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ASX ANNOUNCEMENT

PARABELLUM RECEIVES FIRM COMMITMENTS OF A$3.9 MILLION VIA CAPITAL RAISING

HIGHLIGHTS

- **Parabellum (PBL) has received firm commitments for A$3.9 million via a well-supported placement**
- **Strong domestic and international investor support received for the Khotgor REE Project**
- **Funds raised will be applied to a work program aiming to deliver a JORC Scoping Study comprising an updated JORC Mineral Resource Estimate, metallurgical drill program, metallurgical test work program and engineering designs**

Parabellum Resources Limited (ASX:PBL) ('Parabellum', or 'the Company'), is pleased to advise that it has received firm commitments to raise A$3.9 million (before costs) from the placement of 19,500,000 shares at a price of A$0.20c per share ("Placement"). The new capital raised will fund a significant work program in both Mongolia and Australia to complete a JORC compliant Scoping Study to demonstrate the economic viability for the Khotgor Project; an updated JORC Mineral Resource Estimate, metallurgical drill program, metallurgical test work program and engineering designs.

The Company would like to thank and acknowledge the strong support of its existing shareholders and looks forward to welcoming some new domestic shareholders to its register.

The Placement comprises a two tranche offer of 19,500,000 shares offered at 20c; with Tranche 1 comprising 6,420,000 fully paid ordinary shares ('Shares') to be issued pursuant to the Company's existing 15% placement capacity under ASX Listing Rule 7.1.

The tranche 1 Shares are expected to be issued on or around 25th August 2022 (subject to settlement occurring) and will rank equally with the Company's existing quoted shares on issue.

Tranche two will be subject shareholder approval under Listing Rule 7.1, where shareholders will vote to approve the issue of a further 13,080,000 Shares under the second tranche offering. The Company plans to lodge a notice of meeting detailing the proposed timetable in due course.

Parabellum is delighted to announce this material transaction into Rare earths ('**REE**') minerals sector via the Khotgor project in Mongolia. The project offers exposure to a potentially large undeveloped REE deposit, has a supportive local Mongolian partner, Khotgor Minerals, and is strategically located on the door step of Asian customers and potential offtake partners. The Khotgor project is located approximately 530kms south of the capital city of Ulaanbaatar and 300km from the Chinese border. The area is well serviced by good infrastructure, skilled labour and high voltage power. It is also close to the mining centers of Oyu Tolgoi and Tavan Tolgoi.

Parabellum's Non-Executive Chairman, Mark Hohnen, commented: *"The Board of Parabellum is delighted with the level of support received in relation to the Khotgor REE project. We would like to thank existing shareholders for their continued support in the capital raising as well as welcoming new shareholders to the Parabellum share register; with demand for this capital raising significantly exceeding the funds being sought. I am very pleased to be working again with Peter and Battuya after a very successful time together with Bacanora Lithium"*

Planned Work programs

Over the next 12 months PBL and Temarise will undertake a significant work program in both Mongolia and Australia to complete a JORC compliant Scoping Study to demonstrate the economic viability for the Khotgor Project. This work program will comprise the following steps:

i) Complete a JORC Mineral Resource Estimate (MRE)

ii) Undertake approximately 2,000 metres of sample drilling in the higher grade resource areas to obtain bulk metallurgical samples for a JORC Feasibility Study that is currently scheduled to commence in 2023

iii) Undertake mine designs and pit optimisation

iv) Undertake comminution, flotation and hydrometallurgical testwork in Australia to a JORC standard

v) Commence environmental baseline studies and site monitoring programs in order to allow commencement of an EIS in 2023

All of this work will be undertaken by internationally accredited and recognised consultants in Australia and Mongolia.

Background on Khotgor Project

Located in the Tsogt-Ovoo sum of Southgobi Province, 500km south of Ulaanbaatar, accessed via paved road. Local geology dominated by metamorphic rocks such as black grey sandstone, siltstone, schist and limestone intruded by early Permian biotite-amphibole intrusive and late Jurassic alkaline intrusive rocks and their dykes. Khotgor REE deposit formed in vertical pipe like body which intruded early Permian granite and Silurian metamorphic rocks. Main mineralisation hosted in britholite and associated with apatite and magnetite. Mineralisation occurs close to surface within multiple vein systems up to 20 metres thick and currently drilled to 200 metres below surface.

Map 1: Khotgor Project location

The project was first explored in the 1950/60's and subsequently, in 2007, was acquired by a Canadian listed junior exploration company, QGX Ltd in joint venture with a local company Khotgor Minerals, looking for gold, copper and molybdenum mineralisation. Between 2008 and 2014 Khotgor undertook drilling, metallurgical testwork programs and engineering studies in Australia to demonstrate that a rare earth product could be extracted from the resource. There was approximately

$12m (CAD) spent on the project over this period of time frame on drilling, maiden resource and a preliminary economic assessment completed.

Subsequently, adverse market conditions and softer REE commodity pricing resulted in Khotgor Minerals resuming 100% ownership of the project.

Khotgor Minerals was granted a Mining License in 2010, valid for 30 years, which remains current until 2040. The license covers a total area of some 20km^2.

Key Terms of the subscription agreement

Parabellum Resources Limited will subscribe for 30% of the fully diluted issued capital in Temerise, at an aggregate price of A$3,900,000. Parabellum has agreed to pay the $A3,900,000 in four tranches, as follows:

- Tranche 1: $A1,000,000, to be paid on or before the later of ten (10) business days following Parabellum's announcement of the entry into this Agreement to the ASX and/or 5 business days after achieving the Conditions Precedent:
- Tranche 2: $A1,000,000, to be paid on 1st October 2022;
- Tranche 3: $A1,000,000, to be paid on 1st November 2022; and
- Tranche 4: $A900,000, to be paid on 1st January 2023

The subscription was conditional on Parabellum receiving firm commitments from third party subscribers for an amount of no less $A3,900,000.

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 public 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.