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17 October 2022

UPDATE ON SALAZAR REE PROJECT TRANSACTION

Highlights

- Programs of Works (PoWs) approved for planned aircore drilling programs at the Salazar Rare Earths (REE) Clay Project
- Project site visit and meetings with key stakeholders to take place this week
- Discussions with Native Title claimants progressing constructively
- Shareholder meeting to approve the Salazar acquisition scheduled for the 24th of October 2022

West Cobar Metals Limited (ASX: WC1) (“West Cobar”, “the Company”) is pleased to provide an update on the acquisition of Salazar Minerals Pty Ltd, owner of the Salazar Rare Earth Element (REE) Clay Project, 125km north-east of Esperance in Western Australia (Figure 1).

The Salazar Project includes the clay-hosted Newmont deposit which contains an Inferred Mineral Resource of 43.5Mt at 1192ppm total rare earth oxide (TREO+Y₂O₃)¹ within a region being actively explored for base metals and rare earth element deposits (Figure 2).

Plans for aircore drilling to extend the Inferred Mineral Resource at Newmont and to explore the nearby O’Connor tenement are progressing well. Programs of Works have been approved by the WA Department of Mines, Industry Regulation and Safety (DMIRS).

West Cobar directors and senior management will undertake a site visit to the Salazar REE Project this week and travel to Esperance for meetings with stakeholders including community groups, Native Title representatives and local suppliers. The Company is aiming to build on the strong relationships with these parties previously established by Salazar.

¹ Refer to the ASX announcement dated 8 September 2022 for further information.

Discussions with the Esperance Nyungars and Ngadju Native Title claim groups have commenced. Both claim groups have Native Title Determinations over the tenement areas.

The issue of the consideration shares pursuant to the Salazar acquisition is subject to shareholder approval at a general meeting which is scheduled to occur at 1:00pm (AWST) on Monday, 24 October 2022. Refer to West Cobar's Notice of Meeting dated 21 September 2022 and Addendum to the Notice of Meeting dated 13 October 2022 for further information.

West Cobar Metals Non-Executive Chairman Rob Klug commented: *“We have been planning next steps and working through approvals for drilling at the Salazar REE Project, in anticipation of shareholders approving the Salazar transaction at the upcoming general meeting. Following shareholder approval, we look forward to further progressing this outstanding rare earth clay deposit at a time when global electrification efforts are significantly increasing the demand for rare earth minerals.”*

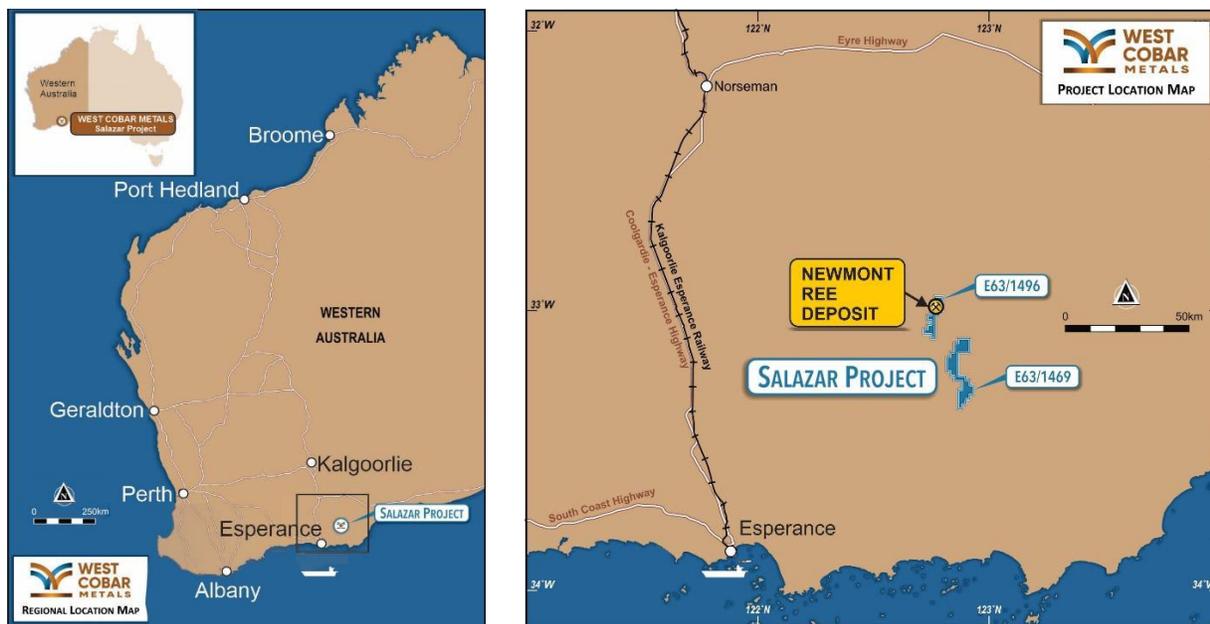


Figure 1: Location of the Salazar REE project and tenements

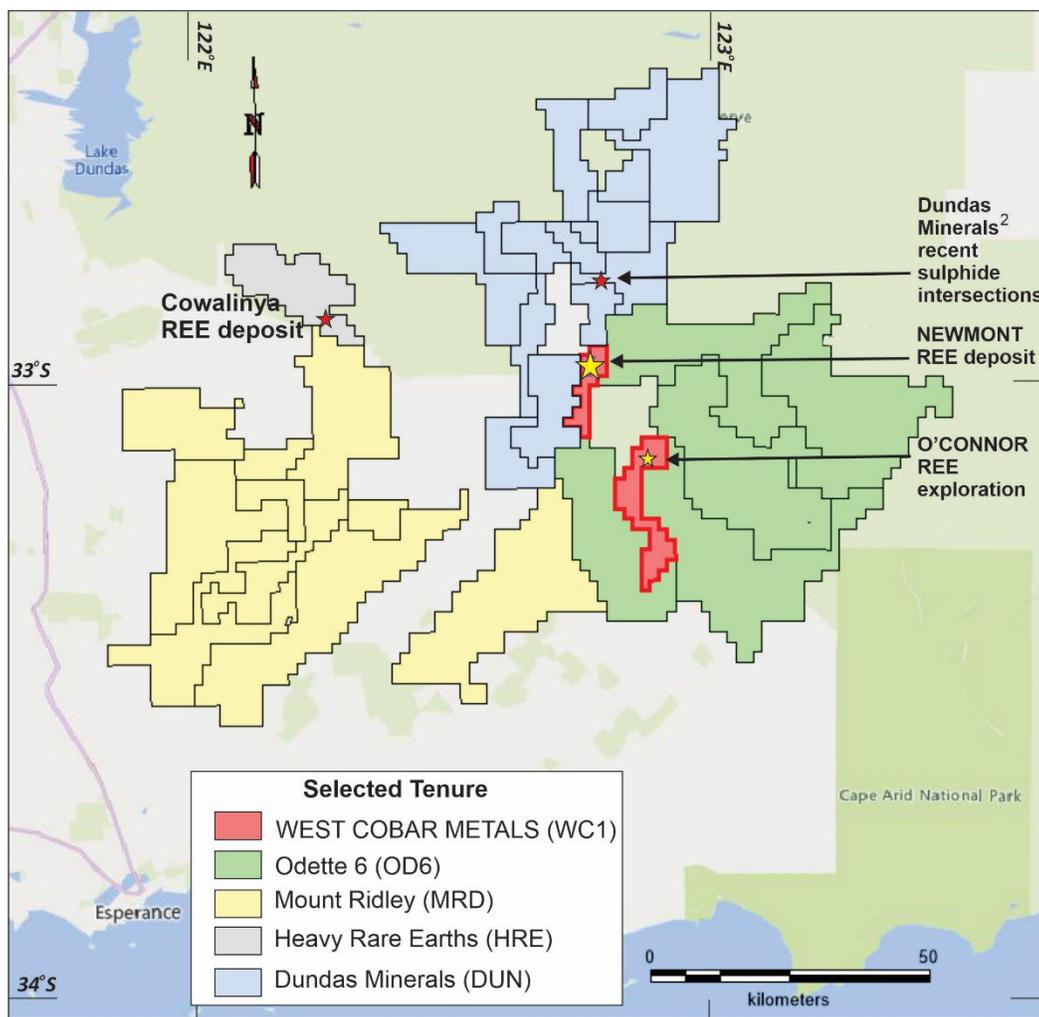


Figure 2: Esperance region showing West Cobar’s Salazar Project (red) and surrounding tenement holdings

² DUN ASX announcement 11 October 2022

West Cobar Metals – other projects

In the area west of Cobar NSW, exploration for copper and silver at the Bulla Park Project is continuing with data reassessment and further geological mapping with a view to establishing new drill targets. Exploration at the Cawkers Well and Nantilla gold and base metal projects will proceed as soon as landholder access agreements are concluded.

Tenement EL33208 in the Northern Territory is still in the application phase.

-ENDS-

This ASX announcement has been approved by the Board of West Cobar Metals Limited.

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Certain information in this document refers to the intentions of West Cobar, but these are not intended to be forecasts, forward looking statements or statements about the future matters for the purposes of the Corporations Act or any other applicable law. The occurrence of the events in the future are subject to risk, uncertainties and other actions that may cause West Cobar's actual results, performance or achievements to differ from those referred to in this document. Accordingly, West Cobar and its affiliates and their directors, officers, employees and agents do not give any assurance or guarantee that the occurrence of these events referred to in the document will actually occur as contemplated.

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Competent Person Statement and JORC Information

The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the 'JORC Code') sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves.

The Information contained in this announcement is an accurate representation of the available data and studies for the Salazar REE and Gold Tenements, and the Cobar West Project.

The information contained in this announcement that relates to the exploration information at the Salazar Project WA and the Cobar West Project NSW, fairly reflects information compiled by Mr David Pascoe, who is CEO of West Cobar Metals Limited and a Member of the Australian Institute of Geoscientists. Mr Pascoe 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 a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pascoe consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the Ore Resources provided by the Competent Person in the announcement to the ASX of 8 September 2022 and that all material assumptions and technical parameters underpinning the Ore Resources, continue to apply and have not materially changed.