



ASX Announcement

29 May 2025

IXR COMPLETES \$3.0 MILLION CAPITAL RAISING

- **The Company has received firm commitments to raise \$3.0 million before costs by way of an issue of convertible notes subject to shareholder approval.**
- **Funds raised will be used for working capital including progressing developments of projects in the UK, USA, Brazil and Makuutu.**

Ionic Rare Earths Limited (“IonicRE” or the “Company”) (ASX: IXR) has received firm commitments to raise \$3.0 million before costs from sophisticated and professional investors through the issue of convertible notes.

The convertible notes are convertible into shares on the date determined by the holder and automatically convert into shares on 15 June 2027 if they haven’t converted earlier. The conversion price is the lower of 0.9 cents per share and a 20% discount to the 15-business day volume weighted average price of shares traded on ASX prior to conversion (although they convert at 0.9 cents per share if converted before 22 September 2025). They are not redeemable. Their detailed terms are set out in Annexure A.

In lieu of interest, the Company will issue a total of 166,666,667 options to the convertible notes investors. The options are exercisable at 1.1 cents each and expire on 15 December 2027. Their detailed terms are set out in Annexure B.

The capital raising is subject to shareholder approval which the Company intends to seek at an EGM in July 2025. The Company is able to elect to receive some or all of the underlying funds as a loan pending receipt of shareholder approval. The issue of the convertible notes and options is to occur shortly after receipt of shareholder approval if obtained. If shareholder approval is not obtained, any funds received by the Company in the interim is repayable with interest at the rate of 7% from the date of receipt until the date of repayment.

Ignite Equity Pty Ltd is acting as lead manager on the capital raising. It is today being issued with 15 million options on the same terms as set out above and will receive fees based upon 6% of funds raised plus GST on completion of the capital raising.

Authorised for release by the Board.



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About Ionic Rare Earths Ltd

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 99.5% rare earth oxide (REO).

The Makuutu Rare Earths Project in Uganda, 60% owned by IonicRE, moving to 94% ownership) is well-supported by existing tier-one infrastructure and is on track to become a long-life, low Capex, scalable and sustainable supplier of high-value magnet and heavy REO.

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.

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.

Annexure A – Convertible Notes Terms Details

Convertible Notes entitle the holder (Holder) to convert into ordinary shares in the capital of the Company (Shares) on the following terms:

1. Subject to paragraphs 13 and 14, each Convertible Note will convert into Shares on the earliest of any of the following occurring:
 - a) if a Holder gives a Conversion Notice to the Company, 3 business days after the date of the Conversion Notice; and
 - b) otherwise, on 15 June 2027.
2. The number of Shares to be issued for each Convertible Note is determined using a Share price equal to the lower of \$0.009 or a 20% discount to the VWAP for the 15 business days on which trading of Shares occurred prior to the relevant date in paragraph 1, provided that if a Conversion Notice is given before 22 September 2025 then the Share price will be \$0.009.
3. Conversion of each Convertible Note is as follows:
 - a) the Company shall issue and allot to the Holder in respect of each Convertible Note converted, such number of Shares as determined by the Conversion Rate;
 - b) the Shares issued shall rank in all respects equally with the then issued Shares in the capital of the Company;
 - c) the Company is hereby authorised to apply the Subscription Amount as payment in full for the Shares and the Company shall have no obligation in respect of the repayment of the Subscription Amount for the Convertible Notes converted;
 - d) the Holder accepts such Shares subject to the terms of the constituent documents of the Company and must return a certificate or statement in respect of the Convertible Notes held by the Holder to the Company; and
 - e) the Company will apply to have the Shares issued on conversion within 3 days of issue.
4. There are no participating rights or entitlements conferred on the Convertible Notes and the Holder will not be entitled to participate with respect to the Convertible Notes in new issues offered to Holders during the term of the Convertible Notes. There is no change in the number of Shares over which a Convertible Note can be converted in the event of a pro-rata issue.
5. The Convertible Notes are unsecured.
6. The Convertible Notes are unlisted and are only transferable with the written consent of the Company.
7. The Convertible Notes may be converted in whole or in part.
8. The Convertible Notes do not confer any voting rights.

9. The Convertible Notes do not confer any rights to repayment in the event of a winding up of the Company.
10. No interest is payable on the Convertible Notes.
11. The Convertible Notes are not redeemable.
12. In the event of any reorganisation of capital of the Company, the number of Convertible Notes to which the Holder is entitled will be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.
13. If a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder acquires a relevant interest in at least 90% of the Shares and the bid is unconditional, any Convertible Notes not converted within 7 days thereafter will automatically convert into Shares at the lower of the takeover price or the Share price described in paragraph 2.
14. If a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which is that a person will have a relevant interest in at least 90% of the Shares and that resolution is passed by the requisite majorities of Company shareholders, any Convertible Notes not converted within 2 days of the court order approving the scheme of arrangement will automatically convert into Shares at the lower of the takeover price or the Share price described in paragraph 2.
15. Whilst any Convertible Notes are on issue, the Company undertakes to not dispose of any material asset without prior consultation with Ignite Equity Pty Ltd.
16. Whilst any Convertible Notes are on issue:
- a) the Company must not permit the conversion of any Convertible Notes, and the Holder must not demand the conversion of any Convertible Notes, where to do so, would be in breach of any law, including without limitation the requirement to obtain the approval of any governmental organisation under the Foreign Acquisitions and Takeovers Act 1975 (Cth), or to obtain the approval of the shareholders of the Company under the Corporations Act 2001 (Cth), the ASX Listing Rules or the constitution of the Company, in respect of the issue of shares in the capital of the Company to the Holder.
 - b) the Company must on receipt of a written conversion notice sent to any director of the Company by email, do all things, including by sending all notices and convening all meetings, for the purpose of obtaining the approval to the conversion of any Convertible Notes for the purposes of this document.
 - c) the Holder must do all things, including by delivering all documents and other information, reasonably requested by the Company, for the purposes of satisfying any law applicable to the conversion of any Convertible Notes, or assisting the Company to comply with its obligations in this regard.

Annexure B – Options Terms Details

Options entitle the holder (Holder) to subscribe for ordinary fully paid shares in the Company (Shares) on the following terms:

1. Each Option entitles the Holder to subscribe for one Share upon exercise of the Option.
2. The amount payable on exercise of an Option is 1.1 cents.
3. Subject to paragraphs 13 and 14, each Option expires on 15 December 2027. An Option not exercised on or before the expiry date will automatically lapse on the expiry date.
4. There are no participating rights or entitlements conferred on the Options and the Holder will not be entitled to participate with respect to the Options in new issues offered to Shareholders during the term of the Options without exercising the Options. There is no change in exercise price or to the number of Shares over which an Option can be exercised in the event of a pro-rata issue.
5. In the event of any reorganisation of capital of the Company, the number of Options to which the Holder is entitled or the exercise price of the Options or both will be changed to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of reorganisation.
6. The number of Options held will appear on a Holder's statement which will be accompanied by a Notice of Exercise of Options form that is to be completed when exercising Options.
7. The Options can be exercised at any time prior to their expiry date by completing the Notice of Exercise of Options form and delivering it to the Company with payment of the exercise price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.
8. The Company shall, within 5 Business Days after the receipt of a Notice of Exercise of Options form and the requisite payment, issue Shares in respect of the Options exercised and arrange for a holding statement for the Shares to be despatched to the Holder.
9. The Holder may exercise any number of the Options without prejudice to the Holder's ability to subsequently exercise any remaining Options.
10. If admitted to the official list of ASX at the time, the Company will, within 7 days, apply for official quotation on ASX of the Shares issued upon the exercise of the Options.
11. Shares issued on exercise of an Option rank equally with the then issued Shares.
12. Options are unlisted and are only transferable with the written consent of the Company.
13. If a takeover bid within the meaning of the Corporations Act is made for the Shares and the bidder acquires a relevant interest in at least 90% of the Shares and the bid is unconditional, any Options not exercised within 7 days thereafter will automatically lapse.
14. If a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which is that a person will have a relevant interest in at

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least 90% of the Shares and that resolution is passed by the requisite majorities of Company shareholders, any Options not exercised within 2 days of the court order approving the scheme of arrangement will automatically lapse.

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