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Ionic Rare Earths Ltd. (OTCQB: IXRRF)

IXRRF: Ionic Releases Quarterly Activities Report Which Showed Ongoing Progress in its Development Initiatives as well as a Higher Cash Position.

Utilizing a Discounted Cash Flow process containing conservative estimates combined with other valuation methodologies, we believe IXRRF could be worth **US\$1.00** per share.

Current Price (10/14/26) US\$0.38
Valuation **US\$1.00**

OUTLOOK

Ionic Rare Earths is pioneering high performance magnet rare earth oxide production while securing a circular economy for REEs and Neodymium-Iron-Boron (NdFeB) magnets with a combination of advanced recycling, refining, and manufacturing capabilities. The company has a three pronged platform with potential operations in the U.K., Brazil and Uganda. Opportunities in the U.S. are also being explored. The company appears to be well capitalized with multiple government funding options. Our outlook is for strong profitable growth as commercial operations commence at the Belfast plant in 2028.

SUMMARY DATA

52-Week High **\$1.14**
52-Week Low **\$0.16**
One-Year Return (%) **N/A**
Beta **N/A**
Average Daily Volume (sh) **16,190**

Shares Outstanding (mil) **226**
Market Capitalization (\$mil) **78.6**
Short Interest Ratio (days) **N/A**
Institutional Ownership (%) **N/A**
Insider Ownership (%) **N/A**

Annual Cash Dividend **\$0.00**
Dividend Yield (%) **0.00**

5-Yr. Historical Growth Rates

Sales (%) **N/A**
Earnings Per Share (%) **N/A**
Dividend (%) **N/A**

P/E using TTM EPS **N/A**
P/E using 2026 Estimate **N/A**
P/E using 2027 Estimate **N/A**

Risk Level **High**
Type of Stock **Growth**
Industry **Recycling/Mining**

ZACKS SCR ESTIMATES

Revenue

(in millions of A\$)

	Q1 (Sep)	1H (Dec)	Q3 (Mar)	2H (Jun)	Year (Jun)
2025		\$0.7 A		\$1.5 A	\$2.2 A
2026		\$0.8 A		\$0.9 A	\$1.7 A
2027					\$1.8 E
2028					\$28.0 E

EPS / Loss Per Share

	Q1 (Sep)	1H (Dec)	Q3 (Mar)	2H (Jun)	Year (Jun)
2025		-\$0.01 A		-\$0.01 A	-\$0.02 A
2026		-\$0.03 A		-\$0.04 A	-\$0.07 A
2027					-\$0.09 E
2028					-\$0.06 E

Quarterly estimates may not equal annual EPS due to rounding, dilution or intangibles. Estimates may be non-GAAP.

WHAT'S NEW

Quarterly Activities Report

On October 13, 2026, the company released its Quarterly Activities Report for the 3 month period ending September 30, 2026. During the quarter, the company spent approximately A\$560,223 on Ionic Technologies demonstration and study activities, and A\$442,809 on Makuutu exploration, demonstration plant and study activities. Payments to related parties of the entity and their associates totaled A\$251,500.

Cash used in operations for the quarter was (A\$4.0) million and capital expenditure was A\$1.5 million. Cash balances as of September 30, 2026 were A\$5.1 million and there was no debt outstanding.

August 2026 \$8.0 Million Capital Raise

In August 2026, IonicRE successfully completed an A\$8 million placement, resulting in the issuance of approximately 30.8 million new fully paid ordinary shares to accredited professional and institutional investors at a price of \$0.26 per share. The Placement included \$0.5 million in Director participation, subject to shareholder approval, highlighting the Board's alignment with shareholders.

It also included a further \$2 million strategic investment from US-based Argentem Creek Partners, a specialist investment firm with a global presence and experience across the critical minerals, fintech and industrial sectors. Funds raised from the placement will support the company's commercial magnet recycling plant in Belfast, UK, together with its global expansion across the UK, Europe, North and South America.

Ionic Technologies Update

➤ Belfast Plant

The company has applied for planning permission to build a commercial magnet recycling plant in Belfast. The application was sent to Belfast City Council on September 19, 2026, and the council confirmed it was complete on September 24, 2026. It follows earlier preparation work, including a formal notice to the community about the plan.

The company has also signed an agreement with the council to keep the planning process on schedule. A decision is expected in the 1st quarter of 2027, which is in line with the overall project timeline. The company is also talking with the Northern Ireland Environment Agency before applying for its environmental permit. This is through the Pre Application Discussion (PAD) process to ensure timely agreement of a suitable regulatory framework for the facility.

➤ FEED Process

IonicRE announced on July 13, 2026 that it had hired Tenova Advanced Technologies (TAT) to carry out the front-end engineering design (FEED) study for the commercial magnet recycling facility in Belfast. The study, which began in June 2026, builds on technology developed by Ionic Technologies and comes before the detailed design and construction phases. IonicRE chose TAT, working alongside its own technical staff, for its long track record in rare earth processing, especially solvent extraction. The study will cover the process description, basis of design, process flow diagrams, equipment lists and specifications, control philosophy and power demand.

During the quarter, the FEED work moved forward, including the selection of vendors for key parts of the plant. Basic engineering is expected to be finished by Q2 2027, with construction starting in Q3 2027.

➤ Final Investment Decision (FID) Funding Progress

The company is finalizing long form agreements on the Sale Agreement on a site at Queen's Island, Belfast Harbour, in the Titanic Quarter. It has also received the electricity connection design from Northern Ireland Electricity Networks, which confirmed the development costs and schedule. Work has been done to select civil, mechanical and electrical contractors for the facility's superstructure, offices and laboratories. This progress is built into an updated schedule that includes near-term orders for long-lead equipment, and these pre-FID packages are planned for award during Q4.

Ionic has also appointed several key project resources to support client-side management across its main commercial and engineering work streams. Significant progress has been made toward a funding package for the Belfast facility, with extensive due diligence nearing completion. The package is intended to unlock the full £12 million capital grant Offer in Principle from the UK Department of Business & Trade and the UK Advanced Propulsion Center. The APC is a government-backed body that funds and supports low-carbon automotive technology projects.

➤ Demonstration Plant Enhancements

Ionic Technologies has finished a £600k (A\$1.1 million) upgrade of its Belfast magnet recycling Demonstration Plant. Several reaction vessels were replaced with new designs based on the company's experience processing end-of-life magnets and manufacturing waste. Crushing processes were optimized, and the ventilation equipment and process control system were upgraded. The heavy rare earth solvent extraction circuit was also expanded, raising capacity to about two tonnes per year of separated dysprosium and terbium at higher purity. This will speed up the technical data needed for customer testing and sales discussions, and it responds to several potential customers who want to use the facility to supply material right away.

The plant has now processed more than 30 types of magnet feedstock with consistent product quality. Magnet pre-treatment ran at its full capacity of 30 tonnes per year during 2026, building a stockpile of about four tonnes of mixed rare earth oxide while the upgrade was completed. With the upgraded circuit now running, several separation campaigns with potential partners are planned for Q4 2026.

US Strategic Metals Joint Venture Update

Ionic Rare Earths USA, IonicRE's wholly owned US subsidiary, has signed a non-binding term sheet with Missouri-based US Strategic Metals (USSM) to develop an integrated rare earth magnet recycling campus at USSM's fully permitted 1,800-acre site near Fredericktown, Missouri. The proposed 50/50 joint venture advances the November 2025 MOU and supports US efforts to strengthen domestic critical minerals supply chains.

The JV plans to invest approximately US\$100 million in initial recycling facilities for neodymium-iron-boron (NdFeB) and samarium-cobalt (SmCo) magnets and scrap, with potential expansion into other heavy rare earths. USSM is expected to provide US\$95 million, with the partners contributing a combined US\$5 million in equal equity. Ionic Technologies will license its technology non-exclusively, while the initial equity is intended to fund front-end engineering design and accelerate demonstration-scale recycling.

Ionic USA will lead technical and operational oversight, chair the Technical Operations Committee, and manage feedstock procurement. The project offers IonicRE a potentially capital-efficient route into the US market, leveraging technology demonstrated in the UK to produce high-purity separated rare earth oxides for domestic customers. However, the JV remains subject to definitive agreements, funding contributions, and other conditions; the proposed facilities and financing are not yet finalized.

IonicRE has already established a foothold in the US defense sector, partnering with US-based Advanced Magnet Lab (AML) to supply AML with magnet rare earth oxides, specifically neodymium/praseodymium oxide (NdPr)₂O₃ and dysprosium oxide (Dy₂O₃). This is under AML's U.S. Defense Logistics Agency (DLA) contract focused on qualification of domestically produced high-grade sintered NdFeB permanent magnets for defense applications.

Brazilian Joint Venture (Viridion)

The Viridion Joint Venture (50:50) between IonicRE and Viridis Mining & Minerals Limited (ASX: VMM) remains an outstanding opportunity for IonicRE to advance the company's strategy to become a leading supplier to the Brazilian and global market of high quality, secure and dependable magnet and heavy rare earths.

During the quarter, Ionic Technologies received a 4 kg sample of mixed rare earth carbonate (MREC) from Viridis' Colossus Project in Brazil for refinery test work at the Belfast plant. A comprehensive metallurgical test work program has been mapped out to evaluate impurity removal, solvent extraction separation, and reagent recovery, with the output used to support the upcoming design configuration to be used for the Viridion refinery's planned Scoping Study.

In July 2025, IonicRE announced Viridion had been 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 a big step in developing South America's first rare earth refining and recycling hub, aligning with Brazilian national industrial policy. During the quarter, preliminary designs were progressed for the CRITR facility, with local engagement with contractors underway to support finalizing of applications for permitting and planning.

Viridion is in talks with several potential industrial partners and users of rare earth permanent magnets in Brazil. The discussions aim to set up a demonstrator program covering the full magnet value chain in Brazil, including domestic production of rare earth oxides from magnet recycling at a circuit to be built there.

Makuutu Heavy Rare Earths Project (60% owned)

Makuutu is one of the world's largest and most advanced ionic adsorption clay (IAC) deposits. It is a globally strategic resource that can be developed in the near term with low capital, helping secure long-term supply of magnet and heavy rare earth oxides (REOs). The mixed rare earth carbonate (MREC) product basket in IonicRE's March 2023 DFS is about 45% medium and heavy REOs, which can help offset the elements targeted by China's ban.

Makuutu is being developed by Rwenzori Rare Metals Limited (RRM), a private Ugandan company that owns 100% of the project. IonicRE owns 60% of RRM. On 31 July, IonicRE announced a **strategic review** of the project, prompted by strong inbound interest and a Western search for near-term, independent supply of medium and heavy rare earths. Makuutu is a member of the Forum on Resource Geostrategic Engagement (FORGE), formerly the Minerals Security Partnership. The review is part of IonicRE's broader strategy to build an integrated, sustainable rare earth supply chain spanning mining, refining and recycling.

The review will look at strategic, structural and funding options, including bringing in strategic or government-backed partners, new investment structures, or listings in other jurisdictions. It was prompted by three developments:

- Geopolitical drivers: China's 2025 export restrictions, with a second wave expected, affect manufacturers in the European Union, United States, Japan and elsewhere. Tighter US policy on critical materials has added to demand for non-China sources of magnet and heavy rare earths.

- Market signals: US and allied investors and potential partners have shown strong interest, supporting the case for structures that improve Makuutu's market access and commercial value.
- Policy moves: The G7 has launched a critical minerals alliance, and the US, EU, UK, Japan and Australia have started stockpiling, investment and pricing support. The Trump administration has also set a January 2027 deadline for US companies to stop buying rare earths and magnets from China, Russia, Iran or North Korea.

No decisions have been made at this time, and there is no assurance the review will lead to a transaction or change in ownership.

Management Commentary

Ionic Rare Earths has made significant progress over the past two months in advancing and de-risking the Belfast commercial magnet recycling plant. With the full planning application submitted and due diligence completed, the company is now focused on finalizing a comprehensive funding package. Once financing is secured, IonicRE plans to award pre-FID contracts, initiate key work streams, and order long-lead items to maintain its ambitious development timeline.

Management is committed to securing funding as quickly as possible to accelerate the delivery of separated rare earth oxides (REOs) to Western markets. Investor interest in participating in the Belfast project and the company's globally scalable technology platform remains strong. Meanwhile, Ionic Technologies continues to optimize its Demonstration Plant, with upgraded circuit modifications installed. Completion of commissioning for the enhanced heavy rare earth solvent extraction circuit is expected to support increased heavy REO production and allow the processing of greater volumes and a wider variety of mixed REO feedstocks.

Ionic Technologies' magnet recycling technology offers a relatively fast, capital-efficient pathway to producing significant volumes of high-purity, separated REOs for Western markets. Its long-loop recycling process supports supply chain diversification and strategic resource independence while offering a strong social license and a low carbon footprint. Management views Belfast as a globally significant project and a credible route to establishing commercial supplies of separated REOs to Western customers. The company is also advancing key value-chain relationships and strategic partnerships intended to strengthen its technology and support its broader global rollout.

Valuation

We maintain our price target at **US\$1.00** per share.

Ionic Rare Earths' Belfast recycling project represents the company's most advanced and readily quantifiable asset. The November 2024 feasibility study outlined attractive economics, including a post-tax NPV of US\$502 million, a 43.6% IRR, £85 million of initial capital expenditure and a 2.4-year payback period. However, the study's 7.5% discount rate appears aggressive for a first-of-kind commercial-scale recycling facility, and we believe a 12.5% discount rate is more appropriate. Applying this higher discount rate for the 20-year project reduces the project NPV by approximately 50%, resulting in an estimated Belfast project value of approximately **US\$251 million**. This valuation also provides a more conservative basis for assessing the project given execution, feedstock procurement, ramp-up and rare-earth pricing risks.

The Belfast facility is designed to produce approximately **400 tonnes per annum of separated rare-earth oxides**, consisting of 350 tonnes of NdPr oxide, 37 tonnes of Dy₂O₃ and 13 tonnes of Tb₄O₇. Based on the feasibility study's long-term price assumptions, this basket generates approximately US\$105 million of annual revenue at full production, implying an average realized price of roughly **US\$264/kg of REO**. Importantly, the project's US\$27.68/kg operating-cost assumption represents conversion costs, while incorporating magnet feedstock sourcing increases the effective cost to

approximately **US\$42.68/kg**. The economics therefore remain highly sensitive to feedstock availability, utilization rates and the pricing of Dy and Tb. While current Western market prices could support a substantially higher basket value, we believe the original feasibility-study price deck provides a more appropriate foundation for a base-case valuation, with upside available from sustained higher Western rare-earth prices.

In addition to Belfast, Ionic retains significant potential value from its **Uganda-based African rare-earth project**, although we are not incorporating any value from that project into our price target at this time. In addition, we are not assigning any value or revenue estimates from Brazilian Viridion JV as the project is still in early development stage.

Our valuation approach is to focus primarily on the **US\$251 million Belfast valuation**, with the African mining asset and the Brazilian JV treated as incremental option value rather than relying on it to support the core investment case. Key valuation catalysts and risks include securing sufficient feedstock for Belfast, achieving targeted capacity utilization and margins, confirming the commercial economics of the 400-tpa REO basket, controlling the approximately US\$100 million Belfast build-out cost, and demonstrating a clear path from commissioning to positive EBITDA. The principal upside driver remains higher NdPr, Dy and particularly Tb pricing, while delays, cost overruns, lower utilization or weaker rare-earth prices would reduce project value.

Our discounted FS NPV valuation would create a target price of **US\$1.00** per share. However, the basket prices of the REE in the FS have increased substantially since then. Current prices for the relevant REEs are approximately 50% to 100% above the price assumptions used in the 2024 feasibility study, providing potential upside to our base-case valuation.

We also support the price target using a 10-year DCF calculation with conservative assumptions and a high discount rate of 15.0% to account for the uncertainty of the timing of free cash flow generation. This results in a price target in the range of **\$1.00-\$1.50** depending on various growth rates and other factors.

In addition, it's important to recognize that the total business is very scalable over the long-term as the Belfast plant can be replicated in the U.S., Europe and other global locations.

KEY INVESTMENT POINTS



Source: ionicre.com

- Ionic Rare Earths (OTCQB: IXRRF) is a critical minerals company engaged in the production and recycling of rare earth oxides. They have a credible pathway to produce commercial-scale separated rare earth oxides by utilizing a proprietary hydrometallurgical process to recover critical materials from recycled magnets and manufacturing swarf (metal waste material).
- Ionic's 2024 Definitive Feasibility Study provides the blueprint for its inaugural commercial facility in Belfast, UK, which is a 1,200 tpa feedstock plant yielding approximately 400 tpa of rare earth oxides, with first production targeted for the 2nd quarter of calendar year 2028.
- The company currently operates a demonstration plant in Belfast, in operation since 2024, which processes magnet feed at a 30 tonnes per annum rate, with metallurgical recovery circa 94-95%, and

producing at a rate of approximately 10 tonnes per annum of NdPr, Dy, and Tb oxides produced at purities above 99.5%.

- The company's core value proposition depends on a modular, capital-light recycling model reinforced by patented leach and separation technology, with the strategic goal of establishing a non-Chinese supply chain for the NdPr, Dy, and Tb oxides consumed directly in permanent magnet production.
- The company has assembled a geographically diversified partnership network to support international expansion of its platform, including a 50/50 joint venture with Viridis Mining (ASX: VMM) in Brazil, an MOU with US Strategic Metals, and an offtake-aligned MOU with South Korean magnet manufacturer JS Link.
- Complementing its recycling business, Ionic holds a 60% interest in the Makuutu Ionic clay rare earth deposit in Uganda, a resource that, at full development, could supply heavy REE feedstock internally to support as many as five Belfast-equivalent processing modules.
- The regulatory backdrop is favorable due to the EU's Critical Raw Materials Act which targets 25% recycled-source consumption by 2030. Ionic's Northern Ireland facility is positioned to qualify under both UK and EU grant funding frameworks, strengthening the case for public co-investment.
- Total capital required for the Belfast commercial plant is estimated at A\$170 million, with up to A\$80 million expected to be sourced from UK government grants. A final funding decision represents a near-term catalyst and is anticipated at the end of 2026 or early 2027.
- As of 9/30/26, the company had A\$5.1 million in cash and no long-term or short-term debt.
- The current market capitalization is approximately US\$76.5 million.
- Based on our DCF valuation and other valuation approaches, we believe IXRRF is worth approximately **US\$1.00** per share.

OVERVIEW



Source: ionicre.com

Ionic Rare Earths (OTCQB: IXRRF) is a critical minerals company focused on building a supply chain for magnet rare earth elements such as neodymium, praseodymium, dysprosium, and terbium. These materials are essential for high-performance permanent magnets used in electric vehicles, wind turbines, robotics, and defense applications. Instead of relying solely on traditional mining, the company is positioning itself around a “circular economy” model that recycles existing materials, refines them into high-purity oxides, and eventually supplements supply with mined resources.

The core of Ionic's near-term business is its magnet recycling technology, developed through its Ionic Technologies subsidiary in Belfast, UK. This hydrometallurgical process can take in end-of-life magnets and manufacturing scrap (swarf) and separate them into individual rare earth oxides at high purity levels. The process is designed to be flexible in terms of feedstock and offers environmental advantages, with significantly lower carbon emissions compared to conventional mining and refining. This recycling platform is currently the most advanced part of the business and is transitioning toward commercial-scale production, supported by interest from automotive and clean energy supply chains.

In addition to recycling, Ionic is building out rare earth separation and refining capabilities, which represent the highest value and most technically complex part of the industry. Through its technology, the company can take mixed rare earth materials, whether from recycled sources or mined ore, and separate them into individual, saleable oxides suitable for magnet manufacturing.

A key expansion initiative is its involvement in Brazil through the Viridion joint venture, which plans to apply Ionic's processing technology to locally sourced feedstock. This expansion is intended to establish Ionic as a global refining platform, not just a recycler, and to support Western supply chain independence from China's dominant position in rare earth processing.

The company's long-term asset base also includes the Makuutu Rare Earths Project in Uganda, a large Ionic adsorption clay deposit that contains a mix of magnet and heavy rare earth elements. Makuutu is relatively shallow and low in radioactive impurities, which makes it potentially more straightforward to develop compared to many conventional rare earth deposits. While still in the development stage, it provides Ionic with upstream optionality that could eventually feed into its recycling and refining operations, creating an integrated supply chain. On July 31, 2026, the company announced it initiated a strategic review of this project due to strong inbound interest and a global, Western search for new and independent sources of medium and heavy rare earths supply. The review will evaluate opportunities to enhance value creation and accelerate development of the Makuutu project.

In addition, in 2025, the company signed an MOU with Missouri based U.S. Strategic Metals (USSM) in order to pursue opportunities to align rare earth and critical mineral production with multi-metallic downstream processing in the U.S.

Ionic Rare Earths is still in a pre-commercial phase, but its strategy is to become a vertically integrated rare earth supplier combining recycling, refining, and mining into a single global system aimed at securing non-Chinese supply of critical magnet materials.

As of 9/30/26, the company had A\$5.1 million in cash and no long-term or short-term debt.

INTEGRATED PLATFORMS

Ionic Technologies (Belfast Operations)



Source: ioniere.com

Ionic operates a demonstration plant at Belfast Harbour, running continuously since January 2024. It processes end-of-life magnets and manufacturing swarf, producing neodymium, praseodymium, dysprosium, and terbium oxides at 99.5–99.9% purity, with capacity of approximately 10 tpa. Ionic claims

to be the only company outside China capable of recycling and separating all four critical magnet rare earth oxides at scale, a strategic advantage following China's April 2025 export restrictions on medium and heavy rare earths. Belfast offers strong port infrastructure, UK and EU market access through the Windsor Framework, and access to hydrometallurgy talent at Queen's University Belfast.

Technology risk has been reduced through phased scale-up from laboratory and pilot operations to the demonstration plant, achieving a cumulative 20x increase in throughput. Commercial validation includes incorporating Ionic's oxides into a Ford electric motor, reportedly a first for a magnet recycler, and a defense-sector supply arrangement with US-based Advanced Magnet Lab. In 2026, the UK Government's DRIVE35 CircularREEconomy program will test recycled materials in permanent magnets for Ford EVs, with Bentley and Wrightbus also participating, strengthening Ionic's position in Western EV supply chains.

The proposed Belfast commercial plant is designed to produce 400 tpa of high-purity separated oxides, 40x current capacity. Estimated capital costs are £85 million, with completion targeted for the first half of 2028. Ionic's November 2024 Definitive Feasibility Study projected a post-tax NPV of US\$502 million, IRR of 43.6%, and payback of 2.4 years, using a 7.5% discount rate and 2024 pricing assumptions. Lifetime EBITDA is estimated at US\$1.8 billion, net revenue at US\$2.1 billion, and operating costs at US\$27.68 per kilogram of REO produced.



Figure 1: Render of the Belfast Commercial Plant (generated by WSP).

Source: [ionicre.com](https://www.ionicre.com)

These metrics may be materially conservative given the sharp upward movement in rare earth prices following China's 2025 export controls, with heavy rare earth prices rising six to sevenfold across the category and yttrium up more than 100-fold in certain instances. This suggests the DFS figures may be a floor case rather than a base case.

In terms of funding, the UK government offered a £12 million capital grant in January 2026 under the DRIVE35 program, administered through the Advanced Propulsion Centre, with continued discussions for the remaining balance of the £85 million package. A cornerstone capital commitment has already been received, and the project is directly aligned with the UK's Critical Minerals Strategy announced in November 2025, which targets reduced dependence on foreign mineral supply, reinforcing the policy environment supporting the facility's development. An updated feasibility study incorporating revised price assumptions has not yet been released, though management has indicated current conditions would materially enhance all key metrics. There is also a modular optimization program underway to develop a dedicated 400 tpa production line designed to enable hyperscale replication of the Belfast model.

Why Belfast

- ✓ **Infrastructure** - Belfast Harbour has unrivalled port infrastructure encompassing a new offshore wind terminal
- ✓ **Dual Market Access** - Offers dual market access, serving both the UK and wider European markets efficiently via the Windsor Framework
- ✓ **Renewable Hub** - Belfast Harbour is home to many world-class companies who play a key role in the global renewable energy sectors
- ✓ **Talent** - Belfast is producing hydrometallurgy capability via Queens University Belfast that is crucial for materials businesses



Heavy Rare Earth Separation Circuit, Belfast

Source: ionicre.com

Ionic is targeting a Final Investment Decision by the end of 2026 or early 2027, with first commercial production expected approximately two years from now. Beyond Belfast, the modular architecture of the platform is designed for international replication, with multiple US opportunities currently under assessment and a growing pipeline of joint venture structures being evaluated globally. This positions the Belfast plant as not only as a standalone asset but as the commercial template for a global rare earth recycling network.

Viridion JV (Brazil)



Source: ionicre.com

In April 2024, Ionic and Viridis Mining (ASX: VMM) established Viridion, a 50/50 joint venture targeting the development of a dedicated rare earth refining and magnet recycling facility in Brazil. Under this arrangement, Ionic contributes its proprietary separation technology expertise to provide the basis for the commercial operations, while Viridis supplies Mixed Rare Earth Carbonate processed from its potentially major, high-grade Ionic Adsorption Clay Colossus Project. This will create a closed-loop production and supply chain for separated REO product within a supportive Brazilian regulatory and commercial jurisdiction.



Source: ionicre.com

The JV has secured important government backing, having been shortlisted in June 2025 by Brazil's National Bank for Economic and Social Development (BNDES) and the Federal Agency for Funding Authority for Studies and Projects (FINEP) as part of their A\$1.4 billion development program. The venture passed the second-stage assessment in July 2025 and is now progressing through the financial evaluation process, a development that meaningfully de-risks the funding pathway and signals strong state alignment with the project's strategic objectives.



Source: ionicre.com

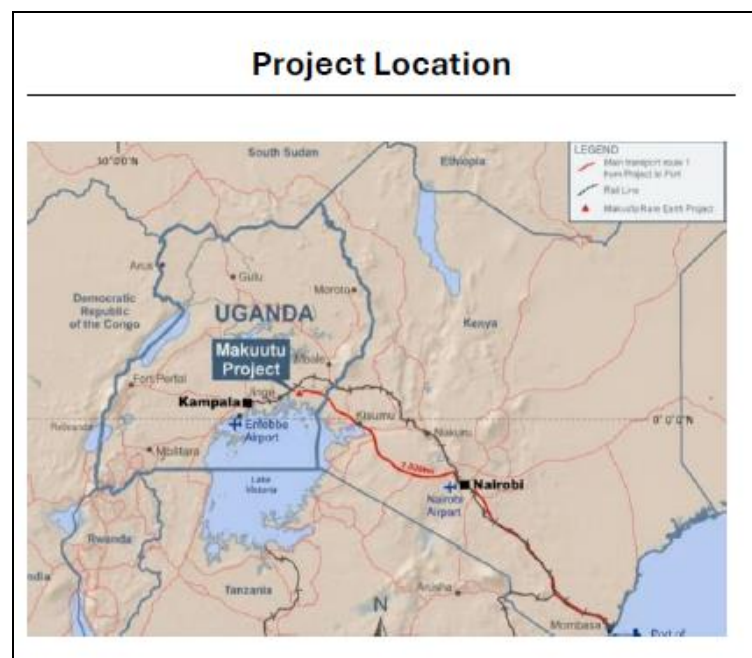
The capital structure of the JV has been designed to minimize upfront requirements for Ionic, with land supplied by the Brazilian government significantly reducing the capital burden and accelerating the timeline to first production. This low capital model is a deliberate strategic plan which preserves the company's balance sheet while enabling international platform expansion. Longer term, the Brazilian operation is positioned to serve growing demand from US-aligned supply chains seeking ex-China sources of separated rare earth products and recycled magnet material, with the JV structure also providing a potential template for Ionic's broader U.S. expansion strategy.

Makuutu (Uganda)

Makuutu, Uganda

Source: ionicre.com

The Makuutu project in Uganda is an Ionic adsorption clay (IAC) rare earth deposit in which Ionic holds a 60% interest through local Ugandan entity Rwenzori Rare Metals Ltd. The project covers 300 km² of mineral tenements along a 37 km IAC mineralization trend and is distinguished by an unusually heavy rare earth oxide basket, with HREO comprising 45% of total rare earth content. This compares favorably to competitors such as MP Materials, where HREO represents less than 1% of the deposit, and Lynas Rare Earths at approximately 6%. This makes Makuutu one of the most REE-enriched development-stage deposits outside China.



Source: ionicre.com

The project is described as near shovel-ready with a completed mineral resource estimate, Stage 1 ore reserve estimate, approved environmental permits, an approved mining license, and existing infrastructure already installed on site. A demonstration plant commenced producing Mixed Rare Earth Carbonate in March 2024 to support offtake partner negotiations, providing early product validation ahead of a development decision. The Stage 1 Definitive Feasibility Study outlines a 35-year project life requiring pre-production capital of US\$120.8 million, returning a pre-tax NPV of US\$406 million, a post-tax IRR of 32.7%, post-tax free cash flow of US\$1.0 billion, and lifetime EBITDA of US\$1.3 billion.

Table 2: Makuutu Resource above 200ppm TREO-CeO₂ Cut-off Grade (ASX: 15 May 2024).

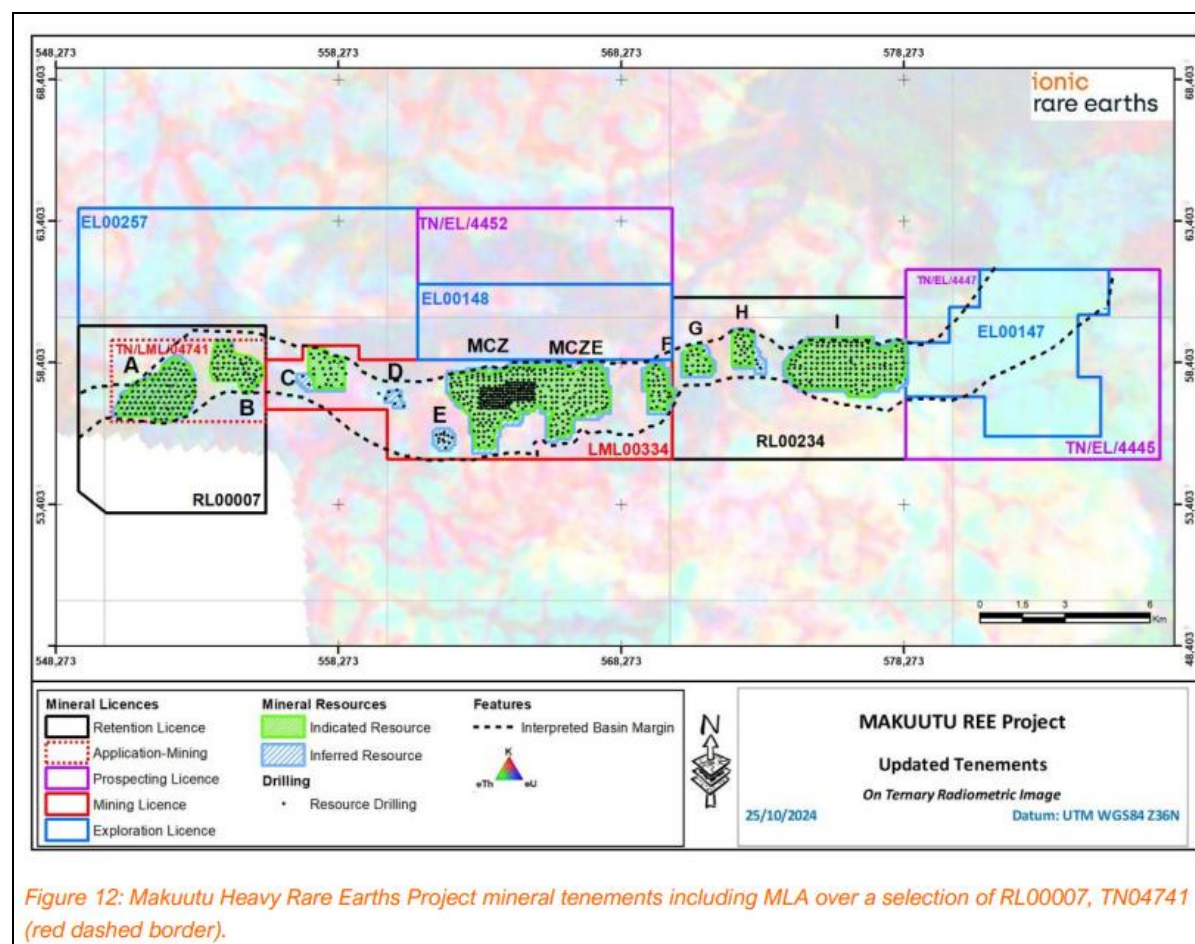
Resource Classification	Tonnes (millions)	TREO (ppm)	TREO- CeO ₂ (ppm)	LREO (ppm)	HREO (ppm)	CREO (ppm)	Sc ₂ O ₃ (ppm)
Indicated	517	650	440	470	170	220	30
Inferred	99	560	380	420	140	190	30
Total	617	630	430	460	160	210	30

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").

Source: ionicre.com

The strategic importance of Makuutu extends beyond its standalone economics. As a source of heavy REE feedstock, the deposit is directly complementary to the company's Belfast and Brazil recycling operations, with the potential to supply internal HREO material to multiple Belfast-scale processing modules over time. Ionic is currently assessing available options to develop or realize value from the asset, leaving open the possibility of a partial divestment, JVs, or project financing structure that could create value for shareholders while funding progression toward first production.



Source: ionicre.com

On July 31, 2026, the company announced that it initiated a strategic review of this project due to strong inbound interest and a global, Western search for new and independent sources of medium and heavy rare earths supply. The review will evaluate opportunities to enhance value creation and accelerate development of the Makuutu project.

RARE EARTH ELEMENTS

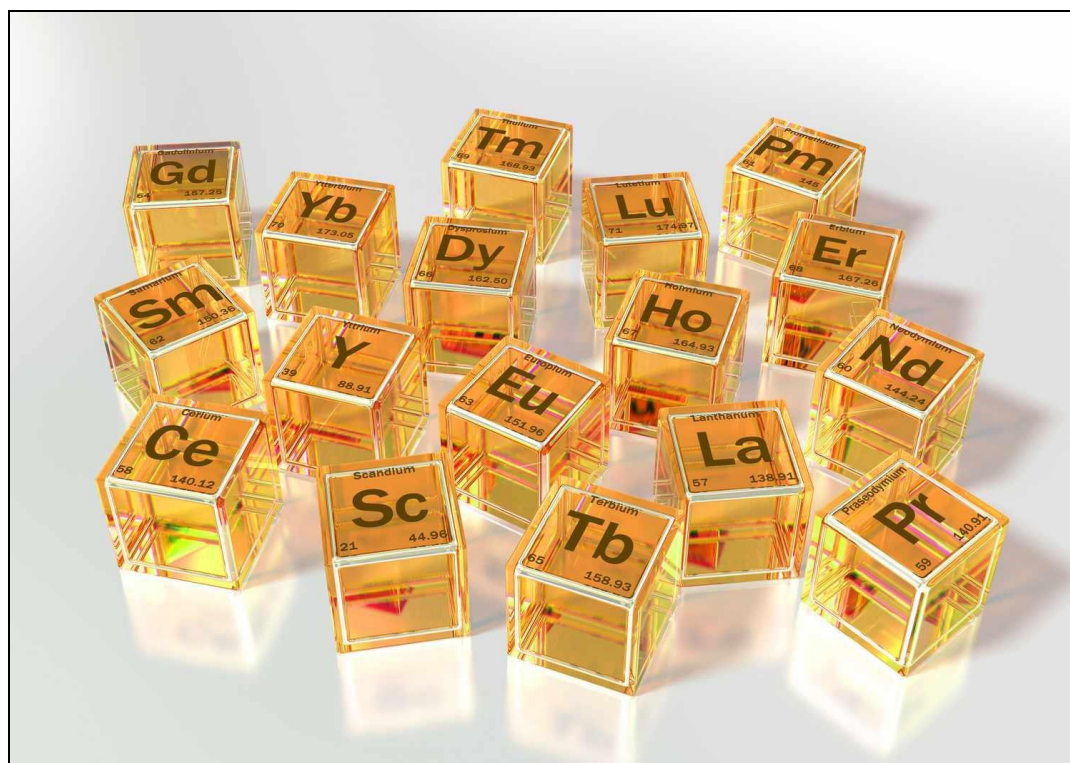
Rare earth elements (REEs) are a group of 17 metallic elements in the periodic table. Rare earth elements are foundational to the modern technology economy, essential for a wide range of critical applications for both civilian and defense sectors. Despite their name, rare earth elements are not particularly rare in a true geological sense. The "rare" designation is a historical misnomer, originating from the 18th and 19th centuries when these elements were first isolated and the chemistry required to separate them was poorly understood. The combination of modest deposit concentration and processing complexity is what gives rare earths their strategic importance.

Ionic plans to produce these rare earth oxides (REO is processed and refined REE):

- Yttrium (Y)
- Praseodymium (Pr)
- Neodymium (Nd)
- Samarium (Sm)
- Gadolinium (Gd)
- Terbium (Tb)
- Dysprosium (Dy)
- Holmium (Ho)

Neodymium and praseodymium are the primary inputs for neodymium-iron-boron (NdFeB) permanent magnets, the strongest magnets commercially available and essential components in EV motors, wind turbine generators, and consumer electronics such as smartphones and hard drives.

Dysprosium and terbium are added to NdFeB magnets to maintain magnetic performance at high operating temperatures, making them indispensable in EV drivetrains and industrial motors.



Source: ionire.com

Beyond magnets, rare earths serve critical functions across a broad industrial base.

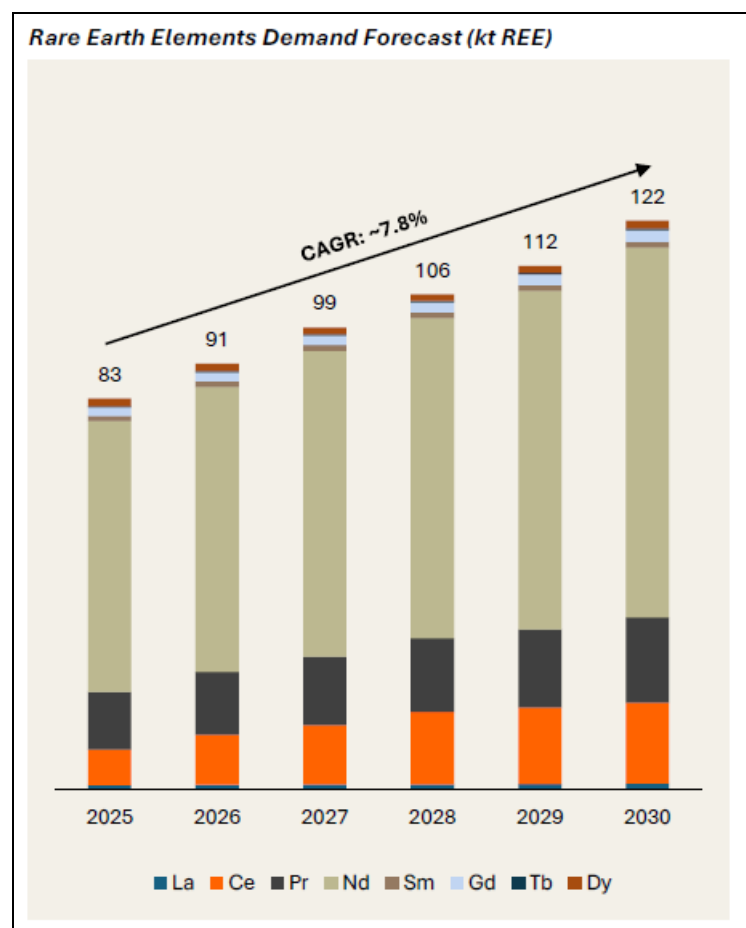
- Lanthanum and cerium are used in fluid catalytic cracking for petroleum refining and in automotive catalytic converters.
- Europium, terbium, and yttrium are used in phosphors for LED lighting and display screens.
- Gadolinium is used as a contrast agent in MRI imaging.
- Erbium and ytterbium are used in fiber optic communications.

In the defense markets, rare earths are embedded throughout advanced weapons systems, precision-guided munitions, radar, sonar, night-vision equipment, and jet fighter engines. The concentration of rare earth mining and processing is in China where it controls 69% of global rare earth mining, 88% of refining, and 90% of rare earth metal production which has made supply chain diversification a priority for Western governments.

INDUSTRY & ADDRESSABLE MARKET

Converging large trends across defense modernization and the global energy transition are driving structural, long-term growth in demand for REE, particularly the high-value magnet rare earths critical to electric vehicles, wind turbines, and advanced military platforms.

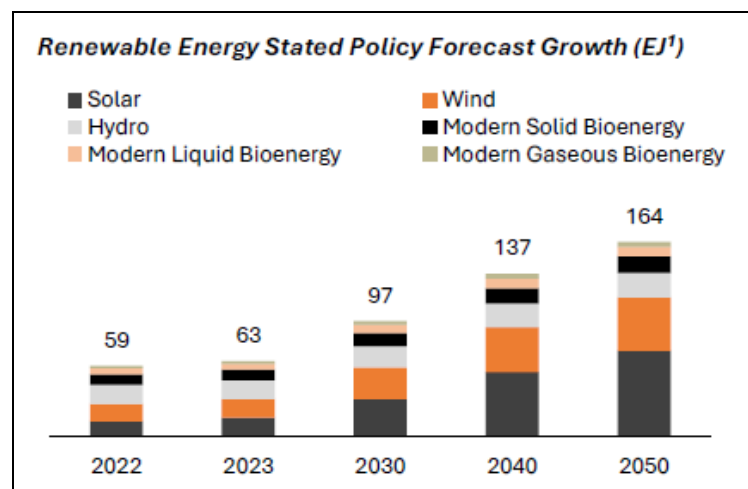
Global demand for rare earth elements is forecast to grow at a CAGR of approximately 7.8% from 83 kt in 2025 to 122 kt by 2030, driven by these prominent trends. This is not cyclical demand growth but a fundamental reshaping of the industrial economy, with rare earth permanent magnets sitting at the crossroads of two of the most capital-intensive spending programs in the coming decade.



Source: ionicre.com

On the defense side, U.S. defense spending as a percentage of GDP is projected to rise from 3.1% in 2023 toward a 5.0% target by 2035, with the rest of NATO also increasing commitments from 1.9% to 2.5% over the same period. Rare earths are embedded throughout modern defense platforms such as the F-35 fighter jet which relies on them for guided missiles, targeting lasers, and drive motors. Also, the U.S. DDG-51 guided missile destroyer uses them in advanced radar, missile guidance, propulsion, and drive motors. In addition, the Virginia Class submarine incorporates them in Tomahawk missiles, radar systems, and drive motors. As Western nations accelerate rearmament programs, the rare earth intensity of defense procurement is set to rise in parallel.

The energy transition represents another powerful demand driver. Global EV sales are forecast to grow from 23.1% of total vehicle sales in 2025 to 44.8% by 2030, with each EV requiring meaningful quantities of NdPr, dysprosium, and terbium in its traction motor magnets. Renewable energy capacity is forecast to grow from 59 exajoules in 2022 to 164 exajoules by 2050 across solar, wind, and bioenergy sources, with wind turbines representing a significant and growing source of rare earth magnet demand.



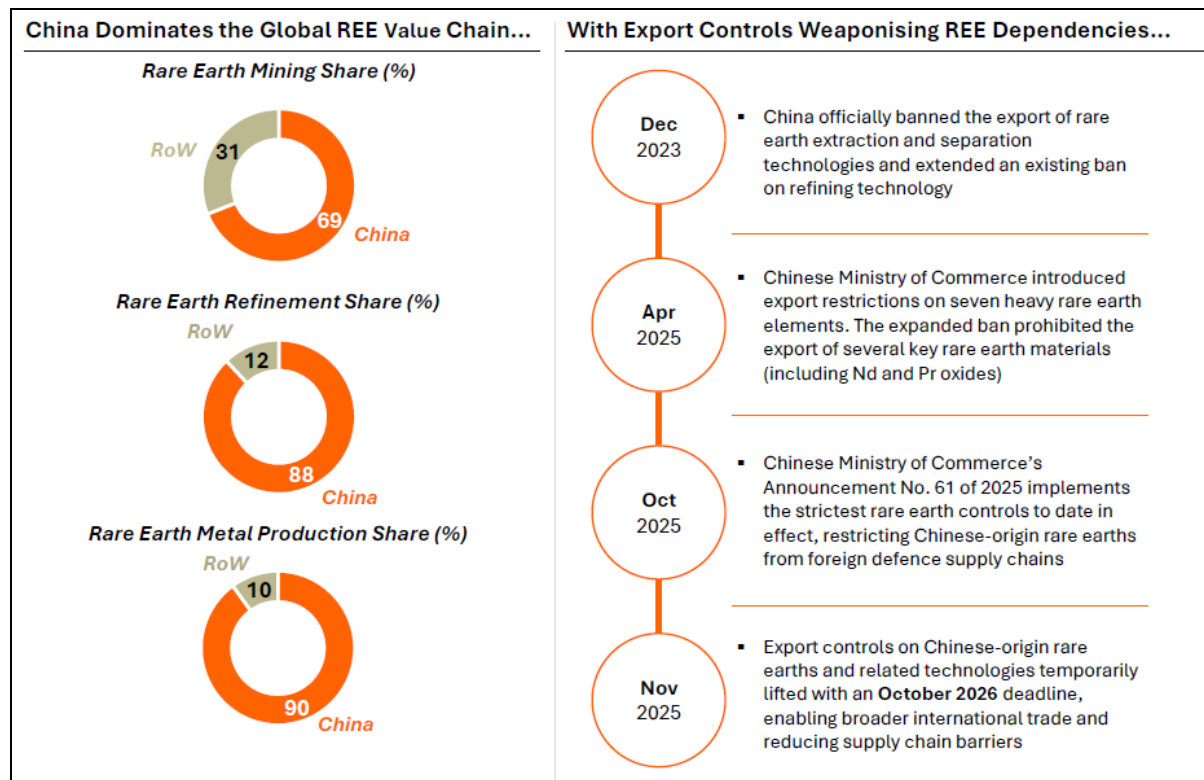
Source: ionicre.com

Altogether, these demand trajectories create a supply challenge that cannot be met by small incremental additions to existing production. The heavy rare earth elements most critical to high-performance magnets, specifically dysprosium and terbium, are the scarcest and most geographically concentrated, with supply overwhelmingly controlled by China. This structural deficit is the market gap that Ionic's Belfast recycling platform and Makuutu mining project are designed to address, positioning the company in the middle of defense, clean energy, and critical minerals supply security.

CHINA REE SITUATION

The Chinese dominance over the rare earth value chain has become a serious issue for most Western governments.

That country's control over a significant portion of the rare earth value chain is total and well-documented, but the degree of concentration is worth highlighting. China accounts for approximately 69% of global rare earth mining, 88% of refining, and 90% of rare earth metal production. That leaves the rest of the world dependent on a single supplier for what are now considered strategically critical materials. This concentration has persisted for decades, but recent policy actions have transformed a known vulnerability into an active supply chain crisis.



Source: ionicre.com

China's rare earth export restrictions have escalated since December 2023, when it banned exports of extraction and separation technologies, expanding in April 2025 to seven rare earth elements, including neodymium and praseodymium, followed by further defense-related measures in October. Despite temporary easing of some controls in November 2025, uncertainty has reshaped Western procurement strategies. In response, the U.S. invoked the Defense Production Act to accelerate strategic rare earth projects, while the UK launched its Vision 2035 Critical Minerals Strategy. In February 2026, the two countries formalized a Critical Minerals MOU and launched Project Vault, a public-private partnership backed by US\$10 billion in EXIM financing to stockpile 60 critical minerals.

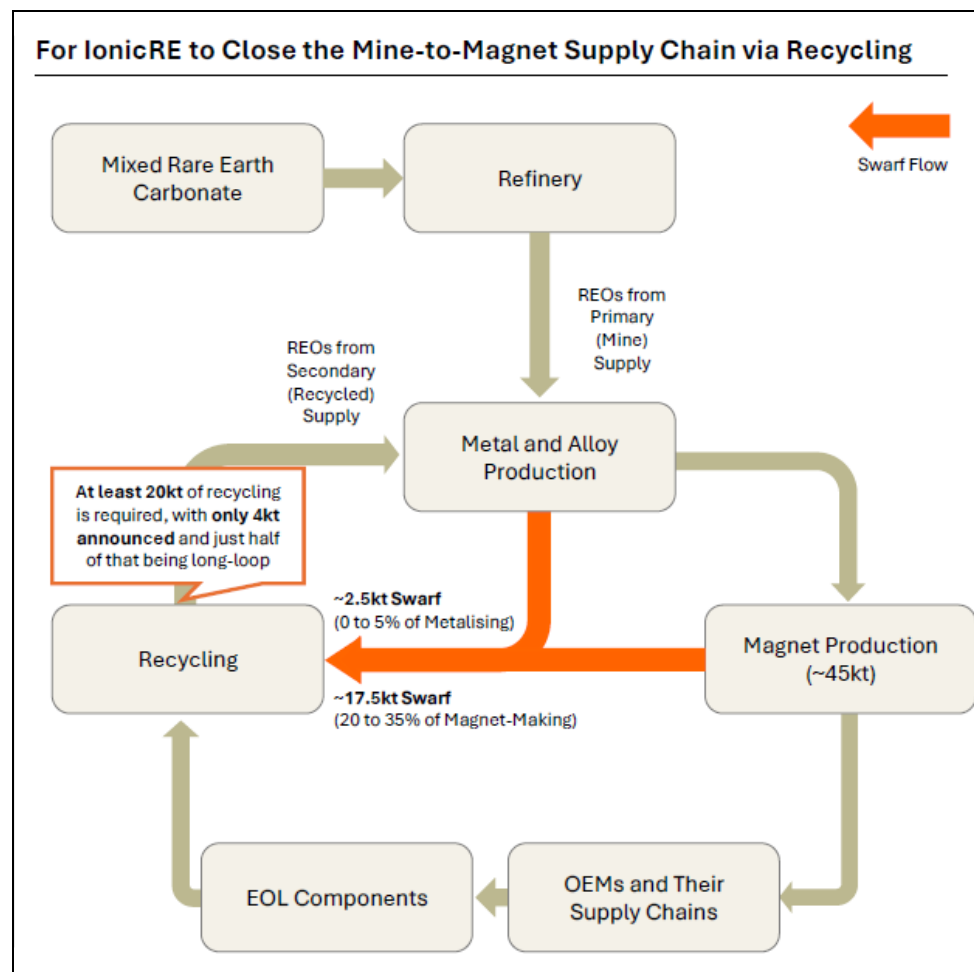
Also launched in February 2026, FORGE is a trilateral UK-U.S.-Australia partnership recognizing that supply chain independence requires international cooperation. Together, these initiatives represent a significant Western policy commitment to critical minerals, creating favorable funding and regulatory conditions for companies such as Ionic Rare Earths, which operates in rare earth separation and recycling.

RECYCLING DYNAMICS

Policy-driven investment in U.S. rare earth magnet manufacturing is creating a significant recycling opportunity. Approximately 50 ktpa of NdFeB magnet capacity has been announced across at least eight U.S. facilities. With 25–40% yield losses across the metals-to-magnet production chain, this implies 15–37 ktpa of manufacturing swarf, with a base case of 20 ktpa, creating a large, recurring domestic feedstock source for recyclers like Ionic.

This swarf is difficult to export economically or discard without worsening the ex-China rare earth oxide (REO) supply gap. Conventional short-loop recycling using hydrogen decrepitation cannot reliably process heterogeneous swarf at commercial scale. Announced recycling capacity totals just 4 ktpa, below the approximately 20 ktpa needed to handle projected U.S. swarf generation, with only half capable of long-loop processing.

Ionic's proprietary long-loop hydrometallurgical process addresses this gap by processing swarf across varying grades, coatings, and oxidation states. It produces separated rare earth oxides at greater than 99.5% purity that can be directly reused in magnet manufacturing without further processing.



Source: ionicre.com

This technical capability is not incidental but central to the overall investment case. It transforms what would otherwise be a supply chain liability into a recoverable domestic strategic asset at a time when every kilogram of NdPr, dysprosium, and terbium recovered domestically reduces dependence on Chinese export policy.

The commercial model compounds the technology advantage. Ionic's co-location deployment strategy, siting modular recycling units directly alongside U.S. magnet manufacturers, eliminates transport risk, reduces feedstock handling costs, and closes the supply loop at the point of generation. Each co-located module can be deployed at approximately US\$100 million per site, a fraction of the capital required for equivalent greenfield mining and processing capacity. This makes the economics of domestic rare earth recycling not only strategically compelling but commercially attractive relative to the alternatives available to Western policymakers and manufacturers.

Mining Comparison

Rare earth recycling offers a significantly lower risk profile than conventional mining for many reasons.

Permitting for a recycling facility is straightforward compared to the extensive land clearance and population displacement involved in mine permitting. A completed Life Cycle Analysis demonstrates a

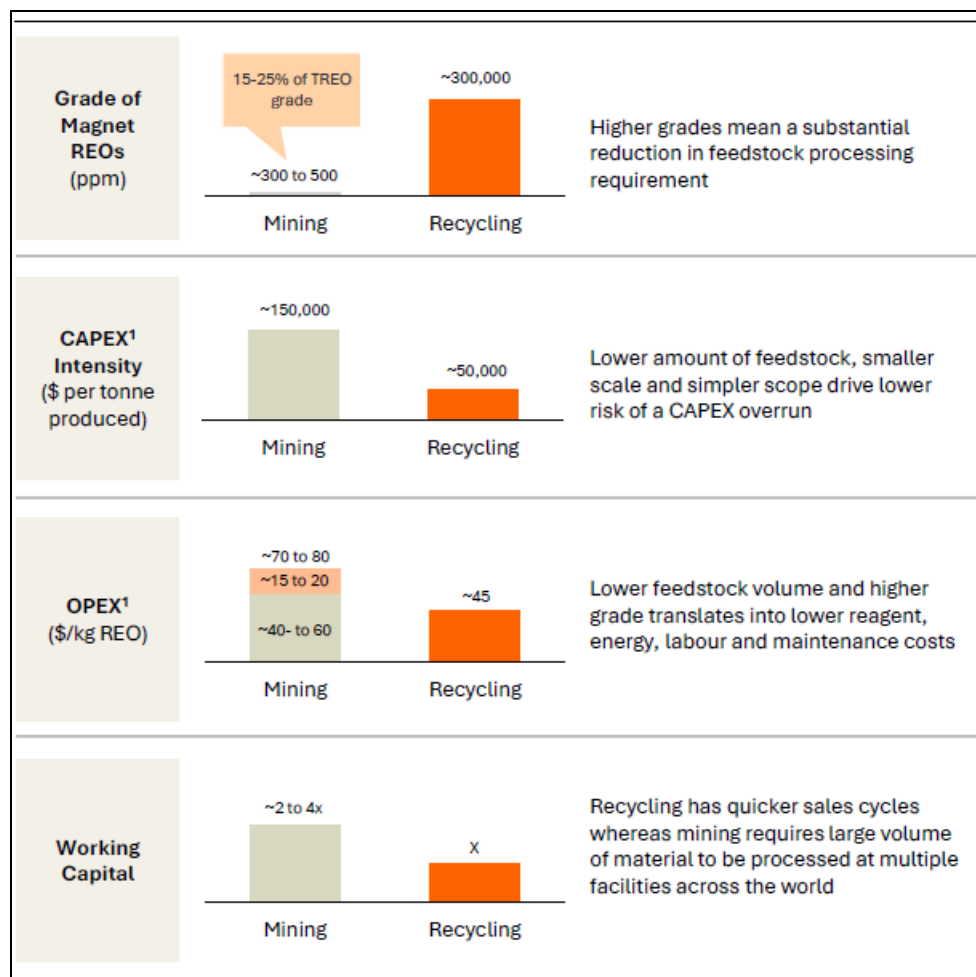
60% lower CO₂ footprint with no radionuclide exposure relative to existing mining operations. Recycling's shorter supply chain also compresses development timelines, while the sector enjoys meaningful government support from the UK, US, EU, and Brazilian governments, with multiple peers having secured grants.

Lower Risks in Production...		
	Permitting and Social License	Permitting for a mine involves extensive land clearance and population displacement while permitting for industrial recycling facility is simple
	Environmental Footprint	Life Cycle Analysis completed demonstrates a 60% lower CO ₂ footprint reduction compared to existing mining operations and no radionuclides ²
	Time/Speed of Development	Recycling has relatively shorter supply chain and thus the speed of development is faster
	Government Support & Incentives	Significant support for recycling by UK, US, EU, Brazilian government (multiple peers with grants)
	Integration within the Supply Chain	Direct relationship with metal, alloy, magnet makers and OEMs: IonicRE's four week cycle time from feed to separated high purity REOs results in de-risking of operations and access to their swarf and waste
	OEM Support	Significant OEM support for the sector, as many pledge their commitment to circular economy initiatives
	Licence to Operate Risk	Licence to Operate risks in mining jurisdictions can be higher compared to recycling facility embedded within advanced manufacturing countries (UK, US, EU)

Source: ionicre.com

Further risk mitigation comes from direct relationships with metal, alloy, and magnet makers and OEMs, with Ionic's four-week cycle time from feed to separated high-purity REOs reducing operational risk and enabling access to swarf and waste streams. License-to-operate risk is also lower, as recycling facilities embedded within advanced manufacturing countries face fewer jurisdictional uncertainties than mining operations.

The economic returns from recycling compare favorably to mining on almost every major cost metric. Grade is the most fundamental advantage as recycled feedstock carries magnet REO grades of approximately 300,000 ppm, versus only 300-500 ppm for mined material, with the 15-25% TREO grade of recycled feed dramatically reducing feedstock processing requirements. That grade advantage flows directly into capital and operating costs, with capex costs running at roughly \$50,000 per tonne produced for recycling against approximately \$150,000 per tonne for mining. Operating expenses also favor recycling at around \$45 per kilogram of REO compared to a mining range of \$40 to \$80 per kilogram, reflecting lower reagent, energy, labor, and maintenance requirements.



Source: ionicro.com

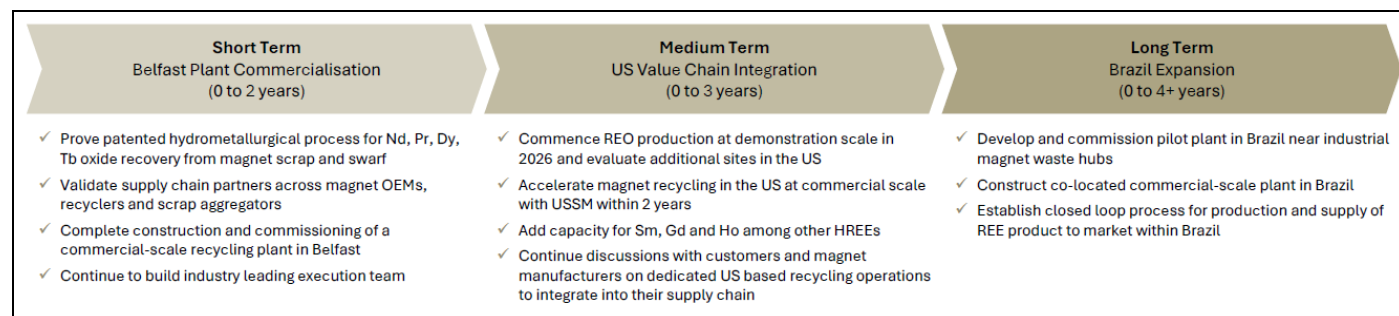
Working capital dynamics are also favorable for recyclers. Mining requires large volumes of material to be processed across multiple facilities worldwide, creating substantial working capital demands of roughly 2-4x that of a recycling operation. Recycling's quicker sales cycles and more contained operational footprint reduce capital tied up in the production process, reinforcing the overall investment case for an integrated recycling model over conventional primary production.

EXECUTION & GROWTH

In the **near term (next two years)**, Ionic's priority is commercializing the Belfast plant and validating its patented hydrometallurgical process for recovering Nd, Pr, Dy, and Tb oxides from magnet scrap and swarf. Key objectives include completing construction and commissioning, securing feedstock and customer partnerships, and building an experienced operating team.

Over the **medium term (approximately three years)**, Ionic plans to expand its U.S. presence, begin demonstration-scale rare earth oxide production, evaluate additional sites, and advance commercial magnet recycling with U.S. Strategic Metals. The company also aims to broaden its product range to include heavy rare earths such as samarium, gadolinium, and holmium, targeting U.S. magnet manufacturers and defense supply chains.

The **long-term strategy (beyond four years)** centers on commercializing the Brazilian platform through the Viridion JV. Plans include developing a pilot plant and co-located commercial facility near industrial magnet waste sources, creating a closed-loop rare earth oxide supply chain. The project could benefit from government support, feedstock from the Colossus IAC project, and growing demand for non-Chinese rare earth supplies.



Source: ionirc.com

COMPETITIVE ADVANTAGES

We believe Ionic has some substantial competitive advantages when compared to its peers and mining alternatives.

➤ First-Mover Advantage and Process Flow

Ionic has a five-year track record of R&D and demonstration, a completed DFS, and customer-qualified product. The company is not reliant on Chinese IP and has no technology export control risk, allowing it to deploy internationally. While peers such as Carester are well-funded, Ionic's smaller footprint suits a fragmented feedstock market, and its modular approach avoids the feedstock bottlenecks faced by larger centralized projects.

➤ Separated Rare Earth Oxides in High Demand on a Global Basis

Unlike recyclers producing mixed oxides or alloy powders, Ionic produces high-purity separated NdPr, dysprosium (Dy), and terbium (Tb) oxides for direct use in permanent magnet manufacturing. These products provide exposure to strategically important rare earth pricing and align with policy-driven procurement preferences. The planned output is designed to meet eligibility criteria under the EU Critical Raw Materials Act (CRMA) and US Inflation Reduction Act (IRA) for "processed" and "recycled" materials.

➤ Proprietary Patented Process

Ionic's proprietary technology is based on a hydrometallurgical process that uses atmospheric leaching and solvent extraction unit operations to recover rare earth elements from end-of-life permanent magnets and manufacturing scrap. Unlike hydrometallurgical routes for primary (mined) supply REEs that rely on extremely aggressive strong mineral acids, the process operates under ambient pressure and mild thermal conditions, avoiding radionuclide-bearing waste streams and significantly reducing the generation of aggressive effluents. It achieves high selectivity and efficiency, with reported recoveries exceeding 95% for neodymium, praseodymium, dysprosium, and terbium, while producing oxide products at greater than 99.5% purity. These characteristics support deployment within regulated industrial environments subject to tough environmental and permitting

requirements. The process is further differentiated by low energy demand, reduced reagent intensity, and a closed-loop reagent recovery system. Together, these provide a lower-impact and scalable approach to magnet-based rare earth recycling.

➤ Scalable Modular Refinery Model

The Belfast operations will be built around one 400 tpa REO module processing approximately 1,200 tpa of feedstock. This scale lowers the risks of this type of business versus models requiring larger volumes for economies of scale. The design can be deployed in feedstock-rich industrial hubs or co-located with existing manufacturers and offers a 12–18-month build timeline with a payback period of less than 3 years.

OTHER NEWS

- In May 2026, the company expanded its U.S. collaborations by creating a Joint Development and Licensing Agreement with U.S. based Nth Cycle, Inc., a critical mineral refining technology company, to enhance end-to-end rare earth refining and recycling operations in the U.S. and globally.

Under the agreement, Nth Cycle will provide its proprietary electro-extraction technology for IonicRE's rare earth recycling and refining operations, establishing the first Western production pathway for both long-loop recycling to high-purity REEs and the chemicals needed to refine NdFeB swarf into magnet-grade REOs for advanced magnet manufacturing. The collaboration replaces IonicRE's precipitation step with Nth Cycle's closed-loop electro-extraction process, which uses electricity rather than oxalic acid to produce the chemicals required to convert recycled rare earth feedstocks into high-purity REOs.

Ionic's patented process is the Western industry leader in recycling and refining rare earths from pre-consumer magnet swarf and spent magnets, while Nth Cycle is the most advanced critical minerals refiner for black mass and rare earth processing, offering significant speed and scalability advantages in the supply chain's "missing midstream." Together, the companies will try and strengthen a Western rare earth supply chain through more efficient, scalable, and sustainable production of high-purity oxides used in magnet metal and alloy manufacturing.

The activity follows IonicRE's MOU with Missouri-based US Strategic Metals (USSM) for the development of vertically integrated, multi-metallic rare earths production from recycling at USSM's fully permitted site in Missouri (see above).

- In May 2026, the company achieved a Western world first where it successfully led a ground-breaking project to demonstrate a circular supply chain for high-performance electric motor Rare Earth Permanent Magnets (REPM).

Ionic Technologies, Less Common Metals (LCM), and GKN demonstrated a fully circular supply chain for Ford EV motor magnets through successful testing at Ford's UK R&D facility. The project confirmed that Ionic's REOs, produced at greater than 99.5% purity, meet industry standards and Ford's stringent specifications, validating their suitability for high-performance magnets and demonstrating the potential for an end-to-end UK supply chain. Supported by the UK Government's CLIMATES initiative, the project advances the UK's Critical Minerals Strategy, which targets sourcing 10% of domestic critical mineral demand through UK production and 20% through recycling by 2035, compared with just 6% supplied domestically today.

FINANCIAL REVIEW

Quarterly Activities Report

On October 13, 2026, the company released its Quarterly Activities Report for the 3 month period ending September 30, 2026. During the quarter, the company spent approximately A\$560,223 on Ionic Technologies demonstration and study activities, and A\$442,809 on Makuutu exploration, demonstration plant and study activities. Payments to related parties of the entity and their associates totaled A\$251,500.

Cash used in operations for the quarter was (A\$4.0) million and capital expenditure was A\$1.5 million. Cash balances as of September 30, 2026 were A\$5.1 million and there was no debt outstanding.

Annual Report (ending 6/30/26)

For the 12-month period ending 6/30/26, the company recorded a net loss of (A\$14.9) million, compared to a loss of (A\$10.6) million in the prior year period. The company remains pre-revenue in a conventional sense, with total revenue comprising A\$1.7 million in grants and A\$113,000 in interest revenue,

SG&A expenses increased to A\$6.4 million compared to A\$4.8 million in the prior year period. Exploration expenses decreased to A\$2.3 million from A\$2.8 million in the prior year period. Other Expenses increased to A\$5.8 million from A\$3.6 million in the prior year period largely due to higher consulting fees. These were related to costs involved in exploring M&A opportunities as well as work to engage strategic investors and due diligence costs as part of the Alternative Investment Market (AIM) dual listing.

Basic and diluted loss per share was (A\$6.96) cents compared to (A\$6.70) cents in FY 2025.

RISKS

- The company has carried going concern warnings from auditors alongside ongoing financial losses with liquidity issues.
- Shareholder dilution risks remain possible with the company requiring repeated equity raises and convertible note issuances to fund operations and project development.
- The Belfast commercial plant requires substantial government grant support and project debt and any delays in UK government funding decisions could materially set back the FID timeline.
- Key risks include development capital costs and technological risks with processing REEs. Scaling hydrometallurgical processing from demonstration to commercial volumes introduces meaningful engineering and commissioning risk.
- Commercial-scale REO production depends on securing reliable, long-term supply of magnet scrap and swarf from OEMs, recyclers, and aggregators.
- The Makuutu project in Uganda carries political, regulatory, and licensing risk. Permitting delays have already extended development timelines, and Uganda remains a higher-risk operating jurisdiction.

- The Viridion JV in Brazil and potential US facilities add further multi-jurisdictional complexity and regulatory uncertainty.
- IXR's feasibility economics are sensitive to NdPr, Dy, and Tb oxide pricing, which remains volatile and subject to Chinese export policy.
- The Viridion JV with Viridis Mining (VMM) is a 50/50 structure, meaning IXR does not control decision-making on the Brazilian platform.
- Several key commercial arrangements (feedstock supply, offtake) remain at MOU stage and have not yet been converted to binding agreements.
- Larger, better-capitalized competitors (MP Materials, Lynas) are receiving significant government support and long-term offtake commitments, which could crowd out funding and customer relationships available to smaller players like IXR.

SUMMARY

Ionic's investment case is based on a technically differentiated foundation that is difficult to replicate. As the only operating Western recycler of separated magnet rare earth oxides, the company holds a real first-mover advantage supported by a patented, feedstock-agnostic separation and recovery technology platform that handles heterogeneous input materials at purities other approaches cannot readily achieve. The Belfast commercial plant offers compelling feasibility-study economics, and the modular architecture of the platform means that Belfast is not just a one-location story but the basis for rapid similar deployments across multiple geographies.

The commercial and policy infrastructure supporting that expansion is already in place. Strategic industry partnerships across the UK, US, South Korea, and Brazil are simultaneously securing feedstock supply and offtake demand, while the Viridion joint venture with Viridis Mining delivers a capital-light Brazilian platform with the added benefit of Brazilian government support. UK government backing for the Belfast commercial plant has meaningfully validated the funding pathway, and the Makuutu Ionic adsorption clay deposit in Uganda provides optionality on primary heavy REE feedstock supply, with the ability to respond rapidly to urgent Western demand should the asset be developed or monetized.

Taken together, these elements converge on an execution roadmap focused on near-term international expansion and deep integration with the global rare earth value chain. With a Final Investment Decision for Belfast targeted by the end of 2026 or early 2027, the Viridion JV advancing through Brazilian government funding assessment, and Makuutu fully permitted and shovel-ready, the company presents a pipeline of near-term catalysts capable of driving material upward revaluation in the stock as each milestone is achieved.

Our discounted Feasibility Study NPV valuation creates a target price of **US\$1.00** per share. However, the basket prices of the REE in the FS have increased substantially since then (2024). Current prices are anywhere from 50% to 100% higher providing potential upside from our base case.

We also support the price target using a 10-year DCF calculation with conservative assumptions and a high discount rate of 15.0% to account for the uncertainty of the timing of free cash flow generation. This results in a price target of **\$1.00-\$1.50** depending on various growth rates and other factors.

In addition, it's important to recognize that the total business is very scalable over the long-term as the Belfast plant can be replicated in the U.S., Europe and other global locations.

1 First-mover advantage as the only operating Western recycler of separated magnet REOs	2 Compelling feasibility-study economics for Belfast Commercial Plant with modular platform enabling rapid hyperscale deployment	3 Strong UK Government support received validating and de-risking the funding pathway	4 Patented, feedstock-agnostic separation and recovery technology platform with significant competitive advantages
5 Strategic industry partnerships providing global growth platform and helping secure feedstock and offtake	6 Viridion JV delivers a scalable, capital-light platform underpinned by Brazilian Government support	7 Makuutu provides optional value and a strategic ability for a response to urgent Western heavy REO demand	8 Execution roadmap centred on near-term international expansion and integration with the global REE value chain presenting several near-term catalysts

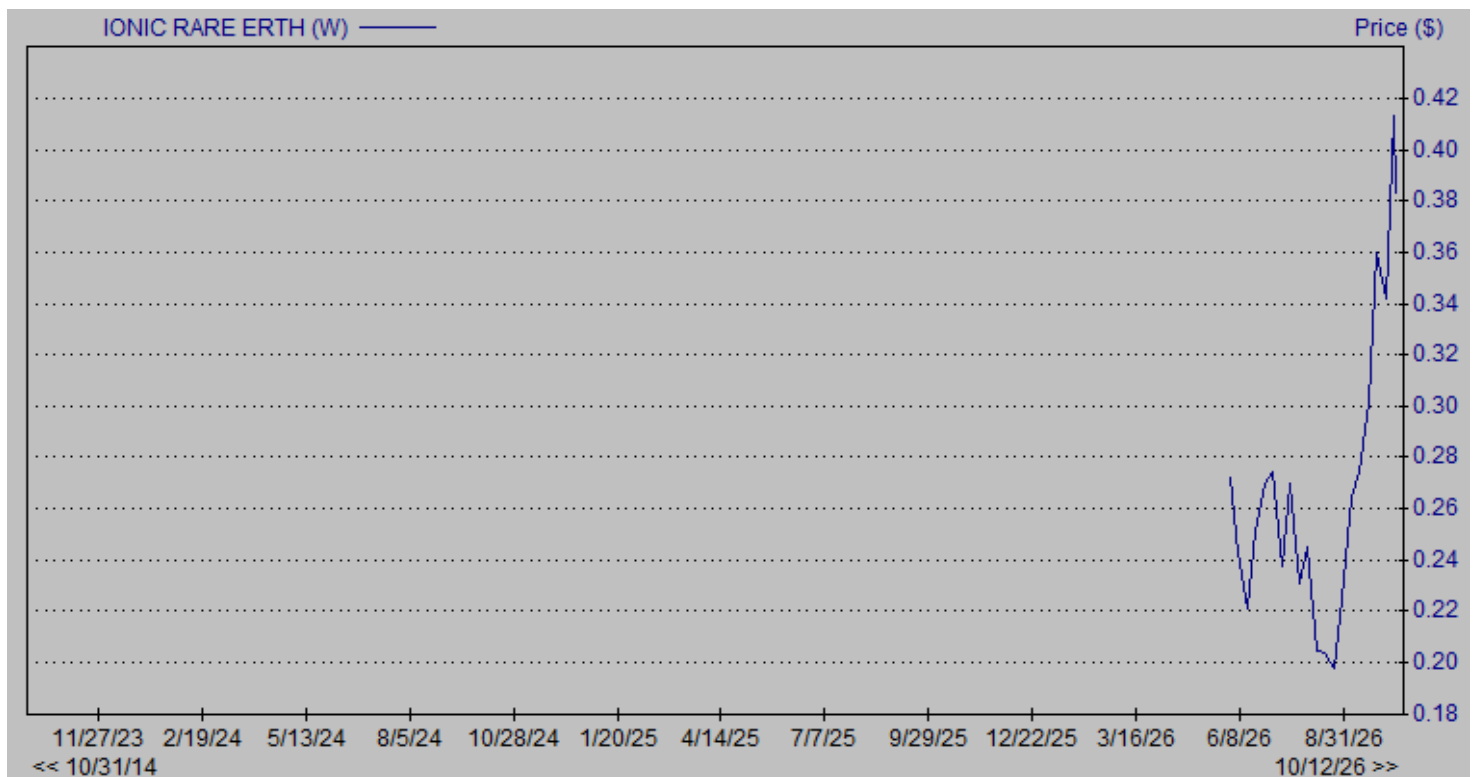
Source: ionicre.com

PROJECTED INCOME STATEMENT

<u>Income Statement</u>	Jun-25	Jun-26	Jun-27	Jun-28	Jun-29
Revenues	2,162	1,734	1,821	28,012	97,925
<i>Growth</i>		-19.8%	5.0%	1438.2%	249.6%
Cost of Goods Sold (Production)	0	0	0	10,536	19,360
<i>%</i>	0.0%	0.0%	0.0%	37.6%	19.8%
Depreciation & Amort	1,151	846	12,600	20,500	21,013
Gross Profit	1,011	889	(10,779)	(3,024)	57,553
<i>Margin</i>	46.7%	51.2%	-591.9%	-10.8%	58.8%
SG&A Expenses	4,812	6,449	7,094	7,449	7,672
<i>% of sales</i>	222.6%	371.8%	389.5%	26.6%	7.8%
R&D	425	220	441	1,500	1,530
<i>% of sales</i>	19.6%	12.7%	24.2%	5.4%	1.6%
Exploration Expense & Other	2,793	8,209	4,925	2,463	2,586
<i>% of sales</i>	129.2%	473.3%	270.5%	8.8%	2.6%
Stock Compensation	698	1,027	1,047	2,000	2,040
<i>% of sales</i>	32.3%	59.2%	57.5%	7.1%	2.1%
Operating Income	(7,717)	(15,016)	(24,286)	(16,435)	43,725
<i>Margin</i>	-356.9%	-865.8%	-1333.6%	-58.7%	44.7%
EBITDA	(6,566)	(14,171)	(11,686)	4,065	64,737
<i>Margin</i>	-303.7%	-817.0%	-641.7%	14.5%	66.1%
Other Expenses/(Income)	3,583	(113)	23	61	45
<i>%</i>	165.7%	-6.5%	1.3%	0.2%	0.0%
EBIT	(11,300)	(14,903)	(24,310)	(16,496)	43,680
<i>%</i>	-522.6%	-859.3%	-1334.9%	-58.9%	44.6%
Total Interest Exp (net)	41	10	10	10	10
<i>%</i>	1.9%	0.6%	0.6%	0.0%	0.0%
Net Profit Before Tax	(11,341)	(14,914)	(24,320)	(16,506)	43,670
<i>%</i>	-524.6%	-859.9%	-1335.4%	-58.9%	44.6%
Income Tax	0	0	0	0	6,550
<i>% Effective Rate</i>	0.0%	0.0%	0.0%	0.0%	15.0%
<i>% Cash Tax Rate</i>	0.0%	0.0%	0.0%	0.0%	15.0%
Minority Interests or Preferred Stock	0	0	0	0	0
Net Profit	(11,341)	(14,914)	(24,320)	(16,506)	37,119
<i>%</i>	-524.6%	-859.9%	-1335.4%	-58.9%	37.9%
Non-recurring income (expense)					
Average Diluted Shares Outstanding	5,074,798	214,128	264,000	264,000	320,000
Reported FD EPS					
Zacks EPS	(0.0022)	(0.0696)	(0.0921)	(0.0625)	0.1160

Source: Zacks SCR analyst

HISTORICAL STOCK PRICE



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