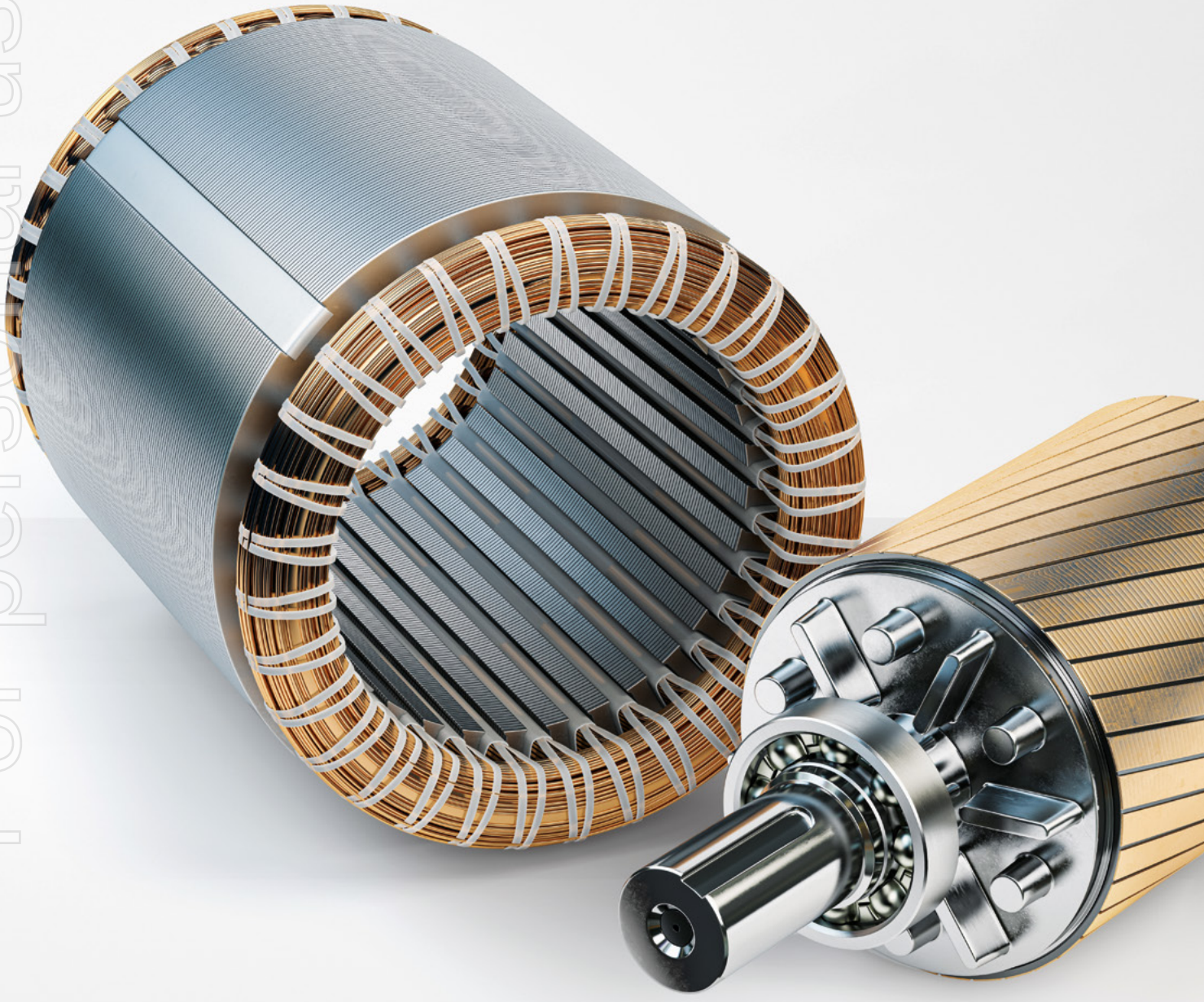
BRAZILIAN
RARE EARTHS

ANNUAL REPORT 2024

for the year ended
31 December 2024

ABN: 88 649 154 870



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ABOUT BRE

Brazilian Rare Earths Limited (BRE) aims to build a leading rare earth and critical minerals company to deliver long term value for shareholders, our communities and stakeholders.

BRE's outstanding exploration success has delivered multiple world class rare earths and critical minerals discoveries.

BRE is positioned to create value from the accelerating demand for rare earth and critical minerals for electrification and advanced technologies.

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INVESTMENT HIGHLIGHTS

Ultra high-grade Monte Alto project

- Regionally extensive high grade monazite sands provide potential for low cost processing
- Diamond drilling has returned grades of up to 45.7% TREO, including 69,558 ppm NdPr, 11,696 ppm DyTb, 17,092 ppm niobium oxide, 382 ppm scandium oxide, 962 ppm tantalum oxide and 5,781 ppm uranium oxide
- Simple metallurgy potentially supports low cost gravity and magnetic separation of a high value rare earth concentrate

World class province scale rare earths and critical minerals

- Multiple discoveries of ultra high-grade rare earths, niobium, uranium, tantalum and scandium across a vast province that covers more than 4,200 km^2
- Ultra high reported grades for the heavy rare earths DyTb and the light rare earths NdPr that are critical components of high performance permanent magnets that power an array of essential technologies such as electric vehicles, wind turbines and robotics

Strategic importance

- The United States has identified 50 critical minerals as vital to economic and national security
- 18 of these minerals are found in high concentrations at Monte Alto

Exceptional location and infrastructure

- Strong Brazilian government support
- Excellent infrastructure including clean hydropower, skilled labour, gas, domestic chemical industry, water, rail, roads and ports

Strong team of proven mine finders, mine builders and operators

- Experienced board and management with extensive rare earths and extensive in-country experience
- Track record of building and operating successful mining companies

Well funded work program

- Net cash of ~A$82 million as at end of December 2024
- Funded for 2025 + 2026 exploration and feasibility work programs

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FY2024 ACHIEVEMENTS

3x TOTAL GRANTED TENEMENT AREA INCREASED FROM 1,410 KM² TO 4,268 KM²

Consolidated control of the Rocha da Rocha Rare Earths Province

- Total granted tenement area increased threefold from 1,410 km² to 4,268 km²

Exploration success at Monte Alto

- Highly successful 22,000 m diamond drilling program delivered the highest assay grades and the longest mineralised intercept since the discovery of the Monte Alto project
- New high grade rare earth discoveries more than doubled the Monte Alto target exploration area to over 12 km²

Successful Metallurgical Results from Monte Alto

- Metallurgical testwork confirmed highly efficient rare earth extractions of up to 94% TREO into a stable solution, at atmospheric pressure and low sulfuric acid concentrations

Permitting Milestone at Monte Alto

- Approval of the Final Exploration Report for the Monte Alto exploration licence marking the commencement of the formal process to secure a Mining Permit for Monte Alto
- Approvals of the Final Exploration Reports were received for an additional 20 exploration licences covering an area of 324 km²

New discoveries at Sulista and Pele

- Confirmed discovery of ultra-high grade rare earth mineralisation at the Sulista project which has a target exploration area over 10 times larger than the Monte Alto project area
- Discovery of the district-scale Pelé project which has a target exploration area that is over 60 times larger than the Monte Alto project area

90% OF 2024 CASH EXPENDITURE DIRECTLY RELATED TO EXPLORATION AND DEVELOPMENT ACTIVITIES AND TENEMENT ACQUISITION

In excess of 35,000 metres of drilling completed

- 35,456 metres of exploration drilling, including 26,773 metres of diamond drilling completed in 2024
- 90% of cash expenditure in 2024 directly related to exploration, development and tenement acquisitions

Corporate

- A$81.7 million in cash and investments as at 31 December 2024

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LETTER FROM EXECUTIVE CHAIR AND CEO

Dear Fellow Shareholders,

At Brazilian Rare Earths, our commitment to creating long-term value for our shareholders, communities, and stakeholders has never been stronger. Over the past year, we've made significant progress toward building our company to become the emerging leader in the global rare earths and critical minerals sector.

Exploration Success and Strategic Expansion

Our highly capable exploration team continues to deliver outstanding results through the highly disciplined application of our proven rare earths exploration pathfinder model. In 2024, we made numerous new high-grade rare earths discoveries across our leading Monte Alto, Sulista, and Pelé projects.

Over the year, our team completed 35,456 metres of drilling – including 26,773 metres of diamond drilling. Since acquiring our first tenements in March 2021, we've completed over 60,000 metres of drilling across the world class Rocha da Rocha rare earth province.

We also tripled our exploration licence area to more than 4,200 km² and accelerated our acquisition of the Amargosa bauxite tenements from Rio Tinto.

Reflecting our commitment to value-driven growth through targeted exploration, more than 90% of our 2024 cash expenditure was dedicated to exploration, development, or tenement acquisitions.

Monte Alto – A Globally Significant Rare Earths Project

Monte Alto continues to demonstrate world-class potential. Our diamond drilling campaign expanded the strike, continuity, and depth of ultra-high-grade REE-Nb-Sc-Ta-U mineralisation. Key highlights include:

- **Exceptional rare earth grades:** Monte Alto drilling returned grades of up to 45.7% TREO, including 69,558 ppm NdPr and 11,696 ppm DyTb.
- **Valuable co-products:** High grades of uranium, niobium, scandium, and tantalum.
- **Extensive regional potential:** New discoveries have more than doubled Monte Alto's target area, now extending over 12 km².

Monte Alto is our most advanced project and serves as the foundation for a larger province-scale rare earths opportunity, underpinned by successful discoveries at Pelé and Sulista using our successful exploration pathfinder model.

Metallurgy and Processing Breakthroughs

Metallurgical testwork at Monte Alto delivered exceptional results. We achieved excellent recovery rates – up to 94% TREO extraction for NdPr and 92% for DyTb – at atmospheric pressure, mild temperatures and low acid concentrations. These process breakthroughs strengthen the potential future technical and economic viability of Monte Alto.

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Regulatory Approvals and Strategic Partnerships

We made strong progress on regulatory matters and institutional partnerships over the year, enhancing our ability to advance and de-risk our projects:

- **Monte Alto Mining Permit:** Brazil's National Mining Agency approved our Final Exploration Report, initiating the regulatory mining permit process.
- **Uranium monetisation agreement:** We entered into an agreement with Brazil's Indústrias Nucleares do Brasil S.A to unlock value from our uranium co-products.
- **Government collaboration:** We signed a memorandum of understanding with Bahia's Secretariat for Economic Development that supports licensing, incentives, funding, and infrastructure access.

Positioning BRE as a Global Rare Earths Leader

With world-class rare earth grades, valuable co-products, and excellent metallurgical results, BRE is uniquely positioned as a premier rare earths development company.

Demand for rare earths is growing rapidly, driven by their essential role in permanent magnets used in robotics, electric vehicles, wind turbines, aerospace, and defense systems. High-performance magnets require NdPr and DyTb – both present in high grades across our province.

Looking Ahead to 2025

In the coming year, our focus is to execute our successful exploration and development strategy that we expect to deliver long-term shareholder value. Our exploration efforts at Monte Alto, Pelé, and Sulista will accelerate, as our pathfinder model continues to yield exceptional results.

We're advancing mining and metallurgical programs to support the upcoming Monte Alto scoping study. In parallel, we have initiated early engagement with global rare earth customers while strengthening our partnerships with Federal and State governments in Brazil.

We are deeply grateful to the BRE team for their tireless work and commitment. To our shareholders, thank you for your continued trust and support. We look forward to another year of growth and discovery that will underpin our goal of long-term value creation.

Sincerely,



Bernardo da Veiga
CEO & Managing Director



Todd Hannigan
Executive Chair

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ROCHA DA ROCHA

A Province Scale Opportunity

World-class rare earth province

Unique combination of scale and exceptionally high-grades

BRE's vast, world-class Rocha da Rocha rare earth province is characterised by its sheer scale and exceptional mineral endowment.

A tapestry of discovery

With granted exploration licences covering an area of approximately 4,268 km^2, BRE has secured a dominant position in the Rocha da Rocha province.

BRE's proven, successful exploration model has yielded remarkable results with multiple new high-grade rare earth discoveries in less than three years.

The world class Monte Alto Deposit boasts a JORC-compliant monazite-sand rare earth mineral resource estimate of 25.2 million tonnes at 1% TREO, including a high-grade core of 4.1 million tonnes at 3.2% TREO.[1]

But the story doesn't end there.

Beneath this impressive resource diamond drilling has intersected ultra high-grade hard rock mineralisation with reported rare earth grades of up to 45.7% TREO, 69,558 ppm NdPr, 11,696 ppm DyTb, 17,029 ppm niobium oxide, 382 ppm scandium oxide, 962 ppm tantalum oxide and 5,781 ppm uranium oxide[2]. Drilling of the hard rock mineralisation which is open in all directions is ongoing.

The 160 km mineralised trendline of the Rocha da Rocha Province provides BRE with an exceptional province-scale exploration opportunity.



Auger drilling in the Rocha da Rocha Province.

Proven exploration model

BRE's proven "pathfinders" approach that discovered Monte Alto is being applied across the Rocha da Rocha province to identify and unlock new projects.

Intense geophysical anomalies and high-grade monazite sands over large areas are driving the discovery of ultra high-grade outcrops and new high-confidence drill targets.

A future brimming with promise

In the past year, BRE has expanded its portfolio with the discovery of three new "Monte Alto-style" projects: Pelé, Velhinhas, and Sulista. These projects showcase the immense potential of our province.

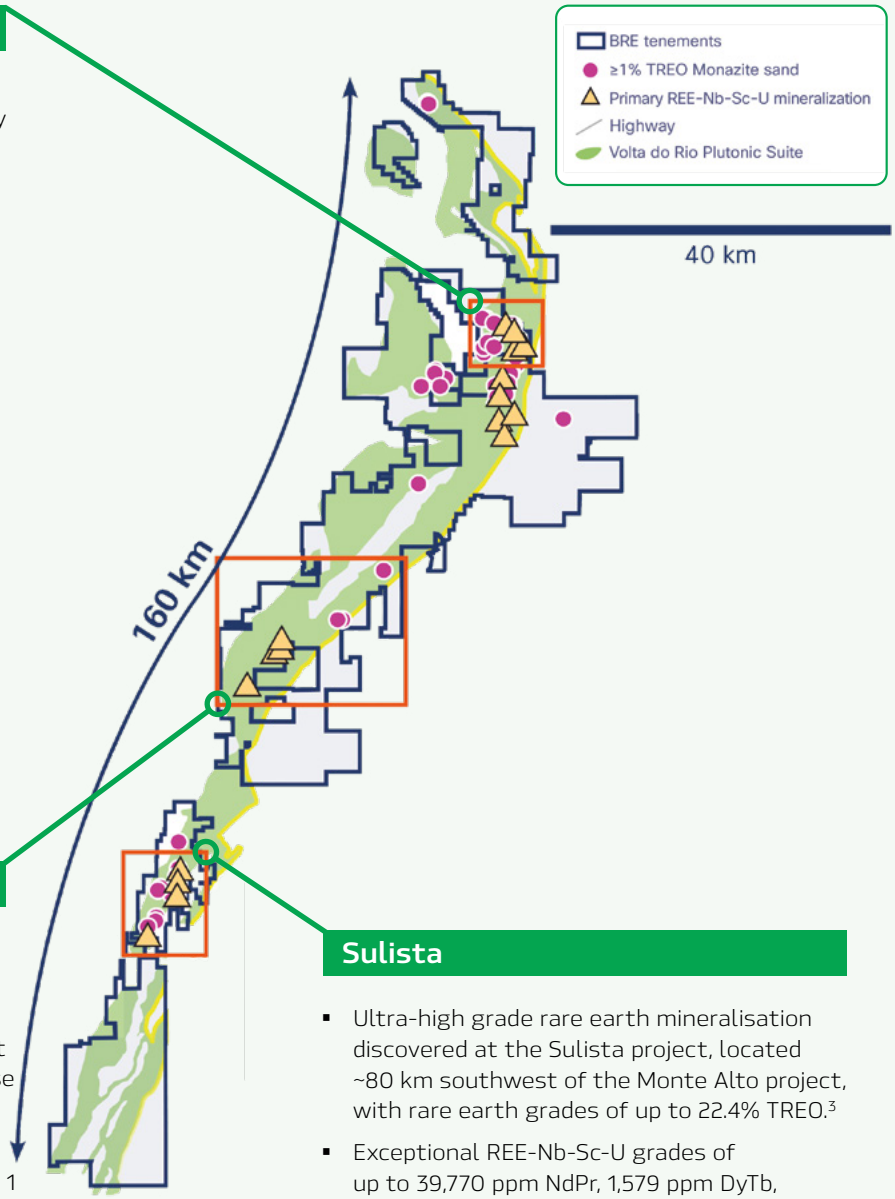
1. Refer Prospectus dated 13 November 2023 and the Competent Person statement included in this Annual Report.
2. Refer ASX announcement dated 21 January 2025 and the Competent Persons statement included in this Annual Report.

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Rocha da Rocha Province

Monte Alto Project

- Intense magnetic anomalies defined more than 10 km of highly prospective exploration target corridors including the 1 km long Monte Alto project.
- Regionally extensive high grade monazite sands discovered from auger drilling program.
- Diamond drilling program discovered ultra-high grade hard rock mineralisation up to 45.7% TREO underneath the monazite sand.[1]
- Simple metallurgy potentially supports low cost magnetic separation of a high value rare earth concentrate.



Pelé Project

- The Pelé Project area is 60 times larger than Monte Alto – with similar mineralisation profile.
- Pelé is located ~60 km southwest of Monte Alto and covers an intense chain of geophysical anomalies.
- Largest continuous hard rock outcrop discovered at Pele Target 1 since exploration commenced.
- Outcrop mapped over a strike extent of 200 m within a larger 1 km NNE potential outcrop trendline.
- 61 hard rock REE-Nb-Sc-U outcrop samples returned high-grade assays of up to 10.4% TREO.[2]

Sulista

- Ultra-high grade rare earth mineralisation discovered at the Sulista project, located ~80 km southwest of the Monte Alto project, with rare earth grades of up to 22.4% TREO.[3]
- Exceptional REE-Nb-Sc-U grades of up to 39,770 ppm NdPr, 1,579 ppm DyTb, 4,821 ppm niobium oxide, 241 ppm scandium oxide and 2,422 ppm uranium oxide.[4]
- Angled diamond drill hole JITDD0001 intersected 12.3 m at 12.5% TREO at ~40 m below surface with 22,175 ppm NdPr, 906 ppm DyTb, 200 ppm scandium oxide, 2,547 ppm niobium oxide and 1,309 ppm uranium oxide.[5]
- The Sulista Project area is approximately 10 times larger than Monte Alto.

1. Refer ASX announcement dated 21 January 2025 and the Competent Person statement included in this Annual Report.
2. Refer ASX announcement dated 11 June 2024 and the Competent Person statement included in this Annual Report.
3. Refer ASX announcement dated Prospectus dated 13 November 2023 and the Competent Person statement included in this Annual Report.
4. Refer ASX announcement dated 6 June 2024 and the Competent Person statement included in this Annual Report.
5. Refer ASX announcement dated 6 June 2024 and the Competent Person statement included in this Annual Report.

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RARE EARTH ELEMENTS

Rare earth elements are a group of 17 chemically similar elements that are critical for the transition to a more sustainable and efficient economy that is underpinned by electrification and advanced technologies. End use applications vary significantly, leading to a complex and multifaceted market.

Rare earth elements

21 Sc Scandium 44.955907		57 La Lanthanum 138.90547	58 Ce Cerium 140.116	59 Pr Praseodymium 140.90766	60 Nd Neodymium 144.242	61 Pm Promethium 144.913
39 Y Yttrium 88.90584		62 Sm Samarium 150.36	63 Eu Europium 151.964	64 Gd Gadolinium 157.25	65 Tb Terbium 158.92535	66 Dy Dysprosium 162.500
		67 Ho Holmium 164.930	68 Er Erbium 167.26	69 Tm Thulim 168.934	70 Yb Ytterbium 173.04	71 Lu Lutetium 174.967

Demand for rare earth elements is rising

The demand for rare earth elements is expected to grow steadily through to 2040 due to their critical role in emerging technologies and the global transition to renewable energy.

Rare earths such as neodymium, dysprosium, and praseodymium are essential for manufacturing high-performance magnets used in wind turbines and electric vehicles (EVs), both of which are central to reducing carbon emissions. As countries accelerate their commitments to net-zero emissions, investments in green technologies will drive demand for rare earths.

The expansion of digital infrastructure, including 5G networks, energy-efficient lighting, and advanced computing systems, will further increase the need for these materials.

The rise of robotics and automation will be another major driver of rare earths demand. Advanced robotics systems, used across industries from manufacturing to healthcare, rely on rare earth-based components such as powerful permanent magnets and precision sensors. In industrial automation, robotic arms and autonomous systems require rare earths for efficient motion control, improving productivity and reducing labour costs. The increasing adoption of AI-driven service robots, drones, and robotic medical devices will further expand rare earths usage.

At the same time, geopolitical and economic factors contribute to the projected rise in demand, as countries seek to diversify their supply chains away from China and secure stable access to these critical materials. With technological advancements in electric aviation, defense, and space exploration also dependent on rare earths, their strategic importance will only grow, ensuring strong market demand through 2040.

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Rare Earth Permanent Magnets (REPM)

The magnetic rare earths, praseodymium (Pr), neodymium (Nd), dysprosium (Dy), terbium (Tb) and samarium (Sm), hold significant importance due to their vital role in the production of high-strength Rare Earth Permanent Magnets (REPM).

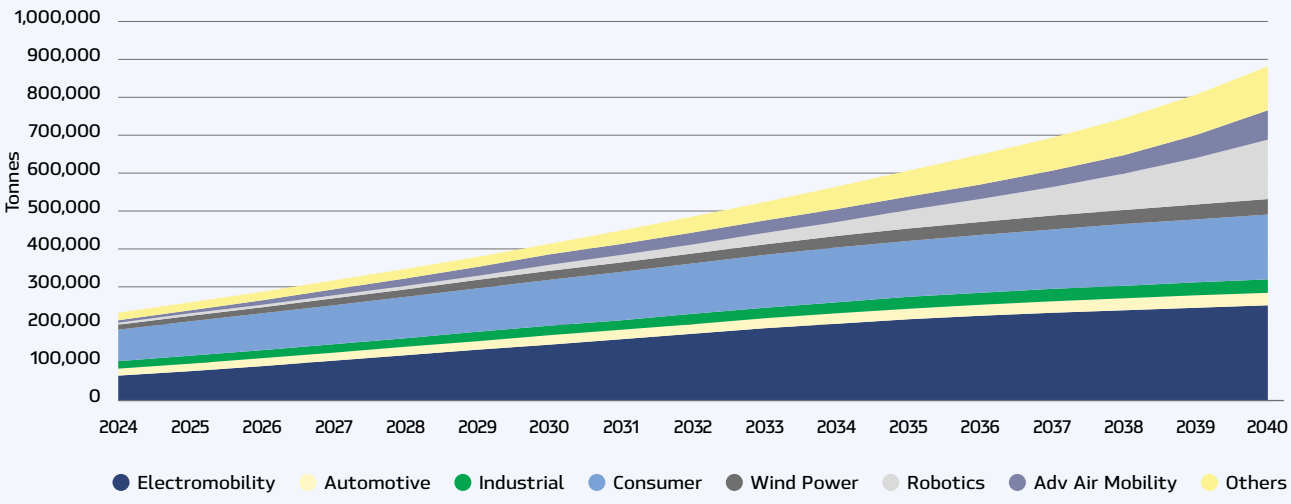
REPM are essential to advanced industries and technologies due to their unmatched magnetic strength. They also perform well in high temperatures and support energy efficiency.

NdFeB magnets are the strongest commercially available REPM and are able to generate strong magnetic fields at even small sizes allowing for the development of smaller, lighter and more efficient devices. Dy and Tb are critical components of NdFeb magnets with Dy improving the magnet's resistance to high temperatures and Tb allowing the magnet to maintain its strength under extreme heat.

REPM power critical technologies such as:

- **Electronics:** Smart phones, headphones, hard drives;
- **Renewable Energy:** Wind turbines and clean energy systems;
- **Electric Vehicles (EVs):** High-performance motors;
- **Aerospace & Defence:** Sensors, communication, and guidance systems; and
- **Robotics:** Humanoid and industrial robots.

Forecast NdFeB magnet demand by end use



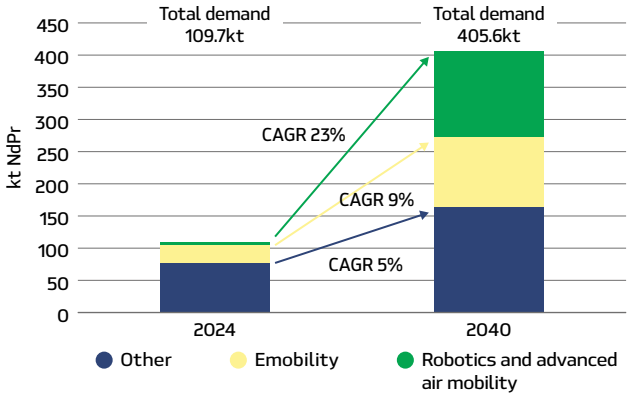
Source: Adamas Intelligence Rare Earth Magnet Market Outlook to 2040 Q3 2024

RARE EARTH ELEMENTS (CONT.)

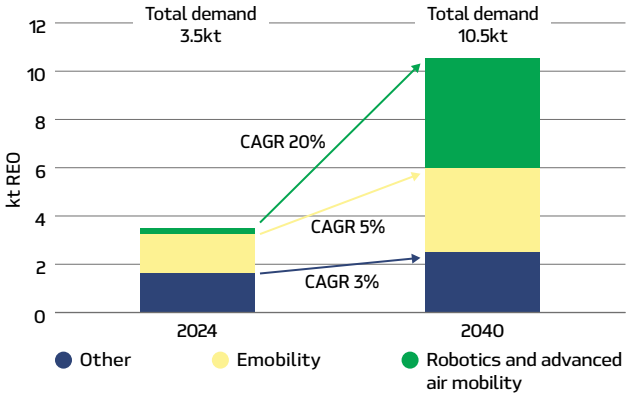
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NdPr and DyTb demand is principally driven by their use in REPM, the vast majority of which are sintered NdFeB magnets. Adamas Intelligence forecasts a long term shortfall in the supply of both NdPr and DyTb as a supply gap begins to take hold and existing visible sources of supply become more strained to match strong demand growth.

Forecast growth in NdPr oxide demand from 2024 to 2040



Forecast growth in DyTb oxide demand from 2024 to 2040

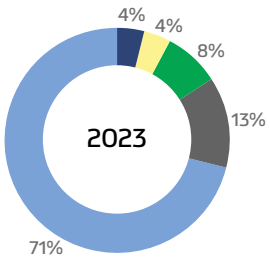


Source : Adamas Intelligence Rare Earth Magnet Market Outlook to 2040 Q3 2024.

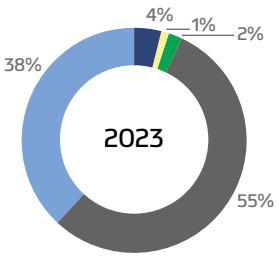
Enhancing rare earth supply chain security

- In 2023, China accounted for 72% of the total mined NdPr supply and 44% of the mined Dy supply with another 44% mined Dy from Myanmar which was shipped to China for separation. 89% of refined NdPr and a 100% share of refined Dy supply are centred in China. This paints a picture of market dominance and indicates supply concerns for the rest of the market.

Mined NdPr

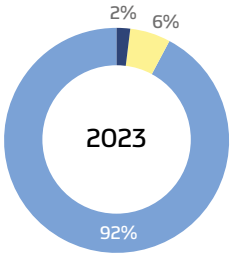


Mined Dy

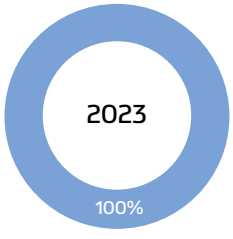


ROW Australia US Myanmar China

Refined NdPr



Refined Dy



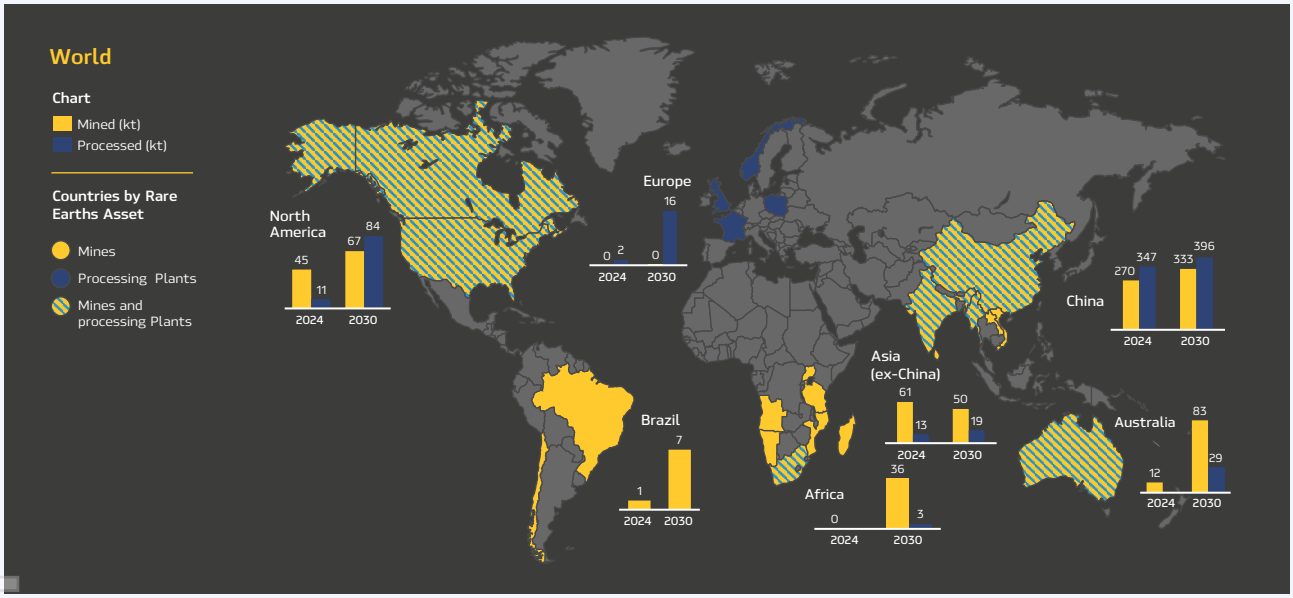
ROW Malaysia China

Source: Benchmark Mineral Intelligence Q4 2024 Rare Earths Forecast Report.

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- Several governments including the United States, EU and Australia have initiated programs to reduce Chinese dominance of the rare earths market, aiming to secure alternative sources for these critical minerals that are essential in numerous high tech and defence applications.
- Benchmark Mineral Intelligence forecasts the period to 2030 to will see a significant shift to non-China rare earth mines and processing plants as these government policies take effect.

Rare Earths Oxide Supply: Dominated by China, but global projects emerging



Source: Benchmark Mineral Intelligence Q4 2024 Rare Earths Forecast Report.

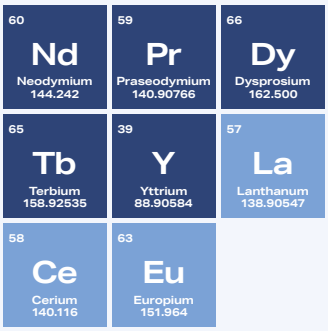
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KEY SECTORS FOR RARE EARTH ELEMENTS



Automotive and transport

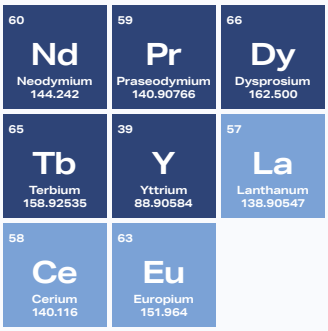
Rare earths are essential to the production and performance of EVs being used in various components that improve the efficiency, power and functionality of EVs. Neodymium, praseodymium, and dysprosium are essential for the strong permanent magnets in electric motors, enabling lightweight and high-efficiency electric and hybrid vehicles. Yttrium and terbium contribute to advanced lighting systems like LEDs for automotive applications.





Robotics

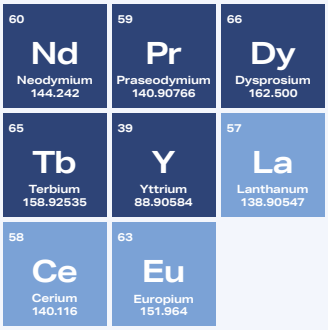
Rare earths are critical to robotics due to their unique magnetic, optical and electronic properties. They are commonly used in high-performance magnets which power motors and actuators for precise movement and control in robotic systems. Dysprosium and terbium enhance the heat resistance of permanent magnets.





Clean energy technologies

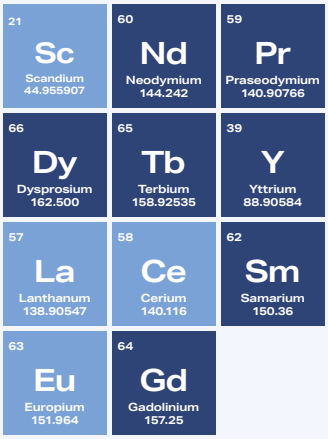
The unique properties of rare earths enhance the efficiency, durability and performance of systems such as wind turbines, solar panels and energy storage systems. Neodymium, dysprosium, and praseodymium are essential for the high-performance permanent magnets used in wind turbine generators and electric vehicle motors, enabling lightweight and efficient designs. Yttrium and europium are used in energy-efficient lighting and photovoltaic cells.



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Defence and aerospace

Rare earths are integral to the defence and aerospace industries supporting critical systems used in navigation, propulsion, communication and advanced weapons technologies. Neodymium and samarium are essential in creating strong, lightweight magnets used in precision-guided munitions, radar systems, and aircraft actuators. Dysprosium and terbium enhance the thermal stability of these magnets, making them suitable for extreme environments. Yttrium, europium, and gadolinium are key for specialized coatings, sensors, and laser systems, while scandium strengthens lightweight aluminium alloys in aerospace structures.



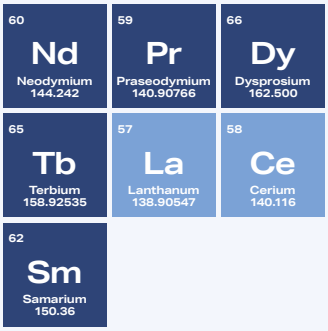
Medical

Rare earths enable a wide range of diagnostic, therapeutic and imaging technologies. Gadolinium is widely used in magnetic resonance imaging contrast agents, enhancing the clarity of scans for accurate diagnosis. Europium and terbium are utilized in medical imaging screens and devices for their luminescent properties. Lanthanides are also integral in producing high-quality lasers for surgical procedures and dental applications.



Consumer electronics

Rare earths are essential in consumer electronics due to their unique magnetic, luminescent, and electrochemical properties. They are used in components like screens, batteries, and speakers to enhance performance and efficiency. For instance, neodymium is key in powerful magnets for headphones and loudspeakers, while europium and yttrium are critical for vibrant display colours in LED and LCD screens. Additionally, lanthanum and cerium improve the performance of rechargeable batteries, such as those in smart phones and laptops.



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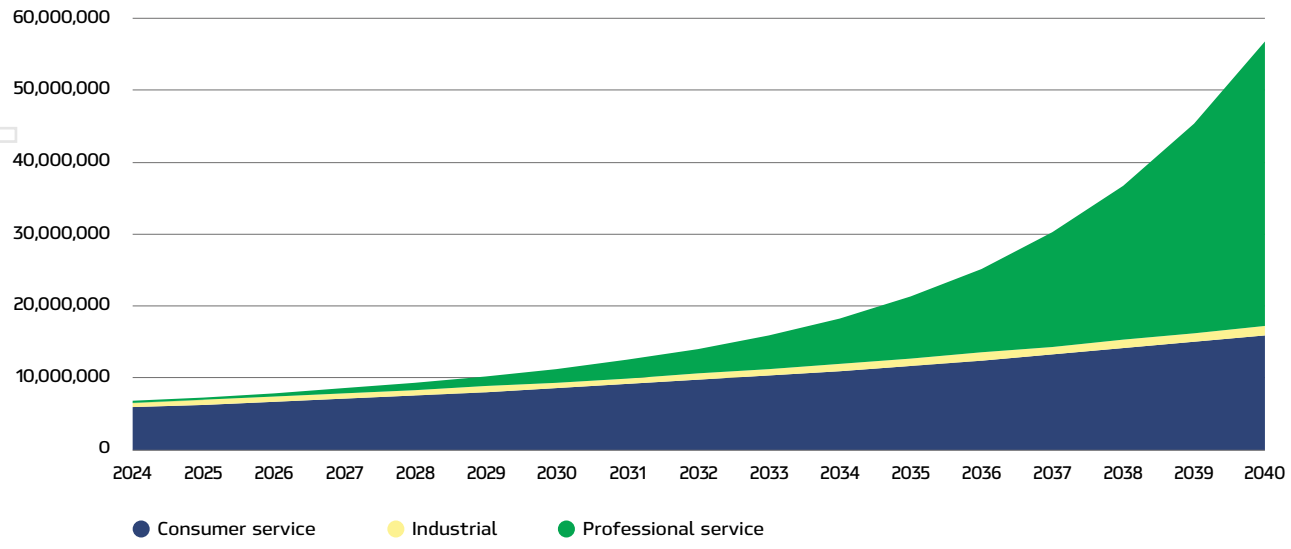
ROBOTICS

A seismic shift in rare earths demand?

Morgan Stanley forecasts that the use of humanoid robots will surpass that of electric vehicles.[1] Goldman Sachs projects the market for humanoid robots to reach US$38 billion by 2035.[2]

Adamas Intelligence forecasts that by 2040, robotics will be the single largest NdFeB magnet demand driver underpinned by the soaring growth in robots. Adamas Intelligence forecasts that from 2024 through 2040 global demand for NdFeB magnets will increase at a compound annual growth rate (CAGR) of 8.7%, bolstered by double-digit growth for robotics, advanced air mobility and electric vehicle sectors, translating to comparable demand growth for the critical rare earth elements these magnets contain.

Forecast Global Robot Unit Sales by Category

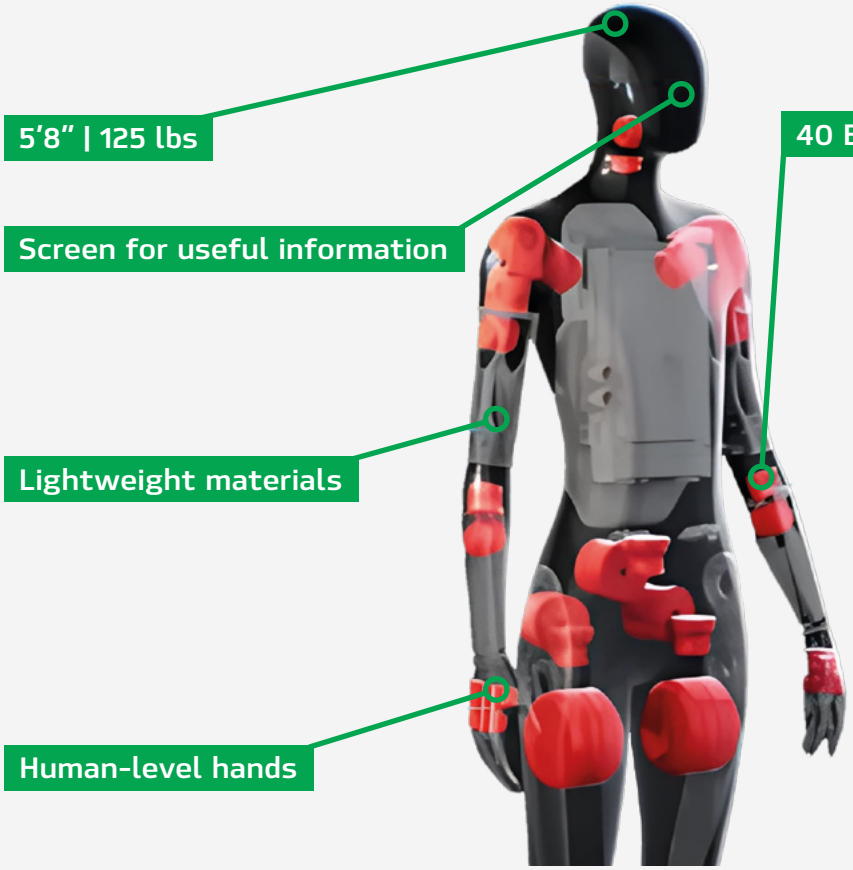


Source: Adamas Intelligence Rare Earth Magnet Market Outlook to 2040 Q3 2024.

1. Source: Morgan Stanley Research, "Could AI Robots Help Fill the Labor Gap ?", 13 August 2024.
2. Source: Goldman Sachs Research, "The global market for humanoid robots could reach $38 billion by 2035", 27 February 2024.

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Humanoid robot



It is estimated that humanoid robots will require approximately 3-5kg of rare earth permanent magnets



500N | 0.36kg



3900N | 0.93kg



8000N | 2.20kg



20Nm | 0.55kg



110Nm | 1.62kg



180Nm | 2.26kg

Source: Tesla

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BRAZIL ADVANTAGES

Advanced manufacturing economy



Volkswagen motor vehicle manufacturing plant in São José dos Pinhais, Brazil

Brazil has a strong and advanced manufacturing sector

- Ninth largest economy in the world.[1]
- Net foreign direct investment of US$65 billion to June 2024 second only to the United States.[2]
- Eighth largest producer of motor vehicles globally in 2023.[3]
- Third largest manufacturer of commercial aircraft globally.[4]
- Ninth largest producer of steel globally.[5]

1. Source: Trading Economics G20 Countries GDP December 2023 accessed at https://tradingeconomics.com/forecast/gdp?continent=g20.
2. Source: "FDI in Figures" dated October 2024 prepared by OECD.
3. Source: International Organisation of Motor Vehicle Manufacturers (OICA).
4. Source: Reuters.com www.reuters.com/business/aerospace-defense/embraer-sees-chinese-role-strengthening-supply-chain-executive-says-2024-11-13/?utm_source=chatgpt.com
5. Source: World Steel Association "2024 World Steel in Figures".

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Third largest manufacturer of commercial aircraft globally



Prototype of Eve Air Mobility electric vertical take off and landing aircraft.

Future demand centre for rare earths

- Major global motor vehicle manufacturers including Volkswagen, General Motors, Fiat and Toyota have production facilities in Brazil. BYD, GWM, Jaguar Land Rover, Toyota and Audi have announced plans to build EV manufacturing facilities in Brazil.
- Home to Embraer a leading manufacturer of commercial, military and executive jets. Through its subsidiary Eve Air Mobility, Embraer aims to pioneer the urban air mobility market for electric vertical take off and landing aircraft (eVTOL).
- Through its "New Industry Brazil" policy the Brazilian government is prioritising the development of new industries to diversify its economy including aiming for Brazil to become a major global supplier of rare earths. In connection with the policy, the National Bank for Economic and Social Development and the Financier of Studies and Projects have recently announced they expect to invest BRL45 billion in the development of businesses aimed at the transformation of critical minerals with a focus on energy transition and decarbonisation.
- Magnets using rare earths underpin the wind energy industry that currently accounts for 11% of Brazil's energy production.

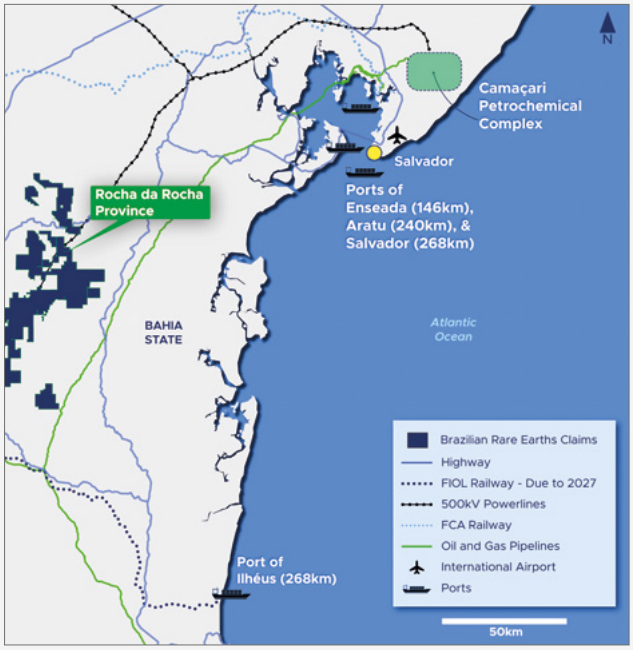
BRAZIL ADVANTAGES (CONT.)

Brazil and Bahia State are Tier 1 mining jurisdictions

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Ready access to world-class infrastructure

- Close proximity to rail infrastructure
- Low cost, emission-free hydroelectricity
- Three deep water ports within a 300 km radius
- 260 km from the largest petrochemical complex in the Southern hemisphere
- Paved highways to deep water ports



Mature mining jurisdiction

- Brazil is an advanced mining jurisdiction with a stable regulatory regime.
- Leading global mining companies have successfully operated in Brazil for decades including BHP, Vale, Anglo American, Rio Tinto and South32.
- Strategic Minerals Investment Fund for development of critical minerals projects in Brazil.
- Brazilian Ministry of Mines and Energy has proposed new regulations that would offer tax incentives for developing critical minerals projects.

Well-Established Permitting Process

- The Brazilian government has implemented policies that support mining activities. This includes expedited permitting processes and favourable regulations that encourage investment in the mining sector.
- Environmental licence to develop the site, granted after baseline monitoring, stakeholder engagement.
- Installation licence to build site infrastructure, grant subsequent to Environmental licence and after government reviews design.
- Operations licence to begin commercial operations, granted upon government review of site infrastructure.

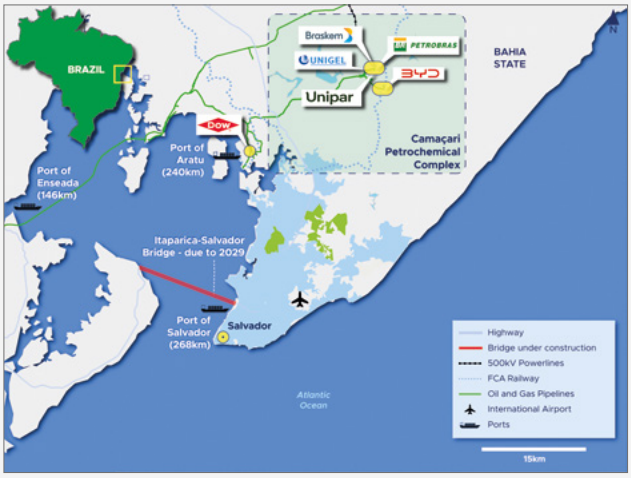
Bahia's Comparative Advantages

- Low-cost hydroelectric power.
- Multiple deepwater export ports.
- Affordable land and lower risk permitting process.

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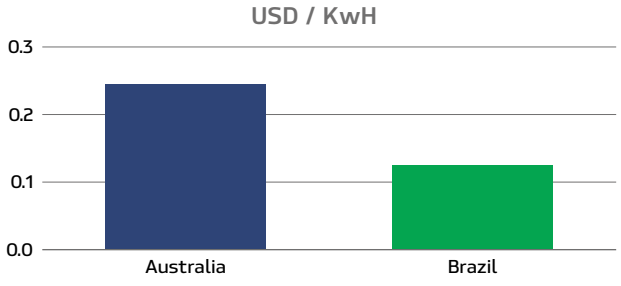
Petrochemical Complex of Camaçari

- Largest petrochemical complex in the Southern hemisphere
- Premium suppliers of chemical reagents such as Dow, Unipar, Braskem and Unigel
- Environmental operation licence already granted for the complex
- Consolidated environmental control programme

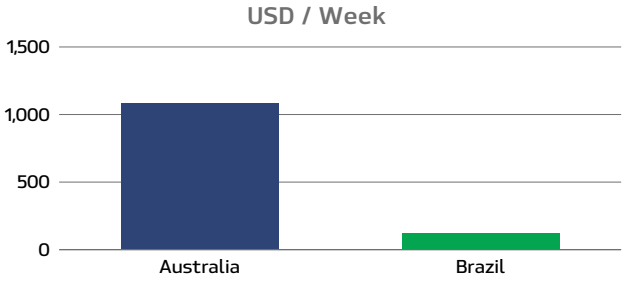


The Camaçari complex offers a number of compelling advantages for refining rare earths and high-value co-products

Comparative cost advantage



Electricity cost (US$/kwh)[1]



Average weekly manufacturing salary (US$/week)[2]

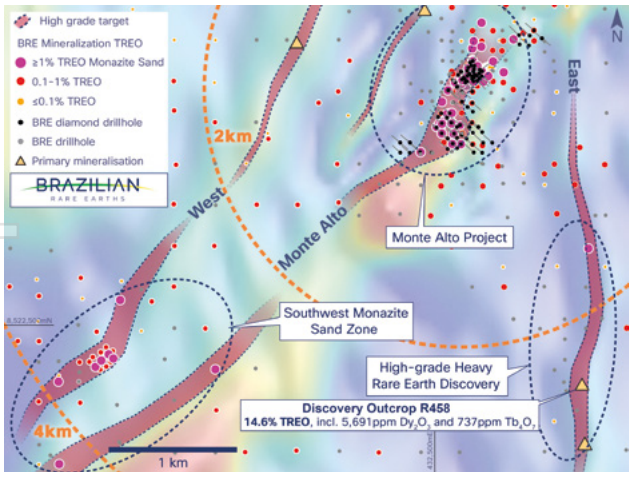
1. Source: World Population Review "Cost of Electricity by Country 2024" accessed at https://worldpopulationreview.com/country-rankings/cost of electricity by country.
2. Source: Trading Economics accessed at www.tradingeconomics.com on 20 March 2025.

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OPERATING REVIEW

MONTE ALTO PROJECT[1]

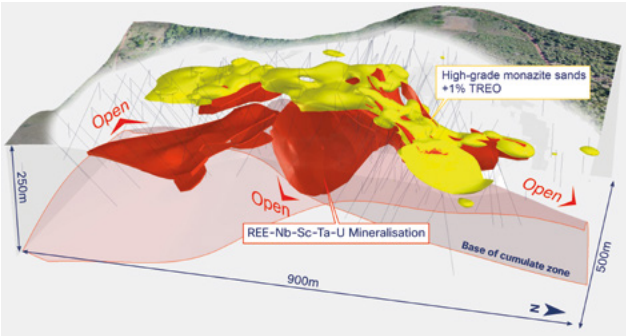
Monte Alto is BRE's most advanced project in the extensive Rocha da Rocha rare earths and critical minerals province. Discovered in 2021, Monte Alto has been systematically explored and delineated through multiple exploration programs. During the year exploration at the Monte Alto project made significant progress with exceptional results returned from a 22,000 metre diamond drilling program and a series of new regional rare earth discoveries doubling the Monte Alto target exploration area to more than 12 km².



Monte Alto Project

Highlights of the diamond drilling program included:

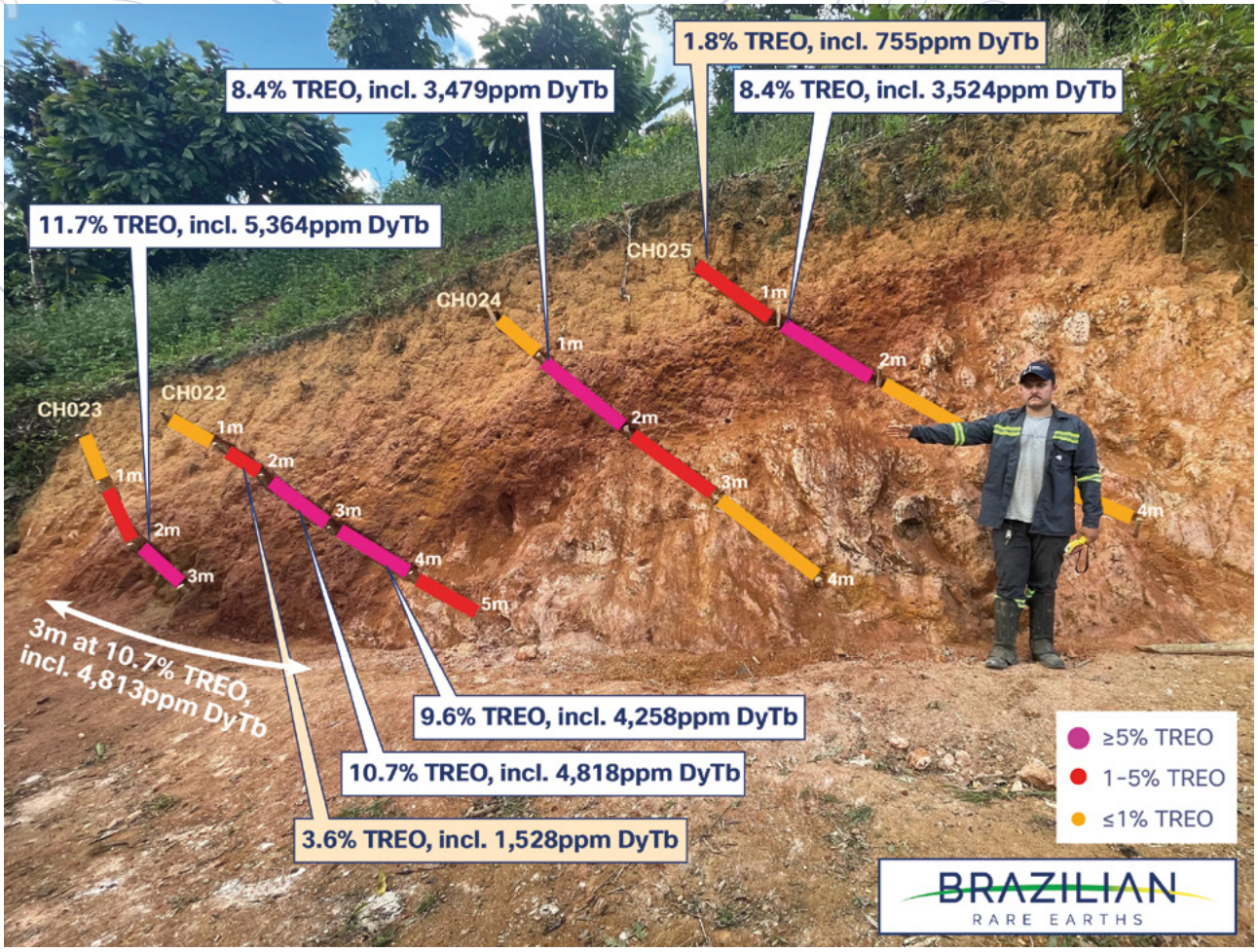
- Successful exploration results expanded the strike, continuity and depth of ultra high-grade rare earth mineralisation.
- Drilling delineated a series of stacked, continuous horizons of REE-Nb-Sc-Ta-U mineralisation connecting the southern and northern domains of the Monte Alto deposit.
- Highest-grade rare earth intercept from exploration to date, with rare earth grades of up to 45.7% TREO, including 69,558 ppm NdPr, 11,696 ppm DyTb, 17,092 ppm niobium oxide, 382 ppm scandium oxide, 962 ppm tantalum oxide and 5,781 ppm uranium oxide.
- Drilling also returned the longest mineralised intercept to date with 75.8 m at 13.8% TREO, including 47.1 m at 19.6% TREO and 16 m at 29.1% TREO.



Free dig, high-grade monazite sands at surface with ultra high-grade REE-Nb-Sc-Ta-U mineralisation

1. Refer ASX announcements dated 1 February 2024, 26 August 2024, 23 October 2024 and 21 January 2025 and the Competent Persons statement included in this Annual Report for further information regarding Monte Alto exploration results.

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Outcropping ultra-high grade heavy rare earth mineralisation at Monte Alto East

- The ultra-high-grade hard rock mineralisation at Monte Alto contains excellent grades of tantalum, neodymium, praseodymium, dysprosium, terbium, niobium, scandium, and uranium. Furthermore, the hard rock mineralisation also has highly significant grades of the valuable heavy rare earth elements gadolinium, lutetium, and erbium, alongside very high grades of the heavy rare earth element yttrium lutetium, and erbium.
- Of the 50 critical minerals designated by the United States as essential to economic and national security, 18 are found in high concentrations in the ultra-high-grade hard rock mineralisation in the Rocha da Rocha Province.

Additionally, a series of new regional rare earth discoveries were made across district-scale magnetic anomalies near the initial Monte Alto deposit. These discoveries more than doubled the target exploration area, which now spans over 12 km².

Heavy rare earth discovery at Monte Alto East

A breakthrough discovery of ultra-high grade heavy rare earth mineralisation was made at Monte Alto East, located just 2.5 km from the initial Monte Alto deposit.

- Outcropping rare earth mineralisation at Monte Alto East returned grades of up to 14.6% TREO, with exceptional heavy rare earth grades of up to 5,691 ppm dysprosium oxide, 737 ppm terbium oxide, and 74,543 ppm yttrium oxide.
- Channel samples across the 3-metre-wide exposure at Monte Alto East returned grades of 10.7% TREO and included heavy rare earth grades of 4,306 ppm dysprosium oxide, 508 ppm terbium oxide and 51,556 ppm yttrium oxide.
- Multiple high-grade REE-Nb-Sc-Ta-U outcrop discoveries near the initial Monte Alto deposit with grades of up to 11.7% TREO.

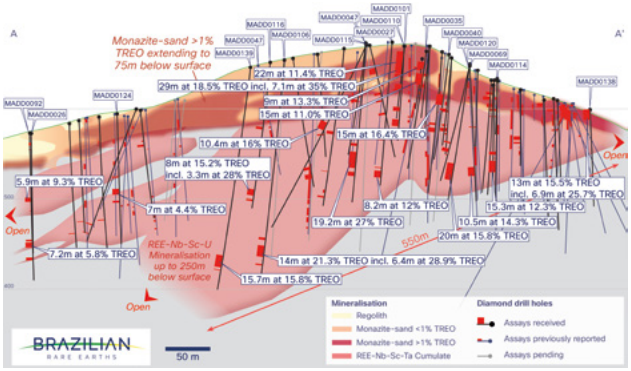
OPERATING REVIEW (CONT.)

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Shallow, High-Grade Monazite-Sand results

Exploration drilling at the initial Monte Alto deposit extended the shallow, free-dig and high-grade monazite-sand mineralisation above the ultra-high grade hard rock deposit.

- High-grade monazite-sand results of 24.9 m at 3.9% TREO (including 7,737 ppm NdPr) from surface and 19.7 m at 3.5% TREO (including 9,019 ppm NdPr) from 6.5 m depth; and
- Exploration across the larger Monte Alto district discovered extensive areas of shallow, high-grade monazite-sand mineralisation with grades exceeding 1% TREO.



Long-section view to the northwest of Monte Alto with new high-grade monazite-sand intercepts



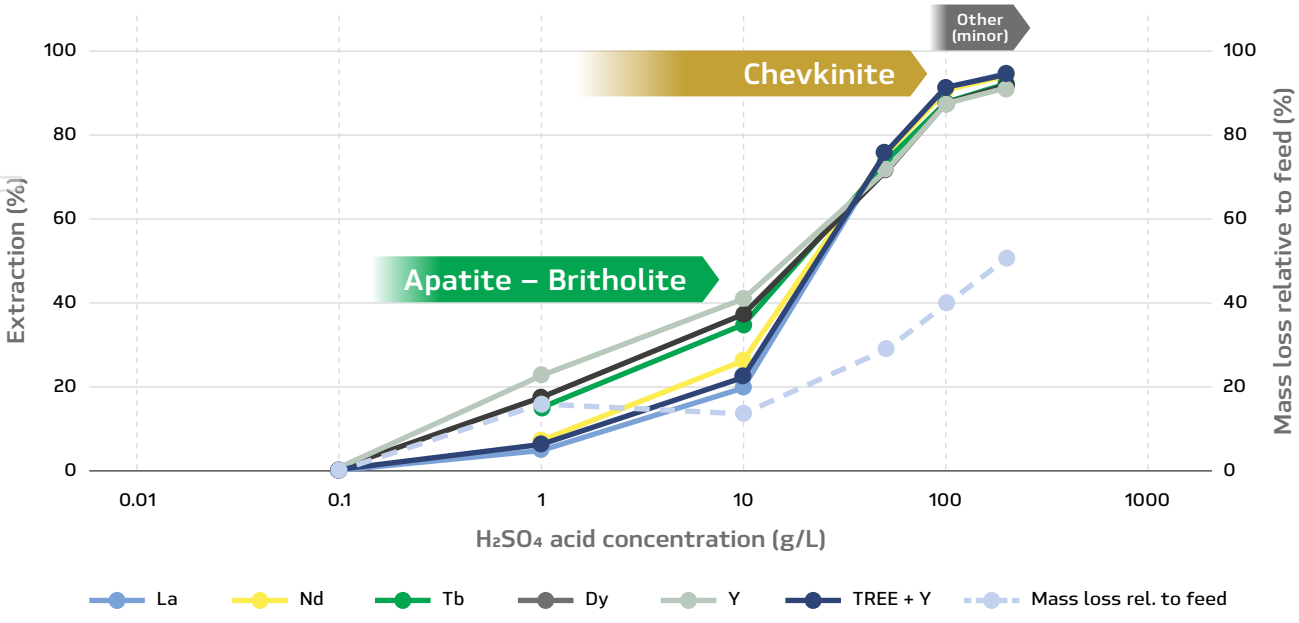
Using drone technology to assist in generating exploration targets

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Metallurgy[1]

Results from metallurgical tests on non-beneficiated ultra-high grade REE-Nb-Sc-Ta-U mineralisation from the Monte Alto Project demonstrated a number of highly favourable metallurgical characteristics including:

- **Chevkinite hosts 80% of the contained rare earths:** The silicate structure of chevkinite allows for leaching at lower temperatures and under milder acid conditions compared to monazite
- **High Rare Earth Extraction Efficiency (up to 94% TREO):** Efficient recovery of total rare earth oxides (TREO), including critical elements like NdPr at up to 94% and DyTb at up to 92%
- **High Liquor Tenor (over 23 g/L):** The elevated concentration of rare earths in the pregnant leach solution potentially supports downstream processing efficiency. High liquor tenors reduce the volume of solution required for extraction, potentially reducing costs in subsequent separation and purification steps
- **Rapid Leaching Kinetics (>90% extraction within 2 hours):** Faster leaching reduces residence time in processing tanks, potentially allowing for smaller and less capital-intensive equipment
- **Atmospheric Pressure Leaching with Low Acid Concentrations (≤75 g/L):** The use of dilute sulphuric acid under atmospheric pressure potentially eliminates the need for specialised, expensive equipment, such as high-pressure autoclaves, potentially reducing capital and operating costs. Lower acid concentrations also have the potential to reduce reagent costs and waste management challenges; and
- **Non-Acid Consuming Gangue Minerals:** The primary gangue mineral, amphibole, does not consume acid during leaching, meaning acid usage focuses on dissolving rare earth-bearing minerals. This potentially reduces operational costs through lower reagent usage and may also result in less impurities in the pregnant liquor solution.

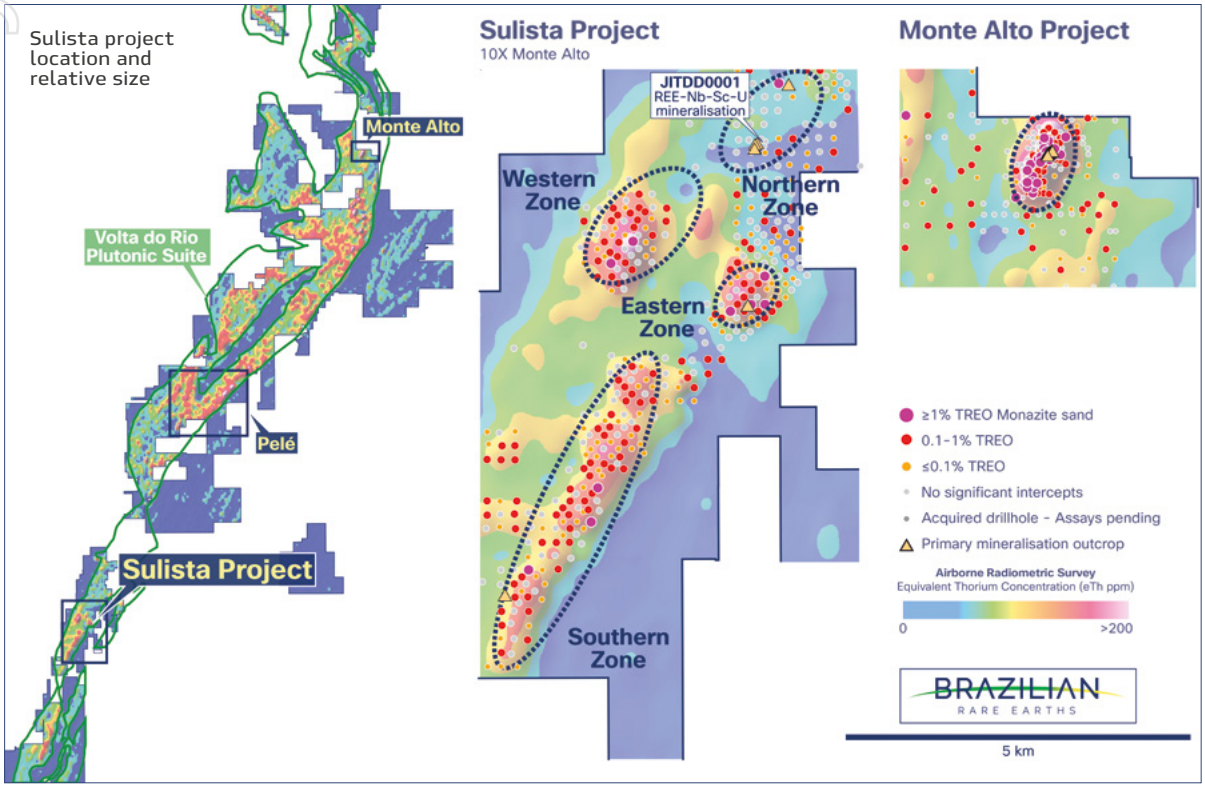


Extraction into solution versus initial leach acidity (4% solids density, 60°C, 45-minute intervals)
Horizontal arrows indicate the approximate acid concentrations where mineral dissolution occurs.

1. Refer ASX announcement dated 26 November 2024 and the Competent Person statement included in this Annual Report for further information regarding metallurgical test results.

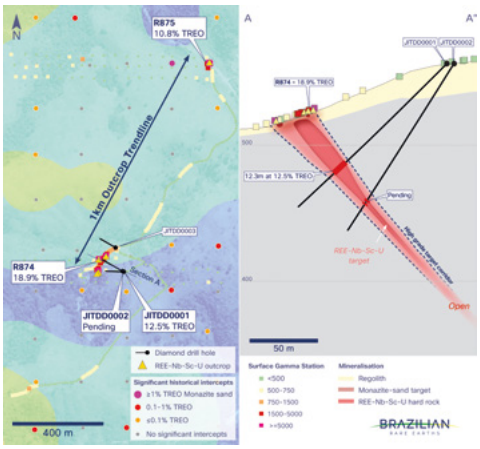
OPERATING REVIEW (CONT.)

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SULISTA PROJECT[1]

- Confirmed discovery of ultra-high grade rare earth mineralisation at the Sulista project, located ~80 km southwest of the Monte Alto project, validating that high grade REE-Nb-Sc-U mineralisation repeats across the Brazilian Rare Earths province.
- The potential scale of the monazite sand mineralisation at just the Sulista Eastern Zone is comparable in scale to the Monte Alto deposit, and the combined scale of all monazite sand exploration targets at the Sulista project is over 10 times larger than the Monte Alto project area.
- The first phase of the Sulista exploration program recorded a wide range of exceptional exploration results, including ultra-high grade rare earth grades from diamond drilling, high-grade REE-Nb-Sc-U hard rock outcrops, intense geophysical anomalies and high-grade shallow monazite sand mineralisation
- Diamond drilling at Sulista returned exceptional REE-Nb-Sc-U grades of up to 22.4% TREO, 39,770 ppm NdPr, 1,579 ppm DyTb, 4,821 ppm niobium oxide, 241 ppm scandium oxide and 2,422 ppm uranium oxide.
- Exploration samples from numerous hard rock outcrops returned grades of up to 18.9% TREO, 37,345 ppm NdPr, 2,634 ppm DyTb, 5,458 ppm niobium oxide and 1,486 ppm uranium oxide.
- The re-assay program of historical auger drill holes confirmed large areas of shallow and high-grade monazite sand mineralisation with grades of up to 8.5% TREO.



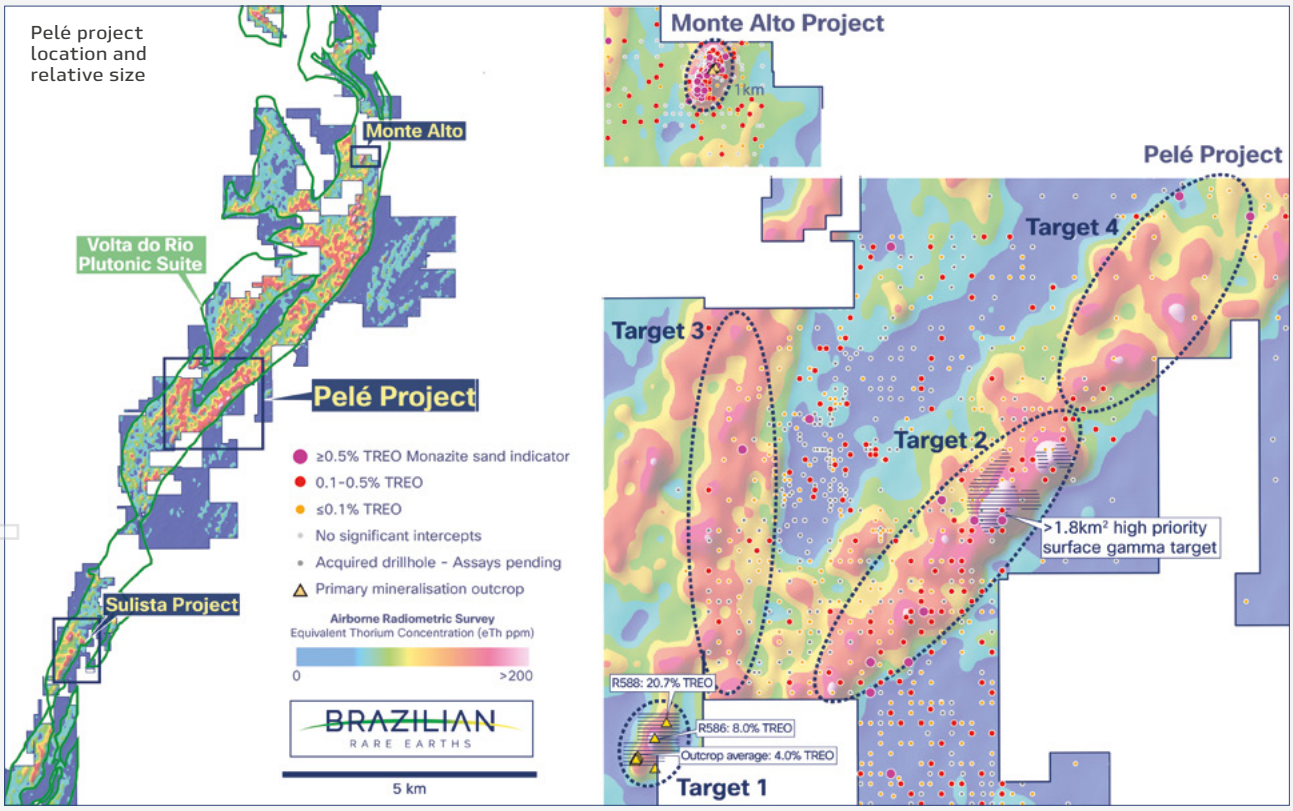
Sulista high grade discovery

1. Refer ASX announcements dated 22 January 2024 and 6 June 2024 and the Competent Person statement included in this Annual Report for further information regarding the Sulista Project.

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PELE PROJECT[1]

- The district-scale Pelé project is highly prospective for ultra-high grade REE-Nb-Sc-U mineralisation that covers a cumulative ~16 km chain of intense geophysical anomalies, and has a total exploration target area that is over 60 times larger than the Monte Alto project.
- Exploration at the province scale Pelé project confirmed the key exploration pathfinders of intense geophysical anomalies.
- Ground reconnaissance at Pelé Target 1 discovered large outcropping zones of weathered REE-Nb-Sc-U mineralisation, with outcrop widths of over ~20 m, along a highly prospective ~1 km trendline strike.
- Weathered REE-Nb-Sc-U outcrop samples at Pelé Target 1 returned high-grade assays of up to 10.4% TREO with 12,798 ppm NdPr, 402 ppm DyTb, 3,759 ppm niobium oxide and 910 ppm uranium oxide.
- Assay results from the historical Rio Tinto drill holes at Pelé identified shallow monazite sand 'pathfinder' mineralisation over an extensive ~13 km corridor at Pelé Targets 2 and 4.



1. Refer ASX Announcements dated 27 March 2024 and 11 June 2024 and the Competent Person statement included in this Annual Report for further information regarding Pele Project exploration results.

OPERATING REVIEW (CONT.)

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PERMITTING AND REGULATORY

Permitting milestone at Monte Alto Project

Brazil's National Mining Agency, the Agência Nacional de Mineração (ANM) approved the Final Exploration Report for the Monte Alto exploration licence.

This approval marks the commencement of the formal process to secure a Mining Permit for Monte Alto. BRE will now prepare and submit an Economic Development Plan, that will be underpinned by the Monte Alto Scoping Study, which is targeted for completion in 2025.

In addition to Monte Alto, BRE also received ANM approvals for the Final Exploration Reports on 20 exploration licences across the Rocha da Rocha Province, covering an area of 324 km^2. Combined with Monte Alto, these approvals encompass 348 km^2 of tenements.

The approvals include the southern extension of the Velhinhas trend, where the highest-grade outcrop sample recorded at 40.5% TREO was recorded. The central block of the ANM approvals, spanning 128 km^2, covers a chain of intense geophysical anomalies over Pelé Targets 2, 3, 4, and 5.

Development Partnership: MOU with Bahia Government

- A memorandum of understanding was signed with the Secretariat for Economic Development of the State of Bahia (SDE), aimed at supporting the development of BRE's Rocha da Rocha rare earth province.
- SDE has agreed to assist BRE with important institutional support in licensing, negotiating economic incentives, securing project funding from state development agencies and facilitating access to key infrastructure.

Key export approvals and partnership agreement with INB

- BRE obtained official registration and consent from the Brazilian National Nuclear Energy Commission to export mineral concentrates and products including uranium and rare earth minerals such as monazite and bastnaesite.
- BRE has executed a Memorandum of Understanding with Indústrias Nucleares do Brasil S.A. (INB):
  - Collaborate on the development of uranium feed stocks as a co-product from BRE's rare earth projects on the Rocha da Rocha province
  - Agreement for BRE to export rare earth/monazite concentrates, that may contain uranium, for downstream processing
  - INB to provide advice and support to BRE in securing regulatory approvals and permits; and
  - On completion of a definitive feasibility study, BRE and INB undertake to enter into legally binding contracts that reflect the commercial principles set out in the MoU.

Corporate

- Highly experienced rare earth industry executive, Eric Noyrez, was appointed as a Non-Executive Director of BRE during the year. In addition to Eric's wealth of experience in the rare earths industry his appointment as an Independent director has strengthened BRE's corporate governance framework with the Board now comprised of a majority of independent directors and the Nomination and Remuneration Committee and the Risk and Audit Committee each now comprised solely of independent directors.
- BRE completed a strongly supported placement to raise A$80 million before costs. At 31 December 2024, BRE held cash reserves of A$81.7 million and is well placed to accelerate exploration and development at the Monte Alto, Sulista and Pelé rare earth projects, including exploration drilling and phase 1 of the Monte Alto Scoping Study which is expected to be completed in 2025.



Diamond drilling at Monte Alto

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GOVERNANCE AND SUSTAINABILITY

BRE is highly committed to upholding the highest standards of operational excellence, environmental stewardship and social responsibility. We are equally committed to forging strong partnerships with local communities, ensuring their support and involvement in our project.

BRE's approach to sustainability is based on the following pillars:

Health and safety

BRE is committed to the health, safety and wellbeing of our employees and contractors and the members of our communities who interact with our operations.

In 2024 BRE implemented the following enhancements to its health and safety systems:

- Established a dedicated team of health and safety experts to manage all health and safety related activities
- Commissioned an external consultant to conduct an audit of BRE's health and safety systems
- Embedded health and safety KPI's within BRE's performance management systems
- Automated various aspects of the health and safety systems including checklists, personal protective equipment requests and incident reporting; and
- Conducted health and awareness campaign for Prostate and Breast Cancer Prevention.

People and culture

BRE places an emphasis on establishing a workplace environment where everyone is welcomed to bring their technical expertise and diverse backgrounds and thoughts to work. This principle instils a positive and productive culture for business efficiency and success.

Employee numbers by category	Total	Male	Female	% Female
Board	5	3	2	40%
Executive management	6	6	-	-%
Senior management	6	2	4	67%
Employees/contractors	55	30	25	45%
Total	**72**	**41**	**31**	**43%**

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Community and social responsibility

Legitimacy, credibility and trust are the guiding principles at the core of BRE's operations:

- BRE is a significant employer in the city of Ubaira supporting the region's economic development
- BRE is committed to providing employment and training opportunities to local residents
- BRE prioritises local suppliers and contractors in its procurement activities; and
- Community initiatives include scholarships, donations to community organisations and specific needs based assistance.

Local government engagement

BRE is committed to working cooperatively and collaboratively with the relevant Local Government Councils to identify and progress opportunities that will deliver social and economic development benefits to the Bahia region.

BRE's wholly owned subsidiary Borborema Recursos Minerais Ltda has executed a non-binding memorandum of understanding (MOU) with the Secretariat for Economic Development of the State of Bahia (SDE), aimed at supporting the development of BRE's leading Rocha da Rocha rare earth province.

The MOU confirms BRE's commitment to promote employment opportunities for Bahia residents, including work experience and apprenticeship programs in collaboration with the State of Bahia.

In recognition of the economic benefits and employment opportunities that the development of the Rocha da Rocha province would generate, the SDE has undertaken to provide a broad range of institutional support and assistance for BRE's Rocha da Rocha province including licensing; negotiation of federal, state and municipal economic incentives; accessing project funding from State development agencies including the Brazilian Development Bank, Bahia State Development Agency and Banco do Nordeste Brazil; and accessing key infrastructure.

Environment and climate change

Our goal is to understand and manage the impact we have on the environment and to utilise our resources efficiently. Whilst BRE's projects are in the exploration phase, our focus is on minimising the impact of our exploration activities on the environment by progressively rehabilitating areas impacted by our activities. To achieve this BRE has established a seedling nursery to grow native plants to be used in the rehabilitation of land disturbed by exploration activity.



Seedling nursery.

There were no environmental incidents during 2024.

In 2024 BRE commenced environmental baseline studies at the Monte Alto Project.

As the Company grows and its projects progress from exploration to development, BRE will identify initiatives to decarbonise its operations and report on climate-related financial disclosures (including the Task Force on Climate related Financial Disclosures (TCFD).

Directors' Report

For the year ended 31 December 2024

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The directors of Brazilian Rare Earths Limited ("BRE") submit herewith the financial report of BRE and the entities it controlled for the year ended 31 December 2024 (collectively "Group"). To comply with the provisions of the *Corporations Act 2001*, the directors report as follows.

Directors

The directors of BRE at any time during the year under review and up to the date of this report, unless otherwise stated were:

- Bernardo Sanchez Agapito da Veiga
- Todd Hannigan
- Kristie Young
- Camila Ramos
- Eric Noyrez (appointed 3 June 2024)

Mr Todd Hannigan (Executive Chairman, Non-Independent, appointed 16 January 2023)

Mr Hannigan has over 30 years of global experience in natural resources as company founder, chief executive officer, private capital investor, chairman and non-executive director. Mr. Hannigan has worked internationally in the resources sector across a range of companies including IperionX Limited, Piedmont Lithium Limited, Aston Resources Limited, Xstrata Coal Limited, Hanson PLC and BHP Billiton Limited.

Mr Hannigan holds a Bachelor of Engineering (Mining) with Honours from The University of Queensland and an MBA from INSEAD.

Mr Hannigan is currently Executive Chairman of IperionX Limited.

Former directorships in last 3 years: Piedmont Lithium Limited.

Dr Bernardo da Veiga
(Chief Executive Officer and Managing Director, Non-Independent, appointed 31 March 2021)

Dr da Veiga started his career as an Investment Banker with UBS and Azure Capital in Australia, where he worked in teams that advised many leading companies in mergers and acquisitions, capital raising, hybrid instruments and debt advisory.

Prior to founding BRE, Dr da Veiga spent approximately 10 years in senior leadership roles in a number of mining companies in Brazil, including as CEO of a producing tungsten mine, Managing Director of a gold exploration company and from 2015 to 2021 and as CEO of South American Ferro Metals Limited, a privately owned iron ore producer.

Dr da Veiga holds a Bachelor of Commerce degree with First Class Honours, a PhD in Economics from the University of Western Australia and a Diploma in Financial Strategy from Oxford University. He graduated top of his class at both the UWA Honours program and Oxford. He is also a graduate of the Australian Institute of Company Directors.

Former directorships in last 3 years: Nil

Ms Kristie Young (Non-Executive Director, Lead Independent Director, appointed 1 March 2023)

Ms Young has over 25 years' experience across mining engineering, business development, project evaluation, marketing, strategy, growth, and corporate governance. She has held senior growth and Business Development Director roles with both EY and PwC. As a mining engineer she worked with Mt Isa Mines, Plutonic Gold, Hamersley Iron, Gunpowder Copper, New Hampton Goldfields and Surpac.

Ms Young has over 15 years' experience on boards and committees including current Non-Executive directorships with Livium Ltd, Corazon Mining Ltd, Tasmea Ltd and MinEx CRC.

Directors' Report continued

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Ms Young holds a Bachelor of Engineering (Mining) with Honours from The University of Queensland, is a Graduate of the Australian Institute of Company Directors and a Fellow of the AusIMM.

Ms Young is the Chair of each of the Risk and Audit Committee and the Nomination and Remuneration Committee.

Former directorships in last 3 years: Tesoro Gold Limited, ChemX Materials Limited.

Ms Camila Ramos (Non-Executive Director, Independent, appointed 28 August 2023)

Ms Ramos is a renewable energy expert with over 20 years of experience in Latin America in the solar PV, wind, energy storage, green hydrogen and bioenergy sectors.

Ms Ramos currently serves as Managing Director for CELA (Clean Energy Latin America), she is also a Board of Directors Member and Vice-President of Finance at the Brazilian PV Association (ABSOLAR) and Board Member of the Superior Board of Infrastructure at the Federation of Industry of the State of São Paulo (COINFRA – FIESP).

Ms Ramos has extensive experience in equity fundraising, project financing, mergers & acquisitions and financial analysis.

Ms Ramos holds a Bachelor of Science and a MSc from the London School of Economics.

Ms Ramos is a member of each of the Risk and Audit Committee and the Nomination and Remuneration Committee.

Former directorships in last 3 years: Nil.

Mr Eric Noyrez (Non-Executive Director, Independent, appointed 3 June 2024)

Mr Noyrez brings over twenty years of senior executive and board experience across the global rare earths industry. He is currently the Lead Independent Director of Neo Performance Materials Inc, a manufacturer of advanced industrial materials including magnetic powders and magnets, specialty chemicals, metals and alloys.

Previously, Mr Noyrez was the Chief Executive Officer of Serra Verde Mineracao, a leading Brazilian rare earths company, from 2018 to 2021, also serving as an advisor from 2015 and a board member from 2016. From 2010 to 2014, Mr Noyrez held a range of senior roles at Lynas Corporation, including Chief Operating Officer and Managing Director and Chief Executive Officer. Prior to Lynas, he was the President of the SILCEA division of Rhodia (renamed Solvay S.A.), a global specialty chemicals company, and worked for eleven years with the Shell Group of companies managing chemical and industrial businesses.

Mr Noyrez holds a Masters Degree in Engineering (MEng) from École des Mines de Douai, France.

Mr Noyrez is a member of each of the Risk and Audit Committee and the Nomination and Remuneration Committee.

Former directorships in last 3 years: Nil.

Company secretary

Mr Jonathan Hart was appointed Company Secretary on 17 September 2024 and was Company Secretary up to the date of this report. Mr Stephen Kelly was Company Secretary during the year under review up to 17 September 2024.

Mr Hart is a highly experienced Company Secretary, lawyer and corporate advisor. He has provided company secretarial services to a number of ASX listed companies across a range of industry sectors including resources, information technology and healthcare.

Mr Hart holds a Bachelor of Laws and Commerce and has a deep understanding of corporate governance and compliance.

Directors' Report continued

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Principal activities

Please refer to pages 20 to 26 of this Annual Report for information on the Group including a review of operations for the year ended 31 December 2024 and comments on the financial position, business strategies, likely developments and prospect for future financial years.

Operating result

BRE recorded revenue of A$2,684,861 (2023: A$278,312) and reported a net loss after tax of A$46,074,722 (2023: A$69,081,284) for the year. The significant items affecting the loss after tax were:

- An increase in interest income to A$2,684,861 (2023: A$253,352) due principally to higher cash balances from funds raised in the December 2023 IPO and June 2024 capital raising.
- An increase in exploration and evaluation expenses to A$41,924,100 (2023: A$33,818,436) primarily due to the consideration paid to acquire the Sulista Project and increased exploration activity across the Monte Alto, Pele and Sulista projects as summarised in the Operations Review.
- A reduction in finance costs to A$8,981 (2023: A$30,937,734). Finance costs for 2023 included A$30,286,165 in expenses attributable to convertible notes issued by BRE which were settled prior to the December 2023 IPO.
- An increase in share-based payments expense to A$3,132,741 (2023: A$969,022). The 2024 expense is due to the amortisation over the vesting period of Management Performance Options issued to Executive Directors, officers, employees and contractors and Director Options issued to Non-Executive Directors under the Employee Incentive Plan prior to the December 2023 IPO as disclosed in the Remuneration Report that forms part of this Directors' Report.

Significant changes in the state of affairs

Other than the matters disclosed below, in the Operating Review on pages 20 to 26 of this Annual Report and elsewhere in this Directors' Report, there were no significant changes in the state of affairs of the Company that occurred during the year.

(a) On 26 March 2024, the Company issued 8 million new fully paid ordinary shares as partial consideration for the acquisition of the Sulista Project.

(b) On 20 June 2024, the Company issued 24.2 million new fully paid ordinary shares at an issue price of A$3.30 per share to institutional, sophisticated and professional investors to raise gross proceeds of A$80 million.

Directors' Report continued

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Business Strategies and Material Business Risks

The objective of the Group is to build a leading rare earths and critical minerals company to deliver long-term value for our shareholders, communities and stakeholders. We aim to achieve this through the exploration and development of our world class rare earths and critical minerals projects located in the Rocha da Rocha Province. The Group has achieved considerable exploration success to date, however mineral exploration and development, is considered by its nature to be speculative and high-risk and is affected by risks and uncertainties, some of which are beyond the Group's reasonable control. The uncertainties arise from a range of factors, including the nature of the mineral exploration industry and changing economic factors. The business risks assessed as having the potential to have a material impact on the business, operating and/or financial results and performance of the Group and how the Group manages these risks include:

Risks	How BRE mitigates the risk
Mineral exploration and development	
▪ The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development requires significant amounts of expenditure over extended periods of time. There can be no assurances that exploration and development at the Group's mineral exploration projects, or any other projects that may be acquired by the Group in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited.	▪ BRE will undertake systematic and staged exploration and testing programs on its mineral properties and, subject to the results of these exploration programs, BRE will then progressively undertake a number of technical and economic studies with respect to its projects prior to making a decision to mine. ▪ Engagement of employees, contractors and consultants with relevant skills, expertise and experience in the development of mineral exploration projects.
Loss of title to key exploration licences	
▪ The Group's exploration and development activities are dependent upon the grant, maintenance and renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. A failure to obtain these statutory approvals or comply with these regulatory processes may result in an inability to undertake planned exploration and development activities resulting in financial losses or the loss of opportunity.	▪ BRE actively engages with relevant stakeholders to facilitate obtaining required permits and approvals. ▪ BRE has implemented systems and procedures to monitor compliance with the conditions of its exploration licences. ▪ Engagement of employees, contractors and consultants who are experienced with the approval and permitting processes at all levels of government.

Directors' Report continued

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Risks	How BRE mitigates the risk
Commodity price risk	
▪ The prices for rare earth elements and critical minerals fluctuate widely and are affected by numerous factors beyond the control of the Group, including but not limited to, world demand for commodities, the level of production costs in major commodity producing regions, China's decisions with respect to managing the domestic Chinese rare earths industry and the development of new technologies that create new demands or eliminate the demand for particular rare earth elements. Fluctuating commodity prices may impact the Company's project development, plans and activities, including its ability to fund those activities. The Company cannot provide any assurance as to the prices it will achieve for any mineral commodities it may produce in the future.	▪ BRE's mineral exploration projects are in the exploration and evaluation phase. The Group currently does not engage in any hedging or derivative transactions to manage commodity price risk. As the Group's operations change, this policy will be reviewed periodically going forward.
Currency risk	
▪ Substantially all of the business and operations of the Group are, or will be, conducted in currencies other than Australian dollars. In addition, all or most of the supplies and inputs into the projects of the Group are priced in currencies other than Australian dollars. As a result, fluctuations in such foreign currencies against the Australian dollar could have a material adverse effect on the Group's financial results which will be denominated and reported in Australian dollars. Exchange rates are affected by numerous factors beyond the control of the Group, including international markets, interest rates, inflation and the general economic outlook.	▪ The Group has adopted a financial risk management policy to assist in managing its exposure to currency risk and other financial risks.
Regulatory risk	
▪ BRE is subject to a wide range of legal and regulatory requirements in Brazil and Australia where it conducts its activities. Adverse changes in those laws and regulations and/or BRE's failure to comply with the applicable laws and regulations may adversely impact BRE's operations and/or the ownership of the Group's exploration tenements.	▪ Development of policies and procedures and training of personnel. ▪ BRE actively engages with relevant stakeholders and industry bodies to monitor and understand the implication of regulatory changes to enable the Group to anticipate and prepare for changes in the regulatory environments in which it operates. ▪ Engagement of employees, contractors and consultants to assist the Group in complying with applicable regulatory requirements.

Directors' Report continued

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Risks	How BRE mitigates the risk
Capital and funding risk	
▪ The Group has no operating revenue and is unlikely to generate any operating revenue unless and until one or more of its mineral projects is successfully developed. The ongoing exploration and development of the Group's mineral properties will require substantial additional financing. Failure to obtain sufficient additional financing may delay or postpone the exploration and development of the Group's mineral exploration properties and may result in the loss of title to one or more exploration tenements.	▪ Maintaining a strong financial position. At 31 December 2024 the Group had cash reserves of $81.7 million. ▪ Regular monitoring of actual expenditure against board approved budgets.
Information Systems Security Threats	
▪ Failure to appropriately secure data could have significant consequences to the Group through loss of business continuity, reputational loss and increased financial costs.	▪ BRE has Implemented controls designed to prevent and detect attempts to compromise its IT security and data supported by ongoing cyber security awareness training for its employees and contractors. ▪ BRE will continue to invest in cyber security processes, tools and expertise.
Climate change	
▪ Climate change may cause certain physical and environmental changes, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns that may significantly impact on the Group's operations. ▪ The Group may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These changes may adversely impact the operations and/or the economic feasibility of the Group's mineral exploration projects.	▪ As the Group undertakes technical studies for its mineral exploration projects it will consider the impact of climate change on those projects and develop appropriate climate change risk mitigation strategies. ▪ Monitoring of regulatory and legislative developments related to climate change and engage with government entities and peak industry bodies to assess the implications of these changes.
Risk of a major workplace health and safety or environmental incident	
▪ Exposure of the Group's employees, contractors or consultants to hazards at a level that causes harm. ▪ Environmental incident that negatively impacts the environment and community in which we operate.	▪ Risk reduction by ensuring appropriate standards are adopted, hazards are identified, controlled, managed and monitored appropriately, supported by a comprehensive Health, Safety, Environment and Community (HSEC) Management System. ▪ Provide appropriate resources into the ongoing maturity of the HSEC Management System together with leadership development and training.

Directors' Report continued

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Interests in the shares and options of BRE

As at the date of this report, the interests of the directors in the securities of Brazilian Rare Earths Limited were:

	Number of Ordinary Shares#	Number of Options over Ordinary Shares#
Mr Todd Hannigan	24,577,875	2,868,775
Dr Bernardo da Veiga	19,116,475	2,295,125
Ms Kristie Young	130,418	177,625
Ms Camila Ramos	–	266,525
Mr Eric Noyrez^^	–	–

Includes securities in which the Director has an indirect interest through associated entities.

^^ Pursuant to the terms of Mr Noyrez's appointment as a Non-Executive Director, BRE will seek shareholder approval at the 2025 Annual General Meeting for the grant to Mr Noyrez of 150,000 options with a nil exercise price and an expiry of 3 June 2029. If approved, the options will vest in four equal tranches on 3 June 2025, 3 June 2026, 3 June 2027 and 3 June 2028.

Meetings of Directors

The number of meetings of BRE's board of directors and each board committee held during the year ended 31 December 2024, and the numbers of meetings attended by each director were as follows:

	Directors' Meetings	Risk and Audit Committee[1]	Nominations and Remuneration Committee[1]
Number of meetings held	4	4	2
Mr Todd Hannigan[1]	4	N/a	1
Dr Bernardo da Veiga[2]	4	1	N/a
Ms Kristie Young	4	4	2
Ms Camila Ramos	4	4	2
Mr Eric Noyrez[3]	3	3	1

1. Mr Hannigan ceased to be a member of the Nominations and Remuneration Committee on 3 June 2024.
2. Dr da Veiga ceased to be a member of the Risk and Audit Committee on 3 June 2024.
3. Mr Noyrez was appointed as a Director effective 3 June 2024. Mr Noyrez was appointed to each of the Risk and Audit Committee and the Nominations and Remuneration Committee effective 3 June 2024.

Shares under Option

Unissued ordinary shares of BRE under option at the date of this report are as follows:

Description	Grant Date	Expiry Date	Exercise price of options	Shares under option	Issued as remuneration in current or prior period?
Management performance options	1/9/2023	19/10/2028	A$Nil	7,650,300	No
Director options	1/9/2023	19/10/2028	A$Nil	444,150	No
Options	31/1/2025	31/01/2030	A$Nil	2,332,710	No
				10,427,160	

Directors' Report continued

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Dividends

BRE has not paid or declared any dividends during the year (2023: nil).

Events occurring after balance sheet date

Except as noted below, there have been no subsequent events that require adjustment to, or disclosure in, the Financial Statements of the Group for the year ended 31 December 2024:

- On 31 January 2025, the Company issued 2,332,170 options with an exercise price of $Nil and an expiry date of 31 January 2030. The options were issued pursuant to the Employee Incentive Plan.
- On 31 January 2025, the Company issued 1,809,850 fully paid ordinary shares pursuant to the exercise of vested options.

Indemnification and insurance of officers

To the extent permitted by law, BRE has indemnified each director, the chief financial officer and the secretary of BRE. The liabilities indemnified include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of BRE or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to BRE.

Proceedings on behalf of the Group

The Group is not aware that any person has applied to the court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings in which the Group is a party, for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Group with leave of the court under section 237 of the *Corporations Act 2001*.

Directors' Report continued

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Letter from the Chair of the Nomination and Remuneration Committee

Dear Shareholders,

On behalf of the Board, I am pleased to present the Company's Remuneration Report for the financial year ended 31 December 2024 (FY24). The Remuneration Report sets out BRE's remuneration strategy and principles which we believe provide appropriate alignment of the interests of Shareholders and Key Management Personnel (KMP) and Non-Executive Directors (NEDs).

Company performance and FY24 remuneration outcomes

FY24 was an important year for BRE after a successful ASX listing on 21 December 2023, which saw BRE's KMP work hard towards advancing its rare earth element and critical minerals projects in Bahia, Brazil. The team should be commended on the work undertaken throughout FY24 and the advancements made.

For FY24 the remuneration framework was designed to maintain the Group's strong discovery culture through exploration, whilst also building capabilities to support the evaluation of BRE's mineral projects with the ultimate aim of transitioning to mine developer.

The Nomination and Remuneration Committee (NRC) is pleased to report that throughout FY24 the Group achieved a number of significant milestones that provide a strong foundation for undertaking a scoping study for the Monte Alto Project which is scheduled for completion in 2025.

Significant achievements throughout FY24 included:

- Consolidation of the Group's dominant tenement holding in the Rocha da Rocha rare earths province with a threefold increase in tenement area to more than 422,000 hectares.
- Achievement of a significant permitting milestone with the approval of the Final Exploration Report for the Monte Alto Project.
- Continued exploration success with new discoveries at the Monte Alto Project more than doubling the Monte Alto target exploration area and new discoveries at Sulista and Pele with target exploration areas more than 10 times and 60 times larger than the Monte Alto Project area respectively.
- Initial metallurgical leaching studies confirmed highly efficient rare earth extractions of up to 94% TREO into a stable solution, at atmospheric pressure and low sulfuric acid concentrations.
- Completed a successful A$80M capital raising to secure funding for technical studies.
- Obtained official registration and consent to export mineral concentrates and products including uranium and rare earth minerals.
- Signed non-binding MOU's with Indústrias Nucleares do Brasil S.A and the Secretariat for Economic Development of the State of Bahia for mutual cooperation and support in relation to the Group's projects in the Rocha da Rocha rare earths province.
- Achieved a 23.6% increase in share price to $2.36 per share and 42.3% increase in market capitalisation to A$581.8M as at 31 December 2024.
- Continued to maintain an excellent safety record.
- Strengthened the Group's technical and operational capability with the recruitment of a number of highly skilled professionals into positions critical to completion of technical studies for our mineral projects.

Taking into consideration the achievement of the above milestones, the maximum short term incentives (STIs) were awarded to Executives for FY24 with 40% of the STI being settled in cash immediately and 60% to be settled through the issue of options (subject to any required shareholder approvals) that will vest in two equal tranches on 31 December 2025 and 31 December 2026.

Directors' Report continued

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No long term incentives (LTIs) were issued in FY24 as the Board and the NRC considered that the Options granted to KMP as equity incentives under the EIP prior to the IPO were sufficient to incentivise and motivate KMP and to align the interests of KMP with the interests of shareholders. In FY24 approximately 40% of the LTI awarded in FY23 vested on satisfaction of the applicable vesting conditions which required a 60% or 90% increase in BRE's share price from the $1.47 price at which shares were issued in the IPO.

In setting the outcomes for remuneration the Board and the NRC seek to weight remuneration toward "at risk" elements that align with BRE's short-term goals and longer-term strategic objectives developed with the aim of driving value creation for shareholders. This was achieved in FY24 with STI and LTI representing between 84% and 91% of vested Executive remuneration.

Review of Remuneration Framework for FY25

Recognising the rapid increase in the scale and complexity of BRE's activities since its 2023 IPO, the Board and the NRC have undertaken a review of BRE's remuneration framework including benchmarking Executive and Non-Executive Director (NED) Remuneration against a group of fifty ASX listed resources companies with a market capitalisation between A$257 million and A$2 billion.

The benchmarking review highlighted that the FY24 remuneration (comprising fixed remuneration and STI and LTI awards granted in FY24) for BRE's Executives was less than the 25th percentile of the benchmark group. To ensure that BRE is able to attract, retain and motivate Executive KMP of a high calibre the Board and NRC have approved a revised Executive remuneration framework for FY25 as follows:

(i) Maximum total remuneration is targeted to be between the median and 75th percentile maximum total remuneration for the Benchmark Group.

(ii) The remuneration mix for Executives is to be weighted toward "at risk" elements aligning with BRE's short-term goals and longer-term strategic objectives that are developed with the aim of driving value creation for shareholders. In determining the remuneration mix for Executives greater emphasis is to be placed on long-term incentives reflecting the expected timeframes required to achieve BRE's strategic objectives.

On behalf of BRE's NRC and Board we thank you for your support as BRE shareholders throughout the year, and we look forward to continued success and growth throughout the coming FY25 financial year.



Kristie Young
Chair, Nomination and Remuneration Committee

Remuneration Report

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FY24 Remuneration Report – audited

BRE's Directors present the Remuneration Report for BRE and its controlled entities for the year ended 31 December 2024 (FY24). The Remuneration Report forms part of the Directors' Report and has been audited as required by section 300A of the *Corporations Act 2001*.

1. Nomination and Remuneration Committee (NRC)

Members of the NRC during FY24 were:

Name	Role
Kristie Young	Independent Non-Executive Director and Chair of the NRC. Chair of the NRC since its formation on 12 December 2023.
Camila Ramos	Independent Non-Executive Director and Member of the NRC. Member of the NRC since its formation on 12 December 2023.
Eric Noyrez	Independent Non-Executive Director and Member of the NRC. Member of the NRC since appointment as a director on 3 June 2024.
Todd Hannigan	Executive Chair of BRE. Member of NRC from 12 December 2023 until Mr Noyrez's appointment on 3 June 2024

Following Mr Noyrez's appointment to the NRC on 3 June 2024 the membership of the NRC is comprised entirely of Independent Non-Executive Directors as recommended by the ASX Corporate Governance Principles.

2. Key Management Personnel

BRE's KMP consists of the Board and Executives who have authority and responsibility for planning, directing and controlling the activities of the Company, either directly or indirectly. The table below lists BRE's KMP for FY24.

Name	Position	Term as KMP
Non-Executive Directors		
Kristie Young	Independent, Non-Executive Director	Full year FY24
Camila Ramos	Independent, Non-Executive Director	Full year FY24
Eric Noyrez	Independent, Non-Executive Director	Part year FY24 – commenced 3 June 2024
Executive Directors		
Todd Hannigan	Executive Chair	Full year FY24
Bernardo da Veiga	Managing Director and Chief Executive Officer (MD & CEO)	Full year FY24
Executives		
Renato Gonzaga^^	Group Chief Financial Officer	Full year FY24

^^ Mr Gonzaga became a KMP on 1 January 2024. Mr Gonzaga was Chief Financial Officer (Brazil) for the period 1 January 2024 to 17 September 2024 when Mr Gonzaga's title was changed to Group Chief Financial Officer.

Remuneration Report continued

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3. Executive KMP remuneration for FY24

3.1. Policy and Approach

BRE's remuneration framework for its Executives has been developed by the NRC and the Board, considering the size, complexity and stage of development of the Group's operations, that BRE operates internationally and competes for Executive talent in international markets and the size of the management team.

Executive remuneration arrangements are designed to:

- Set total aggregate remuneration at a level which provides BRE with the ability to attract, retain and motivate Executive KMP of a high calibre. BRE's mineral exploration projects can take many years to develop and require highly skilled and experienced personnel across a range of disciplines and for whom there is strong competition across international labour markets;
- Align Executive remuneration outcomes with the interests of key stakeholders by incorporating in the remuneration framework variable remuneration consisting of short and long-term incentives linked to BRE's strategic goals and performance;
- Preserve BRE's cash reserves for exploration and development activities and further align Executive KMP remuneration outcomes with the interests of key stakeholders through the use of equity awards under the Employee Incentive Plan (EIP); and
- Structure remuneration in a manner that is consistent with, and promotes, adherence to the Group's values, policies and procedures.

3.2. Alignment of Executive Remuneration with Strategic Objectives

In setting the Executive Remuneration framework, the NRC and the Board consider potential remuneration over a three to five year horizon to reflect the longer term nature of the exploration and development programs for BRE's mineral exploration projects. Remuneration awards are not solely determined based on reviewing a single year, but also reference the critical requirements to deliver positive development outcomes in future years.

The Board has developed a remuneration framework that reflects a desire to maintain the Company's strong discovery culture through exploration, whilst also building capabilities to support the evaluation of the Monte Alto Project with the ultimate aim of transitioning to mine developer. The remuneration framework aims to link the remuneration outcomes for Executives to the achievement of these objectives in driving long-term value creation for shareholders.

Remuneration Report continued

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3.3. Overview of FY24 Remuneration Framework

The remuneration framework for FY24 comprised the following elements.

	Fixed remuneration (FR)	Short-term incentive (STI)	Long-term incentive (LTI)
Purpose	To attract, retain and motivate executive talent and reward for day-to-day activities	To reward performance against annual corporate objectives	To align KMP's interests with those of the Company's shareholders and enhance the ability to attract and retain key talent
Delivery mechanism	Cash	Cash (40% of STI) Equity in the form of Options or other equity instruments at the discretion of the Board (60% of STI)	Equity in the form of Management Performance Options or other equity instruments at the discretion of the Board
Performance measures	None	Key performance indicators set by the Board	Achievement of critical project milestones which drive Company Performance and share price growth measures
Opportunity (% of FR)	N/A	Maximum opportunity of: ▪ 100% for the Executive Chair ▪ 150% for the MD/CEO ▪ 100% (subject to Board discretion) for other KMP	Varies by KMP at the discretion of the Board
Timeframe before reward is realised	Immediate	40% Cash – 1 year 60% Equity – vests in two equal tranches on the 12 and 24 month anniversaries of the end of the financial year to which the STI relates	Subject to the achievement of performance measures over a period of up to five years

Other remuneration elements

To attract and retain executive talent with the skills and experience to deliver the Company's strategy, additional forms of remuneration including sign-on incentives, and other one-off incentives may be provided to executive KMP at the Board's discretion. No such incentives were granted during FY24.

Remuneration Report continued

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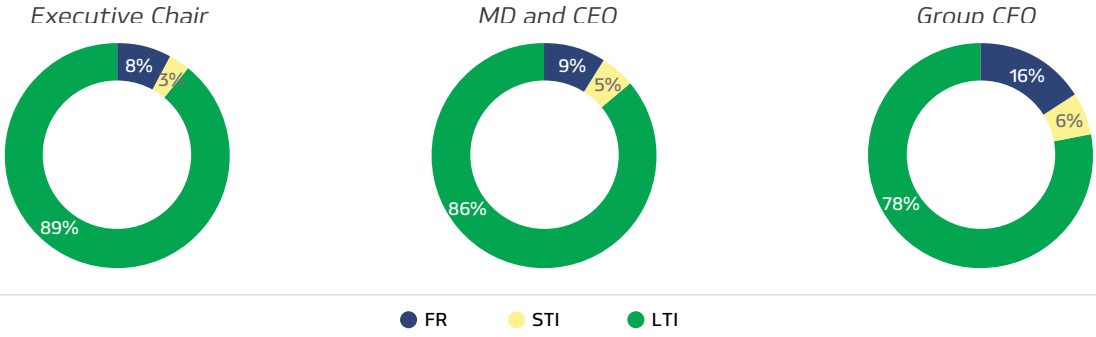
3.4. Remuneration mix

Executive remuneration includes fixed remuneration and variable remuneration. Variable remuneration only vests when all of the performance conditions set by the Board have been achieved.

The remuneration mix for Executives is weighted toward "at risk" elements aligning with BRE's short-term goals and longer-term strategic objectives that were developed with the aim of driving value creation for shareholders. In determining the remuneration mix for Executives, greater emphasis is placed on long-term incentives (including the long term incentives granted to KMP in FY23) reflecting the expected timeframes required to achieve the strategic objectives of the Company.

The charts below illustrate the vested remuneration received during FY24 which includes fixed remuneration, the cash settled component of the FY24 STI and the value of LTI that vested during FY24 (from FY23 grants and using the closing BRE share price on the day of vesting).

FY24 Remuneration mix



Remuneration Report continued

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4. FY24 performance and remuneration outcomes

4.1. FY24 performance highlights

The following table provides a summary of the Company's key performance measures during FY24. The Board is committed to ensuring Executive remuneration outcomes are aligned with Company performance.

Safety, environment and people	Tenure	Exploration Success	Corporate and Financial performance
▪ Recruitment of a dedicated health and safety team and maintenance of an excellent safety performance ▪ No environmental incidents	▪ Consolidated dominant control over the Rocha da Rocha rare earths province with a threefold increase in tenement area to more than 422,000 hectares ▪ Approval of Final Exploration Report for Monte Alto Project	▪ New discoveries at Monte Alto more than doubled the Monte Alto target exploration area ▪ Successful first phase metallurgical testwork at Monte Alto ▪ New discoveries at Sulista and Pele with target exploration areas more than 10 times and 60 times larger respectively than the Monte Alto Project area	▪ Successful capital raising to raise A$80M to secure funding for technical studies ▪ 23.6% increase in share price to A$2.36 per share and 42.3% increase in market capitalisation to A$581.8M ▪ Official registration and consent to export mineral concentrates and products including uranium and rare earth minerals ▪ Non-binding MOU's with Indústrias Nucleares do Brasil S.A and the Secretariat for Economic Development of the State of Bahia

The table below outlines the Company's financial performance for FY21 to FY24.

	FY24	FY23[2]	FY22[2]	FY21[1,2]
Operating loss after tax	A$(46,074,722)	A$(69,081,284)	A$(7,901,083)	A$(845,107)
Share price as at 31 December	A$2.36	A$1.91	–	–
Market capitalisation	A$581.83M	A$408.9M	–	–

1. BRE was incorporated on 31 March 2021.
2. BRE completed its IPO and listed on the ASX on 21 December 2023. The issue price of shares in the IPO was A$1.47.

Given the stage of BRE's development and the fact that it does not currently have any revenue producing operations, the Board does not consider EPS or dividends paid or declared to be meaningful measures for assessing executive performance (refer also sections 5.3 and 5.4 of this Remuneration Report). The Company has not paid any dividends or made any return of capital in the period from its incorporation to 31 December 2024.

Remuneration Report continued

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4.2. FY24 Executive remuneration outcomes

In a significant year for BRE, Executive KMP demonstrated strong performance and their remuneration outcomes reflect their performance and significant contributions in FY24.

4.2.1. Fixed remuneration

The following table outlines FR for Executives during 2024. Executive FR was unchanged from FY23.

Executive KMP	2024 FR
Todd Hannigan	A$280,000
Bernardo da Veiga	A$436,000
Renato Gonzaga	A$172,784

4.2.2. STI outcomes

The following table sets out the performance measures which were set by the Board and used to determine executive KMP STI outcomes for FY24. These measures were selected as they can be reliably measured, are key drivers for the success of BRE's exploration, evaluation and development activities and encourage behaviours that align with BRE's core values.

Category	Performance Measure	Max Weighting %	Awarded %	Commentary on performance
Safety, environment, people and regulation	Workplace health, safety, and environment	15%	15%	▪ Maintained excellent safety performance during 2024 ▪ Recruitment of a dedicated safety team and significant enhancements to safety systems and processes
	Build organisational capacity through recruitment of key positions to support exploration and development strategy			▪ Continued to build organisation capability through the recruitment of key technical and management positions ▪ Voluntary staff turnover ratio of less than 1% in FY24 ▪ Expanded management team to reduce key person risk
	No environment incidents			▪ No environmental incidents during FY 2024
Tenure	Maintain tenure of exploration licences and no material compliance breaches	10%	10%	▪ No material compliance breaches ▪ No loss of tenure
	Obtain approval of final exploration report for Monte Alto Project	10%	10%	▪ Approval of final exploration reports for Monte Alto Project ▪ Approval of final exploration reports for an additional 20 exploration licences
	Consolidation of control over the Rocha da Rocha rare earths province	15%	10%	▪ Threefold increase in area of granted exploration licences ▪ Accelerated completion of the acquisition of the Amargosa Tenements from Rio Tinto

Remuneration Report continued

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Category	Performance Measure	Max Weighting %	Awarded %	Commentary on performance
Exploration Success	New discovery or increase in size and/or confidence of JORC mineral resource estimate	25%	25%	▪ New discoveries at Monte Alto more than doubled the Monte Alto target exploration area ▪ New discovery at Sulista with target exploration area more than 10 times larger than the Monte Alto Project area ▪ New discovery at Pele with target exploration area more than 60 times larger than the Monte Alto Project area
Technical Studies	Commence environmental baseline studies and metallurgical testing to support the commencement of Monte Alto Scoping Study in 2024	15%	15%	▪ First phase of Monte Alto metallurgical testing completed with positive results ▪ Monte Alto Scoping Study (including environmental baseline study) commenced with completion anticipated in 2025
Corporate and stakeholder relations	Corporate and financial	10%	10%	▪ Successful A$80M capital raising including participation of multiple new institutional investors ▪ Non-binding MOU's with Indústrias Nucleares do Brasil S.A and the Secretariat for Economic Development of the State of Bahia ▪ 23.6% increase in share price to A$2.36 per share and 42.3% increase in market capitalisation to A$581.8M

Based on these performance outcomes, the table below outlines the STI awarded to executive KMP with respect to performance in FY24. In assessing the STI to be awarded to the Group CFO (Renato Gonzaga) the Board and NRC exercised its discretion to set STI award for Mr Gonzaga taking into consideration remuneration for comparable roles in other ASX listed companies.

Executive KMP	Maximum STI (% of FR)	Maximum STI (A$)	STI awarded for FY24 (A$)	% of maximum STI awarded	% of maximum STI forfeited
Todd Hannigan	100%	280,000	280,000	100%	–%
Bernardo da Veiga	150%	654,000	654,000	100%	–%
Renato Gonzaga	Discretionary	Not applicable	211,257	Not applicable	Not applicable

Remuneration Report continued

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4.2.3. LTI outcomes

No LTI awards were made in FY24 for the reasons disclosed in Section 5.3.

In FY23 the following Options were issued to Executives as LTI:

Executive Chair	MD/CEO	Group CFO
▪ Tranche A: 860,650	▪ Tranche A: 1,147,650	▪ Tranche A: 287,000
▪ Tranche B: 860,650	▪ Tranche B: 1,147,475	▪ Tranche B: 287,000
▪ Tranche C: 573,825	▪ Tranche C: 764,925	▪ Tranche C: 191,100
▪ Tranche D: 573,650	▪ Tranche D: 764,925	▪ Tranche D: 191,100

The vesting conditions and vesting status as at 31 December 2024 of each tranche of Options granted in 2023 is summarised as:

Tranche	Vesting Condition	Rationale	Vesting status
Tranche A: Milestone measure 30% weighting	Company announcing it has been granted a Mining Concession (including trial mining) over areas where the Company or its subsidiary: (a) At the time of IPO, held a tenement ownership interest or was the applicant for; and (b) Holds a tenement ownership interest at the time of grant of the Mining Concession	Achievement of the specified milestones will be critical to demonstrating the economic viability of BRE's mineral exploration projects and aligns with the BRE strategy for delivering shareholder value through the development of the Rocha da Rocha rare earths province	Unvested (May vest at any time on or before the Option expiry date of 19 October 2028)
Tranche B: Milestone measure 30% weighting	Successful feasibility study (measured by an internal rate of return greater than 25%) for one or more of the Company's mineral projects prepared in accordance with the JORC Code and announced by the Company on or before 21 December 2026		Unvested (May vest at any time on or before the final vesting date of 21 December 2026)
Tranche C: Share price growth measure 20% weighting	On or before the fourth anniversary of the IPO, achieve a 60% increase in the share price compared to the IPO issue price of A$1.47 per share, measured using a volume weighted average share price (VWAP) over 20 consecutive trading days	Rewards executives for delivering significant share price growth following the IPO, aligning executive and shareholder interests	100% vested in FY24 (Vesting condition was satisfied on 4 March 2024)
Tranche D: Share price growth measure 20% weighting	On or before the fifth anniversary of the IPO, achieve a 90% increase in the share price compared to the IPO issue price of A$1.47 per share, measured using a volume weighted average share price (VWAP) over 20 consecutive trading days		100% vested in FY24 (Vesting condition was satisfied on 26 April 2024)

Remuneration Report continued

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5. Executive remuneration framework

5.1. Fixed remuneration (FR)

FR consists of a cash base salary and statutory superannuation. In addition, benefits such as a motor vehicle may be provided to executive KMP.

5.2. Short-term incentives (STI)

The Executive Services Agreements entered into between BRE and each of the Executive Chair and the MD/CEO provide for the payment of an annual STI at the sole discretion of the Board. The following table summarises the key terms of the STI awarded by the Board for FY24.

Feature	Description
Eligibility	Limited to select employees, as determined by the Board. During FY24, each of the Executive Chair, MD/CEO and Group CFO were awarded STI.
Opportunity	The maximum opportunity as a percentage of FR is set out in the table below:
Performance measures	Performance was assessed against the performance measures set out in section 4.2.2 of this Remuneration Report as determined by the Company's Board and the NRC.
Performance assessment	The STI awards were determined following assessment of Company and individual performance against performance measures considered relevant by the Board and the NRC. The Board and the NRC considered a range of quantitative and qualitative factors when determining STI outcomes and applied their informed judgement to adjust STI outcomes to ensure they were fair, appropriate and aligned to BRE's overall performance and shareholder outcomes. The Board and the NRC also considered how performance outcomes were achieved in line with BRE's values. Refer section 4.2.2 of this Remuneration Report for further information on the performance assessment by the Board and the NRC.
Payment	The STI awards were paid in cash and equity after the completion of the financial year as follows: ▪ 40% of the STI was settled in cash. ▪ 60% of the STI will, subject to the Company receiving any required shareholder approvals, be settled through the issue of Options on the following terms: – The Options will have an exercise price of A$Nil and expiry of 19 October 2028. – Each vested Option may be converted into one fully paid ordinary Shares in the Company when exercised. – The number of Options issued will be calculated by dividing the A$ value of the STI award to be paid in equity by the 20 day VWAP of the Company's shares as at 31 December 2024. – 50% of the Options granted will vest on 31 December 2025 and 50% of the Options granted will vest on 31 December 2026. – If the required shareholder approvals are not obtained, the relevant STI Award will be settled in cash subject to satisfaction of the vesting conditions that would have applied to the Options for which shareholder approval was not obtained.

Role	Maximum STI (% of FR)
Executive Chair	100%
MD & CEO	150%
Group CFO	Board discretion

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Feature	Description
Treatment on cessation of employment (equity settled STI award)	Where a participant ceases employment due to retirement, redundancy, death, total and permanent disablement, poor health, injury or disability, or any other circumstance determined by the Board, all vested and unvested Options which have not been exercised will remain on-foot unless the Board determines otherwise in its sole and absolute discretion. In all other circumstances all unvested Options will lapse immediately and all vested Options that have not been exercised will lapse thirty days after cessation of employment (unless the option lapses before the end of that period).
Treatment on change of control (equity settled STI award)	All Options will automatically and immediately vest and shall be deemed to have been automatically exercised regardless of whether the vesting conditions have been satisfied.

5.3. Long-Term Incentives (LTI)

BRE awards LTI to Executive KMP in the form of equity securities issued pursuant to the Employee Incentive Plan (EIP) to reward long-term sustained performance. A high weighting to LTI is believed to be the most effective way of rewarding sustained performance and retaining talent while maintaining alignment with the longer term interests of Shareholders.

The NRC and the Board believe that grants of LTI made to eligible participants under the EIP will provide a useful tool to underpin BRE's employment and engagement strategy, and enables BRE to:

- recruit, incentivise and retain KMP and other key employees and contractors needed to achieve the Group's business objectives;
- link the reward of key staff with the achievement of strategic goals and the long-term performance of the Group;
- align the financial interest of participants of the EIP with those of Shareholders;
- preserve the Group's cash reserves to fund its exploration and development activities; and
- provide incentives to participants of the EIP to focus on superior performance that creates Shareholder value.

The Board and the NRC elected not to grant any LTI Awards to KMP in 2024 for the following reasons:

- Prior to the Company's IPO in FY23, a "one-off' grant of LTI in the form of Options was made to executive KMP to align Executive and shareholder interests and to retain the services of the executive KMP until significant financial and operational milestones were achieved post IPO. The Board and NRC considered the remaining unvested Options to be sufficient to retain, incentivise and motivate executive KMP and to align the interests of executive KMP with the interests of shareholders and that no further LTI wards were necessary in FY24. Refer Section 4.2.3 for information regarding the FY24 outcomes of the LTI granted to Executives in FY23.
- As noted in section 8 of this Remuneration Report the Board and the Nomination and Remuneration Committee have, undertaken a review of BRE's remuneration framework to ensure that it is competitive, equitable and aligned with its strategic goals whilst also meeting regulatory and corporate governance standards. The outcomes of this review were used to set the FY25 remuneration framework.

Remuneration Report continued

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The following table summarises the key features of the EIP:

Feature	Description
Eligibility	Limited to KMP and select employees, contractors and consultants as determined by the Board in accordance with the rules of the EIP
Vehicle	Options, rights, shares or other equity securities as determined by the Board in accordance with the rules of the EIP
Treatment on cessation of employment	Where a participant ceases employment due to retirement, redundancy, death, total and permanent disablement, poor health, injury or disability, or any other circumstance determined by the Board, all vested and unvested Options which have not been exercised will remain on-foot unless the Board determines otherwise in its sole and absolute discretion In all other circumstances all unvested Options will lapse immediately and all vested Options that have not been exercised will lapse thirty days after cessation of employment (unless the option lapses before the end of that period)
Treatment on change of control	All unvested awards under the EIP will automatically and immediately vest and shall be deemed to have been automatically exercised regardless of whether the vesting conditions have been satisfied

5.4. Relationship between KMP Remuneration and Shareholder Wealth

Given the stage of BRE's development and the fact that it does not currently have any revenue producing operations, the Board anticipates that the Group will retain earnings (if any) and other cash resources for the exploration, evaluation and potential development of its mineral properties. Accordingly, BRE does not currently have a policy with respect to the payment of dividends and returns of capital. Therefore, there was no relationship between the Board's policy for determining the nature and amount of KMP remuneration and dividends paid or returns of capital by BRE during the current and previous four financial years. The Board did not determine the nature and amount of KMP remuneration by reference to changes in the price at which shares in the Group traded between the beginning and end of the current and the previous four financial years. STI awards are based upon achieving various non-financial KPI's that are not based on share price or earnings.

5.5. Relationship between KMP Remuneration and Earnings

As discussed above, BRE's rare earth and critical minerals projects are currently in the exploration and evaluation phase and BRE does not expect to be undertaking profitable operations (other than by way of material asset sales, none of which is currently planned) until sometime after the successful development and commencement of commercial production of one or more of its mineral exploration projects. Accordingly, the Board did not consider earnings during the current and previous four financial years when determining the nature and amount of KMP remuneration.

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6. Executive employment agreements

The following table summarises the key employment terms for executive KMP.

Role	Contract type/term	Notice period by executive	Notice period by the Company	Termination benefits[1]
Executive Chair MD & CEO	Ongoing, permanent	3 months	12 months	If the Company terminates employment for redundancy, executives are entitled to an additional payment equivalent to 6 months remuneration plus an amount equal to two months remuneration for each full year of completed service with the Company (with any payment for any part year of service calculated on a pro rata basis).
Group Chief Financial Officer	Ongoing permanent	3 months	3 months	No termination benefits other than notice period.

1. Termination benefits for Mr Hannigan and Dr da Veiga in excess of the limits contained in Part 2D.2 of the *Corporations Act (Cth) 2001* and ASX Listing Rule 10.19 were approved by shareholders on 1 September 2023.

7. Non-Executive Director remuneration arrangements

The following table outlines the Company's NED fee policy and terms.

Fee policy	Description
Aggregate NED fee pool	In accordance with the Constitution, a Shareholder resolution was passed in FY23 providing that the maximum total amount of directors' fees (excluding fees for additional services provided by NEDs and the value equity incentives granted to the Company's NEDs) that may be paid to the Company's NEDs is A$350,000 per annum.
Board and Committee fees	NED fees reflect the obligations, responsibilities and demands of the Director role. NED fees are not linked to the performance of the Company. The fees outlined in the table below are exclusive of statutory superannuation. Board and Committee fees are unchanged from the fees that were paid in FY23.

Board fees	FY24 fees (excluding superannuation)	
Non-Executive Director	A$80,000	
Board Committee fees	**Chair**	**Member**
Audit and Risk Committee	A$15,000	A$9,000
Nomination and Remuneration Committee	A$15,000	A$9,000

The Company reimburses NEDs for reasonable expenses incurred in performing their duties (including in relation to any authorised independent professional advice sought by the NEDs to assist them in carrying out their duties as Directors).

The Company may also pay NED's fees for additional services provided beyond the obligations, responsibilities and demands of the Director role.

In FY24, the Company paid additional fees of €12,000 per month to Mr Noyrez for consulting and advisory services provided to Executive Management utilising Mr Noyrez's deep technical knowledge of the rare earths industry. The additional fees paid to Mr Noyrez were not linked to the performance of the Company.

Remuneration Report continued

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<table>
<tr><th>Fee policy</th><th>Description</th></tr>
<tr><td>Equity</td><td>The Company has historically granted equity incentives to NEDs. The Directors consider the historical grant of equity incentives to NEDs as part of their remuneration package to be reasonable and appropriate for the following reasons:
(i) The issue of options in lieu of cash payments preserves BRE's cash resources which is of paramount importance whilst BRE's mineral properties are in the exploration and evaluation phase.
(ii) It aligns the NED remuneration with the future growth and prospects of the Company and the interests of shareholders by encouraging NED share ownership.
(iii) The options issued to NEDs have been subject to service based vesting conditions to encourage NEDs to commit to the Company for a period of time.
(iv) The options granted to NEDs have not included vesting conditions linked to the Company's performance.
The Company intends to seek shareholder approval at its 2025 Annual General Meeting (AGM) to issue 150,000 Options to Mr Noyrez as part of his remuneration package. The terms of Mr Noyrez's proposed Options will be included in the notice of meeting for the AGM.
In 2023 the Company issued Director Options to each of Ms Young and Ms Ramos. The status of those Director Options as at 31 December 2024 is summarised as follows:
<table>
<tr><th></th><th>Number of Options</th><th>Vesting Date</th><th>Vesting status</th></tr>
<tr><td>Tranche A</td><td>88,900</td><td>21 December 2024</td><td>100% vested in 2024</td></tr>
<tr><td>Tranche B</td><td>88,900</td><td>21 December 2025</td><td>Unvested</td></tr>
<tr><td>Tranche C</td><td>88,725</td><td>21 December 2026</td><td>Unvested</td></tr>
</table>
Director Options will vest if the NED continues to serve as an NED at the vesting date.
Director Options that do not vest will automatically lapse at the earliest of the expiry date, the date the Director becomes a Non-Agreed Leaver or the Director is an Agreed Leaver and the Board determines that the Director Options should lapse.</td></tr>
<tr><td>Minimum shareholding requirement</td><td>Within 48 months of their respective appointment or such other time as may be agreed with the Company, NEDs must maintain a level of ownership of shares equal in value to two times their base fee (or such other amount calculated by the Board from time to time). The minimum shareholding requirement includes any shares that may be issued upon the vesting and exercise of equity incentives issued to the Director.
As at 31 December 2024, Ms Young and Ms Ramos satisfied the minimum shareholding requirement.</td></tr>
</table>

Remuneration Report continued

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8. FY25 Remuneration framework

Recognising the increasing scale and complexity of the Group's activities the NRC and the Board have undertaken a review of the Group's remuneration framework including the benchmarking of Executive Remuneration and Non-Director Remuneration to ensure that the Group's remuneration practices are competitive, equitable and aligned with its strategic goals whilst also meeting regulatory and corporate governance standards.

The resources industry continues to experience a skills shortage and attracting and retaining key talent to achieve strategic objectives that drive shareholder value is a major consideration for BRE and its competitors. The remuneration packages offered by BRE to its directors, executives and employees need to be both attractive to talent and related to shareholder value.

The review of the remuneration framework included benchmarking BRE FY24 remuneration against ASX listed resources companies with a market capitalisation between A$275 million and A$2 billion as at 31 December 2024 (Benchmark Group). The Benchmark Group comprised fifty companies.

8.1. Executive remuneration

The results of the benchmarking review for Executive Remuneration are summarised as follows:

(i) Fixed remuneration for each of the Executive Chair, CEO and Managing Director and the Chief Financial Officer for FY24 was below the 25th percentile for the Benchmark Group.

(ii) Total Remuneration for each of the Executive Chair, CEO and Managing Director and the Chief Financial Officer for FY24 was below the 25th percentile for the Benchmark Group.

Taking into consideration the outcomes of the benchmarking review the Nomination and Remuneration Committee and the Board determined to adjust the BRE Executive Remuneration framework as follows:

(i) Maximum total remuneration is to be between the median and 75th percentile maximum total remuneration for the Benchmark Group.

(ii) The remuneration mix for Executives is to be weighted toward "at risk" elements aligning with BRE's short-term goals and longer-term strategic objectives that are developed with the aim of driving value creation for shareholders. In determining the remuneration mix for Executives greater emphasis is to be placed on long-term incentives reflecting the expected timeframes required to achieve the strategic objectives of the Company.

Remuneration Report continued

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The proposed Executive Remuneration for FY25 is summarised below:

	FR	STI[1]	LTI[2]	TR	% performance related
Executive Chair					
2025	$290,000	$290,000	$580,000	$1,160,000	75%
CEO & Managing Director					
2025	$490,000	$735,000	$1,470,000	$2,695,000	82%
Chief Financial Officer					
2025	$290,000	$290,000	$222,000	$802,000	64%

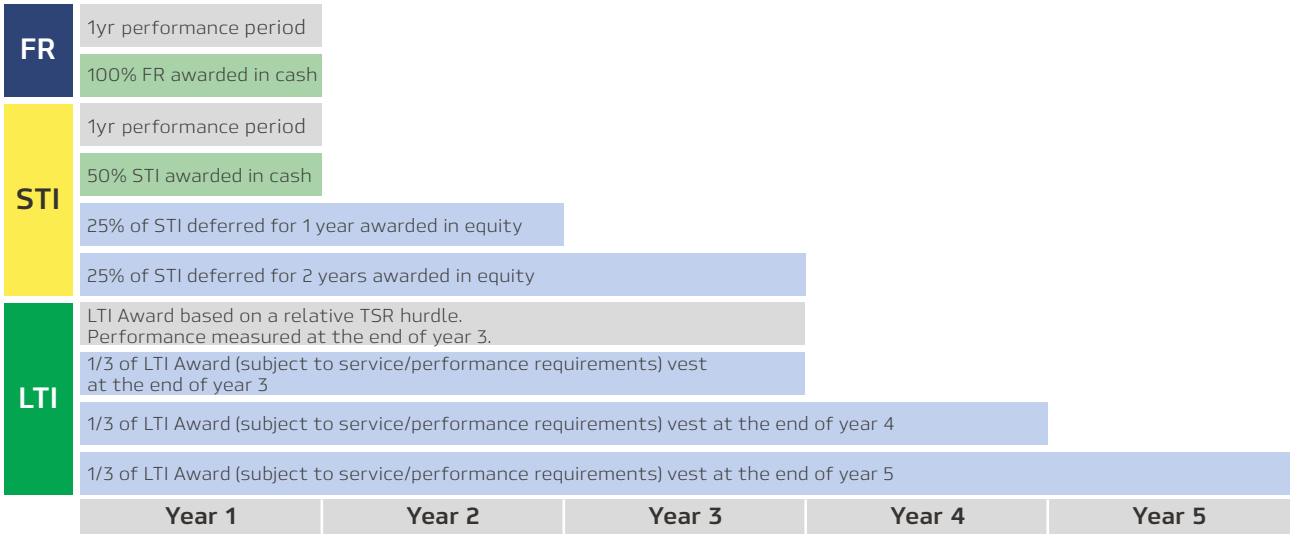
1. STI awards will be settled as follows:
   (i) 50% will be settled in cash at the end of the performance period.
   (ii) 25% will be settled in equity awards issued under the EIP that vest 12 months after the end of the performance period.
   (iii) 25% will be settled in equity awards issued under the EIP that vest 12 months after the end of the performance period.

2. It is proposed that the LTI awards will comprise Options issued under the EIP. The Options will vest based on the following vesting thresholds:
   (i) BRE's relative total shareholder return (rTSR) against the S&P/ASX Small Ordinaries Resources Index over a three year measurement period as follows:
      (a) If BRE's three year rTSR is less than the 50th percentile rTSR for the peer group no LTI awards will pass the first vesting threshold.
      (b) If BRE's three year rTSR is equal to the 50th percentile rTSR for the peer group 50% of the LTI awards will pass the first vesting threshold.
      (c) If BRE's three year rTSR is equal to the 80th percentile rTSR for the peer group 100% of the LTI awards will pass the first vesting threshold.
      (d) If BRE's three year rTSR is greater than the 50th percentile rTSR for the peer group and less than the 80th percentile rTSR for the peer group 100% then a pro-rata percentage of the LTI awards will pass the first vesting threshold.
   (ii) Those LTI awards that pass the first vesting threshold will vest in accordance with the following vesting schedule:
      (a) One third will vest on the date at which the first vesting threshold is tested.
      (b) One third will vest on the first anniversary of the date at which the first vesting threshold is tested.
      (c) One third will vest on the second anniversary of the date at which the first vesting threshold is tested.

Remuneration Report continued

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The below graphic provides an overview of the FY25 remuneration framework:



8.2. Non-Executive Director remuneration

The results of the benchmarking review for Non-Executive Director remuneration are summarised as follows:

(i) Non-Executive Director fees were below the median for the Benchmark Group.

(ii) Sub-Committee Chair and Member fees were between the median and the 75th percentile for the Benchmark Group.

Having considered the results of the benchmarking review the Board and NRC have resolved to increase the Non-Executive Director fees by 5% to $94,500 per annum (including superannuation) effective from 1 January 2025. Sub-committee fees will remain unchanged.

The current fee pool of $350,000 for Non-Executive Directors was approved by shareholders on 1 September 2023. Following the appointment of Mr Noyrez as Non-Executive Director in FY24, there is minimal headroom to accommodate any future market-based adjustments to Non-Executive Director remuneration or to allow for the appointment of additional high-calibre directors to the Board.

Whilst there are no current proposals to appoint additional Non-Executive Directors, raising the aggregate fee pool limit will allow BRE to accommodate new board appointments possessing skills, experience and expertise that would complement and add to the current Board skill set.

The Board intends to seek shareholder approval to raise the aggregate fee pool for Non-Executive Directors to A$600,000.

Remuneration Report continued

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9. Remuneration governance

9.1. Roles and responsibilities

The Board has overall accountability for the oversight of the Company's remuneration approach for Executive KMP and NEDs, having regard to the recommendations made by the NRC. The NRC reviews and makes recommendations to the Board on remuneration and at-risk remuneration policies, taking into account the Company's strategic objectives, corporate governance principles, market practice and stakeholder interests.

The diagram below shows the Company's remuneration governance framework, the key responsibilities of the Board, NRC and management.

Board

The Board is responsible for:

- Appointing, monitoring and managing the performance of the Company's Executive Directors and senior management
- Determining the remuneration, monitoring the performance and succession planning of NEDs and Executive KMP
- Viewing and approving the performance of individual Board members and senior executives as well as any policies concerned with the remuneration of any employee

Nomination and Remuneration Committee (NRC)

The NRC is responsible for:

- Reviewing and advising the Board on the composition of the Board and its committees
- Advising on the process of recruitment, appointment and re-election of directors
- Reviewing the performance of the Board, the Chairperson, the executive KMP and other individual members of the Board
- Ensuring proper succession plans are in place for consideration by the Board
- Assisting the Board with the establishment of remuneration policies and practices for the Company's CEO & MD, senior managers and staff, as well as to ensure director compensation is fair and current
- Evaluating the competencies required of prospective executive KMP, identify those prospective directors and establish their degree of independence

Management

Management provides relevant information and analysis required to support decision making, this includes for remuneration related considerations

External Consultants

The NRC may engage external advisors to obtain relevant information and an external perspective regarding remuneration related matters

9.2. Use of remuneration consultants

During FY24, the Company engaged with external consultants but did not receive any remuneration recommendations as defined in section 9B of the *Corporations Act 2001*.

Remuneration Report continued

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9.3. Other provisions

Term	Description
Malus policy	The Board may in its absolute discretion deem that all unvested incentives held by a current or former participant will be automatically forfeited in a number of circumstances including where the participant acts fraudulently or dishonestly, wilfully breaches his or her duties, brings the Company, its business or reputation into disrepute, acts contrary to the interest of the Company, or commits a material breach of their employment contract or services contract, the Company's policies or applicable laws.
Hedging policy	Executives and NEDs are prohibited from hedging their exposure to unvested Company equity instruments. Executives and NEDs may subject to approval by the Chair (or the Board in the case of the Chair), hedge their exposure to vested Company equity instruments which are not subject to a holding lock.
Security trading policy	The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities by its KMP (i.e., Directors and the senior management). The policy generally provides that the written acknowledgement of the Chair (or the Board in the case of the Chair) must be obtained prior to trading.

10. Additional statutory disclosures

10.1. Executive remuneration

The table below provides the statutory remuneration disclosures for Executives who were in FY24. Amounts are prepared in accordance with Australian Accounting Standards.

		Short-term benefits			Post-employment benefits	Share-based payments[1]			
Executive KMP	Year	Salary & Fees A$	Non-monetary benefits A$	STI Award (Cash) A$	Superannuation A$	STI Award A$	Long-term incentives[1] A$	Total A$	% performance related
Todd Hannigan	FY24	251,687	–	112,000	28,313	70,000	826,375	1,288,375	78%
	FY23	252,252	–	560,000[2]	27,197	-	250,878	1,090,327	74%
Bernardo da Veiga	FY24	435,996	19,462[3]	261,600	–	163,500	1,101,811	1,982,369	77%
	FY23	435,996	11,354[3]	1,090,000[4]	–	-	334,496	1,861,846	76%
Stephen Kelly[5]	FY24	–	–	–	–	-	–	–	–%
	FY23	101,750		80,000	–	-	83,611	265,361	62%
Renato Gonzaga[6]	FY24	172,784		84,503	–	52,814	275,422	585,523	70%
	FY23	–	–	–	–	-	–	–	
Total	FY24	860,467	19,462	458,103	28,313	286,314	2,203,608	3,856,267	76%
	FY23	789,998	11,354	1,730,000	27,197	-	668,985	3,227,534	74%

1. Options were granted in 2023 as LTI's and in 2024 a portion of the STI Awards is intended to be settled by the issue of Options (refer Section 4.2 of this Remuneration Report for further information). The amounts disclosed in the table above relate to the non-cash value ascribed to the Options under Australian Accounting Standards using the Black Scholes and Monte Carlo valuation methodologies and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the Options allocated to this reporting period. This includes negative amounts where a share-based payment expense is reversed due to a non-market-based performance condition not being met or if an adjustment is made to the number of Options that may vest based on a probability of meeting non-market based performance conditions.
2. In 2023, Mr Hannigan was paid an STI Bonus of A$280,000 and an IPO Bonus of A$280,000.
3. Dr da Veiga is provided the use of a fully maintained motor vehicle by BRE. The value of this benefit comprises expenses incurred by BRE in providing, operating and maintaining the motor vehicle including depreciation, insurance and registration.
4. In 2023 Dr da Veiga was paid an STI Bonus of A$654,000 and an IPO Bonus of A$436,000.
5. Mr Kelly provided Company Secretarial and CFO services to the Company. Mr Kelly was considered a KMP in 2023 but effective 1 January 2024 his KMP role was assumed by Mr Gonzaga following completion of the IPO.
6. Mr Gonzaga was appointed Group Chief Financial Officer on 17 September 2024 having previously served as Chief Financial Officer Brazil. Mr Gonzaga assumed Mr Kelly's role as KMP effective 1 January 2024 after completion of the Company's IPO.

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10.2. NED remuneration

The table below provides the statutory remuneration disclosures for NEDs in FY24. Amounts are prepared in accordance with Australian Accounting Standards.

		Short-term benefits		Post-employment benefits	Share-based payments	
NED	Financial year	Board and Committee fees A$	Other fees A$	Super-annuation A$	Options[1] A$	Total A$
Kristie Young	2024	110,000	–	12,375	189,144	311,519
	2023	71,667	–	7,750	66,408	145,825
Camila Ramos	2024	109,025[2]	–	–	189,144	298,169
	2023	30,517	–	–	66,408	96,925
Eric Noyrez	2024	63,700[2]	137,633[3]	–	–	201,333
	2023	–	–	–	–	–
Total	2024	282,725	137,633	12,375	378,288	811,021
	2023	102,184	–	7,750	132,816	242,750

1. Options were granted to Ms Young and Ms Ramos in 2023 as part of their remuneration package. The amount disclosed in the table above relates to the non-cash value ascribed to the Options under Australian Accounting Standards using the Black Scholes valuation methodology and allocated to each reporting period evenly over the period from grant date to vesting date. The value disclosed is the portion of the fair value of the Options allocated to this reporting period. This includes negative amounts where a share-based payment expense is reversed due to a non-market-based performance condition not being met or if an adjustment is made to the number of Options that may vest based on a probability of meeting non-market-based performance conditions.
2. Board and Committee fees for Ms Ramos and Mr Noyrez are grossed up to reflect superannuation contributions that would have been payable to them if they were residents of Australia.
3. Mr Noyrez was appointed as a Non-Executive Director on 3 June 2024. In addition to Board and Committee Fees, Mr Noyrez received fees for additional of €12,000 per month for consulting and advisory services provided to Executive Management utilizing Mr Noyrez's deep technical knowledge of the rare earths industry.

10.3. Options issued as compensation during FY24

During 2024 no options over ordinary shares were issued as compensation under the Employee Incentive Plan.

Remuneration Report continued

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10.4. Options vested, lapsed or forfeited during FY24

The table below discloses the status as at 31 December 2024 of Options granted to KMP in prior financial years. Options do not carry any voting or dividend rights and can only be exercised once the vesting conditions have been met.

Name	Financial year options granted	Options awarded during the year	Grant date	Vesting date	Options vested during the year	Fair value of Options vested during the year[1] A$	Options forfeited/ lapsed during the year
Kristie Young	FY23	88,900	01/09/2023	21/12/2024	88.900	197,229	–
		88,900	01/09/2023	21/12/2025	–	–	–
		88,725	01/09/2023	21/12/2026	–	–	–
Camila Ramos	FY23	88,900	01/09/2023	21/12/2024	88,900	197,229	–
		88,900	01/09/2023	21/12/2025	–	–	–
		88,725	01/09/2023	21/12/2026	–	–	–
Todd Hannigan	FY23	860,650	01/09/2023	30/08/2028	–	–	–
		860,650	01/09/2023	21/12/2026	–	–	–
		573,825	01/09/2023	21/12/2027	573,825	1,566,542	–
		573,650	01/09/2023	30/08/2028	573,650	1,623,430	–
Bernardo da Veiga	FY23	1,147,650	01/09/2023	30/08/2028	–	–	–
		1,147,475	01/09/2023	21/12/2026	–	–	–
		764,925	01/09/2023	21/12/2027	764,925	2,088,245	–
		764,925	01/09/2023	30/08/2028	764,925	2,164,738	–
Renato Gonzaga	FY23	287,000	01/09/2023	30/08/2028	–	–	–
		287,000	01/09/2023	21/12/2026	–	–	–
		191,100	01/09/2023	21/12/2027	191,100	521,703	–
		191,100	01/09/2023	30/08/2028	191,100	540,813	–

1. Represents the number of Options that vested multiplied by the closing price of BRE shares on the date of vesting.

10.5. Shares issued on exercise of Options

During FY24, 191,100 Options previously issued as remuneration were exercised. The fair value of those options at the time of exercise measured as the market value of the shares acquired on exercise of the Options was $493,038.

10.6. KMP option holdings

The table below outlines the Options held by KMP in FY24.

	Balance at 1 January 2024	Granted as remuneration	Options exercised	Other changes	Balance at 31 December 2024	Vested and exercisable
Kristie Young	266,525	–	–	–	266,525	88,900
Camila Ramos	266,525	–	–	–	266,525	88,900
Bernardo da Veiga	3,824,975	–	–	–	3,824,975	1,529,850
Todd Hannigan	2,868,775	–		–	2,868,775	1,147,475
Renato Gonzaga	956,200	–	–	–	956,200	382,200
Eric Noyrez	–	–	–	–	–	–
Total	**8,183,000**	**–**	**–**	**–**	**8,183,000**	**3,237,325**

Remuneration Report continued

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10.7. KMP shareholdings

The table below outlines the shares held by KMP in FY24.

	Balance at 1 January 2024	Disposals	Issued on exercise of Options	Other changes	Balance at 31 December 2024
Kristie Young	41,518	–	–	–	41,518
Camila Ramos	–	–	–	–	–
Bernardo da Veiga	17,586,625	–	–	–	17,586,625
Todd Hannigan	24,577,875	–	–	–	24,577,875
Eric Noyrez	–		–	–	–
Renato Gonzaga	–	–	–	–	–
Total	**42,206,018**	**–**	**–**	**–**	**42,206,018**

10.8. Other transactions

Other than the transactions described below, there were no loans or other transactions between the Company and any KMP and their related parties in FY24.

Transactions with Alpha Minerals Pty Ltd and its related entities

Bernardo da Veiga is a director of BRE and is also a Director of Alpha Minerals Pty Ltd ("Alpha"). The Group and Alpha also have a number of common shareholders. The Group and Alpha have engaged in the following transactions:

(i) The Group hires, on an arm's length basis, mobile plant and equipment including a drill rig, backhoe and truck, for use in the Group's exploration programs. The total rental fees paid by the Group to Alpha during the year was A$1,253,823 (2023: A$1,416,809).

(ii) Alpha provides technical and administrative support to the Group. The total fees paid to Alpha for these services during the year was A$180,578 (2023: A$181,836).

(iii) As at 31 December 2024, the Group had receivables of A$42,755 from Alpha and payables of A$115,355 to Alpha (2023: receivables of A$Nil and payables of A$136,430).

Transactions with Rare Earths Americas Limited and its related entities

Bernardo da Veiga is a director of BRE and is also a Director of Rare Earths Americas Limited ("REA"). The Group and REA also have a number of common shareholders. The Group and REA have engaged in the following transactions:

(i) In FY24, the Brazilian subsidiary of REA sold various items of drilling consumables and office equipment to BRE for cash consideration of A$123,318. The items were sold to BRE at cost less accumulated depreciation for applicable items.

(ii) As at 31 December 2024 the Group did not have any amounts receivable from or payable to REA.

10.9. Voting and comments made at BRE's 2024 Annual General Meeting

BRE's remuneration report for the financial year ended 31 December 2023 received unanimous shareholder support at the Annual General Meeting held on 31 May 2024 (AGM). BRE received no specific feedback on its Remuneration Report at the AGM.

End of Remuneration Report

Directors' Report continued

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The Directors' report is signed in accordance with a resolution of Directors made pursuant to section 298(2) of the *Corporations Act 2001*.

On behalf of the Directors.



Bernardo da Veiga
Managing Director/CEO

Sydney
31 March 2025

Consolidated Entity Disclosure Statement

For the year ended 31 December 2024

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Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 *Consolidated Financial Statements*.

		Body Corporates		Tax Residency	
Name	Type of entity	% share capital	Country of incorporation	Australian resident or foreign resident	Foreign jurisdiction of foreign residents
Brazilian Rare Earths Limited	Body corporate	n/a (Parent entity)	Australia	Australian	n/a
Borborema Recursos Minerais Ltda	Body corporate	100%	Brazil	Foreign resident	Brazil
Jequié Mineração Ltda	Body corporate	100%	Brazil	Foreign resident	Brazil
Ubaíra Mineração Ltda	Body corporate	100%	Brazil	Foreign resident	Brazil
Alta Materials Pty Ltd	Body corporate	100%	Australia	Australian	n/a
Cronos Material Pty Ltd	Body corporate	100%	Australia	Australian	n/a
Brazilian Rare Earths UK Ltd	Body corporate	100%	United Kingdom	Foreign resident	United Kingdom

At the end of the financial year, no entity within the consolidated entity was a trustee of a trust within the consolidated entity, a partner in a partnership within the consolidated entity, or a participant in a joint venture within the consolidated entity.

Determination of tax residency

Section 295 (3A)(vi) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves a judgement as there are different interpretations that could be adopted, and which could give a different conclusion on tax residency.

In determining tax residency, the conciliated entity has applied the following interpretations:

Australian tax residency

- The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax ruling TR 2018/5.

Foreign tax residency

- Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with (see section 295(3A)(vii) of the *Corporations Act 2001*).

Auditor's Independence Declaration

Under Section 307c of the *Corporations Act 2001*

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HALL CHADWICK

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Brazilian Rare Earths Ltd for the financial year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully,

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D M BELL FCA
Director

Dated this 31st day of March 2025
Perth, Western Australia

Independent Member of PrimeGlobal
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2024

	Note	2024 A$	2023 A$
Revenue and other income			
Finance income		2,684,861	253,352
Other income	6	–	24,960
Revenue and other income		**2,684,861**	**278,312**
Consultancy expenses (legal, audit and compliance)		(334,335)	(161,057)
Depreciation expense	7(a)	(16,887)	(8,639)
Exploration and evaluation expenses	7(b)	(41,924,100)	(33,818,436)
Finance costs	7(c)	(8,981)	(30,937,734)
Gain/(Losses) on foreign exchange	7(a)	(7,555)	500,253
General and administrative expenses		(545,088)	(88,724)
Initial public offering costs not capitalised		–	(1,020,476)
Remuneration expenses		(2,296,313)	(2,768,460)
Share based payments expenses	7(d)	(3,132,741)	(969,022)
Share registry, listing and public relations expenses		(493,583)	(87,301)
Operating loss before income tax		**(46,074,722)**	**(69,081,284)**
Income tax expense		–	–
Loss for the period		**(46,074,722)**	**(69,081,284)**
Other comprehensive income/(loss)			
Items that may be reclassified to the profit or loss			
Exchange differences on translation of foreign operations	16(b)	(924,199)	453,762
Comprehensive loss for the period		**(46,998,921)**	**(68,627,522)**

Earnings per share for loss attributable to the ordinary equity holders of the Group:		Cents	Cents
Basic earnings per share	24	(19.76)	(36.94)
Diluted earnings per share	24	(19.76)	(36.94)

The accompanying notes form part of these financial statements.

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Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 A$	2023 A$
CURRENT ASSETS			
Cash and cash equivalents	8	81,685,609	48,844,019
Trade and other receivables	9	1,358,739	120,671
Other assets	10	1,248,479	432,070
TOTAL CURRENT ASSETS		**84,292,827**	**49,396,760**
NON-CURRENT ASSETS			
Other assets	10	450,180	540,712
Property, plant and equipment	11	1,351,188	1,457,956
TOTAL NON-CURRENT ASSETS		**1,801,368**	**1,998,668**
TOTAL ASSETS		**86,094,195**	**51,395,428**
CURRENT LIABILITIES			
Trade and other payables	12	4,196,132	4,797,910
Deferred consideration for acquisition of tenements	13	–	7,330,218
Provisions		107,467	34,601
TOTAL CURRENT LIABILITIES		**4,303,599**	**12,162,729**
NON-CURRENT LIABILITIES			
Deferred consideration for acquisition of tenements	13	–	3,412,949
TOTAL NON-CURRENT LIABILITIES		**–**	**3,412,949**
TOTAL LIABILITIES		**4,303,599**	**15,575,678**
NET ASSETS		**81,790,596**	**35,819,750**
EQUITY			
Issued Capital	15	202,083,629	112,246,603
Reserves	16	3,609,163	1,400,621
Accumulated losses		(123,902,196)	(77,827,474)
TOTAL EQUITY		**81,790,596**	**35,819,750**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

2024	Share Capital A$	Share based payment reserve A$	Foreign Exchange Translation Reserve A$	Accumulated Losses A$	Total A$
Balance at 1 January 2024	**112,246,603**	**999,272**	**401,349**	**(77,827,474)**	**35,819,750**
Comprehensive income:					
- Loss for the year	–	–	–	(46,074,722)	(46,074,722)
- Foreign currency translation difference	–	–	(924,199)	–	(924,199)
Total comprehensive loss for the year	–	–	(924,199)	(46,074,722)	(46,998,921)
Transactions with owners in their capacity as owners:					
- Issue of equity securities	93,120,003	–	–	–	93,120,003
- Share issue costs	(3,282,977)	–	–	–	(3,282,977)
- Share based payments	–	3,132,741	–	–	3,132,741
Total transactions with owners	89,837,026	3,132,741	–	–	92,969,767
Balance at 31 December 2024	**202,083,629**	**4,132,013**	**(522,850)**	**(123,902,196)**	**81,790,596**

2023	Share Capital A$	Share based payment reserve A$	Foreign Exchange Translation Reserve A$	Accumulated Losses A$	Total A$
Balance at 1 January 2023	**7,241,829**	**30,250**	**(52,413)**	**(8,746,190)**	**(1,526,524)**
Comprehensive income:					
- Loss for the year	–	–	–	(69,081,284)	(69,081,284)
- Foreign currency translation difference	–	–	453,762	–	453,762
Total comprehensive loss for the year	–	–	453,762	(69,081,284)	(68,627,522)
Transactions with owners in their capacity as owners:					
- Issue of equity securities	106,810,229	–	–	–	106,810,229
- Share issue costs	(1,805,455)	–	–	–	(1,805,455)
- Share based payments	–	969,022	–	–	969,022
Total transactions with owners	105,004,774	969,022	–	–	105,973,796
Balance at 31 December 2023	**112,246,603**	**999,272**	**401,349**	**(77,827,474)**	**35,819,750**

The accompanying notes form part of these financial statements.

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Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	2024 A$	2023 A$
CASH FLOW FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(30,954,297)	(16,566,754)
Payments for tenement acquisitions		(12,599,824)	–
Finance costs paid		(8,981)	(2,229,556)
Other income		–	–
Interest received		1,703,754	253,352
Net cash used in operating activities	23(a)	**(41,859,348)**	**(18,542,958)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(426,933)	(1,669,048)
Net cash used in investing activities		**(426,933)**	**(1,669,048)**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		80,000,003	50,000,000
Proceeds from issue of convertible notes		–	1,000,000
Share issue costs		(4,691,180)	(356,728)
Net cash provided by financing activities		**75,308,823**	**50,643,272**
Net increase in cash held		33,022,542	30,431,266
Cash and cash equivalents at beginning of year		48,844,019	18,430,214
Effects of exchange rate fluctuations on cash and cash equivalents		(180,952)	(17,461)
Cash and cash equivalents at end of year	23(a)	**81,685,609**	**48,844,019**

The accompanying notes form part of these financial statements.

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Notes to the Financial Statements

For the financial year ended 31 December 2024

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1. General information

Brazilian Rare Earths Limited ("BRE" or "Company") is an Australian public company whose shares are listed on the Australian Securities Exchange (ASX). BRE's registered office and principal place of business is Level 2, 477 Pitt Street, Haymarket NSW 2000.

The entity's principal activity during the year was exploring for rare earth elements and other critical minerals in the Rocha da Rocha province in the state of Bahia in Brazil.

2. Statement of compliance

The financial statements comprise the consolidated financial statements of BRE and its subsidiaries (collectively "Group"). The Group is a for-profit entity for the purpose of preparing the financial statements.

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. These financial statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board.

Except for cash flow information, the financial report has been prepared on an accruals basis, based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The financial report was authorised for issue by the Board of Directors of the Company on 31 March 2025.

3. Application of new and revised accounting standards

BRE has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the year commenced 1 January 2024. The adoption of these new and revised accounting standards and interpretations did not have any material effect on the financial results or financial position of the Group or BRE for the reporting period.

The Directors do not consider that the adoption of any new standards and Interpretations in issue but not yet effective at the date of these financial statements will have a material impact on the financial statements of the Group.

Notes to the Financial Statements continued

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4. Material accounting policies

(a) Basis of preparation

The consolidated general purpose financial statements have been prepared on the basis of historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB2.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurement are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Basis of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of BRE as at 31 December 2024 and the results of all subsidiaries for the year then ended. BRE and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In BRE's statement of financial position, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of the investments, the difference between disposal proceeds and the carrying amount of the investments is recognised in profit or loss.

Notes to the Financial Statements continued

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4. Material accounting policies continued

(c) Foreign currency

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group are presented in Australian dollars, which is BRE's functional and presentation currency.

Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign operations and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements.

Translation of group entities' financial statements

The results and financial position of all group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from BRE's presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the date of the Statement of Financial Position;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

Notes to the Financial Statements continued

For personal use only

4. Material accounting policies continued

(d) Income Tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit). Current income tax expense/(benefit) charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense/(benefit) reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(benefit) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

(e) Exploration and evaluation expenditure

Exploration and evaluation costs, including the costs of acquiring mineral exploration licences, are expensed in the statement of profit or loss when incurred.

(f) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits with consideration given to employees' wages increases and the probability that the employees may satisfy vesting requirements. Those cash flows are discounted using market yields on corporate bonds with terms to maturity that match the expected timing of cash flows attributable to the employee benefits.

Notes to the Financial Statements continued

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4. Material accounting policies continued

(g) Share based compensation

The Group operates equity-settled share based remuneration plans for eligible participants including Directors, employees, contractors and consultants.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values.

Where employees are rewarded using share-based payments, the fair value of the employees services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All share-based remuneration is ultimately recognised as an expense in profit or loss. If vesting periods or other vesting conditions apply, the expense is allocated over the estimated vesting period at the grant date, based on the best available estimate of the number of equity instruments expected to vest.

Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to become exercisable. Estimates are subsequently revised if there is any indication the number of equity instruments expected to vest differs from previous estimates. The revised estimated expense is allocated over the estimated vesting period at the grant date with any adjustment to cumulative share-based compensation resulting from a revision is recognised in the current period.

Where the fair value of services rendered by other parties can be reliably determined, this is used to measure the equity settled payment.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts.

(i) Financial assets

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date which is, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Group classifies its financial assets based on the Group's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Group's financial assets which comprise other receivables and cash and cash equivalents are classified at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Notes to the Financial Statements continued

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4. Material accounting policies continued

(i) Financial assets continued

Impairment

The Group recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset, and the net amount presented on the balance sheet when, and only when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(j) Financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial liabilities are initially measured at fair value, and where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss. Transaction costs that are directly attributable to the assumption of financial liabilities (other than financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liability on initial recognition. Transaction costs directly attributable to acquisition of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method except for derivatives and financial liabilities designated as fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derivative financial instruments are accounted for at fair value through profit or loss.

(k) Revenue recognition

Revenues are recognised at fair value of the consideration received net of any applicable taxes.

Interest revenue is recognised as it accrues taking into account the interest rates applicable to the financial assets.

(l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST (or equivalent taxes in other jurisdictions), except where the amount of GST incurred is not recoverable from the relevant taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the relevant taxation authority is included in other receivables or payables in the Statement of Financial Position. Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Notes to the Financial Statements continued

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4. Material accounting policies continued

(m) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Consolidated Statement of Profit or Loss and Other Comprehensive Income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use. The expected useful life for plant and equipment is 3 to 10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(n) Leases as lessee

The Group makes use of leasing arrangements principally for the hire of motor vehicles and drilling equipment and the provision of office and warehouse facilities. The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

All leases entered into by the Group are short-term leases or leases of low-value assets.

The Group has elected to account for short-term leases and leases of low-value assets by recognising lease payments as an expense in profit or loss on a straight-line basis over the lease term.

(o) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incurs expenses, including revenues and expenses that relate to transactions with other components of the Group. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors.

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5. Key sources of estimation uncertainty and critical accounting judgements

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results. Information about significant judgements, estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

(a) Share based payments

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value at grant date is determined using an option pricing model that takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, and the risk-free interest rate for the term of the option.

The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions but excludes the impact of any service and non-market performance vesting conditions and the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the estimated vesting period at the grant date, which is the period over which it is estimated that all of the specified vesting conditions will be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity (refer Note 16).

(b) Deferred tax assets

No members of the Group have generated taxable income in the current or prior reporting periods and as such the Group continues to carry forward tax losses that give rise to deferred tax assets. Given that the Group's projects remain in early exploration stages, it is unlikely that the Group will generate taxable income in the foreseeable future in the absence of asset sales.

Taking account of the above, the deferred tax assets have not been recognised in the financial statements as management does not believe that the members of the Group satisfy the criteria set out in paragraph 35 of AASB 112.

6. Other income

	2024 A$	2023 A$
Gain on disposal property, plant and equipment	–	24,960
Total other income	**–**	**24,960**

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7. Expenses

	2024 A$	2023 A$
(a) Loss before tax includes the following specific expenses:		
Short-term remuneration expenses	2,296,313	2,711,160
Superannuation expense	52,689	43,300
Gains/(losses) on foreign exchange comprise		
Realised gains/(losses) on foreign exchange	(8,260)	(27,161)
Unrealised gains/(losses) on foreign exchange	705	527,414
Foreign exchange gains/(losses)	**(7,555)**	**500,253**
Depreciation expense comprises:		
Depreciation of plant and equipment (refer note 11)	505,050	324,421
Depreciation included in exploration and evaluation expense (refer note 11)	(488,163)	(315,782)
Depreciation expense	**16,887**	**8,639**
(b) Exploration and evaluation expense comprise:		
Costs to acquire mineral exploration tenements	14,667,988	21,636,175
Operational exploration expenses	27,256,112	12,182,261
Total exploration and evaluation expense	**41,924,100**	**33,818,436**
Costs to acquire mineral exploration tenements comprises:		
Acquisition of the Sulista Project##	14,667,988	–
Acquisition of Amargosa tenements from Rio Tinto	–	14,250,013
Acquisition of Alpha Tenements from Rare Earths Americas Pty Ltd	–	7,386,162
Total exploration and evaluation expense	**14,667,988**	**21,636,175**
(c) Finance costs comprise:		
Interest expense on convertible notes^^	–	2,044,033
Change in fair value of derivative financial liability^^	–	28,242,132
Convertible note transaction costs	–	579,000
Other	8,981	72,569
Total finance costs	**8,981**	**30,937,734**
(d) Share based payments expense comprise:		
Options issued as remuneration (refer Note 16)	3,132,741	969,022
Total share based payments expense	**3,132,741**	**969,022**

Consideration paid by the Group to acquire the Sulista rare earths exploration project comprised cash consideration of A$1,547,988 and the issue of 8,000,000 fully paid ordinary shares in BRE with a fair value of $13,120,000 (being the Company's share price of A$1.64 per share at the date of execution of the option agreement to acquire the Sulista Project).

^^ In December 2022 the Company issued 21,432,834 convertible notes with a face value of A$1 per convertible note and an interest rate of 10% per annum. On 15 December 2023 the convertible note liability and the associated derivative financial liability were settled in full through the issue by the Company of 33,621,814 fully paid ordinary shares at a conversion price of A$0.638712 per convertible note. Further information regarding the convertible note liability and the associated derivative financial liability is provided in the Group's annual financial statements for the year ended 31 December 2023.

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8. Cash and cash equivalents

	2024 A$	2023 A$
Cash at bank	**81,685,609**	**48,844,019**

9. Trade and other receivables

	2024 A$	2023 A$
GST and other taxes receivable	258,075	116,190
Related party receivable	47,191	4,481
Interest receivable	981,107	–
Other receivables	72,366	–
Trade and other receivables – current	**1,358,739**	**120,671**

10. Other assets

	2024 A$	2023 A$
Current		
Prepayments	1,182,381	432,070
Other assets	66,098	–
	1,248,479	**432,070**
Non-Current – prepayments	**450,180**	**540,712**

11. Property, plant and equipment

	Field Equipment A$	Motor Vehicles A$	Office and IT Equipment A$	Total A$
Carrying amount at 31 December 2022	**328,226**	**74,847**	**16,394**	**419,467**
Additions	1,630,638	86,838	36,374	1,753,850
Disposals	(364,418)	(62,397)	–	(426,815)
Depreciation *	(287,712)	(27,490)	(9,219)	(324,421)
Foreign exchange on restatement	25,615	9,625	635	35,875
Carrying amount at 31 December 2023	**1,332,349**	**81,423**	**44,184**	**1,457,956**
Additions	145,768	17,391	263,774	426,933
Depreciation*	(463,334)	(13,167)	(28,549)	(505,050)
Foreign exchange on restatement	(29,775)	5,006	(3,882)	(28,651)
Carrying amount at 31 December 2024	**985,008**	**90,653**	**275,527**	**1,351,188**

* Depreciation of exploration property, plant and equipment totalling $488,163 (December 2023: $315,782), has been disclosed as exploration and evaluation expense in the Consolidated Statement of Profit or Loss (refer note 7(a)).

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12. Trade and other payables

	2024 A$	2023 A$
Trade payables	1,267,850	2,141,067
Other payables and accruals	2,928,282	2,656,843
Trade and other payables	**4,196,132**	**4,797,910**

Trade payables are unsecured, non-interest bearing and due 30 days or less from the date of recognition.

13. Deferred consideration for acquisition of tenements

	2024 A$	2023 A$
Current – Amargosa tenement acquisition	**–**	**7,330,218**
Non-Current – Amargosa tenement acquisition	**–**	**3,412,949**

On 20 October 2023, BRE and its wholly owned subsidiary Borborema Recursos Minerais Ltda (**Borborema**) executed an agreement to purchase mineral exploration tenements referred to as the Amargosa Tenements from Rio de Contas Desenvolvimentos Minerais Ltda (Rio Tinto Brazil), a wholly owned subsidiary of Rio Tinto for cash consideration of US$9.328 million.

The cash consideration of US$9.328 million was payable in the following instalments:

(i) A first instalment of US$2 million, less a down payment of US$0.1 million was paid on 20 October 2023.

(ii) On 1 February 2024, BRE accelerated payment of the second and third instalments totalling US$7.238 million to complete the acquisition of the Amargosa Tenements.

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14. Income tax

(a) The components of income tax expense comprise	2024 A$	2023 A$
Current tax	–	–
Under/(over) provision in prior years (current tax)	–	–
Total income tax benefit/(expense)	**–**	**–**

(b) Reconciliation of income tax expense to prima facie income tax	2024 A$	2023 A$
Loss before income tax from continuing operations	**(46,074,722)**	**(69,081,284)**
Tax at the Australian tax rate of 25% (2023:25%)	(11,518,681)	(17,270,321)
Tax effect of:		
Non-deductible share based payments expenses	783,185	242,256
Non-deductible change in fair value of derivative financial liability	–	7,060,533
Non-deductible consideration for tenement acquisitions	3,280,000	–
Other non-deductible expenses	73,895	2,101,659
Deductible borrowing costs	(230,745)	(140,884)
Transfer to/(utilisation of) tax losses available not brought to account	7,612,346	8,006,757
Total income tax benefit/(expense)	**–**	**–**

(c) Deferred Tax Asset/liabilities comprise	2024 A$	2023 A$
Accruals	239,673	620,580
Prepayments	(486,688)	(312,849)
Provisions	29,553	9,515
Tax losses available for offset against future taxable income	19,663,924	10,831,128
Net deferred tax assets	**19,446,462**	**11,148,374**
Deferred assets not recognised	(19,446,462)	(11,148,374)
Recognised deferred tax assets	**–**	**–**

Deferred tax assets

The Group expects to have carried forward tax losses, which have not been recognised as deferred tax assets, as it is not considered sufficiently probable that these losses will be recouped by means of future profits taxable in the relevant jurisdictions. The utilisation of the tax losses is subject to the Group passing the required Continuity of Ownership and Same Business Test rules at the time the losses are utilised. Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary difference can be utilised.

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15. Issued capital and other equity

	2024 A$	2023 A$
Ordinary Shares fully paid	**202,083,629**	**112,246,603**

(a) Movements in ordinary shares

	31 December 2024		31 December 2023[1]	
Ordinary shares fully paid	**No.**	**A$**	**No.**	**A$**
Opening balance	**214,105,170**	**112,246,603**	**136,151,400**	**7,241,829**
Issue of shares – share placement	24,242,425	80,000,003	34,013,606	50,000,000
Issue of shares – tenement acquisition	8,000,000	13,120,000	5,024,600	7,386,162
Issue of shares – exercise of options	191,100	–	5,293,750	–
Issue of shares – conversion of convertible notes	–	–	33,621,814	49,424,067
Share issue costs	–	(3,282,977)	–	(1,805,455)
Closing balance	**246,538,695**	**202,083,629**	**214,105,170**	**112,246,603**

1. All numbers of ordinary shares in the year ended 31 December 2023 have been restated to reflect the effect of the 175 for one share split that occurred on 23 October 2023 as if the share split had occurred as at 1 January 2023.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(b) Movements in unlisted share options

	Zero exercise price options expiring 19 October 2023 No.	Zero exercise price options expiring 30 September 2026 No.
Number of options on issue at 1 January 2023	**–**	**5,293,750**
Options issued	10,095,400	–
Options exercised	–	(5,293,750)
Number of options on issue at 31 December 2023	**10,095,400**	**–**
Options issued	–	–
Options exercised	(191,100)	–
Number of options on issue at 31 December 2024	**9,904,300**	**–**

The weighted average exercise price of options on issue at 31 December 2024 was A$Nil (2023: A$Nil).

The weighted average remaining contractual life of options on issue at 31 December 2024 was 3.80 years (2023: 4.66 years).

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16. Reserves

	2024 A$	2023 A$
Share based payments reserve	4,132,013	999,272
Foreign currency translation reserve	(522,850)	401,349
Reserves	**3,609,163**	**1,400,621**

(a) Share based payments reserve

The share based payments reserve is used to recognise the fair value of share options and employee incentive rights granted.

Movement	2024 A$	2023 A$
Balance at beginning of period	**999,272**	**30,250**
Movement during the period	3,132,741	969,022
Balance at end of period	**4,132,013**	**999,272**

From time to time share-based compensation benefits are provided to directors, key management personnel and external service providers as part of their remuneration and incentive arrangements. The number of benefits awarded and the terms of those benefits are determined by the Board. Shareholder approval is sought where required.

During the 2024 and 2023 financial years movements in the share-based payments reserve were:

	2024 A$	2023 A$
Options issued to Executive Directors and management (i)	2,754,452	836,207
Options issued to Non-executive Directors (ii)	378,289	132,815
Movement in share based payments reserve during the period	**3,132,741**	**969,022**

The Company did not grant or issue any options in the year ended 31 December 2024.

In the year ended 31 December 2023, the Company issued the following options pursuant to the Company's Employee Incentive Plan.

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16. Reserves continued

(a) Share based payments reserve continued

(i) On 1 September 2023 BRE granted 9,562,350 zero price exercise options to executive Directors, officers, employees and contractors (Management Performance Options) under the Employee Incentive Plan with an expiry date of 19 October 2028 subject to the following vesting conditions:

Tranche	Number of options	Vesting Conditions	Vesting status at 31 December 2024
Tranche A	2,868,705	BRE announcing that it has been granted a Mining Concession (including trial mining) over an area which includes any part of the area of the tenements which BRE or any subsidiary (as defined in the Corporations Act) of BRE: (i) at the time of BRE's admission to the Official List of ASX (IPO), held a tenement ownership interest or was the applicant for; and (ii) holds a tenement ownership interest at the time of grant of the Mining Concession.	Unvested
Tranche B	2,868,705	Successful feasibility study (being measured by an internal rate of return greater than 25%) of one or more of BRE's minerals projects, prepared in accordance with the provisions of the JORC Code, being announced by BRE on or before the three-year anniversary of the IPO.	Unvested
Tranche C	1,912,470	Achieving, on or before the four-year anniversary of the IPO, a 60% increase in the Share price (compared to the price per share offered pursuant to the public offer under BRE's ASX IPO prospectus) measured upon the volume weighted average market price (as defined in the ASX Listing Rules) of Shares for a period of 20 consecutive trading days on which Shares are traded (disregarding any intervening days on which no trades occurred, if any).	Vested and exercisable
Tranche D	1,912,470	Achieving, a 90% increase in the Share price (compared to the price per share offered pursuant to the public offer under BRE's ASX IPO prospectus) measured upon the volume weighted average market price (as defined in the ASX Listing Rules) of Shares for a period of 20 consecutive trading days on which Shares are traded (disregarding any intervening days on which no trades occurred, if any).	Vested and exercisable

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16. Reserves continued

(a) Share based payments reserve continued

The fair value of the options at grant date was estimated using the Black Scholes or Monte Carlo valuation models, considering the terms and conditions upon which the options were granted. The following assumptions were used:

	Tranche A	Tranche B	Tranche C	Tranche D
Valuation methodology	Black Scholes		Monte Carlo	
Grant date	1 September 2023			
Expiry date	19 October 2028			
Iterations	n/a	n/a	100,000	100,000
Final vesting date	19 October 2028	21 December 2026	21 December 2027	19 October 2028
Estimated probability that options will vest	80%	70%	100%	100%
Exercise price (A$)	nil	nil	nil	nil
Assumed VWAP hurdle	N/a	N/a	A$2.35	A$2.79
Risk-free rate (%)	3.686%	3.686%	3.686%	3.686%
Volatility (%)	85%	85%	85%	85%
Dividend yield (%)	nil	nil	nil	nil
Assumed share price at grant date	A$1.47	A$1.47	A$1.47	A$1.47
Fair value per option	**A$1.18**	**A$1.03**	**A$1.34**	**A$1.29**

(ii) On 1 September 2023 BRE granted 533,050 zero price exercise options to Non-Executive Directors (Director Options) pursuant to the Employee Incentive Plan with an expiry date of 19 October 2028 and subject to the following vesting conditions:

Tranche	Number of options	Vesting Conditions	Vesting status
Tranche A	177,800	Continuing to be a Non-Executive Director on 21 December 2024	Vested and exercisable
Tranche B	177,800	Continuing to be a Non-Executive Director on 21 December 2025	Unvested
Tranche C	177,450	Continuing to be a Non-Executive Director on 21 December 2026	Unvested

Notes to the Financial Statements continued

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16. Reserves continued

(a) Share based payments reserve continued

The fair value of the options at grant date has been estimated using the Black Scholes valuation model, considering the terms and conditions upon which the options were granted. The following assumptions were used:

	Tranche A	Tranche B	Tranche C
Valuation methodology		Black Scholes	
Grant date		1 September 2023	
Expiry date		19 October 2028	
Vesting date	21 Dec 2024	21 Dec 2025	21 Dec 2026
Estimated probability that options will vest	100% (2023: 90%)	90% (2023: 80%)	80% (2023: 70%)
Exercise price (A$)	nil	nil	nil
Risk-free rate (%)	3.686%	3.686%	3.686%
Volatility (%)	85%	85%	85%
Dividend yield (%)	nil	nil	nil
Assumed share price at grant date	A$1.47	A$1.47	A$1.47
Fair value per option	**A$1.32**	**A$1.18**	**A$1.03**

(b) Foreign Exchange Translation Reserve

The foreign exchange translation reserve records exchange differences arising on translation of foreign controlled entities. Movements in the foreign exchange translation reserve during the 2024 and 2023 financial years were:

	2024 A$	2023 A$
Balance at beginning of period	**401,349**	**(52,413)**
Movement during the period	(924,199)	453,762
Balance at end of period	**(522,850)**	**401,349**

17. Capital management

Capital is comprised of the Group's shareholders' equity and any debt that it may issue. The Group's objectives when managing capital are to maintain financial strength and to protect its ability to fund its proposed exploration and development activities, to continue as a going concern, to maintain creditworthiness and to maximise returns for shareholders over the long term. The Group did not have any debt at 31 December 2024 (2023: Nil debt).

The Group's projects are in the exploration and evaluation phase and are currently non-revenue generating. As such, a major focus of the Board and management is on ongoing cash flow forecasting and management of cash flows to ensure that the Group has sufficient funds to cover its planned activities and any ongoing obligations.

18. Commitments for expenditures

Commitments for minimum exploration expenditure required to retain tenure on the Group's exploration tenements are:

	2024 A$	2023 A$
Less than one year	353,486	51,048
One to two years	336,872	–
More than two years	7,756	–
Commitments for expenditures	**698,114**	**51,048**

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19. Contingent liabilities

The directors are not aware of any other contingent assets or any contingent liabilities that are likely to have a material effect on the results of the Group as disclosed in these financial statements other than the following contingent liabilities:

(i) Royalty agreements

The Group has entered into Royalty Agreements with Brazil Royalty Corp Participações e Investimentos Ltda (**BRC**) granting BRC the right to receive 2.5% gross revenue royalty over 32 of the tenements comprising the BRE Tenements held by the Company or its wholly owned subsidiaries.

(ii) Contingent consideration in relation to acquisition of the Amargosa Tenements

On 19 October 2023 Borborema entered into the Amargosa Tenement Acquisition Agreement for the purchase of various mining rights referred to as the Amargosa Tenements from Rio de Contas Desenvolimentos Minerais Ltda (**Rio Tinto Brazil**), a subsidiary of Rio Tinto.

Under the terms of the agreement, in the event of the development of a bauxite mining project in the areas of the mining rights acquired from Rio Tinto Brazil, the Group is required to pay an amount of USD40 million to Rio Tinto Brazil within one year from the commencement of commercial production of that material.

(iii) Option to acquire Additional Amargosa Tenements

On 20 October 2023, Borborema entered into an agreement with Rio de Contas Desenvolimentos Minerais Ltda pursuant to which Borborema has the option to acquire an additional three exploration permits for a cash payment of the Brazilian Real equivalent of US$672,000.

20. Related parties

The Company considers that all transactions with related parties were conducted on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Note 4(b).

			Equity holding (%)	
Name of entity	Country of Incorporation	Class of shares	2024	2023
Borborema Recursos Minerais Ltda	Brazil	Ordinary	100%	100%
Jequié Mineração Ltda	Brazil	Ordinary	100%	100%
Ubaíra Mineração Ltda	Brazil	Ordinary	100%	100%
Alta Materials Pty Ltd	Australia	Ordinary	100%	100%
Cronos Materials Pty Ltd	Australia	Ordinary	100%	100%
Brazilian Rare Earths UK Ltd	United Kingdom	Ordinary	100%	100%

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20. Related parties continued

(b) Ultimate Parent

BRE is the ultimate parent entity of the Group.

(c) Key management personnel

The aggregate compensation paid to Key Management Personnel of the Group is set out below:

	2024 A$	2023 A$
Short-term employment benefits	2,025,242	2,622,182
Post-employment benefits	40,688	34,947
Share based payments	2,581,896	801,800
Non-monetary benefits	19,462	11,354
Total remuneration	**4,667,288**	**3,470,283**

No loans were provided to or received from Key Management Personnel during the year ended 31 December 2024 (2023: nil).

(d) Other transactions with Related Parties

Transactions with Alpha Minerals Pty Ltd and its related entities

Bernardo da Veiga is a director of BRE and is also a Director of Alpha Minerals Pty Ltd ("Alpha"). The Group and Alpha also have a number of common shareholders. The Group and Alpha have engaged in the following transactions:

(i) The Group hires, on an arm's length basis, mobile plant and equipment including a drill rig, back hoe and truck, for use in the Group's exploration programs. The total rental fees paid by the Group to Alpha during the year was A$1,253,823 (2023: A$1,416,809).

(ii) Alpha provides technical and administrative support to the Group. The total fees paid to Alpha for these services during the year was A$180,578 (2023: A$181,836).

(iii) As at 31 December 2024, the Group had receivables of A$42,755 from Alpha and payables of A$115,355 to Alpha (2023: receivables of A$NIL and payables of A$136,430).

Transactions with Rare Earths Americas Limited and its related entities

Bernardo da Veiga is a director of BRE and is also a Director of Rare Earths Americas Limited ("REA"). The Group and REA also have a number of common shareholders.

(i) In September 2024, the Brazilian subsidiary of REA sold various items of drilling consumable and office equipment to the Group for consideration of A$123,318. The items were sold to BRE at cost less accumulated depreciation for applicable items.

(ii) On 23 August 2023, the Company's Brazilian subsidiary entered into transactions (comprising the Alpha Tenement Acquisition Agreement) to acquire the Alpha Tenements from Alpha Brazil, which is a subsidiary of REA. The consideration for the acquisition was 5,024,600 Shares on a post-split basis. The fair value of the Shares issued as consideration for the acquisition was A$7,386,162 (being 5,024,600 post-split Shares issued at the Initial Public Offering offer price of A$1.47).

(iii) As at 31 December 2024 the Group did not have any amounts receivable from or payable to REA (2023: A$Nil).

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21. Financial risk management

(a) Overview

The Group holds the following financial instruments all of which are carried at amortised cost.

	2024 A$	2023 A$
Financial Assets		
Cash and cash equivalents	81,685,609	48,844,019
Trade and other receivables	1,358,739	120,671
Financial assets	**83,044,348**	**48,964,690**
Financial Liabilities		
Trade and other payables	4,196,132	4,797,910
Deferred consideration for tenement acquisitions	–	10,743,167
Financial liabilities	**4,196,132**	**15,541,077**

The main risks arising from the Group's use of financial instruments are liquidity risk, counterparty or credit risk, interest rate risk and foreign currency risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. Key risks are monitored and reviewed as circumstances change and policies are revised as required. The overall objective of the Group's financial risk management policy is to support the delivery of the Group's exploration and development programs by management the Group's exposure to financial risk.

Primary responsibility for identification and control of financial risk rests with the board of directors. However, the day-to-day management of these risks is under the control of the Managing Director and Chief Financial Officer. The Board agrees the strategy for managing future cash flow requirements and projections.

It is, and has been throughout the year, the Group's policy that no trading in speculative financial instruments shall be undertaken.

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21. Financial risk management continued

(b) Foreign exchange risk

Foreign currency risk is the risk that the fair value of future cash outflows of an exposure will fluctuate because of changes in foreign currency exchange rates.

The Group's exposure to the risk of changes in foreign exchange rate relates primarily to assets and liabilities that are denominated in currencies other than the functional currency of the group entity. The Group raises equity in Australian dollars (AUD) to fund exploration and evaluation expenditure that is incurred predominantly in Brazilian real (BRL) and corporate expenditure that is incurred predominantly in AUD. At 31 December 2023 the Group also had a significant liability denominated in United States dollars representing the deferred consideration due to Rio Tinto for the purchase of the Amargosa Tenements. This USD liability was settled in full in January 2024.

The Company's functional and presentation currency is Australian dollars.

The Group manages foreign currency risk by monitoring forecast foreign currency commitments and foreign exchange rates and holding a proportion of its cash reserves in the currencies in which the expenditure is forecast to be incurred. The Group did not enter into any hedging or derivative transactions to manage foreign exchange risk during the financial year.

At the reporting date, the Group's exposure to financial instruments denominated in currencies other than the functional currency of the group entity:

	Balances denominated in					
31 December 2024	AUD A$	USD A$	BRL A$	GBP A$	EUR A$	TOTAL A$
Cash and cash equivalents	66,531,708	9,584	15,090,741	53,576	–	81,685,609
Trade and other receivables	1,026,334	–	331,147	1,258	–	1,358,739
Total assets	**67,558,042**	**9,584**	**15,421,888**	**54,834**	**–**	**83,044,348**
Trade and other payables	(1,239,782)	(36,218)	(2,892,375)	–	(27,757)	(4,196,132)
Total liabilities	**(1,239,782)**	**(36,218)**	**(2,892,375)**	**–**	**(27,757)**	**(4,196,132)**
Net exposure	**66,318,260**	**(26,634)**	**12,529,513**	**54,834**	**(27,757)**	**78,848,216**

	Balances denominated in				
31 December 2023	AUD A$	USD A$	BRL A$	EUR A$	TOTAL A$
Cash and cash equivalents	46,859,445	8,743	1,902,812	73,019	48,844,019
Trade and other receivables	33,494	–	70,010	17,167	120,671
Total assets	**46,892,939**	**8,743**	**1,972,822**	**90,186**	**48,964,690**
Trade and other payables	(3,585,334)	(13,519)	(1,199,057)	–	(4,797,910)
Deferred consideration for tenement acquisitions	–	(10,743,167)	–	–	(10,743,167)
Total liabilities	**(3,585,334)**	**(10,756,686)**	**(1,199,057)**	**–**	**(15,541,077)**
Net exposure	**43,307,605**	**(10,747,943)**	**773,765**	**90,186**	**33,423,613**

Notes to the Financial Statements continued

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21. Financial risk management continued

(b) Foreign exchange risk continued

The following table details the Group's sensitivity to a 10% increase and decrease in the Australian dollar against the relevant foreign currencies. 10% is the sensitivity rate that represents management's assessment of the reasonably possible change in foreign exchange rates. This analysis assumes that all other variables remain constant.

	Profit or loss		Equity	
31 December 2024	+10% A$	-10% A$	+10% A$	-10% A$
USD	2,663	(2,663)	2,663	(2,663)
BRL	(1,252,951)	1,252,951	(1,252,951)	1,252,951
EUR	2,776	(2,776)	2,776	(2,776)
GBP	(5,483)	5,483	(5,483)	5,483

	Profit or loss		Equity	
31 December 2023	+10% A$	-10% A$	+10% A$	-10% A$
USD	1,074,794	(1,074,794)	1,074,794	(1,074,794)
BRL	(77,377)	77,377	(77,377)	77,377
EUR	(9,018)	9,018	(9,018)	9,018

(c) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group. The credit risk on financial assets of the Group which have been recognised on the statement of financial position is generally the carrying amount, net of any provisions for doubtful debts.

The carrying amount of the Group's financial assets represents the maximum exposure to credit risk as summarised below:

	2024 A$	2023 A$
Cash and cash equivalents	81,685,609	48,844,019
Trade and other receivables	1,358,739	120,671
	83,044,348	**48,964,690**

Cash and cash equivalents include at call and term deposits held with Australian and Brazilian banks approved by the Group's Board of Directors taking into consideration the credit rankings of those bank as determined by international credit rating agencies. Trade and other receivables is principally comprised of interest receivable totalling $981,907 (2023: $Nil) on at call and term deposits held with the aforementioned banks and receivables from government authorities that do not expose the Group to credit risk.

Notes to the Financial Statements continued

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21. Financial risk management continued

(d) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the cash and short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities are either non-interest bearing (for example, receivables and payables) or have fixed interest rates (borrowings).

At the reporting date, the interest rate profile of the Group's interest-bearing financial instruments was:

	2024 A$	2023 A$
Cash and cash equivalents	81,684,609	48,844,019

The Group's cash at bank and on hand and short-term deposits had a weighted average interest rate at year end of 6.41% (2023: 3.78%).

The Group currently does not engage in any hedging or derivative transactions to manage interest rate risk.

The following table details the Group's sensitivity to a 0.5% increase and decrease in interest rates. A sensitivity of 0.5% (50 basis points) has been selected as this is considered reasonable given the current level of both short-term and long-term interest rates. A 0.5% (50 basis points) movement in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. For the purposes of this analysis term deposits with a remaining term of less than twelve months at the reporting date are considered to be variable rate deposits that are exposed to interest rate risk.

	Profit or loss		Equity	
31 December 2024	+0.50% A$	-0.50% A$	+0.50% A$	-0.50% A$
Cash and cash equivalents	**408,428**	**(408,428)**	**408,428**	**(408,428)**

	Profit or loss		Equity	
31 December 2023	+0.50% A$	-0.50% A$	+0.50% A$	-0.50% A$
Cash and cash equivalents	244,220	(244,220)	244,220	(244,220)

Notes to the Financial Statements continued

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21. Financial risk management continued

(e) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Group will always have sufficient liquidity to meet its liabilities when due. At 31 December 2024, the Group had sufficient liquid assets to meet its financial obligations.

The Group had no debt at 31 December 2024 or 31 December 2023. The contractual maturities of financial liabilities, including estimated interest payments, if applicable, are provided below. There are no netting arrangements in respect of financial liabilities.

31 December 2024	< 1year A$	1-5 years A$	>5 years A$	Total contractual cash flows A$	Carrying amount of liabilities A$
Financial liabilities					
Trade and other payables	3,805,494	–	–	3,805,494	4,196,132
Financial liabilities	**3,805,494**	**–**	**–**	**3,805,494**	**4,196,132**

31 December 2023	< 1year A$	1-5 years A$	>5 years A$	Total contractual cash flows A$	Carrying amount of liabilities A$
Financial liabilities					
Trade and other payables	4,797,910	–	–	4,797,910	4,797,910
Deferred consideration for tenement acquisitions	7,330,218	3,412,949	–	10,743,167	10,743,167
Financial liabilities	**12,128,128**	**3,412,949**	**–**	**15,541,077**	**15,541,077**

The $10,743,167 deferred consideration for tenement acquisitions at 31 December 2023 was settled in full during the year ended 31 December 2024 (including amounts that were not contractually due until after 31 December 2024).

Notes to the Financial Statements continued

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22. Segment information

Operating segments are identified, and segment information disclosed, on the basis of internal reports that are regularly provided to, or reviewed by, the Group's chief operating decision maker which, for the Group, is the Board of Directors.

The Group is managed primarily on a geographic basis, that is, the location of the respective areas of interest. Operating segments are therefore determined on the same basis.

Activity by segment

Brazil exploration

BRE was founded for the purpose of exploring for rare earths and other critical minerals in the Rocha da Rocha Province in the state of Bahia in Brazil.

Corporate

Expenditure incurred that is not directly allocated to other segments is reported as corporate costs in the internal reports prepared for the chief operating decision maker.

The following tables present revenue and profit information for the Group's operating segments for the period ended 31 December 2024 and 2023, respectively.

(a) Segment performance

Year ended 31 December 2024	Brazil exploration A$	Corporate A$	Total A$
Total segment revenue	125,216	2,559,645	2,684,861
Total segment expenditure	(40,037,716)	(8,721,867)	(48,759,583)
Segment result	**(39,912,500)**	**(6,162,222)**	**(46,074,722)**

Year ended 31 December 2023	Brazil exploration A$	Corporate A$	Total A$
Total segment revenue	278,310	2	278,312
Total segment expenditure	(32,366,120)	(36,993,476)	(69,359,596)
Segment result	**(32,087,810)**	**(36,993,474)**	**(69,081,284)**

(b) Segment assets

	Brazil exploration A$	Corporate A$	Total A$
31 December 2024 – Segment assets	16,730,442	69,363,753	86,094,195
31 December 2023 – Segment assets	2,350,090	49,045,338	51,395,428

Notes to the Financial Statements continued

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23. Cash flow information

	2024 A$	2023 A$
(a) Reconciliation of Cash		
Cash at end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	**81,685,609**	**48,844,019**
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
Profit (Loss) before income tax expense	(46,074,722)	(69,081,284)
Non-cash flows in loss from ordinary activities		
Depreciation	16,887	324,421
Unrealised foreign exchange losses	(714,594)	(13,397)
Non-cash share-based payments expenses	3,132,741	969,022
Net non-cash exploration related expenses	13,608,162	8,176,921
Borrowing costs	–	579,000
Change in fair value of derivative financial instruments	–	28,242,132
Changes in operating assets and liabilities		
(Increase)/decrease in receivables and prepayments	(1,963,945)	(6,185)
Increase/(decrease) in payables	879,290	1,523,245
Increase/(decrease) in deferred consideration for tenement acquisitions	(10,743,167)	10,743,167
Net cash (outflow)/inflow from operating activities	**(41,859,348)**	**(18,542,958)**
(b) Non-cash investing and financing activities		
Deferred consideration for tenement acquisitions	–	10,743,167
Repayment of convertible notes through share issuance (Note 15)	–	49,424,067

Notes to the Financial Statements continued

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24. Earnings per share

	2024 A$	2023 A$
Loss after income tax benefit attributable to the Group	(46,074,722)	(69,081,284)

Weighted average number of shares used as the denominator	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculation of Basic EPS[1]	233,221,395	186,997,430
Weighted average number of options outstanding which are considered potentially dilutive	–	–
Weighted average number of potential ordinary shares outstanding during the year used in calculation of Diluted EPS	**233,221,395**	**186,997,430**

1. The weighted average number of ordinary shares outstanding during 2023 has been adjusted as if the share split that completed on 23 October 2023 in which each share on issue at that date was converted into 175 shares occurred 1 January 2023.

Options and other potential equity securities on issue at the end of the period have not been included in the determination of diluted earnings per share as the Group has incurred a loss for the period and they are therefore not dilutive in nature.

	2024 Cents	2023 Cents
Basic earnings per share	(19.76)	(36.94)
Diluted earnings per share	(19.76)	(36.94)

25. Remuneration of auditors

	2024 A$	2023 A$
Audit services – Hall Chadwick WA Audit Pty Ltd	65,364	29,000
Audit services – auditor of subsidiary	16,378	
Non-audit services	–	33,000
Remuneration of auditors	**81,742**	**62,000**

Notes to the Financial Statements continued

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26. Parent entity disclosures

The individual financial statements for the parent entity show the following aggregations.

	2024 A$	2023 A$
Results		
Loss for the year	(46,020,130)	(69,762,435)
Other comprehensive loss	–	–
Total comprehensive loss for the year	**(46,020,130)**	**(69,762,435)**
Financial position		
Current assets	68,538,134	47,757,162
Non-current assets	14,515,799	1,312,539
Total assets	**83,053,933**	**49,069,701**
Current liabilities	1,411,217	10,963,672
Non-current liabilities	–	3,412,949
Total liabilities	**1,411,217**	**14,376,621**
Net assets	**81,642,716**	**34,693,080**
Issued capital	202,091,871	112,254,846
Share-based payments reserve	4,132,013	999,272
Accumulated losses	(124,581,168)	(78,561,038)
Shareholders' equity	**81,642,716**	**34,693,080**

Guarantee entered into by the parent entity

The parent entity had not provided any guarantees at 31 December 2024 (2023: the Parent guaranteed the obligations of its subsidiary Borborema under the agreement with Rio Tinto Brazil for the acquisition of the Amargosa Tenements. The consideration of A$10,743,167 payable to Rio Tinto Brazil as at 31 December 2023 was settled in full in the year ended 31 December 2024).

Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 31 December 2024 (2023: nil).

Contractual commitments for capital expenditure

The parent entity did not have any contractual commitments for capital expenditure as at 31 December 2024 (2023: nil).

27. Events subsequent to reporting date

Except as noted below, there have been no subsequent events that require adjustment to, or disclosure in, the Financial Statements of the Group for the year ended 31 December 2024:

- On 31 January 2025, the Company issued 2,332,170 options with an exercise price of $Nil and an expiry date of 31 January 2030. The options were issued pursuant to the Employee Incentive Plan.
- On 31 January 2025, the Company issued 1,809,850 fully paid ordinary shares pursuant to the exercise of vested options.

Directors' Declaration

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The Directors of Brazilian Rare Earths Limited declare that:

1. the financial statements and notes, as set out on pages 64 to 95, have been prepared in accordance with the *Corporations Act 2001*, and:
   (a) comply with Accounting Standards, International Financial Reporting Standards (as stated in Note 1) and the *Corporations Regulations 2001*;
   (b) give a true and fair view of the financial position as at 31 December 2024 and of the performance for the year ended on that date of the Group; and
   (c) the consolidated entity disclosure statement as at 31 December 2024 as set out on page 62 is true and correct.
2. the Chief Executive Officer and the Chief Financial Officer have declared in accordance with S295A of the *Corporations Act 2001*, that;
   (a) the financial records of the Group for the financial year ended 31 December 2024 have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
   (b) the financial statements and the accompanying notes referred to in Section 295(3)(b) of the *Corporations Act 2001*, for the financial year comply with the accounting standards;
   (c) the financial statements and notes for the financial year give a true and fair view;
   (d) the consolidated entity disclosure statement as at 31 December 2024 is true and correct; and
   (e) any other matters that are prescribed by the regulations for the purposes of this paragraph in relation to the financial statements and the notes for the financial year are satisfied.
3. in the Directors' opinion there are reasonable grounds to believe that the Company and Group will be able to pay their debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Bernardo da Veiga
Managing Director

Sydney,
31 March 2025

Independent Auditor's Report

To the Members of Brazilian Rare Earths Limited

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HALL CHADWICK

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRAZILIAN RARE EARTHS LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Brazilian Rare Earths Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), which comprises the consolidated statement of financial position as at 31 December 2024, 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 year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2024 and of its financial performance for the year then ended; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Auditor's Report continued

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HALL CHADWICK

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key Audit Matter
Exploration and Evaluation Expenditure As disclosed in note 7(b) to the financial statements, the Consolidated Entity incurred exploration and evaluation expenditure of $41,924,100 during the year. This consisted of $14,667,988 in relation to the acquisition of tenements and $27,256,112 of operational exploration expenses. The recognition of exploration and evaluation expenditure was considered a key audit matter due to the value and nature of the transactions.	Our audit procedures included but were not limited to: • Substantive testing on exploration expenditure incurred during the year. • Reviewing the Consolidated Entity's accounting policy and its compliance within the requirements of *AASB 6 Exploration and Evaluation of Mineral Resources*. • Reviewing agreements relating to acquisitions of tenements and understanding the key terms and conditions of the transaction. • Assessing the appropriateness of the related disclosures in the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity's annual report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the remuneration report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report continued

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Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

Independent Auditor's Report continued

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HALL CHADWICK

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2024.

In our opinion, the Remuneration Report of Company, for the year ended 31 December 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

D Bell

D M BELL FCA
Director

Dated this 31st day of March 2025
Perth, Western Australia

Supplementary Information

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Mineral resources and ore reserves

In accordance with ASX Listing Rule 5.21, the Company is required to review and report its Mineral Resources and Reserves at least annually. Set out below is the Company's Mineral Resource Estimate (MRE) which has an effective date of 23 May 2023 and is reported in accordance with the JORC Code (2012 Edition).

Deposit	Style	Cut-off grade: TREO-CeO_2 (ppm)	Tonnes (Mt)	TREO-CeO_2 (ppm)	TREO (ppm)	Nd_2O_3 +Pr_6O_{11} (ppm)	Nd_2O_3 +Pr_6O_{11} (TREO %)	MREO (ppm)	MREO (TREO %)
Monte Alto (RDR)	Monazite Sand	>=800	25.2	5,466	10,022	1,879	18.8%	2,669.6	26.6%
Monte Alto (RDR)	IAC	>=200	104.1	562	1,105	184	16.6%	303	27.4%
Riacho de Areia		>=200	125.1	693	1,203	218	18.1%	395	32.8%
Boca da Mata		>=200	51.0	482	966	182	18.8%	245.5	25.4%
Tres Bracos		>=200	91.9	412	815	148	18.2%	213.6	26.2%
Mucuri		>=200	20.1	554	1,016	211	20.8%	310.9	30.6%
Machado		>=200	83.9	635	1,213	192	15.8%	342.6	28.2%
Velhinhas		>=200	8.9	427	860	139	16.2%	201.8	23.5%
Total			**510.3**	**811**	**1,513**	**271**	**17.9%**	**425.8**	**28.1%**

Notes:

1. Monte Alto >=200 ppm TREO-CeO_2 resources are exclusive of Monte Alto High-Grade resource >=800 ppm TREO-CeO_2, which is reported as a separate resource class with potential for gravity processing.
2. The estimate is classified as Inferred.
3. A default bulk density of 1.8 t/m^3 is used for Monte Alto and 1.7t/m^3 is used elsewhere.
4. The Mineral Resource estimate assumes that the high-grade Monte Alto (RDR) area can be processed to produce a Monazite concentrate. Elsewhere leaching is projected to extract the TREOs.
5. TREO = summed estimates of La_2O_3 + CeO_2 + Pr_6O_{11} + Nd_2O_3 + Sm_2O_3 + Eu_2O_3 + Gd_2O_3 + Tb_4O_7 + Dy_2O_3 + Ho_2O_3 + Er_2O_3 + Tm_2O_3 + Yb_2O_3 + Lu_2O_3 + Y_2O_3.
6. MREO = Nd_2O_3 + Pr_6O_{11} + Tb_4O_7 + Dy_2O_3 + Gd_2O_3 + Ho_2O_3 + Y_2O_3.
7. Resources are presented undiluted and in situ.

Annual Review of Mineral Resources

As a result of the annual review of BRE's Mineral Resources, there has been no change to the Mineral Resources reported in the Annual Report for the year ended 31 December 2023.

Governance of Mineral Resources

The Company engages external consultants and competent persons (as determined pursuant to the JORC Code) to prepare and calculate estimates of its Mineral Resources. Management and the Board review these estimates and underlying assumptions for reasonableness and accuracy. The results of the Mineral Resource estimates are then reported in accordance with the requirements of the JORC Code and other applicable rules (including ASX Listing Rules).

Where material changes occur during the year to a project, including the project's size, title, exploration results or other technical information then previous resource estimates and market disclosures are reviewed for completeness. The Company reviews its Mineral Resources as at 31 December each year. Where a material change has occurred in the assumptions or data used in previously reported Mineral Resources, then where possible a revised Mineral Resource estimate will be prepared as part of the annual review process. However, there are circumstances where this may not be possible (e.g. an ongoing drilling programme), in which case a revised Mineral Resource Estimate will be prepared and reported as soon as practicable.

Supplementary Information continued

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Competent Persons Statement

The information in this Annual Report that relates to previously reported exploration results is extracted from the following ASX announcements:

- Prospectus dated 13 November 2023 that was released on the ASX on 19 December 2023
- "Ultra-High Grade Rare Earth Assays" at Monte Alto Project, 1 February 2024
- "BRE Announces New Rare Earth Discovery – the Pele Project", 25 March 2024
- "Ultra-High Rare Earth Grades at Sulista Project", 6 June 2024
- "Exploration drilling underway at the Pele Project", 11 June 2024
- "Exceptional Assay Results at Monte Alto Project", 26 August 2024
- "High-Grade Tantalum Assays at Monte Alto Project", 8 October 2024
- "Exceptional Heavy Rare Earth Discovery at Monte Alto Project", 23 October 2024
- "Successful Metallurgical Results from the Monte Alto Project", 26 November 2024
- "Record Rare Earth Grades at Monte Alto Project", 21 January 2025

The information in this Presentation that relates to Mineral Resources has been extracted from the Prospectus dated 13 November 2023 released as an ASX announcement on 19 December 2023.

The above announcements are available to view on BRE's website www.brazilianrareearths.com. BRE confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the original release continue to apply and have not materially changed. BRE confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the relevant original market announcements.

Supplementary Information continued

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Schedule of exploration permits at 31 December 2024

As at 31 December 2024, the Rocha da Rocha Project comprised 267 granted exploration permits registered with Brazil's National Mining Agency.

All exploration permits are located in Bahia, Brazil and are held by the BRE's Brazilian subsidiaries directly, or are to be acquired through agreements with third parties. Details of the granted exploration tenements at 31 December 2024 are included in the table below:

Exploration Permit Number	Area (ha)	Interest	Notes
Alpha Minerals Brazil Participações Ltda.			
871.042/2021, 870.899/2017, 870.906/2017, 870.900/2017, 870.912/2017, 871.243/2021, 871.395/2017, 870.726/2016, 870.727/2016, 870.728/2016, 870.483/201, 870.484/2017, 871,164/2021, 870.717/2017, 871.394/2017, 871.144/2021	19,027.85	100%	2
Borborema Mineração Ltda.			
872.651/2013, 870.683/2021, 870.684/2021, 870.685/2021, 870.687/2021, 870.688/2021, 870.689/2021, 870.690/2021, 870.691/2021, 870.693/2021, 870.694/2021, 872.265/2021, 872.266/2021, 871.931/2022, 871.929/2022, 871.928/2022, 870.772/2021, 872.590/2023, 872.591/2023, 872.592/2021, 872.593/2021, 872.594/2021, 872.595/2021, 872.596/2023, 872.597/2023, 872.567/2023, 872.568/2023, 872.569/2023, 872.570/2023, 872.571/2023, 872.572/2023, 872.573/2023, 872.574/2023, 872.575/2023, 872.576/2023, 872.577/2023, 872.578/2023, 872.579/2023, 872.580/2023, 872.581/2023, 872.583/2021, 872.585/2023, 872.586/2023, 872.587/2023, 872.598/2023, 872.599/2023, 872.600/2023, 872.601/2023, 872.602/2023, 872.603/2023, 872.604/2023, 872.609/2023, 872.610/2023, 872.611/2023, 872.612/2023, 872.613/2023, 872.614/2023, 872.616/2023, 872.617/2023, 872.618/2023, 872.619/2023, 872.654/2023, 820.655/2023, 872.657/2023, 872.687/2023, 872.689/2023, 872.691/2023, 872.692/2023, 872.695/2023, 872.702/2023, 872.720/2023, 872.721/2023, 872.722/2023, 872.723/2023, 872.724/2023, 872.725/2023, 872.726/2023, 872.727/2023, 872.728/2023, 872.729/2023, 872.730/2023, 872.681/2023, 872.636/2023, 871.914/2023, 871.948/2023, 872.558/2023, 872.592/2023, 872.593/2023, 872.594/2023, 872.595/2023, 872.549/2023, 872.550/2023, 872.551/2023, 872.552/2023, 872.553/2023, 872.554/2023, 872.555/2023, 872.556/2023, 872.557/2023, 872.559/2023, 872.560.2023, 872.561/2023, 872.562/2023, 872.563/2023, 872.564/2023, 872.565/2023, 872.566/2023,872.567/2023, 872.568/2023, 872.570/2023, 872.573/2023, 872.574/2023, 872.575/2023, 872.621/2023, 872.622/2023, 872.623/2023, 872.624/2023, 872.625/2023, 872.626/2023, 872.627/2023, 872.628/2023, 872.629/2023, 872.630/2023, 872.631/2023, 872.632/2023, 872.635/2023, 872.637/2023, 872.638/2023, 872.639/2023, 872.640/2023, 872.641/2023, 872.642/2023, 872.688/2023, 872.692/2023, 872.694/2023, 872.696/2023, 872.697/2023, 872.698/2023, 872.699/2023, 872.700/2023, 872.701/2023, 872.703/2023, 872.704/2023, 872.705/2023, 872.706/2023, 872.707/2023, 872.711/2023, 872.712/2023, 872.660/2023, 872.663/2023, 872.664/2023, 872.667/2023, 872.668/2023, 872.669/2023, 872.670/2023, 872.671/2023, 872.672/2023, 872.673/2023, 872.674.2023, 872.675/2023, 872.676/2023, 872.678/2023, 872.679/2023, 872.680/2023, 872.682/2023, 872.683/2023, 872.684/2023, 872.685/2023, 872.686/2023, 872.708/2023, 872.710/2023, 872.713/2023, 872.714/2023, 872.715/2023, 872.716/2023, 872.717/2023, 872.718/2023, 872.719/2023, 872.584/2023, 872.571/2023, 872.572/2023, 871.663/2024, 871.668/2024, 871.671/2024, 871.997/2024, 871.952/2024, 871.951/2024, 871.996/2024, 871.953/2024	295,124.09	100%	1

Supplementary Information continued

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Exploration Permit Number	Area (ha)	Interest	Notes
Rio de Contas Desenvolvimentos Minerais Ltda.			
870.724/2010, 870.540/2007, 870.541/2007, 870.544/2007, 870.545/2007, 871.239/2010, 870.532/2007, 870.585/2008, 870.713/2007, 870.714/2007, 870.877/2007, 870.879/2007, 870.880/2007, 870.882/2007, 870.888/2007, 870.890/2007, 870.898/2007, 870.900/2007, 872.970/2010, 874.320/2007, 872.947/2007, 870.314/2007, 873.398/2008, 873.880/2007, 870.534/2007, 870.536/2007, 870.826/2004, 870.827/2004, 871.438/2004, 871.439/2004, 872.568/2005, 872.703/2008, 872.563/2005, 870.024/2007, 870.025/2007, 870.026/2007, 870.027/2007, 870.029/2007, 872.480/2009, 873.776/2006, 873.777/2006, 870.539/2007, 870.174/2007, 873.212/2006, 873.244/2006, 873.213/2006	74,823.54	100%	3
Jequié Mineração Ltda.			
870.695/2021, 870.696/2021, 870.697/2021, 870.698/2021, 870.699/2021, 870.700/2021, 870.773/2021, 870.774/2021, 870.779/2021,870.780/2021	11,490.25	100%	1
Jitauna Pesquisa E Mineração Ltda			
870.002/2013, 870.003/2013, 870.004/2013	5,467.52	100%	4
Pro Flora Agroflorestal			
871.746/2017	1,885.37	100%	5
R. E. 17 Mineração			
870.930/2011, 872.549/2015, 870.725/2016	3,073.46	100%	4
Ubaíra Mineração Ltda			
870.664/2021, 870.665/2021, 870.666/2021, 870.667/2021, 870.668/2021, 870.669/2021, 870.680/2021, 870.681/2021 870.682/2021	15,284.12	100%	1
Vanice A. Assis Costa			
871.219/2018	599.69	100%	5

Notes:

1. Each of Borborema Recursos Minerais Ltda., Ubaíra Mineração Ltda. and Jequié Mineração Ltda. is a wholly owned subsidiary of BRE.
2. Borborema Mineração Ltda. ("Borborema") has entered into a legally binding agreement to acquire sixteen mineral exploration permits from Alpha Minerals Brazil Participações Ltda. ("Alpha"). Borborema has paid to Alpha the consideration for these exploration permits and a request for the assignment of the exploration permits to Borborema has been lodged with the ANM.
3. Borborema Mineração Ltda. has entered into a binding agreement with Rio de Contas Desenvolvimentos Minerais Ltda. ("Rio Tinto") to acquire the Amargosa Tenements. Borborema has paid all consideration due to Rio Tinto under the agreement.
4. During the March 2024 quarter, Borborema acquired and exercised the option to acquire the eleven exploration licences comprising the Sulista Rare Earths Project. Borborema has paid to the vendors of the Sulista Rare Earths Project the consideration for these exploration permits and a request for the assignment of the exploration permits to Borborema has been lodged with the ANM. In the September quarter tenement 872.651/2013 previously held by Jitauna Pesquisa E Mineirão Ltda was transferred to Borborema.
5. Borborema entered into an agreement to acquire the exploration permits during the March 2024 quarter. Borborema has paid to the vendors of the exploration permits the consideration for these exploration permits and a request for the assignment of the exploration permits to Borborema has been lodged with the ANM.

Supplementary Information continued

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Information required by listing rule 5.3.4

The table below provides a comparison of expenditure incurred in the period from 21 December 2023 (being the date the Company's securities commenced trading on the ASX) to 31 December 2024 in relation to the proposed Use of Funds disclosed in the Prospectus dated 13 November 2023.

Actual Expenditure to 31 December 2024 vs. Use of Funds in the Prospectus 13 November 2023

Use of Funds	Expenditure under Prospectus (2-year period) A$'000	Actual expenditure to 31 December 2024 A$'000
Acquisition of the Rio Tinto Amargosa Tenements[1]	11,645	11,052
Exploration activities (including operations personnel)	26,500	28,874
Technical studies	1,000	554
Equipment purchases	1,500	491
Permitting and legal	500	15
Environmental	400	–
Costs of the Offer[2]	4,283	2,430
Working capital[3]	7,372	4,897
Total	53,200	48,313

1. Cash expenditure on the acquisition of exploration tenements included A$11.05 million paid to complete the acquisition of the Rio Tinto project.
2. Working capital includes the general costs associated with the management and operation of the business including but not limited to administration expenses, audit and accounting fees, legal fees, travel costs, business development costs, listing and share registry fees, remuneration of directors, management and other personnel, insurance, investor relations expenses, rent and other associated costs. Working capital also includes surplus funds and funds that may be applied to future acquisitions.
3. Actual working capital expenditure to 31 December 2024 includes A$1.55 million of cash in relation to the acquisition of the Sulista Project, and $954k for FY23 short-term incentives.

Supplementary Information continued

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Corporate Governance Statement

BRE and the entities it controls believe corporate governance is important for the Company in conducting its business activities.

The Board of BRE has adopted a suite of charters and key corporate governance documents that articulate the policies and procedures followed by the Company, including a corporate Code of Conduct that requires ethical conduct by all BRE employees. These documents are available in the Corporate Governance section of the Company's website, www.brazilianrareearths.com. These documents are reviewed at least annually to address any changes in governance practices and the law.

The Company's Corporate Governance Statement, which explains how BRE complies with the ASX Corporate Governance Council's 'Corporate Governance Principles and Recommendations – 4th Edition' in relation to the year ended 31 December 2024, is available in the Corporate Governance section of the Company's website, www.brazilianrareearths.com, and will be lodged with ASX together with an Appendix 4G at the same time that this Annual Report is lodged with ASX. In developing BRE's corporate governance policies and procedures the BRE Board has taken into a consideration a number of matters including the:

- relative scale of operations of the Company, which currently only undertakes the exploration and evaluation of its mineral properties in Brazil;
- cost versus benefit of additional corporate governance requirements or processes;
- size of the Board;
- Board's experience in the mineral resources sectors;
- organisational reporting structure and number of reporting functions, operational divisions and employees;
- financial affairs with limited complexity and quantum; and
- direct shareholder feedback.

Shareholder Information

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The shareholder information set out below was applicable as at 28 February 2025.

Distribution of equity securities – ordinary shares

Range	No. of holders	No. of Shares	Percentage
1 – 1000	805	373,322	0.15%
1001 – 5000	630	1,719,268	0.69%
5001 – 10,000	301	2,343,699	0.94%
10,001 – 100,000	413	13,143,094	5.29%
100,001 and above	89	230,769,162	92.92%
Total	**2,238**	**248,348,545**	**100%**
Unmarketable parcels	219	41,544	0.02%

Voting rights

Shareholders in Brazilian Rare Earths Limited have a right to attend and vote at General Meetings. At a General Meeting, individual shareholder may vote in person or by proxy. On a show of hands every member present in person or by proxy shall have one vote. Upon a poll each share shall have one vote. All unquoted share options have no voting rights.

Share buy-back

There is no current or planned buy-back of the Company's shares.

Shareholder Information continued

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Twenty largest shareholders – quoted ordinary shares (not subject to escrow)

Rank	Name	No. of Shares	%
1	HSBC Custody Nominees (Australia) Pty Ltd	26,078,748	23.14%
2	ACN 664 400 382 Pty Ltd	18,996,547	16.85%
3	J P Morgan Nominees Australia Pty Ltd	6,150,613	5.46%
4	Citicorp Nominees Pty Ltd	5,932,459	5.26%
5	UBS Nominees Pty Ltd	5,423,980	4.81%
6	BNP Paribas Noms Pty Ltd	4,486,451	3.98%
7	Antonio Marcos Quinteiro	2,928,000	2.60%
8	UBS Nominees Pty Ltd	2,928,000	2.60%
9	Ilwella Pty Ltd	1,540,759	1.37%
10	HSBC Custody Nominees (Australia)Limited – A/c 2	1,480,740	1.31%
11	Bernardo Siqueira Dos Santos	1,408,000	1.25%
12	Pounamu Capital Pty Ltd	1,153,615	1.02%
13	BNP Paribas Nominees Pty Ltd <IB u Noms Retail Client>	1,035,292	0.92%
14	BNP Paribas Nominees Pty Ltd <HUB24 Custodial Serv Ltd>	1,018,124	0.90%
15	Merrill Lynch (Australia) Nominees Pty Ltd	1,004,332	0.89%
16	FASCW Pty Ltd	966,420	0.86%
17	Mr Thomas Richard Todd	802,375	0.71%
18	Warbont Nominees Pty Ltd <Unpaid Entrpot A/c>	772,892	0.69%
19	Helmo Bagda Gama	736,000	0.65%
20	Buttonwood Nominees Pty Ltd	500,000	0.44%
	TOTAL	**85,343,347**	**75.71%**
	Other quoted shares	27,373,634	24.29%
	TOTAL QUOTED SHARES	**112,716,981**	**100%**
	Unquoted shares	135,631,564	
	TOTAL SHARES	**248,348,545**	

Twenty largest shareholders – quoted share options

No share options are quoted.

Unquoted options

As at 28 February 2025, the Company had the following unquoted options on issue:

Description	No. of Options	No. of holders
Management Performance options with a A$Nil exercise price and expiry of 19 October 2028 subject to vesting conditions	7,650,300	7
Director options with a A$Nil exercise price and expiry of 19 October 2028 subject to vesting conditions	533,050	2
Options with A$Nil exercise price and expiry of 31 January 2030 subject to vesting conditions	2,332,710	9

All unquoted options were issued pursuant to the BRE's Employee Incentive Plan.

Shareholder Information continued

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Substantial shareholders

Details of substantial shareholders as notified to the ASX by the substantial shareholders as of 28 February 2025:

Substantial shareholder name	Shares held	% of total Shares
Brazilian Rare Earths Limited[1]	142,012,814	57.60%
A.C.N. 664 400 382 Pty Ltd and members of the Whitehaven Coal Limited Group	17,128,595	8.0%
Mrs Georgina Hope Rinehart and members of the Hancock Prospecting Pty Ltd Group and Bianca Hope Rinehart in her capacity as trustee of the Hope Margaret Hancock Trust	13,708,006	6.40%
Regal Funds Management Pty Ltd and its associates	13,081,803	5.31%
DITM Holdings Pty Ltd	24,577,875	9.97%
Dominic Allen	16,580,423	6.73%
Anastasios Arima	16,235,514	6.59%
Bernardo da Veiga	17,586,625	7.13%
Kirk Kileff, Sarah-Anne Kileff and Kitabella Pty Ltd as trustee for the Kitabella Family Trust	16,907,100	6.86%
Paulo Roberto Santoro Salomao and Kuda Huraa Mining Ventures and Global Investments Corp	27,230,250	11.35%

1. BRE and its wholly owned subsidiaries are deemed to have a relevant interest in the `142,012,814 Shares subject to restrictions.

Restricted securities

The following tables provide the current capital structure of the Company and specify which securities in the Company are subject to ASX restrictions and the restriction periods applied to them.

Fully paid ordinary shares

Description of Securities	Number of Securities
Shares – restricted until 22 December 2025[1]	135,631,564

1. An additional 8 million Shares are subject to voluntary restrictions until 26 March 2026.

Unlisted options

Description of Securities	Number of Securities
Management Performance Options – restricted until 22 December 2025	5,163,900
Director Options – restricted until 22 December 2025	444,150
Total Options	**5,608,050**

Corporate Directory

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Directors

Mr Todd Hannigan – Executive Chairman

Dr Bernardo da Veiga – Managing Director and Chief Executive Officer

Ms Kristie Young – Non-Executive Director

Ms Camila Ramos – Non-Executive Director

Mr Eric Noyrez – Non-Executive Director

Company Secretary

Mr Jonathan Hart

Registered office

Level 2, 477 Pitt Street
Haymarket NSW 2000

Phone: + 61 2 7208 8033

Email: info@brazilianrareearths.com

Principal place of business

Level 2, 477 Pitt Street
Haymarket NSW 2000

Phone: + 61 2 7208 8033

Share registry

Xcend Pty Ltd

Level 2, 477 Pitt Street
Haymarket NSW 2000

Phone: + 61 2 7208 8033

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: BRE

OTCQX Exchange (OTCQX)
Shares: BRELY
ADRs: BRETF

Company website

www.brazilianrareearths.com

Auditor

Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road
Subiaco WA 6008

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