



# Condensed interim consolidated financial statements

for the half-year ended 30 June 2025

ABN: 88 649 154 870

## Directors' Report

### CONTENTS

|   |    |
|---|----|
| Directors' report   | 3  |
| Auditor's independence declaration  | 6  |
| Condensed interim consolidated statement of profit or loss and other comprehensive income | 7  |
| Condensed interim consolidated statement of financial position                            | 8  |
| Condensed interim consolidated statement of changes in equity                             | 9  |
| Condensed interim consolidated statement of cash flows                                    | 10 |
| Notes to the condensed interim consolidated financial statements                          | 11 |
| Directors' declaration  | 19 |
| Independent auditor's review report   | 20 |

## Directors' Report

The directors of Brazilian Rare Earths Limited ("BRE") submit herewith the condensed interim financial report of BRE and the entities it controlled for the half-year ended 30 June 2025 (collectively "BRE Group"). To comply with the provisions of the Corporations Act 2001, the directors report as follows.

### Directors

The directors of BRE at any time during the year under review and up to the date of this report, unless otherwise stated were:

- Todd Hannigan
- Bernardo Da Veiga
- Kristie Young
- Camila Ramos
- Eric Noyrez

### Principal activities

BRE's principal activity during the year was focused on exploring for rare earth elements (**REE**) and other critical minerals in the Rocha da Rocha rare earth minerals province located in the state of Bahia in Brazil.

REE are critical for the transition to a more sustainable and efficient economy that is underpinned by electrification and advanced clean technologies. These elements, especially the heavy rare earth elements Dysprosium-Terbium (DyTb) and the light rare earths Neodymium-Praseodymium (NdPr) play a pivotal role in the development of high-performance permanent magnets that can power an array of essential technologies such as electric vehicles, wind turbines, robotics, medical equipment, and many other important technologies.

BRE's mineral portfolio includes 20 of the 50 U.S. Critical Minerals designated as vital for economic and national security. Gallium is also officially recognised as a critical mineral by Australia, the European Union, Korea, Japan and the United Kingdom.

During the half-year BRE made substantial progress across its portfolio of rare earth elements and critical minerals projects, with key milestones achieved that materially advance BRE's transition from exploration to development. Key highlights during the half-year included:

#### Record exploration success continues at Monte Alto

- New exploration results at Monte Alto increased the continuity, depth and scale of the ultra-high-grade REE-Nb-Sc-Ta-U mineralised envelope, that remains open along strike and at depth
- Ultra-high-grade rare earth intercepts up to 45.7% TREO, including standout grades of 69,558 ppm NdPr and 11,696 ppm DyTb
- New record assays for niobium at 17,092 ppm Nb<sub>2</sub>O<sub>5</sub> and tantalum at 962 ppm Ta<sub>2</sub>O<sub>5</sub>, with near record grades of scandium at 382 ppm Sc<sub>2</sub>O<sub>3</sub> and uranium at 5,781 ppm U<sub>3</sub>O<sub>8</sub>
- Drilling extended the thick horizons of shallow high-grade monazite-sand mineralisation - including 18m at 6.8% TREO from surface
- Multiple regional discoveries and airborne magnetics indicate a larger, interconnected high-grade mineral system extending +4 km beyond the maiden Monte Alto deposit

#### Pelé confirmed as district-scale high-grade rare earth project

- Exploration at Pelé Target 1 delivered discoveries of high-grade rare earth outcrops with grades of up to 17.7% TREO and high-grade monazite sands with grades of up to 8.5% TREO
- High-grade diamond drill results at Pelé Target 1 returned assays of up to 13.5% TREO, including NdPr: 23,217 ppm, DyTb: 938 ppm, Nb<sub>2</sub>O<sub>5</sub>: 5,011 ppm, Sc<sub>2</sub>O<sub>3</sub>: 381 ppm, Ta<sub>2</sub>O<sub>5</sub>: 248 ppm and U<sub>3</sub>O<sub>8</sub>: 1,100 ppm
- Successful drilling extended large, shallow horizons of high-grade monazite-sands, with grades of up to 7.9% TREO and assays of up to 11,681 ppm NdPr and 580 ppm DyTb

#### Sulista West confirmed as an Ultra High-Grade Project

- Diamond drilling at Sulista West returned further impressive grades of up to 21% TREO, including grades of 43,667 ppm NdPr, 1,660 ppm DyTb, 27,740 ppm Nb<sub>2</sub>O<sub>5</sub>, 378 ppm Sc<sub>2</sub>O<sub>3</sub> and 2,803 ppm.

## Directors' Report

- Drilling returned the highest uranium and tantalum grades since exploration began in 2021 - with ultra-high grades of up to 8,211 ppm uranium oxide (U<sub>3</sub>O<sub>8</sub>) and up to 2,803 ppm tantalum oxide (Ta<sub>2</sub>O<sub>5</sub>)
- New "Outcrop Ridge" discovery with grab samples of up to 20.6% TREO across an exposed ridgeline located on strike 2.5 km southwest of the Sulista West deposit - highlighting extension potential across an extensive 3.5 km Sulista West strike

### Monte Alto Metallurgical Results Deliver High-Purity MREC and Yellowcake Product

- Successfully produced a Mixed-Rare-Earth Carbonate (MREC) product that meets quality specifications for conventional solvent-extraction separation circuits
- High recoveries of magnetic rare earth elements NdPr and DyTb via hydrometallurgical leaching, with TREO extraction rates between 86 and 90%
- Successful extraction of uranium with precipitation of uranium peroxide (a form of yellowcake)
- Bypassing mineral beneficiation unlocks both capex and opex advantages and increases total rare-earth yields
- Metallurgical studies now progressing to production of separated NdPr rare earth products and potential recovery of valuable co-products, including niobium, tantalum and scandium

### BRE Secures Strategic Partnership with SENAI CIMATEC

- Binding agreement with SENAI CIMATEC, a leading Brazilian research and educational institution renowned for its technological capabilities, to jointly develop both a laboratory and a pilot plant facility in Bahia, Brazil
- The pilot plant and laboratory partnership will enable BRE to optimise rare earth beneficiation processes to support downstream process development ahead of production

### Amargosa Bauxite-Gallium Project unlocks new province-scale value pathways

- BRE and Rio Tinto replaced the US\$40m bauxite production-linked milestone payment with a fixed priced US\$1.00/wet tonne royalty on future bauxite sales, providing greater funding flexibility
- 56,919 metres of historic drilling confirmed thick, high-grade bauxite intervals - including 27.5 metres at 51.3% total available alumina content - with low levels of reactive silica and iron
- Re-assays of 1,275 bauxite samples revealed a new gallium discovery with exceptional grades of up to 190 ppm Ga<sub>2</sub>O<sub>3</sub>, and a mean grade of 75 ppm Ga<sub>2</sub>O<sub>3</sub>
- Given the potential scale and quality of the bauxite-gallium prospects, RPM Global has been appointed to expedite a JORC-compliant bauxite and gallium Mineral Resource Estimate and Scoping Study

### Operating result

BRE recorded revenue of A\$2,282,347 (2024: A\$590,023) and reported a net loss after tax of A\$16,875,833 (2024: A\$28,906,030) for the half-year. The significant items affecting the loss after tax were:

- Exploration and evaluation costs of A\$13,899,943 (2024: A\$26,553,679) were lower than the prior half-year primarily due to the prior half-year including costs of A\$14,667,988 relating to the acquisition of the Sulista rare earths exploration project. It is BRE's policy to expense exploration and evaluation costs, including the costs of acquiring licences, when incurred.
- Share based payments expense of A\$3,172,096 (2024: A\$1,628,319) in relation to equity awards granted to directors, employees, consultants and contractors pursuant to the Group's remuneration framework which is weighted towards "at risk" elements aligning with BRE's short term goals and longer term strategic objectives. BRE's annual report for the year ended 31 December 2024 provides further information regarding BRE's remuneration framework and note 7(b) provides information in relation to share based payment awards granted during the half-year.
- An increase in interest revenue to A\$2,282,347 (2024: A\$590,023) reflecting higher average cash balances following the A\$80 million capital raising that was completed in June 2024.

## Directors' Report

### Significant changes in the state of affairs

During the half-year, the following significant changes in BRE's state of affairs occurred :

- On 28 January 2025, BRE issued 191,100 unrestricted fully paid ordinary shares and 1,618,750 restricted fully paid ordinary shares pursuant to the exercise of vested options.
- On 31 January 2025, BRE issued 2,332,710 options to employees, consultants and contractors pursuant to the Employee Incentive Plan (refer Note 7(b)).
- On 20 May 2025, BRE issued 1,556,711 options Directors pursuant to the Employee Incentive Plan and shareholder approval obtained at BRE's 2025 annual general meeting (refer Note 7(b)).

### Events occurring after balance sheet date

There have been no subsequent events that require adjustment to, or disclosure in, the Financial Statements of the Group for the half-year ended 30 June 2025.

### Auditor's declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001, for the half-year ended 30 June 2025, is set out on page 6.

The Directors' report is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the Corporations Act 2001.

On behalf of the Directors.



**Bernardo Da Veiga**

**Managing Director / CEO**

Sydney

Dated this 29th day of August 2025

To the Board of Directors,

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the review of the financial statements of Brazilian Rare Earths Ltd for the half year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL FCA**  
**Director**

Dated this 29<sup>th</sup> day of August 2025  
Perth, Western Australia

## Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2025

|   | Note  | 30 June<br>2025<br>A\$ | 30 June<br>2024<br>A\$ |
|---|-------|------------------------|------------------------|
| <b>Revenue and other income</b>                             |       |                        |                        |
| Finance income  |       | 2,282,347              | 590,023                |
|   |       | <b>2,282,347</b>       | <b>590,023</b>         |
| Consultancy expenses (legal, audit and compliance)          |       | (156,070)              | (182,569)              |
| Depreciation expense  | 4(c)  | (6,155)                | (7,940)                |
| Exploration and evaluation expenses                         | 4 (a) | (13,899,943)           | (26,553,679)           |
| Finance costs   | 4 (b) | (43,329)               | (3,052)                |
| Losses on foreign exchange                                  |       | (2,279)                | (282)                  |
| General and administrative expenses                         |       | (514,671)              | (254,694)              |
| Remuneration expenses                                       |       | (919,398)              | (707,639)              |
| Share based payments expenses                               | 7(b)  | (3,172,096)            | (1,628,319)            |
| Share registry, listing and public relations expenses       |       | (444,239)              | (157,879)              |
| <b>Operating loss before income tax</b>                     |       | <b>(16,875,833)</b>    | <b>(28,906,030)</b>    |
| Income tax expense  |       | -                      | -                      |
| <b>Loss for the period</b>                                  |       | <b>(16,875,833)</b>    | <b>(28,906,030)</b>    |
| <b>Other comprehensive income / (loss)</b>                  |       |                        |                        |
| <i>Items that may be reclassified to the profit or loss</i> |       |                        |                        |
| Exchange differences on translation of foreign operations   | 7(a)  | 946,732                | (571,950)              |
| <b>Comprehensive loss for the period</b>                    |       | <b>(15,929,101)</b>    | <b>(29,477,980)</b>    |

| <b>Earnings per share for loss attributable to the ordinary equity holders of the Group:</b> | Note | Cents  | Cents   |
|--|------|--------|---------|
| Basic earnings per share   | 9    | (6.80) | (13.15) |
| Diluted earnings per share   | 9    | (6.80) | (13.15) |

The accompanying notes form part of these financial statements.

## Condensed Interim Consolidated Statement of Financial Position

As at 30 June 2025

|                                  | Note | 30 June<br>2025<br>A\$ | 31 December<br>2024<br>A\$ |
|----------------------------------|------|------------------------|----------------------------|
| <b>CURRENT ASSETS</b>            |      |                        |                            |
| Cash and cash equivalents        |      | 67,368,849             | 81,685,609                 |
| Trade and other receivables      |      | 1,428,943              | 1,358,739                  |
| Other assets                     |      | 1,396,465              | 1,248,479                  |
| <b>TOTAL CURRENT ASSETS</b>      |      | <b>70,194,257</b>      | <b>84,292,827</b>          |
| <b>NON-CURRENT ASSETS</b>        |      |                        |                            |
| Other assets                     |      | 405,287                | 450,180                    |
| Property, plant and equipment    | 5    | 1,885,214              | 1,351,188                  |
| <b>TOTAL NON-CURRENT ASSETS</b>  |      | <b>2,290,501</b>       | <b>1,801,368</b>           |
| <b>TOTAL ASSETS</b>              |      | <b>72,484,758</b>      | <b>86,094,195</b>          |
| <b>CURRENT LIABILITIES</b>       |      |                        |                            |
| Trade and other payables         |      | 2,908,120              | 4,196,132                  |
| Provisions                       |      | 155,984                | 107,467                    |
| <b>TOTAL CURRENT LIABILITIES</b> |      | <b>3,064,104</b>       | <b>4,303,599</b>           |
| <b>TOTAL LIABILITIES</b>         |      | <b>3,064,104</b>       | <b>4,303,599</b>           |
| <b>NET ASSETS</b>                |      | <b>69,420,654</b>      | <b>81,790,596</b>          |
| <b>EQUITY</b>                    |      |                        |                            |
| Issued Capital                   | 6    | 202,080,054            | 202,083,629                |
| Reserves                         | 7    | 8,118,629              | 3,609,163                  |
| Accumulated losses               |      | (140,778,029)          | (123,902,196)              |
| <b>TOTAL EQUITY</b>              |      | <b>69,420,654</b>      | <b>81,790,596</b>          |

The accompanying notes form part of these financial statements.



## Condensed Interim Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2025

| 2025  | Share Capital<br>A\$ | Share based<br>payment<br>reserve<br>A\$ | Foreign<br>Exchange<br>Translation<br>Reserve<br>A\$ | Accumulated<br>Losses<br>A\$ | Total<br>A\$      |
|---|----------------------|--|--|------------------------------|-------------------|
| <b>Balance at 1 January 2025</b>                      | <b>202,083,629</b>   | <b>4,132,013</b>                         | <b>(522,850)</b>                                     | <b>(123,902,196)</b>         | <b>81,790,596</b> |
| Comprehensive income:                                 |                      |  |  |                              |                   |
| - Loss for the half-year                              | -                    | -  | -  | (16,875,833)                 | (16,875,833)      |
| - Foreign currency translation difference             | -                    | -  | 946,732  | -                            | 946,732           |
| Total comprehensive loss for the half-year            | -                    | -  | 946,732  | (16,875,833)                 | (15,929,101)      |
| Transactions with owners in their capacity as owners: |                      |  |  |                              |                   |
| - Share issue costs                                   | (3,575)              | -  | -  | -                            | (3,575)           |
| - Transfer in (Note 7(b))                             | -                    | 390,638                                  | -  | -                            | 390,638           |
| - Share based payments                                | -                    | 3,172,096                                | -  | -                            | 3,172,096         |
| Total transactions with owners                        | (3,575)              | 3,562,734                                | -  | -                            | 3,559,159         |
| <b>Balance at 30 June 2025</b>                        | <b>202,080,054</b>   | <b>7,694,747</b>                         | <b>423,882</b>                                       | <b>(140,778,029)</b>         | <b>69,420,654</b> |

| 2024  | Share Capital<br>A\$ | Share based<br>payment<br>reserve<br>A\$ | Foreign<br>Exchange<br>Translation<br>Reserve<br>A\$ | Accumulated<br>Losses<br>A\$ | Total<br>A\$      |
|---|----------------------|--|--|------------------------------|-------------------|
| <b>Balance at 1 January 2024</b>                      | <b>112,246,603</b>   | <b>999,272</b>                           | <b>401,349</b>                                       | <b>(77,827,474)</b>          | <b>35,819,750</b> |
| Comprehensive income:                                 |                      |  |  |                              |                   |
| - Loss for the half-year                              | -                    | -  | -  | (28,906,030)                 | (28,906,030)      |
| - Foreign currency translation difference             | -                    | -  | (571,950)  | -                            | (571,950)         |
| Total comprehensive loss for the half-year            | -                    | -  | (571,950)  | (28,906,030)                 | (29,477,980)      |
| Transactions with owners in their capacity as owners: |                      |  |  |                              |                   |
| - Issue of equity securities                          | 93,120,003           | -  | -  | -                            | 93,120,003        |
| - Share issue costs                                   | (3,235,844)          | -  | -  | -                            | (3,235,844)       |
| - Share based payments                                | -                    | 1,628,319                                | -  | -                            | 1,628,319         |
| Total transactions with owners                        | 89,884,159           | 1,628,319                                | -  | -                            | 91,512,478        |
| <b>Balance at 30 June 2024</b>                        | <b>202,130,762</b>   | <b>2,627,591</b>                         | <b>(170,601)</b>                                     | <b>(106,733,504)</b>         | <b>97,854,248</b> |

The accompanying notes form part of these financial statements.

## Condensed Interim Consolidated Statement of Cash Flows

For the half-year ended 30 June 2025

|  | Note | 30 June<br>2025<br>A\$ | 30 June<br>2024<br>A\$ |
|--|------|------------------------|------------------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>                         |      |                        |                        |
| Payments to suppliers and employees                                |      | (16,260,614)           | (14,992,108)           |
| Payments for tenement acquisitions                                 |      | -                      | (12,599,824)           |
| Finance costs paid   |      | (43,329)               | (3,052)                |
| Interest received  |      | 2,619,318              | 590,023                |
| <b>Net cash used in operating activities</b>                       |      | <b>(13,684,625)</b>    | <b>(27,004,961)</b>    |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                         |      |                        |                        |
| Payments for property, plant and equipment                         |      | (807,228)              | (125,199)              |
| <b>Net cash used in investing activities</b>                       |      | <b>(807,228)</b>       | <b>(125,199)</b>       |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                         |      |                        |                        |
| Proceeds from issue of shares                                      |      | -                      | 80,000,003             |
| Share issue costs  |      | (44,099)               | (4,869,779)            |
| <b>Net cash provided by / (used in) financing activities</b>       |      | <b>(44,099)</b>        | <b>75,130,224</b>      |
| Net increase / (decrease) in cash held                             |      | (14,535,952)           | 48,000,064             |
| Cash and cash equivalents at beginning of half-year                |      | 81,685,609             | 48,844,019             |
| Effects of exchange rate fluctuations on cash and cash equivalents |      | 219,192                | (18,688)               |
| <b>Cash and cash equivalents at end of half-year</b>               |      | <b>67,368,849</b>      | <b>96,825,395</b>      |

The accompanying notes form part of these financial statements.

## Notes to the condensed interim consolidated financial statements

## 1. General information

Brazilian Rare Earths Limited ("BRE" or "Company") is an Australian public company whose shares are listed on the Australian Securities Exchange (ASX). BRE's registered office and principal place of business are located at Level 2, 477 Pitt Street, Haymarket NSW 2000.

The entity's principal activity during the half-year was exploring for rare earth elements and other critical minerals in Brazil.

## 2. Basis of preparation

These condensed consolidated interim financial statements of the Group for the half-year ended 30 June 2025 (**interim financial statements**) are presented in Australian dollars (A\$), which is the functional currency of BRE and have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial statements do not include all the notes of the type normally included in an annual financial report prepared in accordance with Australian Accounting Standards, and should be read in conjunction with the consolidated annual financial statements of the Group for the year ended 31 December 2024 and any public announcements made by the Group during the half-year in accordance with BRE's continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the *Corporations Act 2001*.

The accounting policies adopted are consistent with those adopted in the annual financial statements for the year ended 31 December 2024 except for the adoption of new and amended standards as set out below. The accounting policies included in the Group's last annual financial statements for the year ended 31 December 2024 are the relevant policies for the purposes of comparatives.

In the reporting period, the Group has adopted all the new and revised accounting standards and Interpretations that are relevant to its operations and effective for the current financial year. The adoption of these new and revised accounting standards and interpretations did not have any material effect on the financial results or financial position of the Group or the Company for the reporting period.

The interim financial statements were approved and authorised for issue by the Board of Directors on 29 August 2025.

## 3. Key sources of estimation uncertainty and critical accounting judgements

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The Directors evaluate estimates and judgments incorporated into the interim financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Group's annual financial statements for the year ended 31 December 2024.

## 4. Expenses

|  | Half-year ended<br>30 June 2025<br>A\$ | Half-year ended<br>30 June 2024<br>A\$ |
|--|--|--|
| <b>(a) Exploration and evaluation expense comprises:</b>     |  |  |
| Costs to acquire mineral exploration tenements <sup>##</sup> | -                                      | 14,667,988                             |
| Operational exploration and evaluation expenses              | 13,899,943                             | 11,885,691                             |
| <b>Total exploration and evaluation expense</b>              | <b>13,899,943</b>                      | <b>26,553,679</b>                      |

<sup>##</sup> In the half-year ended 30 June 2024 consideration of \$14,667,988 was paid by the Group to acquire the Sulista rare earths exploration project comprising cash consideration of A\$1,547,988 and the issue of 8,000,000 fully paid ordinary shares in BRE with a fair value of \$13,120,000 (being the Company's share price A\$1.64 per share at the date of execution of the agreement to acquire the Sulista Project).

## Notes to the condensed interim consolidated financial statements

## 4. Expenses continued

|                                    | Half-year ended<br>30 June 2025<br>A\$ | Half-year ended<br>30 June 2024<br>A\$ |
|------------------------------------|--|--|
| <b>(b) Finance costs comprise:</b> |  |  |
| Other                              | 43,329                                 | 3,052                                  |
| <b>Total finance costs</b>         | <b>43,329</b>                          | <b>3,052</b>                           |

|  | Half-year ended<br>30 June 2025<br>A\$ | Half-year ended<br>30 June 2024<br>A\$ |
|--|--|--|
| <b>(c) Depreciation expense comprises:</b>                                 |  |  |
| Depreciation on property, plant and equipment (refer note 5)               | 282,103                                | 245,875                                |
| Depreciation included in exploration and evaluation expense (refer note 5) | (275,948)                              | (237,935)                              |
| <b>Depreciation expense</b>  | <b>6,155</b>                           | <b>7,940</b>                           |

## 5. Property, plant and equipment

|  | Field<br>Equipment<br>A\$ | Motor<br>Vehicles<br>A\$ | Office and IT<br>Equipment<br>A\$ | Total<br>A\$     |
|--|---------------------------|--------------------------|-----------------------------------|------------------|
| <b>Carrying amount at 31 December 2023</b> | <b>1,332,349</b>          | <b>81,423</b>            | <b>44,184</b>                     | <b>1,457,956</b> |
| Additions                                  | 145,768                   | 17,391                   | 263,774                           | 426,933          |
| Depreciation                               | (463,334)                 | (13,167)                 | (28,549)                          | (505,050)        |
| Foreign exchange on restatement            | (29,775)                  | 5,006                    | (3,882)                           | (28,651)         |
| <b>Carrying amount at 31 December 2024</b> | <b>985,008</b>            | <b>90,653</b>            | <b>275,527</b>                    | <b>1,351,188</b> |
| Additions                                  | 641,185                   | 106,858                  | 105,470                           | 853,513          |
| Depreciation **                            | (241,489)                 | (12,700)                 | (27,914)                          | (282,103)        |
| Disposals                                  | -                         | (84,740)                 | -                                 | (84,740)         |
| Foreign exchange on restatement            | 23,599                    | 2,805                    | 20,952                            | 47,356           |
| <b>Carrying amount at 30 June 2025</b>     | <b>1,408,303</b>          | <b>102,876</b>           | <b>374,035</b>                    | <b>1,885,214</b> |

\*\* Depreciation of exploration property, plant and equipment totalling \$275,948 (June 2024: \$237,935), has been disclosed as exploration and evaluation expense in the Consolidated Statement of Profit or Loss (refer note 4(c)).

## Notes to the condensed interim consolidated financial statements

## 6. Issued capital and other equity

|                                   | 30 June 2025<br>A\$ | 31 December 2024<br>A\$ |
|-----------------------------------|---------------------|-------------------------|
| <b>Ordinary Shares fully paid</b> | <b>202,080,054</b>  | <b>202,083,629</b>      |

## (a) Movements in ordinary shares

| Ordinary shares fully paid             | 30 June 2025<br>No. | A\$                | 31 December 2024<br>No. | A\$                |
|--|---------------------|--------------------|-------------------------|--------------------|
| Opening balance                        | 246,538,695         | 202,083,629        | 214,105,170             | 112,246,603        |
| Issue of shares - share placements     | -                   | -                  | 24,242,425              | 80,000,003         |
| Issue of shares – tenement acquisition | -                   | -                  | 8,000,000               | 13,120,000         |
| Issue of shares – exercise of options  | 1,809,850           | -                  | 191,100                 | -                  |
| Share issue costs                      | -                   | (3,575)            | -                       | (3,282,977)        |
| <b>Closing balance</b>                 | <b>248,348,545</b>  | <b>202,080,054</b> | <b>246,538,695</b>      | <b>202,083,629</b> |

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

## (b) Movements in unlisted share options

|   | Number of<br>options |
|---|----------------------|
| Number of options on issue at 1 January 2024          | 10,095,400           |
| Options issued  | -                    |
| Options exercised                                     | (191,100)            |
| <b>Number of options on issue at 31 December 2024</b> | <b>9,904,300</b>     |
| Options issued (refer Note 7(b))                      | 3,889,421            |
| Options exercised                                     | (1,809,850)          |
| <b>Number of options on issue at 30 June 2025</b>     | <b>11,983,871</b>    |

## Notes to the condensed interim consolidated financial statements

## 7. Reserves

|                                      | 30 June 2025<br>A\$ | 31 December 2024<br>A\$ |
|--------------------------------------|---------------------|-------------------------|
| Foreign currency translation reserve | 423,882             | (522,850)               |
| Share based payments reserve         | 7,694,747           | 4,132,013               |
|                                      | <b>8,118,629</b>    | <b>3,609,163</b>        |

## (a) Foreign Exchange Translation Reserve

The foreign exchange translation reserve records exchange differences arising on translation of foreign controlled entities. Movements in the foreign exchange translation reserve during half-year ended 30 June 2025 and the year ended 31 December 2024 were:

|                                 | Half-year ended<br>30 June 2025<br>A\$ | Year ended<br>31 December 2024<br>A\$ |
|---------------------------------|--|---------------------------------------|
| Balance at beginning of period  | (522,850)                              | 401,349                               |
| Movement during the period      | 946,732                                | (924,199)                             |
| <b>Balance at end of period</b> | <b>423,882</b>                         | <b>(522,850)</b>                      |

## (b) Share based payments reserve

The share based payments reserve is used to recognise the fair value of share options and employee incentive rights granted.

| Movement  | Half-year ended<br>30 June 2025<br>A\$ | Year ended<br>31 December 2024<br>A\$ |
|---|--|---------------------------------------|
| Balance at beginning of period                        | 4,132,013                              | 999,272                               |
| Share based payments expense for the period           | 3,172,096                              | 3,132,741                             |
| Reclassification from accrued creditors <sup>##</sup> | 390,638                                | -                                     |
| <b>Balance at end of period</b>                       | <b>7,694,747</b>                       | <b>4,132,013</b>                      |

<sup>##</sup> As at 31 December 2024 the Company had accrued A\$390,638 in relation to deferred short term incentive awards (STI) for financial year 2024. During the half-year it was determined that these deferred awards were to be settled through the issue of options and the amount accrued at 31 December 2024 was reclassified to share based payments reserve following shareholder approvals obtained at the 2025 Annual General Meeting..

From time to time share-based compensation benefits are provided to directors, key management personnel and external service providers as part of their remuneration and incentive arrangements. The number of benefits awarded and the terms of those benefits are determined by the Board. Shareholder approval is sought where required.

During the half-year ended 30 June 2025, BRE granted the following share-based compensation awards:

## Notes to the condensed interim consolidated financial statements

## 7. Reserves continued

|                                     | Non-Executive Director options  | 2024 STI Award Options   | 2025 STI Award Options   | 2025 LTI Award Options  | 2025 LTI Award Options Tranche A   | 2025 LTI Award Options Tranche B   | 2025 LTI Award Options Tranche E  | 2025 LTI Award Options Tranche F  | 2025 LTI Award Options Tranche G   |
|-------------------------------------|---|--|--|---|--|--|---|---|--|
| Vesting conditions                  | <p>Vest in 4 equal tranches based on continuous service until:</p> <p>i. 3 June 2025<br/>ii. 3 June 2026<br/>iii. 3 June 2027<br/>iv. 3 June 2028</p> | <p>Vest in 2 equal tranches based on continuous service until:</p> <p>i. 31 December 2025<br/>ii. 31 December 2026</p> | <p>The percentage that vest will be determined on 31 December 2025 based on achievement of agreed KPIs.</p> <p>The vested options have further continuous service conditions as follows:</p> <p>i. 50% to 31 December 2025<br/>ii. 50% to 31 December 2026</p> | <p>The percentage that vest is based on BRE's relative total shareholder return (rTSR) over the period 1 January 2025 to 31 December 2027 (Performance Period) compared to the constituents of the ASX Small Ordinaries Resources Index as follows:</p> <p>i. Less than the 50<sup>th</sup> percentile – Nil vesting.<br/>ii. Equal to or above the 50<sup>th</sup> percentile and below 80<sup>th</sup> percentile – pro-rata on a straight line basis between 50% and 100%<br/>iii. 80<sup>th</sup> percentile or above – 100% vesting</p> <p>Options meeting the rTSR condition vest in 3 equal tranches on:</p> <p>i. 31 December 2027<br/>ii. 31 December 2028<br/>iii. 31 December 2029</p> | <p>The Company announcing on or before 30 January 2030 that it has been granted a Mining Concession over an area which includes any part of the area of the tenements which the Group held at the time of the IPO.</p> | <p>A successful feasibility study (being measured by an internal rate of return greater than 25%) of one or more of the Company's minerals projects, prepared in accordance with the provisions of the JORC Code, being announced by the Company on or before 31 December 2026</p> | <p>The successful commissioning (as determined by the Board acting reasonably) of the demonstration phase of a pilot plant on or before 30 January 2030</p> | <p>The Board of the Company approving any of the following in relation to a bauxite project (including a standalone company holding the Group's bauxite assets):</p> <p>i. Sale of a significant interest in the bauxite project<br/>ii. Spin out or demerger of the bauxite project<br/>iii. The Board approving a financial Investment decision in relation to the Bauxite Project.</p> | <p>Successful Stage 2 feasibility study (being measured by an internal rate of return greater than 25%) of one or more of the Company's minerals projects, prepared in accordance with the provisions of the JORC Code or a financial investment decision by the Board to proceed with the development of a mine for one or more of the Company's minerals projects (excluding bauxite) being announced on or before 31 December 2027.</p> |
| Valuation methodology               | Black Scholes   | Refer Note 1   | Black Scholes  | Monte Carlo   | Black Scholes  | Black Scholes  | Black Scholes   | Black Scholes   | Black Scholes  |
| Valuation date (grant date)         | 9 May 2025  | 31 December 2024   | 9 May 2025   | 9 May 2025  | 23 January 2025  | 23 January 2025  | 23 January 2025   | 23 January 2025   | 23 January 2025  |
| Share price at valuation date (A\$) | A\$2.05   | A\$2.22  | A\$2.05  | A\$2.05   | A\$2.26  | A\$2.26  | A\$2.26   | A\$2.26   | A\$2.26  |
| Start of service period             | 3 June 2024   | 1 January 2024   | 1 January 2025   | 1 January 2025  | 1 January 2025   | 1 January 2025   | 1 January 2025  | 1 January 2025  | 1 January 2025   |

## Notes to the condensed interim consolidated financial statements

|   | Non-Executive<br>Director options | 2024 STI Award<br>Options | 2025 STI Award<br>Options | 2025 LTI Award<br>Options | 2025 LTI Award<br>Options<br>Tranche A | 2025 LTI Award<br>Options<br>Tranche B | 2025 LTI Award<br>Options<br>Tranche E | 2025 LTI Award<br>Options<br>Tranche F | 2025 LTI Award<br>Options<br>Tranche G |
|---|-----------------------------------|---------------------------|---------------------------|---------------------------|--|--|--|--|--|
| Expiry date   | 30 January 2030                   | 30 January 2030           | 30 January 2030           | 30 January 2030           | 30 January 2030                        | 30 January 2030                        | 30 January 2030                        | 30 January 2030                        | 30 January 2030                        |
| Exercise price (A\$)                                    | Nil                               | Nil                       | Nil                       | Nil                       | Nil                                    | Nil                                    | Nil                                    | Nil                                    | Nil                                    |
| Risk-free rate (%)                                      | 3.35%                             | Refer Note 1              | 3.35%                     | 3.35%                     | 3.837%                                 | 3.837%                                 | 3.837%                                 | 3.837%                                 | 3.837%                                 |
| Volatility (%)  | 64.73%                            | Refer Note 1              | 64.73%                    | 64.73%                    | 60.84%                                 | 60.84%                                 | 60.84%                                 | 60.84%                                 | 60.84%                                 |
| Dividend yield (%)                                      | Nil                               | Refer Note 1              | Nil                       | Nil                       | Nil                                    | Nil                                    | Nil                                    | Nil                                    | Nil                                    |
| Fair value per option (\$)                              | A\$2.05                           | A\$2.22                   | A\$2.05                   | A\$1.378                  | A\$2.26                                | A\$2.26                                | A\$2.26                                | A\$2.26                                | A\$2.26                                |
| Number granted  | 150,000                           | 435,143                   | 230,855                   | 923,423                   | 225,000                                | 225,000                                | 325,000                                | 625,000                                | 750,000                                |
| Total value (A\$)                                       | A\$307,500                        | A\$966,018                | A\$473,253                | A\$1,272,477              | A\$508,500                             | A\$508,500                             | A\$734,500                             | A\$1,412,500                           | A\$1,695,000                           |
| % expected to vest                                      | 100%                              | 100%                      | 100%                      | 100%                      | 100%                                   | 100%                                   | 100%                                   | 100%                                   | 100%                                   |
| Value to be recognised over<br>the service period (A\$) | A\$307,500                        | A\$966,018                | A\$473,253                | A\$1,272,477              | A\$508,500                             | A\$508,500                             | A\$734,500                             | A\$1,412,500                           | A\$1,695,000                           |

Note 1 - For the year ended 31 December 2024 certain Executive Directors, employees, contractors and consultants were awarded STI bonuses based on performance during the year ended 31 December 2024. The dollar value of the STI Awards was determined as a percentage of the individual's base remuneration. To preserve the Group's cash reserves and as an incentive for the STI award recipients to continue to provide services to the Group in the future, it was determined that certain recipients of the STI Awards would receive 60% of their STI Award in options. The number of options received by each recipient was determined based on the 20 day VWAP of BRE's shares at 31 December 2024.



## Notes to the condensed interim consolidated financial statements

## 8. Segment information

Operating segments are identified, and segment information disclosed, on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors.

The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest. Operating segments are therefore determined on the same basis.

## Activity by segment

## Brazil exploration

BRE was founded for the purpose of exploring for rare earth elements and other critical minerals in Brazil.

## Corporate

Expenditure incurred that is not directly allocated to other segments is reported as corporate costs in the internal reports prepared for the chief operating decision maker.

The following tables present revenue and profit information for the Group's operating segments for the half-year ended 30 June 2025 and 2024, respectively.

## (a) Segment performance

|                                     | Brazil<br>exploration<br>A\$ | Corporate<br>A\$   | Total<br>A\$        |
|-------------------------------------|------------------------------|--------------------|---------------------|
| <b>Half-year ended 30 June 2025</b> |                              |                    |                     |
| Total segment revenue               | 879,619                      | 1,402,728          | 2,282,347           |
| Total segment expenditure           | (12,444,102)                 | (6,714,078)        | (19,158,180)        |
| <b>Segment result</b>               | <b>(11,564,483)</b>          | <b>(5,311,350)</b> | <b>(16,875,833)</b> |

|                                     | Brazil<br>exploration<br>A\$ | Corporate<br>A\$    | Total<br>A\$        |
|-------------------------------------|------------------------------|---------------------|---------------------|
| <b>Half-year ended 30 June 2024</b> |                              |                     |                     |
| Total segment revenue               | 37,659                       | 552,364             | 590,023             |
| Total segment expenditure           | (12,839,670)                 | (16,656,383)        | (29,496,053)        |
| <b>Segment result</b>               | <b>(12,802,011)</b>          | <b>(16,104,019)</b> | <b>(28,906,030)</b> |

## (b) Segment assets

|                         | Brazil<br>exploration<br>A\$ | Corporate<br>A\$ | Total<br>A\$ |
|-------------------------|------------------------------|------------------|--------------|
| <b>30 June 2025</b>     |                              |                  |              |
| Segment assets          | 11,977,749                   | 60,507,009       | 72,484,758   |
| <b>31 December 2024</b> |                              |                  |              |
| Segment assets          | 16,730,442                   | 69,363,753       | 86,094,195   |

## Notes to the condensed interim consolidated financial statements

## 9. Earnings per share

|   | Half-year ended<br>30 June 2025<br>A\$ | Half-year ended<br>30 June 2024<br>A\$ |
|---|--|--|
| Loss after income tax benefit attributable to the Group | <b>(16,875,833)</b>                    | (28,906,030)                           |

| Weighted average number of shares used as the denominator   | No.                | No.                |
|---|--------------------|--------------------|
| Weighted average number of ordinary shares outstanding during the year used in calculation of Basic EPS             | 248,068,568        | 219,757,752        |
| Weighted average number of options outstanding which are considered potentially dilutive <sup>1</sup>               | -                  | -                  |
| Weighted average number of potential ordinary shares outstanding during the year used in calculation of Diluted EPS | <b>248,068,568</b> | <b>219,757,752</b> |

<sup>1</sup> Options and other potential equity securities on issue at the end of the period have not been included in the determination of diluted earnings per share as the Group has incurred a loss for the period and they are therefore not dilutive in nature.

|                            | Half-year ended<br>30 June 2025<br>Cents | Half-year ended<br>30 June 2024<br>Cents |
|----------------------------|--|--|
| Basic earnings per share   | <b>(6.80)</b>                            | <b>(13.15)</b>                           |
| Diluted earnings per share | <b>(6.80)</b>                            | <b>(13.15)</b>                           |

## 10. Cash flow information

|  | Half-year ended<br>30 June 2025<br>A\$ | Half-year ended<br>30 June 2024<br>A\$ |
|--|--|--|
| <b>Non-cash investing activities</b>   |  |  |
| Exploration expenditure settled through the issue of shares (acquisition of the Sulista Project) | -                                      | (13,120,000)                           |
| <b>Non-cash financing activities</b>   |  |  |
| Issue of shares for exploration expenditure (acquisition of the Sulista Project)                 | -                                      | 13,120,000                             |

## 11. Contingent liabilities

The directors are not aware of any contingent assets or any contingent liabilities that are likely to have a material effect on the results of the Group other than those disclosed in these financial statements or in the annual financial report for the year ended 31 December 2024,

## 12. Events subsequent to reporting date

There have been no subsequent events that required adjustment to or disclosure in the or the Financial Statements of the Group for the half-year ended 30 June 2025.

## Directors' declaration

The directors of the Company declare that:

- (1) The financial statements and notes, as set out on pages 7 to 18, are in accordance with the Corporations Act 2001;
  - (a) comply with Accounting Standards and
  - (b) give a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the half-year ended on that date.
- (2) In the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* and as recommended under ASX Corporate Governance Council's Corporate Governance Principles for the financial half-year ended 30 June 2025.



**Bernardo Da Veiga**

**Managing Director**

Sydney,

29 August 2025

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BRAZILIAN RARE EARTHS LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Brazilian Rare Earths Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2025, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Consolidated Entity does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

### Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**HALL CHADWICK WA AUDIT PTY LTD**



**D M BELL FCA**  
**Director**

Dated this 29<sup>th</sup> day of August 2025  
Perth, Western Australia