

DECEMBER 2023 QUARTERLY REPORT

Brazilian Rare Earths Limited (ASX: BRE) ("BRE") is pleased to provide its quarterly report for the period ended 31 December 2023. Highlights during and subsequent to the end of the quarter included:

Monte Alto Project Phase I Diamond Drilling Program

- Monte Alto's maiden diamond drilling program was completed during the quarter. The exploration targeted potential high-grade rare earth, niobium and scandium (REE-Nb-Sc) mineralisation under the high-grade monazite sand resource.
- The Phase I diamond drill program covers a highly prospective exploration corridor defined from a comprehensive dataset including a significant magnetic low anomaly, gravity survey, surface REE-Nb-Sc outcrops, boulders/corestones and the near-surface high grade monazite sand resource envelope.
- BRE's exploration model is that the ultra-high grade REE-Nb-Sc mineralisation discovered across the Monte Alto, Velinhas and Sulista projects are remnants of large high-grade mafic cumulates of REE, niobium and scandium mineralisation.

Rio Tinto Acquisition

- BRE entered into an agreement to acquire a highly advanced Rio Tinto Exploration Project, comprising of the 'Armargosa' tenements.
- Acquisition of the Rio Tinto project will add ~760km² of important tenements with high potential for rare earth mineralisation, including high-grade hard rock REE-Nb-Sc mineralisation.
- Rio Tinto conducted a successful +10-year bauxite exploration program over the Armargosa tenements. Rare earth minerals were not in exploration scope and only a few rare earth element assays were recorded during project exploration. BRE is re-assaying the historical data set for full suite rare earth elements.
- BRE is expediting re-assays of the geological core/samples for rare earth elements with significant results expected in Q1 2024.

Acquisition of the Sulista Rare Earth Project

- Subsequent to the quarter, BRE signed an option agreement to acquire the advanced Sulista Rare Earth Project with ~108km² of exploration licences in a near continuous block that links the southern extension of the Rocha da Rocha Rare Earth Province.
- The Sulista Project's geological database indicates exceptional potential for ultra-high grade rare earth, niobium and scandium hard rock mineralisation as well as extensive surface ionic clay rare earth mineralisation.
- BRE's on-site reconnaissance discovered numerous large hard rock outcrops and corestones/boulders with gamma spectrometry readings within the same range as those recorded for ultra-high grade REE-Nb-Sc mineralisation near the Monte Alto Project.

- The on-site review of the historical diamond drill core (~1,000m of drill core) identified wide intercepts of hard rock mineralisation that also recorded gamma spectrometry readings similar to the REE-Nb-Sc mineralisation near Monte Alto.
- Historical diamond drill core will be expedited for re-assay and BRE's diamond drilling teams have been mobilised to twin existing drill holes and target ultra-high grade mineralised extensions during Q1 2024.

Strategic Staking of Exploration Licences

- BRE strategically applied for ~2,640 km² of highly prospective exploration licences covering the western and northern extensions to the current province scale landholdings.
- The exploration licences have highly significant geophysical anomalies identified using BRE's proprietary geophysical dataset.

Exploration Drilling Targeting REE-Nb-Sc Mineralisation

- BRE completed 2,840m of diamond drilling targeting hard rock REE-Nb-Sc exploration targets during the quarter.
- Approximately 2,593 drill samples were despatched for assays, with results expected during the March 2024 quarter.
- At the end of December 2023, BRE had ~23,500 drill samples with assays pending.

BRE Completes A\$50m Initial Public Offering

- BRE successfully completed an IPO to raise A\$50 million (before costs) at an issue price of A\$1.47 per share.

For further information and enquiries please contact:

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Expansion of Control over the Rocha da Rocha Rare Earths Province

Rio Tinto Acquisition

BRE executed an agreement with Rio de Contas Desenvolvimentos Minerais Ltda (Rio Tinto Brazil) to acquire a highly advanced Rio Tinto exploration project comprising ~760km² of tenements (Amargosa Tenements) located on the Rocha da Rocha Province.

Rio Tinto conducted a successful +10 year bauxite exploration program across the Amargosa Tenements. BRE paid the first instalment of US\$2 million under the agreement, and now has full access to the Amargosa Tenements to conduct exploration activities and full access to all historical geological information. The full details of the Rio Tinto Acquisition Agreement are included in the Prospectus dated 13 November 2023.

The comprehensive geological dataset includes ~57,000m of historical drilling, 1,388 surface geological samples, detailed topography and geophysical surveys and long lead time environmental baseline surveys. At current BRE exploration costs, this ~57,000m geological data set would cost ~US\$18m to drill and the estimated time to secure this valuable re-assay data is reduced from over 3 years to potentially less than 6 months.

BRE is expediting re-assays of the geological core/samples for rare earth elements with significant results expected in Q1 2024.

Acquisition of the Sulista Rare Earth Project

Subsequent to the quarter, BRE entered into an option to acquire the advanced Sulista Rare Earth Project. The Sulista Rare Earth Project has eleven granted exploration licences covering 108km² which are located ~80km southwest of the Monte Alto Project. The project also includes a geological dataset of ~5,000m of auger drilling across 499 holes and ~1,000m of deeper diamond drilling.

BRE's on-site reconnaissance discovered numerous large hard rock outcrops and corestones/boulders with gamma spectrometry readings within the same range as those recorded for ultra-high grade REE-Nb-Sc mineralisation near the Monte Alto Project - which recorded grades of up to 40.5% (405,000ppm) TREO, high grades of niobium (up to 1.5%) and scandium (up to 269ppm).

The on-site review of the historical diamond drill core (~1,000m of drill core) identified wide intercepts of hard rock mineralisation that also recorded gamma spectrometry readings similar to the REE-Nb-Sc mineralisation near Monte Alto.

Historical diamond drill core will be expedited for re-assay and BRE's diamond drilling teams have been mobilised to twin existing drill holes and explore for ultra-high grade mineralised extensions during Q1 2024. BRE will validate the geological database in compliance with JORC standards.

Strategic Staking of Exploration Licences

BRE strategically applied for ~2,640 km² of highly prospective exploration licences covering the western and northern extensions to the current province scale landholdings.

The exploration licences have highly significant geophysical anomalies identified using BRE's proprietary geophysical dataset.

BRE has now secured or entered into agreements which would lead to a near 3x increase in highly prospective exploration licences across the Rocha da Rocha Rare Earths Province. On completion, these transactions would deliver BRE significant control over the key geophysical anomalies across the rare earth province with ~4,338 km² of total landholdings.

Exploration Drilling Targeting REE-Nb-Sc Mineralisation

During the quarter, BRE completed 2,840m of diamond drilling targeting high-grade REE-Nb-Sc mineralisation.

BRE dispatched 2,593 drill samples for assaying during the quarter with results expected in Q1 2024.

At the end of December 2023, BRE had ~23,500 drill samples with assays pending.

BRE Completes A\$50 million Initial Public Offering (IPO)

BRE's shares commenced trading on the ASX on 21 December 2023 (ASX:BRE) following a successful IPO to raise A\$50 million (before costs) at an issue price of A\$1.47 per share.

In connection with the IPO, BRE completed the conversion of convertible notes through the issue of 33,621,824 fully paid ordinary shares.

Substantial shareholders include Whitehaven Coal Limited (8%) and Hancock Prospecting Pty Ltd (6.4%).

ASX – Additional Information

Exploration Properties – Rocha da Rocha Project Area

BRE's Rocha da Rocha Project Area comprises 96 granted exploration licences registered with Brazil's National Mining Agency (ANM). Refer Schedule 1 for a full listing of exploration licences as at 31 December 2023.

Exploration Expenditures

During the quarter, BRE made the following payments in relation to exploration activities:

Activity	A\$'000
Geological consultants	77
Drilling expenses including contract labour	1,191
Field supplies, equipment rental, vehicles, travel and other	1,648
Total as reported in Appendix 5B	2,916

During the quarter BRE made no payments in relation to mining development or production activities.

Related Party Payments

BRE made payments of approximately A\$953,266 to related parties and their associates. These payments include to executive directors' remuneration, IPO remuneration totalling A\$716,000), non-executive directors' fees and superannuation contributions.

Information Required by Listing Rule 5.3.4

Schedule 2 provides a comparison of expenditure incurred in the period from 21 December 2023 (being the date the Company's securities commenced trading on the ASX) to 31 December 2023 in relation to the proposed Use of Funds disclosed in the Prospectus dated 13 November 2023.

This announcement has been authorised for release by the CEO and Managing Director

Forward-Looking Statements and Information

This Announcement may contain “forward-looking statements” and “forward-looking information”, including statements and forecasts which include (without limitation) expectations regarding industry growth and other trend projections, forward-looking statements about the Rocha da Rocha Project, future strategies, results and outlook of BRE and the opportunities available to BRE. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “is expecting”, “budget”, “outlook”, “scheduled”, “target”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved. Such information is based on assumptions and judgments of BRE regarding future events and results. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, targets, performance or achievements of BRE to be materially different from any future results, targets, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risk factors associated with an investment in the Company are detailed in Section 3 of the Prospectus dated 13 November 2023. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

Forward-looking information and statements are (further to the above) based on the reasonable assumptions, estimates, analysis and opinions of BRE made in light of its perception of trends, current conditions and expected developments, as well as other factors that BRE believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Although BRE believes that the assumptions and expectations reflected in such forward-looking statements and information (including as described in this Announcement) are reasonable, readers are cautioned that this is not exhaustive of all factors which may impact on the forward-looking information.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking information or statements detailed in this Announcement will actually occur and prospective investors are cautioned not to place undue reliance on these forward-looking information or statements.

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resources is extracted from BRE's Prospectus dated 13 November 2023 and ASX Announcement dated 22 January 2024 (“Original ASX Announcements”) which are available to view at BRE's website at www.brazilianrareearths.com. BRE confirms that a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) in the case of the estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcements.

Schedule 1

Exploration Permits at 31 December 2023

As at 31 December 2023, the Rocha da Rocha Project comprised 96 granted exploration permits registered with Brazil's National Mining Agency.

All exploration permits are located in Bahia, Brazil and are held by the BRE's Brazilian subsidiaries directly, or are to be acquired through agreements with third parties as detailed in the Prospectus dated 13 November 2023.

Exploration Permit Number	Area (ha)	Holder	Interest	Expiry Date (MM-DD-YYYY)	Notes
870.683/2021	1,563.55	Borborema Mineração Ltda.	100%	10/01/2024	1
870.684/2021	1,947.42	Borborema Mineração Ltda.	100%	10/01/2024	1
870.685/2021	1,374.33	Borborema Mineração Ltda.	100%	10/01/2024	1
870.687/2021	1,934.800 80	Borborema Mineração Ltda.	100%	10/01/2024	1
870.688/2021	1,803.24	Borborema Mineração Ltda.	100%	10/01/2024	1
870.689/2021	1,702.11	Borborema Mineração Ltda.	100%	10/01/2024	1
870.690/2021	1,981.49	Borborema Mineração Ltda.	100%	10/01/2024	1
870.691/2021	1,649.21	Borborema Mineração Ltda.	100%	10/01/2024	1
870.693/2021	1,737.29	Borborema Mineração Ltda.	100%	10/01/2024	1
870.772/2021	1,323.87	Borborema Mineração Ltda.	100%	10/27/2024	1
872.265/2021	172.49	Borborema Mineração Ltda.	100%	1/12/2025	1
872.266/2021	185.35	Borborema Mineração Ltda.	100%	1/12/2025	1
870.694/2021	1,942.61	Borborema Mineração Ltda.	100%	10/01/2024	1
871.929/2022	512.88	Borborema Mineração Ltda.	100%	08/30/2026	1
871.931/2022	531.90	Borborema Mineração Ltda.	100%	02/13/2026	1
870.664/2021	1,026.36	Ubaíra Mineração Ltda.	100%	10/01/2024	1
870.665/2021	1,777.41	Ubaíra Mineração Ltda.	100%	10/01/2024	1
870.666/2021	1,937.01	Ubaíra Mineração Ltda.	100%	10/01/2024	1
870.667/2021	1,938.50	Ubaíra Mineração Ltda.	100%	10/01/2024	1
870.668/2021	1,892.45	Ubaíra Mineração Ltda.	100%	10/01/2024	1
870.669/2021	1,698.60	Ubaíra Mineração Ltda.	100%	10/01/2024	1
870.680/2021	1,628.24	Ubaíra Mineração Ltda.	100%	10/01/2024	1
870.681/2021	1,677.50	Ubaíra Mineração Ltda.	100%	10/01/2024	1
870.682/2021	1,708.05	Ubaíra Mineração Ltda.	100%	10/01/2024	1
870.695/2021	1,633.34	Jequié Mineração Ltda.	100%	10/01/2024	1
870.696/2021	1,295.66	Jequié Mineração Ltda.	100%	10/01/2024	1
870.697/2021	1,565.37	Jequié Mineração Ltda.	100%	10/01/2024	1

Exploration Permit Number	Area (ha)	Holder	Interest	Expiry Date (MM-DD-YYYY)	Notes
870.698/2021	1,847.07	Jequié Mineração Ltda.	100%	10/01/2024	1
870.699/2021	1,453.24	Jequié Mineração Ltda.	100%	10/01/2024	1
870.700/2021	1,063.02	Jequié Mineração Ltda.	100%	10/01/2024	1
870.773/2021	157.17	Jequié Mineração Ltda.	100%	10/05/2024	1
870.774/2021	197.95	Jequié Mineração Ltda.	100%	10/27/2024	1
870.779/2021	1,464.58	Jequié Mineração Ltda.	100%	10/27/2024	1
870.780/2021	812.85	Jequié Mineração Ltda.	100%	10/27/2024	1
870.728/2016	1,480.05	Alpha Minerals Brazil Participações Ltda.	100%	11/30/2024	2
870.727/2016	679.95	Alpha Minerals Brazil Participações Ltda.	100%	11/30/2024	2
870.717/2017	953.68	Alpha Minerals Brazil Participações Ltda.	100%	10/01/2023	2,4,8
870.726/2016	851.92	Alpha Minerals Brazil Participações Ltda.	100%	11/30/2024	2
870.484/2017	516.92	Alpha Minerals Brazil Participações Ltda.	100%	10/01/2023	2,4,8
870.483/2017	1,900.19	Alpha Minerals Brazil Participações Ltda.	100%	10/01/2023	2,4,8
871.394/2017	853.24	Alpha Minerals Brazil Participações Ltda.	100%	12/20/2025	2
871.395/2017	1,824.58	Alpha Minerals Brazil Participações Ltda.	100%	11/17/2025	2
870.899/2017	1,950.44	Alpha Minerals Brazil Participações Ltda.	100%	10/03/2025	2
870.906/2017	658.17	Alpha Minerals Brazil Participações Ltda.	100%	10/03/2025	2
870.900/2017	1,703.7	Alpha Minerals Brazil Participações Ltda.	100%	09/30/2025	2
870.912/2017	483.24	Alpha Minerals Brazil Participações Ltda.	100%	09/30/2025	2
871.243/2021	1,815.59	Alpha Minerals Brazil Participações Ltda.	100%	10/20/2024	2
871.164/2021	1,997.30	Alpha Minerals Brazil Participações Ltda.	100%	12/24/2024	2
871.042/2021	359.40	Alpha Minerals Brazil Participações Ltda.	100%	1/12/2024	2
871.144/2021	999.48	Alpha Minerals Brazil Participações Ltda.	100%	12/24/2024	2
870.314/2007	1,641.44	Rio de Contas Desenvolvidos Minerai Ltda.	100%	05/15/2017	3,5,8
870.724/2010	221.65	Rio de Contas Desenvolvidos Minerai Ltda.	100%	10/02/2016	3,5,8
872.947/2007	1,849.59	Rio de Contas Desenvolvidos Minerai Ltda.	100%	02/25/2017	3,5,8
873.776/2006	2,000.00	Rio de Contas Desenvolvidos Minerai Ltda.	100%	04/25/2016	3,6,8
873.880/2007	1,314.97	Rio de Contas Desenvolvidos Minerai Ltda.	100%	05/18/2015	3,5,8
872.703/2008	999.93	Rio de Contas Desenvolvidos Minerai Ltda.	100%	10/07/2014	3,6,8
871.239/2010	1,844.82	Rio de Contas Desenvolvidos Minerai Ltda.	100%	1/02/2017	3,5,8
870.025/2007	1,976.06	Rio de Contas Desenvolvidos Minerai Ltda.	100%	04/25/2016	3,6,8
870.024/2007	1,727.33	Rio de Contas Desenvolvidos Minerai Ltda.	100%	04/25/2016	3,6,8

Exploration Permit Number	Area (ha)	Holder	Interest	Expiry Date (MM-DD-YYYY)	Notes
870.027/2007	1,947.35	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	04/25/2016	3,6,8
870.029/2007	1,994.47	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	04/25/2016	3,6,8
870.026/2007	1,783.00	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	04/25/2016	3,6,8
874.320/2007	1,994.71	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	02/18/2017	3,5,8
870.174/2007	1,686.99	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	06/18/2016	3,6,8
873.777/2006	1,930.28	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	04/25/2016	3,6,8
872.563/2005	1,996.80	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	6/05/2016	3,6,8
871.439/2004	2,000.00	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	10/18/2016	3,5,8
873.212/2006	1,201.28	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	1/02/2016	3,7,8
873.213/2006	1,810.84	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	7/11/2016	3,7,8
873.244/2006	157.84	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	1/02/2016	3,7,8
871.438/2004	1,984.72	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	10/18/2016	3,5,8
870.532/2007	1,735.34	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	01/31/2017	3,5,8
870.826/2004	2,000.00	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	10/18/2016	3,5,8
872.568/2005	1,998.60	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	10/18/2016	3,5,8
870.827/2004	1,499.12	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	10/18/2016	3,5,8
870.534/2007	1,433.93	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	10/18/2016	3,5,8
870.536/2007	1,932.60	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	10/18/2016	3,5,8
870.539/2007	1,970.36	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	05/18/2015	3,6,8
870.585/2008	1,016.33	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	01/31/2017	3,5,8
870.540/2007	1,705.05	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	9/04/2016	3,5,8
870.541/2007	2,000.00	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	9/04/2016	3,5,8
870.545/2007	2,000.00	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	9/04/2016	3,5,8
870.544/2007	2,000.00	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	9/04/2016	3,5,8
870.713/2007	1,252.74	Rio de Contas Desenvolvidimentos Minerai Ltda.	100%	01/31/2017	3,5,8

Exploration Permit Number	Area (ha)	Holder	Interest	Expiry Date (MM-DD-YYYY)	Notes
870.714/2007	1,462.60	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	01/31/2017	3,5,8
870.877/2007	1,994.00	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	01/31/2017	3,5,8
870.879/2007	1,995.77	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	01/31/2017	3,5,8
872.970/2010	789.47	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	02/18/2017	3,5,8
872.480/2009	598.9	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	04/25/2016	3,6,8
870.880/2007	1,802.12	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	01/31/2017	3,5,8
870.882/2007	1,461.47	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	01/31/2017	3,5,8
873.398/2008	853.82	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	05/15/2017	3,5,8
870.890/2007	1,856.64	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	01/31/2017	3,5,8
870.888/2007	1,710.38	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	01/31/2017	3,5,8
870.898/2007	1,690.23	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	01/31/2017	3,5,8
870.900/2007	2,000.00	Rio de Contas Desenvolvidos Mineraiis Ltda.	100%	01/31/2017	3,5,8

Notes:

- Each of Borborema Mineração Ltda., Ubaíra Mineração Ltda. and Jequié Mineração Ltda. is a wholly owned subsidiary of BRE.
- Borborema Mineração Ltda. ("Borborema") has entered into a legally binding agreement to acquire sixteen mineral exploration permits from Alpha Minerals Brazil Participações Ltda. ("Alpha"). Borborema has paid to Alpha the consideration for these exploration permits and a request for the assignment of the exploration permits to Borborema has been lodged with the ANM.
- During the quarter, Borborema Mineração Ltda. entered into a binding agreement with Rio de Contas Desenvolvidos Mineraiis Ltda. ("Rio Tinto") to acquire the Amargosa Tenements. Refer to the Prospectus dated 13 November 2023 for details of the agreement to acquire the Amargosa Tenements.
- The Final Exploration Report (FER) has been submitted on 09/22/2023, meaning that the obligation to maintain the mining right in good standing has been fulfilled.
- The FER was lodged on time and the tenement is active and in force. Once the FER is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic Development Plan for analysis by the agency.
- ANM has not yet rendered a decision on the request submitted by Rio de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the FER's to be timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement. Depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance
- ANM has not yet rendered a decision on the request submitted by Rio de Contas on 12/23/2015 aiming for a decision to suspend the analysis of the FER's to be timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement. Depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance
- RFP (Relatório Final de Pesquisa) - Final Exploration Report (FER): Upon conclusion of the exploration program, the holder of mining rights is obligated to submit a conclusive exploration report that presents the findings of the exploration activities and establishes the technical feasibility for exploiting the deposit or alternatively, confirming the absence of such a deposit within the designated tenement. Subsequent to review, the National Mining Agency possesses the authority to either grant approval or disapproval of the FER, an indispensable preliminary stage in the mining permit application process.

Schedule 2

Actual expenditure in the period to 31 December 2023 to the Use of Funds in the Prospectus dated 13 November 2023

Use of Funds	Expenditure allocated under Prospectus (2-year period) A\$'000	Actual expenditure to 31 December 2023 A\$'000
Acquisition of the Rio Tinto Amargosa Tenements	11,645	-
Exploration activities	23,000	1,933
Mining studies	1,000	-
Equipment purchases	1,500	-
Operations personnel	3,500	155
Permitting and legal	500	-
Environmental	400	-
Costs of the Offer	4,283	981
Working capital ¹	7,372	1,287
TOTAL	53,200	4,356

1 Working capital includes the general costs associated with the management and operation of the business including but not limited to administration expenses, audit and accounting fees, legal fees, travel costs, business development costs, listing and share registry fees, remuneration of directors, management and other personnel, insurance, investor relations expenses, rent and other associated costs. Working capital also includes surplus funds and funds that may be applied to future acquisitions.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

BRAZILIAN RARE EARTHS LIMITED

ABN

88 649 154 870

Quarter ended ("current quarter")

31 DECEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(2,916)	(10,663)
(b) development	-	-
(c) production	-	-
(d) staff costs	(1,081)	(1,800)
(e) administration and corporate costs	(385)	(1,047)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	15	253
1.5 Interest and other costs of finance paid	(1,007)	(2,230)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(5,374)	(15,487)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	(3,057)	(3,057)
(c) property, plant and equipment	(7)	(1,669)
(d) exploration & evaluation	-	-
(e) investments	-	-
(f) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) investments	-	-
(e) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	(3,064)	(4,726)

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	50,000	50,000
3.2 Proceeds from issue of convertible debt securities	-	1,000
3.3 Proceeds from exercise of options	-	-
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(265)	(357)
3.5 Proceeds from borrowings	-	-
3.6 Repayment of borrowings	-	-
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
3.9 Other (provide details if material)	-	-
3.10 Net cash from / (used in) financing activities	49,735	50,643

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	7,564	18,430
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(5,374)	(15,487)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(3,064)	(4,726)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	49,735	50,643
4.5 Effect of movement in exchange rates on cash held	(17)	(16)
4.6 Cash and cash equivalents at end of period	48,844	48,844

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	48,844	7,564
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	48,844	7,564

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	953
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Not applicable		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(5,374)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(5,374)
8.4	Cash and cash equivalents at quarter end (item 4.6)	48,844
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	48,844
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	9.09
	<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: Not applicable	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: **29 January 2024**

Authorised by: **Managing Director and CEO**