IONIC RARE EARTHS LIMITED (ACN 083 646 477)
SUPPLEMENTARY PROSPECTUS

IMPORTANT INFORMATION

This is a supplementary prospectus (**Supplementary Prospectus**) intended to be read with the entitlement offer prospectus dated 12 September 2025 (**Prospectus**) issued by Ionic Rare Earths Limited (**Company**).

This Supplementary Prospectus is dated 16 October 2025 and was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The ASIC, the ASX and their respective officers take no responsibility for the contents of this Supplementary Prospectus.

This Supplementary Prospectus should be read together with the Prospectus. Other than as set out below, all details in relation to the Prospectus remain unchanged. Terms and abbreviations defined in the Prospectus have the same meaning in this Supplementary Prospectus. If there is a conflict between the Prospectus and this Supplementary Prospectus, this Supplementary Prospectus will prevail.

This Supplementary Prospectus will be issued as an electronic copy and may be accessed on the Company's website at www.ionicre.com.

This is an important document and should be read in its entirety. If you do not understand it, you should consult your professional advisers without delay.

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1. BACKGROUND

On 14 October 2025, the Company announced to ASX that it had successfully completed its rights issue announced on 12 September 2025, closed on 9 October 2025, and an additional placement which were strongly supported by existing and new shareholders. The announcement contained the following components:

- Amid an increased global focus on the rare earths sector, the rights issue raised approximately $6.1 million (before costs). To accommodate some of the excess demand for the rights issue and secure new domestic and international institutional investors, the Company placed an additional $9.5 million (before costs), including the previously announced $1.125 million.
- The placement was completed on the same terms as the rights issue, with the new shares being issued at an issue price of 1.6 cents each. One option is being issued for every new share subscribed for (at no additional issue price) exercisable at 2.5 cents before 30 September 2028, with application for these options to be listed.
- The placement was supported by a $3 million strategic investment from U.S.-based Argentem Creek Partners, a specialist investment firm with experience in critical minerals, energy transition plays, technology and industrial sectors.
- All directors participated in the rights issue (with combined subscriptions of ~$236,000) along with Company executives and management participating in the placement (with combined subscriptions of ~$635,000).
- The rights issue was underwritten to $2 million by Mahe Capital Pty Ltd. No equity was issued under the underwriting facility. A total of 45,348,845 options on the same terms as the rights issue will be issued to Mahe Capital ("Advisor Options").
- The Company intends to issue the shares and options the subject of the capital raising on 16 October 2025, which are expected to commence trading on ASX on 17 October 2025. Shares and options issued under the placement will be issued using the Company's existing placement capacity, with ~520 million shares to be issued under Listing Rule 7.1A, and ~75 million shares, ~595 million options and ~45 million Advisor Options to be issued under Listing Rule 7.1.

As a consequence, the Company proposes to issue all of the placement shares, the placement options and the Advisor Options under the terms of the Prospectus as supplemented by this Supplementary Prospectus.

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2. AMENDMENTS TO THE PROSPECTUS

The following sections to the Prospectus are amended as follows:

2.1 Increased size of raising

A new section 2.23 of the Prospectus is inserted as follows:

2.23 Increased size of raising

As announced by the Company to ASX on 14 October 2025, the Company proposes to increase the size of the raising under the Placement and issue a total of 595,312,500 New Shares under the Placement, 595,312,500 New Options under the Placement and 45,348,845 Advisor Options under the terms of the Prospectus as supplemented by this Supplementary Prospectus.

References in the Prospectus to the term Placement shall be taken to mean the increased Placement as specified above. References in the Prospectus to the term Advisor Options shall be taken to mean the increased Advisor Options as specified above.

The Placement is being made on the same terms as the Offer, with the New Shares being issued at an issue price of 1.6 cents each to raise up to $9.5 million (before costs), together with one New Option being issued for every New Share subscribed for (at no additional issue price) under the Placement.

The terms and conditions of the New Options are set out in section 4.1. All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

An amendment to the Company's application for Official Quotation of the New Shares and the New Options under the Prospectus as supplemented by the Supplementary Prospectus will be made to ASX no later than 7 days after the date of this Supplementary Prospectus in order to include the increased size of the raising as described above. If ASX does not grant Official Quotation, all application monies will be returned without interest.

2.2 Purpose of the Offer and Placement

Section 3.1 of the Prospectus is deleted in its entirety and replaced with the following:

The purpose of the Offer is to raise approximately $6.1 million before costs. The purpose of the Placement is to raise $9.5 million before costs. The funds raised from the Offer and Placement will primarily be used to support the activity underway on early works and financing Ionic Technologies' Belfast magnet recycling project, advancing the Brazilian rare earth refining and recycling Viridion joint venture, both corporate and supply chain development activity in the USA, minor ongoing costs at the Makuutu Heavy Rare Earth Project, and provide working capital.

2.3 Effect of the Offers

Section 3.2 of the Prospectus is deleted in its entirety and replaced with the following:

The principal effect of the Offer and Placement, assuming all securities offered under the Prospectus are issued and no further Shares are issued prior to the Record Date, will be to:

(a) increase the cash reserves by approximately $14.8 million (after deducting the costs of the Offer and Placement) immediately after completion of the Offer and Placement; and

(b) increase the number of Shares and Options on issue as set out in section 1.2. It is possible that Shareholders will be asked to consider in due course a potential share consolidation which would reduce the number of Shares and Options on issue without charging their proportionate interest in the Company, although details in this regard have not been determined.

2.4 Effect on capital structure

The capital structure table at section 1.2 of the Prospectus is amended to reflect the additional securities to be issued under the Placement as set out below:

Shares

Issue price per Share	1.6 cents
Entitlement Ratio	1:15
Shares currently on issue (per Prospectus)	5,694,454,166
New Shares issued subsequent to Prospectus (not issued under Offer or Placement)	24,113,681
New Shares to be issued under the Offer	380,705,105
New Shares to be issued under the Placement	595,312,500
Shares on issue post-Offer	6,694,585,452
Gross proceeds of the issue of New Shares (approximately)	$15.6 million

Options

Issue price	Nil
Entitlement Ratio	1:1
Options currently on issue (per Prospectus)	608,747,012
Options exercised subsequent to Prospectus	(16,857,144)
New Options to be issued under the Offer	380,705,105
New Options to be issued under the Placement	595,312,500
Options to be issued to the Lead Manager and Underwriter	45,348,845
Options on issue post-Offer	1,613,256,319

In addition, as at the date of this Supplementary Prospectus the Company has 20 Convertible Notes (on the basis set out in the Notice of Meeting announced to ASX on 6 June 2025 as subsequently approved by Shareholders) and 130,000,000 Performance Rights on issue.

2.5 Continuous reporting and disclosure obligations

Section 6.2 of the Prospectus is amended by inclusion of the following announcements made by the Company since the Prospectus was lodged:

Date	Description of ASX Announcement
14 October 2025	Update – Proposed issue of securities – IXR
14 October 2025	Update – Proposed issue of securities – IXR
14 October 2025	US STRATEGIC INVESTMENT ENHANCES IXR RIGHTS ISSUE, PLACEMENT
13 October 2025	Update – Proposed issue of securities – IXR
3 October 2025	Date of AGM and closing date for Director Nominations
3 October 2025	Security Class Suspension from Quotation - IXRO
2 October 2025	Cleansing Notice
2 October 2025	Application for quotation of securities – IXR
29 September 2025	Appendix 4G and Corporate Governance Statement
29 September 2025	2025 Annual Report

Date	Description of ASX Announcement
29 September 2025	IXR Investor Webinar
24 September 2025	Entitlement Offer Open and Shareholder Letters
19 September 2025	Cleansing Notice
19 September 2025	Application for quotation of securities – IXR
19 September 2025	Application for quotation of securities – IXR
18 September 2025	Proposed issue of securities – IXR
18 September 2025	Commencement of Rights Trading ASX IXRR
12 September 2025	Proposed issue of securities – IXR
12 September 2025	Proposed issue of securities – IXR
12 September 2025	Proposed issue of securities – IXR
12 September 2025	Target Market Determination (TMD)
12 September 2025	Investor Presentation
12 September 2025	Prospectus
12 September 2025	Renounceable rights issue and placement to raise up to $7M

2.6 Pro-forma Balance Sheet

To illustrate the effects of the Offer and the increased size of the Placement on the financial position of the Company, the pro-forma balance sheet in section 3.3 of the Prospectus is deleted in its entirety and is replaced with Annexure A of this Supplementary Prospectus.

3. Consent

Mahe Capital Pty Ltd has given its written consent to being named in this Supplementary Prospectus and has not withdrawn its consent prior to the lodgement of this Supplementary Prospectus with the ASIC. Mahe Capital Pty Ltd:

(a) does not make, or purport to make, any statement in this Supplementary Prospectus other than those referring to it; and

(b) in light of the above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Supplementary Prospectus other than a reference to it.

4. Directors' Authorisation

This Supplementary Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Supplementary Prospectus with the ASIC.

Dated: 16 October 2025

Signed for and on behalf of Ionic Rare Earths Limited by

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Tim Harrison
Ionic Rare Earths Limited

Annexure A – Pro Forma Balance Sheet

This section contains a summary of the financial information for the Company as at 30 June 2025 (Audited Financial Statements) and a pro-forma statement of the financial position as at 30 June 2025 (Pro Forma) prepared on the basis of the accounting policies normally adopted by the Company to illustrate the effect of the Offer and Placement.

The pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

	30-Jun-25 Audited Financial Statements	Offer and Placement	30-Jun-25 Pro forma
	$	$	$
Assets			
Current assets			
Cash and cash equivalents	595,231	14,846,282	15,441,513
Other receivables	168,453	-	168,453
Inventories	548,351	-	548,351
Income tax refund due	52,321		52,321
Other assets	60,789	-	60,789
Total current assets	1,425,145	14,846,282	16,271,427
Non-current assets			
Investments accounted for using the equity method	24,223,908	-	24,223,908
Intangible assets	5,195,824	-	5,195,824
Plant and equipment	1,356,248	-	1,356,248
Right-of-use assets	326,217	-	326,217
Other assets	35,000	-	35,000
Total non-current assets	31,137,197	-	31,137,197
Total assets	32,562,342	14,846,282	47,408,624
Liabilities			
Current liabilities			
Trade and other payables	1,851,820	-	1,851,820
Lease liabilities	131,342	-	131,342
Other financial liabilities	750,000	-	750,000
Total current liabilities	2,733,162	-	2,733,162
Non-current liabilities			
Lease liabilities	237,044	-	237,044
Total non-current liabilities	237,044	-	237,044
Total liabilities	2,970,206	-	2,970,206
Net assets	29,592,136	14,846,282	44,438,418
Equity			
Issued capital	95,086,703	15,616,282	110,702,985
Reserves	8,066,073	(770,000)	7,296,073
Accumulated losses	(73,560,640)	-	(73,560,640)
Total equity	29,592,136	14,846,282	44,438,418