Economics of Rare Earth Projects

Ian Chalmers Technical Director
Alister MacDonald General Manager - Marketing
Why rare earths?

Oil is the blood; steel is the body; but rare earth elements are the vitamins of a modern society (anon?)

Rare earth elements can be regarded as the "vitamins" required for the shift from a carbon based economy to the new 21st century electron economy (many references)

There is oil in the Middle East. There is Rare Earth in China (Deng Xiaoping Chinese President - 1992)

Improve the development and applications of rare earth, and change the resource advantage into economic superiority (Jiang Zemin Chinese President - 1999)

Not only has China taken the lead on rare earth production over the last 20 years and now holds a dominant position in the whole supply chain from mining to consumer end-products, it has a clear policy to secure other deposits elsewhere in the world and enhance that dominance.
# Rare Earth Applications

<table>
<thead>
<tr>
<th>Application</th>
<th>Rare Earths</th>
<th>Demand Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Magnets</td>
<td>Nd, Pr, Sm, Tb, Dy</td>
<td>Drives for computers, mobile phones, mp3 players, cameras. Hybrid vehicle electric motors. Electric motors for luxury vehicles. Mag-lev trains.</td>
</tr>
<tr>
<td>LaNiH Batteries</td>
<td>La, Ce, Pr, Nd</td>
<td>Hybrid vehicle batteries. Hydrogen absorption alloys for re-chargeable batteries</td>
</tr>
<tr>
<td>Phosphors</td>
<td>Eu, Y, Tb, La, Dy, Ce, Pr, Gd</td>
<td>LCDs. PDPs. LEDs. Energy efficient fluorescent lights/lamps.</td>
</tr>
<tr>
<td>Fluid Cracking Catalysts</td>
<td>La, Ce, Pr, Nd</td>
<td>Petroleum production – greater consumption by ‘heavy’ oils and tar sands</td>
</tr>
<tr>
<td>Polishing Powders</td>
<td>Ce, La, Nd</td>
<td>Mechano-chemical polishing powders for TVs, monitors, mirrors and (in nano-particulate from) silicon chips.</td>
</tr>
<tr>
<td>Auto Catalysts</td>
<td>Ce, La, Nd</td>
<td>Tighter NOx and SOx standards – platinum is re-cycled, but for rare earths it is not economic</td>
</tr>
<tr>
<td>Glass Additive</td>
<td>Ce, La, Nd, Er</td>
<td>Cerium cuts down transmission of uv light. La increases glass refractive index for digital camera lens.</td>
</tr>
<tr>
<td>Fibre Optics</td>
<td>Er, Y, Tb, Eu</td>
<td>Signal amplification</td>
</tr>
</tbody>
</table>

Source: IMCOA
Permanent magnets dominate consumption and growth 6 - 12% pa

Annual magnet market ~US$20B

Major use for Nd, Pr, Dy and Tb

80% by value 20% by volume

Growth in other REs for special metal alloys and ceramics

- US$3-5B Global market
- 159,500t Annual consumption 2016
- 6-8% Annual growth estimates
- 85-90% REE produced by China

REE Demand 2016 by Application

- Catalysts 18%
- Glass 6%
- Polishing 12%
- Metal Alloys 16%
- Magnets 27%
- Ceramics 5%
- Phosphors 5%
- Other 8%

Rare Earth Demand Drivers
Rare earth permanent magnets (REPM)

1. Luxury electric vehicle contains ~4.5 kg of REPM
   - 2.0 kg for traction motor; 2.5 kg for other motors (windows, seats etc)
   - Contains 31% rare earth Pr/Nd alloys, or 1.4 kg
   - 1 million EVs require ~1,400 tpa of PrNd alloy
   - Annual growth +30%

2. China will consume 46,500 t of Pr/Nd oxide for magnets in 2017, and is set to reach 60,000 tpa by 2020
   - Magnet demand growth rate will increase further for EVs, wind power, and robotics
   - Crackdown on illegal Chinese production is reducing supply

Source: IMCOA
China: Critical Supply Issues to 2025

1. China Manufacturing 2025 is targeting 70-80% domestic supply by 2025 for key high value markets
   • Critical supply risk for rare earths and zirconium chemicals as China supplies 90+ % of world supply
     • 50% of rare earths supply is non-quota or illegal

2. Export & supply of rare earths magnets threatened
   • High growth rates for magnets in China will reduce exports-
     preference will be given to Chinese companies

3. China’s rare earth industry is US$3-5 billion, with a US$30-40 billion environmental clean up legacy
   • Rare earth prices will need to double in order to pay environment clean up costs over 10 years
Military Applications – strategic importance

<table>
<thead>
<tr>
<th>REE</th>
<th>Technology</th>
<th>Function</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nd, Pr, Sm, Dy, Tb</td>
<td>Permanet Magnet</td>
<td>Guidance and Control</td>
<td>Smart Bombs, Joint Attack Munition (JDAM), Joint Air to Ground Missile</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Electric Motors and Actuators, Stealth/Noise</td>
<td>Cruise Missiles, Unmanned Aerial</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cancellation</td>
<td>Vehicles (UAVs), AIM-9x, AIM-120 AMRAAM, Helicopter</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Acoustic Signature Reduction (NdFeB plus Terfenol-D)</td>
</tr>
<tr>
<td>Y, Eu, Tb</td>
<td>Amplification of Energy and Resolution</td>
<td>Targeting, Detection, Countermeasures</td>
<td>Nd-doped Yttrium Aluminium Garnet (YAG) Laser for targeting</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>and underwater mine detection (e.g. Magic Lantern), Laser</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Targeting (Air- and Ground-based), Counter-Improved Explosive Device</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(IED) (e.g. Laser Averger), SaberShot Photonic Disrupter</td>
</tr>
<tr>
<td>Nd, Y, La, Lu, Eu</td>
<td>Amplification, Enhanced</td>
<td>Communications, Radar, Sonar, Radiation</td>
<td>Sonar Transducers, Radar, Enhanced Radiation Detection,</td>
</tr>
<tr>
<td></td>
<td>Resolution of Signals</td>
<td>and Chemical Detection</td>
<td>Multipurpose Integrated Chemical Agent Alarm (MICAD), Microwave</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Amplification for Satellite Communication, High-Capacity Fiber Optics</td>
</tr>
<tr>
<td>Ce, La</td>
<td>Displays and Optics</td>
<td>Enhanced Battlefield Displays</td>
<td>Driver’s Vision Enhancer (DVE), Atronics Displays</td>
</tr>
<tr>
<td>Various</td>
<td>Energy Storage, Density</td>
<td>Electronic Warfare and Directed Energy</td>
<td>Jamming Devices, Electromagnetic Railgun, NI Metal Hydride</td>
</tr>
<tr>
<td></td>
<td>Amplification, Capacitance</td>
<td>Weapons</td>
<td>Battery, Area Denial System (e.g. Long Range Acoustic Device or LRAD)</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

**Weapon Systems**
- AGM-114 Hellfire Air-to-Surface missile
- Joint Direct Attack Munition (JDAM) Precision Guidance Kit
- PAC-3 Anti-Ballistic Missile
- AIM-9 Sidewinder Air-to-Air Missile
- AIM-120 Advanced Medium-Range Air-to-Air missile
- Harpoon Anti-Ship Missile
- Trident SO Submarine-Launched Ballistic Missile
- Minuteman III Intercontinental Ballistic Missile

**Weapon Platforms**
- M109 Paladin Howitzer
- AH-64 Apache Helicopter
- M2 Bradley Fighting Vehicle
- M1 Abrams Main Battle Tank
- Stryker Fighter Vehicle
- Aegis Burke-Class Destroyer
- Nimitz-Class Aircraft Carrier
- Littoral Combat Ship
- Unmanned Underwater Vehicle
- USSN-774 Virginia-Class Attack Submarine
- B-52 Bomber
- F-15 Eagle Fighter
- F-16 Falcon Fighter
- F-18 Hornet Fighter
- F-22 Raptor Fighter
- F-35 Joint Strike Fighter
- MQ-1B Predator Drone

**Other Systems**
- Laser Remotefinder
- Laser Target Designators
- Satellite Communication
- Towed Decoy
- Aegis Radar
- Firefinder Anti-Rocket/Anti-Artillery Radar
- Underwater Mine Detection

Where are the rare earths?

Deposits and mineralogy

The major deposits – alkaline intrusive complexes and rarely volcanic sequences. All have variable mineralogy and uranium and thorium content. Others in secondary surficial environments (ionic clays); or deep sea muds; fly ash.
Deposits are found in many world wide locations. Some examples are:

<table>
<thead>
<tr>
<th>DEPOSIT</th>
<th>GEOLOGY</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baiyun Obo – China</td>
<td>hydrothermal – skarn like (IOG ?) – bastnasite (LREE)</td>
<td>Production</td>
</tr>
<tr>
<td>Mt Weld – Australia</td>
<td>carbonatite – monazite (LREE)</td>
<td>Production</td>
</tr>
<tr>
<td>Mt Pass – USA</td>
<td>carbonatite sheets – bastnasite (LREE)</td>
<td>Moth balled</td>
</tr>
<tr>
<td>Longnan – China</td>
<td>ionic adsorption clays – heavy rare earths</td>
<td>Production</td>
</tr>
<tr>
<td>Dubbo - Australia</td>
<td>trachyte volcanic – eudialyte/bastnasite (Zr Hf Nb REE)</td>
<td>Financing</td>
</tr>
<tr>
<td>Browns Range – Australia</td>
<td>hydrothermal vein - xenotime (HREE)</td>
<td>Pilot plant</td>
</tr>
<tr>
<td>Nolans – Australia</td>
<td>carbonatite sheets – apatite (LREE)</td>
<td>Feasibility</td>
</tr>
<tr>
<td>Ngualla – Tanzania</td>
<td>carbonatite – bastnasite (LREE)</td>
<td>Feasibility</td>
</tr>
</tbody>
</table>

The ore and host rock mineralogy affects the recovery process, and hence flowsheet capex, opex and product output.
How do we get there? Deposit to product output

Area selection
- Geological
- Previous work

Exploration
- Mapping
- Drilling

Resource
- Definition
- Geo-metallurgy

Process
- Development
  - Metallurgy
  - Feasibility

Pilot Plant
- Prove flow sheet
- Samples for market evaluation

Environment
- Impact studies
- Social licence
- Regulatory time frames

Offtake
- Product certification
- Bankable feasibility

Financing
- Construction
- Production

The discovery to production usually takes 10 to 15 years and feasibility can cost in excess of $100 million

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Most current rare earth production facilities include upfront mineral beneficiation followed by “cracking” and dissolution of the minerals; then separation by solvent extraction and refining of the individual rare earths. There are several other extraction and refining processes being trialed but none are yet used in commercial production.

The plants are sophisticated chemical processing facilities, with multiple streams and potential recirculating loads that require careful management to ensure maximum recovery and product quality.

Management (handling, storage and neutralization) for long term administration of waste stream costs are often large and underestimated.

Large scale pilot plant proving of the flow sheet is essential to inform capital and operating costs, demonstrate mass balances and product recoveries, demonstrate sustainable environmental management and to minimizing process and financial risk.

Capital costs will depend upon planned capacity and location. Currently there are several non-Chinese rare earth projects that have commenced operation during the last five years or are planning development.

Recent capital cost estimates for projects have ranged from about US$400 million to US$2,000 million, and as a rough “rule of thumb” an approximate cost of US$50/kg of REO can be applied (excluding working capital).
The “2011 boom”, initiated by a geo-political event and exacerbated by rampant speculation (mostly traders)

Calls for rare earth substitutions, thrifting and some amazing “discoveries”.

The sustainability window (?)

US$60-110/kg NdPr metal

A price that can allow western NdFeB permanent magnet consumers to compete on price/quality with Chinese producers
Operating economics for six RE type deposits applying global average recovery and current REO prices.

Opex calculated as globalized averages to generate an approximate US$ revenue per kilogram of output.

Gross margins range from negative to about positive 60%

Environmental management costs for Chinese operations not included in their costs (particularly ionic clay deposits)

<table>
<thead>
<tr>
<th>Product</th>
<th>Source Basnaites ppm</th>
<th>Source Monazite ppm</th>
<th>Source Xenotime ppm</th>
<th>Source Apatite ppm</th>
<th>Source Ionic clay ppm</th>
<th>Source Polymetallic ppm</th>
<th>Recovery %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lanthanum Oxide</td>
<td>2.53</td>
<td>22350</td>
<td>23320</td>
<td>174</td>
<td>5540</td>
<td>18</td>
<td>1800</td>
</tr>
<tr>
<td>Cerium Oxide</td>
<td>2.90</td>
<td>32075</td>
<td>46430</td>
<td>432</td>
<td>13340</td>
<td>4</td>
<td>3390</td>
</tr>
<tr>
<td>Praseodymium Oxide</td>
<td>90.00</td>
<td>2760</td>
<td>5040</td>
<td>61</td>
<td>1630</td>
<td>7</td>
<td>375</td>
</tr>
<tr>
<td>Neodymium Oxide</td>
<td>72.50</td>
<td>7690</td>
<td>17700</td>
<td>274</td>
<td>5950</td>
<td>30</td>
<td>1300</td>
</tr>
<tr>
<td>Samarium Oxide</td>
<td>2.30</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>28</td>
<td>2</td>
<td>200</td>
</tr>
<tr>
<td>Europium Oxide</td>
<td>80.00</td>
<td>85</td>
<td>518</td>
<td>37</td>
<td>110</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Gadolinium Oxide</td>
<td>43.30</td>
<td>0.2</td>
<td>1</td>
<td>476</td>
<td>1</td>
<td>69</td>
<td>200</td>
</tr>
<tr>
<td>Terbium Oxide</td>
<td>580.00</td>
<td>30</td>
<td>88</td>
<td>106</td>
<td>22</td>
<td>13</td>
<td>30</td>
</tr>
<tr>
<td>Dysprosium Oxide</td>
<td>185.00</td>
<td>30</td>
<td>224</td>
<td>719</td>
<td>93</td>
<td>67</td>
<td>190</td>
</tr>
<tr>
<td>Holmium Oxide</td>
<td>40.00</td>
<td>150</td>
<td>150</td>
<td>16</td>
<td>16</td>
<td>4</td>
<td>50</td>
</tr>
<tr>
<td>Erbium Oxide</td>
<td>28.50</td>
<td>427</td>
<td>49</td>
<td>107</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Thulium Oxide</td>
<td>59</td>
<td>7</td>
<td>15</td>
<td>50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ytterbium Oxide</td>
<td>30.00</td>
<td>344</td>
<td>25</td>
<td>92</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lutetium Oxide</td>
<td>720.00</td>
<td>46</td>
<td>4</td>
<td>13</td>
<td>35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Neodymium Oxide</td>
<td>3.50</td>
<td>7</td>
<td>740</td>
<td>4810</td>
<td>370</td>
<td>650</td>
<td>1460</td>
</tr>
<tr>
<td>Chemical Zirconia</td>
<td>10.00</td>
<td>19000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hafnium Oxide (95% HfO2)</td>
<td>500.00</td>
<td>400</td>
<td>50</td>
<td>40</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ferro-niobium (65% Nb)</td>
<td>35.00</td>
<td>4400</td>
<td>65</td>
<td>4400</td>
<td>65</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recovered value /kg</td>
<td>$14.19</td>
<td>$20.36</td>
<td>$20.30</td>
<td>$23.02</td>
<td>$26.73</td>
<td>$20.60</td>
<td></td>
</tr>
<tr>
<td>Opex (average)</td>
<td>$15.00</td>
<td>$13.00</td>
<td>$25.00</td>
<td>$15.00</td>
<td>$15.00</td>
<td>$8.00</td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>-$0.81</td>
<td>$7.36</td>
<td>-$4.70</td>
<td>$8.02</td>
<td>$11.73</td>
<td>$12.60</td>
<td></td>
</tr>
<tr>
<td>Gross Margin %</td>
<td>-6%</td>
<td>36%</td>
<td>-23%</td>
<td>35%</td>
<td>44%</td>
<td>61%</td>
<td></td>
</tr>
</tbody>
</table>
Summary of Economic Drivers for REs

- Quality of the resource – grade, recovery, metal distribution
- Location and access to infrastructure
- % of “magnet metals” Nd, Pd, Dy, Tb and Sm in production that will drive revenue
- Volume and quality of off-take agreements
- Operating costs
- Capital intensity ($/kg per product capex)
- Sustainable product prices
- Demonstrable sustainable environmental practice
Financing

- **ECONOMICS**
  Rare earth (and rare metal) projects involve complex processing options to produce marketable products. To generate reasonable financial returns, these projects require stable and sustainable product prices, and economies of scale which usually relate to large upfront capital expenditure.

- **RISK MANAGEMENT**
  Minimising technical and financial risk is of primary importance and this requires a substantial investment in pilot plant proving and distribution of products to consumers for certification and off-take agreements.

- **OFF-TAKE**
  Historically rare earth sales were based on long term contracts. Currently difficulties arise when customers expect new suppliers to base their pricing on spot prices generated by traders who have no commitment to sustain the industry. These conditions are rarely satisfactory for normal financiers.

- **FINANCE**
  The equity markets struggle with these “exotic” metals, as they are perceived to be high risk and of relatively low cumulative value. The 2012 price “crash” reinforced these negative perceptions.

  These large complex projects will rely on innovative funding solutions needing the support of national financial institutions such as Export Credit Agencies and / or specific strategic agencies or companies that understand the national significance of the metal supply.

- **NICHE MARKETS**
  Few comparative and successful projects for peer comparison by financial institutions
China’s dominance of the markets for rare earths, and for some specific rare metals, will continue with the clear public statements by the Chinese Government of the intention to maintain and expand China’s advanced manufacturing capabilities.

The value increases from US$4B Minerals; US$40B Materials; US$400B Components; to US$4T Systems

Strategic Issues – Financing Perspective

Geopolitical and sovereign risk. Recent actions by African and South American governments demonstrate that this risk remains very high. What countries are “safe”?

Supply chain visibility. The large issue of product from illegal mining/production in China and other conflict regions. Interaction with the laws of the US and Europe.

National defence issues – potential for interruption to supply.

Corporate requirements for business continuity.

Are non-Chinese countries and companies prepared to accept that supply of many components and consumer products will be dictated by China?

Are these entities prepared to support project developments that may not qualify for normal terms of resource project financing – IRR, NPV and length of payback?

The rare earth supply chain outside of China needs to be acknowledged, supported and requires strategic investment.
Multi commodity mining company
Focussed in the Central West New South Wales

Two major projects through subsidiaries

Australian Strategic Materials Ltd (ASM)
• Dubbo Project - technology metals
  Production of Zr, Hf, Nb and REEs
Tomingley Gold Operations Pty Ltd (TGO)
• Tomingley gold production
  Cash flow generation

Market capitalisation  A$180M
Current cash + bullion  A$50M
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This document has been prepared in accordance with the requirements of Australian securities laws, which may differ from the requirements of United States and other country securities laws. Unless otherwise indicated, all ore reserve and mineral resource estimates included or incorporated by reference in this document have been, and will be, prepared in accordance with the JORC classification system of the Australasian Institute of Mining, and Metallurgy and Australian Institute of Geosciences.

**Competent Person**

Unless otherwise stated, the information in this presentation that relates to mineral exploration, mineral resources and ore reserves is based on information compiled by Mr D I Chalmers, FAusIMM, FAIG, (director of the Company) who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Chalmers consents to the inclusion in the presentation of the matters based on his information in the form and context in which it appears.

**Acknowledgements**

Many Alkane staff and consultants have contributed to the content in this presentation which has been compiled over twenty years during the study into the development of the Dubbo Project. Dudley Kingsnorth (Industrial Minerals Company of Australia) is thanked for his review of the information relating to global prices, operating and capital costs.
Dubbo Project – Mineral Resources

<table>
<thead>
<tr>
<th>Resource Category</th>
<th>Tonnes (Mt)</th>
<th>ZrO₂ (%)</th>
<th>HfO₂ (%)</th>
<th>Nb₂O₅ (%)</th>
<th>Ta₂O₅ (%)</th>
<th>Y₂O₃ (%)</th>
<th>TREO* (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>42.81</td>
<td>1.89</td>
<td>0.04</td>
<td>0.45</td>
<td>0.03</td>
<td>0.14</td>
<td>0.74</td>
</tr>
<tr>
<td>Inferred</td>
<td>32.37</td>
<td>1.90</td>
<td>0.04</td>
<td>0.44</td>
<td>0.03</td>
<td>0.14</td>
<td>0.74</td>
</tr>
<tr>
<td>Total</td>
<td>75.18</td>
<td>1.89</td>
<td>0.04</td>
<td>0.44</td>
<td>0.03</td>
<td>0.14</td>
<td>0.74</td>
</tr>
</tbody>
</table>

*TREO% is the sum of all rare earth oxides excluding ZrO₂, HfO₂, Nb₂O₅, Ta₂O₅, Y₂O₃,

These Mineral Resources are based upon information which has been compiled by Mr Stuart Hutchin, MIAG, and an employee of Mining One Pty Ltd. Mr Hutchin has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Hutchin consents to the inclusion in this report of the matters based on his information in the form and context in which they appear. The full details of methodology were given in the ASX Announcement of 19 September 2017.

Dubbo Project – Ore Reserves

<table>
<thead>
<tr>
<th>Reserve Category</th>
<th>Tonnes (Mt)</th>
<th>ZrO₂ (%)</th>
<th>HfO₂ (%)</th>
<th>Nb₂O₅ (%)</th>
<th>Ta₂O₅ (%)</th>
<th>Y₂O₃ (%)</th>
<th>TREO* (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proved</td>
<td>18.90</td>
<td>1.85</td>
<td>0.04</td>
<td>0.440</td>
<td>0.029</td>
<td>0.136</td>
<td>0.735</td>
</tr>
<tr>
<td>Probable</td>
<td>0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>18.90</td>
<td>1.85</td>
<td>0.04</td>
<td>0.440</td>
<td>0.029</td>
<td>0.136</td>
<td>0.735</td>
</tr>
</tbody>
</table>

*TREO% is the sum of all rare earth oxides excluding ZrO₂, HfO₂, Nb₂O₅, Ta₂O₅, Y₂O₃,

These Ore Reserves are based upon information compiled which has been compiled by Mr Ievan Ludjio MAusIMM(CP) and Mr Mark Van Leuven FAusIMM (CP), employees of Mining One Pty Ltd. Mr Ludjio and Mr Van Leuven have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that is being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Ludjio and Mr Van Leuven consent to the inclusion in this report of the matters based on his information in the form and context in which they appear. The full details of methodology were given in the ASX Announcement of 19 September 2017.