DECEMBER 2025 QUARTERLY REPORT

Brazilian Rare Earths Limited (ASX:BRE) is pleased to report progress during the quarter ended 31 December 2025. Highlights during and subsequent to the end of the quarter include:

Amargosa Bauxite Scoping Study: Large-Scale, Low-Cost Direct-Ship-Bauxite Project

- Simple, low-capex 5 Mtpa export project: Direct-ship-bauxite (DSB) export operation with efficient road logistics to an established port, delivers a compelling development pathway
- JORC Resource: 568 Mt Mineral Resource Estimate, including 98 Mt of direct-ship-bauxite
- Strong economics and cash generation: Average EBITDA of US$102 million p.a. and free cash flow of US$84 million p.a. over a 17-year mine life; after-tax NPV_8 of US$630 million and ~1.2-year payback.
- Cost-curve leadership: CM Group independent benchmarking ranks Amargosa in the lowest-cost first quartile on the global seaborne bauxite cost curve
- Tier-one jurisdictional advantages: Strategically located in Bahia, competitive taxes and royalties, access to skilled labour and infrastructure, and strong government support. Permitting timelines of ~2–3 years for comparable lateritic operations support a potential development pathway by 2028, subject to approvals.
- Large-scale expansion optionality: Material production and exports upside beyond the 5 Mtpa DSB case, underpinned by the large resource base and potential future integration with the FIOL–Porto Sul rail corridor
- Value-unlock catalyst: BRE is advancing a de-merger of Amargosa to unlock shareholder value, and has lodged ASX suitability-for-listing materials for an Amargosa spin-out in mid 2026

BRE and Carester Sign Heavy Rare Earth Offtake & Technical Partnership

- Strategic alliance: BRE entered into a long-term partnership with Carester, a leading rare earth processing specialist with a proven track record in the design, commissioning and optimisation of rare earth separation facilities globally
- Camaçari separation plant delivery: Carester will provide engineering, construction and commissioning support for BRE's planned rare earth separation refinery at the Camaçari Petrochemical Complex,Bahia
- Heavy rare earth supply offtake: Carester will purchase BRE's heavy rare earth concentrate under a binding 10-year offtake, supporting up to ~150 tpa of separated dysprosium and terbium (DyTb) oxides production at Carester's separation facility
- Caremag scale and tier-one backing: Carester is developing one of the world's largest heavy rare earth separation and recycling projects through its Caremag subsidiary in Lacq, France, supported by the French Government and Japanese partners JOGMEC and Iwatani

Appointment of Chief Financial Officer

- BRE announced the appointment of John Vander Ploeg as Chief Financial Officer
- Mr. Vander Ploeg is a highly experienced finance leader with over 20 years' experience spanning listed-company reporting, complex corporate transactions, technical accounting, and cross-border integration

Strong Balance Sheet

- BRE held A$162.4 million in cash at 31 December 2025

- On 14 October 2025, BRE completed a placement of 25.6 million shares at A$4.68 per share to raise A$120 million before costs
- Placement proceeds to fast-track development of ultra-high-grade rare earth projects and rare earth separation refinery in Brazil

Amargosa Bauxite-Gallium Project

Scoping Study Underpins Large-Scale, Low-Cost Direct-Ship-Bauxite Project

BRE announced a JORC-Compliant Mineral Resource and Scoping Study for its 100%-owned Amargosa Bauxite-Gallium Project in Bahia, Brazil.

The Mineral Resource Estimate and Scoping Study were led by SLR Consulting and BRE with support from other industry specialists, including MIPTEC, a leading Brazilian engineering firm focused on design and cost estimation for bulk-commodity projects, and CM Group, an independent bauxite market consultant.

High-quality direct ship bauxite competitive with the Guinean benchmark

Amargosa has a globally significant JORC Mineral Resource Estimate of 568 Mt, including 98 Mt of high-quality, low-silica direct-ship-bauxite hosted within thick, laterally continuous seams. The bauxite sequence is near surface, and benefits from consistent quality across large plateau-scale areas.

The DSB product quality is competitive with benchmark Guinean metallurgical bauxite and attractive to international alumina refiners seeking high-quality supply from a reliable, stable jurisdiction. The larger bauxite resource can be upgraded to export-grade specifications via simple, low-cost beneficiation and this opportunity will be advanced in future feasibility studies.

JORC Mineral Resource Estimate					
In-Situ Mineral Resources					
(Indicated + Inferred)	Tonnes (m)	TAA (%)	RSI (%)	Ga (ppm)	Ga ('000 kg)
Direct Ship Bauxite	98	41.9%	2.5%	51.6	5,046
Beneficiable Bauxite	470	27.3%	6.2%	46.9	22,053
Total	**568**	**29.8%**	**5.6%**	**47.7**	**27,098**
Processed 20+ Mesh Bauxite Product					
(Indicated + Inferred)	Tonnes (m)	TAA (%)	RSI (%)	Ga (ppm)	Ga ('000 kg)
Beneficiable Bauxite	191	40.8%	2.7%	n.a.	n.a.
Total	**191**	**40.8%**	**2.7%**	**n.a.**	**n.a.**

Amargosa's bauxite is notable for its low reactive silica content, a growing advantage as global refineries face rising costs, higher environmental standards and feedstock constraints. Amargosa's low reactive silica bauxite is well suited for blending, with potential benefits of reduced caustic soda consumption, red mud generation and improved alumina recoveries.

As alumina refineries tighten feed specifications to manage processing penalties and environmental liabilities, Amargosa's DSB product enhances blending optionality, optimises feed mixes and can contribute to extending refinery asset life.

Shallow, low-strip mining across thick, laterally continuous bauxite seams

Simple, low-cost mining of the DSB resource will be via truck-and-shovel operations, aided by Amargosa's shallow (within 1-4 m of surface), laterally continuous bauxite seams that reach cumulative thicknesses of up to 35 m. This favourable geometry delivers a low 0.7:1 waste-to-bauxite strip ratio.

Amargosa's large-scale and consistent DSB mining domains support stable product specifications over the project life. The mine schedule delivers tight product grade specifications that support efficient low-cost mining without the extensive, multi-source blending and washing required at many bauxite operations.

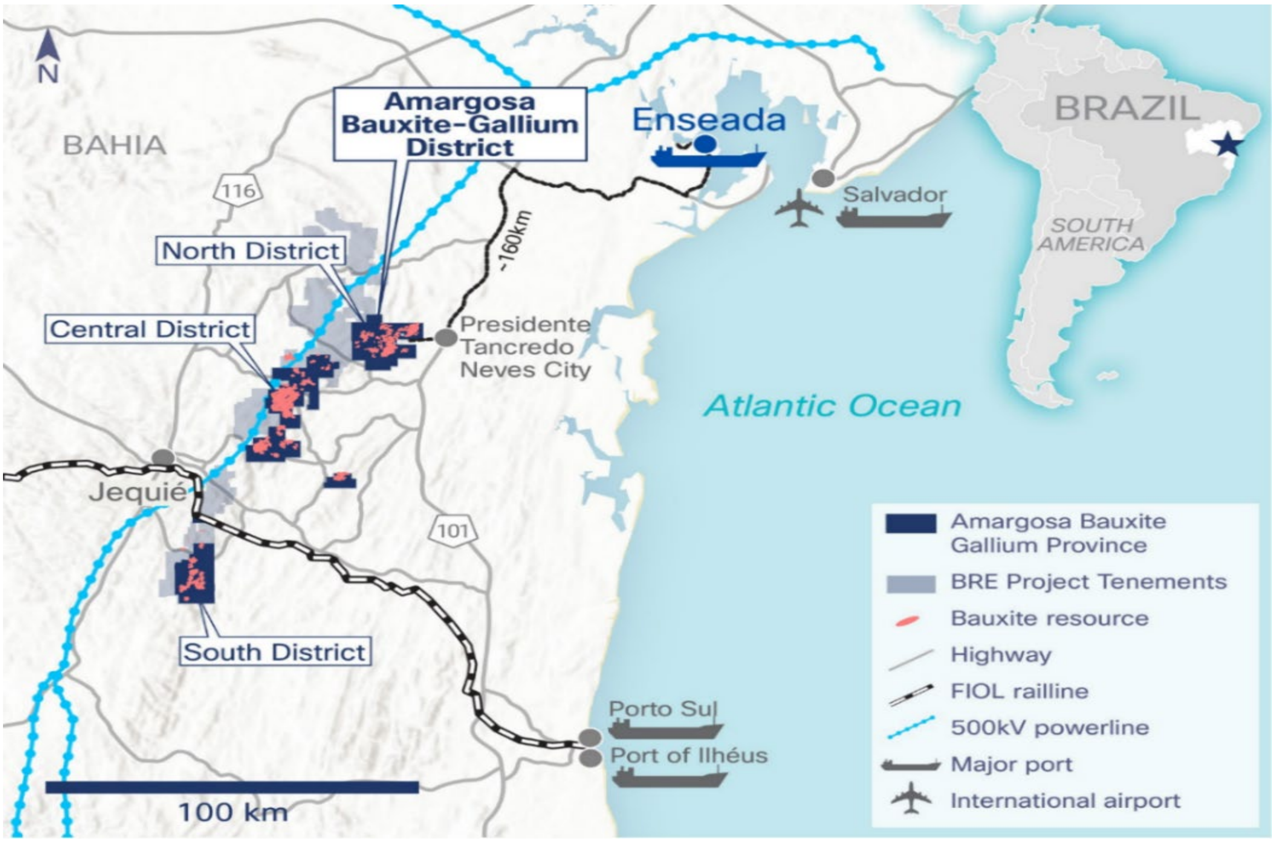
Operational Summary

Life of Mine	years	17
Avg. Annual Direct Ship Bauxite Production	dmt	5.1
LOM Direct Ship Bauxite Production	dmt	86
LOM Inferred Production	%	89%
LOM Inferred Production	%	11%
Strip Ratio	waste : bauxite	0.7 : 1
Total Available Alumina	%	41.4%
Reactive Silica	%	2.3%

Strategic location near established logistics infrastructure

Amargosa is strategically located near established highways and bulk-export infrastructure, supporting a fast-track, capital-efficient and simple direct-ship-bauxite development.

Project Location & Infrastructure



The North District is just ~20 km from the BR-101 federal highway – a paved, multi-lane freight corridor enabling reliable, year-round haulage and direct access to Bahia's coastal export network. The logistics pathway comprises:

- Road haulage of DSB using high-efficiency 9-axle road trains with 50-tonne payloads
- Road transport 160 km northeast to the Port of Enseada via established highway corridors
- Use of existing stockyard capacity and proven Capesize transshipment capability at Enseada

Federal Highway BR-101	Scania G 460 6x4 NZ Road Train (50-tonne payload)
	

The Port of Enseada is an established industrial bulk-export complex with +US$1 billion of historical investment, dedicated materials-handling infrastructure and operating capability. Combined with reliable road access, this provides Amargosa with a clear logistics advantage whilst minimising new infrastructure requirements and reducing execution risk.

Port of Enseada – Bulk Export Port

Simple, low-cost mining and logistics underpin potential for strong economic returns

The bauxite Scoping Study confirms the potential for robust economic returns with:

- Simple, low-cost direct-ship-bauxite mining operations
- Efficient, low-cost road and port logistics
- High-quality product with favourable value-in-use adjustments relative to benchmark indices
- Benchmarking by CM Group positions Amargosa as a first-quartile project on the global seaborne bauxite cost curve

At spot bauxite prices of US$71/tonne (Dec 25), forecast economics include:

- After-tax NPV_8: US$630 million
- Average life-of-mine EBITDA US$102 million pa and FCF of US$84 million pa
- Capex to first production of US$119 million (including 35% contingency)
- Payback period of 1.2 years

At CM Group's price forecast scenarios of US$65/tonne and US$80/tonne, the forecast economics are:

Amargosa Economics

Bauxite Price	US$/dmt	**Base $71/t[1]**	CM $65/t	CM $80/t
Annual EBITDA (First 5 Years)	US$ m	$117 m	$88 m	$161 m
After-Tax NPV_8	US$ m	**$630 m**	$403 m	$970 m
After-Tax IRR	%	82%	59%	114%
NPV/Capex Ratio	x	5.3x	3.4x	8.1x
FCF Margin	%	23%	18%	30%
Payback	yrs	1.2	1.5	0.9

(1) Spot price at the time of Scoping Study announcement (December 11, 2025).

Large-scale, high-quality direct-ship-bauxite asset for a tightening seaborne market

The global seaborne bauxite market is increasingly defined by supply concentration into China, which:

- Accounts for approximately 85% of global seaborne bauxite demand
- Increasingly reliant on imports as domestic bauxite production declines

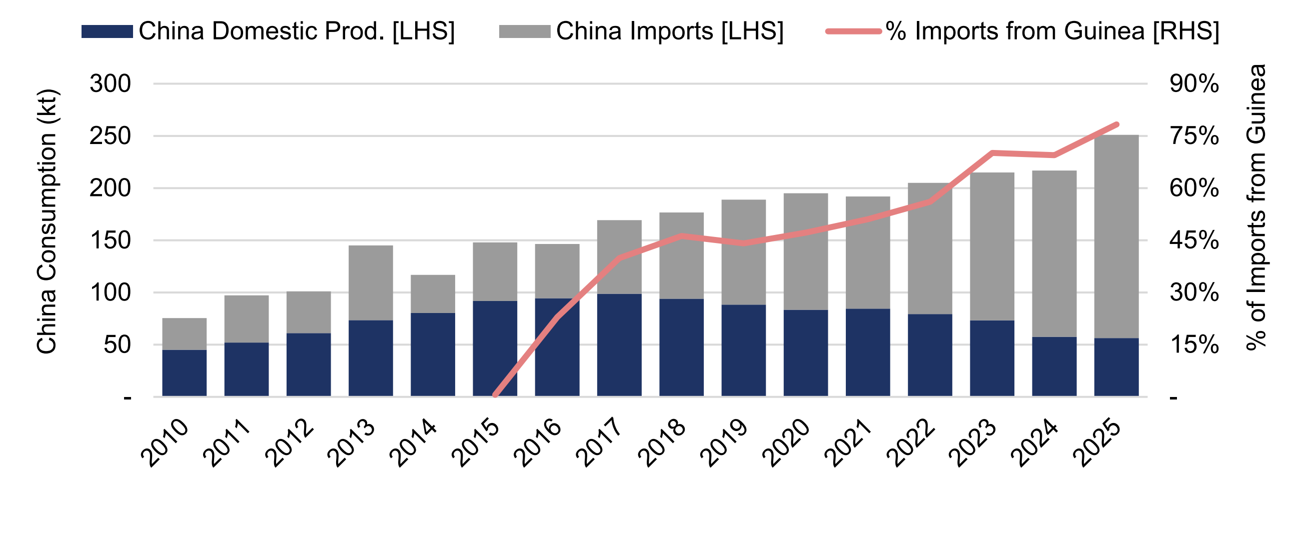
- Has seen import dependence surge since 2017

As a result, Guinea has emerged as the dominant supplier and is expected to account for ~78% of China's bauxite imports in 2025.

Recent geopolitical and infrastructure challenges in Guinea – including the revocation of key mining licences and persistent logistics bottlenecks – highlight the rising risks associated with an increasingly concentrated supply base.

By contrast, Amargosa is strategically located in Bahia, Brazil, with expected first quartile cost curve positioning and a clear pathway to reliable exports. Amargosa is well placed to support global alumina refiners seeking to diversify supply, and strengthen security of high-quality bauxite feedstock.

Chinese Bauxite Consumption & Guinea Supply Concentration Risk



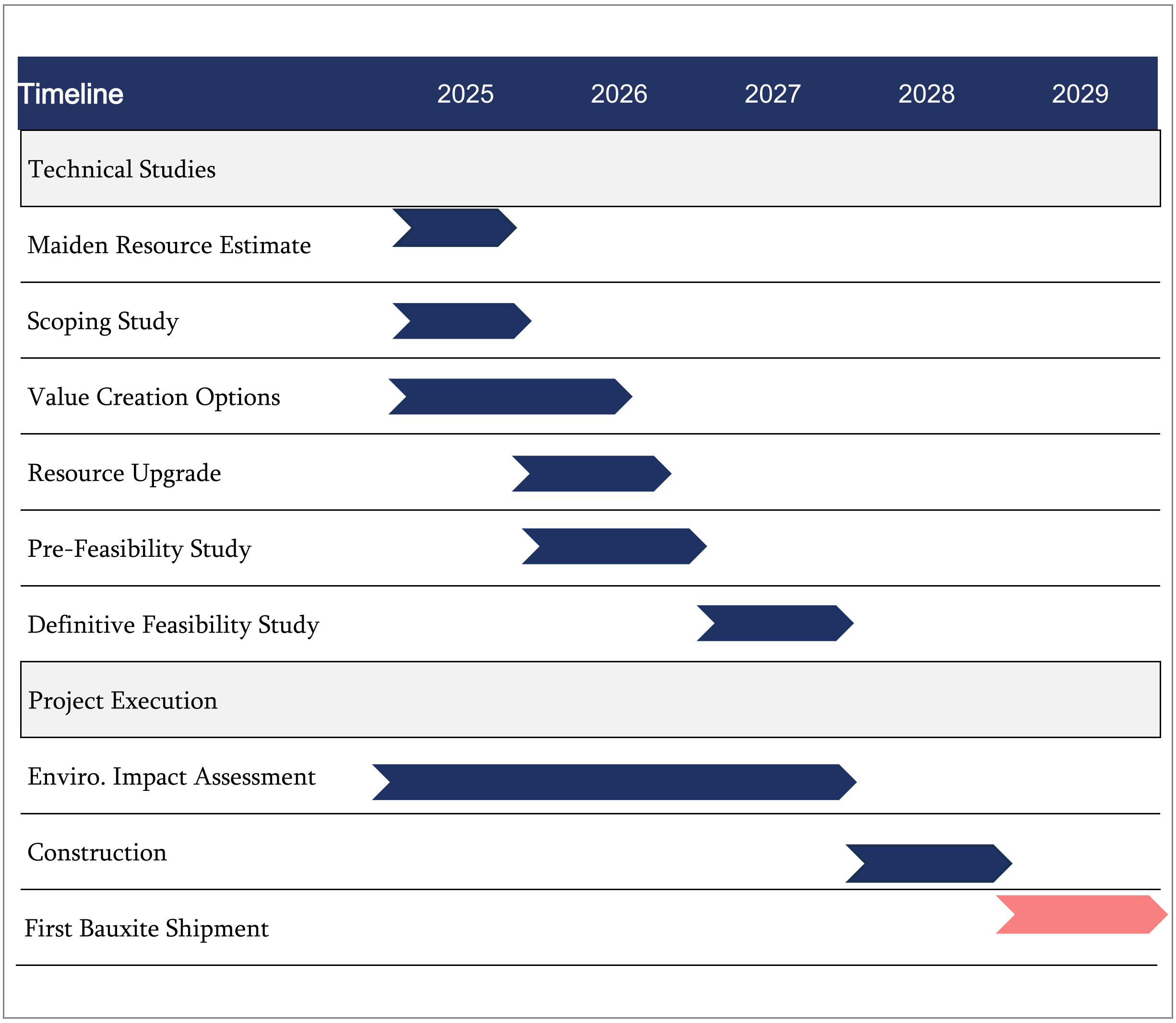
Source: CRU

5 Mtpa DSB development plan

Following completion of the Scoping Study, Amargosa will advance into feasibility studies and permitting, targeting first production in 2029, subject to approvals and financing.

The development and operating plan – shallow, low-strip-ratio truck-and-shovel mining, with progressive rehabilitation, low water demand and no wastewater discharge – is inherently low impact and closely aligned with regulatory expectations for lateritic mining in Brazil.

The 5 Mtpa DSB development plan is designed to initially avoid a beneficiation plant and tailings facility, and does not require major fixed infrastructure such as on-site power generation, accommodation camps or extensive water infrastructure. This development plan underpins a shorter construction schedule, lower upfront capital, and reduced execution risk relative to competing bauxite developments.



Project upside opportunities

BRE is advancing studies to unlock value from higher production capacity and exports beyond the initial 5 Mtpa DSB operation.

Volume Expansion	• Potential expansion beyond the initial 5 Mtpa DSB operation through optimisation of trucking payloads, haul routes and port operations
Volume Expansion (Rail)	• Potential future integration with the FIOL-Porto Sul heavy-haul rail corridor offers significant scale and competitive long-term transport economics

Volume Expansion (Product Upgrading)	• Ongoing test work aims to quantify enhanced product grades through bauxite beneficiation processes • Potential to significantly increase production volumes + extend project life through increased total resource extraction
Resource Expansion	• Resource upside potential – longer project life, higher annual production exports • Drilling and pit-shell optimisation to expand the bauxite resource base
Mining Operations	• Optimise mine scheduling, sequencing, and pit designs • Selective mining, and improved bauxite-waste boundary definition, optimising grades and unit costs
Road Haulage	• Potential to increase payloads through an additional axle and lower weight trays – lower transport unit costs
Land Acquisition	• Targeted land acquisition to optimise haulage routes, shorter haul distances and more direct access to stockpile and loading locations

Southern Logistics 15 Mtpa Option – FIOL Rail and Porto Sul

In addition to the 5 Mtpa DSB base case (road haulage to Enseada), the Scoping Study assessed the Southern Logistics expansion pathway using Bahia's FIOL railway and and planned Porto Sul termional to scale exports to ~15 Mtpa.

This higher production options comprises a Central District rail load-out facility, a ~40 km spur connecting to FIOL, that will rail bauxite to Porto Sul. FIOL is a federally regulated, open-access corridor with ~60 Mtpa capacity, and the Amargosa–Porto Sul segment is already ~70% complete.

Under this development scenario, initial production starts with 5 Mtpa DSB from the North District via Enseada in 2029, with the Central District adding ~10 Mtpa of exports via FIOL from 2032. The staged construction of beneficiation plants in both districts then supports a sustained combined production and export rate of ~15 Mtpa.

Independent engineering and cost studies confirmed the technical and commercial viability of the rail option.

Using the spot bauxite US$71/t pricing case, this development scenario generates an after-tax NPV_8 of US$789 million and a 58% IRR, highlighting material upside beyond the base case.

At bauxite prices of US$80/t, the forecast outcome is after-tax NPV_8 of US$1.7 billion.

FIOL Rail (70% Complete) & Porto Sul (Rendering)

Strategic Partnership with Carester to Deliver Heavy Rare Earth Supply Chain

BRE executed strategic agreements with Carester SAS (Carester), a leading western rare earth processing specialist, covering:

- Long term offtake supply of heavy rare earth feedstocks
- Engineering and technical services for BRE's planned integrated rare earths separation refinery at the Camaçari Petrochemical Complex in Bahia.

These agreements support BRE's strategy to establish Brazil as a globally significant rare earth export hub, producing high-value neodymium and praseodymium (NdPr) oxide, heavy rare earth concentrate (SEG+), separated dysprosium and terbium (DyTb) oxides, and uranium. Importantly, BRE signed a binding 10-year heavy rare earth offtake agreement with Carester, providing a secure pathway for high-value DyTb oxide separation at Carester's Caremag facility in France.

Carester is recognised for deep technical capability across rare earth processing and separation, with experience spanning the design, commissioning, optimisation and operation of advanced separation facilities globally. Carester's engineering and technical team will support the design, construction and commissioning of BRE's planned separation plant in Brazil, accelerating project development and de-risking execution.

The BRE–Carester partnership is focused on heavy rare earths, addressing the structural Western shortage in dysprosium, terbium and yttrium - critical inputs for high-performance permanent magnets and advanced materials.

The Monte Alto Rare Earth Project hosts ultra-high-grade, heavy rare earth-rich mineralisation alongside exceptional grades of NdPr, niobium, scandium, tantalum and uranium. Extensive drilling and metallurgical test work support the potential for low-cost, high-recovery production, positioning Monte Alto as a preferred heavy rare earth feedstock source for Carester.

Carester intends to process BRE's heavy rare earth concentrate into separated dysprosium, terbium and heavy rare earth oxides at its Caremag facility in France. Caremag is a major rare earth separation and recycling project scheduled to commence operations in late 2026, with funding support from the French Government, the Japan Organization for Metals and Energy Security (JOGMEC), and Iwatani Corporation. With nameplate capacity of approximately 600 tpa of DyTb oxides, Caremag is expected to be the largest heavy rare earth oxide separation facility in the Western world, representing around 15% of current global DyTb production capacity.

Caremag Facility, One of the World's Largest Heavy Rare Earth Separation Plants, and Groundbreaking Ceremony With JOGMEC

Next Six Months

BRE is advancing multiple workstreams at the Monte Alto, Sulista and Amargosa projects,

- Monte Alto and Sulista exploration results
- Metallurgical process development and optimisation results
- Amargosa de-merger to unlock shareholder value and enhance strategic focus
- Camaçari pilot plant construction in partnership with SENAI CIMATEC
- Rare Earth Scoping Study and Mineral Resource Estimation

This announcement has been authorised for release by the CEO and Managing Director.

For further information and enquiries please contact:

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MD and CEO

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Sign up to our investor hub at investors.brazilianrareearths.com

Forward-Looking Statements and Information

This Announcement may contain "forward-looking statements" and "forward-looking information", including statements and forecasts which include (without limitation) expectations regarding industry growth and other trend projections, forward-looking statements about the Rocha da Rocha Project, future strategies, results and outlook of BRE and the opportunities available to BRE. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "is expecting", "budget", "outlook", "scheduled", "target", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Such information is based on assumptions and judgments of BRE regarding future events and results. Readers are cautioned that forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, targets, performance or achievements of BRE to be materially different from any future results, targets, performance or achievements expressed or implied by the forward-looking information.

Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

Forward-looking information and statements are (further to the above) based on the reasonable assumptions, estimates, analysis and opinions of BRE made in light of its perception of trends, current conditions and expected developments, as well as other factors that BRE believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Although BRE believes that the assumptions and expectations reflected in such forward-looking statements and information (including as described in this Announcement) are reasonable, readers are cautioned that this is not exhaustive of all factors which may impact on the forward-looking information.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking information or statements detailed in this Announcement will actually occur and prospective investors are cautioned not to place undue reliance on these forward-looking information or statements.

Competent Persons Statement

The information in this announcement that relates to Exploration Results and Mineral Resources is extracted from the referenced ASX announcements ("Original ASX Announcements") which are available to view at BRE's website at www.brazilianrareearths.com. BRE confirms that a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements; b) in the case of the estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the Original ASX Announcements continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this report have not been materially changed from the Original ASX Announcements.

ASX – Additional Information

Exploration Properties – Rocha da Rocha Project Area

BRE's Rocha da Rocha Province consists of 199 granted exploration licences covering an area of ~3,041 km^2 registered with ANM. Refer to Schedule 1 for a full listing of granted exploration licences at 31 December 2025. The Group did not acquire any exploration tenements during the quarter. During the quarter, Group completed the relinquishment of 74 tenements.

Exploration Expenditures

During the quarter, BRE made the following payments for exploration activities:

Activity	A$'000
Drilling expenses including labour	1,728
Assaying costs	238
Technical studies	1,052
Personnel costs	2,772
Field supplies, equipment rental, vehicles, travel and other costs	4,274
Total quarterly exploration expenditures as reported in Appendix 5B	**10,064**

BRE made no payments for mine development or production activities during the quarter.

Related Party Payments

BRE made payments of A$497,916 to related parties and their associates. These payments include executive directors' remuneration, non-executive directors' fees and superannuation contributions.

Information Required by Listing Rule 5.3.4

Schedule 2 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 2025 to the proposed Use of Funds disclosed in the Prospectus dated 13 November 2023.

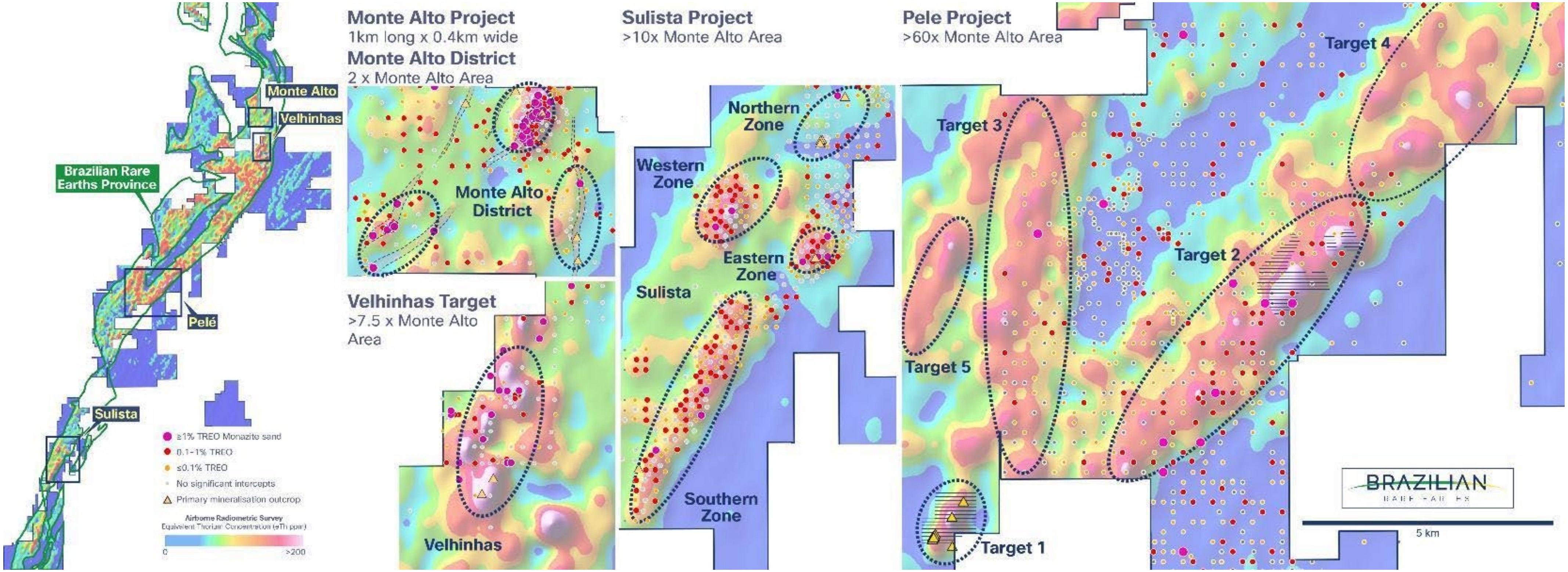
End Notes

The information contained in this announcement relating to BRE's historical exploration results is extracted from, or was set out in, the following ASX announcements (Original ASX Announcements) which are available to view at BRE's website at www.brazilianrareearths.com:

1. *ASX Announcement dated 3 October 2025 "Amargosa Bauxite-Gallium – 568mt Maiden Mineral Resource"*
2. *ASX Announcement dated 9 October 2025 "BRE Signs Rare Earths Offtake & Partnership with Carester"*
3. *ASX Announcement dated 14 October 2025 "BRE Raises $120m to accelerate rare earths development"*
4. *ASX Announcement dated 11 December 2025 "Amargosa Bauxite Project – Scoping Study"*
5. *ASX Announcement dated 6 January 2026 "Appointment of Chief Financial Officer"*

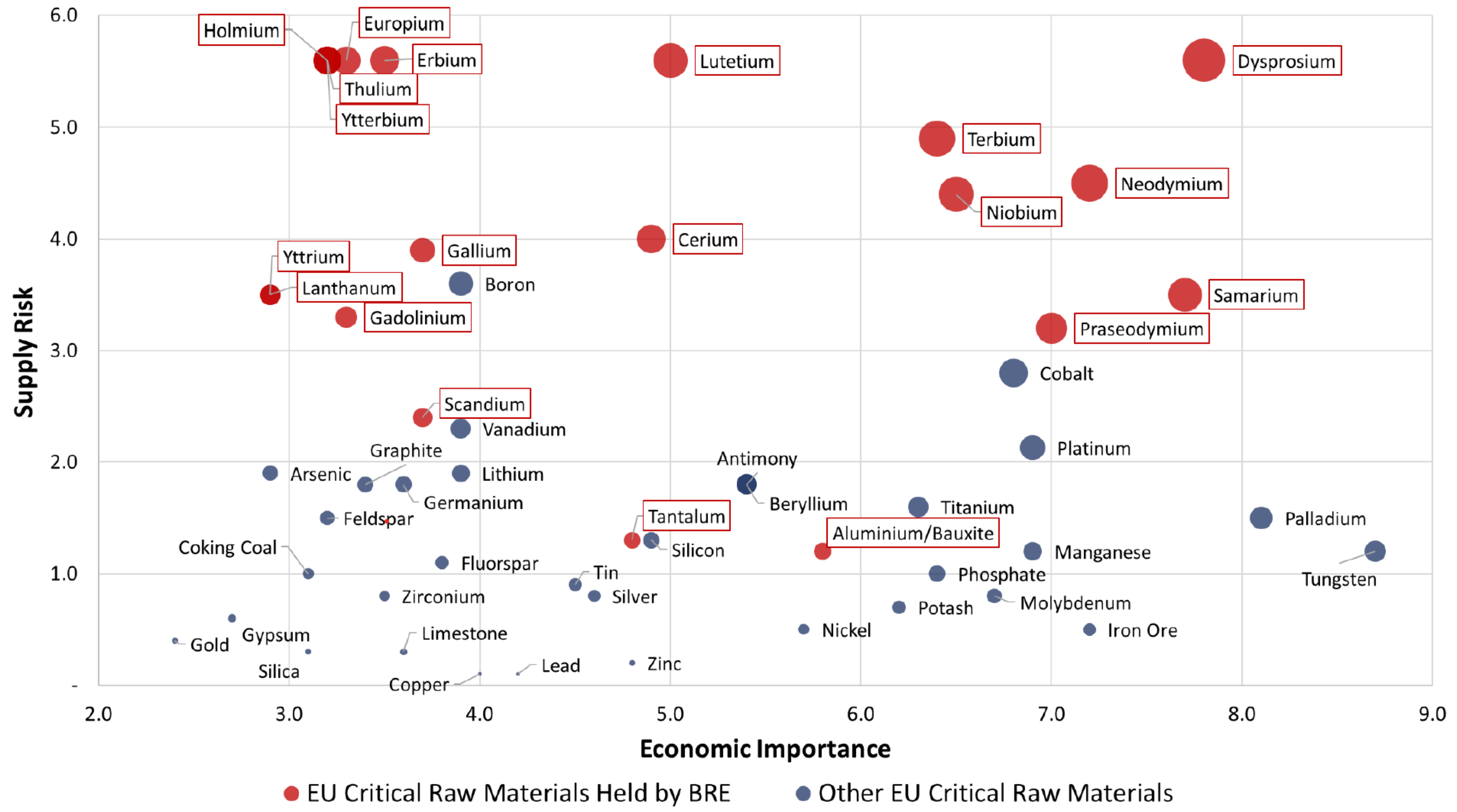
BRE confirms that (a) it is not aware of any new information or data that materially affects the information included in the Original ASX Announcements and (b) in the case of the estimates of Mineral Resources, all material assumptions and technical parameters underpinning the estimates in the Original ASX Announcements continue to apply and have not materially changed.

Appendix A: BRE REE exploration projects[1]



[1] Refer BRE's Prospectus dated 13 November 2023 and ASX Announcements dated 22 January 2024, 1 February 2024, 25 March 2024, 6 June 2024,11 June 2024, 26 August 2024, 8 October 2024, 23 October 2024, 12 December 2024, 21 January 2025, 26 March 2025, 14 April 2025, 29 May 2025, 2 September 2025, 16 September 2025, 3 October 2025 9 October 2025, 14 October 2025 and 11 December 2025 ("Original ASX Announcements"). The Company is not aware of any new information or data that materially affects the information contained in the Prospectus or the Original ASX Announcements.

Appendix B: BRE's Mineral Portfolio Contains 20 of EU (+ U.S.) Critical Minerals



Source: [Study on the Critical Raw Materials for the EU 2023]
Note: Bubble size represents the product of Supply Risk and Economic Importance.

Schedule 1

Exploration Permits at 31 December 2025

Details of the granted exploration tenements at 31 December 2025 are included in the table below. The Group did not acquire any exploration tenements during the quarter. During the quarter, Group completed the relinquishment of 74 tenements.

Permit Number	Permit Type	Area (ha)	Interest	Acquired during quarter (Yes, if acquired)	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, 870.483/2017, 870.484/2017, 871,164/2021, 870.717/2017, 871.394/2017, 871.144/2021	Exploration Permits	19,027.85	100%		2
Borborema Recursos Mineração Ltda.					
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, 870.772/2021, 872.265/2021, 872.266/2021, 870.694/2021, 871.928/2022, 871.929/2022, 871.931/2022, 871.914/2023, 871.948/2023, 872.631/2023, 872.634/2023, 872.637/2023, 872.640/2023, 872.586/2023, 872.636/2023, 872.639/2023, 872.642/2023, 872.638/2023, 872.641/2023, 872.654/2023, 872.655/2023, 872.657/2023, 872.660/2023, 872.664/2023, 872.667/2023, 872.669/2023, 872.670/2023, 872.672/2023, 872.673/2023, 872.674/2023, 872.675/2023, 872.676/2023, 872.678/2023, 872.679/2023, 872.680/2023, 872.681/2023, 872.682/2023, 872.683/2023, 872.684/2023, 872.685/2023, 872.686/2023, 872.687/2023, 872.688/2023, 872.689/2023, 872.690/2023, 872.691/2023, 872.692/2023, 872.694/2023, 872.695/2023, 872.696/2023, 872.697/2023, 872.698/2023, 872.699/2023, 872.700/2023, 872.701/2023, 872.702/2023, 872.703/2023, 872.704/2023, 872.705/2023, 872.706/2023, 872.707/2023, 872.708/2023, 872.709/2023, 872.710/2023, 872.711/2023, 872.712/2023, 872.713/2023, 872.714/2023, 872.715/2023, 872.716/2023, 872.717/2023, 872.718/2023, 872.719/2023, 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, 872.663/2023, 872.668/2023, 872.671/2023, 870.004/2013, 870.002/2013, 870.003/2013, 872.651/2013, 870.008/2015, 872.549/2015, 870.730/2016, 871.103/2016, 870.409/2017, 871.663/2024, 871.668/2024, 871.671/2024, 871.997/2024, 871.952/2024, 871.951/2024, 871.996/2024, 871.998/2024, 871.953/2024, 873.776/2006, 870.025/2007, 870.029/2007, 870.174/2007, 873.777/2006, 872.563/2005, 873.244/2006, 870.536/2007, 870.539/2007, 870.585/2008, 870.540/2007, 870.541/2007, 870.545/2007, 870.544/2007, 870.877/2007, 870.879/2007, 872.970/2010, 872.480/2009, 870.880/2007, 870.882/2007, 873.398/2008, 870.890/2007, 870.888/2007, 870.898/2007, 870.900/2007, 870.314/2007, 870.724/2010, 872.947/2007, 873.880/2007, 872.703/2008, 871.239/2010, 870.024/2007, 870.027/2007, 870.026/2007, 874.320/2007, 871.439/2004, 873.212/2006, 873.213/2006, 871.438/2004, 870.532/2007, 870.826/2004, 872.568/2005, 870.827/2004, 870.534/2007, 870.713/2007, 870.714/2007	Exploration Permits	252,791.17	100%		1, 5, 6
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	Exploration Permits	11,490.25	100%		1

Permit Number	Permit Type	Area (ha)	Interest	Acquired during quarter (Yes, if acquired)	Notes
Pro Flora Agroflorestal					
871.746/2017	Exploration Permit	1,885.37	100%		4
R. E. 17 Mineração					
870.930/2011 ,870.725/2016	Exploration Permits	2,856.74	100%		3
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	Exploration Permits	15,284.12	100%		1
Vanice A. Assis Costa					
871.219/2018	Exploration Permits	770.00	100%		4

Notes:

1. Each of Borborema Mineração 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. 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.
4. 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
5. During the September 2025 quarter, Amargosa Recursos Minerais Ltda. (“Amargosa”) was incorporated as a wholly owned subsidiary of BRE. During the December 2025 quarter, Borborema entered into a legally binding agreement to transfer 21 exploration permits (covering 33,703.96 ha) and granted options over a further 25 exploration permits (covering 41,119.58 ha) to Amargosa for no consideration. A request for the assignment of the 21 transferred exploration permits to Amargosa has been lodged with the ANM.
6. During the December 2025 quarter, Borborema lodged negative final exploration reports with the ANM to relinquish 154 tenements. The relinquishment of 74 tenements (covering 125,249.83 ha) were completed in the December quarter with a further 80 tenements (covering 143,257.80 ha) still in process. Only completed relinquishments have been removed from the disclosure.

Schedule 2

Actual Expenditure to 31 December 2025
vs. Use of Funds in the Prospectus 13 November 2023

Use of Funds	Expenditure under Prospectus (2-year period) A$'000	Actual expenditure to 31 December 2025 A$'000
Acquisition of the Rio Tinto Amargosa Tenements[1]	11,645	11,052
Exploration activities (including operations personnel)	26,500	57,341
Technical studies	1,000	1,949
Equipment purchases	1,500	2,968
Permitting and legal	500	374
Environmental	400	796
Costs of the Offer	4,283	2,430
Working capital[2 & 3]	7,372	7,070
TOTAL[4]	**53,200**	**83,979**

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 interest revenue, surplus funds and funds that may be applied to future acquisitions.
3. Actual working capital expenditure to 31 December 2025 includes A$1.55 million of cash in relation to the acquisition of the Sulista Project.
4. Actual expenditure to 31 December 2025 totalling A$83.98 million exceeds forecast expenditure of A$53.2 million (2-year period) under the Prospectus. The additional expenditure has been funded from the proceeds of the A$80 million and A$120 million capital raisings completed by BRE in June 2024 and October 2025.

Schedule 3

Appendix 5B
Mining exploration entity quarterly cash flow report

Name of entity

BRAZILIAN RARE EARTHS LIMITED

ABN	Quarter ended ("current quarter")
88 649 154 870	**31 DECEMBER 2025**

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(10,064)	(32,347)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(521)	(2,134)
	(e) administration and corporate costs	(1,519)	(2,856)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1,296	4,390
1.5	Interest and other costs of finance paid	(11)	(62)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(10,819)**	**(33,009)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(179)	(2,554)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	21	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(158)**	**(2,554)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	120,000	120,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(3,657)	(3,702)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**116,343**	**116,298**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	57,065	81,686
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(10,819)	(33,009)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(158)	(2,554)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	116,343	116,298

Consolidated statement of cash flows		Current quarter $A’000	Year to date (12 months) $A’000
4.5	Effect of movement in exchange rates on cash held	(67)	(57)
4.6	**Cash and cash equivalents at end of period**	**162,364**	**162,364**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A’000**	**Previous quarter $A’000**
5.1	Bank balances	162,364	57,065
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**162,364**	**57,065**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	498
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Not applicable

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(10,855)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(10,855)
8.4	Cash and cash equivalents at quarter end (item 4.6)	162,364
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	162,364
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**15**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: **Not applicable**

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: **Not applicable**

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: **Not applicable**	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A

2 This statement gives a true and fair view of the matters disclosed

Date: **29 January 2026**

Authorised by: **Managing Director and CEO**