



ASX Announcement

28 July 2025

VIRIDION ADVANCES TO NEXT PHASE FOR BRAZIL FINANCING PACKAGE

Refining and Recycling JV progressing with Joint Support Plan for BNDES/FINEP funding under US\$900M initiative

- **IonicRE's Brazilian joint venture, Viridion, has progressed through the 2nd phase of evaluations for a R\$5 billion (~US\$900 million or ~A\$1.37 billion) funding package being administered by the Brazilian National Bank for Economic and Social Development ('BNDES') and the Federal Agency for Funding Authority for Studies and Projects in Brazil ('FINEP');**
- **Following high-level meetings with both agencies, Viridion's proposal is now progressing a Joint Support Plan ('PSC'), in line with the proposal initially shortlisted by BNDES/FINEP on 12 June 2025; and**
- **Tailored funding package expected to include a combination of non-dilutive grants, debt financing and potential equity participation, to accelerate downstream rare earth refining and magnet recycling in Brazil.**

Ionic Rare Earths Limited ("IonicRE" or the "Company") (ASX: IXR) has received another boost for its South American expansion, with its Brazilian downstream rare earths supply chain joint venture, Viridion Pty Ltd ("Viridion") (IXR: 50%; Viridis Mining and Minerals Ltd: 50%), progressing to the next phase of assessment under the R\$5 billion (~US\$900 million or A\$1.37 billion) strategic minerals funding program administered by BNDES (Brazilian National Bank for Economic and Social Development) and FINEP (Federal Agency for Funding Authority for Studies and Projects in Brazil). Viridion has been selected from the initial shortlist as one of the successful companies advancing to progress with a Joint Support Plan ('PSC') after high-level meetings with both agencies.

Viridion will now enter negotiations to finalise a tailored funding package, expected to include a combination of non-dilutive grants, debt financing, and potential equity participation, to accelerate the development of downstream rare earth refining and magnet recycling facilities in Brazil.

The following financial instruments have been nominated as potentially available for Viridion:

- **BNDES Programs/Credit Lines;**
- **BNDES Equity Investment; and**



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- Non-reimbursable Resources from FINEP.

This selection success follows the joint Public Call launched by BNDES / FINEP on 7 January 2025, to invest in companies engaged in the value chain for strategic minerals linked to the energy transition and decarbonisation, with rare earths and permanent magnets at the forefront and shortlisting announced 12 June 2025 (ASX: 13 June 2025).

As per Viridion's proposal, the funding will be used to progress:

- Development of pilot rare earth refining and Demonstration magnet recycling plants;
- Metallurgical testing and associated research and development activities;
- Engineering Feasibility Studies; and
- Capacity building in Brazil.

In addition to the R\$5 billion strategic minerals funding pool, FINEP and BNDES launched a second funding round in February 2025, allocating an additional R\$3 billion (~US \$540 million) to support companies advancing further down the value chain through technology development and innovation hubs, consistent with that recently announced by the Company with land now secured in Poços de Caldas, Minas Gerais (ASX: 17 July 2025).

IonicRE Managing Director, Mr Tim Harrison commented: *"This is very welcome news for our Viridion joint venture in Brazil, which continues to pick up speed thanks to the strong support from our joint venture partner and the Brazilian authorities."*

"The successful evaluation of our Viridion proposal against other competing opportunities highlights that Viridion has both a unique and strategically important offering, for the development of strategic mineral value addition capacity in Brazil."

"We have demonstrated both our technical offering and commitment to a Brazilian rare earth supply chain through the recycled REOs we delivered to our magnet partners CIT SENAI in May 2025."

"IonicRE and Viridion are grateful for the support of BNDES and FINEP, and together with VMM, we look forward to agreeing the funding package and finalising details for the support structure plan in the coming weeks and commencing activity on the CRITR facility in Poços de Caldas."

IonicRE Executive Chairman, Mr Brett Lynch said: *"Brazil is set to become a major rare earth production centre and this latest achievement by our Viridion joint venture only further highlights the opportunity."*

"IonicRE via Viridion is rapidly moving to become a leader in the Brazilian market, based on our patented magnet recycling technology, which offers Brazil the potential for a secure, sustainable and sovereign rare earth supply chain."

"Recycling and refining is key to our strategic offering and we aim to fulfil a key need in an emerging supply chain for this South American giant, adding to our international expansion across the UK/Europe, North America and Asia."

This latest development comes amid an increasing scramble for rare earth supply following China's recent export controls, with the U.S. administration and other Western governments putting a focus

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on securing an ex-China supply chain. Both the United States and Europe remain heavily import-dependent for rare earths and other critical minerals, with Brazil seen as a strategic supplier.

Viridion will play a strategic role in near-term substitution for disrupted critical minerals, with the Company on track to progress the development of a fully integrated rare earth supply chain, based on recycling end-of-life (EOL) magnets and swarf into high purity separated rare earth oxides (REOs) as the early facilitator of supply.

The selection from BNDES / FINEP is well timed given May's delivery of the first recycled magnet rare earth oxides to the Company's Brazilian magnet manufacturing partners CIT SENAI – Lab Fab (Center of Innovation and Technology) facility in Lagoa Santa, Minas Gerais, Brazil, constituting the first locally sourced range of REOs recycled in Brazil, sourced from Brazilian EOL magnets.

Viridion is now moving to establish South America's first refining and recycling hub, the Centre for Rare Earths Innovation, Technology and Recycling (CRITR) based at Minas Gerais, with the Municipality of Poços de Caldas recently granting it 2,071 square metres of land within an Industrial District. The CRITR is expected to commence operations in the second half of 2026, subject to financing and regulatory approvals.

FINEP/BNDES Public Calls: Funding for Critical Mineral Projects in Brazil

The FINEP / BNDES first Public Call (Notice N° 001/2025), launched in January 2025, announced it would allocate R\$5 billion (~US \$900 million or A\$1.37 billion) to support business plans focused on transforming strategic minerals in Brazil.

The program aims to develop sustainable supply chains for critical minerals, such as rare earths, essential to the energy transition and decarbonisation efforts. The funding encompasses various forms of financial support to invest in a range of projects, including industrial-scale plants, pilot facilities, demonstration projects and necessary research studies, depending on the stage of the projects and technologies involved.

In addition to the R\$5 billion Public Call for strategic minerals, FINEP / BNDES launched a second public call in February 2025, allocating a further R\$3 billion (~US\$540 million or ~A\$820 million) specifically to support the establishment of Research, Development and Innovation centres across Brazil, such as those planned by Viridion.

The objective is to attract and enhance Brazil's scientific and technological capabilities in alignment with the "New Industry Brazil" (Nova Indústria Brasil) policy, focusing on vertical integration and downstream products.

Viridion's development strategy aligns with the goals of the FINEP / BNDES Public Calls, which seek to advance Brazil's industrial capacity in the critical minerals sector, reduce reliance on foreign suppliers and ensure the country's leadership in the global clean energy supply chain.

The funding being made available will fast-track Viridion's development timelines. Delivering high-purity Nd₂O₃, Pr₆O₁₁, Dy₂O₃, and Tb₄O₇, to Latin America's only magnet manufacturer is a testament to the strategic vision of Viridion.

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The combination of local and state government support, coupled with leading refining and recycling technology, and a strong potential feed source from Viridion JV partner, Viridis Mining and Minerals' Colossus Project, makes Viridion well placed to capitalise on the second Public Call from BNDES and FINEP and other significant funding opportunities being made available to leading strategic mineral projects in Brazil.

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

Viridion Joint Venture

IonicRE and Viridis executed a Binding Agreement in April 2024 (refer ASX announcement 3 April 2024), for the commercialisation of intellectual property developed by IonicRE's 100% owned UK subsidiary, Ionic Technologies, to separate and refine Rare Earth Oxides (REOs) from concentrates and carbonates feed from the Colossus Project, and magnet recycling in Brazil.

The 50/50 JV between Viridis and Ionic Rare Earths aims to commercialise and implement the Separation and Recycling Technology within a separation plant in Brazil and is positioned to become the first major producer of the full suite of refined magnet REOs in South America.

The JV has formed Viridion Pty Ltd ("**Viridion**") in Australia and Viridion Rare Earth Technologies Ltda in Brazil, which holds exclusive global rights (excluding Asia and Uganda) to Ionic Technologies' separation IP to produce REOs from Mixed Rare Earth Carbonate ('MREC') or equivalent intermediate feed streams, and own any new IP developed from the commercialisation process.

Viridion also holds exclusive rights in Brazil to monetise, implement and commercialise Ionic Technologies' magnet recycling. This grants Viridion rights to exclusively commercialise separation technology for other REE producers, with an initial focus on partnering with existing Brazilian rare earth projects before expanding the technology globally.

Ionic Technologies is a global first mover in the recycling of Neodymium-Iron-Boron (NdFeB) permanent magnets to high purity separated magnet REOs – enabling the creation of sustainable, traceable, and sovereign rare earth supply chains.

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

Authorised for release by the Board.

For enquiries, contact:

For Company
Tim Harrison
Ionic Rare Earths Limited
investors@ionicre.com
+61 (3) 9776 3434

For Investor Relations
Peter Taylor
NWR Communications
peter@nwrcommunications.com.au
+61 (0) 412 036 231

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, 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.

References to Previous ASX Releases

- *Government endorses IXR’s Viridion JV to establish South America’s first rare earth refining and recycling hub – 17 July 2025*
- *Ionic Technologies secures UK Government backing with £11M ‘CircularREEconomy’ partnership – 14 July 2025*
- *IXR eyeing multiple magnet recycling plants in USA – 23 June 2025*
- *IXR’S Viridion JV targets expansion into USA with rare earth refinery – 18 June 2025*
- *IXR’s Brazilian subsidiary Viridion selected for funding to accelerate rare earth recycling and refinery – 13 June 2025*
- *Viridion delivers first recycled magnet REO feed to Brazilian magnet manufacturer – 27 May 2025*

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- *IonicRE inks MOU with EMR to create game-changing circular supply chain for rare earth magnets – 26 May 2025*
- *Peer review confirms up to 61% lower CO₂ emissions from Ionic Technologies' magnet recycling process – 13 March 2025*
- *IonicRE signs MOU with Korea's DNA Link to spur international expansion – 13 February 2025*
- *Viridion backed to build Brazilian magnet supply chain – 9 December 2024*
- *UK government grant application lodged for magnet recycling plant – 5 December 2024*
- *FS demonstrates profitable magnet REO business case – 18 November 2024*
- *IonicRE and Viridis execute transformational joint venture for separation, refining and recycling of rare earths in Brazil – 3 April 2024*

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and all material assumptions and technical parameters continue to apply and have not materially changed.