26 June 2020

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# APPOINTMENT OF CEO & PLACEMENT AND SHARE PURCHASE PLAN TO RAISE $3.0M

- **Mr Tim Harrison appointed Chief Executive Officer**
- **Placement and SPP funding will advance the Makuutu Ionic Clay-hosted Rare Earth Project**
- **3,000m drilling program to commence in second week of July**

Ionic Rare Earths Limited (ASX: IXR) ("IonicRE" or "the Company") is pleased to announce the appointment of Mr. Tim Harrison as Chief Executive Officer ("CEO"), effective immediately. In addition, IonicRE has received firm commitments to raise $2.5 million by way of a share placement at $0.008 ("Placement"). The Company will also offer a share purchase plan ("SPP") to raise up to $0.5 million from eligible shareholders at the same price as the Placement. Together, the Placement and the SPP is intended to raise up to approximately $3.0 million.

Proceeds of the Placement and SPP will be used to fund the Company's expenditure commitments at the Makuutu Rare Earths Project, for working capital and to pay costs of the capital raising.

**Appointment of Mr. Harrison as CEO**

Mr. Harrison has been Project Manager of IonicRE's Makuutu Rare Earths Project since the start of 2020 and has been driving development and value creation.

He holds a Bachelor of Chemical Engineering degree from Adelaide University and has over 20 years of experience and an extensive and successful track record in the fields of both mineral processing and hydrometallurgy in multiple commodities, including rare earths, alumina, coal, cobalt, copper, gold, magnetite, molybdenum, nickel, rhenium, scandium, silver, and uranium.

This has involved roles in project development, process and flowsheet development, studies, test work planning and supervision, engineering, construction, commissioning, operations, project management, and as owners' team representative.

Prior to joining IonicRE, Mr Harrison was Manager – Process Development for Clean TeQ's Sunrise nickel-cobalt-scandium Project, where he managed Process Development from conception to a development ready project. Previous employers include Bechtel, BHP, Fluor, Ivanhoe Australia, WMC Resources and specialist consultancies.

IonicRE's Chairman, Mr. Tony Rovira said, *"I am very pleased that Tim has accepted the CEO role. Since joining the Company at the beginning of the year as Project Manager-Makuutu Project, he has rapidly taken the project to the next level and, under his stewardship, I am certain the Company has an exciting future which I look to with confidence.*

*The appointment of Tim as Chief Executive Officer will continue the recent strong growth of IonicRE with the ongoing development of the very exciting Makuutu Rare Earths Project, which has the potential to be a globally significant ionic rare earth clay deposit."*

IonicRE's newly appointed CEO, Mr. Tim Harrison said, *"Since joining the IonicRE team we have navigated Covid-19-related hindrances, but we have used this time to develop and better understand technological aspects of the project, such that we are now in a stronger position to swiftly define and develop the project and further generate shareholder value.*

*The project has numerous advantages over hardrock mineral Rare Earth development projects, and I am confident that the low CAPEX and OPEX aspects of the project, together with a highly desirable critical and heavy REO dominant basket, and a favorable implementation timeframe will make this a highly attractive venture for shareholders and the rare earth consumers."*

Mr. Harrison services are provided through a professional services agreement (**Agreement**) between Horizon Metallurgy Proprietary Limited (**HMPL**) and the Company, with the following principal terms:

- HPML will provide for the full-time services of Mr. Harrison to fulfill the position of CEO;
- The Agreement will continue until 31 January 2021 and may be renewed with the agreement of both HPML and IonicRE;
- The Company will pay a monthly service fee of $24,000 (exclusive of GST) to HMPL; and
- Mr. Harrison will be entitled to a short-term incentive (**STI**) of $50,000 upon the issue of a positive Scoping Study suitable for release to ASX before 1 November 2020.

**Progress at Makuutu**

Earlier in the year the Company announced that due to positive drilling and metallurgical results that a Scoping Study on the Makuutu Rare Earths Project had commenced and on 23 June 2020 announced a significant upgrade of the mineral resources to:

**78.6 Million tonnes @ 840 ppm TREO, at a cut-off grade of 300 ppm TREO-$Ce_2O_3$**

**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.

**Placement**

The Company has received binding commitments from professional and sophisticated investors to raise gross proceeds of A$2.50 million by way of a share placement. Canaccord Genuity (Australia) Limited acted as Lead Manager to the Placement with Sixty Two Capital Pty Ltd acting as a co-lead.

Under the Placement, a total of 312.5 million shares will be issued at a price of $0.008, which represents a 15.7% discount to the 5 day VWAP of the Company's shares traded on the 5 days on which trades were

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recorded leading up to this announcement. Shares issued under the Placement will be issued utilising the Company's existing placement capacity pursuant to Listing Rules 7.1 (254,493,000 shares) and Listing Rule 7.1A (58,007,000 shares) and are expected to be issued on Friday, 3rd July 2020.

**Share Purchase Plan**

The Company will offer eligible shareholders the opportunity to participate in the SPP by subscribing for up to $30,000 worth of fully paid ordinary shares in the Company (**Shares**) at an issue price of $0.008 per Share without having to pay brokerage or other transaction costs. This represents an 27.3% discount to the last traded closing price of the Company's Shares on the ASX on 23 June 2020 and a 15.7% discount to the volume weighted average price for the last 5 days on which sales in the shares were recorded prior to 26 June 2020.

The Company is seeking to raise up to $500,000 under the SPP through the issue up to 62,500,000 Shares. However, should total demand exceed this amount, the Directors reserve the right to accept oversubscriptions (subject to compliance with the ASX Listing Rules), or to scale-back or refuse applications in their absolute discretion.

Participation in the SPP is optional and is open to all shareholders who were registered as a holder of Shares as at 5.00pm (AWST) on 25 June 2020 (**Record Date**) and whose registered address is in Australia or New Zealand.

***Indicative SPP Timetable***

| Event | Date |
|---|---|
| SPP Record Date | 5.00 pm (AWST) on 25 June 2020 |
| Announce SPP (including closing date) and Appendix 3B on ASX | 26 June 2020 |
| Cleansing Notice and SPP Offer Booklet lodged with ASX | 1 July 2020 |
| Opening date for SPP | 9.00 am (AWST) 1 July 2020 |
| Closing date for SPP | 5.00 pm (AWST) on 22 July 2020 |
| Announce results of SPP | 27 July 2020 |
| Expected date of issue for SPP shares<br>Lodge Appendix 2A with ASX | 31 July 2020 |

The timetable above is indicative only and subject to change. The Company reserves the right to change the timetable at any time or cancel the SPP at any time before the issue date, subject to applicable regulatory requirements.

Full details of the SPP will be set out in a letter to shareholders, the SPP Terms and Conditions and a SPP Application Form for Eligible Shareholders (**Plan Documents**). A copy of the Plan Documents will also be lodged with the ASX.

If you have any enquiries in relation to the SPP, please call the Company Secretary on +61 8 9481 2555.

Authorised for release by Brett Dickson, Company Secretary.

***** ENDS *****

**For enquiries, contact**: Brett Dickson
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**Competent Person Statements**

*The 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 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.*

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