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RHYOLITE RESOURCES LTD. ANNOUNCES C\$18 MILLION PRIVATE PLACEMENT FINANCING

Vancouver, British Columbia – December 7, 2021 – Rhyolite Resources Ltd. (TSXV: RYE) (“Rhyolite” or the “Company”) has announced today that it has entered into an agreement with BMO Capital Markets (“BMO”), under which BMO has agreed to buy on a bought deal basis by way of private placement, 16,000,000 common shares (the “Common Shares”) of the Company, at a price of C\$0.88 per Common Share (the “Offering Price”) for gross proceeds of approximately C\$14 million (the “Bought Deal Private Placement”). Rhyolite is also undertaking a non-brokered private placement of approximately C\$4 million at a price per Common Share equal to the Offering Price (the “Non-Brokered Private Placement”, and together with the Bought Deal Private Placement, the “Offering”). In addition, the Company has also granted BMO an option, exercisable up to 48 hours prior to the closing of the Offering, to purchase up to an additional 4,500,000 Common Shares purchased pursuant to the Bought Deal Private Placement.

The Company intends to use the net proceeds of the Offering for furthering engineering work on Muckahi, procurement of Muckahi equipment, exploration in Suriname, and corporate purposes.

The Offering is expected to close on or about December 21, 2021 and is subject to Rhyolite receiving all necessary regulatory approvals, including the approval of the TSX Venture Exchange.

The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

Forward-Looking Statements

This news release includes certain “forward-looking statements” under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the closing of the Offering and the use of proceeds of the Offering. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties; delay or failure to receive regulatory approvals; the ability to attract financing on these terms or at all; the price of commodities; and the results of current exploration. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

For further information, please contact:

RHYOLITE RESOURCES LTD.

Fred Stanford

CEO

+1 647 992 5826

fstanford@rhyoliteresources.com or info@rhyoliteresources.com