



# AMARGOSA BAUXITE-GALLIUM PROJECT TO BE DEMERGED AS ALURION RESOURCES LIMITED

Proposed ASX: ALU | Priority Offer to Eligible BRE Shareholders<sup>1</sup>

## UNLOCKING THE AMARGOSA BAUXITE-GALLIUM PROVINCE IN BAHIA, BRAZIL

**Brazilian Rare Earths Limited (ASX: BRE)** (OTCQX: BRELY / BRETf) is pleased to announce its intention to demerge its 100%-owned Amargosa Bauxite–Gallium Project (Amargosa) into a newly formed ASX-listed company, Alurion Resources Limited (Alurion, or ALU).

The proposed demerger is designed to establish Alurion as a dedicated bauxite and critical minerals development company with its own board, management team and capital structure, while enabling BRE to remain focused on advancing its rare earth and critical minerals portfolio.

## STRATEGIC RATIONALE: A FOCUSED COMPANY FOR A DISTINCT GLOBAL OPPORTUNITY

The proposed demerger affords Amargosa the focus and flexibility it needs to be progressed rapidly, and reflects a disciplined portfolio strategy that separates two large-scale, strategically important mineral platforms with different development pathways. Benefits include:

- **Capital discipline:** Enabling Alurion to raise and deploy capital directly into Amargosa’s bauxite development plan without competing with BRE’s priorities
- **Execution focus:** Dedicated management team and board with relevant bauxite, bulk-commodity logistics, and capital-markets expertise, to accelerate commercial, technical and offtake workstreams
- **Priority for BRE shareholders:** BRE shareholders are expected to receive direct Alurion exposure through an in-specie distribution and also retain indirect exposure through BRE’s strategic Alurion shareholding
- **Strategic BRE shareholding:** Following the in-specie distribution, BRE intends to retain a strategic shareholding in Alurion, expected to represent approximately 17% to 18% post-IPO, subject to final IPO size and allocations

## ALURION RESOURCES: THE AMARGOSA OPPORTUNITY

### Structural market drivers

- Bauxite is the primary raw material used to make alumina, which is then used to produce aluminium. The world’s seaborne bauxite supply chain has become increasingly concentrated, with Guinea now supplying approximately 70% of China’s imported bauxite feedstock. This supply concentration highlights the strategic importance for new, high-quality bauxite supply from reliable mining jurisdictions.

### Large-scale bauxite province

- Amargosa is not an early-stage concept. More than a decade of exploration, led by Rio Tinto and more recently by BRE, has defined a 568 Mt JORC compliant Mineral Resource Estimate, including 98 Mt of direct-ship bauxite grading 41.9% Total Available Alumina (TAA) and 2.5% reactive silica, competitive with Guinean benchmark metallurgical bauxite. The scale and quality of the resource provide the foundation for a low-complexity initial development pathway and potential longer-term expansion opportunities.



### Simple initial development pathway

- The first-stage Scoping Study development plan is simple by design: mine and ship bauxite directly, without building a beneficiation plant, tailings facility or major fixed infrastructure. This development pathway is designed to minimise upfront capital intensity, reduce time to market and position Amargosa in the first quartile of the global cost curve.

### Compelling economics and logistics

- At spot pricing of US\$71/dmt (CIF China), the Scoping Study for the direct-ship-bauxite reported an after-tax NPV<sub>8</sub> of US\$630 m, IRR of 82% and 1.2-year payback, with initial capex of US\$119 m including 35% contingency
- Amargosa North is strategically located approximately 160 km by road from the Port of Enseada, an established bulk-export facility, providing direct access to global seaborne bauxite markets from Brazil

### Critical-mineral and scale upside

- Beyond the base case, Amargosa has a range of potential value levers. These include scaling production to more than ~15 Mtpa via the potential FIOL rail and port, unlocking the contained gallium endowment, and advancing co-products including titanium, zircon, and rare earth critical minerals. These opportunities remain subject to further technical, economic, and market evaluation.

## PRIORITY DEAL STRUCTURE FOR BRE SHAREHOLDERS

The proposed deal structure is intended to prioritise participation by existing BRE shareholders while establishing Alurion with the capital base required to advance Amargosa as a standalone development company.

BRE intends to distribute Alurion Shares to Eligible BRE Shareholders<sup>1</sup> on a pro-rata basis of 0.5607 ALU Shares for each BRE Share held at the In-Specie Record Date.

Alurion also intends to undertake an Initial Public Offering to raise between A\$30 m and A\$50 m on the following basis:

- **Pro-Rata Priority Offer** open to Eligible BRE Shareholders<sup>1</sup>
- **First-Right Top-Up Offer** open to Eligible BRE Shareholders<sup>1</sup> who have subscribed for Alurion Shares in excess of their maximum Priority Offer entitlement, subject to the terms of the prospectus and final allocations
- **Broker Firm and Institutional Offers** of any remaining Alurion Shares to eligible Australian retail and other eligible clients of Brokers and certain Institutional Investors in Australia and other Permitted Jurisdictions

<sup>1</sup> Eligible BRE Shareholders being those with a registered address in Australia, Brazil, British Virgin Islands, Canada (Provinces of British Columbia, Ontario and Quebec), the EU (excluding Austria), Hong Kong, New Zealand, Singapore, China, Switzerland, the UK or the US (Permitted Jurisdictions). Ineligible BRE Shareholders will have their entitlement sold by a Sale Agent, with proceeds remitted to them. Additionally, Eligible Shareholders who, based on their holding of Shares, would on the In-specie Record Date be entitled to receive \$2,000 worth of Alurion Shares or less under the In-specie Distribution may elect for the In-Specie Shares they would have otherwise been entitled to receive under the in-specie distribution to be transferred to and sold by the Sale Agent through the Sale Facility.



## CEO COMMENTARY

“The proposed demerger and public listing of Alurion Resources is a disciplined value-unlocking transaction for BRE shareholders and the right structure for the leading Amargosa Bauxite-Gallium Project.

Amargosa is a large-scale bauxite-gallium province, with the resource base, grade, logistics and low-capex first-stage development pathway to support a compelling standalone investment proposition. Establishing Alurion as a dedicated company gives Amargosa the capital focus, specialist leadership and strategic mandate to advance its development pathway.

The transaction has been deliberately structured to prioritise BRE shareholders. Eligible shareholders are expected to receive direct exposure to Alurion through the proposed in-specie distribution, priority participation in the IPO, and continued indirect exposure through BRE’s retained strategic shareholding.

For BRE, the demerger also sharpens our corporate focus. It allows Alurion to advance Amargosa as a leading bauxite and critical minerals development company, while BRE concentrates its development and execution capabilities on advancing one of the world’s most important rare earth and critical minerals provinces.”

— **Bernardo da Veiga, Managing Director and CEO**

## IMPORTANT INFORMATION FOR SHAREHOLDERS

BRE has received in-principle advice from the ASX with respect to the proposed demerger and Alurion's suitability for listing. The proposed demerger and IPO also remains subject to completion of transaction documentation, legal and tax structuring, final Board approvals, BRE shareholder approval, third party approvals, lodgement of the Alurion prospectus, ASX admission requirements, market conditions and other customary conditions. No offer of Alurion shares will be made except under, or accompanied by, a prospectus lodged with ASIC.

Shareholders should read the prospectus and all relevant BRE and Alurion announcements before making any investment decision. The Company expects to lodge the Alurion IPO Prospectus in Mid 2026 with ASX listing targeted for two months after lodgement. Shareholders will be provided with further information in relation to the Alurion IPO, including the Priority Offer, closer to the time.

This announcement has been authorised for release by the Managing Director and CEO.

For further information and enquiries please contact:

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### FORWARD-LOOKING STATEMENTS

This announcement contains forward-looking statements, including statements regarding the proposed demerger, proposed IPO, proposed ASX listing of Alurion, expected BRE shareholder participation, BRE’s expected retained shareholding, development plans for Amargosa, potential scale expansion opportunities, potential co-products, market conditions, expected timetable and future funding. These statements are based on BRE management's expectations and beliefs concerning future events as of the time of the release of this announcement.



Forward-looking statements are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of BRE. Actual results, performance or outcomes may differ materially from those expressed or implied by forward-looking statements. BRE does not undertake to update forward-looking statements except as required by law and the ASX listing rules.

#### **SCOPING STUDY AND PREVIOUSLY REPORTED INFORMATION**

The information in this announcement that relates to the Mineral Resource Estimate, production target and forecast financial information derived from a production target was first released by the Company in its announcement titled "Amargosa Bauxite Project Scoping Study" dated 11 December 2025 (December Announcement).

The Company confirms that it is not aware of any new information or data that materially affects the information contained in the December Announcement and, in the case of the Mineral Resource Estimate, that all material assumptions and technical parameters underpinning the estimate continue to apply and have not materially changed.

The Company further confirms that all material assumptions underpinning the production target and forecast financial information derived from the production target in the December Announcement continue to apply and have not materially changed.

The Company confirms that the form and context in which the Competent Person's findings are presented in this announcement have not been materially modified from the December Announcement.