



12th December 2022

OPERATIONS UPDATE

HIGHLIGHTS

Nyngan/Cobar Copper-Gold Projects, NSW

- Modelling of drill targets at Whitbarrow & Redlands Project underway
- Dry weather conditions in NSW allows commencement of ground-EM at Lunns Dam, NSW to refine targets ahead of maiden drilling program in 2023

Khotgor REE Project, Mongolia

- Construction and Development of new Pilot Plant in Ulaanbaatar, Mongolia
- Working with an experienced local Partner in Mongolia - AltMet Process Engineers
- Commissioning set for Q1 2023, producing samples for process development, operator training, product samples for potential customers and offtake partners.

Parabellum Resources Limited (ASX:PBL) ('Parabellum', or 'the Company'), is pleased to provide an update on the key developments across its copper-gold Projects in central NSW and activities at the Khotgor REE Project in Mongolia. The Company has been busy with the current geophysics programs in NSW refining drill targets for the maiden program due to commence in Q1 2023. Further progress has been made at the Khotgor REE Project with the commencement of construction of an REO Pilot plant in the UlaanBaatar to further progress the development of the Project. This marks a very positive development in the company's plans to move swiftly into an accelerated Bankable Feasibility Study (BFS) following the initial Scoping study due in Q2 2023.

Executive Director Peter Secker commented:

"Our ability to produce larger scale metallurgical and off-take samples from our own facility is a key priority for the Board and Management team at Parabellum. This was a successful strategy deployed at my previous roles in taking early-stage projects through their study and development stages. This will allow us to efficiently (cost and time) send bulk sample materials to potential customers as well as start training a local operations team in Mongolia. On our NSW project(s), its pleasing that dryer weather conditions have allowed the EM crews to commence at Lunns Dam Project which ranks as the highest ranked priority target for drilling in 2023".

NSW project update

Ground EM was completed on three targets at the Whitbarrow & Redlands Projects in November. Preliminary interpretation of the data indicates no strong, clear bedrock conductors have been defined at the Redlands, W1 & W2 targets. Modelling of the targets is currently in progress to determine whether the targets are worthy of drill testing.

Now that the crops have been harvested, further ground EM at Lunns Dam and Redlands Projects (L1, Miandetta, R2 & R3 targets) is scheduled to commence mid-December and to be completed before the end of December 2022.

Subject to the weather remaining dry into 2023, an RC drilling program on the high priority EM targets is scheduled to commence early in Q1CY202

Khotgor Project update

The Khotgor Project development timetable is based on the completion of the initial Scoping Study by Q2, 2023 and then moving into a Bankable Feasibility Study (BFS) for completion in 2024. As part of the preparation for the BFS, we completed a metallurgical bulk sample drilling program in October this year to collect an initial metallurgical bulk sample for part of the BFS testwork program.



Image 1: Slurry Pumps



Image 2. Part of the bulk sample prepared for 2023 Feasibility Study

Over the next 18 months the company will continue to develop and optimise a process flow sheet to produce rare earth oxides (REE/REO) for the electric vehicle and wind turbine industries. In order to ensure that the intellectual property, operations expertise and technical data that is gained from this work is kept in PBL, we are currently setting up our own pilot plant in Ulan Bataar to process some of the bulk sample ores that will continue to be collected from Khotgor over the next few years.



Image 3: Reagent mixing tanks Source: Temarise

The development of the pilot plant will enable PBL to achieve the following milestones:

- optimise a rare earth oxide (REO) process flow sheet
- produce various stages of REO samples for ongoing metallurgical testwork for the BFS
- produce product marketing samples for distribution to potential off-takers
- use the plant as a training platform for future metallurgical plant operators and technical personnel

The pilot plant will be set up within an existing metallurgical process facility operated by AltMet Process Engineers, (www.altmet.mn), an engineering group that has been operating in the mining and processing sectors in Mongolia for the last decade. Initially technical expertise will be seconded from AltMet as the Khotgor team in Mongolia is built up, with the intention of developing a core Khotgor Project metallurgical and process team over the next 12 months.

Construction of the pilot plant has now been underway for a few months, with the intention of commissioning the pilot plant in late Q1, 2023.



Image 4 & 5 Flotation tanks and high-speed mixers Source: Temarise

This announcement has been approved for release by the Board.

ENDS.

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ABOUT PARABELLUM RESOURCES LIMITED (PBL)

PBL is an ASX listed mineral exploration company committed to increasing shareholder wealth through the acquisition, exploration and development of mineral resource projects. PBL entered into an agreement with Temarise Limited (UK) that holds the exclusive option to acquire 80% of Khotgor REE project, Mongolia. Furthermore, PBL holds 100% interest in 4 projects situated in a highly prospective region in New South Wales, Australia. PBL's existing project portfolio offers exposure to copper and gold.