



ASX: IXR

ASX Announcement

31 January 2025

Quarterly Activities Report

December 2024

HIGHLIGHTS

IONIC TECHNOLOGIES, BELFAST (100% IONICRE)

- Feasibility Study (FS) shows strong potential for profitable and unique commercial Rare Earth Oxide (REO) manufacturing facility in Belfast;
- FS key metrics include post-tax NPV_{7.5} of US\$502M, IRR 43.6%, net revenue US\$2.1B, EBITDA US\$1.7B and capital payback within 2.4 years, based on 1,200 tonnes per annum (tpa) throughput with production capacity of 400 tpa of separated magnet REOs over 20-year operating life;
- Site permitting progressing, with construction planned to be completed in late 2026, delivering sovereign magnet REO for Western supply chain;
- Application lodged for substantial capital grant from UK Government via the Automotive Transformation Fund, administered by the Advanced Propulsion Centre;
- Ionic Technologies secures additional \$2.46M grant funding for recycled rare earth permanent magnets partnerships from UK Government, including recycling program with LCM and Vacuumschmelze to advance UK/Europe supply chain.

BRAZILIAN REFINING AND RECYCLING JOINT VENTURE (50% IONICRE)

- Minas Gerais investment promotion agency, Invest Minas backs IonicRE's magnet recycling technology via Viridion JV;
- Talks underway to secure site for pilot plants for both REO refinery and magnet recycling facilities near existing Viridis operations;
- Five-year MOU signed with SENAI FIEMG Innovation and Technology Centre, owner of Lab Fab, South America's first rare earth magnet laboratory.

MAKUUTU HEAVY RARE EARTHS PROJECT, UGANDA (60% IONICRE)

- Ongoing discussions with the Mineral Security Partnership (MSP) regarding financing activities for Makuutu.

CORPORATE

- \$1.65 million placement completed;
- Share Purchase Plan raises approx. \$766,000;
- R&D Rebate for \$613,000 received from the ATO.

Ionic Rare Earths Limited (“IonicRE” or “the Company”) (ASX: IXR) has continued to successfully advance its magnet recycling and heavy rare earths projects key for the global energy transition, advanced manufacturing and defence, as highlighted by its Quarterly Activities Report for the period ending 31 December 2024.

This report includes development activities at the Company's 100% owned magnet recycling subsidiary in the UK, Ionic Technologies International Limited (“Ionic Technologies”), together with its Viridion Joint Venture in

Brazil (50% interest) with Viridis Mining and Minerals Ltd (ASX: VMM), and at the 60% owned Makuutu Heavy Rare Earths Project (“Makuutu”) in Uganda.

IonicRE made substantial progress across project development and operational capabilities encompassing all its international operations during the December 2024 quarter, amid a growing focus on securing a secure and sustainable ex-China rare earths supply chain.

At Ionic Technologies, a Feasibility Study (FS) announced in November 2024 showed the strong business case for a profitable and unique commercial rare earth oxide (REO) manufacturing facility to be constructed in Belfast, UK. The facility will recycle pre-consumer rare earth magnet scrap and end-of-life (EOL) magnets, producing separated magnet REOs, including didymium oxide ((Nd,Pr)₂O₃), dysprosium oxide (Dy₂O₃) and terbium oxide (Tb₄O₇), at > 99.5% grade suitable for use in the development of Western permanent magnet capacity.

Key study outcomes (post-tax) included an NPV of US\$502 million, an IRR of 43.6%, net revenue of US\$2.12 billion and EBITDA of US\$1.78 billion, with capital payback of 2.4 years. This is based on throughput of 1,200 tpa of feed, with production capacity of 400 tpa of separated magnet REOs over an estimated 20-year life of operation.

Following the positive FS, Ionic Technologies lodged an application for a substantial capital grant from the UK Government via the Automotive Transformation Fund (ATF), administered by the Advanced Propulsion Centre (APC). This potential cornerstone capital grant could provide the UK with sovereign magnet REO capability for the first time, following the Belfast plant’s success in becoming the first producer of separated recycled magnet REOs in the Western world, based on technology developed at Queen’s University Belfast (QUB).

IonicRE will update the market on the status of this grant application, with an outcome expected during the first quarter of calendar 2025.

The FS also provides a template for the evaluation of other key target markets the Company is exploring as part of efforts to scale the technology geography, including the US, Europe, Asia and Brazil.

The Company is progressing approvals for the commercial site located on Queens Island, with permitting expected to be finalised this year. Subject to regulatory approvals and funding, first production could occur as early as late 2026, giving Ionic Technologies “first mover” advantage and ensuring UK leadership in the production of this critical mineral for the 21st century.

In Brazil, the Viridion Joint Venture has received strong backing from the state of Minas Gerais to replicate its UK magnet recycling technology in the Brazilian state, with potential for substantially lower operating costs in converting alloy feedstock to individual separated magnet REO products.

Viridion also signed a five-year Memorandum of Understanding with SENAI FIEMG Innovation and Technology Centre, owner of Lab Fab, South America’s first rare earth magnet laboratory, with a view to jointly develop and produce rare earth magnets at Lab Fab.

The Company is now in talks with the Minas Gerais authorities on the location of pilot plants for both a potential REO refinery and magnet recycling facilities, near existing Viridis Colossus Project operations in Minas Gerais.

At Makuutu, work continued on processing ionic adsorption clay (IAC) mineralisation at the Company’s demonstration plant in Uganda, with mixed rare earth carbonate (MREC) production being sent to Australia for analysis and onwards to potential offtake partners to support commercial discussions. Additionally, talks have

continued with the Mineral Security Partnership and member nations around funding requirements to advance the project and its heavy REO dominant basket into Western supply chains.

The Company also thanks shareholders for their support for the Share Purchase Plan (SPP), which closed oversubscribed having secured around \$766,000. This followed a \$1.4M Placement to sophisticated and institutional investors and also a commitment from Directors to subscribe for an additional \$202,000 worth of IXR shares under the same terms, subject to shareholder approval.

IONIC TECHNOLOGIES (100% IONICRE)

Ionic Technologies continues to pioneer the recycling of Neodymium-Iron-Boron (NdFeB) permanent magnets to high purity separated magnet rare earth oxides (REOs), enabling the creation of sustainable, traceable, and sovereign rare earth supply chains.

Feasibility Study shows potential for profitable magnet recycling business

Ionic Technologies is on track for the development of a unique commercial magnet REO manufacturing facility in Belfast, UK, following the successful completion of a Feasibility Study that demonstrates both strong financial returns and environmental sustainability. The study has positioned Ionic Technologies as the 'first mover' in the development of a sustainable, traceable and sovereign UK/Europe supply chain, meeting the demands of the net-zero transition, advanced manufacturing and defence.

Significantly, the study showed magnet recycling represents a low capital risk pathway to sovereign magnet REO production compared to alternative sources, offering strong financial returns based on a 'circular economy' model of sustainable production, backed by the UK Government and project partners.

The Company intends to utilise this study to progress further opportunities in target markets – the US, Europe, Brazil and Asia – where further improvement on the economics is anticipated. IonicRE is also moving to secure feedstock and offtake agreements, capitalise on its leading market position and technical capability. With more than 50% of the global production of NdFeB magnets consumed for decades in the West, a sizeable inventory of material is available to recycle back into new supply chains.

Table 1 highlights the Belfast facility's positive projected financial returns based upon a 20-year life.

Designed for a brownfield site located in Belfast Harbour, the planned commercial-scale plant would represent a 40-fold increase in production capacity (400 tpa) from the Demonstration Plant (10 tpa). The process design is modular, with the plant comprising of two 200 tpa production lines, allowing for scale-up flexibility and parallel REO separation activity.

The completion of the Feasibility Study, and ongoing completion of the FEED Study allows prioritisation of commercial offtake agreements for high purity, separated magnet REO products – didymium oxide ((NdPr)₂O₃), dysprosium oxide (Dy₂O₃) and terbium oxide (Tb₄O₇). Additionally, functionality for separated neodymium oxide (Nd₂O₃) and praseodymium oxide (Pr₆O₁₁) is also under further investigation driven by appetite in several industries beyond the magnet supply chain.

Given the nature of the design, and the potential to quickly replicate capacity in other target markets, a bare module cost has been developed independent of additional site-specific costs in Belfast. The study reflects a 20-year operational life for the Belfast magnet recycling facility.

Table 1: Summary of financial metrics

Metric	Units	Belfast Plant US\$	Belfast Plant A\$
Discount Rate (real)	%	7.5%	7.5%
NPV (pre-tax)	\$m	673	1,040
NPV (post-tax)	\$m	502	776
IRR (pre-tax)	%	52.2%	52.2%
IRR (post tax)	%	43.6%	43.6%
Capex	\$m	108.7	168.1
Payback Period	Years	2.4	2.4
Net Revenue	\$m	2,116	3,274
EBITDA	\$m	1,782	2,756
OPEX (ex-magnets)	\$/kg REO	27.68	42.82

Exchange Rates used, 1 GBP = 1.28 US\$, 1 A\$ = 0.65 US\$.



Figure 1: Render of the commercial plant design as part of the Feasibility Study and planning application underway in Belfast, UK.

Ionic Technologies has previously benefitted from UK Government grant funding, with up to £5m of funding and commitments received to date. These include two recent grants with a combined value of £1.27m GBP (A\$2.46m), including direct funding totalling £470k, to foster REE supply chain partnerships (refer ASX announcement 1 October 2024). This includes the groundbreaking 'REEvaluate' Project, partnering with metals and alloys manufacturer, Less Common Metals (LCM) and magnet manufacturer, Vacuumschmelze (VAC), to produce Rare Earth alloys for permanent magnets containing 100% recycled Heavy Rare Earth Elements

(HREEs) and Light Rare Earth Elements (LREEs). As part of the project, VAC will provide pre-consumer NdFeB magnet scrap (swarf) to Ionic Technologies for production of high purity magnet REOs at Belfast Demonstration Plant, which will then be provided to LCM to reduce to metals/alloys and supply to VAC at required specification for magnet production.

In October 2024, IonicRE's Managing Director, Tim Harrison met several senior UK Government officials, including the Hon. Sarah Jones MP, Minister of State (Minister for Industry) at both the Department for Energy Security and Net Zero and the Department for Business and Trade. These meetings highlighted the UK Government's commitment to strengthening the UK's role in the circular economy for critical raw materials.



Figure 2: IonicRE Managing Director Tim Harrison (right) with Sarah Jones MP, Minister of State for Business, Energy Security and Net Zero, during a recent meeting in London, UK.

In December 2024, Ionic Technologies submitted an application for a significant capital grant from the UK Government via the Automotive Transformation Fund (ATF), administered by the Advanced Propulsion Centre

(APC), for automotive manufacturing and supply chains. The APC is dedicated to supporting the UK's global leadership position in scientific research, automotive engineering and net zero.



Figure 3: Advanced Propulsion Centre CEO Ian Constance and Project Delivery Lead Matthew Pardington tour the Ionic Technologies Demonstration Facility in Belfast.

The Company is also exploring additional government backed financing which targets projects that have the potential to facilitate the UK's energy transition and drive regional growth, supporting investment in Northern Ireland. This combination has the potential to significantly reduce the equity component required to finance the commercial facility. The Company will update the market on the outcome of these funding applications.

Additionally, the Company is making good progress to demonstrate a UK based supply chain with both LCM and Ford UK, which recently announced its intention to produce over 420,000 e-drives per annum at its Halewood facility in the UK to supply into both the UK and EU markets.

IonicRE will further explore these avenues of potential funding for the development of a commercial-scale REO facility, focused on protecting shareholder capital while maximising returns for investors.

Next Steps

IonicRE is now appraising commercial options to progress to Front End Engineering Design (FEED) with an appropriate Engineering, Procurement and Construction Management (EPCM) partner and continue to engage with local stakeholders to expedite delivery of its landmark Belfast facility. The Company is also progressing permitting and approvals for the commercial site located on Queens Island in Belfast Harbour and expects to finalise permitting this calendar year.

The Feasibility Study has facilitated further engagement with the UK Government, project partners and investors, with IonicRE targeting a Final Investment Decision (FID) in H1 2025 and first production in late 2026, based on regulatory approvals and project funding.

The Company is also awaiting the outcome of its application for a substantial capital grant from the UK Government via the ATF, administered by the APC, with this potential cornerstone funding set to provide the UK with sovereign magnet REO capability for the first time. A decision is expected during the first quarter of calendar 2025.

Additionally, the Company is in discussions with both strategic investors and debt financiers to secure the total investment required to progress towards FID.

BRAZILIAN REFINING AND RECYCLING JOINT VENTURE (VIRIDION)

The Viridion Joint Venture (50:50) between IonicRE and Viridis Mining and Minerals Limited (ASX: VMM) is an outstanding opportunity for IonicRE to advance the Company's strategy to become a leading supplier to the Western world of high quality, secure and dependable magnet and heavy rare earths, critical to the multitude of dependent industries and energy transition affecting billions of people around the globe.

Viridion advances the growth strategy for both JV partners by several years and draws on the support and alignment of several state agencies of Brazil, a nation that is both rich in rare earths and aims to become a global leader in rare earth production and supply.

In November 2024, IonicRE announced Viridion's signing of a five-year Memorandum of Understanding with SENAI FIEMG Innovation and Technology Centre, owner of Lab Fab, South America's first rare earth magnet laboratory.

The agreement established a basis for cooperation between Viridion and SENAI Regional Department, with a view to jointly develop and produce rare earth magnets at Lab Fab, in the Brazilian state of Minas Gerais, by identifying activities of common interest between the parties:

- Supply of raw materials by Viridion for pilot production of rare earth magnets;
- Promote actions to strengthen the parties and, consequently, their relations with industries interested in these technologies;
- Develop joint projects of applied research, assessment activities, experiments, training, consulting and specialised technological services; and
- Implement other joint activities and programs, as well as pilot and experimental programs in areas and subjects of mutual interest and benefit that may be agreed upon between the parties.

In December 2024, Viridion received support from Minas Gerais investment promotion agency, Invest Minas, for IonicRE to replicate its UK magnet recycling technology in the Brazilian state. There is potential for substantially lower operating costs in converting alloy feedstock to REO product, compared to other markets.

Viridion holds exclusive rights in Brazil to monetise, implement and commercialise Ionic Technologies' magnet recycling IP. The Company is now in talks with the Minas Gerais authorities on the location of pilot plants for both a potential REO refinery and magnet recycling facilities, near existing Viridis Colossus Project operations in Minas Gerais.

The production of magnet REOs within Brazil will enable the ramp up of magnet production capability at CIT SENAI's Lab Fab facility, which is targeting a ramp up in NdFeB production to 100 tonnes per annum by the end of 2026.

The Company also plans to recycle waste streams produced in the ramp up of activities, enabling the development of a truly insulated and secure NdFeB supply chain in Brazil that can support significant advanced manufacturing activities.



Figure 4: JV partner executives from Viridis and industry figures from Minas Gerais at the MoU signing ceremony in Perth, Western Australia – (Left to Right) Germano Vieira (Partner Alger), Ronaldo Barquete (Director of Invest Minas), Klaus Peterson (Viridis In-Country Manager), Rafael Moreno (Viridis CEO), Flavio Roscoe (President FIEMG), Fernando Passalio (Secretary of Development Minas Gerais), Agha Shahzad Pervez (Viridis Executive Chairman), JP Braga (CEO Invest Minas)), Antonio Malard (Partner Alger).

Brazil is currently the world's seventh largest wind energy market, growing at 29% CAGR over the past decade, while the establishment of EV production capacity in Brazil along with existing and growing advanced manufacturing capacity will drive further demand for REO's in the world's 10th largest economy.

Highlighting its commitment to the sector, in January 2025 the Brazilian government announced US\$815 million in financing for projects aimed at boosting the development of strategic minerals, including rare earths. The funding aims to promote Business Plans that include investments in production capacity and R&D for the transformation of strategic minerals, including rare earths, and obtaining transformed materials or manufactured products for energy transition and decarbonisation.



Figure 5: Left to right - Ronaldo Barquette, Director of Investment Attraction at Invest Minas, Ana Beatriz Sullato, Invest Minas Strategic Advisor, Gabriel Longo dos Santos, Business Development Manager LATAM, Ionic Rare Earths, Henrique Tavares Maior Soares, Manager, Invest Minas and João Barbosa, Superintendent of Medium and Large Enterprises at the Minas Gerais Development Bank (BDMG).

MAKUUTU HEAVY RARE EARTHS PROJECT (60% IONICRE)

Makuutu currently ranks amongst the world's largest and most advanced ionic adsorption clay (IAC) deposits, and as such, is a globally strategic resource for near term, low capital development, facilitating long-term security of magnet and heavy REO supply.

Makuutu is being developed by Rwenzori Rare Metals Limited ("RRM"), a Ugandan private company which owns 100% of the Makuutu Project. IonicRE is a 60% owner of RRM, and had signed a conditional share purchase agreement to acquire an additional 34% interest in the strategic Makuutu Rare Earths Project, taking its ownership to 94% on completion. Due to the nature of the rare earth market, the company has elected to not progress with increasing the stake in Makuutu at this time. Discussions with partners in RRM continue.

During the December quarter, the Company continued several financing discussions presently underway with partners of the Mineral Security Partnership (MSP), of which Makuutu has been added given its strategic heavy REO potential.

During the quarter, RRM received approval on the application for TN04452 (renewal of Exploration Licences (EL) 00147 and EL00148). Due to the amended 2022 Mining Act and 2023 Mining Regulations, RRM submitted applications TN4445, TN4447 and TN4452 for portions of affected tenements to acquire areas not covered by the Ugandan cadastre system, which has been changed in order for RRM to fully retain these tenement areas. RRM is awaiting the approvals on TN04445 and TN04447. Further licence details are provided in Figure 6 and Table 3 below.

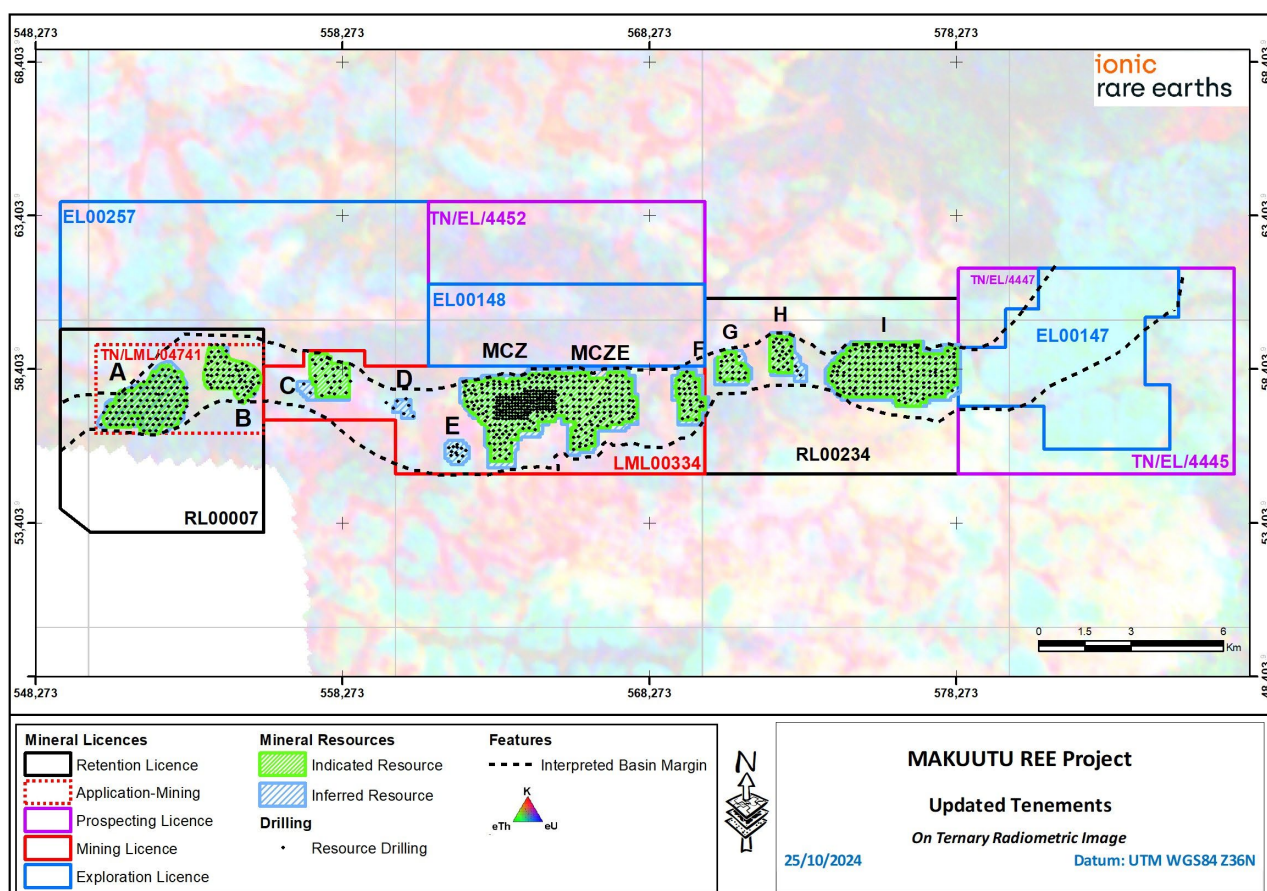


Figure 6: Makuutu Rare Earths Project mineral tenements including new MLA over a selection of RL00007, TN04741 (red dashed border).

CORPORATE

Placement and Share Purchase Plan

IonicRE is conscious of the need to protect and preserve shareholder capital in a volatile and challenging market for small cap companies. Balanced against this is the need to secure funding to advance value-adding activities key to growing shareholder value.

In November 2024, IonicRE announced a successful Placement to sophisticated and institutional investors, securing approximately \$1.65 million (before costs). This comprised the issue of 206,857,136 fully paid ordinary shares at a price of \$0.007 per share, plus 103,428,574 options to raise a total of \$1,448,000.

Showing their commitment to the Company, Directors plan to invest \$202,000 based on the same terms, subject to shareholder approval at a General Meeting of shareholders to be held in early 2025. This comprises 28,857,140 fully paid ordinary shares at \$0.007 plus 14,428,570 options.

The Company also launched a Share Purchase Plan, providing the opportunity for shareholders to subscribe for up to \$30,000 worth of new fully paid ordinary shares at an offer price of \$0.007 per share, plus options on a one option for every two shares basis at an exercise price of \$0.011 and expiry date of 15 December 2027, being the same price as the Placement.

The Company received positive support from shareholders exceeding the nominated target of \$500,000 to be raised, and the Board decided to accept all eligible applications. A total of 109,379,876 new fully paid ordinary shares were issued under the SPP, raising approximately \$766,000.

Research & Development Tax Incentive Rebate from ATO

IonicRE secured an R&D Tax Incentive Rebate payment of \$1.2 million during the previous quarter, with another \$613,000 received in December for a total of \$1.8 million year to date, which together with the identified cost savings ensures the Company has sufficient funding for its near-term objectives.

Annual General Meeting

IonicRE's Annual General Meeting of shareholders was held on 27 November 2024 in Melbourne, Victoria. All resolutions considered at the AGM were carried by poll (refer ASX announcement 27 November 2024). The Company thanks shareholders for their support.

Executive Changes

During the December quarter, the Company appointed Mr Warren Tregurtha as acting Chief Financial Officer (CFO). Mr Tregurtha is currently the CEO of Rwenzori Rare Metals.

As part of cost reduction activities, Mr Lynden Polonsky, who was previously the Chief Development Officer (CDO) and acting CFO departed the Company in the December quarter. In addition, Mr Tommie van der Walt has also departed the Company post completion of the December quarter. The Company sincerely thanks both Mr Polonsky and Mr van der Walt for their contribution to IonicRE's development.

Director Resignation

Post-quarter, the Company announced the resignation of Nitin Tyagi as a Non-Executive Director, effective 20 January 2025. Mr Tyagi stepped down from his position to take up a new full-time role with global technology company, Amazon Web Services, and due to company policies, this new role precluded him from serving on the board of a for profit organisation.

Mr Tyagi served as a Non-Executive Director since 1 July 2023. The Company sincerely thanks him for his contribution to IonicRE's development.

Investor Newsletter

IonicRE launched in September 2024 a new investor newsletter, "The Short Circuit," featuring the latest industry information, investor analysis and recent updates on Company activities. The second issue released in December 2024 featured updates on the Company's activities in the UK and Brazil, together with an investor update, industry information, media update and latest investment research on the Company.

The newsletters are available on IonicRE's website at [www. https://ionicre.com/investors/investor-newsletters/](https://ionicre.com/investors/investor-newsletters/).

Forward Outlook

In 2025, IonicRE will seek to capitalise on the robust infrastructure and supportive policy environment for its Ionic Technologies' Magnet Recycling facility in Belfast, UK. Pending the outcome of its grant application, the Company aims to advance development of a commercial magnet REO manufacturing facility, representing a

significant milestone not only for the Company, but also for the development of an ex-China rare earths supply chain.

IonicRE will also continue discussions with potential project partners and investors, seeking to cement a Western supply chain for its Western supply chain compliant product.

Elsewhere, the Company will continue the expansion of the technology to other key target markets in North and South America, Europe and Asia.

Brazil represents a significant opportunity and its January 2025 announcement of US\$815 million in financing for strategic minerals, including rare earths, further demonstrates the government support for this sector. IonicRE, via the Viridion JV, looks forward to cementing plans to secure a site for pilot plants, with Brazil offering potentially significantly lower operating costs in converting alloy feedstock to magnet REO product.

Corporate

During the quarter, the Company expended approximately \$620,000 on Ionic Technologies demonstration and study activities, and \$286,000 on Makuutu exploration, demonstration plant and study activities reported above.

Payments to related parties of the entity and their associates totalled \$130,900 in Executive Director fees.

Mineral Concessions Held

IonicRE advises the following information, pursuant to ASX Listing Rule 5.3.3, for the quarter ended 31 December 2024, and to the date of this announcement.

1. No mineral exploration tenements were acquired or disposed of during the period;
2. Mineral exploration tenements held are set out below in Table 2; and
3. No farm-in or farm-out agreements were entered into during the period.

Table 2: Makutu Rare Earths Project Tenement Details.

Licence ID	Licence Type	Application Date	Granted Date	Expiry / Renewal Date	Area (km ²)
LML00334	Mining	01/09/2022	28/12/2023	27/12/2044	43.78
RL00234	Retention	20/06/2021	06/07/2021	05/07/2024 - Renewal Pending	47.03
EL00257	Exploration	15/07/2021	21/10/2021	20/10/2024 - Renewal Pending	55.51
EL00147	Exploration	19/10/2020	28/12/2020	27/12/2025	30.07
EL00148	Exploration	20/10/2020	28/12/2020	27/12/2025	24.08
TN/04741	Mining	23/09/2024	Approval pending	Approval pending	15.37
TN04445	Exploration	03/05/2024	Approval pending ^a	Approval pending	24.79
TN04447	Exploration	03/05/2024	Approval pending ^a	Approval pending	5.44
TN04452	Exploration	07/05/2024	Approved for granting ^b	Approved for granting	24.08

a. The Ugandan cadastre system requires amendment to no longer relinquish 50% of EL upon renewal – TN relates to EL00147, which RRM retains in full

b. The Ugandan cadastre system requires amendment to no longer relinquish 50% of EL upon renewal – TN relates to EL00148, which RRM retains in full

Table 3: Makuutu Resource above 200ppm TREO-CeO₂ Cut-off Grade (ASX: 15 May 2024).

Resource Classification	Tonnes (millions)	TREO (ppm)	TREO- CeO ₂ (ppm)	LREO (ppm)	HREO (ppm)	CREO (ppm)	Sc ₂ O ₃ (ppm)
Indicated	517	650	440	470	170	220	30
Inferred	99	560	380	420	140	190	30
Total	617	630	430	460	160	210	30

Rounding has been applied to 1Mt and 10ppm which may influence averaging calculation.

All REO are tabulated in ASX announcement 15th May 2024 with formulas defining composition of (Light Rare Earth Oxides ("LREO"), Heavy Rare Earth Oxides ("HREO") and Critical Rare Earth Oxides ("CREO").

For more information about IonicRE and its operations, please visit www.ionicre.com.

Authorised for release by the Board.

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About Ionic Rare Earths Limited

Ionic Rare Earths Limited (ASX: IXR or IonicRE) is an emerging miner, refiner and recycler of sustainable and traceable magnet and heavy rare earths needed to develop net-zero carbon technologies.

Ionic Technologies International Limited ("Ionic Technologies"), a 100% owned UK subsidiary, has developed processes for the separation and recovery of rare earth elements (REE) from mining ore concentrates and recycled permanent magnets. Ionic Technologies is focusing on the commercialisation of the technology to achieve near complete extraction from end of life / spent magnets and waste (swarf) to high value, separated and traceable magnet rare earth products with grades exceeding 99.9% rare earth oxide (REO).

In June 2023, Ionic Technologies announced initial production of high purity magnet REOs from its newly commissioned Demonstration Plant and moved to continuous production in March 2024, providing a first mover advantage in the industrial elemental extraction of REEs from recycling. In September 2023, Ionic Technologies announced collaboration partnerships with Ford Technologies, Less Common Metals (LCM) and the British Geological Survey (BGS) to build a domestic UK supply chain, from recycled REOs to metals, alloys and magnets and supplying UK based electric vehicles (EV) manufacturing, with potential to replicate across other key markets.

Ionic Technologies gained further UK Government support in September 2024, via its CLIMATES funding programme to demonstrate a circular supply chain for pre-consumer NdFeB magnet scrap (swarf) in partnership with LCM and Vacuumschmelze. The business also benefited from support from the UK

Government to develop magnet demagnetisation and comminution processes in partnership with Materials Processing Institute (MPI) and Swansea University.

In November 2024, IonicRE released a Feasibility Study showing the strong potential for a profitable and unique commercial REO manufacturing facility in Belfast, UK, recycling pre-consumer rare earth magnet scrap and end-of-life magnets, delivering sovereign capability to the UK and supporting regional investment in Northern Ireland.

IonicRE has also executed a transformational 50/50 joint venture refinery and magnet recycling facility in Brazil with Viridis Mining and Minerals Limited (ASX: VMM) to separate high value magnet and heavy rare earths from the Colossus Project's full spectrum of REOs.

This integrated strategy completes the circular economy of sustainable and traceable magnet and heavy rare earth products needed to supply applications critical to EVs, offshore wind turbines, communication, and key defence initiatives.

For more information about IonicRE and its operations, please visit www.ionicre.com.

Competent Persons Statement

The information in this report that relates to Mineral Resources for the Makuutu Rare Earths deposit was first released to the ASX on 15 May 2024 and is available to view on www.asx.com.au. Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

The information in this report that relates to Ore Reserves for the Makuutu Rare Earths deposit was first released to the ASX on 20 March 2023 and is available to view on www.asx.com.au. Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

The information in this report that relates to Production Targets or forecast financial information derived from production the production target for the Makuutu Rare Earths deposit was first released to the ASX on 20 March 2023 and is available to view on www.asx.com.au. Ionic Rare Earths Limited confirms that all material assumptions and technical parameters underpinning the Production Targets or forecast financial estimates in the announcement continue to apply and have not materially changed.

Forward Looking Statements

This announcement has been prepared by Ionic Rare Earths Limited and may include forward-looking statements. Forward-looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of Ionic Rare Earths Limited. Actual values, results or events may be materially different to those expressed or implied in this document. Given these uncertainties, recipients are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this document speak only at the date of issue of this document. Subject to any continuing obligations under applicable law and the ASX Listing Rules, Ionic Rare Earths Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this document or any changes in events, conditions, or circumstances on which any such forward looking statement is based.

ASX Announcements

- 21 January 2025 Director Resignation
- 18 December 2024 Results of Share Purchase Plan
- 9 December 2024 Viridion backed to build Brazilian magnet supply chain
- 5 December 2024 UK Government grant application lodged for magnet recycling plant
- 27 November 2024 Results of Meeting
- 26 November 2024 IonicRE completes \$1.65M capital raise, SPP announced
- 18 November 2024 Feasibility Study demonstrates profitable magnet REO business case
- 6 November 2024 Viridion JV to fast-track Brazilian magnet supply chain
- 1 October 2024 IXR awarded grants with LCM, VAC for UK-EU REPM partnership

Appendix 5B

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

Name of entity

Ionic Rare Earths Limited

ABN

84 083 646 477

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(591)	(1,609)
	(b) development	-	-
	(c) production	-	(45)
	(d) staff costs	(762)	(1,297)
	(e) administration and corporate costs	(671)	(689)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	10
1.5	Interest and other costs of finance paid	(9)	(19)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	878	2,241
1.8	Other – Ionic Technologies	(423)	(1,971)
1.9	Net cash from / (used in) operating activities	(1,573)	(3,379)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(101)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	(62)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	141	141
	(d) investments	873	1385
	(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	1,014	1,363

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	2,377	2,877
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	2	(7)
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	2,379	2,870

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	698	2,028
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,573)	(3,379)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	1,014	1,363
4.4	Net cash from / (used in) financing activities (item 3.10 above)	2,379	2,870

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	128	(236)
4.6	Cash and cash equivalents at end of period	2,646	2,646

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	2,455	509
5.2	Call deposits	191	189
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)	2,646	698

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	131
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,573)
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)	(1,573)
8.4	Cash and cash equivalents at quarter end (item 4.6)	2,646
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	2,646
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.68
	<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: No, cost reduction initiatives across corporate, Makuutu and Ionic Technologies continue to flow through the business, which are expected to continue to reduce over the next quarter into Q3 FY2025.	
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: The business is actively engaging trade partners to contribute to the development funding of its current projects. We expect a positive outcome on these discussions failing which we will continue to evaluate opportunities to raise funds through a placement.	

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: Yes, for reasons stated in 8.8.2 above

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.

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: 31 January 2025

Authorised by: By the Board of Ionic Rare Earths Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.