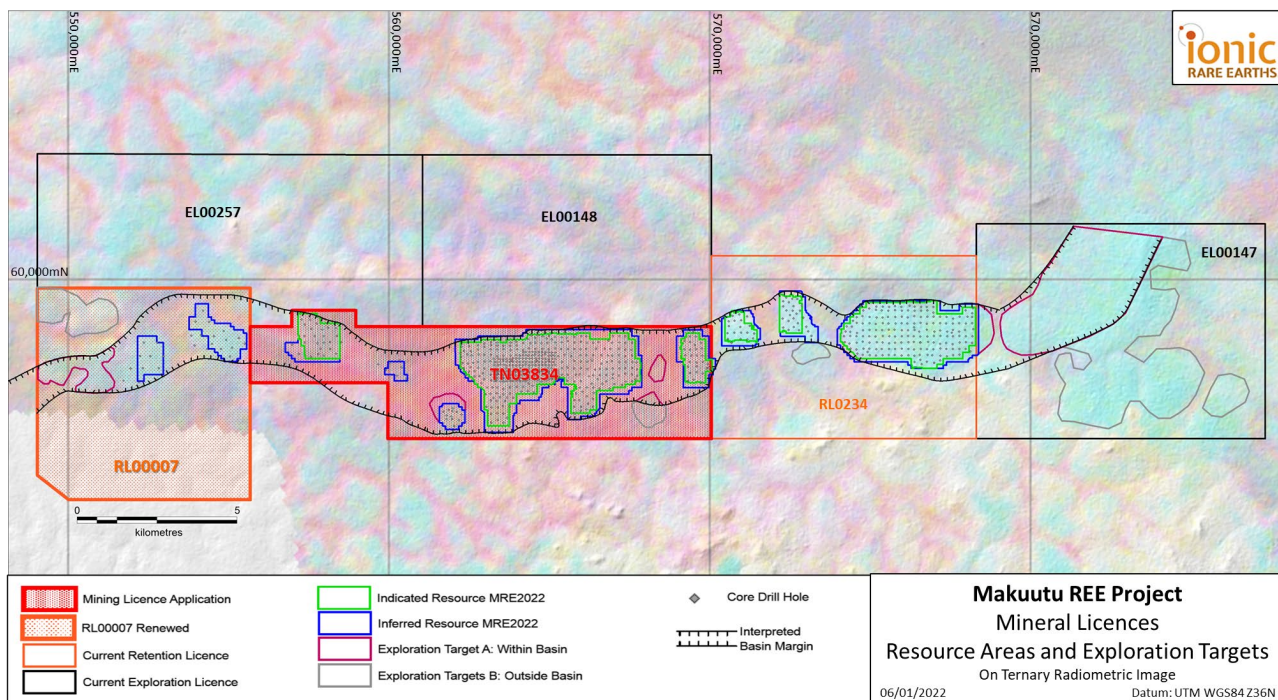


Figure 1: Makuutu Project Stage 1 Mining Licence Application TN03834 (red border), which has received approval as part of the larger Makuutu Heavy Rare Earths Project.

Table 1: Makutu 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 |
| RL1693 / 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 ML awarded.

Approved 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.

Competent Persons Statement

The information in this report that relates to Production Targets or forecast financial information derived from production 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.