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METEORIC RESOURCES

ASX ANNOUNCEMENT

24 April 2023

Significant Strategic Expansion to Tier 1 Caldeira REE Project

Highlights

- Meteoric has entered into a binding agreement to acquire significant and strategic Ionic Clay Rare Earth Element (REE) licences **contiguous with the most highly prospective areas of its Tier 1 Caldeira REE Project** in the Minas Gerais State of Brazil
- The Acquisition comprises 21 Licenses (2 Mining Licenses, 12 Mining Licence Applications, 4 Exploration Licences and 3 Exploration Licence Applications)
- The Licences cover 49km^2, increasing the total area covered by the Company in this remarkable REE province by 40% to 172km^2
- Importantly, the acquisition amalgamates a large contiguous block of ground, covering approximately 67km^2, in the most prospective southern portion of the Caldeira Project, amalgamating the previously drilled highly prospective Capão do Mel, Soberbo and Figueira Licences.

Executive Chairman, Andrew Tunks said, "*This is an exciting strategic acquisition by the Company, further cementing our dominant position in this remarkable REE province. The licences to be acquired perfectly consolidate our ground holdings in the southern, most prospective region of the Project, creating a contiguous block of ground and tying the highly prospective Capão do Mel and Sorberbo licences back to Figueira in a single parcel.*

Evaluation of historic exploration drilling on Capão do Mel, Figueira and Sorberbo confirms REE mineralisation continues right up to the boundaries of licences to be acquired, and logically into these areas. This significantly increases our discovery opportunity and we will extend our current diamond drilling program to complete several stratigraphic holes to test for REE mineralisation and depth to basement within these new licences.

The large contiguous area created by the acquisition will provide the perfect platform to grow a Tier-1 world-class rare-earth project within a single area."

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Details of the Acquisition

Under the Acquisition agreement Meteoric will acquire 21 licences comprising 2 Mining Licences (ML), 12 Mining Licence Applications (MLA) 4 Exploration Licences (EL) and 3 Exploration Licence Applications (ELA) on the terms set out below. Eleven of these licences, including all of those which effectively amalgamate Capão do Mel, Soberbo and Figueira, are freely transferrable, whilst 10 are currently subject to third party encumbrances (Encumbered Licences) (refer **Figure** 2).

The licences have not been subject to previous exploration for rare earth metals and there is no technical data to report. However, historic drilling of three Caldeira Project licences, Capão do Mel, Soberbo and Figueira, that are adjacent to the main area of the acquisition have strong mineralisation extending to the licence boundaries. It is highly likely that the REE mineralisation will continue into the new areas. This opportunity will be the target of significant future exploration.

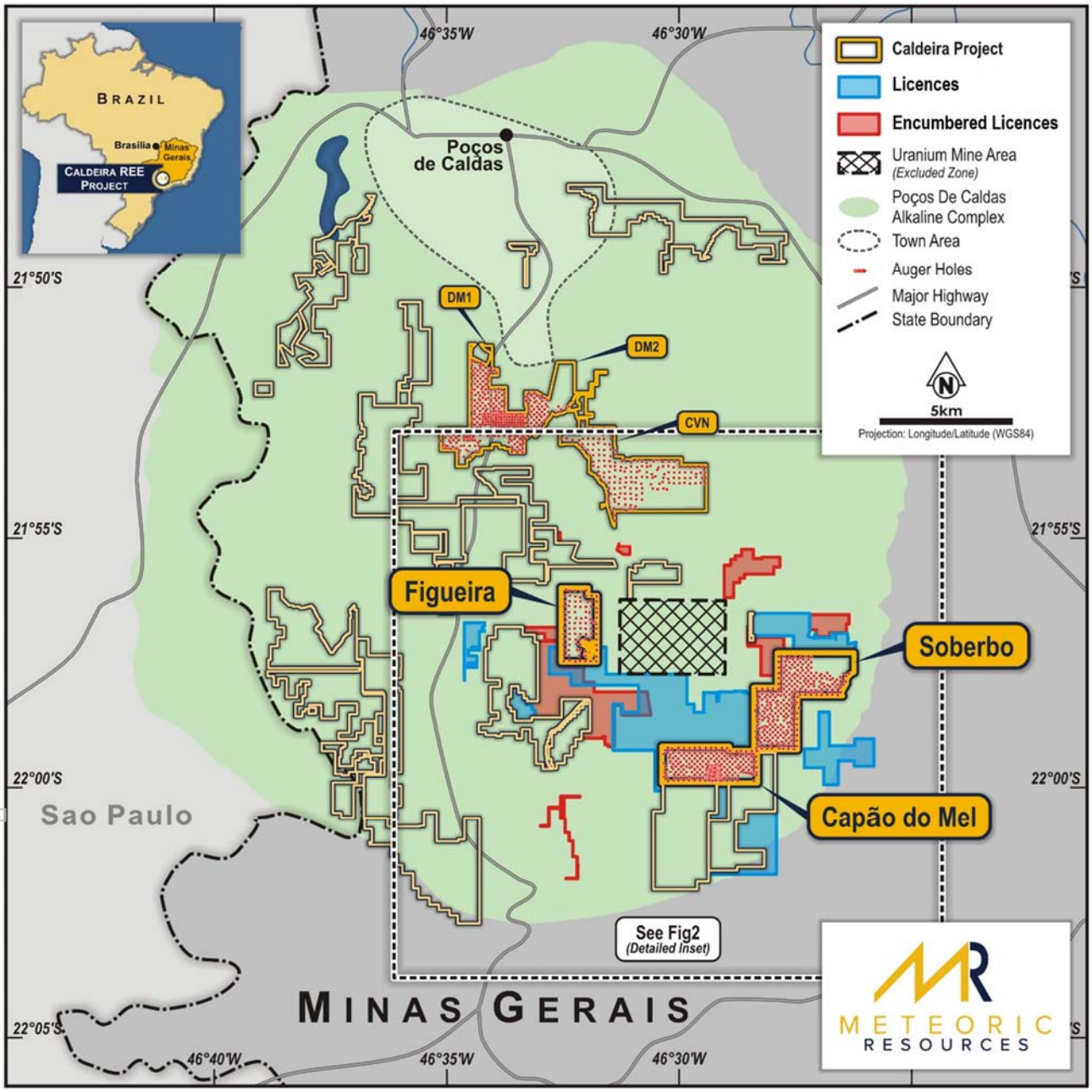

Figure 1. Simplified regional geological map of the Poços de Caldas Intrusive complex. Showing the area of the acquired licences and their proximity to the Figueira, Capão do Mel and Soberbo licences.

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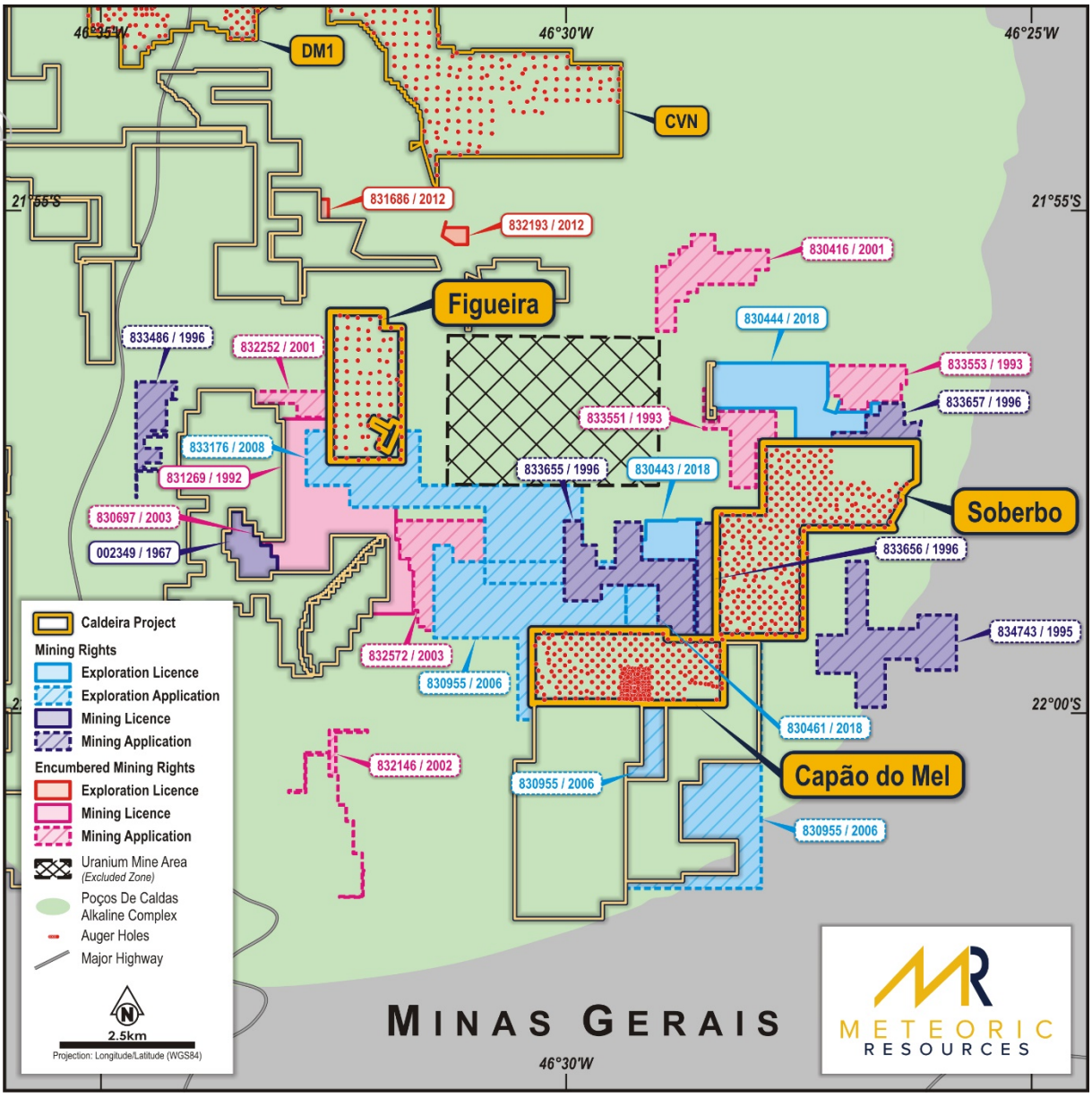

Figure 2. Detail of the Licence status of the Acquisition. Unencumbered Licences outlined in Blue. Encumbered Licences outlined in Red. Refer to Table 1 for Licence type. Also highlighted is the Exclusion Zone around the The Osamu Utsumi Uranium Mine. The Mine operated between 1982-1995. The Mine infrastructure is on care and maintenance and administered by the Indústrias Nucleares do Brasil S.A. (INB) government agency.

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Acquisition Terms

The material terms of the Acquisition are as follows:

Meteoric to acquire 21 licences from Varginha Mineração e Loteamentos Ltda, Minas Rio Mineradora Ltda and Fertimax Fertilizantes Organicos Ltda on the following terms:

- US$500,000 for 60-day exclusivity period for the purposes of technical, legal and financial due diligence by Meteoric;
- Upon Meteoric electing, during the due diligence period, to proceed with the acquisition, US$3m upon transfer to Meteoric of the licences other than the Encumbered Licences (Transfer Payment);
- US$4m on first anniversary of the Transfer Payment;
- US$1m in Meteoric shares on the first anniversary of the Transfer Payment (calculated on the share price at the time of issue), with the shares to be escrowed for a period of one year and issued pursuant to Listing Rule 7.1;
- US$3m on second anniversary of the Transfer Payment, subject to the Encumbered Licences being unencumbered and transferred to Meteoric; and
- 1% gross Royalty, including a payment of US$200,000 per year from commencement of production from the Caldeira Project, and payments shall constitute a forward payment of the 1% Royalty.

Table 1. Details of new Licences

LICENCES			
ANM Licence Number	**Area (Ha)**	**Licence Type**	**Holder**
830.443/2018	79	Exploration Licence	Fertimax Fertilizantes Orgânicos Ltda.
830.444/2018	248	Exploration Licence	Fertimax Fertilizantes Orgânicos Ltda.
833.655/1996	249	Mining Apllication	Minas Rio Mineradora Ltda.
833.656/1996	80	Mining Apllication	Minas Rio Mineradora Ltda.
833.657/1996	68	Mining Apllication	Minas Rio Mineradora Ltda.
834.743/1995	283	Mining Apllication	Minas Rio Mineradora Ltda.
833.486/1996	79	Mining Apllication	Minas Rio Mineradora Ltda.
002.349/1967	74	Mining Licence	Varginha Mineração e Loteamentos Ltda.
833.176/2008	634	Exploration Application	Varginha Mineração e Loteamentos Ltda.
830.955/2006	1994	Exploration Application	Varginha Mineração e Loteamentos Ltda.
830.461/2018	51	Exploration Application	Fertimax Fertilizantes Orgânicos Ltda.
ENCUMBERED LICENCES			
832.193/2012	12	Exploration Licence	Varginha Mineração e Loteamentos Ltda.
831.686/2012	7	Exploration Licence	Varginha Mineração e Loteamentos Ltda.
831.269/1992	442	Mining Licence	Varginha Mineração e Loteamentos Ltda.
832.572/2003	204	Mining Apllication	Varginha Mineração e Loteamentos Ltda.
833.551/1993	99	Mining Apllication	Varginha Mineração e Loteamentos Ltda.
833.553/1993	98	Mining Apllication	Varginha Mineração e Loteamentos Ltda.
830.697/2003	5	Mining Apllication	Varginha Mineração e Loteamentos Ltda.
832.252/2001	52	Mining Apllication	Varginha Mineração e Loteamentos Ltda.
830.416/2001	166	Mining Apllication	Varginha Mineração e Loteamentos Ltda.
832.146/2002	19	Mining Apllication	Varginha Mineração e Loteamentos Ltda.

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Background Information on Ionic Clay REE Deposits

Geologically, the Caldeira REE Project is classified as an **Ionic Adsorption Clay REE Deposit**, which are characterised by the following key criteria:

- Formed in the saprolite (clay) zone of the weathering profile
- The majority of the REE's are **adsorbed** onto clay minerals and accumulate in the soil or clay zone of the reogilth profile.
- Adsorbed REE are ionically attached to the clay minerals and can be liberated by washing in a weak solution of ammonium sulphate (or other metal salt) at near neutral pH
- Ionic Adsorption Clay REE Deposits are typically found near the surface, often at depths of less than 10 meters.
- The U and Th levels in Ionic Clay REE Deposits are typically low, as these elements are less soluble in hydrothermal fluids and are not preferentially adsorbed by clays during the weathering and leaching processes

This release has been approved by the Board of Meteoric Resources NL.

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