

27 January 2026



UK GOVT PROVIDES OFFER IN PRINCIPLE FOR BELFAST RARE EARTH MAGNET RECYCLING PLANT

- **IonicRE's wholly owned subsidiary Ionic Technologies has been provided an Offer in Principle for a £12 million (approx. A\$24 million) capital grant from the UK Government to support the delivery of a commercial magnet recycling facility in Belfast, UK;**
- **Ground-breaking magnet recycling facility will produce 400 metric tonnes per annum of high purity (99.5% plus) separated magnet Rare Earth Oxides (REOs), utilising Ionic Technologies' patented long-loop recycling technology; and**
- **IonicRE is now advancing the remaining financing activities required for the project, with multiple parties appraising investment, amid drive to deliver a sovereign, secure and sustainable rare earths supply chain for UK advanced manufacturing, defence and renewables.**

Ionic Rare Earths Limited ("IonicRE" or the "Company") (ASX: IXR) has received a major boost in the delivery of a commercial rare earth magnet recycling plant in Belfast, UK, with wholly owned subsidiary Ionic Technologies provided an Offer in Principle for significant UK Government funding that will cornerstone the plant's capital investment.

Ionic Technologies has received an Offer in Principle, subject to further due diligence and meeting applicable conditions, for a £12 million capital grant via the UK Government's DRIVE35 Funding Program to support the development of its planned 400 metric tonnes per annum magnet rare earth oxide (REO) capacity plant in Belfast, UK. DRIVE35 provides capital funding to support the industrialisation of zero-emission vehicle technologies and is funded by the Department for Business and Trade and delivered in partnership with the Advanced Propulsion Centre UK (APC), and Innovate UK.

The DRIVE35 support follows IonicRE's Feasibility Study (ASX: 18 November 2024), which showed the strong potential for a profitable and unique commercial REO manufacturing facility in Belfast, recycling pre-consumer rare earth magnet scrap and end-of-life (EOL) magnets, delivering sovereign capability to the UK. The proposed plant is planned for Queen's Island within the iconic Belfast Harbour Estate.



Ionic Technologies' planned commercial facility directly aligns with the updated Critical Minerals Strategy announced by British Prime Minister Sir Keir Starmer on 22 November 2025, which aims to reduce the UK's overreliance on foreign imports of critical minerals, protecting the UK from shortages in global shocks and shoring up supply chains. The Strategy targets producing 10% of the UK's mineral needs domestically and 20% through recycling by 2035, compared to current domestic production which accounts for 6% of its critical minerals needs.

Belfast was recognised as a UK critical minerals cluster, supporting the development of new, clean and green industries, while encouraging employment and investment growth in the regional economy. Utilising made-in-Belfast technology, Ionic Technologies' Belfast plant was the first producer of recycled, individually separated magnet REOs in the Western world.

IonicRE will now work with DBT and APC to progress the required due diligence needed to access the funding. The Company has also initiated the next stage of discussions with potential strategic investors to secure the remaining required equity capital for the £85 million project to support a final investment decision (FID).

APC CEO Mr Ian Constance said: *"The development of a commercial rare earth permanent magnet recycling plant in Belfast will support the UK's automotive and advanced manufacturing industries."*

"We have been greatly encouraged by Ionic Technologies' innovation, and through DRIVE35 are pleased to work in partnership with the company as it develops this project for the benefit of Belfast and the whole UK economy."

"Delivering the rare earths needed for the UK's automotive sector will ensure the industry remains competitive and with secure and sustainable supply, leading to future jobs and investment."

Welcoming the Offer in Principle letter, IonicRE's Managing Director, Tim Harrison said: *"We are delighted that the UK Government is looking to support Ionic Technologies to cornerstone investment in a commercial magnet recycling facility in Belfast, using our patented, made-in-Belfast technology."*

"IonicRE and Ionic Technologies have worked tirelessly with DBT and APC to progress to this stage and we are very grateful for this vote of confidence in our project and Belfast's future as a centre of UK rare earths production. We would also like to extend our thanks to the team at the DBT who advanced the review and assessment of our application, further underscoring the UK Government's commitment to the Green economy."

"Importantly, this commercial plant will create highly skilled jobs and bring new advanced manufacturing to Belfast, ensuring the development of the critical minerals cluster that delivers on the UK's recently published Critical Minerals Strategy."

"The REOs that we produce are 99.5% purity or above, which means they are appropriate for use in the highest specification of next generation motor magnets, and can be further value added here in the UK with our supply chain partners."

"Now that an Offer in Principle has been received, we will be working closely with strategic investors to finalise the capital investment required for the commercial plant and progress to final investment decision as soon as possible, targeting first production within two years."

IonicRE Executive Chairman, Mr Brett Lynch commented: “Speed and tonnes are at the centre of our efforts to build ex-China rare earths supply chains and this grant funding will be hugely important in accelerating our global expansion.

“The UK Government has shown that it is not prepared to accept the status quo; instead it is demonstrating the necessary leadership to drive development of an industry critical to the nation’s economic competitiveness and this type of forward thinking is hugely important.

“I congratulate and thank the Minister for Industry, Minister McDonald MP, together with the APC, the Department for Business and Trade, Stormont Assembly Ministers and all other stakeholders who have contributed to this vital development, together with our team in Belfast and in Australia.

“With the firm prospect of this cornerstone funding, IonicRE now has the financial impetus to drive the development of our first commercial plant, likely the first of multiple such magnet recycling plants across the UK and globally, as we work to overcome the industry’s current monopolistic structure and ensure a truly sustainable and secure supply of rare earths for decades to come.”



Figure 1: Render of the Belfast Commercial Plant.

UK Automotive Sector Opportunity

Having established Ionic Technologies as a key strategic player in the Rare Earth Permanent Magnet (REPM) supply chain, IonicRE has previously secured circa £5 million of capital grant funding in the UK to advance Research & Development work to advance the technology and de-risk commercialisation. This £12 million capital Offer in Principle would represent the most recent backing

from the DBT, which has supported Ionic Technologies from lab scale through to the latest grant via the following initiatives:

- APC – Technical Development Accelerator Program (TDAP in 2021 to advance from benchtop to pilot scale)
- APC – Scale-Up Readiness Validation (SuRV) in 2022 to build a Demonstration Plant;
- Innovate UK – CLIMATES in 2023 and 2024; and
- APC – CircularREEconomy in 2025.



Figure 2: APC visit to Ionic Technologies Demonstration Plant (Left to right; Matt Pardington, APC Project Delivery Lead, Thomas Kelly, Ionic Technologies Director of Operations and APC CEO, Ian Constance)

DRIVE35 aims to safeguard and create highly-skilled jobs, attract private investment, and drive emissions reductions, whilst securing future zero-emission vehicle manufacture in the UK by building an internationally competitive EV supply chain through the transition, upgrading or establishment of new manufacturing facilities. The program aims to develop a UK-based manufacturing capability for zero-emission vehicles and leverage the UK's unique reputation in high-growth domestic and export markets.

DRIVE35 is funding the large-scale industrialisation of a high-value end-to-end electrified automotive supply chain in the UK. The UK Government has further committed to supporting the scale-up of businesses looking to supply into the UK's automotive sector via the £4 billion [UK Automotive Sector: DRIVE35](#) program.

This program is intended to provide long-term certainty to investors with capital funding over five years and R&D funding for 10 years, to 2035. This long-term commitment is a vote of confidence in the sector, supporting its transformation to unlock growth and enable competitiveness.

Revolutionary Rare Earth Project

IonicRE's commercial plant will represent a first-of-kind development of the Company's technology globally, recycling 1,200 tonnes per annum of end-of-life magnets, swarf and pre-consumer waste from magnet manufacturing. It will produce 400 metric tonnes per annum of separated REOs, including neodymium oxide (Nd_2O_3), didymium oxide ($(\text{NdPr})_2\text{O}_3$), dysprosium oxide (Dy_2O_3) and terbium oxide (Tb_4O_7).

The plant design will represent a 40-fold increase in capacity from the 10 metric tonnes per annum Demonstration Plant capacity, with further details reported in the [November 2024 Feasibility Study](#) (ASX: 18 November 2024). Notably, there has been a dramatic escalation of magnet rare earth prices during the past year following China's export restrictions, especially ex-China prices of heavy magnet rare earths dysprosium and terbium, indicating strong upside for the commercial plant's overall economics.

Next Steps

IonicRE will now work closely with DBT and APC to progress the necessary due diligence, pending a Final Grant Offer Letter from DBT. Additionally, IonicRE has already initiated the next stage of discussions with potential strategic investors to secure the remaining equity capital to support FID.

About the production of REOs at Ionic Technologies

Owned 100% by IonicRE, Ionic Technologies has developed rare earth element (REE) separation and refining technology and applied this to the recycling of spent permanent NdFeB magnets.

The process uses a hydrometallurgical process to extract the REEs, then separate the individual magnet REEs within – neodymium (Nd), praseodymium (Pr), dysprosium (Dy) and terbium (Tb) – and finally refine to high purity individual magnet REO.

Ionic Technologies' proprietary technology provides a universal method for the recovery of high purity REEs from lower quality and variable grade magnets, to be used in the manufacture of modern, high-performance, and high specification REPMs required to support substantial growth in both electric vehicle (EV) and wind turbine deployment. The Ionic Technologies magnet recycling process is agnostic on magnet quality, can process oxidised magnets, and can also manage coatings and films, to produce individually separated and refined high purity REOs.

The technology developed is a step up in efficient, non-hazardous, and economically viable processing with minimal environmental footprint. Ionic Technologies has demonstrated capability for REEs to achieve near complete extraction of REO's from lower quality spent magnets and waste (swarf) to a recovery of high value magnet REO product quality exceeding 99.5% REO.

Ionic Technologies now has “first mover” advantage in the industrial elemental extraction of separated REOs from spent magnets and waste, enabling near term magnet REO production capability to satisfy growing demand from the energy transition, advanced manufacturing, and defence.

Technology Validation

Ionic Technologies’ Belfast plant was the first producer of recycled, individually separated magnet REOs in the Western world, with the Company moving rapidly to commercialise rare earth separation, refining, and recycling. Ionic Technologies is now producing quantities of separated Dysprosium Oxide (Dy_2O_3) and Terbium Oxide (Tb_4O_7) at its Belfast demonstration facility, two heavy REOs used in the manufacturing of REE Permanent Magnets for high end applications. Ionic Technologies has previously produced and supplied high purity, separated REOs to LCM, as part of another strategic project with Ford and LCM (IXR:ASX 11 September 2023).

Ionic Technologies has further validated the technology through the REEVALUATE project in partnership with supply chain partners LCM and Vacuumschmelze (VAC) (1 October 2024).

Ionic Technologies has shown the potential of its patented technology to enhance the sustainability of the rare earth supply chain, with a peer-reviewed Product Carbon Footprint Study showing emission reductions of up to 61% compared to the existing REO supply chain sourced from primary (mine) supply (refer ASX release 13 March 2025).

More recently, Ionic Technologies has led the CircularREEconomy project, bringing together industry leaders across each stage of the UK’s growing REE circular economy (IXR:ASX 14 July 2025). This project enhances supply chain capability, while validating European magnet supply chains with OEMs including Bentley and the VW Group, Ford UK and Wrightbus, as well as supply chain partners LCM, VAC and EMR.

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 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 Heavy 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

- *IXR welcomes launch of updated UK Critical Minerals Strategy – 24 November 2025*
- *Ionic Technologies secures UK Government backing with £11M “CircularREEconomy” Partnership – 14 July 2025*
- *Peer review confirms up to 61% lower CO₂ emissions from Ionic Technologies’ magnet recycling process – 13 March 2025*
- *Feasibility Study demonstrates profitable magnet REO business case – 18 November 2024*
- *Ionic Technologies secures UK funding for recycled rare earth permanent magnets partnership – 1 October 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.