

31 October 2022

Completion of Salazar Project Acquisition

Summary

- Acquisition of Salazar Rare Earth Elements (REE) Clay Project completed following approval by West Cobar shareholders
- Upcoming workstreams at Salazar aimed at increasing resources, re-engage research and development and progress metallurgical testwork

West Cobar Metals Limited (ASX: WC1) (“West Cobar”, “the Company”) is pleased to advise that the acquisition of the Salazar Rare Earths Elements (REE) Clay Project, located 120km north-east of Esperance in Western Australia, has reached formal completion, following the receipt of shareholder approval on 24 October, 2022.

Salazar Project

The Salazar project comprises granted tenements E63/1469 and E63/1496 located on non-agricultural undeveloped state land (Figure 1). In terms of geological setting, the project is situated in the eastern part of the Proterozoic Albany-Fraser Orogen, east of the Biranup and Fraser Zones, straddling the Heywood-Newman Shear Zone and Nornalup Zone.

With more than eight years of exploration, metallurgical and technical studies conducted to date, the Salazar project is considered to be one of the most advanced clay rare earth assets in Australia. It includes the Newmont deposit which contains an Inferred Mineral Resource¹ of 43.5Mt at 1192ppm total rare earth oxide (TREO+Y₂O₃).

Salazar benefits from its proximity to essential infrastructure (including port, rail, and air services) and is well serviced with a readily available skilled local work force in nearby Esperance and other towns in WA’s Great Southern region.

¹ Refer to the ASX announcement dated 8 September 2022.

Next Steps

West Cobar intends to build on the strong foundation laid by Salazar Minerals and to fast track development of its Newmont Deposit and O'Connor Prospect. The Company has commenced discussions with drilling contractors and, subject to program of works (POW) approval, intends to commence aircore drilling on the property as soon as possible.

The drilling will initially be aimed at extending the Inferred Mineral Resource at Newmont and exploring for further resources within both the Newmont tenement, E63/1496, and the O'Connor tenement, E63/1469.

The Company is in the process of resuming research and development work to further advance beneficiation, REE recovery and various extraction methods and move towards settling on an optimised flowsheet for the Salazar project.

Early metallurgical studies and characterisation testwork undertaken by Nagrom show the REE clays are amenable to acid leach processing. West Cobar intends to progress metallurgical studies comprising of variability and optimisation testwork to aid in fast-tracking the Salazar Project REE clays into production.

Exploration of the West Cobar Projects will continue in accordance with the proposed activities outlined in the Company Prospectus.

West Cobar Metals Non-Executive Chairman Rob Klug commented: *"We are delighted to have completed the transaction to acquire 100% of the Salazar Project and to now be in a position to drive this outstanding Western Australian rare earth project forward in addition to exploring our existing Cobar West projects. Moving ahead, we will focus on expanding the existing resource at Salazar via drilling, and on front-end optimisation through R&D and metallurgical test work."*

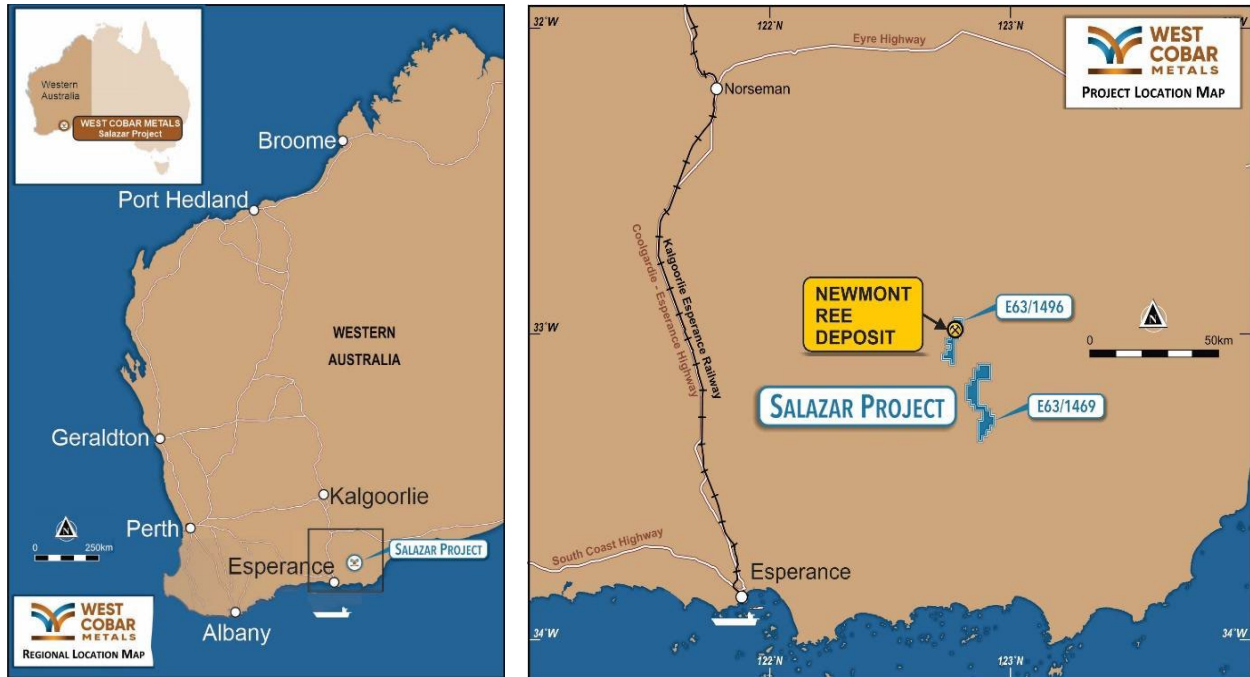


Figure 1: Location of the Salazar REE project and tenements

-ENDS-

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

Further information:

David Pascoe
Chief Executive Officer
david.pascoe@westcobarmetals.com.au
+61 8 9481 0389

Luke Forrestal
GRA Partners
luke.forrestal@grapartners.com.au
+61 411 479 144

Kevin Das
Executive Director
kevin.das@westcobarmetals.com.au
+61 421 077 523

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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 tenements.

The information contained in this announcement that relates to the exploration information at the

The Salazar Project WA 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.