



# IONIC RARE EARTHS LIMITED

ABN 84 083 646 477

## HALF YEAR FINANCIAL REPORT 31 DECEMBER 2025



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Directors	Brett Lynch – Executive Chairman Tim Harrison – Managing Director and CEO Maxwell McGarvie – Non-Executive Director Sufian Ahmad – Non-Executive Director
Company secretary	Mark Licciardo
Registered office and principal place of business	Suite 09, Level 5, North Tower 525 Collins Street Melbourne VIC 3000 Telephone: +61 3 9776 3434 Email: investors@ionicre.com
Share register	Computershare Investor Services Pty Ltd Yarra Falls, 452 Johnston Street Abbotsford VIC 3067 Australia Telephone: 1300 787 272
Auditor	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Baker & McKenzie Level 19, CBW, 181 William Street Melbourne Victoria 3000 Australia
Bankers	National Australia Bank Level 1, Gateway Building 177-179 Davy Street Booragoon WA 6154
Stock exchange listing	Ionic Rare Earths Limited shares are listed on the Australian Securities Exchange (ASX code: IXR)
Website	www.ionicre.com

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Ionic Rare Earths Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

### **Directors**

The following persons were Directors of Ionic Rare Earths Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Brett Lynch – Executive Chairman  
Tim Harrison – Managing Director and CEO  
Maxwell McGarvie – Non-Executive Director  
Sufian Ahmad – Non-Executive Director

### **Principal activities**

The principal activities of the Group during the half-year were the advancement of its rare earth magnet recycling and supply chain strategy, including progression of funding initiatives in the United Kingdom, advancement of engineering and pre-FEED activities for its planned Belfast magnet rare earth oxide facility, expansion of strategic partnerships in the United States, and continued development of its critical minerals interests in Uganda and Brazil.

The Group's business is conducted from operations located in Australia, the United Kingdom through its 100% owned subsidiary Ionic Technologies International Limited, Uganda through its 60% held interest in Rwenzori Rare Metals Limited, and Brazil through its 50% held joint venture, Viridion.

### **Review of operations**

The loss for the Group after providing for income tax amounted to \$6,235,789 (31 December 2024: \$6,649,504).

### **Ionic Technologies**

Ionic Technologies International Limited ("Ionic Technologies") is a 100% owned subsidiary of IonicRE based in Belfast, UK.

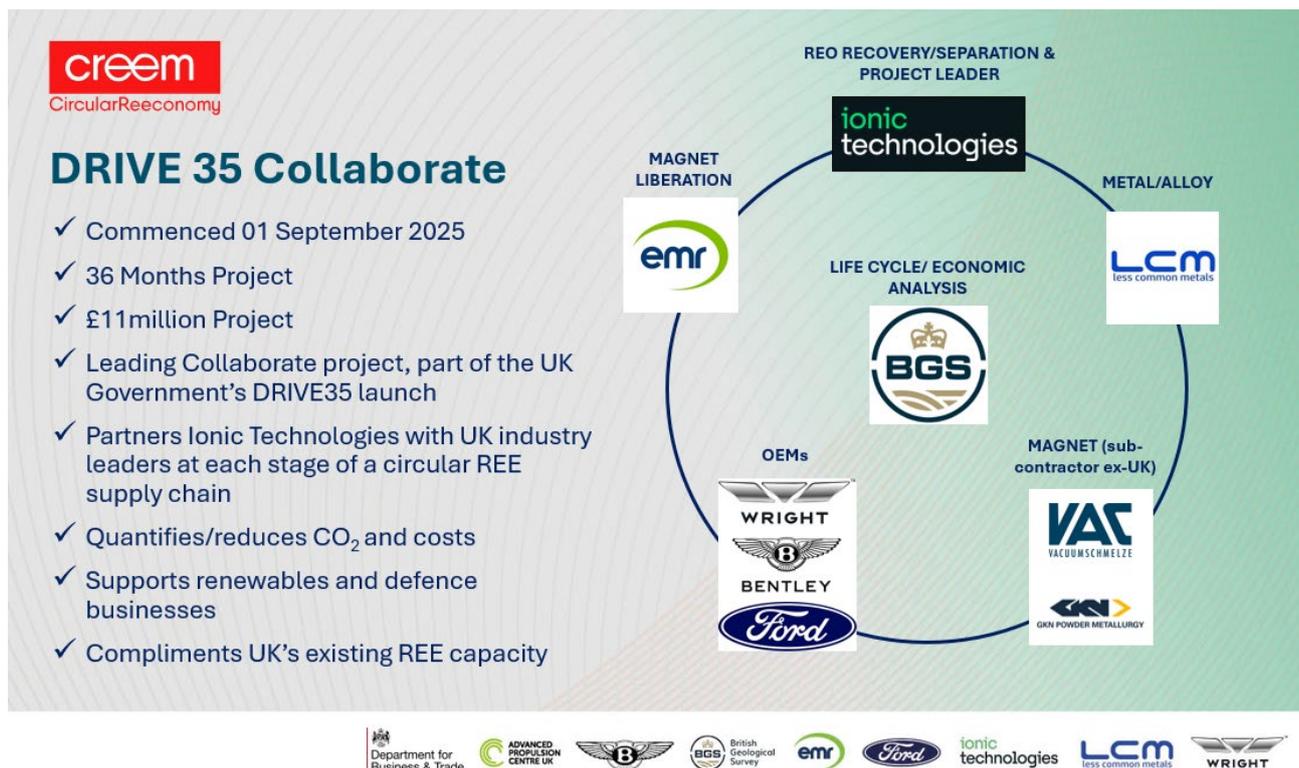
Ionic Technologies is a global first mover in the recycling of Neodymium-Iron-Boron (NdFeB) permanent magnets to high purity separated magnet rare earth oxides (REOs), enabling the creation of sustainable, traceable, and sovereign rare earth supply chains.

During the half-year, a consortium led by Ionic Technologies successfully secured £11m (A\$21.4m) in funding for a UK-based rare earth permanent magnet supply chain, under the "CircularREEconomy" project supported by the Advanced Propulsion Centre UK (APC) and the UK Government.

The project is aligned with the APC's efforts to support electric drivetrain capability in the UK, with the project serving the e-motor market, promoting capability in permanent magnet synchronous motor technology. Ionic Technologies' direct allocation as part of the overall program will be approximately £3.1 million (approximately A\$6.4 million) over the three-year program.

The "CircularREEconomy" consortium includes Ford Technologies Limited (Ford), Bentley Motors Limited (Bentley, part of the Volkswagen Group), Wrightbus, Less Common Metals (LCM), European Metals Recycling Limited (EMR), and British Geological Survey (BGS). European rare earth permanent magnet (REPM) manufacturers, Vacuumschmelze (VAC) and GKN Powder Metallurgy (GKN) are expected to produce magnets for the project, manufacturing magnets in Germany to OEM specifications.

Commencing from 1 September 2025, the project creates novel supply chains for REPM for advanced applications in electric vehicles, which rely on high purity (99.5%) separated REOs, while quantifying the economic and emissions benefits of the entire supply chain.



**Figure 1: “CircularReeconomy” supply chain initiative back by the Advanced Propulsion Centre UK.**

Post-balance date, on 27 January 2026 IonicRE announced Ionic Technologies had received an Offer in Principle, subject to further due diligence and meeting applicable conditions, for a £12 million (approximately A\$24 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 APC and Innovate UK.

IonicRE is working 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).

During the half-year, Ionic Technologies continued production of high-purity oxides of dysprosium (Dy<sub>2</sub>O<sub>3</sub>) and terbium (Tb<sub>4</sub>O<sub>7</sub>) at its Belfast Demonstration Plant, resulting in first revenue received with both tolled material and sales of dysprosium oxide to Western customers completed during the year. This is in response to the critical need for these heavy rare earths used in the manufacture of high-performance sintered neodymium-iron-boron (NdFeB) permanent magnets for the defence, advanced manufacturing and renewables sectors for Western customers.

The increased production of these heavy rare earth oxides (HREOs) followed growing requests for these materials from the US, UK, Europe and globally. China’s April 2025 announcement of additional export restrictions on medium and heavy rare earths elements (HREE), including Dy and Tb, resulted in a substantial increase of inbound requests for additional or excess Dy or Tb capacity available from Ionic Technologies.

The Company is continuing to engage with various groups including leading US, European and Asian manufacturers for the supply of HREEs.

On 22 November 2025, British Prime Minister Sir Kier Starmer announced the UK Government’s updated “Critical Minerals Strategy” which highlighted the importance of critical minerals to the nation’s economic growth and security. The Strategy targets producing 10% of the UK’s mineral needs domestically and 20% through recycling by 2035. This compares to current domestic production which accounts for 6% of its critical minerals needs.

Backed by up to £50 million (A\$101 million) in new funding, as well as public finance through the National Wealth Fund, who are deploying £27.8 billion for transformational UK projects, and UK Export Finance, the Strategy 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.

Notably, the Strategy recognises the important role played by Belfast as a critical minerals cluster. Northern Ireland currently hosts several strategic industries for the UK including Ionic Technologies' Belfast Demonstration Plant for rare earth permanent magnet recycling.

IonicRE has welcomed the Strategy's focus on domestic capability and its recognition of Belfast as part of a critical minerals cluster, with the Company's patented magnet recycling and REE separation technology increasingly important in protecting UK rare earth supply chain security.

During the half-year, IonicRE also initiated a bridging study with its preferred Engineering, Procurement and Construction Management (EPCM) partner as an interim step prior to commencement of Front End Engineering Design (FEED) work, which is expected to commence in Q1 2026. The Company continues to engage with local stakeholders to expedite delivery of its landmark Belfast facility.

The Company is progressing approvals for the commercial site located on Queens Island in Belfast Harbour and is in discussions with both strategic investors and debt financiers to secure the total investment required to progress towards a FID.

Also post end of the half-year, Ionic Technologies' Belfast Magnet Recycling Project was recognised as a 'Strategically Important Project' by the Forum on Resource Geostrategic Engagement (FORGE) (previously named the Minerals Security Partnership or MSP), which aims to diversify global supply chains of critical raw materials and rare earth elements.

### **MOU with US Strategic Metals for Missouri magnet recycling**

On 10 November 2025, IonicRE announced the signing of a non-binding Memorandum of Understanding (MOU) with Missouri-based US Strategic Metals (USSM), a vertically integrated, multi-metallic critical minerals platform, at an official ceremony held at the Australian Embassy in Washington, D.C., highlighting the strong corporate commitment to supporting the U.S.-Australia critical minerals partnership.

Under the MOU, IonicRE and USSM will pursue opportunities to align rare earth and critical mineral production with multi-metallic downstream processing and supply chain development at USSM's 1,800 acre (728.4 hectare) fully permitted site in Missouri, USA, starting with the deployment of Ionic Technologies' patented rare earth permanent magnet recycling technology, developing both commercial Neodymium-Iron-Boron (NdFeB) and Samarium-Cobalt (SmCo) recycling capacity.

The Missouri recycling facility is expected to produce significant quantities of NdPr (neodymium and praseodymium), and importantly a range of strategic heavy rare earths, presently included within the list of Chinese restricted rare earth elements, including dysprosium (Dy), terbium (Tb), samarium (Sm), gadolinium (Gd) and holmium (Ho). In addition, the parties will evaluate other heavy rare earth recycling opportunities within the USA to be located at the USSM site in Missouri.

Together, the capabilities of USSM and IonicRE aim to reduce dependence on foreign mineral imports, improve national security, and ensure supply chain resilience for industries vital to the U.S. defence and technology sectors.



**Figure 1: Ionic Rare Earths and US Strategic Metals signing ceremony at the Australian Embassy in Washington, D.C. Back left to right, Mr Jason Robertson (Deputy Head of Mission and Ambassador to the Organization of American States, Australian Government), and Mr Seth Bailey (Deputy Assistant Secretary Bureau of East Asian and Pacific Affairs, US Government). Front left to right, Mr Michael Holloman (USSM Chief Commercial Officer), Mr Brett Lynch (IonicRE Executive Chairman), Mr Stacy W. Hastie (USSM Founder & CEO) and Mr James Durrant (RareX Limited Managing Director).**

### **Viridion - Brazilian Refining and Recycling Joint Venture (50% IonicRE)**

The joint venture agreement between IonicRE and Viridis Mining and Minerals Limited (ASX: VMM) is seen as an outstanding opportunity for IonicRE to advance the Company's strategy to become a leading supplier to the Western world of high quality, secure and dependable magnet and heavy rare earths, critical to the multitude of dependent industries and energy transition affecting billions of people around the globe.

The 50/50 joint venture, named Viridion, enables IonicRE to secure a strategic opportunity leveraging its technology and intellectual property to ensure successful outcomes for both companies and for all stakeholders. Viridion advances the growth strategy for both companies by several years and draws on the support and alignment of several state agencies of Brazil, a nation that is both rich in rare earths and aims to become a global leader in rare earth production and supply.

During the half-year under review, in July 2025 Viridion was granted 2,071 square metres of land by the Municipality of Poços de Caldas, Minas Gerais, within an Industrial Zone for the construction of a Centre for Rare Earths Innovation, Technology and Recycling (CRITR). This is an important step in developing South America's first rare earth refining and recycling hub, aligning with Brazilian national industrial policy, with the CRITR expected to commence operations in the second half of 2026, subject to financing and regulatory approvals.

Viridion received unanimous approval from the Poços de Caldas City Council for the official grant of land, a definitive endorsement by the local government and Mayor. This milestone reflects strong community and government support for Viridion, reinforcing its strategic upside for value addition within Brazil, the state of Minas Gerais, and the local Poços de Caldas economy.



**Figure 3: Aerial photograph of the Poços de Caldas Industrial Zone highlighting the allocated Viridion site (outlined in green), surrounding industrial facilities, and main access roads.**

Also in July 2025, Viridion successfully progressed 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 was 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 subsequently entered into 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. Funding discussions are continuing post end of the half-year.

### **Makuutu Heavy Rare Earths Project**

Makuutu ranks amongst the world's largest and most advanced ionic adsorption clay (IAC) deposits, and as such, is a globally strategic resource for near term, low capital development, and long-term security of magnet and heavy rare earth oxide (REO) supply.

Importantly, the Makuutu MREC product basket announced in IonicRE's Definitive Feasibility Study released in March 2023 demonstrated a basket rich in medium and heavy REOs, notably able to help offset the elements targeted in China's recent control ban.

IonicRE has continued discussions with potential investors and members of FORGE, together with potential offtakers on speeding development of Makuutu, as China's tightening rare earth export controls disrupt global industry.

Makuutu comprises nine licences (see Figure 4) covering approximately 300 square kilometres, located 120 kilometres east of Kampala in Uganda. The deposit, stretching 37 km end to end, is situated near existing infrastructure and has the potential to provide Western customers with a strategic alternative supply of heavy rare earths to support the development of resilient supply chains, and the growth of advanced manufacturing and industries critical to achieve net-zero carbon initiatives for 50 years and beyond.

A mining licence was awarded in January 2024 for the central Makuutu tenement, representing the first large-scale mining licence issued in Uganda under the 2022 Mining Act. First production of MREC was achieved during the March quarter 2024 at the Makuutu Demonstration Plant, fostering engagement with potential offtakers and strategic partners.

Makuutu is being developed by Rwenzori Rare Metals Limited ('RRM'), a Ugandan private company which owns 100% of the Makuutu Project. IonicRE is a 60% owner of RRM.



Figure 4: Makuutu Heavy rare Earths Project location with major existing nearby infrastructure.

### Makuutu Tenement Update

During the half-year, the RRM team progressed with the submission on the next Mining Licence Application, TN04741 over the mineralised selection of Retention Licence (RL) 00007 (see Figure 5).

During the September quarter 2025, RRM received approval on the application of Exploration Licences EL00616 and EL00624.

Additionally, RRM has progressed renewal applications over additional tenements RL00234 and EL00257. Full details are also provided in Table 1.

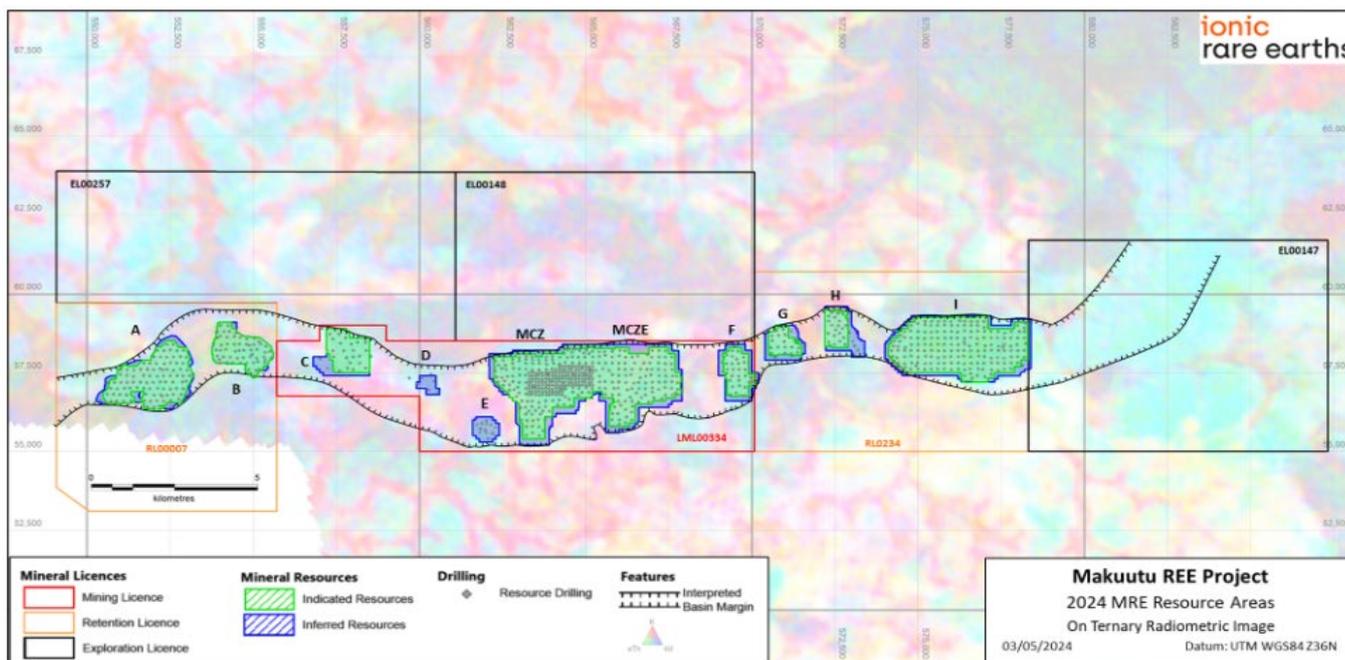


Figure 5: Makuutu Heavy Rare Earths Project mineral tenements including new MLA over a selection of RL00007, TN04741 (red dashed border).

**Table 1: Makuutu Heavy Rare Earths Project Tenements**

Licence ID	Licence Type	Application Date	Granted Date	Expiry / Renewal Date	Area (km <sup>2</sup> )
<b>LML00334</b>	Mining	01/09/2022	28/12/2023	27/12/2044	43.78
<b>TN/LML/04741</b>	Mining	23/09/2024	Application in process*	Application in process	15.34
<b>RL00007</b>	Retention	27/03/2019	27/11/2019*	25/11/2024	43.39
<b>RL00234</b>	Retention	20/06/2021	06/07/2021	05/07/2024 - Renewal Pending	47.03
<b>EL00257</b>	Exploration	15/07/2021	21/10/2021	20/10/2024 - Renewal Pending	55.51
<b>EL00147</b>	Exploration	19/10/2020	28/12/2020	27/12/2026	30.07
<b>EL00624</b>	Exploration	03/05/2024	03/09/2025	02/09/2029	24.79
<b>EL00616</b>	Exploration	03/05/2024	29/08/2025	28/08/2029	5.44
<b>EL00148</b>	Exploration	20/10/2020	28/12/2020	27/12/2026	24.08
<b>EL00450</b>	Exploration	07/05/2024	24/03/2025	23/03/2029	24.08

\* TN04741 currently relates to the large mining licence application over our current retention licence tenement RL00007

**Table 2: Makuutu Resource above 200ppm TREO-CeO<sub>2</sub> Cut-off Grade (ASX: 15 May 2024)**

Resource Classification	Tonnes (millions)	TREO (ppm)	TREO- CeO <sub>2</sub> (ppm)	LREO (ppm)	HREO (ppm)	CREO (ppm)	Sc <sub>2</sub> O <sub>3</sub> (ppm)
Indicated	517	650	440	470	170	220	30
Inferred	99	560	380	420	140	190	30
<b>Total</b>	<b>617</b>	<b>630</b>	<b>430</b>	<b>460</b>	<b>160</b>	<b>210</b>	<b>30</b>

Rounding has been applied to 1Mt and 10ppm which may influence averaging calculation.

All REO are tabulated in ASX announcement 15th May 2024 with formulas defining composition of (Light Rare Earth Oxides ("LREO"), Heavy Rare Earth Oxides ("HREO") and Critical Rare Earth Oxides ("CREO").

## Corporate

During the half-year, the Company completed a 1 for 15 renounceable rights issue ("Rights Issue") at 1.6 cents per share to raise \$6.1 million (before costs). For every new share subscribed, eligible shareholders received one new option with an exercise price of 2.5 cents and expiring on 30 September 2028. The Rights Issue closed heavily oversubscribed.

To accommodate some of the excess demand and secure new domestic and international institutional investors, the Company placed an additional \$9.5 million (before costs), including \$1.125 million from institutional, sophisticated, and professional investors and executives. The Placement was completed on the same terms as the Rights Issue.

The Placement was anchored by a \$3 million strategic investment from U.S.-based Argentem Creek Partners, a specialist investment firm with experience in critical minerals, energy transition initiatives, technology, and industrial sectors.

Proceeds from the Rights Issue and the Placement (and any funds raised on the exercise of the Options) 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.

At the Company's Annual General Meeting held on 28 November 2025, shareholders approved a share consolidation of the issued capital of the Company, on the basis that every 30 shares be consolidated into one share, rounded up to the nearest whole number, and that other securities on issue be adjusted in accordance with the Listing Rules.

The consolidation was completed on 5 December 2025, with the Company's post-consolidation capital structure set out below.

**Table 3: IonicRE's post-consolidation capital structure**

ASX code	Description	Number on issue	
		Pre- Consolidation	Post Consolidation
<b>Quoted Securities</b>			
IXR	ORDINARY FULLY PAID	6,749,094,070	224,974,672
IXRO	OPTION EXPIRING 30-SEP-2028 EX \$0.75*	1,021,366,450	34,046,220
<b>Unquoted securities</b>			
IXRAC	OPTION EXPIRING 30-NOV-2026 EX \$0.945*	20,000,000	666,668
IXRAD	OPTION EXPIRING 15-DEC-2027 EX \$0.33*	204,489,969	6,816,399
IXRAU	OPTION EXPIRING 26-JUN-2028 EX \$0.60*	337,307,690	11,243,616
New class	OPTION EXPIRING 30-NOV-2028 EX \$0.63*	9,999,990	333,333
IXRAT	PERFORMANCE RIGHTS	241,500,000	8,050,007
IXRAG	CONVERTIBLE NOTES	18	18

\* Option exercise prices shown post consolidation.

Normal trading of securities on a post-consolidation basis commenced on 12 December 2025.

IonicRE also announced on 15 December 2025 the establishment of an Unmarketable Parcel Sale Facility (Facility) for shareholders who hold less than \$500 of shares in the Company (Unmarketable Parcel).

Under the Facility, shareholders who held an Unmarketable Parcel had the ability to elect to "opt-out" of the Facility by returning their duly completed Retention Form to the Company's share registry, Computershare Investor Services Pty Ltd, by 30 January 2026, in which their shares would be sold under the Facility with the Company paying all brokerage costs associated with the sale and remitting the sale proceeds to them.

The Company announced on 4 February 2026 that a total of 1,348,891 shares held by 2,763 shareholders would be sold on-market in accordance with the terms of the Facility. Proceeds from the sale of the shares would be remitted to participating shareholders as soon as practicable thereafter, expected during February 2026.

### Significant changes in the state of affairs

Other than the matters disclosed in the Review of Operations section, there were no other significant changes in the state of affairs of the Group during the financial half-year.

### Matters subsequent to the end of the financial half-year

On 23 January 2026, the Company issued 62,364 fully paid ordinary shares as consideration for services received.

On 27 January 2026, 12,239 IXRAD Options expiring 15 Dec 2027 were converted to fully paid ordinary shares.

On 27 January 2026, IonicRE announced Ionic Technologies had 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.

On 2 February 2026, IonicRE announced its Registered Office and Principal Place of Business has changed to the following address:

Suite 09, Level 5, North Tower  
525 Collins Street, Melbourne VIC 3000  
Telephone: +61 3 9776 3434

On 4 February 2026, IonicRE announced that a total of 1,348,891 shares held by 2,763 shareholders would be sold on-market in accordance with the terms of the Unmarketable Parcel Sale Facility announced on 15 December 2025. Proceeds from the sale of the shares would be remitted to participating shareholders as soon as practicable, expected during February 2026.

On 16 February 2026, the Company issued 416,666 fully paid ordinary shares as consideration for services received, and 556 IXRO Options Expiring 30 September 2028 were exercised.

On 2 March 2026, the Company issued 416,667 fully paid ordinary shares as consideration for services received. Furthermore, 16,334 IXRAD options and 333 IXRO options were exercised, with expiry dates of 15 December 2027 and 30 September 2028 respectively.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

#### **Business risks**

The material business risks that could adversely affect the Group's financial performance and growth potential in future years and how the Group propose to mitigate such risks were detailed in the Annual Report at 30 June 2025. Those risks have been assessed up to the reporting date with no significant changes noted since then.

#### **Environmental regulation**

The Company is subject to significant environmental regulation in respect of its exploration activities. It aims to ensure the appropriate standard of environmental care is achieved and in so doing, is aware of all relevant environmental legislation. The Directors of the Company are not aware of any breach of environmental legislation for the year under review. The Directors have considered compliance with the *National Greenhouse and Energy Reporting Act 2007* which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that the Company has no current reporting requirements but may be required to report in the future. However, the following disclosure standard will soon become effective.

AASB S2 'Climate-related Disclosures' sets out specific climate related disclosures. It applies to entities required to prepare and lodge a financial report with ASIC under Chapter 2M and is effective for different entities based on certain criteria. Based on the Group's size and reporting profile, this mandatory sustainability reporting may be applicable to the Company for the first time for the year ending 30 June 2028. The Group continues to monitor developments in the regulatory framework.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.



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Brett Lynch  
Chairman

6 March 2026

## DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF IONIC RARE EARTHS LIMITED

As lead auditor for the review of Ionic Rare Earths Limited for the half-year ended 31 December 2025, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ionic Rare Earths Limited and the entities it controlled during the period.



**Dean Just**

**Director**

**BDO Audit Pty Ltd**

Perth

6 March 2026

## **Competent Persons Statement**

*Information in this report that relates to previously reported Exploration Targets and Exploration Results has been cross-referenced in this report to the date that it was originally reported to ASX. Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcements.*

*The information in this report that relates to Mineral Resources for the Makuutu Rare Earths deposit was first released to the ASX on 15 May 2024 and is available to view on [www.asx.com.au](http://www.asx.com.au). Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.*

*The information in this report that relates to Ore Reserves for the Makuutu Rare Earths deposit was first released to the ASX on 20 March 2023 and is available to view on [www.asx.com.au](http://www.asx.com.au). Ionic Rare Earths Limited confirms that it is not aware of any new information or data that materially affects information included in the relevant market announcement, and that all material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.*

*The information in this report that relates to Production Targets or forecast financial information derived from production the production target for the Makuutu Rare Earths deposit was first released to the ASX on 20 March 2023 and is available to view on [www.asx.com.au](http://www.asx.com.au). Ionic Rare Earths Limited confirms that all material assumptions and technical parameters underpinning the Production Targets or forecast financial estimates in the announcement continue to apply and have not materially changed.*

## **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.*

**Ionic Rare Earths Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2025**

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	Note	Consolidated 31/12/2025 \$	31/12/2024 \$
<b>Revenue</b>			
Other income	4	769,308	703,194
Interest revenue		49,763	9,952
<b>Expenses</b>			
Employee benefits expense		(1,078,833)	(2,059,721)
Depreciation and amortisation expense		(317,107)	(497,789)
Share-based payments expense		(378,189)	(291,627)
Administration expenses		(1,113,175)	(1,028,917)
Exploration expense	5	(1,647,602)	(1,930,098)
Research and development expense		(160,566)	(265,284)
Foreign exchange losses		(16,512)	(3,329)
Other expenses		(2,338,240)	(1,267,106)
Finance costs		(4,636)	(18,779)
<b>Loss before income tax expense</b>		<b>(6,235,789)</b>	<b>(6,649,504)</b>
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of Ionic Rare Earths Limited</b>		<b>(6,235,789)</b>	<b>(6,649,504)</b>
<b>Other comprehensive (loss)/income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		(932,344)	1,890,513
Other comprehensive (loss)/income for the half-year, net of tax		(932,344)	1,890,513
<b>Total comprehensive loss for the half-year attributable to the owners of Ionic Rare Earths Limited</b>		<b>(7,168,133)</b>	<b>(4,758,991)</b>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share	12	(3.08)	(4.06)
Diluted loss per share	12	(3.08)	(4.06)

*The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

	Note	Consolidated	
		31/12/2025	30/06/2025
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	12,412,742	595,231
Other receivables		184,247	168,453
Inventories		667,480	548,351
Income tax refund due		52,321	52,321
Other assets		223,083	60,789
<b>Total current assets</b>		<b>13,539,873</b>	<b>1,425,145</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	7	23,837,635	24,223,908
Intangibles assets	8	4,821,627	5,195,824
Plant and equipment		1,095,140	1,356,248
Right-of-use assets		305,171	326,217
Other assets		35,000	35,000
<b>Total non-current assets</b>		<b>30,094,573</b>	<b>31,137,197</b>
<b>Total assets</b>		<b>43,634,446</b>	<b>32,562,342</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		1,286,926	1,851,820
Lease liabilities		110,804	131,342
Other financial liabilities		-	750,000
<b>Total current liabilities</b>		<b>1,397,730</b>	<b>2,733,162</b>
<b>Non-current liabilities</b>			
Lease liabilities		237,044	237,044
Deferred tax		21,920	-
<b>Total non-current liabilities</b>		<b>258,964</b>	<b>237,044</b>
<b>Total liabilities</b>		<b>1,656,694</b>	<b>2,970,206</b>
<b>Net assets</b>		<b>41,977,752</b>	<b>29,592,136</b>
<b>Equity</b>			
Issued capital	9	114,107,989	95,086,703
Reserves	10	7,529,789	8,066,073
Accumulated losses		(79,660,026)	(73,560,640)
<b>Total equity</b>		<b>41,977,752</b>	<b>29,592,136</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
Balance at 1 July 2024	92,130,498	11,697,679	(67,316,913)	36,511,264
Loss after income tax expense for the half-year	-	-	(6,649,504)	(6,649,504)
Other comprehensive income for the half-year, net of tax	-	1,890,513	-	1,890,513
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>1,890,513</b>	<b>(6,649,504)</b>	<b>(4,758,991)</b>
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,837,242	-	-	2,837,242
Share-based payments-options	-	109,858	-	109,858
Performance rights	-	291,834	-	291,834
Options and performance rights expired	-	(5,072,345)	5,072,345	-
<b>Balance at 31 December 2024</b>	<b>94,967,740</b>	<b>8,917,539</b>	<b>(68,894,072)</b>	<b>34,991,207</b>
<b>Consolidated</b>	<b>Issued capital</b> \$	<b>Reserves</b> \$	<b>Accumulated losses</b> \$	<b>Total equity</b> \$
Balance at 1 July 2025	95,086,703	8,066,073	(73,560,640)	29,592,136
Loss after income tax expense for the half-year	-	-	(6,235,789)	(6,235,789)
Other comprehensive loss for the half-year, net of tax	-	(932,344)	-	(932,344)
<b>Total comprehensive loss for the half-year</b>	<b>-</b>	<b>(932,344)</b>	<b>(6,235,789)</b>	<b>(7,168,133)</b>
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 9)	16,471,286	-	-	16,471,286
Performance rights (note 10)	-	378,189	-	378,189
Options and performance rights expired	-	(295,726)	-	(295,726)
Convertible notes issued	-	3,000,000	-	3,000,000
Convertible notes converted	2,550,000	(2,550,000)	-	-
Convertible notes expired	-	(136,403)	136,403	-
<b>Balance at 31 December 2025</b>	<b>114,107,989</b>	<b>7,529,789</b>	<b>(79,660,026)</b>	<b>41,977,752</b>

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

	<b>Consolidated</b>	
	<b>31/12/2025</b>	<b>31/12/2024</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	103,208	-
Receipt of government R&D rebate	276,437	1,809,911
Receipt of grants	389,663	391,422
Payments to suppliers and employees	(6,138,801)	(3,942,337)
Payment for exploration	(1,200,712)	(1,608,873)
Interest received	40,738	9,952
Interest expense	-	(18,650)
Net cash used in operating activities	<u>(6,529,467)</u>	<u>(3,358,575)</u>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of investments	-	1,385,515
Proceeds from disposal of property, plant and equipment	-	32,346
Funds transferred to term deposit	-	(155,770)
Payments for plant and equipment	(38,570)	-
Net cash (used in)/from investing activities	<u>(38,570)</u>	<u>1,262,091</u>
<b>Cash flows from financing activities</b>		
Proceeds from issue of ordinary shares (net of transaction costs)	16,473,312	2,870,196
Repayment of lease liabilities	(60,480)	(74,544)
Proceeds from issue of convertible notes	2,247,000	-
Net cash from financing activities	<u>18,659,832</u>	<u>2,795,652</u>
Net increase in cash and cash equivalents	12,091,795	699,168
Cash and cash equivalents at the beginning of the financial half-year	595,231	2,028,820
Effects of exchange rate changes on cash and cash equivalents	(274,284)	(242,125)
Cash and cash equivalents at the end of the financial half-year	<u><u>12,412,742</u></u>	<u><u>2,485,863</u></u>

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

### **Note 1. General information**

The financial statements cover Ionic Rare Earths Limited as a Group consisting of Ionic Rare Earths Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Ionic Rare Earths Limited's functional and presentation currency.

Ionic Rare Earths Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

This was the address up until 2 February 2026.  
Level 5, South  
459 Collins Street  
Melbourne VIC 3000

This is the new address from 2 February 2026.

Suite 09, Level 5, North Tower  
525 Collins Street  
Melbourne VIC 3000

A description of the nature of the Group's operations and its principal activity is included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 6 March 2026. The Directors have the power to amend and reissue the financial statements.

### **Note 2. Material accounting policy information**

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries. The Group classifies its interests in joint arrangements as either:

- a. Joint ventures: where the Group has rights to only the net assets of the joint arrangement,
- b. Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

During the year, the Group reassessed the nature of its interest in a previously classified associate. Following this assessment, and consistent with the requirements of AASB 128 *Investments in Associates and Joint Ventures*, the investment has been reclassified as a joint venture.

The change in classification reflects updated conclusions regarding the rights and obligations of the parties under the relevant contractual arrangements, which indicate that decisions about the relevant activities now require the unanimous consent of the parties sharing control.

As a result of this change, the investment continues to be accounted for using the equity method. The reclassification did not result in any adjustment to the carrying amount of the investment at the date of reassessment.

## Note 2. Material accounting policy information (continued)

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method – refer above). Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

In accordance with AASB 11 *Joint Arrangements*, the Group is required to apply all of the principles of AASB 3 *Business Combinations* when it acquires an interest in a joint operation that constitutes a business as defined by AASB 3, no such acquisition occurred during the year.

### *Judgement*

For all joint arrangements structured in separate vehicles the Group must assess the substance of the joint arrangement in determining whether it is classified as a joint venture or joint operation. This assessment requires the Group to consider whether it has rights to the joint arrangement's net assets (in which case it is classified as a joint venture), or rights to and obligations for specific assets, liabilities, expenses, and revenues (in which case it is classified as a joint operation). Factors the Group must consider include:

- a. Structure
- b. Legal form
- c. Contractual agreement
- d. Other facts and circumstances.

Upon consideration of these factors, the Group has determined that its joint arrangements structured through separate vehicles give it rights to the net assets and are therefore classified as joint ventures.

### **New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group during the financial half-year ended 31 December 2025 and are not expected to have a significant impact for the full financial year ending 30 June 2026.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

### **Going concern**

This report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a loss after tax of \$6,235,789 for the half-year ended 31 December 2025 (31 December 2024: \$6,649,504) and experienced net cash outflows from operating activities of \$6,529,467 (31 December 2024: \$3,358,575).

The ability of the Group to continue as a going concern is dependent on the Group being able to raise additional funds as required to meet ongoing and budgeted exploration commitments and for working capital. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and, therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors believe that they will be able to raise additional capital as required and are in the process of evaluating the Group's cash requirements. The Directors believe that the Group will continue as a going concern.

As a result, the financial report has been prepared on a going concern basis. However, should the Group be unsuccessful in undertaking additional raisings, the Group may not be able to continue as a going concern. No adjustments have been made relating to the recoverability and classification of liabilities that might be necessary should the Group not continue as a going concern.

## Note 3. Operating segments

### *Identification of reportable operating segments*

During the half-year, the Group revised its internal reporting structure and identified three operating segments for the purposes of monitoring performance and allocating resources: Exploration Operations, Magnet Recycling Operations and

### Note 3. Operating segments (continued)

Corporate. This represents a change from the prior annual reporting period, in which the Group was considered to operate as a single segment.

These operating segments are organised on both a business line and geographical basis, reflecting the manner in which the Group's operations are managed and resources are allocated. As the Group is in a development phase, revenue generation is currently limited and not material.

Although the Chief Operating Decision Makers ('CODM') reviews activities across these three segments, the information provided to the CODM continues to be primarily focused on expenditure levels, project development progress and funding requirements. The CODM does not receive discrete financial information such as segment revenue, segment profit or loss, or segment assets and liabilities, but rather consolidated results.

As a result, the Group does not prepare, and the CODM does not review, detailed financial results at a segment level. In accordance with AASB 8 *Operating Segments* and AASB 134 *Interim Financial Reporting*, numerical segment disclosures have not been presented in these interim financial statements, as the information reviewed by the CODM is consistent with the consolidated results disclosed.

#### Geographical information

During the financial half-year, the Company conducted its activities across three geographic locations, being Australia, Uganda and United Kingdom (31 December 2024: Australia, Uganda and United Kingdom).

	Other income		Geographical non-current assets	
	31/12/2025	31/12/2024	31/12/2025	30/06/2025
	\$	\$	\$	\$
Australia	-	279,427	418,990	450,898
United Kingdom	769,308	423,767	5,837,948	6,462,391
Uganda	-	-	23,837,635	24,223,908
	<u>769,308</u>	<u>703,194</u>	<u>30,094,573</u>	<u>31,137,197</u>

### Note 4. Other income

	Consolidated	
	31/12/2025	31/12/2024
	\$	\$
Research and development rebate	276,437	1,809,911
Net fair value loss on financial assets	-	(1,530,485)
Government grants	389,663	391,422
Other income	<u>103,208</u>	<u>32,346</u>
Net other income	<u>769,308</u>	<u>703,194</u>

### Note 5. Exploration expense

	Consolidated	
	31/12/2025	31/12/2024
	\$	\$
Uganda - Makuutu	<u>1,647,602</u>	<u>1,930,098</u>

**Note 6. Cash and cash equivalents**

	<b>Consolidated</b>	
	<b>31/12/2025</b>	<b>30/06/2025</b>
	<b>\$</b>	<b>\$</b>
<i>Current assets</i>		
Cash at bank	12,412,742	437,536
Term deposit	-	157,695
	<u>12,412,742</u>	<u>595,231</u>

**Note 7. Investments accounted for using the equity method**

An amount of \$23,837,635 (30 June 2025: \$24,223,908) has been presented in the financial statements as an Investment in Joint Venture. This represents amounts incurred to acquire an interest in Rwenzori Rare Metals Limited ('RRM') which holds 100% of the Makuutu Rare Earths Project. This includes the amounts set out below.

*Reclassification due to reassessment:*

The Group's interest in RRM was previously accounted for as an associate. During the period, the Group revisited its assessment of the rights and obligations relating to this investment. Although there were no changes to the contractual arrangements or other underlying facts and circumstances, the reassessment confirmed that key decisions over RRM's relevant activities require approval from more than 75% of voting rights, meaning the Group cannot unilaterally direct these activities, as the Group controls 60% of the voting rights, and such decisions must therefore be made jointly by the parties sharing control.

Accordingly, the investment has been reclassified from an associate to a joint venture in accordance with AASB 11. As both associates and joint ventures are accounted for under the equity method, there has been no change to the balances recognised in the financial statements or the disclosure requirements under AASB 128.

	<b>Consolidated</b>	
	<b>31/12/2025</b>	<b>30/06/2025</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
Investment in Joint Venture - Rwenzori Rare Metals Limited (RRM)	<u>23,837,635</u>	<u>24,223,908</u>
<i>Reconciliation</i>		
Reconciliation of the carrying amounts at the beginning and end of the current financial half-year and year end are set out below:		
Opening carrying amount	24,223,908	23,930,338
Exchange difference	(386,273)	293,570
Closing carrying amount	<u>23,837,635</u>	<u>24,223,908</u>

*Interests in Joint Ventures*

Interests in Joint Ventures are accounted for using the equity method of accounting. Information relating to Joint Ventures that are material to the Group are set out below:

<b>Name</b>	<b>Principal place of business / Country of incorporation</b>	<b>Ownership interest</b>	
		<b>31/12/2025</b>	<b>30/06/2025</b>
		<b>%</b>	<b>%</b>
Rwenzori Rare Metals Limited	Uganda	60.00%	60.00%

**Note 7. Investments accounted for using the equity method (continued)**

*Summarised financial information*

	Consolidated 31/12/2025	30/06/2025
	\$	\$
Subscription for initial 20% interest in Rwenzori Rare Metals Limited	148	148
US\$100,000 paid to Rare Earth Elements Africa Pty Ltd	148,035	148,035
29,179,517 fully paid shares issued to Rare Earth Elements Africa Pty Ltd	233,436	233,436
100,000,000 fully paid shares issued to Southern Cross Mining Pty Ltd	800,000	800,000
50,000,000 options (exercise price of \$0.005) issued to SCM	325,000	325,000
Expenditure on exploration and evaluation for additional 11% interest	954,689	954,689
Expenditure on exploration and evaluation for additional 15% interest	1,166,337	1,166,337
Expenditure on exploration and evaluation for additional 5% interest	498,210	498,210
Expenditure on exploration and evaluation for additional 5% interest	16,384,749	16,384,749
Expenditure on exploration and evaluation for award of mining license	1,611,837	1,611,837
US\$375,000 Paid to Rare Earth Elements Africa Pty Ltd	546,367	546,367
Movement in foreign exchange	1,168,827	1,555,100
	<u>23,837,635</u>	<u>24,223,908</u>

	Consolidated 31/12/2025	30/06/2025
	\$	\$
<i>Summarised statement of financial position</i>		
Current assets	749,240	742,261
Non-current assets	2,234,417	2,397,604
Total assets	<u>2,983,657</u>	<u>3,139,865</u>
Current liabilities	114,412	93,284
Total liabilities	114,412	93,284
Net assets	<u>2,869,245</u>	<u>3,046,581</u>

*Reconciliation of the Group's carrying amount*

Group's share in %	60%	60%
Group's share in \$	1,721,547	1,827,945
Fair value uplift	3,704,962	3,704,962
Contributions/foreign exchange movement	18,411,126	18,691,001
Closing carrying amount	<u>23,837,635</u>	<u>24,223,908</u>

**Note 8. Intangibles assets**

	Consolidated 31/12/2025	30/06/2025
	\$	\$
<i>Non-current assets</i>		
Patents - at cost	5,753,368	6,063,163
Less: Accumulated amortisation/foreign exchange impact	(931,741)	(867,339)
	<u>4,821,627</u>	<u>5,195,824</u>

**Note 8. Intangibles assets (continued)**

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

<b>Consolidated</b>	<b>Patents</b> \$
Balance at 1 July 2025	5,195,824
Additions	35,063
Exchange differences	(269,625)
Amortisation expense	(139,635)
Balance at 31 December 2025	<u>4,821,627</u>

**Note 9. Issued capital**

	<b>31/12/2025</b> Shares	<b>Consolidated</b> 30/06/2025 Shares	<b>31/12/2025</b> \$	<b>30/06/2025</b> \$
Ordinary shares - fully paid	<u>224,974,672</u>	<u>5,267,425,763</u>	<u>114,107,989</u>	<u>95,086,703</u>

*Movements in ordinary share capital*

<b>Details</b>	<b>Date</b>	<b>Shares</b>	<b>Issue price</b>	<b>\$</b>
Balance	1 July 2025	5,267,425,763		95,086,703
Share based payments (options exercised)	July 2025	104,042,855	\$0.011	1,144,471
Convertible notes converted	July 2025	263,888,868	\$0.009	2,375,000
Convertible notes converted	August 2025	13,888,887	\$0.009	125,000
Share based payments (options exercised)	August 2025	45,207,793	\$0.011	497,286
Share based payments (options exercised)	September 2025	16,857,144	\$0.011	185,429
Share placement	19 September 2025	7,256,537	\$0.016	116,105
Share placement *	16 October 2025	976,017,605	\$0.016	15,616,282
Convertible notes converted	17 October 2025	5,555,554	\$0.009	50,000
Share based payments (options exercised)	17 October 2025	27,413,637	\$0.011	301,550
Shares issued to service providers	17 October 2025	5,576,840	\$0.016	89,229
Share based payments (performance rights vested)	29 October 2025	12,500,000	\$0.000	130,668
Share based payments (options exercised)	November 2025	2,678,572	\$0.011	29,464
Shares issued	1 December 2025	784,015	\$0.014	10,976
Share consolidation (30:1)**	5 December 2025	(6,524,119,398)		-
Transaction costs				(1,812,419)
Equity settled capital raising costs reserve				162,245
Balance	31 December 2025	<u>224,974,672</u>		<u>114,107,989</u>

\* 976,017,605 free listed options were also issued on the same date expiring on 30 September 2028.

\*\* On 5 December 2025, the Company completed a share consolidation in the ratio of 30 shares to convert to one ordinary share with approval of the shareholders on 28 November 2025.

On 9 October 2025, the Company completed a Renounceable Rights offer followed by a placement; 976,017,605 fully paid ordinary shares at \$0.016 per share, raising \$15.6M before costs. As part of the offer and placement, investors received one free attaching listed option for every share subscribed, with an exercise price of \$0.025 before 30 September 2028.

**Note 10. Reserves**

	<b>Consolidated</b>	
	<b>31/12/2025</b>	<b>30/06/2025</b>
	<b>\$</b>	<b>\$</b>
Foreign currency reserve	1,650,697	2,583,041
Share-based payments reserve	5,429,092	5,346,629
Convertible note equity reserve *	450,000	136,403
	<u>7,529,789</u>	<u>8,066,073</u>

\* On 7 July 2025, the Company issued 120 convertible notes for \$3,000,000 after shareholder approval. The convertible notes are not redeemable and convert automatically into shares on 15 June 2027 if they haven't been converted earlier. The Company issued 7,142,857 (after consolidation) options to the investors of the convertible notes for no payment. The options are exercisable at \$0.33 each and expire on 15 December 2027. Since date of issue 102 convertible notes have been converted.

*Foreign currency reserve*

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

*Share-based payments reserve*

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration under an Employee Share Plan; Directors on terms determined by the Board and approved by shareholders, and other parties as part of their compensation for services.

*Convertible note equity reserve*

The reserve is used to recognise the value of options on issue, not granted as a means of a share-based payment.

*Movements in reserves*

Movements in each class of reserve during the current financial half-year are set out below:

<b>Consolidated</b>	<b>Foreign currency \$</b>	<b>Share-based payments \$</b>	<b>Convertible note equity \$</b>	<b>Total \$</b>
Balance at 1 July 2025	2,583,041	5,346,629	136,403	8,066,073
Foreign currency translation	(932,344)	-	-	(932,344)
Performance rights	-	378,189	-	378,189
Options and performance rights exercised	-	(295,726)	-	(295,726)
Convertible notes issued	-	-	3,000,000	3,000,000
Convertible notes converted	-	-	(2,550,000)	(2,550,000)
Convertible notes expired	-	-	(136,403)	(136,403)
Balance at 31 December 2025	<u>1,650,697</u>	<u>5,429,092</u>	<u>450,000</u>	<u>7,529,789</u>

**Note 11. Contingent liabilities**

There has been no change to contingent liabilities since 30 June 2025.

Note 12. Loss per share

	Consolidated	
	31/12/2025 \$	31/12/2024 \$
Loss after income tax attributable to the owners of Ionic Rare Earths Limited	(6,235,789)	(6,649,504)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	202,616,339	163,639,946
Weighted average number of ordinary shares used in calculating diluted earnings per share	202,616,339	163,639,946
	Cents	Cents
Basic loss per share	(3.08)	(4.06)
Diluted loss per share	(3.08)	(4.06)

The weighted average number of ordinary shares for 2024 has been restated for the effect of the share consolidation (30 for 1) completed in December 2025, in accordance with AASB 133 'Earnings per share'.

2,511,628 (31 December 2024: nil) options issued to consultants, 8,050,007 (31 December 2024: 2,966,667) performance rights, 34,046,220 (31 December 2024: nil) listed options, 19,060,016 (31 December 2024: nil) unlisted options and 18 (31 December 2024: nil) convertible notes are not included in the calculation of diluted earnings per share because they are anti-dilutive for the half-year ended 31 December 2025. These options, performance rights and convertible notes could potentially dilute basic earnings per share in the future.

Note 13. Share-based payments

Options

The establishment of the Ionic Rare Earths Limited Employee Share Option Plan ('Plan') was approved by shareholders at the Annual General Meeting held on 24 November 2021. The Plan is designed to provide long-term incentives to Directors, senior executives, employees and certain contractors to deliver long term shareholder returns. Participation in the Plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive guaranteed benefits. In addition, under the Plan, the Board determines the terms of the options including exercise price, expiry date and vesting conditions, if any. There is Nil options under the Plan as at 31 December 2025 (2024: Nil).

During the financial half-year, the following options were granted to consultants for their services provided to the Company and not under the Plan (31 December 2024: nil).

The following options were on issue at reporting date:

Options	Number of options 31/12/2025	Weighted	Number of options * 31/12/2024	Weighted
		average exercise price 31/12/2025		average exercise price 31/12/2024
Outstanding at the beginning of the financial half-year	1,166,667	\$0.484	2,500,000	\$0.000
Granted	1,844,961	\$0.728	-	\$0.000
Expired	-	\$0.000	(2,500,000)	\$0.000
Exercised	(500,000)	\$0.330	-	\$0.000
Outstanding at the end of the financial half-year	2,511,628		-	
Exercisable at the end of the financial half-year	2,511,628	\$0.622	-	\$0.000

**Note 13. Share-based payments (continued)**

\* A security consolidation of every 30 pre-consolidation shares into one post consolidation share took place during the period. Approved by shareholders at EGM on 28 November 2025. The 31 December 2024 balance was restated accordingly.

For the options granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
10/09/2025	30/09/2028	\$0.540	\$0.750	100%	-	3.85%	\$0.309
28/11/2025	28/11/2028	\$0.420	\$0.630	100%	-	3.85%	\$0.234

**Performance Share Rights**

During the financial half-year ended 31 December 2025, 4,133,333 (124,000,000 pre-consolidation) performance rights were granted.

The vesting conditions of the performance rights are:

- 536,667 (16,100,000 pre-consolidation) Performance Rights will vest upon successful achievement of government funding to support the commercialisation of the Company's magnet recycling activities;
- 100,000 (3,000,000 pre-consolidation) Performance Rights will vest upon successfully receipt of strategic investment funding from external parties to advance the Company's projects;
- 100,000 (3,000,000 pre-consolidation) Performance Rights will vest upon successfully execution of a new joint venture or licensing arrangement to progress the Company's magnet recycling business;
- 350,000 (10,500,000 pre-consolidation) Performance Rights will vest upon successfully completion of a transaction relating to the Company's interest in the Makuutu Rare Earth Project;
- 83,333 (2,500,000 pre-consolidation) Performance Rights will vest upon successfully securing a significant portion of required raw material supply for the initial operation of the Belfast facility;
- 83,333 (2,500,000 pre-consolidation) Performance Rights will vest upon successfully progressing offtake negotiations to secure sales commitments for a portion of the Belfast facility's initial production;
- 133,333 (4,000,000 pre-consolidation) Performance Rights will vest upon successfully securing a site in the United States for a future commercial-scale magnet recycling facility;
- 133,333 (4,000,000 pre-consolidation) Performance Rights will vest upon successfully completion of engineering design work to support a financial investment decision for a commercial magnet recycling plant;
- 133,333 (4,000,000 pre-consolidation) Performance Rights will vest upon successfully obtaining required environmental and regulatory approvals for construction of a commercial magnet recycling facility in the United States;
- 133,333 (4,000,000 pre-consolidation) Performance Rights will vest upon successfully Board approval of a financial investment decision for a commercial-scale magnet recycling facility in the United States;
- 133,333 (4,000,000 pre-consolidation) Performance Rights will vest upon successfully securing a strategic partnership, cornerstone investment, or government funding to support development of a U.S. magnet recycling facility;
- 353,333 (10,600,000 pre-consolidation) Performance Rights will vest upon successfully execution of binding feedstock supply agreements for a significant portion of the Belfast facility's planned processing capacity;
- 353,333 (10,600,000 pre-consolidation) Performance Rights will vest upon successful Board approval to proceed with commercialisation of the Belfast magnet recycling facility;
- 353,333 (10,600,000 pre-consolidation) Performance Rights will vest upon successful achievement of production targets for separated REO's at the Belfast demonstration plant;
- 353,333 (10,600,000 pre-consolidation) Performance Rights will vest upon successful deployment of the Company's magnet recycling technology at an additional location achieving targeted production output;
- 66,667 (2,000,000 pre-consolidation) Performance Rights will vest upon successfully securing an offtake agreement relating to the Makuutu Rare Earths Project;
- 200,000 (6,000,000 pre-consolidation) Performance Rights will vest upon successful Board approval of a financial investment decision to progress the Makuutu Project to construction;
- 200,000 (6,000,000 pre-consolidation) Performance Rights will vest upon successful achievement of production targets for mixed rare earth carbonate at the Makuutu demonstration plant;
- 66,667 (2,000,000 pre-consolidation) Performance Rights will vest upon successful execution of binding documentation for an equity or debt investment into the Company or the Makuutu Project;
- 66,667 (2,000,000 pre-consolidation) Performance Rights will vest upon successfully securing an offtake or strategic partnership arrangement with Ionic Technologies International Limited;

**Note 13. Share-based payments (continued)**

- 200,000 (6,000,000 pre-consolidation) Performance Rights will vest upon successful Board approval of a financial investment decision to construct a commercial magnet recycling facility.

Set out below are summaries of performance rights granted under the plan:

Performance rights	Number of rights 31/12/2025	Weighted average exercise price 31/12/2025	Number of rights * 31/12/2024	Weighted average exercise price 31/12/2024
Outstanding at the beginning of the financial half-year	5,133,334	\$0.000	3,190,000	\$0.000
Granted	4,133,333	\$0.000	-	\$0.000
Expired	(800,000)	\$0.000	-	\$0.000
Exercised	-	\$0.000	(223,333)	\$0.000
Vested	(416,660)	\$0.000	-	\$0.000
Outstanding at the end of the financial half-year	<u>8,050,007</u>	\$0.000	<u>2,966,667</u>	\$0.000
Exercisable at the end of the financial half-year	<u>-</u>	\$0.000	<u>-</u>	\$0.000

\* A security consolidation of every 30 pre-consolidation shares into one post consolidation share took place during the period. Approved by shareholders at EGM on 28 November 2025. The 31 December 2024 balance was restated accordingly.

Total expense arising from the issue of performance rights recognised during the half-year was \$378,189 (31 December 2024: \$291,627).

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
28/11/2025	13/03/2027	\$0.420	\$0.000	-	-	-	\$0.420

**Note 14. Events after the reporting period**

On 23 January 2026, the Company issued 62,364 fully paid ordinary shares as consideration for services received.

On 27 January 2026, 12,239 IXRAD Options expiring 15 Dec 2027 were converted to fully paid ordinary shares.

On 27 January 2026, IonicRE announced Ionic Technologies had 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.

On 2 February 2026, IonicRE announced its Registered Office and Principal Place of Business has changed to the following address:

Suite 09, Level 5, North Tower  
525 Collins Street, Melbourne VIC 3000  
Telephone: +61 3 9776 3434

On 4 February 2026, IonicRE announced that a total of 1,348,891 shares held by 2,763 shareholders would be sold on-market in accordance with the terms of the Unmarketable Parcel Sale Facility announced on 15 December 2025. Proceeds from the sale of the shares would be remitted to participating shareholders as soon as practicable, expected during February 2026.

**Note 14. Events after the reporting period (continued)**

On 16 February 2026, the Company issued 416,666 fully paid ordinary shares as consideration for services received, and 556 IXRO Options Expiring 30 September 2028 were exercised.

On 2 March 2026, the Company issued 416,667 fully paid ordinary shares as consideration for services received. Furthermore, 16,334 IXRAD options and 333 IXRO options were exercised, with expiry dates of 15 December 2027 and 30 September 2028 respectively.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



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Brett Lynch  
Chairman

6 March 2026

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ionic Rare Earths Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Ionic Rare Earths Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



### **Responsibility of the directors for the financial report**

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility for the review of the financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its financial performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**BDO Audit Pty Ltd**

A handwritten signature in black ink, appearing to read 'Dean Just', written over the printed name.

**Dean Just**

**Director**

Perth, 6 March 2026