ionic
rare earths

ASX:IXR

ASX Announcement

31 July 2026

MAKUUTU STRATEGIC REVIEW LAUNCHED AMID WESTERN SUPPLY DRIVE

- **IonicRE, via 60% owned Rwenzori Rare Metals, to consider potential strategic, structural and funding alternatives for the Makuutu Heavy Rare Earths Project, amid a global Western search for new sources of ex-China medium and heavy rare earths supply;**
- **US supply-chain focus, with assessment driven by strong interest from US and allied stakeholders given Makuutu's FORGE designation and heightening Western demand for secure, traceable sources of heavy rare earths;**
- **Geopolitical drivers provide material increase in demand for US and allied sources of critical materials, with Chinese export restrictions for heavy rare earths expected to resume in November 2026 and with US measures from January 2027; and**
- **Evaluation to assess optimal structure to maximise shareholder value and deliver long-term, sustainable supply of heavy rare earths, amid IonicRE's focus on developing global industrial business based on magnet recycling.**

Ionic Rare Earths Limited ("IonicRE" or the "Company") (ASX: IXR), via Rwenzori Rare Metals Limited, the 100% owner of the Makuutu Heavy Rare Earths Project ("Makuutu" or "the Project") of which IonicRE owns 60%, has initiated a strategic review of the Project amid strong inbound interest and a global, Western search for new and independent sources of medium and heavy rare earths supply, following significant engagement with US and other Western-aligned interests.

The review aims to evaluate opportunities to enhance value creation and accelerate development of Makuutu, a member of the Forum on Resource Geostrategic Engagement (FORGE) (previously the Minerals Security Partnership) as part of IonicRE's broader strategy to establish an integrated, sustainable rare earth supply chain encompassing mining, refining and recycling operations.

The review will consider a range of potential strategic, structural and funding alternatives for Makuutu, including the introduction of strategic or government-backed partners, new investment structures, or potential listings in alternative jurisdictions.

Ionic Rare Earths Limited
Level 5 South
459 Collins Street
Melbourne Vic 3000
Australia

Phone: +61 3 9776 3434
Email: investors@ionicre.com
Web: www.ionicre.com

ACN: 083 646 477

Context and rationale

The decision to initiate the review is based on several clear developments within the global rare earth market:

- **Geopolitical drivers:** China's 2025 rare earth export restrictions with a second wave expected from November 2026, impacting the European Union, the United States, Japan and other manufacturers, coupled with tightening US policy on critical materials have materially increased demand for non-China sources of magnet and heavy rare earths;
- **Market signals**: Constructive engagement and strong interest from US and allied investors and potential partners support the need to explore structures that enhance Makuutu's market access and commercial value; and
- **Policy moves**: The Group of Seven has launched a critical minerals alliance, while Western governments including the United States, European Union, UK, Japan and Australia have launched initiatives including the stockpiling of critical minerals and rare earths, investment and pricing support. The Trump administration has imposed a January 2027 deadline for US companies to cease purchasing rare earths and magnets from China, Russia, Iran or North Korea.

The Company's strategic focus remains on developing a secure, traceable, and geopolitically independent supply chain for both light and heavy rare earths to supply Western markets, leveraging the synergies between Makuutu and its magnet recycling operations in Belfast, UK, and its Viridion refining and recycling joint venture in Brazil, together with its partnerships in the United States including with Advanced Magnet Lab, Nth Cycle and US Strategic Metals (USSM).

No decisions have yet been made, and there is no assurance that any transaction or change in ownership structure will result from the review. The Company will update the market in accordance with its continuous disclosure obligations as the review progresses.

IonicRE Managing Director, Tim Harrison commented: *"The Makuutu Heavy Rare Earths Project is an increasingly strategic shovel-ready magnet and heavy rare earth rich resource that can provide molecules to deliver a long-term, sustainable supply of magnet and heavy rare earths to Western markets. Since being added to the MSP, now renamed FORGE, there has been growing interest in Makuutu as currently one of the most advanced Ionic Adsorption Clay (IAC) projects globally with product not committed to China.*

"The project's strategic importance has only further increased following China's restrictions on magnet and heavy rare earth exports, given Makuutu's product basket consists of 45% heavy rare earths. With the timeline now rapidly advancing towards enforcement of additional export restrictions on heavy rare earths from November 2026, we expect interest to continue to increase.

"As our recycling and refining operations advance and become the core focus of the business, and following discussions with various potential project partners, including in the United States, it is appropriate that we assess the optimal structure to maximise Makuutu's value for IonicRE shareholders and position the asset within a broader global rare earths ecosystem."

Export restriction impacts

Attention on Makuutu has intensified following China's 9 October 2025 decision to further restrict access to rare earths, requiring both foreign and domestic companies to obtain special licences for the export of "dual-use items" with both civilian and military applications. This decision was reportedly the first that specifically targets the defence sector, with rare earth magnets being crucial components in Western weapons systems as well as the automotive and semiconductor industries.

On 17 June 2026, the G7 agreed to cap reliance on any single non-G7 supplier (such as China) for rare earths and permanent magnets at below 60% by 2030, with a long-term goal of reaching 50%.

Also in June 2026, China imposed export controls against two US rare earth producers, namely MP Materials and USA Rare Earths. Effectively immediately, this restriction prohibits these US companies from access to items that can be used for both commercial and military purposes.

On 20 July 2026, the Trump administration issued Executive Order 14415 that effectively prevents defence contractors from sourcing critical materials from 'non-compliant jurisdictions,' requires mandatory supply chain traceability and excludes 'unreliable foreign suppliers,' effective 1 January 2027.

The order favours domestic and allied sources of critical materials for use in US defence systems and prohibits Chinese, Russian, Iranian, and North Korean-origin rare earth magnets and metals across the entire US defence supply chain from mining onward.

The European Union, Japan, the UK, Australia and other Western aligned nations have also initiated measures to support domestic rare earths production and reduce import dependency, including through investment and pricing measures.

Next Steps

IonicRE has participated in a range of discussions with potential project partners including in the United States, with these talks centred on the need to develop secure and sustainable rare earth supply chains for the world's biggest economy.

Importantly, the Makuutu MREC product basket announced in IonicRE's Definitive Feasibility Study released in March 2023 (refer **Error! Reference source not found.**) demonstrated a basket rich in medium and heavy REOs, notably able to help offset the elements targeted in China's export controls.

IonicRE's Executive Chairman, Mr Brett Lynch commented: "*IonicRE has spent significant time over the past year engaging with US stakeholders, building partnerships with leading companies in the industry as well as fostering relationships across the entire value chain, from Washington to Detroit.*

"Given the impetus from the Trump administration, there has never been a better time to explore how Makuutu is positioned within US rare earth supply chains, as the January 2027 deadline fast approaches and additional export restrictions loom.

"While IonicRE's focus is on building a global industrial business based on magnet recycling, the Company has invested significantly in Makuutu and we are determined to unlock value for

shareholders from this project, which is a hugely strategic asset in the race to build secure and sustainable Western rare earths supply chains."

The Makuutu deposit comprises nine licences covering around 300 square kilometres, located 120 km east of Kampala. The defined mineralisation stretches 37 km long and is situated near high-quality infrastructure. It contains a high proportion of magnet and heavy rare earths, including a near-perfect split of magnet rare earths Nd, Pr, Dy and Tb, required for developing the high intensity permanent magnets required for EVs and offshore wind turbines.

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 Mixed Rare Earth Carbonate (MREC) was achieved during the March quarter 2024 at the Makuutu Demonstration Plant, fostering engagement with potential offtakers and strategic partners.

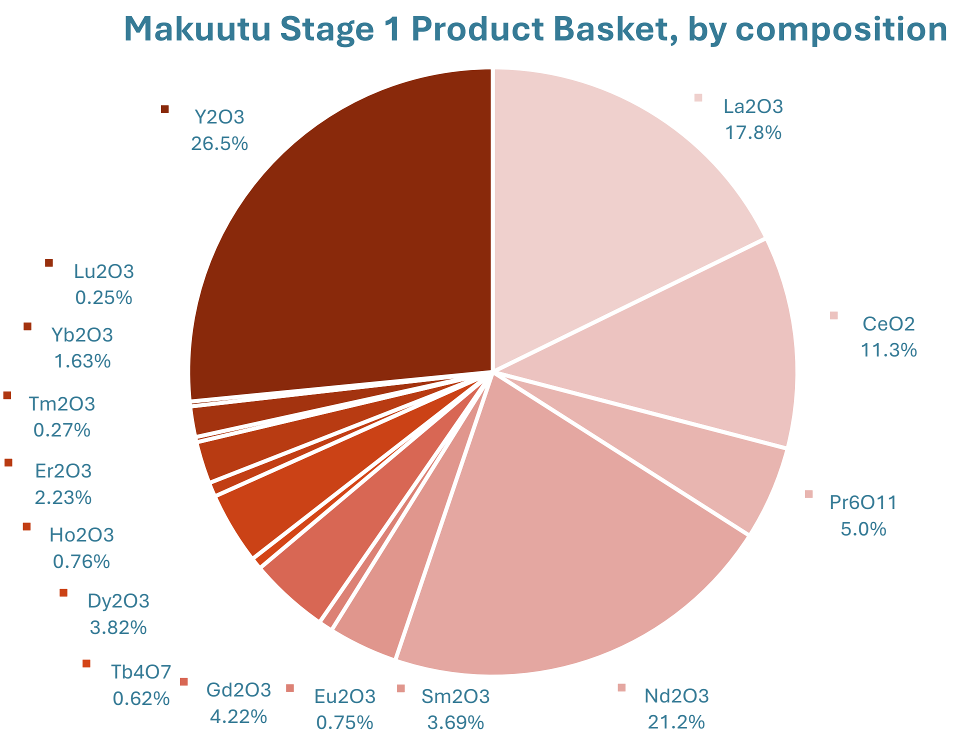

Figure 1: Makuutu Stage 1 REO product basket, excluding Sc_2O_3 (note rounding applied) (ASX: 20 March 2023).

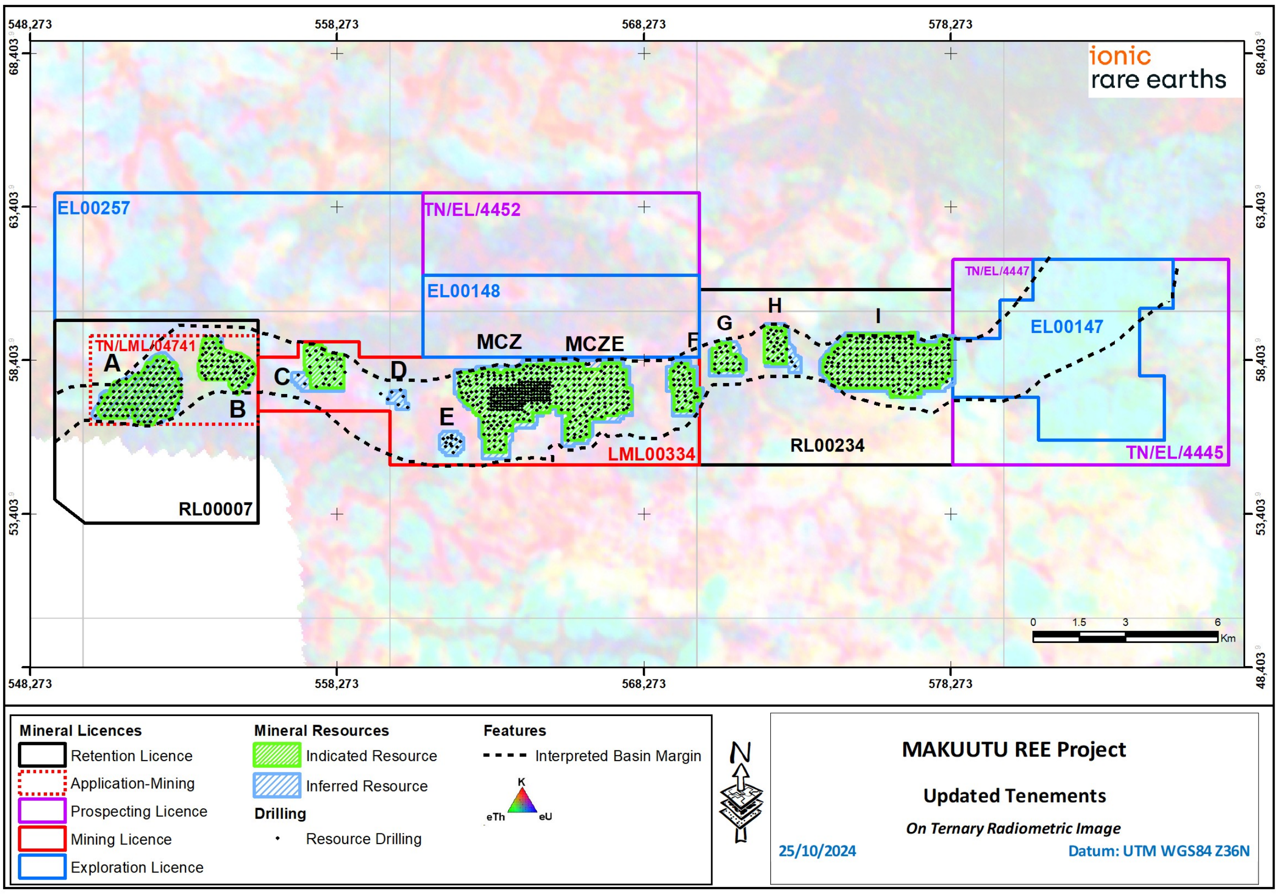

Figure 2: Makuutu Heavy Rare Earths Project mineral tenements including MLA over a selection of RL00007, TN04741 (red dashed border).

Table 1: Makuutu Resource above 200ppm TREO-CeO$_2$ Cut-off Grade (ASX: 15 May 2024).

Resource Classification	Tonnes (millions)	TREO (ppm)	TREO- CeO$_2$ (ppm)	LREO (ppm)	HREO (ppm)	CREO (ppm)	Sc$_2$O$_3$ (ppm)
Indicated	517	650	440	470	170	220	30
Inferred	99	560	380	420	140	190	30
Total	**617**	**630**	**430**	**460**	**160**	**210**	**30**

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”).

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

Authorised for release by the Board.

ionic
rare earths

For enquiries, contact:

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

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

About Ionic Rare Earths Ltd

Ionic Rare Earths Limited (ASX: IXR or IonicRE) is an emerging miner, refiner, and recycler of sustainable and traceable magnet and heavy rare earths needed to develop net-zero carbon technologies.

Ionic Technologies International Limited ("Ionic Technologies"), a 100% owned UK subsidiary, has developed processes for the separation and recovery of rare earth elements (REE) from mining ore concentrates and recycled permanent magnets. Ionic Technologies is focusing on the commercialisation of the technology to achieve near complete extraction from end of life / spent magnets and waste (swarf) to high value, separated and traceable magnet rare earth products with grades exceeding 99.9% 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

- *China's Export Controls put Spotlight on Makuutu Heavy Rare Earths – 9 April 2025*
- *Makuutu Mineral Resource Estimate expanded – 15 May 2024*
- *First Mixed Rare Earth carbonate produced at Makuutu – 13 March 2024*
- *Mining Licence signed for Makuutu Heavy Rare Earth Project – 18 January 2024*
- *Makuutu Definitive Feasibility Study – 20 March 2023*

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.