



# Prospectus

## Brazilian Rare Earths Limited

ACN 649 154 870

### For offers of fully paid ordinary shares in the Company (Shares)

This Prospectus has been issued to provide information on the offer of 34,013,606 Shares at an Offer Price of A\$1.47 per Share to raise A\$50,000,000 (before associated costs) (**Offer**).

It is proposed that the Offer will close at 5:00pm (Sydney time) on 7 December 2023. The Directors reserve the right to close the Offer earlier or to extend this date without notice. Applications must be received before that time.

This is an important document and requires your immediate attention. It should be read in its entirety. Please consult your professional adviser(s) if you have any questions about this Prospectus. Investment in the Shares offered pursuant to this Prospectus should be regarded as highly speculative in nature, and investors should be aware that they may lose some or all of their investment. Refer to Section 3 for a summary of the key risks associated with an investment in the Shares.

Australian legal advisor

**Thomson Geer**  
Lawyers

Lead Manager and Underwriter



Co-Lead Manager



# Important Notice

## Offer

The Offer detailed in this Prospectus is an invitation to eligible Applicants to apply for fully paid ordinary shares (**Shares**) in the Company. This Prospectus is issued by the Company for the purpose of Chapter 6D of the Corporations Act.

The Offer comprises of:

- the Broker Firm Offer, which is open to eligible Australian retail clients and other eligible clients (subject to compliance with applicable laws) of Brokers;
- the Priority Offer, which is open to investors who have received an invitation to participate in the Offer from the Company and who have a registered address in Australia, or are otherwise Institutional Investors in other Permitted Jurisdictions (or as may otherwise be permitted by the law and accepted by the Company); and
- the Institutional Offer, which consists of an offer to Institutional Investors in the Permitted Jurisdictions.

## Prospectus

This Prospectus is dated, and was lodged with ASIC on, 13 November 2023. Neither ASIC nor ASX (or their respective officers) take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The expiry date of this Prospectus is 5:00pm (Sydney time) on that date which is thirteen (13) months after the date of this Prospectus. No Shares will be issued on the basis of this Prospectus after that expiry date.

An application will be made to ASX within seven (7) days of the date of this Prospectus for Official Quotation of the Shares the subject of the Offer.

No person is authorised to give any information or to make any representation in connection with the Offer, other than as is contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company, the Directors, or any other person in connection with the Offer. You should rely only on the information in this Prospectus.

It is important that you read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

## Not Investment Advice

The information detailed in this Prospectus is not investment or financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its Shares or any other financial products.

## Disclaimer

The lead manager and underwriter of the Offer, being Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Lead Manager and Underwriter**) and its related bodies corporate and affiliates, and officers, directors, employees, agents and advisers of each of the foregoing (collectively, **Lead Manager Parties**), take no responsibility for the Offer and make no recommendations as to whether any person should participate in the Offer nor do they make any representations or warranties (express or implied) concerning the Offer, and they disclaim (and by accepting this Prospectus you disclaim) any fiduciary relationship between them and the recipients of this Prospectus, or any duty to the recipients of this Prospectus or participants in the Offer or any other person. The Lead Manager Parties have not authorised, permitted or caused the issue, submission, dispatch or provision of this Prospectus. The disclaimer above does not purport to disclaim any warranty or liability which cannot be disclaimed by law.

Determination of eligibility of investors for the purposes of the Offer is determined by reference to a number of matters, including legal requirements and the discretion of the Company and the Lead Manager and Underwriter. The Company, Lead Manager and Underwriter and their respective affiliates, officers, employees and advisers disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

## Consider Risks of Investments

This Prospectus is important and should be read in its entirety prior to deciding whether to invest in Shares. There are risks associated with an investment in Shares and some of the key risks are detailed in Section 3. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues) and seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares. There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, solicitor, accountant, financial adviser or other independent professional adviser before deciding whether to invest in Shares.

No person named in this Prospectus warrants or guarantees the Company's performance, the repayment of capital by the Company or any return on investment made pursuant to this Prospectus.

As detailed in Section 1.20, the Company will apply for the Shares to be quoted on the ASX. The Company, the Company's share

registry (Xcend Pty Ltd (**Share Registry**)) and the Lead Manager and Underwriter, disclaim all liability, whether in negligence or otherwise, to persons who trade Shares before receiving their holding statements.

## Foreign Investors

This Prospectus does not constitute an offer or invitation to apply for Shares in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer or to otherwise permit an offering of the Shares, in any jurisdiction outside Australia. The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. The Shares are not being offered to any investor outside Australia, other than certain eligible investors in certain jurisdictions detailed in Section 1.22 (or as may otherwise be permitted by law and accepted by the Company).

In particular, this Prospectus does not constitute an offer to sell, or a solicitation of any offer to buy, securities in the United States. In particular, the Shares have not been, and will not be, registered under the US Securities Act of 1933 (**US Securities Act**) or the securities laws of any State or other jurisdiction of the United States, and may not be offered or sold in the United States, except in transactions exempt from or not subject to the registration requirements of the US Securities Act and any other applicable US securities laws. This Prospectus may only be distributed in the United States to Institutional Investors by the Lead Manager and Underwriter and only if this Prospectus is accompanied by the US Offering Circular.

Refer to Section 1.22 for more details on selling restrictions that apply to the Offer and the sale of Shares in jurisdictions outside Australia.

## Financial Information

The financial information included in this Prospectus has been prepared and presented in accordance with the recognition and measurement principles prescribed by Australian Accounting Standards (which are consistent with International Financial Reporting Standards), except where otherwise stated.

The financial information is presented in abbreviated form. It does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports. The financial information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information detailed in Section 6.

## Past Performance

This Prospectus includes information regarding past performance of the Company. Prospective investors should be aware that past performance should not be relied upon as being indicative of future performance.

## Electronic Prospectus and Application Forms

This Prospectus will be made available in electronic form only to persons in Australia by being posted on the Company's website at [www.brazilianrareearth.com](http://www.brazilianrareearth.com). Eligible persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the relevant Application Form (free of charge) from the Company's registered office during the Offer Period by contacting the Offer Information Line on 02 7208 8033 (within Australia) or +61 2 7208 8033 (outside Australia) from 8:30am to 5:00pm (Sydney time) Monday to Friday (excluding public holidays). Details of the Company's registered office are detailed in the Corporate Directory. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and relevant Application Form within Australia (unless otherwise determined by the Board, subject to applicable laws).

The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

The electronic copy of this Prospectus available from the Company's website will not include an Application Form. The Company (or Lead Manager and Underwriter or the Co-Lead Manager) will provide this Prospectus together with the Application Form to persons selected to apply to participate in the Offer. Applicants must complete and return the Application Form with the requisite Application Monies by following the instructions detailed on the Application Form.

By returning an Application Form with the requisite Application Monies or making a payment of Application Monies you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer as detailed in this Prospectus.

## Exposure Period

This Prospectus will be circulated during the Exposure Period. The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. You should be aware that this examination may result in the identification of deficiencies in this Prospectus. In such circumstances, any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Applications under this Prospectus will not be processed by the Company until after the Exposure Period. No preference will be conferred upon Applications received during the Exposure Period.

## Cooling Off Rights

Cooling off rights do not apply to an investment in Shares acquired under this Prospectus. This means that, in most circumstances, you cannot withdraw your application to acquire Shares under this Prospectus once it has been accepted.

## No incorporation by reference

No document or information (such as is included on the Company's website) is incorporated by reference into this Prospectus.

## Speculative Investment

The Shares offered pursuant to this Prospectus should be considered highly speculative. There is no guarantee that the Shares offered pursuant to this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Prospective investors should carefully consider whether the Shares offered pursuant to this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 3 for details relating to the key risks applicable to an investment in the Shares.

## Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses, and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for Shares offered pursuant to this Prospectus have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser for advice.

## Privacy Statement

To apply for Shares you will be required to provide certain personal information to the Company and the Share Registry. The Company and the Share Registry will collect, hold, use, disclose and otherwise handle your personal information in order to assess your Application, service your needs as an investor, provide facilities and services that you request, and to carry out appropriate administration in relation to your Application and your needs as an investor. The Corporations Act and taxation law require some of this personal information to be collected. If you do not provide the information requested, the Company may not be able to accept or process your Application.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes detailed in this Privacy Statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities and as otherwise permitted or required by law.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the Shares held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Shareholders) and compliance by the Company with its legal and regulatory requirements.

In some cases, your personal information may be disclosed by the Company to recipients located in the other countries such as storage of subscribers' data for the purpose of web mail broadcasts. Otherwise, your personal information is not generally disclosed to recipients located overseas except with your consent or where otherwise permitted or required by law.

The Company's Privacy Policy at [www.brazilianrareearth.com](http://www.brazilianrareearth.com) includes additional information about the way the Company handles personal information, including how to seek access or correction of your personal information, and how to complain if you believe we have breached our privacy obligations and how we will handle your complaint. For further information you may also contact our Privacy Officer by email at [stephen@brazilianrareearth.com](mailto:stephen@brazilianrareearth.com) or by mail to Privacy Officer, Brazilian Rare Earths Limited, Level 1, 1024 Ann Street Fortitude Valley QLD 4006 Australia.

Your personal information will be provided to the Share Registry to assist in managing the Company's Share register. The Share Registry's Privacy Policy is available on the Share Registry's website, <https://www.xcend.co/privacy-policy>. Questions about the Share Registry's Privacy Policy can also be emailed to [support@xcend.co](mailto:support@xcend.co).

## Forward-Looking Statements and Information

This Prospectus contains "forward-looking statements" and "forward-looking information", including statements and forecasts which include (without limitation) expectations regarding industry growth and other trend

# Important Notice continued

projections, forward-looking statements about the 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. Key risk factors associated with an investment in the Company are detailed in Section 3. 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 throughout this Prospectus) are reasonable, readers are cautioned that this is not exhaustive of all factors which may impact on the forward-looking information. BRE does not undertake to update any forward-looking information or statements, except in accordance with applicable securities laws, regardless of whether new information, future events or any other factors affect the information detailed in this Prospectus, except where required by law.

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 Prospectus will actually occur and prospective investors are cautioned not to place undue reliance on these forward-looking information or statements.

## Proximate Statements

This Prospectus may contain references to other parties either nearby or proximate to the Project and includes references to topographical or geological similarities to that of the Project. It is important to note that such discoveries or geological similarities do not in any way guarantee that the Company will have any success or similar successes on the Project, if at all.

## Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the assets shown in them are owned by the Company.

Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data detailed in charts, graphs and tables is based on information available at the date of this Prospectus.

## Competent Person's Statement

The information in this Prospectus that relates to Mineral Resources and the rare earth elements Exploration Target is based on, and fairly represents, information and supporting documentation prepared by Mr Adam Karst P.G., a Competent Person who is a registered member of the Society of Mining, Metallurgy and Exploration which is a Recognised Overseas Professional Organisation. Mr Karst has sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Mr Karst has given his prior written consent to the form and context in which the Mineral Resources, the rare earth elements Exploration Target and the supporting information are presented in this Prospectus and has not withdrawn his consent before lodgement of this Prospectus with ASIC.

The information in this Prospectus that relates to exploration results and the bauxite Exploration Target is based on, and fairly represents, information and supporting documentation prepared by Ms Sonia Konopa, a Competent Person who is a Fellow of the AusIMM (membership number 101561). Ms Konopa has sufficient experience that is relevant to the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Ms Konopa has given her prior written consent to the form and context in which the exploration results, the bauxite Exploration Target and the supporting information are presented in this Prospectus and has not withdrawn her consent before lodgement of this Prospectus with ASIC.

## Currency

All financial amounts contained in this Prospectus are expressed as Australian currency unless otherwise stated. All references to "\$", "AUD" or "A\$" are references to Australian dollars.

All references in this Prospectus to "US\$" or "USD" are references to United States of America dollars.

All references in this Prospectus to "R\$" or "BRL" are references to Brazilian Reals.

## Effect of rounding

Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables in this Prospectus are due to rounding.

## Time

All references to time in this Prospectus are references to the time in Sydney, New South Wales, unless otherwise stated.

## Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary in Section 11.





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# Letter from the Chairman



## Dear Investor,

On behalf of the Board of Directors, it is my pleasure to invite you to become a shareholder in Brazilian Rare Earths Limited (**BRE** or the **Company**). The Directors believe that the Offer represents an attractive opportunity to invest in a company with a highly prospective large-scale rare earth and critical minerals project located in Bahia, Brazil. Our aim is to develop this project and build a leading rare earth and critical minerals company to create long term value for shareholders, our communities and stakeholders.

Rare earth elements (**REE**) are critical for the transition to a more sustainable and efficient economy that is underpinned by electrification and advanced clean technologies. These elements, especially the heavy rare earth elements Dysprosium-Terbium (**DyTb**) and the light rare earths Neodymium-Praseodymium (**NdPr**) play a pivotal role in the development of high-performance permanent magnets that can power an array of essential technologies such as electric vehicles, wind turbines, robotics, medical equipment, and many other important technologies. As our world accelerates its shift toward electrification, these permanent magnets are vital building blocks that assist these technologies to perform with higher durability, efficiency and performance.

Brazil is a country rich in natural resources with a successful history of supporting world class mining projects from a range of leading international natural resource companies including Rio Tinto, BHP, Vale, Anglo American and South32. These companies operate world-class mining projects that are sustained by skilled workforces, modern infrastructure, and a stable investing environment.

Brazil provides an attractive location for exploration and development, with our project offering several key advantages:

- **Prime Strategic Location:** Our large-scale rare earth project is near critical infrastructure, including clean hydro-electric power, well-connected highways, and an efficient export port.
- **Rare Earth Province:** BRE has control of 1,410km<sup>2</sup> of highly prospective tenements across this new leading world-class rare earth province and so far, BRE has only explored less than 5% of this area.
- **Highly Valuable Critical Minerals:** BRE has discovered a compelling portfolio of valuable critical elements, including niobium, scandium, uranium and rare earth elements.
- **Large JORC Resource with Growth Opportunity:** Our project has a JORC estimated resource of 510Mt at a grade of 1,513ppm total rare earth oxide (**TREO**). This resource has the potential to grow as we accelerate exploration programs across our extensive tenements.
- **High-grade REE-Nb-Sc Mineralisation:** Transformative discovery of exceptionally high-grade rare earth, niobium, scandium and uranium (**REE-Nb-Sc**) magmatic mineralisation.

BRE's key exploration focus is at the Monte Alto project where our dedicated exploration team has delineated a JORC estimated resource of 25.2Mt at a grade of 10,022ppm TREO. This compelling resource is shallow, free dig and early metallurgical test work indicates that simple, low-cost processing techniques could be used to produce a valuable rare earth concentrate product.

Significantly, within the boundaries of the Monte Alto project area, our exploration team has recently discovered exceptionally high-grade REE-Nb-Sc hard rock magmatic mineralisation. The REE-Nb-Sc mineralisation is present across extensive large outcrops and corestones with average grades of 32.7% TREO, niobium of 1.1% Nb<sub>2</sub>O<sub>5</sub>, uranium of 4,025ppm U<sub>3</sub>O<sub>8</sub> and scandium of 219ppm Sc<sub>2</sub>O<sub>3</sub>. Our current exploration model is that this high-grade REE-Nb-Sc mineralisation may represent the 'source' rock for the Monte Alto deposit. Our exploration team is actively testing this model with an extensive regional diamond drilling program.

BRE has achieved notable success in the broader regional exploration program, with the discovery of Ionic Adsorption Clay (IAC) style rare earth deposits which are known for their high proportion of heavy rare earth elements. BRE's deposits have recorded rare earth grades that are comparable to those found in southern China, currently the world's dominant major source of heavy rare earths.

The success of BRE's exploration program to date is a credit to the talented and experienced team of professionals that operate the Company led by the Managing Director and co-founder of BRE, Bernardo da Veiga. We are highly committed to upholding the highest standards of operational excellence, environmental stewardship and social responsibility. We are equally dedicated to forging strong partnerships with local communities, ensuring their support and involvement in our project.

An investment in BRE is subject to risks, given that our project is in the exploration phase. These risks encompass fluctuations in prices, changes in the demand and supply dynamics of our potential products, exploration, development and operational risks, foreign exchange movements, regulatory approvals, funding requirements for any project development, the impact of changes in Brazilian taxation and other matters. Please refer to Section 3 for a more detailed description of the key risk factors.

The Offer is an initial public offering of 34,013,606 Shares at an Offer Price of A\$1.47 per Share to raise A\$50,000,000 (before associated costs). The Offer proceeds will be used to fund exploration programs, corporate costs and feasibility and engineering studies.

This Prospectus contains detailed information about the Offer and the relevant risk factors. I encourage you to read it carefully before making an investment decision.

On behalf of the Board of Directors, I look forward to welcoming you as a valued Shareholder.

Yours sincerely,



**Todd Hannigan**  
**Executive Chairman**

# Key Offer Information

Indicative Timetable	
Lodgement of this Prospectus with ASIC	13 November 2023
Exposure Period begins	13 November 2023
Exposure Period ends (unless extended)	20 November 2023
Opening Date of the Offer (unless the Exposure Period is extended)	21 November 2023
Closing Date of the Offer	7 December 2023
Allotment Date	15 December 2023
Despatch of holding statements	18 December 2023
Admission to Official List of the ASX	19 December 2023
Commence trading of Shares on ASX	21 December 2023

**Note:**

The above dates (and where applicable, the times) are indicative only and may change. The Company, in consultation with its advisers, reserves the right to amend any and all of the above dates without notice (including, without limitation, subject to the Listing Rules and the Corporations Act, to close the Offer or any part of it early, to extend the Closing Date, to accept late Applications (either generally or in particular cases) or to cancel the Offer before Shares are issued by the Company). If the Offer is cancelled before the issue of Shares, then all Application Monies will be refunded in full (without interest) as soon as practicable in accordance with the requirements of the Corporations Act. Eligible Applicants are encouraged to submit their Applications as soon as possible after the Offer opens. Admission to the Official List of ASX is subject to ASX's discretion and is not guaranteed.



## Indicative Capital Structure on Admission<sup>1</sup>

<b>Offer Price per Share under the Offer</b>	<b>A\$1.47</b>
<b>Total Shares on issue upon Admission</b>	<b>214,107,429</b>
▪ Shares on issue as at the date of this Prospectus	146,469,750
▪ Estimated Shares to be issued on the conversion of the Convertible Notes <sup>2</sup>	33,624,073
▪ Shares offered under the Offer	34,013,606
<b>Total Options on issue upon Admission</b>	<b>10,095,400</b>
▪ Management Performance Options <sup>3</sup>	9,562,350
▪ Director Options <sup>4</sup>	533,050

### Notes:

1. Refer to Section 1.7 for further details relating to the indicative capital structure of the Company on Admission.
2. Subject to the total number of Shares to be issued pursuant to the Notes Conversion which may vary depending on the total interest accrued on the Founder Notes at the time of the Notes Conversion. Refer to Section 9.6(c) for further details on the Convertible Notes and the Notes Conversion.
3. Management Performance Options (with nil exercise price and being subject to certain vesting conditions) have been issued to executive Directors and senior management of the Company or their nominees (as detailed in Sections 4.4(b) and 4.4(c)) and certain employees, contractors and other staff of the Company (or their nominees) who are not Directors or related parties of the Company, pursuant to the Employee Incentive Plan and on the terms in Section 9.4.
4. Director Options (with nil exercise price and being subject to certain vesting conditions) have been issued to non-executive Directors (or their nominees) as detailed in Section 4.4(b), pursuant to the Employee Incentive Plan and on the terms in Section 9.3.

## Questions

All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 02 7208 8033 (within Australia) from 8:30am to 5:00pm (Sydney time), Monday to Friday. If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 2 7208 8033 from 8:30am to 5:00pm (Sydney time), Monday to Friday.

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.



# Investment Overview

# Investment Overview

This Section is not intended to provide full information for investors intending to apply for Shares offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The Shares offered pursuant to this Prospectus carry no guarantee in respect of return of capital, return on investment, payment of dividends or the future value of Shares.

## A. Introduction

TOPIC	SUMMARY	MORE INFORMATION
<b>Who is issuing this Prospectus?</b>	Brazilian Rare Earths Limited ( <b>BRE or Company</b> ), a public company incorporated in Australia with Australian Company Number 649 154 870.	Section 2.1
<b>What is the Offer?</b>	<p>The Offer is an initial public offering of Shares at an Offer Price of A\$1.47 per Share to raise A\$50 million (before associated costs).</p> <p>The Shares issued pursuant to the Offer will rank equally with existing Shares on issue.</p> <p>For details relating to the rights and liabilities of the Shares, refer to Section 9.1.</p>	Section 1.1
<b>Why is the Company issuing this Prospectus?</b>	<p>The purpose of this Prospectus is to:</p> <ul style="list-style-type: none"><li>▪ raise A\$50 million pursuant to the Offer (before associated costs);</li><li>▪ assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission;</li><li>▪ position the Company to seek to achieve the objectives detailed in Section 2.4;</li><li>▪ facilitate the sale of approximately 33,624,073 Shares (in aggregate and subject to variation in that number as detailed in Section 9.6(c)) to be issued to Noteholders (and/or their respective nominee(s)) upon conversion of the Convertible Notes in accordance with the Notes Conversion within 12 months of their issue without the requirements for a future disclosure document (or cleansing notice) being prepared in connection with such sales (refer to Section 9.6(c) for further information on the Notes Conversion and refer to Section 1.23 for information in relation to anticipated ASX escrow which is expected to apply to certain of those Shares);</li><li>▪ provide a liquid market for the Shares to trade and an opportunity for others to invest in the Company; and</li><li>▪ provide the Company with the benefits of an increased profile that arises from being a listed entity.</li></ul>	Section 1.5

# Investment Overview continued

## B. Company and business overview

TOPIC	SUMMARY	MORE INFORMATION
<b>What does the Company do?</b>	BRE is a mineral exploration company focused on the discovery and development of critical mineral resources in Brazil.	Section 2.1
<b>What is the Rocha da Rocha project?</b>	<p>The Rocha da Rocha Project comprises of:</p> <ul style="list-style-type: none"> <li>▪ ninety six granted exploration permits;</li> <li>▪ one application for an exploration permit;</li> <li>▪ four applications for mining permits;</li> <li>▪ two disponibilidades;<sup>1</sup> and</li> <li>▪ an option to acquire a further three granted exploration permits, registered or applied for under Brazil's National Mining Agency Agency (<b>Rocha da Rocha Project</b> or <b>Project</b>).</li> </ul> <p>The granted exploration permits within the Rocha da Rocha Project cover a total combined area of 140,988ha (1,410km<sup>2</sup>) in the Rocha da Rocha Critical Minerals Province, located in Bahia, Brazil. The Project is a large-scale greenfields discovery of REE mineralisation, that includes high-grade REE-Nb-Sc mineralisation, saprolite monazite enriched mineralisation, and ionic clay style REE mineralisation. In addition, the Project appears to be highly prospective for niobium, scandium, uranium, bauxite and other critical minerals.</p> <p>BRE has rapidly consolidated this rare earth province through a series of transactions and currently controls or has entered into agreements pursuant to which it will (upon their completion) control<sup>2</sup> the Rocha da Rocha Project.</p>	Section 2.7
<b>What are the Mineral Resources for the Rocha da Rocha Project?</b>	<p>In April 2023 the Company estimated a Mineral Resource pursuant to the JORC Code of 510Mt at 1,513ppm TREO, containing approximately 772kt of contained TREO.</p> <p>The Mineral Resource includes two components:</p> <ul style="list-style-type: none"> <li>▪ At an 800ppm TREO-CeO<sub>2</sub> cut-off grade, the high-grade core of the Monte Alto deposit contains 25.2Mt at an average grade of 10,022ppm TREO. Testwork indicates this deposit has a simple monazite mineralogy with reasonable prospects for extraction by gravity separation methods to produce a valuable, high grade, export concentrate. However, no forecast is made of whether that will occur, given that the Mineral Resource estimate is in the inferred category under JORC and as no scoping or feasibility studies have been completed.</li> <li>▪ At a 200ppm TREO-CeO<sub>2</sub> cut-off grade, other target areas total 485Mt at an average grade of 1,071ppm TREO. Initial testwork indicates this material has reasonable prospects for REE extraction by leaching.</li> </ul>	Section 2.13

1. Refer to paragraph 27.25 of the Independent Solicitor's Report in Section 8 for an explanation of the bidding procedure commonly known as "disponibilidade".

2. Including the agreements summarised in:

- Sections 9.6(e) and 9.6(f), concerning the Amargosa Tenements Acquisition; and
- Section 9.6(g), concerning the Alpha Tenement Acquisition.



TOPIC	SUMMARY	MORE INFORMATION
<p><b>What is the Company's interest in the Rocha da Rocha Project?</b></p>	<p>The Company holds, via its wholly owned Brazilian subsidiaries, the following interests in the Rocha da Rocha Project:</p> <ul style="list-style-type: none"> <li>▪ The legal interest in the BRE Tenements held by BRE's wholly owned Brazilian subsidiaries.</li> <li>▪ The beneficial interest in the Alpha Tenements held subject to the Alpha Tenement Acquisition Agreement and is currently awaiting finalisation of the legal transfer of the Alpha Tenements to one of BRE's wholly owned Brazilian subsidiaries.</li> <li>▪ The binding agreement for one of BRE's wholly owned Brazilian subsidiaries to acquire the Amargosa Tenements (other than the Optioned Permits) and the right to explore those tenements pursuant to the Amargosa Tenement Acquisition Agreement.</li> <li>▪ The option for one of BRE's wholly owned Brazilian subsidiaries to acquire additional Amargosa Tenements (being the Optioned Permits) pursuant to the Amargosa Option Agreement.</li> </ul> <p>The details of the BRE Tenements, the Alpha Tenements and the Amargosa Tenements, including details as to their standing and status are summarised in Section 8. The terms of the Alpha Tenement Acquisition Agreement, Amargosa Tenement Acquisition Agreement and Amargosa Option Agreement are summarised in Sections 9.6(e) to 9.6(g).</p>	<p>Sections 2.1, 2.7 and 9.6(e) to 9.6(g) and the Independent Solicitor's Report in Section 8</p>
<p><b>What are the Company's strategy and objectives?</b></p>	<p>BRE's core objective is to explore and potentially develop its extensive critical mineral interests across the Rocha da Rocha Critical Minerals Province. The long term-aim is to create significant value for Shareholders by developing a leading rare earth and critical mineral company. BRE's near term exploration strategy is to identify and delineate the highest value mineralisation across this province.</p>	<p>Section 2.4</p>
<p><b>How does the Company expect to fund its operations?</b></p>	<p>The Company believes that its existing cash reserves and the funds proposed to be raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives during the two year period following Admission, as detailed in Sections 1.6, 2.4 and 2.17 of this Prospectus.</p>	<p>Sections 1.6, 2.4 and 2.17</p>

# Investment Overview continued

TOPIC	SUMMARY	MORE INFORMATION
<p><b>How does the Company generate revenue and what are its key costs?</b></p>	<p>The Company is an early-stage exploration company, which has no present source of revenue. The Company does not derive any income from mineral exploration activities, nor does it anticipate any such income in the immediate future.</p> <p>The significant costs are anticipated to be, exploration and evaluation expenditure, the acquisition of the Amargosa Tenements from a subsidiary of Rio Tinto under the Amargosa Tenement Acquisition Agreement, undertaking preliminary mining, metallurgical and geotechnical studies, permitting and legal costs, the costs of the Offer, working capital and administrative and compliance costs. The above costs are indicative only and will be subject to modification on an on-going basis depending on the results obtained from the Company's activities and other factors relevant to the Board's discretion as to usage of funding.</p>	<p>Sections 1.6 and 2.17</p>
<p><b>What are the key strengths and competitive advantages of the Company?</b></p>	<p>BRE provides a compelling investment thesis, with the investment highlights including:</p> <p><b>World class rare earths province</b></p> <ul style="list-style-type: none"> <li>▪ Controlling position, or agreements to acquire control, of ~1,410km<sup>2</sup> of highly prospective tenements across a globally significant rare earths province.</li> <li>▪ Diverse, high-grade rare earth opportunities that include high-grade REE-Nb-Sc mineralisation, weathered saprolite enriched with monazite, and ionic adsorption clay style mineralisation.</li> </ul> <p><b>Large JORC Resource with outstanding growth potential</b></p> <ul style="list-style-type: none"> <li>▪ Inferred JORC Mineral Resource estimate of 510Mt at 1,513ppm TREO.</li> <li>▪ The Monte Alto Project is a shallow, free-dig, rare earth resource of 25.2Mt at 1% TREO forming part of the above resource. Currently the resource is open at depth and in all directions.</li> <li>▪ Included in the Monte Alto Project resource is a high-grade core of 4.1Mt at 3.2% TREO with an excellent proportion of magnet rare earth oxides at 26% of the TREO.</li> <li>▪ JORC Exploration Target of an approximate tonnage of 8 to 12Bt at an approximate grade of between 1,000 and 1,500ppm TREO. The potential quantity and grade of this Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.</li> <li>▪ Currently less than 5% of BRE's tenement area explored by BRE.</li> </ul>	<p>Section 2.2</p>

TOPIC	SUMMARY	MORE INFORMATION
<p><b>What are the key strengths and competitive advantages of the Company?</b> continued</p>	<p><b>High-grade REE-Nb-Sc mineralisation</b></p> <ul style="list-style-type: none"> <li>▪ Discovery of high-grade REE-Nb-Sc hard rock magmatic mineralisation over extensive areas and at multiple locations throughout the province.</li> <li>▪ High-grade REE-Nb-Sc mineralisation with average grades of 32.7% TREO with high levels of magnet rare earth elements with 55,997ppm NdPr and 2,844ppm DyTb.</li> <li>▪ High-grade REE-Nb-Sc mineralisation also contains up to 1.5% of niobium and up to 269ppm of scandium.</li> <li>▪ Highest grade REE mineralisation, with a grade of 40.5% TREO, recently discovered over 7km to the south of the Monte Alto Project.</li> </ul> <p><b>Agreement to acquire Rio Tinto exploration project</b></p> <ul style="list-style-type: none"> <li>▪ Agreement to acquire highly advanced Rio Tinto exploration project with approximately 760km<sup>2</sup> of tenements near BRE.</li> <li>▪ Approximately 57,000m of historical drilling with valuable geological data including 1,388 surface geological samples, detailed topography and geophysical surveys, and long lead time environmental base line surveys.</li> </ul> <p><b>Excellent jurisdiction with highly developed infrastructure</b></p> <ul style="list-style-type: none"> <li>▪ Highly developed infrastructure includes low-cost, clean hydro-electric power, high-capacity transmissions lines, well-connected paved highways, and an efficient export port less than 150km away.</li> </ul> <p><b>Experienced exploration team with a successful exploration model</b></p> <ul style="list-style-type: none"> <li>▪ BRE's Chief Geologist, Alexandre Rocha da Rocha, is an accomplished exploration geologist who discovered and delineated the Serra Verde ionic rare earth deposit in Brazil. The exploration model used at Serra Verde has been enhanced and successfully applied at BRE.</li> <li>▪ Experienced management team and board with extensive combined experience across exploration geology, resource estimation, mine permitting, financing, acquisitions, project engineering, project development, commissioning and mine operations.</li> </ul>	<p>Section 2.2</p>

# Investment Overview continued

TOPIC	SUMMARY	MORE INFORMATION
<p><b>What are the Company's objectives which it is seeking to achieve from admission to ASX and the Offer and why is the Company seeking to raise funds?</b></p>	<p>The Company is seeking a listing on ASX to provide a platform from which it could gain broad investment support to implement its growth strategy. A listing on ASX will provide:</p> <ul style="list-style-type: none"> <li>▪ funding for exploration at the Project;</li> <li>▪ funding to complete the acquisition from Rio Tinto Brazil of the Amargosa Tenements;</li> <li>▪ access to capital markets which will improve financial flexibility for future growth opportunities;</li> <li>▪ a liquid market for its Shares and an opportunity for others to invest in the Company; and</li> <li>▪ the benefits of an increased profile that arise from being a listed entity.</li> </ul>	<p>Sections 1.5, 2.4 and 2.17</p>
<p><b>What are the Company's financial prospects and position?</b></p>	<p>The pro forma historical consolidated statement of financial position of the Company as at 30 June 2023 is set out in Section 6.</p> <p>Further relevant financial information in respect to the Company is detailed in Section 6. Refer also to Section 1.8, which confirms why the Company is not able to make financial forecasts in this Prospectus.</p>	<p>Sections 1.8 and 6</p>
<p><b>How will the Company report to Shareholders on the performance of its activities?</b></p>	<p>The Company will send to Shareholders an annual report and will also release information to Shareholders in accordance with the continuous and periodic disclosure requirements of the Listing Rules.</p> <p>Further information regarding the Company will be available on the ASX announcements platform at <a href="http://www.asx.com.au">www.asx.com.au</a> and will also be available on the Company's website at <a href="http://www.brazilianrareearths.com">www.brazilianrareearths.com</a>.</p>	<p>Important Information and Section 9.14</p>
<p><b>Will the Company pay dividends?</b></p>	<p>As a critical mineral exploration company, the Company has no source of revenue or profits and makes no forecast of whether it will generate revenue or profits in future. Accordingly, at the date of this Prospectus, the Company does not intend, or expect, to declare or pay any dividends in the foreseeable future.</p> <p>Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and the operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p> <p>The Company does not have a dividend reinvestment plan in place.</p>	<p>Section 2.18</p>



## C. Key risks

TOPIC	SUMMARY	MORE INFORMATION
<b>What are the key risks of investing in the Company?</b>	<p>Selected key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 3.</p> <ul style="list-style-type: none"><li>▪ <b>Mineral exploration and development.</b> 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 with no guarantee of revenue, and exploration and development activities may be impeded by circumstances and factors beyond the Company's control. There can be no assurances that exploration and development at the Project, or any other projects that may be acquired by the Company 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.</li><li>▪ <b>Operational risk.</b> The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, commodities, plant and equipment, fire, and other incidents beyond the control of the Company. These risks and hazards could also result in damage to, or destruction of, facilities and equipment, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of the Company and, if they eventuate, may have an adverse effect on the financial performance of the Company and the value of its assets.</li><li>▪ <b>Mineral Resource estimation risk.</b> Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Determining Mineral Resource estimates is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.</li></ul>	Section 3

# Investment Overview continued

TOPIC	SUMMARY	MORE INFORMATION
<b>What are the key risks of investing in the Company?</b> continued	<ul style="list-style-type: none"><li>▪ <b>Future capital requirements.</b> The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Project is successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities. Given the early stage of the Project, no forecast is made of whether the Project may be developed or may become feasible, however one of the requirements to successfully develop the Project and for production to commence, would involve the Company obtaining financing in addition to the amounts raised pursuant to the Offer. Any additional financing may be dilutive to Shareholders, may be undertaken at prices lower than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available, may involve security over the Company's assets or restrictions on financing and operating activities.</li><li>▪ <b>Title risk.</b> 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. The maintenance, renewal and granting of these tenement rights depend on the Group being successful in obtaining required statutory approvals and complying with regulatory processes. A failure to obtain these statutory approvals or comply with these regulatory processes may adversely affect the Group's title to mineral tenements, may prevent or impede the grant, acquisition or advancement of, or the conduct of activities within, mineral tenements and may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group. Refer to Sections 2.15 and 2.16 and the Independent Solicitor's Report in Section 8 for further information.</li><li>▪ <b>Supply chain and logistics risks.</b> Supply chain disruptions and the general level of economic uncertainty experienced during events such as the COVID-19 pandemic and other global events such as the conflict in the Ukraine and the Middle East, continue to impact the cost and availability of commodities, freight, materials, equipment and other services required for the ongoing Company operations. While the direct impact of the COVID-19 pandemic on the Company and its operations has subsided, uncertainty remains regarding the potential for further disruptions and interruptions from similar such events, which may have an adverse impact on the Company and its plans.</li></ul>	Section 3

TOPIC	SUMMARY	MORE INFORMATION
<p><b>What are the key risks of investing in the Company?</b> continued</p>	<ul style="list-style-type: none"> <li>▪ <b>Sovereign risk.</b> The Company's mineral tenements are located in Brazil. Brazil is a federal presidential democratic republic. The political conditions in Brazil are generally stable, however, changes may occur in the political, fiscal and legal systems which may affect the ownership or operations of the Company or its Group such as changes in exchange rates, control or fiscal regulations, regulatory regimes, political insurrection or labour unrest, inflation or economic recession.</li> <li>▪ <b>Environmental risk.</b> The minerals and mining industry has become subject to increasing environmental regulations and liability. The operations and proposed activities of the Company are subject to State and Federal laws, regulations and permits concerning the environment. If such laws are breached or modified, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities.</li> <li>▪ <b>Limited operating history.</b> The Company has incurred operating losses since its inception and does not have a significant history of business operations. It is therefore not possible to evaluate the Company's prospects based on past performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Project, or any tenements which are subsequently applied for or acquired by the Company. Unless and until the Company is able to realise value from its project interests, it is likely to incur ongoing operating losses.</li> <li>▪ <b>General risks.</b> The Company is subject to various general risks, including, but not limited to, the following: <ul style="list-style-type: none"> <li>› Economic risk;</li> <li>› Equity market conditions risk;</li> <li>› Commodity price risk;</li> <li>› Climate change risk;</li> <li>› Cyber security risk; and</li> <li>› Macro-economic risks.</li> </ul> </li> </ul>	<p>Section 3</p>

# Investment Overview continued

## D. Directors and related party interests and arrangements and other significant interests

TOPIC	SUMMARY	MORE INFORMATION																				
<b>Who are the Directors of the Company?</b>	<p>At the date of this Prospectus and upon Admission, the Board will comprise:</p> <ul style="list-style-type: none"> <li>▪ Mr Todd Hannigan – Executive Chairman</li> <li>▪ Dr Bernardo da Veiga – Managing Director &amp; CEO</li> <li>▪ Ms Kristie Young – Non-Executive Director</li> <li>▪ Ms Camila Ramos – Non-Executive Director</li> </ul>	Sections 4.1 and 4.2																				
<b>Who is the management team of the Company?</b>	<p>At the date of this Prospectus and upon Admission, the senior management team will comprise:</p> <ul style="list-style-type: none"> <li>▪ Mr Todd Hannigan – Executive Chairman;</li> <li>▪ Dr Bernardo da Veiga – Managing Director &amp; CEO;</li> <li>▪ Mr Alexandre Magno Rocha da Rocha – Chief Geologist</li> <li>▪ Mr Stephen Kelly – Company Secretary and CFO (Australia)</li> <li>▪ Mr Renato Gonzaga – CFO (Brazil)</li> </ul>	Section 4.3																				
<b>What interests in the Company are held by Directors and are they participating in the Offer?</b>	<p>Securities held by each of the Directors as at the date of this Prospectus are as follows:</p> <table border="1"> <thead> <tr> <th>DIRECTOR</th> <th>SHARES</th> <th>CONVERTIBLE NOTES</th> <th>OPTIONS<sup>1</sup></th> </tr> </thead> <tbody> <tr> <td>Bernardo da Veiga and his associates<sup>3</sup></td> <td>17,586,625</td> <td>-</td> <td>3,824,975</td> </tr> <tr> <td>Todd Hannigan and his associates<sup>3</sup></td> <td>24,577,875<sup>2</sup></td> <td>-</td> <td>2,868,775</td> </tr> <tr> <td>Kristie Young and her associates</td> <td>-</td> <td>20,000<sup>4</sup></td> <td>266,525</td> </tr> <tr> <td>Camila Ramos and her associates</td> <td>-</td> <td>-</td> <td>266,525</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>1. These Options comprise of Management Performance Options and Director Options which were issued to executive Directors and non-executive Directors (respectively) (and/or their respective nominee(s)) prior to the date of this Prospectus as detailed in Sections 4.5 and 4.6, pursuant to the Employee Incentive Plan and on the terms in Section 9.4 (for the Management Performance Options) and in Section 9.3 (for the Director Options).</li> <li>2. 24,577,875 Shares held by DITM Holdings Pty Ltd, being a company controlled and owned by Mr Hannigan and his spouse.</li> <li>3. In addition to these Securities, Rare Earths Americas Pty Ltd, being a company in which Mr Hannigan and Dr da Veiga are minority shareholders and Dr. da Veiga is also a director, holds 5,024,600 Shares as at the date of this Prospectus. Refer to Sections 4.4(d) and 9.6(g) for further information.</li> <li>4. 20,000 Convertible Notes held by Ms Young's partner.</li> </ol>	DIRECTOR	SHARES	CONVERTIBLE NOTES	OPTIONS <sup>1</sup>	Bernardo da Veiga and his associates <sup>3</sup>	17,586,625	-	3,824,975	Todd Hannigan and his associates <sup>3</sup>	24,577,875 <sup>2</sup>	-	2,868,775	Kristie Young and her associates	-	20,000 <sup>4</sup>	266,525	Camila Ramos and her associates	-	-	266,525	Section 4.4
DIRECTOR	SHARES	CONVERTIBLE NOTES	OPTIONS <sup>1</sup>																			
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TOPIC	SUMMARY	MORE INFORMATION																				
<p><b>What interests in the Company are held by Directors and are they participating in the Offer?</b> continued</p>	<p>On completion of the Offer, based on the intentions of the Directors as at the date of this Prospectus, the direct and indirect interest of the Directors in Securities is anticipated to be as follows:</p> <table border="1" data-bbox="448 584 1267 1016"> <thead> <tr> <th data-bbox="448 584 804 734">DIRECTOR</th> <th data-bbox="804 584 986 734">MAXIMUM SHARES<sup>1</sup></th> <th data-bbox="986 584 1139 734">OPTIONS<sup>2</sup></th> <th data-bbox="1139 584 1267 734">MAXIMUM VOTING POWER IN COMPANY UPON ADMISSION<sup>3</sup></th> </tr> </thead> <tbody> <tr> <td data-bbox="448 734 804 801">Todd Hannigan and his associates</td> <td data-bbox="804 734 986 801">24,577,875<sup>4</sup></td> <td data-bbox="986 734 1139 801">2,868,775</td> <td data-bbox="1139 734 1267 801">12.24%</td> </tr> <tr> <td data-bbox="448 801 804 869">Bernardo da Veiga and his associates<sup>5</sup></td> <td data-bbox="804 801 986 869">17,586,625</td> <td data-bbox="986 801 1139 869">3,824,975</td> <td data-bbox="1139 801 1267 869">9.55%</td> </tr> <tr> <td data-bbox="448 869 804 936">Kristie Young and her associates</td> <td data-bbox="804 869 986 936">41,518<sup>6</sup></td> <td data-bbox="986 869 1139 936">266,525</td> <td data-bbox="1139 869 1267 936">0.14%</td> </tr> <tr> <td data-bbox="448 936 804 1016">Camila Ramos and her associates<sup>5</sup></td> <td data-bbox="804 936 986 1016">-</td> <td data-bbox="986 936 1139 1016">266,525</td> <td data-bbox="1139 936 1267 1016">0.12%</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ol data-bbox="448 1070 1267 1655" style="list-style-type: none"> <li>1. Includes the existing interests of Directors in Shares as at the date of this Prospectus and, in the case of Ms Young, the Shares that are proposed to be issued to her pursuant to the Offer. This table does not include the 5,024,600 Shares held by Rare Earths Americas Pty Ltd, being a company in which Mr Hannigan and Dr da Veiga are minority shareholders and Dr. da Veiga is also a director (refer to Sections 4.4(d) and 9.6(g)).</li> <li>2. These Options comprise of Management Performance Options and Director Options which have been issued to executive Directors and non-executive Directors (respectively) (and/or their respective nominee(s)) as detailed in Sections 4.5 and 4.6, pursuant to the Employee Incentive Plan and on the terms in Section 9.4 (for the Management Performance Options) and in Section 9.3 (for the Director Options).</li> <li>3. Maximum Voting Power is calculated on a fully diluted basis (and assuming that the Convertible Notes convert into 33,624,073 Shares pursuant to the Notes Conversion on the Allotment Date). The actual Voting Power may vary if that conversion of the Convertible Notes occurs at a different time, due to that impacting on the number of Shares to be converted from interest due on the Founder Notes, as detailed in Section 9.6(c).</li> <li>4. Includes 24,577,875 Shares held by DITM Holdings Pty Ltd at the date of this Prospectus. Todd Hannigan does not intend to participate in the Offer. Refer to Section 4.4(d) for information regarding the proposed issue of Shares to Mr Hannigan's father pursuant to the Offer.</li> <li>5. Dr da Veiga and Ms Ramos do not intend to participate in the Offer.</li> <li>6. Includes 31,313 Shares to be issued pursuant to the Notes Conversion in relation to the 20,000 Convertible Notes held as at the date of this Prospectus by Ms Young's partner and 10,205 Shares intended to be issued to Ms Young pursuant to the Offer.</li> </ol>	DIRECTOR	MAXIMUM SHARES <sup>1</sup>	OPTIONS <sup>2</sup>	MAXIMUM VOTING POWER IN COMPANY UPON ADMISSION <sup>3</sup>	Todd Hannigan and his associates	24,577,875 <sup>4</sup>	2,868,775	12.24%	Bernardo da Veiga and his associates <sup>5</sup>	17,586,625	3,824,975	9.55%	Kristie Young and her associates	41,518 <sup>6</sup>	266,525	0.14%	Camila Ramos and her associates <sup>5</sup>	-	266,525	0.12%	Section 4.4
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# Investment Overview continued

TOPIC	SUMMARY	MORE INFORMATION																					
<b>What benefits and interests are payable to Directors and other persons connected with the Company or the Offer?</b>	<p>At the time of Admission, the remuneration of the Directors will be as follows:</p> <table border="1"> <thead> <tr> <th>DIRECTOR</th> <th>ANNUAL REMUNERATION (A\$)<sup>1</sup></th> <th>NUMBER OF OPTIONS<sup>2</sup></th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>NON-EXECUTIVE DIRECTORS</b></td> </tr> <tr> <td>Ms Kristie Young</td> <td>122,100</td> <td>266,525</td> </tr> <tr> <td>Ms Camila Ramos</td> <td>98,000</td> <td>266,525</td> </tr> <tr> <td colspan="3"><b>EXECUTIVE DIRECTORS</b></td> </tr> <tr> <td>Dr Bernardo da Veiga<sup>3</sup></td> <td>436,000</td> <td>3,824,975</td> </tr> <tr> <td>Mr Todd Hannigan<sup>4</sup></td> <td>280,000</td> <td>2,868,775</td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Inclusive of superannuation (where applicable).</li> <li>These Options comprise of Management Performance Options and Director Options which have been issued to executive Directors and non-executive Directors (respectively) (and/or their respective nominee(s)) as detailed in Sections 4.4(b) and 4.4(c), pursuant to the Employee Incentive Plan and on the terms in Section 9.4 (for the Management Performance Options) and in Section 9.3 (for the Director Options).</li> <li>In addition to his base remuneration, Dr da Veiga is entitled to: <ol style="list-style-type: none"> <li>an annual short term incentive bonus of up to 150% of his annual base remuneration subject to Dr da Veiga achieving key performance indicators set by the Board each year at its absolute discretion; and</li> <li>a one-time bonus of 100 per cent of his annual base remuneration if the Company completes a Relevant IPO Transaction on or before 31 December 2023.</li> </ol> </li> <li>In addition to his base remuneration, Mr Hannigan is entitled to: <ol style="list-style-type: none"> <li>an annual short term incentive bonus of up to 100% of his annual base remuneration subject to Mr Hannigan achieving key performance indicators set by the Board each year at its absolute discretion; and</li> <li>a one-time bonus of 100 per cent of his annual base remuneration if the Company completes a Relevant IPO Transaction on or before 31 December 2023.</li> </ol> </li> </ol> <p>Refer to Section 4.4(a) for further information.</p> <p>Other senior executives' remuneration at the time of Admission is detailed in Section 4.4(c).</p> <p>Advisers and other service providers are entitled to fees for services and other interests detailed in Section 9.10.</p>	DIRECTOR	ANNUAL REMUNERATION (A\$) <sup>1</sup>	NUMBER OF OPTIONS <sup>2</sup>	<b>NON-EXECUTIVE DIRECTORS</b>			Ms Kristie Young	122,100	266,525	Ms Camila Ramos	98,000	266,525	<b>EXECUTIVE DIRECTORS</b>			Dr Bernardo da Veiga <sup>3</sup>	436,000	3,824,975	Mr Todd Hannigan <sup>4</sup>	280,000	2,868,775	<p>Sections 4.4 and 9.9</p>
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<b>Who are the significant existing Shareholders and what will their interests be after completion of the Offer?</b>	<p>As at the date of this Prospectus, based on the Company's register of Shareholders, the following persons have an interest in 5% or more of the Shares on issue:</p> <ol style="list-style-type: none"> <li>Kuda Huraa Mining Ventures and Global Investments Corp;</li> <li>DITM Holdings Pty Ltd;</li> <li>Bernardo Sanchez Agapito da Veiga;</li> <li>Kitabella Pty Ltd;</li> <li>Dominic Paul Allen; and</li> <li>Anastasios Arima.</li> </ol>	<p>Section 9.8</p>																					

TOPIC	SUMMARY	MORE INFORMATION																														
<p><b>Who are the significant existing Shareholders and what will their interests be after completion of the Offer?</b> continued</p>	<p>The persons who may hold an interest in 5% or more of the Shares upon admission of the Company to the Official List are currently unknown. However, based on the information known as at the date of this Prospectus, upon Admission the following Shareholders are expected to have an interest in 5% or more of the Shares on issue (noting that substantial shareholdings may be impacted by allocations of Shares under the Offer):</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #1a3d4d; color: white;"> <th style="text-align: left;">SHAREHOLDER</th> <th style="text-align: right;">NUMBER OF SHARES</th> <th style="text-align: right;">% OF SHARES ON ADMISSION<sup>1</sup></th> </tr> </thead> <tbody> <tr> <td>Kuda Huraa Mining Ventures and Global Investments Corp<sup>2,3</sup></td> <td style="text-align: right;">27,975,783</td> <td style="text-align: right;">13.07%</td> </tr> <tr> <td>DITM Holdings Pty Ltd<sup>2,4</sup></td> <td style="text-align: right;">24,577,875</td> <td style="text-align: right;">11.48%</td> </tr> <tr> <td>Bernardo Sanchez Agapito da Veiga<sup>2</sup></td> <td style="text-align: right;">17,586,625</td> <td style="text-align: right;">8.21%</td> </tr> <tr> <td>Whitehaven Coal Limited<sup>5</sup></td> <td style="text-align: right;">17,128,595</td> <td style="text-align: right;">8.00%</td> </tr> <tr> <td>Kitabella Pty Ltd<sup>2,6</sup></td> <td style="text-align: right;">16,907,100</td> <td style="text-align: right;">7.90%</td> </tr> <tr> <td>Dominic Paul Allen<sup>2</sup></td> <td style="text-align: right;">16,580,423</td> <td style="text-align: right;">7.74%</td> </tr> <tr> <td>Anastasios Arima<sup>2</sup></td> <td style="text-align: right;">16,235,514</td> <td style="text-align: right;">7.58%</td> </tr> <tr> <td>Hancock Prospecting Pty Limited<sup>7</sup></td> <td style="text-align: right;">13,708,006</td> <td style="text-align: right;">6.40%</td> </tr> <tr style="border-top: 1px solid black;"> <td><b>Total</b></td> <td style="text-align: right;"><b>150,699,921</b></td> <td style="text-align: right;"><b>70.38%</b></td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>Assuming 33,624,073 Shares are issued pursuant to Notes Conversion on the Allotment Date and assuming 34,013,606 Shares are issued under the Offer and that no further Shares are issued or cancelled prior to Admission. The percentages in the table above may vary if the conversion of the Convertible Notes occurs at a different time than anticipated, due to that impacting on the number of Shares to be converted from interest due on the Founder Notes, as detailed in Section 9.6(c).</li> <li>It is not anticipated that these Shareholders will participate in the Offer. Dominic Allen was previously a Director of the Company, but he resigned from that role with effect from 28 August 2023. Refer also to Section 4.4(d) for disclosures made in relation to Rare Earths Americas Pty Ltd, which holds 5,024,600 Shares which are not included in the table above.</li> <li>This includes the estimated number of Shares to be issued to Kuda Huraa Mining Ventures and Global Investments Corp pursuant to the conversion of the Founder Notes as detailed in Section 9.6(c). The Company understands Kuda Huraa Mining Ventures and Global Investments Corp is owned by Paulo Roberto Santoro Salomao, based on the information available to the Company, shortly prior to the lodgement of this Prospectus.</li> <li>DITM Holdings Pty Limited is a company controlled and owned by Mr Todd Hannigan and his spouse.</li> <li>This includes 7,828,257 Shares to be issued to ACN 664 400 382 Pty Ltd on conversion of the Convertible Notes on the Allotment Date and 9,300,338 Shares allocated to Whitehaven Blackjack Pty Ltd under the Institutional Offer bookbuild (such allocation may change prior to completion of the Institutional Offer). Searches of ASIC's register conducted by the Company shortly prior to the lodgement of this Prospectus indicate that Whitehaven Coal Limited is the ultimate holding Company of each of ACN 664 400 382 Pty Ltd and Whitehaven Blackjack Pty Ltd.</li> <li>Searches of ASIC's register conducted by the Company shortly prior to the lodgement of this Prospectus indicate that the shareholders of Kitabella Pty Ltd are Kirk Kileff and Sarah-Anne Kileff.</li> <li>Includes 12,525,212 Shares to be issued to Hanrine Investments Pty Ltd on conversion of the Convertible Notes on the Allotment Date and 1,182,794 Shares allocated to Hancock Prospecting Pty Limited under the Institutional Offer bookbuild (such allocation may change prior to completion of the Institutional Offer). Searches of ASIC's register conducted by the Company shortly prior to the lodgement of this Prospectus indicate that Hancock Prospecting Pty Limited is the sole shareholder of Hanrine Investments Pty Ltd.</li> </ol>	SHAREHOLDER	NUMBER OF SHARES	% OF SHARES ON ADMISSION <sup>1</sup>	Kuda Huraa Mining Ventures and Global Investments Corp <sup>2,3</sup>	27,975,783	13.07%	DITM Holdings Pty Ltd <sup>2,4</sup>	24,577,875	11.48%	Bernardo Sanchez Agapito da Veiga <sup>2</sup>	17,586,625	8.21%	Whitehaven Coal Limited <sup>5</sup>	17,128,595	8.00%	Kitabella Pty Ltd <sup>2,6</sup>	16,907,100	7.90%	Dominic Paul Allen <sup>2</sup>	16,580,423	7.74%	Anastasios Arima <sup>2</sup>	16,235,514	7.58%	Hancock Prospecting Pty Limited <sup>7</sup>	13,708,006	6.40%	<b>Total</b>	<b>150,699,921</b>	<b>70.38%</b>	Section 9.8
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# Investment Overview continued

TOPIC	SUMMARY	MORE INFORMATION
<b>Who is the Lead Manager and Underwriter?</b>	<p>Canaccord Genuity (Australia) Limited ACN 075 071 466 has been appointed as the lead manager, bookrunner and underwriter for the entirety of the Offer in accordance with the Underwriting Agreement.</p>	<p>Sections 9.6(a) and 9.6(b)</p>
<b>What fees are payable to the Lead Manager and Underwriter?</b>	<p>The Company has agreed to pay the Lead Manager and Underwriter the following fees in respect of its appointment as the Lead Manager and Underwriter to the Offer:</p> <ul style="list-style-type: none"> <li>(a) a management fee of 1% (plus GST) of the gross proceeds raised under the Offer; and</li> <li>(b) a selling fee of 3% (plus GST) of the amount that is equal to:               <ul style="list-style-type: none"> <li>(i) the number of Shares subscribed for and issued under the Broker Firm Offer and the Institutional Offer;</li> <li>(ii) plus (if any) the number of Shares subscribed for and issued under the Priority Offer in excess of 17,006,803 Shares; and</li> <li>(iii) plus any Shortfall Shares subscribed for and issued in accordance with the Underwriting Agreement,</li> </ul> <p>(but excluding, in each case, all those Shares (including any Shortfall Shares) which were subscribed for and issued (under the Broker Firm Offer, the Institutional Offer or the offer of Shortfall Shares) to any investors included in the Chairman’s list of investors if less than 17,006,803 Shares were subscribed for and issued under the Priority Offer), multiplied by the Offer Price.</p> <p>At the Company’s sole discretion, the Company may also pay to the Lead Manager and Underwriter an incentive fee of up to 1% (plus GST) of the gross proceeds raised under the Offer.</p> <p>The Lead Manager and Underwriter is also entitled to be reimbursed by the Company for reasonable out of pocket expenses incurred in connection with the Lead Manager Mandate, the Underwriting Agreement and the Offer.</p> <p>Refer to Sections 9.6(a) and 9.6(b) for further information regarding the Lead Manager Mandate and Underwriting Agreement.</p> </li> </ul>	<p>Sections 9.6(a) and 9.6(b)</p>
<b>What are the Lead Manager and Underwriter’s interests in the securities of the Company?</b>	<p>As at the date of this Prospectus, the Lead Manager and Underwriter does not hold any securities of the Company. Under the terms of its engagement, the Lead Manager and Underwriter is not entitled to subscribe for Shares under the Offer as payment for its services (although the Lead Manager and Underwriter may bid and subscribe for Shares under the Offer). However, certain directors and staff of the Lead Manager and Underwriter hold interests in certain existing Shares and Convertible Notes, as at the date of this Prospectus. Refer to Section 1.10 for further information. Refer also to Sections 9.6(a) and 9.6(b) for further information regarding the Lead Manager and Underwriter’s rights and benefits pursuant to its Lead Manager Mandate and Underwriting Agreement.</p>	<p>Sections 1.10, 9.6(a) and 9.6(b)</p>

TOPIC	SUMMARY	MORE INFORMATION
<b>Who is the Co-Lead Manager?</b>	Petra Capital Pty Ltd ACN 110 952 782.	Section 9.6(b)
<b>What fees are payable to the Co-Lead Manager?</b>	<p>The Lead Manager and Underwriter must pay, on behalf of the Company, the Co-Lead Manager a base fee (which is inclusive of GST) equal to 15% of the net fee received by the Lead Manager and Underwriter from the Company after pay-aways.</p> <p>Expenses incurred by the Co-Lead Manager in connection with its appointment letter with the Lead Manager and Underwriter and its role as the Co-Lead Manager are for its own account.</p> <p>Refer to Section 9.6(b) for further information regarding the appointment of the Co-Lead Manager.</p>	Section 9.6(b)
<b>What are the Co-Lead Manager's interests in the securities of the Company?</b>	As at the date of this Prospectus, neither the Co-Lead Manager nor any of its directors hold any securities of the Company.	Section 1.11

## E. Summary of the Offer and Application information

TOPIC	SUMMARY	MORE INFORMATION
<b>What is the Offer?</b>	The Offer is an initial public offering for 34,013,606 Shares at an Offer Price of A\$1.47 per Share to raise A\$50,000,000 (before associated costs).	Section 1.1
<b>How is the Offer structured?</b>	<p>The Offer comprises:</p> <ul style="list-style-type: none"> <li>the Broker Firm Offer, which is open to eligible Australian retail clients and other eligible clients (subject to compliance with applicable laws) of Brokers;</li> <li>the Priority Offer, which is open to investors who have received an invitation to participate in the Offer from the Company and who have a registered address in Australia, or are otherwise Institutional Investors in other Permitted Jurisdictions (or as may otherwise be permitted by the law and accepted by the Company); and</li> <li>the Institutional Offer, which consists of an offer to Institutional Investors in the Permitted Jurisdictions.</li> </ul>	Section 1.1
<b>Who is eligible to participate in the Offer?</b>	Investors who are eligible to participate in the Offer will be determined by the Directors in consultation with the Lead Manager and Underwriter, subject to compliance with applicable laws.	Sections 1.1 and 1.22

# Investment Overview continued

TOPIC	SUMMARY	MORE INFORMATION
<p><b>What is the effect of the Offer on the capital structure of the Company?</b></p>	<p>The Shares issued under the Offer would be approximately 15.89% of the enlarged issued Share capital of the Company immediately following completion of the Offer.</p> <p>The Company has also issued 533,050 Director Options to Non-Executive Directors and 9,562,350 Management Performance Options to Executive Directors, key management personnel and other personnel, consultants and contractors (or their nominees), in each case for nil cash consideration (refer to Section 9.4 for key terms and conditions of the Management Performance Options and Section 9.3 for key terms and conditions of the Director Options).</p>	<p>Section 1.7</p>
<p><b>What is the minimum subscription to the Offer?</b></p>	<p>The Offer is subject to a minimum total subscription of 34,013,606 Shares (including any Shortfall Shares (if applicable)) to raise A\$50,000,000 (before associated costs).</p>	<p>Section 1.3</p>
<p><b>Will the Company accept over subscriptions?</b></p>	<p>The Company will not be accepting oversubscriptions for Shares under the Offer.</p>	<p>Section 1.4</p>
<p><b>Is the Offer underwritten?</b></p>	<p>The Offer is fully underwritten by Canaccord Genuity (Australia) Limited (who is referred to as the Lead Manager and Underwriter in this Prospectus).</p> <p>If the Company does not receive valid applications for the full amount of Shares under the Offer, the Underwriting Agreement provides for the Lead Manager and Underwriter to subscribe for, or procure subscriptions from third parties for, any Shortfall Shares by the Settlement Date.</p> <p>Details of the Underwriting Agreement, including the circumstances in which the Lead Manager and Underwriter may terminate its obligations are set out in Section 9.6(b).</p>	<p>Section 1.2</p>
<p><b>What is the Company's proposed use of funds raised under the Prospectus?</b></p>	<p>The Company proposes to use the funds raised under the Offer as set out in Section 1.6.</p>	<p>Section 1.6</p>



TOPIC	SUMMARY	MORE INFORMATION																				
<b>What will be the capital structure of the Company on Admission?</b>	<p>The Company's indicative capital structure at the time of Admission is outlined below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #1a3d4d; color: white;"> <th>DESCRIPTION</th> <th>SHARES</th> <th>OPTIONS<sup>2,3</sup></th> <th>CONVERTIBLE NOTES</th> </tr> </thead> <tbody> <tr> <td>On issue as at the date of this Prospectus</td> <td style="text-align: right;">146,469,750</td> <td style="text-align: right;">10,095,400</td> <td style="text-align: right;">21,432,834</td> </tr> <tr> <td>Estimated Shares to be issued pursuant to the Notes Conversion<sup>1</sup></td> <td style="text-align: right;">33,624,073</td> <td style="text-align: center;">-</td> <td style="text-align: right;">(21,432,834)</td> </tr> <tr> <td>Number of Shares to be issued under the Offer<sup>4</sup></td> <td style="text-align: right;">34,013,606</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> <tr style="border-top: 2px solid black;"> <td><b>Total on Admission<sup>5</sup></b></td> <td style="text-align: right;"><b>214,107,429</b></td> <td style="text-align: right;"><b>10,095,400</b></td> <td style="text-align: center;"><b>-</b></td> </tr> </tbody> </table> <p><b>Notes:</b></p> <ol style="list-style-type: none"> <li>The estimated number of Shares which the Convertible Notes (including the interest accrued on the Founder Notes) will convert into is estimated based on a subscription price per Share of approximately A\$0.6387, being the quotient (in Australian currency) which results by dividing A\$100,000,000 by the number of Shares on issue plus the Shares that would be issued assuming conversion of securities in the Company capable of being converted into Shares (but not including the Convertible Notes) as at 5:00pm on the business day immediately prior to the Allotment Date. The total number of Shares to be issued pursuant to the Notes Conversion may vary depending on the total interest accrued on the Founder Notes at the time of the Notes Conversion. Refer to Section 9.6(c) for further details on the Convertible Notes and the Notes Conversion.</li> <li>Prior to the date of this Prospectus, 533,050 Director Options were issued to non-executive Directors (or their nominees) as detailed in Section 4.4(b), pursuant to the Employee Incentive Plan and on the terms in Section 9.3. Director Options have nil exercise price but are subject to certain vesting conditions.</li> <li>Prior to the date of this Prospectus, 9,562,350 Management Performance Options were issued to executive Directors and certain employees, contractors and other staff of the Company (or their nominees) who are not Directors or related parties of the Company as detailed in Sections 4.4(b) and 4.4(c), pursuant to the Employee Incentive Plan and on the terms in Section 9.4. Management Performance Options have nil exercise price but are subject to certain vesting conditions.</li> <li>Includes any Shortfall Shares which may be subscribed for and issued in accordance with the Underwriting Agreement. Refer to Section 9.6(b) for further information in relation to Shortfall Shares and the Underwriting Agreement.</li> <li>On a fully diluted basis, assuming all of the Options detailed above convert into Shares, the Company's issued capital detailed above would equate to 224,202,829 Shares. No forecast is made of whether any Options will be converted into Shares (nor whether any of the Options' vesting conditions will be satisfied). This does not include any Options that the Company may issue under the Employee Incentive Plan to certain Eligible Participants or their nominees following Admission. Refer to Section 1.7 and to Section 9.2 for further details.</li> </ol> <p>Following completion of the Offer, the Company's free float (as defined in the Listing Rules) will not be less than 20%. The Directors reserve the right to vary the Company's capital structure, subject to applicable laws.</p>	DESCRIPTION	SHARES	OPTIONS <sup>2,3</sup>	CONVERTIBLE NOTES	On issue as at the date of this Prospectus	146,469,750	10,095,400	21,432,834	Estimated Shares to be issued pursuant to the Notes Conversion <sup>1</sup>	33,624,073	-	(21,432,834)	Number of Shares to be issued under the Offer <sup>4</sup>	34,013,606	-	-	<b>Total on Admission<sup>5</sup></b>	<b>214,107,429</b>	<b>10,095,400</b>	<b>-</b>	Section 1.7
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<b>What is the allocation policy for the Offer?</b>	<p>The allotment of Shares under the Offer will be determined by the Directors in consultation with the Lead Manager and Underwriter. The Directors reserve the right to issue Shares in full for any Application or any lesser number or to decline any Application. Any decision on allocation will be made after the Exposure Period.</p>	Sections 1.12(d), 1.13(d) and 1.14(b)																				

# Investment Overview continued

TOPIC	SUMMARY	MORE INFORMATION
<b>What rights and liabilities attach to the Shares being offered?</b>	All new Shares issued under the Offer will rank equally in all respects with existing Shares on issue.	Section 9.1
<b>When will I receive confirmation that my Application has been successful?</b>	It is expected that initial holding statements will be dispatched on or around 18 December 2023.	Indicative Timetable
<b>What is the minimum Application size?</b>	Applications for Shares under the Offer must be for a minimum of 1,361 Shares (for Application Monies of A\$2,000) and thereafter in multiples of 680 Shares (for Application Monies of A\$1,000) and payment for the Shares must be made in full at the issue price of A\$1.47 per Share (although the Company reserves the right to accept Applications for different numbers of Shares).	Section 1.16
<b>What are the Offer terms and conditions?</b>	<p>The terms and conditions of the Offer are set out in this Prospectus, primarily in Section 1 and in the relevant Application Form for the Offer.</p> <p>Section 1.3 sets out the Offer condition in relation to the Company raising A\$50,000,000 under the Offer.</p> <p>Section 1.20 sets out information in relation to the Company's application to ASX for admission to the Official List and the Company's application for the Shares, including those offered by this Prospectus, to be granted Official Quotation.</p>	Section 1
<b>When can I sell my Shares on the ASX?</b>	<p>It is anticipated that trading of Shares on the ASX may commence on or about 21 December 2023, but that timing is subject to ASX's discretion and cannot be guaranteed by the Company.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.</p>	Indicative Timetable and Section 1.20
<b>What is the cost of the Offer?</b>	<p>The expenses of the Offer (including ASX listing fees) to be paid from the proceeds of the Offer are estimated to be approximately A\$4,283,084.</p> <p>Refer to Section 9.13 for the estimated total expenses of the Offer.</p>	Section 9.13

TOPIC	SUMMARY	MORE INFORMATION
<p><b>What material contracts is the Company or its subsidiaries a party to?</b></p>	<p>The material contracts of the Company and of its subsidiaries are detailed in Sections 4 and 9.6 of this Prospectus. These material contracts include (among others disclosed in this Prospectus):</p> <ul style="list-style-type: none"> <li>▪ Lead Manager Mandate;</li> <li>▪ Underwriting Agreement;</li> <li>▪ Convertible Note Deeds and Subscription Agreements for the Convertible Notes;</li> <li>▪ Alpha Tenement Acquisition Agreement;</li> <li>▪ Amargosa Tenement Acquisition Agreement;</li> <li>▪ Amargosa Option Agreement;</li> <li>▪ Agreement for the rental of equipment from Brazil Royalty Corp. Participações e Investimentos Ltda (<b>BRC</b>);<sup>3</sup></li> <li>▪ Royalty Agreements with BRC;</li> <li>▪ Management services agreement with BRC;</li> <li>▪ Deeds of Indemnity, Insurance and Access between the Company and each of its Directors and Mr Stephen Kelly;</li> <li>▪ Executive Agreements with Mr Todd Hannigan and Dr Bernardo da Veiga;</li> <li>▪ Non-Executive Director Appointment Letters with Ms Kristie Young and Ms Camila Ramos; and</li> <li>▪ Technical and Scientific Cooperation Agreement with Centro de Referência em Tecnologia Mineração Por Meio da Unidade Embrapii em Consolidação.</li> </ul> <p>Refer also to Section 8 for further information in relation to certain of those material contracts of the Company and its subsidiaries.</p>	<p>Sections 4, 8 and 9.6</p>

3. Refer to Section 4.4(d) for information in relation to the interests of related parties of the Company in this entity.

# Investment Overview continued

TOPIC	SUMMARY	MORE INFORMATION
<p><b>Will any securities be subject to escrow?</b></p>	<p>The following Securities are (subject to ASX’s discretion) expected to be subject to ASX escrow for a period of 24 months commencing on the date on which Quotation of the Shares commences on ASX (the figures are approximate):</p> <ul style="list-style-type: none"> <li>▪ 135,029,130 Shares;</li> <li>▪ 6,693,750 Management Performance Options; and</li> <li>▪ 533,050 Director Options.</li> </ul> <p>Approximately 18,285,756 of the Shares to be issued pursuant to the Notes Conversion on the Allotment Date are (subject to ASX’s discretion) expected to be subject to ASX escrow for a period of 12 months commencing on the date on which those Shares are issued.</p> <p>None of the Shares to be issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. In addition, it is anticipated that (subject to ASX’s discretion) approximately 12,493,282 of the Shares already on issue in the Company and 14,285,655 of the Shares to be issued pursuant to the Notes Conversion on the Allotment Date will also not be subject to any ASX imposed escrow restrictions.</p>	<p>Section 1.23</p>
<p><b>Is there any brokerage, commission or stamp duty payable by Applicants?</b></p>	<p>No brokerage, commission or stamp duty is payable by Applicants on subscription or issue of Shares pursuant to the Offer.</p>	<p>Section 1.16</p>
<p><b>What are the tax implications of making an investment?</b></p>	<p>The tax consequences of any investment in Shares will depend on your personal circumstances. You should obtain your own tax advice before deciding to invest.</p>	<p>Section 1.24</p>
<p><b>Can the Offer be withdrawn?</b></p>	<p>The Company may at any time (in the Board’s discretion) decide to withdraw this Prospectus and/or the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.</p> <p><b>No interest will be repaid on any Application Monies refunded as a result of the withdrawal of the Offer.</b></p>	<p>Section 1.18</p>

## F. Further information

TOPIC	SUMMARY	MORE INFORMATION
<p><b>How can I obtain further information?</b></p>	<p>All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 02 7208 8033 (within Australia) or +61 2 7208 8033 (outside Australia) from 8:30am to 5:00pm (Sydney time) Monday to Friday (excluding public holidays).</p> <p>If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant, or other independent and qualified professional adviser before deciding whether to invest.</p>	<p>Corporate Directory</p>



# 1.

## Details of the Offer

# 1. Details of the Offer

## 1.1 Offer

The Offer under this Prospectus invites eligible investors to apply for 34,013,606 Shares at an Offer Price of A\$1.47 per Share to raise A\$50,000,000 (before associated costs) (**Offer**).

The Offer is structured as:

- (a) the Broker Firm Offer detailed in Section 1.12;
- (b) the Priority Offer detailed in Section 1.13; and
- (c) the Institutional Offer detailed in Section 1.14.

Applications under the Offer must be made using the Application Form accompanying this Prospectus as provided by the Company, the Lead Manager and Underwriter or the Co-Lead Manager to prospective investors wishing to subscribe for Shares under the Offer.

The Shares to be issued pursuant to the Offer are of the same class and will rank equally with the existing Shares on issue. Refer to Section 9.1 for a summary of the rights attaching to Shares.

Persons wishing to apply for Shares under the Offer should refer to Sections 1.12 to 1.16 for further details and instructions.

## 1.2 Underwriting

The Offer is fully underwritten by the Lead Manager and Underwriter.

If the Company does not receive valid applications for the full amount of shares under the Offer, the Lead Manager and Underwriter will (subject to the terms of the Underwriting Agreement) subscribe for, or procure subscriptions from third parties for, any Shortfall Shares by the Settlement Date.

Details of the Underwriting Agreement, including the fees payable by the Company and the circumstances in which the Lead Manager and Underwriter may terminate its obligations are set out in Section 9.6(b).

## 1.3 Minimum Subscription

The Offer is subject to a minimum total subscription of 34,013,606 Shares (including any Shortfall Shares (if applicable)) to raise A\$50,000,000 (before associated costs) (**Minimum Subscription**).

None of the Shares offered under this Prospectus will be issued if valid applications for Shares (comprising of Applications under the Offer and (if applicable) any applications for Shortfall Shares in accordance with the Underwriting Agreement) are not received for the Minimum Subscription.

Should valid applications for the Minimum Subscription not be received within four months from the date of this Prospectus, the Company will either repay the Application Monies (without interest) to Applicants or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and have their Application Monies refunded to them (without interest).

## 1.4 Oversubscriptions

The Company will not be accepting oversubscriptions of Shares under the Offer.



# 1. Details of the Offer continued

## 1.5 Purpose of the Offer

The purpose of the Offer is to:

- (a) raise A\$50 million pursuant to the Offer (before associated costs);
- (b) assist the Company to meet the requirements of ASX and satisfy Chapters 1 and 2 of the Listing Rules, as part of the Company's application for Admission;
- (c) provide funding for the Company's near term objectives as detailed in Section 2.4, including exploration aimed at growing the Mineral Resource at the Rocha da Rocha Project (which is 100% owned by, or subject to agreements to be acquired by, the Company through its 100% owned subsidiaries) and advancement of the Project;
- (d) facilitate the sale of approximately 33,624,073 Shares (in aggregate and subject to variation in that number as detailed in Section 9.6(c)) to be issued to Noteholders (and/or their respective nominee(s)) upon conversion of the Convertible Notes in accordance with the Notes Conversion within 12 months of their issue without the requirements for a future disclosure document (or cleansing notice) being prepared in connection with such sales (refer to Section 9.6(c) for further information on the Notes Conversion and refer to Section 1.23 for information in relation to anticipated ASX escrow which is expected to apply to certain of those Shares);
- (e) provide a liquid market for the Shares to trade and an opportunity for others to invest in the Company; and
- (f) provide the Company with the benefits of an increased profile that arises from being a listed entity.

## 1.6 Proposed use of funds

As at the date of this Prospectus the Company has cash reserves of approximately A\$3.2 million. The Offer will have an effect on the Company's financial position, being receipt of funds of A\$50,000,000 (before associated costs).

The Board believes that its current cash reserves and the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives during the two year period following Admission, as detailed in this Prospectus (refer to the remainder of this Section and to Sections 2.4 and 2.17).

The Company's expected use of funds in the two-year period following Admission is as follows:

### Funds Available

Table 1: Source of funds

SOURCE OF FUNDS	(A\$)
Cash	3,200,000
Funds raised under the Offer	50,000,000
<b>Total funds available</b>	<b>53,200,000</b>

## Indicative allocation of funds

Table 2: Indicative allocation of funds

INDICATIVE ALLOCATION OF FUNDS	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)	%
Acquisition of the Rio Tinto Amargosa Tenements <sup>1</sup>	7,950,000	3,695,000	11,645,000	22%
Exploration activities <sup>2</sup>	12,800,000	10,200,000	23,000,000	43%
Mining studies	400,000	600,000	1,000,000	2%
Equipment purchases	500,000	1,000,000	1,500,000	3%
Operations personnel	1,500,000	2,000,000	3,500,000	7%
Permitting and legal	100,000	400,000	500,000	1%
Environmental	200,000	200,000	400,000	1%
Costs of the Offer <sup>3</sup>	4,283,084	–	4,283,084	8%
Working capital <sup>4</sup>	3,171,361	4,200,555	7,371,916	14%
<b>TOTAL<sup>5</sup></b>	<b>30,904,445</b>	<b>22,295,555</b>	<b>53,200,000</b>	<b>100%</b>

### Notes:

1. This amount will vary with the rate of currency exchange between Australian dollars and Brazilian Reals and US dollars and Brazilian Reals. This is because the actual amount payable in consideration for the Amargosa Tenements pursuant to the Amargosa Tenement Acquisition Agreement is denominated in the Brazilian Real equivalent of US dollars, as summarised in Section 9.6(e).
2. Refer to the table in Section 2.17 for a breakdown of the proposed exploration budget. If the Company is unable to spend funds on a particular tenement in the Project, for example due to that tenement lapsing, then, the Company would look to reallocate those funds to the other tenements in the Project which remain granted at the time.
3. Refer to Section 9.13 for further information in relation to the total estimated expenses of the Offer payable by the Company.
4. 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. The Directors will allocate surplus funds at their discretion.
5. It is assumed that the Company's subsidiary Borborema does not exercise its option to acquire the Optioned Permits for the Brazilian Real equivalent of USD672,000 pursuant to the Amargosa Option Agreement detailed in Section 9.6(f) during the two year period covered by the table.

The above estimated expenditures are indicative only and will be subject to modification on an on-going basis depending on the results obtained from the Company's activities and other factors relevant to the Board's discretion as to usage of funding. Due to market conditions and the development of new opportunities or any number of other factors (including the risk factors detailed in the Investment Overview and Section 3), actual expenditure levels may differ significantly to the above estimates. The consideration of new opportunities may result in the Company expending funds on due diligence or other acquisition costs which may not be recouped through the ultimate acquisition and/or development of the project or business under consideration.

The Company may also pursue further business opportunities, such as those (without limitation) which may complement the Project and there may be a need to direct funds for this purpose or to raise additional equity capital or debt capital. These new business opportunities may include project acquisitions, joint ventures, acquisition of tenements/permits, direct equity participation and/or other transaction structures.

The Company intends to capitalise on future opportunities as they arise which may result in costs being incurred that are not included in these summaries.

To continue activities on the Project beyond the work programs detailed in Section 2.4 or to capitalise on future opportunities (and depending on the success of its activities) the Company will require debt or further equity fundraisings.

# 1. Details of the Offer continued

## 1.7 Capital Structure

The Company's indicative capital structure at the time of Admission is outlined below:

Table 3: Indicative capital structure at admission

DESCRIPTION	SHARES	OPTIONS <sup>2,3</sup>	CONVERTIBLE NOTES
On issue as at the date of this Prospectus	146,469,750	10,095,400	21,432,834
Estimated Shares to be issued pursuant to the Notes Conversion <sup>1</sup>	33,624,073	-	(21,432,834)
Number of Shares to be issued under the Offer <sup>4</sup>	34,013,606	-	-
<b>Total on Admission<sup>5</sup></b>	<b>214,107,429</b>	<b>10,095,400</b>	<b>-</b>

**Notes:**

1. The estimated number of Shares which the Convertible Notes (including the interest accrued on the Founder Notes) will convert into is estimated based on a subscription price per Share of approximately A\$0.6387, being the quotient (in Australian currency) which results by dividing A\$100,000,000 by the number of Shares on issue plus the Shares that would be issued assuming conversion of securities in the Company capable of being converted into Shares (but not including the Convertible Notes) as at 5:00pm on the business day immediately prior to the Allotment Date. The total number of Shares to be issued pursuant to the Notes Conversion may vary depending on the total interest accrued on the Founder Notes at the time of the Notes Conversion. Refer to Section 9.6(c) for further details on the Convertible Notes and the Notes Conversion.
2. Prior to the date of this Prospectus, 533,050 Director Options were issued to non-executive Directors (or their nominees) as detailed in Section 4.4(b), pursuant to the Employee Incentive Plan and on the terms in Section 9.3. Director Options have nil exercise price but are subject to certain vesting conditions.
3. Prior to the date of this Prospectus, 9,562,350 Management Performance Options were issued to executive Directors and certain employees, contractors and other staff of the Company (or their nominees) who are not Directors or related parties of the Company as detailed in Sections 4.4(b) and 4.4(c), pursuant to the Employee Incentive Plan and on the terms in Section 9.4. Management Performance Options have nil exercise price but are subject to certain vesting conditions.
4. Includes any Shortfall Shares which may be subscribed for and issued in accordance with the Underwriting Agreement. Refer to Section 9.6(b) for further information in relation to Shortfall Shares and the Underwriting Agreement.
5. On a fully diluted basis, assuming all of the Options detailed above convert into Shares, the Company's issued capital detailed above would equate to 224,202,829 Shares. No forecast is made of whether any Options will be converted into Shares (nor whether any of the Options' vesting conditions will be satisfied). This does not include any Options that the Company may issue under the Employee Incentive Plan to certain Eligible Participants or their nominees following Admission. Refer to the remainder of this Section 1.7 and to Section 9.2 for further details.

Information on the effect of the Offer on control and substantial Shareholders is detailed in Section 9.8.

The maximum number of securities proposed to be issued under the Employee Incentive Plan or any successor incentive plan (in addition to the Management Performance Options and Director Options referred to above and any Shares which may be issued upon their exercise) within the three year period from the date of Admission is indicatively proposed to be 11,313,649 additional Employee Incentives (as defined in Section 9.2) plus any Shares which may be issued upon the exercise or conversion of such Employee Incentives. However, this figure is only an estimate and there are no agreements to issue such additional 11,313,649 Employee Incentives, as at the date of this Prospectus. That maximum number is not intended to be a prediction of the actual number of Employee Incentives to be issued under the Employee Incentive Plan, but rather is simply an indicative ceiling for the purposes of giving flexibility for the Board to issue up to that number of additional Employee Incentives in the Company during the three years from Admission, without utilising the Company's 15% placement capacity under Listing Rule 7.1.

The Company reserves the right to issue further securities from time to time, such as (without limitation) to raise further capital or pursuant to its Plan summarised in Section 9.4.

The Company additionally reserves the right to also utilise its 15% annual placement capacity under Listing Rule 7.1 after Admission, and to seek Shareholders' approval to issue further securities from time to time.

## 1.8 Forecasts

Due to the nature of the Company's business activities and the mineral exploration industry in which it operates, there are significant uncertainties associated with forecasting future events. The Company is an early-stage exploration company, which has no present source of revenue. The Company does not derive any income from mineral exploration activities, nor does it anticipate any such income in the immediate future.

The Directors have considered the matters detailed in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the Company is an early-stage exploration company with no source of revenue and the future operations of the Company are inherently uncertain. The Company accordingly makes no forecast of whether it will generate revenue or profits in future.

The Directors consequently believe that, given the inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

Refer to Section 2 for further information in respect to the Company's existing and proposed activities.

## 1.9 Additional projects

If future opportunities that the Board considers appropriate arise, the Company may apply for or acquire additional projects or businesses. No such additional projects or businesses have been identified by the Board as at the date of this Prospectus.

## 1.10 Interest of the Lead Manager and Underwriter (and its associates) in the Offer and the Company

Canaccord Genuity (Australia) Limited (being the Lead Manager and Underwriter) has been appointed as the lead manager, bookrunner and underwriter for the Offer. The Lead Manager and Underwriter and the Company are parties to the Lead Manager Mandate that is summarised in Section 9.6(a) and the Underwriting Agreement that is summarised in Section 9.6(b).

### (a) Fees payable to the Lead Manager and Underwriter in connection with the Offer

The Company has agreed to pay the Lead Manager and Underwriter the following fees pursuant to the Underwriting Agreement in respect of its appointment as the lead manager, bookrunner and underwriter for the Offer:

- i. a management fee of 1% (plus GST) of the gross proceeds raised under the Offer; and
- ii. a selling fee of 3% (plus GST) of the amount that is equal to:
  - (i) the number of Shares subscribed for and issued under the Broker Firm Offer and the Institutional Offer;
  - (ii) plus (if any) the number of Shares subscribed for and issued under the Priority Offer in excess of 17,006,803 Shares; and
  - (iii) plus any Shortfall Shares subscribed for and issued in accordance with the Underwriting Agreement,

(but excluding, in each case, all those Shares (including any Shortfall Shares) which were subscribed for and issued (under the Broker Firm Offer, the Institutional Offer or the offer of Shortfall Shares) to any investors included in the Chairman's list of investors if less than 17,006,803 Shares were subscribed for and issued under the Priority Offer), multiplied by the Offer Price.

# 1. Details of the Offer continued

At the Company's sole discretion, the Company may also pay to the Lead Manager and Underwriter an incentive fee of up to 1% (plus GST) of the gross proceeds raised under the Offer.

The Lead Manager and Underwriter is also entitled to be reimbursed by the Company for reasonable out of pocket expenses incurred in connection with the Lead Manager Mandate, the Underwriting Agreement and the Offer.

## (b) Fees paid to the Lead Manager and Underwriter in connection with the Pre-IPO Capital Raise

In connection with the Pre-IPO Capital Raise (as defined in Section 9.6(a)), the Company paid the Lead Manager and Underwriter a capital raising fee of A\$400,000 plus GST.

## (c) Lead Manager and Underwriter's interest in Securities

As at the date of this Prospectus, the Lead Manager and Underwriter or its associates have a Relevant Interest in the following Securities:

**Table 4: Relevant Interest of Lead Manager and Underwriter and its associates in Securities at the date of the Prospectus**

CONVERTIBLE NOTES <sup>1</sup>	SHARES <sup>2</sup>	% OF ISSUED SHARES
277,000	111,125	<1%

**Notes:**

1. Total consideration paid by the Lead Manager and Underwriter or its associates for the Convertible Notes was A\$277,000.
2. Total consideration paid by the Lead Manager and Underwriter or its associates for the Shares was A\$34,633.

Based on the information available to the Company, as at the date of this Prospectus, regarding the intentions of the Lead Manager and Underwriter and its associates in relation to the Offer and assuming neither the Lead Manager and Underwriter or its associates subscribe for Shares under the Offer, the Lead Manager and Underwriter and its associates will have a Relevant Interest in the following Securities on Admission:

**Table 5: Relevant Interest of Lead Manager and Underwriter and its associates in Securities at the date of Admission**

CONVERTIBLE NOTES <sup>1</sup>	SHARES <sup>2,3</sup>	% OF ISSUED SHARES <sup>2,3</sup>
-	544,804	<1%

**Notes:**

1. Assumes a conversion price of A\$0.6387 pursuant to the Notes Conversion. Refer to Section 9.6(c) for further details on the Convertible Notes and the Notes Conversion.
2. Assumes no further Securities (other than as contemplated in this Prospectus) are issued before Admission.
3. Pursuant to the Underwriting Agreement, the Lead Manager and Underwriter is required to apply and make payment for or procure the application and payment to the Company by third parties for, the Shortfall Shares by the Settlement Date. Accordingly, the Relevant Interest of the Lead Manager and Underwriter and its associates may vary depending on the number and recipients of the Shortfall Shares. The Shares issued under the Offer and any Shortfall Shares would comprise approximately 15.89% of the enlarged issued Share capital of the Company immediately following completion of the Offer.

## 1.11 Interest of the Co-Lead Manager (and its associates) in the Offer and the Company

The Lead Manager and Underwriter has appointed Petra Capital Pty Ltd ACN 110 952 782 as the Co-Lead Manager to the Offer pursuant to an appointment letter entered into by the Lead Manager and Underwriter and the Co-Lead Manager (details of which are provided in Section 9.6(b)).

### (a) Fees payable to the Co-Lead Manager in connection with the Offer

The Lead Manager and Underwriter must pay, on behalf of the Company, the Co-Lead Manager a base fee (which is inclusive of GST) equal to 15% of the net fee received by the Lead Manager and Underwriter from the Company after pay-aways.

Expenses incurred by the Co-Lead Manager in connection with its appointment letter with the Lead Manager and Underwriter and its role as the Co-Lead Manager are for its own account.

### (b) Co-Lead Manager's interest in securities

As at the date of this Prospectus, the Co-Lead Manager and its associates do not have a Relevant Interest in any securities of the Company.

## 1.12 Broker Firm Offer

### (a) Who can apply

The Broker Firm Offer, which is open to eligible Australian retail clients of Brokers and (subject to compliance with applicable laws) other eligible clients of Brokers, in each case if such clients have received an invitation from their Broker to apply for Shares and are not in the United States and are not acting for the account or benefit of any person in the United States. Eligible broker clients can contact their Broker to determine whether they can apply for an allocation of Shares from them under the Broker Firm Offer.

### (b) How to apply

If you have received an invitation to apply for Shares from your Broker and wish to apply for those Shares under the Broker Firm Offer, you should contact your Broker for information about how to submit your Broker Firm Application Form and for payment instructions. Applicants under the Broker Firm Offer must not send their Application Forms or payment to the Share Registry.

By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Broker clients should complete and lodge their Broker Firm Application Form with the Broker from whom they received their invitation to apply to participate in the Broker Firm Offer. Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm Application Form.

The Broker Firm Offer opens on the Opening Date and Applications must be received by no later than 5:00pm (Sydney time) on the Closing Date and it is your responsibility to ensure that this occurs.

### (c) How to pay

Applicants under the Broker Firm Offer must pay their Application Monies to their Broker in accordance with instructions provided by that Broker.

# 1. Details of the Offer continued

## (d) Broker Firm Offer allocation policy

The allocation of Shares to Brokers will be determined by the Lead Manager and Underwriter in consultation with the Company. Shares that are allocated to Brokers will be issued to Applicants nominated by the Brokers (subject to the right of the Lead Manager and Underwriter and the Company to reject, aggregate or scale back Applications).

The allocation policy is influenced but not constrained by the following factors:

- (i) the number of Shares applied for by particular Applicants;
- (ii) desire for an informed and active trading market following the admission of Shares to trading on the Official List;
- (iii) the Company's desire to establish a wide spread of Shareholders;
- (iv) overall level of demand under the Offer; and
- (v) other factors that the Lead Manager and Underwriter considers appropriate (in consultation with the Company).

## (e) Acceptance of Applications

An Application in the Broker Firm Offer is a binding and irrevocable offer by the Applicant to apply for the amount of Shares in the dollar amount specified in the Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Application Form. At the time of making an Application, an Applicant will not know the precise number of Shares they will be allocated (if any).

The Company has the discretion, in consultation with the Lead Manager and Underwriter, to refuse any Application or to allocate a lesser number of Shares than applied for by an Applicant. Consequently, an Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants.

The Lead Manager and Underwriter and the Company reserve the right to reject any Application for any reason, such as if it is not correctly completed or if it is submitted by a person who they believe is ineligible to participate in the Broker Firm Offer, or to waive or correct any errors made by an Applicant in completing their Application.

Successful Applicants in the Broker Firm Offer will receive the number of Shares equal to the value of their Application accepted and allocated by the Company divided by the Offer Price (rounded down to the nearest whole Share), provided that sufficient Application Monies have been paid by the Applicant as consideration for those Shares. No refunds pursuant solely to rounding will be provided.

## 1.13 Priority Offer

### (a) Who can apply

The Priority Offer is open to investors who have received an invitation to participate in the Offer from the Company and who have a registered address in Australia or are otherwise Institutional Investors in other Permitted Jurisdictions (or as may otherwise be permitted by the law and accepted by the Company). If you have been invited by the Company to participate in the Priority Offer, you will be treated as an Applicant under the Priority Offer in respect of those Shares allocated to you.

### (b) How to apply

If you have received an invitation to apply for Shares under the Priority Offer and wish to apply for those Shares, you should follow the instructions on your personalised invitation to complete and lodge your Application.



By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing an Application Form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

The Priority Offer opens on the Opening Date and Applications must be received by no later than 5:00pm (Sydney time) on the Closing Date and it is your responsibility to ensure that this occurs.

### **(c) How to pay**

Applicants under the Priority Offer must pay their Application Monies by following the instructions on the invitation or on the Priority Offer Application Form.

If applicable, when completing your BPAY® or Electronic Funds Transfer (EFT) payment, please make sure to use the specific biller code and unique Customer Reference Number (CRN) provided to you after you submit your Priority Offer Application Form.

It is the Applicant's responsibility to ensure payments are received by the end of the Offer Period. If you make a BPAY® or EFT payment, your bank, credit union or building society may impose a limit on the amount that you can transact on BPAY® or EFT and policies with respect to timing for processing BPAY® or EFT transactions may vary between bank, credit union or building society. The Company takes no responsibility for any failure to receive Application Monies by BPAY® or EFT before the end of the Offer Period arising as a result of, among other things, delays in processing of payments by financial institutions.

If the amount of your BPAY® or EFT payment for Application Monies (or the amount for which those BPAY® or EFT payments clear in time for allocation) is insufficient to pay for the number of Shares you have applied for in the Priority Offer Application Form, you may be taken to have applied for such lower number of Shares as your cleared Application Monies will pay for (and to also have specified that amount in your Priority Offer Application Form), or your Application may be rejected.

### **(d) Priority Offer allocation policy**

Allocations under the Priority Offer will be at the absolute discretion of the Company.

The Company has the sole discretion to issue up to 17,006,803 Shares or such higher number agreed between the Company and the Lead Manager and Underwriter under the Priority Offer.

### **(e) Acceptance of Applications**

An Application in the Priority Offer is a binding and irrevocable offer by the Applicant to apply for the amount of Shares in the dollar amount specified in the Priority Offer Application Form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement Prospectus) and the Priority Offer Application Form. At the time of making an Application, an Applicant will not know the precise number of Shares they will be allocated (if any).

The Company has the discretion to refuse any Application or to allocate a lesser number of Shares than applied for by an Applicant. Consequently, an Application may be accepted in respect of the full amount, or any amount lower than that specified in the Application Form, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants.

The Company reserves the right to reject any Application for any reason, such as if it is not correctly completed or if it is submitted by a person who it believes is ineligible to participate in the Priority Offer, or to waive or correct any errors made by an Applicant in completing their Application.

Successful Applicants in the Priority Offer will receive the number of Shares equal to the value of their Application accepted and allocated by the Company divided by the Offer Price (rounded down to the nearest whole Share), provided that sufficient Application Monies have been paid by the Applicant as consideration for those Shares. No refunds pursuant solely to rounding will be provided.

# 1. Details of the Offer continued

## 1.14 Institutional Offer

### (a) Invitations to bid

The Institutional Offer consisted of an invitation to certain Institutional Investors in Australia and other Permitted Jurisdictions to bid for an allocation of Shares at the Offer Price, pursuant to this Prospectus. The Lead Manager and Underwriter separately advises Institutional Investors of the application procedures for the Institutional Offer.

### (b) Allocation policy under the Institutional Offer

The allocation of Shares among Applicants in the Institutional Offer will be determined by the Lead Manager and Underwriter in consultation with the Company.

The allocation policy is influenced but not constrained by the following factors:

- (i) the number of Shares applied for by particular Applicants;
- (ii) desire for an informed and active trading market following the admission of Shares to trading on the Official List;
- (iii) the Company's desire to establish a wide spread of quality long term institutional Shareholders;
- (iv) overall level of demand under the Offer;
- (v) the size and type of funds under management of particular Applicants;
- (vi) the likelihood that particular Applicants will be long-term Shareholders; and
- (vii) other factors that the Lead Manager and Underwriter considers appropriate (in consultation with the Company).

Acceptance of a bid will give rise to a binding contract on allocation of Shares to successful bidders.

## 1.15 Acceptance of Applications under the Offer

An Application is an offer by an Applicant to the Company to acquire Shares in the amount specified on the Application Form (or any lesser amount determined by the Company) at the Offer Price on the terms and conditions detailed in this Prospectus (including any supplementary or replacement prospectus) and the applicable Application Form. To the extent permitted by law, an Application is irrevocable.

An Application may be accepted by the Company in respect of the full number of Shares specified in the Application Form or any of them, without further notice to the Applicant. Acceptance of an Application will give rise to a binding contract on allocation of Shares to successful Applicants. The Company reserves the right to reject any Application which is not correctly completed, or which is submitted by a person who the Board believes is ineligible to participate in the Offer or any part of it, or to waive or correct any errors made by the Applicant in completing their Application. The Company also reserves the right to reject any Applications in the Board's discretion.

Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will receive a refund of all or part of their Application Monies, as applicable. Interest will not be paid on any Application Monies refunded.

Applicants whose Applications are accepted in full will receive the whole number of Shares calculated by dividing the Application Monies by the Offer Price. Where the Offer Price does not divide evenly into the Application Monies, the number of Shares to be allocated will be rounded down. Your Application Monies should be for the entire number of Shares you are applying for.

## 1.16 Additional Terms and Conditions of the Offer

Table 6: Additional terms and conditions of the Offer

TOPIC	SUMMARY
<b>What is the type of security being offered?</b>	Fully paid ordinary shares in the capital of the Company.
<b>What are the rights and liabilities attached to the security being offered?</b>	All new Shares issued under the will rank equally in all respects with existing Shares on issue. For details relating to the rights and liabilities of the Shares, refer to Section 9.1.
<b>What is the consideration payable for each security being offered?</b>	The Offer Price is A\$1.47 per Share.
<b>What is the Offer Period?</b>	Refer to the Indicative Timetable for the Offer which is on page 8 of this Prospectus.
<b>What are the cash proceeds to be raised?</b>	A\$50 million (before costs of the Offer).
<b>Is the Offer underwritten?</b>	<p>The Offer (which comprises of the Broker Firm Offer, the Priority Offer and the Institutional Offer) is fully underwritten by the Lead Manager and Underwriter.</p> <p>If the Company does not receive valid applications for the full amount of Shares under the Offer, the Lead Manager and Underwriter will (subject to the terms of the Underwriting Agreement) subscribe for, or procure subscriptions from third parties for, any Shortfall Shares by the Settlement Date.</p> <p>Details of the Underwriting Agreement, including the circumstances in which the Lead Manager and Underwriter may terminate its obligations are set out in Section 9.6(b).</p>
<b>Who is the Lead Manager and Underwriter?</b>	Canaccord Genuity (Australia) Limited ACN 075 071 466.
<b>Who is the Co-Lead Manager?</b>	Petra Capital Pty Ltd ACN 110 952 782.
<b>What is an Applicant applying for?</b>	An Application is an offer by the Applicant to the Company to apply for all or any of the amount of Shares specified in the Application Form on the terms detailed in this Prospectus.

# 1. Details of the Offer continued

TOPIC	SUMMARY
<b>What is the minimum and maximum Application size under the Offer?</b>	<p>Applications for Shares under the Offer must be for a minimum of 1,361 Shares (for Application Monies of approximately A\$2,000) and thereafter in multiples of 680 Shares (for Application Monies of approximately A\$1,000) and payment for the Shares must be made in full at the issue price of A\$1.47 per Share (although the Company reserves the right to accept Applications for different numbers of Shares).</p>
<b>What is the allocation policy?</b>	<p>The allocation of Shares between the Broker Firm Offer, the Priority Offer and the Institutional Offer will be determined by agreement between the Lead Manager and Underwriter and the Company, subject to the allocation policies outlined in Sections 1.12(d), 1.13(d) and 1.14(b) above.</p> <p>The Lead Manager and Underwriter and the Company have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or allocate a lesser number of Shares than applied for. The Lead Manager and Underwriter and the Company also reserve the right to aggregate any Applications that they believe may be multiple Applications for the same person.</p>
<b>When will I receive confirmation that my Application has been successful?</b>	<p>It is expected that holding statements and allotment confirmation notices will be dispatched by standard post on or about 18 December 2023.</p> <p>Refunds (without interest) to Applicants whose Applications are not accepted, or who are allocated a lesser number of Shares than the amount applied for, will be made as soon as practicable after completion of the Offer.</p> <p>No refunds pursuant solely to rounding will be provided.</p>
<b>Will the Shares be quoted?</b>	<p>The Company will apply to ASX within seven days of the date of this Prospectus for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).</p> <p>If ASX does not grant permission for Official Quotation within 3 months after the date of this Prospectus (or within such longer period as may be permitted by law) the Offer will be withdrawn and all Application Monies received by the Company will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>The Company will be required to comply with the ASX Listing Rules, subject to any waivers obtained by the Company from time to time.</p> <p>ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit the Company to the Official List and may grant Official Quotation of the Shares being offered is not to be taken as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.</p> <p>The issue price of all Shares for which the Company seeks quotation will be at least 20 cents in cash (or deemed to be such) in accordance with the Listing Rules.</p>
<b>When are the Shares expected to commence trading?</b>	<p>It is anticipated that trading of Shares on the ASX may commence on or about 21 December 2023, but that timing is subject to ASX's discretion and cannot be guaranteed by the Company.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading their Shares. Applicants who sell Shares before they receive an initial holding statement do so at their own risk.</p>

TOPIC	SUMMARY
<b>Are there any escrow arrangements?</b>	Yes. Details are provided in Section 1.23 below.
<b>Are there any taxation considerations?</b>	<p>The acquisition, holding and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor and applicable laws. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares pursuant to the Offer, from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and its advisors accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.</p> <p>Refer also to Section 1.24.</p>
<b>Are there any brokerage, commission or stamp duty considerations?</b>	No brokerage, commission or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.
<b>Acknowledgement</b>	<p>Each Applicant under the Offer will be taken to have represented, warranted, agreed and acknowledged as follows:</p> <ul style="list-style-type: none"> <li>(a) it is resident or domiciled in Australia or, if outside Australia, is an Institutional Investor;</li> <li>(b) it is not acting for the account or benefit of a person in the United States;</li> <li>(c) it has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia; and</li> <li>(d) it understands that Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.</li> </ul>
<b>What should you do with any enquiries?</b>	<p>All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 02 7208 8033 (within Australia) from 8:30am to 5:00pm (Sydney time), Monday to Friday. If you are eligible to participate in the Offer and are calling from outside Australia, you should call +61 2 7208 8033 from 8:30am to 5:00pm (Sydney time), Monday to Friday.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.</p>

# 1. Details of the Offer continued

## 1.17 Application Monies

Application Monies received under the Offer will be held in a special purpose account until Shares are issued to successful Applicants.

Applicants under the Offer whose Applications are not accepted, or who are allocated a lesser dollar amount of Shares than the amount applied for, will be mailed (or otherwise in the Company's discretion provided with) a refund (without interest) of all or part of their Application Monies, as applicable.

No refunds pursuant solely to rounding will be provided. Interest will not be paid on any monies refunded and any interest earned on Application Monies pending the allocation or refund will be retained by the Company.

It is your responsibility to ensure that your payment is received by no later than 5:00pm (Sydney time) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration when making payment.

## 1.18 Discretion regarding the Offer

The Company may at any time (in the Board's discretion) decide to withdraw this Prospectus and/or the Offer in which case the Company will return all Application Monies (without interest) in accordance with the requirements of the Corporations Act.

The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications either generally or in particular cases, reject any Application (in whole or in part), or allocate to any Applicant fewer Shares than applied for.

## 1.19 CHESS and Issuer Sponsorship

The Company will apply to participate in the Clearing House Electronic Sub-register System (**CHESS**), which is the ASX electronic transfer and settlement system in Australia, in accordance with the Listing Rules and ASX Settlement Rules. Settlement of trading of quoted securities on the ASX market takes place on CHESS. CHESS allows for and requires the settlement of transactions in securities quoted on ASX to be effected electronically. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two (2) sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates of title to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shares issued to them. A holding statement will also provide details of a Shareholder's HIN (in the case of a holding on the CHESS sub-register) or SRN (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held by Shareholders. Shareholders may also request statements at any other time (although the Company may charge an administration fee).

## 1.20 ASX Listing and Official Quotation

Within seven (7) days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares, including those offered by this Prospectus, to be granted Official Quotation (apart from any Shares that may be designated by ASX as restricted securities).

If ASX does not grant permission for Official Quotation within three months after the date of this Prospectus (or within such longer period as may be permitted by law) the Offer will be withdrawn and all Application Monies received by the Company (if any) will be refunded to Applicants (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares offered pursuant to this Prospectus.

Subject to certain conditions (including any waivers obtained by the Company from time to time), the Company will be required to comply with the ASX Listing Rules.

## 1.21 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. Section 3 details (non-exhaustively) key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for prospective investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or other independent adviser.

## 1.22 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit an offering of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions, including those discussed below. Any failure to comply with such restrictions may constitute a violation of those laws.

This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold in any country outside Australia except to the extent permitted below.

It is the responsibility of any overseas Applicant to ensure, and the return of a duly completed Application Form (or the payment of Application Monies) will be taken by the Company to constitute a representation and warranty that, the Applicant is the type of investor who may purchase Shares in the Applicant's jurisdiction as contemplated below.

### Brazil

The Shares have not been, and will not be, registered with the Brazilian Securities and Exchange Commission (*Comissão de Valores Mobiliários* or CVM) or any other authority in Brazil and may not be offered or sold, directly or indirectly, to the public in Brazil. This document and any other document relating to an offer of Shares may not be distributed in Brazil except to "professional investors" (within the meaning of Resolution 160 of the CVM) or otherwise in compliance with Brazilian law.



# 1. Details of the Offer continued

This document has not been approved by any Brazilian regulatory authority and does not constitute an offer to sell, or a solicitation of any offer to buy, any securities to the public in Brazil.

The Company's ordinary shares are not listed on any stock exchange, over-the-counter market or electronic system of securities trading in Brazil.

## European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **EU Prospectus Regulation**).

In accordance with Article 1(4)(a) of the EU Prospectus Regulation, an offer of Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the EU Prospectus Regulation).

## Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). Accordingly, this document may not be distributed, and the Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the **FMC Act**).

The Shares are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act

## Singapore

This document and any other materials relating to the Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the Offer or sale, or invitation for subscription or purchase, of Shares, may not be issued, circulated or distributed, nor may the Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the **SFA**) or another exemption under the SFA.

This document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## United Kingdom

Neither this document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (**FPO relevant persons**). The investment to which this document relates is available only to FPO relevant persons. Any person who is not a FPO relevant person should not act or rely on this document.

## United States

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

# 1. Details of the Offer continued

The Shares will only be offered and sold in the United States to:

- (a) “institutional accredited investors” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act; and
- (b) dealers or other professional fiduciaries organised or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

This document may only be distributed in the United States by the Lead Manager and Underwriter to Institutional Investors and only if this document is accompanied by the US Offering Circular.

## 1.23 Restricted Securities and Escrow Arrangements

Chapter 9 of the Listing Rules prohibits holders of securities in the Company which ASX classifies as ‘restricted securities’ from disposing or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods (being escrow restrictions).

None of the Shares issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. However, ASX may determine that certain Securities on issue prior to the Offer will be classified as restricted securities and may be required to be held in escrow for up to 24 months from the date on which Quotation of the Shares commences. During the period in which these Securities are prohibited from being transferred, trading in Shares may be less liquid which may impact on the ability of a Shareholder to dispose of their Shares in a timely manner. The Company will announce to the ASX full details (quantity and duration) of the Securities required to be held in escrow prior to the Shares commencing trading on ASX.

The following Securities are (subject to ASX’s discretion) expected to be subject to ASX escrow for a period of 24 months commencing on the date on which Quotation of the Shares commences on ASX (the figures are approximate):

- 135,029,130 Shares;
- 6,693,750 Management Performance Options; and
- 533,050 Director Options.

Approximately 18,285,756 of the Shares to be issued pursuant to the Notes Conversion on the Allotment Date are (subject to ASX’s discretion) expected to be subject to ASX escrow for a period of 12 months commencing on the date on which those Shares are issued.

None of the Shares to be issued pursuant to the Offer will be subject to any ASX imposed escrow restrictions. In addition, it is anticipated that (subject to ASX’s discretion) approximately 12,493,282 of the Shares already on issue in the Company and 14,285,655 of the Shares to be issued pursuant to the Notes Conversion on the Allotment Date will also not be subject to any ASX imposed escrow restrictions.

## 1.24 Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares, pursuant to the Offer, from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

## 1.25 Withdrawal

The Directors may (in the Board's discretion) at any time decide to withdraw this Prospectus and/or the Offer in which case the Company will return all Application Monies (without interest) as required by the Corporations Act.

## 1.26 Paper Copies of Prospectus

The Company will provide paper copies of this Prospectus (including any supplementary or replacement prospectus or documents) and the applicable Application Form to eligible investors upon request and free of charge. Requests for a paper copy should be directed to the Offer Information Line on 02 7208 8033 (within Australia) or +61 2 7208 8033 (outside Australia) from 8:30am to 5:00pm (Sydney time) Monday to Friday (excluding public holidays).

## 1.27 Powers of the Company in relation to Applications

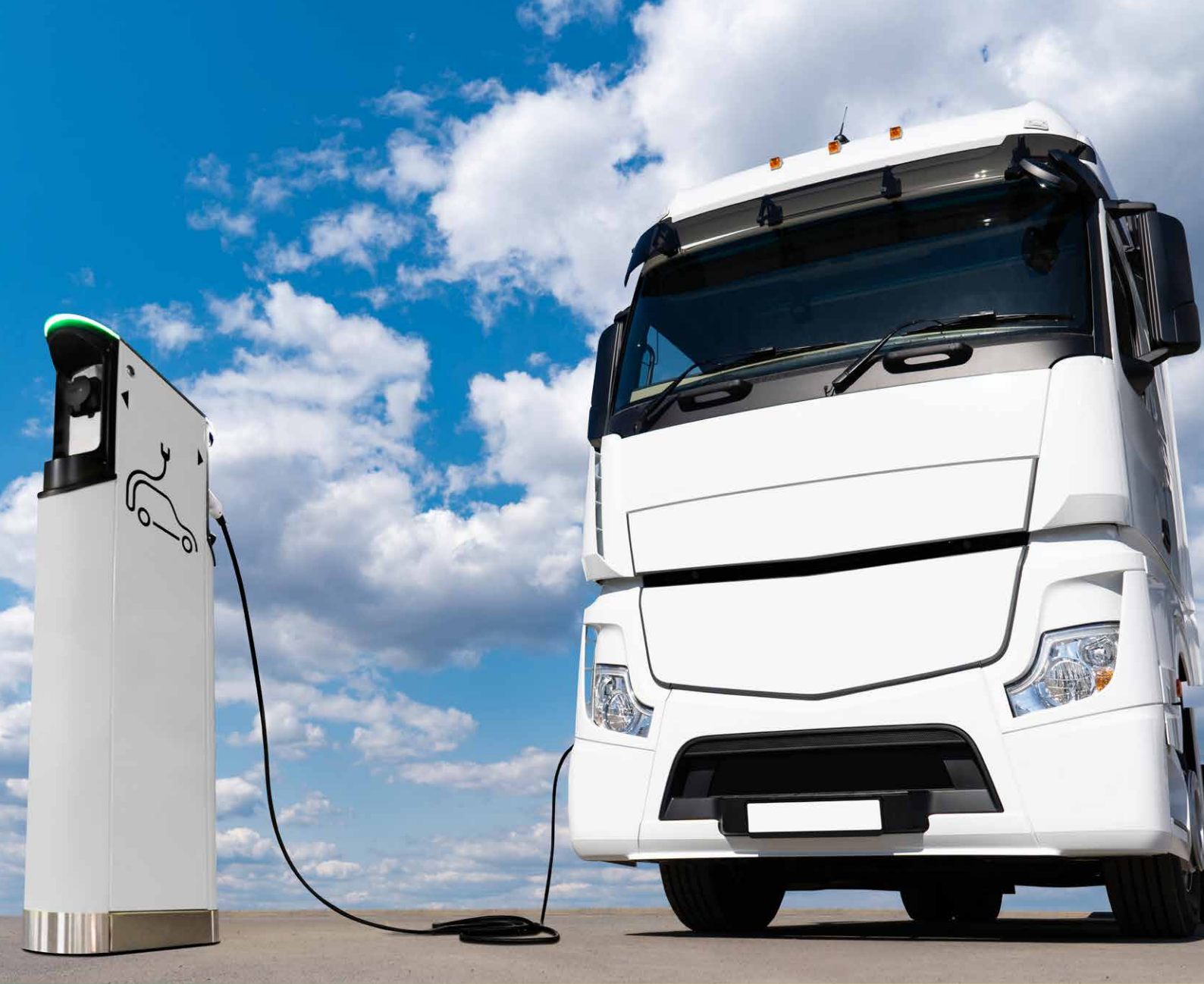
There is no assurance that any Applicant will be allocated any Shares, or the number of Shares for which the Applicant has applied. Without limitation, the Board may in its absolute discretion, without notice to any Applicant and without giving any reason:

- (a) withdraw the Offer at any time before the issue of Shares to successful Applicants;
- (b) decline an Application;
- (c) accept an Application for its full amount or any lower amount;
- (d) determine a person to be eligible or ineligible to participate in the Offer;
- (e) waive or correct any errors made by an Applicant in completing their Application Form;
- (f) amend or waive the Offer application procedures or requirements in compliance with applicable laws; or
- (g) aggregate any Applications that they believe may be multiple Applications from the same person.

## 1.28 Enquiries

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If, after reading this Prospectus, you have any questions about any aspect of an investment in the Company, please contact your stockbroker, accountant or independent financial adviser.

For any questions relating to the Offer and the completion of an Application Form, please call the Offer Information Line on 02 7208 8033 (within Australia) or +61 2 7208 8033 (outside Australia) from 8:30am to 5:00pm (Sydney time) Monday to Friday (excluding public holidays).



## 2. Company Overview

## 2. Company Overview

### 2.1 Brazilian Rare Earths Limited Overview

Brazilian Rare Earths Limited (**BRE**) is focused on the exploration and potential development of a leading rare earth province located in the State of Bahia, Brazil.

BRE has rapidly consolidated this new rare earth province through a series of transactions and currently controls, or has agreements to control<sup>4</sup> a combined area of ~141,000ha (~1,410km<sup>2</sup>) of exploration permits within the Rocha da Rocha Project. BRE defines this large exploration area as the 'Rocha da Rocha Critical Minerals Province'. The full details on BRE's controlled tenements can be found in the Independent Solicitor's Report in Section 8.

The Rocha da Rocha Province was identified as highly prospective for rare earth mineralisation by Alexandre Rocha da Rocha, who is both a founder and Chief Geologist of BRE. Mr Rocha da Rocha has over 40 years of experience as an exploration geologist in Brazil and is a tenured Professor of Geology at the Universidade Federal do Rio Grande do Norte. He was previously instrumental in several major mine discoveries in Brazil, including the Serra Verde Ionic Clay project and the Santa Rita Nickel Sulphide mine.

The prospectivity of the Rocha da Rocha province for rare earths was confirmed by geophysical airborne surveys which revealed a large-scale geophysical anomaly surpassing the scale of many of the geophysical parameters that cover the Serra Verde rare earth deposit.

Ground exploration drilling first commenced in October 2021, with the first auger drilling program. Since then, BRE has drilled more than 18,000m of auger and sonic drillholes and conducted extensive geophysical and geological surveys. These programs have identified a series of highly promising exploration targets within BRE's controlled tenements.

The outcome of this detailed ground-based exploration program was the discovery of high-grade rare earth and critical minerals, including high-grade rare earth elements, niobium, uranium and scandium mineralisation. The exploration program has so far delineated a JORC Resource estimate of 510Mt at 1,513ppm TREO<sup>5</sup> all within granted BRE Tenements<sup>6</sup>. This resource includes the 'Monte Alto' project (**Monte Alto** or **Monte Alto Project**), a shallow, free dig monazite sand rare earth deposit of 25.2Mt at 1.0% TREO in saprolite, which remains open at depth and in all directions. The Monte Alto Project features, as part of that Mineral Resource, a higher-grade mineralised core amounting to 4.1Mt at 3.2% TREO.

With the exploration drill program that has been completed up until 1 July 2023, BRE has classified the mineralisation into three distinct categories:

- Ionic Adsorption Clay (IAC) mineralisation;
- Saprolite monazite enriched REE mineralisation; and
- High-grade REE-Nb-Sc magmatic hard rock mineralisation.

### 2.2 Investment Highlights

BRE provides a compelling investment thesis, with the investment highlights including:

#### World class rare earths province

- Control, or agreements to acquire control, of ~1,410km<sup>2</sup> of highly prospective tenements across a world-class rare earths province.
- A range of high-grade rare earth and critical mineral opportunities that include high-grade magmatic REE-Nb-Sc, weathered saprolite enriched with monazite, and ionic adsorption clay style mineralisation.

4. Including the agreements summarised in:

- Sections 9.6(e) and 9.6(f), concerning the Amargosa Tenement Acquisition; and
- Section 9.6(g), concerning the Alpha Tenement Acquisition.

5. TREO means total rare earth oxides = summed estimates of La<sub>2</sub>O<sub>3</sub> + CeO<sub>2</sub> + Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub>.

6. Represents active exploration permits granted to, or an application for an exploration permit submitted by, the Company's wholly owned Brazilian subsidiaries Borborema, Jeque and Ubaira. Refer to Section IV of the Independent Solicitor's Report at Section 8 of this Prospectus for further information regarding those BRE Tenements.



## 2. Company Overview continued

### Large JORC Resource with outstanding growth potential

- JORC Mineral Resource estimate of 510Mt at 1,513ppm TREO covering ~1% of tenement areas.
- The Monte Alto Project is a shallow, free-dig, rare earth resource of 25.2Mt at 1% TREO. Currently the resource is open at depth and in all directions.
- Included in the Monte Alto Project resource is a high-grade core of 4.1Mt at 3.2% TREO with excellent proportion of magnet rare earth oxides at 26% of the TREO.
- Transformative discovery of exceptionally high-grade REE-Nb-Sc hard-rock mineralisation at surface, and at shallow depths, across extensive areas.
- JORC Exploration Target of an approximate tonnage of 8 to 12Bt at an approximate grade of between 1,000 and 1,500ppm TREO.
- Currently less than 5% of BRE's tenement area explored by BRE.

### High-grade REE-Nb-Sc mineralisation

- Discovery of high-grade REE-Nb-Sc mineralisation over extensive areas and at multiple locations throughout the province.
- High-grade REE-Nb-Sc mineralisation with average grades of 32.7% TREO with high levels of magnet rare earth elements with 55,997ppm NdPr and 2,844ppm DyTb.
- High-grade REE-Nb-Sc mineralisation also contains up to 1.5% of niobium (average 1.1% Nb<sub>2</sub>O<sub>5</sub>), up to 269ppm scandium (average 219ppm Sc<sub>2</sub>O<sub>3</sub>) and up to 5,246ppm uranium (average 4,025ppm U<sub>3</sub>O<sub>8</sub>).
- Operative exploration model is this high-grade mineralisation is indicative of larger and extensive structures of high-grade REE-Nb-Sc mafic cumulate.
- Highest grade REE mineralisation, with a grade of 40.5% TREO, recently discovered over 7km to the south of the Monte Alto Project.

### Agreement to acquire Rio Tinto exploration project

- Agreement to acquire a highly advanced Rio Tinto exploration project (comprising of the Amargosa Tenements) with approximately 760km<sup>2</sup> of tenements near BRE.
- Rio Tinto conducted a +10-year bauxite exploration program on the Amargosa Tenements. Based on data from that program, a JORC Exploration Target on the Amargosa Tenements has been estimated (as detailed in the Independent Technical Report in Section 7) to have an approximate beneficiatable bauxite tonnage range of 825 - 925Mt, at an approximate grade range of 27% - 28% TAA (Total Available Alumina). An Exploration Target is not an estimate of Mineral Resource or Ore Reserve and is based on a lower level of geological knowledge than a Mineral Resource or Ore Reserve. An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource. The potential quantity and grade of this Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.
- Approximately 57,000m of historical drilling generating valuable geological data including 1,388 surface geological samples, detailed topography and geophysical surveys, and long lead time environmental base line surveys.
- BRE aims to re-assay 30,000m of Rio Tinto core for rare earth elements by the end of Q1 2024.
- Upon completion of the Amargosa Tenement Acquisition, the BRE project area will more than double and secures dominant control over an emerging world-class rare earth province.

### Prime location close to existing infrastructure

- Large-scale rare earth province near excellent infrastructure in Bahia, Brazil.
- Highly developed critical infrastructure with low-cost clean hydro-electric power, high-capacity transmission lines, well-connected paved highways, and an efficient port less than 150km away.
- Potential for low infrastructure capital costs, lower logistic and power costs and competitive skilled labour costs compared to other global rare earth jurisdictions.

### Attractive market dynamics for the global rare earth market

- Rare earth permanent magnets are critical for electric and hybrid vehicles, wind turbines, consumer and medical devices, robotics, drones, and defence systems. Increasing levels of electrification underpins global demand growth for rare earth elements.
- From 2022 to 2035, Adamas Intelligence forecasts that global demand for permanent magnets may rise at a compound annual growth rate (CAGR) of 8.3%, Adamas also forecasts material supply deficits for the valuable heavy rare earth elements dysprosium and terbium.
- Increasing need for diversification and security of supply of environmentally sensitive REE production.
- Scarcity of supply of the valuable heavy rare earth elements dysprosium and terbium which are critical for high temperature, high performance permanent magnets.

### Experienced exploration team with a successful exploration model

- BRE's Chief Geologist, Alexandre Rocha da Rocha, is an accomplished exploration geologist.
- Alexandre successfully discovered and delineated the Serra Verde IAC rare earth deposit in Brazil. The exploration model used at Serra Verde has been enhanced and successfully applied at BRE.
- A team of highly experienced international geological and metallurgical consultants support a talented in-country Brazilian team.

### Management team with a demonstrated track record and extensive in country experience

- Experienced management team and board with extensive combined experience across exploration geology, resource estimation and evaluation, financing, acquisitions, project engineering, project development, commissioning, and mine operations.
- Diverse international backgrounds that include significant Brazilian exploration and operating experience and a successful track record of building leading resource companies.

## 2.3 Risks

Prospective investors should be aware that an investment in the Company should be considered highly speculative and involves a number of risks inherent in the business activities of the Company. For example, the business, assets and operations of the Company are subject to certain risk factors that have the potential to influence the operating and financial performance of the Company in the future. These risks can impact the value of an investment in the securities of the Company. Section 3 details (non-exhaustively) key risk factors which prospective investors should be aware of. It is recommended that prospective investors consider these risks carefully before deciding whether to invest in the Company.

## 2.4 Aims and Strategy

BRE's strategy is to explore and potentially develop its extensive critical mineral interests across the Rocha da Rocha Critical Minerals Province. BRE's near term exploration plan is to identify and delineate the highest value mineralisation across this province. The long-term aim is to create significant value for shareholders by developing a leading rare earth and critical mineral company.



## 2. Company Overview continued

At this stage of the exploration program, the highest value opportunity is the high-grade REE-Nb-Sc magmatic mineralisation discovered across the extensive hard rock outcrops and large corestones around the Monte Alto Project (see Section 2.9). BRE's exploration priority is to identify and delineate a high-grade REE-Nb-Sc hard rock resource. A comprehensive exploration campaign is actively drilling for potential high grade REE-Nb-Sc mafic cumulates that may be located at depth at the Monte Alto Project, and surrounding areas.

The exploration program has also discovered several deposits of shallow saprolite monazite REE mineralisation. The Monte Alto Project is the most advanced example of this style of mineralisation with a maiden JORC Mineral Resource estimate of 25.2Mt at 1% TREO (10,022ppm). This rare earth deposit is a free-dig, weathered saprolite enriched with coarse grain monazite minerals and held within a fine grain lithology. The Monte Alto resource is open at depth and in all directions, with a targeted drilling program actively exploring the full extent of the mineralisation. This style of saprolite monazite enriched mineralisation repeats across numerous locations over the Rocha da Rocha Province and will be tested in future exploration programs.

Within the Monte Alto Project resource model, a higher-grade core of 4.1Mt at 3.2% TREO has been defined by sensitivity analysis with a 1% TREO-CeO<sub>2</sub> cut off. This higher-grade mineralised core overlies a potential trend of high-grade REE-Nb-Sc magmatic cumulate and contains a high proportion of magnet rare earth oxides, NdPr and DyTb.

IAC REE mineralisation has been delineated over a significant portion of the explored areas of BRE's exploration permits. This IAC REE resource has the potential to increase with further regional exploration drilling that is targeted post exploration of the Monte Alto Project region.

In addition, BRE intends to continue to selectively evaluate growth opportunities for critical mineral projects in Brazil. These growth opportunities will only be pursued where BRE is confident that the prospective project, and acquisition terms, will enhance long term shareholder value.

### 2.5 Company History

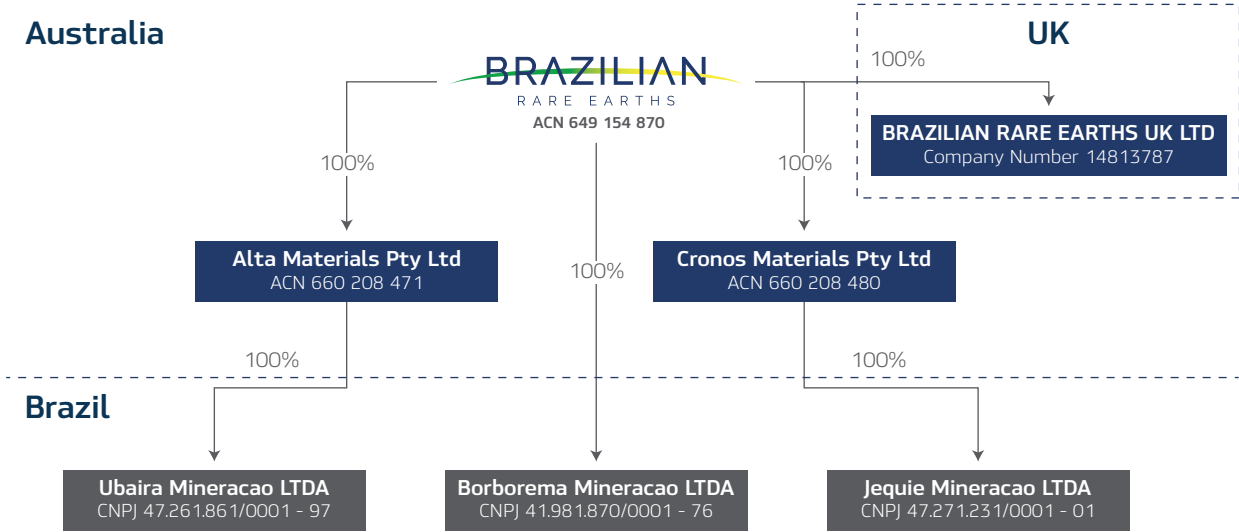
Table 7: Company History

<b>March 2021</b>	BRE established as a proprietary limited company.
<b>April 2021</b>	BRE applied for 32 exploration permits in the state of Bahia covering approximately 461km <sup>2</sup> .
<b>September 2021</b>	~A\$0.5 million raised via issue of Shares.
<b>October 2021</b>	Maiden drilling program commenced.
<b>January 2022</b>	~A\$1 million raised via issue of Shares.
<b>July 2022</b>	~A\$4 million raised via issue of Shares.
<b>September 2022</b>	Discovery of the Monte Alto Project.
<b>December 2022</b>	Maiden JORC Resource of 169Mt @ 1,526ppm TREO.
<b>December 2022</b>	Capital raising of ~A\$21 million via the issue of Convertible Notes.
<b>January 2023</b>	Discovery of high-grade REE-Nb-Sc outcrops and large corestones.
<b>February 2023</b>	BRE converted to a public company.
<b>April 2023</b>	JORC resource upgrade to 510Mt at 1,513ppm TREO, including maiden Mineral Resource at the Monte Alto Project of 25.2Mt at 1% TREO.
<b>August 2023</b>	Agreement for acquisition of 16 Alpha Tenements covering 190km <sup>2</sup> from Alpha Brazil
<b>October 2023</b>	Rio Tinto project acquisition agreement (the Amargosa Tenements Acquisition), covering ~760km <sup>2</sup> . Acquisition includes ~57,000m of drilling data and core that will be re-assayed for rare earth elements

## 2.6 Corporate Structure

BRE was incorporated on 31 March 2021 with an initial two Shares issued to the initial Shareholders. Set out below is the corporate group structure of the Company.

Figure 1: Corporate structure



Details of BRE’s subsidiaries are as follows:

- (a) Alta Materials Pty Ltd (100% direct interest), which was incorporated in Australia on 16 June 2022, and which is an investment holding entity for BRE and holds a 100% interest in Ubaira Mineracao Ltda.
- (b) Cronos Materials Pty Ltd (100% direct interest), which was incorporated in Australia on 16 June 2022, and which is also an investment holding entity for BRE and holds a 100% interest in Jequie Mineracao Ltda.
- (c) Ubaira Mineracao Ltda (100% indirect interest through Alta Materials Pty Ltd), which was incorporated in Brazil on 22 July 2022 and holds part of the tenement interests comprising the BRE Tenements.
- (d) Borborema Mineracao Ltda (100% direct interest), which was incorporated in Brazil on 23 September 2021 and holds, or will hold, part of the tenements and tenements application interests comprising the BRE Tenements, the Alpha Tenements and the Amargosa Tenements. Refer to section 1.1 of the Independent Solicitor’s Report in Section 8 of this Prospectus for further information regarding the Company’s ownership interest in Borborema MineraçãO Ltda.
- (e) Jequie Mineracao Ltda (100% indirect interest through Cronos Materials Pty Ltd), which was incorporated in Brazil on 25 July 2022 and holds part of the tenement interests comprising the BRE Tenements.
- (f) Brazilian Rare Earths UK Ltd (100% direct interest), which was incorporated in the United Kingdom on 19 April 2023 and forms part of the Company’s tax structuring.

## 2. Company Overview continued

Further details in relation to BRE's Brazilian subsidiaries are provided in the Independent Solicitor's Report in Section 8 of this Prospectus.

BRE has had success raising capital since its incorporation, with the history of issued securities set out in the following table:

**Table 8: History of securities issuance**

	NUMBER OF SHARES <sup>1</sup>	A\$ SUBSCRIBED (BEFORE COSTS)
Shares issued on incorporation - March 2021	2	2
Private placement - September 2021 <sup>2</sup>	499,998	499,998
Private placement - January 2022 <sup>3</sup>	50,000	1,000,000
Private placement - July 2022	72,406	3,949,020
Conversion of Founder Shares into Shares <sup>4</sup>	155,602	-
Issue of Shares as remuneration - September 2023 <sup>5</sup>	30,250	-
<b>Total</b>	<b>808,258</b>	<b>5,449,020</b>

**Notes:**

1. Represents fully paid shares on issue on a pre-split basis (noting that on 23 October 2023, the Company converted all of its Shares on issue into a larger number of Shares via a Share split, on the basis that every one Share on issue at the time was subdivided into 175 Shares in accordance with the Shareholder approval received by the Company at its 2023 annual general meeting) and prior to the Notes Conversion and prior to the issue of Shares pursuant to this Prospectus. The Options were also split in the same ratio.
2. Includes 80,627 Shares with an issue price of A\$1 per Share issued to Dr da Veiga in lieu of cash as remuneration for services provided by Dr da Veiga.
3. Includes 3,750 Shares with an issue price of A\$20 per Share issued to Dr da Veiga in lieu of cash as remuneration for services provided by Dr da Veiga.
4. In September 2021, Paulo Roberto Santoro Salomao was issued 125,000 founder shares in the capital of the Company which were convertible into Shares (**Founder Shares**) in consideration for individuals for services provided in relation to the identification and pegging of thirty two of the BRE Tenements. The Founder Shares were converted into 155,602 Shares in July 2022. The Founder Shares included anti-dilutionary rights which the holder of the Founder Shares agreed to cancel in return for being issued 432,834 Convertible Notes (being the Founder Notes). In September 2023, the Shares and Convertible Notes held by Paulo Roberto Santoro Salomao were transferred to Kuda Huraa Mining Ventures and Global Investments Corp.
5. These Shares were issued as equity-remuneration to certain Directors and other BRE personnel, in recognition of BRE reaching the milestone of estimating a Mineral Resource at the Project. The related parties of the Company who participated in that issue comprise:
  - (i) Dr da Veiga (who received 9,075 of those Shares on a pre-Share split basis, which now comprise 1,588,125 Shares on a post-Share split basis and are included within his Share interests detailed in Section 4.4);
  - (ii) Mr Hannigan (whose related company received 6,050 of those Shares on a pre-Share split basis, which now comprise 1,058,750 Shares on a post-Share split basis and are included within his Share interests detailed in Section 4.4); and
  - (iii) Mr Dominic Allen (who received 5,294 of those Shares on a pre-Share split basis, which now comprise 926,450 Shares on a post-Share split basis).

### 2.7 Rocha da Rocha Project

The Rocha da Rocha Project comprises of:

- ninety-six granted exploration permits;
- one application for an exploration permit;
- four applications for mining permits;
- two disponibilidades;<sup>7</sup> and
- an option to acquire a further three granted exploration permits,

registered or applied for under Brazil's National Mining Agency (**ANM**). The granted exploration permits within the Rocha da Rocha Project cover a total combined area of ~141,000ha (~1,410 km<sup>2</sup>) in the Rocha da Rocha Critical Minerals Province, located in Bahia, Brazil. The Project is a large-scale greenfields discovery of REE mineralisation, that includes high-grade REE-Nb-Sc mineralisation, saprolite monazite

7. Refer to paragraph 27.25 of the Independent Solicitor's Report in Section 8 for an explanation of the bidding procedure commonly known as "disponibilidade".

enriched mineralisation, and ionic clay style REE mineralisation. In addition, the Project appears to be highly prospective for niobium, scandium, uranium, bauxite and other critical minerals.

The Project comprises the following groups of exploration permits, optioned exploration permits, applications for permits and disponibilidades which are described in more detail on the Independent Solicitor's Report presented in Section 8:

**Table 9: Summary of granted permits, optioned permits, permit applications and disponibilidades**

DESCRIPTION	GRANTED EXPLORATION PERMITS		OPTIONED EXPLORATION PERMITS <sup>4</sup>		EXPLORATION PERMIT APPLICATIONS		MINING PERMIT APPLICATIONS		DISPONIBILIDADES <sup>5</sup>	
	NUMBER	AREA (HA)	NUMBER	AREA (HA)	NUMBER	AREA (HA)	NUMBER	AREA (HA)	NUMBER	AREA (HA)
BRE Tenements <sup>1</sup>	34	47,137	-	-	1	4	-	-	-	-
Alpha Tenements <sup>2</sup>	16	19,028	-	-	-	-	-	-	-	-
Amargosa Tenements <sup>3</sup>	46	74,824	3	5,393	-	-	4	649	2	1,427
	<b>96</b>	<b>140,988</b>	<b>3</b>	<b>5,393</b>	<b>1</b>	<b>4</b>	<b>4</b>	<b>649</b>	<b>2</b>	<b>1,427</b>

**Notes:**

1. Represents active exploration permits granted to, or an application for an exploration permit submitted by, the Company's wholly owned Brazilian subsidiaries Borborema Mineracao Limitada, Jeque Mineracao Limitada and Ubaira Mineracao Limitada. Refer to Section IV of the Independent Solicitor's Report at Section 8 of this Prospectus for further information regarding those BRE Tenements.
2. Represents active exploration permits which the Company's wholly owned Brazilian subsidiary Borborema Mineracao Limitada has entered into a legally binding agreement to purchase from Alpha Minerals Brazil Participacoes Limitada, and which will be wholly owned by Borborema Mineracao Limitada on completion of the agreement. Refer to Section V of the Independent Solicitor's Report at Section 8 of this Prospectus for further information regarding the Alpha Tenements and Section 9.6(g) of this Prospectus for the material terms of the agreement to purchase the Alpha Tenements.
3. Represents active exploration permits which the Company's wholly owned Brazilian subsidiary Borborema Mineracao Limitada has entered into a legally binding agreement to purchase from Rio de Contas Desenvolvidos Minerais Limitada (being the Amargosa Tenement Acquisition Agreement), and which will be wholly owned by Borborema Mineracao Limitada on completion of the agreement. Refer to Section VI of the Independent Solicitor's Report at Section 8 of this Prospectus for further information regarding the Amargosa Tenements and Section 9.6(e) for the material terms of the agreement to purchase the Amargosa Tenements.
4. Borborema has entered into an option agreement with Rio Tinto Brazil (being the Amargosa Option Agreement) granting Borborema the right, but not the obligation, to acquire an additional three exploration permits (comprising part of the Amargosa Tenements) from Rio Tinto Brazil covering an area of 5,393 hectares for a cash payment of the Brazilian Real equivalent of US\$672,000. Refer to paragraph 358 and Section IX.4 of the Independent Solicitor's Report at Section 8 of this Prospectus for further information regarding those particular Amargosa Tenements and refer to Section 9.6(f) for the material terms of the Amargosa Option Agreement.
5. As described in Section 9.6(e), under the terms of the agreement entered into by Borborema to acquire the Amargosa Tenements from Rio Tinto Brazil, Borborema has the right to purchase an additional two exploration permits covering an area of 1,427 hectares which are currently the subject of a dispute in ownership before the ANM and which have the status of "disponibilidades" under Brazilian legislation.

The Project is 100% owned by, or subject to agreements to be acquired by, the Company, through its 100% owned subsidiaries, Cronos Materials Pty Ltd, Alta Materials Pty Ltd, Borborema Mineracao Limitada, Jeque Mineracao Limitada and Ubaira Mineracao Limitada.<sup>8</sup>

### Project Location

Brazil is widely viewed as a mature mining jurisdiction, with a stable regulatory regime. A range of leading global mining companies, including BHP, Anglo American, Vale, Rio Tinto and South32, have successfully operated in Brazil for decades. Well-developed rare-earth testing and engineering capabilities are now found in country, and Brazil has a large-scale ionic clay rare earth deposit, Serra Verde, that is nearing first production.

The Project is strategically located ~155km southwest from Salvador, Bahia State's Capital, in Northeast Brazil. Land use is predominately cattle grazing, subsistence farming and plantation of coffee, cocoa, cereals, and cassava. The Project can be accessed from sealed, well-connected BR-324, BR-101 and BR-420 highways.

8. Refer to the Independent Solicitor's Report in Section 8 and Independent Technical Report in Section 7 for further details of the ownership structure.

## 2. Company Overview continued

The Project benefits from significant logistical advantages relative to many rare earths and critical minerals projects. World class infrastructure includes low-cost, clean hydroelectric power, gas-fired power, and high-capacity electricity transmission lines located near the Project area. Furthermore, a range of low-cost transportation infrastructure can be easily accessed, including highways and the West-East Integration Railway that will run between Caetité, an iron-ore producer hub, to the Ilhéus seaport, on the coast of Bahia.

The Project is located near several regional towns and benefits from excellent access to labour and suppliers as well as hospitals, banks and other essential services. The distance from the Project to the export port of Ilhéus is ~150km.

Figure 2: Rocha da Rocha Project location and proximity to major transportation infrastructure



## Project History

There are no formal records of ground-based REE mineral exploration on the Rocha da Rocha Project prior to the Company commencing exploration work in late 2021.

Historical airborne geophysical exploration covering the permits is limited to regional geophysical surveys completed by the Brazilian Geological Survey. The state-owned mineral research company of Bahia commissioned a high-resolution airborne magnetic and radiometric survey in 2006. To date, all the drilling and geological sampling data relating to the Rocha da Rocha project has been performed by the Company following strict QA/QC protocols. Please see the Independent Technical Report in Section 7 for further details.

Most of the mineralisation discovered to date occurs near surface or is typically covered by free-digging overburden. The shallow nature of the mineralisation has assisted BRE's exploration team to rapidly identify and delineate deposits.

In October 2021, BRE began its first exploration program with two auger drilling teams and completed 2,768m of drilling by Q2 of 2022. Positive drilling results established the potential of the Project and supported an external equity capital raising of ~A\$21 million via a Convertible Note issuance to accelerate exploration activities.

BRE subsequently expanded the exploration program to include 9 augers and 1 sonic drill-rig. By the end of 2022 BRE had completed 7,326m of drilling. Over 40% of the auger drilling results remained open at depth, where grade profile and HREE-enrichment has been shown to improve. These results provided BRE with a range of high priority targets for deeper drilling with the sonic rig, which can drill to ~60m in depth.

During 2023, the company increased the number of auger teams to 15 and accelerated the rate of drilling. As of September 2023, BRE has completed 18,559m of drilling at the Project.

Key exploration results at Monte Alto include significant samples of high-grade REE-Nb-Sc magmatic mineralisation and weathered saprolite monazite enriched mineralisation, see Table 10 for a selection of intercepts.

**Table 10: High-grade intercepts REE mineralisation**

HOLE	FROM (M)	TO (M)	INTERVAL (M)	TREO (%)	NdPr (PPM)	DyTb (PPM)
SSU0014	0.0	41.0	41.0	3.4	5,064	313
including	18.0	28.0	10.0	10.2	14,070	829
SSU0033	2.2	32.0	29.8	2.1	3,790	229
and	34.0	42.0	8.0	12.6	20,580	1,245
SSU0059	3.0	20.0	17.0	6.1	9,358	455
including	9.0	17.0	8.0	10.1	16,211	779
STU0181	0.0	30.0	30.0	5.3	9,186	510
including	16.0	30.0	14.0	11.2	19,559	1,087
STU0349	0.0	30.0	30.0	2.0	2,171	128
STU0365	0.0	24.0	24.0	1.4	1,816	81
including	3.0	12.0	9.0	2.6	2,374	128
STU0370	0.0	26.4	26.4	6.7	11,787	384
including	0.4	12.0	11.6	10.3	11,975	490

The shallow nature of these intercepts allowed BRE's exploration team to rapidly map the area, with most of the mineralisation occurring at or near surface, or otherwise covered by light, free-digging overburden.



## 2. Company Overview continued

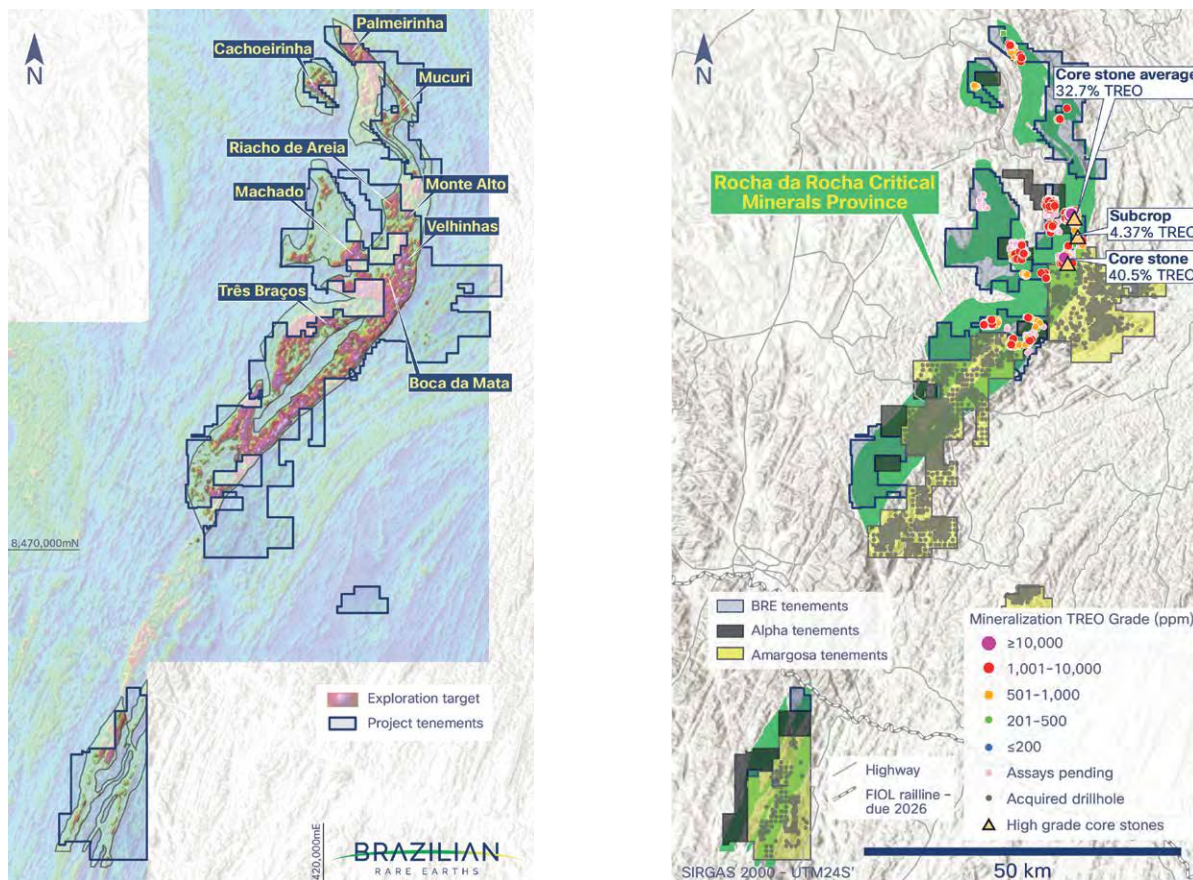
Regional exploration discovered Ionic Adsorption Clay style rare earth mineralisation across the controlled landholdings. IAC mineralisation typically occurs in shallow saprolite clay zones that form from intense weathering of host rocks. The rare earth elements are adsorbed to clay minerals ionically in a distinct weathered zone within the regolith profile. These rare earth elements can be liberated by washing/leaching with a weak acid solution (pH 4) of ammonium sulphate or sodium chloride at ambient temperature and pressure.

In Q2 2022, BRE initiated metallurgical test work which confirmed that the REE could be leached with recoveries that demonstrate strong potential for economic REE yields. Tests were conducted on fifty four samples at the Nuclear Technology Development Centre of Brazil and on seven samples at the University of Toronto Aqueous Research Laboratory. For further information on metallurgical test work undertaken to date, refer to Section 7.

In addition to the BRE exploration programs, Rio Tinto Brazil conducted a detailed bauxite exploration program across their contiguous and nearby tenements. BRE entered into a binding agreement to acquire the Rio Tinto Amargosa Tenements and the geological data, drill core and supporting surveys in respect of those Amargosa Tenements in October 2023 as described in Section 9.6(e).

Rio Tinto Brazil's exploration data set was comprehensive and performed to the highest standards. Approximately 57,000m were drilled, 1,388 surface samples were collected, extensive topography and geophysical surveys conducted, in addition to valuable environmental base line surveys. All of the data, physical drill core and pulp samples are professionally categorised and stored.

Figure 3: Amargosa Tenements and drill hole locations



Refer to Section 9.6(e) for information in relation to the Amargosa Tenement Acquisition Agreement and refer to Section 9.6(f) for information in relation to the Amargosa Option Agreement.

## 2.8 Mineralisation Categories

BRE has identified a broad range of mineralisation styles from the exploration programs conducted to date, with these classified into three distinct categories to underpin a working geological exploration model.

### Ionic Adsorption Clay (IAC) mineralisation

IAC style mineralisation is evident over a significant portion of drilled areas across BRE's exploration permits. This IAC style mineralisation currently represents a significant portion of the JORC resource estimate of 510Mt at 1,513ppm TREO. This IAC resource has the potential to increase with further regional exploration drilling, and this potential is reflected in the estimated JORC Exploration Target of 8 - 12Bt at a grade of approximately 1,000 - 1,500ppm TREO.

### Saprolite-monzazite enriched REE mineralisation

This style of mineralisation is evident at the Monte Alto Project that has a JORC Resource estimate of 25.2Mt at 1% (10,022ppm) TREO, as well as several other regional targets. Monte Alto is characterised by a near surface, highly weathered saprolite zone that is enriched with residual coarse-grained monazite sand held within a fine grained, friable and 'free-dig' host lithology. Monazite is a phosphate mineral that contains approximately 55-60% REE oxides.

### High-grade REE-Nb-Sc mineralisation

This exceptionally high-grade REE-Nb-Sc mineralisation style is prominent from thirty-two large hard rock outcrops and 'corestones' discovered at surface, and at shallow depths, across the Monte Alto Project and surrounding tenements.

These hard rock REE-Nb-Sc outcrops and corestones have recorded exceptionally high and consistent grades of rare earth and critical elements with average grades of 32.7% TREO, niobium 1.1% Nb<sub>2</sub>O<sub>5</sub>, uranium at 4,025ppm U<sub>3</sub>O<sub>8</sub> and scandium at 219ppm Sc<sub>2</sub>O<sub>3</sub>. See Table 11 below for a full list of assayed corestones and outcrops. Semi-quantitative XRD analysis of high-grade REE-Nb-Sc mineralisation identifies monazite as the primary REE mineral, with minor bastnäsite and chevkinite.

These defined mineralisation categories are not exhaustive and additional categories may be defined with further exploration.



## 2. Company Overview continued

Table 11: High-grade REE-Nb-Sc Corestones and Outcrop Assay Results

SAMPLE ID	LA <sub>2</sub> O <sub>3</sub> (%)	CEO <sub>2</sub> (%)	PR <sub>6,11</sub> (%)	ND <sub>2</sub> O <sub>3</sub> (%)	SM <sub>2</sub> O <sub>3</sub> (%)	EU <sub>2</sub> O <sub>3</sub> (%)	GD <sub>2</sub> O <sub>3</sub> (%)	TB <sub>4</sub> O <sub>7</sub> (%)	DY <sub>2</sub> O <sub>3</sub> (%)	HO <sub>2</sub> O <sub>3</sub> (%)	ER <sub>2</sub> O <sub>3</sub> (%)	TM <sub>2</sub> O <sub>3</sub> (%)	YB <sub>2</sub> O <sub>3</sub> (%)	LU <sub>2</sub> O <sub>3</sub> (%)	Y <sub>2</sub> O <sub>3</sub> (%)	TREO (%)	NB <sub>2</sub> O <sub>5</sub> (%)	SC <sub>2</sub> O <sub>3</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (ppm)
ALP400022	6.94	13.59	1.20	3.46	0.41	0.01	0.29	0.06	0.22	0.04	0.09	0.01	0.07	0.01	0.95	27.4	1.24	259	3,933
ALP400023	8.12	15.79	1.40	4.19	0.47	0.01	0.36	0.08	0.24	0.05	0.12	0.02	0.09	0.01	1.21	32.1	1.06	223	4,346
ALP400024	7.80	15.80	1.28	3.84	0.44	0.01	0.40	0.07	0.23	0.04	0.11	0.01	0.08	0.01	1.14	31.3	1.11	249	4,365
ALP400028	10.88	20.69	1.88	5.11	0.67	0.00	0.00	0.01	0.20	0.03	0.07	0.00	0.02	0.00	0.96	40.5	0.00	8	3,141
ALP400032	9.64	16.75	1.68	4.66	0.56	0.01	0.38	0.05	0.27	0.05	0.14	0.02	0.10	0.01	1.34	35.7	1.01	165	4,214
ALP400037	7.68	14.99	1.40	3.96	0.50	0.01	0.34	0.04	0.26	0.04	0.13	0.01	0.09	0.01	1.13	30.6	1.48	247	4,488
ALP400038	7.28	15.56	1.26	3.52	0.44	0.01	0.29	0.04	0.21	0.04	0.10	0.01	0.08	0.01	0.97	29.8	1.11	236	3,900
ALP400039	7.56	13.33	1.34	3.72	0.45	0.01	0.30	0.04	0.22	0.04	0.10	0.01	0.07	0.01	0.96	28.1	1.34	269	4,077
ALP400040	7.41	17.54	1.34	3.61	0.45	0.00	0.27	0.03	0.19	0.03	0.08	0.01	0.06	0.01	0.81	31.8	1.22	246	4,231
ALP400041	8.57	18.12	1.53	4.22	0.50	0.01	0.32	0.04	0.23	0.04	0.10	0.01	0.08	0.01	0.94	34.7	1.08	213	4,142
ALP400042	9.52	17.37	1.61	4.51	0.54	0.01	0.36	0.04	0.26	0.04	0.11	0.01	0.09	0.01	1.15	35.6	0.94	194	3,403
ALP400043	8.22	16.53	1.41	3.97	0.51	0.01	0.36	0.04	0.26	0.04	0.13	0.01	0.09	0.01	1.20	32.8	1.26	255	4,517
ALP400044	8.76	16.61	1.49	4.17	0.51	0.01	0.34	0.04	0.25	0.04	0.11	0.01	0.09	0.01	1.10	33.5	1.11	228	3,956
ALP400045	8.43	16.43	1.41	3.86	0.49	0.01	0.31	0.04	0.22	0.04	0.10	0.01	0.08	0.01	0.99	32.4	1.02	223	3,640
ALP400047	8.83	16.02	1.49	4.14	0.52	0.01	0.35	0.04	0.26	0.04	0.13	0.01	0.09	0.01	1.18	33.1	1.33	217	4,471
ALP400048	8.76	16.18	1.47	4.06	0.50	0.01	0.32	0.04	0.23	0.04	0.10	0.01	0.08	0.01	0.97	32.8	0.96	214	3,300
ALP400049	6.99	17.49	1.37	3.86	0.51	0.01	0.33	0.05	0.26	0.05	0.13	0.02	0.10	0.01	1.22	32.4	1.34	220	4,820
ALP400050	10.45	19.35	1.80	5.00	0.61	0.01	0.38	0.04	0.28	0.04	0.11	0.01	0.09	0.01	1.09	39.3	1.01	186	3,843
ALP400051	11.64	18.65	1.89	5.25	0.61	0.01	0.40	0.05	0.29	0.04	0.14	0.02	0.10	0.01	1.22	40.3	0.93	173	3,291
ALP400052	5.74	8.69	1.10	2.97	0.37	0.00	0.23	0.03	0.16	0.02	0.07	0.01	0.05	0.01	0.67	20.1	0.69	263	2,636
ALP400053	8.97	18.18	1.57	4.32	0.53	0.01	0.34	0.04	0.25	0.04	0.10	0.01	0.08	0.01	0.98	35.4	1.08	212	4,234
ALP400055	7.84	15.96	1.45	4.07	0.52	0.01	0.34	0.04	0.25	0.04	0.11	0.01	0.08	0.01	1.11	31.8	1.40	233	5,103
ALP400056	8.59	16.52	1.49	4.13	0.51	0.01	0.33	0.04	0.24	0.04	0.10	0.01	0.08	0.01	1.03	33.1	1.06	218	3,560
ALP400057	7.45	15.53	1.39	3.88	0.50	0.01	0.33	0.04	0.25	0.04	0.12	0.01	0.09	0.01	1.15	30.8	1.41	254	5,246
ALP400058	8.62	16.39	1.59	4.41	0.56	0.01	0.35	0.04	0.26	0.04	0.11	0.01	0.09	0.01	1.10	33.6	1.26	230	4,669
ALP400060	8.43	16.51	1.47	4.10	0.50	0.01	0.33	0.04	0.24	0.04	0.10	0.01	0.09	0.01	1.07	32.9	1.10	219	3,791
ALP400061	8.93	15.74	1.53	4.31	0.52	0.01	0.34	0.04	0.26	0.04	0.11	0.01	0.09	0.01	1.10	33.3	0.90	178	3,569
ALP400062	7.88	16.73	1.41	3.98	0.51	0.01	0.33	0.04	0.25	0.04	0.10	0.01	0.08	0.01	1.07	32.5	1.19	242	4,192
ALP400063	7.61	15.40	1.48	4.18	0.54	0.01	0.34	0.04	0.25	0.04	0.10	0.01	0.08	0.01	1.00	31.1	1.22	247	3,936
ALP400064	7.25	13.37	1.42	3.85	0.49	0.00	0.30	0.04	0.23	0.03	0.09	0.01	0.07	0.01	0.88	28.0	1.48	269	4,007
ALP400065	9.52	17.71	1.62	4.52	0.54	0.01	0.36	0.04	0.26	0.04	0.10	0.01	0.08	0.01	1.06	35.9	0.97	196	3,458
ALP400066	8.39	17.94	1.47	4.05	0.51	0.01	0.33	0.04	0.24	0.04	0.11	0.01	0.09	0.01	1.06	34.3	1.22	219	4,315
<b>Mean</b>	<b>8.40</b>	<b>16.30</b>	<b>1.48</b>	<b>4.12</b>	<b>0.51</b>	<b>0.01</b>	<b>0.32</b>	<b>0.04</b>	<b>0.24</b>	<b>0.04</b>	<b>0.11</b>	<b>0.01</b>	<b>0.08</b>	<b>0.01</b>	<b>1.06</b>	<b>32.7</b>	<b>1.11</b>	<b>219</b>	<b>4,025</b>
Min	5.74	8.69	1.10	2.97	0.37	0.00	0.00	0.01	0.16	0.02	0.07	0.00	0.02	0.00	0.67	20.1	0.00	8	2,636
<b>Max</b>	<b>11.64</b>	<b>20.69</b>	<b>1.89</b>	<b>5.25</b>	<b>0.67</b>	<b>0.01</b>	<b>0.40</b>	<b>0.08</b>	<b>0.29</b>	<b>0.05</b>	<b>0.14</b>	<b>0.02</b>	<b>0.10</b>	<b>0.01</b>	<b>1.34</b>	<b>40.5</b>	<b>1.48</b>	<b>269</b>	<b>5,246</b>

## 2.9 Exploration Model

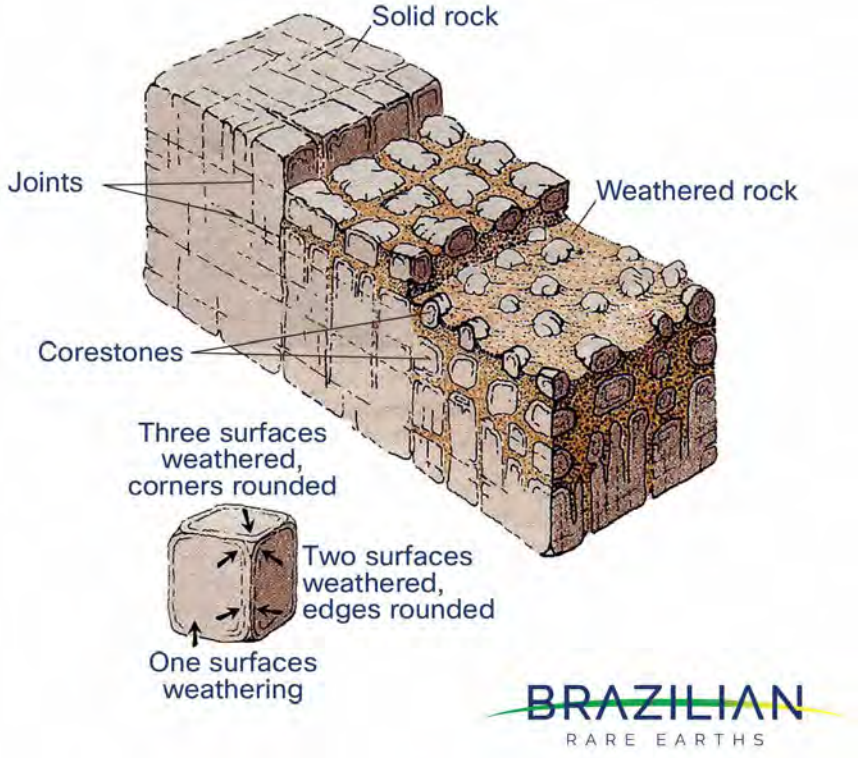
The operative BRE exploration model connects the high-grade REE-Nb-Sc mineralisation to the weathered saprolite enriched monazite mineralisation that has been delineated at the Monte Alto Project.

The exploration model is that the high-grade REE-Nb-Sc magmatic mineralisation discovered across numerous large hard rock outcrops and corestones are remnants of large mafic cumulates of REE, niobium, scandium and uranium mineralisation. These magmatic cumulates are coeval with the leucogranites of the Rocha da Rocha Province, which have been discovered across a wide range of locations along the extensive geophysical trendline.

The high-grade REE-Nb-Sc magmatic cumulates are analogous to cumulate deposits of industrial minerals, such as ilmenite, which typically form large, extensive and thick tabular ore bodies.

The exploration model is that intense regolith weathering, via physical and chemical processes, progressively eroded these high-grade REE-Nb-Sc magmatic cumulates from an extensive hard rock deposit, to fractured corestones held within weathered saprolite and then ultimately into a highly weathered saprolite-monazite mineralised deposit (such as that delineated at the Monte Alto Project). This progressive geological process is illustrated in a simplified weathering process that proceeds from hard rock REE-Nb-Sc mafic cumulate to high-grade REE-Nb-Sc corestones in Figure 4 below.

Figure 4: Exploration Model – Regolith Weathering of High-grade REE-Nb-Sc Mineralisation

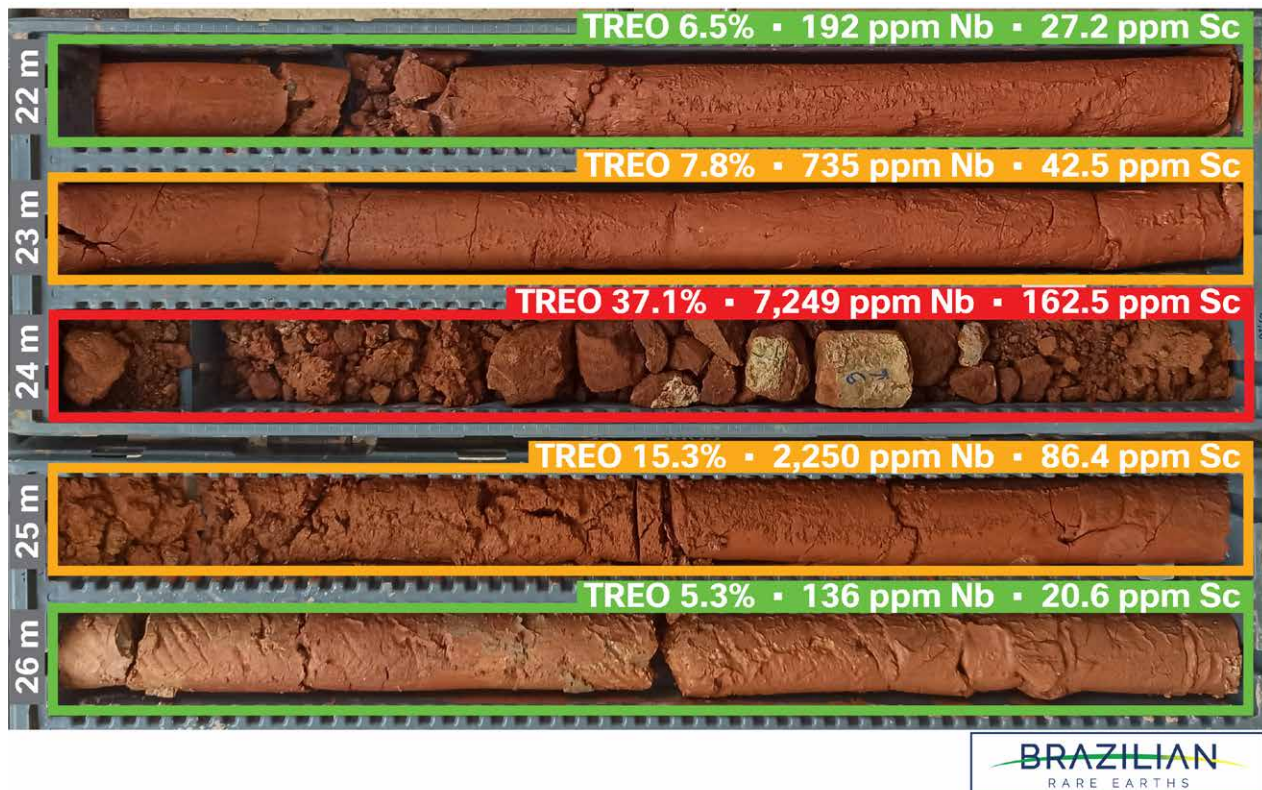


## 2. Company Overview continued

The current working exploration model is that this final stage of the regolith weathering process, shown on the right of Figure 4, is akin to the geological characteristics of the Monte Alto Project. This deposit is a highly weathered saprolite enriched with coarse grain monazite and held within a fine-grained host lithology.

Importantly, exploration drilling at Monte Alto has intersected high-grade mineralisation that appears to be the potential remnants of high-grade REE-Nb-Sc mafic corestones. These high-grade intercepts are bordered by monazite enriched saprolite above and below the remnant zones. Sonic drillholes SSU0014, SSU0033 and SSU0059 (detailed in Table 10) provide evidence of this modality and Figure 5 below shows a portion of drill core SSU0014 highlighting the high-grade corestone remnants and enriched surrounding saprolite.

Figure 5: High-grade monazite rich corestone of saprock in drill core from sonic hole SSU0014, with highly elevated grades in surrounding monazite enriched saprolite



Additionally, a significant number of the exploration auger drill holes at the Monte Alto Project were terminated when they intercepted hard ground conditions. Many of these shallow terminated drill holes could represent remnant high-grade corestones or fragments within the weathered saprolite that an auger drill could not penetrate.

The target zone for high-grade REE-Nb-Sc magmatic mineralisation at the Monte Alto is a linear trend over 800m long and striking at ~35 degrees to the northeast. The current explored vertical extent of this mineralisation, from hilltop down to the lowest corestone occurrence, is currently ~110m.

The northern part of this geological trend hosts numerous high-grade REE-Nb-Sc corestones and recorded three of the highest-grade auger holes drilled at the Monte Alto project (Drillholes: STU0349, STU0365 & STU0370 detailed in Table 10). The southern part of the mineralised trend also hosts zones of abundant, coarse-grained monazite (represented in drillholes: STU0181, SSU0014, & SSU0033 detailed in Table 10) that appear to have been subject to less intense weathering and erosion.

## IAC style mineralisation

The Project is highly prospective for ionic clay hosted rare earth resources and this style of mineralisation is evident at many areas over the geophysical anomaly trendline.

Rare earth mineralisation typically occurs in shallow saprolite clay zones which form from intense weathering of host rocks. The rare earth elements are adsorbed to clay minerals ionically in a distinct weathered zone within the regolith profile. These rare earth elements can be liberated by washing with a weak acidic solution of ammonium sulphate or sodium chloride.

Initial metallurgical and leaching test work was conducted by the Nuclear Technology Development Centre of Brazil and at the University of Toronto Aqueous Research Laboratory. The rare earth leaching and solvent extraction was undertaken at ambient temperature and pressures with ammonium sulphate or sodium chloride, at a pH of 4, and recorded TREO-CeO<sub>2</sub> extraction ranging from 7% to 75% over a range of REE leaching conditions.

## 2.10 Near Term Exploration Priorities

The near-term priority exploration objectives for BRE are:

- Explore and delineate high-grade REE-Nb-Sc hard rock mineralisation.
- Re-assay Rio Tinto core and samples for rare earth elements.
- Extension and in-fill drilling at the Monte Alto project, at depth and along strike.
- Continue to explore and potentially increase the resource of shallow regolith hosted IAC mineralisation and identify additional high-grade monazite sand and high grade hard rock mineralisation targets.

Gravity and magnetic surveys recently completed over the Monte Alto project indicate the potential for a large, hard rock zone at depth. The exploration model thesis is that this hard rock zone may be high-grade REE-Nb-Sc mafic cumulate and the potential 'source rock' for the high-grade REE-Nb-Sc outcrops and large corestones.

These deeper hard rock exploration targets will be tested with sonic and diamond drill rigs over 2023 and 2024. Sonic and diamond drill rigs provide the capacity to drill exploration holes of up to ~100m of depth for sonic drilling and +200m for diamond drilling.

A comprehensive exploration program will test for deeper high-grade REE-Nb-Sc mafic cumulates that may be located at depth under the Monte Alto project.

Areas that are prioritised for further exploration include:

- **Monte Alto Project:** REE-Nb-Sc corestone samples averaging 32.7% TREO, including niobium of 11,107ppm, scandium of 219ppm, and uranium of 4,025ppm U<sub>3</sub>O<sub>8</sub>. High-grade REE-Nb-Sc mineralisation has also been defined in an initial prospective exploration corridor of 800m long and up to 200m wide.
- **Velhinhos Project:** REE-Nb-Sc hard rock corestone grading ~40.5% TREO and 3,141ppm U<sub>3</sub>O<sub>8</sub> has been recently discovered, suggesting that the high-grade REE-Nb-Sc mineralisation extends along the belt, see Figure 7 below. As at Monte Alto, the Velhinhos hard rock corestone is located on an intense geophysical anomaly over 1km long (Figure 8).

At both deposits, exploration results have identified highly prospective REE mineralisation targets (Figure 8). BRE aims to explore more broadly across the Rocha da Rocha Critical Mineral Province once the current targeted drilling program at Monte Alto is finished. The proposed drilling and assaying activities presented in Figure 6 are designed to test the validity of the Company's exploration targets.



## 2. Company Overview continued

Figure 6: Rocha da Rocha project history and planned drilling and assaying

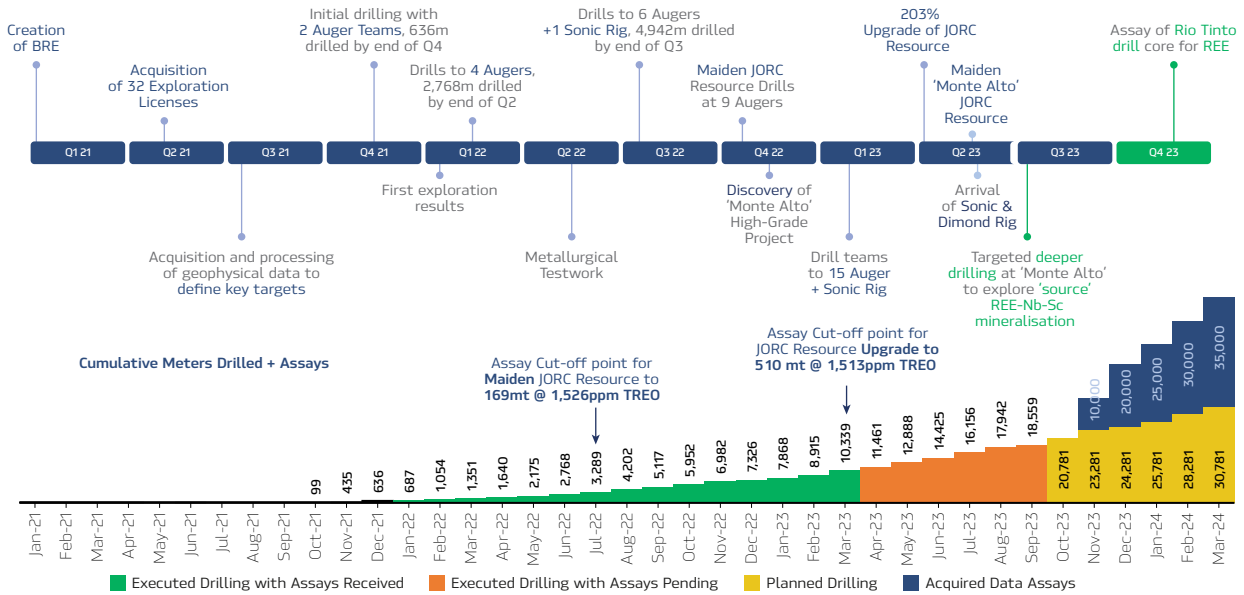
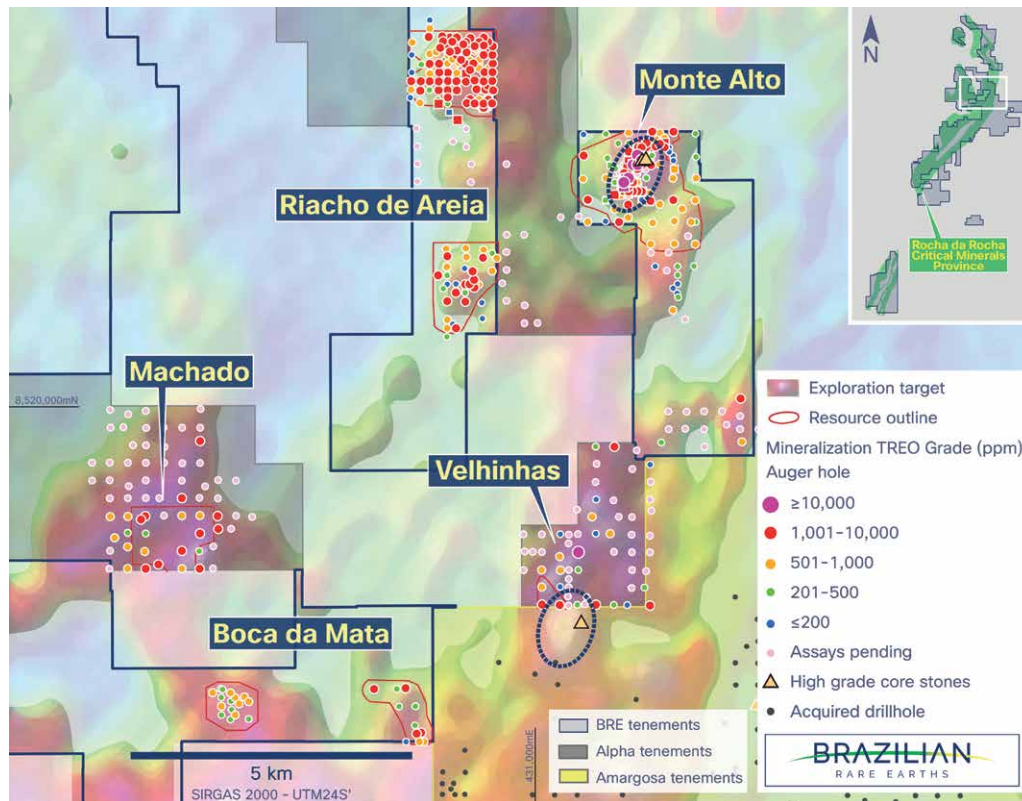


Figure 7: High-grade corestone outcrop at Monte Alto



Figure 8: Monte Alto and Velhinas High-Grade Target Area for Core Drilling



Approximately 25% of the property area has been explored by Rio Tinto drilling which covers numerous intense geophysical anomalies that guide BRE's exploration programs. Only a small number of Rio Tinto drilling samples were tested for REE. The Rio Tinto data, physical drill core and pulp samples are professionally and securely stored for testing and re-assay by BRE. This re-assay program for REE has already commenced.

BRE will expedite re-assays of the drilling core/samples, at low cost, to test for REE mineralisation. The re-assay testwork program, in conjunction with geophysical survey acquired from Rio Tinto, will assist in exploration target generation for high-grade REE-Nb-Sc mafic cumulate mineralisation.

## 2.11 Geological Model Overview

The Project is hosted within the Archean age Jequié Complex, a terrain of the north-eastern São Francisco Craton. The terrain was affected by Neoproterozoic (2.6 to 2.7Ga) tectonic cycles associated with the Volta do Rio Plutonic Suite (VRPS).

The VRPS forms the core of the Rocha da Rocha Critical Mineral Province and is composed of granitoids, and a bimodal formation of REE leucogranites and apparently coeval mafic units containing high-grade cumulates of monazite and REE minerals. Throughout the property, the underlying rocks are interpreted to host primary mineralisation targets that will be tested by core drilling.

REE minerals from the underlying suite of rocks have enriched the regolith through geological processes and are associated with a regional scale belt of geophysical anomalies (Figure 8). The Company has established, or Group companies have contracted to acquire (as detailed above), a substantial land position over this prospective belt. The belt extends over 200km in a north-south direction and ranges from 10km to 20km in width.

## 2. Company Overview continued

Exploration conducted by BRE has discovered deposits of regolith hosted REE mineralisation at seven prospects along the belt. Deposits have been drill tested over extents ranging from 1km to 2km in north-south and east-west directions. REE mineralisation occurs in a laterally extensive regolith profile intersected by drilling to depths of 60m.

The regolith profile is characterised by a REE enriched lateritic zone at surface, underlain by a depleted mottled zone grading into a zone of REE-accumulation in the saprolite part of the profile. Mineralisation is modelled to an average depth of 20m to 35m. Models extend to a maximum depth of 69m where supported by sonic drill holes, and approximately 40m where supported by auger drilling which has a maximum operational depth limit of 30m.

The total area of the seven regolith deposit models is 13.45 km<sup>2</sup>. All have potential for expansion and are open at depth and laterally.

### 2.12 Mineralogy and Metallurgy

Petrographic and XRD analysis conducted on primary mineralisation collected from high-grade corestones identified monazite as the primary REE bearing mineral with minor bastnäsite and chevkinite. Mineral grains had a polygonal texture typical of ultramafic cumulates indicating magmatic origin.

Mineralogy work has been undertaken by SGS Lakefield in March 2023 on four composite regolith samples collected from the central part of the Monte Alto target, and single composites of regolith from the Riacho de Areia North and Tres Bracos targets. Positive results show that the primary REE bearing mineral at the project is monazite (over 90% on average) with small amounts of REE-Al-phosphate minerals of the crandallite group.

At Monte Alto, REE appear to be predominantly hosted in coarse monazite grains (62% to 87% >75µm). The BRE exploration team believes this simple coarse grained mineralogy offers the potential for a low capital expenditure and low operational expenditure de-slime, gravity and magnetic separation process to produce a potentially valuable, high-grade export REE concentrate. However, no forecast is made of whether that will occur, given that the Mineral Resource estimate is in the inferred category under JORC and as no scoping or feasibility studies have been completed.

At most exploration targets, extensive REE enriched horizons are present in the regolith as ionic clays, and as dispersed particles of residual monazite. Initial leaching testwork conducted at the Nuclear Technology Development Center in Belo Horizonte, demonstrated an average TREO-CeO<sub>2</sub> extraction in a range from 7% to 75%. Leach testwork used ammonium sulfate and sodium chloride at ambient temperature and pressures. BRE is advancing leaching testwork parameters to optimise extraction.

### 2.13 Mineral Resources

BRE announced a maiden Inferred JORC 2012 Mineral Resource Estimate (**MRE**) for the Project in 2022 of:

- 169Mt at 1,526ppm TREO.

BRE has since increased this Inferred MRE tonnage by 302% (in May 2023) which now amounts to a total approximate estimate of:

- 510Mt at 1,513ppm TREO, estimated to contain approximately 772kt Tonnes of contained TREO.

The MRE has an effective date of 23 May 2023 and was prepared by the Company and independent consultant Mr. Adam Karst P.G., who is a Competent Person. The MRE is reported in accordance with the JORC Code (2012 Edition) and is classified as Inferred after consideration of sample spacing and the availability of core drilling.

The MRE has been peer reviewed by ERM Australia Consultants Pty Ltd (trading as CSA Global).

The MRE includes two components:

- At an 800ppm TREO-CeO<sub>2</sub> cut-off grade, the high-grade core of the Monte Alto deposit contains 25.2Mt at an average grade of 10,022ppm TREO. Testwork indicates this material has a simple monazite mineralogy with reasonable prospects for extraction by gravity separation methods to produce a potentially valuable, high-grade, export concentrate. However, no forecast is made of whether that will occur, given that the Mineral Resource estimate is in the inferred category under JORC and as no scoping or feasibility studies have been completed.
- At a 200ppm TREO-CeO<sub>2</sub> cut-off grade, other target areas total 485.1Mt with grade ranges from 815ppm to 1,213ppm TREO. Initial testwork indicates this material has reasonable prospects for REE extraction by leaching.

Mineral Resources extend from surface to a maximum depth of 69m where mineralisation remains open. Mineral Resources have a shallow depth and flat-lying geometry that makes them amenable to exploitation by open pit mining with negligible stripping.

**Table 11: Rocha da Rocha mineral resource estimate**

DEPOSIT	STYLE	CUT-OFF GRADE: TREO-CeO <sub>2</sub> (ppm)	TONNES (MT)	TREO-CeO <sub>2</sub> (ppm)	TREO (ppm)	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub> (ppm)	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub> (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)		>=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	IAC	>=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%
Velhinhos		>=200	8.9	427	860	139	16.2%	201.8	23.5%
<b>Total</b>			<b>510.3</b>	<b>811</b>	<b>1,513</b>	<b>271</b>	<b>17.9%</b>	<b>425.8</b>	<b>28.1%</b>

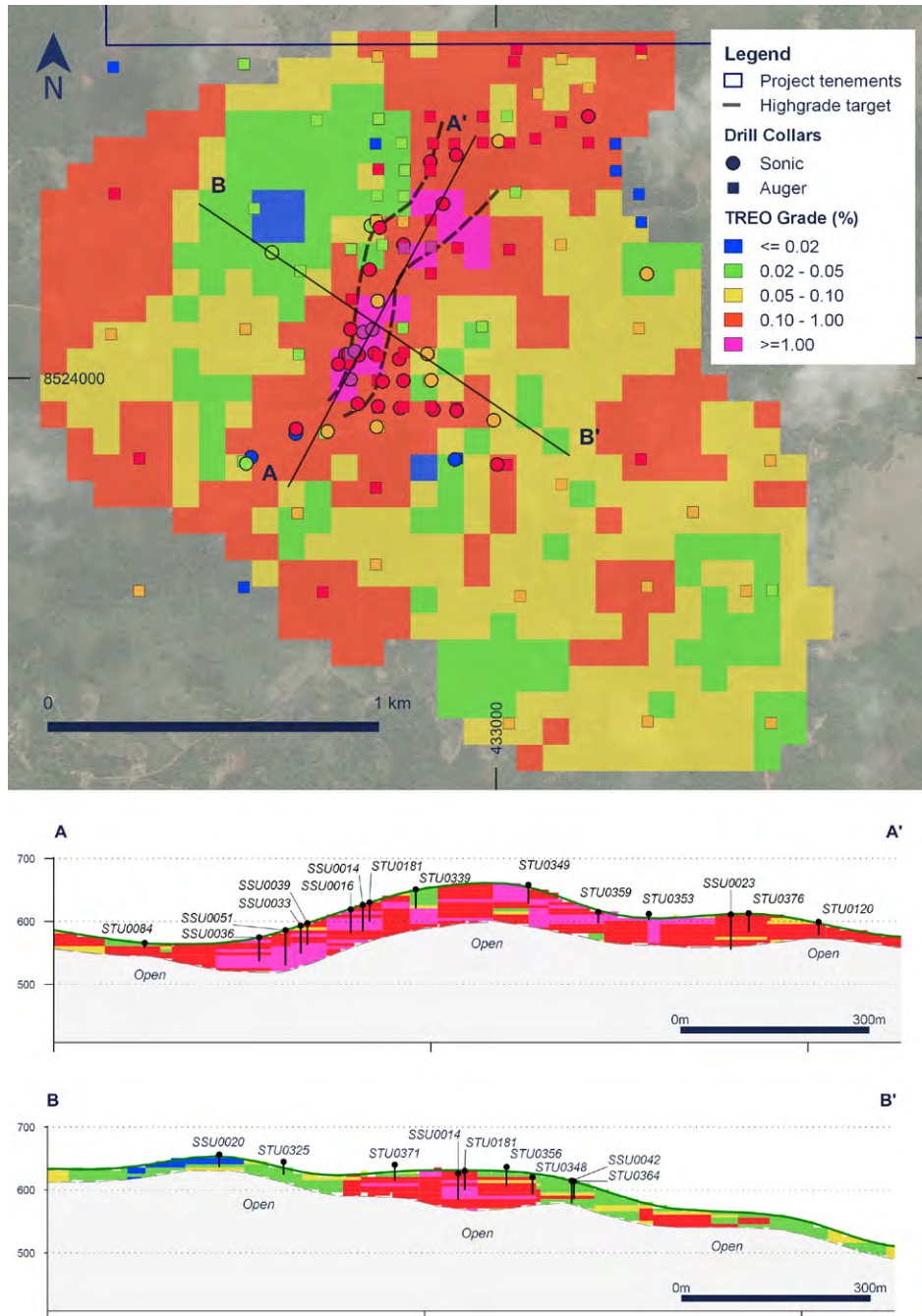
**Notes:**

- Monte Alto >=200ppm TREO-CeO<sub>2</sub> resources are exclusive of Monte Alto High-Grade resource >=800ppm TREO-CeO<sub>2</sub>, which is reported as a separate resource class with potential for gravity processing.
- The estimate is classified as Inferred.
- A default bulk density of 1.8t/m<sup>3</sup> is used for Monte Alto and 1.7t/m<sup>3</sup> is used elsewhere.
- 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.
- TREO = summed estimates of La<sub>2</sub>O<sub>3</sub> + CeO<sub>2</sub> + Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub>.
- MREO = Nd<sub>2</sub>O<sub>3</sub> + Pr<sub>6</sub>O<sub>11</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub>.
- Resources are presented undiluted and in situ.



## 2. Company Overview continued

Figure 9: Plan and cross section views of Monte Alto showing block model coloured by TREO grade with auger and sonic drill collar locations



## 2.14 JORC Exploration Target for Shallow Mineralisation

BRE will advance exploration drilling to target shallow IAC and saprolite monazite enriched mineralisation at the Project. BRE has only drilled less than 5% of the total area of the Rocha da Rocha Project to date (i.e. less than 5% of the area of the BRE Tenements, Alpha Tenements and Amargosa Tenements).

BRE has defined a target area spanning 1km to 10km wide and over 100km of cumulative strike length. Modelling shows a positive correlation between radiometric thorium values (eTh) and TREO grades in confirmatory exploration drilling. A 50ppm eTh cut-off applied to regional airborne radiometric survey data is used to define the target area (Figure 3, left). Estimated target thickness ranges from 20m to 30m based on current deposit models. Representative factors, bulk density, and TREO grade ranges from the current MRE are applied to the target volume (see the Independent Technical Report in Section 7 for further details). Using this methodology, a shallow regolith hosted Exploration Target of between approximately 8 – 12Bt at an approximate grade of between 1,000 – 1,500ppm TREO is estimated for the Rocha da Rocha Project. The potential quantity and grade of this Exploration Target is conceptual in nature, and there has been insufficient exploration to estimate a Mineral Resource. At this stage, it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target has an effective date of July 1, 2023 and is based on the actual results of BRE's previous drill programs. The Exploration Target for shallow mineralization is exclusive of high-grade REE-Nb-Sc mineralisation that is a priority target for near term exploration. Along with shallow mineralization, BRE aims to incorporate high-grade REE-Nb-Sc mineralization into a future Exploration Target for the Project.

**Figure 10: ERM Australia Consultants Pty Ltd geological consultant inspecting high-grade REE-Nb-Sc corestone**



## 2. Company Overview continued

### 2.15 Tenements

A comprehensive list of the tenements, including a summary of their status, is contained in the Independent Solicitor's Report in Section 8. The current status of the tenements is summarised as follows:

- (a) Thirty-two of the thirty-four BRE Tenements held by the Company's Brazilian subsidiaries will expire within twenty-four months from the date of this Prospectus. Each of these tenements is in their first period of grant, is in good standing and provided the Brazilian subsidiaries have commenced exploration activity, paid the required tenement fees and rentals, and submitted the required reports to ANM prior to the expiry date, Brazilian legislation provides for an extension of the licences for a period of up to four years to be applied for by the Brazilian subsidiaries. BRE's subsidiary Borborema is also the applicant for an exploration permit which has not been analysed by ANM at the date of this Prospectus.
- (b) Nine of the sixteen Alpha Tenements are in the second period of grant and are currently in good standing. Under Brazilian legislation, a further extension of the validity of the exploration permit may be granted at the discretion of the ANM if the permit holder submits a partial exploration report, can demonstrate that it has experienced issues in accessing the tenement area to undertake exploration activities, and has otherwise complied with the conditions of the exploration permit and requests an extension of the term of the exploration permit. Four of the sixteen Alpha Tenements are in their first period of grant, are in good standing and provided the Brazilian subsidiaries have commenced exploration activity, paid the required tenement fees and rentals, and submitted the required reports to ANM prior to the expiry date, Brazilian legislation provides for an extension of the licences for a period of up to four years to be applied for by the Brazilian subsidiaries. As at the date of this Prospectus, three of the Alpha Tenements had expired, and Borborema has submitted the required final exploration reports to the ANM. For the remaining thirteen Alpha Tenements, Borborema plans to undertake the required exploration activities so that it can lodge the required final explorations reports with the ANM within the legislated timeframes.
- (c) 49 of the Amargosa Tenements (including the three Optioned Permits which are the subject of the Amargosa Option Agreement summarised in Section 9.6(f)) have expired but remain in good standing as Rio Tinto Brazil (being the registered permit holder at the time of expiry) lodged a final exploration report for each exploration permit within the legislated timeframes and requested an extension of time in which to assess the technical and economic feasibility of establishing a mining project on the permit area. At the date of this Prospectus, the ANM has scheduled 30 September 2024 as the date for the review of the final exploration report for thirty-one of the exploration permits comprising the Amargosa Tenements and has not advised a review date for the remaining eighteen exploration permits. The Amargosa Tenements also include four mining applications, that are in good standing, and two disponibilidades, which will give rise to exploration permits if Rio Tinto Brazil wins the bidding proceeding. As the Amargosa Tenements remain in good standing, exploration activities are able to be undertaken on the exploration permits in compliance with the relevant legislation (except for the two *disponibilidades*, as the exploration permits will be issued in favour of Rio Tinto Brazil and then assigned to Borborema only if the former wins the bidding proceeding), including obtaining any necessary environmental licences required to undertake the proposed activities. Section VI.2 of the Independent Solicitor's Report in Section 8 summarises the options (and associated risks) related to Borborema maintaining title (or control of) the Amargosa Tenements.

The Independent Technical Report in Section 7 contains a detailed overview of regional geology and exploration to date across all permits.

## 2.16 Environmental Permitting and Approvals

Environmental licensing in Brazil is complex and lacks uniform regulation, but as a general rule, it consists of three stages:

- (a) preliminary license;
- (b) installation license; and
- (c) operating license.

Environmental licensing in Brazil follows rules of legal jurisdictions that are distributed among municipalities, states, and the federal government, and each of these entities will establish the environmental licensing procedure.

At the federal government level environmental licensing is managed by the Brazilian Institute of the Environment and Renewable Natural Resources (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis or **IBAMA**), through an online platform called SisLic. SisLic facilitates the management of procedures, adherence to deadlines, and the provision of data. This process begins with an online registration, during which the person responsible for the process must provide the geographic coordinates of the operation and complete the forms to be submitted.

At the state level, each state has the authority to establish its own procedures. In the state of Bahia, the environmental licensing regime includes environmental licenses and authorisations. Environmental authorisations are less complex in scope and are aimed at exploration activities.

Environmental licensing in the state of Bahia is carried out by the Secretariat of the Environment (**SEMA**), under the terms of art. 5 of State Decree No. 14.024/2012 for enterprises whose activity is considered to be effectively or potentially polluting. Annex IV of said State Decree presents the effective or potentially polluting activities that may be subject to state environmental licensing.

### Preliminary License (Licença Prévia)

The Preliminary License assesses the environmental feasibility of the project and approves its location and technological design and requires the submission of studies such as EIA/RIMA that are stipulated by the relevant environmental agency. The studies must be accessible to the public and sent to relevant government offices.

The EIA is a technical/scientific report, whereas the RIMA is a public consultation document designed to familiarise the local community with the issue using straightforward and objective language.

The RIMA presents the conclusions from the EIA and must be written in clear, easily understandable language, accompanied by visual aids. Both reports must address aspects such as environmental diagnosis, analysis of environmental impacts, measures to mitigate negative impacts, and monitoring and supervision plans. The EIA must be conducted by a multidisciplinary team composed of specialists from each area.

Municipal authorities must verify whether the location for the mine complies with local soil use and management laws. Additionally, the company must report the potential risks, damages, and impacts of the project to the agencies responsible for native lands, protected areas, cultural and artistic heritage, public health, and water resources.

### Installation License (LI – Licença de Instalação)

The Installation License allows for the construction of project infrastructure and is valid for no more than six years, according to the schedule approved by the environmental agency.

At this stage, the following studies and projects must be conducted: (a) Basic Environmental Plan (Projeto Básico Ambiental – PBA); (b) Degraded Area Recovery Plan (Plano de Recuperação de Áreas Degradadas – PRAD); and (c) Forest Inventory (if deforestation is necessary).

## 2. Company Overview continued

### Operating License (LO – Licença de Operação)

The Operating License (LO) is required before initiating any proposed activity and permits the day-to-day operation of the activity. Reports outlining environmental mitigation measures must be submitted to obtain the license, and inspection visits may take place at this stage.

The LO is granted only after a thorough inspection of all aspects related to the proposed activity and its project, ensuring that all requirements imposed by the relevant environmental agency and other legal environmental offices during previous licensing stages have been fulfilled, and appropriate mitigation measures have been planned. The license is valid for a period of four to ten years, during which the responsible party must comply with all necessary environmental requirements.

The company must apply for the renewal of its operating license 120 days before it expires. Once the application is submitted, operations are automatically extended until the authority reviews and decides on the renewal request. To obtain the new license, the company must adhere to the environmental requirements established in the initial operating license.

### 2.17 Objectives of Offer and Proposed Exploration Budgets

The Company is seeking a listing on the ASX as it considers it will provide an appropriate basis from which it could gain broad investment support to implement its growth strategy. A listing on the ASX will provide the Company with:

- funding for exploration at the Project;
- funding for the acquisition of the Amargosa Tenements;
- access to capital markets which will improve financial capacity for future growth opportunities;
- a liquid market for its Shares and an opportunity for others to invest in the Company; and
- the benefits of an increased profile that arises from being a listed entity.

The Company proposes to fund its intended activities as detailed in Section 1.6 (part of which is described in further detail in the tables below) from its existing cash reserves and the proceeds of the Offer. It should be noted that the budgets will be subject to modification on an ongoing basis depending on the results obtained from exploration undertaken and other factors. This will involve an ongoing assessment of the Project and may lead to increased or decreased levels of expenditure on certain interests, reflecting a change in emphasis. If the Company is unable to spend funds on a particular tenement or group of tenements in the Project, for example due to that tenement lapsing, then, the Company would look to reallocate those funds to the other tenements in the Project which remain granted at the time. Subject to the above, the following budget takes into account the proposed expenses over the two years following Admission.

The Board believes that its current cash reserves and the funds to be raised from the Offer will provide the Company with sufficient working capital at the time of Admission to carry out the Company's objectives as reflected in Section 1.6 and described in more detail in the tables below (and noting that each of Table 12.1 and Table 12.2 refer to the same A\$23 million of proposed expenditure).



**Table 12.1: BRE's proposed exploration budget by activity**

INDICATIVE USE OF FUNDS	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
Geological/Geophysical Survey	200,000	200,000	400,000
Re-assay of Amargosa Tenements Pulps	3,000,000	-	3,000,000
Core Drilling	4,000,000	3,500,000	7,500,000
Sonic drilling	1,500,000	1,100,000	2,600,000
Auger drilling	800,000	800,000	1,600,000
Assaying	2,900,000	2,600,000	5,500,000
Metallurgical and Geotechnical Studies	400,000	2,000,000	2,400,000
<b>Total</b>	<b>12,800,000</b>	<b>10,200,000</b>	<b>23,000,000</b>

**Table 12.2: BRE's proposed exploration budget by tenement group**

TENEMENT GROUP	YEAR 1 (A\$)	YEAR 2 (A\$)	TOTAL (A\$)
BRE Tenements	6,225,000	5,740,000	11,965,000
Amargosa Tenements	5,210,000	1,650,000	6,860,000
Alpha Tenements	1,365,000	2,810,000	4,175,000
<b>Total</b>	<b>12,800,000</b>	<b>10,200,000</b>	<b>23,000,000</b>

## 2.18 Dividend Policy

As an early-stage minerals exploration company, the Company has no source of revenue or profits and makes no forecast of whether it will generate revenue or profits in future. Accordingly, at the date of this Prospectus, the Company does not intend, or expect, to declare or pay any dividends in the foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

The Company has no dividend reinvestment plan.

## 2.19 Royalties

In addition to the state and landowner royalties discussed in the Independent Solicitor's Report, the BRE Tenements (except for exploration permit application 871.928/2022 and exploration permits 871.929/2022 and 871.931/2022) are subject to an additional 2.5% royalty agreement (as also described in the Independent Solicitors Report) in favour of Brazil Royalty Corp Participações e Investimentos Ltda (**BRC**) (which is wholly owned by Alpha Minerals Pty Ltd - refer to Section 4.4(d)) pursuant to the Royalty Agreements as summarised in Section 9.6(d). Pursuant to the Royalty Agreements, BRC holds a security interest over the tenements that are subject of the royalty.

Please see Section 8 'Independent Solicitor's Report' and Section 9.6(d) for further details of royalties payable, including the Royalty Agreements.

## 2. Company Overview continued

### 2.20 Taxation

The Australian tax consequences of any investment in the Shares will depend upon an investor's particular circumstances. Applicants should obtain their own tax advice before deciding whether to invest.

Please see Section 8 'Independent Solicitor's Report' for details of the Brazilian taxation environment.

### 2.21 Employee Incentive Plan

The Company has adopted an Employee Incentive Plan to align the interests of key employees, Directors, and other personnel of the Company with the interests of Shareholders for their long-term mutual benefit. See Section 9.2 for further information.

### 2.22 Accounting Standards and Auditing Standards

The financial information and Independent Limited Assurance Report in Section 6 of this Prospectus contain Historical and Pro Forma Financial Information which has been derived from the Consolidated Financial Statements of the Company for the period from 31 March 2021 (being the date of incorporation of the Company) to 31 December 2021, for the financial year ended 31 December 2022 and for the half-year ended 30 June 2023 and has been reviewed by Hall Chadwick WA Audit Pty Ltd in accordance with Australian Standards on Assurance Engagements.

The Consolidated Financial Statements for the half-year ended 30 June 2023 included in Section 6 of this Prospectus have been prepared in accordance with the recognition and measurement principles detailed in the Australian Accounting Standards and the Company's adopted accounting policies. Australian Accounting Standards will continue to apply to the preparation of the Company's financial statements after its Admission.

The Consolidated Financial Statements for the period from 31 March 2021 (being the date of incorporation of the Company) to 31 December 2021 and for the financial year ended 31 December 2022 have been audited by, and the Consolidated Financial Statements for the half-year ended 30 June 2023 have been reviewed by, Hall Chadwick WA Audit Pty Ltd in accordance with Australian Standards on Assurance Engagements, and these standards will continue to apply to the Company's financial statements after its Admission. Hall Chadwick WA Audit Pty Ltd issued unmodified audit opinions or review conclusion, as applicable, on the financial reports with an emphasis of matter on going concern. Refer to Section 6 for further information on the financial position and financial performance of the Company.

### 2.23 Corporate Governance

The Company's main corporate governance policies and practices as at the date of this Prospectus and the Company's compliance and departures from the Recommendations are set out in Section 4.10 of this Prospectus.

In addition, the Company's full suite of Corporate Governance documents, including its Corporate Governance Statement, are available from the Company's website: [www.brazilianrareearths.com](http://www.brazilianrareearths.com).

### 2.24 Corporate Social Responsibility

BRE believes that corporate social responsibility (**CSR**) is about demonstrable, responsible and proactive business leadership, and that CSR considerations influence how business is conducted, interactions with stakeholders, and the value that such businesses contribute to society. BRE's values are centred around Leadership, Integrity, Hard Work, Knowledge, Service and Health and Safety.

The Board assumes overall responsibility for BRE's CSR policies, processes and procedures. BRE continues to develop its CSR strategy influenced by BRE's values and stakeholder engagement.

The Company recognises the importance of managing and developing human capital and that a positive work environment would attract, motivate and retain talent. The Company is an equal opportunity employer that adopts fair employment practices in recruitment.



### 3. Risk Factors



## 3. Risk Factors

The Shares are considered highly speculative. An investment in the Company is not risk free. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Directors and management of the Company and cannot be mitigated.

Investors should note that the risks relating to the Group in this Section 3 are the risks that the Directors believe to be the most essential to an assessment by a prospective investor of whether to apply for Shares.

The risks detailed in this Section 3 is not an exhaustive list or explanation of all of the risks faced by the Company or by investors in the Company and should be considered in conjunction with other information in this Prospectus. Additional risks and uncertainties relating to the Group that are not currently known to the Group, or that the Group currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Group's operations, prospects, financial condition and operational results.

The risks detailed in, and others not specifically referred to in, this Section 3 may in the future materially affect the financial performance and position of the Company and the value of the Shares offered under this Prospectus. The Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those Shares. The risks detailed in this Section 3 also necessarily include forward-looking statements. Actual events may be materially different to those detailed and may therefore affect the Company in a different way.

Investors should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Shares which are the subject of the Offer or the market price at which the Shares will trade. The Directors strongly recommend that potential investors consider the risks detailed in this Section 3, together with information detailed elsewhere in this Prospectus, and consult their professional advisers, before they decide whether or not to apply for Shares.

### 3.1 Company and Industry Specific Risks

#### (a) No profit to date and limited operating history

The Company has incurred operating losses since its inception and does not have a significant history of business operations. It is therefore not possible to evaluate the Company's prospects based on past performance. No assurance can be given that the Company will achieve commercial viability through the successful exploration and/or mining of the Project, or any tenements which are subsequently applied for or acquired by the Company. Unless and until the Company is able to realise value from its project interests, it is likely to incur ongoing operating losses.

There can be no certainty that the Company will achieve or sustain profitability, achieve or sustain positive cash flow from its operating activities or identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.

#### (b) Future capital requirements and dilution

The Company has no operating revenue and is unlikely to generate any operating revenue unless and until the Project is successfully developed and production commences. The future capital requirements of the Company will depend on many factors including its business development activities.

Given the early stage of the Project, no forecast is made of whether the Project may be developed or may become feasible, however one of the requirements to successfully develop the Project and for production to commence would involve the Company securing financing in addition to the amounts raised pursuant to the Offer. Any additional financing may be dilutive to Shareholders, may be undertaken at prices lower than the then market price (or Offer Price) or may involve restrictive covenants which limit the Company's operations and business strategy. Debt financing, if available may involve security over the Company's assets and restrictions on financing and operating activities.

No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company, or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its activities and this could have a material adverse effect on the Company's activities including resulting in some or all of the Group's mineral tenements being subject to forfeiture and could affect the Company's ability to continue as a going concern.

The Company may undertake additional offerings of securities in the future. The increase in the number of Shares outstanding (and the potential issue of further classes of securities in the Company) and the possibility of sales of such Shares (or other securities) may have a depressive effect on the price of the Shares, in addition, as a result of such additional Shares, the voting power of the Company's existing Shareholders may be diluted.

### **(c) Reliance on consultants and others**

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing its tenements, or other adverse outcomes.

### **(d) Timing and cost of exploration activities**

The proposed exploration activities and related uses of funds by the Company as described in Sections 1.6 and 2.17 are based on certain assumptions with respect to the nature, timing and cost of exploration activities. By their nature, these estimates and assumptions are subject to significant uncertainties and therefore the actual expenditure may differ materially from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

### **(e) Nature of mineral exploration and mining**

The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development requires large amounts of expenditure over extended periods of time with no guarantee of revenue, and exploration and development activities may be impeded by circumstances and factors beyond the Company's control.

The Rocha da Rocha Project is at an early stage of exploration, given that it has not advanced past an inferred category Mineral Resource estimate, no scoping or feasibility study has been conducted and no Ore Reserve has been defined at the Project. An inferred Mineral Resource has a lower level of confidence than that applying to an indicated Mineral Resource and cannot be converted to an Ore Reserve. In addition, there is a risk that the Company's exploration thesis for the Rocha da Rocha Project (being that the high-grade REE-Nb-Sc magmatic mineralisation from numerous outcrops and corestones may be remnants of large mafic cumulates of REE and critical minerals) is not supported by future exploration results. The Company has not yet conducted sufficient mineral exploration to confirm this exploration thesis.

There can be no assurance that exploration and development at the Project, or any other projects that may be acquired by the Company 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.

Whether a mineral deposit will be commercially viable depends on a number of factors. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

## 3. Risk Factors continued

### (f) Operational matters

The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, commodities, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. These risks and hazards could also result in damage to, or destruction of, facilities and equipment, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of the Company and, if they eventuate, may have an adverse effect on the financial performance of the Company and the value of its assets.

### (g) Mineral Resource estimates

Mineral Resource estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Determining Mineral Resource estimates is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of mineral deposits cannot be known until mining takes place and will almost always differ from the assumptions used to analyse them. Further, Ore Reserves are valued based on future costs and future prices and, consequently, the actual Mineral Resources and (if any are estimated in future) Ore Reserves may differ from those estimated, which may result in either a positive or negative effect on operations and/or financial performance.

The Company has disclosed Exploration Targets. Exploration Targets are conceptual in nature and are used where there has been insufficient exploration to estimate a Mineral Resource. Investors are cautioned that it is uncertain whether further exploration will result in the estimation of a Mineral Resource on the Exploration Targets.

### (h) Exploration and appraisals

There is a significant risk for the Company of the proposed exploration activity being unsuccessful and not resulting in the discovery of a commercially viable mineral deposit. Mineral exploration by its nature is a high-risk activity and there can be no guarantee of success in the project areas where the Company holds interests in exploration permits. Whilst the Directors will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable mineral deposit is the exception rather than the rule.

The Company is engaged in early-stage exploration and appraisal activities. There is a risk that these activities will not result in the discovery of commercially extractable mineral deposits. Furthermore, no assurances can be given that if commercially viable mineral deposits are discovered, these will be able to be commercialised as intended, or at all.

Whether positive income flows ultimately result from exploration and development expenditure incurred by the Company is dependent on many factors such as successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

### (i) Metallurgy risk

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) errors and other risks associated with identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;

- (ii) errors and other risks associated with developing an economic process route to produce a metal and/or concentrate; and
- (iii) changes in mineralogy in the minerals deposit can result in inconsistent metal recovery, affecting the economic viability of a project.

#### **(j) Dividends**

None of BRE or its subsidiaries has paid any dividends on their respective shares since incorporation and they are not expected to do so in the foreseeable future. Payment of any future dividends by the Company will be at the discretion of the Company's Board of Directors after taking into account many factors, including earnings, capital requirements and the operating and financial condition of the Company.

#### **(k) Contracts**

The ability of the Company to achieve its business objectives will depend on the performance by the Company and counterparties of their contractual obligations (such as pursuant to the Amargosa Tenement Acquisition Agreement detailed in Section 9.6(e) and the various other agreements referred to in Sections 4 and 9.6). If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company and adversely impact on the Company's operations and performance.

The operations of the Company also require the involvement of numerous third parties, including consultants, contractors and suppliers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

#### **(l) Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its Directors. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these key personnel ceases to act for the Company. In addition, the competition for qualified personnel in the mining industry is intense and there can be no assurance that the Company will be able to attract and retain all personnel necessary for the development and operation of its business.

#### **(m) Supply chain and logistics risks**

Supply chain disruptions and the general level of economic uncertainty experienced during events such as the COVID-19 pandemic and other global events such as the conflict in the Ukraine and the Middle East, continue to impact the cost and availability of commodities, freight, materials, equipment and other services required for the Company's ongoing operations. While the direct impact of the COVID-19 pandemic on the Company and its operations has subsided, uncertainty remains regarding the potential for further disruptions and interruptions from similar such events, which may have an adverse impact on the Company and its plans.

#### **(n) New projects and acquisitions**

The Company may make acquisitions in the future as part of future growth plans. There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in the use of the Company's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

#### **(o) Management of growth**

The Company may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of the Company to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train, manage and retain its employee base. The inability of the Company to deal with this growth could have a material adverse effect on its business, operations, and prospects.

## 3. Risk Factors continued

### (p) Title risk

The Group's exploration and development activities (including at the Project) are dependent upon the grant, the maintenance and renewal of appropriate licences, concessions, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintenance, renewal and granting of these mineral tenement rights depend on the Group being successful in obtaining required statutory approvals and complying with regulatory processes. A failure to obtain these statutory approvals or comply with these regulatory processes may adversely affect the Group's title to the mineral tenements, may prevent or impede the grant, acquisition or advancement of, or the conduct of activities within, mineral tenements and may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group.

Further, there is no guarantee or assurance that the licences, concessions, leases, permits or consents will be renewed or extended as and when required or that new conditions will not be imposed in connection with the Group's mineral tenements. The renewal or grant of the terms of each tenement is usually at the discretion of the relevant government authority. To the extent such approvals, consents or renewals are not obtained, the Group may be curtailed or prohibited from continuing with its exploration and development activities or proceeding with any future development, which may have a material adverse effect on the business, results of operations, financial condition and prospects of the Group. Section 2.15 and the Independent Solicitor's Report in Section 8 (including in the body of that report and in Exhibit III of that report) provide information regarding the permitting status of the BRE Tenements, the Alpha Tenements and the Amargosa Tenements.

### (q) Land Claims and Community Opposition

The Company's exploration activities could potentially face disruptions or postponements from claims to the tenement areas by other parties, community opposition or legal actions against the Company. Such occurrences could have repercussions on the Company's operations and could also affect the value and performance of the Shares.

### (r) Exploitation, exploration and mining permits

The mineral exploration permits that have been granted only permit exploration on those permits. In the event that the Group successfully delineates economic deposits on any mineral exploration permit, it will need to apply for a mining permit (as applicable). There is no guarantee that the Group will be granted a mining permit if one is applied for (for further information, see the Independent Solicitor's Report in Section 8).

Potential investors should understand that mineral exploration is a high-risk undertaking. There can be no assurance that exploration of the Project, or any other mineral exploration permits that may be acquired in the future, will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

### (s) Mine development

Possible future development of mining operations at the Project is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, commodities, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk for third parties providing essential services.

No assurance can be given that the Project (or any other project) will achieve commercial viability. The risks associated with the development of a mine will be considered in full as part of the Company's exploration activities and will be sought to be managed with ongoing consideration of stakeholder interests.

#### **(t) Inadequate infrastructure may constrain mining operations**

The possibility of commencing commercial production at the Project hinges on the availability of essential infrastructure. This includes dependable power sources, water supply, transportation, and surface facilities, all of which are vital for the development and operation of mines. Failure to meet these infrastructure needs adequately or encountering significant cost changes in meeting these requirements could impede the Company's capacity to initiate production at the Project. Such challenges could potentially exert a material adverse influence on the Company's business, financial health, operational results, cash flows, and future prospects.

#### **(u) Equipment risk**

The operations of the Company could be adversely affected if essential equipment fails or becomes unavailable to access in a timely manner.

#### **(v) Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred immediately after Admission that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

#### **(w) Contractual disputes**

There is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of a relevant contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

The Company is not presently involved in any contractual disputes.

#### **(x) Third party risk**

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and clients.

Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect the Company against all such risks.

#### **(y) Litigation**

The participation by the Company in the mineral industry may expose the Company to possible litigation risks, including title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

The Company is not presently involved in any material litigation and the Directors are not aware of any basis on which any material litigation against the Company may arise.

### 3. Risk Factors continued

#### **(z) Conflicts of interest or duty**

Some of the Directors and officers of the Company are engaged as directors or officers of, or have equity interests in, other companies involved in the exploration, development or financing of Mineral Resources/ projects or with whom the Group has contractual arrangements, and situations may arise where the duties or interests of those Directors or officers will be in direct competition with the Company and could result in conflicts of interest or duty. Conflicts, if any, will be dealt with in accordance with the Company's Code of Conduct and Related Parties Policy and relevant provisions of the Corporations Act. Any decision taken by these Directors and officers and involving the Company will be in conformity with their duties and obligations to act in the best interests of all of the Company's stakeholders. Moreover, these Directors and officers will declare their interests and will abstain from voting on (and from attending discussions regarding) any question which could give rise to a conflict of interest or duty. Some of the Directors and officers of the Company may become, in the future, directors or officers of additional companies engaged in the same or other business ventures.

#### **(aa) Economic, political and social context in Brazil**

The success of the Company's mineral exploration and development activities in Brazil depends, in part, upon the performance of the Brazilian economy. Government policy changes (or the risk of the same) can occur following elections or in response to domestic or international issues and may entail important effects on the Company's operations. In Brazil, a new President was elected in late 2022 and took office on 1 January 2023. While the nature, scope and pace of any economic and policy changes are unknown, proposals during the Brazilian election campaign included tax reforms and an overhaul of the country's climate and environmental and nuclear policies. While the scope and pace of change in Brazil is not yet fully known, changes to existing mining policies, water use and ownership rights and royalties or other taxation levels, even if seemingly minor in nature, may adversely affect the Company's operations and financial condition.

#### **(bb) Regulation and tenure**

The Group's mineral exploration and planned development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. Although the Group believes that its exploration and planned development activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development activities.

The Group's interests in mineral tenements are subject to governmental approvals, licences and permits. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. No assurance can be given that the Group will be successful in maintaining any or all of the various approvals, licences and permits in full force and effect without modification or revocation. To the extent such approvals are required and not obtained, the Group may be curtailed or prohibited from continuing or proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties such as the Group, engaged in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of those activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.



### **(cc) Changes in governmental regulations**

Amendments to current laws and regulations governing operations or more stringent implementation thereof could have a substantial adverse impact on the Group and cause increases in exploration expenses, capital expenditures or development or production costs or reduction in levels of activities or require abandonment or delays in exploration or development of mineral properties.

Although the Group has not experienced any material changes in law or regulation which have affected its business, if there was such a material change, this could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

### **(dd) Environmental**

The minerals and mining industry has become subject to increasing environmental regulations and liability.

The operations and proposed activities of the Company are subject to State, Federal and Municipal laws, regulations and permits concerning the environment. If such laws are breached or modified, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities. As with most exploration operations, the Company's activities are expected to have an impact on the environment.

There are certain risks inherent in the Company's activities which could subject the Company to extensive liability. The cost and complexity in complying with the applicable environmental laws and regulations may affect the viability of potential developments of the Company's projects, and consequently the value of those projects, and the value of the Company's assets.

It may be required for the Company to conduct baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and minimised wherever possible. No baseline studies have been done to date, and a discovery of endangered flora or fauna could, for example, prevent exploration and mining activity in certain areas.

### **(ee) Occupational health and safety risk**

The health and safety of the employees of the Group are at risk due to the inherent nature of the operations of the Group.

Exploration and mining operations are inherently dangerous workplaces. The Group's exploration operations often place its employees and others in proximity with large pieces of mechanised equipment, moving vehicles, regulated materials and other hazardous conditions. As a result, the Group is subject to a variety of health and safety laws and regulations dealing with occupational health and safety. Additionally, the Group's safety record can impact the Group's reputation. Any failure to maintain safe work sites could expose the group to significant financial losses as well as civil and criminal liabilities, any of which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

### **(ff) Insurance**

The Company intends to insure its operations in accordance with industry practice. However, insurance of all risks associated with exploration is not always available and, where it is available, the cost may be high.

The business of the Company is subject to risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as extreme weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties, buildings, personal injury or death, environmental damage to properties of the Company or others, delays in mining, monetary losses and possible legal liability.

Although the Company maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with its operations and insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

### 3. Risk Factors continued

It is not always possible to obtain insurance against all such risks and the Company may decide not to insure against certain risks because of high premiums or other reasons. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms.

The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company. In addition, there is a risk that an insurer defaults in the payment of a legitimate claim by the Company.

#### **(gg) Competition**

The resources industry in which the Company is involved is subject to domestic and global competition. While the Company undertakes all reasonable due diligence in its business decisions and operations, the Company has no influence or control over the activities or actions of its competitors and these activities or actions may positively or negatively affect the operating and financial performance of the Project and the Company's business. Some of these competitors have greater financial and other resources than the Company and there can be no assurance that the Company can compete effectively with these companies.

China's well-documented control of the Rare Earth Elements (REE) market also raises risks. Despite minor adjustments in their Heavy Rare Earth Elements production quotas recently, coupled with mounting global pressure to curb environmentally unsustainable REE production, there exists a potential revolving around the possibility of China significantly boosting its REE output, which could lead to a substantial decline in REE prices.

#### **(hh) Opposition to mining**

The Company's business may be affected by environmental activists and others who might engage in activities intended to disrupt the Company's business operations. As a result, there could be delays in the Company's exploration and development activities, which could have a material adverse effect on the Company's business, financial condition, and results of operations.

#### **(ii) Information Systems Security Threats**

The Company relies on secure and adequate operations of information technology systems in the conduct of its activities. Access to and the security of the information technology systems are critical to the Company's activities. These systems are subject to disruption, damage or failure from a variety of sources, including, but not limited to: cable cuts; damage to installations; natural disasters; terrorism; fire; power loss; hacking, cyber-attacks and other information security breaches; non-compliance by third party service providers; computer viruses; vandalism and theft.

The Company's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, information technology systems and software. The systems that are in place may not be enough to guard against loss of data due to the rapidly evolving cyber threats.

The Company may be required to increasingly invest in better systems, software, and use of consultants to periodically review and adequately adapt and respond to dynamic cyber risks or to investigate and remediate any security vulnerabilities. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. Failures in the Company's information technology systems could translate into operational delays, compromising, loss or disclosure of confidential, proprietary, personal or sensitive information and third-party data, or destruction or corruption of data.

Accordingly, any failure of information systems or a component of information systems could adversely impact the Company's reputation, business, financial condition and results, as well as compliance with its contractual obligations, compliance with applicable laws, and potential litigation and regulatory enforcement proceedings. Information technology systems failures could also materially adversely affect the effectiveness of the Company's internal controls over financial reporting.

### **(jj) Social Media and Other Web-Based Applications**

As a result of social media and other web-based applications, companies are at risk of losing control over how they are perceived. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Although the Company places a great emphasis on protecting its image and reputation, it does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and act as an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on the Company's business, financial condition or results.

### **(kk) Any changes to the legislation regarding the repatriation of earnings received from the countries where the Group currently operates could adversely affect the Group's financial condition**

The Company conducts the majority of its operations through, to varying degrees, subsidiaries incorporated in Brazil and holds significant assets in such subsidiaries. Accordingly, any limitation on the transfer of cash or other assets between the Company and its subsidiaries could restrict the Group's ability to fund its operations efficiently. Any such limitations, or the perception that such limitations may exist now or in the future, could have an adverse impact on the Company's valuation and share price. Moreover, there is no assurance that Brazil or any other foreign country in which the Group may operate in the future will not impose restrictions on the repatriation of earnings to foreign entities.

Although the Group has not experienced and is not currently experiencing any issues in relation to the transfer of cash or other assets between the Company and its subsidiaries, if such issues materialised they could have a material adverse effect on the Group's business, prospects, financial condition and results of operations.

### **(ll) Sovereign risk**

Brazil is a federal presidential democratic republic. The political conditions in Brazil are generally stable, however, changes may occur in the political, fiscal and legal systems which may affect the ownership or operations of the Company or its Group such as changes in exchange rates, control or fiscal regulations, regulatory regimes, political insurrection or labour unrest, inflation or economic recession.

There are numerous risk factors associated with operating in foreign jurisdictions, such as Brazil, including economic, social or political instability or change, currency non-convertibility or instability and changes of law affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, licensing, repatriation of income or return of capital, industrial relations laws, expropriation and nationalisation; renegotiation or nullification of existing concessions, licences, permits and contracts, illegal mining, or changing political norms, government regulations that require the Company to favour or award contracts in employment of local citizens or purchasing supplies from particular jurisdictions which may be less developed than alternatives located in other jurisdictions.

There can be no guarantee that political and economic conditions shall remain stable and any adverse changes to these conditions may adversely affect the Company's operations and the Project. In addition, failures by the Company to comply with foreign legislative or regulatory requirements may result in loss, reduction or expropriation of entitlements or the imposition of local or foreign parties as joint venture partners with carried or other interests. In addition, changes in government laws or regulations, including taxation, royalties, the repatriation of profits, restrictions on production, export controls, changes in taxation policies, environmental and ecological compliance, expropriation of property and shifts in the political stability of the country could adversely affect the Company's exploration, development and production initiatives in Brazil.

The likelihood of any of these changes, and their possible effects (if any) cannot be determined by the Company with any clarity at the present time. If any issues identified in this section were to arise, they could lead to disruption to the Company's operations, increased costs and, in some cases, total inability to establish or to continue minerals exploration, development and mining activities.

## 3. Risk Factors continued

The Company's interests in Brazil are largely, at this time, comprised of various interests in mining tenements and associated contracts. If any contracts regulating the Company's interests in the Project, were to be unenforceable in whole or in part, the Company would be adversely affected to the extent of any such unenforceability.

The Company has made investment and strategic decisions based on information currently available to the Board. Should there be any material change in the political, economic, legal and social environments in Brazil, or South America generally, the Company may reassess investment decisions and commitments to assets in Brazil and the region.

### 3.2 General Risks

#### (a) Securities investments

Applicants should be aware that there are risks associated with any securities investment.

Prior to the Offer, there was no public market for the Shares. There is no guarantee that an active trading market in the Shares will develop or that the price of the Shares will increase. There may be relatively few (or nil) buyers or sellers of Shares on the ASX at any particular time. The prices at which the Shares trade may be above or below the Offer Price and may fluctuate in response to a number of factors.

Further, the stock market is prone to price and volume fluctuations. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the Shares, regardless of Company's operational performance.

#### (b) Economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of Company. Factors that may contribute to that general economic climate include but are not limited to:

- (i) the level of direct and indirect competition against the Company;
- (ii) general economic conditions;
- (iii) changes in government policies, taxation and other laws;
- (iv) the strength of the equity and share markets in Australia and throughout the world;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (vi) industrial disputes;
- (vii) changes in investor sentiment toward particular market sectors;
- (viii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (ix) natural disasters, social upheaval or war.

#### (c) Equity market conditions

Shares listed on ASX, or any other securities market, and in particular securities of small companies engaged in exploration activities, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of the Shares regardless of the Company's operating performance.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur

to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

#### **(d) Commodity prices**

Commodity prices are influenced by physical and investment demand. Fluctuations in commodity prices relevant to the Company may influence the exploration and development activity of the Company. If the Company achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks.

Commodity prices fluctuate and are affected by many factors beyond the control of the Company 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 produces. Any substantial decline in the price of those commodities or increases in transport or distribution costs may have a material adverse effect on the Company and the value of the Shares.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company are, and will be, taken into account in Brazilian Reals and Australian dollars, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar, the Brazilian Real and the Australian dollar as determined in international markets. The exchange rates are affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

#### **(e) Currency volatility**

Substantially all of the business and operations of the Company 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 Company 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 Company's financial results which will be denominated and reported in Australian dollars. From time to time, the Company may implement active hedging programs in order to offset the risk of losses if the Australian dollar decreases in value compared to foreign currencies. However, to the extent that the Company fails to adequately manage these risks, including if any such hedging arrangements do not effectively or completely hedge against changes in foreign currency rates, the Company's financial results may be negatively impacted.

#### **(f) Infectious diseases**

The outbreak of infectious diseases may have a material effect on the Company's operations as a result of measures taken by governments (including, but not limited to, travel bans, quarantining and restrictions on the transportation of raw materials, supplies and equipment) to limit the transmission of such diseases.

#### **(g) Climate change risk**

The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company 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 examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and

### 3. Risk Factors continued

- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, 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. All these risks associated with climate change may significantly change the industry in which the Company operates.

#### **(h) Macro-economic risks**

Changes in the general economic outlook in Australia and globally may impact the performance of the Company and the Project (or any other projects that may be acquired by the Company in the future). Such changes may include (without limitation):

- (i) uncertainty in the Australian or Brazilian economies or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption;
- (iv) new or increased government taxes, duties or changes in taxation laws; and
- (v) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

#### **(i) Taxation risk**

The acquisition and disposal of Shares will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Shares. To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to any tax consequences of applying for Shares under this Prospectus.

#### **(j) Trading and liquidity in shares and escrowed Shareholders' interests**

In accordance with the escrow requirements in Chapter 9 of the ASX Listing Rules, upon Official Quotation various Shares will not be able to be traded for certain periods, as estimated in Section 1.23 (although none of the Shares issued pursuant to the Offer will be subject to those ASX imposed escrow restrictions).

Given the number of Shares anticipated to be restricted from trading, only a fraction of the Shares on issue at completion of the Offer (including (among others) the Shares to be issued under the Offer) will be available to be traded until such time as applicable escrow periods end. As at the date of this Prospectus, ASX has not made a decision regarding the escrow to be applied to Shares and, as such, the numbers of Shares that will be subject to escrow, and the escrow periods they are subject to, may change from the estimates in Section 1.23.

The significant proportion of Shares that will likely be subject to escrow following completion of the Offer will reduce liquidity in the market for the Company's Shares and may affect the ability of a Shareholder to sell some or all of its Shares due to the effect less liquidity may have on demand. An illiquid market for the Company's Shares may have an adverse impact on the Share price.

Following release from escrow, Shares held by escrowed Shareholders may be freely traded on the ASX. There is a risk that a significant sale of Shares by one or more escrowed Shareholders, or the perception that such a sale has occurred or might occur, could adversely affect the market value of the Shares.

### **(k) Corruption and Bribery Laws**

The Company's operations are governed by, and involve interactions with, many levels of government in Australia and Brazil. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment to companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third-party agents.

Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third-party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions imposed on the Company resulting in a material adverse effect on the Company's reputation and results of its operations.

### **(l) Research analyst reports**

The market for the trading of the Company's Shares may be influenced by the research and reports which securities or industry analysts publish about its business. Securities and industry analysts may discontinue research on the Company, to the extent such coverage currently exists, or in other cases, may never publish research on the Company. If no or too few securities or industry analysts commence coverage of the Company, the market price for the trading of the Company's Shares may be adversely affected. In the event that securities or industry analysts initiate coverage, if one or more of those analysts publish inaccurate or unfavourable research about the Company, the market value of the Company's Shares may decline. If one or more analysts cease coverage of the Company or fail to publish regular reports on the Company, demand for the Company's Shares may decrease which may cause a decline in the Company's Share price and trading volumes.

### **(m) Publicly Held Company Obligations**

As a publicly listed corporate entity, the Company will be subject to evolving rules and regulations promulgated by a number of governmental and self-regulated organisations, including the ASX, the ASIC, the Australian Accounting Standards Board and the International Accounting Standards Board, which govern corporate governance and public disclosure regulations. These rules and regulations continue to evolve in scope and complexity creating many new requirements, which increase compliance costs and the risk of non-compliance. The Company's efforts to comply with these rules and obligations could result in increased general and administration expenses and a diversion of management time and attention from financing, development, operations and, eventually, any revenue-generating activities

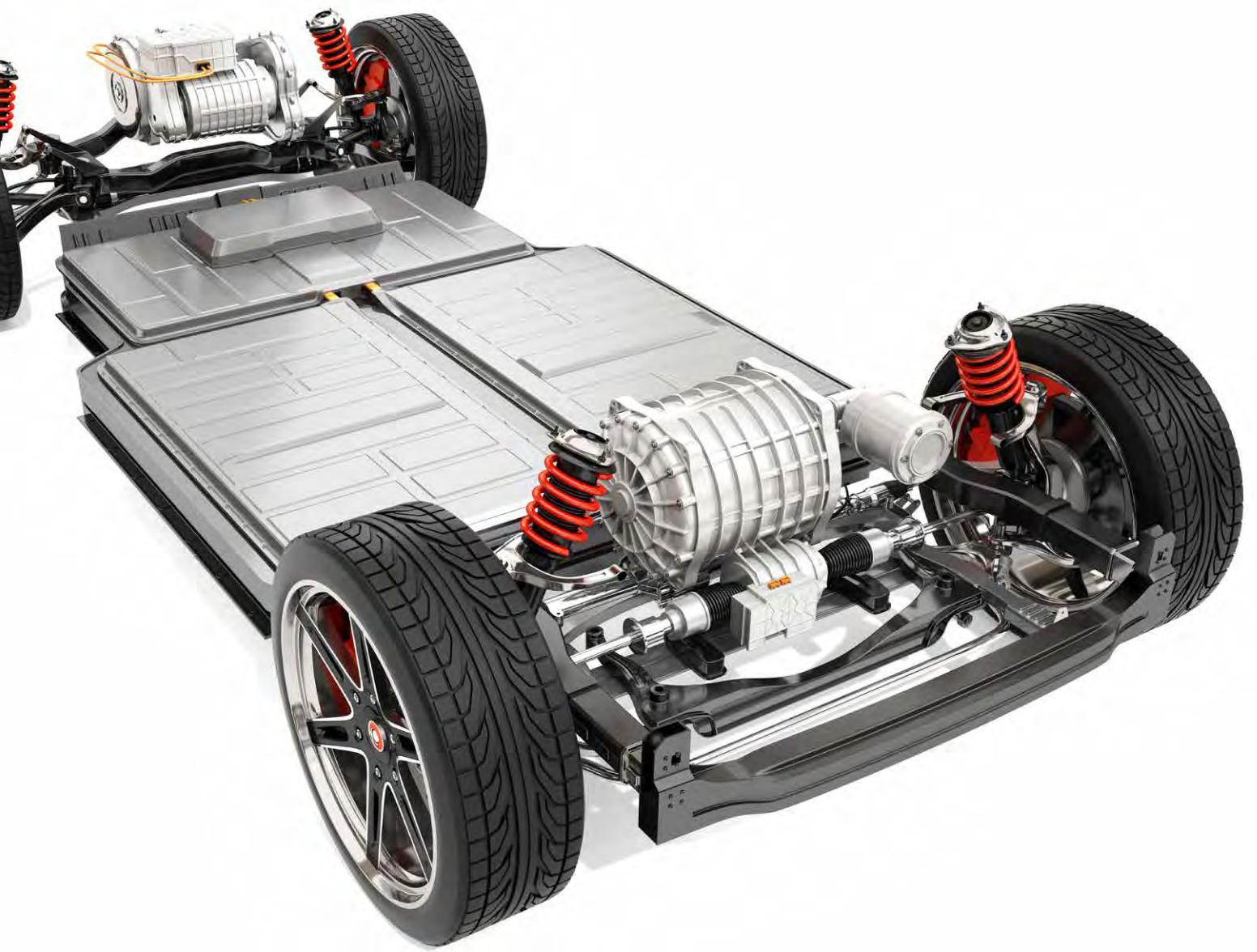
### **(n) Accounting standards**

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial position, results or condition.

### **(o) Combination of risks**

The Company may be subject to a combination of risks, including any of the above risks outlined in this Section 3, which could adversely affect the reputation, operational and financial performance of the Company and ultimately impact upon the market value of the Shares.





## 4. Board, Management and Corporate Governance

# 4. Board, Management and Corporate Governance

## 4.1 Board of Directors

As at the date of this Prospectus, the Board comprises of:

- (a) Todd Hannigan – Executive Chair;
- (b) Bernardo da Veiga – Managing Director and CEO;
- (c) Kristie Young – Independent, Non-Executive Director; and
- (d) Camila Ramos – Independent, Non-Executive Director.

It is not proposed for any changes to the Board to occur prior to Admission.

Section II of the Independent Solicitor's Report contains details of the key management of the Company's material Brazilian subsidiaries, being Borborema, Jeque and Ubaira. The directors of the Company's Australian subsidiaries as at the date of this Prospectus are Bernardo da Veiga and Stephen Kelly.

## 4.2 Directors' Profiles

Details of the Directors comprising the Board on Admission are as follows:



### **Todd Hannigan** Executive Chairman, Non-Independent

Todd 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, Piedmont Lithium, Aston Resources, Xstrata Coal, Hanson PLC and BHP Billiton.

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

Todd is currently Executive Chairman of IperionX Limited.

Todd's tenure as a Director commenced on 16 January 2023.



### **Bernardo da Veiga** CEO and Managing Director, Non-Independent

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

Prior to founding BRE, Bernardo spent the last decade 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 CEO of South American Ferro Metals Limited, a privately owned iron ore producer that grew from a bankrupt business in 2015 producing c.700ktpa when Bernardo took over as CEO to a highly profitable company producing c.2.05Mtpa in 2021.

Bernardo 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.

Bernardo is a Brazilian and Australian dual citizen and speaks fluent Portuguese and English.

Bernardo's tenure as a Director commenced on 31 March 2021.

## 4. Board, Management and Corporate Governance continued



**Kristie Young**  
Independent, Non-Executive Director

Kristie 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, Hammersley Iron, Gunpowder Copper, New Hampton Goldfields and Surpac.

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

Kristie 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.

Kristie's tenure as a Director commenced on 1 March 2023.



**Camila Ramos**  
Independent, Non-Executive Director

Camila 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.

Camila 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 the Superior Board of Infrastructure at the Federation of Industry of the State of São Paulo (COINFRA – FIESP).

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

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

Camila's tenure as a Director commenced on 28 August 2023.

### 4.3 Senior Management



**Alexandre Magno Rocha da Rocha**  
Chief Geologist

Alexandre has over 40 years of experience as an exploration geologist and has led and managed the discovery of several major mines in Brazil, including Vision Blue and Denham Capital's Serra Verde rare earth Ionic Clay deposit and Appian's Santa Rita Nickel Sulphide mine.

At Serra Verde, Alexandre drilled over 60,000m of regolith over a 4-year period and grew the rare earth resource from discovery stage to a ~900 Mt at 1,200ppm TREO deposit.

Alexandre is a tenured Professor of Geology at the Federal Institute of Science and Technology of Rio Grande do Norte (IFRN) and holds a Bachelors and Masters degree in Geology.



**Stephen Kelly**  
Company Secretary and CFO (Australia)

Stephen is a highly experienced director, Chief Financial Officer, and Company Secretary.

Stephen is a qualified Australian Chartered Accountant, with more than 30 years international experience in the areas of external and internal audit, risk management and compliance, treasury, and corporate finance across a range of industry sectors including agribusiness, mining, infrastructure, property development and banking and finance. Stephen holds a Bachelor of Business (Accountancy) from the Queensland Institute of Technology and is an Australian Chartered Accountant.

Stephen has acted as CFO and Company Secretary of a range of ASX, TSX, AIM and LSE listed companies.

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**Renato Gonzaga**  
CFO (Brazil)

Renato has over 15 years of professional experience in execution of transactions, including turnaround situations in the natural resource industry in Brazil and the U.S.

Renato previously led the M&A and Investor Relations for MMX Metals and Mining. Renato worked as a CFO for a US Agtech company and as an investment banker for a leading financial advisory firm, G5 partners.

Renato holds a Bachelor of Science in Economics from the Federal university of Minas Gerais (UFMG) and an MBA from IMD Switzerland.

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## 4.4 Interests and Benefits

### (a) Remuneration of Directors

The Company has entered into Executive Agreements with Todd Hannigan and Bernardo da Veiga and Non-Executive Director Appointment Letters with Kristie Young and Camila Ramos as detailed in Sections 4.5 and 4.6.

## 4. Board, Management and Corporate Governance continued

A summary of the fees of the Directors on Admission pursuant to those agreements is as follows:

**Table 13: Summary of Directors' fees on Admission**

DIRECTOR	ANNUAL FEES <sup>6</sup>
Todd Hannigan <sup>2,3</sup>	A\$280,000 <sup>1</sup>
Bernardo da Veiga <sup>4,5</sup>	A\$436,000 <sup>1</sup>
Kristie Young <sup>6</sup>	A\$122,100 <sup>1</sup>
Camila Ramos <sup>7</sup>	A\$98,000

**Notes:**

- Base remuneration, inclusive of superannuation.
- In addition to his base remuneration Mr Hannigan is entitled to the following as described in Section 4.5(a):
  - a one-off sign on bonus totalling A\$233,333 (inclusive of superannuation) in compensation for Mr Hannigan providing consulting and advisory services to the Company since 1 September 2022 which has been paid as at the date of this Prospectus;
  - an annual short term incentive bonus of up to 100% of his annual base remuneration (reduced by the amount of applicable taxation and subject to Mr Hannigan achieving key performance indicators set by the Board each year at its absolute discretion). No key performance indicators have been set by the Board for the current or future periods, as at the date of this Prospectus;
  - a one-time bonus of 100% of his annual base remuneration if the Company completes a Relevant IPO Transaction on or before 31 December 2023;
  - various types of leave - including annual leave, personal/carer's leave (including sick leave), compassionate leave, long service leave, community service leave and parental leave - in accordance with applicable legislation;
  - payment or reimbursement:
    - for all authorised and reasonable work-related expenses incurred in the course of Mr Hannigan's employment, including any out of pocket travel expenses and miscellaneous Company expenses;
    - for reasonable moving and living expenses when working from locations other than Australia at the Company's request;
    - in order to allow Mr Hannigan to obtain personal taxation advice regarding working from locations other than Australia at the Company's request; and
    - for reasonable costs associated with Mr Hannigan's participation in training and further education courses relevant to his employment, subject to Mr Hannigan receiving written approval of the Board in advance of registration or enrolment in any such course.
- In the two years prior to the date of this Prospectus, Mr Hannigan has been paid a total of A\$439,696 comprising a consultancy fee of A\$136,364 in relation to services provided to the Company in 2022 prior to his appointment as Executive Chairman, the A\$233,333 sign on bonus described in item 2(i) above and \$93,333 paid pursuant to Mr Hannigan's Executive Agreement.
- In addition to his base remuneration Dr da Veiga is entitled to the following as described in Section 4.5(b):
  - an annual short term incentive bonus of up to 150% of his annual base remuneration (reduced by the amount of applicable taxation and subject to Dr da Veiga achieving key performance indicators set by the Board each year at its absolute discretion). No key performance indicators have been set by the Board for the current or future periods as at the date of this Prospectus;
  - a one-time bonus of 100% of his annual base remuneration if the Company completes a Relevant IPO Transaction on or before 31 December 2023;
  - various types of leave - including annual leave, personal/carer's leave (including sick leave), compassionate leave, long service leave, community service leave and parental leave - in accordance with applicable legislation;
  - the use of an automobile and reimbursement for all maintenance and repair costs incurred by Dr da Veiga in connection with the use of that automobile;
  - payment or reimbursement:
    - for all authorised and reasonable work-related expenses incurred in the course of Dr da Veiga's employment, including any out of pocket travel expenses and miscellaneous Company expenses;
    - for reasonable living expenses when working at a location at the Company's request at which Dr da Veiga is unable to stay at his primary residence in the United Kingdom;
    - in order to allow Dr da Veiga to obtain personal taxation advice regarding working in different tax jurisdictions at the Company's request; and
    - for reasonable costs associated with Dr da Veiga's participation in training and further education courses relevant to his employment, subject to Dr da Veiga receiving written approval of the Board in advance of registration or enrolment in any such course.
- In the two years prior to the date of this Prospectus, Dr da Veiga was paid cash remuneration totalling A\$880,190 comprising consultancy fees of A\$807,524 in relation to services provided to the Company in 2022 and 2023 prior to his appointment as Managing Director and CEO, and \$72,666 paid pursuant to Dr da Veiga's Executive Agreement. In addition, in the two years preceding the date of this Prospectus Dr da Veiga received Shares to the value of A\$155,627 as remuneration for services provided to the Company in 2021 and 2022.
- Exclusive of superannuation and inclusive of base fee and additional fees for being Chair of the Audit and Risk Committee and the Nomination and Remuneration Committee. In addition, as detailed in Section 4.6, Ms Young is entitled to be reimbursed by the Company for her reasonable expenses incurred by her in performing her duties as a Director (including in relation to any authorised independent professional advice sought by her to assist her in carrying out her duties as a Director). In the two years prior to the date of this Prospectus, Ms Young has been paid a total of A\$59,066 in Director fees and superannuation.



7. Inclusive of base fee and additional fees for being a member of the Audit and Risk Committee and the Nomination and Remuneration Committee. In addition, as detailed in Section 4.6, Ms Ramos is entitled to be reimbursed by the Company for her reasonable expenses incurred by her in performing her duties as a Director (including in relation to any authorised independent professional advice sought by her to assist her in carrying out her duties as a Director). In the two years prior to the date of this Prospectus, Ms Ramos has been paid a total of A\$14,184 in Director fees.
8. Annual base remuneration payable assuming the Director is employed/appointed for the whole of the financial year. If a Director is employed or appointed for only a part of the financial year, the actual remuneration paid to that Director will be a pro rata amount of the annual fees based on the period of time during the year that the Director was employed/appointed.
9. In the two years prior to the date of this Prospectus, the Company paid consulting fees totalling A\$130,000 to Mr Dominic Allen who resigned as a Director on 28 August 2023.

Refer to Sections 4.5 and 4.6 for further details on the Executive Agreements and the Non-Executive Director Appointment Letters (respectively).

Refer also to Section 4.4(b) (immediately below) for details of the Shares, Convertible Notes and Options issued to the Directors (or their associates), including as equity remuneration.

In accordance with the Constitution, a Shareholder resolution has been passed providing that the maximum total amount of directors' fees that may be paid to the Company's Non-Executive Directors is A\$350,000 per annum.

## (b) Directors interests in Securities

The Directors and their associated entities have the following interests in Securities as at the date of this Prospectus:

**Table 14: Summary of Directors' interests in Securities at the date of this Prospectus**

DIRECTOR	SHARES	OPTIONS <sup>1</sup>	CONVERTIBLE NOTES
Todd Hannigan and his associates <sup>3</sup>	24,577,875 <sup>2</sup>	2,868,775	-
Bernardo da Veiga and his associates <sup>3</sup>	17,586,625	3,824,975	-
Kristie Young and her associates	-	266,525	20,000 <sup>4</sup>
Camila Ramos and her associates	-	266,525	-

**Notes:**

1. These Options comprise of Management Performance Options and Director Options which were issued to executive Directors and non-executive Directors (respectively) (and/or their respective nominee(s)) prior to the date of this Prospectus as detailed in Sections 4.5 and 4.6, pursuant to the Employee Incentive Plan and on the terms in Section 9.4 (for the Management Performance Options) and in Section 9.3 (for the Director Options).
2. Held in the name of DITM Holdings Pty Ltd, being a company controlled and owned by Mr Hannigan and his spouse.
3. In addition to these Securities, Rare Earths Americas Pty Ltd, being a company in which Mr Hannigan and Dr da Veiga are minority shareholders and Dr. da Veiga is also a director, holds 5,024,600 Shares as at the date of this Prospectus. Refer to Sections 4.4(d) and 9.6(g) for further information.
4. Held in the name of Ms Young's partner.

## 4. Board, Management and Corporate Governance continued

Based on the intentions of the Directors as at the date of this Prospectus in relation to the Offer, the Directors and their associated entities will have the following interests in Securities on Admission:

**Table 15: Summary of Directors' interests in Securities at the date of Admission**

DIRECTOR	MAXIMUM SHARES <sup>1</sup>	OPTIONS <sup>2</sup>	MAXIMUM VOTING POWER IN COMPANY UPON ADMISSION <sup>3</sup>
Todd Hannigan	24,577,875 <sup>4</sup>	2,868,775	12.24%
Bernardo da Veiga <sup>5</sup>	17,586,625	3,824,975	9.55%
Kristie Young	41,518 <sup>6</sup>	266,525	0.14%
Camila Ramos <sup>5</sup>	-	266,525	0.12%

**Notes:**

- Includes the existing interests of Directors in Shares as at the date of this Prospectus and, in the case of Ms Young, the Shares that are proposed to be issued to her pursuant to the Offer. This table does not include the 5,024,600 Shares held by Rare Earths Americas Pty Ltd, being a company in which Mr Hannigan and Dr da Veiga are minority shareholders and Dr. da Veiga is also a director (refer to Sections 4.4(d) and 9.6(g)).
- These Options comprise of Management Performance Options and Director Options which were issued to executive Directors and non-executive Directors (respectively) (and/or their respective nominee(s)) as detailed in Sections 4.5 and 4.6, pursuant to the Employee Incentive Plan and on the terms in Section 9.4 (for the Management Performance Options) and in Section 9.3 (for the Director Options).
- Maximum Voting Power is calculated on a fully diluted basis (and assuming that the Convertible Notes convert into 33,624,073 Shares pursuant to the Notes Conversion on the Allotment Date). The actual Voting Power may vary if that conversion of the Convertible Notes occurs at a different time, due to that impacting on the number of Shares to be converted from interest due on the Founder Notes, as detailed in Section 9.6(c).
- Held in the name of DITM Holdings Pty Ltd. Todd Hannigan does not intend to participate in the Offer. Refer to Section 4.4(d) for information regarding the proposed issue of Shares to Mr Hannigan's father pursuant to the Offer.
- Dr da Veiga and Ms Ramos do not intend to participate in the Offer.
- Includes 31,313 Shares to be issued pursuant to the Notes Conversion in relation to the 20,000 Convertible Notes held as at the date of this Prospectus by Ms Young's partner and 10,205 Shares intended to be issued to Ms Young pursuant to the Offer.

Directors may hold their interests in Securities shown above directly or indirectly through holdings by companies, trusts or other nominees.

### (c) Senior management remuneration

The remuneration of members of the senior management team as at Admission is summarised in the following table:

**Table 16: Summary of senior management remuneration at the date of Admission**

NAME	ROLE	ANNUAL REMUNERATION (A\$) <sup>1</sup>	MANAGEMENT PERFORMANCE OPTIONS <sup>2</sup>
Alexandre Magno Rocha da Rocha <sup>3,4</sup>	Chief Geologist	114,545	-
Mr Renato Gonzaga <sup>3,5</sup>	CFO – Brazil	100,000	956,200
Mr Stephen Kelly <sup>3,6</sup>	Company Secretary and CFO – Australia	100,000	956,200

**Notes:**

- Inclusive of superannuation.
- These Options comprise Management Performance Options which were issued to certain members of senior management (and/or their respective nominee(s)) prior to the date of this Prospectus pursuant to the Employee Incentive Plan and on the terms in Section 9.4.
- Senior management are not contractually entitled to receive any short term incentives or bonuses however the Company's Directors may elect to implement a short term plan for senior management and/or pay discretionary bonuses to senior management.
- Mr Rocha da Rocha provides geological consulting services to Borborema, Jeque and Ubaira pursuant to a project-based contract which commenced on 1 October 2021. The contract may be terminated by either party providing thirty days written notice to the other party. In 2022, the total aggregate amount paid to Mr Rocha da Rocha amounted to R\$378,000.
- Mr Gonzaga is employed as Chief Financial Officer (Brazil) by Borborema pursuant to a contract which commenced on 1 July 2023 and expires on 30 June 2024. Mr Gonzaga receives a gross salary of R\$27,750 per month. The contract may be terminated by either party providing ninety days written notice to the other party.
- Mr Kelly provides Company Secretarial and CFO services to the Company pursuant to a consultancy agreement with KCG Advisors Pty Ltd. A monthly retainer of A\$8,500 plus GST is payable to KCG Advisors Pty Ltd for 37.5 hours. Hours in addition to 37.5 hours shall be invoiced by KCG Advisors Pty Ltd at A\$275 per hour excluding GST. The agreement may be terminated by either party giving the other party three months' notice.



#### (d) Related Party Transactions

Parties are related (among other circumstances) if one party has the ability, directly or indirectly, to control the other party.

The Company (and/or certain of its wholly owned subsidiaries) has entered into related party transactions, including as disclosed elsewhere in this Prospectus. This includes, without limitation:

- (i) Executive Agreements with Todd Hannigan and Bernardo da Veiga and Non-Executive Director Appointment Letters with Kristie Young and Camila Ramos, being the Directors of the Company (refer to Sections 4.5 and 4.6 for further details);
- (ii) Deeds of Indemnity, Insurance and Access with each of its Directors (refer to Section 4.7 for further details);
- (iii) an agreement pursuant to which Borborema (being a wholly owned subsidiary of the Company) hires, on an arms-length basis, at market prices, exploration equipment from Brazil Royalty Corp Participacoes E Investimentos Ltda (**BRC**) (refer to Section 9.6(h) for further details);
- (iv) an agreement pursuant to which BRC provides management services to Borborema (refer to Section 9.6(i) for further details);
- (v) Royalty Agreements with BRC, pursuant to which BRC holds a 2.5% royalty over some of the Company's tenements (refer to Section 9.6(d) and section IX.1 of the Independent Solicitor's Report for further details);
- (vi) Alpha Tenement Acquisition Agreement, pursuant to which Borborema will acquire the Alpha Tenements from Alpha Brazil, which is a wholly owned subsidiary of Rare Earths Americas Pty Ltd (refer to Section 9.6(g) for further details);
- (vii) participation by the existing Directors and a previous director of the Company (Mr Dominic Allen) or their related persons or entities, in various issues of Securities, including as referred to in this Prospectus;
- (viii) the Company proposes to issue up to 10,205 Shares to Ms Young pursuant to the Offer, as referred to in Section 4.4(b) of this Prospectus;
- (ix) the Company proposes to issue up to 61,225 Shares to Mr Hannigan's father pursuant to the Offer; and
- (x) the acquisition by Alpha Minerals Pty Ltd from BRE of the 50% shareholdings previously held by BRE in two inactive shell companies with negligible assets, being:
  - (A) Alpha Minerals UK Investments Limited (CN: 13753178) on 28 August 2023 in consideration for £1.00 which has been paid to BRE; and
  - (B) Alpha Consulting Oz Pty Ltd (ACN 652 552 764) on 28 August 2023 in consideration for A\$1.00 which has been paid to BRE.

Further to the above, disclosures are made regarding Alpha Minerals Pty Ltd and its wholly owned subsidiary BRC, as Dr da Veiga and Mr Dominic Allen are the directors of (and collectively have capacity to determine the outcome of decisions about the financial and operating policies of) Alpha Minerals Pty Ltd and Dr da Veiga, Mr Allen and Mr Hannigan are minority shareholders of Alpha Minerals Pty Ltd (each holding less than 20% of the shares). Mr Allen is a related party of the Company as he was a Director within the six month period prior to the date of this Prospectus (him having resigned as a Director on 28 August 2023).

Disclosures are also made regarding Rare Earths Americas Pty Ltd and its wholly owned subsidiary company Alpha Brazil, as Dr da Veiga and Mr Dominic Allen are the directors of (and collectively have capacity to determine the outcome of decisions about the financial and operating policies of) Rare Earths Americas Pty Ltd and Dr da Veiga, Mr Allen and Mr Hannigan are minority shareholders of Rare Earths Americas Pty Ltd (each holding less than 20% of the shares).

## 4. Board, Management and Corporate Governance continued

### 4.5 Executive Agreements

The Company has entered into employment agreements with Mr Hannigan and Dr da Veiga in respect of their engagements with the Company (**Executive Agreements**). Details of the Executive Agreements are provided below.

#### (a) Executive Chair Services Agreement – Todd Hannigan

The Company has entered into an employment agreement with Todd Hanigan pursuant to which the Company has agreed to pay Mr Hannigan A\$280,000 per annum (inclusive of statutory superannuation) for services provided as Executive Chair.

Pursuant to the agreement, Mr Hannigan is responsible for performing the role of Executive Chair within the scope of his qualifications, skills and experience and to report to the Board of Directors as the Company may reasonably require from time to time.

In addition, in accordance with the terms of the agreement and the Employee Incentive Plan, the Company has issued Mr Hannigan (or his nominee) 2,868,775 Management Performance Options comprising of:

- (i) 860,650 Tranche A Management Performance Options;
- (ii) 860,650 Tranche B Management Performance Options;
- (iii) 573,825 Tranche C Management Performance Options; and
- (iv) 573,650 Tranche D Management Performance Options.

on the terms and conditions set out in Section 9.4.

Mr Hannigan may also, at the absolute discretion of the Board, be entitled to an annual short term incentive bonus of up to 100% of his annual base remuneration subject to Mr Hannigan achieving key performance indicators set by the Board each year. No key performance indicators have been set by the Board for the current or future periods as at the date of this Prospectus.

If a Relevant IPO Transaction is successfully completed by the end of the 2023 calendar year, the Company will pay to Mr Hannigan a one-time bonus of A\$280,000 (inclusive of any statutory superannuation/pension benefits), payable 30 days following the closing of the Relevant IPO Transaction. Any such Relevant IPO Transaction bonus earned or paid to Mr Hannigan shall not reduce Mr Hannigan's entitlement to an annual short-term incentive bonus.

The Company may terminate Mr Hannigan's employment by giving not less than twelve months' notice and may elect to pay out the notice period. If the Company terminates the employment for redundancy, Mr Hannigan shall be entitled to an additional payment equivalent to six months' remuneration plus an amount equal to two months remuneration for each full year of completed service with the Company (with payment for any part year of service calculated on a pro rata basis). The Company may also terminate Mr Hannigan's employment at any time without notice (or payment in lieu of notice) in certain customary circumstances such as involving material breaches by him.

Mr Hannigan may also terminate his employment without notice for Good Reason, in Good Faith or for a Change Reason.

If the employment of Mr Hannigan is terminated by Mr Hannigan for Good Reason, in Good Faith or for a Change Reason the Company shall pay to Mr Hannigan and provide Mr Hannigan with the remuneration and benefits arising under the agreement as if his employment had ended with a notice by the Company and the termination will not be construed in any way or have the effect of termination for cause. Mr Hannigan may otherwise terminate his employment by giving not less than three months' notice.

Shareholder approval for certain termination benefits that may become payable to Mr Hannigan under his Executive Agreement was obtained at the Company's Annual General Meeting held on 1 September 2023.

Mr Hannigan's Executive Services Agreement otherwise contains provisions considered standard for an agreement of this nature.

## **(b) Managing Director and CEO Services Agreement – Bernardo da Veiga**

The Company has entered into an employment agreement with Bernardo da Veiga pursuant to which the Company has agreed to pay Dr da Veiga A\$436,000 per annum (inclusive of statutory superannuation) for services provided as Managing Director and Chief Executive Officer of the Company.

Pursuant to the agreement, Dr da Veiga is responsible for performing the role of Managing Director and CEO within the scope of his qualifications, skills and experience and to report to the Board of Directors as the Company may reasonably require from time to time.

In addition, in accordance with the terms of the agreement and the Employee Incentive Plan, the Company has issued Dr da Veiga (or his nominee) 3,824,975 Management Performance Options comprising of:

- (i) 1,147,650 Tranche A Management Performance Options;
- (ii) 1,147,475 Tranche B Management Performance Options;
- (iii) 764,925 Tranche C Management Performance Options; and
- (iv) 764,925 Tranche D Management Performance Options.

on the terms and conditions set out in Section 9.4.

Dr da Veiga may also, at the absolute discretion of the Board, be entitled to an annual short term incentive bonus of up to 150% of his annual base remuneration subject to Dr da Veiga achieving key performance indicators set by the Board each year. No key performance indicators have been set by the Board for the current or future periods as at the date of this Prospectus.

If a Relevant IPO Transaction is successfully completed by the end of the 2023 calendar year, the Company will pay to Dr da Veiga a one-time bonus of A\$436,000 (inclusive of any statutory superannuation/pension benefits), payable 30 days following the closing of the Relevant IPO Transaction. Any such Relevant IPO Transaction bonus earned or paid to Dr da Veiga shall not reduce Dr da Veiga's entitlement to an annual short-term incentive bonus.

In addition, the Company will provide Dr da Veiga with a fully maintained motor vehicle (as selected by the Directors of the Company at their absolute discretion).

The Company may terminate Dr da Veiga's employment by giving not less than twelve months' notice and may elect to pay out the notice period. If the Company terminates the employment for redundancy, Dr da Veiga shall be entitled to an additional payment equivalent to six months' remuneration plus an amount equal to two months remuneration for each full year of completed service with the Company (with payment for any part year of service calculated on a pro rata basis). The Company may also terminate Dr da Veiga's employment at any time without notice (or payment in lieu of notice) in certain customary circumstances, such as involving material breaches by him.

Dr da Veiga may also terminate his employment without notice for Good Reason, in Good Faith or for a Change Reason.

If the employment of Dr da Veiga is terminated by Dr da Veiga for Good Reason, the Company shall pay to Dr da Veiga and provide Dr da Veiga with the remuneration and benefits arising under the agreement as if his employment had ended with a notice by the Company and the termination will not be construed in any way or have the effect of termination for cause. Dr da Veiga may otherwise terminate his employment by giving not less than three months' written notice.

Shareholder approval for certain termination benefits that may become payable to Dr da Veiga under his Executive Agreement was obtained at the Company's Annual General Meeting held on 1 September 2023.

Dr da Veiga's Executive Agreement otherwise contains provisions considered standard for an agreement of this nature.

## 4. Board, Management and Corporate Governance continued

### 4.6 Non-Executive Director Arrangements

The Company has entered into non-executive director appointment letters with Kristie Young and Camila Ramos (**Non-Executive Director Appointment Letters**) pursuant to which each of those Directors will receive annual director fees as follows:

- (a) a base fee of A\$80,000 per annum (exclusive of statutory superannuation); and
- (b) an additional fee of A\$9,000 per annum (exclusive of statutory superannuation) for each separately constituted sub-committee of the Board to which the non-executive director is appointed. This additional fee for each board sub-committee to which a non-executive Director is appointed shall be increased to A\$15,000 per annum (exclusive of statutory superannuation) if the non-executive Director is appointed as the Chair of the sub-committee.

The Company has also agreed to reimburse Mses Young and Ramos for reasonable expenses incurred in performing their duties as Directors (including in relation to any authorised independent professional advice sought by Ms Young or Ms Ramos to assist them in carrying out their duties as Directors).

In addition, in connection with the Non-Executive Director Appointment Letters and in accordance with the terms of the Employee Incentive Plan, the Company has issued each non-executive Director (or their respective nominee(s)) 266,525 Director Options comprising of:

- (a) 88,900 Tranche A Director Options;
- (b) 88,900 Tranche B Director Options; and
- (c) 88,725 Tranche C Director Options.

on the terms and conditions set out in Section 9.3.

Pursuant to the Non-Executive Director Appointment Letters, Mses Young and Ramos have agreed to establish (within 48 months of their respective appointment or such other time as may be agreed with the Company) and maintain a level of ownership of Shares equal in value to their base fee (or such other amount calculated by the Board from time to time in accordance with the Non-Executive Director Appointment Letters). This minimum holding includes any Shares that may be issued upon the vesting and exercise of the Director Options issued to the non-executive Directors.

The appointment of each non-executive Director shall cease upon the non-executive Director:

- (a) ceasing to be a Director under any provision of the Corporations Act or other applicable laws;
- (b) becoming bankrupt or make any arrangement or composition with her creditors generally;
- (c) becoming prohibited from being a Director by reason of any order made under the Corporations Act;
- (d) becoming of unsound mind or a person whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (e) resigning her office by notice in writing to the Company;
- (f) being removed from office by resolution of the Company;
- (g) not being elected or re-elected at any general meeting of the Shareholders of the Company at which a resolution for her election or re-election is voted on; or
- (h) ceasing to hold officer under any other circumstances as specified in the Constitution.

The Non-Executive Director Appointment Letters otherwise contain terms and conditions that are considered standard for agreements of this nature, including in relation to confidentiality and disclosure of interests.

## 4.7 Deeds of Indemnity, Insurance and Access

The Company has entered into standard deeds of indemnity, insurance and access with each of the Directors and Mr Stephen Kelly. Pursuant to those deeds, the Company will indemnify the Directors and Mr Kelly to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company or of any subsidiary of the Company and for all legal expenses incurred by the officer as an officer of the Company or of any subsidiary of the Company. The Company is also required to maintain insurance policies for the benefit of the Directors and Mr Kelly which insures them against all liabilities incurred by them acting directly or indirectly as an officer of the Company or of any subsidiary of the Company and the Company must also allow them to inspect Board papers and other Company records in certain circumstances.

Certain prohibitions under the Corporations Act limit certain benefits which may be provided by the Company under the deeds of indemnity, insurance and access.

## 4.8 ASX Corporate Governance Council Principles and Recommendations

The Company has adopted comprehensive systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent considered appropriate for the Company's size and nature, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th Edition) (**Recommendations**).

In light of the Company's size and nature, the Board considers that the current Board composition and structure is a cost effective and practical method of directing and managing the Company. If the Company's activities develop in size, nature and scope, the size of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

The Company's main corporate governance policies and practices as at the date of this Prospectus are detailed below. The Company's full Corporate Governance Plan is available in a dedicated corporate governance information section of the Company's website at [www.brazilianrareearths.com](http://www.brazilianrareearths.com).

### (a) Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- (i) providing leadership and setting the strategic objectives of the Company;
- (ii) appointing, monitoring and managing the performance of the Company's executive Directors and senior management;
- (iii) undertaking appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director;
- (iv) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (v) approving operating budgets and major capital expenditure;
- (vi) overseeing the integrity of the company's accounting and corporate reporting systems, including the external audit;

## 4. Board, Management and Corporate Governance continued

- (vii) overseeing the company's process for making timely and balanced disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Shares;
- (viii) ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate; and
- (ix) monitoring the effectiveness of the Company's governance practices.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director and has in place written agreements with each Director which detail the terms of their appointment.

### **(b) Composition of the Board**

Election of Board members is substantially the province of the Shareholders in general meeting. On Admission, the Board will comprise of two executive Directors (being Mr Hannigan and Dr da Veiga) and two independent non-executive Directors (being Ms Young and Mrs Ramos). The Board considers the Company's non-executive Directors are free from any interest, position, association or relationship that may influence or reasonably be perceived to influence, the independent exercise of their judgement and that each of them is able to fulfil the role of an independent Director for the purpose of the Recommendations. Subject to the Board's discretion and the identification of a suitable candidate, the Board may consider appointing a further independent non-executive Director following Admission. No decision has been made to do so, and no candidate has been identified as at the date of this Prospectus.

If the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

### **(c) Identification and management of risk**

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

### **(d) Ethical standards**

The Board is committed to the establishment and maintenance of appropriate ethical standards.

### **(e) Independent professional advice**

Subject to the Chair's approval (not to be unreasonably withheld), the Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

### **(f) Nomination and Remuneration Committee**

The Company has established a Nomination and Remuneration Committee the members of which will be Kristie Young (Chair), Camila Ramos and Todd Hannigan. The objectives of the Nomination and Remuneration Committee are to:

- (i) review and advise the Board on the composition of the Board and its committees;
- (ii) advise on the process of recruitment, appointment and re-election of directors;
- (iii) review the performance of the Board, the Chairperson, the executive and non-executive directors and other individual members of the Board;
- (iv) ensure proper succession plans are in place for consideration by the Board;
- (v) assist the Board with the establishment of remuneration policies and practices for the Company's Managing Director, senior managers and staff, as well as to ensure director compensation is fair and current; and
- (vi) evaluate the competencies required of prospective directors (both non-executive and executive), identify those prospective directors and establish their degree of independence.

### **(g) Audit and Risk Committee**

The Company has established an Audit and Risk Committee the members of which are Kristie Young (Chair), Camila Ramos and Bernardo da Veiga. The objectives of the Audit and Risk Committee are to:

- (i) oversee, review and supervise the Company's risk management framework and promote a risk management culture, including considering the appropriateness of implementing an internal audit function;
- (ii) assist the Board in discharging its responsibilities relative to the financial reporting process, the system of internal control relating to all matters affecting the Company's financial performance and the audit process;
- (iii) review and assess the appointment, qualifications, independence, performance and remuneration of, and relationship with, the Group's external auditors and the integrity of the audit process as a whole;
- (iv) assist the Board in monitoring compliance with laws and regulations and the Company's Code of Conduct;
- (v) assist the Board to adopt and apply appropriate ethical standards in relation to the management of the Company and the conduct of its business; and
- (vi) review the adequacy of the Company's insurance policies.

### **(h) External audit**

The Company in general meetings is responsible for the appointment of the external auditors of the Company, and the Board from time to time will review the scope, performance and fees of those external auditors following the recommendation from the Audit and Risk Committee.

### **(i) Internal audit**

The Company does not have an internal audit function. The Board considers the board's oversight and financial control function in conjunction with its risk management policy is sufficient for a Company of its small size and lack of complexity. The Company's Audit and Risk Committee is designed to assist the Board in evaluating and seeking to improve the effectiveness of the Company's governance, risk management and internal control processes.

## **4.9 Corporate Governance Policies**

The Company has adopted the following policies, each of which has been prepared having regard to the Recommendations and is available on the Company's website at [www.brazilianrareearths.com](http://www.brazilianrareearths.com).

### **(a) Whistleblower policy**

The Company has adopted a whistleblower policy to ensure concerns regarding unacceptable conduct including breaches of the Company's code of conduct can be raised on a confidential basis, without fear of reprisal, dismissal or discriminatory treatment. The Company is committed to creating and maintaining a culture of corporate compliance and ethical behaviour in which employees are responsible and accountable and behave with honesty and integrity.

### **(b) Anti-Bribery and Anti-Corruption policy**

The Company is committed to ensuring that its corporate culture, in all its offices and operations worldwide, discourages fraudulent and corrupt conduct and has adopted an anti-bribery and anti-corruption policy. The purpose of the anti-bribery and anti-corruption policy is to educate and inform personnel and representatives of the Company of the Company's commitment to anti-corruption and bribery requirements arising out of anti-bribery and corruption laws and the various laws prohibiting fraudulent and corrupt behaviour more generally.



## 4. Board, Management and Corporate Governance continued

### (c) Securities Trading policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of Securities by its key management personnel (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.

### (d) Diversity policy

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a Diversity, Equality and Inclusion policy. This policy provides that the Board may adopt measurable objectives to achieve diversity and review the Company's progress in meeting these objectives and the effectiveness of these objectives each year.

### (e) Code of Conduct

This policy details the standards of ethical behaviour that the Company expects from its Directors, officers and employees.

### (f) Continuous Disclosure Policy

Once listed on the ASX, the Company will need to comply with the continuous disclosure requirements of the Listing Rules and the Corporations Act to ensure the Company discloses to the ASX any information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares (subject to certain exceptions). As such, this policy sets out certain procedures and measures which are designed to ensure that the Company complies with its continuous disclosure obligations.

### (g) Shareholder Communications Policy

This policy details the practices which the Company will implement to ensure effective communication with its shareholders.

### (h) External Communications Policy

This policy details the practices which the Company will implement to ensure effective communication with its external stakeholders.

### (i) Risk Management Policy

This policy is designed to assist the Company to identify, assess, monitor and manage risks affecting the Company's business. The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

### (j) Related parties policy

This policy has been adopted by the Company to record the Company's commitment to complying with all related party transaction requirements under the Corporations Act and, if applicable, the Listing Rules. This policy sets out a framework for obtaining approval for all related party transactions and is designed to ensure that the Company complies with its related party transaction obligations.

## 4.10 Departures from ASX Recommendations

The Recommendations are not prescriptions but guidelines. However, under the Listing Rules the Company will be required to provide a statement in its annual report or on its website disclosing the extent to which it has followed the Recommendations during each reporting period. Where the Company has not followed a Recommendation, it must identify the Recommendation that has not been followed and give reasons for not following it.

The Company's departures from Recommendations are detailed in the following table, which the Board considers reasonable given the current stage of development of the Company and its business. Otherwise, the Company will comply with the Recommendations as at the date of Admission, as applicable to the Company.

**Table 17: Summary of departures from ASX Recommendations**

PRINCIPLE	EXPLANATION FOR DEPARTURE
<p><b>ASX Recommendation 1.5</b></p> <p>A listed entity should set measurable objectives for achieving gender diversity.</p>	<p>The Company has adopted a diversity policy and the Board recognises the benefit of having a diverse employee base from a variety of ages, genders, cultural backgrounds or other personal factors.</p> <p>Due to the size and specialist nature of the Company's current business activities and the small workforce currently employed, it is not practical for the Company to set measurable objectives for achieving gender diversity.</p>
<p><b>ASX Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>At the time of Admission, the Company's Board will comprise two independent directors and two non-independent directors. Accordingly, a majority of directors will not be independent directors.</p> <p>Given the size and scope of the Company's operations, the Board considers that it has the relevant experience in the exploration and mining industry and is appropriately structured to discharge its duties in a manner that is in the best interests of its shareholders from both a long-term strategic and operational perspective.</p> <p>The Board Charter provides that it is preferable that the majority of the Board be independent non-executive directors. Accordingly, the Board may appoint further independent non-executive directors as suitably qualified candidates are identified and as the size and scale of the Company's operations determine.</p>
<p><b>ASX Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The Executive Chair, Mr Hannigan is not considered to be an independent Director. The Board believes Mr Hannigan to be the most appropriate person to act as Chair of the Company at this time as he has been instrumental in the formation of the Company and has extensive skills and experience in managing and developing mining companies.</p> <p>Mr Hannigan's role as Executive Chair is balanced by the appointment of Ms Kristie Young as Lead Independent Director. The Lead Independent Director ensures the views of independent directors are raised and considered by the Board and provides leadership and support to the other independent director in relation to matters that uniquely concern them as independent directors. The Lead Independent Director, in conjunction with the Chair ensures that conflicts of interest on the Board (whether actual or potential) are identified and managed appropriately.</p>
<p><b>ASX Recommendation 4.1</b></p> <p>A listed entity should have an audit committee which has at least three members all of whom are non-executive directors.</p>	<p>The Company's Audit and Risk Committee includes one Executive Director, Dr da Veiga.</p> <p>The Company considers that as the majority of the members of the Audit and Risk Committee are independent, non-executive Directors the partial compliance with the recommendation will not be detrimental to the Company. However, as the scale of operations increases, the Board will review the membership of the Audit and Risk Committee.</p>



# 5. Industry Overview Report



## 5. Industry Overview Report



# Rare Earth Market Outlook

## Independent Analysis for Brazilian Rare Earths



Adamas Intelligence

Q3 2023

## 5. Industry Overview Report continued

### Confidentiality and Disclaimer

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This report contains "forward-looking statements" – that is, statements related to future events. In this report, forward-looking statements address our expectations of future rare earth production, supply, demand, consumption, and prices within parameters defined by stated scenarios, and often contain words such as "forecast", "project", "expect," "anticipate," "intend," "plan," "believe," "seek," "see," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain.

A number of future uncertainties exist that could cause actual results to be materially different than those expressed in our forward-looking statements. Readers are responsible for assessing the relevance and accuracy of these forward-looking statements. Adamas Intelligence will not be liable for any loss, damage, cost, or expense incurred or arising by any reason of any person or business using or relying on forward-looking statements and/or other information contained in this report.

#### Important Notes:

All prices and values referred to herein are in U.S. dollars unless specified otherwise.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Terminology and Abbreviations

Abbreviation	Terminology	Definition
REE	Rare Earth Element	The lanthanide series of chemical elements, plus yttrium
REO(s)	Rare Earth Oxide(s)	Chemical oxides of lanthanides and/or yttrium
REO Equivalent	Rare Earth Oxide Equivalent	An amount or concentration of REE metals or REE compounds expressed in terms of their equivalent amount or concentration of REE oxide
TREO	Total Rare Earth Oxide	The collective of all rare earth oxides combined
Mag REO	Magnet Rare Earth Oxides	The collective of Nd <sub>2</sub> O <sub>3</sub> , Pr <sub>6</sub> O <sub>11</sub> , Dy <sub>2</sub> O <sub>3</sub> and Tb <sub>4</sub> O <sub>7</sub> combined
LREO(s)	Light Rare Earth Oxide(s)	La <sub>2</sub> O <sub>3</sub> , CeO <sub>2</sub> , Pr <sub>6</sub> O <sub>11</sub> , Nd <sub>2</sub> O <sub>3</sub> , Sm <sub>2</sub> O <sub>3</sub> , Eu <sub>2</sub> O <sub>3</sub> , Gd <sub>2</sub> O <sub>3</sub>
HREO(s)	Heavy Rare Earth Oxide(s)	Tb <sub>4</sub> O <sub>7</sub> , Dy <sub>2</sub> O <sub>3</sub> , Ho <sub>2</sub> O <sub>3</sub> , Er <sub>2</sub> O <sub>3</sub> , Lu <sub>2</sub> O <sub>3</sub> , Yb <sub>2</sub> O <sub>3</sub> , Tm <sub>2</sub> O <sub>3</sub> , Y <sub>2</sub> O <sub>3</sub>
Nd <sub>2</sub> O <sub>3</sub>	Neodymium Oxide	Commonly produced form of neodymium oxide
Pr <sub>6</sub> O <sub>11</sub>	Praseodymium Oxide	Commonly produced form of praseodymium oxide
Dy <sub>2</sub> O <sub>3</sub>	Dysprosium Oxide	Commonly produced form of dysprosium oxide
Tb <sub>4</sub> O <sub>7</sub>	Terbium Oxide	Commonly produced form of terbium oxide
(Nd,Pr) <sub>2</sub> O <sub>3</sub>	NdPr Oxide / Didymium Oxide	Combined form of neodymium (75%) and praseodymium (25%) oxide commonly used by NdFeB manufacturers instead of individual neodymium and/or praseodymium oxides
NdFeB Alloy	NdFeB Alloy	The NdFeB precursor materials from which sintered NdFeB magnets are manufactured
NdFeB Powder	NdFeB Powder	The NdFeB precursor materials from which bonded and hot deformed fully dense NdFeB magnets are manufactured
NdFeB Magnet	NdFeB Magnet	The final sintered or bonded magnet form (often coated to protect from corrosion) ready for use in a particular end-use or application
\$	U.S. dollars	All prices and values referred to herein are in U.S. dollars unless specified otherwise

# 5. Industry Overview Report continued

## Introduction to the Rare Earth Elements

### Rare Earth Elements: Critical Enablers of Electric Mobility and Energy Efficiency

Compared to similarly abundant elements in nature, such as copper, lead, and tin, global annual production of rare earth elements is notably low.

Nevertheless, rare earth elements have become critical enablers of technologies at the heart of clean energy initiatives worldwide, as well as ubiquitous gadgetry and electronics that have pervaded modern society.

Rare earth elements are used in small, but often necessary, amounts in hundreds of different technologies, materials, and chemicals worldwide for commercial, industrial, social, medical, and environmental applications.

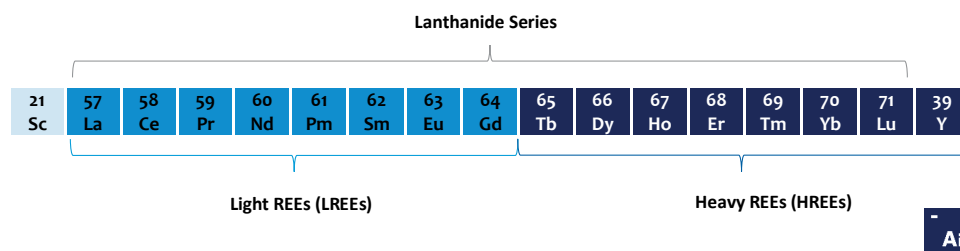
**In just a period of decades, rare earth elements have seeped deeply into the fabric of modern technology and industry and have proven exceptionally challenging to duplicate or replace.**

### Classification and Terminology

On the Periodic Table of Elements, rare earth elements include the lanthanide series, plus yttrium and scandium (see Figure 1).

Yttrium is classified as a rare earth element because of its similar ionic radius to the lanthanides, as well as its similar chemical properties, whereas scandium is classified as a rare earth element because of its tendency to concentrate into many of the same minerals.

**Figure 1:** Rare earth elements include the lanthanide series plus scandium and yttrium



Rare earth elements are arbitrarily classified as light rare earth elements or oxides (“LREEs” or “LREOs”) or heavy rare earth elements or oxides (“HREEs” or “HREOs”) based on their electron configurations.

By virtue of having a higher crustal abundance, LREOs collectively make up over 90% of the total rare earth oxide (“TREO”) content in a typical rare earth deposit and thereby also make up the vast majority of the world’s TREO output each year. Heavy rare earth oxides, on the other hand, are present in the Earth’s crust in substantially lower concentrations than LREOs and as such make up a relatively small portion of the world’s TREO output each year.



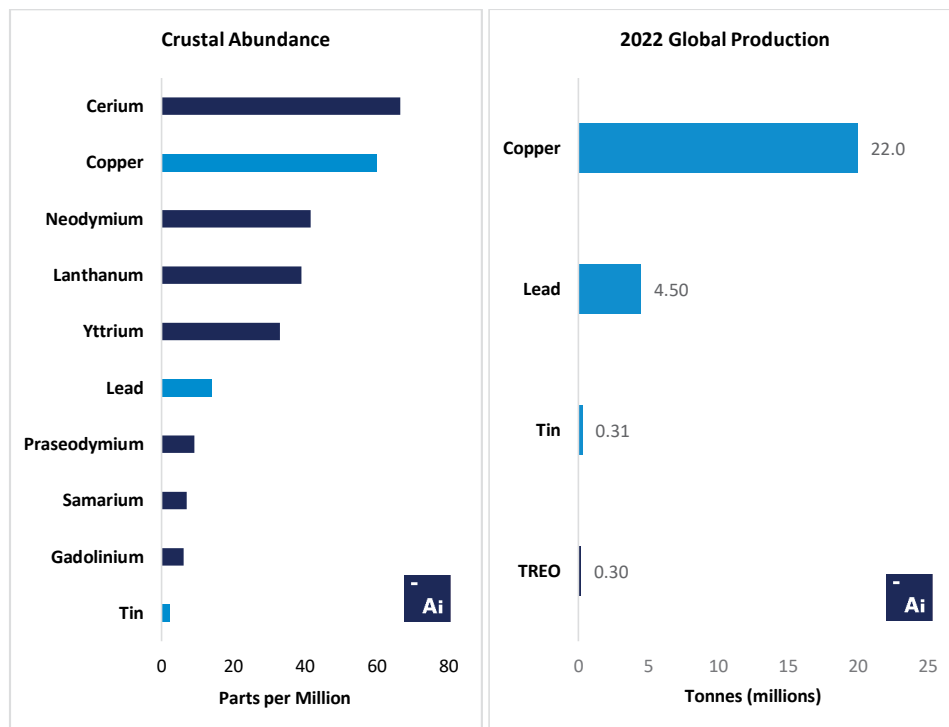
### Rarely Enriched in Nature

Rare earth elements are not remarkably rare in nature, but rather are rarely concentrated into economically significant amounts for extraction and processing owing to certain physical and chemical characteristics that promote their broad dissipation in most rock types.

In fact, cerium is more abundant in the Earth’s crust than copper; neodymium, lanthanum and yttrium are more abundant than lead; and praseodymium, samarium and gadolinium are more abundant than tin (see Figure 2 – LHS).

Despite this fact, there were only 297,730 tonnes of all 17 REOs combined (“TREO”) produced globally in 2022 versus 22.0 million tonnes of copper, 4.5 million tonnes of lead and 310,000 tonnes of tin in the same year (see Figure 2 – RHS).

Figure 2: Global production of REEs is remarkably low compared to similarly abundant elements



Source: Adamas Intelligence research, USGS, Jefferson Lab

# 5. Industry Overview Report continued

## Eight End-Use Categories

Rare earth elements are used in hundreds of unique end-uses and applications that collectively fall into one of eight end-use categories: 1.) Battery Alloys, 2.) Catalysts, 3.) Ceramics, Pigments and Glazes, 4.) Glass Polishing Powders and Additives, 5.) Metallurgy and Alloys, 6.) Permanent Magnets, 7.) Phosphors, and 8.) Other End-Uses and Applications (see Figure 3).

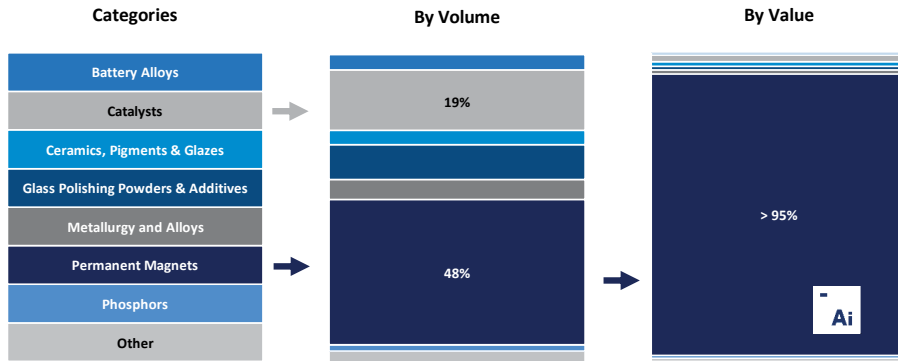
**Figure 3:** Rare earth applications and end-uses fall into one of eight end-use categories

End-Use Category	Description	Ai
<b>Battery Alloys</b> (La, Ce, Pr, Nd)	Rare earth elements are used to produce anode materials for nickel-metal hydride (“NiMH”) batteries. NiMH batteries are used in hybrid electric vehicles, consumer electronics, cordless shavers, cordless power tools, baby monitors and other applications of rechargeable batteries.	
<b>Catalysts</b> (La, Ce)	Rare earth elements, such as cerium and lanthanum, are used in catalytic converters of gasoline- and diesel-powered vehicles, as well as fuel cracking catalysts and additives used by oil refiners to break down crude oil into lighter distillates, such as gasoline, diesel, kerosene and more.	
<b>Ceramics, Pigments and Glazes</b> (La, Ce, Pr, Nd, Y)	Rare earth elements are used to produce decorative ceramics, functional ceramics, structural ceramics, bio ceramics and many other types of ceramics used in everything from jet engine coatings to ceramic cutting tools, dental crowns, ceramic capacitors, ceramic tiles, and more.	
<b>Glass Polishing Powders and Additives</b> (Ce, La, Er, Gd, Y)	Rare earth elements, such as cerium, are used to polish optical glass, hard disk drive platters, LCD display screens and gemstones, among a long list of applications. Cerium is also used as an additive in UV-filtering glass and container glass, whereas lanthanum, yttrium and gadolinium are used to produce high quality optical glass used in camera lenses, microscopes and telescopes.	
<b>Metallurgy and Alloys</b> (La, Ce, Ho, Gd, Y)	Rare earth mischmetal (a mixture of light REE metals) is used during production of some types of steel, as well as ductile iron making. Rare earth elements are also used to produce a variety of different alloys, such as ferro-cerium, ferro-holmium, ferro-gadolinium and a growing list of others.	
<b>Permanent Magnets</b> (Nd, Pr, Dy, Tb, Sm)	Rare earth elements are used to produce high-strength permanent magnets that have enabled the production of ubiquitous gadgets and electronics, such as mobile phones and laptops, as well as power dense energy-efficient electric motors and generators used in electric vehicles, wind turbines, energy efficient appliances and hundreds of other applications.	
<b>Phosphors</b> (Ce, La, Y, Tb, Eu)	Rare earth elements are used in phosphors for energy efficient lamps, display screens and avionics, and are added to fiat currency in some nations as an anti-counterfeit measure.	
<b>Other</b> (La, Ce, Nd, Dy, Tb, Gd, Lu, Tm)	Aside from the above-described end uses and categories, rare earth elements are used in a long list of other end uses and applications, including many in defense, medicine, health, wellness, aerospace, agriculture, high-tech and chemical industries.	

## Global Rare Earth Consumption in 2022

By volume, permanent magnets and catalysts were collectively responsible for 67% of global TREO consumption in 2022 (see Figure 4). However, by value, permanent magnets alone were responsible for over 95% of the total value of global TREO consumption last year (see Figure 4) and this share is poised to expand further as demand for (and prices of) neodymium, praseodymium, didymium, dysprosium and terbium continue to rise strongly in the years ahead.

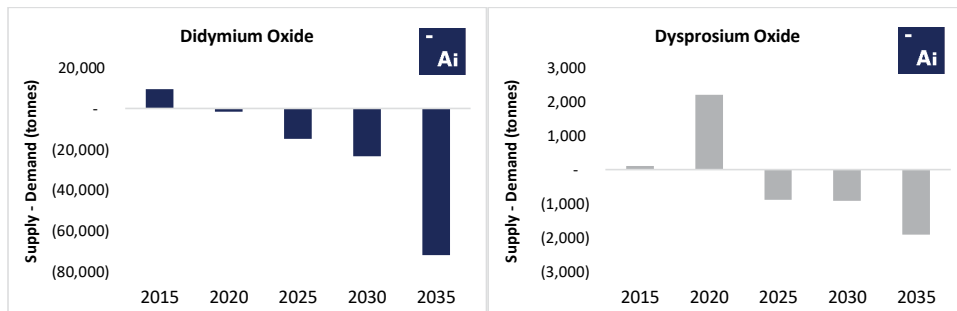
**Figure 4:** Permanent magnets and catalysts are the largest rare earth demand drivers



Not only does demand for neodymium, praseodymium, didymium, dysprosium and terbium collectively make up the majority of global value today, but in the years ahead demand for these four rare earth elements is expected to grow faster than demand for all other rare earth elements, challenging the ability of the supply-side to keep up.

As shown in Figure 5, Adamas Intelligence forecasts that global annual demand for didymium oxide and dysprosium oxide (or oxide equivalents) will substantially exceed global annual production by 2025, leading to the depletion of historically accumulated inventories and, ultimately, shortages of these critical magnet materials if substantial additional sources of supply are not developed.

**Figure 5:** The supply-side will struggle to keep up with rising demand for magnet rare earths

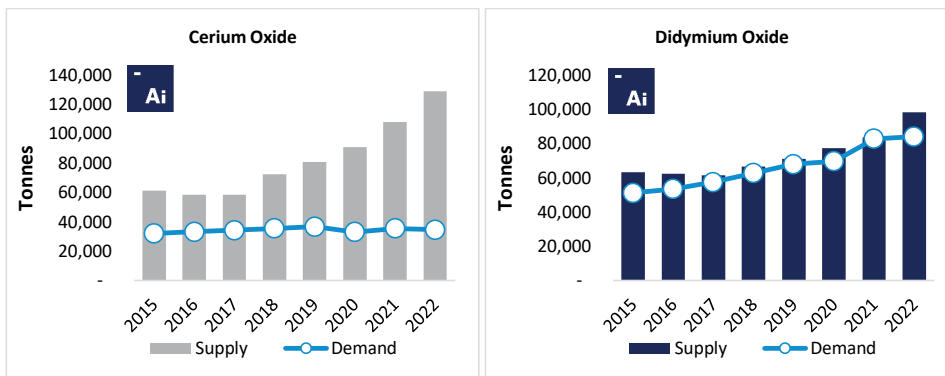


# 5. Industry Overview Report continued

## Rare Earth Balance Problem

Over the past decade, rare earth producers globally have sacrificially overproduced certain low value rare earth elements, such as cerium (see Figure 6 – LHS), in order to keep up with rapidly growing demand for other high value rare earth elements and compounds, such as didymium (see Figure 6 – RHS).

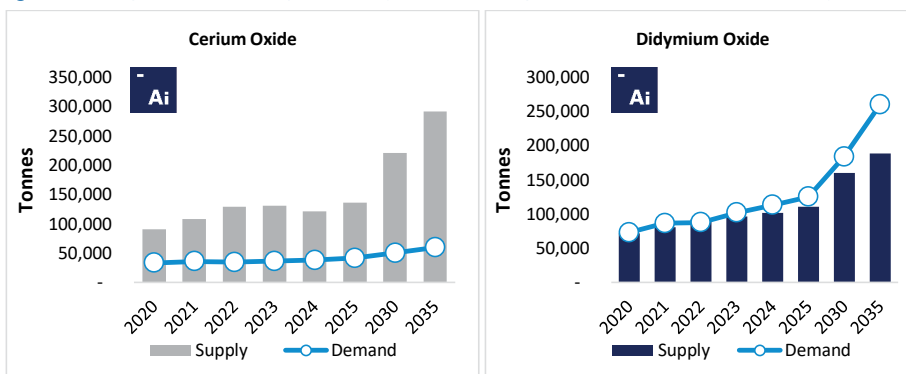
**Figure 6:** Sacrificial over-production of cerium oxide to satisfy rapidly growing demand for didymium oxide



Looking ahead, Adamas Intelligence forecasts that ever-increasing demand for rare earth permanent magnets will drive global demand for didymium oxide (or oxide equivalent) to towering new heights (see Figure 7 – RHS), exacerbating the imbalance between production and demand of other rare earth elements, such as cerium oxide (see Figure 7 – LHS) if the industry continues on a path of business-as-usual.

Emerging rare earths producers are set to primarily benefit from opportunities related to the so-called magnet rare earths (i.e., neodymium, praseodymium, dysprosium and terbium) as market conditions for most other rare earth elements are expected to remain less favorable into the foreseeable future.

**Figure 7:** Strong future demand growth for permanent magnets will exacerbate the balance problem



### Implications of the Balance Problem

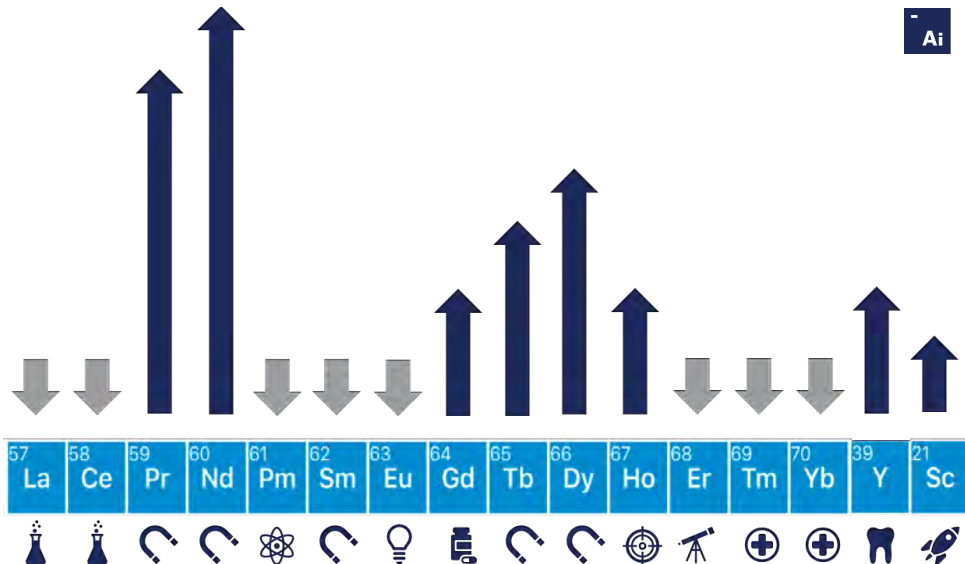
Unless new end-uses and applications are developed for cerium, lanthanum, and other sacrificially-overproduced rare earth elements in the near-term (see Figure 8 – light grey arrows), Adamas Intelligence expects that prices of high-demand elements, like neodymium, praseodymium, dysprosium and terbium, will stay strong and/or rise accordingly (see Figure 8 – dark blue arrows) to compensate for losses that producers are chronically incurring by necessarily over-producing the other unsaleable, surplus rare earths.

The industries that will feel these price increases the most in the coming years are those reliant on use of high-strength NdFeB permanent magnets, such as the automotive industry, the wind power sector, the consumer electronics industry, the defense industry, and many others.

Ultimately, price increases of magnet input materials may upend the economics of using rare earths in some of the aforementioned sectors – pushing some manufacturers to adopt alternatives to rare earth permanent magnets where possible.

However, for the most promising of end-use sectors – such as electric vehicles, wind power, general automotive, industrial applications, and others – the economics of using rare earth elements are robust and these segments will continue to fuel strong demand growth into the foreseeable future.

Figure 8: Prices of magnet rare earths will rise to compensate for losses incurred on other rare earths



# 5. Industry Overview Report continued

## Forecasted TREO Demand by End-Use Category

Following a 6.3% pandemic-induced drop in global TREO consumption in 2020, Adamas Intelligence data indicates that global consumption jumped 14.0% higher in 2021, bolstered by the materialization of some pent-up consumer and industrial demand from the year prior. In 2022, suppressed by strict pandemic control measures in China and economic headwinds in Europe and North America, global consumption decreased 2.0% overall (see Figure 9).

Looking forward, from 2022 through 2035 Adamas forecasts that global TREO demand will rise at a CAGR of 6.8%, from 181,635 tonnes to 424,790 tonnes, driven primarily by the permanent magnet sector (see Figure 9).

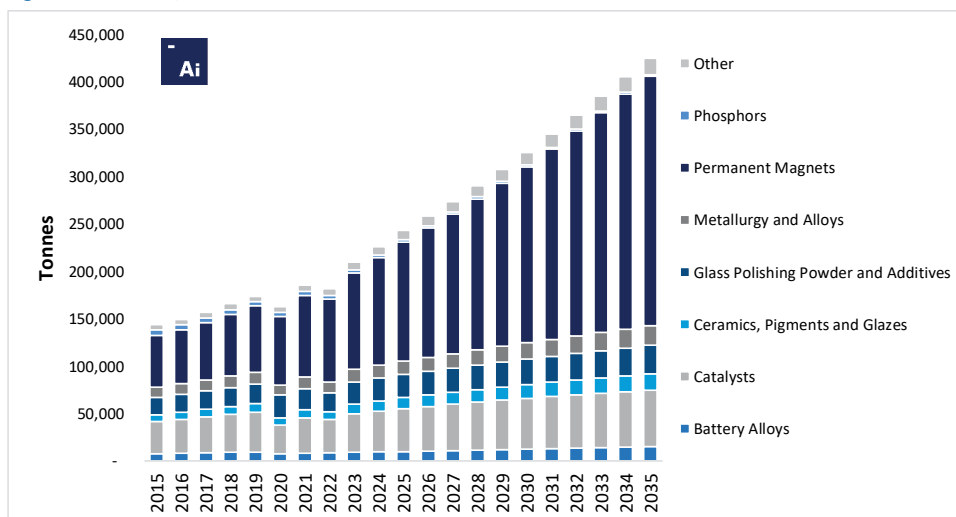
In the years ahead, global TREO demand for permanent magnets and “other” end-uses and applications is projected to rise at market leading CAGRs of 8.9% and 7.0%, respectively (see Figure 9).

Conversely, over the forecast period, global TREO demand for all other end-use categories, except for phosphors, is projected to grow at market lagging CAGRs of 3.1% to 5.9%, while TREO demand for phosphors is projected to fall at a CAGR of -5.5% (see Figure 9).

In the years ahead, the rapid TREO demand growth expected for permanent magnets will lead the end-use category to continuously absorb market share from incumbent categories.

By 2035, Adamas projects that permanent magnets will drive 62% of global TREO demand by volume and over 95% of the market’s value each year.

**Figure 9:** Historical global consumption and forecasted demand for all rare earth oxides by end-use



## NdFeB Permanent Magnets: Enablers of Modern Technology

### What is NdFeB?

Neodymium-iron-boron (“NdFeB”) is a permanent magnet alloy that was developed and commercialized in the 1980s as an alternative to costly samarium-cobalt (“SmCo”) alloy that was developed and commercialized three decades earlier.

### What is it made of?

As the name suggests, NdFeB alloy is comprised primarily of neodymium, iron, and boron in a  $\text{Nd}_2\text{Fe}_{14}\text{B}$  tetragonal crystalline structure, and often contains minor concentrations of praseodymium, dysprosium, terbium, copper, cobalt, niobium, and other metals to optimize the alloy’s properties for certain applications.

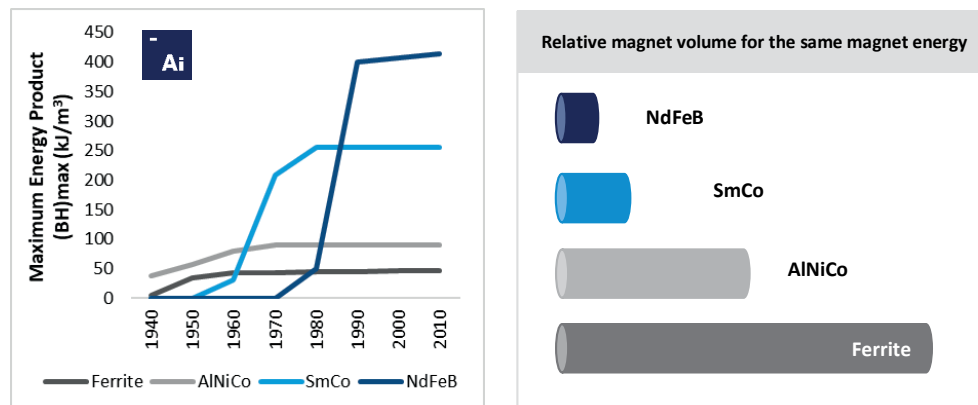
### Why is it special?

NdFeB permanent magnet alloy is the strongest type of permanent magnet material commercially available today in terms of maximum energy product (i.e., magnetic flux output per unit volume, measured in megagauss-oersteds (MGOe) or Joules per cubic meter ( $\text{J}/\text{m}^3$ )) (see Figure 10).

As such, NdFeB magnets have largely supplanted SmCo, AlNiCo, and ferrite magnets in many size- and weight-sensitive applications since the 1980s, and simultaneously have enabled the conception and miniaturization of a wide array of ubiquitous gadgets and electronics that have pervaded modern society.

NdFeB permanent magnets are used in hundreds of different end-uses and applications – many of which we interact with daily, whether we realize it or not. From mobile phone loudspeakers and vibration motors, to hard disk drives, optical disc drives, electric vehicle traction motors, wind power generators, and beyond – NdFeB permanent magnets are literally all around us.

Figure 10: NdFeB is the strongest permanent magnet material commercially available today



Source: after Kallaste et al. (2012), Adamas Intelligence



# 5. Industry Overview Report continued

## Forecasted TREO Demand for Permanent Magnets by End-Use Category

From 2022 through 2035, Adamas Intelligence forecasts that global TREO demand for permanent magnets will rise at a CAGR of 8.3%, from 87,000 tonnes to 246,000 tonnes, boosted by strong demand growth from electric vehicle, wind power, general automotive and other applications of NdFeB magnets (see Figure 11).

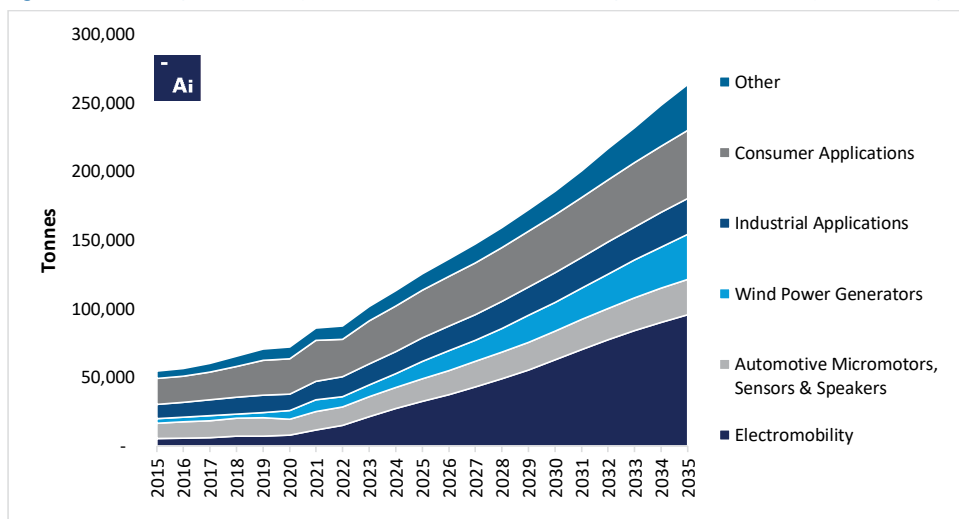
Specifically, from 2022 through 2035 Adamas forecasts that global TREO demand for passenger EV traction motors, commercial EV traction motors and “other e-mobility” applications will collectively increase at a CAGR of 14.0%, together representing the single largest demand driver by 2035 (see Figure 11).

Similarly, from 2022 through 2035 Adamas forecasts that global TREO demand for automotive micromotors, sensors and speakers will collectively increase at a CAGR of 4.9%, growing faster than the underlying vehicle market as automakers increasingly employ NdFeB-powered motors, sensors and speakers in new models to reduce vehicle weight, and thereby improve fuel efficiency, reduce emissions and/or maximize electric driving range (see Figure 11).

Moreover, from 2022 through 2035 Adamas projects that global TREO demand for direct drive and hybrid direct drive wind power generators for onshore and offshore applications will rise at a CAGR of 13.0% as the increasingly competitive economics of wind power generation (and low maintenance of direct drive generators) continue to spur rising adoption (see Figure 11).

Lastly, from 2022 through 2035 Adamas forecasts that global TREO demand for all other end-uses and applications of NdFeB permanent magnets will increase at CAGRs of 3.4% to 5.4%, forgoing market share to electric vehicles, wind power generators and other high-growth applications (see Figure 11).

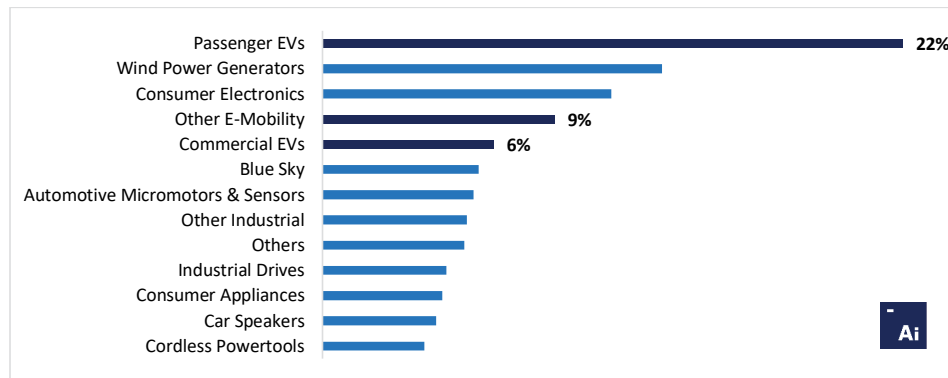
**Figure 11:** Historical global consumption and forecasted demand for magnet rare earth oxides by end-use category



### EVs to Drive Over 40% of Global Magnet Earth Oxide Demand by 2035

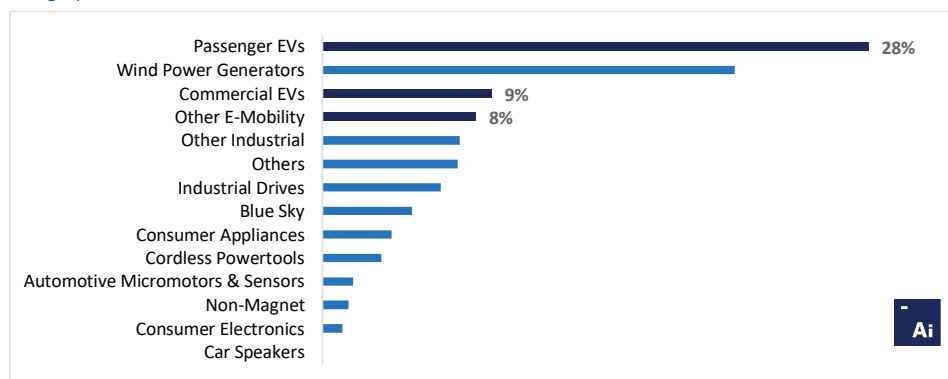
By 2035, Adamas forecasts that passenger EV traction motors, commercial EV traction motors and other e-mobility types, such as electric bicycles, motorcycles, and scooters, will collectively be responsible for 36% of total global NdFeB magnet demand (see Figure 12 – dark blue bars). Considering additional uses of NdFeB magnets in EVs, including automotive micromotors, sensors and speakers, Adamas conservatively projects that EVs will be responsible for over 40% of total global NdFeB magnet demand by 2035, but an even higher share of total global consumption.

Figure 12: Forecasted breakdown of global TREO demand for permanent magnets by end-use category in 2035



Moreover, given that EV traction motors and generators tend to use high-temperature-performance grades of NdFeB magnets that contain elevated concentrations of the heavy rare earth elements dysprosium and terbium, Adamas forecasts that passenger EV traction motors, commercial EV traction motors and other e-mobility types will collectively drive 44% of total global dysprosium and terbium oxide demand annually by 2035, but an even higher share of global consumption (see Figure 13 – dark blue bars).

Figure 13: Forecasted breakdown of dysprosium and terbium oxide demand for permanent magnets by end-use category in 2035



# 5. Industry Overview Report continued

## Forecasted Production – Demand Balance for Didymium, Dysprosium and Terbium to 2035

In 2022, Adamas estimates that global production of neodymium oxide and praseodymium oxide (or oxide equivalents), combined, exceeded global demand by a mere 3,000 tonnes, however, from 2023 onward the firm expects this trend will reverse as demand growth increasingly exceeds supply growth (see Figure 14 - LHS).

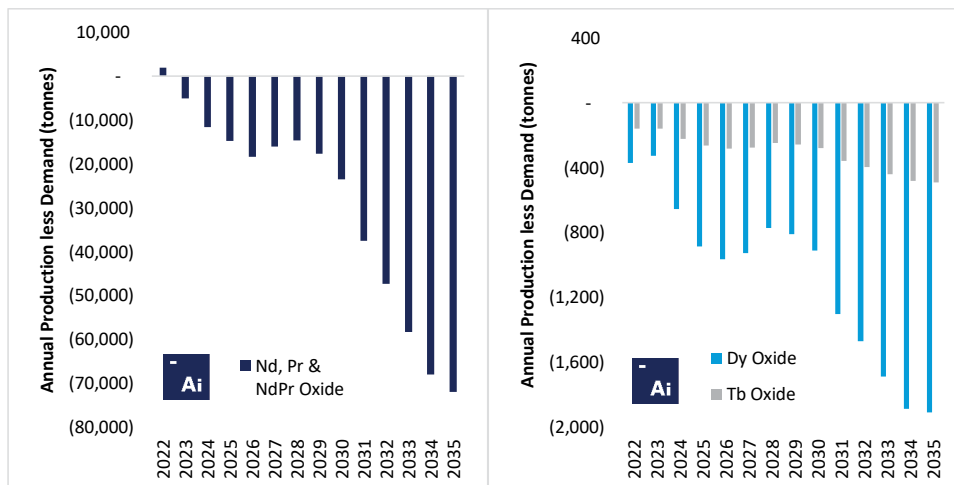
By 2025, Adamas forecasts that the global market’s underproduction will rise to nearly 8,000 tonnes annually, resulting in the depletion of historically accumulated inventories and persistent shortages from 2026 on (see Figure 14 - LHS).

Conversely, in 2022, Adamas estimates that global consumption of dysprosium oxide (or oxide equivalent) exceeded global production by 200 tonnes, and this amount will rise to over 500 tonnes in 2023, resulting in the depletion of historically accumulated inventories and dysprosium oxide shortages from 2024 on (see Figure 14 - RHS).

Similarly, in 2022, Adamas estimates that global consumption of terbium oxide (or oxide equivalent) exceeded global production by nearly 300 tonnes resulting in the drawdown of historically accumulated inventories and terbium oxide shortages from this year forward (see Figure 14 - RHS).

By 2035, Adamas projects the global rare earth market will be short more than one China’s worth of NdPr oxide supply, and over five China’s worth of Dy and Tb oxide supply, annually (referring to China’s 2022 production levels) should supply not increase substantially more than what is currently anticipated.

**Figure 14:** Forecasted global production – demand balance for rare earth oxides used in permanent magnets



## Forecasted REO Prices to 2035

As per its latest “Rare Earth Pricing Quarterly Outlook” report (Q3 2023), Adamas Intelligence forecasted annual average prices for each rare earth oxide to 2035 under three scenarios (see Figure 15).

### Base Case

In the Base Case, Adamas forecasts that magnet rare earth prices will trend steadily higher from 2023 through 2026 on the back of increasingly tight supplies and rapidly growing demand for EV traction motors, wind power generators and other applications of NdFeB magnets.

From 2026 through 2029, however, Adamas expects that battery materials and/or other component shortages will slow the EV market’s growth by 15% to 30%, leading magnet rare earth prices to increase just slightly over the four-year period.

Thereafter, from 2029 through 2035, Adamas projects that the EV market will return to unhindered growth, exacerbating the imbalance between global supply and demand while sending magnet rare earth prices steadily higher through the end of the forecast period.

### Upside

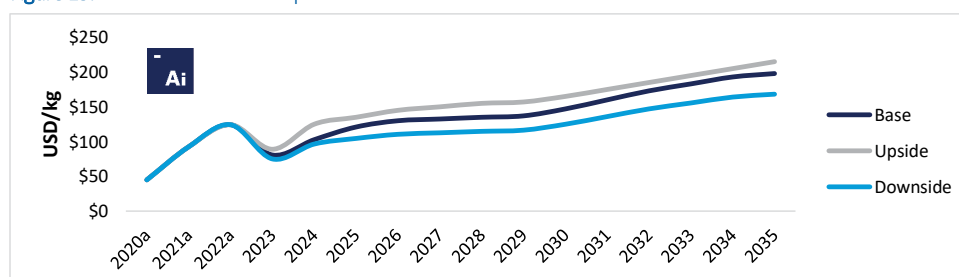
In the Upside scenario, Adamas forecasted prices in an outlook that sees accelerated supply and demand growth in the years ahead versus what is expected in its Base Case scenario.

In this scenario, magnet rare earth prices are expected to rise steadily throughout the forecast period as demand progressively outpaces supply and EVs, wind power and other less-price-sensitive applications increasingly make up a larger and larger share of overall NdFeB demand.

### Downside

In the In the Downside scenario, Adamas forecasted prices in in an outlook that sees decelerated supply and demand growth in the years ahead versus what is expected in its Base Case scenario translating to lower price over the forecast period.

Figure 15: Forecasted NdPr oxide price to 2035



\* Forecasted prices are in Real 2023 US dollars and include 13% VAT; if selling into China, VAT should be deducted; if selling ex-China prices above should be taken at face value

# 5. Industry Overview Report continued

## Importance of Rare Earths to Ongoing Energy Transition

In 2022, Adamas Intelligence data indicates that \$3.8 billion worth of magnet rare earth oxides, namely NdPr, Dy and Tb oxides, were consumed globally in NdFeB alloys for energy-transition-related applications, including EV traction motors and wind power generators.

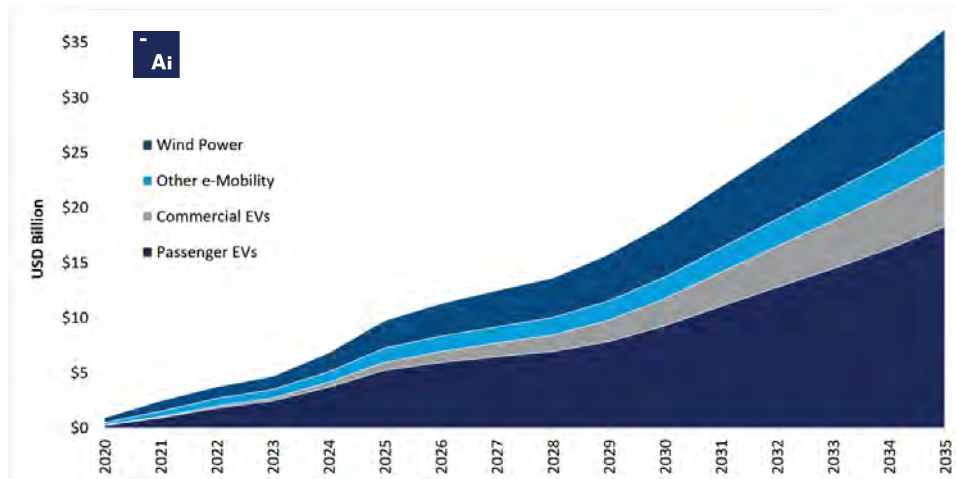
With demand and prices soaring in recent years, the total value of rare earth oxides consumed for the energy transition each year quadrupled between 2020 and 2022. By 2035, with demand and prices expected to continue rising, Adamas projects the value of consumption will increase another 10-fold.

### Passenger EV traction motors and wind power generators will fuel the greatest growth:

Specifically, from 2022 through 2035, Adamas forecasts that the value of rare earth oxides consumed by energy-transition-related applications will rise at a CAGR of 19.1%, from \$3.8 billion in 2022 to \$36.2 billion in 2035.

This growth will be led primarily by passenger EV traction motors, which will drive over 50% of the value of consumption in 2035, followed by wind power generators, which will propel another 25%.

**Figure 16:** Forecasted value of rare earth oxide demand for NdFeB alloys for energy-transition-related applications by end-use category

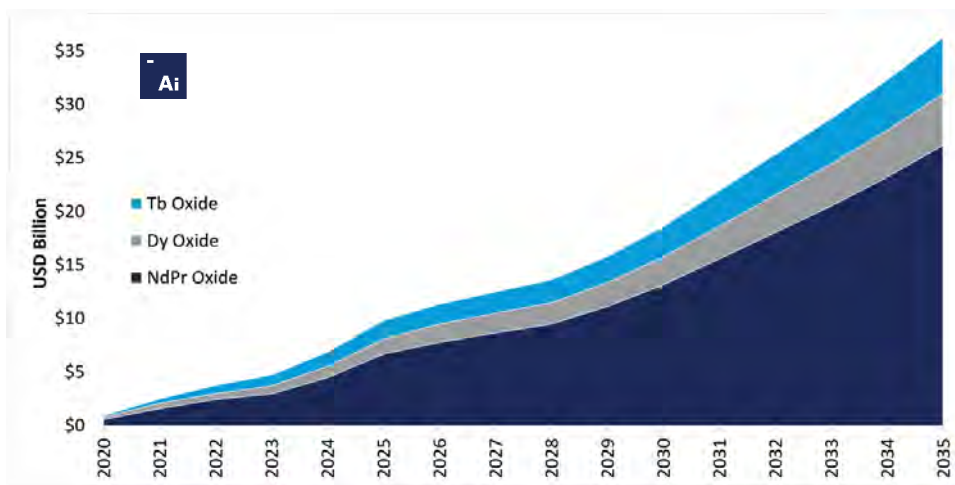


### NdPr oxide to benefit most but the rising tide will float all boats:

By oxide, NdPr consumption value is expected to see the greatest rise over the forecast period, increasing 11-fold by 2035, underpinned by strong demand growth across all applications, rising prices, and ongoing thrifting of heavy rare earth concentrations in high grade NdFeB magnets and the consequential bolstering of NdPr concentrations.

Conversely, Dy and Tb oxide consumption value is expected to increase at a slightly slower pace, rising 7- to 9-fold over the forecast period as supply scarcity and technical innovations fuel an incremental reduction in Dy and Tb use per unit of magnet.

**Figure 17:** Forecasted value of rare earth oxide demand for NdFeB alloys for energy-transition-related applications by oxide



**Energy transition ‘tag-along’ applications to add billions more in market value:**

Alongside the energy-transition-related applications considered above are a handful of related uses of NdFeB magnets that also stand to benefit from the ongoing shift to electromobility and renewable power generation.

Within each EV are an array of micromotors, sensors and audio speakers that also, in many cases, use NdFeB magnets to minimize vehicle weight, and thereby maximize driving range and/or minimize battery costs. As such, rapidly growing EV sales globally stand not only to boost NdFeB demand for EV traction motors but also for the wealth of smaller applications pervading modern electric vehicles.

Moreover, with ever-increasing focus on energy efficiency, energy costs and related emissions by manufacturers and consumers alike, rare earths and the magnets that use them also stand to benefit from rising demand for efficient and reliable motors, pumps and compressors used in everything from industrial robots and assembly line conveyors to best-in-class white goods, air conditioners, battery powered lawnmowers and more.

The above mentioned ‘tag-along’ applications add billions more to the market outlook and serve as a testament to the importance of the energy transition to rare earths, and of rare earths to the energy transition.

## 5. Industry Overview Report continued

### International Supply Chain Development

Outside of China and Japan, a wave of incoming NdPr oxide supply is helping de-risk the business case for downstream investments in metals, alloy and magnet production capacity, spurring public and private sectors into action over the past eighteen months.

#### Company announcements:

In late-2021 and 2022, companies including MP Materials, Vacuumschmelze, USA Rare Earth, Neo Performance Materials, GKN Powder Metallurgy, Solvay and Noveon, announced plans to establish NdFeB magnet production capacity in North America and Europe within the near- to medium-term.

These developments, and others yet to come, are a testament to the upstream market's rising diversity and supply security coupled with the downstream market's rapidly increasing demand for sustainable supplies of NdFeB magnets – particularly for electric vehicles.

#### Government announcements:

Similarly, in late-2021 and 2022, governments in the U.S., Canada, Europe and Australia announced aggressive support for development of respective and collective critical minerals supply chains, which is helping facilitate investment in new mine-to-magnet production capacity globally.

In 2022, U.S. President Biden invoked the Defense Production Act to give the government enhanced powers and funding to expedite development of critical minerals supply chains needed for advanced technologies, such as electric vehicles, while reducing long-term dependence on China.

Similarly, in 2022, Canada announced a critical minerals strategy that includes \$3 billion in support for project infrastructure investments and tax credits aimed at expediting project development.

Moreover, in early 2022, Canada and the European Commission issued a joint statement highlighting their mutual commitment to ensuring security of critical minerals and metals supply chains to reduce dependence on Russian minerals while facilitating the shift to a climate-neutral economy.

Additionally, in 2022, the Australian government announced a critical minerals strategy aimed at growing domestic production and expanding downstream processing to support and capitalize on the ongoing shift to electromobility and cleaner energy. In 2022, Australia's strategy underpinned over USD \$1 billion worth of investment commitments into the nation's rare earth industry.

#### Alternative supply chains are coming together:

These recent announcements, and others to come, reflect a growing concern in North America and Europe about supply chain sustainability, and signal the coalescing of new alternative international mine-to-magnet supply chains connecting North America, Europe, Africa and Australia.

These emerging supply chains, and the electromobility and clean energy shift propelling them, stand to fuel rising demand for non-China mined rare earth oxides in the decade ahead.



### **Heavy rare earths: A critical blindspot in emerging alternative supply chains:**

As new alternative mine-to-magnet supply chains continue to emerge, Adamas believes there will be insufficient heavy rare earth oxide supply outside of China and Myanmar to meet the needs of emerging magnet makers.

Moreover, with China's known heavy rare earth resources dwindling and the future of rare earth flows from Myanmar to China uncertain, Adamas expects China will soon face a domestic heavy rare earth supply crunch that could severely curtail its dysprosium and terbium exports.

Without sufficient supply of dysprosium and terbium, future magnet makers in North America and Europe will collectively not be able to produce enough high-grade NdFeB magnets for the automotive industry, wind power sector and other critical end-use sectors, jeopardizing the competitiveness of downstream industries in these regions and potentially derailing the roadmaps of automakers, technology developers and governments alike.

### **Dysprosium and terbium: Crack in the emerging armor:**

By the end of the decade, Adamas expects ex-China NdPr oxide supply will be sufficient for production of more than 60,000 tonnes of NdFeB magnets annually.

However, unless numerous HREO producers come online outside of China and Myanmar over the same period, just a fraction of this prospective NdFeB magnet production could be high grade (i.e., high-temperature-performance) magnets for automotive or wind applications.

Overall, for North America and Europe to fully electrify vehicle production and sales by 2035 with just 50% of vehicles using permanent magnet traction motors (versus 97% using them in 2022) will conservatively necessitate all the world's current global dysprosium and terbium oxide supply annually. Fully electrifying vehicle production and sales in the Asia Pacific region will necessitate the same.

With current global heavy rare earth oxide production increasing just marginally each year and the outlook for Myanmar (miner of 40% of the world's dysprosium and terbium) uncertain, heavy rare earth elements remain a massively under-addressed blind spot in the automotive and wind supply chains.

According to Adamas Intelligence data, there are more than a dozen emerging rare earth producers globally with potential to produce modest amounts of dysprosium and terbium oxide annually by the middle-to-end of the decade, however, their collective supply would still be insufficient for the North American and European automotive industries, let alone the wind power, industrial, consumer and defense end-use sectors in these regions.

In Adamas' view, stakeholders need to collectively and imminently address the looming heavy rare earth supply crunch or risk seeing current momentum and magnet supply chain investments fatally undermined by a lack of dysprosium and terbium.

## 5. Industry Overview Report continued

### **Current State of the Market and Near-Term Outlook**

#### **Magnet rare earth prices poised to sail higher:**

In 2022, prices of magnet rare earths (i.e., NdPr, Dy and Tb) were subdued by weak demand from legacy automotive applications (due to ongoing microchip shortages), coupled with a historic consumer confidence crisis in Europe, Asia and North America.

Encouragingly, China set the stage for recovering consumer confidence in late-2022 by ending domestic 'COVID Zero' policy and reversing unpopular property restrictions in a push to turn around the nation's economic slide.

Similarly, after hitting a record low in the second half of last year, consumer confidence in Europe trended steadily higher through the end of 2022, back above levels experienced in early-2020 at the outset of the pandemic.

Looking forward, Adamas Intelligence believes the current market malaise will ease in the coming 6 to 12 months, steering magnet rare earth demand and prices higher through the medium- to long-term.

#### **Latent demand pop, tight inventory levels a recipe for higher prices:**

As auto industry bottlenecks ease and consumer confidence recovers in the coming 6 to 18 months, Adamas sees potential for a latent demand pop in late-2023/24, whereby consumer purchases that were delayed in 2022 materialize in 2023/24.

The rare earth demand market experienced this type of phenomenon in 2021 following the initial year of the COVID-19 pandemic and Adamas expects will experience another such event in the not-too-distant future.

Coupling this expected demand pop with the reality that China's rare earth industry is holding just weeks of NdPr oxide supplies, Adamas sees potential for rare earth prices to jump back to early-2022 levels again in the near-term, if only temporarily.

#### **Inducement curve supports a current NdPr oxide price of US \$150 per kilogram:**

With magnet rare earth prices down from the 10-year highs reached in early 2022, it's easy to lose sight of the base fundamentals underpinning the industry, and their overarching influence on prices in an unimpaired market.

From a cost-curve perspective, Adamas Intelligence analysis reveals that a present-day incentive price of ~US \$150 per kilogram of NdPr oxide is required to justify and induce the breadth of supply-side investments needed to meet medium-and long-term demand growth.

Not surprisingly, NdPr oxide prices started 2022 in the ~US \$150 per kilogram range before auto industry bottlenecks and faltering consumer confidence suppressed near-term demand growth.

**Demand is evolving, increasingly dominated by less cost sensitive applications:**

According to Adamas Intelligence, the nature of global NdFeB magnet demand is rapidly evolving as the market shifts from a past driven by hard disk drives, optical disc drives, consumer electronics, automotive micromotors, sensors and loudspeakers to a future led by electric vehicle traction motors, wind power generators and other energy-efficient motors, pumps and compressors.

In the years ahead, Adamas projects that demand will be increasingly led by applications in which the use of NdFeB magnets imparts an economic benefit at the system-level (be it through battery cost savings, maintenance cost reductions or reduced emissions), making the nature of future demand significantly less sensitive to rare earth input prices than that of past and present.

**China becoming less vertically integrated, increasingly reliant on expensive concentrate imports:**

While conventional wisdom suggests China's rare earth industry is a super consolidated, monolithic entity – the reality is that most producers and value-adders in the nation are not vertically integrated and, as a whole, China's industry has become increasingly reliant on foreign sources of expensive feedstock from abroad in recent years.

In 2015, over 90% of all separated light rare earth oxides produced in China were derived from domestically mined feedstock but by 2021, this share was down to nearly 70% as the nation's reliance on imports expands.

Similarly, in 2015, nearly 85% of all heavy rare earth oxides produced in China were derived from domestically mined feedstock but as of 2021 this share was down to just 53%.

Notably, Adamas analysis indicates that the price of these feedstock imports is increasing too – increasing disproportionately more than the value of the products they yield, adding forward support for higher rare earth oxide, metal and magnet prices downstream.



## 6. Financial Information and Independent Limited Assurance Report

# 6. Financial Information and Independent Limited Assurance Report

## 6.1 Introduction

This section sets out the Historical and Pro Forma Financial Information of BRE. The Directors are responsible for the inclusion of all financial information in this Prospectus. The purpose of the inclusion of the Historical and Pro Forma Financial Information is to illustrate the effects of the Offer and other pro forma events on BRE. Hall Chadwick WA Audit Pty Ltd (**Hall Chadwick**) has prepared an Independent Limited Assurance Report in respect to the Historical and Pro Forma Financial Information. A copy of that report, within which appears an explanation of the scope and limitations of Hall Chadwick's work, is set out in Section 6.11.

All information presented in this Section should be read in conjunction with the balance of this Prospectus, including (without limitation):

- the risk factors described in Section 3;
- the description of the use of proceeds of the Offer described in Section 1.6;
- the Independent Limited Assurance Report, set out in Section 6.11; and
- the indicative capital structure described in Section 1.7.

Investors should note that historical results are not a guarantee of future performance.

## 6.2 Basis and method of preparation

The Historical and Pro Forma Financial Information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards and the accounting policies adopted by BRE as detailed in Section 6.7. The Historical and Pro Forma Financial Information has been derived from the historical financial information and assumes the completion of the pro forma adjustments as set out Sections 6.6(b) and 6.6(c) as if those adjustments had occurred as at 30 June 2023.

The Historical and Pro Forma Financial Information contained in this Section of this Prospectus is presented in an abbreviated form and does not contain all the disclosures that are provided in a financial report prepared in accordance with the Corporations Act and Australian Accounting Standards and Interpretations.

The historical financial information comprises the following (collectively referred to as the **Historical Financial Information**) for BRE:

- The historical consolidated Statements of Profit or Loss and Other Comprehensive Income for the period from BRE's date of incorporation being 31 March 2021 to 31 December 2021, for the year ended 31 December 2022 and for the half-year ended 30 June 2023;
- The historical consolidated Statements of Financial Position as at 31 December 2021, 31 December 2022 and 30 June 2023; and
- The historical Statements of Cash Flows for the period from BRE's date of incorporation being 31 March 2021 to 31 December 2021, for the year ended 31 December 2022 and for the half-year ended 30 June 2023.

The historical and pro forma financial information comprises:

- The pro forma statement of financial position as at 30 June 2023, prepared on the basis that the Subsequent Events and IPO Adjustments detailed in Section 6.6(b) and Section 6.6(c) respectively had occurred as at 30 June 2023; and
- the notes to the historical and pro forma financial information,

(collectively referred to as the **Historical and Pro Forma Financial Information**).

The Historical Financial Information of BRE has been extracted from the consolidated financial report for the period from BRE's date of incorporation being 31 March 2021 to 31 December 2021, the consolidated financial report for the year ended 31 December 2022 and the consolidated financial report for the half-year ended 30 June 2023.

## 6. Financial Information and Independent Limited Assurance Report continued

The consolidated financial report for the period from BRE's date of incorporation being 31 March 2021 to 31 December 2021 and the consolidated financial report for the year ended 31 December 2022 were audited by Hall Chadwick in accordance with Australian Auditing Standards. Hall Chadwick issued unqualified audit opinions on the financial reports with material uncertainty related to going concern paragraphs.

The consolidated financial report for the half-year ended 30 June 2023 was reviewed by Hall Chadwick in accordance with Australian Auditing Standards. Hall Chadwick issued an unqualified review conclusion on the financial report with a material uncertainty related to going concern paragraph.

### 6.3 Historical statements of profit or loss and other comprehensive income

Set out below are the statutory historical consolidated statements of profit or loss and other comprehensive income for the period from BRE's date of incorporation being 31 March 2021 to 31 December 2021, for the year ended 31 December 2022 and for the half-year ended 30 June 2023:

	CONSOLIDATED REVIEWED HALF YEAR ENDED 30 JUNE 2023 A\$	CONSOLIDATED AUDITED YEAR ENDED 31 DECEMBER 2022 A\$	CONSOLIDATED AUDITED PERIOD FROM 31 MARCH 2021 TO 31 DECEMBER 2021 A\$
<b>REVENUES</b>			
Interest income	178,895	301	68
Other income	-	56,094	-
	<b>178,895</b>	<b>56,395</b>	<b>68</b>
<b>EXPENSES</b>			
Depreciation expense	(98,117)	(95,593)	(3,995)
Key management personnel and employee remuneration	(480,594)	(1,059,793)	-
Exploration and evaluation expense	(5,030,817)	(4,384,104)	(552,547)
Corporate compliance and shareholder relations	(10,000)	(157,650)	(59,008)
Finance charges	(1,425,291)	(232,444)	(3,850)
General and administrative expenses	(17,272)	(3,893)	(750)
Professional fees	(426,580)	(245,727)	(4,188)
Share based payments expense	-	(1,757,934)	(220,752)
Travel expenses	(35,298)	(18,198)	-
Losses on foreign exchange	(14,823)	(2,142)	(85)
<b>Operating loss before income tax</b>	<b>(7,359,897)</b>	<b>(7,901,083)</b>	<b>(845,107)</b>
Income tax expense	-	-	-
<b>Loss for the period</b>	<b>(7,359,897)</b>	<b>(7,901,083)</b>	<b>(845,107)</b>
<b>Other comprehensive income/(loss)</b>			
<i>Items that may be reclassified to the profit or loss</i>			
Exchange differences on translation of foreign operations	643,141	64,255	(116,668)
<b>Total comprehensive income/(loss)</b>	<b>(6,716,756)</b>	<b>(7,836,828)</b>	<b>(961,775)</b>

\* Refer to Section 6.2 with respect to the review conclusion and audit opinions issued by Hall Chadwick on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 6.7 and the Independent Limited Assurance Report in Section 6.11.



## 6.4 Historical statements of financial position

	CONSOLIDATED REVIEWED 30 JUNE 2023 A\$	CONSOLIDATED AUDITED 31 DECEMBER 2022 A\$	CONSOLIDATED AUDITED 31 DECEMBER 2021 A\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	11,545,753	18,430,214	202,750
Trade and other receivables	237,195	1,154,217	140,777
Other assets	300,232	39,557	14,304
<b>TOTAL CURRENT ASSETS</b>	<b>12,083,180</b>	<b>19,623,988</b>	<b>357,831</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment	1,661,395	419,467	66,735
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,661,395</b>	<b>419,467</b>	<b>66,735</b>
<b>TOTAL ASSETS</b>	<b>13,744,575</b>	<b>20,043,455</b>	<b>424,566</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	535,483	854,091	21,216
Provisions	5,255	-	-
Borrowings (Note 1)	18,214,857	17,532,591	-
Derivative financial instruments (Note 1)	3,232,260	3,183,297	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>21,987,855</b>	<b>21,569,979</b>	<b>21,216</b>
<b>TOTAL LIABILITIES</b>	<b>21,987,855</b>	<b>21,569,979</b>	<b>21,216</b>
<b>NET ASSETS</b>	<b>(8,243,280)</b>	<b>(1,526,524)</b>	<b>403,350</b>
<b>EQUITY</b>			
Issued capital	7,241,829	7,241,829	625,000
Other equity	-	-	725,000
Reserves	620,978	(22,163)	(101,543)
Accumulated losses	(16,106,087)	(8,746,190)	(845,107)
<b>TOTAL EQUITY</b>	<b>(8,243,280)</b>	<b>(1,526,524)</b>	<b>403,350</b>

\* Refer to Section 6.2 with respect to the review conclusion and audit opinions issued by Hall Chadwick on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 6.7 and the Independent Limited Assurance Report in Section 6.11.

1. Borrowings and derivative financial instruments related to Convertible Notes with an aggregate face value of A\$21.432 million which will convert into Shares in the Company pursuant to the Notes Conversion.



# 6. Financial Information and Independent Limited Assurance Report continued

## 6.5 Historical statement of cash flows

	CONSOLIDATED REVIEWED HALF YEAR ENDED 30 JUNE 2023 A\$	CONSOLIDATED AUDITED YEAR ENDED 31 DECEMBER 2022 A\$	CONSOLIDATED AUDITED PERIOD FROM 31 MARCH 2021 TO 31 DECEMBER 2021 A\$
<b>OPERATING ACTIVITIES</b>			
Payments to suppliers and employees	(6,026,239)	(5,608,598)	(726,943)
Finance costs paid	(694,062)	(32,639)	(3,850)
Other income	-	56,094	-
Interest received	178,895	301	68
<b>Net cash flows used in operating activities</b>	<b>(6,541,406)</b>	<b>(5,584,842)</b>	<b>(730,725)</b>
<b>INVESTING ACTIVITIES</b>			
Loan to related party	-	(1,725)	(138,904)
Repayment of loan to related party	-	138,904	-
Payments for property, plant and equipment	(1,662,355)	(439,266)	(70,699)
<b>Net cash flows used in investing activities</b>	<b>(1,662,355)</b>	<b>(302,087)</b>	<b>(209,603)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	-	4,149,020	1,144,373
Proceeds from issue of convertible notes	1,000,000	20,000,000	-
<b>Net cash provided by financing activities</b>	<b>1,000,000</b>	<b>24,149,020</b>	<b>1,144,373</b>
Net change in cash and cash equivalents	(7,203,761)	18,262,091	204,045
Cash and cash equivalents beginning of period	18,430,214	202,750	-
Effect of exchange rate fluctuations on cash and cash equivalents	319,300	(34,627)	(1,295)
<b>Cash and cash equivalents end of period</b>	<b>11,545,753</b>	<b>18,430,214</b>	<b>202,750</b>

\* Refer to Section 6.2 with respect to the review conclusion and audit opinions issued by Hall Chadwick on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 6.7 and the Independent Limited Assurance Report in Section 6.11.

## 6.6 Historical and Pro forma statement of financial position

The table below sets out the summary historical consolidated statement of financial position as at 30 June 2023 and the pro forma adjustments that have been made to the consolidated statement of financial position as at 30 June 2023. The pro forma consolidated statement of financial position below is provided for illustrative purposes only and is not represented as being necessarily indicative of the Group's view of its future financial position.

	NOTES	REVIEWED 30 JUNE 2023 A\$	PRO FORMA SUBSEQUENT EVENT ADJUSTMENTS A\$	IPO ADJUSTMENTS A\$	PRO FORMA BALANCE A\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6.6(d)(i)	11,545,753	(8,344,835)	45,716,916	48,917,834
Trade and other receivables		237,195	-	-	237,195
Other assets		300,232	(102,284)	-	197,948
<b>TOTAL CURRENT ASSETS</b>		<b>12,083,180</b>	<b>(8,447,119)</b>	<b>45,716,916</b>	<b>49,352,977</b>
<b>NON CURRENT ASSETS</b>					
Property, plant and equipment		1,661,395	-	-	1,661,395
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,661,395</b>	<b>-</b>	<b>-</b>	<b>1,661,395</b>
<b>TOTAL ASSETS</b>		<b>13,744,575</b>	<b>(8,447,119)</b>	<b>45,716,916</b>	<b>51,014,372</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables		535,483	(233,333)	-	302,150
Borrowings	6.6(d)(ii)	18,214,857	20,724	(17,710,581)	525,000
Provisions		5,255	-	-	5,255
Derivative financial instruments	6.6(d)(iii)	3,232,260	-	(3,232,260)	-
Deferred consideration for acquisition of tenements	6.6(d)(iv)	-	7,526,550	-	7,526,550
<b>TOTAL CURRENT LIABILITIES</b>		<b>21,987,855</b>	<b>7,313,941</b>	<b>(20,942,841)</b>	<b>8,358,955</b>
<b>NON-CURRENT LIABILITIES</b>					
Deferred consideration for acquisition of tenements	6.6(d)(v)	-	3,504,362	-	3,504,362
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>3,504,362</b>	<b>-</b>	<b>3,504,362</b>
<b>TOTAL LIABILITIES</b>		<b>21,987,855</b>	<b>10,818,303</b>	<b>(20,942,841)</b>	<b>11,863,317</b>
<b>NET ASSETS/(LIABILITIES)</b>		<b>(8,243,280)</b>	<b>(19,265,422)</b>	<b>66,659,757</b>	<b>39,151,055</b>
<b>EQUITY</b>					
Issued capital	6.6(d)(vi)	7,241,829	7,386,162	96,561,136	111,189,127
Reserves	6.6(d)(vii)	620,978	243,590	-	864,568
Accumulated losses	6.6(d)(viii)	(16,106,087)	(26,895,174)	(29,901,379)	(72,902,640)
<b>TOTAL EQUITY</b>		<b>(8,243,280)</b>	<b>(19,265,422)</b>	<b>66,659,757</b>	<b>39,151,055</b>

\* Refer to Section 6.2 with respect to the review conclusion and audit opinions issued by Hall Chadwick on the Historical Financial Information. The financial information should be read in conjunction with the accounting policies in Section 6.7 and the Independent Limited Assurance Report in Section 6.11.

## 6. Financial Information and Independent Limited Assurance Report continued

The following sets out the main elements of the statement of financial position as at 30 June 2023.

### (a) Description of Pro Forma Adjustments

The Historical and Pro Forma Statement of Financial Position comprises:

- (i) Material transactions undertaken that have occurred since 30 June 2023 as if they had occurred at 30 June 2023 (**Subsequent Events**); and
- (ii) Transactions that will be undertaken on or immediately prior to completion of the Offer (**IPO Adjustments**).

### (b) Subsequent Events

Set out below are the material transactions that have occurred since 30 June 2023 and the impact on the Statement of Financial Position as if they had occurred as at 30 June 2023:

- (i) The accrual and payment of interest on the Convertible Notes for the quarters ended 30 September 2023 and 31 December 2023. The estimated date on which the Convertible Notes will convert into Shares is 31 December 2023;
- (ii) Estimated cash expenditure by the Company and its subsidiaries in the period from 1 July 2023 to the date of this Prospectus. As at 30 June 2023, the Group held cash and cash equivalents of A\$11,545,753. As disclosed in Section 1.6, it is estimated that at the date of this Prospectus the Group's cash and cash equivalents are approximately A\$3,200,000. Significant items of expenditure during the period include A\$1,050,000 interest paid on the Convertible Notes (other than the Founder Notes), A\$3,010,620 in payments made under the Amargosa Tenement Acquisition Agreement to purchase the Amargosa Tenements from Rio Tinto Brazil (refer to Section 6.6(b)(iii)), and operating expenditures for the period of approximately A\$4,284,215.
- (iii) On 4 July 2023 and as subsequently replaced by the Amargosa Tenement Acquisition Agreement on 19 October 2023, Borborema Mineracao entered into a binding agreement to acquire the Amargosa Tenements from Rio Tinto Brazil, a subsidiary of Rio Tinto as detailed in Section 9.6(e). The consideration for the acquisition is the Brazilian Real equivalent of USD9.328 million in cash payable by the following instalments:
  - (A) A deposit of the Brazilian Real equivalent of USD100,000 payable 5 days from the execution of the 4 July 2023 agreement. The deposit was paid on 4 July 2023.
  - (B) A first instalment of the Brazilian Real equivalent of USD2,000,000 (less the deposit) payable on the signing date of the Amargosa Tenement Acquisition Agreement. On payment of the first instalment the Company will be authorised to access the mining rights areas to carry out exploration activity on the mining rights. The first instalment was paid on 23 October 2023.
  - (C) A second instalment of the Brazilian Real equivalent of USD5,000,000 payable within 9 months from the date of signing the Amargosa Tenement Acquisition Agreement. On payment of the second instalment the Rio Tinto Brazil shall apply for the registration of the transfer of title to the mining rights.
  - (D) A third and final instalment of the Brazilian Real equivalent of USD2,328,000 payable on the later of 18 months from the signing date of the Amargosa Tenement Acquisition Agreement or the date on which the transfer of title for the Amargosa Tenements is registered by the relevant authorities in Brazil.
- (iv) 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 Rare Earths Americas Pty Ltd as detailed in Section 9.6(g). The consideration for the acquisition was 28,712 Shares in the Company on a pre-split basis or 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 Offer Price of A\$1.47).

- (v) On 20 October 2023, the Company's wholly owned subsidiary Borborema entered into the Amargosa Option Agreement with Rio Tinto Brazil pursuant to which Borborema is granted the right, but not the obligation to acquire three exploration permits (being the Optioned Permits) for a cash payment of the Brazilian Real equivalent of USD672,000 (refer to Section 9.6(f)). This transaction has not had a financial effect on the Historical and Pro Forma Financial Information as the exercise of the option is contingent on future events.
- (vi) The issue of equity incentives (comprising the Director Options and Management Performance Options) to Directors, officers, employees and contractors (or their nominees) pursuant to the Company's Employee Incentive Plan (refer to Section 6.8).
- (vii) On 23 October 2023, the Company completed a Share split pursuant to which each Share on issue was converted into a larger number of Shares on the basis that each Share on issue immediately prior to the Share split was subdivided into 175 Shares and the Management Performance Options and Director Options on issue immediately before the Share split were also subdivided on the same basis in accordance with their terms.

### (c) IPO adjustments

Set out below are the transactions that will be undertaken on, or immediately prior to, completion of the Offer, and which are accounted for in the Historical and Pro Forma Financial Information as if they had occurred as at 30 June 2023.

- (i) The revaluation of the embedded derivative liability related to the Convertible Notes and the issue of approximately 33,624,073 Shares on a post-split basis on the conversion of the Convertible Notes (including the interest payable on the Founder Notes). The fair value of the Shares issued on conversion of the Convertible Notes is estimated to be A\$49,449,029 resulting in an increase of A\$28,506,188 in the fair value of the derivative financial instrument liability with a corresponding expense recognised in the Statement of Profit and Loss. Included within the expense recognised in the Statement of Profit and Loss is an amount of A\$579,000 being the write off of capitalised borrowing expenses incurred in relation to the Convertible Notes issue.
- (ii) A capital raising of 34,013,606 Shares at the Offer Price of A\$1.47 per Share, to raise A\$50,000,000 cash before costs in accordance with this Prospectus.
- (iii) Costs of the capital raising and listing, comprising cash fees of A\$4,283,084. Depending on the nature of the cost, the capital raising fees were split between expenses through the Profit and Loss (A\$1,395,191) and charged to Issued Capital (A\$2,887,893).

## 6. Financial Information and Independent Limited Assurance Report continued

### (d) Effect of Pro Forma Adjustments of Statement of Financial Position line items

#### (i) Cash & Cash equivalents

	CONSOLIDATED REVIEWED 30 JUNE 2023 A\$	PROFORMA A\$
Cash and cash equivalents	11,545,753	48,917,834
<i>Adjustments to arrive at the pro-forma balance</i>		
Reviewed consolidated balance at 30 June 2023		11,545,753
<i>Subsequent events</i>		
Payment of convertible note interest quarters ended 30 June 2023 and 30 September 2023		(1,050,000)
Amargosa Tenement Acquisition		(3,010,620)
Other estimated cash expenditure for the period from 1 July to the date of the Prospectus		(4,284,215)
		<b>(8,344,835)</b>
<i>IPO adjustments</i>		
Issue of IPO shares		50,000,000
Costs of IPO capital raising		(4,283,084)
		<b>45,716,916</b>
<b>Proforma balance</b>		<b>48,917,834</b>

#### (ii) Borrowings

	CONSOLIDATED REVIEWED 30 JUNE 2023 A\$	PROFORMA A\$
Borrowings	18,214,857	525,000
<i>Adjustments to arrive at the pro-forma balance</i>		
Reviewed consolidated balance at 30 June 2023		18,214,857
<i>Subsequent events</i>		
Interest accrued on convertible notes to 31 December 2023		1,050,000
Interest paid on convertible notes for June and September quarters		(1,050,000)
Capitalised interest on Founder Notes to 31 December 2023		20,724
		<b>20,724</b>
<i>IPO adjustments</i>		
Conversion of convertible notes into ordinary shares at IPO		(17,710,581)
		<b>(17,710,581)</b>
<b>Proforma balance</b>		<b>525,000</b>

### (iii) Derivative financial instruments

	CONSOLIDATED REVIEWED 30 JUNE 2023 A\$	PROFORMA A\$
Derivative financial instruments	3,232,260	-
<i>Adjustments to arrive at the pro-forma balance</i>		
Reviewed consolidated balance at 30 June 2023		3,232,260
<i>IPO adjustments</i>		
Fair value adjustment immediately prior to conversion		28,506,188
Conversion of convertible notes into ordinary shares at IPO		(31,738,448)
		<b>(3,232,260)</b>
<b>Proforma balance</b>		<b>-</b>

### (iv) Deferred consideration for acquisition of tenements - current

	CONSOLIDATED REVIEWED 30 JUNE 2023 A\$	PROFORMA A\$
Deferred consideration for acquisition of tenements - current	-	7,526,550
<i>Adjustments to arrive at the pro-forma balance</i>		
Reviewed consolidated balance at 30 June 2023		-
<i>IPO adjustments</i>		
Amargosa Tenement Acquisition		7,526,550
		<b>7,526,550</b>
<b>Proforma balance</b>		<b>7,526,550</b>

### (v) Deferred consideration for acquisition of tenements - non-current

	CONSOLIDATED REVIEWED 30 JUNE 2023 A\$	PROFORMA A\$
Deferred consideration for acquisition of tenements - non-current	-	3,504,362
<i>Adjustments to arrive at the pro-forma balance</i>		
Reviewed consolidated balance at 30 June 2023		-
<i>IPO adjustments</i>		
Amargosa Tenement Acquisition		3,504,362
		<b>3,504,362</b>
<b>Proforma balance</b>		<b>3,504,362</b>

## 6. Financial Information and Independent Limited Assurance Report continued

### (vi) Issued capital

The movements in the Company's issued capital in the period from 30 June 2023 to the date of Admission are:

	CONSOLIDATED REVIEWED 30 JUNE 2023		PROFORMA	
	SHARES	A\$	SHARES	A\$
<b>Issued capital</b>	<b>778,008</b>	<b>7,241,829</b>	<b>214,107,429</b>	<b>111,189,127</b>
<i>Adjustments to arrive at the pro-forma balance</i>				
On issue at 30 June 2023			778,008	7,241,829
<i>Subsequent events</i>				
Remuneration Shares issued <sup>1</sup>			30,250	-
Shares issued as consideration for the Alpha Tenements <sup>2</sup>			28,712	7,386,162
Increase in securities on issue as a result of the Share split <sup>3</sup>			145,632,780	-
			<b>145,691,742</b>	<b>7,386,162</b>
<i>IPO Adjustments</i>				
Estimated Shares to be issued pursuant to the Notes Conversion <sup>4</sup>			33,624,073	49,449,029
Shares to be issued under the Offer			34,013,606	50,000,000
Costs of the Offer <sup>5</sup>			-	(2,887,893)
			<b>67,637,679</b>	<b>96,561,136</b>
<b>Proforma balance</b>			<b>214,107,429</b>	<b>111,189,127</b>

#### Notes:

- In September 2021 the Company granted certain Directors, employees and contractors the right to receive Shares subject to achievement of vesting conditions which have been satisfied. The Share based payments expense related to these Shares was recorded in the financial periods ended 31 December 2021 and 31 December 2022. Refer to the notes to Table 8 in Section 2.6 for further information.
- Refer to Section 9.6(g) for details of the Alpha Tenement Acquisition Agreement.
- On 23 October 2023, the Company completed a share split pursuant to which each fully paid ordinary share in BRE was converted into 175 fully paid ordinary shares and each Option on issue immediately before the Share split were also subdivided on the same basis in accordance with their terms.
- The estimated number of Shares which the Convertible Notes (including the interest accrued on the Founder Notes) will convert into is estimated based on a subscription price per Share of approximately A\$0.6387, being the quotient (in Australian currency) which results by dividing A\$100,000,000 by the number of Shares on issue plus the Shares that would be issued assuming conversion of securities in the Company capable of being converted into Shares (but not including the Convertible Notes) as at 5:00pm on the business day immediately prior to the Allotment Date. The total number of Shares to be issued pursuant to the Notes Conversion may vary depending on the total interest accrued on the Founder Notes at the time of the Notes Conversion. Refer to Section 9.6(c) for further details on the Convertible Notes and the Notes Conversion.
- Refer to Section 6.6(c) and Section 9.13 for details of the costs of the Offer.



**(vii) Reserves**

	CONSOLIDATED REVIEWED 30 JUNE 2023 A\$	PROFORMA A\$
Reserves	<b>620,978</b>	<b>864,568</b>
<i>Adjustments to arrive at the pro-forma balance</i>		
Reviewed consolidated balance at 30 June 2023		620,978
<i>Subsequent events</i>		
Issue of equity incentives		243,590
		<b>243,590</b>
<b>Proforma balance</b>		<b>864,568</b>

**(viii) Accumulated losses**

	CONSOLIDATED REVIEWED 30 JUNE 2023 A\$	PROFORMA A\$
Accumulated losses	<b>(16,106,087)</b>	<b>(72,902,640)</b>
<i>Adjustments to arrive at the pro-forma balance</i>		
Reviewed consolidated balance at 30 June 2023		(16,106,087)
<i>Subsequent events</i>		
Interest expense on convertible notes to 31 December 2023		(1,070,724)
Alpha Tenement Acquisition		(7,386,162)
Amargosa Tenement Acquisition		(14,041,532)
Issue of equity incentives		(243,590)
Other estimated expenses from 1 July 2023 to the date of the Prospectus		(4,153,166)
		<b>(26,895,174)</b>
<i>IPO adjustments</i>		
Revaluation of derivative liability immediately prior to conversion of convertible notes		(28,506,188)
Expense capital raising costs that do not qualify for capitalisation under the accounting standards		(1,395,191)
		<b>(29,901,380)</b>
<b>Proforma balance</b>		<b>(72,902,640)</b>

# 6. Financial Information and Independent Limited Assurance Report continued

## 6.7 Summary of significant accounting policies

The following is a summary of the material accounting policies adopted by the Group in the preparation of the Historical and Pro Forma Financial Information contained in this Section. The accounting policies have been consistently applied unless otherwise stated.

### (a) Basis of Accounting

The Historical and Pro Forma Financial Information has been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act.

Except for cash flow information, the Historical and Pro Forma Financial Information has been prepared on an accruals basis, is based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Historical and Pro Forma Financial Information requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Historical and Pro Forma Financial Information are disclosed where appropriate.

The pro forma Statement of Financial Position as at 30 June 2023 represents the reviewed financial position adjusted for the transactions discussed in Sections 6.6(b) and 6.6(c). The Statement of Financial Position should be read in conjunction with the notes set out in this Section 6.

### (b) Going Concern

The Historical and Pro Forma Financial Information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The entity's ability to continue as a going concern is dependent on the success of the Offer. The Directors believe that the entity will continue as a going concern. As a result, the financial information has been prepared on a going concern basis. However, should the Offer be unsuccessful, the entity may not be able to continue as a going concern. The Historical and Pro Forma Financial Information does not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

### (c) Basis of consolidation

The Historical and Pro Forma Financial Information incorporate the assets and liabilities of all subsidiaries of the Company as at the reporting date and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to 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 deconsolidated 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.

## (d) 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 the Company'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 year-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.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

### 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 the Company's presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing 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.

## (e) Exploration and Evaluation Assets

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

## (f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

## 6. Financial Information and Independent Limited Assurance Report continued

### (g) 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.

### (h) 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.

#### Classification and measurement

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.

#### 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.

### (i) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### (j) Revenue

The Company recognises revenue as follows:

#### Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

#### Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

### (k) Income tax

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the financial period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same tax authority.

## 6. Financial Information and Independent Limited Assurance Report continued

### (l) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income. Impairment testing is performed annually for intangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

### (m) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. 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 ATO 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.

### (n) Share based compensation

The Group operates equity-settled share-based remuneration plans for its employees.

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 vesting period, 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. 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.

### (o) Critical Accounting Estimates and 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.

### Deferred tax assets

No members of the Group have generated taxable income in the financial year 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.

### 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. Fair value is calculated with reference to observable market data or the most recent capital raise.

### Convertible notes and derivative financial liabilities

The Convertible Notes issued by the Company comprise a host debt contract which is measured at amortised cost and an embedded financial derivative liability which is measured at fair value through profit and loss. The initial separation of the host contract and the financial derivative liability and the subsequent measurement of the fair value of the derivative financial liability requires the fair value of the derivative financial liability to be determined. The Company has used a Monte Carlo simulation-based valuation methodology to assess the value of the derivative financial liability. Estimated fair values may vary from the actual price that would be achieved in an arm's length transaction.

## 6.8 Issue of equity incentives

On 1 September 2023 the Company granted 9,562,350 zero exercise price options, with an expiry of 5 years from the date of issue to executive Directors, officers, employees, and contractors to the Group (or their nominees) (being the Management Performance Options) subject to the following vesting conditions:

- (a) Tranche A of the Management Performance Options (30% of the Management Performance Options) will vest on the Company 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 the Company or any subsidiary (as defined in the Corporations Act) of the Company:
  - (i) at the time of the Company'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;
- (b) Tranche B of the Management Performance Options (30% of the Management Performance Options) will vest on a successful feasibility study (being measured by an internal rate of return greater than 25%) of one or more of the Company's minerals projects, prepared in accordance with the provisions of the JORC Code, being announced by the Company on or before the three-year anniversary of the IPO;
- (c) Tranche C of the Management Performance Options (20% of the Management Performance Options) will vest on 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 the Company'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); and
- (d) Tranche D of the Management Performance Options (20% of the Management Performance Options) will vest on achieving, on or before the five year anniversary of the IPO, a 90% increase in the Share price (compared to the price per share offered pursuant to the public offer under the Company'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).



## 6. Financial Information and Independent Limited Assurance Report continued

Table 18: Valuation of Management Performance Options

	MANAGEMENT PERFORMANCE OPTIONS			
	TRANCHE A	TRANCHE B	TRANCHE C	TRANCHE D
Valuation methodology	Black Scholes	Black Scholes	Monte Carlo	Monte Carlo
Iterations	n/a	n/a	100,000	100,000
Assumed spot price at grant date (A\$)	A\$1.47	A\$1.47	A\$1.47	A\$1.47
Term	5 years	5 years	5 years	5 years
Assumed latest vesting date	n/a	n/a	4 years from grant date	4 years from grant date
Exercise price (A\$)	nil	nil	nil	nil
Assumed VWAP hurdle (A\$)	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
<b>Fair value per ZEPO, rounded (A\$)</b>	<b>A\$1.47</b>	<b>A\$1.47</b>	<b>A\$1.34</b>	<b>A\$1.29</b>
Probability of non-market vesting condition being achieved	80%	70%	n/a	n/a
<b>Fair value per ZEPO to be recognised (A\$)</b>	<b>A\$1.18</b>	<b>A\$1.03</b>	<b>A\$1.34</b>	<b>A\$1.29</b>

On 1 September 2023 the Company granted 533,050 zero exercise price options with an expiry of 5 years from the date of issue to Non-Executive Directors of the Group (being the Director Options) subject to the following vesting conditions:

The Director Options have a term of five years from the date of issue and will vest as follows:

- (a) Tranche A (comprising one third of the Director Options) shall vest on the one-year anniversary of the date of the Company's admission to the Official List of ASX (**IPO**);
- (b) Tranche B (comprising one third of the Director Options) shall vest on the two-year anniversary of the IPO; and
- (c) Tranche C (comprising one third of the Director Options) shall vest on the three-year anniversary of the IPO.

**Table 19: Valuation of Director Options**

	DIRECTOR OPTIONS		
	TRANCHE A	TRANCHE B	TRANCHE C
Valuation methodology	Black Scholes	Black Scholes	Black Scholes
Assumed spot price at grant date (A\$)	A\$1.47	A\$1.47	A\$1.47
Term	5 years	5 years	5 years
Assumed latest vesting date	n/a	n/a	n/a
Exercise price (A\$)	nil	nil	nil
Assumed VWAP hurdle (A\$)	n/a	n/a	n/a
Risk-free rate (%)	3.686%	3.686%	3.686%
Volatility (%)	85%	85%	85%
Dividend yield (%)	nil	nil	nil
<b>Fair value per ZEPO, rounded (A\$)</b>	<b>A\$1.47</b>	<b>A\$1.47</b>	<b>A\$1.47</b>
Probability of non-market vesting condition being achieved	90%	80%	70%
<b>Fair value per ZEPO to be recognised (A\$)</b>	<b>A\$1.32</b>	<b>A\$1.18</b>	<b>A\$1.03</b>

The fair value of the Management Performance Options and Director Options will be recognised as an expense in the Statement of Profit and Loss over the vesting period for each tranche.

## 6.9 Related parties

The Historical and Proforma Financial Information incorporates the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in Section 6.7.

NAME OF ENTITY	COUNTRY OF INCORPORATION	CLASS OF SHARES	EQUITY HOLDING
Borborema Mineração Ltda <sup>1</sup>	Brazil	Ordinary	100%
Jequié Mineração Ltda	Brazil	Ordinary	100%
Ubaíra Mineração Ltda	Brazil	Ordinary	100%
Alta Materials Pty Ltd	Australia	Ordinary	100%
Cronos Material Pty Ltd	Australia	Ordinary	100%
Brazilian Rare Earths UK Ltd	United Kingdom	Ordinary	100%

**Note:**

1. Refer to section 1.1 of the Independent Solicitor's Report in Section 8 of this Prospectus for further information regarding the Company's ownership interest in Borborema Mineração Ltda.

Refer to Section 4.4 and other parts of this Prospectus for the Board and management interests.

# 6. Financial Information and Independent Limited Assurance Report continued

## 6.10 Contingent Liabilities

### (a) 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. Refer to Section 8 and Section 9.6(d) for further information on the Royalty Agreements.

### (b) 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 Mineraiis Ltda (**Rio Tinto Brazil**), a subsidiary of Rio Tinto. The cash consideration payable by the Group for the Amargosa Tenements (other than the Optioned Permits detailed below) is the Brazilian Real equivalent of USD9.328 million.

In addition, 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.

Refer to section 9.6(e) for further information on this agreement.

### (c) Option to acquire Additional Amargosa Tenements

On 20 October 2023, Borborema entered into an agreement with Rio de Contas Desenvolimentos Mineraiis Ltda pursuant to which Borborema has the option to acquire an additional three exploration permits (being the Optioned Permits) for a cash payment of the Brazilian Real equivalent of USD\$672,000. Refer to section 9.6(f) for further information on this agreement.

## 6.11 Independent Limited Assurance Report



13 November 2023

The Board of Directors  
Brazilian Rare Earths Limited  
Level 1  
139 Macquarie Street  
SYDNEY NSW 2000

Dear Board of Directors

### **Independent Limited Assurance Report - Brazilian Rare Earths Limited Historical and Pro Forma Financial Information**

We have been engaged by Brazilian Rare Earths Limited (“the Company”) to prepare this Independent Limited Assurance Report (“Report”) in relation to certain financial information of the Company for inclusion in a prospectus to be issued by the Company (“Prospectus”). The Prospectus is being issued to raise \$50,000,000 before associated costs at an Offer Price of \$1.47 per Share to certain investors and to assist the Company to meet the requirements for listing on the Australian Securities Exchange.

Expressions and terms defined in the Prospectus have the same meaning in this Report. This Report has been prepared for inclusion in the Prospectus. We disclaim any assumption of responsibility for any reliance on this Report or on the Financial Information to which it relates for any purpose other than that for which it was prepared.

### **Scope**

You have requested Hall Chadwick WA Audit Pty Ltd (“Hall Chadwick”) to perform a limited assurance engagement in relation to the historical and Pro Forma Financial Information described below and disclosed in the Prospectus.

The historical and Pro Forma Financial Information is presented in the Prospectus in an abbreviated form insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

## 6. Financial Information and Independent Limited Assurance Report continued



### **Historical Financial Information**

You have requested Hall Chadwick to review the following historical financial information (together the “Historical Financial Information”) of the Company included in the Prospectus:

- The historical Statements of Profit or Loss and Other Comprehensive Income for the period from incorporation to 31 December 2021, the year ended 31 December 2022 and the half year ended 30 June 2023;
- The historical Statements of Financial Position as at 31 December 2021, 31 December 2022 and 30 June 2023; and
- The historical Statements of Cash Flows for the period from incorporation to 31 December 2021, the year ended 31 December 2022 and the half year ended 30 June 2023.

The Historical Financial Information has been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards and the Company’s adopted accounting policies. The Historical Financial Information of the Company has been extracted from the financial reports for the relevant periods. The financial reports for the periods ended 31 December 2021 and 31 December 2022 were audited by Hall Chadwick in accordance with Australian Auditing Standards. Hall Chadwick have issued unqualified audit opinions with material uncertainty related to going concern paragraphs on the financial reports for the periods ended 31 December 2021 and 31 December 2022. The financial report for the half year ended 30 June 2023 was reviewed by Hall Chadwick in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Hall Chadwick issued an unqualified conclusion with a material uncertainty related to going concern paragraph on the financial report for the half year ended 30 June 2023.

### **Pro Forma Financial Information**

You have requested Hall Chadwick to review the pro forma historical Statement of Financial Position as at 30 June 2023 referred to as “the Pro Forma Financial Information”.

The Pro Forma Financial Information has been derived from the Historical Financial Information of the Company, after adjusting for the effects of the subsequent events and pro forma adjustments described in Section 6.6 of the Prospectus. The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the Historical Financial Information and the events or transactions to which the pro forma adjustments relate, as described in Section 6.6 of the Prospectus, as if those events or transactions had occurred as at the date of the Historical Financial Information. Due to its nature, the Pro Forma Financial Information does not represent the Company’s actual or prospective financial position or financial performance.

## **Directors' Responsibility**

The directors of the Company are responsible for the preparation of the Historical Financial Information and Pro Forma Financial Information, including the selection and determination of pro forma adjustments made to the Historical Financial Information and included in the Pro Forma Financial Information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Historical Financial Information and Pro Forma Financial Information that are free from material misstatement, whether due to fraud or error

## **Our Responsibility**

Our responsibility is to express limited assurance conclusions on the Historical Financial Information and Pro Forma Financial Information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

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

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

## **Conclusions**

### **Historical Financial Information**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- The historical Statement of Profit or Loss and Other Comprehensive Income for the period ended 31 December 2021, the year ended 31 December 2022 and the half year ended 30 June 2023;
- The historical Statement of Cash Flows for the period ended 31 December 2021, the year ended 31 December 2022 and the half year ended 30 June 2023; and
- The historical Statement of Financial Position as at 31 December 2021, 31 December 2022 and 30 June 2023,

is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 6.2 of the Prospectus.

## 6. Financial Information and Independent Limited Assurance Report continued

HALL CHADWICK 

### **Pro Forma Financial Information**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Financial Information comprising the Statement of Financial Position as at 30 June 2023 is not presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 6.2 of the Prospectus.

### **Restriction on Use**

Without modifying our conclusions, we draw attention to Section 6.1 of the Prospectus, which describes the purpose of the financial information, being for inclusion in the Prospectus. As a result, the financial information may not be suitable for use for another purpose.

### **Consent**

Hall Chadwick has consented to the inclusion of this Independent Limited Assurance Report in this Prospectus in the form and context in which it is so included (and at the date hereof, this consent has not been withdrawn), but has not authorised the issue of the Prospectus. Accordingly, Hall Chadwick makes no representation or warranties as to the completeness and accuracy of any information contained in this Prospectus, and (other than as described in the Prospectus) takes no responsibility for, any other documents or material or statements in, or omissions from, this Prospectus.

### **Liability**

The Liability of Hall Chadwick WA Audit Pty Ltd is limited to the inclusion of this report in the Prospectus and any other the statements included in the Prospectus with its consent. Hall Chadwick WA Audit Pty Ltd makes no representation regarding, and takes no responsibility for any other statements, or material in, or omissions from the Prospectus.

### **Declaration of Interest**

Hall Chadwick WA Audit Pty Ltd does not have any interest in the outcome of this transaction or any other interest that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Hall Chadwick WA Audit Pty Ltd will receive fees for the preparation of this report as disclosed in section 9.10 of the Prospectus.

Yours faithfully,



**D M BELL CA**  
Director



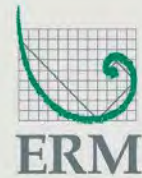


# 7. Independent Technical Report

# 7. Independent Technical Report



**CSA Global**  
Mining Industry Consultants  
an ERM Group company

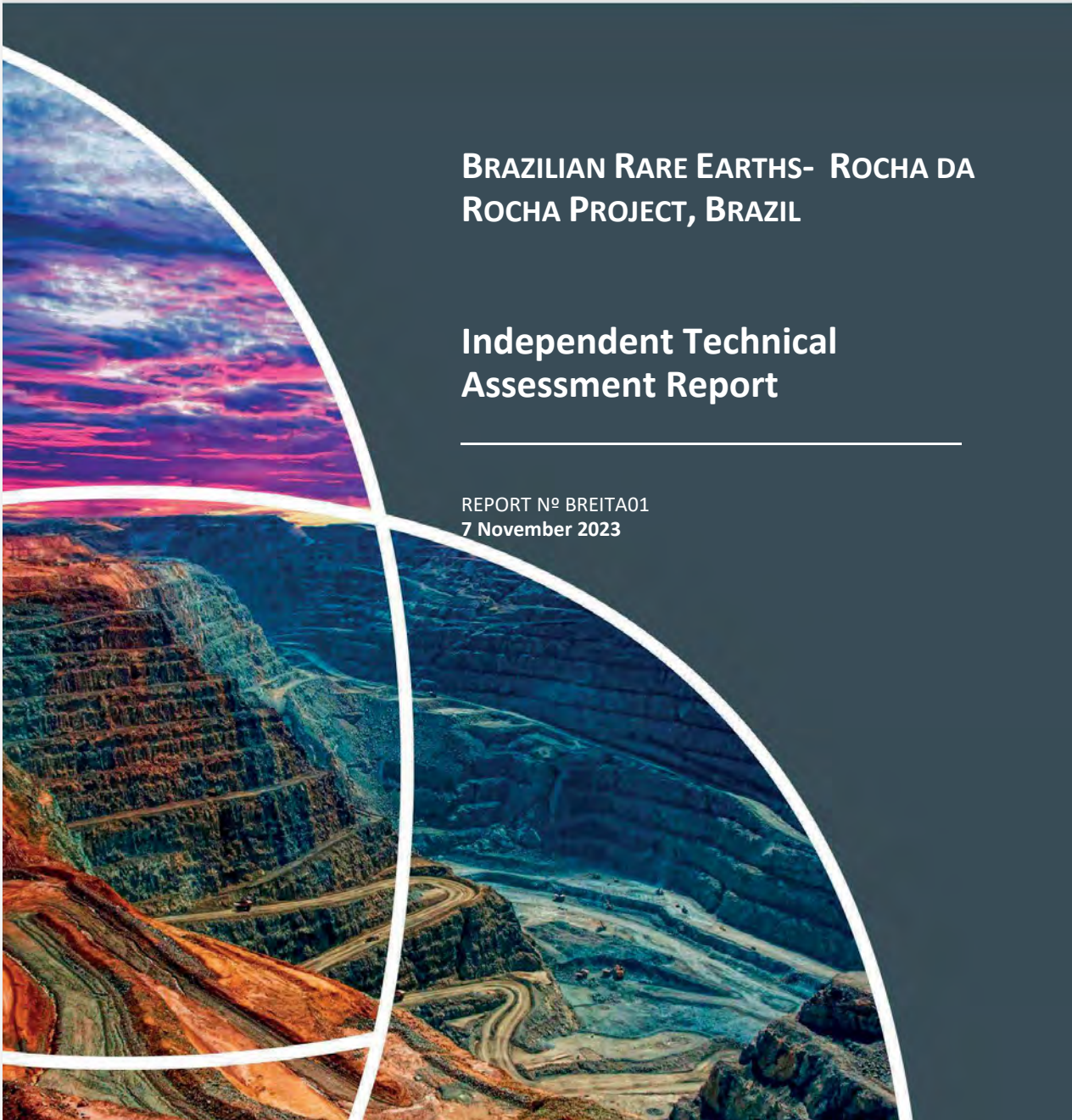


**BRAZILIAN RARE EARTHS- ROCHA DA  
ROCHA PROJECT, BRAZIL**

**Independent Technical  
Assessment Report**

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REPORT Nº BREITA01  
7 November 2023





**Report prepared for**

Client Name	Brazilian Rare Earths
Project Name/Job Code	BREITA01
Contact Name	Bernardo de Veiga
Contact Title	Managing Director
Office Address	Level 1, 139 Macquarie Street, Sydney NSW 2000

**Report issued by**

CSA Global Office	ERM Australia Consultants Pty Ltd (trading as CSA Global) ACN 003 687 581 Level 3, 1-5 Havelock Street West Perth WA 6005 AUSTRALIA  T +61 8 9355 1677 F +61 8 9355 1977 E <a href="mailto:info@csaglobal.com">info@csaglobal.com</a>
Division	Corporate

**Report information**

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Report Status	Final

**Author and Reviewer Signatures**

Coordinating Author & Peer Reviewer	Sonia Konopa BSc (Hon), MSc, FAusIMM, MAIG	Electronic signature not for duplication. Electronic signature not for duplication.  Electronic signature not for duplication. Electronic signature not for duplication.
Contributing Author	Mr Pete Siegfried BSc (Hon), MSc, MAusIMM (CP Geology)	
Contributing Author	David Williams B.Sc. (Hons), AIG (RPGeo), MAusIMM	Electronic signature not for duplication. Electronic signature not for duplication.  Electronic signature not for duplication. Electronic signature not for duplication.
Peer Reviewer	Max Nind MSc, GDipAppFinInv, MAIG	Electronic signature not for duplication. Electronic signature not for duplication.  Electronic signature not for duplication. Electronic signature not for duplication.
CSA Global Authorisation	Graham Jeffress BSc (Hons) Applied Geology, RPGeo, FAIG, FAusIMM, FSEG, MGSA	Electronic signature not for duplication. Electronic signature not for duplication.  Electronic signature not for duplication. Electronic signature not for duplication.

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# 7. Independent Technical Report continued



## Executive Summary

### Background

ERM Australia Consultants Pty Ltd trading as CSA Global (“CSA Global”), an ERM Group company, was engaged by Brazilian Rare Earths Limited ACN 649 154 870 (“Brazilian Rare Earths”, “BRE” or the “Company”) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support a considered initial public offering (IPO) to enable a listing on the Australian Securities Exchange (ASX). The funds raised will be used for the purpose of exploration and evaluation of the project areas as well as the acquisition of new tenements from a subsidiary of Rio Tinto.

BRE’s Rocha da Rocha Project (“the Project”) is located approximately 160 km west-southwest of Salvador, the capital of Bahia State in Northeast Brazil, and the primary commodity of interest are Rare Earth Elements (REE’s). The Project comprises 96 granted exploration permits which have a total area of approximately 141,000 hectares (1,410 km<sup>2</sup>). The Project also includes one application for an exploration permit, four applications for mining permits and two disponibilidades<sup>1</sup>, as well as an option (described in the prospectus as the Amargosa Option Agreement) to acquire three additional granted exploration permits. The Project is 100% owned by, or subject to agreements to be acquired by, BRE (via subsidiaries of BRE).

Brazilian Rare Earths is a privately owned Australian Company that was founded in 2021. BRE operations in Brazil are primarily conducted by the Company’s wholly owned subsidiary Borborema Mineracao Ltda (“Borborema”). Details of the Company’s subsidiary structure are described in Section 2.1 of the Report.

All BRE tenements are within approximately 30 km of two major federal highways which also provide direct access to the country’s key infrastructure and industrial centres. The tenements can be easily reached from either highway and access within the tenements is good via existing agricultural tracks or tracks established by the company through open pasture, plantations, or forests. The closest town to the Project area is Ubaíra with a population of approximately 20,000 and established infrastructure and amenities to support mineral exploration.

A site visit was conducted By CSA Global between 14 to 16 March 2023. During this time the following aspects of the Project were observed and/or reviewed:

- Review drill core, core yard storage, sample preparation, auger sample storage facilities, and auger sample preparation process.
- Drill site visit, including review of: auger drill hole in process and set up, historical auger holes, sonic drill hole in process and set up, historic sonic drill holes in field.
- Geological office visit to review: geology, new target areas, state of knowledge, exploration planning, and model of mineralisation.
- Geophysical (radiometric review), historic and new survey planning. Detailed database review, sample and QAQC, standards and protocols, pXRF sample process and preparation.

This ITAR is a summary and review of BRE’s recent exploration data, historical exploration data, mineral resources and reports provided by BRE.

### Geology and Mineralisation

Regionally the Project is located within Archean to Paleoproterozoic age granite, gneiss, granulite, and migmatite basement rocks that form part of a major tectonic domain known as the São Francisco Craton (Heilbron et al. 2017<sup>2</sup>) and sits within the Jequié Block, a tectono-structural block of the north-eastern São

<sup>1</sup> Refer to paragraph 27.25 of the Independent Solicitor’s Report in Section 8 of the Prospectus for an explanation of the bidding procedure commonly known as “disponibilidade”.

<sup>2</sup> The named party has not consented to the use of their information in this report.





Francisco Craton. The Jequié Block is located between the Gavião Block to the west and the Serrinha Block to the east.

Locally the Project is underlain by the Jequié Complex comprising plutonic calc-alkalic mafic to intermediate rocks, fractionated trondhjemites, tonalites and granodiorites (Fernandes et al., 2019<sup>3</sup>) that have been metamorphosed to granulite facies. The two major geological units are the Volta do Rio Plutonic Suite and the Brejões Group. Contacts between the major units correspond to regional scale thrusts and shear zones, and younger felsic metaplutonic rocks. A complex structural history is evident in the rocks in the Project area with evidence of multiple episodes of ductile deformation contemporaneous with the Transamazonian Cycle collision and associated high-grade metamorphism (Barbosa et al., 2004<sup>4</sup>).

The exploration program at the BRE Project has identified three main REE mineral deposit types:

1. Primary REE-Nb-Sc mineralization in bedrock.
2. Residual monazite mineral grains in shallow regolith.
3. Ionic adsorbed clay hosted REE mineralisation that has been discovered across the tenement area.

These mineralisation styles, although well understood are not common globally and appear to be distinctly different to most known REE deposits. This represents a distinctive REE deposit style and exploration work is currently focussed on developing a detailed understanding of the geological system to unlock the full exploration potential.

Primary REE-Nb-Sc mineralisation is associated with Monazite, a phosphate mineral that contains approximately 55-60% REE oxides (Chelgani et al. 2015<sup>5</sup>) BRE have discovered deposits of primary REE-Nb-Sc mineralization in subcrop, boulders (“corestones”), and drillholes containing very high grade zones of monazite. These deposits occur as granular zones of up to 40% by weight of monazite, or as veinlets of monazite and/or crandallite.

The hard rock corestone results ranged from 20.1% to 40.5% TREO with an average grade of 32.7% TREO with 5.6% NdPr. Of the REE a total of 0.9% were the economic heavy rare earth elements DyTb. The corestone samples also contain up to 1.5% niobium (average 1.1% Nb<sub>2</sub>O<sub>5</sub>), up to 5,246ppm uranium (average 4,025ppm U<sub>3</sub>O<sub>8</sub>) and up to 269 ppm scandium (average 219 ppm Sc<sub>2</sub>O<sub>3</sub>). Sonic drill core containing rock fragments have TREO grades up to 37.1%. These corestones and subcrop are encountered throughout the Monte Alto and Velhinhas targets, often along linear trends hundreds of meters in length.

Over time, weathering processes act on the primary deposits of monazite to produce rounded corestones surrounded by saprolite rich in residual monazite. Saprolite surrounding corestones intersected by sonic drilling reported TREO grades ranging from 2.4% to 18.8% TREO. Further weathering causes minerals to become dissolved or transported and dispersed in the regolith and residual monazite has been observed to be dispersed across some of the BRE Project licence areas at varying concentrations. At the Monte Alto deposit, higher grade REE mineralisation is encountered over a broad NE trending corridor that is currently 1,500 m long and 600 m wide.

Ionic adsorbed clay mineralisation is typically characterised by REE occurring as adsorbed ions on or within the interlayer spaces of clay minerals, such as kaolinite, halloysite, smectite or illite. During weathering, water and other agents break down the rock and minerals releasing REE as trivalent ions into solution. These fluids then migrate downwards through the regolith and may become adsorbed as ionic clays. The Project has areas that are prospective for such clay hosted REE mineralisation and a significant proportion of the tested clays display an ionic character.

<sup>3</sup> The named party has not consented to the use of their information in this report.

<sup>4</sup> The named party has not consented to the use of their information in this report.

<sup>5</sup> The named party has not consented to the use of their information in this report.

# 7. Independent Technical Report continued

BRAZILIAN RARE EARTHS  
Independent Technical Assessment Report



CSA Global notes that lithology and structure, as well as regolith and its relationship to topography, are likely significant controls on the REE mineralisation. Certain rock types may be prospective sources of REE's including favourable plutonic host rocks that are found within the Project area.

Detailed mapping of geology, structure and understanding the erosional processes in the Project areas will facilitate understanding the controls on the mineralisation and enable targeting high grade parts of the system. Once favourable host settings to the mineralisation are established, their coincidence with Th anomalism can be used as a first order targeting strategy.

## Exploration

### *BRE Exploration*

There has been no previous REE exploration work completed in the Project area. Government airborne radiometric data across the area indicated the presence of geophysical anomalies which formed the basis of BRE's original ground acquisition and early exploration targeting. BRE have completed the following exploration work: drone magnetic surveying; surface radiometric and gravimetric surveying; LIDAR topography surveying; surface rock chip and channel geochemical sampling; soil geochemical sampling; and auger and sonic drilling.

Drilling has demonstrated there to be highly anomalous values of REE contained within the regolith at these targets. BRE's initial exploration program was guided by the theory that REE mineralisation was predominately ionic clay hosted in nature, however, recent work has also identified shallow, high grade mineralisation that is hosted in residual and supergene monazite.

### *Historical Exploration*

Historical exploration for bauxite was completed by Rio Tinto Exploration ("RTX") in the Amargosa District, Bahia. Based on initial bauxite discoveries, RTX established the Amargosa Bauxite Project, with a focus on outlining a large deposit of bauxite in the region. Between 2007 and 2011 RTX completed extensive exploration activities including: airborne magnetic and radiometric surveying; acquisition of remote sensing satellite data; geological mapping; surface geochemical sampling; ground penetration radar surveying and air core and sonic drilling.

The tenement package being the Amargosa Tenements was acquired by a wholly owned subsidiary of BRE in October 2023 in accordance with agreements entered into with Rio de Contas and covers significant parts of the Project area.

The drilling established the thickness and quality of bauxite present at the project. By 2016, the main exploration effort was concluded, and a final update to the Amargosa grade/tonnage work was made in 2017. Grade estimation used Ordinary Kriging methodology (OK).

The RTX report notes that their internal thresholds for declaring a Mineral Resource reportable in accordance with the JORC Code requires that the estimate must meet both JORC 2012 guidelines as well as Rio Tinto internal procedures, however the RTX work did not meet this standard and subsequently was not considered a JORC Code reportable estimate.

CSA Global has reviewed the RTX technical report describing this work and based on confidence indicators that RTX applied internally, CSA Global have completed an Exploration Target for the Amargosa Bauxite Project. It should be noted that in reporting an Exploration Target, the potential quantity and grade is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target for the Amargosa Project is estimated to have an approximate tonnage range between 825 – 925 Mt, and an approximate grade ranging from 27% - 28% TAA (Beneficiatable Bauxite).

As of the effective date of this report, BRE is assessing the RTX drillhole database. It should be noted that while the RTX exploration was focused on regolith hosted bauxite deposits not REE mineralization, BRE believes the RTX database offers significant value for evaluation and assessment of the Project.



Much of the RTX drilling and exploration was completed on, or in proximity to, BRE exploration targets on the Project. To identify additional targets in a rapid and cost-effective way, BRE intend to submit archived RTX pulp reject material for REE analysis.

Historical work by RTX demonstrates that potential for Mineral Resources for large, bulk tonnage, industrial mineral deposits can be delineated in the Amargosa region. The extensive exploration efforts and the comprehensive database gathered by RTX provide valuable insights for future potential prospectivity and development in the area.

### **Mineralogical and Metallurgical Testwork**

BRE have conducted detailed mineralogical analysis including petrology and Quantitative Evaluation of Materials by Scanning Electron Microscopy (QEMSCAN) and Mineral Liberation Analysis (MLA) studies to obtain a better understanding of the mineralogy of the different mineralisation styles. Additionally they have also completed preliminary ionic clay leaching tests to determine REE yields. Results from this preliminary testwork show a significant number of positive leaching results, which demonstrates strong potential for economic REE yields and provides a sound basis for BRE to continue exploration aimed at defining IAC Mineral Resources at the Project. However, the preliminary nature of the sample selection and testing parameters at this time, makes these results unsuitable for predicting actual REE yields, and testwork is ongoing at the time of this Report.

CSA Global notes that the residual monazite is derived from physical erosion of the underlying protolith and incorporated within clay rich regolith. The protolith will therefore dictate further exploration and should be combined with an understanding of soil slump, creep and erosional processes as well as underlying geology in order to define both grade shells and metallurgical domains dependant on grade divisions at this early stage. Further work is required for adequate characterisation of the REE department in IAC, or as primary, elluvial or detrital monazite.

### **Future Exploration and Prospectivity**

BRE will undertake prospecting and exploration initiatives to realize the full potential of the Project. Initially, these initiatives will:

- test high-grade primary mineralization at Monte Alto with core drilling.
- re-assess existing RTX drillholes by assaying for REE.
- investigate regolith mineralisation.

The proposed work is designed to enhance understanding of REE deposits in this system, allow more effective exploration targeting, and enable further resource development. In addition to the exploration detailed below, studies to assess whether or not the Project may become economically feasible have also commenced including metallurgical recovery, process flowsheet and optimisation. No forecast is made of those matters.

Much of the RTX drilling and exploration was completed on, or in proximity to, BRE exploration targets on the Project, and as at the effective date of this report BRE are assessing the RTX drillhole database. While the RTX exploration was focused on regolith hosted bauxite deposits, not REE mineralisation, BRE believes the RTX database offers significant value for evaluation and assessment of the Project. The extensive exploration efforts and the comprehensive database gathered by RTX provide valuable insights for future potential prospectivity and development in the area.

CSA Global is of the opinion that the exploration potential for the Project is high. The combination of: favourable regional geological location; highly prospective local geology and structural framework; an active geomorphology; favourable and coincident geochemical and geophysical anomalies; and successful drill results to date, confirm the prospectivity of the area for discovery of REE mineralisation.

CSA Global note that the protolith will dictate further exploration, and should be combined with an understanding of soil slump, creep and erosional processes in order to define both grade shells and metallurgical



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domains dependant on grade divisions at this early stage. Further work is required for adequate characterisation of the REE department as IAC, or as primary monazite.

## Mineral Resource and Exploration Target

A Mineral Resource Estimate based upon exploration drilling and geological modelling has been produced for seven Prospects: Monte Alto (including a separate high-grade zone); Riacho de Areia (North and Central); Boca da Mata; Tres Bacos; Mucuri; Machado; and Velhinas (Table 1). A selected 200 ppm TREO-CeO<sub>2</sub> cut-off grade defines material suitable for economic REO extraction by leaching. Within the high-grade portion of the Rocha da Rocha deposit, a selected 800 ppm TREO-CeO<sub>2</sub> cut-off grade defines mineralisation suitable for simple gravity and flotation processing of sand sized monazite grains for concentration. The selection of these cut-off grades is supported by results returned from the preliminary metallurgical testwork completed by BRE.

Table 1: Rocha da Rocha Inferred Mineral Resource Statement as at 23 May 2023

Deposit	Split	Cut-off grade: TREO-CeO <sub>2</sub> (ppm)	Tonnes (Mt)	TREO-CeO <sub>2</sub> (ppm)	TREO (ppm)	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub> (ppm)	Nd <sub>2</sub> O <sub>3</sub> +Pr <sub>6</sub> O <sub>11</sub> :TREO	Dy <sub>2</sub> O <sub>3</sub> +Tb <sub>4</sub> O <sub>7</sub> (ppm)	Dy <sub>2</sub> O <sub>3</sub> +Tb <sub>4</sub> O <sub>7</sub> :TREO
Monte Alto (RDR)	VHG (Gravity)	>=800	25.2	5,466	10,022	1,879	18.8%	2,669.6	26.6%
Monte Alto (RDR)	(Leach)	>=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 Bacos		>=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%
Velhinas		>=200	8.9	427	860	139	16.2%	201.8	23.5%
<b>Total</b>			<b>510.3</b>	<b>811</b>	<b>1,513</b>	<b>271</b>	<b>17.9%</b>	<b>425.8</b>	<b>28.1%</b>

Source: BRE 2023

The Competent Person is of the opinion that based on the quantity, distribution and confidence of the data available to inform the estimate, the Inferred Mineral Resource meets the JORC Code definition of 'reasonable prospects for eventual economic extraction' and is appropriately classified to reflect uncertainty associated with limited geological evidence and sampling at this time.

BRE have estimated an Exploration Target for an area outside of the current defined Mineral Resource that represents a zone of potential mineralisation based on the radiometric anomalies that guide BRE's exploration strategy for delineating regolith hosted IAC and monazite deposits. The Exploration Target is shown in Table 2 and is based on a 200 ppm TREO-CeO<sub>2</sub> reporting cut-off grade.

Table 2: Rocha da Rocha Exploration Target for regolith REE mineralisation as at 1 July 2023

Material	Approximate Tonnage Range (Bt)	Approximate Grade Range (ppm TREO)	Approximate Grade Range (ppm TREO-CeO <sub>2</sub> )
Regolith REE Mineralisation	8 to 12	1,000 to 1,500	400 to 800

Source: BRE 2023

The potential quantity and grade of this Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target does not reflect the potential for primary REE-Nb-Sc mineralization in bedrock on the Property. This potential will be determined by BRE's planned exploration drilling at the Monte Alto deposit.



CSA Global independently reported the MRE block models and corroborate the Mineral Resource tabulations as reported by BRE. CSA Global note that BRE used the IDW grade variable for TREO-CeO<sub>2</sub> for reporting the Mineral Resources, instead of the kriged grade variable. CSA Global recommend future Mineral Resources are reported using the kriged block grades, which are based upon geostatistical assessments of the grade populations. CSA Global consider the geological modelling, grade interpolation, bulk density value and the reporting of the Mineral Resource to be appropriate for the Inferred classification status, and that the Mineral Resource has been signed off by an appropriate Competent Person as defined by the JORC Code.

CSA Global is of the opinion that the Rocha da Rocha Exploration Target has been prepared and reported in accordance with the 2012 JORC Code using accepted industry practice including appropriate reference to the guidelines in the JORC Code and have been signed off by an appropriate Competent Person as defined by the JORC Code. CSA Global considers the approach used by BRE as appropriate for providing Exploration Target estimates which comply with Clause 17 of JORC guidelines and the definition of reporting an Exploration Target.

The Exploration Target appears to be a reasonable assessment of tonnage and grade range for the relevant deposit based on the data available and geological understanding at the time. The assignment as an Exploration Target is appropriate for the quality and quantity of data available at the date of the Report.

#### **Environmental, Social and Governance (ESG)**

BRE is committed to taking a leading approach to ESG practices in its long-term corporate strategy and recognises the importance of ESG and sustainable development to its employees, stakeholders and host communities. They recognise that the ongoing integration of ESG criteria into future exploration activities and project development is a critical element in moving the project forward and ensuring all key stakeholders are engaged in the process.

BRE is registered to conduct mineral research activities in Bahia. Activities are carried out in adherence to governmental and corporate guidelines for waste management, spill and leak prevention, drilling water, PPE use, and recovery of degraded areas. BRE monitors environmental impact at the Project through a network of monitoring stations, aerial photogrammetry, and flora surveys.

BRE is a significant employer in the city of Ubaíra where exploration operations are based. In field exploration areas the company conducts stakeholder mapping and engagement surveys. To foster economic development and social cohesion, the company undertakes a variety of initiatives, including training scholarships, donations to local official security forces, and targeted assistance based on specific needs.

#### **Use of Funds**

BRE provided CSA Global with a projection of its expenditure for the Project for an initial two-year period post listing on the ASX. Table 19 provides a summary of expenditure by activity at the Projects for the planned capital raising of A\$50 million. Table 20 provides the detailed breakdown of exploration expenditure over the first two years. All costs included are in Australian dollars (A\$).

In the year 1 allocation of funds the acquisition of the Amargosa Tenements constitute a significant budget item, tied to BRE's obligations stemming from the acquisition of the RTX project and tenements detailed in Section 2 and Section 7.1.2.

CSA Global considers the proposed budgets are consistent with the exploration potential of BRE's Projects and are adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the claims. CSA Global considers the type of exploration and weighting towards the various Projects as appropriate.

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## Opportunities and Technical Risks

### Opportunities

A number of opportunities associated with the Project have been identified as follows:

- Rocha da Rocha is located in a underexplored geological and mining jurisdiction. BRE are building an extensive and well-informed data base of information which will enable them to assess the optimal exploration targeting strategy and exploration potential for the Project.
- The recent discovery of high grade REE-Nb-Sc mineralisation by BRE in this region demonstrates potential for establishing a new and previously unrecognized REE metallogenic province and there is strong potential for discovery of other adjacent mineralised zones in the region.
- Opportunities exist for the Company to seek to increase existing Mineral Resources by additional work including infill and extensional drilling that seek to continue to increase both the size as well as confidence in the resource and will likely lead to an increased confidence in the data, and therefore enable a higher confidence classification for future mineral resources.
- The observation and the occurrence of numerous hard rock corestones and subcrop of high-grade REE-Nb-Sc monazite mineralisation may have significant implications for geological modelling and resource estimation. If these high-grade corestones are present throughout the mineralised zones, in a similar modality of a high grade 'nugget' system, then there is the potential for under-reporting the grade and total resource tonnages via drilling alone.
- The acquisition of the Amargosa Tenements and database offers significant value for evaluation and assessment of the Rocha da Rocha Critical Mineral Province ("RCMP"). The extensive exploration efforts and the comprehensive database gathered by RTX provide valuable insights for future potential prospectivity and development in the area.

### Technical Risks

A number of technical risks associated with the Project have been identified as follows:

- A key risk, common to exploration companies, is that expected mineralisation may not be present or that it may be too small to warrant commercial exploitation. The projects comprise a range of stages of advancement from early exploration through to Inferred Mineral Resource. Risk is reduced at each stage as the project progresses and the understanding of the deposit increases.
- Mineral Resources are not Ore Reserves and do not have any demonstrated economic viability. The application of modifying factors is required to convert Mineral Resources to Ore Reserves. Modifying factors include mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental aspects. The Rocha da Rocha Mineral Resource is only at an Inferred Resource classification at this stage and is not supported by any economic assessment or mining study.
- For all parts of the weathering profile a bulk density of 1.7 t/m<sup>3</sup> was applied across all deposits, with the exception of the Monte Alto high-grade domain for which a density of 1.8 t/m<sup>3</sup> was applied. While this is reasonable based on available information, it will be necessary to review the density as more data becomes available, as it is likely that density may be variable within in the weathering profile and this may have an impact tonnage estimates, in either a positive or negative sense.
- There is the potential for under-reporting of the regolith grade and also under-reporting of resource tonnages that are reliant on only exploration auger and sonic drilling.
- Further metallurgical testwork may demonstrate that some parts of these deposits, may be less economically viable than others.



### **ESG Risks**

A number of ESG associated risks have been identified as follows:

- Exploration activities carry environmental risks such as noise, contamination, improper waste disposal, erosion and sedimentation. Adhering to waste management guidelines, spillage prevention, and restoration procedures helps mitigate these risks.
- Exploration can cause social tensions and conflicts within communities that arise from perceived unfair distribution of benefits and impacts. To promote social cohesion, BRE upholds fair labour practices and engages with local communities and stakeholders to address concerns and ensuring project acceptance.

The ability of any person to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond CSA Global's control and that CSA Global cannot anticipate. Any of these factors may substantially alter the performance of any exploration operation.

### **CSA Global Overall Opinion**

BRE exploration activities, drill techniques, survey methods, sampling, assaying and QAQC have been completed in line with good industry practice. The geological modelling strategy, data treatment, application of estimation parameters, and estimation methodologies are appropriate for the style of mineralisation.

CSA Global is of the opinion that the Rocha da Rocha Exploration Target has been prepared and reported in accordance with the 2012 JORC Code using accepted industry practice including appropriate reference to the guidelines in the JORC Code and have been signed off by an appropriate Competent Person as defined by the JORC Code. CSA Global considers the approach used by BRE as appropriate for providing Exploration Target estimates which comply with Clause 17 of JORC guidelines and the definition of reporting an Exploration Target. The Exploration Target appears to be a reasonable assessment of tonnage and grade range for the deposit based on the data available and geological understanding at the time. The assignment as an Exploration Target is appropriate for the quality and quantity of data available at the date of the Report.

CSA Global is of the opinion that the exploration potential for the Rocha da Rocha Project is high. The combination of: favourable regional geological location; highly prospective local geology and structural framework; an active geomorphology; favourable and coincident geochemical and geophysical anomalies; and successful drill results to date, confirm the prospectivity of the area for discovery of further REE mineralisation.

CSA Global is of the opinion that the proposed exploration expenditure and work program is reasonable and appropriate for the work proposed and scale of the project at the time of compiling this report.

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# 1 Introduction

## 1.1 Context, Scope and Terms of Reference

ERM Australia Consultants Pty Ltd trading as CSA Global (“CSA Global”), an ERM Group company, was engaged by Brazilian Rare Earths Limited ACN 649 154 870 (“BRE” or the “Company”) to prepare an Independent Technical Assessment Report (ITAR) for use in a prospectus to support a considered initial public offering (IPO) to enable a listing on the Australian Securities Exchange (ASX).

The funds raised are proposed to be used for (among other purposes) the purpose of exploration and evaluation of the Rocha da Rocha Project (“the Project”) located in Bahia State, Brazil (Figure 1).

The ITAR is subject to the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets 2015 (“VALMIN Code”). In preparing this ITAR, CSA Global:

- Adhered to the VALMIN Code.
- Relied on the accuracy and completeness of the data provided to it by the Company, and that the Company made CSA Global aware of all material information in relation to the Project.
- Relied on the Company’s representation that it will hold adequate security of tenure for exploration and assessment of the Project to proceed. An Independent Solicitor’s Report elsewhere in the prospectus provides a detailed discussion of the Company’s tenements.
- Required that BRE provide an indemnity to the effect that BRE would compensate CSA Global in respect of preparing the ITAR against any and all losses, claims, damages and liabilities to which CSA Global or its Associates may become subject under any applicable law or otherwise arising from the preparation of the ITAR to the extent that such loss, claim, damage or liability is a direct result of BRE or any of its directors or officers knowingly providing CSA Global with any false or misleading information, or BRE, or its directors or officers knowingly withholding material information.
- Required an indemnity that BRE would compensate CSA Global for any liability relating to any consequential extension of workload through queries, questions, or public hearings arising from the reports.

## 1.2 Compliance with the VALMIN and JORC Codes

The report has been prepared in accordance with the VALMIN Code<sup>6</sup>, which is binding upon Members of the Australian Institute of Geoscientists (AIG) and the Australasian Institute of Mining and Metallurgy (AusIMM), the JORC Code<sup>7</sup> and the rules and guidelines issued by such bodies as the Australian Securities and Investments Commission (ASIC) and ASX that pertain to Independent Expert Reports.

## 1.3 Principle Sources of Information and Reliance on Other Experts

CSA Global has based its review of the Project on the information made available to the principal authors by the Company along with technical reports prepared by government agencies and other relevant published and unpublished data.

<sup>6</sup> Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (The VALMIN Code), 2015 Edition, prepared by the VALMIN Committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. <http://www.valmin.org>

<sup>7</sup> Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). <http://www.jorc.org>

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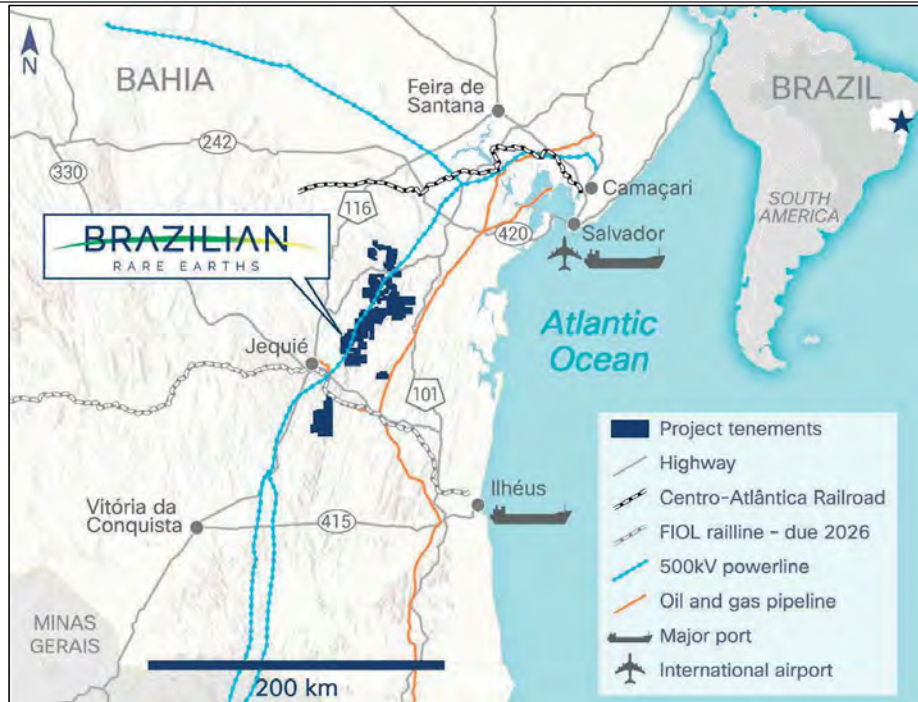


Figure 1: BRE project location and proximity to major transport infrastructure  
Source: BRE 2023

CSA Global has also relied upon discussions with BRE’s management for the information contained within this assessment. This ITAR is primarily based upon drilling data collected by the Company up to and including 1 July 2023, and surface sampling results available up to and including 21 July 2023. The ITAR incorporates supplementary information received by the Company subsequent to this cutoff date up to and including the effective date of this report 01 November 2023. Supplementary information includes third-party geophysical survey results, petrology reports and legal opinion.

CSA Global has endeavoured, by making all reasonable enquiries, to confirm the authenticity, accuracy, and completeness of the technical data upon which this ITAR is based. Unless otherwise stated, information and data contained in this technical report, or used in its preparation, has been provided by the Company in the form of documentation and digital data.

The Company was provided with a final draft of this ITAR and requested to identify any material errors or omissions prior to its lodgement.

Descriptions of the mineral tenure; tenure agreements, encumbrances and environmental liabilities were provided to CSA Global by the Company or its technical consultants. The Company has warranted to CSA Global that the information provided for preparation of this ITAR correctly represents all material information relevant to the Project. Full details on the tenement licences are provided in the Independent Solicitor’s Report elsewhere in the Prospectus.



This ITAR contains statements attributable to third parties. These statements are made or based upon statements made in previous technical reports that are publicly available from either government sources or the ASX. The authors of these reports have not consented to their statements use in this ITAR, and these statements are included in accordance with ASIC Corporations (Consent to Statements) Instrument 2016/72.

#### 1.4 Authors of the Report

The ITAR has been prepared by CSA Global, a part of the ERM Group, which is a privately owned sustainability consultancy. ERM was established in 1971 and now has more than 160 offices in over 40 countries and territories and employs more than 7,000 people around the world. For over 40 years, ERM has been helping its clients to understand and manage their environmental, sustainability, health, safety, risk, and social impacts. With the mining industry facing increasingly complex sustainability challenges, ERM is committed to providing a consistent, professional, and high-quality service to create value for clients.

This ITAR has been prepared by a team of consultants sourced from CSA Global's Perth and Brisbane offices, Australia. The individuals who have provided input to the ITAR have extensive experience in the mining industry and are members in good standing of appropriate professional institutions.

The Consultants preparing this ITAR are specialists in the field of geology and exploration. The following individuals, by virtue of their education, experience, and professional association, are considered Competent Persons, as defined in the JORC Code (2012), for this ITAR.

The Competent Persons' areas of responsibility are presented below:

- Coordinating author – Ms Sonia Konopa (Manager and Principal Geologist, Corporate – CSA Global, Brisbane, Queensland) is responsible for the entire ITAR.
- Contributing author – Mr David Williams (Principal Consultant Geologist – CSA Global, Brisbane, Queensland) is responsible for sections of the ITAR relating to the technical aspects of the Project's Mineral Resources.
- Contributing author – Mr Pete Siegfried (Associate Consultant Geologist – CSA Global, Brisbane, Queensland) is responsible for sections of the ITAR relating to the technical aspects of the Project's Geology and Exploration activities and undertook the site visit.
- Peer reviewer's – Mr Max Nind (Principal Geologist, CSA Global, Perth, Western Australia) and Ms Sonia Konopa (Manager and Principal Geologist, Corporate - CSA Global, Brisbane, Queensland) have reviewed the entire ITAR.
- Partner in Charge – Mr Graham Jeffress (Partner, APAC, ANZ - CSA Global Perth, Western Australia) is responsible for the entire ITAR.

Ms Konopa is a resource geologist, with over 30 years' international experience in the mining industry. She has previously worked in various operational and leadership roles across Australia, Papua New Guinea, Indonesia, Laos and Europe, and has extensive international expertise in consulting services, technical advice and guidance across a range of commodities and geological settings. Most recently she has held resource management roles at the Martabe Gold Mine and Toka Tindung Gold Mine in Indonesia. Her broad practical experience extends to Mineral Resource estimation, exploration, project management and business development projects.

Mr Williams is a resource geologist with over 25 years' experience in mine geology and Mineral Resource estimation and is a specialist in graphite deposits. He is a competent person for the JORC reporting of Mineral Resource estimates and is similarly a qualified person for Canadian NI 43-101 Mineral Resource estimate reports. Mr William's commodity expertise is extensive, and it has been developed from working on mining and resource estimation projects in Australia, Africa, Asia, and Europe. David is also a specialist on due diligence studies, and he has provided professional opinion for Independent Geologist Reports.

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Mr Siegfried is a consultant geologist with over 30 years' global experience in geology and exploration for various commodities including industrial minerals, agrominerals and is an expert on REE. Mr Siegfried has worked in all levels of exploration from initial target follow-up and assessment to mining development.

Mr Nind has 30 years' experience in the resources and financial sectors in exploration, mining and corporate management in Australia, New Zealand, Canada and United States of America. He has extensive knowledge of regional exploration targeting and management; business development; project evaluations; and management of economic studies. Mr Nind has led multi-disciplinary study and exploration teams globally in the search for base metals, gold and bulk commodities.

Mr Jeffress is a geologist with over 30 years' experience in exploration geology and management in Australia, Papua New Guinea, and Indonesia. He has worked in exploration (ranging from grassroots reconnaissance through to brownfields, near-mine, and resource definition), project evaluation and mining in a variety of geological terrains, commodities, and mineralisation styles within Australia and internationally. Mr Jeffress is competent in multidisciplinary exploration, and proficient at undertaking prospect evaluation and all phases of exploration. He has completed numerous independent technical reports (IGR, CPR, QPR) and valuations of mineral assets. Mr Jeffress now coordinates and participates in CSA Global's activities providing expert technical reviews, valuations, and independent reporting services to groups desiring an improved understanding of the value, risks and opportunities associated with mineral investment opportunities.

## 1.5 Independence

Neither CSA Global, nor the authors of this ITAR, has or has had previously, any material interest in Brazilian Rare Earths or the mineral properties in which the Company has an interest. CSA Global's relationship with the Company is solely one of professional association between client and independent consultant.

CSA Global is an independent geological consultancy. Fees are being charged to the Company at a commercial rate for the preparation of this ITAR, the payment of which is not contingent upon the conclusions of the ITAR. The fee for the preparation of this ITAR is approximately A\$90,000. No member or employee of CSA Global is, or is intended to be, a director, officer, or other direct employee of Brazilian Rare Earths. No member or employee of CSA Global has, or has had, any shareholding in Brazilian Rare Earths.

There is no formal agreement between CSA Global and the Company as to the Company providing further work for CSA Global.

## 1.6 Declaration

### 1.6.1 Context, Scope and Terms of Reference

CSA Global was requested by BRE to prepare an ITAR for use in a prospectus to support an initial public offering and admission of BRE to the Official List of the ASX.

### 1.6.2 Purpose of this Document

This ITAR has been prepared by CSA Global at the request of, and for the sole benefit of BRE. Its purpose is to provide an independent technical assessment of BRE's mineral projects located in Bahia, Brazil. The ITAR is to be included in its entirety or in summary form within a prospectus to be prepared by BRE, which is to be provided to ASX and ASIC, to support an initial public offering and admission of BRE to the Official List of the ASX. It is not intended to serve any purpose beyond that stated and should not be relied upon for any other purpose.

The statements and opinions contained in this ITAR are given in good faith, and in the belief, that they are not false or misleading. The conclusions are based on the reference date of 01 November 2023 and could alter over time depending on exploration results, mineral prices, and other relevant market factors. The interpretations and conclusions reached in this ITAR are based on current scientific understanding and the best evidence available to the authors at the time of writing.



It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

#### 1.6.3 Practitioner/Competent Person's Statements

The Exploration Results, Exploration Targets and Mineral Resources in this ITAR have been prepared and reported in accordance with the JORC Code (2012).

The information in this ITAR that relates to Technical Assessment of the Mineral Assets, Exploration Targets, or Exploration Results is based on and fairly represents information and supporting documentation compiled and conclusions derived by Ms Sonia Konopa, a Competent Person who is a Fellow of the AusIMM (membership number 101561). Ms Konopa has sufficient experience that is relevant to the technical assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Konopa consents to the inclusion in the ITAR of the matters based on her information and supporting documentation in the form and context in which it appears.

The information in this ITAR that relates to Technical Assessment of the Mineral Resources is based on and fairly represents information and supporting documentation compiled and conclusions derived by Mr David Williams, a Competent Person who is a Member of the Australian Institute of Geoscientists and a RPGeo (membership number 4176). Mr Williams has sufficient experience that is relevant to the technical assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Williams consents to the inclusion in the ITAR of the matters based on his information and supporting documentation in the form and context in which it appears.

The information in this ITAR that relates to Technical Assessment of the Exploration Results is based on and fairly represents information and supporting documentation compiled and conclusions derived by Mr Pete Siegfried, a Competent Person who is a Member of the AusIMM and a CP Geology (membership number 221116). Mr Siegfried has sufficient experience that is relevant to the technical assessment of the Mineral Assets under consideration, the style of mineralisation and types of deposit under consideration and to the activity being undertaken to qualify as a Practitioner as defined in the 2015 Edition of the "Australasian Code for the public reporting of technical assessments and Valuations of Mineral Assets", and as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Siegfried consents to the inclusion in the ITAR of the matters based on his information and supporting documentation in the form and context in which it appears.

Ms Konopa, Mr Williams and Mr Siegfried are not employees of the Company, nor of a related party of the Company.

#### 1.6.4 Site Inspection

A site visit for the purpose of preparing this ITAR was completed by Mr Pete Siegfried, Associate Consultant, CSA Global (South Africa Office) between 14 and 16 March 2023. The itinerary was as follows:

- Day 1: Review drill core, core yard storage, sample preparation, auger sample storage facilities, and auger sample preparation process.



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- Day 2: Drill site visit, including review of: auger drill hole in process and set up, historical auger holes, sonic drill hole in process and set up, historic sonic drill holes in field. Geological office visit to review: geology, new target areas, state of knowledge, exploration planning, and model of mineralisation.
- Day 3: Geophysical (radiometric review), historic and new survey planning. Detailed database review, sample and QAQC, standards and protocols, pXRF sample process and preparation.

CSA Global has verified the existence of the Project in general and the occurrence of REE mineralisation. Based on the observations made during this field visit, CSA Global is of the opinion that the ongoing exploration drilling, sample collection and processing, as well as general housekeeping is well-organised, auditable, and consistent with the Company's documented Standard Operating Procedures (SOPs).

CSA Global is also of the opinion that the exploration activities are fit for purpose for the commodity and deposit styles being targeted and align with current JORC best practice guidelines. CSA Global identified aspects of the exploration program that can be improved and these have been positively received by BRE. Further information is included in Section 11.

## **1.7 About this Report**

This ITAR describes the prospectivity of BRE's licence areas, located in and evaluation of the Rocha da Rocha Project, including the Monte Alto Projects, located in Bahia State, Brazil. The geology and mineralisation are discussed, as well as the exploration work done to date, and the results obtained therefrom. Every effort was made to summarise results to constrain the size and readability of the ITAR. No valuation has been requested or completed for the Project.



## 2 Ownership and Tenure

### 2.1 Project Ownership

Brazilian Rare Earths Limited (“BRE”) is a privately owned Australian Company focused on the development of its REE project in Northeast Brazil. The company was founded in 2021. BRE operations in Brazil are primarily conducted by the Company’s wholly owned subsidiary Borborema Mineracao Ltda (“Borborema”).

Borborema was the first subsidiary established by BRE in Brazil and, initially, was the holder of all BRE Tenements as listed in Table 3. On August 31, 2022, BRE split Borborema resulting in three fully owned Brazilian subsidiaries. In addition to Borborema, Ubaíra Mineração Ltda. (“Ubaíra”), and Jequié Mineração Ltda. (“Jequié”) were created. After the split, 9 (nine) tenements were transferred to Ubaíra and 10 (ten) tenements to Jequié. To date the bulk of the exploration work across all tenements has been conducted by Borborema.

On August 23, 2023, Alpha Minerals Brazil Participações Ltda. (“Alpha”, which holds Alpha Tenements) also spun-off parts of its tenements into a new entity that was then merged into Borborema. Following this merger Borborema is entitled to hold all 16 Alpha Tenements listed in Table 3. The transfer of the Alpha Tenements will occur upon the completion of the registration of Alpha’s spin-off by Brazil’s National Mining Agency (“ANM”). Borborema has already lodged the application for registration of Alpha’s spin-off before the ANM and it is currently awaiting analysis. Alpha is a wholly owned subsidiary of Rare Earths Americas Pty Ltd. (“REA” ACN: 664 370 254) several BRE shareholders and noteholders are also shareholders of REA, however no single shareholder or group of associated shareholders holds greater than a 20% ownership interest in REA.

### 2.2 Mineral Tenure

The BRE Project comprises 96 granted exploration permits registered with Brazil’s National Mining Agency (“ANM”).

Exploration permits are held by the Company’s Brazilian subsidiaries directly, or are to be acquired through agreements with third parties as detailed in the BRE prospectus. As detailed in Table 3 the 96 granted exploration permits comprise a total area of approximately 141,000 ha (1,410 km<sup>2</sup>) (Figure 2). The exploration permit is valid for a determined period (from one to four years), which may be extended if the requirements established in the applicable legislation are met. If no application is made to extend the licence tenure, or convert it to a ‘mining permit’, the tenure would ordinarily expire on the dates listed in Table 3.

The Brazilian legal system for obtaining and maintaining mining rights and access to mineralized real estate properties is regulated by the Federal Constitution (article 176), by the Mining Code (Decree-Law no. 227/1967), by the regulation of the Mining Code (Decree No. 9.406/2018) and by ANM legislation. The requirements for applying for a renewal of exploration permits are: (i) submit the application within 60 days of the expiry of the exploration permit; (ii) submit a report describing the exploration activities that have been carried out; (iii) submit a technical justification for continuing the exploration activities; (iv) pay the fee required by the ANM to analyse the renewal application, currently set at BRL 1,358.58 per tenement. If the extension request is granted, the renewal will take place according to the term requested by the holder of the mining right, which can be between 1 and 4 years. The term of the exploration permit will be renewed more than once in specific situations established in the Brazilian mining code.

CSA Global relies on the independent opinion of the Company’s solicitors with regards to the validity, ownership, and standing of BRE’s tenements. CSA Global makes no other assessment or assertion as to the legal title of the tenements and is not qualified to do so. Summary details of individual leases are tabulated (Table 3) and full detail of the tenure situation (agreements, royalties, Native Title, etc.) are provided in the Independent Solicitor’s Report elsewhere in the Prospectus.

Under certain economic conditions, such as low commodity prices, a stay of tenement expiration may be granted by the Mining Agency. The Mining Code allows the ANM to postpone the analysis of the Final Exploration Report

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("FER") whenever it is temporally not possible to prove that the deposit is technically and economically feasible. ANM will set a deadline for the interested party to submit a new study of the technical and economic feasibility of the deposit. ANM may grant the interested party, successively, new deadlines, or make the area available to third parties if it understands that a third party may make possible the eventual mining. Stays of expiration have been granted for the majority of the Amargosa Tenements to be acquired by BRE's subsidiary Borborema.

Table 3 notes are as follows:

1. The FER has been submitted on 09/22/2023, meaning that the obligation to maintain the mining right in good standing has been fulfilled.
2. The FER was lodged on time and the tenement is active and in force. Once the FER is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic Development Plan for analysis by the agency.
3. ANM has not yet rendered a decision on the request submitted by Rio de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the FER's to be timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement. Depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance
4. ANM has not yet rendered a decision on the request submitted by Rio de Contas on 12/23/2015 aiming for a decision to suspend the analysis of the FER's to be timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement. Depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance
5. Tenement subject to 2.5% royalty agreement in favour of Brazil Royalty Corp. Participações e Investimentos Ltda ( BRRCP).
6. Tenement subject to cash and offtake considerations in favour of RTX, contingent on the commencement of commercial bauxite or nickel mining.
7. RFP (Relatório Final de Pesquisa) - Final Exploration Report (FER): Upon conclusion of the exploration program, the holder of mining rights is obligated to submit a conclusive exploration report that presents the findings of the exploration activities and establishes the technical feasibility for exploiting the deposit or alternatively, confirming the absence of such a deposit within the designated tenement. Subsequent to review, the National Mining Agency possesses the authority to either grant approval or disapproval of the FER, an indispensable preliminary stage in the mining permit application process.



Table 3: Summary of Rocha da Rocha Project tenements all located in the Northeast of Brazil, in the State of Bahia<sup>8</sup>

Tenement	Type	Area (ha)	Status	Holder	Assignee (s)	Grant Date MM-DD-YYYY	Renewal Date MM-DD-YYYY	Expiry Date MM-DD-YYYY	Comments – See Note
<b>Summary of BRE Tenements</b>									
870.683/2021	Exploration Permit	1563.55	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.684/2021	Exploration Permit	1947.42	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.685/2021	Exploration Permit	1374.33	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.687/2021	Exploration Permit	1934.8	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.688/2021	Exploration Permit	1803.24	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.689/2021	Exploration Permit	1702.11	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.690/2021	Exploration Permit	1981.49	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.691/2021	Exploration Permit	1649.21	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.693/2021	Exploration Permit	1737.29	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.772/2021	Exploration Permit	1323.87	Active	Borborema Mineração Ltda.	n/a	10/27/2021	n/a	10/27/2024	5
872.265/2021	Exploration Permit	172.49	Active	Borborema Mineração Ltda.	n/a	1/12/2022	n/a	1/12/2025	5
872.266/2021	Exploration Permit	185.35	Active	Borborema Mineração Ltda.	n/a	1/12/2022	n/a	1/12/2025	5
870.694/2021	Exploration Permit	1942.61	Active	Borborema Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
871.929/2022	Exploration Permit	512.88	Active	Borborema Mineração Ltda.	n/a	08/30/2023	n/a	08/30/2026	5
871.931/2022	Exploration Permit	531.9	Active	Borborema Mineração Ltda.	n/a	02/13/2023	n/a	02/13/2026	5
870.664/2021	Exploration Permit	1026.36	Active	Ubaíra Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.665/2021	Exploration Permit	1777.41	Active	Ubaíra Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.666/2021	Exploration Permit	1937.01	Active	Ubaíra Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.667/2021	Exploration Permit	1938.5	Active	Ubaíra Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.668/2021	Exploration Permit	1892.45	Active	Ubaíra Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.669/2021	Exploration Permit	1698.6	Active	Ubaíra Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.680/2021	Exploration Permit	1628.24	Active	Ubaíra Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.681/2021	Exploration Permit	1677.5	Active	Ubaíra Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.682/2021	Exploration Permit	1708.05	Active	Ubaíra Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.695/2021	Exploration Permit	1633.34	Active	Jequiá Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.696/2021	Exploration Permit	1295.66	Active	Jequiá Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.697/2021	Exploration Permit	1565.37	Active	Jequiá Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.698/2021	Exploration Permit	1847.07	Active	Jequiá Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5

<sup>8</sup> Excluding the application for an exploration permit, four applications for mining permits and two disponibilidades<sup>8</sup> and excluding the call option (described in the prospectus as the Amargosa Option Agreement) to acquire three additional exploration permits – all of which are referred to separately below this table.

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Tenement	Type	Area (ha)	Status	Holder	Assignee (s)	Grant Date MM-DD-YYYY	Renewal Date MM-DD-YYYY	Expiry Date MM-DD-YYYY	Comments – See Note
870.699/2021	Exploration Permit	1453.24	Active	Jequié Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.700/2021	Exploration Permit	1063.02	Active	Jequié Mineração Ltda.	n/a	8/06/2021	n/a	10/01/2024	5
870.773/2021	Exploration Permit	157.17	Active	Jequié Mineração Ltda.	n/a	10/05/2021	n/a	10/05/2024	5
870.774/2021	Exploration Permit	197.95	Active	Jequié Mineração Ltda.	n/a	10/27/2021	n/a	10/27/2024	5
870.779/2021	Exploration Permit	1464.58	Active	Jequié Mineração Ltda.	n/a	10/27/2021	n/a	10/27/2024	5
870.780/2021	Exploration Permit	812.85	Active	Jequié Mineração Ltda.	n/a	10/27/2021	n/a	10/27/2024	5
<b>Summary of Alpha Tenements</b>									
870.728/2016	Exploration Permit	1480.05	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	09/14/2016	11/30/2021	11/30/2024	
870.727/2016	Exploration Permit	679.95	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	09/14/2016	11/30/2021	11/30/2024	
870.717/2017	Exploration Permit	953.68	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	12/06/2017	07/14/2020	10/01/2023	1.7
870.726/2016	Exploration Permit	851.92	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	09/14/2016	11/30/2021	11/30/2024	
870.484/2017	Exploration Permit	516.92	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	06/27/2017	01/19/2021	10/01/2023	1.7
870.483/2017	Exploration Permit	1900.19	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	06/27/2017	01/19/2021	10/01/2023	1.7
871.394/2017	Exploration Permit	853.24	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	5/07/2018	12/20/2022	12/20/2025	
871.395/2017	Exploration Permit	1824.58	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	12/21/2017	11/17/2022	11/17/2025	
870.899/2017	Exploration Permit	1950.44	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	08/21/2017	10/03/2022	10/03/2025	
870.906/2017	Exploration Permit	658.17	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	08/21/2017	10/03/2022	10/03/2025	
870.900/2017	Exploration Permit	1703.7	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	08/21/2017	09/30/2022	09/30/2025	
870.912/2017	Exploration Permit	483.24	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	09/28/2017	09/30/2022	09/30/2025	
871.243/2021	Exploration Permit	1815.59	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	10/20/2021	n/a	10/20/2024	
871.164/2021	Exploration Permit	1997.3	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	12/24/2021	n/a	12/24/2024	
871.042/2021	Exploration Permit	359.4	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	1/12/2022	n/a	1/12/2024	
871.144/2021	Exploration Permit	999.48	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	12/24/2021	n/a	12/24/2024	



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Tenement	Type	Area (ha)	Status	Holder	Assignee (s)	Grant Date MM-DD-YYYY	ANM Review MM-DD-YYYY	Expiry Date MM-DD-YYYY	Comments – See Note
<b>Summary of Amargosa Tenements</b>									
870.314/2007	Exploration Permit	1641.44	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	6/05/2007	09/30/2024	05/15/2017	2,6,7
870.724/2010	Exploration Permit	221.65	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	08/31/2010	09/30/2024	10/02/2016	2,6,7
872.947/2007	Exploration Permit	1849.59	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	02/19/2008	09/30/2024	02/25/2017	2,6,7
873.776/2006	Exploration Permit	2000	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	03/20/2007	n/a	04/25/2016	3,6,7
873.880/2007	Exploration Permit	1314.97	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	11/17/2008	09/30/2024	05/18/2015	2,6,7
872.703/2008	Exploration Permit	999.93	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	10/03/2008	n/a	10/07/2014	3,6,7
871.239/2010	Exploration Permit	1844.82	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	09/17/2010	09/30/2024	1/02/2017	2,6,7
870.025/2007	Exploration Permit	1976.06	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	03/20/2007	n/a	04/25/2016	3,6,7
870.024/2007	Exploration Permit	1727.33	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	03/20/2007	n/a	04/25/2016	3,6,7
870.027/2007	Exploration Permit	1947.35	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	03/20/2007	n/a	04/25/2016	3,6,7
870.029/2007	Exploration Permit	1994.47	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	03/20/2007	n/a	04/25/2016	3,6,7
870.026/2007	Exploration Permit	1783	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	03/20/2007	n/a	04/25/2016	3,6,7
874.320/2007	Exploration Permit	1994.71	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	04/16/2008	09/30/2024	02/18/2017	2,6,7
870.174/2007	Exploration Permit	1686.99	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	6/05/2007	n/a	06/18/2016	3,6,7
873.777/2006	Exploration Permit	1930.28	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	03/20/2007	n/a	04/25/2016	3,6,7
872.563/2005	Exploration Permit	1996.8	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	5/11/2006	n/a	6/05/2016	3,6,7
871.439/2004	Exploration Permit	2000	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	12/22/2004	09/30/2024	10/18/2016	2,6,7
873.212/2006	Exploration Permit	1201.28	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	01/24/2007	n/a	1/02/2016	4,6,7
873.213/2006	Exploration Permit	1810.84	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	01/24/2007	n/a	7/11/2016	4,6,7
873.244/2006	Exploration Permit	157.84	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	01/31/2007	n/a	1/02/2016	4,6,7
871.438/2004	Exploration Permit	1984.72	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	12/22/2004	09/30/2024	10/18/2016	2,6,7
870.532/2007	Exploration Permit	1735.34	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2,6,7
870.826/2004	Exploration Permit	2000	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	10/07/2004	09/30/2024	10/18/2016	2,6,7
872.568/2005	Exploration Permit	1998.6	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	5/11/2006	09/30/2024	10/18/2016	2,6,7
870.827/2004	Exploration Permit	1499.12	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	10/07/2004	09/30/2024	10/18/2016	2,6,7
870.534/2007	Exploration Permit	1433.93	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	10/18/2016	2,6,7
870.536/2007	Exploration Permit	1932.6	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	10/18/2016	2,6,7
870.539/2007	Exploration Permit	1970.36	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	n/a	05/18/2015	3,6,7
870.585/2008	Exploration Permit	1016.33	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	01/25/2011	09/30/2024	01/31/2017	2,6,7
870.540/2007	Exploration Permit	1705.05	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	6/05/2007	09/30/2024	9/04/2016	2,6,7
870.541/2007	Exploration Permit	2000	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	6/05/2007	09/30/2024	9/04/2016	2,6,7
870.545/2007	Exploration Permit	2000	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	6/05/2007	09/30/2024	9/04/2016	2,6,7
870.544/2007	Exploration Permit	2000	Active	Rio de Contas Desenvolvimento Minerais Ltda.	Borborema Mineração Ltda.	6/05/2007	09/30/2024	9/04/2016	2,6,7

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Tenement	Type	Area (ha)	Status	Holder	Assignee (s)	Grant Date MM-DD-YYYY	ANM Review MM-DD-YYYY	Expiry Date MM-DD-YYYY	Comments – See Note
870.713/2007	Exploration Permit	1252.74	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2.6,7
870.714/2007	Exploration Permit	1462.6	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2.6,7
870.877/2007	Exploration Permit	1994	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2.6,7
870.879/2007	Exploration Permit	1995.77	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2.6,7
872.970/2010	Exploration Permit	789.47	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	02/15/2011	09/30/2024	02/18/2017	2.6,7
872.480/2009	Exploration Permit	598.9	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	11/18/2009	n/a	04/25/2016	3.6,7
870.880/2007	Exploration Permit	1802.12	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2.6,7
870.882/2007	Exploration Permit	1461.47	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	3/12/2008	09/30/2024	01/31/2017	2.6,7
873.398/2008	Exploration Permit	853.82	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	10/03/2008	09/30/2024	05/15/2017	2.6,7
870.890/2007	Exploration Permit	1856.64	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2.6,7
870.888/2007	Exploration Permit	1710.38	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2.6,7
870.898/2007	Exploration Permit	1690.23	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2.6,7
870.900/2007	Exploration Permit	2000	Active	Rio de Contas Desenvolvidimentos Minerais Ltda.	Borborema Mineração Ltda.	8/09/2007	09/30/2024	01/31/2017	2.6,7

Source: BRE 2023





The Project also include: one application for an Exploration Permit by Borborema Mineração Ltda; three Exploration Permits that are subject to a call option granted to Borborema Mineração Ltda by Rio de Contas Desenvolvidos Minerais Ltda; two disponibilidades; and four mining permit applications by Titânio Goiás Mineração Ind. E Com. Ltda. The Company has advised that they are not aware of these applications being subject to any challenges.

The one Exploration Permit application by Borborema Mineração Ltda covers an area of 3.57 ha (Table 4).

Table 4: Summary of Rocha da Rocha Exploration Permit Application located in the Northeast of Brazil, in the State of Bahia

Tenement	Type	Area (Ha)	Status	Applicant
871.928/2022	Application for Exploration Permit	3.57	Active	Borborema Mineração Ltda.

Source: BRE 2023

The three Exploration Permits that are subject to a call option granted by Rio de Contas Desenvolvidos Minerais Ltda., cover a total area of 5,392.99 ha (Table 5).

Table 5: Summary of Rocha da Rocha Exploration Permits over which Borborema has been granted a call option located in the Northeast of Brazil, in the State of Bahia

Tenement	Type	Area (Ha)	Status	Applicant
870.674/2009	Exploration Permit	1592.48	Active	Rio de Contas Desenvolvidos Minerais Ltda.
870.671/2009	Exploration Permit	1865.08	Active	Rio de Contas Desenvolvidos Minerais Ltda.
870.672/2009	Exploration Permit	1935.43	Active	Rio de Contas Desenvolvidos Minerais Ltda.

Source: BRE 2023

The two disponibilidades cover an area of 1,427.44 ha (Table 6).

Table 6: Summary of Rocha da Rocha Disponibilidades located in the Northeast of Brazil, in the State of Bahia

Tenement	Type	Area (Ha)	Status	Applicant
870.357/2009	Disponibilidades	989.86	n/a	-
300.049/2011	Disponibilidades	437.58	n/a	-

Source: BRE 2023

The four Mining Permit applications by Titânio Goiás Mineração Ind. E Com. Ltda., cover a total area of 649.01 ha (Table 7).

Table 7: Summary of Rocha da Rocha Mining Permit Application located in the Northeast of Brazil, in the State of Bahia

Tenement	Type	Area (Ha)	Status	Applicant
872.605/2006	Application for Mining Permit	8.55	Active	Titânio Goiás Mineração Ind. E Com. Ltda.
870.466/1989	Application for Mining Permit	364	Active	Titânio Goiás Mineração Ind. E Com. Ltda.
870.465/1989	Application for Mining Permit	112.72	Active	Titânio Goiás Mineração Ind. E Com. Ltda.
870.463/1989	Application for Mining Permit	163.74	Active	Titânio Goiás Mineração Ind. E Com. Ltda.

Source: BRE 2023

A tenure status determination was successfully secured by BRE in 2023 with the Brazilian mining cadastre, Sistema de Informações Geográficas da Mineração ("SIGMINE"). The information presented in corresponds to records held by SIGMINE and have been verified as being accurate for the purposes of this report by BRE legal advisors.

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Out of the approximately 141,000 ha comprising the area of the 96 exploration permits in Table 3 above:

- Approximately 96,500 ha cover land with no significant designations and normal exploration and mine permit approval process. This includes permit areas that host the Company's flagship Monte Alto deposit and Riacho de Areia - North deposit.
- Approximately 44,500 ha overlap with designated areas as shown in Figure 2 and listed below.
  - In the northern part of the Project, a small area amounting to approximately 500 ha is located within the Reserva da Vida Silvestre de Amargosa.
  - In the central region part of the Project, an area amounting to approximately 27,500 ha, is located in Zona Amortecimento surrounding the Estação Ecológica de Wenceslau Guimarães<sup>9</sup>.
  - In the central region part of the Project, an additional area amounting to approximately 16,500 ha is located in the Área de Proteção Ambiental ("APA") Caminhos Ecológicos da Boa Esperança<sup>10</sup>.

In the Brazilian legal framework, mining activities within sustainable use areas are not explicitly prohibited at federal, state, or municipal levels. Activities in these areas must reconcile economic development with environmental preservation. Mining operations impacting these areas require licensing approval from the respective zone's management authority. This authorization is contingent upon conducting thorough Environmental Impact Assessment (EIA) studies.

In Bahia, an emerging mining region, there are 81 mining permits situated within sustainable use areas. Among these permits, nine have been utilized for industrial minerals (7) and base metals (2). In the adjacent state of Minas Gerais, with a mature mining industry, 175 mining claims are found within sustainable use areas. The Brazilian government recently issued environmental licenses for mining in sustainable use areas such as AngloGold Ashanti's Córrego do Sítio open pit operation in 2021. The existence of numerous active mining permits and operations within these sustainable use areas emphasizes that the designation of sustainable use does not impose a prohibition on mining activities in Brazilian mining districts like those in Bahia.

<sup>9</sup> Wenceslau Guimarães State Ecological Station is a full protection environmental conservation unit created by the Bahia State Decree 6.228 of February 21, 1997, and expanded by Bahia State Decree 7.791 of April 19, 1997. According to paragraph 1, of art. 7 and art. 28 of the Federal Law nº 9.985/2000, any Full Protection Conservation Unit has the objective of preserving nature, with only the indirect use of its natural resources being admitted. This means that mining and/or exploration activities within the Wenceslau Guimarães State Ecological Station, is forbidden. Therefore, ANM may initiate an administrative proceeding to reduce the tenement area and remove its interference Ecological Station.

<sup>10</sup> According to Federal Law 9.985/2000, an APA is classified as a form of conservation unit for sustainable use (art. 14, item I), with the aim of making nature conservation compatible with the sustainable use of part of its natural resources (article 7, §2). In general, the Law does not impose prohibitions on the development of potentially or effectively polluting activities in such conservation units, such as mining. It is required, on the other hand, that any rules imposed in the Management Plan of the Conservation unit be observed and that, within the scope of the environmental licensing, there is an interface with the management body of the conservation unit.

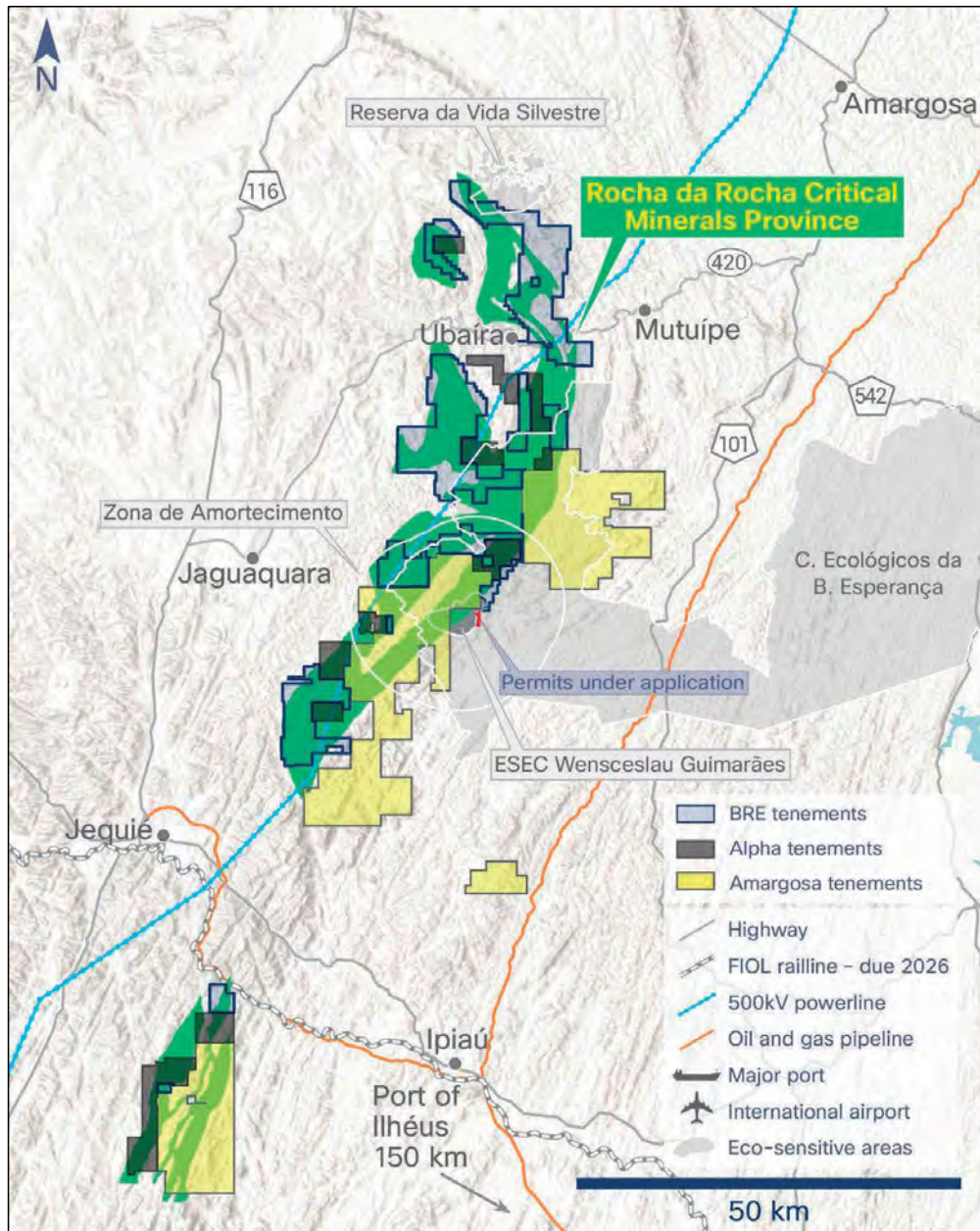


Figure 2: Overview of Brazilian Rare Earths granted tenements and tenements under application (all of which are either held, or to be acquired, by Brazilian subsidiaries of the Company) with reference to State Nature Reserves, Protective Boundary Zones and Land Settlements  
Source: BRE 2023

# 7. Independent Technical Report continued



## 2.3 Royalties

All mining permits in Brazil are subject to state and landowner royalties, pursuant to article 20, § 1, of the Constitution and article 11, "b", of the Mining Code. In Brazil, the Financial Compensation for the Exploration of Mineral Resources (Compensação Financeira por Exploração Mineral - CFEM) is a royalty to be paid to the Federal Government at rates that can vary from 1% up to 3.5%, depending on the substance. It is worth noting that CFEM rates for mining rare earth elements are 2%. CFEM shall be paid (i) on the first sale of the mineral product; or (ii) when there is mineralogical mischaracterization or in the industrialization of the substance, which is which is considered "consume" of the product by the holder of the mining tenement; or (iii) when the products are exported, whichever occurs first. The basis for calculating the CFEM will vary depending on the event that causes the payment of the royalty. The landowners royalties could be subject of a transaction, however, if there's no agreement to access the land or the contract does not specify the royalties, article 11, §1, of the Mining Code sets forth that the royalties will correspond to half of the amounts paid as CFEM.

The exploration permits in the BRE Tenements section of Table 3 (but excluding exploration permit 871.929/2022 and 871.931/2022, and also excluding the application for exploration permit 871.928/2022) are subject to an additional 2.5% royalty agreement in favour of Brazil Royalty Corp. Participações e Investimentos Ltda (BRRCP).

## 2.4 Regional Exploration and Mining

In the immediate vicinity of the Project there are six Development Consents (Table 8) held by small companies for extraction of limestone, gneiss and granite for construction materials. However, there are no current mining tenements located within or adjacent to BRE's exploration tenements.

Exploration activities by other companies in the area have not previously targeted or identified REE mineralisation. Historical exploration activities in the vicinity of the Project include investigations for iron ore, bauxite, gold and base metals, and niobium.

Table 8: Current Development Consents in the region

Mining Tenement	Tenement Holder	Start Year	Area (ha)	Commodities
800514/1974	Cooperativa Central de Cacau Ltda	1974	400	Limestone
870957/1988	Baimin Granitos Ltda	1988	702	Gneiss
871685/2009	Campestre Serviços e Mineração Ltda EPP	2009	124	Granite
872579/2010	Leite & Rocha Ltda	2010	49	Granite
870924/2012	Granet Prospecção ASRV Ltda ME	2012	1000	Granulite
870616/2011	H.C. de Matos & Cia Ltda.	2011	45	Granite

Source: BRE 2023

Bahia has a well-established and thriving mining industry that plays a crucial role in the state's economy and development. It is the largest producer of chromite, the second-largest producer of nickel, and the third-largest producer of copper within Brazil. Additionally, Bahia is home to significant iron ore and gold mining projects (BNAmericas, 2022<sup>11</sup>). Some notable mining operations in the region include:

- Atlantic Nickel - Santa Rita mine.
- Companhia de Ferro Ligas da Bahia (FERBASA) - Coitezeiro and Ipueira chromite mines.
- Ero Copper - Caraíba operations.
- Eurasian Resources Group (ERG) - Pedra. de Ferro iron ore mine and associated rail and port infrastructure.
- Largo Inc. - Maracás Menchen vanadium and titanium mine.
- Yamana Gold Inc. - Jacobina mining complex.

<sup>11</sup> The named party has not consented to the use of their information in this report.



- 
- Indústrias Nucleares do Brasil (INB) – Caetité uranium mine in Lagoa Real. The only producing uranium mine in Brazil.

These projects highlight the diversity of mineral resources present in Bahia. The presence of numerous international companies demonstrates the State's attractiveness for foreign investment in mineral projects.

# 7. Independent Technical Report continued



## 3 Location and Access

The BRE licence area is located approximately 155 km west-southwest of Salvador, the capital of Bahia State in Northeast Brazil. The approximate centre of the Property is at 39°46'35" W and 13°37'50" S (416,000 E, 8,493,000 N SIRGAS 2000 UTM Zone 24S). Figure 1 and Figure 2 show the location of the Project and proximity to all current infrastructure as described below.

Salvador has a population of approximately three million and provides access to equipment, supplies, and manpower required for mining operations. The city is served by the Salvador Bahia International Airport. Additionally, the property is connected to transcontinental road and rail networks, as well as international maritime links.

All BRE tenements are within approximately 30 km of Brazil's two major federal highways. Highway BR-101 to the east and BR-116 to the west provide direct access to the country's key infrastructure and industrial centres. The tenements can be easily reached from either highway, first by paved highways BR-420 or BR-330, and then by a network of partially paved and unpaved roads. Exploration sites within the property can be accessed using off-road vehicles via existing agricultural tracks or tracks established by the company through open pasture, plantations, or forests.

The Port of Salvador, situated within 155 km of the property, can be reached via highway BR-420 or the Centro-Atlântica Railroad (FCA), which passes 70 km to the north of the property. Furthermore, the Port of Ilhéus, located within 150 km of the property, can be accessed via highway BR-415 or the West-East Integration Rail Line (FIOL). FIOL runs eastward through the city of Jequié and passes through the southernmost BRE tenements and is expected to be completed in 2026 ((ERG,2021<sup>12</sup>)). Both ports and rail links can facilitate the transportation of freight, heavy machinery, consumables, and mineral products associated with mining.

A 500 KV electrical transmission line passes over the tenement blocks and connects the project to low-cost hydroelectric power generated at the Pedra do Cavalo station (162 MW) located 140 km to the northeast of the project. A natural gas pipeline runs 40 km to the east of the Project parallel to the tenements. A pipeline branch passes between the southernmost BRE tenements and extends westward to the city of Jequié.

Tenements are crossed by four perennial rivers: Rio Jiquiriçá, Rio Preto, Rio das Pedras and the Rio de Contas. The project is situated on a hard-rock aquifer with low productivity (CPRM, 2010<sup>13</sup>) that is not sensitive to mining extraction. Piped water supplied by the state utility company can be accessed in the municipality of Ubaíra and along highway 420, approximately 10 km north of the project centre.

The Project is surrounded by small cities and towns. The closest municipality to the project centre, Ubaíra, has a population of approximately 20,000 and offers various amenities to support mineral exploration, including: food, accommodation, fuel, automotive services, and medical facilities. Within the BRE tenements, there are several small settlements. The region's land use comprises primarily cattle grazing, subsistence farming, plantations (coffee, cocoa, cereals, and cassava), and tourism.

The area of the Project is sufficient to accommodate eventual mining operations with adequate space for potential mining and processing plant sites, tailings storage areas and waste disposal areas.

<sup>12</sup> The named party has not consented to the use of their information in this report.

<sup>13</sup> The named party has not consented to the use of their information in this report.



## 4 Climate and Topography

### 4.1 Climate

The project area is situated within the tropical region, positioned between the Tropic of Capricorn and the Equator. It experiences a tropical savanna climate classified as 'Aw' under the Köppen climate classification system.

For climatic records of the project area, the municipality of Ubaíra, located 10 km north of the Property centre, serves as the nearest representative location. Monthly climate averages for Ubaíra the period 1991 - 2021 are presented in Table 9 (source: climate-data.org, 2023).

The climate remains warm throughout the year, influenced by the region's tropical position, with an average annual temperature of 21.5 °C. The highest average temperatures are observed in March, reaching around 23.3 °C. August is the coldest month, with temperatures averaging 19.0 °C.

The annual precipitation in the area averages 819 mm. The winter months from May to September tend to receive the least amount of rainfall. Among these months, September records the lowest average precipitation at 50 mm. The majority of the rainfall is irregularly distributed between the summer months of November to July, with occasional periods of intense rainfall. November is the wettest month, with an average precipitation of 90 mm.

Field exploration operations can be conducted throughout the year except for short periods of intense rainfall during the summer season which may diminish drilling capabilities. Mining operations in the region, supported by the necessary infrastructure, operate year-round.

Table 9: Monthly climate averages for Ubaíra

Month	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Avg. Temp. (°C)	23	23.2	23.3	22.5	21.2	19.9	19	19	20	21.3	22.3	22.9
Min. Temp. (°C)	20	20.3	20.5	20	18.8	17.7	16.7	16.4	17.2	18.4	19.3	19.8
Max. Temp. (°C)	27.3	27.5	27.7	26.3	24.8	23.2	22.4	22.6	24	25.7	26.7	27.4
Precipitation (mm)	87	72	76	73	53	54	59	55	50	61	90	89
Humidity(%)	81	81	81	83	84	86	86	84	82	81	80	79
Rainy days (d)	14	13	14	15	12	12	12	12	11	12	12	12
Avg. Sun (hours)	6.2	6	6	4.8	4	3.7	3.8	3.8	4.2	4.6	5.1	6.1

Source: climate-data.org, 2023



# 7. Independent Technical Report continued



## 4.2 Topography

The Project is situated in a topographic region known as the "Plateaus and Mountain Ranges of the East and Southeast Atlantic" (Ross, 1985<sup>14</sup>). This region includes the eastern portion of Bahia State and encompasses a wide strip of land characterized by crystalline bedrock, forming a plateau approximately 100 km inland from the coast.

Over time, weathering processes have resulted in the development of deep regolith horizons, including saprolite and residual soils. Bedrock exposure at the Project is limited to occasional outcrops at erosional scarps and along drainage channels. Due to poor exposure, mapping and effective remote sensing of bedrock at the deposit scale can be challenging.

The topography of the region is characterized by the following dominant features:

- **Parallel valleys:** These valleys follow the general trend of the underlying bedrock geology, oriented NNE in the south of the project area and NNW in the north. They are occupied by seasonal drainage banked by gently sloping pediment at elevations ranging from approximately 400 m to 600 m above sea level ("masl").
- **Hills and upland plateaus:** These features separate the parallel valleys and are covered by a deep soil mantle. Intermittent drainage networks dissect the upland plateaus at elevations ranging from approximately 600 masl to 800 masl. The surrounding slope zones are often rounded, steep, and influenced by mass slope movement.
- **Cross cutting valleys:** Northwest orientated valleys cut across the general relief described above and range in scale from minor to major topographic features. The largest valleys contain perennial rivers that flow towards the Atlantic.

The elevation difference between the plateau tops and valley floors is up to 400 m, but typically ranges between 100 m to 200 m.

Within the Project region, land is primarily used for cattle grazing, subsistence farming, and plantations. Upland plateaus often support denser primary vegetation. The Project lies within the Bahia Coastal Forests ecoregion (da Silva, 2018), which is characterized by primary Atlantic Forest (Mata Atlântica) with ombrophylous tree cover (IBGE, 1993). Atlantic Forest vegetation is intermittently present, covering 30% of the project area, while the remaining portion (70%) has a range of farming and human activity including the company's Monte Alto deposit.<sup>15</sup>

<sup>14</sup> The named party has not consented to the use of their information in this report.

<sup>15</sup> The named parties have not consented to the use of their information in this report.

## 5 Deposit Type

The exploration program at the BRE Project has identified three main REE mineral deposit types:

1. Primary high-grade REE-Nb-Sc mineralisation in bedrock.
2. Residual monazite mineral grains in shallow regolith.
3. Ionic adsorbed clay hosted REE mineralisation that has been discovered across the tenement area.

These mineralisation styles, although well understood are not common globally and appear to be distinctly different to most known REE deposits. The deposit types targeted for exploration at the Project are summarised below.

Additional tenements (being the Amargosa Tenements detailed in Table 3) which a subsidiary of BRE has agreed to acquire from Rio de Contas (as detailed in the Independent Solicitor's Report elsewhere in the BRE prospectus) host bauxite deposits as summarised in Section 7.1.2, but have not been previously actively explored for REE mineralisation. Bauxite in the region is primarily associated with Tertiary erosion of granulites of the Archean Jequié Complex.

### 5.1 Primary REE-Nb-Sc Mineralisation

Primary REE-Nb-Sc mineralisation is associated with monazite, a phosphate mineral that contains approximately 55-60% REE oxides (Chelgani et al. 2015).<sup>16</sup> Primary monazite refers to monazite deposits that were formed in place, directly from high temperature mineralising processes. REE geochemical data collected from the project plotted as a chondrite normalised curve show negative Eu anomalies indicating that REE mineralizing processes are associated with alkaline silicate or granitic magmatism and that a carbonatite association is unlikely (Siegfried, 2023).

BRE have discovered deposits of primary REE-Nb-Sc mineralisation in subcrop, boulders ("corestones"), and drillholes containing ultra-high grade zones of monazite. These deposits occur as granular zones of up to 40% by weight of monazite, or as veinlets of monazite and/or crandallite. Grab samples collected from corestones and subcrop have TREO grades ranging from 20.1% to 40.5%. Sonic drill core containing rock fragments have TREO grades up to 37.1%. These corestones and subcrop are encountered throughout the Monte Alto and Velinhas targets, often along linear trends hundreds of meters in length.

Petrographic studies show that the primary mineralisation at the Monte Alto deposit is associated with coarse-grained monazite (Pereira & Prates, 2023, 2023a, 2023b)<sup>17</sup> which appear to occur as enclaves within the felsic gneiss host rock. This deposit type was first proposed by Fernandes et al. (2019)<sup>18</sup>, who discovered cumulates of REE minerals in the southern part of the project although BRE has not yet documented other similar occurrences outside of the Rocha da Rocha project area.

These ultra-high grade concentrations of monazite are interpreted to be analogous to cumulate deposits of minerals, such as ilmenite, which typically form large, extensive tabular bodies, that can be tens of meters in thickness and kilometres in strike length. Cumulate deposits are large, and can range in tonnage size from 1 Mt to +300 Mt.

<sup>16</sup> The named party has not consented to the use of their information in this report.

<sup>17</sup> The named parties have not consented to the use of their information in this report.

<sup>18</sup> The named parties have not consented to the use of their information in this report.

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## 5.2 Residual Monazite in Saprolite

Over time, weathering processes act on the primary deposits of monazite. Initial weathering of the cumulate enclaves occurs along joints and fractures to produce rounded corestones surrounded by saprolite rich in residual monazite. Saprolite surrounding corestones intersected by sonic drilling reported TREO grades ranging from 2.4% to 18.8% TREO.

Further weathering causes minerals to become dissolved or transported. Detrital monazite, being relatively resistant to weathering, may survive these processes and will gradually disperse from primary sources in the regolith. Residual monazite has been observed to be dispersed across some of the BRE Project licence areas at varying concentrations.

At the Monte Alto deposit, higher grade REE mineralisation is encountered over a broad NE trending corridor that is currently 1,500 m long and 600 m wide. The corridor contains mineralized hard rock corestones and subcrop, as well as free dig regolith containing coarse to fine grained residual monazite, and with lesser amounts of supergene monazite.

Elsewhere, fine to microparticle sized grains of residual monazite are present in laterally extensive saprolite horizons up to 60m deep and which cover tens of square kilometres.

Residual monazite hosted in regolith is an important component of deposits such as the Mt. Weld deposit, Australia as well as placer and heavy mineral sand deposits. However, regolith enrichment to the degree encountered at the Monte Alto project by drilling is exceptional (e.g., STU0181 with 4 m at a stoichiometrically calculated grade of 45% monazite).

## 5.3 Ionic Adsorbed Clay (IAC)

This type of mineralisation is typically characterised by REE occurring as adsorbed ions on or within the interlayer spaces of clay minerals, such as kaolinite, halloysite, smectite or illite. Figure 3 presents a schematic model of the genesis of ion adsorption-type REE deposits (IAC) that may be applicable to the Project. During weathering, water and other agents break down the rock and minerals releasing REE as trivalent ions into solution. These fluids then migrate downwards through the regolith and may become adsorbed as ionic clays. The Project has areas that are prospective for such clay hosted REE mineralisation and some of the tested clays display an ionic character.

The majority of heavy REE (HREE) mined globally comes from ion adsorption clay-hosted deposits, with this deposit type is mainly found in regions of southern China and Myanmar that are underlain by granitic rocks. While the BRE clay hosted rare earth mineralisation has some similarities to these ion adsorption clay deposits, there are also some differences, indicating that more research is required for a robust deposit model for this REE mineralisation to be presented.

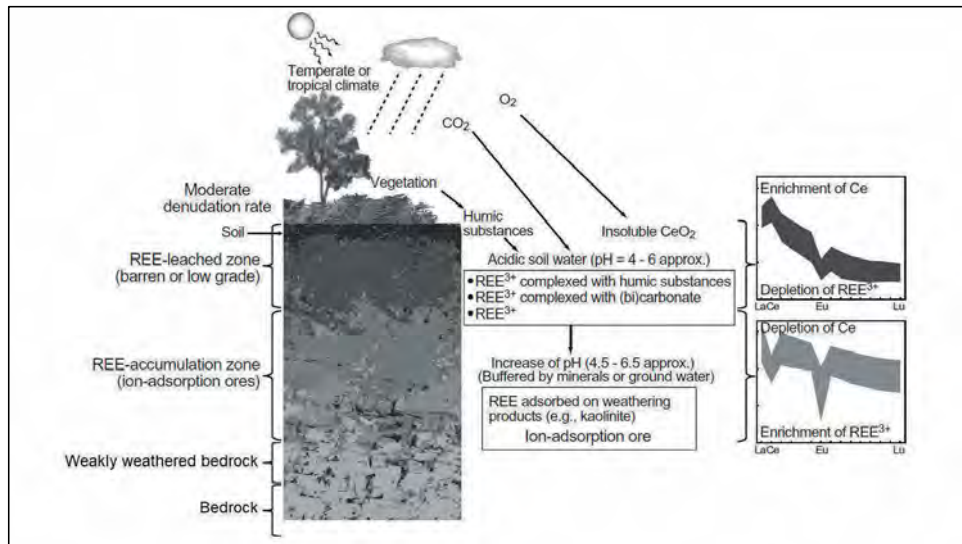


Figure 3: Schematic model of the genesis of ion adsorption-type REE deposits (IAD)

(Modified from Sanematsu & Watanabe (2016).<sup>19</sup>)

Note: Columnar diagram represents a typical weathering profile hosting the REE ores. Graphs show the typical examples of chondrite-normalized REE patterns of the REE leached zone, REE accumulation zone (ion adsorption ores), and parent granite. See the body text for details.

<sup>19</sup> The named parties have not consented to the use of their information in this report.

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## 6 Geology

### 6.1 Regional Geology

The Project area is underlain by crystalline basement comprised of granites, gneisses, granulites and migmatites of Archean to Paleoproterozoic age, which are part of a major tectonic domain known as the São Francisco Craton (Heilbron et al. 2017 and references therein)<sup>20</sup>. The Project sits within the Jequié Block, a tectono-structural block of the north-eastern São Francisco Craton. The Jequié Block is located between the Gavião Block to the west and the Serrinha Block to the east (Figure 4).

Several tectonic cycles affected the Jequié Block, most significantly the Jequié Cycle (Neoproterozoic – 2.6 to 2.7 Ga) and the Transamazonian Cycle (Paleoproterozoic – 2.2 Ga). The latter was responsible for the collision between the Gavião, Jequié and Serrinha blocks, generating the Itabuna-Salvador-Curaçá orogenic belt (“ISCB”) (Figure 4). This event caused high-grade metamorphism up to granulite facies in most of the rocks, and generated the dominant structural features encountered in the region.

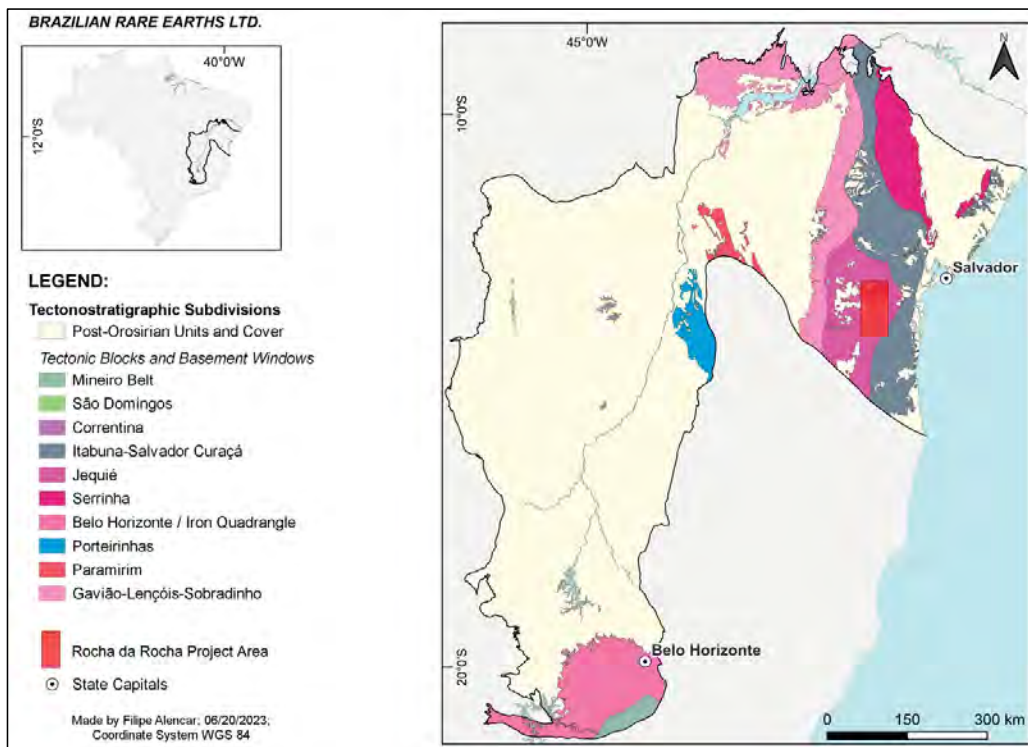


Figure 4: Schematic geotectonic sketch of the region surrounding the Jequié Complex (Modified from Pires et al., (2020).<sup>21</sup>. The Project area is approximated by the red inset)

<sup>20</sup> The named party has not consented to the use of their information in this report.

<sup>21</sup> The named party has not consented to the use of their information in this report.

## 6.2 Local Geology

The Project area is predominantly underlain by rocks of the Jequié Complex. This Complex contains an assemblage, of plutonic calc-alkalic mafic to intermediate rocks, fractionated trondhjemites, tonalites and granodiorites (Fernandes et al., 2019) that have been metamorphosed to granulite facies. The core of the Complex is comprised of the Riacho do Xenxem Unit and undifferentiated granulite and paragneiss which are bounded to the east by overlying rocks of the Laje-Mutuipé Unit (Figure 6). Contacts between these major units correspond to regional scale thrusts and shear zones, and younger felsic metaplutonic rocks. These features have been the focus of the exploration by the Company and are detailed below.

### 6.2.1 The Volta do Rio Plutonic Suite (VRPS)

The Volta do Rio Plutonic Suite (VRPS) intruded the Jequié Complex at 2.6 Ga. The VRPS forms a large NNE-SSW elongated batholith which extends throughout the project area, and to the south, over 200 km (Fernandes et al., 2019) and widths of up to 20 km (Figure 6). Significant units of the VRPS include:

- Fine-grained high-K calc-alkaline ferroan (“A-type”) granitoids with a polygonal granoblastic texture resulting from granulite facies metamorphism (Figure 5A).
- Bimodal REE leucogranites and apparently coeval intermediate to ultramafic units.
  - The leucogranite orthogneiss contains variable amounts of amphibole, hypersthene and magnetite (Figure 5 B); and pegmatites and aplites (Figure 5D). The ferroan leucogranite formation is has been mapped throughout the 200 km length of the VRPS and across significant widths of up to 7 km (Fernandes et al., 2019).
  - The ferroan leucogranite contains REE mineralisation in accessory fluorite, monazite and chevkinite within disseminations, pegmatites, and with smokey quartz (Fernandes et al., 2019; Barbosa et al., 2021).<sup>22</sup>

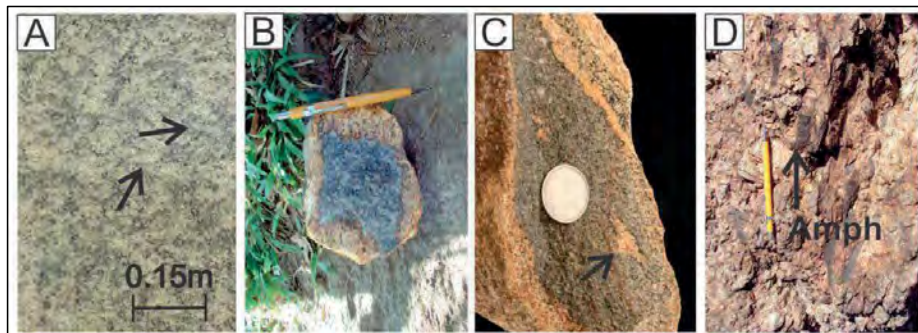


Figure 5: Volta do Rio Plutonic Suite field aspects  
(A) Porphyroclastic monzogranite; arrows show igneous subhedral mesoperthite grains; scale bar = 15 cm. (B) Amphibole-bearing leucogranite; (C) Gabbro-norite (a monzodiorite in the TAS chemical classification) sheet in leucogranite; Arrow shows pockets of K-feldspar; on the top interaction between leucogranite and mafic rock causes amphibole enrichment in the granite; coin diameter = 2.1 cm (D) Pegmatitic hornblende syenite; arrow shows amphibole grains; pen = 15 cm long.  
Source: Fernandes et al. 2019.

<sup>22</sup> The named parties have not consented to the use of their information in this report.

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- Coeval intermediate to ultramafic units including:
  - Ultramafic to gabbroic enclaves of ultra-high grade, possible layered cumulates of monazite have been mapped by BRE at numerous locations in the VRPS, including at Monte Alto, at Velhinhas, and elsewhere. This unit hosts the most significant deposit of primary REE mineralisation at the Project.
  - Intermediate layered hornblendites and monzonites, that have been identified by researchers throughout the leucogranites are reported to host accessory REE minerals as disseminated, concordant horizons with variable thicknesses (e.g. centimetres to tens of meters).

The internal stratigraphy of the VRPS was proposed by Fernandes et al. (2019), who discovered ultramafic and mafic cumulates of REE minerals in the southern part of the Project area. This assemblage of REE bearing rocks has not been documented outside of the Rocha da Rocha area.

## 6.2.2 Brejões Group

The late-stage charnockite diapirs of the Brejões Group intruded the Jequié Complex and VRPS at 2.01 Ga (Barbosa et al., 2006). The Brejões and Santa Inês domes form prominent circular features at the north end of the Project area with diameters of up to 15 km (Figure 6). The charnockite diapirs are interpreted to be derived from melting of a thickened crust resulting from the Transamazonian Cycle collision. These diapirs cross cut folds and shear zones suggesting emplacement after the final collision stage (Barbosa et al., 2006). Magmas of the Brejões Group induced alteration and partial melting of supracrustal rocks and reactivated shear zones surrounding the dome (Barbosa et al., 2006).

## 6.3 Structure

A complex structural history is evident in the rocks in the BRE Project area. Units of the Jequié block record multiple episodes of ductile deformation contemporaneous with the Transamazonian Cycle collision and associated high-grade metamorphism (Barbosa et al., 2004).

Two main folding deformation phases can be recognized from the geologic map interpretation constructed from aero-radiometric data, aeromagnetic data and topographic lineaments and aerial photography (Cooley, 2023).<sup>23</sup>

- Large isoclinal folds with inclined axial planes that trend north to northwest and dip steeply to the west.
- Open folds with axial planes that fan out to the east from south to north. F3 axial planes are ESE-striking in the south and NNE-striking to the north.
- Fold interference styles consist of dome and basin patterns that control the distribution of the prospective rocks of the VRPS (Figure 6).

During Paleoproterozoic collision, large westward thrusts stacked rocks of the ISCB on top of those in the Jequié Block. With continued deformation, thrusts became sinistral transcurrent shear zones characterized by vertical foliation with sub horizontal lineation.

As a result, the region is intensely affected by NE-SW shear zones which bound and may penetrate major lithostratigraphic units including the VRPS. At the project, ductile shear structures are represented by outcrops of mylonitized orthogneisses.

Conjugate sets of later NNW and WNW brittle fault structures cross-cut geological units at the Project. Faults are represented by fractures and tectonic brecciation with bedrock offsets at the deposit scale ranging from tens to hundreds of meters, and at the regional scale of many kilometres (Figure 6).

<sup>23</sup> The named party has not consented to the use of their information in this report.



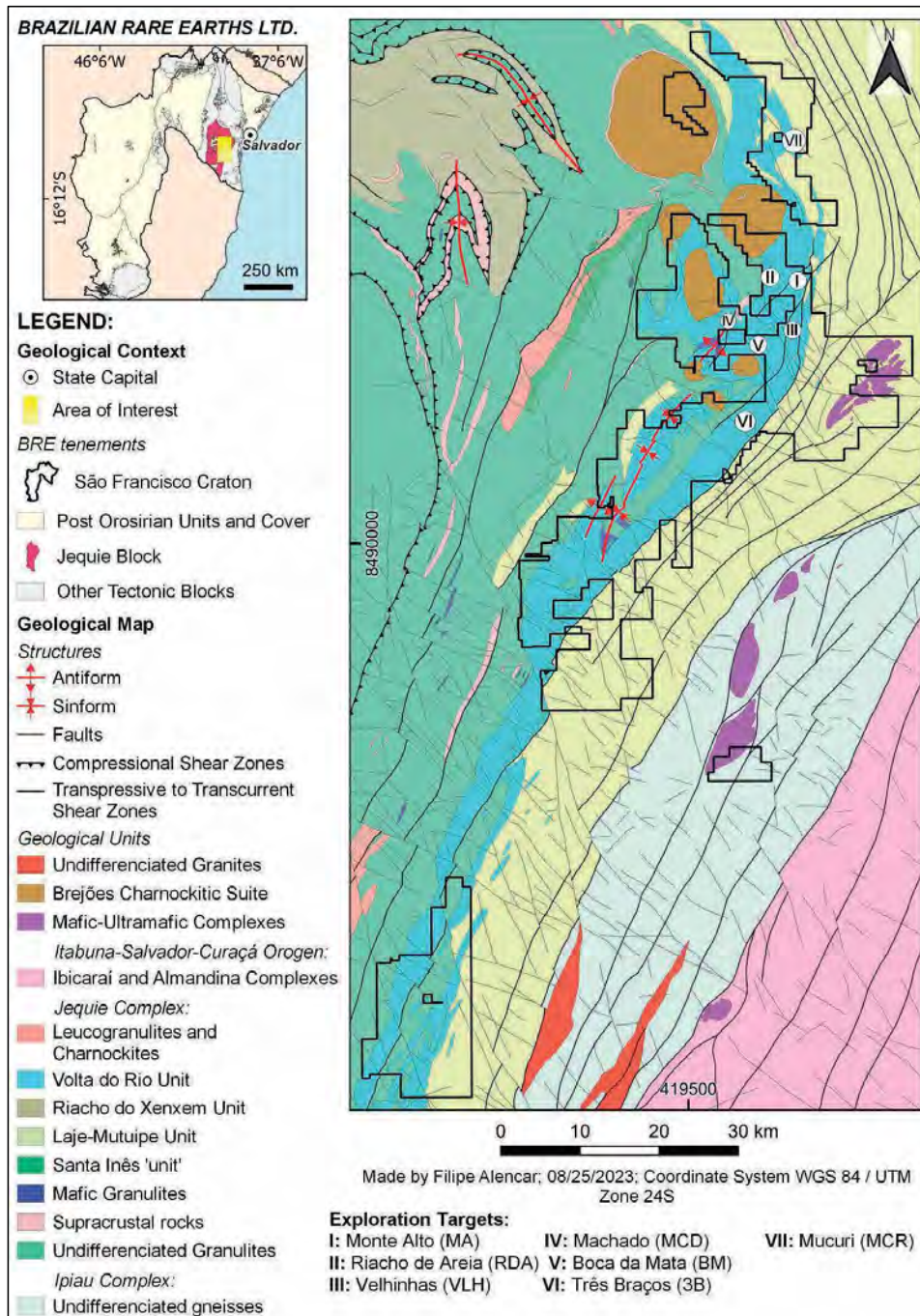


Figure 6: Simplified geology map of the Project area with significant deposits annotated  
Source: BRE 2023

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## 6.4 Regolith

The Project falls within tropical latitudes (Figure 7) characterized by high temperatures and abundant rainfall. This climate promotes deep weathering and the formation of lateritic duricrusts with deep regolith profiles.

Exploration completed to date has focused on the regolith profile which is characterised by: a REE enriched lateritic zone at surface underlain by a depleted mottled zone grading into a zone of REE-accumulation in the saprolite part of the profile; and colluvium which contains REE bearing minerals dispersed from postulated in-situ primary deposits upslope.

Surficial processes occur at varying scales which are discussed below.

### 6.4.1 Chemical Weathering

Ferruginous lateritic layers cover some sections of the Jequié Complex. At the Project lateritic horizons host the Amargosa Bauxite Project that was developed by Rio Tinto and is subject to an agreement to be acquired by a subsidiary of the Company (see Section 7.1.2). Exploration undertaken by the Company has intersected laterite horizons with an average thickness of 3 m and a low-grade REE enrichment which may be associated with the formation of IAC mineralisation (Sanematsu & Watanabe 2016).

The weathering profile can be divided into an REE leached zone in the upper part of the profile and an REE accumulation zone with more ion-exchangeable REEs in the lower part of the profile. BRE have historically used a weathering intensity proxy for the identification of IAD REE enrichment within the Province. This is defined geochemically using the 'Chemical Index of Alteration (CIA)' from works of Goldberg and Humayun (2010) and Nesbit and Young (1982).<sup>24</sup> The CIA is a recognised measure for chemical weathering during the production of clastic sediments, being the degradation of feldspars and the formation of clay minerals during weathering. The CIA is denoted with the following ratio:

$$CIA = (Al_2O_3 / Al_2O_3 + CaO^* + Na_2O + K_2O) \times 100$$

At the project

- CIA >95% is indicative of an extremely weathered mottled zone. This horizon is measured to an average depth of 11 m. REE-bearing minerals dispersed from weathered primary mineralisation are dissolved by acidic soil water in the mottled zone in the upper part of the profile; REEs are transported downward in soil water by forming aqueous complexes or as REE<sup>3+</sup> resulting in a REE leached zone with low REE grades, Figure 3 (Sanematsu & Watanabe, 2016). However close to primary mineralisation, where REE-bearing minerals have not degraded, the mottled zone is less depleted in REE and may host exceptionally high TREO grades.
- CIA 65%- 95% is indicative of saprolite (Figure 14). Saprolite has been intersected by sonic drilling to an average depth of 33 m. In the saprolite accumulation zone, REE bearing fluids migrate downward in the weathered soil profile where they mix with less acidic ground water (Figure 3). Increasing pH causes REE to become immobilized by adsorption to ionic clay, or incorporated into secondary minerals (Sanematsu & Watanabe 2016).
- CIA 50% - 65% is indicative of saprock. Drilling conducted on the Property so far has not tested the base of saprock and the thickness is not known.
- CIA of <50% is indicative of fresh rock. Exploration drilling at the Project has not intersected bedrock at this point.

<sup>24</sup> The named parties have not consented to the use of their information in this report.

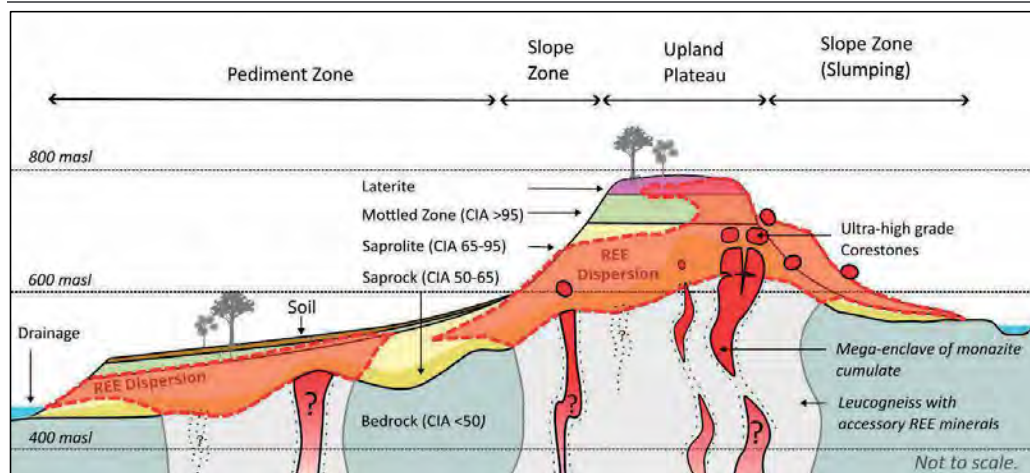


Figure 7: Illustration of interpreted regolith, geomorphology and REE dispersion domains on the Project  
Source: BRE 2023

#### 6.4.2 Geomorphology and Erosion

The tectonic stability of the São Francisco Craton has slowed erosion rates and preserved REE endowed regolith in the region. The Property is subject to local geomorphological process controlled by elevation above mean sea level ("asl") which ranges from 400 masl to 800 masl, and terrain which is categorised into the following zones:

- **Upper Plateau Zone** at higher elevations above 600 masl is characterised by hills and ridges dissected by upland drainage. The Upper Plateau Zone has deep saprolite horizons covered by thicker laterite and mottled zone overburden.
- **Pediment Zone** at elevations below 600 masl is characterised gentle slopes and terraces with occasional exposures of bedrock. Regolith is less preserved due to erosion resulting in thinner overburden above saprolite. Close to mineralised structures in the bedrock (as at Monte Alto) colluvium may contain monazite bearing boulders.
- **Slope Zone** between the upper plateau and pediment zones is affected by high rates of erosion and overburden removal. Thus, the Slope Zone at higher elevations and surrounding the Upper Plateau Zone is the most prospective for occurrences of thick REE mineralized saprolite at, or close to, surface.
- **Lowland Zone** of fluvial sediments surrounding rivers and streams.

#### 6.4.3 Deposit Scale Geomorphology and Erosion

During the site visit CSA Global observed a very active geomorphological system across the Project area evidenced by scalloped edge surfaces visible on the LiDAR survey as well as collections of very large subcrop (i.e. in situ, but rotated and/or slightly moved by regolith processes), and hard-rock corestones of monazite rich rocks which may indicate episodic large scale slumping (Figure 7).

The weathering of the joint-defined blocks of bedrock proceeds fastest on the block corners, at an average rate on the edges, and slowest on the faces. This differential weathering leads to the rounding of the angular blocks to produce rounded corestones surrounded by weathered rock.

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The occurrence of numerous corestones and subcrop (Figure 10) may have significant implications for geological modelling and resource estimation. Corestones are present throughout the mineralised zones and can be correlated to mafic to ultramafic and high-grade monazite described by Fernandes et al. (2019). Sonic drill holes are only rarely able to penetrate the corestones and often meet bit refusal. It is observed that sonic holes have often stopped in high grade mineralisation associated with corestones. For example SSU0032 ended in rock with a grade of 6.9% TREO, SSU0036 ended in rock with a grade of 3.6% TREO, and SSU0037 ended in rock with a grade of 1.1% TREO). Therefore, there is the potential for under-reporting of the regolith grade and also under-reporting of resource tonnages that are reliant on exploration auger and sonic drilling alone.

BRE's early model for the mineralisation was based on a simple flat-lying regolith host, however, in light of observations during the CSA Global site visit, and the recognition by BRE geologists of underlying protolith control, as well as internal variability within the deposits, this assumed geometry is currently under review.

## 6.5 Conclusions

As a result of deep weathering and general lack of outcrop, the deposit geology is at an early stage of geological understanding. BRE is advancing a wide range of geological investigations to better understand the geology, structural geology, regolith profile and geomorphology and how these factors relate to REE mineralisation.

At the current stage of exploration studies, the following conclusions can be made.

- REE enrichment on the property is related to provincial scale tectonic processes that emplaced, then reworked, multiple generations of REE enriched plutonic suites, including the VDRPS.
- The Province is affected by intense tropical weathering resulting in enrichment of residual monazite in the regolith, formation of laterite and deep saprolite horizons, and the added formation of ion adsorbed clay deposits.

CSA Global notes that lithology and structure, as well as regolith and its relationship to topography, are likely significant controls on the REE mineralisation. Certain rock types may be prospective sources of REEs including favourable plutonic host rocks that are found within the Project area. Residual monazite is derived from physical erosion of the underlying protolith (hard rock) and is encountered as corestones and is also incorporated within the clay rich regolith.

Structures within the host rocks enable circulation of surface and ground water that facilitate weathering and redistribution and emplacement of REE mineralisation within a supergene environment.

Detailed mapping of geology, structure and understanding the erosional processes in the Project areas will facilitate understanding the controls on the mineralisation and enable targeting high grade parts of the system. Once favourable host settings to the mineralisation are established, their coincidence with Th anomalism can be used as a first order targeting strategy.

CSA Global is of the opinion that the exploration potential for the Project is high. The combination of a favourable regional geological location, highly prospective local geology and structural framework, an active geomorphological system and coincident geochemical and geophysical anomalies, along with successful drill results to date, confirm the prospectivity of the area for further discoveries of REE mineralisation.



## 7 Exploration

### 7.1 Historical Exploration

There has been no previous REE exploration work completed in the Project area.

#### 7.1.1 Government Airborne Surveys<sup>25</sup>

The Property underwent two regional-scale airborne geophysical surveys.

- In 1975, the Brazilian Geological Survey (“CPRM”) conducted a 71,000 km<sup>2</sup> survey, focusing on the Itaberaba-Belmonte areas, which included airborne magnetic and radiometric data.
- In 2006, the Companhia Baiana de Pesquisa Mineral (“CBPM”) commissioned an 18,000 km<sup>2</sup> high-resolution airborne magnetic and radiometric survey. The survey covered the east and south of the Jequié Block including the Rocha de Roca Critical Minerals Province (“RCMP”) shown in Figure 8.

Both surveys identified a provincial-scale corridor of eTh radiometric anomalies related to the Volta do Rio Plutonic Suite or the Project. This corridor stretches over 200 km north to south and has a width ranging from 10 km to 20 km.

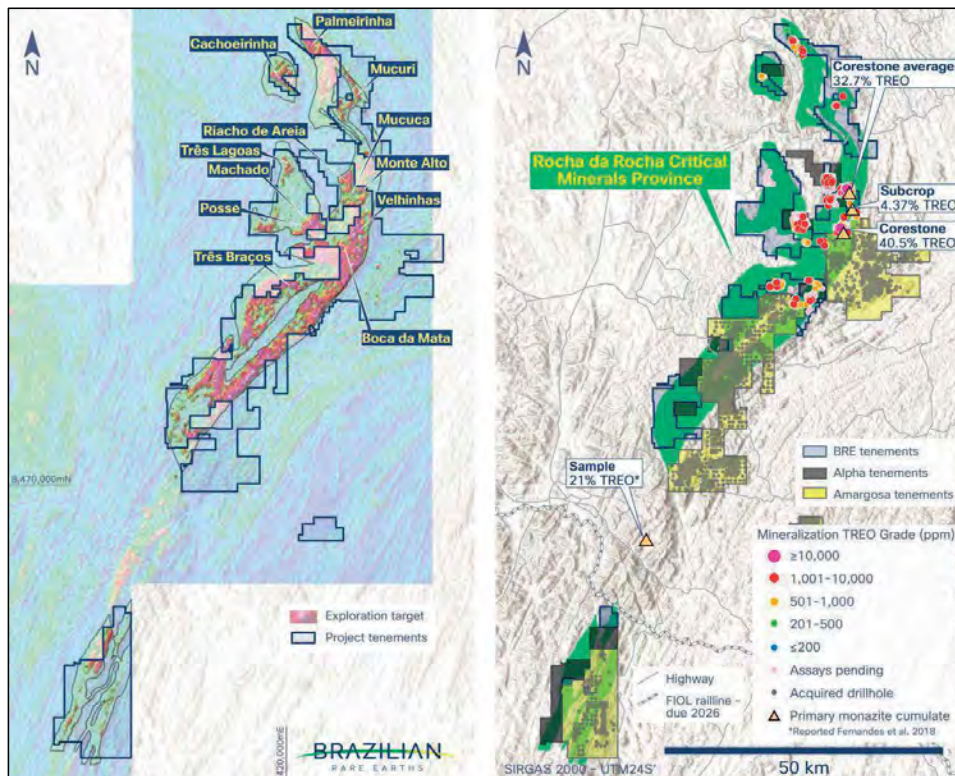


Figure 8. Regional airborne radiometric data with exploration target blocks and drill collar locations  
Source: BRE 2023

<sup>25</sup> The named parties have not consented to the use of their information in this report.

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BRE acquired the CBMP survey data, including raw data and thematic maps, and enlisted internal and external geophysicists for processing. In 2021, consultant geophysicist Peter Diorio conducted a geophysical interpretation and lineament study. In 2023, BRE reprocessed the raw data to enhance resolution to a cell size of 125 m<sup>2</sup>.

Radiometric anomalies guide BRE's exploration targeting on the basis that the eTh signature is associated with REE-bearing monazite and areas that are prospective for IAC deposits. BRE exploration targets, are detailed in Section 9.

## 7.1.2 Rio Tinto Bauxite Exploration

### Background

In 2006, Rio Tinto Exploration ("RTX"), through its wholly owned subsidiary Rio de Contas, began exploration for bauxite in the Amargosa District, Bahia. The regional reconnaissance covered an extensive area along the east of the Jequié Complex. Based on initial bauxite discoveries, RTX established the Amargosa Bauxite Project. A subsidiary of BRE (being Borborema) has agreed to acquire the Amargosa Bauxite Project, which tenement package covers parts of the Project area (Figure 8).

CSA Global has reviewed the RTX technical report describing this work and based on confidence indicators that RTX applied internally, CSA Global have completed an Exploration Target for the Amargosa Bauxite Project. It should be noted that in reporting an Exploration Target, the potential quantity and grade is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

### Work completed

Between 2007 and 2011 RTX conducted an extensive exploration program that led to the identification of several areas prospective for bauxite. Exploration activities completed by RTX included:

- airborne magnetic and radiometric survey.
- purchase of processed remote sensing data acquired by GeoEye and World View 2 satellites that was used to produce a digital surface model (DSM) and the digital terrain model (DTM).
- basement and regolith mapping (regionally at 50K:1 and approximately 140 km<sup>2</sup> at 10K:1).
- surface sampling (1,388 samples on the BRE property).
- ground penetration radar (GPR) traverses.
- exploratory drilling.

In total RTX completed 56,919 m of drilling in 4,257 drill holes on the Amargosa Project. Auger holes were 12 m deep on average with a maximum depth of approximately 30 m. Air core holes were 19 m deep on average with a maximum depth of approximately 50 m. Sonic holes were 30 m deep on average with a maximum depth of approximately 56 m. Drill hole locations were surveyed by professional surveyors using high precision geodetic GNSS or electronic total station equipment. Drill coordinates have centimetric accuracy (Rio Tinto, 2019).

RTX collected drill samples at 0.5 m intervals. The samples underwent routine analyses applicable to bauxite exploration, including: XRF for Al<sub>2</sub>O<sub>3</sub>, Fe<sub>2</sub>O<sub>3</sub>, SiO<sub>2</sub>, TiO<sub>2</sub>, P<sub>2</sub>O<sub>5</sub> and minor oxides; Loss On Ignition ("LOI") was measured at 405°C and 1,000°C; and wet chemistry analyses including Total Available Alumina ("TAA") for gibbsite and RSiO<sub>2</sub> for kaolinite.

A limited number of ICP-MS analyses were performed on surface samples and drill holes for exploration and bauxite characterization. Initially, SGS Geosol served as the primary commercial lab for XRF analyses, followed by Intertek until its closure in 2014, and then ALS until conclusion of the project. Accuracy was maintained through regular audits and QA/QC samples inserted at a rate of 20%.

No systematic assaying of drill core for REE was undertaken.



The drilling established the thickness and quality of bauxite present at the project. Operational responsibility was transferred to Rio Tinto Amargosa (“RTA”) with the aim of building an integrated bauxite mine and aluminium refinery operation.

From 2011 to 2016, RTX shifted its focus to broader scale regional exploration, concentrating on claims to the east of the RCMP. By 2016, the main exploration effort was concluded. Grade estimation used Ordinary Kriging methodology (OK).

The RTX report notes that their internal thresholds for declaring a Mineral Resource reportable in accordance with the JORC Code requires that the estimate must meet both JORC 2012 guidelines as well as Rio Tinto internal procedures. The RTX 2017 work did not meet this standard and subsequently was not considered a JORC Code reportable estimate. RTX internal audit recommended the following work to allow the declaration of Mineral Resources (although no forecast is made of whether that may be successful):

- higher drill density in lesser informed areas to support a confidence factor being applied.
- Lidar Survey to obtain high resolution topography.
- aircore infill drilling for those areas only supported by auger drilling or, in some cases, only supported by regolith mapping.
- further processing related studies including: optimisation of beneficiation processes; the extent of changing moisture content with depth; and relative economics of upgrading lower feed qualities.

RTX work included an assessment of the geological work and it developed an internal confidence indicator that has informed the discussion of an Exploration Target below. The confidence indicator comprises consideration of:

- drill density (higher confidence in closer spaced drill support areas).
- drill quality (aircore vs auger).
- depth below surface.
- estimation pass (passes 1 and 2 were deemed higher confidence; pass 3 lower confidence).

#### *CSA Global Exploration Target*

The JORC Code defines an Exploration Target as “a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.” It should be noted that in reporting a Exploration Target, the potential quantity and grade is conceptual in nature and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

CSA Global has reviewed the RTX technical report work and confidence indicators that RTX applied internally and based on this data have completed an Exploration Target for the Amargosa Bauxite Project as shown in Table 10. The Exploration Target has been broken down by a numeric confidence criteria ranging from C1 to C5, with C1 representing highest confidence and C5 representing lowest confidence.

The criteria for the confidence criteria are as follows:

- C1 – highest drill density, all drill types and search radius of <200 m to 400 m.
- C2 - high drill density, aircore drilling and search radius of <200 m to 400 m, auger drilling search radius <800 m.
- C3 – medium drill spacing, all drill types search radius >800 m.
- C4 – material confirmed by sparse drilling, and extrapolated mineralisation at depth or laterally.
- C5 – material informed by mapping and geological based extrapolation.



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The Exploration Target for the Amargosa Project is estimated to have an approximate tonnage range between 825 – 925 Mt, and an approximate grade ranging from 27% - 28% TAA (Beneficiatable Bauxite). The potential quantity and grade of this Exploration Target (including above and as repeated in more detail in the table below) is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Table 10: Amargosa bauxite project Exploration Target

Confidence Criteria	Approximate Tonnage (Mt)		Approximate TAA Grade (%)	
	Minimum	Maximum	Minimum	Maximum
C1	70	90	27	28
C2	25	45	27	28
C3	170	190	26	27
C4	535	555	26	28
C5	25	45	28	30
<b>Total</b>	<b>825</b>	<b>925</b>	<b>27</b>	<b>28</b>

Source: CSA Global, 2023

The Exploration Target has been compiled in accordance with the guidelines defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC 2012 Code). The information underling the Exploration Target tonnage and grade estimate is based on information reviewed by Ms Sonia Konopa.

Ms Konopa is a full time employee of CSA Global and is a Fellow of the Australasian Institute of Mining and Metallurgy. Ms Konopa has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined by the JORC 2012 Code. Ms Konopa consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

#### BRE review of RTX data

As of the effective date of this report, BRE is assessing the RTX drillhole database. It should be noted that while the RTX exploration was focused on regolith hosted bauxite deposits not REE mineralisation, BRE believes the RTX database offers significant value for evaluation and assessment of the Project.

Much of the RTX drilling and exploration was completed on, or in proximity to, BRE Exploration Targets on the Project. RTX conducted a limited program of ICP multi element analyses, including REEs, on 1,360 surface samples representing approximately 1% of the total samples collected at the project. Results include several assays with high REE grades which provide immediate REE exploration targets that may be associated with primary monazite. To identify additional targets in a rapid and cost-effective way, BRE intend to submit archived RTX pulp reject material for REE analysis.

Historical work by RTX demonstrates that potential for Mineral Resources for large, bulk tonnage, industrial mineral deposits can potentially be delineated in the Amargosa region. The extensive exploration efforts and the comprehensive database gathered by RTX provide valuable insights for future potential prospectivity and development in the area.

BRE is reporting the Exploration Target as it is considered material to the value of the Company. However bauxite as a commodity is not an initial focus for the Company. Within the next two years BRE proposes to undertake exploration activities, as described in Sections 9 and 14 of this report, in these tenement areas to continue to advance the projects in a timely manner (subject to the status of tenure, as detailed in the Independent Solicitor's Report included in the prospectus).

## 7.2 BRE Exploration

In September 2021, BRE commenced exploration activities. Work to date has consisted of reconnaissance mapping, ground radiometric surveys, LiDAR surveying, surface sampling, and drilling.

### 7.2.1 Geophysics and Remote Sensing

#### Drone Magnetic Survey

In 2023, Geoscan<sup>26</sup> conducted a drone magnetometry survey ("dronemag") overseen by the BRE geophysics team at Monte Alto. The survey aimed to observe contrasting magnetic susceptibility in geological structures and identify magnetic anomalies in the high-grade area and surroundings. The drone flew at lower altitudes compared to a conventional aerial survey, allowing more precise levelling of the terrain. The survey covered a 3 km<sup>2</sup> grid with a 25 m x 25 m spacing, at an average height of 45 m, flying in NW-SW direction (perpendicular to main geological structures). This improved flight precision and resolution enhanced the differentiation of magnetic susceptibilities, aiding confident correlation with mineralized zones.

Figure 9 shows a preview of the Vertical Derivative map on the Z axis (depth-related axis) This filter aims to highlight shallow magnetic structures and/or lineaments with continuous behaviour. It is possible to observe strong magnetic contrasts with preferential directions to the NE-SW of the area, which may be correlated with the local shear zone and faults proximal to the high-grade region.

The results from the dronemag survey have been very satisfactory, providing BRE with targets for upcoming drilling campaigns and allows the prioritizing of regions with low magnetic response appears to be associated with high-grade mineralisation.

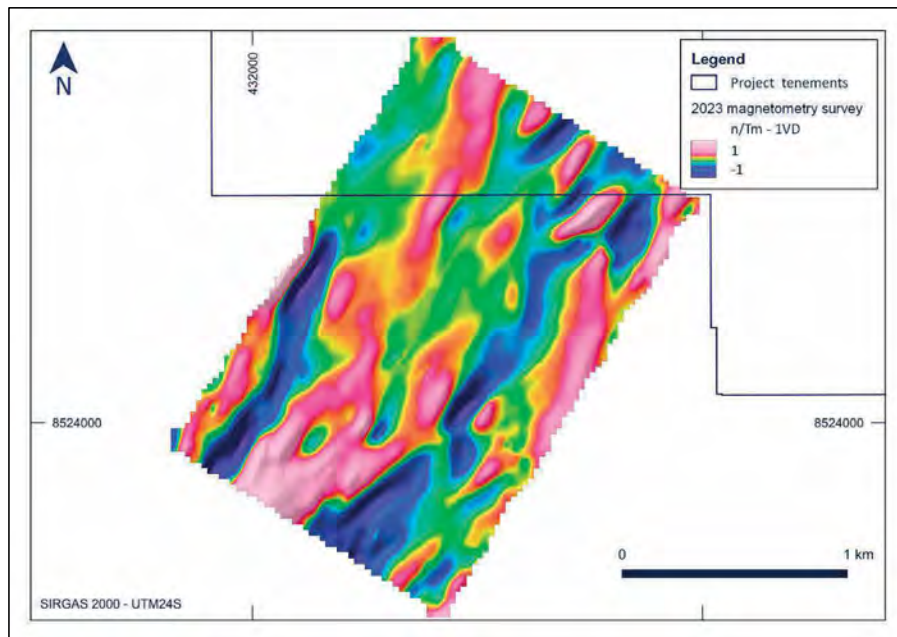


Figure 9. 2023 Drone magnetic survey at Monte Alto, vertical derivative on the Z axis  
Source: BRE 2023

<sup>26</sup> The named party has not consented to the use of their information in this report.

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## *Surface Radiometric Survey*

During 2022 and 2023, the BRE geophysics team conducted a number of ground gamma spectrometry surveys. The gamma spectrometric method generally aims to observe the variations in the natural radiation emitted by the various types of rock and soil located and exposed on the surface. This method is considered superficial, as it investigates depths of between up to 30 cm.

A handheld RS-230 Portable Gamma Spectrometer was used to measure the values of the U (ppm), Th (ppm) and K (%) radioactive channels, thus having a correlation directly associated with mineralisation. Readings were taken at waist height, approximately 1 m above the surface, with the sensor covering an area of up to 1 m<sup>2</sup>.

- At Monte Alto, readings were obtained every 10 m along east-west traverses spaced 50 m apart, covering an area of approximately 1.5 km<sup>2</sup>.
- At Riacho de Areia, readings were collected every 50 m along traverses spaced 200 m apart, covering an area of approximately 2 km<sup>2</sup>.
- At Palmeirinha, readings were taken every 25 m to 50 m along traverses spaced 200 m apart, covering an area of approximately 1 km<sup>2</sup>.
- Initial orientation surveys were carried out over 9 km<sup>2</sup> at Machado and 6 km<sup>2</sup> at Velhinhas. Readings were taken on a grid of stations with regular 320 m spacing intervals.
- Ground spectrometer surveys, totalling approximately 60 line-km, were conducted throughout the property. Readings were collected at intervals ranging from 50 m to 400 m.

The results of ground-based radiometric surveys demonstrated a strong correlation with findings of regional airborne surveys. At Monte Alto the survey results delineated the high-grade zone and resulted in the discovery of corestones and subcrop rocks with high levels of associated REE.

These surveys were cost-effective and relied on readily available and portable equipment enabling immediate data acquisition. Elsewhere at the Project new targets are being recognized, using the same proposed methodology and geophysical characteristics addressed in Monte Alto.

## *Surface Gravimetric Survey*

In 2023, a ground gravimetric geophysical survey was carried out by the National Observatory<sup>27</sup> (the reference centre for gravimetry in Brazil) under the supervision of BRE geophysics team. The 0.125 km<sup>2</sup> survey included 86 stations centred on the high-grade target area within the Monte Alto deposit. The purpose of the survey was to detect density variations in subsurface rocks with the objective to locate potential bodies or structures that correlate with the high-grade mineralised zones. The survey suggest the presence of dense bodies at three locations within Monte Alto, at varying depths. Notably, one site coincided with the known ultra-high grade corestones and subcrop zone. Further drilling, and density measurements are required.

## *LiDAR and Topography*

BRE commissioned Topomil Engenharia e Topografia LTDA ("Topomil"),<sup>28</sup> a surveying company, to obtain a digital terrain model ("DTM") and orthophotos of the Monte Alto and Riacho de Areia project areas. In September 2023, Aerosat Engenharia e Aerolevantamentos LTDA ("Aerosat"), working as a subcontractor to Topomil, conducted an airborne LiDAR and photogrammetry survey with highly accurate RTN-GPS survey control. The LiDAR data was collected at a density of 4 points per m<sup>2</sup> (Topomil, 2022). LiDAR data was processed to provide 'bare earth' DTM models with an accuracy class of +/- 0.1 m (Topomil, 2022) that covering an area of 13.74 km<sup>2</sup> at MA and 17.37 km<sup>2</sup> at RDA. Survey products and orthophoto sets are adequate to support engineering design at the Company's two most advanced prospects.

<sup>27</sup> The named party has not consented to the use of their information in this report.

<sup>28</sup> The named party has not consented to the use of their information in this report.

Outside of the Monte Alto and Riacho de Areia LiDAR survey areas, the company used a Shuttle Radar Topography Mission (“STRM”) elevation model with a 30 m cell size.

#### 7.2.2 Surface Exploration

##### Rock Chip and Channel Sampling

As of 21 July 2023, the surface data cut-off date for this study, BRE have analysed approximately 128 rock and 52 channel samples. Due to poor outcrop exposure the majority of samples are collected from float, corestone or subcrop. Analytical samples ranged from 0.37 kg to 2.11 kg in weight and an attempt was made to collect grab samples that were representative of the exposed mineralisation in corestone or subcrop utilizing a hammer and chisel method of sample collection.

Sample density is irregular and some sample bias may have resulted from the inconsistent exposure of certain zones. However, the grab sampling methodology was sufficient to meet the objective of the sampling program, which aimed to develop preliminary insights into the controls and distribution of the mineralisation.

Figure 10 shows an example of subcrop being tested by a portable XRF analyser.

Primary monazite mineralisation has been identified in 31 corestone samples and 3 outcrop samples collected from Monte Alto (Figure 11). Example mineralized corestone samples are shown in Figure 21 in Section 9. A corestone sample collected to the south of Velhinas also contained primary monazite (Figure 16). The remaining 145 samples were analyzed to determine the geochemistry of host lithology units at the Project.



Figure 10. Example of subcrop being tested by pXRF  
(ALP400028 – 0.51 kg at 405000 ppm (40.5%) TREO (5% HREO and 20% MREO & 7% NdPr)  
Source: BRE 2023



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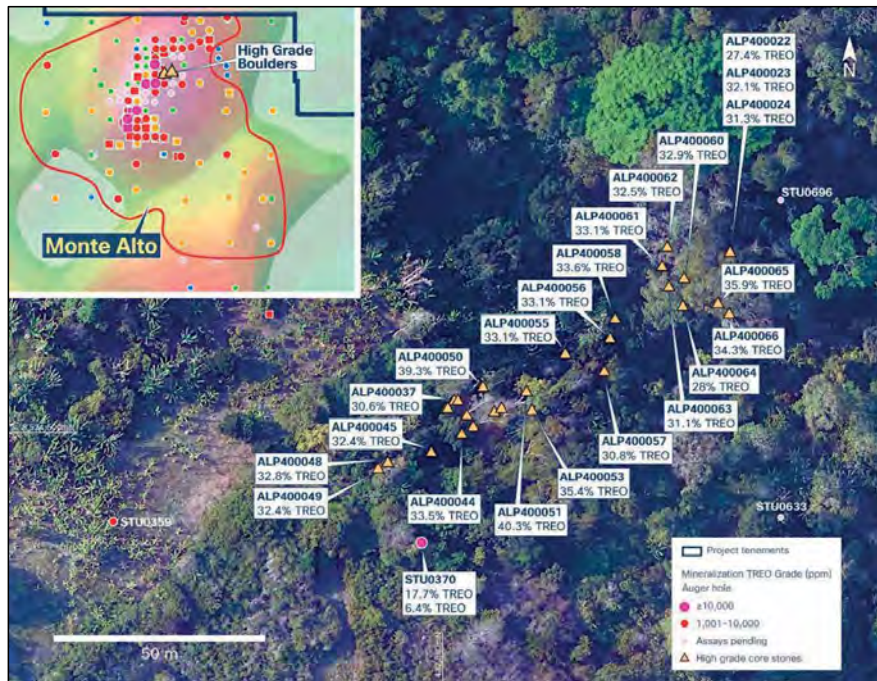


Figure 11. Plan View of high grade corestone and/or subcrop locations at Monte Alto  
Source: BRE 2023

The hard rock corestone results ranged from 20.1% to 40.5% TREO with an average grade of 32.7% TREO with 5.6% NdPr. TREO had a very low coefficient of variation of 0.12. Hard rock grab sample results from the Project area are tabulated in Table 11.

Of the REE a total of 0.9% were the economic heavy rare earth elements DyTb which represents a far higher proportion than many other hard rock deposits. The corestone samples also contain high grades of elements including up to 1.5% niobium (average 1.1% Nb<sub>2</sub>O<sub>5</sub>), up to 5,246ppm uranium (average 4,025ppm U<sub>3</sub>O<sub>8</sub>) and up to 269ppm scandium (average 219ppm Sc<sub>2</sub>O<sub>3</sub>). Such critical metal concentrations characterize the 'high-grade REE-Nb-Sc mineralisation style.

Table 11: Grab sample results from Monte Alto and Velhinhos Projects

Sample	Target	Easting	Northing	Weight (kg)	TREO (%)	NdPr (ppm)	DyTb (ppm)	Nb <sub>2</sub> O <sub>5</sub> (%)	Sc <sub>2</sub> O <sub>3</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (ppm)
ALP400022	MA	432,890	8,524,509	0.71	27.4	46,600	2,850	1.24	259	3,933
ALP400023	MA	432,903	8,524,518	0.61	32.1	55,910	3,184	1.06	223	4,346
ALP400024	MA	432,924	8,524,526	0.79	31.3	51,220	3,042	1.11	249	4,365
ALP400028	VLH	431,822	8,516,112	0.51	40.5	69,860	2,114	0.00	8	3,141
ALP400032	MA	432,935	8,524,541	0.57	35.7	63,370	3,220	1.01	165	4,214
ALP400037	MA	432,883	8,524,508	0.57	30.6	53,620	3,037	1.48	247	4,488
ALP400038	MA	432,886	8,524,504	0.52	29.8	47,840	2,465	1.11	236	3,900
ALP400039	MA	432,887	8,524,502	0.51	28.1	50,590	2,568	1.34	269	4,077
ALP400040	MA	432,884	8,524,508	0.51	31.8	49,450	2,231	1.22	246	4,231
ALP400041	MA	432,881	8,524,506	0.55	34.7	57,500	2,700	1.08	213	4,142
ALP400042	MA	432,881	8,524,506	0.76	35.6	61,160	3,042	0.94	194	3,403
ALP400043	MA	432,892	8,524,505	0.65	32.8	53,810	3,021	1.26	255	4,517



Sample	Target	Easting	Northing	Weight (kg)	TREO (%)	NdPr (ppm)	DyTb (ppm)	Nb <sub>2</sub> O <sub>5</sub> (%)	Sc <sub>2</sub> O <sub>3</sub> (ppm)	U <sub>3</sub> O <sub>8</sub> (ppm)
ALP400044	MA	432,885	8,524,500	0.73	33.5	56,640	2,908	1.11	228	3,956
ALP400045	MA	432,877	8,524,496	0.74	32.4	52,680	2,594	1.02	223	3,640
ALP400047	MA	432,877	8,524,496	0.71	33.1	56,300	3,044	1.33	217	4,471
ALP400048	MA	432,867	8,524,493	0.63	32.8	55,300	2,687	0.96	214	3,300
ALP400049	MA	432,865	8,524,492	0.56	32.4	52,320	3,068	1.34	220	4,820
ALP400050	MA	432,890	8,524,511	0.61	39.3	67,960	3,239	1.01	186	3,843
ALP400051	MA	432,900	8,524,510	0.72	40.3	71,380	3,365	0.93	173	3,291
ALP400052	MA	432,894	8,524,506	0.65	20.1	40,700	1,873	0.69	263	2,636
ALP400053	MA	432,901	8,524,506	0.75	35.4	58,940	2,907	1.08	212	4,234
ALP400055	MA	432,909	8,524,519	0.64	31.8	55,240	2,923	1.40	233	5,103
ALP400056	MA	432,920	8,524,523	0.68	33.1	56,170	2,794	1.06	218	3,560
ALP400057	MA	432,918	8,524,515	0.57	30.8	52,720	2,947	1.41	254	5,246
ALP400058	MA	432,921	8,524,527	0.59	33.6	60,000	3,043	1.26	230	4,669
ALP400060	MA	432,937	8,524,537	0.46	32.9	55,700	2,815	1.10	219	3,791
ALP400061	MA	432,932	8,524,540	0.62	33.1	58,440	3,035	0.90	178	3,569
ALP400062	MA	432,933	8,524,544	0.44	32.5	53,910	2,908	1.19	242	4,192
ALP400063	MA	432,934	8,524,535	0.49	31.1	56,630	2,902	1.22	247	3,936
ALP400064	MA	432,937	8,524,530	0.41	28.0	52,690	2,650	1.48	269	4,007
ALP400065	MA	432,945	8,524,531	0.68	35.9	61,420	3,016	0.97	196	3,458
ALP400066	MA	432,948	8,524,528	0.52	34.3	55,190	2,816	1.22	219	4,315

Source: BRE 2023

### Soil Sampling

As of the 21 July 2023, surface data cut-off date for this study, BRE has analysed approximately 183 soil samples. The samples were extracted from the subsoil B horizon at depths ranging from 0.4 to 0.5 m, using a post hole digger to remove overlying soil. Upon reaching the target depth, representative samples were collected into bags and sent to the laboratory for analysis. The weight of samples ranged from 0.46 to 3.03 kg.

The analytical results from the soil samples ranged from below detection limit up to 68,561 ppm (6.86%) TREO, with an average grade of 2,313 ppm TREO. These soil sampling results provided sufficient data to develop drill targets and gain preliminary insights into the controls of the mineralisation.

### 7.2.3 Drilling

#### Data Collection and Cut-Off Date

The Mineral Resource Estimate for the Rocha da Rocha project was based on drilling data available up to 23 May 2023. No drill data collected by BRE after this cut-off date was considered for estimating the Mineral Resources at the project. However, the company obtained additional drill results subsequently, which are included in the following summary that encompasses all data collected up to July 1, 2023, the drill data cut-off date for this study (Table 12).

#### Drilling Techniques

Between September 2021 and June 2023, BRE conducted 681 auger drillholes across thirteen prospects, totalling 11,239 m of drilling. Additionally, a roto-sonic drill rig (Eijkelpomp Compact RotoSonic V) was employed to drill 95 holes across three prospects, amounting to 2,992 m of drilling. All holes were drilled vertically.

As of the 1 July 2023, drill data cut-off date for this study, lithology data were available for all holes up to and including drillholes STU0681 and SSU0095. Assay results were available up to and including drillholes STU0491 and SSU0064.

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Table 12: BRE drilling summary as at 1 July 2023

Prospect	Auger Count	Auger Meters	Sonic Count	Sonic Meters	Total Count	Total Meters	Assayed Meters
Três Braços	116	1,488	-	-	116	1,488	1,027
Três Lagoas	16	116	-	-	16	116	-
Boca da Mata	28	512	-	-	28	512	512
Cachoeirinha	14	269	-	-	14	269	269
Monte Alto	141	2,633	46	1,606	187	4,239	3,568
Mucuca	12	202	-	-	12	202	-
Machado	64	1,409	-	-	64	1,409	502
Mucuri	5	109	-	-	5	109	109
Palmeirinha	74	1,098	4	73	78	1,170	1,079
Posse	2	59	-	-	2	59	-
Riacho de Areia	152	2,350	45	1,313	197	3,663	2,616
Velinhas	57	992	-	-	57	992	439
<b>Grand Total</b>	<b>681</b>	<b>11,239</b>	<b>95</b>	<b>2,992</b>	<b>776</b>	<b>14,230</b>	<b>10,122</b>

Source: BRE 2023

### Auger Drilling

The Auger drill program aimed to identify and delineate economically viable rare earth mineralisation in the upper regolith. Auger drilling proved to be quick and cost-effective compared to other drilling methods, successfully identifying mineral prospects and deposits across the Project.

Auger drilling was conducted by BRE using a 0.05 m diameter x 0.4 m long clay soil auger bucket with 0.5 m to 1 m long rods rotated by a gasoline engine with hand-holds (Figure 12). The auger bucket was advanced by adding rods until either groundwater was reached (which degrades sample quality) or refusal due to rock or hard saprolite. Auger drilling has a maximum operational depth limit of 30 m and the average auger hole depth is 18 m.

Each bucket generates approximately 1.5 kg of sample material. Auger samples were recovered directly from the auger bucket and placed onto a white polypropylene tarp to align with the likely in-situ position and was then logged and photographed in its natural condition prior to transport to the exploration facility.

### Sonic Drilling

The Sonic drill program (Figure 13) at the Project aimed to delineate rare earth mineralisation in the deep regolith beyond the reach of auger drilling, and provide undisturbed samples for detailed logging and testing, including determinations of bulk density. The Sonic drill program proved to be efficient, successfully intersecting mineralisation at depths of up to 60 m at the Monte Alto and RDA deposits. Sonic drilling allowed for the identification of weathering horizons within the regolith (Figure 14).

The Company conducted the sonic drilling using a 2 m long single wall barrel, obtaining a core with a diameter of 0.076 m, or a 2 m long double wall core barrel, obtaining a core with a diameter of 0.068 m. The drill string was advanced until encountering rock, hard boulders, or operational limits. In cases where the water table or poor recovery was encountered, an outer casing was utilized. Water was used as a drilling fluid as needed and to aid in extracting material from the core barrel. The maximum operational depth limit of the sonic drill rig was 60 m, and the average depth of the sonic holes was 35 m.

Sonic core holes were drilled using 2 m run lengths. Drill core was collected directly from a core barrel and placed in pre-labelled core trays (Figure 14). Run interval depths were measured and recorded. Drill core was then transported to the Company's exploration facility for further processing.



### *Logging*

Auger samples were placed on a plastic tarp and geologically logged in the field. A representative fraction of each auger sample was retained in a chip tray for reference.

Sonic drill core was measured to assess recovery, then geologically logged and photographed wet in core boxes immediately before sampling.

For both auger and sonic drill holes, logging included qualitative determinations of primary and secondary lithology units, weathering profile unit (mottled zone, lateritic zone, saprock, saprolite, etc.) as well as colour and textural characteristics of the rock.

GPS coordinates as well as geological logging data for all drillholes were captured in a Microsoft Excel spreadsheet and uploaded to the Project database.

Data was collected in sufficient detail to support Mineral Resource estimation.



Figure 12. *Mechanical auger in operation*  
Source: BRE 2023

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Figure 13. Sonic drill rig in operation  
Source: CSA 2023

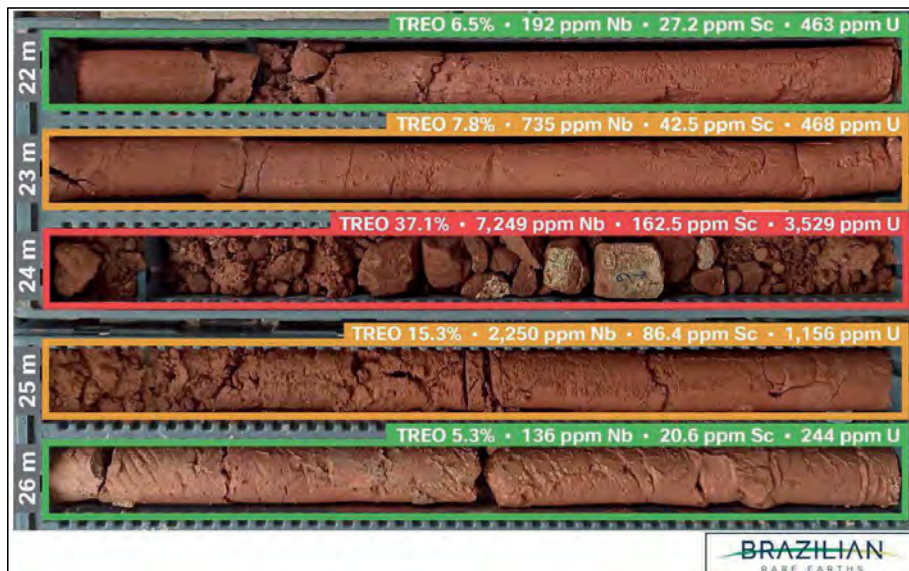


Figure 14: Rocha da Rocha prospect SSU0014 sonic drill core  
Red box highlights an ultra-high-grade monazite rich corestone of saprock in sonic drill core, with secondary crandallite veins (Hole SSU0014, 24.0m to 25.2m at 37.1% TREO). Surroundings boxes highlight high grade saprolite.  
Source: BRE 2023

### *Recovery*

If poor recovery is encountered drill speed was decreased. If poor recovery at the beginning of a hole was persistent, the hole was redrilled at a nearby location. The recovered sonic core was measured, and the length was divided by the interval drilled and expressed as a percentage. This recovery data was recorded in the database. Recoveries are estimated to be nearly 100% for the auger and sonic drilling. There does not appear to be a relationship between sample recovery and grade or sample bias due to preferential loss or gain of fine or coarse material with these drilling and sampling methods.

### *Sample Collection*

Auger samples were sieved through a 10 mm by 10 mm screen. The oversized material was mechanically pulverized prior to being re-combined with the undersized material on a plastic tarp. The sample was homogenised by working the material back and forth on tarp and was then using the cone and quarter method to produce sub-samples for assaying and archiving. The split for assay was placed in pre-numbered sample bags for shipment to the laboratory for ICPMS analysis. The other portion was bagged and stored onsite in a secure warehouse as archive material. The collected sample interval lengths are 1 m with some variation depending on sample recovery and geological unit boundaries. Auger samples were processed with natural moisture content. Samples too wet for effective screening were air dried naturally prior to processing.

Core from sonic drilling was split to obtain quarter core sub-samples for assaying. Core sample intervals were typically 1 m in length with a minimum of 0.1 m and a maximum of 3.0 m. Interval lengths took into account lithological boundaries (i.e. sample was to, and not across, major contacts). To avoid selection bias, the right of core was consistently sampled and the bottom half retained in the core tray for archiving.

The core was split into two quarter core samples using a knife. One of these quarter core samples was designated for assay testing, while the other was preserved as an archive sample.

The quarter core sample allocated for assay was placed in pre-numbered sample bags, ensuring proper identification, and prepared for shipment to the laboratory for analysis. The remaining half of the core was retained in the core tray for reference and future reference if needed.

To minimize cross contamination sampling tools, such as the plastic tarp, screen, and cutting tools were cleaned using compressed air between samples. Field duplicates were completed at frequency 1:20 samples to evaluate the sample collection procedures to ensure representativeness and show good reproducibility. Duplicate analyses of coarse crush and pulp material were provided by SGS.

Auger and sonic sub-samples submitted for assaying had an average weight of 1.2 kg. Sub-samples of both types have appropriate mass to represent the material collected which includes ionic clay REE mineralisation, microparticle to sand sized monazite grains in regolith, and rocky samples of primary high grade REE-Nb-Sc mineralisation.

#### *7.2.4 Sample Preparation, Analyses and Security*

##### *Sample Preparation*

The samples were prepared at a local preparation facility and were then sent to SGS Geosol in Vespasiano, Minas Gerais, Brazil.

The samples were initially dried at 105 degrees Celsius for 24 hours. Samples were crushed to 75% passing the 3 mm fraction and the weight was recorded. The sample was reduced on a rotary splitter and then 250 g to 300 g of the sample was pulverized to 95% passing 75 µm.

A 50 g aliquot was assayed. Residual pulp material was returned to BRE for check analysis or further exploration purposes.

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## Analysis

The assay technique used for REEs was a lithium borate fusion followed by ICP-MS. The assay technique used for major oxides and common trace elements was a lithium borate fusion followed by ICP-OES.

All mineralisation encountered at the project to-date has been directly determined through quantitative laboratory analytical techniques that are detailed in the sections below.

The assay technique used for REE was Lithium Borate Fusion ICP-MS<sup>29</sup> (SGS Geosol code IMS95A). This is a total analysis of the REE. The assay technique used for major oxides and components was Lithium Borate Fusion ICP-OES<sup>30</sup> (SGS Geosol code ICP95A). Analysis for Scandium (Sc) was made by 4-Acid ICP-AES Analysis (SGS Geosol code ICM40-FR).

## QAQC

Accuracy and precision was monitored through submission of certified reference materials (CRMs) supplied by OREAS North America Inc. CRM materials (25a, 106, 147 and 460) cover a range of REE grades and were inserted within batches of sonic drill and auger samples at a frequency of 1:20 samples. CRMs were submitted as “blind” control samples not identifiable by the laboratory and were alternated to span the range of expected grades within a group of 100 samples.

Contamination was monitored by insertion of blank samples of coarse quartz fragments. Blanks were inserted within batches of sonic drill and auger samples at a frequency of 1:40 samples. Blanks pass through the entire sample preparation stream to test for cross contamination at each stage. No laboratory contamination or bias were noticed.

Precision and sampling variance was monitored by the collection ‘Field duplicate’ samples, predominantly from mineralised intervals, at the rate of 1:20 samples. Half core was split into two ¼ core samples to make field duplicate pairs that are analysed sequentially.

The adopted QA/QC protocols are acceptable for this early stage of exploration. Examination of the QA/QC sample data indicates satisfactory performance of field sampling protocols and assay laboratory procedures. Levels of precision and accuracy are sufficient to allow disclosure of analysis results and their use for Mineral Resource estimation.

## 7.3 Drill Results

To date the Monte Alto, Riacho de Areia, Velhinhos, Macado, Boca da Mata, Três Braços, Mucuri, Palmeirinha and Cachoerinha prospects have proven to be strongly mineralised and have the potential to host economic REE deposits.

### 7.3.1 Summary

Widely spaced exploration drilling at all properties have encountered broad zones of regolith hosted REO mineralisation. TREO grades have comparable skewed asymmetric log distributions (Figure 15) associated with REE enrichment in dispersed monazite or IAC horizons. Summary statistics for TREO and REO reporting groups are shown in Table 13.

At Monte Alto and Velhinhos the presence of primary monazite, as evidenced by mineralized corestones and subcrop, results in high mean assay grades of 4,361 ppm and 1,619 ppm TREO respectively, and high CV. Other prospects have broad areas of moderate TREO mineralisation with mean grades ranging from 1,038 ppm at

<sup>29</sup> Elements analyzed at ppm levels were as follows Ce, Co, Cs, Cu, Dy, Er, Eu, Ga, Gd, Hf, Ho, La, Lu, Mo, Nb, Nd, Ni, Pr, Rb, Sm, Sn, Ta, Tb, Th, Ti, Tm, U, W, Y, Yb.

<sup>30</sup> This is a total analysis for the major oxides (%) and elements (ppm) as follows: Al<sub>2</sub>O<sub>3</sub>, Ba, CaO, Cr<sub>2</sub>O<sub>3</sub>, Fe<sub>2</sub>O<sub>3</sub>, K<sub>2</sub>O, MgO, MnO, Na<sub>2</sub>O, P<sub>2</sub>O<sub>5</sub>, SiO<sub>2</sub>, Sr, TiO<sub>2</sub>, V, Zn and Zr.

Machado, 1,134 ppm at Riacho de Areia, and 1,188 ppm at Mucuri. The Três Braços, Boca da Mata, Cachoeirinha and Palmeirinha deposits have mean TREO grades ranging from 536 to 736 ppm TREO.

The average proportion of REO are:

- Heavy Rare Earth Oxides (“HREO”) in TREO ranges from 8.4% to 16.9%.
- Magnet Rare Earth Oxides (“MREO”) in TREO ranges from 17.7% to 28.3%.
- Neodymium and Praseodymium oxides (“NdPr”) in TREO ranges from 11.9% to 17.5%.

Deleterious elements thorium and uranium are reported at levels that are typical for the style of mineralisation. The highest values are encountered at Monte Alto and Velhinas and may be associated with primary monazite.

Exploration results at each prospect are summarised in the following sections. Summary statistics for each REO reporting group is presented in Appendix B for each prospect.

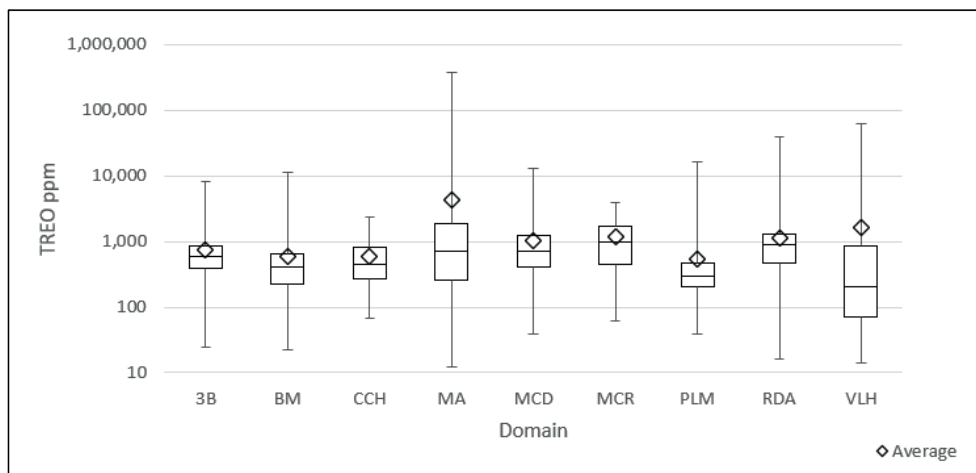


Figure 15: Box plot of TREO grades at Rocha da Rocha prospects  
Source: BRE 2023

3B= Três Braços, BM= Boca da Mata, CCH= Cachoeirinha, MA= Monte Alto, MCD= Machado, MCR =Mucuri, PLM= Palmeirinha, RDA= Riacho de Areia, VLH= Velhinas.

Table 13: Summary statistics for TREO and REO reporting groups received to date

Values	3B	BM	CCH	MA	MCD	MCR	PLM	RDA	VLH	Grand Total
Count	1,121	546	287	3,744	530	116	1,181	2,844	468	10,837
Avg.	736	605	604	4,361	1,038	1,188	536	1,134	1,619	2,119
CV	0.9	1.5	0.8	4.7	1.1	0.7	1.8	1.5	3.3	5.8
Min	25	23	68	12	39	62	39	16	14	12
TREO <sup>1</sup> (ppm) P0.25	384	228	266	259	408	457	207	471	70	277
P0.50	593	404	440	706	727	992	296	889	204	618
P0.75	840	658	804	1,886	1,230	1,723	470	1,302	859	1,222
Max	8,163	11,413	2,421	371,091	12,819	4,012	16,533	39,160	62,251	371,091
Skew	4.3	6.6	1.6	10.4	4.5	0.8	8.4	11.3	6.7	17.4
TREO-CeO <sub>2</sub> ppm Avg.	371.59	372	282	280	2,129	552	612	282	633	848
% HREO <sup>2</sup> Avg.	8.9	7.8	8.4	12.1	14.3	9.5	11.8	16.9	13.6	12.8
% MREO <sup>3</sup> Avg.	21.9	18.0	17.7	21.9	24.9	24.0	21.9	28.3	23.8	23.5



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% NdPr Avg.	15.7	12.6	11.9	13.0	14.4	17.5	13.6	15.7	13.3	14.1
Sc <sub>2</sub> O <sub>3</sub> ppm Avg.	5.9	5.5	-	11.5	6.3	13.1	12.1	7.4	6.1	8.9
ThO <sub>2</sub> ppm Avg.	147.7	138.9	258.0	468.2	159.8	111.8	118.2	144.8	335.2	265.2
U <sub>3</sub> O <sub>8</sub> ppm Avg.	15.0	11.3	11.1	44.7	13.7	9.5	8.2	12.9	17.5	23.6

Notes:

- TREO = La<sub>2</sub>O<sub>3</sub> + CeO<sub>2</sub> + Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub>
- HREO = + Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub>  
% HREO = HREO/TREO
- MREO = Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub>; % MREO = HREO/MREO
- NdPr = Nd<sub>2</sub>O<sub>3</sub> + Pr<sub>6</sub>O<sub>11</sub>; % NdPr = NdPr/TREO
- U<sub>3</sub>O<sub>8</sub> and ThO<sub>2</sub> are radioactive elements (NORM)

Project abbreviations: 3B= Três Braços, BM= Boca da Mata, CCH= Cachoeirinha, MA= Monte Alto, MCD= Machado, MCR= Mucuri, PLM= Palmeirinha, RDA= Riacho de Areia, VLH= Velhinhas

Source: BRE 2023

### 7.3.2 Monte Alto

As of the drill data cut-off date for this study, 2,633 m of auger drilling and 1,606 m of sonic drilling have been completed at the Monte Alto prospect. Initial auger drilling was completed on a 400 m to 200 m grid and targeted an intense thorium anomaly identified in airborne and surface radiometric survey data. Initial auger holes encountered exceptional REE mineralisation along a 200 m wide and 800 m long trend orientated to the NNE. The trend was tested by auger and deeper sonic holes drilled on an 80 m grid spacings. Mineralisation at Monte Alto has been tested by sonic drilling to depths of 60 m with holes finishing in REE mineralisation.

Monte Alto drill results are summarised by REO reporting group in Table 13. TREO ranged up to 371,091 ppm (37.1% TREO) and averaged 4,412 ppm. Summary statistics for REO reporting groups are shown in Table 14. Summary statistics for individual REOs are presented in Appendix B.

Table 14. Summary statistics for TREO and REO reporting groups at Monte Alto

	TREO ppm	TREO-CeO <sub>2</sub> ppm	LREO ppm	HREO ppm	% HREO	MREO ppm	% MREO	NdPr ppm	% NdPr	Sc <sub>2</sub> O <sub>3</sub> ppm	U <sub>3</sub> O <sub>8</sub> ppm	ThO <sub>2</sub> ppm
<b>Monte Alto (n=3,744)</b>												
Mean	4,361	2,129	3,979	382	12.1	982	21.9	708	13	11.5	44.7	17.5
Min	12	5	11	2	0.3	1	0.5	0	0.3	0.4	0	0
Max	371,091	180,940	343,940	35,140	85.3	85,432	73.4	62,940	57.9	322.1	4,656.70	1,780.00
Median	706	279	631	58	9.8	123	20.9	78	12.6	5.4	11.4	2.8
CV	4.7	4.7	4.7	4.3	0.7	4.6	10.9	4.8	0.5	2	5	4.3

Refer to Table 13 notes.

Source: BRE 2023

Some notable intercepts from drilling at Monte Alto include:

- STU0181: 14 m at 11.20% TREO (of which 8% HREO, 23% MREO & 17% NdPr) from 16 m.
- STU0370: 11.59 m at 10.31% TREO (of which 4% HREO, 19% MREO & 16% NdPr) from 2 m, within 26.36 m at 6.71% TREO (of which 4% HREO, 21% MREO & 18% NdPr) from surface.
- SSU0014: 10 m at 10.17% TREO (of which 7% HREO, 19% MREO & 14% NdPr) from 18 m, within 41 m at 3.38% TREO (of which 8% HREO, 21% MREO & 15% NdPr) from surface.
- SSU0033: 8m at 12.05% TREO (of which 7% HREO, 19% MREO & 14% NdPr) from 34 m.
- SSU0059: 8 m at 10.10% TREO (of which 7% HREO, 21% MREO & 15% NdPr) from 8 m, within 17 m at 6.6% TREO (of which 7% HREO, 21% MREO & 15% NdPr) from 3 m.

A full list of all drillholes with intercepts > 200ppm TREO-Ce<sub>2</sub>O can be found at Appendix A.

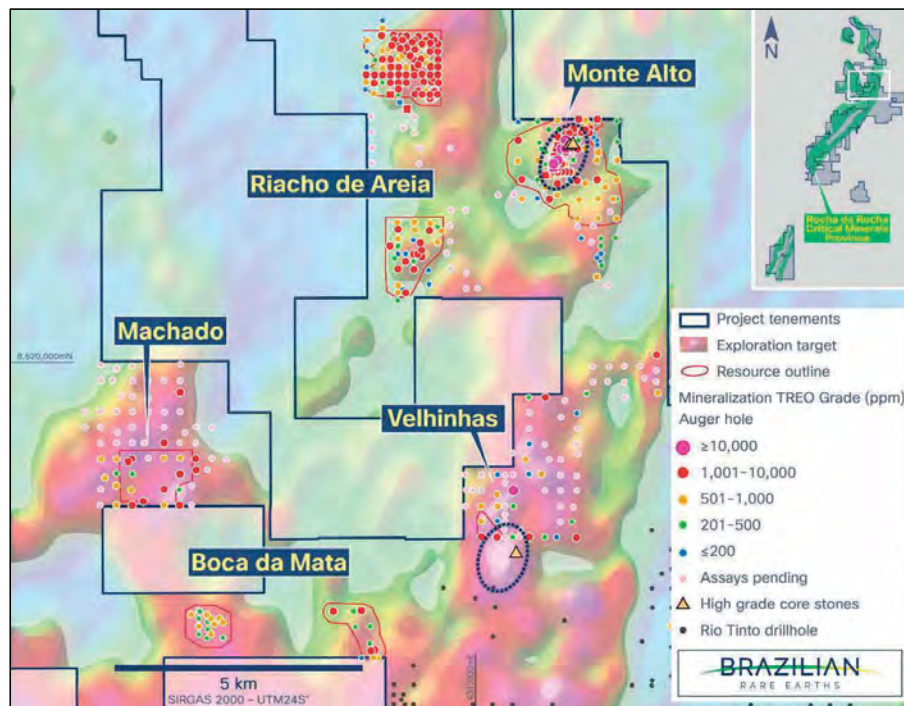


Figure 16: Exploration at the Monte Alto, Riacho de Areia, Velhinhos, Machado and Boca da Mata prospects  
Note: Repeats of high grade REE-Nb-Sc mineralisation in corestones at Monte Alto and Velhinhos are circled.  
Source: BRE 2023

### 7.3.3 Riacho de Areia

As of the drill data cut-off date for this study, 2,350 m of auger drilling and 1,313 m of sonic drilling have been completed at the Riacho de Areia (“RDA”) prospect (Figure 16). Drilling was completed in two areas: RDA north (“RDAN”) and RDA south (“RDAS”). At each area, holes were drilled at grid spacings from 80 m to 320 m and targeted NNE orientated thorium anomalies identified from airborne geophysics. Auger holes intersected extensive horizons of REE enriched saprolite with grades that increased with depth. Auger holes usually ended at 30 m in mineralisation. At RDAN deeper sonic holes extended mineralisation up to 60 m deep.

RDA drill results are summarised by REO reporting group in Table 13. TREO grades ranged up to 39,160 ppm (3.9% TREO) and averaged 1,134 ppm. Summary statistics for REO reporting groups and for individual REOs are presented in Appendix A. Notable drill intercepts include:

- STU0123: 2 m at 1.27% TREO (of which 11% HREO, 32% MREO & 24% NdPr) from 10 m, within 24.16 m at 0.30% TREO (of which 19% HREO, 31% MREO & 16% NdPr) from 3 m.
- STU0187: 2 m at 2.15% TREO (of which 66% HREO, 31% MREO & 28% NdPr) from 14 m, within 22.85 m at 0.46% TREO (of which 14% HREO, 28% MREO & 18% NdPr) from surface.
- STU0302: 5.57 m at 1.32% TREO (of which 22% HREO, 30% MREO & 13% NdPr) from 15 m.
- STU317: 2 m at 3.11% TREO (of which 10% HREO, 29% MREO & 22% NdPr) from 11 m, within 7 m at 0.98% TREO (of which 8% HREO, 23% MREO & 17% NdPr) from 11 m.



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## 7.3.4 *Velhinas*

As of the drill data cut-off date for this study, 992 m of auger drilling in 57 holes has been completed at the Velhinas prospect (Figure 16). Augering was completed at 320 m grid and transect spacings to target intense thorium anomalies identified in airborne radiometric survey data. Auger holes intersected saprolite horizons with intermittent REE enrichment. Occasionally, exceptional REE grades were intersected throughout the regolith. At Velhinas monazite mineralisation in auger drilling and the presence of corestones of high-grade REE mineralisation suggests potential for deposits of primary monazite as at Monte Alto, located 7 km to the north.

Velhinas drill results are summarised by REO reporting group in Table 13. TREO grades ranged up to 62,251 ppm (6.2% TREO) and averaged 1,630 ppm. Summary statistics for REO reporting groups and for individual REOs are presented in Appendix B. Notable drill hole intercepts include:

- STU0450: 8.0 m at 2.8% TREO (of which 10% HREO, 29% MREO & 22% NdPr) from 14 m, within 28.3 m at 0.96% TREO (of which 8% HREO, 24% MREO & 18% NdPr) from surface.
- STU0473: 12.0 m at 1.65% TREO (of which 6% HREO, 25% MREO & 21% NdPr) from surface.

## 7.3.5 *Machado*

As of the drill data cut-off date for this study, 1,409 m of auger drilling in 64 holes has been completed at the Machado prospect (Figure 16). Augering was completed at 320 m grid and transect spacings to target an NNE orientated thorium anomalies identified airborne geophysics. Auger holes intersected extensive horizons of REE enriched saprolite with grades increasing with depth. Auger holes usually ended at 30 m in mineralisation.

Machado drill results are summarised by REO reporting group in Table 13. TREO grades ranged up to 62,251 ppm (6.2% TREO) and averaged 1,630 ppm. Summary statistics for REO reporting groups and for individual REOs are presented in Appendix B. Notable drill hole intercepts include:

- STU0419: 5.0 m at 0.69% TREO (of which 11% HREO, 25% MREO & 18% NdPr) from 18 m
- STU0439: 14.65m at 0.25% TREO (of which 16% HREO, 34% MREO & 23% NdPr) from 15 m
- STU0483: 10.00 m at 0.24% TREO (of which 14% HREO, 25% MREO & 15% NdPr) from 15 m

## 7.3.6 *Boca da Mata*

As of the drill data cut-off date for this study, 512 m of auger drilling in 28 holes has been completed at the Boca da Mata prospect (Figure 16). Augering was in two areas at variable grid spacings to target moderate thorium anomalies. Holes intersected saprolite horizons with intermittent REE enrichment and grades that increase with depth. Numerous auger holes ended in mineralisation, including holes STU0358 and STU0454 which met refusal in high grade mineralisation (5.66 m at 0.47% TREO and 4.20 m at 0.37% TREO respectively).

Boca da Mata drill results are summarised by REO reporting group in Table 13. TREO grades ranged up to 11,413 ppm (1.1% TREO) and averaged 605 ppm. Summary statistics for REO reporting groups and for individual REOs are presented in Appendix B.

## 7.3.7 *Três Braços*

As of the drill data cut-off date for this study, 1,488 m of auger drilling in 116 holes has been completed at the Três Braços prospect (Figure 17). Augering was completed at 320 m grid and transect spacings, with local infill to 80 m. Holes intersected intermittent horizons of REE enriched saprolite. The best intercepts correspond to the most intense radiometric thorium anomalies in slope zones and areas of high relief.

Três Braços drill results are summarised by REO reporting group in Table 13. TREO grades ranged up to 8,163 ppm averaged 736 ppm. Summary statistics for REO reporting groups and for individual REOs are presented in Appendix B. Notable drill hole intercepts include:

- STU0148: 23.0 m at 0.14% TREO (of which 9% HREO, 27% MREO & 21% NdPr) from surface.
- STU0332: 5.0 m at 0.38% TREO (of which 5% HREO, 21% MREO & 18% NdPr) from 5 m.
- STU0361: 21.94 m at 0.21% TREO (of which 41% HREO, 54% MREO & 22% NdPr) from 5 m.
- STU0425: 5.00 m at 0.46% TREO (of which 11% HREO, 26% MREO & 19% NdPr) from 4 m.

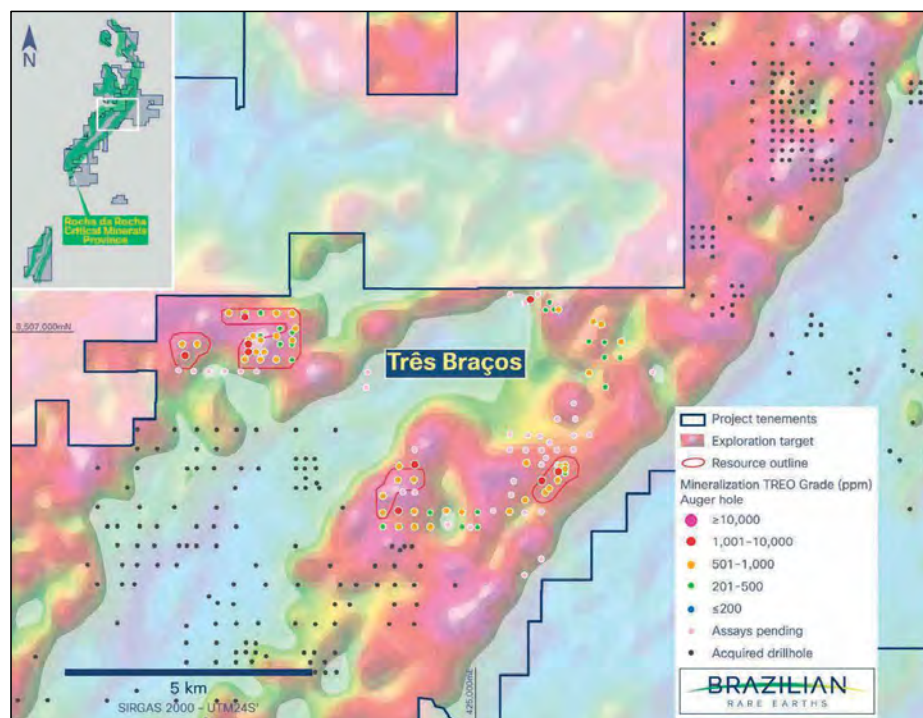


Figure 17: Exploration at the Três Braços prospect  
Source: BRE 2023

### 7.3.8 Mucuri

As of the drill data cut-off date for this study, 109 m of auger drilling in 5 holes has been completed at the Mucuri prospect (Figure 18). Augering was completed at 180 m to 320m spacings. Holes STU0380 and STU0381 (18.24 m at 0.14% TREO, 30 m at 0.19% TREO) intersected thick mineralisation throughout the regolith profile. Elsewhere, holes intersected intermittent thin (<10 m) horizons of REE enriched saprolite.

Mucuri drill results are summarised by REO reporting group in Table 13. TREO grades ranged up to 4,012 ppm and averaged 1,188 ppm. Summary statistics for REO reporting groups and for individual REOs are presented in Appendix B.

### 7.3.9 Palmeirinha

Drilling at the Palmeirinha prospect (Figure 18) as detailed in Table 12, was completed at 100 m spacings on E-W transects 200 m apart. Holes targeted moderate Th anomalies and predominately intersected the leached, low REE grade Mottled Zone. Auger holes occasionally intersected REE enriched saprolite at depth but met refusal after a few metres in mineralisation. In the north of Palmeirinha, hole STU060 encountered high-grade REE mineralisation throughout the regolith profile (16.17 m at 0.47% TREO from 2 m). In the south of

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Palmeirinha, hole STU0035 also encountered mineralisation throughout the regolith profile (30 m at 0.23% TREO from surface).

Palmeirinha drill results are summarised by REO reporting group in Table 13. TREO grades ranged up to 16,533 ppm (1.65% TREO) and averaged 543 ppm. Summary statistics for REO reporting groups and for individual REOs are presented in Appendix B.

### 7.3.10 Cachoeirinha

Drilling at the Cachoeirinha prospect (Figure 18) as detailed in Table 12, was completed at 80 m grid and transect spacings. Auger holes targeted an intense Th anomaly. Results at CCH are characterised by well-developed laterite hosted REE mineralisation. Below laterite, auger holes predominately intersected the leached low-grade Mottled Zone and occasionally REE enriched saprolite. The best intersect was in hole STU0074 which intersected 9 m of saprolite at 0.18% TREO from 3m.

Cachoeirinha drill results are summarised by REO reporting group in Table 13. TREO grades ranged up to 2,421 ppm and averaged 603 ppm. Summary statistics for REO reporting groups and for individual REOs are presented in Appendix B.

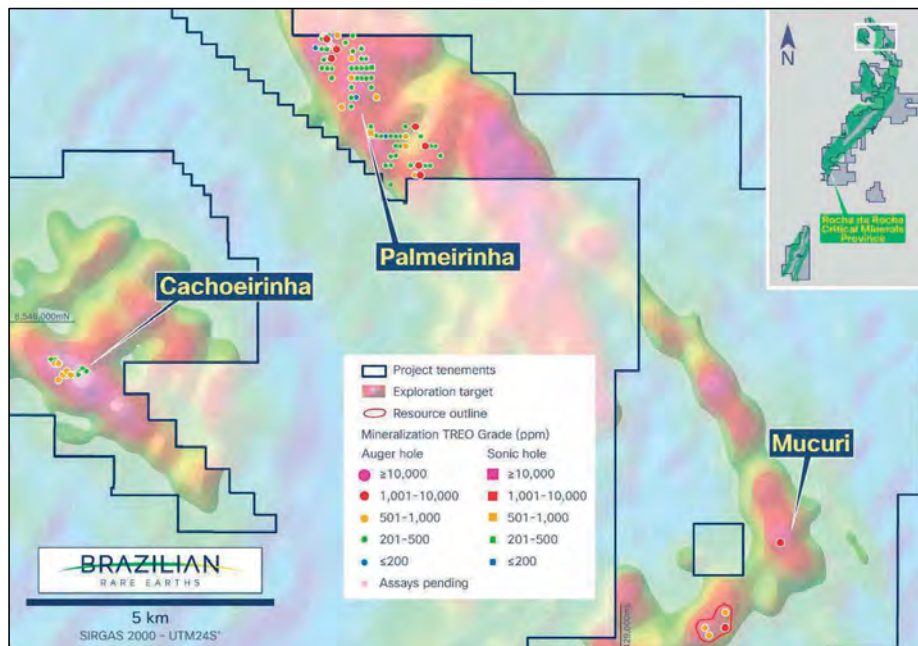


Figure 18: Exploration at the Mucuri, Palmeirinha and Cachoeirinha prospects  
Source: BRE 2023

## 8 Mineralisation

### 8.1 Introduction

Exploration at the Project is prioritising the discovery of deposits of in-situ primary monazite, residual monazite dispersed within the regolith, and REE ionic adsorbed clay minerals such as kaolinite in the regolith.

Monazite REE mineralisation is associated with increasing  $\text{Fe}_2\text{O}_3$  and together with low  $\text{Fe}_2\text{O}_3$  kaolinite dominant potential IAC mineralisation is described in Figure 19:

- In-situ and residual monazite mineralisation is characterized by high concentrations of  $\text{P}_2\text{O}_5$  and higher REE grades (large pink circles).
- IAC mineralisation is associated with low  $\text{P}_2\text{O}_5$ , high Al and Si, and moderate REE grades (small to medium blue circles at the bottom of Figure 19).

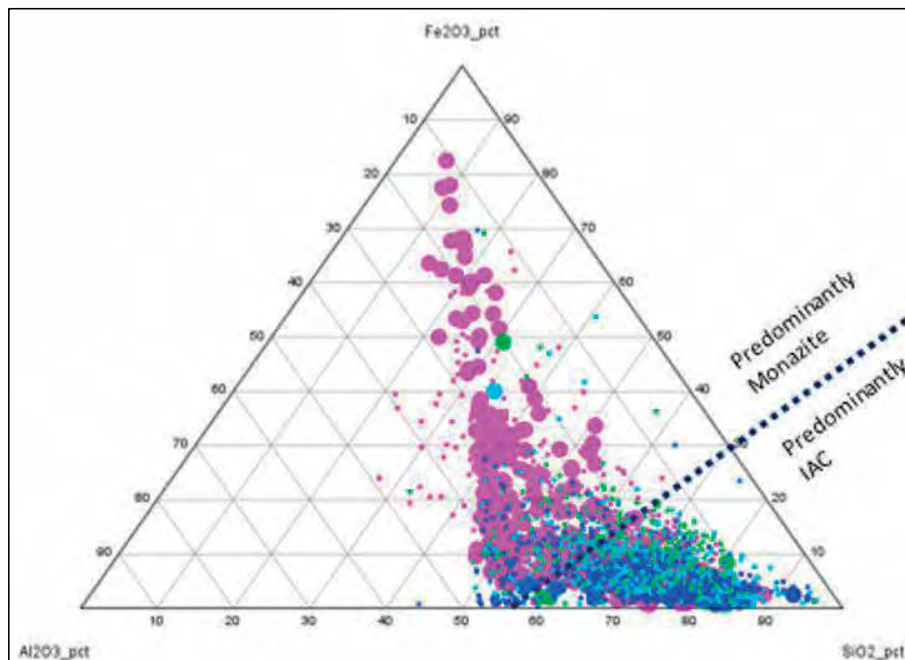


Figure 19: Ternary plot highlighting monazite and IAC geochemical association

Source: BRE 2023

All  $\text{P}_2\text{O}_5$  data with colour graduation in 5 equal parts (pink highest concentration of  $\text{P}_2\text{O}_5$ ), and La concentration in size increase.

The mineralisation styles targeted for exploration at the Project are summarised below.

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## 8.2 Primary In-situ Mineralisation

Exploration to date has focussed on the weathered horizon and the extent and nature of primary mineralisation is at the early stages of full characterisation.

REE chondrite normalised curves were produced from geochemical data (Figure 20) which demonstrates a signature associated with alkaline silicate and silica REE mineralisation, and as indicated for the peralkaline mafic-ultramafic rocks found in the VRPS. The marked negative Eu anomaly indicates that the source of the REE is alkaline silicate melt rather than carbonatite.

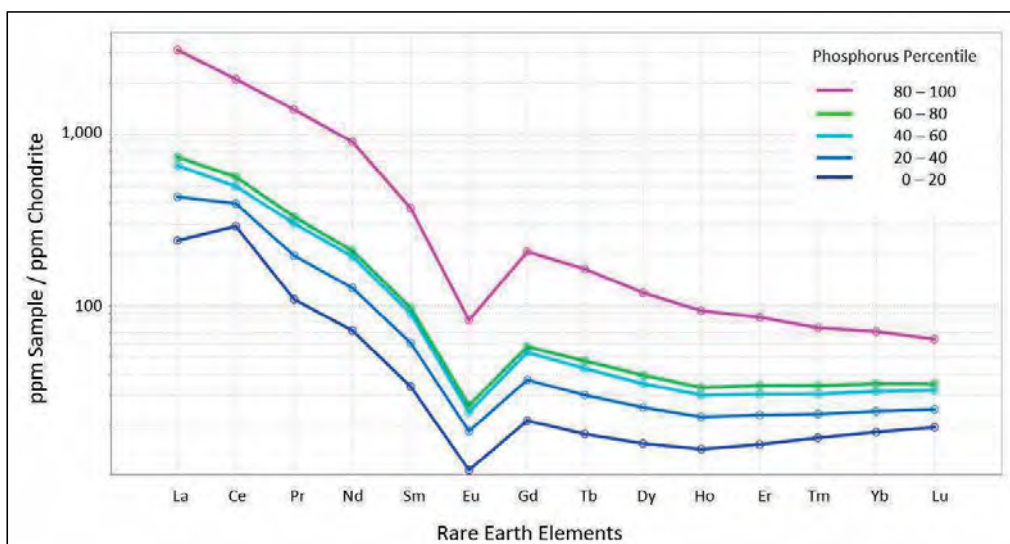


Figure 20: Bird wing REE chondrite normalised plot with P in 5 equal divisions in colour

Source: BRE 2023

Notes: This demonstrates: a. the control on REE by P, in other words the enriched REE are hosted in a phosphate mineral, presumably monazite, and b. negative Eu anomaly.

### 8.2.1 High-grade REE-Nb-Sc Mineralisation

These mineral segregations consist of ultra-high grade layered cumulates of monazite, a phosphate mineral that contains approximately 55-60% REE oxides, (Pereira & Prates, 2023, 2023a, 2023b).

Figure 21 shows an example of these rocks at the Monte Alto deposit where they are encountered along a linear trend. Grab samples of corestones and subcrop containing monazite reported assays grading up to 40.5% TREO, ~1.5% niobium ( $\text{Nb}_2\text{O}_5$ ), 269 ppm scandium ( $\text{Sc}_2\text{O}_3$ ) and up to 5,246ppm uranium ( $\text{U}_3\text{O}_8$ ). The average grade of these samples was 32.7% TREO with a very low CV of 0.12. Corestones were intersected by holes SSU0014, SSU0033, SSU0050 and SSU0059 over 1 m - 2m and reported assay grades ranging from 20.96% to 37.11% TREO.

The low variability of REE-Nb-Sc grades from these monazite rocks at Monte Alto and Velinhas indicates a similar origin.

#### Mineralogical analysis

In 2023, BRE completed a petrological analysis study of Monte Alto at the petrology laboratory of Motta de Lafões Geologia in Brazil (Pereira & Prates, 2023, 2023a, 2023b and 2023c).

Thin sections of the monazite rich rocks from Monte Alto were produced and analysed. The results show that the rocks contain monazite (37% - 40%), Fe-rich clin amphibole (9%-12%) and a dark red metamict REE bearing



mineral (36%-40%). The dark red mineral was identified as possible Bastnäsité by Pereira & Prates, however BRE considers that apatite is also a likely mineral and have commissioned semi-quantitative XRD analysis to resolve mineralogy.

Mineral grains have a polygonal texture typical of ultramafic cumulates, suggesting primary (magmatic) origin (Figure 22) the rocks do not show evidence for significant finite strain accumulation, indicating that they might not be genetically linked to the large-scale shear zones in the region, and instead are bounded by them.

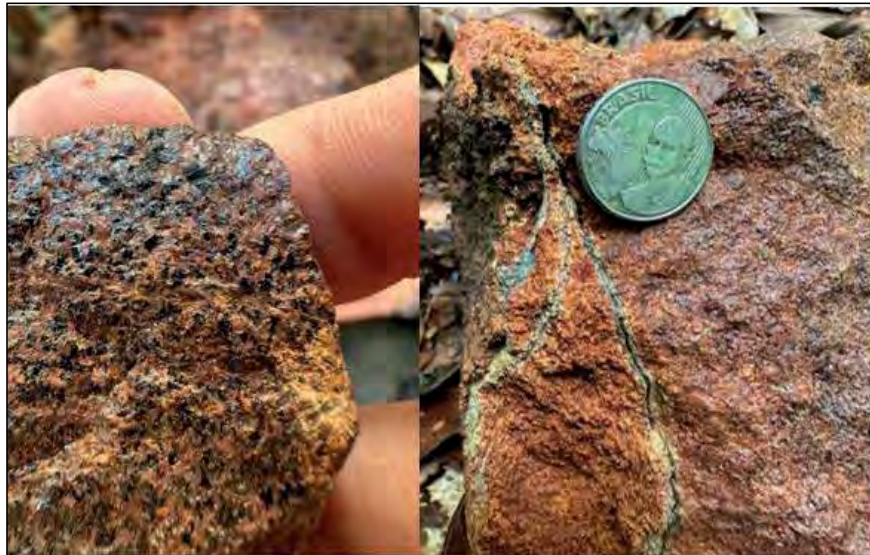


Figure 21: Primary monazite mineralisation in corestones at the RDR deposit  
Source: BRE 2023  
Left specimen contains granular orange monazite, possible bastnasite and hornblende. Right specimen contains a veinlet of black secondary monazite.

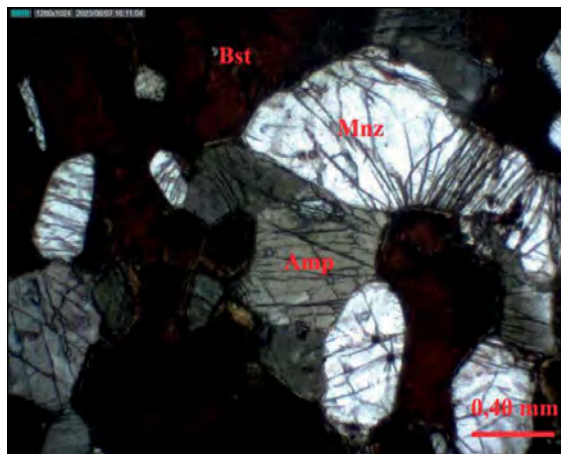


Figure 22. Cumulate of monazite thin section under plane-polarizing light  
Source: BRE 2023  
Note: The cumulate texture of monazite (Mnz), possible bastnasite (Bst) and amphibole (Amp) the triple junctions between grains, indicating synchronous formation under equilibrium conditions.

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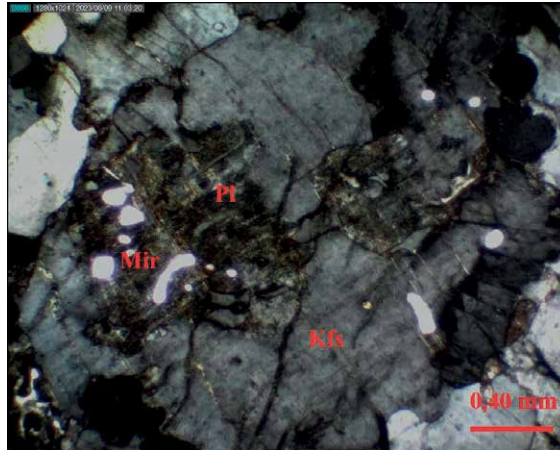


Figure 23. Country rock thin section under plane-polarizing light  
Source: BRE 2023  
Note: Saussuritized plagioclase (Pl) crystals engulfed by hydrothermal K-Feldspar (Kfs) and myrmekite (Mir) from country rock R6

## 8.2.2 Leucogranites and Intermediate Layered Hornblendites and Monzonites

Bimodal orthogneiss leucogranites and apparently coeval intermediate gneisses are reported to host accessory monazite and chevkinite REE mineralisation as disseminated horizons of variable thickness, in hornblende pegmatites, and with smokey quartz (Fernandes et al., 2019; Barbosa et al., 2021). The leucogranite has been mapped throughout the 200 km length of the VRPS and across significant widths of up to 7 km (Fernandes et al., 2019). Outside of the monazite enclaves, the Quartz-Feldspar Porphyry orthogneiss country rock at Monte Alto (Figure 23) also contains trace amounts of accessory monazite with trace magnetite (Pereira & Prates, 2023c).

The reported presence of accessory REE minerals in the widespread ferroan leucogranite orthogneiss may contribute to deposits of IAC mineralisation that are found throughout the Project.

## 8.2.3 Primary Mineralisation Targets

In 2023, BRE conducted a drone magnetometer survey that identified a low magnetic anomaly at the Monte Alto deposit. The anomaly is interpreted to correspond to REE bearing intermediate to ultramafic units as these units are reported to contain insignificant amounts of magnetic minerals.

Figure 24 shows a map of the survey results overlaid with exploration sites and proposed diamond drill holes. The magnetic low anomaly is interpreted by BRE to potentially define a corridor hosting primary monazite mineralisation in hard rock. The corridor has a strike length of 800 m orientated to the NNE and has a width of 200 m. Within this corridor, BRE has identified several instances of ultra-high grade monazite mineralisation running parallel to it. This type of mineralisation is characterised by drillholes with average grades >1% TREO, monazite-rich corestones at surface and within the regolith tested by sonic drill core (Figure 24), represents a previously unknown type of REE deposit (Fernandes et al., 2019).

The mineralisation rarely outcrops and may be more widespread than initial prospecting has shown. High-grade REE-Nd-Sc corestone mineralisation repeated elsewhere on the property represents a high priority target for future diamond drilling campaigns. This includes the Velinhas target 7 km the south of Monte Alto shown in Figure 16.



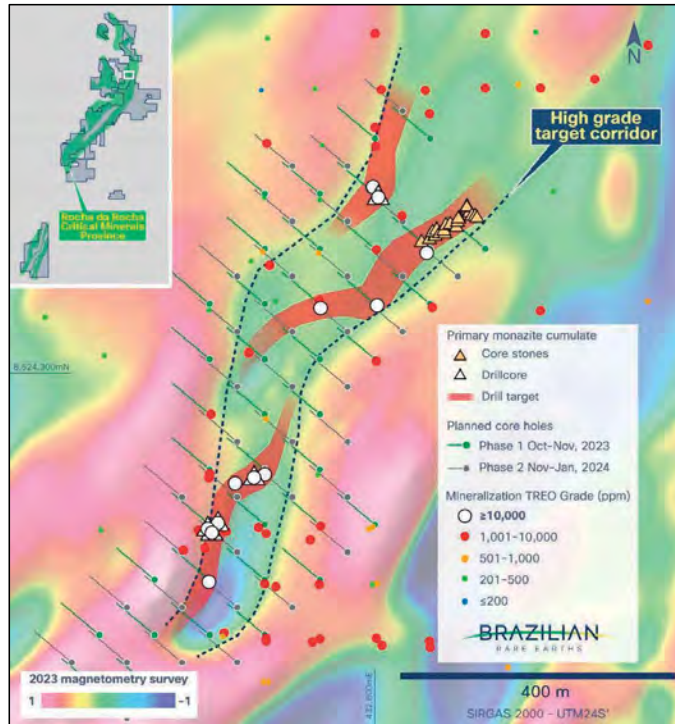


Figure 24. 2023 Drone magnetometry survey at Monte Alto overlaid with exploration results  
Source: BRE 2023

### 8.3 Monazite in Saprolite REE Mineralisation

The main REE bearing residual mineral at the Monte Alto deposit project area is monazite with minor amounts of REE-Al-Phosphate crandallite. Residual monazite mineralisation occurs throughout the Project in varying amounts. Field visits and core review of high grade REE mineralisation at the Monte Alto project shows residual granular monazite to be the primary host of the REE mineralisation at that deposit (Figure 25). Secondary supergene monazite was also noted. This is consistent with the geochemistry data available for the deposit which indicate monazite and lesser crandallite.

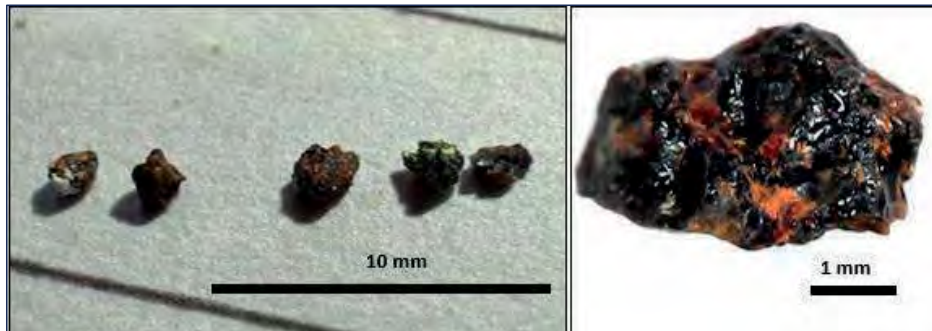


Figure 25: Coarse grains of residual monazite from a panned concentrate of saprolite in hole SSU0059  
Source: BRE 2023

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At Monte Alto, the MRE model includes a high-grade zone that delineates residual monazite mineralisation >1,000 ppm TREO with potential for extraction by gravity methods. This zone forms a dispersion halo around the corridor of primary mineralisation measuring 1,500 m along strike and up to 600 m wide (Figure 24).

### 8.3.1 SGS Mineralogical Analysis

High-definition mineralogical analysis was completed by SGS Minerals Services (2023).<sup>31</sup> Composite samples were collected from the Monte Alto High-grade (MAHG - 4), Riacho de Areia - North (RDAN - 1), and Tres Bracos (TB - 1) deposits. Samples underwent Quantitative Evaluation of Materials by Scanning Electron Microscopy (QEMSCAN) and Mineral Liberation Analysis (MLA) studies.

- The analysis identified monazite as the primary REE mineral in the MAHG composites (MIN0020 to MIN0023 in Figure 26), with minor amounts of REE-Al-P minerals.
- Where identified, monazite is predominantly present as liberated grains (27%-57%) or grains with complex associations (19%-58%).
- In MAHG composites, 62.1%-87.3% of monazite grains were sand-sized (>75 µm). Figure 27 shows a particle size distribution plot for minerals in sample MIN0022 which highlights the significant difference in size between monazite and other mineral grains. By removing the sub 75 µm fraction (desliming), the proportion of coarser monazite grains would increase to facilitate effective monazite recovery.
- Composites from Riacho de Areia - North (MIN0024) and Tres Bracos (MIN0025) contained insufficient amounts of REE minerals (<0.3%) to account for the assayed head grades of 0.23% and 0.30% TREO respectively, suggesting that REE is associated with the relatively abundant kaolinite and illite as IAC mineralisation.

### 8.3.2 Residual Mineralisation Targets

Residual monazite grains are dispersed from primary deposits in bedrock across the regolith profile. Monazite grain size ranges from microparticle to sand-size. At Monte Alto, a 600 m wide corridor of high-grade residual monazite mineralisation is modelled over a strike length of 1,500 m and to depths of up to 69 m. The corridor has an average grade of approximately 1% TREO, with very high grades encountered throughout the corridor (refer to Section 7.3.2). Figure 25 shows an example of medium grained, (sand size) monazite grains extracted from a panned concentrate collected from the sonic core at the Monte Alto deposit.

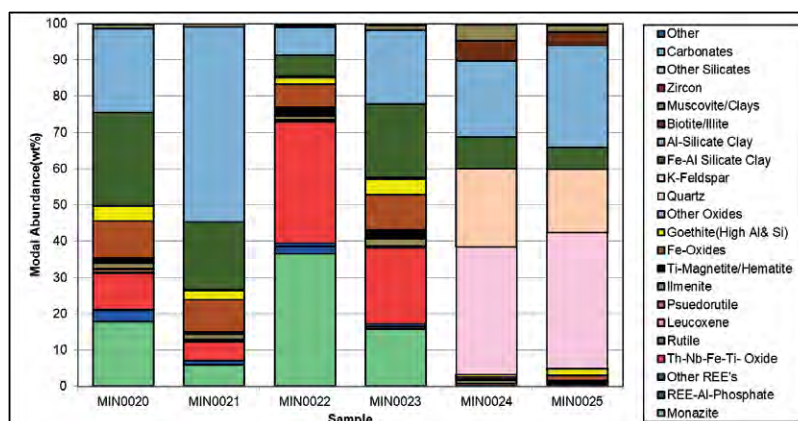


Figure 26: Modal mineral abundance in samples submitted for High-Definition Mineralogical Analysis  
Source: SGS Minerals Services 2023

<sup>31</sup> The named party has not consented to the use of their information in this report.

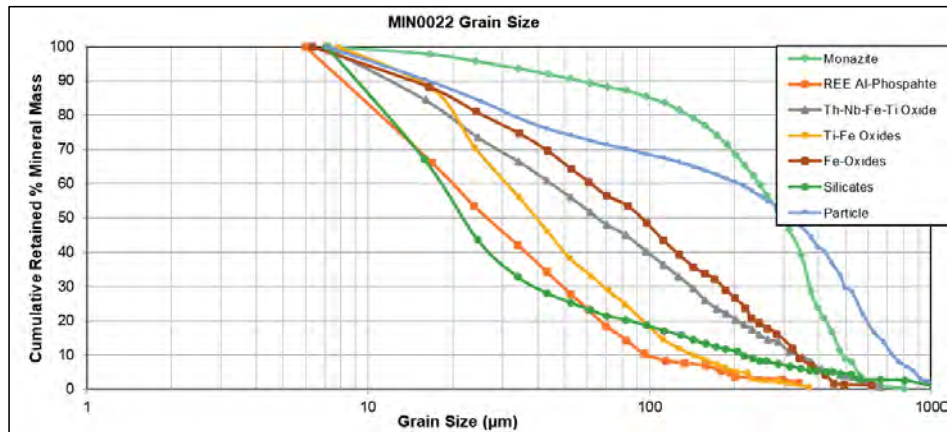


Figure 27: Diagram showing the marked difference in grains size between monazite and other minerals  
Source: SGS Minerals Services 2023

## 8.4 IAC Mineralisation

IAC hosted REE deposits are encountered along the entire prospective VRPS Belt and have been the focus of exploration by BRE during the project's early phase, and following some encouraging results, some targets are still being explored.

At the Project, IAC mineralisation is hosted in saprolite formations below the mottled zone that have been intersected by drilling over an area of approximately 20 square kilometres and thicknesses ranging from 5 m to 60 m.

Portions of the deposit that host IAC mineralisation have average TREO grades that range between 850 ppm and 1,200 ppm. The REE department within IAC mineralisation is characterised by enrichment of heavy rare earth elements (HREEs) and the depletion of cerium (Ce).

### 8.4.1 Preliminary IAC Leaching Tests

In April 2022, BRE submitted regolith samples for preliminary leaching tests to the Centro de Desenvolvimento da Tecnologia Nuclear – CDTN<sup>32</sup> in Belo Horizonte, Minas Gerais State. The purpose of the tests was to confirm REEs ionically adsorbed to clay minerals can be readily liberated by washing with a weak acidic solution at room temperature.

Samples were collected from the Monte Alto resource area (MA-15), Monte Alto High-Grade resource area (MAHG-13) and Riacho de Areia (RA-8) and had TREO-CeO<sub>2</sub> content ranging from 203 ppm to 4,779 ppm. Samples were obtained using auger and sonic drilling from various depths within the regolith profile.

Leaching tests were conducted at room temperature using 40 g samples in 250 ml beakers. The sample and leaching solution were stirred to ensure complete mixing for a period of one hour. A solution of 0.5 mol/L (NH<sub>4</sub>)<sub>2</sub>SO<sub>4</sub> with a pH of 4 was selected for preliminary analysis however further scoping testwork is required for optimal lixiviant selection. After the tests, the residual solids were filtered, washed with (NH<sub>4</sub>)<sub>2</sub>SO<sub>4</sub> and de-ionized water, and dried at 100°C for 24 hours. The solid residue was stored for further analysis. Liquor solution was acidified with 5% Nitric Acid (HNO<sub>3</sub>) and sent for ICP-MS assay to measure REE, Th and U.

Figure 28 shows the leaching recoveries from the preliminary testwork, grouped by the MRE resource areas detailed in Section 10.

<sup>32</sup> The named party has not consented to the use of their information in this report.

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- Initial unoptimized leaching achieved TREO-CeO<sub>2</sub> recoveries ranging from 7% to 75%, depending on the REE mineral department in each sample.
- Monte Alto resource samples (“MA”) had an average recovery of 37%, demonstrating IAC potential and comparable to other early-stage IAC exploration projects (e.g. Morgan, R., 2021 and Ionic Rare Earths, 2021).<sup>33</sup> MA high-grade resource samples (“MAHG”) had an average recovery of 14% supporting the findings of QEMSCAN analysis on the department of REE in residual monazite grains and the suitability of alternative processing techniques for this high-grade domain.
- Riacho de Ariea resource samples (“RDA”) had an average recovery of 15%. The low leaching recovery may indicate that optimization of sample selection and leach parameters is required.

Results from this preliminary testwork (Figure 28) show a significant number of positive leaching results, which demonstrates strong potential for economic REE yields and provides a sound basis for BRE to continue exploration aimed at defining IAC Mineral Resources at the Project. However, the preliminary nature of the sample selection and testing parameters makes these results unsuitable for predicting actual REE yields.

To enable predictions of leaching yields, BRE has commenced a new round of leaching testwork at SGS Geosol. Testwork will characterize leach performance at one-meter intervals throughout selected drill holes to delineate IAC REE horizons with high leach yields. Results of such testwork would enable the incorporations of leaching yield domains into a future MRE model and will enable better selection of metallurgical samples for leaching characterization.

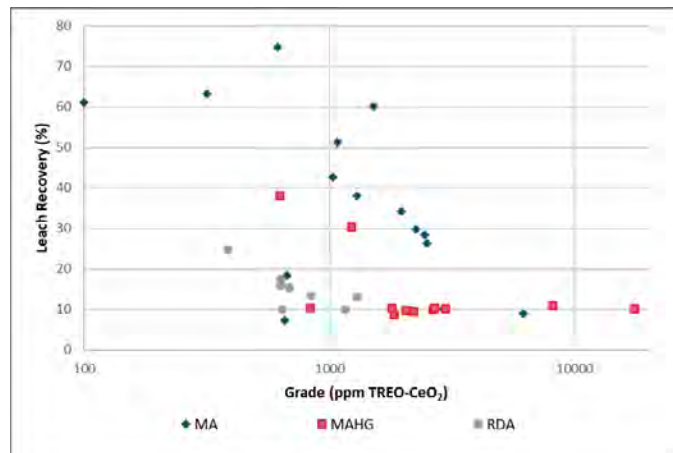


Figure 28: TREO-CeO<sub>2</sub> against % leach recovery grouped by deposit area  
Source: BRE 2023

## 8.5 CSA Opinion

CSA Global notes that the residual monazite is derived from physical erosion of the underlying protolith (hard rock) and incorporated within clay rich regolith. The protolith will therefore dictate further exploration, and should be combined with an understanding of soil slump, creep and erosional processes as well as underlying geology in order to define both grade shells and metallurgical domains dependant on grade divisions at this early stage.

Further work is required for adequate characterisation of the REE department in IAC, or as primary, elluvial or detrital monazite.

<sup>33</sup> The named parties have not consented to the use of their information in this report.



## 9 Future Exploration and Prospectivity

BRE proposes to undertake prospecting and exploration initiatives to realize the full potential of the RCMP. Initially, these initiatives will:

- test high-grade primary mineralisation at Monte Alto with core drilling.
- re-assess existing RTX drillholes by assaying for REE.
- investigate regolith mineralisation.

The proposed work is designed to enhance understanding of REE deposits in this system, allow more effective exploration targeting, and to seek to enable further resource development. In addition to the exploration detailed below, studies to assess whether or not the Project may become economically feasible have commenced, including metallurgical recovery, process flowsheet and optimisation. No forecast is made of those matters.

### 9.1.1 High-grade REE-Nb-Sc Mineralisation

The BRE exploration model is that the sampled corestones are the outcropping expression of tabular bodies of high-grade magmatic primary REE-Nb-Sc mineralisation that also contain valuable critical minerals such as niobium and scandium. Delineating high grade REE-Nb-Sc deposits will be the priority during the next phase of exploration.

At Monte Alto, BRE have initiated deep core drilling (Figure 24) to aim to identify and delineate mineralisation that will be used to assist in defining a primary mineral resource at depth, beneath the 800m long high-grade trend defined by drilling and corestones near surface. Drill core samples collected from the drilling program will aim to:

- Confirm the exploration model and composition of the primary mineralisation horizon.
- Target primary mineralisation at depths of 60m below the high-grade surface mineralisation.
- Determine the true thickness of mineralisation horizons. Currently at Monte Alto, corestones up to 2.5m in diameter, have been discovered along a 10m wide corridor.
- Provide undisturbed material for bulk density, geotechnical, and metallurgical testing.

To characterize the high-grade magmatic primary mineralisation, BRE proposes to undertake mineralogical analysis of samples by XRD analysis and QEMSCAN. BRE will continue to prioritise regolith and bedrock mapping and structural geology studies to identify favourable settings for primary REE mineralisation.

Furthermore, BRE proposes to continue exploring for new deposits of primary mineralisation on the Project, such as Velhinhas where high-grade core-stones have also been discovered. Recent gravimetric and drone-magnetometry surveys have shown a correlation between occurrences of primary mineralisation, high residual bouguer, and low magnetic responses. In conjunction with high eTh and radiometric anomalies, these coincident geophysical markers have the potential to delineate zones of primary mineralisation at the Project.

### 9.1.2 Monazite in Saprolite Mineralisation

BRE proposes to continue exploring for monazite in saprolite mineralisation using the proven exploration strategy outlined in Section 11. Monazite-rich areas within regolith will be identified by discovering outcrops or fragments of primary REE-Nb-Sc mineralisation (as at Monte Alto and Velhinhas) or by detecting highly elevated REE grades through auger and sonic drill results (as at Três Braços) beyond IAC limits. These identified targets will undergo closer spaced drilling to delineate monazite in saprolite mineral resources.

To better understand the distribution of high-grade REEs, and monazite in particular, further regolith sampling will involve washing, sieving, and microscopic analysis of sub-samples to assess mineral assemblage and

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abundance. Monazite grains will be collected for geochronology analysis to enhance our understanding of the deposit's genetic model.

### 9.1.3 IAC Mineralisation

Only 30% of the property area has been tested by BRE or RTX drilling. BRE proposes to continue exploring the remaining 70% of the property for new zones of regolith hosted IAC mineralisation using the company's proven exploration strategy and detailed in Section 11. Identified zones will be examined using auger and sonic drilling to define mineralisation that may convert to mineral resources. This regional exploration will run alongside ongoing infill drilling aimed to enhance the size and confidence of existing Mineral Resources.

BRE will prioritise studies to characterize the regolith weathering profile and delineate horizons of IAC REE accumulation with high leaching recoveries and a high proportion of HREOs.

### 9.1.4 Re-assaying of RTX Drillholes

BRE's subsidiary Borborema has agreed to acquire over 800 km<sup>2</sup> of exploration permits from Rio de Contas that cover a majority of the geophysical anomalies that guide the BRE REE exploration program. Approximately 26% of the property area has been previously tested by RTX drilling, totalling 4,609 drillholes. The holes were not systematically tested for REEs, as the commodity of interest was bauxite, but it is noted that the exploration was performed to recognised high industry standards and the data set is comprehensive. All physical data including drill core and pulp samples, are well organised and securely stored.

BRE intend to re-assay the available pulp samples to rapidly test for REEs without laborious sample preparation. The locations of drill holes were recorded by an independent surveyor (RTX, 2019). After verification, it is expected that the re-assay results will support the rapid generation of regolith hosted REE mineralisation targets within recently acquired tenements. The re-assay results, in conjunction with geophysical survey acquired from RTX, may also identify areas with potential for high-grade primary mineralisation.

## 9.2 CSA Global Opinion

BRE exploration activities, drill techniques, survey methods, sampling, assaying and QAQC have been completed in line with good industry practice. The geological modelling strategy, data collection and assessment are appropriate for the style of mineralisation.

CSA Global is of the opinion that the exploration potential for the Rocha da Rocha Project is high. The combination of: favourable regional geological location; highly prospective local geology and structural framework; an active geomorphology; favourable and coincident geochemical and geophysical anomalies; and successful drill results to date, confirm the prospectivity of the area for discovery of REE mineralisation.

CSA Global believes that the proposed exploration work program is reasonable and appropriate for the work proposed and scale of the project at the time of compiling this report.

CSA Global note that the protolith will dictate further exploration and should be combined with an understanding of soil slump, creep and erosional processes in order to define both grade shells and metallurgical domains dependant on grade divisions at this early stage. Further work is required for adequate characterisation of the REE deportment as IAC, or as primary monazite.





## 10 Mineral Resources

### 10.1 Introduction

The Mineral Resource estimate (MRE) for the Project is based upon exploration drilling and geological modelling for the following deposits:

- Monte Alto (“MA”).
- Riacho de Areia (“RDA”) – RDA North and RDA Central.
- Boca da Mata (“BM”).
- Três Braços (“TB”).
- Mucuri (“MCR”).
- Machado (“MCD”).
- Velhinhas (“VLH”).

A tabulation of the Rocha da Rocha Inferred Mineral Resources is presented in Table 15, reported at a TREO - CeO<sub>2</sub> cut off of 800 ppm for RDR and 200 ppm for all other deposits.

The Mineral Resource has been compiled in accordance with the guidelines defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (JORC 2012 Code). The information underlying the Mineral Resource estimate that relates to Exploration Results and Mineral Resources is based on and fairly represents information compiled and/or reviewed by Mr Adam Karst, P.G., who is a Competent Person.

Mr Karst is a Registered Member of the Society of Mining, Metallurgy and Exploration (SME) which is a Recognized Overseas Professional Organization (ROP). Mr. Karst has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration at the project area and to the activity that he is undertaking to qualify as a Competent Person as defined by the 2012 JORC Code. Mr Karst consents to the inclusion in this report of the matters based on his information and supporting documentation in the form and context in which it appears.

Mr Karst is a full time employee of Karst Geo Solutions LLC, an independent consultant firm to BRE. Mr Karst has disclosed to the reporting company the full nature of the relationship between himself and the company, and there are no identified issues that could be perceived by investors as a conflict of interest.

JORC Code Table 1 is a checklist and guideline used by practitioners of the code in the preparation of reports on Exploration Results, Mineral Resources and Ore Reserves. CSA Global used the framework proposed by the table to guide our review of the MRE.

CSA Global reviewed aspects considered by the Competent Person to ensure data integrity and confidence in the first instance, followed by that methodology and assumptions used to derive the MRE and classification. These aspects were also summarised by the Competent Person in JORC Table 1 of the MRE report and CSA Global has drawn heavily from this section. Appendix D contains the JORC Table 1.



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Table 15: Rocha da Rocha Inferred Mineral Resource Statement as at 23 May 2023

Deposit	Split	Cut-off grade: TREO-CeO2 (ppm)	Tonnes (Mt)	TREO- CeO2 (ppm)	TREO (ppm)	Nd2O3 +Pr6O11 (ppm)	Nd2O3 +Pr6O11 : TREO	Dy2O3 +Tb4O7 (ppm)	Dy2O3 +Tb4O7 :TREO
Monte Alto (RDR)	VHG (Gravity)	>=800	25.2	5,466	10,022	1,879	18.8%	2,669.6	26.6%
Monte Alto (RDR)	(Leach)	>=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%
Velhinhos		>=200	8.9	427	860	139	16.2%	201.8	23.5%
<b>Total</b>			<b>510.3</b>	<b>811</b>	<b>1,513</b>	<b>271</b>	<b>17.9%</b>	<b>425.8</b>	<b>28.1%</b>

Table 16 provides details of where in this report the reader can find an explanation of key items pertaining to the estimation of the Mineral Resources. Additionally all detailed information is included in Appendix D JORC Code Table 1.

Table 16: Mineral Resource Information

Mineral Resource Information	Section in Report
Geology and geological interpretation	Sections 5, 6, 8, 10.3 and 10.5
Sampling and sub-sampling techniques	Section 7.2.3
Drilling techniques	Section 7.2.3
Classification criteria	Section 10.6
Sample analysis method	Section 7.2.4
Estimation methodology	Section 10.5
Cut-off grade and basis of selection	Section 10.6
Mining and metallurgical methods and parameters	Section 8.3.1

## 10.2 Data and Database Integrity

The MRE is based upon holes drilled by BRE since September 2021, and include 68 sonic holes for 2,153 m and 417 auger holes for 7,070 m. All holes were drilled vertically and are shallow, with an average depth of 17.8 m for the auger holes.

The drill hole collar coordinates for all drill holes were obtained by handheld GPS, using datum SIRGAS 2000 UTM 24S, and the accuracy of the locations is considered sufficient for this early stage of project development. No down hole surveys were completed on holes due to their shallow depths, although it is noted that several sonic holes have depths in excess of 50 m, and some deviation of the drill hole trace is to be expected at these depths. BRE are of the opinion that there will be negligible drill hole drift in the deeper holes.

Drill sample recoveries have been noted to be close to 100% for both auger and sonic drilling.

All drill holes were geologically logged on a metre by metre basis, with geological intervals (including laterite, mottled zone, saprolite saprock and fresh rock) interpreted by the geologist for the different weathering zones at the Project. This is a subjective exercise, and an alternative geological log by another geologist may result in a different geological zone assigned to an interval. CSA Global recommended that logging of drill samples should also include chemical analyses of the samples prior to finalising each sample log. This will be actioned by BRE.

CSA Global note that the project geology is a relatively conventional saprolitic weathering profile and the drilling types, sampling procedures and geological assessment of the drill samples are considered appropriate for the



current stage of the project development. However the recent recognition of underlying protolith control as well as high grade mineralisation, and internal variability of mineralisation means the current geological interpretation will need to be reviewed prior to commencement of Economic Studies.

Sub-sample preparation and sample analyses are of industry standard and therefore considered to be suitable for supporting the MRE.

Drill data are stored in MS Excel spreadsheets and backups of the data are regularly made. BRE are considering managing their drill data within an SQL database, which will improve the quality assurance associated with all drilling data.

QAQC used to monitor drill hole sampling quality, and sample analyses, includes certified reference materials (CRMs), blanks, and duplicates. A high-level review of the results was carried out by CSA Global and results are observed to fall within the required tolerances.

BRE tested the repeatability of auger drill assay results by twinning 19 holes with sonic drilling, with total twinned meterage amounting to 10% of the total auger drilling at RDR and RDA. The populations of TREO-CeO<sub>2</sub> assays from twinned pairs of holes are very similar, with median grades differing by < 3%.

Other statistical measures, such as range and coefficient of variation, and the downhole variability, are also very similar, and CSA Global conclude that there does not appear to be a systematic bias associated with choice of drill method.

CSA Global concludes that the Competent Person has followed appropriate procedures to review and validate the data, and the data is of sufficient integrity to be used in support of the MRE.

### 10.3 Geological Interpretation

The deposits belonging to the MRE are interpreted to be deeply weathered saprolitic profiles with underlying charnockites and granulitic gneiss as basement lithologies which host ultramafic and mafic monazite cumulates.

The geological interpretation was based on drill sample logs, with geological models interpreted for saprolite, mottled zone, laterite and soil. CSA Global conducted a brief review of the geological interpretations within the Riacho de Areia North deposit, and note that the laterite and saprolite models don't closely correlate with the downhole sample assays for Fe<sub>2</sub>O<sub>3</sub> and MgO. Future efforts with geological interpretations should consider sample chemistry to assist with the interpretations.

The Monte Alto deposit also contains an internal high grade ('HG') zone (Figure 29), within and below the weathering profile, and although it wasn't used to control grade interpolation, it is used for the reporting of the Mineral Resource. The HG zone has been defined a grade envelope that broadly captures >1,000 ppm TREO assays. Preliminary metallurgical processing studies assess this zone to be suitable for gravity separation to recover monazite mineralisation, which contains most of the REE.

Despite the modelling of the weathering horizons for each deposit, the individual weathering domains were not ultimately used to control the grade interpolation. A geochemical or geometallurgical study could provide alternative models to the VH domain which would be based upon mineralogy and / or metallurgical characteristics of the deposit.

In the opinion of CSA Global, the weathering and bedrock domains modelled for each deposit are sufficient for supporting the MRE at Inferred classification levels.

### 10.4 Dimensions

The RDR Mineral Resource has the largest areal extent of the deposits in the Project, and has dimensions of approximately 2,000 m (E) by 2,000 m (N) by 30 m (Z), with the thickness determined by drilling. Mineralisation

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extends into the bedrock but this component has not been included in the MRE. The RDA North has lateral dimensions of 1,400 m (E) by 1,200 m (Y), RDA Central 1,600 m by 900 m, Bocha da Mata 650 m by 600 m, and Tres Bracos 1,000 m by 1,000 m, with all having similar thickness of weathering to RDR.

The extent of Mineral Resource models is predominantly limited by the availability of exploration data and by tenement boundaries. Although individual REE bearing horizons may pinch out, the deposits are open laterally and at depth.

## 10.5 Estimation and Modelling Techniques

BRE carried out statistical analyses of the sample analyses to determine the spatial variability of the rare earth oxides and to determine if the use of hard boundaries for grade interpolation would be appropriate.

A statistical assessment of the REO populations show that they are broadly similar and can be grouped together for estimation using the same estimation parameters. Samples were flagged by the weathering profile they are located in, and then were composited to 1 m lengths, being the predominant sample length. Residual samples were retained, with composite residuals with lengths <0.5 m added to the previous composite sample.

Normal scores variograms were modelled for 20 rare earth and other oxides for each of the five deposits, from composited samples flagged within the weathering zone. The modelled sills were back transformed to provide sills and nugget effects for grade interpolation by Ordinary Kriging (“OK”).

Relative nugget effects were low, and the majority of the population variance is accommodated within the first range of the variogram models. Short ranges for the TREO variogram models vary between 30 m and 120 m, across the 5 deposits.

Block models were constructed for each of the 5 deposits, each with a common parent cell size of 80 m (X) x 80 m (Y) x 5 m (Z). The block model was constructed using the Octree method for subcelling, with the parent cell progressively reduced in size by common factors in the X and Y axes, until a minimum subcell size of 20 m x 20 m x 5 m was obtained. BRE consider the minimum subcell size to be sufficient to maintain an appropriate blocking resolution. All blocks were coded by geological domain in the same manner as the drill samples.

Inverse Distance weighting (power = 2) (ID2) and OK were used to interpolate CeO<sub>2</sub>, Dy<sub>2</sub>O<sub>3</sub>, Er<sub>2</sub>O<sub>3</sub>, Eu<sub>2</sub>O<sub>3</sub>, Gd<sub>2</sub>O<sub>3</sub>, Ho<sub>2</sub>O<sub>3</sub>, La<sub>2</sub>O<sub>3</sub>, Lu<sub>2</sub>O<sub>3</sub>, Nd<sub>2</sub>O<sub>3</sub>, Pr<sub>6</sub>O<sub>11</sub>, Sc<sub>2</sub>O<sub>3</sub>, Sm<sub>2</sub>O<sub>3</sub>, Tb<sub>4</sub>O<sub>7</sub>, ThO<sub>2</sub>, Tm<sub>2</sub>O<sub>3</sub>, U<sub>3</sub>O<sub>8</sub>, Y<sub>2</sub>O<sub>3</sub> and Yb<sub>2</sub>O<sub>3</sub> grades into the block model. Search ellipse dimensions derived from semi variogram model were used for the first estimation pass. A second estimation pass was made at 2x the first pass search range. A third pass was used to ensure all blocks were interpolated, with search ellipse radii for the 3<sup>rd</sup> pass varying between the 5 deposits. The majority of blocks were interpolated by the first search range. A minimum of 8 and maximum of 15 samples were used to interpolate each block, with a maximum of 5 samples from a drill hole permitted for each block estimate. Dynamic anisotropy was used to orientate the search ellipse with respect to the local orientations (dip and dip directions) of the weathering profile.

High grade assays were not capped, but retained for grade interpolation using a ‘clamping’ method which allows the very high grade samples to be available for inclusion in the grade interpolation for blocks which are within a nominated distance of the sample. Beyond that nominated distance, a cap is imposed upon the sample so that the capped grade can be used to interpolate blocks beyond the nominated distance. BRE selected a nominated distance of 50% of the first search pass radius. Beyond this distance, samples are capped to a nominated percentile from the population statistics (99% for RDR, 95<sup>th</sup> percentile for the other deposits).

CSA Global acknowledge the benefits in using a clamping method for grade interpolation of high grades, specifically honouring the metal content and including that metal in the Mineral Resource estimate, without discarding metal as would happen with a conventional grade capping approach. Conversely, using a clamping method imposes a conditional bias upon the grade interpolation, with blocks distal from the high-grade samples not allowed to be informed by those samples during grade interpolation. CSA Global consider the use of



clamping to be a reasonable approach for the Inferred Mineral Resources at Rocha da Rocha, but recommend that future MRE updates, which will likely have closer spaced drill hole samples, to consider alternative methods for interpolating high grade samples, including but not limited to, the use of high grade capping, or alternative geological domaining within which the high grade samples are clustered.

For all parts of the weathering profile a bulk density of  $1.7 \text{ t/m}^3$  was applied across all deposits, with the exception of the Monte Alto deposit which was applied a density of  $1.8 \text{ t/m}^3$ . Average bulk density is derived from 146 density measurements from sonic drill core collected from the RDR and RDA North deposits.

CSA Global consider the methods used to calculate the bulk density to be appropriate, and the density value of  $1.7 \text{ t/m}^3$  appropriate for a lateritic and saprolitic profile. CSA Global recommends that BRE also consider other means of density measurement such as downhole gamma density probe.

BRE validated the block model by several methods:

- Block grades compared visually in cross section against the local drill sample grades.
- Swath plots, comparing the block grades against the sample grades along a nominated trend (northing, easting and elevation).
- Block model mean grades compared to sample mean grades.

CSA Global consider the model validation steps to be appropriate and the results suggest the grade interpolation has worked as intended to.

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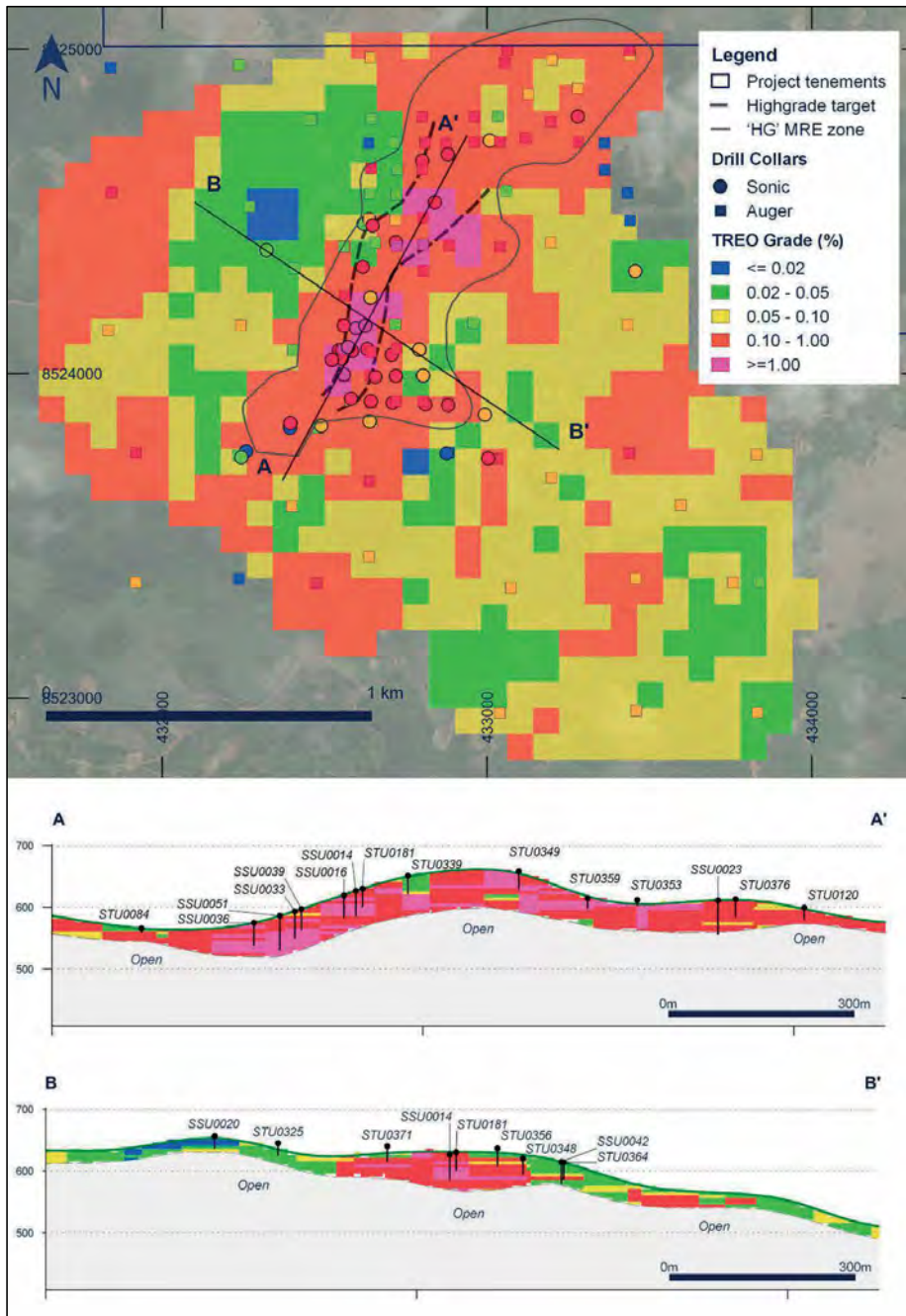


Figure 29: Diagram showing a plan view of the Monte Alto block model and drill holes coloured by average TREO grade, with cross section views  
Source: BRE 2023



## 10.6 Mineral Resource Classification and Reporting

The Competent Person has classified the Mineral Resource as Inferred. The classification is based upon consideration of the following criteria:

- Validity and robustness of input data.
- Drill hole spacing.
- Geological continuity of zones of mineralisation.
- Assessment of the distribution of TREO.
- Proximity of estimated blocks to sample locations.

The Mineral Resource is restricted in depth by the current extent of drilling, and defined by the interpreted weathered horizons as described in Section 10.3, with lateral extensions as described in Section 10.4.

CSA Global consider the Inferred classification to be appropriate, based upon the drill hole spacing, quantity of data supporting the Mineral Resource, and understanding of the geological controls to the mineralisation.

The Mineral Resources are reported by nominated cut-off grades of TREO-CeO<sub>2</sub>, which vary by deposit. For the RDR deposit, the Mineral Resource is reported in 3 stages:

- Weathering zone blocks located within the VHG domain where TREO-CeO<sub>2</sub> grades >800 ppm.
- Weathering zone blocks within the VHG domain where TREO-CeO<sub>2</sub> grades >200 ppm and <800 ppm.
- Weathering zone blocks located outside the VHG domain where TREO-CeO<sub>2</sub> grades >200 ppm.

For the other deposits, the Mineral Resources are reported from weathered zone blocks where TREO-CeO<sub>2</sub> >200 ppm.

The cut-off grades used by BRE are based upon an assumption as to the processing route for mined material, with the material with >800 ppm to be potentially processed by gravity processing (with significant deportment of monazite); and material > 200 ppm deemed to be ionic adsorbed clay mineralisation, and suitable for processing by leaching. The selection of these cut-off grades is supported by results returned from the preliminary metallurgical testwork completed by BRE.

The Competent Person is of the opinion that based on the quantity, distribution and confidence of the data available to inform the estimate, the Inferred Mineral Resource meets the JORC Code definition of 'reasonable prospects for eventual economic extraction', and is appropriately classified to reflect uncertainty associated with limited geological evidence and sampling at this time.

## 10.7 CSA Global Opinion

CSA Global recommend further studies be carried out into the style of mineralisation, and whether monazite mineralisation is also prevalent in the lower grade portions of the deposits, and therefore also amenable to gravity separation.

Recent high grade results supported with iOGAS geochemical review shows that the major host of REE is monazite (both primary and residual) rather than ionic clay. Lesser amounts of crandallite are indicated by the presence of Ba. CSA Global suggests that more petrographic work is needed. A detailed mineralogical and metallurgical review report is being prepared by BRE at the time of writing of this report.

QAQC indicates a rate of submission of 1 in 20 (5%) for both Certified Reference Material (CRM) as well as blanks. CSA Global is of the opinion this is appropriate.

CSA Global also suggest that sampling of regolith should be considered where subsamples are washed, sieved and examined under binocular microscope for both mineralogy and mineralogy % to be determined. Orientation of the best size fractions should be determined, however in the interim +500um, -500um +100 should be applied.

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Full major and minor geochemistry is available and should be used to characterise geology as domains, which will be a better criteria than the current colour and textural codes that are used. Ideally these domains should also be used at this early stage to start to focus on geodomaining and metallurgical sampling.

CSA Global independently reported the MRE block models and corroborate the Mineral Resource tabulations as reported by BRE. CSA Global note that BRE used the IDW grade variable for TREO-CeO<sub>2</sub> for reporting the Mineral Resources, instead of the kriged grade variable. CSA Global recommend future Mineral Resources are reported using the kriged block grades, which are based upon geostatistical assessments of the grade populations.

CSA Global consider the geological modelling, grade interpolation, bulk density value and the reporting of the Mineral Resource to be appropriate for the Inferred classification status.



## 11 Exploration Target

### 11.1 Background

The JORC Code defines an Exploration Target as “a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource”.

Exploration completed by BRE has identified the potential for additional mineralisation outside of the current Mineral Resource area that warrants further exploration activities and forms the basis of defining an Exploration Target.

Across the Project, radiometric anomalies guide BRE’s exploration strategy for delineating regolith hosted IAC and monazite deposits. Thorium counts obtained by airborne radiometric survey (Section 7.1.1) positively correlate with REO grades in nearby drilling (Figure 30). This exploration approach has delineated numerous targets, which with follow up drilling, have successfully defined REE mineralisation.

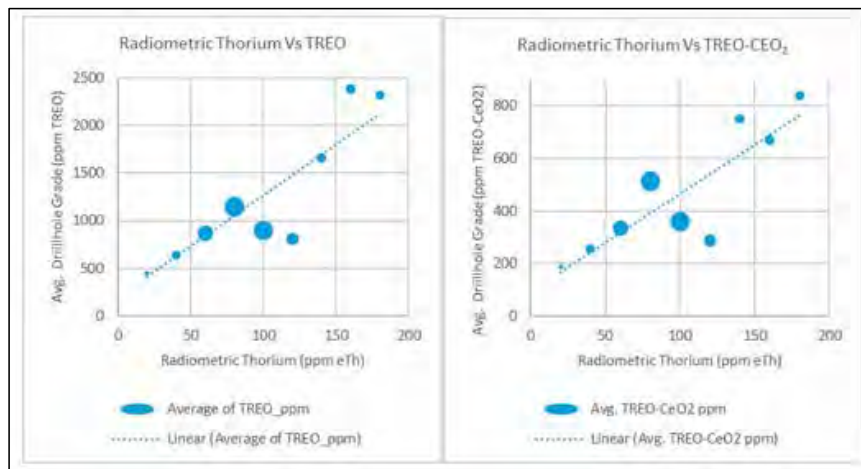


Figure 30 : Correlation of Radiometric Thorium with average TREO (left) and TREO-CeO<sub>2</sub>.  
Source: BRE 2023

### 11.2 Methodology

A 50 ppm eTh cut-off was selected to define a prospective area for regolith hosted REE mineralisation above the 200 ppm TREO CeO<sub>2</sub> MRE reporting cut off grade for IAC resources. The defined area for potential REE mineralisation on the Project spans a strike length of 100 km, a width of 1–10 km, and covers an area of approximately 380 km<sup>2</sup> (Figure 8). Estimated thickness, based on the current MRE deposit models, range from 20 m to 30 m and support an estimated volume range of 7.7 Bm<sup>3</sup> to 11.5 Bm<sup>3</sup>. The extent of regolith Exploration Targets with current drill results is shown in Figure 16 to Figure 18.

Currently, 60% of all assayed intervals in the exploration database successfully intersected grades above the 200 ppm TREO-CeO<sub>2</sub> reporting cut-off. Applying a 60% success factor to the estimated Exploration Target volume reduces the Exploration Target volume range to 4.6 Bm<sup>3</sup> to 6.9 Bm<sup>3</sup>.

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To determine potential tonnage and grade ranges at the Project, TREO assay values and density values from the current MRE were applied to the Exploration Target volume estimate. A density value of 1.7 g/cm<sup>3</sup> is derived from BRE testwork and is used to estimate target tonnage values.

### 11.3 Rocha da Rocha Exploration Target

Using the methodology described above, the regolith hosted Exploration Target presented in table Table 17 is estimated for the Project and based on a 200 ppm TREO-CeO<sub>2</sub> reporting cut off grade. The JORC Table 1 included in Appendix D provides relevant details regarding the Exploration Target.

Table 17: Rocha da Rocha Exploration Target for Regolith REE Mineralisation as at 1 July 2023

Material	Approximate Tonnage Range (Bt)	Approximate Grade Range (ppm TREO)	Approximate Grade Range (ppm TREO-CeO <sub>2</sub> )
Regolith REE Mineralisation	8 to 12	1,000 to 1,500	400 to 800

The potential quantity and grade of this Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

The Exploration Target has an effective date of 1 July 2023 and is based on the results of BRE's previous drill programs. To further develop this deposit and seek to delineate additional Mineral Resources, the Company proposes to complete additional step-out and infill drilling to establish geological and grade continuity aiming for a drill spacing of 320 m x 320 m, with subsequent infill where justified.

The Exploration Target has been compiled in accordance with the guidelines defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC 2012 Code). The information underlying the Exploration Target tonnage and grade estimate is based on information compiled and/or reviewed by Mr. Adam Karst, P.G., who is a Competent Person.

Mr Karst is a Registered Member of the Society of Mining, Metallurgy and Exploration (SME) which is a Recognized Overseas Professional Organization (ROP). Mr Karst has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration at Brazilian Rare Earth' project area and to the activity that he is undertaking to qualify as a Competent Person as defined by the 2012 JORC Code. Mr Karst consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Mr Karst is a full time employee of Karst Geo Solutions LLC, an independent consultant firm to BRE. Mr Karst has disclosed to the reporting company the full nature of the relationship between himself and the company, and there are no identified issues that could be perceived by investors as a conflict of interest.

### 11.4 CSA Global Opinion

CSA Global is of the opinion that the Rocha da Rocha Exploration Target has been prepared and reported in accordance with the 2012 JORC Code using accepted industry practice including appropriate reference to the guidelines in the JORC Code and have been signed off by an appropriate Competent Person as defined by the JORC Code.

CSA Global considers the approach used by BRE as appropriate for providing Exploration Target estimates which comply with Clause 17 of JORC guidelines and the definition of reporting an Exploration Target.

The Exploration Target appears to be a reasonable assessment of tonnage and grade range for the relevant deposit based on the data available and geological understanding at the time. The assignment as an Exploration Target is appropriate for the quality and quantity of data available at the date of the Report.

Identified technical risks and opportunities associated with the Project are discussed in Section 15.

## 12 Site Visit

A site visit was made to the Project area (Figure 31) between 14 to 16 March 2023 by Mr Pete Siegfried, Associate Consultant, CSA Global (South Africa office). The itinerary was as follows:

- **Day 1:** Review drill core, core yard storage, sample preparation, auger sample storage facilities, and auger sample preparation process.
- **Day 2:** Drill site visit, including review of : auger drill hole in process and set up, historical auger holes, sonic drill hole in process and set up, historic sonic drill holes in field. Geological office visit to review: geology, new target areas, state of knowledge, exploration planning, and model of mineralisation.
- **Day 3:** Geophysical (radiometric review), historic and new survey planning. Detailed database review, sample and QAQC, standards and protocols, pXRF sample process and preparation.

A short report documenting the site visit is included in Appendix C.



Figure 31 : Track log for field visit of Rocha da Rocha project and auger and sonic drill sites reviewed  
Source: CSA Global 2023

Figure 32 and Figure 33 show, respectively, the sonic drill rig set up and core recovery from drilling in the clay regolith.

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Figure 32 : Sonic drill rig set up  
Source: CSA Global 2023



Figure 33: Clay regolith boxed into 10cm graduated plastic core boxes  
Source : CSA Global 2023



Figure 34 and Figure 35 show, respectively, an example of monazite rich subcrop material and a completed drill collar for a sonic drill hole in the field.



Figure 34: *Monazite rich corestone exposed during excavation of drill access road*  
Source: CSA Global 2023



Figure 35: *Drill collar for sonic drill hole in the field*  
Source: CSA Global 2023

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Figure 36 shows, respectively, the drill core storage area (left), and an example of cone and quarter sampling of an auger sample (right).



Figure 36: Sonic drill core storage Galpao (left); Cone and quartering of 1 m auger sample (right).  
Source: CSA Global 2023

Figure 37 shows, respectively, the sample being weighed (left), and the database entry management system screenshot (right).



Figure 37: Samples being weighed for use as laboratory samples (left); Data base entry management on tablet for auger sample entry(right).  
Source: CSA Global 2023

CSA Global is of the opinion that in summary the project is consistent with the exploration of both a new style of potential REE mineralisation, combined with an ongoing drilling and sampling programme which is confirmed to be well organised and executed.

A review of all aspects of data collection including ongoing exploration drilling, processing and sampling shows that the procedures used and the adherence to the prescribed Standard Operating Procedures (SOP) is compliant and of good industry quality. CSA Global recommends that the Project would benefit by the introduction of some additional new system parameters.

CSA Global recommends that radiation monitoring procedures, including the education of all staff regarding safety aspects, should be introduced to take into account the presence of monazite. This should include establishing SOP, provision of dosimeters and radiation monitoring as well as NORM best practice.



## 13 Environmental, Social and Governance

BRE is committed to taking a leading approach to Environmental, Social and Governance (ESG) practices in its long-term corporate strategy and recognises the importance of ESG and sustainable development to its employees, stakeholders and host communities. They recognise that the ongoing integration of ESG criteria into future exploration activities and project development is a critical element in moving the project forward and ensuring all key stakeholders are engaged in the process. BRE are aware of the Equator Principles and how these serve to establish a common baseline and risk management framework to identify, assess and manage environmental and social risks.

BRE is registered to conduct mineral research activities in Bahia. Activities are carried out in adherence to governmental and corporate guidelines for waste management, spill and leak prevention, drilling water, PPE use, and recovery of degraded areas. BRE monitors environmental impact at the Project through a network of monitoring stations, aerial photogrammetry, and flora surveys.

BRE subsidiary, Borborema, is a significant employer in the city of Ubaíra where exploration operations are based. In field exploration areas the company conducts stakeholder mapping and engagement surveys. To foster economic development and social cohesion, the company undertakes a variety of initiatives, including training scholarships, donations to local official security forces, and targeted assistance based on specific needs.

In the course of business, BRE will:

- Assess and manage environmental, workforce and community risks associated with its activities.
- Prioritize Federal and State occupational health, safety & environmental legislation, and relevant Brazilian standards.
- Work proactively with State and Federal agencies to meet or exceed all environmental laws and regulations in effect in the jurisdictions in which it conducts its activities.
- Instil the ethics of environmental responsibility through education and communication with all employees, contractors, consultants, and suppliers and provide appropriate training, education, and site inductions to its people and contractors.
- Create a culture that promotes diversity and inclusion as key aspects of a successful workplace and values and respects individual differences and perspectives. BRE believes that including diverse perspectives into the decision-making process will foster innovation and collaboration and lead to a competitive advantage. Diversity includes, but not limited to, gender, education, experience, age, geographical representation, and ethnicity.
- Acknowledge the cultures, customs and values of people in communities where it operates.
- Seek to make a positive difference to the social and economic development of the areas in which they operate.
- Engage early in open, inclusive, and meaningful communication and incorporate stakeholder views in their decision-making processes.
- Collaboratively consult with local landholders and other stakeholders to determine appropriate entities with whom land access should be sought.
- Engage openly and honestly with their communities to ensure transparent, accurate and clear information is provided to the community.



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## 14 Use of Funds

BRE provided CSA Global with a projection of its expenditure for the Project for an initial two-year period post listing on the ASX. Table 18 lists total funds that would be available to BRE following the planned capital raising of A\$50 million. Table 19 provide a summary of expenditure by activity for the Projects over the first two years. Table 20 provides a detailed breakdown of exploration expenditure. All costs included are in Australian dollars (A\$).

Table 18: BRE available funds after capital raising

Source	Funds (\$AM)
Cash	3.2
Funds raised under offer	50.0
<b>Total funds available</b>	<b>53.2</b>

Source: BRE 2023

Table 19: BRE allocation of funds, \$50 million minimum subscription

Item	Year 1 (\$AM)	Year 2 (\$AM)	Total (\$AM)
Amargosa Tenements Acquisition	7.9	3.7	11.6
Exploration	12.8	10.2	23.0
Mining Studies	0.4	0.6	1.0
Equipment & Consumables	0.5	1.0	1.5
Operations Personnel	1.5	2.0	3.5
Permitting & Legal	0.1	0.4	0.5
ESG	0.2	0.2	0.4
Costs of the Offer	4.3	-	4.3
Working Capital	3.2	4.2	7.4
<b>Total</b>	<b>30.9</b>	<b>22.3</b>	<b>53.2</b>

Source: BRE 2023

Table 20: BRE proposed exploration budget breakdown, \$50 million minimum subscription

Use of Funds	Year 1	Year 2	Total
Geological / Geophysical Survey	0.2	0.2	0.4
Re-assay of Amargosa Tenements Pulps	3.0	-	3.0
Core Drilling	4.0	3.5	7.5
Sonic drilling	1.5	1.1	2.6
Auger drilling	0.8	0.8	1.6
Assaying	2.9	2.6	5.5
Metallurgical and Geotechnical Studies	0.4	2.0	2.4
<b>Total</b>	<b>12.8</b>	<b>10.2</b>	<b>23.0</b>

Source: BRE 2023

In the year 1 allocation of funds the acquisition of the Amargosa Tenements constitute a significant budget item, tied to BRE's obligations stemming from the acquisition of the Amargosa Tenements detailed in Section 2 and Section 7.1.2.

CSA Global considers the proposed budgets are consistent with the exploration potential of BRE's Projects and are adequate to cover the costs of the proposed programs. The budgeted expenditure is also sufficient to meet the minimum statutory expenditure on the claims. CSA Global considers the type of exploration and weighting towards the Project as appropriate.

At least half of the liquid assets held, or funds proposed to be raised by the Company, are understood to be committed to the exploration, development, and administration of the mineral properties, satisfying the



requirements of ASX Listing Rules 1.3.2(b). CSA Global also understands that BRE has sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3(b).

The Company has prepared staged exploration and evaluation programs, specific to the potential of the Project, which are consistent with the budget allocations, and warranted by the exploration potential of the Projects CSA Global considers the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure, satisfying the requirements of ASX Listing Rule 1.3.3(a).

# 7. Independent Technical Report continued



## 15 Opportunities and Risks

### 15.1 Opportunities

#### 15.1.1 Exploration and Geology Opportunities

The Rocha da Rocha project is located in a previously underexplored geological and mining jurisdiction. BRE are building an extensive and well-informed data base of information which will enable them to assess the optimal exploration targeting strategy and exploration potential for the Project.

The recent discovery of REE mineralisation by BRE in this region demonstrates potential for establishing a new and previously unrecognized REE metallogenic province.

As well as ongoing development and resource definition of the identified REE mineralised zones at Rocha da Rocha, the large scale of the geomorphological expression associated with this area suggests there is strong potential for discovery of other adjacent mineralised zones in the region.

The acquisition of the RTX tenements and database offers significant value for evaluation and assessment of the Project. The extensive exploration efforts and the comprehensive database gathered by RTX provide valuable insights for future potential prospectivity and development in the area.

#### 15.1.2 Mineral Resource Opportunities

Opportunities exist for the Company to increase existing Mineral Resources by additional work including infill and extensional drilling that continue to increase confidence in the resource and will likely lead to an increased confidence in the data and enable a higher confidence classification of future Mineral Resources.

Given the potential of the continued occurrence of monazite at depth as a primary, fresh rock hosted mineralisation, diamond drilling will be performed in order to further test the geometry and dimensions of this mineralisation.

### 15.2 Technical Risks

#### 15.2.1 Exploration and Geology Risks

A key risk, common to exploration companies, is that expected mineralisation may not be present or that it may be too small or too low grade to warrant commercial exploitation. The projects comprise a range of stages of advancement from early exploration through to Inferred Mineral Resource. Risk is reduced at each stage as the exploration of the project progresses and the understanding of the deposit increases.

The interpretations and conclusions reached in this ITAR are based on current scientific understanding and the best evidence available at the time of writing.



### 15.2.2 Mineral Resource Risks

Technical risks identified with the current Mineral Resources, warrant further studies and test-work to reduce or eliminate the following risks:

- Mineral Resources are not Ore Reserves and do not have any demonstrated economic viability. The application of modifying factors is required to convert Mineral Resources to Ore Reserves. Modifying Factors include mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors. The Rocha da Rocha Mineral Resource is only at an Inferred Resource classification at this stage and is not supported by any economic assessment or mining study.
- For all parts of the weathering profile a bulk density of 1.7 t/m<sup>3</sup> was applied across all deposits, with the exception of the Monte Alto deposit which was applied a density of 1.8 t/m<sup>3</sup>. While this is reasonable based on available information, it will be beneficial to review the density as more data becomes available, as it is likely that density may be variable depending on where you are in the weathering profile and the underlying bedrock, and this will impact tonnage estimates. This may have positive or negative consequences.
- There is the potential for under-reporting of the regolith grade and also under-reporting of resource tonnages that are reliant on only exploration auger and sonic drilling.
- Additional metallurgical testwork may demonstrate that some parts of the deposits, may be less amenable to processing than others.

### 15.2.3 ESG Risks

- Exploration activities carry environmental risks such as noise, contamination, improper waste disposal, erosion and sedimentation. Adhering to waste management guidelines, spillage prevention, and restoration procedures helps mitigate these risks.
- Exploration can cause social tensions and conflicts within communities that arise from perceived unfair distribution of benefits and impacts. To promote social cohesion, BRE upholds fair labour practices and engages with local communities and stakeholders to address concerns and work towards securing project acceptance.

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## 16 Conclusions

The BRE exploration activities, including drill techniques, survey methods, sampling, assaying and QAQC have been completed in line with good industry practice. The geological modelling strategy, data treatment, application of estimation parameters, and estimation methodologies are appropriate for the style of mineralisation.

CSA Global is of the opinion that the Rocha da Rocha Mineral Resources and Exploration Target have been prepared and reported in accordance with the 2012 JORC Code using accepted industry practice including appropriate reference to the guidelines in the JORC Code and have been signed off by an appropriate Competent Person as defined by the JORC Code. The Mineral Resources appear to be a reasonable assessment of global grade and tonnage based on the data available and geological understanding at the time. Mineral resource classification is appropriate for the quality and quantity of data informing the resource estimate.

The approach used by BRE to define the Exploration Target is considered appropriate for providing Exploration Target estimates which comply with Clause 17 of JORC guidelines and the definition of reporting an Exploration Target. The Exploration Target appears to be a reasonable assessment of tonnage and grade range for the deposit based on the data available and geological understanding at the time. The assignment as an Exploration Target is appropriate for the quality and quantity of data available at the date of the Report.

CSA Global is of the opinion that the exploration potential for the Rocha da Rocha Project is high. The combination of: favourable regional geological location; highly prospective local geology and structural framework; an active geomorphology; favourable and coincident geochemical and geophysical anomalies; and successful drill results to date, confirm the prospectivity of the area for discovery of further REE mineralisation.

CSA Global is of the opinion that the proposed exploration expenditure and work program is reasonable and appropriate for the work proposed and scale of the project at the time of compiling this report.

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## 18 Glossary

Below are brief descriptions of some terms used in this report. For further information or for terms that are not described here, please refer to internet sources such as Wikipedia [www.wikipedia.org](http://www.wikipedia.org)

Amphibolite:	A metamorphic crystalline rock consisting mainly of amphiboles and some plagioclase.
Aerial photography:	Photographs taken from an aircraft or a helicopter. Commonly called air photos by geologists.
Aeromagnetic survey:	Measurements of the variations of the Earth's gravity field in a moving aircraft (Glossary of Geology, Fifth Edition). A common type of geophysical survey carried out using a magnetometer aboard or towed behind an aircraft. As the aircraft flies, the magnetometer measures and records the total intensity of the magnetic field of the Earth at the sensor.
Alluvium:	General term for loose, unconsolidated sediments that have been eroded, transported by wind or water and deposited in a non-marine setting.
Anomaly:	A departure from the expected or normal. A geological feature, especially in the subsurface, which is different from the general surroundings and possibly of potential economic value (Glossary of Geology, Fifth Edition). In relation to geophysical properties of the earth, an anomaly is an area where geophysical properties (e.g. magnetic, electromagnetic, gravity) differ from surrounding areas, and which may be the result of mineralisation.
Anticline:	A fold, generally convex upwards whose core contains the stratigraphically older rocks (Glossary of Geology, Fifth Edition) (looking like a lower case "n" or inverted 'v').
Assay:	to analyse the proportions of metals in an ore (Glossary of Geology, Fifth Edition). In the context of this report, to analyse samples of iron ore in a chemical laboratory for a requested set of chemical components and to produce a report of these chemical analyses.
Collar:	With reference to a drillhole, the collar is the start of the drillhole on the surface of the ground (top of the hole).
Colluvium:	General term for material which accumulates at the foot of a steep slope. Can be partially consolidated.
Contiguous:	Next to or touching another, usually similar thing (Cambridge English dictionary). In the context of this report, iron ore that is continuous between two points some distance apart.
Corestones:	Rounded boulder, occurring individually or in piles at the ground surface, or in exposed sections.
Cross section:	A diagram or drawing that shows the features transected by a given plane, specifically, a vertical section drawn at right angles to the longer axis of a geological feature such as the trend of an orebody (Glossary of Geology, Fifth Edition). Commonly referred to as a geological cross-section.
Cut-off grade:	The lowest grade of mineralised material that qualifies as ore in a given deposit, ore of the lowest assay value that is included in an ore estimate (Glossary of Geology, Fifth Edition). Cut-off grade will vary with commodity type. Mineral Resources are always estimated using a cut-off grade or series of cut off grades to determine the quality and quantity of the product.
Deleterious:	Harmful or adverse material.
Deposit:	Earth material of any type, either consolidated or unconsolidated, that has accumulated by some natural process or agent (Glossary of Geology, Fifth Edition). In the context of the Hamersley Iron province it is an accumulation of iron mineralisation that has been spatially defined.
Detrital:	Loose grains or fragments that have been worn away from rock. The correct term is detritus (defined as "a collective term for loose rock and mineral material that is worn off or removed by mechanical means, as by disintegration or abrasion, derived from older rocks and moved from its place of origin" Glossary of Geology, Fifth Edition).



Dip:	The maximum angle that a structural surface, e.g. bedding or fault plane, makes with the horizontal, measured perpendicular to the strike of the structure and in the vertical plane (Glossary of Geology, Fifth Edition).
Drilling:	The act or process of making a circular hole with a drill for the purpose of Exploration or blasting (Glossary of Geology, Fifth Edition). Typically it is done to recover samples of the subsurface rocks and to determine the subsurface geology.
Electromagnetic survey:	An electrical exploration method based on the measurement of alternating magnetic fields associated with currents artificially or naturally maintained in the subsurface (Glossary of Geology, Fifth Edition).
Fault:	A discrete surface or zone of discrete surfaces separating two rock masses across which one mass has slid past the other (Glossary of Geology, Fifth Edition).
Fold:	A curve or bend in a planar structure such as rock strata, bedding planes, foliation, or cleavage. (Glossary of Geology, Fifth Edition).
Formation:	A body of rock identified by lithic characteristics and stratigraphic position. Mappable at the Earth's surface or traceable in the subsurface (Glossary of Geology, Fifth Edition). The fundamental unit of stratigraphy, with specific features (such as different lithology) distinguishing one formation from another.
Geological logging:	The act of recording of geological data from the samples obtained by drilling.
Geological map:	A map on which is recorded geologic information such as the distribution, nature and age relationships of rock units and the occurrence of structural features, and mineral deposits (Glossary of Geology, Fifth Edition). This can be done on paper or on a computer screen.
Geological model:	Three-dimensional representation of the geology of an area. Commonly only created in the iron ore industry where iron mineralisation is of sufficient quantity and quality for an iron deposit to occur.
Geophysics:	Study of the Earth by quantitative physical methods (Glossary of Geology, Fifth Edition). Common methods in iron ore exploration include magnetics, gravity and electrical surveys.
Geophysical anomaly:	A local variation in the Earth's magnetic field or gravity, generally caused by variations in the magnetic properties of the rocks or the density of the rocks.
Grade:	The relative quantity or percentage of ore-mineral content in an orebody (Glossary of Geology, Fifth Edition). Grade is defined in this context as the chemical composition of the iron ore.
Group:	A formal lithostratigraphic unit next in rank above a formation (Glossary of Geology, Fifth Edition).
Hole number:	A number assigned to a drillhole to uniquely identify it. Commonly consists of an alpha prefix and a numerical suffix.
High grade:	Defined by cut-off grade.
Indicated Resource:	A resource estimate that has been signed off by a JORC designated Competent Person as having a middle (or moderate) level of confidence based on the quality and quantity of geological data used.
Inferred Resource:	A resource estimate that has been signed off by a JORC designated Competent Person as having a low level of confidence based on the quality and quantity of geological data used.
JORC Code	<p><i>"The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ('the JORC Code') is a professional code of practice that sets minimum standards for Public Reporting of minerals Exploration Results, Mineral Resources and Ore Reserves.</i></p> <p><i>The JORC Code provides a mandatory system for the classification of minerals Exploration Results, Mineral Resources and Ore Reserves according to the levels of confidence in geological knowledge and technical and economic considerations in Public Reports.</i></p>

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*Public Reports prepared in accordance with the JORC Code are reports prepared for the purpose of informing investors or potential investors and their advisors. They include, but are not limited to, annual and quarterly company reports, press releases, information memoranda, technical papers, website postings and public presentations of Exploration Results, Mineral Resources and Ore Reserves estimates.*

*The JORC Code was first published in 1989, with the most recent revision being published late in 2012. Since 1989 and 1992 respectively, it has been incorporated in the Listing Rules of the Australian and New Zealand Stock Exchanges, making compliance mandatory for listing public companies in Australia and New Zealand.*

*The current edition of the JORC Code was published in 2012 and after a transition period the 2012 Edition came into mandatory operation from 1 December 2013."*

Copied from the JORC website, 29 July 2019.

Lithology:	Rock type as defined by mineral content, colour, or grain size (Glossary of Geology, Fifth Edition).
Low grade	Defined by cut-off grade.
Mineralisation:	The introduction of minerals into a rock, resulting in a valuable or potentially valuable deposit (Glossary of Geology, Fifth Edition).
Ore:	The naturally occurring material from which a mineral or minerals of economic value can be extracted at a reasonable profit (Glossary of Geology, Fifth Edition).
Orebody:	A continuous, well-defined mass of material of sufficient ore content to make extraction economically feasible (Glossary of Geology, Fifth Edition). NB not a recommended term unless Ore Reserves have been declared.
Outcrop:	A rock formation that is visible on the surface of the Earth (Glossary of Geology, Fifth Edition).
Plunge	The angle between a linear structure such as a fold hinge and the horizontal as measured in the vertical plane containing the line. (Glossary of Geology, Fifth Edition). The inclination of a surface or axis of an anticline or syncline to the horizontal.
Report:	Written recording of geological information for the purpose of informing the reader about this information.
Scale:	Map scale refers to the relationship (or ratio) between distance on a map and the corresponding distance on the ground. For example, on a 1:100,000 scale map, 1 cm on the map equals 1 km on the ground. ( <a href="https://www.ga.gov.au/scientific-topics/national-location-information/topographic-maps-data/basics/what-is-map-scale">https://www.ga.gov.au/scientific-topics/national-location-information/topographic-maps-data/basics/what-is-map-scale</a> ).
Sediment:	Solid fragmental material that originates from the weathering of rocks and is transported or deposited by air, water or ice or that accumulates by other natural agents such as chemical precipitation from solution, and that forms in layers on the Earth's surface at ordinary temperatures in a loose, unconsolidated form (Glossary of Geology, Fifth Edition).
Splitter:	Also known as a sample splitter. A device used to split a volume of rock chips into smaller amounts, or to take a smaller sample from a larger one.
Stratigraphy:	The order and relative position of the rock layers to each other and their relationship to the geological timescale. It is defined in the Glossary of Geology, Fifth Edition as "The science of rock strata. All classes of rocks, consolidated or unconsolidated, fall within the general scope of stratigraphy".
Strike:	The direction or trend taken by a structural surface such as a bedding plane as it intersects the horizontal (Glossary of Geology, Fifth Edition). It is always exactly perpendicular to the dip direction.
Structure:	The general disposition, attitude, arrangement or relative positions of the rock masses of a region or area (Glossary of Geology, Fifth Edition).
Supergene:	Mineralisation process through descending fluids from the Earth's surface (Glossary of Geology, Fifth Edition).



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Syncline:	A fold of which the core contains the stratigraphically younger rocks (Glossary of Geology, Fifth Edition). A syncline has a “u” or “v” shape.
Water table:	The natural level of water that is encountered at some depth from the surface of the land. Defined in the Glossary of Geology, Fifth Edition as “the surface between the saturated zone and the unsaturated zone”.
X-ray fluorescence:	A type of x-ray emission spectroscopy in which the characteristic x-ray spectrum of a substance is produced by using x-rays of short wavelength to induce the substance to fluoresce and emit secondary x-rays of a longer wavelength. A series of diffraction gratings collects the photons generated by the fluorescence of each element in the sample, and the concentration of each element is determined by comparison and standards (Glossary of Geology, Fifth Edition). This is the standard method of getting a chemical analysis of iron ore samples.



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## 19 Abbreviations and Units of Measurement

°	degrees
°C	degrees Celsius
%	percent
2D	two-dimensional
3D	three-dimensional
A\$	Australian dollars
ASX	Australian Securities Exchange
AusIMM	Australasian Institute of Mining and Metallurgy
Ce	cerium
CIA	chemical index of alteration
cm	centimetres
cm <sup>3</sup>	cubic centimetre(s)
CREE	Critical Rare Earth Elements
CREO	Critical Rare Earth Oxides
CRM	certified reference material(s)
CSA Global	ERM Australia Consultants Pty Ltd
DD	diamond coring or diamond drilling
DTM	digital terrain model
Dy	dysprosium
EL	Exploration License
Er	erbium
Eu	europium
Gd	gadolinium
g	grams
g/t	grams per tonne
h	hour(s)
Ho	holmium
HREE	Heavy Rare Earth Elements
HREO	Heavy Rare Earth Oxides
ICP-MS	Inductively Coupled Plasma Mass Spectrometry
IDW	inverse distance weighted
IGR	Independent Geologist's Report
ITAR	Independent Technical Assessment Report
IK	indicator kriging
JORC	Joint Ore Reserves Committee
kg	kilograms
km <sup>2</sup>	kilometres squared
La	lanthanum
LREE	Light Rare Earth Elements
LREO	Light Rare Earth Oxides
Lu	lutetium
m	meter(s)
mm	millimetres
Moz	million ounces
MRE	Mineral Resource estimate
MREO	Magnet Rare Earth Elements
Nd	neodymium
(NH <sub>4</sub> ) <sub>2</sub> SO <sub>4</sub>	ammonium sulphate
OK	ordinary kriging
pH	potential of hydrogen
ppm	parts per million
Pr	praseodymium



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QA/QC	Quality Assurance & Quality Control
REE	Rare Earth Elements
REO	Rare Earths Oxides
R&D	research and development
Sm	samarium
t	tonne(s)
Tb	terbium
Tm	thulium
TREO	Total Rare Earth Oxides
Yb	ytterbium
Y	yttrium

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## Appendix A- Significant Intercepts

A full list of drillholes with significant intercepts > 200ppm TREO-CeO<sub>2</sub> greater than 5 m length downhole. All holes are drilled vertically.

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
SSU0001	PLM	423,808	8,549,911	781.14	38.00		30.00	38.00	8.00	1066	546	17.95	31.52	18.32
SSU0002	PLM	423,827	8,551,250	833.17	5.15	No Sig. Ints.								
SSU0002A	PLM	423,822	8,551,262	837.89	10.30	No Sig. Ints.								
SSU0003	PLM	422,034	8,553,587	872.57	19.05	No Sig. Ints.								
SSU0004	MA	433,456	8,524,316	605.92	44.68		24.00	37.50	13.50	682	481	24.87	39.56	20.98
SSU0005	MA	433,008	8,524,718	609.67	27.90		8.00	27.90	19.90	915	384	6.32	17.63	13.21
SSU0006	RDA	429,423	8,525,748	490.58	14.00		0.00	10.00	10.00	2306	1500	22.37	34.18	17.04
SSU0007	RDA	429,567	8,525,745	474.68	21.17		0.00	20.90	20.90	1355	763	16.67	29.35	16.67
SSU0008	RDA	429,424	8,526,063	488.95	27.60		0.00	6.00	6.00	1213	741	27.14	34.36	13.10
						and	8.00	25.50	17.50	1200	718	20.42	32.51	17.09
SSU0009	RDA	429,749	8,526,038	557.28	27.23		11.00	26.00	15.00	1258	648	13.68	26.59	16.62
SSU0010	RDA	430,064	8,525,428	591.48	60.00		0.00	60.00	60.00	1125	644	19.27	31.32	16.78
SSU0011	RDA	430,149	8,525,561	586.15	25.30		0.00	8.00	8.00	860	395	14.32	25.29	14.73
						and	10.00	25.00	15.00	1341	781	18.32	31.45	17.67
SSU0012	RDA	429,980	8,525,758	531.18	31.60		0.00	30.85	30.85	967	601	21.12	34.63	18.65
SSU0013	RDA	430,057	8,526,375	566.10	15.40		1.00	14.00	13.00	975	527	15.77	30.21	18.37
SSU0014	MA	432,625	8,524,148	624.94	42.00		0.00	41.00	41.00	33834	15214	9.96	22.32	14.90
						including	18.00	28.00	10.00	101661	41791	5.92	15.41	11.11
SSU0015	RDA	430,142	8,526,465	553.25	19.60		0.00	19.60	19.60	1379	540	9.99	21.05	14.09
SSU0016	MA	432,597	8,524,140	619.61	37.55		0.00	28.00	28.00	14969	6154	8.34	17.73	11.44
						and	30.00	34.00	4.00	3086	1046	12.49	22.22	12.82
SSU0017	RDA	430,076	8,526,531	534.23	37.56		0.00	36.00	36.00	1120	535	13.24	25.77	16.04
SSU0018	RDA	429,999	8,526,595	515.53	34.90		0.00	34.90	34.90	1188	735	24.17	33.74	15.34
SSU0019	MA	432,637	8,524,476	666.92	46.00		8.75	18.00	9.25	956	417	26.62	34.19	12.61
						and	27.00	42.00	15.00	735	282	14.60	26.86	16.10
SSU0020	MA	432,321	8,524,381	657.65	20.00	No Sig. Ints.								
SSU0021	MA	433,279	8,524,793	606.77	42.00		0.00	41.00	41.00	1745	973	11.72	26.24	17.99

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Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
SSU0022	MA	432,800	8,524,656	618.05	56.00	including	36.00	39.00	3.00	2654	1361	8.17	23.47	17.84
							0.00	12.50	12.50	1229	450	3.63	8.69	6.13
						and	26.00	50.00	24.00	3065	1730	7.99	21.99	16.44
						and	52.00	54.00	2.00	3470	2006	9.07	22.45	15.77
SSU0023	MA	432,879	8,524,676	612.40	56.00	and	0.00	48.00	48.00	2012	678	8.15	16.22	9.99
						and	50.00	56.00	6.00	920	672	18.19	39.26	25.60
SSU0024	MA	432,620	8,524,462	666.92	37.25	No Sig. Ints.								
SSU0025	MA	432,647	8,524,456	661.35	43.40	and	0.00	10.00	10.00	802	233	14.86	15.92	5.12
						and	21.00	43.40	22.40	1530	1204	16.71	33.31	21.02
						including	33.00	42.00	9.00	2337	1934	19.90	38.92	24.24
SSU0026	MA	432,393	8,523,833	584.33	11.30	No Sig. Ints.								
SSU0027	MA	432,642	8,523,915	568.49	48.00	including	5.00	36.00	31.00	2806	1730	16.38	29.13	16.48
						and	11.00	27.00	16.00	4628	2980	18.67	34.84	20.52
						including	38.00	44.00	6.00	4562	2699	19.00	30.58	15.85
SSU0028	MA	432,656	8,523,990	584.78	53.80	including	0.00	53.00	53.00	4468	3333	24.03	33.60	14.27
						including	16.00	25.00	9.00	18302	14229	22.45	39.50	22.11
SSU0029	MA	432,394	8,523,847	584.32	28.00	including	15.00	26.00	11.00	6379	3347	11.12	28.77	20.89
						including	18.60	22.00	3.40	13029	7079	11.07	29.28	21.64
SSU0030	MA	432,581	8,523,923	565.48	30.00		6.00	30.00	24.00	1744	1130	18.20	34.94	21.51
SSU0031	MA	432,559	8,524,148	614.26	34.50		0.00	30.00	30.00	1411	848	10.32	22.69	15.15
							18.00	30.00	12.00	2299	1500	16.64	32.83	20.42
SSU0032	MA	432,631	8,524,076	607.81	41.85		0.00	12.00	12.00	866	423	5.57	14.95	11.12
						and	16.00	40.00	24.00	7446	3529	10.63	24.17	16.65
							35.00	40.00	5.00	25284	12380	10.20	25.11	17.73
SSU0033	MA	432,563	8,524,068	597.55	44.00	including	2.20	32.00	29.80	21122	10878	9.21	23.72	17.18
						and	8.00	11.00	3.00	120539	60405	8.08	22.92	17.07
						including	34.00	42.00	8.00	125998	64059	7.19	19.27	14.12
SSU0034	MA	432,522	8,524,042	582.98	28.00	including	2.00	12.00	10.00	1311	676	7.26	17.68	12.62
						and	5.00	8.00	3.00	2291	1286	7.96	20.01	14.17
						including	18.00	27.45	9.45	1276	1041	20.34	42.14	27.20
SSU0035	MA	432,522	8,524,043	582.98	38.00	and	0.00	26.00	26.00	2609	1435	8.86	22.42	16.21
						and	27.40	36.00	8.60	18454	8344	8.61	21.94	15.74
SSU0036	MA	432,559	8,523,997	573.75	37.80		0.00	2.00	2.00	5996	1745	3.24	10.58	8.39

# 7. Independent Technical Report continued



**BRAZILIAN RARE EARTHS**  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
						and including	4.00	36.00	32.00	18386	9622	15.08	28.48	17.00
SSU0037	MA	432,544	8,524,072	593.22	25.35		0.00	10.00	5.00	34778	16900	6.36	15.66	11.11
						and	0.00	2.00	2.00	2544	717	3.25	9.16	6.95
							4.00	24.00	20.00	2603	1371	5.87	15.37	11.33
							16.00	24.00	8.00	4841	2990	7.83	24.44	19.17
SSU0038	MA	432,553	8,524,072	593.22	43.85		21.00	24.00	3.00	10008	7108	11.60	33.88	26.33
SSU0039	MA	432,584	8,524,070	597.55	34.40		7.00	42.00	35.00	3205	1699	13.03	26.02	16.27
SSU0040	MA	432,706	8,524,058	613.07	42.00		0.00	34.00	34.00	2558	1364	7.61	21.13	15.96
SSU0041	MA	432,719	8,523,993	595.11	41.40		4.00	40.30	36.30	2361	1305	10.50	23.07	15.43
SSU0042	MA	432,791	8,524,074	618.69	36.00		6.00	39.40	33.40	2145	1343	9.05	24.38	18.21
						including	15.00	25.00	10.00	1320	724	14.38	28.46	17.82
SSU0043	MA	432,803	8,523,994	596.71	40.00		20.00	22.00	2.00	2518	1324	11.80	27.78	19.77
SSU0044	MA	432,810	8,523,905	577.11	32.00		15.00	30.00	15.00	719	408	14.12	28.33	17.92
SSU0045	MA	432,880	8,523,902	577.65	26.60		3.00	30.85	27.85	1741	919	10.32	22.65	15.33
						including	2.35	25.45	23.10	1374	836	9.95	22.83	15.87
SSU0046	MA	433,003	8,523,739	543.42	13.70		11.00	13.00	2.00	2949	1481	3.98	14.98	12.45
SSU0047	MA	432,993	8,523,873	564.92	17.75		4.50	13.65	9.15	1495	805	12.48	26.09	17.25
SSU0048	MA	432,875	8,523,754	557.66	6.25	No Sig. Ints.	11.00	17.60	6.60	838	369	13.76	22.02	12.25
SSU0049	MA	432,709	8,523,910	567.77	33.60		6.00	24.00	18.00	1810	948	15.26	29.38	18.04
						including	10.00	12.00	2.00	8413	3421	2.33	10.86	9.54
SSU0050	MA	432,572	8,524,082	597.55	38.40		0.00	38.00	38.00	22840	12565	10.81	24.96	17.04
						including	0.00	30.00	21.00	38343	20806	10.62	27.00	19.42
SSU0051	MA	432,553	8,524,046	585.56	56.00		16.00	22.00	6.00	109039	57971	8.68	25.58	19.56
						including	0.00	56.00	56.00	4422	2148	9.66	21.48	14.41
						including	13.10	16.00	2.90	15579	6814	5.71	17.76	13.89
						and	31.00	34.00	3.00	21971	10534	7.69	21.64	16.17
SSU0052	MA	432,638	8,523,853	559.87	33.60		2.00	33.15	31.15	832	418	14.25	26.17	15.59
SSU0053	MA	432,641	8,524,234	649.50	60.75		33.00	56.00	23.00	600	447	26.81	44.54	24.83
SSU0054	MA	432,489	8,523,839	559.87	12.00	No Sig. Ints.								
SSU0055	MA	432,243	8,523,742	581.29	5.20	No Sig. Ints.								
SSU0056	MA	432,258	8,523,761	592.01	7.80	No Sig. Ints.								
SSU0057	MA	432,617	8,524,329	665.99	37.90		0.00	36.00	36.00	4608	2548	18.85	33.91	20.25



**BRAZILIAN RARE EARTHS**  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
SSU0058	MA	432,719	8,524,405	656.62	48.70		2.00	48.00	46.00	2932	1432	8.07	18.67	12.84
SSU0059	MA	432,805	8,524,555	607.38	24.00		3.00	20.00	17.00	60567	27915	7.92	21.53	15.85
						including	9.00	17.00	8.00	100945	47233	7.47	20.74	15.33
SSU0060	MA	432,839	8,524,528	598.83	52.90		4.00	50.00	46.00	2751	869	6.23	16.08	11.73
						including	4.00	22.00	18.00	4757	1120	3.68	10.56	7.94
						including	8.00	10.00	2.00	20719	2969	1.80	5.52	4.30
SSU0061	RDA	429,455	8,525,338	591.63	9.65	No Sig. Ints.								
SSU0062	RDA	429,452	8,525,337	591.63	8.00	No Sig. Ints.								
SSU0063	RDA	429,600	8,525,198	575.69	30.00		2.00	18.00	16.00	719	388	13.53	28.53	18.71
						and	20.00	28.00	8.00	2366	1016	12.14	22.96	14.03
SSU0064	RDA	429,262	8,525,491	577.93	18.00	No Sig. Ints.								
SSU0065	RDA	429,264	8,525,477	575.87	14.00	Assays Pending								
SSU0066	RDA	429,265	8,525,730	518.36	33.00	Assays Pending								
SSU0067	RDA	429,521	8,524,806	657.78	5.65	Assays Pending								
SSU0068	RDA	430,163	8,525,433	625.01	55.15	Assays Pending								
SSU0069	RDA	430,116	8,525,432	604.33	49.95	Assays Pending								
SSU0070	RDA	430,013	8,525,425	586.98	40.10	Assays Pending								
SSU0071	RDA	429,961	8,525,469	580.47	31.35	Assays Pending								
SSU0072	RDA	429,908	8,525,493	571.92	21.20	Assays Pending								
SSU0073	RDA	429,909	8,525,494	571.92	21.65	Assays Pending								
SSU0074	RDA	429,830	8,525,568	546.35	36.00	Assays Pending								
SSU0075	RDA	429,822	8,525,574	544.65	47.45	Assays Pending								
SSU0076	RDA	429,800	8,525,548	551.78	38.00	Assays Pending								
SSU0077	RDA	430,133	8,526,607	516.05	48.00	Assays Pending								
SSU0078	RDA	429,688	8,526,575	464.58	23.95	Assays Pending								
SSU0079	RDA	430,201	8,526,382	582.13	14.00	Assays Pending								
SSU0080	RDA	429,591	8,526,446	471.06	22.75	Assays Pending								
SSU0081	RDA	429,985	8,522,217	531.97	26.55	Assays Pending								
SSU0082	RDA	429,897	8,522,294	556.66	24.00	Assays Pending								
SSU0083	RDA	429,905	8,522,157	553.35	38.60	Assays Pending								
SSU0084	RDA	429,819	8,522,214	578.15	42.71	Assays Pending								
SSU0085	RDA	429,740	8,522,212	588.23	28.75	Assays Pending								
SSU0086	RDA	429,747	8,522,138	580.22	26.35	Assays Pending								

# 7. Independent Technical Report continued



**BRAZILIAN RARE EARTHS**  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
SSU0087	RDA	429,738	8,522,062	572.34	42.00	Assays Pending								
SSU0088	RDA	429,584	8,522,108	581.99	28.90	Assays Pending								
SSU0089	RDA	429,426	8,522,374	561.89	42.00	Assays Pending								
SSU0090	RDA	429,906	8,522,227	555.87	24.40	Assays Pending								
SSU0091	RDA	430,064	8,522,708	588.96	30.00	Assays Pending								
SSU0092	RDA	430,224	8,522,456	561.12	37.95	Assays Pending								
SSU0093	RDA	430,305	8,522,687	625.97	45.95	Assays Pending								
SSU0094	RDA	430,035	8,521,878	526.12	16.00	Assays Pending								
SSU0095	RDA	429,427	8,522,730	487.23	20.50	Assays Pending								
SSU0096	RDA	429,411	8,522,857	516.93	28.00	Assays Pending								
STU0001	PLM	423,916	8,549,853	729.50	15.93	No Sig. Ints.								
STU0002	PLM	424,015	8,549,843	701.64	13.29	No Sig. Ints.								
STU0003	PLM	424,113	8,549,843	679.31	2.02	No Sig. Ints.								
STU0004	PLM	423,814	8,549,849	773.71	30.00	No Sig. Ints.								
STU0005	PLM	423,805	8,549,888	777.58	28.69	No Sig. Ints.								
STU0006	PLM	424,412	8,549,845	708.47	9.00		4.00	9.00	5.00	639	416	22.26	37.92	21.34
STU0007	PLM	424,516	8,549,843	725.18	15.00		3.00	10.00	7.00	552	228	5.28	16.12	12.92
STU0008	PLM	424,312	8,549,841	705.86	15.00	No Sig. Ints.								
STU0009	PLM	424,507	8,550,044	773.00	15.00	No Sig. Ints.								
STU0010	PLM	424,210	8,549,846	692.54	11.70	No Sig. Ints.								
STU0011	PLM	424,710	8,550,041	771.19	15.00	No Sig. Ints.	0.00	13.00	13.00	1430	838	16.87	34.33	22.51
STU0012	PLM	424,409	8,549,640	690.75	15.00	No Sig. Ints.								
STU0013	PLM	424,820	8,549,843	781.74	20.33		14.00	20.00	6.00	653	354	10.22	22.79	15.65
STU0014	PLM	425,115	8,549,642	811.83	15.00	No Sig. Ints.								
STU0015	PLM	424,513	8,549,638	717.41	15.00	No Sig. Ints.	7.00	15.00	8.00	1366	715	5.99	21.38	17.66
STU0016	PLM	425,217	8,549,444	817.79	13.02	No Sig. Ints.								
STU0017	PLM	424,613	8,549,246	681.76	15.00	No Sig. Ints.								
STU0018	PLM	424,915	8,549,242	699.48	9.38	No Sig. Ints.								
STU0019	PLM	423,920	8,550,644	802.58	19.88		5.00	17.00	12.00	1033	554	5.01	17.67	14.61
STU0020	PLM	424,215	8,549,247	687.40	15.00	No Sig. Ints.								
STU0021	PLM	424,111	8,549,242	710.98	15.00	No Sig. Ints.								
STU0022	PLM	425,014	8,549,240	739.24	7.20	No Sig. Ints.								
STU0023	PLM	424,317	8,549,443	655.93	3.28	No Sig. Ints.								





Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0024	PLM	424,782	8,549,247	666.28	4.00	No Sig. Ints.								
STU0025	PLM	424,314	8,549,645	667.06	5.00	No Sig. Ints.								
STU0026	PLM	424,211	8,549,427	676.53	15.00	No Sig. Ints.								
STU0027	PLM	424,813	8,549,043	693.17	15.00	No Sig. Ints.	0.00	15.00	15.00	1817	1032	11.06	28.93	21.69
STU0028	PLM	425,015	8,549,645	802.22	15.00	No Sig. Ints.								
STU0029	MA	433,054	8,524,959	573.64	4.00	No Sig. Ints.								
STU0030	MA	433,062	8,524,997	581.31	9.67		0.00	9.67	9.67	1376	779	17.23	27.85	14.56
STU0031	MA	433,440	8,524,982	576.36	11.15		7.00	9.67	2.67	2952	1742	29.24	40.83	17.68
STU0032	PLM	424,714	8,549,046	685.69	15.00		0.00	11.15	11.15	890	491	11.60	25.49	17.21
STU0033	MA	433,438	8,524,997	582.94	15.00		0.00	14.00	14.00	828	490	9.08	24.24	18.14
STU0034	PLM	424,213	8,548,844	668.08	18.82	No Sig. Ints.	9.00	15.00	6.00	5035	3118	15.01	36.10	26.04
STU0035	PLM	424,913	8,549,644	792.66	30.00	No Sig. Ints.	0.00	30.00	30.00	2323	1434	21.48	39.72	25.25
STU0036	PLM	422,685	8,551,662	865.35	3.27	No Sig. Ints.								
STU0037	PLM	422,813	8,551,643	851.11	21.75	No Sig. Ints.	8.00	21.75	13.75	431	216	6.67	18.10	13.78
STU0038	PLM	423,409	8,550,638	805.61	13.00	No Sig. Ints.								
STU0039	PLM	423,415	8,550,849	777.36	13.00	No Sig. Ints.								
STU0040	MA	433,236	8,519,356	546.18	30.00		0.32	8.00	7.68	569	277	16.58	28.37	16.62
STU0041	PLM	422,912	8,551,442	823.04	18.31		9.00	18.31	9.31	602	249	8.42	18.69	13.00
STU0042	PLM	422,914	8,551,636	820.64	27.00		19.00	27.00	8.00	1012	555	6.26	19.29	15.30
STU0043	PLM	422,852	8,551,418	820.51	10.28		3.00	8.00	5.00	429	206	7.35	18.39	13.69
STU0044	MA	434,644	8,520,155	567.30	30.00		18.00	30.00	12.00	2200	788	10.80	21.32	13.60
STU0045	MA	434,670	8,519,370	522.54	11.25		0.00	11.00	11.00	940	501	14.98	27.02	15.85
STU0046	PLM	423,008	8,551,238	814.05	18.00	No Sig. Ints.								
STU0047	PLM	423,009	8,551,445	805.61	22.44		15.00	22.44	7.44	1608	642	12.13	25.45	17.15
STU0048	PLM	423,514	8,550,646	782.52	17.61	No Sig. Ints.								
STU0049	PLM	423,413	8,550,449	824.77	9.57	No Sig. Ints.								
STU0050	MA	432,639	8,524,554	651.32	30.00	No Sig. Ints.								
STU0051	PLM	423,411	8,551,044	762.93	4.73	No Sig. Ints.								
STU0052	PLM	422,923	8,551,241	811.12	23.00	No Sig. Ints.								
STU0053	MA	433,432	8,524,557	662.99	23.72	No Sig. Ints.								
STU0054	PLM	422,813	8,551,848	848.86	8.70	No Sig. Ints.								

# 7. Independent Technical Report continued



**BRAZILIAN RARE EARTHS**  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0055	MA	433,073	8,523,340	475.83	3.24	No Sig. Ints.								
STU0056	MA	432,233	8,523,749	599.57	6.16	No Sig. Ints.								
STU0057	MA	433,032	8,523,738	541.45	8.52	No Sig. Ints.								
STU0058	MA	432,645	8,523,852	559.09	8.00	No Sig. Ints.								
STU0059	MA	433,199	8,524,967	581.70	7.00	No Sig. Ints.								
STU0060	PLM	422,913	8,551,846	821.62	18.17		2.00	18.17	16.17	4706	2414	6.67	21.79	17.65
STU0061	PLM	423,111	8,551,635	777.44	3.00	No Sig. Ints.								
STU0062	PLM	423,015	8,551,041	805.36	2.27	No Sig. Ints.								
STU0063	PLM	423,413	8,551,244	797.64	21.90		0.00	6.00	6.00	667	347	11.17	23.11	15.35
STU0064	MA	432,882	8,523,757	557.66	4.23	No Sig. Ints.								
STU0065	MA	432,879	8,523,911	577.65	20.00		13.00	19.00	6.00	2851	1566	9.29	24.83	18.61
STU0066	MA	432,643	8,524,633	643.68	26.00	No Sig. Ints.								
STU0067	MA	432,802	8,523,915	580.25	20.60		3.00	20.60	17.60	1953	971	7.03	19.78	15.04
STU0068	PLM	423,415	8,551,446	826.35	24.18		0.00	24.18	24.18	585	318	9.01	22.70	16.72
STU0069	PLM	422,814	8,551,246	794.87	18.73	No Sig. Ints.								
STU0070	PLM	423,706	8,551,441	840.94	10.73	No Sig. Ints.								
STU0071	MA	432,720	8,523,914	567.77	12.90		0.23	12.90	12.67	1713	869	8.88	17.83	11.50
STU0072	MA	432,642	8,523,911	564.68	15.87		0.00	15.87	15.87	2318	504	7.09	14.79	9.75
STU0073	PLM	423,615	8,551,443	857.34	14.31	No Sig. Ints.								
STU0074	CCH	417,671	8,544,897	878.22	30.00		0.00	13.00	13.00	1480	819	8.97	26.18	20.61
STU0075	PLM	423,614	8,551,650	864.91	10.36	No Sig. Ints.								
STU0076	PLM	423,715	8,551,247	837.81	3.81	No Sig. Ints.								
STU0077	MA	433,040	8,524,713	611.07	28.76		13.00	28.76	15.76	2058	1003	5.67	18.26	14.61
STU0078	MA	432,640	8,523,994	580.15	18.00		0.00	18.00	18.00	3620	1708	7.17	14.28	9.18
STU0079	PLM	423,612	8,551,246	826.36	13.29	No Sig. Ints.								
STU0080	CCH	417,592	8,544,901	878.44	30.00		0.00	10.00	10.00	724	362	7.04	16.10	11.31
STU0081	CCH	417,832	8,544,899	855.14	16.73		25.00	30.00	5.00	863	234	3.65	7.73	5.13
STU0082	MA	433,196	8,524,404	567.17	30.00	No Sig. Ints.								
STU0083	MA	432,796	8,523,993	596.71	25.64		0.00	30.00	30.00	722	367	10.03	23.93	17.10
STU0084	MA	432,480	8,523,833	565.15	7.57	No Sig. Ints.								



Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0085	PLM	423,515	8,551,245	817.18	29.88		0.00	7.00	7.00	920	502	11.33	24.60	16.62
STU0086	CCH	417,912	8,544,959	821.42	5.15	No Sig. Ints.								
STU0087	CCH	417,912	8,544,908	841.88	7.00	No Sig. Ints.								
STU0088	MA	432,720	8,523,993	595.11	7.00	No Sig. Ints.								
STU0089	MA	433,361	8,524,710	627.72	30.00	No Sig. Ints.								
STU0090	PLM	423,813	8,551,046	839.59	17.77		1.00	15.00	14.00	445	231	7.23	18.14	13.34
STU0091	CCH	417,670	8,544,979	856.79	30.00		0.00	7.00	7.00	1300	749	11.86	26.20	18.01
STU0092	MA	432,723	8,524,630	634.42	30.00	No Sig. Ints.								
STU0093	PLM	423,711	8,551,033	822.55	22.66		0.35	8.00	7.65	532	280	11.28	22.50	14.63
STU0094	MA	433,280	8,524,713	627.64	30.00		0.00	29.00	29.00	1476	772	9.34	24.03	17.67
STU0095	MA	432,637	8,524,476	666.92	29.59		12.00	23.00	11.00	1013	731	22.76	37.01	19.54
STU0096	PLM	423,815	8,550,851	821.01	18.00		0.38	7.00	6.62	499	264	13.91	24.72	14.83
STU0097	MA	433,362	8,524,628	643.43	16.68	No Sig. Ints.								
STU0098	PLM	423,610	8,551,039	800.00	19.48		0.00	8.00	8.00	717	403	12.88	26.19	17.22
STU0099	CCH	417,756	8,544,903	869.64	30.00		0.00	8.00	8.00	1220	685	10.88	25.96	18.75
STU0100	CCH	417,509	8,544,793	858.78	22.22		0.00	22.22	22.22	768	310	4.67	13.78	10.69
STU0101	MA	433,119	8,524,726	610.68	30.00		0.00	30.00	30.00	2592	1291	9.52	22.39	16.06
							3.00	7.00	4.00	5221	2610	7.39	22.40	17.37
							20.00	28.00	8.00	5080	2498	5.95	17.07	13.05
STU0102	CCH	417,433	8,545,135	859.76	26.72		0.00	26.72	26.72	843	407	6.48	17.83	13.54
STU0103	PLM	423,216	8,550,446	828.72	15.00	No Sig. Ints.								
STU0104	CCH	417,509	8,545,134	859.76	23.62		0.00	10.00	10.00	1439	796	9.62	26.86	21.05
							4.00	6.00	2.00	2368	1316	9.90	29.83	24.37
STU0105	PLM	423,521	8,551,042	776.09	10.50		5.00	10.50	5.50	370	207	10.44	23.14	16.11
STU0106	CCH	418,072	8,544,980	769.39	4.24	No Sig. Ints.								
STU0107	CCH	417,991	8,545,040	768.09	3.21	No Sig. Ints.								
STU0108	PLM	423,810	8,550,043	784.85	15.80	No Sig. Ints.								
STU0109	MA	432,801	8,524,629	614.92	30.00		0.00	30.00	30.00	3891	2427	6.05	16.58	12.38
							10.00	27.00	17.00	6306	4064	6.63	19.86	15.25
							13.00	15.00	2.00	17552	12704	7.04	27.21	22.55
STU0110	MA	432,960	8,524,713	608.03	30.00		0.00	30.00	30.00	1941	1070	6.96	18.50	13.75
STU0111	RDA	429,422	8,525,742	494.92	11.24		0.00	11.24	11.24	1960	1317	23.95	35.82	17.58
							5.00	9.00	4.00	3368	2442	22.82	38.16	21.14

# 7. Independent Technical Report continued



**BRAZILIAN RARE EARTHS**  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0112	RDA	429,425	8,526,057	488.95	25.09		0.00	25.09	25.09	1294	784	21.54	34.32	17.94
STU0113	CCH	417,426	8,545,215	846.22	16.92		0.00	8.00	8.00	688	381	10.56	22.91	15.81
STU0114	CCH	417,350	8,545,218	838.66	23.00	No Sig. Ints.								
STU0115	MA	432,720	8,524,551	631.67	10.82	No Sig. Ints.								
STU0116	MA	433,440	8,524,472	647.89	10.66	No Sig. Ints.								
STU0117	3B	420,486	8,506,886	428.70	7.84		2.00	7.84	5.84	583	258	5.90	20.15	16.38
STU0118	3B	420,639	8,506,890	431.16	14.44	No Sig. Ints.								
STU0119	MA	433,033	8,524,794	596.44	23.00	No Sig. Ints.								
STU0120	MA	432,960	8,524,792	597.86	20.38		0.00	20.38	20.38	2210	973	5.91	15.72	11.70
STU0121	RDA	429,583	8,526,053	511.36	1.52	including	5.00	15.00	10.00	3382	1707	6.27	19.64	15.48
STU0122	RDA	429,422	8,526,219	511.15	8.57	No Sig. Ints.								
STU0123	RDA	429,262	8,525,738	518.36	24.16		0.00	8.57	8.57	739	402	12.54	27.01	17.84
							0.00	24.16	24.16	2967	1862	19.06	30.56	15.95
						including	10.00	12.00	2.00	12718	9050	11.33	31.63	23.91
STU0124	RDA	429,420	8,526,225	508.99	7.18		0.00	7.18	7.18	744	399	13.98	26.87	16.62
STU0125	RDA	429,579	8,526,217	528.33	7.28	No Sig. Ints.								
STU0126	MA	432,800	8,524,792	601.28	16.17		0.27	16.17	15.90	1648	734	7.57	16.94	11.65
							11.00	16.17	5.17	3587	1701	9.20	23.22	16.90
STU0127	RDA	429,584	8,525,738	477.71	18.85		0.00	18.85	18.85	1190	644	17.60	29.49	16.26
STU0128	RDA	429,739	8,526,045	559.61	21.93		9.00	21.93	12.93	831	481	15.63	28.29	17.07
STU0129	RDA	429,737	8,526,218	551.73	16.00		0.00	16.00	16.00	1513	884	20.30	32.34	16.85
						including	5.00	7.00	2.00	3543	2003	17.67	29.18	15.56
STU0130	3B	420,645	8,506,806	470.95	27.00		9.00	27.00	18.00	964	492	9.49	25.35	18.77
STU0131	MA	432,644	8,524,785	615.24	24.00	No Sig. Ints.								
STU0132	RDA	429,427	8,525,906	455.21	9.13		0.00	9.13	9.13	1503	916	18.13	28.57	15.02
							7.00	9.13	2.13	3261	2376	17.80	35.07	22.31
STU0133	RDA	429,578	8,525,902	484.86	10.47		0.00	10.47	10.47	1486	839	19.36	29.57	14.91
							6.00	10.47	4.47	2243	1316	19.78	30.91	15.95
STU0134	RDA	429,616	8,526,244	527.16	14.22		3.00	14.22	11.22	1087	554	13.09	25.19	15.60
STU0135	MA	432,635	8,524,710	629.70	19.00	No Sig. Ints.								
STU0136	RDA	429,878	8,526,224	581.37	4.00	No Sig. Ints.								
STU0137	RDA	429,262	8,525,898	458.29	20.52	including	0.00	20.52	20.52	1620	1069	17.20	31.77	19.02
							12.00	18.00	6.00	2525	1859	18.28	35.47	22.08



Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0138	RDA	429,878	8,526,224	581.37	9.49		0.00	9.49	9.49	1175	603	12.35	26.28	17.38
STU0139	RDA	429,978	8,526,212	595.67	3.00	No Sig. Ints.								
STU0140	3B	420,395	8,506,721	499.63	22.66		0.00	22.66	22.66	1113	632	7.64	24.99	20.28
STU0141	RDA	429,267	8,526,058	451.33	6.00		0.00	6.00	6.00	836	423	14.53	25.97	15.37
STU0142	MA	432,713	8,524,712	629.42	24.12		6.00	11.00	5.00	559	275	7.15	18.48	13.65
STU0143	RDA	429,746	8,525,894	504.13	21.80		0.00	21.80	21.80	1596	914	17.09	28.89	16.18
STU0144	RDA	430,222	8,526,214	606.81	7.11	including	13.00	18.00	5.00	3053	1992	13.25	30.97	21.89
STU0145	MA	432,268	8,524,514	626.71	10.00	No Sig. Ints.								
STU0146	RDA	430,224	8,526,223	606.81	17.78		0.00	17.78	17.78	1042	544	13.28	27.65	18.15
STU0147	RDA	429,273	8,526,064	451.33	17.00		0.00	17.00	17.00	1085	587	18.52	30.44	16.48
STU0148	3B	420,396	8,506,562	559.21	23.11		0.00	23.00	23.00	1426	887	9.01	27.16	21.25
STU0149	MA	432,809	8,524,711	619.56	30.00	including	15.00	20.00	5.00	2503	2106	13.42	43.04	34.45
STU0150	RDA	429,936	8,525,759	517.61	15.48		0.30	30.00	29.70	6246	4041	5.91	19.14	15.19
STU0151	RDA	430,142	8,526,460	557.15	29.00		17.00	25.00	8.00	16490	11651	7.84	30.01	25.00
STU0152	RDA	430,217	8,526,382	585.69	17.87		0.00	15.48	15.48	1081	643	20.39	32.73	17.25
STU0153	MA	433,438	8,523,755	531.13	20.00		0.00	29.00	29.00	1575	803	10.29	22.90	15.57
STU0154	MA	433,830	8,524,962	588.94	14.00		0.00	20.00	20.00	1783	914	21.07	34.26	18.44
STU0155	RDA	430,222	8,526,538	526.72	16.70	No Sig. Ints.								
STU0156	BM	425,432	8,514,545	704.34	14.00	including	0.00	16.70	16.70	1355	822	13.77	28.89	19.12
STU0157	MA	433,840	8,524,540	607.44	14.00	No Sig. Ints.	11.00	13.00	2.00	2815	1971	16.95	36.09	24.13
STU0158	MA	431,833	8,524,133	669.46	17.00	No Sig. Ints.								
STU0159	BM	425,434	8,514,385	674.94	18.43		3.00	17.00	14.00	977	634	18.24	33.05	19.90
STU0160	3B	420,553	8,506,561	579.22	30.00		6.00	18.43	12.43	530	243	5.56	17.34	13.79
STU0161	MA	431,844	8,524,559	619.61	6.00		0.33	30.00	29.67	769	349	6.79	21.24	16.80
STU0162	RDA	429,825	8,526,686	470.42	5.22		0.00	6.00	6.00	1941	1237	18.00	38.42	26.08
STU0163	BM	425,429	8,514,705	741.27	30.00	No Sig. Ints.	0.00	5.22	5.22	1011	520	17.67	28.63	15.25
STU0164	3B	420,717	8,506,556	563.30	12.50		4.00	12.50	8.50	737	336	6.52	20.69	16.55
STU0165	RDA	430,141	8,526,619	507.06	30.00		0.00	30.00	30.00	1610	975	21.62	33.04	16.84

# 7. Independent Technical Report continued



BRAZILIAN RARE EARTHS  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0166	BM	425,677	8,514,388	723.88	22.80		10.00	22.80	12.80	760	337	5.18	18.46	15.26
STU0167	BM	425,275	8,514,791	710.12	6.91	No Sig. Ints.								
STU0168	BM	425,281	8,514,793	710.12	7.67	No Sig. Ints.								
STU0169	RDA	429,462	8,526,695	477.31	30.00		0.00	30.00	30.00	1152	667	17.49	29.72	16.58
STU0170	MA	433,432	8,524,151	564.46	22.91		3.00	22.91	19.91	757	446	9.57	21.73	15.24
STU0171	BM	425,916	8,514,314	745.52	7.50	No Sig. Ints.								
STU0172	RDA	430,062	8,526,696	496.74	26.00		0.00	26.00	26.00	1159	646	18.10	30.22	16.61
STU0173	RDA	429,423	8,526,375	484.96	10.38		0.00	10.38	10.38	732	409	18.22	30.66	17.02
STU0174	RDA	429,582	8,526,377	492.31	10.00		8.00	10.00	2.00	4337	784	3.92	8.96	6.30
STU0175	RDA	429,505	8,526,298	506.45	9.85		0.35	9.85	9.50	523	277	17.47	28.39	15.45
STU0176	MA	432,241	8,524,149	612.83	13.00	No Sig. Ints.								
STU0177	RDA	429,659	8,526,291	508.52	12.40		0.00	12.40	12.40	1112	572	10.82	24.43	16.72
STU0178	MA	433,059	8,524,563	590.52	5.75	No Sig. Ints.								
STU0179	RDA	429,981	8,526,615	510.92	30.00		0.00	30.00	30.00	1202	681	19.15	31.63	17.13
STU0180	RDA	429,581	8,526,696	466.43	27.00		0.00	27.00	27.00	1165	732	21.89	34.00	17.99
STU0181	MA	432,640	8,524,153	624.94	30.00		0.00	30.00	30.00	52705	25678	7.40	20.26	15.09
STU0182	MA	433,830	8,523,751	501.52	12.36		16.00	30.00	14.00	112032	54582	7.68	22.63	17.23
STU0183	RDA	429,582	8,526,537	453.89	8.39		1.00	12.36	11.36	1013	409	8.78	20.72	14.98
STU0184	3B	426,656	8,507,454	424.41	28.73		0.00	8.39	8.39	1180	782	29.84	39.64	15.65
STU0185	MA	432,236	8,523,367	619.42	11.00	No Sig. Ints.								
STU0186	3B	426,565	8,507,454	409.10	14.00	No Sig. Ints.								
STU0187	RDA	429,822	8,525,576	544.65	22.85		0.00	22.85	22.85	4639	3040	13.53	27.89	18.25
							12.00	22.85	10.85	8075	5691	11.78	31.54	23.68
							14.00	16.00	2.00	21452	15554	6.26	30.93	27.79
STU0188	RDA	429,604	8,526,507	458.50	5.00		0.00	5.00	5.00	1056	684	22.64	35.59	18.32
STU0189	RDA	430,063	8,526,554	532.35	27.57		0.00	27.57	27.57	1311	579	10.77	23.23	15.51
STU0190	MA	432,636	8,523,436	552.49	5.13		0.00	5.13	5.13	851	441	11.18	23.51	15.56
STU0191	RDA	430,060	8,526,381	560.75	15.89		0.34	15.89	15.55	1147	657	17.41	30.86	17.82
STU0192	RDA	429,981	8,525,575	556.21	12.21		0.00	12.00	12.00	886	520	23.42	34.36	16.40
STU0193	RDA	429,102	8,525,899	477.30	22.77		0.00	22.17	22.17	1138	600	19.50	31.12	16.09
STU0194	MA	433,039	8,522,955	517.84	17.67		9.00	17.00	8.00	908	501	15.88	28.48	16.48



Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0195	RDA	430,143	8,525,574	578.00	8.25		0.00	8.25	8.25	726	369	17.86	29.46	15.88
STU0196	RDA	429,101	8,525,742	517.75	14.16	No Sig. Ints.								
STU0197	3B	420,963	8,506,889	445.64	30.00		3.00	30.00	27.00	953	588	11.83	26.67	18.38
							28.00	30.00	2.00	3180	2709	17.87	49.00	37.69
STU0198	RDA	429,411	8,526,564	455.26	21.00		0.00	21.00	21.00	1152	667	17.78	31.17	17.80
							11.00	14.00	3.00	2238	1326	16.48	31.47	19.20
STU0199	RDA	429,101	8,526,400	464.67	4.19									
STU0200	RDA	429,981	8,526,297	575.49	15.29		0.00	15.29	15.29	889	456	16.22	29.06	17.11
STU0201	MA	432,957	8,524,156	561.78	14.00		9.00	14.00	5.00	614	445	12.88	27.89	19.04
STU0202	3B	421,039	8,506,725	443.87	8.36									
STU0203	RDA	428,944	8,525,899	451.24	15.07		0.00	15.07	15.07	1430	863	15.07	29.24	18.10
							5.00	8.00	3.00	3205	2060	9.01	27.10	21.00
STU0204	RDA	429,901	8,526,540	506.50	28.93		0.00	28.93	28.93	1214	709	17.85	30.86	17.35
							15.00	18.00	3.00	2129	1025	9.05	23.16	16.83
STU0205	MA	433,836	8,523,358	480.43	6.40									
STU0206	RDA	428,782	8,526,379	508.78	6.09									
STU0207	3B	421,278	8,506,720	454.22	8.00									
STU0208	RDA	430,151	8,525,567	578.00	26.90		0.00	26.90	26.90	1187	672	16.44	28.75	16.37
STU0209	RDA	428,792	8,526,603	533.65	6.53		0.33	6.53	6.20	800	478	16.62	33.97	21.95
STU0210	MA	433,757	8,523,356	494.08	13.00									
STU0211	RDA	429,083	8,526,706	529.04	6.71		0.00	6.71	6.71	1318	689	17.57	31.41	18.40
STU0212	RDA	429,102	8,526,053	438.96	7.30		0.00	7.30	7.30	725	477	26.59	37.35	16.63
STU0213	RDA	429,742	8,526,539	477.20	19.00		0.00	19.00	19.00	1511	863	16.19	29.61	17.59
STU0214	RDA	429,108	8,526,039	444.58	11.70		0.00	11.70	11.70	651	389	21.59	33.31	16.74
STU0215	RDA	429,061	8,526,713	540.54	10.00		0.30	10.00	9.70	695	386	18.46	32.14	18.40
STU0216	MA	433,457	8,523,369	523.70	15.81		4.00	15.81	11.81	1138	332	9.12	16.70	10.06
STU0217	RDA	430,063	8,525,421	591.48	30.00		0.00	30.00	30.00	1265	729	19.49	31.59	16.80
STU0218	RDA	429,267	8,526,220	474.33	13.54		0.00	13.54	13.54	1331	640	14.22	26.51	16.08
STU0219	RDA	429,745	8,526,616	469.11	10.64		0.00	10.64	10.64	1303	727	17.55	30.38	16.97
STU0220	RDA	429,100	8,526,216	429.94	9.00		0.31	9.00	8.69	1529	1034	16.12	32.84	21.11
							6.00	8.00	2.00	2980	2227	13.83	37.22	28.23
STU0221	MA	431,840	8,524,942	674.59	30.00									
STU0222	MA	433,844	8,524,153	568.62	17.72									



# 7. Independent Technical Report continued



**BRAZILIAN RARE EARTHS**  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0223	3B	421,279	8,507,359	426.54	26.28		6.00	26.28	20.28	803	472	10.09	24.35	17.37
STU0224	RDA	429,737	8,526,304	528.24	3.56	No Sig. Ints.								
STU0225	RDA	429,740	8,522,140	580.22	25.80	No Sig. Ints.								
STU0226	RDA	428,953	8,526,204	446.68	7.77	No Sig. Ints.								
STU0227	RDA	429,503	8,526,619	458.39	12.54		0.00	12.54	12.54	1216	738	22.54	35.03	17.48
STU0228	3B	420,321	8,507,360	585.38	22.55		0.39	22.55	22.16	876	431	17.45	28.55	15.36
STU0229	RDA	429,354	8,522,136	554.61	11.84	No Sig. Ints.								
STU0230	RDA	428,783	8,526,060	436.54	10.79	No Sig. Ints.								
STU0231	MA	431,919	8,523,757	635.84	12.85	No Sig. Ints.								
STU0232	RDA	428,773	8,525,902	444.95	8.50		0.00	8.50	8.50	1234	463	11.77	19.65	10.95
STU0233	RDA	429,323	8,526,716	491.09	30.00		6.00	8.50	2.50	2539	1039	13.04	24.78	15.17
STU0234	MA	431,918	8,523,356	614.48	8.00		0.00	30.00	30.00	1364	841	17.42	32.80	19.84
STU0235	RDA	429,732	8,522,505	556.72	10.18		9.00	11.00	2.00	2812	1852	12.62	33.84	25.56
STU0236	RDA	429,587	8,526,460	471.06	14.60	including								
STU0237	RDA	428,771	8,525,746	443.02	9.88	No Sig. Ints.								
STU0238	RDA	429,420	8,526,452	468.65	7.57		0.00	7.57	7.57	544	288	17.43	27.53	14.63
STU0239	MA	432,236	8,524,951	612.85	23.07	No Sig. Ints.								
STU0240	BM	425,676	8,514,703	768.34	19.50		3.00	19.50	16.50	779	358	6.07	20.91	17.14
STU0241	RDA	428,936	8,525,729	466.27	5.65		0.00	5.65	5.65	1213	603	11.48	25.47	17.21
STU0242	RDA	430,076	8,526,069	601.33	4.75	No Sig. Ints.								
STU0243	RDA	429,375	8,526,300	487.59	4.11	No Sig. Ints.								
STU0244	3B	420,638	8,507,367	565.57	15.00	No Sig. Ints.								
STU0245	RDA	429,743	8,522,216	588.23	22.37		6.00	22.37	16.37	2143	962	8.47	22.36	16.37
STU0246	MA	433,040	8,524,390	547.29	20.00		11.00	20.00	9.00	3062	1870	11.75	25.75	16.83
STU0247	RDA	429,756	8,526,426	482.39	8.37		0.00	8.37	8.37	1055	602	16.44	30.82	18.38
STU0248	3B	419,996	8,507,367	574.45	14.00		7.00	14.00	7.00	1389	957	9.49	29.37	23.30
STU0249	MA	432,641	8,524,974	587.45	13.00		8.00	13.00	5.00	1276	757	13.05	27.22	17.52
STU0250	RDA	429,461	8,526,439	470.96	10.47		0.00	10.47	10.47	1257	616	14.18	27.08	16.77
STU0251	RDA	429,424	8,522,216	578.38	10.49	No Sig. Ints.								
STU0252	RDA	430,093	8,525,753	559.03	19.23		0.00	19.23	19.23	1257	682	16.88	29.34	16.90
STU0253	RDA	429,903	8,526,456	516.22	7.81		0.00	7.81	7.81	587	280	13.57	25.64	15.95



Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0254	MA	433,459	8,522,961	473.80	16.00		0.00	16.00	16.00	575	310	12.85	24.55	14.95
STU0255	RDA	429,747	8,521,900	516.32	17.90		10.00	17.90	7.90	2833	1603	14.41	30.17	19.62
STU0256	RDA	429,930	8,526,493	519.12	10.33		0.00	6.00	6.00	1121	253	8.78	15.10	8.63
STU0257	RDA	428,945	8,525,749	466.70	7.76		0.23	7.76	7.53	519	286	15.54	27.49	16.23
STU0258	3B	420,960	8,507,365	394.46	23.79		7.00	23.79	16.79	737	458	19.43	33.89	19.02
STU0259	RDA	430,040	8,521,884	528.14	13.39	No Sig. Ints.								
STU0260	RDA	430,056	8,521,585	610.97	8.43	No Sig. Ints.								
STU0261	MA	433,518	8,522,549	504.17	15.76	No Sig. Ints.								
STU0262	BM	425,842	8,514,715	783.39	30.00		11.00	30.00	19.00	723	362	6.17	21.29	17.43
STU0263	RDA	429,922	8,526,498	515.18	7.00		0.00	7.00	7.00	790	416	14.44	28.02	17.38
STU0264	MA	433,832	8,522,956	451.75	7.32		0.00	7.32	7.32	591	330	10.77	22.64	15.40
STU0265	RDA	429,417	8,522,533	541.10	26.93		10.00	26.93	16.93	781	419	21.47	29.28	13.89
STU0266	RDA	429,425	8,525,495	573.09	12.10	No Sig. Ints.								
STU0267	3B	421,346	8,507,048	352.92	8.64		3.00	8.64	5.64	745	445	15.34	32.42	21.55
STU0268	3B	421,032	8,507,047	388.96	4.00	No Sig. Ints.								
STU0269	RDA	430,051	8,521,596	610.97	16.37	No Sig. Ints.								
STU0270	RDA	430,140	8,525,822	588.96	27.40		0.00	27.40	27.40	1164	677	19.51	31.73	17.10
STU0271	BM	425,592	8,514,786	764.02	10.00	No Sig. Ints.								
STU0272	RDA	429,263	8,525,496	575.87	12.53		7.00	12.53	5.53	679	412	15.37	31.73	20.67
STU0273	RDA	430,120	8,526,486	548.26	19.76		0.00	19.76	19.76	866	299	11.02	20.10	12.11
STU0274	RDA	428,929	8,525,508	473.77	6.07	No Sig. Ints.								
STU0275	RDA	430,215	8,525,907	621.01	19.00		0.00	19.00	19.00	1767	1027	13.57	26.99	17.25
							9.00	15.00	6.00	3021	2019	14.03	32.12	22.44
STU0276	BM	425,420	8,514,861	729.92	9.07	including No Sig. Ints.								
STU0277	RDA	429,424	8,521,909	512.87	26.58		0.30	24.00	23.70	1351	902	15.43	33.14	22.19
STU0278	MA	433,439	8,522,154	513.91	26.10	No Sig. Ints.								
STU0279	3B	426,477	8,507,603	381.28	16.51	No Sig. Ints.								
STU0280	RDA	430,061	8,525,900	550.87	16.08		0.00	16.08	16.08	1276	777	18.34	31.61	18.16
STU0281	RDA	429,405	8,522,860	517.36	27.00		8.00	27.00	19.00	931	608	26.07	40.76	21.18
STU0282	RDA	429,763	8,525,505	543.75	17.46		0.00	17.46	17.46	1220	697	17.63	29.99	16.85
STU0283	BM	425,452	8,514,850	736.97	14.00	No Sig. Ints.								
STU0284	3B	426,398	8,507,445	396.72	10.00	No Sig. Ints.								
STU0285	RDA	429,700	8,526,573	464.58	24.40		0.00	24.40	24.40	2538	1541	17.79	31.60	18.21

# 7. Independent Technical Report continued



**BRAZILIAN RARE EARTHS**  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0286	RDA	429,427	8,521,573	551.20	24.10	No Sig. Ints.	0.00	12.62	12.62	1163	675	17.94	31.24	17.79
STU0287	RDA	429,901	8,525,918	517.54	12.62		0.00	22.58	22.58	1311	816	17.49	29.66	16.58
STU0288	RDA	429,903	8,525,499	571.92	22.58	Including	20.00	22.00	2.00	4687	3875	16.82	37.77	25.66
STU0289	MA	433,436	8,521,756	490.23	15.56		5.00	15.56	10.56	738	542	61.10	54.09	4.98
STU0290	BM	425,603	8,514,635	746.98	12.00	No Sig. Ints.								
STU0291	BM	425,612	8,514,483	716.71	13.53	No Sig. Ints.								
STU0292	RDA	430,304	8,522,692	620.59	30.00		13.00	30.00	17.00	1011	627	10.67	23.32	15.85
STU0293	RDA	430,069	8,522,845	584.45	23.64		26.00	30.00	4.00	2788	1774	16.94	34.30	22.36
STU0294	RDA	429,579	8,522,223	594.04	5.45		7.00	23.00	16.00	512	419	23.03	37.94	21.48
STU0295	MA	433,119	8,522,550	577.49	10.00	No Sig. Ints.								
STU0296	3B	420,321	8,506,408	599.30	27.63		1.00	27.63	26.63	702	287	5.52	18.87	15.28
STU0297	3B	420,637	8,506,407	615.66	10.00		0.00	10.00	10.00	727	323	5.81	19.64	15.98
STU0298	RDA	430,060	8,525,497	586.55	24.97		0.00	24.97	24.97	1021	589	20.80	32.52	16.86
STU0299	RDA	429,339	8,526,626	471.95	30.00		0.00	30.00	30.00	1098	653	21.25	32.70	16.53
STU0300	MA	433,807	8,522,556	461.83	10.00	No Sig. Ints.								
STU0301	RDA	429,752	8,522,871	509.29	19.00		12.00	19.00	7.00	1634	967	13.62	28.52	18.85
STU0302	RDA	429,909	8,522,225	555.87	20.57		15.00	20.57	5.57	13189	7164	22.39	29.86	13.20
STU0303	RDA	429,288	8,526,507	452.60	6.72		0.00	6.72	6.72	1295	743	16.62	30.24	17.94
STU0304	RDA	430,219	8,526,069	616.91	23.90		1.00	23.90	22.90	1078	575	11.57	26.23	17.85
STU0305	RDA	429,743	8,522,063	572.34	18.00	No Sig. Ints.								
STU0306	3B	420,960	8,506,407	580.04	25.00		8.00	25.00	17.00	766	343	8.20	22.22	16.48
STU0307	RDA	430,149	8,526,142	620.17	10.40		0.00	10.40	10.40	587	306	10.65	25.10	17.62
STU0308	RDA	430,213	8,525,503	626.25	28.41		0.00	28.41	28.41	1192	686	18.34	30.73	16.98
STU0309	RDA	429,823	8,526,283	548.81	2.78	No Sig. Ints.								
STU0310	MA	432,642	8,524,067	607.81	23.00		0.00	23.00	23.00	6496	4088	7.28	19.76	14.74
STU0311	RDA	429,981	8,526,137	606.07	9.79		18.00	23.00	5.00	27081	17438	11.35	29.98	22.04
STU0312	RDA	429,820	8,526,109	578.11	7.80		0.00	9.79	9.79	787	293	8.04	17.87	12.22
STU0313	3B	421,277	8,506,402	544.36	11.00	Including	0.00	7.80	7.80	2162	1102	8.64	24.93	19.04
STU0314	BM	425,593	8,514,306	689.43	23.88	No Sig. Ints.	3.00	5.00	2.00	5895	3048	7.54	25.54	20.52



Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0315	RDA	428,759	8,525,600	434.90	3.40	No Sig. Ints.								
STU0316	RDA	429,578	8,522,064	570.86	29.28		3.00	29.28	26.28	2808	1406	5.80	17.42	13.45
STU0317	RDA	430,058	8,522,699	591.09	29.24		3.00	29.24	26.24	3293	1884	8.67	22.52	16.50
							7.00	14.00	7.00	9818	5774	8.28	22.89	17.15
							11.00	13.00	2.00	31074	18790	10.00	28.82	21.90
STU0318	RDA	429,216	8,526,434	450.06	10.19		0.00	10.19	10.19	858	520	21.22	34.54	18.13
STU0319	MA	432,398	8,523,591	608.25	27.46	No Sig. Ints.								
STU0320	MA	432,802	8,524,317	636.84	30.00		0.00							
							2.00	6.00	4.00	4567	1258	3.95	11.20	8.36
							20.00	22.00	2.00	2953	2110	11.82	27.62	18.46
STU0321	BM	425,745	8,514,590	773.39	11.00		3.00	11.00	8.00	658	276	5.13	18.14	14.83
STU0322	RDA	429,252	8,525,563	569.73	12.75		5.00	12.75	7.75	327	208	17.33	34.26	21.38
STU0323	MA	433,198	8,523,678	511.83	10.20		0.20	7.00	6.80	609	263	6.75	19.86	15.33
STU0324	RDA	429,425	8,522,724	487.23	15.50		0.00	15.50	15.50	2214	1479	24.54	36.73	17.74
							6.00	11.00	5.00	5088	3597	27.21	42.54	21.53
STU0325	MA	432,407	8,524,325	642.95	20.32	No Sig. Ints.								
STU0326	RDA	429,426	8,525,608	525.67	4.30	No Sig. Ints.								
STU0327	3B	421,284	8,506,805	414.52	18.84		11.00	18.84	7.84	844	524	16.77	31.78	19.78
STU0328	3B	421,278	8,506,965	377.84	11.00		5.00	11.00	6.00	693	285	5.77	18.75	15.17
STU0329	RDA	429,764	8,522,710	507.37	7.71		0.00	7.71	7.71	835	710	24.44	41.11	23.86
STU0330	RDA	429,422	8,521,262	584.73	30.00	No Sig. Ints.								
STU0331	MA	432,636	8,523,669	595.53	30.00		15.00	30.00	15.00	1928	821	7.09	19.47	14.95
STU0332	3B	420,324	8,507,281	542.80	11.49		0.00	11.49	11.49	2387	1122	8.03	23.74	18.59
							5.00	11.00	6.00	3839	1755	5.39	21.44	18.26
STU0333	MA	432,475	8,523,353	549.67	8.57		2.00	8.57	6.57	1568	1089	15.86	32.49	21.03
STU0334	BM	425,917	8,514,630	784.22	5.84	No Sig. Ints.								
STU0335	RDA	429,102	8,526,859	594.31	7.00		1.00	6.00	5.00	651	337	11.84	22.79	14.03
STU0336	MA	432,402	8,524,072	587.21	18.25		10.00	18.25	8.25	605	444	24.22	41.20	23.58
STU0337	RDA	429,425	8,521,420	573.54	20.37		10.00	20.37	10.37	683	438	15.52	31.17	21.00
STU0338	MA	433,596	8,523,595	564.39	30.00		23.00	30.00	7.00	1586	499	6.63	20.94	16.81
							23.00	25.00	2.00	2755	236	1.48	3.74	2.75
STU0339	MA	432,642	8,524,233	649.50	30.00	No Sig. Ints.								
STU0340	MA	432,579	8,523,918	565.49	10.71		3.00	10.71	7.71	1077	475	9.27	20.42	13.68

# 7. Independent Technical Report continued



BRAZILIAN RARE EARTHS  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0341	RDA	430,231	8,525,738	612.23	30.00		0.00	30.00	30.00	1266	827	18.79	31.53	17.42
						including	20.00	25.00	5.00	2310	1747	23.48	40.18	22.62
STU0342	RDA	429,422	8,522,378	561.89	30.00		11.00	24.00	13.00	351	227	13.76	22.38	11.93
STU0343	RDA	429,101	8,527,013	653.04	5.26	No Sig. Ints.								
STU0344	MA	433,279	8,524,879	579.20	18.00		0.00	18.00	18.00	903	516	19.58	30.01	16.02
STU0345	MA	433,530	8,521,992	466.27	11.29	No Sig. Ints.								
STU0346	RDA	429,583	8,521,418	599.51	21.44		6.00	21.44	15.44	2465	839	8.48	17.68	11.53
STU0347	MA	432,559	8,523,993	573.75	19.00	including	11.00	17.00	6.00	4498	1272	4.36	13.59	10.82
STU0348	MA	432,721	8,524,078	621.14	26.34		0.00	19.00	19.00	3560	1325	8.16	20.30	14.74
							7.00	26.34	19.34	8849	5954	7.22	21.81	17.02
							17.00	26.34	9.34	14801	10675	10.50	31.00	23.99
STU0349	MA	432,721	8,524,394	660.13	30.00		0.00	30.00	30.00	19531	6182	3.87	9.05	6.10
STU0350	RDA	429,262	8,522,379	545.81	23.84		0.00	23.84	23.84	1026	413	16.57	24.36	11.86
STU0351	3B	420,400	8,506,806	459.88	30.00		3.00	30.00	27.00	661	302	6.46	20.01	15.89
STU0352	RDA	429,521	8,521,491	583.93	23.00	No Sig. Ints.								
STU0353	MA	432,797	8,524,570	607.38	10.00		3.00	10.00	7.00	74186	37999	7.06	20.48	15.53
STU0354	MA	433,196	8,524,775	612.45	29.52		7.00	10.00	3.00	167351	85984	7.55	22.75	17.48
							0.00	29.52	29.52	1031	460	11.70	21.62	13.43
							7.00	10.00	3.00	3320	1811	10.26	28.88	22.27
STU0355	MA	432,558	8,524,074	597.55	23.75	including	0.00	23.75	23.75	10248	4632	5.75	15.89	11.90
STU0356	MA	432,717	8,524,152	634.87	30.00		23.00	30.00	7.00	1100	488	6.80	18.32	13.72
STU0357	MA	433,127	8,524,862	582.00	8.00		0.00	8.00	8.00	711	363	12.34	24.68	15.65
STU0358	BM	428,982	8,514,075	574.89	8.66		0.00	8.66	8.66	3289	1784	9.76	24.80	18.28
STU0359	MA	432,802	8,524,479	614.29	17.54		0.00	17.54	17.54	5150	2176	4.72	12.63	9.31
STU0360	MA	433,512	8,522,060	472.56	10.00	No Sig. Ints.								
STU0361	3B	426,089	8,507,658	379.72	26.94		5.00	26.94	21.94	2115	1914	41.67	54.48	21.71
STU0362	MA	432,560	8,524,154	614.27	29.72	including	0.00	29.72	29.72	1233	672	10.13	22.01	14.77
							21.00	27.00	6.00	2071	1103	9.06	25.04	19.01
							8.00	30.00	22.00	564	275	5.67	20.10	16.54
STU0363	3B	419,358	8,506,725	604.72	30.00		15.00	23.00	8.00	1173	637	16.01	28.11	16.36
STU0364	MA	432,797	8,524,077	611.06	28.38		0.00	24.00	24.00	14267	5159	3.76	10.47	7.93
STU0365	MA	432,803	8,524,398	627.28	24.00		3.00	12.00	9.00	25721	7020	3.39	9.06	6.67
							3.00	12.00	9.00	25721	7020	3.39	9.06	6.67
STU0366	MA	433,520	8,522,234	475.28	17.36	No Sig. Ints.								



Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0367	MA	432,457	8,524,782	620.61	23.72	No Sig. Ints.								
STU0368	MA	432,718	8,524,474	642.62	19.62		0.00	5.00	5.00	801	283	5.36	10.98	7.18
							8.00	13.00	5.00	523	263	10.35	23.83	16.91
STU0369	BM	428,704	8,514,882	598.10	30.00		0.00	12.00	12.00	1282	717	13.20	22.41	12.77
							25.00	27.00	2.00	3657	743	3.97	8.71	6.15
STU0370	MA	432,875	8,524,474	596.90	26.36		0.00	26.36	26.36	67135	32324	5.71	27.27	23.90
							0.41	12.00	11.59	103137	33258	4.41	18.68	15.89
STU0371	MA	432,562	8,524,240	639.18	25.35		11.00	25.35	14.35	6758	4311	22.66	32.15	14.36
							18.00	20.00	2.00	34845	22365	19.68	34.87	19.91
STU0372	BM	428,143	8,514,866	571.78	16.64		0.00	16.64	16.64	1448	808	7.33	29.31	25.32
STU0373	MA	432,655	8,524,404	669.75	30.00	No Sig. Ints.								
STU0374	MA	433,520	8,522,394	479.68	13.00	No Sig. Ints.								
STU0375	3B	419,058	8,506,721	535.56	21.00		3.00	21.00	18.00	660	237	5.55	16.39	12.47
STU0376	MA	432,873	8,524,710	613.51	30.00		0.00	9.00	9.00	1545	470	7.40	12.96	7.19
							5.00	7.00	2.00	2427	707	6.29	11.93	6.72
							22.00	30.00	8.00	1043	421	9.09	19.88	12.87
STU0377	MA	432,883	8,524,395	605.52	27.14		0.00	27.00	27.00	1957	618	6.32	13.89	8.88
							2.00	4.00	2.00	8022	2969	7.47	14.50	8.10
STU0378	MCR	430,675	8,539,562	611.52	14.00		0.00	14.00	14.00	911	444	4.94	18.23	14.82
STU0379	MCR	430,594	8,539,719	617.62	29.34		0.00	5.00	5.00	1839	994	11.40	26.59	18.50
							24.00	29.00	5.00	663	351	7.20	29.56	24.00
STU0380	MCR	432,113	8,541,480	602.15	18.24		0.00	18.24	18.24	1440	611	6.16	18.62	14.61
STU0381	MCR	431,000	8,539,720	612.49	30.00		0.00	30.00	30.00	1930	1117	15.23	33.90	23.64
STU0382	BM	428,878	8,514,554	633.81	30.00	No Sig. Ints.								
STU0383	3B	427,356	8,507,206	667.63	13.07		1.00	13.07	12.07	770	377	8.70	23.83	17.83
STU0384	3B	419,118	8,506,485	534.61	21.00		6.00	21.00	15.00	1861	1133	6.81	22.73	18.30
STU0385	MCR	431,004	8,540,039	586.92	17.86		0.00	17.86	17.86	699	367	7.53	24.03	18.93
STU0386	3B	426,651	8,503,933	244.39	8.77		0.00	8.77	8.77	507	289	12.35	30.89	22.04
STU0387	RDA	429,906	8,522,156	553.35	30.00		13.00	30.00	17.00	1830	712	7.31	18.52	13.46
STU0388	3B	427,525	8,507,150	674.97	12.00		4.00	12.00	8.00	704	324	7.85	24.47	18.86
STU0389	MCD	424,070	8,517,991	648.48	11.00		0.00	11.00	11.00	1092	518	14.15	24.55	14.00
STU0390	BM	428,874	8,514,207	582.78	17.00	No Sig. Ints.								
STU0391	3B	427,272	8,506,796	681.88	9.66	No Sig. Ints.								

# 7. Independent Technical Report continued



**BRAZILIAN RARE EARTHS**  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0392	MCD	425,040	8,518,007	634.68	30.00		4.00	30.00	26.00	897	438	15.10	26.18	15.02
STU0393	3B	427,924	8,506,793	775.31	6.78		0.38	6.78	6.40	611	269	5.95	20.18	16.35
STU0394	MCD	424,079	8,517,677	691.28	21.00		8.00	20.00	12.00	407	216	13.12	25.59	16.15
STU0395	3B	426,400	8,503,680	306.53	7.50		0.00	7.50	7.50	708	289	6.11	18.60	14.53
STU0396	RDA	429,822	8,522,219	578.15	30.00		24.00	30.00	6.00	2143	676	6.33	14.64	10.34
							27.00	30.00	3.00	3310	984	6.65	14.46	10.10
STU0397	BM	428,588	8,514,549	598.25	30.00		24.00	30.00	6.00	1093	522	5.69	21.69	17.93
STU0398	3B	427,590	8,506,780	731.53	10.22		5.00	10.22	5.22	586	277	6.16	19.78	15.78
STU0399	3B	426,480	8,503,760	273.10	15.77		0.00	15.77	15.77	841	384	5.85	18.79	14.94
STU0400	3B	427,907	8,506,459	751.97	7.68		1.00	7.00	6.00	460	243	8.33	26.79	20.88
STU0401	3B	426,800	8,504,239	300.23	8.49		0.00	8.49	8.49	774	335	6.16	19.51	15.37
STU0402	RDA	429,902	8,522,299	556.69	22.96		9.00	22.96	13.96	2576	1538	17.74	31.02	18.00
STU0403	VLH	431,115	8,517,034	695.97	30.00		0.00	11.00	11.00	624	362	7.71	22.62	17.31
STU0404	MCD	425,042	8,517,680	643.70	21.30		11.00	21.30	10.30	1772	723	12.01	20.52	12.07
							18.00	21.30	3.30	3818	1427	6.84	17.40	12.92
STU0405	3B	427,589	8,506,471	751.06	5.74	No Sig. Ints.								
STU0406	VLH	431,119	8,516,724	692.11	9.87		0.00	7.00	7.00	779	315	6.40	20.52	16.03
STU0407	BM	428,548	8,514,867	620.17	30.00	No Sig. Ints.								
STU0408	3B	426,720	8,504,160	273.06	14.34	No Sig. Ints.								
STU0409	RDA	429,982	8,522,215	531.97	16.00		6.00	16.00	10.00	1040	500	12.13	24.28	15.78
STU0410	3B	427,607	8,505,856	825.33	2.43	No Sig. Ints.								
STU0411	MCD	424,721	8,517,364	606.42	17.18		0.00	17.18	17.18	1407	596	14.22	23.26	12.59
							13.00	17.18	4.18	2430	982	10.01	21.32	14.17
STU0412	VLH	431,123	8,516,405	655.05	17.68		0.00	17.68	17.68	2579	1338	10.73	24.66	16.93
							4.00	13.00	9.00	4085	2103	9.55	24.01	17.39
STU0413	RDA	429,875	8,522,452	558.08	11.00	including	3.00	11.00	8.00	1848	1021	17.91	29.18	16.04
							8.00	10.00	2.00	4166	2286	19.96	29.88	15.31
STU0414	VLH	431,445	8,517,684	740.70	11.80	No Sig. Ints.								
STU0415	3B	426,706	8,504,219	281.51	9.77		0.00	7.00	7.00	798	309	5.35	17.80	14.16
STU0416	3B	426,800	8,504,079	268.07	14.78		0.00	7.00	7.00	573	230	6.23	16.60	12.31
STU0417	3B	427,278	8,506,149	760.99	3.00	No Sig. Ints.								
STU0418	MCD	425,029	8,517,359	671.29	10.25		0.00	10.25	10.25	476	311	13.10	28.19	19.17
STU0419	MCD	423,994	8,517,952	666.00	23.00		0.00	23.00	23.00	1979	1302	14.32	25.22	14.74





Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0420	3B	426,738	8,504,169	279.01	9.76	No Sig. Ints.	18.00	23.00	5.00	6921	4752	10.53	25.25	18.21
STU0421	3B	423,424	8,503,929	413.07	10.00		0.00	10.00	10.00	972	435	8.86	21.67	15.48
STU0422	VLH	431,438	8,516,398	709.04	30.00	No Sig. Ints.								
STU0423	RDA	430,222	8,522,459	561.12	19.23		7.00	19.00	12.00	798	412	10.83	19.42	11.49
STU0424	VLH	432,082	8,518,316	726.74	13.16	No Sig. Ints.								
STU0425	3B	426,665	8,504,108	250.58	13.00		0.00	13.00	13.00	2192	1204	10.29	23.05	15.90
STU0426	3B	426,800	8,504,159	285.14	17.44	including	4.00	9.00	5.00	4561	2585	10.83	26.43	18.95
STU0427	MCD	424,718	8,518,002	632.79	30.00		0.00	15.00	15.00	887	371	5.75	17.96	14.21
STU0428	3B	423,747	8,503,935	484.21	4.00	No Sig. Ints.	0.00	30.00	30.00	971	522	18.07	26.73	13.48
STU0429	MCD	424,724	8,517,040	666.00	30.00	including	8.00	30.00	22.00	1145	672	17.70	25.56	12.80
STU0430	VLH	431,750	8,516,403	636.94	27.70	No Sig. Ints.	23.00	28.00	5.00	2704	1762	14.96	31.89	21.23
STU0431	RDA	430,223	8,522,779	626.68	21.10	No Sig. Ints.								
STU0432	VLH	432,008	8,518,001	673.38	16.16		0.00	11.00	11.00	821	398	6.44	20.73	16.41
STU0433	MCD	424,060	8,517,351	678.23	15.70		3.00	15.70	12.70	1064	532	13.92	26.36	16.12
STU0434	3B	423,122	8,503,598	410.04	17.00		2.00	17.00	15.00	638	298	9.89	23.81	16.99
STU0435	3B	423,119	8,503,248	441.92	5.00	No Sig. Ints.								
STU0436	VLH	431,443	8,516,730	638.11	20.00	No Sig. Ints.								
STU0437	3B	423,122	8,502,959	539.47	8.22	No Sig. Ints.								
STU0438	3B	423,765	8,504,243	438.37	22.00		0.50	22.00	21.50	1210	618	7.73	22.98	17.85
STU0439	MCD	424,718	8,518,320	650.51	29.65	including	18.00	20.00	2.00	2092	1262	10.37	28.04	21.08
STU0440	3B	423,435	8,503,291	545.63	13.20		15.00	29.65	14.65	2548	1572	16.01	33.98	22.86
STU0441	MCD	424,080	8,517,037	625.10	20.75		0.00	13.20	13.20	1135	413	5.56	15.86	12.11
STU0442	3B	423,756	8,503,274	592.19	7.00		0.00	20.75	20.75	1312	656	15.56	26.31	14.67
STU0443	VLH	432,076	8,517,697	689.42	11.30	No Sig. Ints.	0.00	7.00	7.00	617	298	7.28	18.69	13.70
STU0444	3B	423,443	8,502,959	638.04	7.13		0.00	7.13	7.13	805	379	6.29	21.42	17.24
STU0445	BM	429,036	8,513,911	615.75	30.00		15.00	30.00	15.00	996	531	3.57	18.66	16.29
STU0446	3B	423,449	8,504,211	374.62	16.30		4.00	16.30	12.30	630	239	7.02	16.63	11.53
STU0447	MCD	423,758	8,517,689	686.99	9.00	No Sig. Ints.								
STU0448	MCD	424,304	8,517,116	633.07	30.00		0.50	30.00	29.50	1254	703	13.17	23.72	14.10

# 7. Independent Technical Report continued



BRAZILIAN RARE EARTHS  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0449	MCD	425,037	8,517,040	666.15	20.27	including	23.00	26.00	3.00	3974	2943	12.32	26.93	18.21
							3.00	20.27	17.27	1527	780	6.65	16.94	12.42
STU0450	VLH	432,082	8,516,404	632.70	28.30		16.00	20.27	4.27	4267	2517	10.02	28.11	21.33
							0.00	28.30	28.30	9659	5335	8.13	23.84	18.44
STU0451	VLH	432,399	8,516,402	631.91	25.90	including	14.00	22.00	8.00	27974	15575	10.00	29.26	22.53
STU0452	3B	424,400	8,503,293	565.69	8.00	No Sig. Ints.								
STU0453	MCD	423,761	8,517,985	666.17	10.30		2.00	8.00	6.00	538	242	6.80	19.69	15.24
STU0454	BM	428,902	8,514,056	571.23	9.20		0.00	10.30	10.30	670	381	20.86	33.31	17.76
							1.00	9.20	8.20	2161	1414	6.74	24.12	19.37
STU0455	3B	424,073	8,503,253	624.93	5.15	No Sig. Ints.	5.00	9.20	4.20	3681	2440	6.87	21.34	16.67
STU0456	PLM	423,441	8,551,917	862.83	13.00	No Sig. Ints.								
STU0457	3B	424,081	8,502,958	642.48	16.00		1.00	16.00	15.00	558	291	6.77	21.02	16.83
STU0458	VLH	432,403	8,519,275	682.70	30.00		0.00	30.00	30.00	3490	1780	5.84	18.84	14.96
STU0459	3B	423,761	8,502,958	659.19	13.48		0.50	13.48	12.98	709	304	6.24	19.77	15.74
STU0460	VLH	432,637	8,516,400	597.23	25.00	No Sig. Ints.								
STU0461	3B	426,329	8,503,920	282.75	5.25		0.00	5.25	5.25	2060	916	5.96	18.26	14.17
STU0462	PLM	423,443	8,551,596	854.83	6.10	No Sig. Ints.								
STU0463	MCD	423,757	8,517,436	693.28	14.80		1.00	14.80	13.80	956	420	11.45	22.28	13.82
STU0464	MCD	425,366	8,517,763	646.08	27.80		12.00	27.80	15.80	1390	802	16.47	28.68	16.42
							14.00	26.00	2.00	2180	1473	19.89	35.94	21.27
STU0465	MCD	423,447	8,517,981	715.63	25.45	including	24.00	25.45	11.45	684	349	8.24	24.26	18.75
STU0466	BM	428,950	8,513,910	594.76	30.00		0.00	30.00	30.00	746	420	6.21	19.39	15.46
STU0467	3B	426,019	8,504,285	254.83	11.00	No Sig. Ints.								
STU0468	VLH	433,038	8,518,952	588.84	17.40	No Sig. Ints.								
STU0469	VLH	431,451	8,517,031	648.88	11.00		2.00	8.00	6.00	1029	710	4.52	20.20	17.53
STU0470	PLM	423,288	8,551,771	831.05	8.25	No Sig. Ints.								
STU0471	MA	432,559	8,524,391	671.19	29.40	No Sig. Ints.								
STU0472	3B	425,993	8,503,518	504.30	7.00		2.00	7.00	5.00	870	389	6.73	19.66	15.27
STU0473	VLH	431,767	8,517,359	741.08	12.70		0.00	12.00	12.00	16486	8383	5.77	24.47	20.68
STU0474	3B	424,716	8,503,270	613.60	7.80	No Sig. Ints.								
STU0475	VLH	431,434	8,517,279	662.74	19.00		12.00	19.00	7.00	1174	522	5.04	18.73	15.46
STU0476	PLM	423,128	8,551,926	799.25	11.35		0.00	11.35	11.35	835	484	7.88	23.08	18.11

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Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0477	3B	425,034	8,503,266	560.33	19.10		6.00	19.10	13.10	483	284	9.73	21.63	15.46
STU0478	VLH	433,041	8,516,393	650.23	26.30	No Sig. Ints.								
STU0479	BM	428,714	8,513,909	590.38	24.50	No Sig. Ints.								
STU0480	MCD	423,759	8,517,040	699.72	19.25		9.00	19.25	10.25	1458	856	13.93	26.40	16.10
STU0481	VLH	431,765	8,517,036	728.54	11.00	No Sig. Ints.								
STU0482	3B	424,720	8,502,960	610.47	2.80	No Sig. Ints.								
STU0483	MCD	425,040	8,519,359	664.85	25.00		0.00	25.00	25.00	1591	843	12.61	23.64	14.45
							15.00	25.00	10.00	2430	1470	11.89	26.03	17.67
STU0484	MCD	425,355	8,517,997	674.20	30.00		0.00	30.00	30.00	1133	538	13.88	24.92	14.63
STU0485	VLH	432,944	8,516,721	588.12	10.55	No Sig. Ints.								
STU0486	3B	425,680	8,503,280	523.64	16.40	No Sig. Ints.								
STU0487	3B	425,035	8,502,958	590.57	4.25	No Sig. Ints.								
STU0488	MCD	423,526	8,517,598	730.29	30.00		10.00	30.00	20.00	903	506	9.12	21.80	15.24
STU0489	PLM	422,960	8,551,919	803.41	23.30	No Sig. Ints.								
STU0490	VLH	432,070	8,519,276	698.07	30.00	No Sig. Ints.								
STU0491	VLH	432,331	8,517,696	634.70	10.00	No Sig. Ints.	0.00	7.00	7.00	851	514	11.97	23.21	14.34
STU0492	3B	425,679	8,507,763	460.52	18.00									
STU0493	MCD	423,446	8,517,361	707.27	12.00	Assays Pending								
STU0494	VLH	432,972	8,517,017	589.80	11.25	Assays Pending								
STU0495	MA	432,646	8,524,315	665.52	30.00	Assays Pending								
STU0496	3B	425,347	8,503,295	568.09	5.65	Assays Pending								
STU0497	MCD	423,436	8,517,035	718.73	19.80	Assays Pending								
STU0498	VLH	432,088	8,518,963	695.80	8.00	Assays Pending								
STU0499	VLH	432,724	8,517,038	638.24	7.30	Assays Pending								
STU0500	3B	425,983	8,503,257	479.82	9.00	Assays Pending								
STU0501	PLM	422,958	8,551,847	801.79	22.60	Assays Pending								
STU0502	MCD	425,040	8,519,600	647.43	14.60	Assays Pending								
STU0503	MCD	424,317	8,518,319	634.33	12.85	Assays Pending								
STU0504	MA	432,472	8,524,321	647.37	10.90	Assays Pending								
STU0505	3B	424,884	8,502,956	584.51	13.35	Assays Pending								
STU0506	PLM	422,959	8,551,766	791.42	8.65	Assays Pending								
STU0507	VLH	433,063	8,518,112	638.30	12.65	Assays Pending								
STU0508	MCD	423,848	8,519,279	638.12	23.25	Assays Pending								

# 7. Independent Technical Report continued



**BRAZILIAN RARE EARTHS**  
Independent Technical Assessment Report

Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0509	VLH	432,714	8,516,712	599.57	7.50	Assays Pending								
STU0510	3B	425,981	8,507,598	385.48	17.80	Assays Pending								
STU0511	3B	426,320	8,503,280	409.78	9.00	Assays Pending								
STU0512	3B	425,710	8,503,623	498.94	6.00	Assays Pending								
STU0513	MCD	424,079	8,518,322	680.10	14.00	Assays Pending								
STU0514	3B	425,679	8,504,559	255.68	3.15	Assays Pending								
STU0515	MCD	425,031	8,518,327	648.40	27.65	Assays Pending								
STU0516	3B	426,238	8,507,775	354.97	5.75	Assays Pending								
STU0517	PLM	423,041	8,551,681	784.11	20.00	Assays Pending								
STU0518	3B	425,758	8,503,910	358.23	8.40	Assays Pending								
STU0519	3B	423,758	8,504,559	362.05	9.80	Assays Pending								
STU0520	3B	426,323	8,502,302	402.17	14.80	Assays Pending								
STU0521	3B	425,684	8,504,882	290.10	3.00	Assays Pending								
STU0522	MCD	423,439	8,519,919	666.44	24.35	Assays Pending								
STU0523	VLH	433,037	8,518,317	650.37	23.65	Assays Pending								
STU0524	MA	432,400	8,524,235	602.53	20.05	Assays Pending								
STU0525	MCD	425,047	8,519,941	673.73	22.70	Assays Pending								
STU0526	3B	423,519	8,503,679	506.61	2.90	Assays Pending								
STU0527	VLH	431,758	8,517,687	771.45	4.51	Assays Pending								
STU0528	3B	424,433	8,503,005	658.88	2.15	Assays Pending								
STU0529	MCD	432,714	8,517,678	695.39	30.00	Assays Pending								
STU0530	PLM	422,877	8,551,920	837.88	15.75	Assays Pending								
STU0531	3L	418,639	8,525,778	646.56	5.90	Assays Pending								
STU0532	MCD	423,759	8,518,318	687.09	24.40	Assays Pending								
STU0533	VLH	433,039	8,517,661	616.76	8.90	Assays Pending								
STU0534	PLM	422,831	8,551,905	857.53	16.60	Assays Pending								
STU0535	MA	432,487	8,524,244	617.10	10.85	Assays Pending								
STU0536	MA	433,367	8,519,596	544.18	29.65	Assays Pending								
STU0537	VLH	432,720	8,517,999	628.33	13.35	Assays Pending								
STU0538	VLH	432,402	8,517,366	667.47	29.40	Assays Pending								
STU0539	MCD	425,360	8,518,318	715.04	30.00	Assays Pending								
STU0540	VLH	431,119	8,517,680	679.29	27.85	Assays Pending								
STU0541	MCD	424,074	8,519,900	627.51	24.00	Assays Pending								

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Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0542	MCD	423,439	8,518,314	704.55	9.45	Assays Pending								
STU0543	VLH	432,070	8,518,633	715.69	9.00	Assays Pending								
STU0544	3B	425,984	8,501,968	432.09	16.00	Assays Pending								
STU0545	3B	428,557	8,506,167	766.88	8.00	Assays Pending								
STU0546	MCD	423,764	8,519,840	616.28	27.90	Assays Pending								
STU0547	VLH	430,814	8,517,370	731.71	2.60	Assays Pending								
STU0548	MA	432,559	8,524,314	662.31	16.15	Assays Pending								
STU0549	3L	418,640	8,526,332	600.50	4.15	Assays Pending								
STU0550	VLH	432,484	8,518,003	636.72	18.00	Assays Pending								
STU0551	MA	433,360	8,519,919	602.04	30.00	Assays Pending								
STU0552	3B	423,761	8,503,682	546.57	26.70	Assays Pending								
STU0553	VLH	430,959	8,517,363	688.45	8.70	Assays Pending								
STU0554	3B	425,998	8,504,549	248.92	9.65	Assays Pending								
STU0555	3B	426,320	8,504,550	290.02	15.00	Assays Pending								
STU0556	3L	418,642	8,526,014	646.26	9.50	Assays Pending								
STU0557	MCD	423,677	8,519,606	613.04	19.45	Assays Pending								
STU0558	VLH	432,719	8,517,360	649.63	18.90	Assays Pending								
STU0559	MCD	423,435	8,518,641	688.54	30.00	Assays Pending								
STU0560	MCD	425,683	8,518,004	662.85	30.00	Assays Pending								
STU0561	MA	432,720	8,524,310	659.90	25.65	Assays Pending								
STU0562	3B	426,320	8,504,250	258.81	10.00	Assays Pending								
STU0563	MCD	424,720	8,519,600	671.79	30.00	Assays Pending								
STU0564	VLH	431,120	8,517,360	700.10	30.00	Assays Pending								
STU0565	MA	433,685	8,519,914	550.65	23.00	Assays Pending								
STU0566	3B	426,482	8,504,710	350.34	5.10	Assays Pending								
STU0567	3B	426,409	8,504,391	285.15	11.00	Assays Pending								
STU0568	MCD	425,969	8,517,983	676.62	11.00	Assays Pending								
STU0569	VLH	432,800	8,519,211	604.25	30.00	Assays Pending								
STU0570	VLH	433,041	8,517,360	600.57	27.70	Assays Pending								
STU0571	MCD	423,450	8,519,597	687.16	21.80	Assays Pending								
STU0572	MA	433,996	8,519,921	536.97	15.50	Assays Pending								
STU0573	3L	418,630	8,525,358	586.45	8.55	Assays Pending								
STU0574	MCD	425,680	8,518,640	686.21	8.80	Assays Pending								

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**BRAZILIAN RARE EARTHS**  
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Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0575	3B	418,982	8,506,182	605.91	30.00	Assays Pending								
STU0576	MA	432,716	8,524,235	648.45	30.00	Assays Pending								
STU0577	VLH	432,300	8,518,300	681.10	18.15	Assays Pending								
STU0578	MA	434,315	8,519,922	516.44	11.30	Assays Pending								
STU0579	VLH	431,918	8,516,544	608.56	17.00	Assays Pending								
STU0580	3B	419,289	8,506,161	602.37	19.20	Assays Pending								
STU0581	MCD	425,363	8,518,649	646.11	9.50	Assays Pending								
STU0582	3B	426,635	8,504,242	267.90	11.50	Assays Pending								
STU0583	3L	418,965	8,525,373	636.29	5.00	Assays Pending								
STU0584	VLH	430,797	8,517,031	710.13	30.00	Assays Pending								
STU0585	MCD	423,775	8,518,536	637.78	28.00	Assays Pending								
STU0586	VLH	432,723	8,518,871	587.69	16.00	Assays Pending								
STU0587	VLH	431,887	8,516,416	613.80	12.45	Assays Pending								
STU0588	MA	434,637	8,519,837	520.91	9.20	Assays Pending								
STU0589	3L	419,284	8,525,355	622.65	1.70	Assays Pending								
STU0590	MCD	425,595	8,517,768	642.41	30.00	Assays Pending								
STU0591	3B	426,629	8,504,556	338.85	17.80	Assays Pending								
STU0592	VLH	430,791	8,517,681	702.88	13.00	Assays Pending								
STU0593	MCD	424,392	8,519,600	668.77	24.00	Assays Pending								
STU0594	VLH	433,049	8,518,638	587.36	17.00	Assays Pending								
STU0595	MCC	431,439	8,523,439	662.30	30.00	Assays Pending								
STU0596	VLH	431,745	8,518,131	771.32	13.45	Assays Pending								
STU0597	3B	426,970	8,504,853	504.42	2.85	Assays Pending								
STU0598	3B	426,962	8,504,565	412.45	12.85	Assays Pending								
STU0599	MCD	425,281	8,517,447	688.56	23.00	Assays Pending								
STU0600	3L	419,612	8,525,359	682.74	7.25	Assays Pending								
STU0601	RDA	428,891	8,524,084	492.10	10.00	Assays Pending								
STU0602	MA	432,796	8,524,229	629.10	30.00	Assays Pending								
STU0603	3B	419,600	8,506,160	622.38	25.75	Assays Pending								
STU0604	MA	434,961	8,519,597	577.90	30.00	Assays Pending								
STU0605	MCD	424,077	8,518,641	706.16	30.00	Assays Pending								
STU0606	MCC	430,803	8,521,838	624.35	8.30	Assays Pending								
STU0607	3B	419,919	8,506,160	572.14	10.70	Assays Pending								



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Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0608	3B	426,999	8,505,197	648.66	8.00	Assays Pending								
STU0609	MA	433,703	8,523,100	460.50	6.60	Assays Pending								
STU0610	RDA	428,892	8,524,399	512.76	14.35	Assays Pending								
STU0611	MA	433,655	8,521,591	460.80	4.30	Assays Pending								
STU0612	MCD	424,717	8,518,638	640.58	23.75	Assays Pending								
STU0613	MA	432,945	8,524,310	586.45	8.15	Assays Pending								
STU0614	3L	418,956	8,525,662	660.97	8.00	Assays Pending								
STU0615	MCC	430,800	8,521,512	686.31	9.60	Assays Pending								
STU0616	MCD	424,409	8,519,252	718.69	30.00	Assays Pending								
STU0617	VLH	431,595	8,516,392	672.26	30.00	Assays Pending								
STU0618	3B	427,281	8,504,867	655.43	6.85	Assays Pending								
STU0619	RDA	428,883	8,524,720	516.78	14.00	Assays Pending								
STU0620	VLH	431,585	8,516,554	629.10	10.80	Assays Pending								
STU0621	MCD	425,275	8,517,046	730.02	30.00	Assays Pending								
STU0622	MA	432,960	8,524,399	571.77	19.75	Assays Pending								
STU0623	3L	418,960	8,525,999	658.29	11.15	Assays Pending								
STU0624	MCD	423,437	8,518,962	688.19	7.45	Assays Pending								
STU0625	MA	434,637	8,519,599	570.41	26.85	Assays Pending								
STU0626	MCD	425,133	8,518,537	618.78	16.75	Assays Pending								
STU0627	MCC	431,031	8,521,516	622.61	20.00	Assays Pending								
STU0628	3B	426,964	8,505,519	644.06	4.00	Assays Pending								
STU0629	VLH	431,597	8,517,677	791.47	9.45	Assays Pending								
STU0630	RDA	428,870	8,525,042	509.25	6.25	Assays Pending								
STU0631	VLH	431,593	8,517,516	731.36	8.75	Assays Pending								
STU0632	3L	418,321	8,525,359	546.67	7.65	Assays Pending								
STU0633	MA	432,960	8,524,480	571.71	7.00	Assays Pending								
STU0634	MCC	430,479	8,521,919	551.08	8.40	Assays Pending								
STU0635	RDA	429,756	8,525,041	560.15	9.70	Assays Pending								
STU0636	3L	418,385	8,525,696	543.22	4.80	Assays Pending								
STU0637	MCD	423,757	8,518,961	624.21	13.00	Assays Pending								
STU0638	MCC	430,405	8,522,238	535.49	8.80	Assays Pending								
STU0639	PSE	423,120	8,518,959	654.06	30.00	Assays Pending								
STU0640	RDA	429,756	8,524,709	598.28	5.90	Assays Pending								



# 7. Independent Technical Report continued



**BRAZILIAN RARE EARTHS**  
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Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0641	VLH	431,597	8,516,722	672.01	8.70	Assays Pending								
STU0642	3L	418,400	8,526,003	555.37	11.60	Assays Pending								
STU0643	MCC	430,480	8,522,480	569.98	12.75	Assays Pending								
STU0644	3B	420,240	8,506,159	596.24	30.00	Assays Pending								
STU0645	3B	426,638	8,505,194	551.47	10.25	Assays Pending								
STU0646	MA	433,030	8,524,636	609.59	23.50	Assays Pending								
STU0647	MA	434,395	8,519,680	530.58	28.00	Assays Pending								
STU0648	3B	420,560	8,506,161	597.12	4.45	Assays Pending								
STU0649	MCD	424,079	8,518,960	644.50	27.85	Assays Pending								
STU0650	MCD	425,040	8,518,960	643.64	30.00	Assays Pending								
STU0651	3L	418,320	8,526,319	518.47	2.00	Assays Pending								
STU0652	MCD	424,079	8,519,277	692.62	30.00	Assays Pending								
STU0653	MCC	430,476	8,522,803	631.15	16.65	Assays Pending								
STU0654	3L	418,309	8,526,639	523.90	2.60	Assays Pending								
STU0655	VLH	431,598	8,516,871	700.33	25.15	Assays Pending								
STU0656	RDA	429,849	8,524,399	625.01	9.10	Assays Pending								
STU0657	MA	433,995	8,519,595	506.26	15.70	Assays Pending								
STU0658	MA	433,046	8,522,800	501.81	20.50	Assays Pending								
STU0659	MCD	424,403	8,518,960	702.23	12.50	Assays Pending								
STU0660	MCC	431,758	8,523,457	641.63	27.45	Assays Pending								
STU0661	MA	433,359	8,522,803	519.40	7.35	Assays Pending								
STU0662	MA	434,005	8,519,278	557.71	7.60	Assays Pending								
STU0663	3B	426,042	8,504,854	314.87	2.00	Assays Pending								
STU0664	MCC	430,475	8,524,401	689.66	30.00	Assays Pending								
STU0665	3B	426,288	8,504,839	384.49	4.00	Assays Pending								
STU0666	MA	432,958	8,524,639	606.66	21.00	Assays Pending								
STU0667	3B	422,799	8,506,152	356.94	7.50	Assays Pending								
STU0668	PSE	423,125	8,518,635	676.06	28.80	Assays Pending								
STU0669	MCC	430,481	8,523,119	603.71	13.30	Assays Pending								
STU0670	3L	418,953	8,527,285	643.67	20.20	Assays Pending								
STU0671	3B	422,772	8,505,834	328.27	18.00	Assays Pending								
STU0672	VLH	431,600	8,517,035	688.26	18.50	Assays Pending								
STU0673	MA	433,661	8,519,604	513.63	9.90	Assays Pending								

**BRAZILIAN RARE EARTHS**  
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Hole	Target	East	North	Elev. (m)	Depth (m)	Label	From	To	Interval	TREO (ppm)	TREO-CeO <sub>2</sub> (ppm)	HREO: TREO (%)	MREO: TREO (%)	NdPr: TREO (%)
STU0674	MCD	424,402	8,518,003	652.44	14.30	Assays Pending								
STU0675	3B	433,326	8,522,476	569.10	5.40	Assays Pending								
STU0676	3L	418,974	8,527,596	673.82	7.30	Assays Pending								
STU0677	RDA	429,842	8,524,071	694.36	12.60	Assays Pending								
STU0678	MCD	424,726	8,518,954	674.21	29.25	Assays Pending								
STU0679	MCC	430,791	8,523,119	652.63	17.00	Assays Pending								
STU0680	MA	433,043	8,524,470	562.29	17.40	Assays Pending								

Notes:

1. TREO = La<sub>2</sub>O<sub>3</sub> + CeO<sub>2</sub> + Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>2</sub>O<sub>3</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub>
2. MREO = Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Tb<sub>2</sub>O<sub>3</sub> + Dy<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub>
3. HREO = + Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>2</sub>O<sub>3</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub>
4. NdPr = Nd<sub>2</sub>O<sub>3</sub> + Pr<sub>6</sub>O<sub>11</sub>
5. % NdPr = NdPr/TREO
6. % HREO = HREO/TREO

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## Appendix B- Summary statistics for TREO and REO Reporting Groups

	TREO ppm	TREO-CeO <sub>2</sub> ppm	LREO ppm	HREO ppm	% HREO	MREO ppm	% MREO	NdPr ppm	% NdPr	Sc <sub>2</sub> O <sub>3</sub> ppm	U <sub>3</sub> O <sub>8</sub> ppm	ThO <sub>2</sub> ppm
<b>Três Braços (n=1121)</b>												
Mean	736	372	659	77	8.9	181	21.9	127	15.7	5.9	15	3.1
Min	25	16	18	3	0.9	8	2.6	3	2.1	0.4	0	0
Max	8,163	5,661	7,849	3,365	59	3,944	68.2	1,785	44	61.2	78.1	186
Median	593	252	555	39	7.2	113	20.6	86	15.5	3.8	12.3	1.5
CV	1.0	1.0	1.0	3.0	0.8	2.0	8.8	1.0	0.3	1.4	0.6	3.4
<b>Boca da Mata (n=546)</b>												
Mean	605	282	565	40	7.8	122	18	96	12.6	5.5	11.3	1.6
Min	23	10	19	2	0.6	4	0.8	2	0.4	0.4	0	0
Max	11,413	6,095	10,686	746	42.9	3,034	55.5	2,680	51.3	38	122	28.7
Median	404	159	377	24	6.3	61	17.9	44	12.2	3.2	8.8	1.1
CV	2.0	2.0	2.0	2.0	0.7	2.0	7.8	2.0	0.5	1.1	0.9	1.5
<b>Cachoeirinha (n=287)</b>												
Mean	604	280	558	46	8.4	115	17.7	84	11.9	-	11.1	2.4
Min	68	28	52	9	2	13	2.5	5	1	-	0.1	0.5
Max	2,421	1,358	2,175	286	28.3	729	30.1	590	24.4	-	35.6	10.9
Median	440	175	409	29	8.2	65	18.4	44	12.5	-	11	1.6
CV	0.8	1	0.8	1	0.5	1.2	6.9	1.3	0.5	-	0.5	0.8
<b>Monte Alto (n=3,744)</b>												
Mean	4,361	2,129	3,979	382	12.1	982	21.9	708	13	11.5	44.7	17.5
Min	12	5	11	2	0.3	1	0.5	0	0.3	0.4	0	0
Max	371,091	180,940	343,940	35,140	85.3	85,432	73.4	62,940	57.9	322.1	4,656.70	1,780.00
Median	706	279	631	58	9.8	123	20.9	78	12.6	5.4	11.4	2.8
CV	4.7	4.7	4.7	4.3	0.7	4.6	10.9	4.8	0.5	2	5	4.3
<b>Machado (n=530)</b>												
Mean	1,038	552	895	143	14.3	277	24.9	173	14.4	6.3	13.7	7.5
Min	39	11	35	4	2	5	3.8	2	1.7	0.4	0	0.1
Max	12,819	9,030	10,893	1,926	41.2	4,603	53	3,328	48.1	47.2	146.6	85.7
Median	727	338	629	93	13.9	175	25	107	14.3	5.7	11.4	5.2
CV	1.1	1.4	1.1	1.2	0.4	1.4	7.4	1.6	0.4	0.6	0.9	1.1
<b>Mucuri (n=116)</b>												
Mean	1,188	612	1,065	124	9.5	314	24	230	17.5	13.1	9.5	4.8
Min	62	29	57	5	1.2	10	3.4	5	2.6	2.8	0.1	0.3
Max	4,012	2,006	3,964	564	22.1	1,215	54.3	829	49.5	56.9	39.9	21.8
Median	992	470	934	61	8.8	200	21	157	16.3	10.3	7	2.6
CV	0.7	0.8	0.7	1	0.5	0.9	9.3	0.9	0.4	0.7	0.7	1
<b>Palmeirinha (n=1,181)</b>												
Mean	536	282	477	60	11.8	130	21.9	89	13.6	12.1	8.2	2.9
Min	39	18	21	5	1.3	9	2.9	2	2	0.4	0.1	0.4
Max	16,533	8,777	15,645	1,024	45.2	3,299	49.6	2,717	33.7	139.6	112.7	37.7
Median	296	151	267	30	10.4	59	20.9	38	13.3	9.2	6.6	1.8
CV	1.8	1.9	1.9	1.8	0.5	2	6.6	2.2	0.3	1.3	0.8	1.3
<b>Riacho de Areia (n=2,844)</b>												
Mean	1,134	633	951	183	16.9	335	28.3	199	15.7	7.4	12.9	9.3
Min	16	7	10	1	0.8	3	1.2	1	0.6	0.4	0	0
Max	39,160	38,638	28,916	14,038	73.3	23,452	72.2	12,872	55.8	99.7	774.2	767.7
Median	889	475	738	133	16.5	251	28.9	145	16.1	6.4	9.8	6.6
CV	1.5	1.9	1.5	1.9	0.5	1.9	8.3	2.1	0.3	0.8	1.8	2
<b>Velhinhas (n=468)</b>												
Mean	1,619	848	1,496	123	13.6	383	23.8	300	13.3	6.1	17.5	4
Min	14	5	7	1	1.3	1	1.7	0	0.4	0.4	0	0
Max	62,251	33,551	57,184	5,204	73.3	16,593	66.7	13,084	58	73	383.2	166.4
Median	204	89	191	20	9.4	41	20.9	21	13	2.6	6.3	0.9
CV	3.3	3.4	3.3	3.8	0.9	3.7	12.4	3.7	0.6	1.6	2.2	3.5



	La <sub>2</sub> O <sub>3</sub> ppm	CeO <sub>2</sub> ppm	Pr <sub>6</sub> O <sub>11</sub> ppm	Nd <sub>2</sub> O <sub>3</sub> ppm	Sm <sub>2</sub> O <sub>3</sub> ppm	Eu <sub>2</sub> O <sub>3</sub> ppm	Gd <sub>2</sub> O <sub>3</sub> ppm	Tb <sub>4</sub> O <sub>7</sub> ppm	Dy <sub>2</sub> O <sub>3</sub> ppm	Ho <sub>2</sub> O <sub>3</sub> ppm	Er <sub>2</sub> O <sub>3</sub> ppm	Tm <sub>2</sub> O <sub>3</sub> ppm	Yb <sub>2</sub> O <sub>3</sub> ppm	Lu <sub>2</sub> O <sub>3</sub> ppm	Y <sub>2</sub> O <sub>3</sub> ppm
<b>Três Braços (n=1121)</b>															
Mean	167.7	364.2	30.8	96.5	14.1	1.5	10.8	1.3	6.8	1.2	3.1	0.4	2.9	0.4	34.0
Min	5.5	8.6	0.9	2.4	0.1	0.0	0.0	4.7	0.3	0.0	0.0	0.0	0.1	0.0	1.3
Max	2,393.0	4,185.8	396.9	1,388.4	278.0	69.6	289.3	44.9	303.0	63.2	186.0	2,040.4	151.2	21.5	2,001.9
Median	122.6	313.1	21.1	64.7	9.0	0.4	6.3	0.7	3.3	0.6	1.5	0.2	1.5	0.3	15.8
CV	1.1	2.2	1.2	1.3	1.5	3.1	1.9	2.3	2.7	3.0	3.4	3.2	3.0	2.7	3.4
<b>Boca da Mata (n=546)</b>															
Mean	145.9	322.7	23.9	72.1	9.0	1.2	5.9	0.8	3.7	0.7	1.6	0.3	1.9	0.3	15.0
Min	4.0	10.7	0.0	1.0	0.1	0.0	0.0	3.4	0.0	0.0	0.0	0.0	0.2	0.0	1.4
Max	3,037.8	5,318.0	631.7	2,048.2	274.9	69.5	135.7	15.9	79.6	12.5	28.7	2,590.2	19.9	2.9	241.0
Median	84.5	233.4	11.8	32.8	3.9	0.3	3.0	0.4	1.9	0.4	1.1	0.2	1.4	0.2	10.1
CV	1.9	3.5	2.1	2.2	2.3	3.6	2.0	2.1	1.9	1.7	1.5	1.3	1.2	1.3	1.5
<b>Cachoeirinha (n=287)</b>															
Mean	149.6	324.1	21.7	62.3	8.7	1.0	5.5	0.8	4.3	0.8	2.4	0.4	2.7	0.4	19.2
Min	6.1	27.1	1.2	3.7	0.8	0.1	0.6	5.2	0.6	0.1	0.5	0.1	0.7	0.1	4.3
Max	623.0	1,244.2	125.7	464.7	80.0	10.0	54.7	7.4	34.7	5.0	10.9	531.2	9.5	1.4	96.3
Median	105.6	247.2	12.4	31.6	3.9	0.4	2.7	0.5	2.6	0.5	1.6	0.3	2.0	0.3	14.0
CV	0.9	2.0	1.2	1.3	1.5	1.6	1.4	1.3	1.1	0.9	0.8	0.7	0.7	0.7	0.8
<b>Monte Alto (n=3,744)</b>															
Mean	1,039.4	2,231.7	179.5	528.2	68.0	3.2	52.9	6.8	35.8	6.5	17.5	2.3	14.5	2.0	172.8
Min	1.8	6.9	0.0	0.1	0.1	0.0	0.0	1.5	0.0	0.0	0.0	0.0	0.1	0.0	0.7
Max	90,100	206,100	16,500	46,900	6,200	147	4,600	701	3,200	583	1,780	76,825	1,300	133	16,790
Median	133.5	342.5	19.5	57.7	8.1	0.7	6.6	0.9	5.2	1.0	2.8	0.4	3.1	0.5	24.9
CV	4.8	12.4	4.9	4.8	4.5	2.7	4.4	4.5	4.4	4.3	4.3	4.1	4.0	3.8	4.4
<b>Machado (n=530)</b>															
Mean	235.9	486.6	42.4	130.5	19.5	1.7	15.0	2.0	12.7	2.5	7.5	1.2	8.4	1.3	71.5
Min	4.7	28.4	0.4	1.6	0.1	0.0	0.0	4.0	0.0	0.0	0.1	0.0	0.3	0.1	1.8
Max	3,775.9	4,365.6	820.4	2,507.4	414.9	71.7	307.1	29.8	189.9	31.2	85.7	3,219.6	97.9	13.5	825.9
Median	139.2	396.3	26.0	80.1	10.6	0.5	8.7	1.1	7.6	1.7	5.2	0.9	7.2	1.1	49.0
CV	1.6	2.2	1.6	1.6	1.6	2.9	1.6	1.5	1.3	1.2	1.1	1.0	0.9	0.9	1.1
<b>Mucuri (n=116)</b>															
Mean	257.8	576.3	53.2	177.3	26.8	3.3	22.5	3.2	13.8	2.3	4.8	0.6	3.7	0.6	42.0
Min	18.1	33.0	1.5	4.0	0.6	0.0	0.6	15.4	0.0	0.1	0.3	0.0	0.2	0.0	2.1
Max	943.6	3,713.6	168.1	660.5	115.4	18.6	102.9	14.0	64.8	10.1	21.8	804.6	14.8	2.0	203.0
Median	243.4	508.3	41.2	117.0	13.2	1.2	10.8	1.6	6.4	1.1	2.6	0.4	2.6	0.4	20.9
CV	0.7	2.2	0.8	0.9	1.1	1.3	1.1	1.1	1.1	1.0	1.0	0.9	0.8	0.8	1.0
<b>Palmeirinha (n=1,181)</b>															
Mean	133.2	254.3	22.2	66.9	11.1	1.1	8.7	1.3	6.3	1.1	2.9	0.4	3.0	0.5	23.4
Min	6.0	11.4	0.7	1.7	0.3	0.1	0.5	5.1	0.4	0.1	0.4	0.1	0.6	0.1	1.3
Max	5,173.0	7,755.5	715.8	2,000.7	245.5	26.5	258.8	38.0	163.6	19.8	37.7	4,410.8	26.0	4.3	308.8
Median	83.3	143.4	10.9	26.9	3.8	0.4	2.6	0.4	2.6	0.5	1.8	0.3	2.3	0.4	14.1
CV	1.9	4.1	2.1	2.2	2.4	2.4	2.7	2.6	2.2	1.7	1.3	1.0	0.9	0.8	1.3
<b>Riacho de Areia (n=2,844)</b>															
Mean	250.6	500.8	46.5	152.8	23.1	2.8	19.0	3.0	16.2	3.3	9.3	1.4	9.6	1.4	94.3
Min	3.4	4.4	0.3	0.6	0.1	0.0	0.0	2.9	0.0	0.0	0.0	0.0	0.1	0.0	0.5
Max	11,728	12,284	1,850	11,664	1,159.6	852.8	1,152.6	375.1	1,147.7	314.2	767.7	10,000.0	521.5	65.5	7,589.8
Median	180.8	399.3	34.3	110.3	17.0	1.4	14.3	2.1	11.7	2.3	6.6	1.0	6.9	1.0	66.7
CV	2.0	3.4	1.7	2.2	1.8	5.9	1.8	2.7	1.9	2.2	2.0	1.8	1.7	1.6	2.0
<b>Velhinhas (n=468)</b>															
Mean	424.7	771.4	72.9	227.0	30.8	1.8	21.2	2.4	12.5	2.0	4.0	0.5	2.8	0.4	44.7
Min	0.1	4.4	0.0	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.2	0.0	0.0
Max	15,400	28,700	2,870.0	10,213	1,300.0	41.0	979.6	123.9	576.4	83.8	166.4	13,131.0	74.6	8.0	1,855.7
Median	43.7	111.2	5.6	15.4	1.3	0.2	1.8	0.2	1.5	0.3	0.9	0.1	1.1	0.2	10.0
CV	3.1	6.8	3.4	3.8	4.0	2.7	4.0	4.4	4.0	3.6	3.5	3.0	2.3	1.8	3.6

Notes:

- TREO = La<sub>2</sub>O<sub>3</sub> + CeO<sub>2</sub> + Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub>
- MREO = Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub>
- LREO = La<sub>2</sub>O<sub>3</sub> + CeO<sub>2</sub> + Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub>
- HREO = + Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub>
- NdPr = Nd<sub>2</sub>O<sub>3</sub> + Pr<sub>6</sub>O<sub>11</sub>
- % NdPr = NdPr/TREO
- % HREO = HREO/TREO
- U3O8 and ThO2 are deleterious elements

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BRAZILIAN RARE EARTHS  
Independent Technical Assessment Report



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## Appendix C – Site Visit Report



## MEMORANDUM

<b>To:</b>	Sonia Konopa, David Williams
<b>Cc:</b>	Sifiso Siwela
<b>Date:</b>	March 20, 2023
<b>From:</b>	Pete Siegfried (Associate Principal Geologist)
<b>Re:</b>	<b>Brazilian Rare Earths – Rocha da Rocha Project, Brazil – Site Visit Report</b>

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### 1. INTRODUCTION

This site visit report details key observations made as part of the verification process for the ITAR which ERM Australia Consultants Pty Ltd trading as CSA Global (CSA Global), is preparing for Brazilian Rare Earths (BRE). The company has been exploring for Rare Earth Elements (REE) in the region of Bahia Province of Brazil over the last year and a half and requested an independent review of the geological and exploration activities carried out to date.

Historical work in the area has shown the presence of significant radiometric (Th) anomalies. Drilling has demonstrated there to be highly anomalous values of REE contained within the regolith. This includes both potential ionic clay hosted, as well as residual monazite hosted, REE mineralisation. The company requires assistance with the definition of a resource statement as well as in detailing the origin and geological setting of the deposits which may allow for further and more effective exploration to be completed over the greater area. The company has recently acquired a sonic drill after only previously using auger drilling. This is noted to be a hugely positive change in both speed of drilling, sample coherency and recovery, but more importantly sees a significant increase in the depth of the drill holes completed.

The author conducted a site visit to the Rocha de Rocha project outside Uraiba, Bahia, Brazil between the 14<sup>th</sup> and 16<sup>th</sup>, March, 2023. The Itinerary was as follows:

Day 1. Drive to site, review core, core yard storage, review sample preparation, auger sample storage facilities, auger sample preparation process.

Day 2. Drill site visit. Auger hole in process and set up, historical auger holes, sonic drill in process and set up, historic sonic drill holes in field.

Geological review, new target areas, state of knowledge, exploration planning, model of mineralisation

Day 3. Geophysical (radiometric review), historic and new survey planning. Detailed database review, sample and QAQC, standards and protocols, pXRF sample process and preparation, return to Salvador.



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## 2. SITE VISIT

This was completed by the author together with BRE staff and management. Access was by gravel road in a 4x4 vehicle, and Figure 1 shows the track log for the drill sites visited during the site visit.

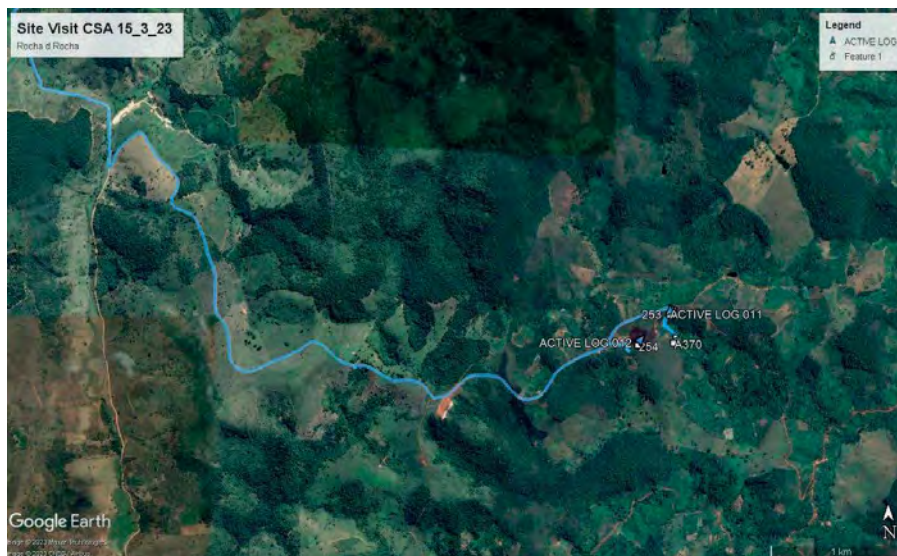


Figure 1. Track log for field visit of Rocha da Rocha project and auger and sonic drill sites reviewed.

At the first site auger rig set up, drilling process and sampling procedures were assessed. Three samples are collected every meter and bagged, and samples are described and collected for geological logging. PPE, safety and site set up were also reviewed and found to be very professionally conducted on all levels. Standard Operating Procedures (SOP) were seen to be followed properly.





Figure 2. Auger site set up with bubble levelled metal collar protector in place. This is positioned after first meter completed (A horizon/organic material). Foot hold allows drilling down to 30 m.



Figure 3. Sample collection after removal from auger bit. Bit cleaned with wire brush, while samples are removed using rubber hammer.

A visit was then made to a recently started sonic drill site (SSU0022). Observations of the drill set up was that it is very professional, with a well-trained and very proficient team on site. Drilling process, core recovery and storage were reviewed and found to be of good industry standards (Figures 4 and 5). Samples are transported by 4x4 vehicle each day, with two shifts per day completed.

From the SSU0022 drill site, a foot traverse was made to historical auger hole (STU0370) and the collar waypoint recorded as (13°20'47.03"S; 39°37'11.31"W).

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Figure 4. Sonic rig set up and safe drill site display. Gravel chips placed around rig working site prevent slippage.



Figure 5. Clay regolith being laid out into 10cm graduated plastic core boxes.

Core 'recovery' is consistently slightly 'under-reported' even though 100% recovery is clear. This was explained to the author as a function of when water is used to push the clay from the barrel, the unconsolidated core may become slightly compressed.

A traverse was made along a drill access road where a road cutting (Figure 6) shows exposure of the regolith, 'blocos rolados' and correlation with radiometric survey anomalies.



Figure 6. Monazite rich remnant boulder exposed during excavation of drill access road.

Historic sonic drill holes were visited (SSU019, SSU024, SSU025) and include the following waypoints as shown in Table 1.

Table 1. Waypoint positions for select drill holes.

DRILL HOLE	LATITUDE	LONGITUDE	BRE DATABASE	
STU0370	13°20'47.03"S;	39°37'11.31"W	432647	8524474
SSU022	432869	8524670	432800	8524656
SSU024	13°20'47.53"S	39°37'19.73"W	432620	8524462
SSU025	432639	8524473	432647	8524456



Figure 7. Completed sonic drill hole in field.



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## 3. AUGER SAMPLE STORE AND SONIC CORE SHED (GALPAO) VISIT

Two separate sample processing and storage sites are located for samples. Both are located in the town of Uraiba, and each are dedicated to the different drilling style in use. Firstly, a visit was completed to the sonic drill logging, sampling and processing facility which was found to be of a good standard (Figure 8). It is noted that storage will soon become limited if drilling continues with the second sonic rig arriving on site. Additional storage is being acquired.



Figure 8. Sonic drill core storage galpao.

Core samples are unpacked, quick logged, sample divisions are labelled, including QAQA insertion numbers, the core is photographed (Figure 9), then sampled (1/4 core) using a putty knife, bagged and labelled (sample labels are internally vacuum packed into the sample bag). All data is captured on computer tablets during the process. Data is continuously uploaded.



Figure 9. Core photography being carried out.

A new methodology/tool (Figure 10) has been implemented that includes the recovery of 3 samples for each meter for pXRF studies. The entire process from sample collection, drying and preparation of vacuum pressed

pellets, through to analysis and download of geochemical data into the database was reviewed. All sample pellets are sealed in sample bags and archived.



*Figure 10. Vacuum apparatus and preparation of compressed clay discs for XRF analysis. The pellet may be noted on the sheet of paper and is the correct size for use in the hands free XRF unit used.*

Comparison of historical ICP results and analysis by XRF is being planned so as to better understand use of the machine as well as the common matrix effects which may be associated with the use of this method of analytical chemistry. The SOP has been shared as well as items of user interest. It is apparent that this is an invaluable technique and as it is clear that geological domaining going forward should take the form of geochemical characterisation. This will be vital for hands on determination of rock type but will also allow a significant reduction in costs in being able to know which intervals should be sampled and submitted for ICP analysis.

The second sample facility (Galpao) visited is dedicated to collection, processing and archiving of the auger samples. These samples arrive in bags, are then semi-dried, broken apart and put through -10 mm sieve (Figure 11). Samples are then cone and quartered using the instrument shown in Figure 12.

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Figure 11. Drying, sieving and homogenisation of single 1-meter auger samples.



Figure 12. Cone and quartering of 1 m auger sample.

Two samples are collected from alternate sides, and these are weighed (Figure 13). These should be within +/- 10% weight difference to be acceptable for analysis, and the second sample is kept as an assay reference sample and stored on site.



Figure 13. Samples being weighed for use as laboratory samples.

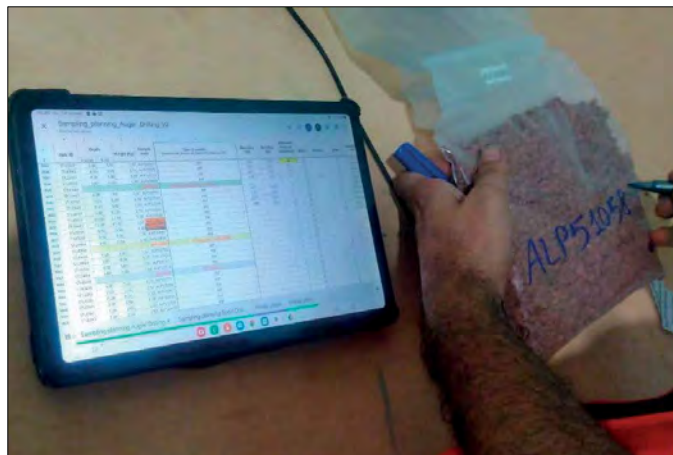


Figure 14. Data base entry management on tablet for auger sample entry.

#### 4. INSPECTION OF DRILL CORE AND AUGER SAMPLES

A number of sonic holes were inspected in the Galpao with visible primary as well as secondary monazite mineralisation visible. These rocks are friable and it will be a challenge to determine density from these rocks with the present techniques being employed. The determination of density has to date consisted of column water displacement and measurement of standard annular size to calculate density. It appears that the auger samples may be significantly under-represented. Certainly the most mineralised core observed was highly friable and clearly very dense. It is recommended that consideration be given to use a gamma downhole density probe to establish a more rigorous measure of bulk density.

Sonic core is of exceptional high quality. Although marked colour variations are seen in some of the core it appears that sampling overrides these at this stage of the process. It needs to be seen going forward how best



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to integrate the importance of associating recognisable geology with the mineralisation, and this will therefore dictate any changes to logging and sampling procedures.

## 5. REVIEW OF KEY DATA

The data base was reviewed together with chief geologist Matheus Oliveira and specific questions were able to be answered during the review. Collar surveys are made in the field using the Brazilian RFG system as triangulation. The system used is UTM but as the many target areas straddle a number of Zones it has been decided to use geographical latitude longitude co-ordinate system in line with central meridian 39°W. Drill holes recorded in WGS84 and SIRGAS2000 (<https://www.sirgas.org/pt/sirgas-realizations/sirgas2000/>).

No downhole survey is undertaken due to the shallow and vertical nature of the auger drill holes. The new sonic drill holes are not surveyed and it is not anticipated for there to be any deviation during drilling.

The geology logs were not reviewed in detail as sampling is completed on a meter by meter basis with limited geological divisions. These include laterite, mottled zone, saprolite saprock and fresh rock of which the latter is hardly ever encountered. It is important that in future further focus on geological characterisation be made, and an attempt to integrate visual observations with chemistry will be an important part of this process.

Photographic logs were not reviewed but are recorded, as well as mini-box sample of the auger samples.

The CRM certificates were reviewed prior to arriving on site. It was recommended that they be included within the data folders pertaining to QAQC and this has been done. CRM's include OREAS25a, OREAS 30a, OREAS106, OREAS147, OREAS460.

A separate folder combines all the QAQC results which appear within expected norms. However, review of SOP as well as early SOP review shows that the rate of insertion for CRM as well as blanks should be increased. The SOP advises 1 in 40 and this should be 1 in 20 (5%). Internal protocols need to be generated for the XRF as not all of the current CRM's may be appropriate because of matrix effects.

The SOP were made available for review.

## 6. DATABASE REVIEW AND OVERVIEW

The database manager Yuri Gomes advised that there is discussion about upgrading to Acquire or another database system in the near future. Data back-up systems were not observed during the visit but CSA Global was informed they are done. The review of the geological and survey information during the site visit allowed for reasonable confidence in the data management.

## 7. SCOPE OF WORK PROCEDURES

These documents were not reviewed, however, as drilling work is completed by the company itself no drill contracts are needed. The contract and arrangement with SGS is unknown but CSA Global assumes they are in place.

## 8. INTERPRETATION AND MODELLING

To date mineralization has been geologically modelled as a fairly simple, flat regolith (Figure 15). However the recent recognition of important underlying protolith control, as well as high grade mineralisation along with internal variability, means this model needs extensive re-assessment. Figure 16 shows an example of a mineralised sample of secondary monazite fracture coating of friable monazite rich saprolite. CSA Global understand that BRE are revising their interpretation based on all the new data and will be updating the model accordingly.

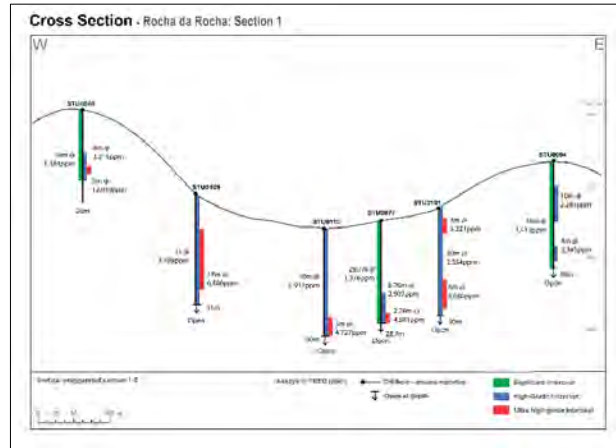


Figure 15. BRE cross section showing the grade defined portions at about 20 m vertical depth.



Figure 16. Secondary monazite coating fracture of friable monazite rich saprolite.

## 8. CSA GLOBAL OPINION

CSA Global is of the opinion that in summary the project is consistent with the exploration of both a new style of potential REE mineralisation, combined with an ongoing drilling and sampling programme which is confirmed to be well organised and executed.

A review of all aspects of data collection including ongoing exploration drilling, processing and sampling shows that the procedures used and the adherence to the prescribed Standard Operating Procedures (SOP) is compliant and of good industry quality. CSA Global recommends that the Project would benefit by the introduction of some additional new system parameters.

CSA Global recommends that radiation monitoring procedures, including the education of all staff regarding safety aspects, should be introduced to take into account the presence of monazite. This should include establishing SOP, provision of dosimeters and radiation monitoring as well as NORM best practice.

# 7. Independent Technical Report continued



## Appendix D - JORC Table 1

### Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <li>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<p>Auger samples were recovered directly from the auger bucket and placed onto a polypropene tarp, photographed, and geologically logged in the field. The samples were transported to the Company's exploration facility where they were sieved through a 10 mm by 10 mm screen. The oversized material was mechanically pulverized prior to being re-combined with the undersized material on a plastic tarp. The sample was homogenised by working the material back and forth on tarp and was then split into two portions: one for assay and another for archive. The split for assay was placed in pre-numbered sample bags for shipment to the laboratory for ICPMS analysis. The other portion was bagged and stored onsite in a secure warehouse as archive material. The collected sample interval lengths are 1 m with some variation depending on sample recovery and geological unit boundaries.</p> <p>Sonic core holes were drilled using 2 m run lengths. Drill core was collected directly from a core barrel and placed in pre-labelled core trays. Run interval depths were measured and recorded. Drill core was transported to the Company's exploration facility where it was measured for recovery, geologically logged, and photographed. Core was then split using a knife into two quarter core samples: one for assay and another for archive. Half of the core remained in the core tray. The split for assay was placed in pre-numbered sample bags for shipment to the laboratory for ICPMS analysis.</p> <p>Grab samples were collected from corestones, subcrop and outcrop using a rock hammer to obtain representative rock fragments with an average weight of 0.6 kg. Rock fragments were placed in pre-numbered sample bags in the field and then transported to the Company's exploration facility for shipment to the laboratory for ICPMS analysis.</p> <p>All mineralisation encountered at the project to-date has been directly determined through quantitative laboratory analytical techniques that are detailed in the sections below.</p>
Drilling techniques	<ul style="list-style-type: none"> <li>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</li> </ul>	<p>Auger drilling was conducted by the Company using a 0.05 m diameter x 0.4 m long clay soil auger bucket with 0.5 m to 1 m long rods rotated by a gasoline engine with hand-holds. The auger bucket was advanced by adding rods until either groundwater was reached (which degrades sample</p>



Criteria	JORC Code explanation	Commentary
		<p>quality) or refusal due to rock or hard saprolite. Auger drilling has a maximum operational limit of 30 m deep. The average auger hole depth is 18 m.</p> <p>Sonic drilling was conducted by the Company and utilized a 2 m long single wall barrel to obtain 0.076 m diameter core, or a 2 m long double wall core barrel to obtain 0.068 m diameter core. The sonic drill string is advanced until either rock or hard corestones are encountered, or operational limits are reached. Outer casing is used when the water table or poor recovery is encountered. Water is used as a drilling fluid as necessary and to aid in extruding material from the core barrel. The sonic drill rig has a maximum operational depth limit of 60 m. The average sonic hole depth is 35 m. Sonic core is not oriented.</p> <p>All holes are drilled vertically.</p>
<p><i>Drill sample recovery</i></p>	<ul style="list-style-type: none"> <li>• <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i></li> <li>• <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i></li> <li>• <i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i></li> </ul>	<p>Samples collected from auger drilling were checked by the technician at the rig to ensure they represented of the interval drilled. When fall-back was noted, fallen material was removed before sample collection.</p> <p>For sonic drilling, casing is used to minimize fall back. The recovered sonic core was measured and the length was divided by the interval drilled and expressed as a percentage. This recovery data was recorded in the database.</p> <p>If poor recovery is encountered drill speed was decreased. If poor recovery at the beginning of a hole was persistent, the hole was redrilled at a nearby location.</p>
<p><i>Logging</i></p>	<ul style="list-style-type: none"> <li>• <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i></li> <li>• <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i></li> <li>• <i>The total length and percentage of the relevant intersections logged.</i></li> </ul>	<p>Recoveries are estimated to be nearly 100% for the auger and sonic drilling. There does not appear to be a relationship between sample recovery and grade or sample bias due to preferential loss or gain of fine or coarse material with these drilling and sampling methods.</p> <p>Each auger drillhole interval was logged in the field by the onsite technician. Each auger sample was arranged on a plastic sheet to align with the likely in-situ position and was then photographed in its natural condition prior to transport to the exploration facility. Photos show auger hole number and drill run lengths.</p> <p>All sonic drill core was logged at the Company's exploration facility by the logging geologist. Sonic core was photographed wet in core boxes immediately before sampling. Core photos show sample numbers, drill run lengths for material in the core box.</p>

# 7. Independent Technical Report continued



Criteria	JORC Code explanation	Commentary
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> <li>• <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i></li> <li>• <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i></li> <li>• <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i></li> <li>• <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i></li> <li>• <i>Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p>Logging included qualitative determinations of primary and secondary lithology units, weathering profile unit (mottled zone, lateritic zone, saprock, saprolite, etc.) as well as colour and textural characteristics of the rock.</p> <p>GPS coordinates as well as geological logging data for all drillholes were captured in a Microsoft Excel spreadsheet and uploaded to the project database. Data was collected in sufficient detail to support Mineral Resource estimation.</p> <p>Each auger sample was sieved through a 10 mm by 5 mm screen. The oversized material mechanically pulverized prior to being re-combined with the undersized material on a plastic tarp. The sample material was homogenized by working it back and forth on the tarp, and then split using the cone and quarter method to produce sub-samples for assaying and archiving. Auger samples were processed with natural moisture content. Otherwise, samples too wet for effective screening were air dried naturally prior to processing.</p> <p>Core from sonic drilling was split to obtain quarter core sub-samples for assaying. Core sample intervals were typically 1 m in length with a minimum of 0.1 m and a maximum of 3.0 m. Interval lengths took into account lithological boundaries (i.e. sample was to, and not across, major contacts). To avoid selection bias, the right of core was consistently sampled and the bottom half retained in the core tray for archiving.</p> <p>To minimize cross contamination sampling tools, such as the plastic tarp, screen, and cutting tools were cleaned using compressed air between samples.</p> <p>Field duplicates were completed at frequency 1:20 samples to evaluate the sample collection procedures to ensure representativeness and show good reproducibility. Duplicate analyses of coarse crush and pulp material were provided by SGS.</p> <p>Auger and sonic sub-samples submitted for assaying had an average weight of 1.2 kg. Grab samples had an average weight of 0.65 kg. Submitted samples of all types have appropriate mass to represent the material collected which includes ionic clay REE mineralisation and microparticle to sand sized monazite grains.</p>
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (eg standards, blanks,</i></li> </ul>	<p>The auger and sonic drilling samples, and grab samples were assayed by SGS Geosol in Vespasiano, Minas Gerais, Brazil, which is considered the Primary laboratory.</p> <p>The samples were initially dried at 105 degrees Celsius for 24 hours. Samples were crushed to 75% passing the 3 mm fraction and the weight was recorded. The sample was reduced on a rotary splitter and then 250 g to 300 g of the sample was pulverized to 95% passing 75 µm. Residues were stored for check analysis or further exploration purposes.</p>



Criteria	JORC Code explanation	Commentary																																																
	<p><i>duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</i></p>	<p>The assay technique used for REE was Lithium Borate Fusion ICP-MS (SGS Geosol code IMS95A). This is a total analysis of the REE. Elements analysed at ppm levels were as follows:</p> <table border="1" data-bbox="496 636 600 1111"> <tr><td>Ce</td><td>Co</td><td>Cs</td><td>Cu</td><td>Dy</td><td>Er</td><td>Eu</td><td>Ga</td></tr> <tr><td>Gd</td><td>Hf</td><td>Ho</td><td>La</td><td>Lu</td><td>Mo</td><td>Nb</td><td>Nd</td></tr> <tr><td>Ni</td><td>Pr</td><td>Rb</td><td>Sm</td><td>Sn</td><td>Ta</td><td>Tb</td><td>Th</td></tr> <tr><td>Tl</td><td>Tm</td><td>U</td><td>W</td><td>Y</td><td>Yb</td><td></td><td></td></tr> </table> <p>The assay technique used for major oxides and components was Lithium Borate Fusion ICP-OES (SGS Geosol code ICP95A). This is a total analysis for the elements analysed % and ppm (Ba, V, Sr, Zn, Zr) levels as listed below:</p> <table border="1" data-bbox="691 683 794 1066"> <tr><td>Al<sub>2</sub>O<sub>3</sub></td><td>Ba</td><td>CaO</td><td>Cr<sub>2</sub>O<sub>3</sub></td></tr> <tr><td>Fe<sub>2</sub>O<sub>3</sub></td><td>K<sub>2</sub>O</td><td>MgO</td><td>MnO</td></tr> <tr><td>Na<sub>2</sub>O</td><td>P<sub>2</sub>O<sub>5</sub></td><td>SiO<sub>2</sub></td><td>Sr</td></tr> <tr><td>TiO<sub>2</sub></td><td>V</td><td>Zn</td><td>Zr</td></tr> </table> <p>Analysis for Scandium (Sc) was made by 4-Acid ICP-AES Analysis (SGS Geosol code ICM40-FR).</p> <p>Accuracy was monitored through submission of certified reference materials (CRMs) supplied by OREAS North America Inc. CRM materials (25a, 106, 147 and 460) cover a range of REE grades and were inserted within batches of sonic and auger drill samples, and grab samples, at a frequency of 1:20 samples. CRMs were submitted as “blind” control samples not identifiable by the laboratory and were alternated to span the range of expected grades within a group of 100 samples.</p> <p>Contamination was monitored by insertion of blank samples of coarse quartz fragments. Blanks were inserted within batches of sonic and auger drill samples, and grab samples, at a frequency of 1:40 samples. Blanks pass through the entire sample preparation stream to test for cross contamination at each stage. No laboratory contamination or bias were noticed.</p> <p>Precision and sampling variance was monitored by the collection ‘Field duplicate’ samples, predominantly from mineralised intervals, at the rate of 1:20 samples. Half core was split into two ¼ core samples to make field duplicate pairs that are analysed sequentially.</p> <p>The adopted QA/QC protocols are acceptable for this early stage of exploration. Examination of the QA/QC sample data indicates satisfactory performance of field sampling protocols and assay laboratory procedures. Levels of precision and accuracy are sufficient to allow disclosure of analysis results and their use for Mineral Resource estimation.</p>	Ce	Co	Cs	Cu	Dy	Er	Eu	Ga	Gd	Hf	Ho	La	Lu	Mo	Nb	Nd	Ni	Pr	Rb	Sm	Sn	Ta	Tb	Th	Tl	Tm	U	W	Y	Yb			Al <sub>2</sub> O <sub>3</sub>	Ba	CaO	Cr <sub>2</sub> O <sub>3</sub>	Fe <sub>2</sub> O <sub>3</sub>	K <sub>2</sub> O	MgO	MnO	Na <sub>2</sub> O	P <sub>2</sub> O <sub>5</sub>	SiO <sub>2</sub>	Sr	TiO <sub>2</sub>	V	Zn	Zr
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# 7. Independent Technical Report continued



Criteria	JORC Code explanation	Commentary
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<p>No independent verification of significant intersections was undertaken.</p> <p>Nineteen closely spaced twin holes were drilled using a sonic drill rig to verify the auger drilling and sampling methods. The total twinned meterage amounts to approximately 10% of all auger drilling at the Monte Alto and Riacho de Areia deposits. There does not appear to be a systematic bias associated with auger drill method. Mean assay values obtained by augering are not likely to be higher or lower than values obtained by sonic drilling.</p> <p>All assay results are checked by the company's Principal Geologist and Technical Director. Logging for drillholes was directly uploaded to the project database. Assay data and certificates in digital format from the laboratory are directly uploaded to the project database.</p> <p>Rare earth oxide is the industry-accepted form for reporting rare earth elements. The following calculations are used for compiling REO into their reporting and evaluation groups:</p> <p>Note that Y<sub>2</sub>O<sub>3</sub> is included in the TREO, HREO and CREO calculations.</p> <p>TREO (Total Rare Earth Oxide) = La<sub>2</sub>O<sub>3</sub> + CeO<sub>2</sub> + Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub> + Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub>.</p> <p>HREO (Heavy Rare Earth Oxide) = Sm<sub>2</sub>O<sub>3</sub> + Eu<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Er<sub>2</sub>O<sub>3</sub> + Tm<sub>2</sub>O<sub>3</sub> + Yb<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub> + Lu<sub>2</sub>O<sub>3</sub>.</p> <p>MREO (Magnet Rare Earth Oxide) = Nd<sub>2</sub>O<sub>3</sub> + Pr<sub>6</sub>O<sub>11</sub>Pr<sub>6</sub>O<sub>11</sub> + Tb<sub>4</sub>O<sub>7</sub> + Dy<sub>2</sub>O<sub>3</sub> + Gd<sub>2</sub>O<sub>3</sub> + Ho<sub>2</sub>O<sub>3</sub> + Sm<sub>2</sub>O<sub>3</sub> + Y<sub>2</sub>O<sub>3</sub>.</p> <p>LREO (Light Rare Earth Oxide) = La<sub>2</sub>O<sub>3</sub> + CeO<sub>2</sub> + Pr<sub>6</sub>O<sub>11</sub> + Nd<sub>2</sub>O<sub>3</sub>.</p> <p>NdPr = Nd<sub>2</sub>O<sub>3</sub> + Pr<sub>6</sub>O<sub>11</sub>.</p> <p>NdPr% of TREO = Nd<sub>2</sub>O<sub>3</sub> + Pr<sub>6</sub>O<sub>11</sub>/TREO x 100.</p> <p>HREO% of TREO = HREO/TREO x 100.</p> <p>Conversion of elemental analysis (REE) to stoichiometric oxide (REO) was undertaken by spreadsheet using defined conversion factors.</p>



Criteria	JORC Code explanation	Commentary																																																
		<table border="1"> <thead> <tr> <th>Element</th> <th>Factor</th> <th>Oxide</th> </tr> </thead> <tbody> <tr> <td><i>La</i></td> <td>1.1728</td> <td><i>La<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Ce</i></td> <td>1.2284</td> <td><i>Ce<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Pr</i></td> <td>1.2082</td> <td><i>Pr<sub>6</sub>O<sub>11</sub></i></td> </tr> <tr> <td><i>Nd</i></td> <td>1.1664</td> <td><i>Nd<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Sm</i></td> <td>1.1596</td> <td><i>Sm<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Eu</i></td> <td>1.1579</td> <td><i>Eu<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Gd</i></td> <td>1.1526</td> <td><i>Gd<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Tb</i></td> <td>1.1762</td> <td><i>Tb<sub>4</sub>O<sub>7</sub></i></td> </tr> <tr> <td><i>Dy</i></td> <td>1.1477</td> <td><i>Dy<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Ho</i></td> <td>1.1455</td> <td><i>Ho<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Er</i></td> <td>1.1435</td> <td><i>Er<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Tm</i></td> <td>1.1421</td> <td><i>Tm<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Yb</i></td> <td>1.1387</td> <td><i>Yb<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Lu</i></td> <td>1.1372</td> <td><i>Lu<sub>2</sub>O<sub>3</sub></i></td> </tr> <tr> <td><i>Y</i></td> <td>1.2699</td> <td><i>Y<sub>2</sub>O<sub>3</sub></i></td> </tr> </tbody> </table> <p>The process of converting elemental analysis of rare earth elements (REE) to stoichiometric oxide (REO) was carried out using predefined conversion factors on a spreadsheet. (Source: <a href="https://www.jcu.edu.au/advanced-analytical-centre/services-and-resources/resources-and-extras/element-to-stoichiometric-oxide-conversion-factors">https://www.jcu.edu.au/advanced-analytical-centre/services-and-resources/resources-and-extras/element-to-stoichiometric-oxide-conversion-factors</a>)</p> <p>Drill hole collars and grab sample sites were located by a handheld GPS.</p> <p>Downhole surveys are not collected for sonic and auger drilling. Drill holes are vertical and less than 30 m (auger) or 60 m (sonic). Therefore, drill hole deviation will result in errors that are not material to the reliability of drillhole trace projections.</p> <p>The accuracy of projected exploration data locations is sufficient for this early stage of exploration.</p> <p>The grid datum used is SIRGAS 2000 UTM 24S.</p> <p>Topographic control is provided by a DEM obtained from SRTM data at a lateral resolution of 30 m<sup>2</sup>.</p>	Element	Factor	Oxide	<i>La</i>	1.1728	<i>La<sub>2</sub>O<sub>3</sub></i>	<i>Ce</i>	1.2284	<i>Ce<sub>2</sub>O<sub>3</sub></i>	<i>Pr</i>	1.2082	<i>Pr<sub>6</sub>O<sub>11</sub></i>	<i>Nd</i>	1.1664	<i>Nd<sub>2</sub>O<sub>3</sub></i>	<i>Sm</i>	1.1596	<i>Sm<sub>2</sub>O<sub>3</sub></i>	<i>Eu</i>	1.1579	<i>Eu<sub>2</sub>O<sub>3</sub></i>	<i>Gd</i>	1.1526	<i>Gd<sub>2</sub>O<sub>3</sub></i>	<i>Tb</i>	1.1762	<i>Tb<sub>4</sub>O<sub>7</sub></i>	<i>Dy</i>	1.1477	<i>Dy<sub>2</sub>O<sub>3</sub></i>	<i>Ho</i>	1.1455	<i>Ho<sub>2</sub>O<sub>3</sub></i>	<i>Er</i>	1.1435	<i>Er<sub>2</sub>O<sub>3</sub></i>	<i>Tm</i>	1.1421	<i>Tm<sub>2</sub>O<sub>3</sub></i>	<i>Yb</i>	1.1387	<i>Yb<sub>2</sub>O<sub>3</sub></i>	<i>Lu</i>	1.1372	<i>Lu<sub>2</sub>O<sub>3</sub></i>	<i>Y</i>	1.2699	<i>Y<sub>2</sub>O<sub>3</sub></i>
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<i>Dy</i>	1.1477	<i>Dy<sub>2</sub>O<sub>3</sub></i>																																																
<i>Ho</i>	1.1455	<i>Ho<sub>2</sub>O<sub>3</sub></i>																																																
<i>Er</i>	1.1435	<i>Er<sub>2</sub>O<sub>3</sub></i>																																																
<i>Tm</i>	1.1421	<i>Tm<sub>2</sub>O<sub>3</sub></i>																																																
<i>Yb</i>	1.1387	<i>Yb<sub>2</sub>O<sub>3</sub></i>																																																
<i>Lu</i>	1.1372	<i>Lu<sub>2</sub>O<sub>3</sub></i>																																																
<i>Y</i>	1.2699	<i>Y<sub>2</sub>O<sub>3</sub></i>																																																
Location of data points	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>																																																	

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Criteria	JORC Code explanation	Commentary
<p><i>Data spacing and distribution</i></p>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing, and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>At all target areas laterally extensive REE enriched horizons are present in the regolith. These areas are tested by drilling at spacings ranging from approximately 80 m to 400 m in the north-south and east west directions.</p> <p>At Monte Alto, REE are predominantly hosted in the regolith by sand sized monazite grains distributed within a central high-grade zone. This zone is tested by drilling at 80 m grid spacings.</p> <p>For all mineralisation styles, the drill spacing is sufficient to establish geology and grade continuity in accordance with Inferred classification criteria.</p> <p>Composite sample grades are calculated by generating length weighted averages of assay values.</p> <p>The distribution of REE in the regolith horizons is largely controlled by vertical changes within the profile. Vertical drill holes intersect these horizons perpendicularly and obtain representative samples that reflect the true width of horizontal mineralisation.</p>
<p><i>Orientation of data in relation to geological structure</i></p>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<p>Drill hole orientations do not result in geometrically biased interval lengths.</p>
<p><i>Sample security</i></p>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<p>Grab samples are collected from single location points on outcropping material, or corestones, and do not represent a continuous sample along any length of the mineralised system.</p> <p>After collection in the field, the auger and grab samples were placed in sealed plastic bags that were then placed into larger polyweave bags labelled with the sample IDs inside and transported to the Company's secure warehouse. Sonic drill samples were transported in their core boxes.</p> <p>A local courier transported the samples submitted for analysis to the laboratory.</p> <p>A copy of all waybills related to the sample forwarding was secured from the expediter.</p>
<p><i>Audits or reviews</i></p>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data.</i></li> </ul>	<p>An electronic copy of each submission was forwarded to the laboratory to inform them of the incoming sample shipment.</p> <p>Once the samples arrived at the laboratory, the Company was notified by the laboratory manager and any non-compliance is reported.</p> <p>The laboratory did not report any issues related to the samples received.</p> <p>The Company engaged the services of Telemark Geosciences to review the sampling and analysis techniques used at the Project, and to establish a "Standard Operating Procedures" manual to guide exploration.</p>



Criteria	JORC Code explanation	Commentary
		CSA Global Associate Principal Consultant, Peter Siegfried has toured the Company's exploration sites and facilities and conducted reviews of sampling techniques and data. The Company has addressed recommendations and feedback provided by CSA Global.

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> <li>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	<p>The Project is 100% owned by, or to be acquired by, subsidiaries of Brazilian Rare Earths Limited (BRE), an Australian registered company. The Project is in the State of Bahia, North-eastern Brazil, and is comprised of 96 (ninety six) granted exploration permits registered at the Brazil's National Mining Agency covering a land area of approximately 1,410 km<sup>2</sup>. The Project also includes one application for an exploration permit, four applications for mining permits and two disponibilidades, as well as an option (described in the prospectus as the Amargosa Option Agreement) to acquire three additional granted exploration permits.</p> <p>All exploration permits are held by the Company's Brazilian subsidiaries directly or are to be acquired through agreements with third parties as detailed in the BRE prospectus.</p> <p>All mining permits in Brazil are subject to state and landowner royalties, pursuant to article 20, § 1, of the Constitution and article 11, "b", of the Mining Code. In Brazil, the Financial Compensation for the Exploration of Mineral Resources (Compensação Financeira por Exploração Mineral - CFEM) is a royalty to be paid to the Federal Government at rates that can vary from 1% up to 3.5%, depending on the substance. It is worth noting that CFEM rates for mining rare earth elements are 2%. CFEM shall be paid (i) on the first sale of the mineral product; or (ii) when there is mineralogical mischaracterization or in the industrialization of the substance, which is considered "consume" of the product by the holder of the mining tenement; or (iii) when the products are exported, whichever occurs first. The basis for calculating the CFEM will vary depending on the event that causes the payment of the royalty. The landowners royalties could be subject of a transaction, however, if there's no agreement to access the land or the contract does not specify the royalties, article 11, §1, of the Mining Code sets forth that the royalties will correspond to half of the amounts paid as CFEM.</p> <p>The exploration permits in the BRE Tenements section of Table 3 (but excluding exploration permit 871.929/2022 and 871.931/2022, and also excluding the application for exploration permit</p>

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		<p>871.928/2022) are subject to an additional 2.5% royalty agreement in favour of Brazil Royalty Corp. Participações e Investimentos Ltda (BRRCP).</p> <p>Outside of the ESEC, a further 35 tenements contain approximately 165 km that falls within a State Nature Reserve (APA Caminhos Ecológicos da Boa Esperança), in which mining activities are allowed if authorized by the local environmental agency.</p> <p>In the Brazilian legal framework, mining activities within sustainable use areas are not explicitly prohibited at federal, state, or municipal levels, despite that, the zone's management authority may prohibit mining, if it deems necessary, in the zone's management plan. Activities in these areas must reconcile economic development with environmental preservation. Mining operations impacting these areas require licensing approval from the respective zone's management authority. This authorization is contingent upon conducting thorough Environmental Impact Assessment (EIA) studies. These prescribed areas do not limit mining elsewhere on the Property. The tenements are secure and in good standing with no known impediments to obtaining a licence to operate in the area.</p>
<p><i>Exploration done by other parties</i></p>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<p>There were no previous exploration programs conducted by other parties for REEs in this area. Between 2007 and 2011 other parties conducted exploration on the Amargosa Tenements that included:</p> <ul style="list-style-type: none"> <li>• airborne magnetic and radiometric survey,</li> <li>• basement and regolith mapping (regionally at 50K:1 and approximately 140 km<sup>2</sup> at 10K:1),</li> <li>• surface sampling (1,388 samples on the BRE property),</li> <li>• and exploratory drilling.</li> </ul> <p>In total other parties completed 56,919 m of drilling in 4,257 drill holes on the property. Auger holes were 12 m deep on average with a maximum depth of approximately 30 m. Air core holes were 19 m deep on average with a maximum depth of approximately 50 m. Sonic holes were 30 m deep on average with a maximum depth of approximately 56 m. Drill hole locations were surveyed by professional surveyors using high precision geodetic GNSS or electronic total station equipment.</p> <p>No systematic assaying was undertaken for analysis of rare earth elements.</p> <p>As of the effective date of this report, BRE is appraising the exploration data collected by other parties.</p>



<p><i>Geology</i></p>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<p>The Company's tenements contain REE deposits interpreted as analogies to Ion Adsorption Ionic Clay ("IAC") deposits, and regolith hosted deposits of monazite mineral grains, and primary in-situ mineralisation.</p> <p>The Project is hosted by the Jequié Complex, a terrain of the north-eastern São Francisco Craton, that includes the Volta do Rio Plutonic Suite of high-K ferroan ("A-type") granitoids, subordinate mafic to intermediate rocks; and thorium rich monazitic leucogranites with associated REE. The region is affected by intense NE-SW regional shearing which may be associated with a REE enriched hydrothermal system.</p> <p>Exploration completed by the Company has focused on the regolith profile which is characterised by a REE enriched lateritic zone at surface underlain by a depleted mottled zone grading into a zone of REE-accumulation in the saprolite part of the profile.</p> <p>Local bedrock controls to mineralisation, such as faults or dykes, are not well understood. The company has initiated mapping of the limited bedrock exposures at property and proposes to undertake deeper drilling to create a model of the local geological setting.</p> <p>The main REE bearing minerals at the targets areas is microparticle to sand-size grains of monazite (1-1,000 µm) with minor amounts of REE-Al-Phosphate minerals. Mineralogical testing of ion adsorption clay rich samples from the project area is ongoing. Initial semi-quantitative XRD results identify an association between kaolinite and leachable REE mineralisation.</p> <p>All the details related to the drillhole information are in Appendix A.</p>
<p><i>Drill hole Information</i></p>	<ul style="list-style-type: none"> <li>• <i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i></li> </ul>	<p>All drill holes are vertical and the azimuth and dip is not reported.</p>
<p><i>Data aggregation methods</i></p>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> </ul>	<p>Downhole length weighted averaging is used to aggregate assay data from multiple samples within a reported intercept. No grade truncations or cut-off grades were applied.</p>

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	<ul style="list-style-type: none"> <li>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	No metal equivalent values are used.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>	All intercepts reported are down hole lengths. The geometry of mineralisation is interpreted to be flat in a weathered profile. The drilling is vertical and perpendicular to mineralisation. In the weathered profile down hole lengths correspond to true widths.
Diagrams	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	Diagrams, tables, and any graphic visualization are presented in the body of the report.
Balanced reporting	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced avoiding misleading reporting of Exploration Results.</li> </ul>	The report presents all drilling results that are material to the project and are consistent with the JORC guidelines. Where data may have been excluded, it is considered not material.
Other substantive exploration data	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	Detailed walking radiometer surveys have been completed on the target areas using a RS-230 Portable Gamma Spectrometer. In survey mode, the total count of radioactive elements is recorded in real time. Readings are taken at waist height (approximately 1 m from the surface), the sensor can capture values in a radius of up to 1 m <sup>2</sup> . Results show good correlation with geochemical data and the results of regional airborne surveys.
Further work	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<p>The company has estimated a Regolith Exploration Target with an effective date of July 1, 2023. The target is based on the results of BRE's previous drill programs. To further develop this target and potentially delineate and expand additional Mineral Resources, the Company will complete additional step-out and infill drilling to establish geological and grade continuity within the RCMP aiming for a drill spacing of 320 m x 320 m.</p> <p>Upcoming works aim to assess whether or not the project may become economically feasible including metallurgical recovery, process flowsheet and optimisation. Further resource definition through additional drilling and sampling, geological mapping, and regional exploration through additional land acquisition are also planned. No forecast is made of such matters.</p>

### Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> <li>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</li> <li>Data validation procedures used.</li> </ul>	<p>Coordinates as well as geological logging data for all drillholes were logged onto Microsoft Excel spreadsheet. Assay data is received in digital format from the laboratory and merged with the sampling data onto a Microsoft Excel spreadsheet. When finalized and validated the data is stored in a secure Google Drive database.</p> <p>An extract of the exploration database was validated for internal integrity via Leapfrog® validation functions. This includes logical integrity checks of data beyond the hole depth maximum, and overlapping from-to errors within interval data. Visual validation checks were also made for obviously spurious collar co-ordinates.</p>
Site visits	<ul style="list-style-type: none"> <li>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</li> <li>If no site visits have been undertaken indicate why this is the case.</li> </ul>	<p>The Competent Person visited the project areas twice and checked both auger and sonic drilling operations, sampling methods both at the drill site and exploration facility, data entry, and QA-QC procedures.</p> <p>The outcome of site visits was the determination that data has been collected in a manner that supports reporting a Mineral Resource Estimate (MRE) in accordance with the JORC Code, and controls to the mineralisation are well-understood.</p>
Geological interpretation	<ul style="list-style-type: none"> <li>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</li> <li>Nature of the data used and of any assumptions made.</li> <li>The effect, if any, of alternative interpretations on Mineral Resource estimation.</li> <li>The use of geology in guiding and controlling Mineral Resource estimation.</li> <li>The factors affecting continuity both of grade and geology.</li> </ul>	<p>The Project includes a combination of ionic clays and resistant REE minerals remaining in the weathered profile. REE mineralisation occurs within the regolith and saprolite zone.</p> <p>Mineralized zones are spread across the regolith profile and link to a provincial corridor of eTh (Thorium equivalent) anomalies in airborne radiometric survey data from the Volta do Rio Plutonic Suite. An anomaly of 50ppm eTh guides and controls the extent and continuity of the Company's regolith Exploration Target.</p> <p>The main REE bearing minerals in the Rocha da Rocha deposits are monazite (i.e. &gt;95%) with minor amounts of REE-Al-Phosphate minerals (i.e. &lt;5%). REE mineralisation occurs in a continuous saprolite horizon encountered in drill to depths of 60 m. The weathering profile is characterised by a REE enriched lateritic zone at surface, a depleted mottled zone grading into a zone of REE-accumulation in the lower part of the profile.</p> <p>The base of saprolite is modelled as an offset topography surface using manually digitized control points. The surficial geology model is used to control the extent of the MRE. A single mineralisation domain is generated for each deposit using the base of saprolite as a base and the topography surface</p>



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Criteria	JORC Code explanation	Commentary
<p><i>Dimensions</i></p>	<ul style="list-style-type: none"> <li><i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></li> </ul>	<p>as a ceiling. The base of saprolite surface is used to guide a dynamic search during resource estimation.</p> <p>Model extents are limited by a boundary polygon that defines extent of the mineralisation model. Continuity of mineralisation is limited by erosional incisions, or barren underlying rock types. The boundary is extrapolated from the nearest drill hole by 100 m-200 m on average (a distance corresponding to the variogram range) and occasionally up to 298 m.</p> <p>The Volta do Rio Plutonic Suite and associated eTh anomalies extend over 200 km in a north-south direction and range from 10 km to 20 km in width.</p> <p>The modelled north-south extent of each prospect ranges from 1.2 km to 2.44 km. The east-west extents range from 1.22 km to 5.55 km.</p> <p>Actual saprolite thickness has not been confirmed. The modelled thicknesses ranges from 5 m to 69 m where the deposit is tested by sonic drilling. Where the deposit is tested by auger drilling (with a maximum operational limit of 30 m) thickness ranges to 37 m. The median thicknesses ranges from 20 m to 31 m.</p> <p>The total area of the eight deposit models on the Project tenements is 13.5 km<sup>2</sup>. The total modelled volume is approximately 420 Mm<sup>3</sup>.</p> <p>On the property, the defined Exploration Target area spans a cumulative strike length of 100 km, a width of 1 to 10 km, and covers a total area of 380 km<sup>2</sup>. The target thickness is derived from the range of median thicknesses observed for resource models (20m -30m).</p>
<p><i>Estimation and modelling techniques</i></p>	<ul style="list-style-type: none"> <li><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></li> <li><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></li> <li><i>The assumptions made regarding recovery of by-products.</i></li> <li><i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></li> <li><i>In the case of block model interpolation, the block size in relation to the</i></li> </ul>	<p>Leapfrog™ 2023.1 and the Edge extension were used to perform the mineral resource estimation. Based on drill hole samples the geological domains are interpreted for 3-dimensional surface generation. Mineralisation was constrained by wireframe surfaces to give the best control interpolation of the grade. The geology model has a basement limited by the maximum operating limit of augers (30 m) or sonic drilling (60 m).</p> <p>Samples coded by the regolith deposit domain they fall within were composited to 1 m intervals, a length equal to the dominant drill sample interval, and were then evaluated for the presence of extreme grades. Domained samples underwent spatial analysis to define semi-variogram models for TREO grades and to develop search ellipsoids and estimation parameters.</p> <p>For grade interpolation, the inverse of the distance estimator (IDW<sup>2</sup>) was used to estimate an average of nearby samples weighted by a distance factor so far away points are less relevant.</p>



Criteria	JORC Code explanation	Commentary
	<p>average sample spacing and the search employed.</p> <ul style="list-style-type: none"> <li>Any assumptions behind modelling of selective mining units.</li> <li>Any assumptions about correlation between variables.</li> <li>Description of how the geological interpretation was used to control the resource estimates.</li> <li>Discussion of basis for using or not using grade cutting or capping.</li> <li>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</li> </ul>	<p>To search all drill hole densities successive ellipsoids pass are used. The primary search dimension 200 m x 150 m x 20 m (X x Y x Z) was used in assay data and the next pass was increased until covered the model area.</p> <p>Grade clamping was required for REE (La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu and Y) and deleterious elements U and Th. Clamping applied is based on statistics for each element in the estimation area towards outlier restrictions.</p> <p>The Octree block models are created with 80 m x 80 m x 5 m (X x Y x Z) parent cells dimensions and sub-block count 4 / 4 / 1. The dimensions applied represents 1/3 of the drill hole spacing. Parent cells typically englobe the drill holes and the resolution is refined by an octree system.</p> <p>No assumptions were made about the correlation between variables.</p> <p>15 rare earth element (REE) grades (La, Ce, Pr, Nd, Sm, Eu, Gd, Tb, Dy, Ho, Er, Tm, Yb, Lu and Y) and U and Th were estimated. A bulk density of 1.7 was applied based on similar deposits. In the final, the estimated elements' grades were converted to oxide values using well-established conversion factors to Rare Earths Oxide (REO).</p> <p>No mining exploitation occurred at the deposit.</p> <p>No by-product was considered.</p> <p>Further technological characterisation and metallurgical leaching testing of ionic clay samples may affect the extent of the mineralised zone and its marketing and economic features.</p> <p>The visual comparison of model grade statistics to drill data statistics was made for validation. Resource estimate interpolations were checked visually, statistically, and using an Ordinary Kriging estimate.</p> <p>Exploration target grade ranges are derived from the average MRE grades estimated at each IAC deposit area.</p> <p>Tonnages are reported on a dry basis.</p>
Moisture	<ul style="list-style-type: none"> <li>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</li> </ul>	<p>The weathered horizon has natural moisture of 5% which is determined from the weight lost during drying, measured by weighing the wet sample on a precision scale and placing the material in an oven</p>

# 7. Independent Technical Report continued



Criteria	JORC Code explanation	Commentary
<p><i>Cut-off parameters</i></p>	<ul style="list-style-type: none"> <li>The basis of the adopted cut-off grade(s) or quality parameters applied.</li> </ul>	<p>under 60°C for 24h, before weighing the sample again. The weight lost is equivalent to the moisture content of the sample.</p> <p>The MRE defines material as either suitable for i) leaching, or ii) gravity processing.</p> <p>Throughout the project, a selected 200 ppm TREO-CeO<sub>2</sub> cut-off grade defines material amenable to economic REO extraction by leaching. This value is aligned with REE Ionic Adsorbed Clays' peer projects elsewhere.</p> <p>Within the high-grade portion of the RDR deposit, a selected 800 ppm TREO-CeO<sub>2</sub> cut-off grade defines material with specifications amenable to gravity processing. The principal specification of material amenable to gravity processing is the availability of monazite grains for concentration. Monazite content is correlated with TREO-CeO<sub>2</sub> grade.</p> <p>The selected cut off grades are suitable to define the Mineral Resources amenable to the identified processing methods at the inferred confidence level, as well as the Exploration Target for the Project. The models extend to a maximum depth of 69 m where the deposit remains open. The Mineral Resource block models have a depth, geometry, and REE grades that make them amenable to exploitation by open pit methods. Inspection of sonic drill cores and the proximity of open pit mines in similar rock formations indicate that ground conditions are likely suitable for such a mining method.</p> <p>Given the early stage of the project, cut off grades and reasonable prospects for economic extraction were selected based on a review of publicly available information from more advanced projects with comparable mineralisation styles and comparable conceptual processing methods.</p>
<p><i>Mining factors or assumptions</i></p>	<ul style="list-style-type: none"> <li>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</li> </ul>	<p>The primary commodities targeted for extraction are REE in monazite and REE ionically adsorbed to clays. To investigate these materials, BRE have conducted: High Definition Mineralogical Analysis using QEMSCAN (Quantitative Evaluation of Materials by Scanning Electron Microscopy) was undertaken by SGS Minerals Services on composite samples from Monte Alto (4), Riacho de Areia - North (1), and Tres Bracos (1); and XRD analysis of 10 samples by Malvern Panalytical.</p> <p><b>Monazite</b> is identified as the primary REE mineral present in samples from Monte Alto, with minor amounts of REE-Al-Phosphate minerals. Where identified, monazite is predominantly present as &gt;30 µm liberated grains (27%-57%) or grains with complex associations (19%-58%).</p> <p>Processing methods for the concentration of monazite are well established. The characteristics of primary REE minerals support metallurgical amenability and Reasonable Prospects for Eventual Economic Extraction (RPEEE) by gravity processing.</p>
<p><i>Metallurgical factors or assumptions</i></p>	<ul style="list-style-type: none"> <li>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</li> </ul>	<p>The primary commodities targeted for extraction are REE in monazite and REE ionically adsorbed to clays. To investigate these materials, BRE have conducted: High Definition Mineralogical Analysis using QEMSCAN (Quantitative Evaluation of Materials by Scanning Electron Microscopy) was undertaken by SGS Minerals Services on composite samples from Monte Alto (4), Riacho de Areia - North (1), and Tres Bracos (1); and XRD analysis of 10 samples by Malvern Panalytical.</p> <p><b>Monazite</b> is identified as the primary REE mineral present in samples from Monte Alto, with minor amounts of REE-Al-Phosphate minerals. Where identified, monazite is predominantly present as &gt;30 µm liberated grains (27%-57%) or grains with complex associations (19%-58%).</p> <p>Processing methods for the concentration of monazite are well established. The characteristics of primary REE minerals support metallurgical amenability and Reasonable Prospects for Eventual Economic Extraction (RPEEE) by gravity processing.</p>



Criteria	JORC Code explanation	Commentary
		<p>Ionic clay hosted REE deposits are encountered throughout the region. On the Property, XRD results identify an association between low-grade REE mineralisation Kaolinite. QEMSCAN results from RDAN and TB composites contain insufficient amounts of REE minerals (&lt;0.3%) to accommodate assayed head grades of &gt;0.3% TREO, necessitating deproportion of REE in the relatively abundant kaolinite and illite in these composites. TREO grade is negatively correlated to particle size, with the highest grades in the sub 20 µm fraction.</p> <p>The company has undertaken the following testwork to investigate suitable leaching techniques and to characterize leach performance of materials at the project. In 2022, 36 samples were submitted for REE leaching tests at the Centro de Desenvolvimento da Tecnologia Nuclear – CDTN (Nuclear Technology Development Center) in Belo Horizonte, Minas Gerais State, Brazil. For 13 samples containing &lt;1,100 ppm TREO-CeO<sub>2</sub>, mainly associated with ionic clays, TREO-Ce O<sub>2</sub> extraction averaged 2.7%. Overall, extraction of HREO (32%) was better than LREO (21%).</p>
<p><i>Environmental factors or assumptions</i></p>	<ul style="list-style-type: none"> <li><i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i></li> </ul>	<p>Optimization of leaching techniques to improve extraction is ongoing, however initial results indicate a reasonable prospect for REE extraction from ionic clays by leaching.</p> <p>There are no assumptions for overburden waste and tailings at this time.</p> <p>No environmental sterilisation has been applied at this time due to the sparse population in these areas.</p> <p>In Brazil, the development of REE deposits within similar rock formations was not impeded by negative environmental impacts associated with their exploitation by open cut mining methods. Within the vicinity project area, there is sufficient space available for the storage of waste products arising from mining.</p>
<p><i>Bulk density</i></p>	<ul style="list-style-type: none"> <li><i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i></li> <li><i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i></li> <li><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></li> </ul>	<p>In situ dry bulk densities were assigned using a representative average for fresh rock, and the weathered regolith and saprolite horizon.</p> <p>Average bulk densities were derived from measurements of 156 fragments of sonic drill core collected across the Monte Alto and Riacho de Aireia deposits. Measurements were made by BRE geologists in the field using the displacement method. Core fragments are typically 5 cm to 30 cm in length and 170 cm<sup>3</sup> to 300 cm<sup>3</sup> in volume. The Competent Person considers the values chosen to be suitably representative.</p>

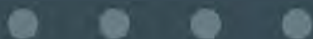
# 7. Independent Technical Report continued



Criteria	JORC Code explanation	Commentary
		<p>Moisture content of porous weathered rock is determined from the change in mass after samples are dried. Weathered rock has an average moisture content of 5%. Void spaces were adequately accounted for by coating samples in cling film.</p> <p>For the Monte Alto deposit, simple averages, rounded to one decimal place, were generated for fresh rock (2.77 t/m<sup>3</sup>, n=7) and saprolite (1.88 t/m<sup>3</sup>, n=146). The saprolite density is used to report all mineral resources.</p> <p>For the shallower RDAN, RDAC, BM, TB, MCR, MCD and VJH deposits, and the Exploration Target, a density of 1.7 was used.</p>
<i>Classification</i>	<ul style="list-style-type: none"> <li>The basis for the classification of the Mineral Resources into varying confidence categories.</li> <li>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</li> <li>Whether the result appropriately reflects the Competent Person's view of the deposit.</li> </ul>	<p>Mineral Resources at the Project have been classified as Inferred on a qualitative basis; taking into consideration numerous factors such as: the validity and robustness of input data and the estimator's judgment with respect to the proximity of resource blocks to sample locations and confidence with respect to the geological continuity of the mineralisation and grade estimates. All blocks captured in the weathered horizons models below the topography surface are classified as Inferred.</p> <p>The classification reflects geological confidence in mineralised domain continuity based on the intersecting drill sample data and extent of geophysical anomalies. Overall mineralisation trends are reasonably consistent within the weathered horizon over numerous drill fences.</p>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of Mineral Resource estimates.</li> </ul>	<p>MRES appropriately reflect the Competent Person's views of the deposits.</p> <p>CSA Global have completed a desktop review of the Mineral Resource Estimation.</p>
<i>Discussion of relative accuracy/confidence</i>	<ul style="list-style-type: none"> <li>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</li> <li>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</li> <li>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</li> </ul>	<p>The relative accuracy of the Exploration Target is expressed in the range of target tonnage and grade estimates.</p> <p>The accuracy of Mineral Resources for the Project properties is communicated through the classification assigned to each deposit. The MRE has been classified in accordance with the JORC Code (2012 Edition) using a qualitative approach. All factors that have been considered have been adequately communicated in Section 1 and Section 2 of this Table.</p> <p>Mineral Resource statements for Project properties relate to a global estimate of in-situ mineralised rock tonnes and REE grades, estimated REE tonnages.</p> <p>There is no recorded production data for the properties.</p>



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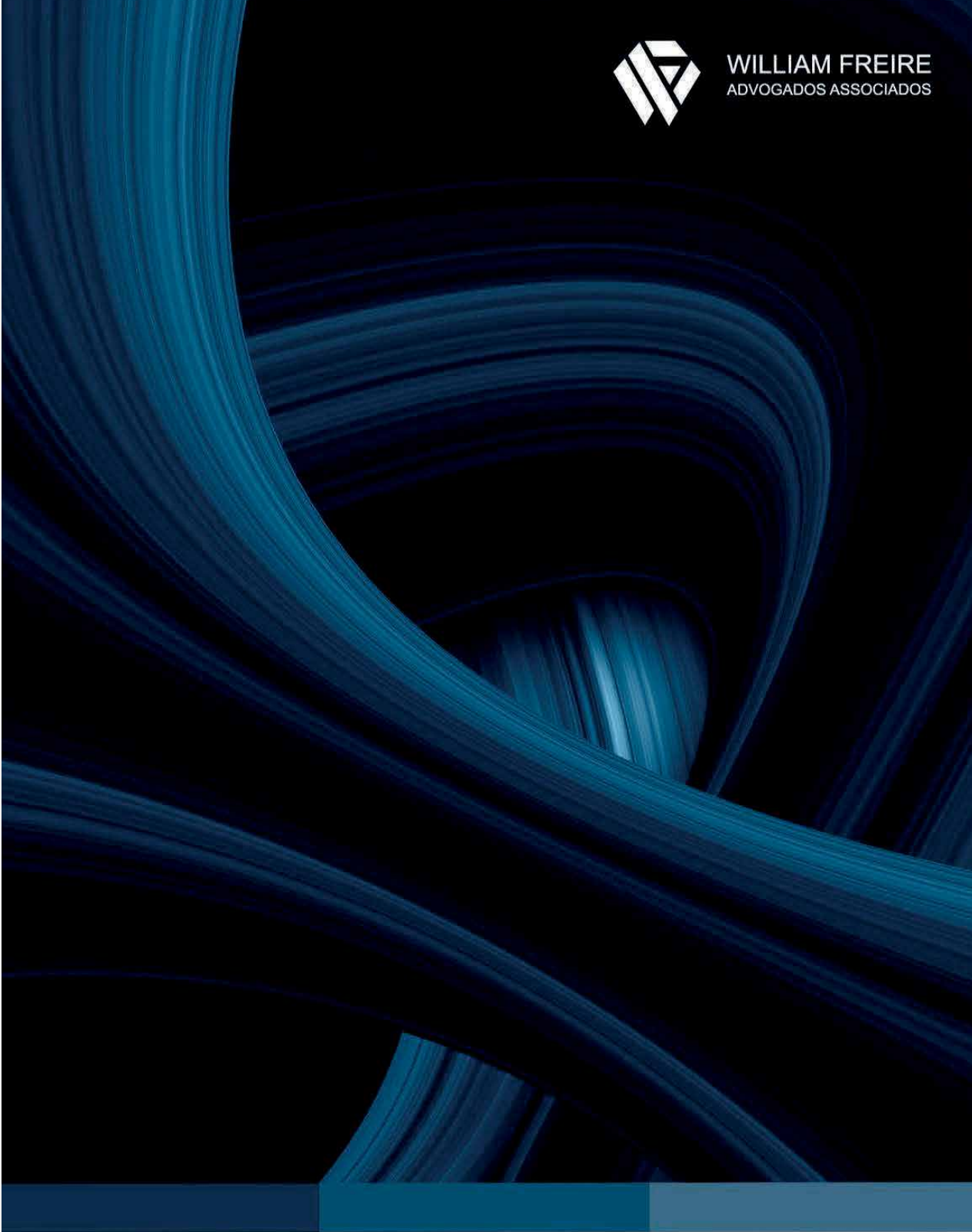




## 8. Independent Solicitor's Report



# 8. Independent Solicitor's Report



SÃO PAULO

BELO HORIZONTE

BRASÍLIA

## 8. Independent Solicitor's Report continued



WILLIAM FREIRE  
ADVOGADOS ASSOCIADOS

Belo Horizonte, November 9, 2023.

To the Board of Directors  
Brazilian Rare Earths Ltd (ACN 649 154 870)  
Level 1, 139 Macquire Street  
Sydney, NSW 2000, Australia

Re: Solicitor's Tenement Report, Brazilian Rare Earths Ltd

Dear Sirs/Mesdames,

This solicitor's report on tenements (hereinafter the "Report") has been prepared for inclusion in the prospectus to be prepared and issued by the Australian company named Brazilian Rare Earths Ltd (ACN 649 154 870) (hereinafter the "Company" or "BRE") for an initial public offering to issue 34,013,606 shares at A\$ 1.47 per share, to raise A\$ 50,000,000.00 (the "Prospectus").

### I. Introduction.

1. We have been requested to issue this Report on the legal standing of:

1.1. 34 (thirty four) exploration permits and 1 (one) application for exploration permit (hereinafter the "BRE Tenements"), all located in the Northeast of Brazil, in the State of Bahia, and which are currently owned by BRE's wholly owned Brazilian subsidiaries, namely Borborema Mineração Ltda. ("Borborema")<sup>1</sup>, Jequié Mineração Ltda. ("Jequié") and Ubaira Mineração Ltda. ("Ubaira"), collectively hereinafter referred as the "Brazilian Subsidiaries"; and

<sup>1</sup> On September 30, 2023, BRE purchased from Rare Earths America Pty. Ltd. (ACN 664 370 254) ("REA") the remaining 6,030,984 shares in Borborema that it did not own at that time (please refer to Section IX.5 for more details of this transaction). Therefore, BRE owns 100% of the shares of Borborema since September 30, 2023.

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1.2. 16 (sixteen) exploration permits (hereinafter the "Alpha Tenements"), all located in the Northeast of Brazil, in the State of Bahia, and which are expected to be soon owned by Borborema as described in Section V pursuant to the agreement summarized in section 9.6(g) of the Prospectus.

2. This Report also covers our analysis on the legal standing of 46 (forty six) exploration permits, 4 (four) applications for mining permits and 2 (two) disponibilidades<sup>2</sup>, all located in the region mentioned above and currently owned by Rio de Contas Desenvolvimentos Minerais Ltda. (the "Rio de Contas"), a Brazilian subsidiary of the Rio Tinto Group, and Titânio Goiás Mineração Indústria e Comércio Ltda. (the "Titânio Goiás"). Despite Titânio Goiás being the applicant of the 4 (four) applications for mining permits mentioned above, Rio de Contas has an option to purchase them, which option was acquired by Borborema (refer to Section VI.2.8). This report also encompasses our analysis of three additional exploration permits that are under a purchase option granted by Rio de Contas to Borborema (refer to paragraph 358 and Section IX.4).

3. The justification for including in this Report those tenements, tenement applications and disponibilidades mentioned in paragraph 2 above (together, the "Amargosa Tenements") stems from the fact that Borborema has entered into the "Mineral Rights Purchase Agreement and Other Tenements" (the "Deal") with Rio de Contas, on October 19, 2023, which, together with the option referred to in paragraph 358, sets forth the terms and conditions of the purchase by Borborema of the Amargosa Tenements owned by Rio de Contas, which purchase is not anticipated to occur prior to completion of the Company's initial public offering pursuant to the Prospectus (refer to Section IX.2 of this Report and Section 9.6(e) of the Prospectus for more details).

4. Scope. The scope of this Report covers the following issues: (i) basic information on the Brazilian Subsidiaries; (ii) summary of Brazilian legal system for obtaining mining rights; (iii) analysis on the good standing and status of the BRE Tenements, Alpha Tenements and Amargosa Tenements; (iv) summary of the Brazilian legal system for obtaining environmental permits in order to allow mining activities to be carried out; (v) summary of the Brazilian tax system; (vi) other information that could be considered material to investors.

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The mentioned transfer of 6,030,984 shares is currently valid and enforceable between REA and BRE. BRE and REA already lodged the required amendment to Borborema's articles of association before the Brazilian Government Business Registration Service of São Paulo on October 23, 2023, which is currently pending analysis and approval. Analysis is anticipated to occur in the short term, as this is a routine transaction for registration by the Brazilian Government Business Registration Service of São Paulo. For the avoidance of doubt, such approval just involves the control of legal formalities and ensures publicity to the corporate documents.

<sup>2</sup> Refer to paragraph 27.25 for an explanation of the bidding procedure commonly known as "disponibilidade".

## 8. Independent Solicitor's Report continued



WILLIAM FREIRE  
ADVOGADOS ASSOCIADOS

5. **Limitation of scope.** This Report does not include the analysis of the technical or tax aspects related to the BRE Tenements, Alpha Tenements and Amargosa Tenements. This Report is only focused on the BRE Tenements, Alpha Tenements and Amargosa Tenements and on the Brazilian Subsidiaries. Our analysis has been undertaken on the following basis:

- i. we have reviewed, and accordingly this Report is based on, only the public information of the BRE Tenements, Alpha Tenements and Amargosa Tenements registers available in the Brazilian Mining Agency ("ANM", in the Brazilian acronym) website, and we have not reviewed, and this Report does not cover, any matters in relation to financial, commercial, taxation, accounting, actuarial, insurance or information technology issues.
- ii. we have assumed that the information and copies of documents provided to us are true, validly issued by the competent authorities, updated (unless otherwise expressed on the document), complete, authentic, accurate and valid, and that there are no other documents or facts that amend or otherwise change in any way the content of such documents.
- iii. BRE has informed the firm that it had obtained express authorization from Rio de Contas and Titânio Goiás to disclose relevant information arising from the Deal and regarding the Amargosa Tenements.
- iv. we have assumed that each of the agreements provided to us has been duly and validly executed and is in full force and effect and, unless where expressly brought to our attention, has not been terminated or amended.
- v. we have assumed that each party to an agreement has the right, power and authority and has taken all necessary steps to execute, deliver, exercise its rights and fulfill its obligations under the relevant agreement.
- vi. we have assumed that the documents we reviewed were duly authorized and signed and that the information they contained was true and correct in all aspects. We have assumed the genuineness of all signatures, the legal capacity of all individuals, the authenticity and completeness of all documents we reviewed.
- vii. we have made no examination on the ground or maps or technical data to determine if any mineral resources or reserves correlate to or are encompassed by the BRE Tenements, Alpha Tenements or Amargosa Tenements.
- viii. we have not conducted any searches or other investigations with respect to taxes assessed by or paid to applicable government authorities.
- ix. The database used to prepare all sections this Report, and its Exhibits comprehends information updated until October 25, 2023, except for Section II, which was updated until November 9, 2023.

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6. **Jurisdiction.** We are solicitors qualified to practice law in Brazil and express no opinion as to any regulations or laws other than the regulations and laws of Brazil applicable therein. This Report and the opinions herein are limited to the current Brazilian laws applicable as at the date hereof.

7. **Sections.** In order to facilitate the understanding of the results of our analysis and the content of the Report, in **Section II** below, we will address the corporate information and contingencies related to the Brazilian Subsidiaries of BRE. In **Section III**, we will provide a summary of the Brazilian legal system for obtaining mining rights. **Section IV** will describe the legal and current status of the BRE Tenements. **Section V** will describe the legal and current status of the Alpha Tenements, considering that they were subject to an assignment request to transfer the Alpha Tenements via Alpha Minerals Brazil Participações Ltda. to Borborema, which request has not yet been analyzed by the ANM. **Section VI** will describe the legal and current status of the Amargosa Tenements. **Section VII** will only describe the Brazilian legal system for obtaining environmental permits in order to allow mining activities to take place. **Section VIII** has a summary of the Brazilian tax system and **Section IX** has other information that could be considered material to investors.

8. This Report has only been prepared in relation to the specific matter set out herein. We are not reporting or opining on any matters not set out in this Report. Specifically, we have not reviewed the Prospectus prepared by BRE and we do not accept any liability for any other part of the Prospectus.

9. William Freire Advogados Associados has given its written consent to be named as Brazilian legal adviser and tenement solicitor to the Company in the Prospectus in the form and context in which it is named and to the inclusion of this Report (and each reference to it) in the Prospectus in the form and context in which it is included and to all references in the Prospectus to this Report and William Freire Advogados Associados in the form and context in which they appear. William Freire Advogados Associados has not withdrawn its consent prior to the lodgment of the Prospectus with the Australian Securities and Investments Commission.

10. The information contained in this Report and the opinions expressed herein are intended for the use and benefit of the addressee and (other than as a result of its inclusion in the Prospectus) may not be relied on by, or distributed to, any other person or entity for any purpose without our prior written consent; provided that this Report may be included in the Prospectus.

11. This Report is given as the date hereof, and the opinions expressed herein are given as the specific earlier data set out, and we disclaim any obligation or undertaking to update searches or investigations in respect of the Report or its subject matter after the data of this Report, contingent to the disclaimers under paragraph 5, ix. References to "BRL" in this Report are to Brazilian real.

## II. Brazilian Subsidiaries' information.

12. **Australian structure:** BRE is owner of wholly owned subsidiaries Cronos Materials Pty. Ltd. (ACN 660 208 480) and Alta Materials Pty Ltd. (ACN 660 208 471), in relation to which we cannot express any opinions whether they are valid and existing under the relevant jurisdiction.



## 8. Independent Solicitor's Report continued



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ADVOGADOS ASSOCIADOS

13. **Spin-off.** Borborema was the first subsidiary established by BRE in Brazil and, initially, was the holder of the BRE Tenements. On August 31, 2022, Borborema spun off parts of it, which entitled it to apply for transferring 9 (nine) of the BRE Tenements to Ubaira and 10 (ten) of the BRE Tenements to Jequié before the ANM, as will be detailed in Section IV. Jequié and Ubaira were established by BRE shortly before the spin-off only to receive said tenements from Borborema and the spin-off transaction was valid. As a result of the mentioned spin-off, Borborema remained the holder of 16 of the BRE Tenements granted by ANM. On August 23, 2023, Alpha Minerals Brazil Participações Ltda. ("Alpha Minerals" or "Alpha", which holds Alpha Tenements) also spun-off parts of it, which were then merged into Borborema. Due to this latter spin-off, Borborema is entitled to hold all 16 Alpha Tenements. The transfer of all these assets will occur upon the completion of the registration of Alpha's spin-off by ANM. Borborema already lodged the application for registration of Alpha's spin-off before the ANM and it is currently awaiting analysis.

### II.1. Borborema.

14. Borborema is a Brazilian limited liability company, duly incorporated in compliance with the laws of Brazil, enrolled with the Corporate Taxpayer Register (the "CNPJ", in the Brazilian acronym) under the No. 41.981.870/0001-76, headquartered in the City of São Paulo, State of São Paulo, with its main place of business being in the Northeast of Brazil. Borborema is validly existing under and is in good standing under the Brazilian laws, as its corporate documents are duly registered by the Brazilian Government Business Registration Service of São Paulo (in Portuguese, Junta Comercial do Estado de São Paulo). Its articles allow the company to carry out the necessary actions to achieve its objectives as a mining company.

15. Borborema's current share capital<sup>3</sup> is BRL 70,291,239.00, which is not fully paid-in to the extent of BRL 12,225,633.68 according to what was declared by BRE to this office, being such capital represented by the issuance of 70,291,239 shares, with par value of BRL 1.00 each. In Brazilian law, there is no time period or deadline to fully pay-in the share capital, however until Borborema's share capital is fully paid-in, the shareholders are jointly and severally liable to having to pay with their own share capital and assets, in the event that the share capital is not enough to fully pay any actual compensation awarded by a Court. It is worth noting that Borborema may reduce its share capital at any time, provided that unsecured creditors have the right to oppose to such reduction within 90 days from the date of the approval of the amendment of Borborema's articles of association regarding share capital. Currently, BRE is owner of all 70,291,239 shares in Borborema, because BRE purchased from Rare Earths America Pty. Ltd. (ACN 664 370 254) ("REA")<sup>4</sup> the remaining 6,030,984 shares in Borborema that it did not own at that time (please refer to Section IX.5 for more details of this

<sup>3</sup> There are only ordinary shares in the structure.

<sup>4</sup> For more information regarding REA, please refer to paragraph 55.



transaction) on September 30, 2023, and BRE has already fulfilled its obligations under the agreement. The mentioned transfer of 6,030,984 shares is currently valid and enforceable between REA and BRE. BRE and REA already lodged the required amendment to Borborema's articles of association before the Brazilian Government Business Registration Service of São Paulo on October 23, 2023, which is currently pending analysis and approval. Analysis is anticipated to occur in the short term, as this is a routine transaction for registration by the Brazilian Government Business Registration Service of São Paulo. For the avoidance of doubt, such approval just involves the control of legal formalities and ensures publicity to the corporate documents.

16. Borborema is currently managed solely by João Paulo Agapito da Veiga, who is appointed as "Administrator" and has the powers to represent the company. Despite that, in the lodged amendment to Borborema's articles of association mentioned in paragraph 15, João Paulo Agapito da Veiga and Renato Áureo de Paula Gonzaga are designated as "Administrators", which will have the powers to act independently to represent the company, without the approval of the other. Notwithstanding the independent representation of the company by both directors, it is set forth in the lodged amendment to Borborema's articles of association that the validity of legal acts and transactions that jointly or severally make up more than BRL 50,000.00 shall be subject to the signature of both directors, as it shall be the case of granting of power of attorneys with powers to negotiate on behalf of the company. Administrators shall act accordingly to the legal duties of this role, which includes conducting their activities diligently and solely pursuing the best interests of the company. João Paulo Agapito da Veiga (who is a cousin of Dr Bernardo da Veiga (who is BRE's Managing Director)) is also the representative of BRE and its Australian subsidiaries in Brazil. João Paulo Agapito da Veiga and Renato Áureo de Paula Gonzaga don't have any formal relationship with BRE or its Australian subsidiaries, however they have been acting on their behalf while we prepared this Report. Due to its nature of a limited liability company, Borborema does not have a Board of Directors or an Audit Committee.

17. We have independently issued the certificates indicated in the [Exhibit I](#) on behalf of Borborema, and to our best knowledge there is no current, pending or threatened actions, lawsuits, administrative proceedings, arbitrations, claims or litigation of any kind involving Borborema or its assets, except for two labor lawsuits demanding compensation of a total of approximately BRL 113,000, which, in our assessment, do not represent a risk to the company's assets.

18. The aforementioned documents also indicate that Borborema has no debts, contingencies, losses of any nature in addition to those expressly indicated in its financial statements, as well as it is not an insolvent entity or bankrupt. Borborema has no other material assets than the mining rights.

## II.2. Ubaira.

19. Ubaira is a Brazilian limited liability company, duly incorporated in compliance with the laws of Brazil, enrolled with the Corporate Taxpayer Register (the "CNPJ", in the Brazilian acronym) under the No. 47.261.861/0001-97, headquartered in the City of São Paulo, State of São Paulo, with its main



## 8. Independent Solicitor's Report continued



**WILLIAM FREIRE**  
ADVOGADOS ASSOCIADOS

place of business being in the Northeast of Brazil. Ubaira is validly existing under and is in good standing under the Brazilian laws, as its corporate documents are duly registered by the Brazilian Government Business Registration Service of São Paulo (in Portuguese, Junta Comercial do Estado de São Paulo). Its articles allow the company to carry out the necessary actions to achieve its objectives as a mining company.

20. Ubaira's current share capital is BRL 948,620.00, which is fully paid in according to what was declared by BRE to this office, being such capital represented by the issuance of 948,620 shares<sup>5</sup>, with par value of BRL1.00 each. The current and sole shareholder of the company is Alta Materials Pty. Ltd., an Australian subsidiary of BRE, and it is managed by João Paulo Agapito da Veiga, who is appointed as "Administrator". On November 9, 2023, Alta Materials Pty. Ltd. lodged an amendment to Ubaira's articles of association before the Brazilian Government Business Registration Service of São Paulo, which is pending analysis and approval<sup>6</sup>. Pursuant to the lodged amendment to Ubaira's articles of association, João Paulo Agapito da Veiga and Renato Áureo de Paula Gonzaga are designated as "Administrators", which will have the powers to act independently to represent the company, without the approval of the other. Notwithstanding the independent representation of the company by both directors, it is set forth in the lodged amendment to Ubaira's articles of association that the validity of legal acts and transactions that jointly or severally make up more than BRL 50,000.00 shall be subject to the signature of both directors, as it shall be the case of granting of power of attorneys with powers to negotiate on behalf of the company. Administrators must act accordingly to the legal duties of this role, which includes conducting their activities diligently and solely pursuing the best interests of the company. João Paulo Agapito da Veiga is also the representative of BRE and its Australian subsidiaries in Brazil. João Paulo Agapito da Veiga and Renato Áureo de Paula Gonzaga don't have any formal relationship with BRE or its Australian subsidiaries, however they have been acting on their behalf while we prepared this Report. Due to its nature of a limited liability company, Ubaira does not have a Board of Directors or an Audit Committee.

21. We have independently issued the certificates indicated in the Exhibit I, on behalf of Ubaira, and to our best knowledge there is no current, pending or threatened actions, lawsuits, administrative proceedings, arbitrations, claims or litigation of any kind involving Ubaira or its assets. The aforementioned documents also indicate that Ubaira has no debts, contingencies, losses of any nature in addition to those expressly indicated in its financial statements, as well as it is not an insolvent entity or bankrupt. Ubaira has no other material assets than the mining rights.

### II.3. Jequié.

<sup>5</sup> There are only ordinary shares in the structure.

<sup>6</sup> If the lodged amendment to Ubaira's articles of association is not approved, Alta Materials Pty Ltd. may submit it again as many times as needed until the approval.



22. Jequié is a Brazilian limited liability company, duly incorporated in compliance with the laws of Brazil, enrolled with the Corporate Taxpayer Register (the "CNPJ", in the Brazilian acronym) under the No. 47.271.231/0001-01, headquartered in the City of São Paulo, State of São Paulo, with its main place of business being in the Northeast of Brazil. Jequié is validly existing under and is in good standing under the Brazilian laws, as its corporate documents are duly registered by the Brazilian Government Business Registration Service of São Paulo (in Portuguese, Junta Comercial do Estado de São Paulo). Its articles allow the company to carry out the necessary actions to achieve its objectives as a mining company.

23. Jequié's current share capital is BRL 4,794,125.00, which is fully paid in according to what was declared by BRE to this office, being such capital represented by the issuance of 4,794,125 shares<sup>7</sup>, with par value of BRL 1.00 each. The current and sole shareholder of the company is Cronos Materials Pty. Ltd., an Australian subsidiary of BRE, and it is managed by João Paulo Agapito da Veiga, who is appointed as "Administrator". On November 9, 2023, Cronos Materials Pty. Ltd. lodged an amendment to Jequié's articles of association before the Brazilian Government Business Registration Service of São Paulo, which is pending analysis and approval<sup>8</sup>. Pursuant to the lodged amendment to Jequié's articles of association, João Paulo Agapito da Veiga and Renato Áureo de Paula Gonzaga are designated as "Administrators", which will have the powers to act independently to represent the company, without the approval of the other. Notwithstanding the independent representation of the company by both directors, it is set forth in the lodged amendment to Jequié's articles of association that the validity of legal acts and transactions that jointly or severally make up more than BRL 50,000.00 shall be subject to the signature of both directors, as it shall be the case of granting of power of attorneys with powers to negotiate on behalf of the company. Administrators must act accordingly to the legal duties of this role, which includes conducting their activities diligently and solely pursuing the best interests of the company. João Paulo Agapito da Veiga is also the representative of BRE and its Australian subsidiaries in Brazil. João Paulo Agapito da Veiga and Renato Áureo de Paula Gonzaga don't have any formal relationship with BRE or its Australian subsidiaries, however they have been acting on their behalf while we prepared this Report. Due to its nature of a limited liability company, Jequié does not have a Board of Directors or an Audit Committee.

24. We have independently issued the certificates indicated in the [Exhibit I](#), on behalf of Jequié, and to our best knowledge there is no current, pending or threatened actions, lawsuits, administrative proceedings, arbitrations, claims or litigation of any kind involving Jequié or its assets. The aforementioned documents also indicate that Jequié has no debts, contingencies, losses of any nature

<sup>7</sup> There are only ordinary shares in the structure.

<sup>8</sup> If the lodged amendment to Jequié's articles of association is not approved, Cronos Materials Pty Ltd. may submit it again as many times as needed until the approval.

## 8. Independent Solicitor's Report continued



**WILLIAM FREIRE**  
ADVOGADOS ASSOCIADOS

in addition to those expressly indicated in its financial statements, as well as it is not an insolvent entity or bankrupt. Jequié has no other material assets than the mining rights.

### III. Summary of Brazilian legal system for obtaining mining rights

25. The Brazilian legal system for obtaining and maintaining mining rights and access to mineralized real estate properties is regulated by the Federal Constitution (article 176), by the Mining Code (Decree-Law no. 227/1967), by the regulation of the Mining Code (Decree No. 9.406/2018) and by ANM legislation.

26. The legislation indicated above contains the main rules that regulate mining activity in Brazil, from the filing of exploration applications to obtaining mining permits. For the purposes of this report, the terms mining rights, exploration permits and mining permits have the following meanings: (i) mining rights: means the existence of a right granted by the competent mining authority to authorize the carrying out the exploration activities and/or exploitation and which, for the purposes of this report, are divided into exploration permits and mining permits; (ii) exploration permits: a type of mining right that authorizes, for a previously established period, the carrying out of mineral exploration activities aimed at identifying and quantifying a mineral resource; (iii) mining permits: a type of mining right that authorizes the exploitation (i.e. mining) of a mineral substance until the reserves are depleted.

27. Briefly, such rules establish that:

27.1. Only companies organized under Brazilian laws, which have their main place of business and management located in Brazil, may conduct mining activities in Brazil. There is no restriction on foreign capital in the corporate structure, except in case of mining in the border strip, which does not apply to the BRE Tenements, Alpha Tenements and Amargosa Tenements.

27.2. The mineral resources, regardless of whether they are located underground or have emerged therefrom, are a property of the Union (Federal Government) and are different from that of the surface which can be owned by anyone. Mineral rights are assigned to interested individuals or entities if requested following specific regulation.

27.3. Exploration and mining depend on the Federal Government's consent.

27.4. The Federal Government has exclusive jurisdiction to legislate on deposits, mines, other mineral resources, and metallurgy.

27.5. Article 176 of the Brazilian Federal Constitution states that the products generated from mining activities belong to the holder of the mining permit.

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27.6. The exploration permit will always be valid for a determined period (from one to four years), which may be extended as long as the requirements established in the applicable legislation are met<sup>9</sup>. If the extension request is granted, the renewal will take place according to the term requested by the holder of the mining right, which, as previously stated, can be between 1 and 4 years. As a rule, the legislation includes provision for a single extension period of the exploration permit. The term of the exploration permit will be renewed more than once only (i) in exceptional situations (ii) and in case access to the real estate inserted in the polygonal of the mining right has not been obtained and provided that its holder can cumulatively demonstrate that it (a) took legal actions to ensure the possession of such areas for the exploration activity, as per item 27.18, (b) complied with all determinations in the aforementioned lawsuit; (c) did not contribute, by action or omission, to the impossibility of completing the exploration within the extended term of the permit. The exploration permit holder may explore any mineral substance that may be within the area of their exploration permit. If a different mineral substance from that originally included in the exploration permit is found, the legislation only establishes the necessity to immediately inform the ANM of such a discovery. The discovery of a new substance in the exploration phase must be communicated through a petition to the ANM. The granting of the right to mine and profit from the commercialization of this new substance will depend on the following actions by the mining rights holder: (i) submit a final exploration report quantifying and qualifying this new substance; (ii) lodge an Economic Exploitation Plan indicating how this new substance will be exploited; (iii) obtain a mining permit that effectively authorizes the mining of this new substance.

27.7. During the exploration phase, the following obligations have been established as a condition for maintaining the good standing of the exploration permit: (i) to communicate the start of the exploration within the legal term – failure to comply with what the legislation determines will lead to the imposition of a fine; (ii) to pay the Annual Fee per hectare (“TAH”)<sup>10</sup> until the submission of the final exploration report is submitted and within the period established in the applicable legislation – failure to comply with what the legislation determines will culminate in the imposition of a fine and, if the default continues, on the exploration permit being forfeited; (iii) to submit to the ANM a Final Exploration Report within

<sup>9</sup> The requirements for applying for a renewal are: (i) submit the application within 60 days of the expiry of the exploration permit; (ii) submit a report describing the exploration activities that have been carried out; (iii) submit a technical justification for continuing the exploration activities; (iv) pay the fee required by the ANM to analyse the renewal application, currently set at BRL 1,358.58 per tenement.

<sup>10</sup> Currently, the value of the TAH is regulated by ANM Resolution nº 132/2023, which establishes the following values: (i) BRL 4,33 per hectare for exploration permits that have not yet been renewed; (ii) BRL 6,48 for exploration permits which terms have already been extended.

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the validity period of the exploration permit or, alternatively, file a Partial Exploration Report and request an extension of the period of the exploration permit as legally required – failure to comply with what the legislation determines will culminate on the exploration permit being lost.

27.8. The ANM will be able to stipulate requirements for clarification of the technical documents submitted to its analysis, and, among them, the Final Exploration Report and the Economic Development Plan. Compliance with those requirements must take place within the deadline set by the Agency. The legislation allows such period to be extended, provided that (i) the request for extension is submitted within the originally indicated period; (ii) the request for extension has been duly justified, at the discretion of the ANM.

27.9. The final exploration report must contain geological and technological studies quantifying the deposit and demonstrating the technical and economic feasibility of mining. Once the final exploration report has been submitted, the ANM can take one of the following decisions: (i) approve the report, when it is proven that the deposit is technically and economically feasible; (ii) not approve the report, when it is found that the exploration work is insufficient or that there are technical deficiencies in its preparation, which make it impossible to assess the deposit.

27.10. The Mining Code also allows the ANM to postpone the analysis of the Final Exploration Report whenever it is temporally not possible to prove that the deposit is technically and economically feasible. When this happens, the applicable legislation indicates that the ANM will set a deadline for the interested party to submit a new study of the technical and economic feasibility of the deposit, under penalty of loss of the mining right. If, in the new study presented, the technical and economic feasibility of mining is not demonstrated, the ANM may grant the interested party, successively, new deadlines, or make the area available to third parties if it understands that a third party may make possible the eventual mining. Additional information about this procedure can be accessed in the item 27.25.

27.11. Once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic Development Plan for analysis by the agency. The Economic Development Plan must be lodged with the documents and studies indicated in article 39 of the Mining Code and, among them, with projects referring to (i) the mining method to be adopted, referring to the initially planned production scale and its projection; (ii) surface transportation and ore processing and agglomeration; (iii) the construction of a tailings dam with the use of the upstream raising technique being forbidden.

27.12. The applicable legislation allows (i) mineral exploration to continue after the final exploration report has been submitted, which is why the term of each exploration permit

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should not be considered as a limitation to exploratory activities and (ii) new mineral substances to be identified and quantified before the mining permit is granted. According to a recent decision by the ANM's Board of Directors, the procedure for including new substances would depend on the presentation of a reserves re-evaluation report and an update of the Economic Development Plan.

27.13. The ANM may exceptionally grant a mining right that allows mining activities to be carried out before granting the Mining Permit. This mining right, which is known as *Guia de Utilização*, allows experimental mining to be carried out for a specified period and for previously established quantities.

27.14. The mining permit is valid until the exhaustion of the mine. This means that there is no fixed term of a mining permit, and therefore extensions of that term are not required.

27.15. The applicable legislation allows new substances to be added to previously granted mining permits. In this case, the holder of the mining permit must submit a reserves reassessment report and an update of the Economic Developments Plan for ANM approval. The mining of this new substance will depend on the approval of these documents by the ANM.

27.16. The assignment, lease or encumbrance of the mining tenements depend on prior consent from the ANM. The requirements established by the applicable legislation to allow the transfer of mining rights will vary depending on the stage the tenements are (there are specific requirements for the transfer of exploration permits, mining concessions and for proceedings in which the ANM is still analyzing the mining application). For BRE Tenements, Alpha Tenements and Amargosa Tenements, it will be necessary to demonstrate that the transferee meets the requirements set out in item 27.1 and, in addition, to instruct the transfer request with (i) a copy of the assignment agreement and (ii) proof of payment of the fee charged by the ANM to analyze the request, currently set at BRL 703.55 per tenement. The analysis is objective, and the request will have to be granted whenever the legal requirements have been met. There is no room for discretion here. Changes in share ownership do not require approval from the ANM. However, such changes must be communicated to the agency within 30 days from the date they are registered with the competent commercial board.

27.17. Mining and exploration activities are allowed on public or private lands. The applicable legislation does not require the mining right holder to also be the owner of the real estate properties in the area of the mining project. On the contrary, it establishes instruments such as Mineral Easement and the Judicial Appraisal of Income and Damage<sup>11</sup> in order to ensure the

<sup>11</sup>The purpose of this legal action is to allow the holder of the mining right to coercively enter the property within the area of the mining right. Entry into the property will depend on the payment of compensation that must take into account two components, all of which are provided for in article 27 of the Mining Code: (i) rent, which may not exceed the amount of the maximum net income of the property to the extent of the area to be actually



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possession of such areas for the mining or exploration activity, which is considered of public interest (article 5, f, of Decree-Law No. 3.365/1941) and exercised in the national interest (article 176, Federal Constitution).

27.18. The landowner is entitled to receive a percentage in the mining results, as per the rule established by article 11, b, of the Mining Code. This percentage has to be at least 50% of the amount that the mining permit holder has to pay the Federal Government as CFEM<sup>12</sup>.

27.19. Mining activity on indigenous lands must still be regulated.

27.20. Mining and or exploration activity cannot be conducted in Full Protection Conservation Units or in other areas of additional sensitivity, as defined by law.

27.21. According to the ANM, there is no impediment to the granting of mining tenements in areas that were the object of ownership by *quilombola* communities, since they, according to the ANM, are not included in the concept of tribal people set forth in article 1 of OIT Convention No. 169. Though the ANM's current understanding is along these lines, there is a movement within the ANM to regulate this issue in the future, with the possible application of the rules of Convention 169 as a condition for the granting of mining tenements that may interfere with such communities.

27.22. In accordance with the ANM's current understanding, there is no automatic incompatibility between mining activities and the rural settlements created by the INCRA<sup>13</sup>. The coexistence of the activities must be made compatible, to the extent possible, as both are considered of public interest. Recently, INCRA published Normative Instruction No. 112 to regulate the use of areas in settlement projects by mining, energy and infrastructure projects.

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occupied; (ii) compensation for damage caused, which may not exceed the property's market value to the extent of the area actually occupied, unless the damage is such as to render unusable for agricultural or pastoral purposes the entire property on which the area necessary for the exploration work is located.

<sup>12</sup> CFEM is a Financial Compensation for the Exploration of Mineral Resources, paid to the Federal Government for the economic use of these mineral resources and currently regulated by Federal Laws No 7.990/1990 and 8.001/1990. CFEM is levied on net revenue, in the case of the sale of raw and processed ore, or on the intermediate production cost, when the mineral product is consumed or transformed in an industrial process. The rates will vary according to the mineral substance. For bauxite and niobium, for example, it will be 3 per cent. For lithium and rare earth elements, it will be 2 per cent. Further information on the subject is available in Federal Law No. 8,001/1990.

<sup>13</sup> Basically, a rural settlement is a set of agricultural units independent among themselves, established by the National Institute for Rural Settlement and Land Reform - INCRA, where there was originally a rural property that belonged to a single owner. Each unit is delivered by the INCRA to a family lacking the economic resources to acquire and maintain a rural property through other means.

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27.23. Non-compliance with the obligations set forth in the Mining Code or in its regulations subjects the miner to the following sanctions: warning, fines and forfeiture of the mining tenement.

27.24. Article 42 of the Mining Code establishes that "the authorization will be refused if the mining is considered harmful to the public good or if it compromises interests that overcome the public interest of the industrial exploitation, at the discretion of the Government". Although the legal provision is not clear and does not use the best legislative technique, we understand that the term "authorization" must be understood as a mining right (as per item 26 above). This provision was regulated by PROGE Opinion No. 500/2008, which was drafted to solve the conflict that usually exists between mining undertakings and energy generators and established that article 42 may only be applied if: (i) the activities are actually incompatible; (ii) it is demonstrated that the public interest will be better served from the prevalence of the energy undertaking to the detriment of the mining undertaking.

27.25. If the mining right is extinguished, the ANM will take steps to ensure that the area previously encumbered by it is returned to the market through a bidding procedure commonly known as "*disponibilidade*". The dynamics of the procedure is basically divided into two stages: (i) Public Offering, in which those interested in the areas present a statement; (ii) Electronic Auction, which occurs for areas that had more than one expression of interest. In the case of the Auction, the company that submits the highest bid for each area or block of areas will be considered the winner. If, on the other hand, there is only one person interested in a certain area, he will be called to request the granting of the mining right within the period established in the public notice.

27.26. The holder of a mining tenement may relinquish it at any time, covering all the area or only parts of it, provided that the relinquishment does not exempt the holder of an exploration permit of the obligation to present a Final Exploration Report, except if the waiver is lodged before 1/3 (one third) of the period of validity of the exploration permit has elapsed, counted from the publication of the permit, or if the holder did not get access to the area, despite its best efforts. If the relinquishment is lodged by the holder of a mining permit, the waiver shall only be approved by ANM if the mine closure plan has been executed.

27.27. Finally, it is worth noting that nuclear materials have a specific regime. When a nuclear mineral is discovered in an exploration or mining permit area, the holder must report the event to ANM, the Brazilian Nuclear Industries S/A (INB) and the National Authority of Nuclear Security (ANSN), pursuant to article 4, §1, of Law No. 6.189/1974. After the report, INB may conduct technical and economic feasibility studies to determine the possibility of utilization of the nuclear reserves, in accordance with article 8, §1, of Law No. 14.514/2022. Regardless of the results of the studies produced by INB, the occurrence of nuclear substances on the area

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of the mining rights may result in additional regulatory obligations and consents needed to conduct the mining and exploration activities, including altering aspects of the environmental permitting. Non-compliance with those additional obligations may lead to imposition of sanctions.

28. The analysis conducted by the firm sought, based on the public information available in the Brazilian Mining Agency ("ANM", in the Brazilian acronym) website, to verify the adherence of the BRE Tenements, Alpha Tenements and Amargosa Tenements to the rules listed above.

#### **IV. BRE Tenements**

##### **IV.1 Summary of findings**

29. BRE Tenements are valid, as indicated in Exhibit III.

30. Borborema is the holder of 15 (fifteen) tenements in the state of Bahia related to the exploration of rare earth elements, comprising of the exploration permits granted in claims Nos. 870683/2021, 870684/2021, 870685/2021, 870687/2021, 870688/2021, 870689/2021, 870690/2021, 870691/2021, 870693/2021, 870772/2021, 872265/2021, 872266/2021, 870694/2021, 871931/2022 and 871929/2022. Borborema has also applied for a further exploration permit under claim 871928/2022. This last application has already been analyzed and approved on 17/10/2023, pending only the publication of the exploration permit in the Official Gazette, something we believe will happen soon.

31. Borborema's exploration permits are still in force and have not yet been the subject of any renewal requests as per item 27.6. Therefore, the maintenance of the mining rights, in addition to paying the TAH within the legal period, will depend on the presentation of a final exploration report by the expiry dates indicated in Exhibit III. Alternatively, Borborema may apply for an extension of its exploration permits terms, which must be submitted in the manner explained in item 27.6.

32. Ubaira is the holder of 9 (nine) tenements in the state of Bahia related to the exploration of rare earth elements, comprising of the exploration permits granted in claims Nos. 870664/2021, 870.665/2021, 870666/2021, 870667/2021, 870668/2021, 870669/2021, 870680/2021, 870681/2021 and 870.682/2021.

33. Ubaira's exploration permits are still in force and have not yet been the subject of any renewal requests as per item 27.6. Therefore, the maintenance of the mining rights, in addition to paying the TAH within the legal period, will also depend on the presentation of a final exploration report by the expiry dates indicated in Exhibit III. Alternatively, Ubaira may apply for an extension of its exploration permits terms, which must be submitted in the manner explained in item 27.6.

34. Jequié is the holder of 10 (ten) tenements in the state of Bahia related to the exploration of rare earth elements, comprising of the exploration permits granted in claims Nos. 870.695/2021,

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870696/2021, 870697/2021, 870698/2021, 870699/2021, 870700/2021, 870773/2021, 870774/2021, 870779/2021 and 870780/2021.

35. Jequié's exploration permits are still in force and have not yet been the subject of any renewal requests as per item 27.6. Therefore, the maintenance of the mining rights, in addition to paying the TAH within the legal period, will depend on the presentation of a final exploration report by the expiry dates indicated in Exhibit III. Alternatively, Jequié may apply for an extension of its exploration permits terms, which must be submitted in the manner explained in item 27.6.

36. In addition, the following conclusions apply to the BRE Tenements:

36.1 They are in good standing from a mining regulatory point of view, as the legal obligations required by the applicable legislation have been fulfilled in time and manner.

36.2 Upon analysis of the information referred to in item 5, (i) no administrative proceeding has been identified with a claim for cancellation, nullification, or forfeiture and (ii) no encumbrances have been identified.

36.3 According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with easement areas, gas pipelines, oil pipelines, hydroelectric plants, wind farms, petrochemical complexes, military areas, quilombola lands or indigenous lands were identified. Therefore, it can be concluded that the activities authorized by the exploration permits will not suffer restrictions resulting from the interference of its polygon with such areas.

37. However, we have identified some points of attention that should be considered, and which will be better explained below.

#### IV.1.1 – The polygonal of some Tenements overlaps the areas covered by some rural settlement projects.

38. The polygonal of some<sup>14</sup> BRE Tenements overlaps the area covered by the following rural settlement projects: (i) Jequirica, (ii) Fábio Henrique, (iii) Novo Horizonte, (iv) Boa Sorte and (v) Palestina, as per Exhibit III and figures 1, 4, 17 and 19 of Exhibit II.

39. As mentioned in item 27.22 of this report, INCRA issued on December 22, 2021, its Normative Instruction # 112 (Instrução Normativa 112), which came into force on January 3, 2022. It provides for the requirements and procedures for the issue of INCRA's consent for the use of land in areas designated for land reform settlement program in the case of mining, energy, and infrastructure projects.

<sup>14</sup> Tenements 870683/2021, 870689/2021, 870695/2021, 870779/2021 and 871.929/2022.

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40. It is our opinion that the continuity of the exploration/exploitation activities in the part of the tenement polygonal that overlaps with the rural settlement area must be preceded by express authorization from INCRA.

41. In the review of the request for consent, INCRA shall consider, among other aspects, the possibility of coexistence of the mineral activities and the land settlement program, (article 12, §2, of INCRA Normative Instruction 112). We are of the opinion that, once coexistence has been demonstrated, the request to use the area cannot be denied by INCRA.

42. The Normative Instruction also establishes the following obligations as conditions to allow the use of the area affected by the settlement project: (i) pay INCRA for the use of the land; (ii) pay damages to the land occupiers; (iii) assumption of other obligations that may prove necessary to make the mineral activity compatible with the settlement project. These latter obligations will be defined on a case-by-case basis, but the Normative Instruction has already presented the following examples: (a) resettlement or relocation of affected families; (b) implementation, improvement, or maintenance of infrastructure in favor of the settlement project; (c) support in the environmental regularization of the settlement project area and its surroundings.

### **IV.1.2 – The polygonal of some BRE Tenements overlaps the area covered by APA Caminhos Ecológicos da Boa Esperança.**

43. The polygonal of some<sup>15</sup> BRE Tenements overlaps the area covered by the of APA Caminhos Ecológicos da Boa Esperança (APA), as per Exhibit III and figures 2, 5, 6, 7, 8, 9, 10, 11,12, 13, 14, 17, and 19 of Exhibit II.

44. According to Federal Law 9.985/2000, an APA is classified as a form of conservation unit for sustainable use (art. 14, item I), with the aim of making nature conservation compatible with the sustainable use of part of its natural resources (article 7, §2).

45. In general, the aforementioned Law does not impose prohibitions on the development of potentially or effectively polluting activities in such conservation units, such as mining. It is required, on the other hand, that any rules imposed in the Management Plan of the Conservation unit be observed and that, within the scope of the environmental licensing, there is an interface with the management body of the Conservation Unit. In this case, the Management Plan of the Conservation has not yet been approved, so it is advisable to follow any determination of the Secretary of Environment and Water Resources – SEMARH of the state of Bahia regarding the plan.

<sup>15</sup> Tenements 870685/2021, 870690/2021, 870691/2021, 870693/2021, 870772/2021, 872265/2021, 872266/2021, 870694/2021, 871928/2022, 871929/2022, 871931/2022, 870695/2021 and 870779/2021.

#### **IV.1.3 – The polygonal of some BRE Tenements overlaps the area covered by the LT 500 kV Sapeaçu Poções III C1 transmission line.**

46. By consulting the public information systems provided by the ANM, it was possible to identify the existence of an active transmission line (LT 500 kV Sapeaçu Poções III C1) that overlaps part of some<sup>16</sup> BRE Tenements polygonals, as per Exhibit III and figures 5, 6, 15, 16, 17, 19, and 20 of Exhibit II.

47. We understand that this situation is not sufficient to remove the validity of the BRE Tenements. In any case, it is important to note that some field exploration and/or exploitation activities may be restricted in order to avoid any kind of damage to the transmission line.

48. It is also important to remember that the ANM may reduce the polygonal of the tenement in order to remove its interference with the transmission line. The reduction will only take place if it is demonstrated that (i) there is no compatibility between the exploration/mining activities and those necessary to allow the operation and maintenance of the transmission line and (ii) the public interest will be better served by the prevalence of the transmission line.

49. The analysis of compliance with these requirements must be done in a specific administrative procedure, initiated by the concessionaire responsible for the transmission line at the ANM, with adequate grounds and evidence. Only if, in the proper administrative procedure, after several technical analyses, the incompatibility between the undertakings is verified, would the Collegiate Board of ANM have conditions to (i) decide on the preponderance of one over the other and, understanding that the mining activity should be preferred in the specific case, (ii) order the other administrative bodies of the agency to reduce the tenements polygonal.

#### **IV.1.4 – Specific attention points**

##### **IV.1.4.1 – Tenement 870.687/2021**

50. It was verified that part of the polygonal of the exploration permit granted in claim 870.687/2021 overlaps the area of the exploration application that gave rise to the claim 871.010/2023, applied by Brazil Royalty Corp. Participações e Investimentos Ltda<sup>17</sup>, as per demonstrated by the figure 3 of Exhibit II. This interference does not represent a risk to the maintenance of the area of the mining right of interest, considering that Borborema's right is understood as priority, since the company was the first to apply for the area on June 2, 2021. Refer also to Section IX.1 for information in relation to a royalty granted to Brazil Royalty Corp. Participações e Investimentos Ltda.

<sup>16</sup> Tenements 870690/2021, 870691/2021, 870681/2021, 870682/2021, 870695/2021, 870697/2021, 870779/2021 and 870780/2021.

<sup>17</sup> For more information regarding Brazil Royalty Corp. Participações e Investimentos Ltda. Please refer to section IX.1.

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### IV.1.4.2 – Tenement 871928/2022

51. The exploration application was filed by Borborema on 11/28/2022 in a free area and with all the documents required by the applicable legislation. Therefore, it is likely that that exploration permit will be granted by the ANM to authorize the exploration for rare earth elements for a period of 3 years.

52. In addition, it was possible to identify the issuance of Official Letter No. 4382/2023/CAREAS-BA/ANM, which summoned Borborema to meet some technical requirements within 60 days since the area originally applied interferes with the Wenceslau Guimarães State Ecological Station, a full protection environmental conservation unit.

53. According to the information we had access to, Borborema timely filed its response on October 11, 2023 and requested that ANM grant the exploration permit in an area of 3,57 hectares, something that we believe should happen soon.

### V Alpha Tenements

54. Alpha Minerals Brazil Participações Ltda. ("Alpha Minerals" or "Alpha") is a limited liability company, enrolled with the Corporate Taxpayer Register (the "CNPJ", in the Brazilian acronym) under the No. 43.093.229/0001-20, headquartered in the City of São Paulo. Alpha Minerals spun-off parts of it, which were then merged into Borborema. The spin-off was approved by the Brazilian Government Business Registration Service of São Paulo (in Portuguese, Junta Comercial do Estado de São Paulo) on 08/23/2023. Due to the spin-off, Borborema is entitled to receive 16 (sixteen) exploration permits currently held by Alpha (being the Alpha Tenements) and the assignment of these tenements was already requested by application to the ANM, which has not yet analyzed.

55. Alpha Minerals is a wholly owned subsidiary of Rare Earths Americas Pty. Ltd. (ACN 664 370 254). Pursuant to the information made available, the same major shareholders of BRE are also major shareholders of REA, who jointly hold more than 60% of REA; however, no shareholder or group of associated shareholders holds greater than 20% ownership interest in REA. Bernardo Sanchez Agapito da Veiga is currently a director of both BRE and REA, and Dominic Paul Allen, who is a former director of BRE (within the last six months), is also a director of REA.

56. Alpha Tenements can be divided into three distinct groups:

56.1 The first contains the mining rights that it already holds and that were acquired from R e 17 Mineração, Pesquisas Minerais e Participações Ltda. ("R 17"). Included in this group are the exploration permits granted in claims 870.728/2016, 870.727/2016, 870.717/2017, 870.726/2016, 870.484/2017 and 870.483/2017.

56.2 The second contains the mining rights that it already holds and that were acquired from Maria Emilia de Freitas Palhares Prais ("Maria Emilia"). This group contains the

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exploration permits granted in claims 870.899/2017, 870.906/2017, 870.900/2017, 870.912/2017<sup>18</sup>, 871.394/2017 and 871.395/2017.

56.3 The third contains the mining rights that it already holds and that were acquired from GR Consultoria em Prospecção Mineral Ltda. ("GR Consultoria"). In this group are the exploration permits granted in claims 871.243/2021, 871.164/2021, 871.042/2021 and 871.144/2021.

## V.1 Summary of findings

57. Alpha Tenements are valid, as indicated in Exhibit III.

58. Alpha is the holder of 16 (sixteen) Alpha Tenements in the state of Bahia related to the exploration permits mentioned above. Therefore, the maintenance of them, in addition to paying the TAH within the legal deadline, will depend on the presentation of a final exploration report by the expiry dates indicated in Exhibit III. Considering that the exploration permits have already been extended once, any request for an additional extension must be accompanied by robust documentation demonstrating that the holder of the mining right has been diligent in attempting to complete the exploration work, especially with regard to access to the real property and obtaining any necessary environmental license, subject to the provisions of art. 21, § 2, I and II of the Mining Code Regulation and as per item 27.6.

59. The following conclusions apply to the Alpha Tenements:

59.1. They are in good standing from a mining regulatory point of view, since the fact indicated in item 59.4 below is not sufficient to determine the loss of the mining rights.

59.2. Upon analysis of the information referred to in item 5, (i) no administrative proceeding has been identified with a claim for cancellation, nullification, or forfeiture and (ii) no encumbrances have been identified.

59.3. According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with easement areas, gas pipelines, oil pipelines, hydroelectric plants, wind farms, petrochemical complexes, military areas, quilombola lands or indigenous lands were identified. Therefore, it can be concluded that the activities authorized by the exploration permits will not suffer restrictions resulting from the interference of its polygon with such areas.

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<sup>18</sup>The assignment of the exploration permit 870.912/2017 from Maria Emilia to Alpha was registered on October 26, 2023.



## 8. Independent Solicitor's Report continued



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59.4. As the TAH of some tenements were not paid within the legal deadline<sup>19</sup>, it is expected that the ANM will draw up an Infraction Notice to impose a fine. The amount of the fine will be 22% of the Estimated Budget Value, defined by ANM Resolution No. 122/2022 as the "sum of the budgets for the exploration works indicated in the current Exploration Permits held by the offender obtained via Mining Registration System (SCM) and Electronic Mineral Exploration Application System (REPEM), or any instrument that may replace them, being calculated on December 31 of the year prior to the assessment". It is important to highlight that late payment of the TAH is not sufficient to determine the loss of the mining right.

60. We have also identified that some Alpha Tenements overlaps APA Caminhos Ecológicos da Boa Esperança<sup>20</sup> and the LT 500 kV Sapeaçu – Poços III Transmission Line<sup>21</sup>, as per Exhibit III and figures 22, 23, 24, 25, 26, 27, 28 and 29 of Exhibit II. Therefore, the comments we have made in items 43 to 45 and 46 to 49 also apply here.

### V.2 Specific attention points

#### V.2.1 Tenement 870728/2016

61. We have identified that a very small part of the polygonal of the exploration permit overlaps the area of the mining proceeding n. 872.401/2009, owned by Rodrigo Andriotti Gama, as per Exhibit III and figure 21 of Exhibit II.

62. The exploration application that gave rise to claim 872.401/2009 was filed before the one that gave rise to proceeding 870.728/2016. The polygonal of the latter process, therefore, could not have encompassed that of the former. Therefore, there is the possibility that the ANM may want to reduce the polygonal of process 870.728/2016 to remove the interference with the area of 872.041/2009.

### VI Amargosa Tenements

#### VI.1 Summary

<sup>19</sup> Tenements 870728/2016, 870727/2016, 870726/2016, 871394/2017, 871395/2017, 870899/2017, 870906/2017, 870900/2017, 871164/2021, 871.042/2021 and 871.144/2021.

<sup>20</sup> Tenements 870727/2016, 870717/2017, 870484/2017 and 870483/2017.

<sup>21</sup> Tenements 870.727/2016, 870717/2017, 871394/2017, 871.395/2017, 871.243/2021 and 871.144/2021.

63. The Amargosa Project is an enterprise of the Rio Tinto group, located in the State of Bahia, Brazil, which aimed to identify and subsequently exploit bauxite<sup>22</sup> deposits of various types, contents and characteristics, with possible simultaneous mining fronts.

64. Considering that bauxite is usually found in shallow layers in nature, it requires extensive areas to prove its technical and economic viability. Thus, to enable the mineral exploration associated with the project, Rio de Contas acquired about 50 exploration permits. Such titles, under Brazilian regulatory legislation, are granted for a fixed period.

65. At the end of the term of the exploration permits, most of which were due in 2016, Rio de Contas submitted a final exploration report demonstrating the existence of a deposit in the explored locality. However, these permits were granted on different dates, resulting in different final terms. The presentation of the final exploration report, therefore, varied from tenement to tenement.

66. As the viability of the project lies in the evaluation of the deposit as a whole, and not in the deposits individually characterized in each exploration permit, the Rio de Contas requested the ANM to analyze the tenements together. To this end, it requested that the decision on the final exploration reports be suspended, based on art. 30, IV, of the Mining Code, since the individualized analysis would make it impossible to assess the viability of the project.

67. The arguments used in the request can be summarized as follows: (a) the need for the exploration to be carried out in an integral way, involving the group of surrounding areas, with the presentation of a consistent result for the entire area; (b) the need to develop appropriate technological routes for the exploitation of the mineralization; (c) the need for joint economic analysis of the area, including due to the fact that its future use requires the constitution of a Mining Group<sup>23</sup>.

68. The ANM accepted the arguments mentioned in the previous item and approved the requests for suspension, postponing the final decision on the Final Exploration Reports for three years<sup>24</sup>. These approvals also occurred on different dates, and some requests were not even analyzed by the agency.

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<sup>22</sup> As pointed out in item 27.12 of this report, the fact that the substance originally found in the Amargosa Tenements polygon was bauxite does not hinder the continuation of exploration activities for the identification and quantification of other substances (such as rare earth elements, for example). Additional details on this matter can be consulted in paragraphs 84 to 86 of this Report.

<sup>23</sup> Pursuant to article 53 of the Mining Code, several mining permits of the same holder and of the same mineral substance, in areas of the same deposit or mineralized zone, may be brought together in a single mining unit, under the name of Mining Group.

<sup>24</sup> With the exception of the requests that were submitted in proceedings 873.212/2006, 873.213/2006 and 873.244/2006, which have not yet been the subject of a decision by the ANM.

## 8. Independent Solicitor's Report continued



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69. A new request for suspension was timely submitted by Rio de Contas during April 2019 and June 2020 on the following grounds (but noting that BRE makes no forecast in relation to the following matters): (i) **Infrastructure**: the technical and economic feasibility of the project depends on the completion of the works of the integrated railroad system (FIOL) and port (Porto Sul), in addition to the construction of a 52 km railroad branch from the processing plant of the project to a junction with FIOL; (ii) **Market**: the technical and economic feasibility of the project depended on a price of washed bauxite about 20% higher than the average FOB Port price then practiced (US\$ 33/tbu), and the price projection indicated at the time a good possibility that this will happen.

70. The ANM has also accepted the arguments mentioned in the previous item and approved the requests for suspension, once more postponing the decision on the final exploration reports for three years. These approvals also occurred on different dates, and some requests were not even analyzed by the agency.

71. This is the current situation of the tenements regarding the Amargosa Project: they are, for the most part, with a final exploration report submitted and with ANM's analysis suspended.

### VI.2 Analysis on the good standing

72. The Amargosa Tenements are active and in good standing from a mining regulatory point of view, as the legal obligations required by the applicable legislation have been fulfilled in time and manner.

73. It should be also mentioned regarding the Amargosa Tenements that:

73.1 Upon analysis of the information referred to in item 5, (i) no administrative proceeding has been identified with a claim for cancellation, nullification, or forfeiture and (ii) no encumbrances have been identified.

73.2 According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with easement areas, gas pipelines, oil pipelines, hydroelectric plants, wind farms, petrochemical complexes, military areas, quilombola lands or indigenous lands were identified. Therefore, it can be concluded that the activities authorized by the exploration permits will not suffer restrictions resulting from the interference of its polygon with such areas.

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74 We have also identified that some Amargosa Tenements overlaps (i) APA Caminhos Ecológicos da Boa Esperança<sup>25</sup>, (ii) LT 500 kV Sapeaçu – Poços III Transmission Line<sup>26</sup>, (iii) Boa Sorte and Novo Horizonte settlement projects<sup>27</sup> and (iv) Wenceslau Guimarães State Ecological Station<sup>28</sup>, as per Exhibit III and figures 30,31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56 and 57 of Exhibit II. Therefore, the comments we have made in items 38 to 49 also apply here.

75 Specifically, about the Wenceslau Guimarães State Ecological Station, please note that this is a full protection environmental conservation unit created by Bahia State Decree 6.228 of February 21, 1997, and expanded by Bahia State Decree 7.791 of April 19, 1997.

76 According to paragraph 1, of article 7 and article 28 of the Federal Law nº 9.985/2000, any full protection conservation unit has the objective of preserving nature, with only the indirect use of its natural resources being admitted.

77 The understandings established about interference of mineral rights areas with Conservation Units are described in PROGE Opinions 145/2006 and 525/2010, approved with normative force by the former general director of the National Department of Mineral Production (DNPM). This means that mining or exploration activities, such as at the part of the tenements mentioned in footnote 28 which overlap the Wenceslau Guimarães State Ecological Station, is forbidden.

78 Therefore, the ANM may initiate an administrative proceeding in order to reduce the tenements area and remove its interference with the Wenceslau Guimarães State Ecological Station.

79 We are going to analyze those mining rights in the sequence, already separating them according to the following division: (i) 7 áreas; (ii) Algodão; (iii) Extensão Norte; (iv) Extensão Sul; (v) Norte Virtual; (vi) Sul Virtual.

#### VI.2.1 7 áreas

80 The Amargosa Project area called 7 áreas encompasses the following mining rights:

<i>Tenement</i>	<i>Area (hectares)</i>	<i>Holder</i>
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<sup>25</sup> Tenements 873776/2006, 872703/2008, 871.239/2010, 870025/2007, 870024/2007, 870027/2007, 870029/2007, 870026/2007, 874320/2007, 870174/2007, 873777/2006, 872563/2005, 871439/2004, 871312/2006, 871213/2006, 873244/2006, 871438/2004 and 870532/2007.

<sup>26</sup> Tenements 871213/2006, 870826/2004, 870827/2004 and 870674/2009.

<sup>27</sup> Tenements 873777/2006, 871439/2004, 871312/2006, 873244/2006 and 871438/2004.

<sup>28</sup> Tenements 872563/2005, 871439/2004, 871438/2004 and 870532/2007.

## 8. Independent Solicitor's Report continued



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871.439/2004	2000	Rio de Contas
871.438/2004	1984.72	Rio de Contas
870.532/2007	1735.34	Rio de Contas
870.826/2004	2000	Rio de Contas
872.568/2005	1998.6	Rio de Contas
870.827/2004	1499.12	Rio de Contas
870.534/2007	1433.93	Rio de Contas
870.536/2007	1932.6	Rio de Contas

81 For all these tenements, the first decision suspending the analysis of the final exploration reports was issued on 01/03/2017 and the second, after analysis of the request submitted by Rio de Contas on 20/02/2020, took place on 05/15/2020 (for the proceedings 871.439/2004, 871.438/2004, 870.826/2004, 872.568/2005, 870.827/2004) and 29/06/2020 (for the proceedings 870.532/2007, 870.534/2007 and 870.536/2007).

82 As per item 27.10 of this report, the Brazilian Mining Code establishes that the mining right holder must present the technical-economic feasibility study of the mining until the end of the period of the suspension. However, if it is not possible to prove such feasibility until such date, the ANM may extend the suspension period or, as explained in item 27.25 of this report, return the area to the market through a bidding procedure commonly known as "*disponibilidade*".

83 According to technical information presented by the mining right holder, proving the technical and economic feasibility of mining the Amargosa Project requires a transportation infrastructure solution for the flow of production, which did not exist in the region at the time the request was made. In addition, it was also linked to the price of washed bauxite which, at the time the request for suspension was made, was around US33/tbu.

84 Therefore, it is our opinion that the maintenance of the mining rights indicated above will depend on the adoption of one of the following alternatives by 30/09/2024<sup>29</sup>:

<sup>29</sup> The deadlines originally expired on May 15, 2023, and June 29, 2023, but were extended by the ANM based on ANM Resolution N° 28/2020. This resolution came in response to the effects caused by the Covid-19 Pandemic on mining and, as provided for in its article 1, suspended all deadlines provided for in the Mining Code between March 20, 2020, and September 30, 2021.

84.1 **Alternative 1:** submission of a technical-economic feasibility study of the mining with the available information. In this case, the mining right holder will have to demonstrate the technical and economic feasibility of the Amargosa Project as a whole. As most of the mining rights are now in the same phase, the mining right holder may already have elements to present the preliminary feasibility of the project as a whole.

**Risk:** if the mining right holder chooses this alternative, the ANM may question, during the examination of the final exploration report, how the production will be disposed of in order to make mining feasible and whether the enterprise is really viable considering the price of bauxite practiced at the time of analysis of the document. If the company does not clarify these matters consistently, ANM may not approve the report.

**Pros:** the mining right holder will not need to apply for a new suspension, a hypothesis that has some relevant risks, as will be seen below.

**Cons:** if the technical-economic feasibility study is accepted and the report is thus approved, the one-year period for the mining right holder to submit the mining application will begin, pursuant to art. 31 of the Mining Code.

84.2 **Alternative 2:** request for a new period of suspension (art. 30, §2, Mining Code. A new request would demand the necessity to submit a study evidencing the temporary economic unfeasibility of the project. The analysis is made by the agency in a discretionary manner and based on the information submitted by the holder of the mining right. There is no legal parameter that indicates which grounds would be sufficient to justify a new suspension.

**Risk:** Art. 30, §2 of the Mining Code establishes that, if the technical and economic feasibility of mining cannot be proven, the ANM may make the area available (*disponibilidade* proceeding, as per item 27.25) if it understands that another company would have the possibility to make it feasible. In this case, if the request for a new suspension is based on the absence of a transportation solution for the flow of production or related with the bauxite prices, the ANM could eventually reject the request and make the area available in order to attract investors who present a logistical and economic alternative for the case.

**Risk mitigation:** the mining right holder could argue in its request that the lack of a logistical solution for the flow of production and the current bauxite prices are an obstacle for any other company willing to develop the project. The company could also make a request for a new suspension on more than one ground, in addition to the transportation issue. It could reaffirm, for example, the progress of the technological route of processing, demonstrating the absence of a definitive technical conclusion on the subject. Finally, the mining right holder could make the request for a new



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suspension well in advance, in order to have an early response from the Agency. If there is a sign of approval, the company advances in this strategy. If there is resistance to accepting the request, the company withdraws the application and submits the technical and economic feasibility study with the available information (alternative above).

84.3 **Alternative 3:** alternative 1 + request for extension of the deadline for application for the mining permit (art. 31, sole paragraph, Mining Code). The negative point of alternative 1, in addition to the risk indicated, is the beginning, in the short term, of the one-year period for the company to apply for the mining permit, at which time it will have to present the Economic Development Plan of the mineral deposit, with more detailed information on the transportation structure of the mineral product. A possible alternative in this case is, after the presentation of the technical feasibility report and approval of the final exploration reports, the mining right holder requests an extension of the deadline to apply for mining, until the necessary infrastructure for the flow is finalized. This possibility is supported by article 31 of the Mining Code, which regulates the deadline for applying for mining after the approval of the final exploration report and the respective request for extension. Such as the request for a new suspension period, the decision on the extension of the mining application is up to the ANM, and there are no specific requirements for its preparation. The only requirement is that it be duly substantiated.

**Risk:** despite positive precedents, the ANM may eventually reject the application.

**Risk mitigation:** preparation of the application with robust technical and economic grounds, in addition to making the application in advance so that, in case of resistance from ANM, there is time to submit the mining application within the original deadline.

**Pros:** in this case, the mining right holder reduces - but does not completely eliminate - the risk of the area becoming available (*disponibilidade* proceeding, as per item 27.25). This is because the rules applicable to the case, arts. 31 and 32 of the Mining Code, do not make room for the ANM to examine the interest/capacity of third parties to justify the availability of the area, as provided for in art. 30, §2, applied to the hypothesis of a new request for suspension period. To reject the request and make the area available, the ANM will have to use more qualified arguments.

**Cons:** if the ANM resists the request for extension, and the company has to submit the Mining Application within the original deadline to maintain the title, it will have to anticipate the moment to detail the economic and infrastructure issues. To minimize this point, the company could submit the information without full details, in which case it is likely that ANM will issue a requirement for supplementation, which will

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provide the mining right holder with a period of at least 60 (sixty) days to comply, extendable for an equal period upon request within the period granted, as provided for in Article 41 of the Mining Code. As ANM takes time to examine the Mining Applications, it is possible that this alternative will allow time for the maturation of the infrastructure issues associated with the project.

85 It is worth noting that changing the project's focus to rare earths elements and implementing regulatory measures to enable the granting of mining permits for exploiting these specific materials as outlined in items 27.12 or 27.15) will not exempt the holder of the mining rights from addressing the bauxite topic. This is because the ANM, as manager of the Brazilian mineral heritage, must adopt all the measures that prove necessary to allow the exploitation of mineral substances to take place in a rational and efficient manner and, among them, creating the conditions to allow the bauxite discovered by Rio de Contas to be exploited in the future if this is technically and economically feasible. This, in practical terms, means the following: when opting for one of the alternatives indicated in paragraph 84, BRE should bear in mind the need to give an answer to the ANM regarding bauxite as well.

86 It is our opinion that the response to be given in the future, as described in paragraphs 84 and 85 will depend on Borborema's ability to deal with the bauxite topic and provide evidence of the existence of rare earth elements resources. In any case, it's worth noting that the following possibilities can be considered, since there are no legal restrictions preventing them to take place: (i) the venture is viable for both substances; (ii) the venture is not viable for any of the substances, either because the conditions that would allow the exploitation of bauxite have been maintained since the last request filed by Rio de Contas or because the viability of exploiting rare earth elements depends on carrying out an exploration campaign that will only be finalized after the deadline indicated above; (iii) the enterprise is currently viable for bauxite, since, although the conditions presented by Rio de Contas have been overcome, the viability of mining rare earth elements still depends on the conclusion of the exploration campaign mentioned above, (iv) the enterprise is currently viable for rare earth only, if BRE is already in a position to prove its viability based on the presentation of reserves of the new substance (none of which has occurred to date) and the conditions that make the economic use of bauxite unfeasible have been maintained.

#### VI.2.2 Algodão

87 The Amargosa Project area called Algodão encompasses the following mining rights:

<i>Tenement</i>	<i>Area (hectares)</i>	<i>Holder</i>
<i>870.671/2009</i>	<i>1865.08</i>	<i>Rio de Contas</i>
<i>870.672/2009</i>	<i>1935.43</i>	<i>Rio de Contas</i>

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<i>870.713/2007</i>	<i>1252.74</i>	<i>Rio de Contas</i>
<i>870.714/2007</i>	<i>1462.6</i>	<i>Rio de Contas</i>

88 For the tenements 870.671/2009 and 870.672/2009, the first decision suspending the analysis of the final exploration reports was issued on 06/21/2016. ANM has not yet rendered a decision on the request submitted by Rio de Contas on 04/16/2019 aiming for a second decision to suspend the analysis of the final exploration reports. For these proceedings, we understand that there are no regulatory measures to be taken in order to maintain the regularity of the mining rights. This is because the obligation to submit a new feasibility study arises only from the decision of the ANM that has suspended the analysis of the Final Exploration Report, which did not happen in these proceedings.

89 For the tenements 870.713/2007 and 870.714/2007, the first decision suspending the analysis of the final exploration reports was issued on 06/02/2017 and the second, after analysis of the request submitted by Rio de Contas on 02/20/2020, took place on 05/15/2020. The situation of these tenements is the same as that reported under Section V.2.1, which is why the comments we have made under items 84 to 86 of this report also apply here.

### VI.2.3 Extensão Norte

90 The Amargosa Project area called Extensão Norte encompasses the following mining rights:

<i>Tenement</i>	<i>Area (hectares)</i>	<i>Holder</i>
<i>870.314/2007</i>	<i>1641.44</i>	<i>Rio de Contas</i>
<i>870.724/2010</i>	<i>221.65</i>	<i>Rio de Contas</i>
<i>872.947/2007</i>	<i>1849.59</i>	<i>Rio de Contas</i>
<i>873.776/2006</i>	<i>2000</i>	<i>Rio de Contas</i>
<i>873.880/2007</i>	<i>1314.97</i>	<i>Rio de Contas</i>
<i>872.703/2008</i>	<i>999.93</i>	<i>Rio de Contas</i>
<i>871.239/2010</i>	<i>1844.82</i>	<i>Rio de Contas</i>
<i>870.025/2007</i>	<i>1976.06</i>	<i>Rio de Contas</i>

<i>870.024/2007</i>	<i>1727.33</i>	<i>Rio de Contas</i>
<i>870.027/2007</i>	<i>1947.35</i>	<i>Rio de Contas</i>
<i>870.029/2007</i>	<i>1994.47</i>	<i>Rio de Contas</i>
<i>870.026/2007</i>	<i>1783</i>	<i>Rio de Contas</i>
<i>874.320/2007</i>	<i>1994.71</i>	<i>Rio de Contas</i>
<i>870.174/2007</i>	<i>1686.99</i>	<i>Rio de Contas</i>

91 For the tenements 870.776/2006, 872.703/2008, 870.025/2007, 870.024/2007, 870.027/2007, 870.029/2007, 870.026/2007 and 870.174/2007, the first decision suspending the analysis of the final exploration reports was issued on 06/21/2016 (from the proceeding 870.776/2006 to 870.026/2007) and 08/11/2016 (for the proceeding 870.174/2007). ANM has not yet rendered a decision on the request submitted by Rio de Contas on 04/16/2019 aiming for a second decision to suspend the analysis of the Final Exploration Reports. For these proceedings, we understand that there are no regulatory measures to be taken to maintain the good standing of the mining rights and prevent them from being lost. This is because the obligation to submit a new feasibility study arises only from the decision of the ANM that has suspended the analysis of the Final Exploration Report, which did not happen in these proceedings.

92 For the tenements 870.314/2007, 870.724/2010, 872.947/2007, 873.880/2007, 871.239/2010 and 874.320/2007, the first decision suspending the analysis of the final exploration reports was issued on 03/01/2017 and the second, after analysis of the request submitted by Rio de Contas on 02/20/2020, took place on 05/15/2020 (from the proceeding 870.724/2010 to 874.320/2007) and 06/29/2020 (for proceeding 870.314/2007). The situation of these proceedings is the same as that reported under Section V.2.1, which is why the comments we have made under items 84 to 86 of this Opinion also apply here.

#### VI.2.4 Extensão Sul

93 The Amargosa Project area called Extensão Sul encompasses the following mining rights:

<i>Tenement</i>	<i>Area (hectares)</i>	<i>Holder</i>
<i>870.877/2007</i>	<i>1994</i>	<i>Rio de Contas</i>

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<i>870.879/2007</i>	<i>1995.77</i>	<i>Rio de Contas</i>
<i>872.970/2010</i>	<i>789.47</i>	<i>Rio de Contas</i>
<i>872.480/2009</i>	<i>598.9</i>	<i>Rio de Contas</i>
<i>870.880/2007</i>	<i>1802.12</i>	<i>Rio de Contas</i>
<i>870.882/2007</i>	<i>1461.47</i>	<i>Rio de Contas</i>
<i>873.398/2008</i>	<i>853.82</i>	<i>Rio de Contas</i>
<i>870.890/2007</i>	<i>1856.64</i>	<i>Rio de Contas</i>
<i>870.888/2007</i>	<i>1710.38</i>	<i>Rio de Contas</i>
<i>870.898/2007</i>	<i>1690.23</i>	<i>Rio de Contas</i>
<i>870.900/2007</i>	<i>2000</i>	<i>Rio de Contas</i>

94 For the tenement 872.480/2009 the first decision suspending the analysis of the Final Exploration Reports was issued on 06/21/2016. ANM has not yet rendered a decision on the request submitted by Rio de Contas on 04/16/2019 aiming for a second decision to suspend the analysis of the final exploration reports. For this tenement, we understand that there are no regulatory measures to be taken to maintain the good standing of the mining right and prevent them from being lost. This is because the obligation to submit a new feasibility study arises only from the decision of the ANM that has suspended the analysis of the final exploration report, which did not happen in this proceeding.

95 For the tenements 870.877/2007, 870.879/2007, 872.970/2010, 870.880/2007, 870.882/2007, 873.398/2008, 870.890/2007, 870.888/2007, 870.898/2007, 870.900/2007, the first decision suspending the analysis of the final exploration reports was issued on 03/01/2017 and the second, after analysis of the request submitted by Rio de Contas on 02/20/2020, took place on 06/29/2020 (for proceeding 873.398/2008) and on 05/15/2020 (for the other proceedings) and. The situation of these tenements is the same as that reported under Section V.2.1, which is why the comments we have made under items 84 to 86 of this report also apply here.

### VI.2.5 Norte Virtual

96 The Amargosa Project area called Norte Virtual encompasses the following mining rights:

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<i>Tenement</i>	<i>Area (hectares)</i>	<i>Holder</i>
<i>873.777/2006</i>	<i>1930.28</i>	<i>Rio de Contas</i>
<i>872.563/2005</i>	<i>1996.8</i>	<i>Rio de Contas</i>
<i>873.212/2006</i>	<i>1201.28</i>	<i>Rio de Contas</i>
<i>873.213/2006</i>	<i>1810.84</i>	<i>Rio de Contas</i>
<i>873.244/2006</i>	<i>157.84</i>	<i>Rio de Contas</i>

97 For the tenements 873.777/2006 and 872.563/2005, the first decision suspending the analysis of the final exploration reports was issued on 06/21/2016 (for the proceeding 873.777/2006) and on 06/02/2016 (for the tenement 872.563/2005). ANM has not yet rendered a decision on the request submitted by Rio de Contas on 04/16/2019 aiming for a second decision to suspend the analysis of the final exploration report. For the tenements 873.212/2006, 873.213/2006 and 873.244/2006, the requests aiming for a suspension on the analysis of the final exploration reports were filed on 12/23/2015 and are still pending decision from the ANM.

98 For these tenements, we understand that there are no regulatory measures to be taken to maintain the good standing of the mining rights and prevent them from being lost. This is because the obligation to submit a new feasibility study arises only from the decision of the ANM that has suspended the analysis of the Final Exploration Report, which did not happen in this proceeding.

#### VI.2.6 Sul Virtual

99 The Amargosa Project area called Extensão Sul encompasses the following mining rights:

<i>Tenement</i>	<i>Area (hectares)</i>	<i>Holder</i>
<i>870.539/2007</i>	<i>1970.36</i>	<i>Rio de Contas</i>
<i>870.585/2008</i>	<i>1016.33</i>	<i>Rio de Contas</i>
<i>870.674/2009</i>	<i>1592.48</i>	<i>Rio de Contas</i>
<i>870.540/2007</i>	<i>1705.05</i>	<i>Rio de Contas</i>
<i>870.541/2007</i>	<i>2000</i>	<i>Rio de Contas</i>
<i>870.545/2007</i>	<i>2000</i>	<i>Rio de Contas</i>

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870.544/2007	2000	Rio de Contas
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100 For the tenements 870.539/2007 and 870.674/2009, the first decision suspending the analysis of the final exploration reports was issued on 06/21/2016. ANM has not yet rendered a decision on the request submitted by Rio de Contas on 04/16/2019 aiming for a second decision to suspend the analysis of the final exploration reports. For these tenements, we understand that there are no regulatory measures to be taken to maintain the good standing of the mining right and prevent them from being lost. This is because the obligation to submit a new feasibility study arises only from the decision of the ANM that has suspended the analysis of the Final Exploration Report, which did not happen in these proceedings.

101 For the tenements 870.585/2008, 870.540/2007, 870.541/2007, 870.545/2007 and 870.544/2007, the first decision suspending the analysis of the final exploration reports was issued on 03/01/2017 and the second, after analysis of the request submitted by Rio de Contas on 02/20/2020, took place on 06/29/2020 (for tenements 870.540/2007, 870.541/2007 and 870.544/2007) and on 05/15/2020 (for tenements 870.585/2008 and 870.545/2007). The situation of these proceedings is the same as that reported under Section V.2.1, which is why the comments we have made under items 84 to 86 of this report also apply here.

### V.2.7 – Proceeding 870.357/2009 (disponibilidade)

102 The mining right granted in this tenement was held by Euro Bahia Mineração Ltda and was lost as a result of non-payment of the Annual per Hectare Fee. The area hitherto encumbered was made available to Rio de Contas, which submitted a proposal to compete in the *disponibilidade* procedure together with two other companies. As of the closing date of this report, ANM had not yet analysed the proposals submitted in the procedure to determine the winner of the dispute. If Rio de Contas is declared the winner, ANM will grant an exploration permit to the company. That exploration permit, on its turn, could be assigned to third parties.

### VI.2.8 Titânio Goiás' proceedings

103 The exploration permits No. 872.947/2007, 873.880/2007 and 870.724/2010, which are part of the Amargosa Tenements, were purchased by Rio de Contas from Titânio Goiás, pursuant to an agreement entered into the companies on August 19, 2010, and amended on December 21, 2011, and March 23, 2012. In sum, in consideration for said tenements, Rio de Contas paid approximately USD 870,000 to Titânio Goiás, which already stated that it received the full amount, and those three exploration permits are currently held by Rio de Contas.

104 In the same agreement, Rio de Contas acquired from Titânio Goiás an option to purchase the mining applications No. 872.605/2006, 870.466/1989, 870.465/1989 and 870.463/1989, which will be valid for four years after the granting of the mining permit for each tenement. These tenements are

also part of the Amargosa Tenements. In consideration for maintaining the option and purchasing the tenements, Rio de Contas shall pay USD 257.00 per hectare of these assets (approximately USD 167.000,00 in total), divided in five tranches of equal amounts, by the following:

- 104.1 20% of the full amount to be paid by Rio de Contas for the tenement, within 10 days of the granting of the mining permit.
- 104.2 20% of the full amount to be paid by Rio de Contas for the tenement, within one year of the granting of the mining permit.
- 104.3 20% of the full amount to be paid by Rio de Contas for the tenement, within two years of the granting of the mining permit.
- 104.4 20% of the full amount to be paid by Rio de Contas for the tenement, within three years of the granting of the mining permit.
- 104.5 20% of the full amount to be paid by Rio de Contas for the tenement, within four years of the granting of the mining permit.

105 Rio de Contas also acquired from Titânio Goiás an option to purchase the *disponibilidade* No. 300.049/2011, which will be valid for four years after the granting of the exploration permit, if Titânio Goiás wins the bidding proceeding. This tenement is also part of the Amargosa Tenements. In consideration for maintaining the option and purchasing the tenement, Rio de Contas shall pay USD 257.00 per hectare of this tenement (USD 112,458.06), divided in five tranches of equal amounts, by the following:

- 105.1 20% of the full amount to be paid by Rio de Contas for the tenement, within 10 days of the granting of the exploration permit.
- 105.2 20% of the full amount to be paid by Rio de Contas for the tenement, within one year of the granting of the exploration permit.
- 105.3 20% of the full amount to be paid by Rio de Contas for the tenement, within two years of the granting of the exploration permit.
- 105.4 20% of the full amount to be paid by Rio de Contas for the tenement, within three years of the granting of the exploration permit.
- 105.5 20% of the full amount to be paid by Rio de Contas for the tenement, within four years of the granting of the exploration permit.

106 The tenements No. 872.605/2006, 870.466/1989, 870.465/1989, 870.463/1989 and 300.049/2011 shall be transferred to Rio de Contas within 10 days after the exercise of the option. While the option period is valid and the option is not exercised, Rio de Contas shall maintain, at its own expense, all the applicable licenses necessary for its exploration campaign and reimburse all Titânio Goiás' costs of keeping the tenements valid, if any, which shall be preapproved by Rio de Contas.

107 As Titânio Goiás is interested in any titanomagnetite deposits in the areas, Rio de Contas agreed to not explore, mine or sell ores of this kind in relation to all the tenements cited above in this section. Pursuant to the agreement, the former may perform exploration and mining activities in the tenements, exclusively for titanomagnetite, within 20 years of the execution of the contract. If Titânio



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Goiás notifies its desire to start the exploration and mining activities, which will be conditional upon compliance with all applicable legislation and the assumption of all risks for its activities, the parties shall enter into an agreement to establish how the operations can coexist. There is no obligation to let Titânio Goiás conduct its activities if the parties fail to agree the common terms and conditions. Titânio Goiás has not exercised this right to date.

108 Rio de Contas is expressly allowed to assign the tenements, pursuant to the contract. However, if it wants to discontinue its activities, it must transfer the assets back to Titânio Goiás without any costs.

109 Pursuant to the agreement through which Borborema agreed to acquire Rio de Contas' titles and interest in the Amargosa Tenements, including tenements No. 872.947/2007, 873.880/2007, 870.724/2010, 872.605/2006, 870.466/1989, 870.465/1989, 870.463/1989 and 300.049/2011, (as summarised in Section IX.2 of this report and in Section 9.6(e) of the Prospectus) Borborema will have to comply with all Rio de Contas' rights and duties before Titânio Goiás regarding these tenements as Rio de Contas' successor, including Titânio Goiás' right to explore titanomagnetite in the areas.

### **VI.2.8.1 – Proceeding 870.463/1989 (application for mining)**

110 The mining right is active and in good standing from a mining regulatory point of view considering that all mining regulatory obligations have been complied with, and, among them, those that determined the presentation of the final exploration report and the Economic Development Plan. It should also be noted that upon analysis of the information referred to in item 5 of this Report, no administrative proceeding has been identified with a claim for cancellation, nullification, or forfeiture of the mining right.

111 According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with easement areas, gas pipelines, oil pipelines, hydroelectric plants, transmission lines, wind farms, petrochemical complexes, military areas, Quilombola lands, full protection conservation units, settlement projects or indigenous lands were identified.

112 However, we identified a point of attention.

113 According to the copies that we had access to, the last thing to happen in the tenement was the owner, Titânio Goiás, informing the ANM that an environmental licensing process was initiated.

114 However, this information was presented in 2009, more than 13 years ago. Therefore, if the intention of BRE is that the mining permit be granted, it is recommended that the owner of the mining right (a) present the current Environmental License or (b) in the absence of one, inform the current progress of the licensing process, proving that, in the meantime, it has adopted all the necessary measures to allow the issuance of the license. In the second option, it is important that the ANM be kept updated every 6 months, counting from the protocol, avoiding questions about compliance with art. 31, § 4, of the Regulation of the Mining Code.

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#### VI.2.8.2 – Proceeding 870.465/1989 (application for mining)

115 The mining proceeding is active.

116 It should also be noted that upon analysis of the information referred to in item 5, no administrative proceeding has been identified with a claim for cancellation, nullification, or forfeiture of the mining right.

117 According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with easement areas, gas pipelines, oil pipelines, hydroelectric plants, transmission lines, wind farms, petrochemical complexes, military areas, Quilombola lands, full protection conservation units, settlement projects or indigenous lands were identified.

118 However, we identified a point of attention.

119 On 05/04/2015, the Official Letter No. 145/2015 was published, requiring the presentation of the Environmental License within 180 days. According to the information we had access to, Titânio Goiás has not submitted a response to the Notice.

120 If it is confirmed that the Official Letter was not answered by the company within the period of 180 days granted by the ANM, the mining application is subject to forfeiture, based on art. 41, § 4, of the Mining Code.

121 Given this, and the large time lapse since the Official Letter was published, it is recommended that the Environmental License be presented before the ANM re-analyzes the proceeding, allowing it to be alleged that (i) the company, despite not having responded to the Official Letter timely, adopted the necessary measures for the issuance of the Environmental License, and (ii) there is no prejudice in the continuation of the mining application, since the process remained without analysis by the Agency for a long time and the document was presented before the agency proceeded with the process.

122 However, even if the above action is adopted, we emphasize that it is not possible to eliminate the risk of the agency rejecting the mining application based on the mentioned legal provision and the area being lost by Titânio Goiás.

123 If this occurs, the area will be included in a *disponibilidade* procedure and the company may, if it is in its interest, try to recover the area within the scope of said procedure.

124 On the other hand, we point out that there is no evidence, in the copies that we had access to, that Titânio Goiás received the Official Letter No. 145/2015 via Post Office. If it is confirmed that there is no proof of effective awareness of the holder, it will be possible to claim, based on precedents of the Collegiate Board of ANM, that there was no deadline for response.

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125 This thesis is reasonable and has robust grounds to be defended, but it depends completely on the absence of receipt of the Notice by Titânio Goiás. Therefore, it is advisable to confirm that the Notice was not, in fact, received on the company's premises.

### **VI.8.3 – Proceeding 870.466/1989 (mining application)**

126 The mining proceeding is active and in good standing from a mining regulatory point of view. It should also be noted that upon analysis of the information referred to in item 5, no administrative proceeding has been identified with a claim for cancellation, nullification, or forfeiture of the mining right.

127 According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with easement areas, gas pipelines, oil pipelines, hydroelectric plants, transmission lines, wind farms, petrochemical complexes, military areas, Quilombola lands, full protection conservation units, settlement projects or indigenous lands were identified.

128 According to the information we had access to, the last thing to happen in the proceeding was the owner, Titânio Goiás, responding to an Official Letter Notice from the agency in 2007.

129 Considering that the mining right was already in the mining application phase, it is possible that the 2007 Official Letter is related to (a) the presentation of an Environmental License, or (b) the fulfillment of technical requirements to complement the Plan of Economic Development.

130 Therefore, if the intention of BRE is that the mining permit be granted, it is recommended that the owner of the mining right (a) present the current Environmental License or (b) in the absence of one, inform the current progress of the licensing process, proving that, in the meantime, it has adopted all the necessary measures to allow the issuance of the license. In the second option, it is important that the ANM be kept updated every 6 months, counting from the protocol, avoiding questions about compliance with art. 31, § 4, of the Regulation of the Mining Code.

### **VI.8.4 – Proceeding 872.605/2006 (mining application)**

131 The mining proceeding is active and in good standing from a mining regulatory point of view. It should also be noted that upon analysis of the information referred to in item 5, no administrative proceeding has been identified with a claim for cancellation, nullification, or forfeiture of the mining right.

132 According to the information made available by ANM on the closing date of this Opinion, no interferences by the tenement's polygonal with easement areas, gas pipelines, oil pipelines, hydroelectric plants, transmission lines, wind farms, petrochemical complexes, military areas, Quilombola lands, full protection conservation units, settlement projects or indigenous lands were identified.

133 However, we identified a point of attention.

134 On 01/06/2011, Titânio Goiás, in response to an Official Letter from the ANM for the mining right area to be reduced to the limits of the mining deposit, requested the reduction of the area to 8.55

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hectares. In this context, the Final Exploration Report was approved with an area reduction to 8.55 hectares and the discarded area was destined to the *disponibilidade* proceeding, which generated the proceeding No. 300.049/2011, with 3 interested parties qualifying for the bid.

135 On 29/03/2012, Titânio Goiás presented a request for reconsideration in relation to the area reduction presented in 2011, claiming that the mineralized body actually occupies 12.75 hectares.

136 There are no indications that the ANM has analyzed the request and, considering that effects were generated for third parties (opening of the *disponibilidade* procedure) and more than 5 years have passed since the qualifying of the interested parties, there is the possibility that the request from Titânio Goiás will be denied and the area of the mining right remains at 8.55 hectares.

137 In addition, as pointed out in the other mining applications, we emphasize that (i) we did not identify the presentation of an Environmental License in the mining process and (ii) the Mining Permit will not be granted without the presentation of the said License.

#### VI.10.5 – Proceeding 300.049/2011 (*disponibilidade*)

138 The administrative proceeding is active and was generated from the area reduction of the mining proceeding No. 872.605/2006 in 2011.

139 The bid was published on 10/24/2011 and three interested parties qualified. There are no indications that the procedure has been decided by the ANM. If none of the interested parties has properly qualified and/or withdraws from the qualification, the area of 473.58 hectares will be reinserted in a new *disponibilidade* procedure, but in the new format of ANM, which may eventually lead to the payment of amounts for the acquisition of the area – if there is more than one interested party.

### VII – Environmental affairs

#### VII.1 – Environmental licensing proceeding in State of Bahia

140 The environmental licensing procedure for enterprises or activities causing or potentially causing environmental impacts within the state of Bahia was established by State Law No. 10.431, of December 20, 2006 (Environment and Biodiversity Protection Policy).

141 Environmental regularization in the state of Bahia will be carried out by the Secretariat of the Environment (SEMA), under the terms of art. 5 of State Decree No. 14.024/2012 and is therefore competent to conduct the environmental licensing process for enterprises whose activity is considered to be effectively or potentially polluting. Annex IV of said State Decree presents the effective or potentially polluting activities that may be subject to state environmental licensing.

142 For the exercise of mining activities, the enterprise must undergo prior environmental licensing before the competent environmental agency, pursuant to art. 42 of State Law No. 10.431/2006:

Art.42 - The location, implementation, operation and alteration of undertakings and activities that use environmental resources, as well as those capable of causing

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environmental degradation, will depend on prior environmental licensing, in the form of the provisions of this Law and other rules arising from it.

143 Therefore, it is an inescapable condition that the enterprise obtains authorization from the environmental agency to carry out the activities in advance, and if it operates any activity that requires authorization from the environmental agency without such authorization, it will be subject to a fine and penalties such as suspension of activities and blocking of the area.

144 In this sense, according to the documents forwarded to the firm, (i) the BRE Tenements<sup>30</sup> and Alpha Tenements<sup>31</sup> are currently in the exploration permit stage (ii) it will not be necessary to suppress vegetation, (iii) there is no direct impact on protected areas, (iv) that there is no intervention in water resources, (v) that there is no territorial conflict, (vi) there is no interference in an area with the presence of cavities or sites of archaeological importance and (vii) at this stage there is no mineral extraction for immediate commercialization, so at this point it is not necessary to have an operating license in force, under the terms of Article 142-B, Sole Paragraph, items I, II and III, of State Decree 14.024/2012. No such operating license is in force for the BRE Tenements and Alpha Tenements as at the date of this report.

145 As stated to the office, the mineral exploration conducted by BRE involving auger and sonic drills were submitted to prior registration, as provided for in art. 142-C<sup>32</sup> of state decree no. 14.024/2012.

<sup>30</sup> BRE Tenements: 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; 871.931/2022; 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; 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.

<sup>31</sup> Alpha Tenements: 870.728/2016; 870.727/2016; 870.717/2017; 870.726/2016; 870.484/2017; 870.483/2017; 871.394/2017; 871.395/2017; 870.899/2017; 870.906/2017; 870.900/2017; 870.912/2017; 871.243/2021; 871.164/2021; 871.042/2021; 871.144/2021.

<sup>32</sup> Art. 142-C. Mineral exploration, without a *Guia de Utilização*, involving drilling and trenches, among other methods, will be exempt from environmental licensing, upon prior registration of the activity with SEIA, when the following situations occur:

I - is carried out in anthropic areas;

II - no interventions occur in areas of native vegetation;

III - does not involve the relocation of people;

IV - there is no intervention in conservation units, buffer zones, coastal areas, archaeological, speleological and paleontological sites and/or occurrences;

V - is carried out in permanent preservation areas, in compliance with the relevant legal provisions;

146 With regard to the Amargosa Tenements, the information and documents sent to the office indicate that no activities have been carried out that depend on obtaining environmental licenses, in other words, the environmental license provided for in the sole paragraph of art. 142-B of State Decree no. 14.024/2012.

147 However, the Environmental Authorizations granted to Rio de Contas were presented and, in this regard, it is important to note that the Environmental Authorization is the administrative act through which the competent environmental body allows the realization or operation of undertakings and activities, exploration and services of a temporary nature, execution of works that do not result in permanent installations, as well as those that enable environmental improvement, as defined in regulation, under the terms of art. 48 of State Law n. 10.031/2006.

148 Environmental licensing, according to Bahian legislation, includes environmental licenses and authorizations, but these are separate acts, with environmental authorization having a less complex scope, aimed at exploration activities, as is the case with the authorizing acts submitted for analysis by the office and which, as stated above, are considered true.

149 Below is a list of each of the notices of publication of the Environmental Authorizations granted to Rio de Contas for drilling activities, as well as their current status. Under the applicable regulations, environmental authorizations are generally granted for a period of one year, and all of these have expired, which means that any other exploration activity in the area must be preceded by an environmental authorization or prior registration:

- i. DNPM Nos. 870.713/2007, 870.714/2007, 870.671/2009 and 870.672/2009. 2012 process. No published ordinance presented. Possibly overdue.
- ii. Ordinance 3990, of November 20, 2012 a) DNPM 870.827/04 b) DNPM 870.826/04: c) DNPM 870.534/07 d) DNPM 872.568/05: Validity of 1 year. Expired ordinance.
- iii. Ordinance 4940, of May 2, 2013. DNPM 870.826/2004: Overdue.
- iv. Ordinance 6046, of October 1, 2013. a) DNPM 870.826/2004; b) DNPM 870.827/2004; c) DNPM 870.534/2007; d) DNPM 870.536/2007. Overdue.
- v. Ordinance 6682, of January 2, 2014. a) DNPM 872.568/2005; b) DNPM 870.827/2004; c) DNPM 870.534/2007; d) DNPM 870.536/2007. Overdue.
- vi. Ordinance 6915, of February 10, 2014. a) DNPM 870.314/2007 b) DNPM 872.947/2007. Overdue.

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VI - do not interfere with indigenous lands and/or traditional communities, in accordance with relevant legislation;

VII - do not involve silting, diversions and/or interventions in water courses and the use of chemical substances that could contaminate and/or alter the quality of water resources.



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- vii. Ordinance 7064, of March 10, 2014. DNPM 870.545/2007. Overdue.
- viii. Ordinance 7065, of March 10, 2014. DNPM 873.212/2006. Overdue.
- ix. Ordinance 7384, of April 29, 2014. a) DNPM 873.212/2006 b) DNPM 873.213/2006. Overdue.
- x. Ordinance 7493, of May 15, 2014. a) DNPM 870.545/2007 b) DNPM 870.540/2007. Overdue.
- xi. Ordinance 8032, of July 31, 2014. a) DNPM 873.880/07: 440019/8510100; b) DNPM 872.947/07 c) DNPM 870.314/07 d) DNPM 870.174/07 e) DNPM 873.776/06; f) DNPM 870.029/07; g) DNPM 870.724/10. Overdue.
- xii. Ordinance 8169 of August 19, 2014. a) DNPM 870.539/2007. Overdue.
- xiii. Ordinance 9392, of March 6, 2015. a) DNPM 870.314/2007; b) DNPM 872.947/2007; c) DNPM 870.146/2012; d) DNPM 870.175/2007; e) DNPM 873.776/2006; g) DNPM 873.944/2011; h) DNPM 870.724/2010. Overdue.
- xiv. Ordinance 9930, of June 26, 2015. a) DNPM 873.880/2007; b) DNPM 871.239/2010; c) DNPM 870.174/2007; d) DNPM 870.173/2007. Overdue. Interference with APA Caminhos Ecológicos da Boa Esperança. Prior consent obtained for exploration.
- xv. Ordinance 9806, of May 26, 2015. a) DNPM 870.026/2007; b) DNPM 870.174/2007; c) DNPM 873.880/2007; d) DNPM 870.029/2007. Overdue.
- xvi. Ordinance 9797, of May 26, 2015. a) DNPM 870.674/2009; b) DNPM 870.585/2008. Expired. Renewed by Ordinance 11.664, of April 28, 2016. Overdue.
- xvii. Ordinance 10.019, of July 15, 2015. a) DNPM 870.534/2007; b) DNPM 870.827/2004; c) DNPM 872.568/2005; d) DNPM 870.826/2004. Overdue.
- xviii. Ordinance 10.358. of September 8, 2015. a) DNPM 870.671/2009. Overdue.
- xix. Ordinance 10.403, of September 14, 2015. a) DNPM 872.568/2005; b) DNPM 870.827/2004; c) DNPM 870.534/2007. Overdue.
- xx. Ordinance 10.453, of September 21, 2015. DNPM 870.723/2011; b) DNPM 870.724/2011. Overdue.
- xxi. Ordinance 10.719, of November 11, 2015. a) DNPM 871.438/2004. Overdue.
- xxii. Ordinance 10.865, of December 2, 2015. a) DNPM No. 870.534/2007 and b) 870.536/2007. Overdue.
- xxiii. Ordinance 11.010, of December 22, 2015. a) DNPM 873.212/2006. Overdue.
- xxiv. Ordinance 11.661, of April 28, 2016. a) DNPM 870.880/2007; b) DNPM 873.398/2007; c) DNPM 870.890/2007; d) DNPM 870.888/2007. Overdue.

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- xxv. Ordinance 11.665, of April 28, 2016. a) DNPM No. 870.888/2007; b) 870.890/2007; c) 870.898/2007. Overdue.
- xxvi. Ordinance 11.754, of May 11, 2016. a) DNPM 870.888/2007; b) DNPM 870.890/2007; c) DNPM 873.398/2007; d) DNPM 870.898/2007. Overdue.
- xxvii. Ordinance 11.871, of June 13, 2016. a) DNPM 871.438/2004; b) DNPM 870.826/2004. Overdue.
- xxviii. Ordinance 11,930 of June 28, 2016. a) DNPM 870,888/2007; b) DNPM 870,882/2007; c) DNPM 870,890/2007; d) DNPM 873,398/2008. Expired.
- xxix. Below is a list of each of the environmental authorizations granted to Rio de Contas for drilling and trenching, as well as their current status. Under the applicable regulations, environmental authorizations are generally granted for a period of one year, and all of them have expired.
- xxx. Ordinance 10.246, of August 19, 2015. a) DNPM 870.671/2009. Overdue.
- xxxi. Ordinance 10.247, of August 19, 2015. a) DNPM 873.212/2006. Overdue.
- xxxii. Ordinance 10.451, of September 21, 2015. a) DNPM 873.777/2006; b) DNPM 871.212/2006. Overdue. Interference with APA Caminhos Ecológicos da Boa Esperança.
- xxxiii. Ordinance 10.462, of September 22, 2015. a) DNPM 870.826/2004. Overdue.
- xxxiv. Ordinance 10.402, of September 14, 2015. a) DNPM 870.545/2007. Overdue.
- xxxv. Ordinance 10.629, of October 21, 2015. a) DNPM 870.826/2004; b) 870.534/2007. Overdue.
- xxxvi. Ordinance 12.161, of August 2, 2016. a) DNPM 874.320/2007. Overdue. Interference with APA Caminhos Ecológicos da Boa Esperança.
- xxxvii. Ordinance 12.122, of July 26, 2016. a) DNPM 870.724/2010; b) 872.947/2007. Overdue.
- xxxviii. Ordinance 12.123 of 26 July 2016. a) DNPM 870.888/2007; b) 870.890/2007; c) 873.398/2008. Expired.
- xxxix. Ordinance 12,200 of 10 August 2016. a) DNPM 870,882/2007; b) DNPM 870,880/2007; c) DNPM 873,398/2008; d) DNPM 870,888/2007; e) DNPM 870,890/2007; f) DNPM 870,898/2007. Expired.
- xl. Ordinance 12.172, of August 5, 2016. a) DNPM 870.540/2007; b) DNPM 870.545/2007. Overdue.

150 Finally, we list the publication orders for the Environmental Authorizations granted to Rio de Contas, for the exploration activity by means of drilling and trenching, involving authorization to

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suppress vegetation, as well as their current status. Under the applicable regulations, environmental authorizations are generally granted for a period of one year, and all of them have expired.

xli. Ordinance 10.453, of September 21, 2015. a) DNPM 870.723/2011; b) DNPM 870.724/2011. Overdue. Despite the information that there would be an ASV associated with the exploration, the aforementioned authorization for suppression was not presented.

xlii. Ordinance 11.348, of February 26, 2016. a) DNPM 870.671/2009. ASV on 0.83ha. Both authorizations have expired.

151 In view of the information presented, it can be concluded that, in the past, the mineral surveys linked to the aforementioned mining rights, held by Rio das Contas, were regular. Currently, however, there is no legal possibility of continuing exploration in the polygonal areas of the mining rights analysed, except through a new procedure of prior registration or obtaining Environmental Authorization, as provided on article 142-B<sup>33</sup> e 142-C<sup>34</sup> of state decree no. 14.024/2012. Reassaying the samples collected on previous drilling activities, as intended by BRE, does not require another authorization from the environmental body.

152 The obtaining of authorizations must precede the performance of field activities, and the estimated time for analysing an authorization request depends on a series of factors, ranging from the correct instruction of the application to the responsible agent for its analysis. Therefore, we cannot ascertain what was asked.

153 Considering that all the environmental authorizations submitted have expired, it is unnecessary to assess any regularity in the granting of these authorizations, and it is valid to reinforce that any irregularity that may be pointed out in these documents, should fall on the holder of the same, due to the subjective nature of administrative responsibility.

### VII.2 – Authorization for suppression of native vegetation

<sup>33</sup> Art. 142-B. As a rule, Environmental Authorization will be issued in the following cases:

I - extraction of mineral substances for research with Guia de Utilização, in accordance with DNPM Ordinance No. 144/2007;

II - oil or natural gas exploration and production activities aimed at:

a) rehabilitation of inactive fields with marginal accumulations;  
b) carrying out an economic viability test; c) carrying out a long-term test;

III - acquisition of seismic or any other method for collecting geological, geochemical and geophysical data that involves environmental interventions.

<sup>34</sup> Mentioned on footnote 32.



154 The suppression of native vegetation for alternative land use requires authorization, provided for in State Decree No. 15.180/2014, art. 32, paragraph 2, item II, as follows:

Art. 32. The suppression of native vegetation for alternative land use, when permitted by legislation, will depend on prior authorization from the competent environmental agency, observing the technical criteria for conduction, exploitation, forest replacement, compensation and compatibility with the various forest ecosystems.

[...]

§ 2 The suppression of vegetation resulting from environmental licensing is authorized by the licensing federative entity, under the terms of Federal Complementary Law No. 140, of December 8, 2011.

155 Among the documents forwarded to the office there is no authorization for vegetation suppression on behalf of BRE Tenements and Alpha Tenements. In this sense, if it is necessary to promote the suppression of vegetation for the implementation of the enterprise or execution of the activities, it will be necessary to obtain the referred authorization previously, under penalty of the company being fined by the environmental agency.

156 Hence, it must be noted that there is no evidence in the documents provided to the firm of any unauthorized vegetation suppression in the BRE Tenements and Alpha Tenements. If this has occurred and the environmental agency identifies the irregularity, the company will be fined and must promote the recovery of the area or promote compensation for the suppression of irregular vegetation.

157 As determined by State Decree No. 15.180/2014 described above, authorization to suppress vegetation must be obtained in advance. This means that if the company needs to suppress vegetation in order to carry out activities related to mineral exploration, it must obtain the authorization before carrying out the suppression and, consequently, before starting the activities.

158 In this regard, according to the information provided to the office, there has been no need to carry out vegetation suppression in the BRE Tenements and Alpha Tenements to date, which is why, at present, it has not been necessary to obtain authorization to suppress vegetation. However, if it becomes necessary to suppress vegetation at any time in the future, it will be necessary to obtain authorization to suppress vegetation before doing so.

159 With regard to the Amargosa Tenements, the information and documents sent to the office indicate that there was a need to suppress vegetation only in an area located within Proceeding No. 870.671/2009, which was authorized as indicated in Ordinance No. 11.348/2016.

### VII.3 – Use of water resources

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160 Regarding the abstraction of water resources, we identified the certificate of declaration of unenforceability of grant for the use of water resources No. 2023.001.007374/INEMA/INEXIG issued in the name of Borborema for abstraction of water on the property located on Monte Alto street, Baixa Alegre, Zona Rural, in the city of Jiquiriçá/BA, among the documents made available for analysis by the office.

161 This certificate indicates that Borborema does not currently carry out any water abstraction that requires a permit from the environmental agency. Among the documents forwarded to the office, there is no information indicating the need for water abstraction at the stage the BRE Tenements and Alpha Tenements are currently at. However, if it is necessary to carry out other types of water abstraction or new interventions in water resources, authorization from the environmental agency must be obtained beforehand.

162 Regarding the Amargosa Tenements, the information and documents sent to the office indicate that there has been no need to use water resources to date.

163 The granting of the right to use water resources is provided for in the aforementioned State Law No. 11.612, of October 8, 2009, which establishes the State Water Resources Policy. As indicated above, the company must obtain a permit for the right to use water resources if it carries out the activities set out in art. 18 of the aforementioned law, described below:

Art. 18 The following activities or undertakings are subject to the granting of water resources use by the State Water Resources Policy executing agency, in the form of the regulation:

I - the activities or undertakings that capture or derive surface or underground waters;

II - the construction of dams, the activity of aquaculture in tank-nets and hydroelectric exploitation;

III - interferences in riverbeds and other water bodies for the extraction/exploitation of minerals or other materials, according to specific legislation;

IV - the discharge of sewage, wastewater and wastewater, and other liquid or gaseous effluents, treated or not, into water bodies, for the purpose of dilution, transportation or final disposal;

V - the drilling of tube wells;

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VI - other uses that alter the regime, quantity or quality of the water existing in a body of water.

164 Under the terms of art. 14 of Resolution No. 96/2014, the following cases will be exempted from granting the use of water resources:

Art. 14. The following hypotheses are considered of little expression for the purpose of waiving the granting of the right to use water resources, under the terms provided for in art. 18, §1º of Law No. 11,612/2009:

I - human supply of small population centers, distributed in rural areas, with a catchment of up to 1.5 l/s (one and a half liters per second);

II - surface and underground derivations and abstractions of up to 0.5 l/s (half a liter per second), for any use, provided that there are no restrictions in the area established by INEMA;

III - accumulations with a volume less than or equal to 200,000m<sup>3</sup> (two hundred thousand cubic meters);

IV - itinerant uses to supply water trucks for human supply;

V - sanitary sewage discharges into surface water bodies, whose BOD concentrations are equal to or lower than the reference concentrations established for the respective classes of framework of the receiving bodies, in accordance with current legislation;

VI - emergency uses for catchment for fire fighting;

VII - the flows of accumulations, derivations, abstractions and launches considered of little expression proposed by the River Basin Committees and approved by CONERH.

165 If the company carries out water abstraction outside what is provided for in art. 14 of Resolution No. 96/2014 transcribed above, it will be subject to being fined by the environmental agency for carrying out irregular abstraction of water resources.

166 According to the aforementioned certificate of waiver of grant forwarded to the firm, the company does not currently perform any of the activities provided for in art. 18 of State Law 11.292/2016, which is why it was exempted from obtaining a grant for this purpose.

167 However, if the activities that will be carried out in the future require the use of water, it will be necessary for the companies (which hold the BRE Tenements and Alpha Tenements) to obtain such

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a permit from the environmental agency, otherwise it will be subject to being fined for carrying out water abstraction or intervention in a watercourse without proper authorization.

### **VII.4 – Location of the project and possible interference with Conservation Unit Areas**

168 It was verified in the documentation sent to the firm that the polygonal of various mining rights, as mentioned above, are overlapping APA Caminhos Ecológicos da Boa Esperança.

169 In this sense, it is necessary to outline that a conservation unit is a "territorial space and its environmental resources, including jurisdictional waters, with relevant natural characteristics, legally instituted by the Public Authority, with conservation objectives and defined limits, under a special administration regime, to which adequate protection guarantees are applied".

170 It is important to note that, currently, there is no express restriction on the exercise of exploration and/or mining activities in the areas under analysis. Any restrictions may be provided for in the act of creation of the conservation unit area or in its management plan. However, the Environmental Protection Area (APA) Caminhos Ecológicos da Boa Esperança does not have, so far, a management plan and there is no restriction on mining activity in its creation act.

171 On the other hand, this restriction may be imposed by means of a new law that amends the creation act, through the management plan itself when it is prepared or by the management body of the conservation unit area. Therefore, it is important to monitor the edition of any act related to the management of the APA and the possible elaboration of the management plan and the performance of the management agency, in order to protect the mining project in case a restriction is imposed and the company does not intervene irregularly in the protected area.

### **VII.5 – General aspects of the management plan for APAs**

172 Initially, we emphasize that the territorial planning of conservation units, regardless of their modality, is established in a Management Plan, mandatory for any category of conservation unit, under the terms of art. 27 of the SNUC Law (National System of Conservation Units).

173 In this sense, it is worth addressing some relevant aspects in relation to the management plan and respective limitations of this instrument. Under the terms of art. 2, item XVII of the SNUC Law, the management plan is the:

Art. 2 [...]

[...]



XVII: technical document through which, based on the general objectives of a conservation unit, its zoning is established and the rules that should govern the use of the area and the management of natural resources, including the implementation of physical structures necessary for the management of the unit.

174 In other words, the management plan is the instrument through which prohibitions or limitations (norms) related to the use of the area are established and which will make it possible to verify the compatibility of the exercise of a certain activity that is intended to be carried out in a portion or in the entire area of the conservation unit area.

175 It is immediately concluded that the management plan of an APA must bring rules for the management of the area in line with its general objectives, which are linked to the sustainable use of the natural resources present in the territory of the conservation unit.

176 In theory, therefore, the imposition of prohibitive or restrictive rules that are not in accordance with the general objectives of the conservation unit could be subject to questioning.

177 Thus, following the precepts of the SNUC Law (cf. art. 27, §2, LF n. 9.985/2000), in the preparation of the Management Plan, the broad participation of the population residing in the area must be ensured, including, therefore, the company holding the mining rights. In other words, it is important that the company is called upon to participate in the preparation of the Management Plan of the APA Caminhos Ecológicos da Boa Esperança.

178 As a preliminary conclusion, therefore, considering the absence of a Management Plan for the APA in question, there are no restrictions or impediments related to the exploration or exploitation of mineral substances within the territory of the conservation unit. However, considering that this is a legal order, it is certain that the Management Plan of the APA Caminhos Ecológicos da Boa Esperança will be prepared and, therefore, it is important that the companies follow this process, aiming to ensure that it can carry out its activities in the areas where the mining rights are located.

179 In addition, it is important to note that State Decree No. 8.552/2003, through which the APA Caminhos Ecológicos da Boa Esperança was created, establishes in its art. 2, item V, that it will be up to the Secretariat of Environment and Water Resources (SEMARH) "to analyze and issue opinions aiming at the implementation of enterprises and activities in the area".

180 In view of this, it is recommended to strengthen the relationship with the body responsible for the administration of the Conservation Unit, in order to demonstrate the company's interest in operating its enterprise in line with the objectives of the APA, as well as the need to be involved in the



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procedure for preparing the respective Management Plan, so that it has the opportunity to defend its interests before the imposition of restrictions by the environmental agency unilaterally.

### **VII.6 – Interference with the Wenceslau Guimarães State Ecological Station**

**181** As indicated above, the polygonal of some mining rights overlaps Wenceslau Guimarães State Ecological Station.

**182** In this sense, it is important to remember that the Ecological Station is a type of Integral Protection Conservation Unit, according to article 8, item I, of Federal Law No. 9.985/2000.

**183** The main objective of Full Protection Conservation Units is the preservation of nature (art. 7, paragraph 1 of Federal Law 9.985/2000). In addition, scientific exploration is permitted in these areas. In other words, within Ecological Stations it is not permitted to carry out activities that cause a negative environmental impact, as is the case with exploration and mining.

### **VII.7 – Interference with Indigenous Territory, Quilombola Territory and Archaeological Sites**

**184** Based on the documentation submitted and, also, according to the consultation carried out on the platform of the Geographic Information System for Mining - SIGMINE, no area referring to various mining rights, as mentioned above, is inserted or interfaced with Indigenous Territory, Quilombola Territory or Archaeological Sites.

### **VII.8 – Notice of violation, notice of inspection and civil inquires**

**185** No certificates indicating the existence of infraction notices or civil inquiries were presented to the office, however, it is recommended that the companies monitor the performance of environmental agencies and public prosecutors to identify any investigations or administrative sanctioning proceedings in progress.

### **VIII Brazilian tax system**

**186** Regarding the attribution of competence to demand taxes, the Brazilian tax system can be divided into federal, state and municipal taxes. As for the object of taxation, taxes can be divided into taxes on income and/or capital, on consumption and on property.

**187** In addition to these, Brazil imposes specific tax requirements for mining activities. These obligations will be analysed separately, outside the context of taxes on income, consumption or property.

**188** The table below summarizes the main aspects of the taxes that will be analysed in further section of this Report:



Executive Summary			
Obligation	Calculation basis	Rate	Calculation period
<b>IRPJ</b> <i>Income Tax</i>	Actual profit (adjusted net profit) or presumed profit.	15% plus an additional 10% on the calculation base that exceeds BRL 240 thousand per year, or monthly proportional (BRL 20 thousand per month).	Annual or quarterly, at the option of the taxpayer.
<b>CSLL</b> <i>Income Tax</i>		9%.	
<b>PIS</b> <i>Gross Revenues Taxes</i>	Gross income or total income earned. Exemption for exports.	3% in the cumulative system, 7.6% in the non-cumulative system.	Monthly.
<b>Cofins</b> <i>Gross Revenues Taxes</i>		0.65% cumulative, 1.65% non-cumulative.	
<b>IOF</b> <i>Tax on Financial Operations</i>	Financial transaction value.	It may vary according to the nature of the transaction.	Per operation or monthly, in the case of loans.
<b>ICMS</b> <i>State Value-Added Tax</i>	Value of the sale operation. Immunity for exports.	It may vary according to the product, nature of the operation (internal or interstate) and from State to State.	Monthly.
<b>IPI</b> <i>Federal Value-Added Tax</i>	Value of the sale of the imported good. Immunity for exports.	May vary by product. As a rule, mineral goods are not subject to IPI.	Monthly.
<b>ITR</b> <i>Rural Land Tax</i>	Property value, reduced from its usable area.	It may vary from 0.03% to 20% depending on the size of the property and its degree of use.	Annual.
<b>CFEM</b> <i>Mining Royalties</i>	Value of the economic use of the mineral good.	2% for noble metals.	Monthly.
<b>Taxa de controle</b> <i>Inspection Tax</i>	Fixed value per amount of ore.	Fixed value per amount of ore.	Monthly.
<b>TAH</b> <i>Mining fee per property</i>	Fixed amount per hectare.	R\$4.33/hectare for the first term of the research authorization. If the permit is renewed, the amount of R\$6.48/hectare will be due.	Annual.

189 To better guide this Section, we will segregate our comment according to the object of taxation.

### VIII.1. Tax on income and/or capital

190 In Brazil, income taxation is predominantly levied by five different taxes: Income Tax (IRPJ), Social Contribution on Net Profits (CSLL), Contribution to PIS, Cofins and Financial transaction tax (IOF), the latter with a greater extra-taxation objective.

#### VIII.1.1 Income Tax (IRPJ), Social Contribution on Net Profits (CSLL)

191 IRPJ and CSLL are very similar from the perspective of measuring the calculation base, therefore the comments made in this section are equally applicable to these both taxes. These are federal taxes and, as a rule, the calculation base is calculated annually. At the option of the taxpayer, the calculation may be made on a quarterly basis.

192 The IRPJ rate is 15%, with an additional 10% on the portion of the calculation base that exceeds BRL 240 thousand reais for the annual basis, or, proportionally, BRL 20 thousand monthly.

193 Despite being due annually or quarterly, each month the taxpayer must calculate the tax and collect the amount due if a positive base is determined.

194 At the closure of the calculation period (annual or quarterly), advance payments can be offset against the amount calculated on an annual or quarterly basis. If prepayments exceed the amount due, the taxpayer will be entitled to a refund, if prepayments are less than the amount due, the taxpayer will need to supplement the tax amount.

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195 The measurement of the calculation base for IRPJ and CSLL can be done by adopting the actual profit or presumed profit. In summary, these regimes can be described as follows.

### VIII.1.1.1 Actual profit

196 The adoption of actual profit is mandatory for taxpayers whose total revenue, in the previous calendar year (to the calculation year), has exceeded the limit of BRL 78,000,000.00 (seventy-eight million reais) or BRL 6,500.000.00 (six million, five hundred thousand reais) multiplied by the number of months in the period, when less than 12 (twelve) months.

197 In addition to these criteria, taxpayers who carry out certain activities, described in the governing legislation, must adopt the actual profit as a systematic calculation of IRPJ and CSLL. Among those activities for which the adoption of real profit is mandatory, mining is not included.

198 Pursuant to art. 258 of the Income Tax Regulation - RIR (Decree No. 9,580/2018), taxable income corresponds to net income (as accounting) for the calculation period, adjusted by the additions, exclusions or offsets prescribed or authorized by law.

199 Compared to the presumed profit system, the actual profit proves to be more complex, as it requires the taxpayer to carry out separate controls and keep certain documents to prove the adjustments made. From another perspective, it may be more beneficial for start-up or ramp-up taxpayers, as they tend to experience reduced profit margins or even losses.

200 Of the aforementioned adjustments, we highlight the following, commonly performed by Brazilian mining companies with foreign control.

#### VIII.1.1.1.1 Transfer pricing.

201 Law No. 14,596 of June 14, 2023, amended the IRPJ and CSLL legislation, aligning Brazilian rules for transfer pricing with international standards, based on OECD guidelines. The Law enters into force on January 1, 2024. However, the taxpayer may choose to anticipate its effects to January 1, 2023, this option is irreversible.

202 The publication of the Law is the result of work that formally began in 2017, when a technical group was created by the Federal Revenue, dedicated to the study and modernization of transfer pricing rules. In 2018, with the support of the OECD, studies were started to analyse the efficiency of the Brazilian standard.

203 The result, published in 2019, pointed out the inefficiency of the Brazilian model which, according to the report, allowed for numerous situations of double taxation and double non-taxation of international operations, being ineffective as an anti-avoidance rule, also indicating that it is an outdated norm and detrimental to attracting new investments to the country.

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204 The main change arising from the alignment with the OECD guidelines is the insertion in the legal text of the Arm's Length principle, present in article 2 of Law No 14.596/2023. Widespread principle among countries that adopt the OECD model for transfer pricing.

205 As an immediate result of the adoption of this principle, it is noted that Brazilian legislation has significantly privileged the economic essence of the transaction to the detriment of the legal form that has been attributed to it.

206 Both, in the text of Law No 14,596/2023, and in the draft of the Normative Instruction that will regulate the matter (placed in Public Consultation between 07.03.2023 and 07.25.2023), there are rules that determine the requalification of the transaction whenever the "*analysis of the facts and circumstances and evidence of the effective conduct of the parties*" points to the execution of a materiality different from that formally established in a contract or other legal forms.

207 Even though it is an anti-avoidance rule, the preponderance of the economic essence under the legal form is a practice that must be used exceptionally. The requalification of legal acts only takes place when proven defect in the legal transaction, such as fraud, simulation or dissimulation, which does not seem to us to be the hypotheses disciplined by the rule in question.

208 The new transfer pricing rules go in the opposite direction, allowing the tax authority to reclassify the operation, even if the defect in the legal transaction is not found, on the grounds that the economic objective to be achieved is not compatible with the legal form. Naturally, any excess from tax authority can only be verified on a case-by-case basis, however, it is possible that the application of the concept of supremacy of essence over form is the subject of great controversy between the tax authorities and taxpayers.

209 In addition to making the Arm's Length positive and adopting the principle of the primacy of essence over form, a relevant innovation is the fact that the choice of method is no longer an option for the taxpayer, and the option for the most appropriate method becomes mandatory, among the following, brought by Law No. 14,596/2023, replacing the previous methods in force:

- a) **Comparable Independent Price (PIC):** which consists of comparing the price or value of the controlled transaction with the prices or values of comparable transactions carried out between unrelated parties;
- b) **Resale Price minus Profit (PRL):** which consists of comparing the gross margin that an acquirer of a controlled transaction earns on subsequent resale to unrelated parties with the gross margins earned in comparable transactions between unrelated parties;

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- c) **Cost plus Profit (MCL):** which consists of comparing the gross profit margin obtained on the supplier's costs in a controlled transaction with the gross profit margins obtained on costs in comparable transactions carried out between unrelated parties;
- d) **Net Transaction Margin (MLT):** which consists of comparing the net margin of the controlled transaction with the net margins of comparable transactions carried out between unrelated parties, both calculated based on an appropriate profitability indicator;
- e) **Profit Division (MDL):** which consists of the division of profits or losses, or part thereof, in a controlled transaction in accordance with what would be established between unrelated parties in a comparable transaction, considering the relevant contributions provided in the form of functions performed, assets used and of risks assumed by the parties involved in the transaction;

210 Also, Article 11 of Law No. 14,596/2023 provides for the adoption of *"other methods, provided that the alternative methodology adopted produces a result consistent with that which would be achieved in comparable transactions carried out between unrelated parties"*.

211 The criterion for delimiting controlled transactions has also changed. According to the replaced rule, transactions with tangible assets, rights and services, in addition to the payment and receipt of interest, involving related parties abroad or with third parties domiciled in a tax haven were subject to the transfer pricing test.

212 The new rule imposes the application of the transfer pricing test to any financial and commercial transaction, including intangibles, between related parties, carried out directly or indirectly.

213 The concept of related party, previously defined in a restrictive role, has been expanded. Pursuant to Law 14,596/2023, the relationship between the parties must be recognized whenever influence of one party over the other is verified, a situation *"that may lead to the establishment of terms and conditions in their transactions that differ from those that would be established between unrelated parties in comparable transactions"*. The new legislation adopts an exemplary role by discriminating conditions in which the influence of one party over the other is verified.

214 Another innovation is the Tested Part concept. Unlike the provisions then in effect in Law No. 9,430/1996, which determines that the transfer pricing test is carried out by the Brazilian company. Law No. 14,596/2023 brings the possibility that the tested party is the entity abroad, if the performance of the test by the foreign party brings greater reliability to the comparison, especially in view of the eventual greater availability of more reliable data on comparable transactions performed between unrelated parties.

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215 The functions performed, the assets involved and the risks assumed by the parties to the controlled transaction may influence the definition of the tested party. That is, the adequacy test should prevail for the party that substantially assumes the business and economic risks of the transaction.

216 The draft Normative Instruction excludes the need to select the tested part of the PIC, a method that should preferably be adopted in transactions with commodities. That is, in operations whose PIC is adopted, the selection of the tested part does not apply, being mandatory the demonstration of adequacy of the operation by the Brazilian company.

217 In addition to the changes in the general aspects of incidence, mentioned so far, criteria for applying the transfer pricing in (i) operations with commodities were changed; (ii) financial operations; and (iii) payment of royalties. These changes must be observed by taxpayers as of 2024, or already for 2023, if the taxpayer chooses to anticipate the effects of the rule.

218 Until the end of 2023, the transfer pricing rules set forth in Law No. 9,430/96, amended by Law No. 12,715/12, and regulated by Normative Instruction No. 1,312/2013, which, among other provisions, provide for the methods applicable to the parameter price setting.

219 In export operations, the methods defined by the governing legislation are:

- a) **Export Quoted Price Method (Pecex):** the use of this method is mandatory for the sale of commodities quoted on an internationally recognized commodity and futures exchange. The verification of the adequacy of the price practiced is carried out by comparing the value of the transaction with the daily average values of the price of the traded good. The stock exchanges capable of providing the daily quotation of imported goods are listed in the list attached to IN SRF No. 1.312/12, as well as the goods considered as commodities.
- b) **Export Selling Price Method (PVEx):** the sales revenue from exports will be determined by the weighted arithmetic average of the sales prices from exports made by the company itself, to other customers, or by another national exporter of goods, services or rights, identical or similar, during the same period of calculation of the income tax calculation basis and under similar payment conditions.
- c) **Wholesale Price Method in the Country of Destination, Less Profit (PVA):** the sales revenue from exports defined as the weighted arithmetic average of the sales prices of goods, identical or similar, practiced in the wholesale market of the country of destination, under similar payment conditions, minus the taxes included in the price, charged in that country, and a profit margin of fifteen percent on the wholesale price.



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- d) **Retail Sales Price Method in the Country of Destination, less Profit (PVV):** Revenue from sales in exports may be determined as the weighted arithmetic average of the sales prices of goods, identical or similar, practiced in the retail market of the country of destination, under similar payment conditions, minus the taxes included in the price, charged in said country, and a profit margin of thirty percent on the retail price.
- e) **Acquisition or Production Cost Method plus Taxes and Profit (CAP):** Sales revenue from exports may be defined as the weighted arithmetic average of the acquisition or production costs of exported goods or services, plus taxes charged in Brazil and a profit margin of fifteen percent on the sum of costs plus taxes and contributions.

220 For import, the methods currently in force are:

- a) **Price under Import Quotation (PCI):** Similar to the PECEX method, the use of PCI is mandatory for the sale of commodities that are quoted on an internationally recognized commodity and futures exchange. Verification of the adequacy of the price practiced is carried out by comparing the value of the transaction with the daily average values of the price of the traded good. The stock exchanges capable of providing the daily quotation of imported goods are listed in the list attached to IN SRF No. 1.312/12, as well as the goods considered as commodities.
- b) **Compared Independent Prices (PIC):** Refers to the weighted arithmetic average of the prices of goods, identical or similar, determined in the Brazilian market or in other countries, in purchase and sale operations carried out between unrelated persons, under similar payment conditions. For comparison purposes, the following goods are considered identical or similar:
- sold by the same exporting company to unrelated legal entities, resident or not in Brazil;
  - acquired, by the same importer, from unrelated legal entities, resident or not in Brazil;
  - acquired or sold by other unrelated legal entities, resident or not.
- c) **Resale Price less Profit (PRL):** The method is defined as the arithmetic mean of the resale prices of goods, services and rights, less unconditional discounts granted, taxes and contributions levied on sales, commissions and brokerage fees paid and a profit margin of 40% (forty percent), 30% (thirty percent) or 20% (twenty percent) depending on the economic sector in which the taxpayer who carried out the import

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operates. Applicable also in cases where the imported good is resold, without being subjected to an industrial process that adds value.

- d) **Cost of Production plus Profit (CPL):** Defined as the average cost of production of goods, identical or similar, in the country where they were originally produced, plus taxes and fees charged by that country on export and a profit margin of 20% (twenty percent), calculated on the calculated cost.

221 For operations with commodities, the use of the PECEX (export) and PCI (import) methods is mandatory, and the taxpayer is not allowed to adopt different methods.

222 Apart from the special rule dealing with operations with commodities, the taxpayer is allowed to choose the method that is most beneficial, in other words: the one that entails the smallest adjustment.

223 Interest paid or received from related persons is also subject to transfer pricing rules. However, unlike operations involving services, goods or rights, the criterion for verifying the adequacy of interest paid or received is dealt with in detail by art. 38-A of Normative Instruction No. 1.312/2012. The amount of interest recognized by Brazilian companies (in transactions with related persons abroad) cannot exceed<sup>35</sup>:

- the market rate of Brazilian sovereign bonds issued in the foreign market in US dollars, in the event of operations in dollars with a fixed rate;
- the market rate of Brazilian sovereign bonds issued in the foreign market in reais, in the case of transactions in reais abroad with a fixed rate; and
- the Libor rate for a period of 6 (six) months, in other cases.

224 In conclusion, whether for commercial operations (with goods, services or rights) or financial ones, the adequacy to the transfer pricing rules must be verified by comparing the price effectively practiced in operations with related parties with a parameter price defined from the adoption of one of the methods described above. In cases where the price charged exceeds the parameter price, the difference must be offered for taxation, through adjustments in the calculation of taxable income.

#### VIII.1.1.1.2 Thin capitalization

<sup>35</sup> In any case, the rate will be increased by a percentage margin as a spread. As determined by the Ministry of Finance, for imports the spread to be considered will be 3.5% and, for exports, 2.5% (Ordinance MF No. 427/2013).

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225 In line with international practices, the thin capitalization rules aim to establish the maximum deductibility limit for interest paid to related persons abroad, adopting as a criterion the proportion between the liabilities arising from the indebtedness (thus conceived the principal indebtedness plus interest) and the shareholders' equity of the Brazilian investee.

226 In addition to mitigating the chances of implementing abusive tax planning, thin capitalization aims to limit the chances of financing the activities of Brazilian investees through debt, to the detriment of their capitalization through the acquisition of equity interest.

227 The application of thin capitalization rules does not exclude the need to calculate the transfer price, and vice versa.

228 Thin capitalization rules can be summarized as follows:

- in the case of indebtedness with a related legal entity abroad that has a shareholding in the Brazilian company, the amount of the debt with the related entity abroad cannot exceed 2 (two) times the value of the related entity's share in the shareholders' equity of the legal entity resident in Brazil;
- in the case of indebtedness with a related legal entity abroad that does not have a corporate interest in the legal entity residing in Brazil, the amount of the debt with the related person abroad, verified at the time of appropriation of interest, does not exceed 2 (two) times the value of the net worth of the legal entity resident in Brazil;
- in any of the above hypotheses, the sum value of debts with related persons abroad, verified at the time of the appropriation of interest, does not exceed 2 (two) times the sum value of the interests of all related persons in the shareholders' equity of the legal entity resident in Brazil.

229 If the limits determined by the application of the standard are exceeded, the surplus, calculated in accordance with the governing legislation must be added to the actual profit calculation. Therefore, this portion cannot be deducted from IRPJ and CSLL.

230 If the application of the transfer price and thin capitalization results in the need to adjust the IRPJ and CSLL calculation basis, the taxpayer must make the highest adjustment, and it is not necessary for the adjustment values to be added together.

### VIII.1.1.1.3 Exchange variation - (cash basis vs. accrual basis)

231 Provisional Measure No. 2,158-35/01 determines that monetary variations of credit rights and obligations of the taxpayer, depending on the exchange rate, must be recognized, for purposes of calculating IRPJ and CSLL, upon settlement of the corresponding operation (cash basis); optionally, the



taxpayer is allowed to recognize the fluctuation of its assets or liabilities (originally measured in foreign currency) based on the accrual basis (considering the exchange rates fixed at the end of each period, regardless of the settlement - performance - of the contract).

232 Thus, under the accrual basis of taxation, the gains and losses recorded in the accounts would be taxed/deducted monthly depending on the exchange rate variation in the period. In taxation on the cash basis, gains and losses would only be considered at the time of settling the amounts due.

#### VIII.1.1.1.4 Capitalization of expenses

233 Companies in the pre-operational phase are authorized to capitalize their expenses so that they can amortize them after the start of operations.

234 This possibility avoids the formation of relevant tax losses in pre-operational periods, in addition to allowing expenses incurred in the pre-operational phase to be deducted from the IRPJ and CSLL calculation basis measured after the start of activities, through the amortization of the deferred tax asset constituted.

#### VIII.1.1.1.5 Partner remuneration

##### a) Dividends

235 Once the criteria established by corporate law (Law No. 6,404/1976) are met, the distribution of dividends by a legal entity taxed based on actual or presumed profit, is not subject to WHT, as provided for in article 10 of Law no. 9,249/1995.

236 From an accounting perspective, dividends are recognized as a debit to the Profit Reserves account, therefore not being reflected in income. For this reason, and also due to the absence of an express legal provision, the amount of dividends paid cannot be deducted when calculating IRPJ and CSLL from the paying source.

237 As pointed out in a separate topic below, the proposal to reformulate income taxation in Brazil has, as one of its pillars, the end of the exemption of dividends.

##### b) Interest on shareholders' equity

238 The payment of interest on equity (JCP), similar to dividends, is a mechanism for remunerating invested capital.

239 Pursuant to Article 9 of Law No. 9,249/1995, the JCP paid will be deductible, provided it does not exceed (i) the amount corresponding to the application of the Long-Term Interest Rate - TJLP, pro rata dia, on the accounts of the net worth; and, cumulatively, (ii) do not exceed the amount

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corresponding to half of the net income for the year (before the provision for IRPJ and the deduction of JCP) or the amount corresponding to half of the sum of retained earnings and profit reserves.

240 It appears from the wording of paragraph 2 of article 9 that the payment of interest on equity is subject to the incidence of WHT, at the rate of 15% (fifteen percent).

241 In this regard, it should be clarified that there is no distinction in the legislation regarding the payment of interest on equity paid to individuals or legal entities domiciled in Brazil or abroad (even in privileged tax regimes).

242 This understanding is recommended in the response to Consultation Solution No. 52/2010:

*"SUMMARY: Amounts paid, credited, delivered, used or remitted to a beneficiary residing or domiciled abroad, under a privileged tax regime, as interest on equity, are subject to the incidence of Income Tax at source at the rate of 15 % (fifteen percent). In kind, it is a legal entity incorporated under the form of a "Limited Liability Company", located in Delaware, United States of America, whose participation is composed of non-residents, not subject to Federal Income Tax, with regard to the North legislation -American."*

243 Also, regarding the receipt of interest on equity, it is recommended that the double taxation treaties between Brazil (paying source) and the place of receipt of these amounts be evaluated, with the effect of evaluating the existence of clauses that exempt payment at destination or, at least, allow the deduction of tax withheld in Brazil.

244 The income tax reform provides for the extinction of JCP.

### VIII.1.1.2 Presumed profit

245 In the form of art. 13 of Law No 9.718/98, the presumed profit regime consists of a systematic calculation of IRPJ and optional CSLL for legal entities not obliged to make actual profit, whose annual gross revenue is equal to or less than BRL 78,000,000, 00 (seventy-eight million reais).

246 The calculation system is defined in Articles 25 and 29 of Law No. 9,430/1996, and basically consists of attributing presumed profit margins, which, applied to gross operating revenue, inform the calculation base for IRPJ and CSLL. These calculation bases are subject to rates of 15%, referring to IRPJ (plus an additional 10% rate on the portion of profit that exceeds BRL 20,000.00 per month), and 9% of CSLL.

247 The presumed margins set by Articles 15 (IRPJ) and 20 (CSLL) of Law No. 9,249/1995 vary according to the economic activity that originates the revenue. In the event of diversified activities, the



legislation determines that the percentage corresponding to each activity that has generated operating income be applied (§4 of article 15 of Law No. 9,249/1995).

248 The margins currently in force, as well as the effective rates supported by taxpayers are summarized in the table below:

Presumed source	Presumed basis		Rate			Effective rates		
	IRPJ	CSLL	IRPJ	Adicional IRPJ	CSLL	IRPJ	Adicional IRPJ	CSLL
1. RESELL OF FUEL derived from petroleum (gasoline, diesel oil).								
2. RETAIL OF ETHYL ALCOHOL Fuel.	1,60%	1,60%				0,24%	0,40%	0,14%
3. RESELL OF NATURAL GAS.								
4. COMMERCE AND INDUSTRY.								
5. CARGO TRANSPORTATION SERVICES								
6. HOSPITAL SERVICES and diagnostic and therapeutic assistance, clinical pathology, imaging, pathological anatomy and cytopathology, nuclear medicine and analysis and clinical pathologies.								
7. CIVIL CONSTRUCTION (contract with use of material)	8%	12%				1,20%	2,00%	1,08%
8. subdivision of land, real estate development and sale of real estate built or acquired for resale.								
9. RURAL ACTIVITY (agribusiness).								
10. INDUSTRIALIZATION (including with material provided by the orderer).								
11. TRANSPORT SERVICES (except cargo)	10%	12%				2,40%	4,00%	1,08%
SERVICES IN GENERAL (including those listed in items 11 to 17 of this table). The percentage of 36% can only be used when the annual gross revenue from services in general: a) not exceed R\$ 120,000.00; b) is exclusive to services; From the month in which the accrual exceeds R\$ 120,000.00, the IRPJ difference will be paid until the following month without penalty or interest (IN SRF 93/97, art. 3).			15,00%	10,00%	9,00%			
12. SERVICES PROVIDED BY PROFESSIONAL COMPANIES LEGALLY REGULATED.								
13. ADMINISTRATION, LEASE OR ASSIGNMENT OF MOVABLE OR REAL ESTATE AND RIGHTS OF ANY NATURE.								
14. INSURANCE BROKER, REAL ESTATE BROKER, COMMERCIAL REPRESENTATIVE (*).								
15. SERVICES IN GENERAL (Not previously specified)	32%	32%				2,40%	4,00%	2,88%
16. be the difference between the disposal value and the vehicle acquisition cost. (Law No. 9,716/98, Article 5)						4,80%	8,00%	2,88%
17. CIVIL CONSTRUCTION - exclusively labor								

249 As a rule, the sale of ore, raw or processed, is subject to a presumption margin of 8% for IRPJ and 12% for CSLL.

250 The presumed profit rules do not authorize the application of a presumed profit margin on non-operating revenues. In these cases, IRPJ (25%) and CSLL (9%) are levied directly on earned income. In other words, for revenue arising from outside activities determined in the corporate purpose, the margin of presumption will not be applied, incurring the rate of 25% for IRPJ and 9% for CSLL on the total revenue earned.

251 An exception to this rule is the taxation of capital gains on the disposal of assets, which even in the case of atypical activity, the IRPJ and CSLL rates do not affect directly on the revenue, but on the difference between the historical cost and the value of sale of good.

252 The definition of gross revenue is found in art. 12 of Decree-Law No. 1,598/1977, which after being amended by Law No. 12,973/2014, includes four types of operating revenue:

*"Art. 12. Gross revenue comprises:*

*I - proceeds from the sale of goods in own account operations;*

*II - the price of providing services in general;*

*III - the result obtained in the operations of third-party accounts; and*

*IV - revenues from the main activity or object of the legal entity not included in items I to III."*

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253 In addition to the proceeds from the sale of goods in own account operations, the price of providing services and the result earned in third-party account operations, gross revenue also includes other revenues arising from the main activity of the legal entity. That is, the revenues from the main activity or object must compose the operating result of the entity's activities, since they constitute income arising from the activities ordinarily carried out.

254 Article 12 of Decree-Law No 1.598/1977 transcribed above had its wording revised after the Supreme Court judged RE 585.235/MG (Topic 110) and recognized the unconstitutionality of the expansion of the PIS and Cofins calculation base in the cumulative regime.

255 The adjustment made in art. 12 implied the acknowledgment that billing and gross revenue are different concepts: operating revenues, or those related to the main object of the legal entity, make up billing, while non-operating revenues, or atypical for the main object, do not make up billing. The latter make up gross revenue, which includes both operating and non-operating revenue.

### VIII. 1.1.2.1 Partner remuneration

#### a) Dividends

256 As with actual profit, the payment of dividends is exempt from IRPJ and CSLL also for taxpayers opting for presumed profit.

### VIII.1.2 Contributions to PIS and Cofins

257 Just as for IRPJ and CSLL, PIS and Cofins Contributions are federal responsibility and have identical calculation bases, with distinction only in the applicable rates.

258 PIS and Cofins must be calculated monthly and centrally, that is, considering all operations carried out by the taxpayer's establishments.

259 Pursuant to art. 5 of Law No. 10.637/2002 and art. 6 of Law No. 10.833/2003, revenues arising from exports are not covered by the levy of PIS and Cofins, and are, therefore, exempt from this tax.

260 Determining the basis for calculating PIS and Cofins can be done using two different systematics, cumulative and non-cumulative.

#### a. Cumulative:

261 This system is mandatory for certain economic segments (not applicable to mining) and for legal entities taxed by income tax based on presumed profit (article 8, II of Law No 10.637/2002 and article 10 of Law No 10.833/ 2003).



262 For this calculation system, a rate of 0.65% is applied for PIS and 3% for Cofins on gross revenue, with no possibility of appropriating and deducting credits.

**b. Non-cumulative:**

263 Companies that do not operate in economic segments for which the use of the cumulative regime is mandatory or that are taxed by IRPJ and CSLL on actual income, must calculate PIS and Cofins using the non-cumulative system.

264 For these hypotheses, the determination of these Contributions must be carried out by matching the accounts between the credits appropriated in the inputs (of goods and services used in the production process) and the debits calculated on the gross revenue earned.

265 The rate, for credit and debit, is 1.65% for PIS and 7.6% for Cofins.

266 As a rule, the appropriation of credits on the acquisition of inputs (products and services), amounts spent on electricity, rents and leasing of assets used in the production process and depreciation charges of fixed assets used in activities operational.

267 The input criterion for appropriating PIS/Cofins credits is the subject of relevant disputes between taxpayers and the Federal Revenue Service. In 2018, the Superior Court of Justice issued an important decision, in the sense of establishing that all goods and services acquired and that are essential or relevant for the Taxpayer's activity will be considered input for PIS/Cofins.

268 Although there is still a certain degree of subjectivity, the decision is an important paradigm for the purposes of applying the PIS/Cofins rule.

### VIII.1.3 IOF - Financial Transaction Tax

269 The IOF is a tax of an extra fiscal nature, of federal competence, and is levied on: (i) credit operations (e.g. loans, mutuals); (ii) exchange operations; (iii) insurance operations; (iv) operations with bonds and real estate securities.

270 In the case of foreign loans, the rules inherent to the IOF Exchange prevail over the rules that regulate the incidence of the IOF Financial Operations.

271 The basis for calculating the tax, as a rule, corresponds to the value of the transaction. The rates vary according to the nature of the operation performed, the most common being:

- Loan operations with legal entities in reais: rate of 0.0041% per day (applicable on the amount due, with an additional 0.38% applicable on the calculation basis. Depending on the terms of the loan contract, the sum of the rates cannot exceed the corresponding to



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the daily incidence of the rate of 0.0041%, limited to 365 days, plus the additional rate of 0.38%.

- Loan operations with individuals in reais: rate of 0.0082% per day (applicable on the amount due, with an additional 0.38% applicable on the calculation basis. Depending on the terms of the loan contract, the sum of the rates cannot exceed the corresponding to the daily incidence of the rate of 0.0082%, limited to 365 days, plus the additional rate of 0.38%.
- Operations involving inflows and outflows of funds, whether for capital payment, payment of dividends, interest on own capital, return of capital to shareholders, among other operations, are subject to the IOF Exchange. The rate can vary between 0 and 0.38%.
  - *On export revenues a zero rate is applied.*

272 The temporal aspect of incidence may vary according to the taxable transaction. In the case of the IOF Exchange, as a rule, the taxable event occurs at the time of closing the exchange contract for the purpose of remittances or inflows of funds into the country. In the case of loans, the IOF is levied on the debt balance calculated monthly.

273 Therefore, the verification of the incidence criteria must be done on a case-by-case basis, observing the particularities of the operation.

### VIII.2. Consumption taxes

#### VIII.2.1 ICMS - State Value-Added Tax

274 ICMS is a non-cumulative tax, of state competence, whose incidence falls on the circulation of goods, commercialization of electric energy and on transport services (interstate and intercity).<sup>36</sup>

275 For ICMS, the autonomy of the establishment prevails, therefore, the calculation must be made individually by establishment. The calculation must be done monthly.

276 Similar to what happens to PIS/Cofins, the Constitution, in its art. 155, § 2, X, "a" establishes ICMS immunity on export operations.

277 In order to calculate the ICMS due, the appropriation of credits on raw material, packaging material and intermediate products is allowed (one that, used directly in the industrialization process, is part of the new product, or that, although not being part of the new product, is consumed,

<sup>36</sup> This tax also applies to telecommunication services.



immediately and fully, in the course of industrialization as long as it is not classified in property, plant and equipment). Appropriation of credits on goods acquired to fixed assets is also allowed, provided they are used in the production process.

278 The ICMS rule determines the reversal of credits whenever the subsequent departure is exempt or not taxed. The reversal must take place in proportion to the exempt or non-taxed outflows over the total outflows of taxpayers. Exports, although not covered by ICMS, do not require the proportional reversal of credits.

279 The ICMS debit is calculated on the value of the sale of merchandise, in a mercantile transaction. In the event of importation of goods for use and consumption, including fixed assets, the importer is responsible for paying ICMS upon nationalization of the goods.

280 As it is a state tax, states are authorized to establish specific rules for the incidence of ICMS. Thus, the rates in internal operations may vary from State to State, for interstate operations, the rates are regulated by the Federal Senate.

281 In addition, some practical aspects of calculating and fulfilling an accessory obligation may also vary according to the policy established by the State.

#### VIII.2.2 IPI - Federal Value-Added Tax

282 The IPI is a non-cumulative tax, of federal jurisdiction and calculated monthly, which falls on the industrialization of goods. As with ICMS, the IPI calculation is individualized by establishment.

283 For the purpose of applying the standard, the following processes are characterized as industrialization:

- a. **Transformation:** exercised on raw materials or intermediate products and results in obtaining a new species;
- b. **Processing:** act that involves modifying, improving or, in any way, altering the operation, use, finish or appearance of the product;
- c. **Assembly:** act consisting of the assembly of products, parts or parts and which results in a new product or autonomous unit, even if under the same tax classification;
- d. **Packing or Repackaging:** act that involves changing the presentation of the product, by placing the packaging, even if replacing the original, except when the packaging placed is intended only for the transport of the goods; or

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- e. **Renovation or Reconditioning:** exercised on a used product or remaining part of a deteriorated or unusable product, renew or restore the product for use.

284 In addition to industrialization, the IPI is also levied on the import and sale of industrialized products.

285 In internal operations, the IPI debit base will correspond to the value of the exit operation, in the case of sales. If no value is attributed to the operation, the current price of the merchandise or similar in the wholesale market of the sending place.

286 In the case of imports, the calculation basis will be the value of the imported goods, plus Import Tax and other taxes levied due to the entry of the foreign good into the Country.

287 Credits must be calculated on the acquisition value of inputs (raw material, intermediate product and packaging materials), here understood restrictively to goods intrinsically linked to production.

288 The IPI rates may vary according to the product that is industrialized. As a rule, operations with ore are not taxed by the IPI. This is what happens with rare earth minerals and metals and with aluminium ores and concentrates. However, if the processing of the ore results in a new substance, the good produced may be subject to taxation.

289 In a ruling published in 2022, the First Section of the STJ – responsible for settling tax disputes in the Court – ruled on an important issue related to the possibility of using IPI credits on the entry of encumbered inputs, even when the output of a product with an “NT” notation in the TIPI (not taxed) occurs. This is the judgment of the Embargoes of Divergence in REsp n. 1,213,143.

290 The STJ understood that the Federal Revenue Service, through infralegal acts, promoted the restricted restriction of the scope of the tax benefit to the departure of “NT” products. First, with the advent of IN RFB No 33/1999 and RIPI (Decree No 4.544/2002), which granted the use of credits only when the inputs are applied in the industrialization of immune products. Later, when editing ADI No 05/2006, the Tax Authorities further restricted its understanding, to allow the credit only for the shipment of products supported by the immunity resulting from exportation, which was replicated by the 2010 RIPI.

291 In view of this context, the STJ understood that art. 11, of Law No. 9,779/1999, directly confers the IPI credit when “the taxpayer cannot offset” the IPI credit balance on the output of other products. And the term “other products” should be understood as those exempt, subject to zero rate or not taxed (“NT”). Therefore, in the impracticability of using the credits resulting from the encumbered entry, the law establishing the tax benefit provides the opportunity of arts. 73 and 74, of Law No. 9,430/1996, which allow the use of balances for reimbursement, refund or compensation.

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292 In continuity, the STJ understood that the expression “not taxed”, in this context, refers to the products designated as such in the TIPI. From the markings in that table, it appears that immune products and those subject to pure non-incidence are included. This is the case, for example, of mineral commodities (subject to the immunity of article 155, paragraph 3, of the Constitution, even industrialized by processing) sold in raw form.

293 This comparison is essential, to the extent that, both in products not taxed due to non-incidence and in those that are immune, the taxpayer is unable to offset the credit arising from the encumbered entry, attracting the possibility of autonomous credit provided for in the law establishing the tax benefit.

294 It was stated in the judgment that it is unacceptable to restrict, by an infralegal act, the tax benefit granted, especially when the three situations (exemption, zero rate and non-taxation) are equivalent in terms of the practical result provided for by law.

295 124. Although it pacifies the jurisprudence, the performance of the Federal Revenue and its Official Lawyer is not linked to the terms of the decision, insofar as the judgment did not occur under the rite of repetitive appeal. In practical terms, this means that the Federal Revenue will be able to maintain its historical understanding, in the sense of glossing over the maintenance of credits linked to NT outputs, as expressed in the Interpretive Declaratory Act (ADI).

296 It is worth mentioning that the Precedent no. 20, contrary to the guidance now pacified by the First Section of the STJ, still in force at the Administrative Court (CARF): *“There is no right to IPI credits in relation to the acquisition of inputs applied in the manufacture of products classified in the TIPI as NT.”* While such procedure is in force, the decisions of the CARF are bound by the understanding expressed therein.

297 In any case, it would be possible to discuss the topic in case of disallowance of the credits by the RFB, demonstrating a jurisprudential novelty, which may culminate in an administrative victory, for example, if the STJ consolidates this understanding in a decision under the rite of repetitive appeals. Otherwise, the taxpayer will take the discussion to the Judiciary, with remote risk of loss.

### VIII.3. Property taxes

#### VIII.3.1 ITR – Rural Land Tax

298 The National Tax Code (“CTN”) provides that the taxable event of the ITR is ownership, useful domain or possession of immovable property by nature, as defined in civil law, located outside the urban area of the municipality.

299 The provisions of Law No 9.393/1996 and Decree No 4.382/2002 are of identical content when establishing the hypothesis of incidence of this tax.

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300 Normative Instruction No. 1,467/2014, issued by the Federal Revenue Service of Brazil with the aim of regulating the collection of the tax, is very clear when it says in its art. 5, § 3, that the tax can only be collected from those possessors who do not have their possession subordinated, thus understood as those who have *animus domini*.

301 Thus, the taxpayer of the ITR must be the one who effectively holds the economic availability of the property, with total abstraction of the legal title to the property, which may even suffer from incurable vices, or even not exist. And being the owner in the legal sense is not enough to fulfill the material aspect of the ITR taxable event. It is necessary for the owner to gather the three attributes of property: the right to use, enjoy and dispose of the thing, in the exact terms of art. 1.228 of the Civil Code of 2002.

302 Under the terms of Normative Instruction RFB No 256/2002, the ITR, due annually, is calculated on the Value of Bare Land (VTN) which, according to art. 32 of the same diploma, refers to the market value of the land with its surface. In other words, the VTN will reflect the market price of the land, calculated on January 1st of the year in which the triggering event for the ITR occurs.

303 In the absence of a document justifying the value of the property, the VTN can be arbitrated by the supervisory authority, considering the price obtained from the Land Price System (SIPT), through which the RFB centralizes the VTN values informed by the municipalities.

304 Recognizing that in certain circumstances properties located in rural areas do not lend themselves properly to rural activities, the governing legislation, for the purpose of measuring the ITR calculation base, allows the segregation of the rural property area between usable area (for rural activity) and unusable area.

305 In short, the portion of land classified as: (i) flooded areas; (ii) permanent preservation areas; (iii) legal reserve area; (iv) private natural heritage reserve area ("RPPN"); (v) area of ecological interest; (vi) environmental easement area; (vii) area covered by native forest.

306 Therefore, the tax calculation base will correspond to the value of the property, reduced by its unused portion.

307 The rate can vary from 0.03% to 20% according to the size of the property and its degree of use.

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#### VIII.4. Typical mining obligations

##### VIII.4.1 CFEM - Mining Royalties

308 Article 20, § 1, of the Constitution guarantees to the States, Federal District and Municipalities, as well as to bodies of the direct administration of the Union, the participation in the result of the mineral exploration or respective financial compensation.

309 From the constitutional authorization, Law No 7.990/1989 created the exaction and established that the obligation to collect the CFEM arises, for the holder of the Mining Right, when the economic use of the mineral resources is verified, configuring its incidence hypothesis until the last stage of the beneficiation process and before its industrial transformation.

310 The temporal criterion of the incidence hypothesis, in turn, was elected as the output by sale of the mineral product. Despite considering that the triggering event of the CFEM (temporal criterion) occurred with the sale, art. 15, of Decree No 01/1991, equated it with the consumption or use of the mineral substance, in any establishment of the miner.

311 In order to regulate art. 6, of Law No 7.990/1989 (which provided that the triggering event of CFEM occurs after the last stage of the adopted beneficiation process and before its industrial transformation) item III, of art. 14 of Decree No. 01/1991 discriminates what can be considered processing of the mineral substance (for example, fragmentation, pulverizing, classification, concentration, etc.), but adds the following: *"provided that it does not result in the mineralogical mischaracterization of the processed mineral substances or that do not imply its inclusion in the scope of the Tax on Industrialized Products (IPI)"*.

312 The aforementioned norm lists two criteria that anticipate the CFEM triggering event at the time of the mineral product's output, configuring the consumption of the substance in the production process: the mineralogical mischaracterization or its inclusion in the field of incidence of the IPI.

313 Given this normative context, it can be said that the generating fact of CFEM occurs when the economic use of the mineral substance is verified (material criterion of the incidence hypothesis), practiced by the holder of the Mining Right authorizing that use (personal criterion).

314 And this will occur (i) on the first sale of the mineral product, carried out by the holder of the Mining Right; or, if the holder consumes the substance, in (ii) mineralogical mischaracterization; (iii) or in the industrialization of the substance, subjecting it to the scope of the IPI, even at a 0% rate.

315 Law No. 13,540/2017 defines the basis for calculating consumption as the calculated gross revenue, considering the current price of the mineral good, or its similar, in the local, regional, national or international market, as the case may be, or the value of reference, defined from the value of the final product obtained after the completion of the respective improvement process. The paragraph 10

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of the new art. 2, of Law No 8.001/1990, provides that the ANM will decide, for each mineral good, whether the criterion will be the current price or the reference value.

316 On March 26, 2018, Ordinance No. 239 of the Director General of the DNPM was published, which defined: (a) that the CFEM rate will be levied on the reference value for the mineral substances listed in its Appendix, according to the methodology of Decree No. 9,252/2017; (b) the adjustment factors mentioned in Decree No. 9,252/2017, with their respective enrichment ranges, for each mineral asset listed in the Appendix; (c) the adjustment factor selected affects the production cost, being able to reduce it by 10%, keep it as a calculation basis or increase it by 10%; (d) for other mineral substances not listed in the Appendix, the CFEM will apply to "the current price of the mineral good, or its similar, in the local, regional, national or international market, as the case may be"; (e) in the event that there is no current market price, the interested party may request the regulatory authority of the sector, duly justified, to include a mineral substance in the Appendix to the Ordinance; i.e. the application of the base "reference value".

317 As stated, as a rule, CFEM is levied on the sale of mineral goods or their consumption. In the first hypothesis, the tax calculation basis corresponds to the sales value, and only the taxes levied on the sale can be deducted, since Law No. 13,540/2017 prohibits the deduction of freight and insurance<sup>37</sup>.

318 In the case of exports, Brazilian standards for transfer pricing can be applied to measure the minimum CFEM calculation base. Considering that there have been recent changes to transfer pricing rules and the CFEM governing standard has not been modified, there is a regulatory gap that prevents the application of transfer pricing rules to CFEM, in which case the sales price must be used.

319 In short, Law No. 13,540/2017 defined that the consumption and use of the mineral are events that generate CFEM.

320 In consumption, the standard establishes as a calculation basis:

- a) the current price of the mineral good, or its similar, in the local, regional, national or international market, as the case may be; or
- b) the reference value, regulated by presidential decree and by the National Mining Agency – ANM.

---

<sup>37</sup> There is litigation regarding the deduction of freight and insurance on the CFEM basis, with favorable and unfavorable decisions, awaiting an outcome in the Superior Courts. There is also discussion about the concept of "incidental taxes", pending regulation by the ANM. We understand that any tax levied on the operation must be deductible, including mining taxes (TFRMs) and contributions allocated to state funds.





According to legislation, it will be up to ANM to establish, for each mineral substance, whether the criterion will be the current price or the reference value.

321 The regulation of the reference value (criteria for calculation) and the fixation of mineral assets that would be subject to the aforementioned calculation basis, instead of the current price, were implemented through Decree No. 9,252, of 12/28/2017 and by DNPM Ordinance No. 239, of 03/23/2018, diplomas that will be discussed below.

322 Initially, Decree No. 9,252, published on December 29, 2017, established the calculation methodology for the reference value (calculation basis), which is obtained by the following formula:

$$\text{Reference value} = \text{Production value} \times \text{Adjustment factor}$$

323 The production value represents the "sum of direct and indirect operational and administrative expenses incurred up to the last stage of processing the mineral asset". In other words, it is the production cost incurred until the moment the ore is transformed into another type of product.

324 The adjustment factor, in turn, consists of an "index established by means of an act of the regulatory entity of the mining sector, through a table, for each mineral substance".

325 Subsequently, on 03/26/2018, DNPM General Director's Ordinance No. 239 was published, which defined:

a) that the CFEM rate will apply to the reference value for the mineral substances listed in its Annex, which expressly includes the substances Vanadium, Niobium, Nickel sulfide, Zinc sulfide, Zinc silicate, Phosphate, Magnesite (sinter), Cobalt, Limestone, Salt and Clay, but does not include Bauxite and Rare Earths;

b) the adjustment factors mentioned in Decree No. 9,252/2017, with their respective enrichment ranges, for each mineral asset listed in the Annex.

The selected adjustment factor affects the production cost and can (i) reduce it by 10%; (ii) keep it as a calculation basis; or (iii) increase it by 10%.

c) that for other mineral substances not listed in the Annex, CFEM will apply to the current price of the mineral good, or its similar, in the local, regional, national or international market, as the case may be;

d) that in the event that there is no current price on the market, the interested party may request the sector's regulatory entity, in a duly justified manner, for the inclusion of a mineral substance in the Annex to the Ordinance; that is, the application of the "reference value" basis.

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326 This is the current regulatory scenario in force in relation to the royalty levied on the consumption of mineral substances.

327 CFEM is a Financial Compensation for the Exploration of Mineral Resources, paid to the Federal Government of Brazil for the economic use of these mineral resources. CFEM is levied on net revenue, in the case of the sale of raw and processed ore, or on the intermediate production cost, when the mineral product is consumed or transformed in an industrial process. The rates will vary according to the mineral substance. As mentioned in paragraphs 310 et seq. the hypothesis of incidence of CFEM is the sale and/or consumption of the mineral. The CFEM calculation basis corresponds to the sale value of the ore, and taxes on sales (ICMS and PIS/Cofins, as a rule) can be deducted. If the sale is export (to a related party or not), the calculation basis is also the sales revenue, and transfer pricing rules must be applied to verify the adequacy of the transaction value. If the ore is consumed in the industrial transformation process, the calculation basis will be the production cost up to the stage prior to transformation into a new product.

328 On these bases, the following rates are applied for calculating the amount of the CFEM (i.e. government royalty) payable to the Federal Government by the tenement holder, i.e. BRE's subsidiaries:

- Iron ore: fixed rate of 3.5%.
  - *Exceptionally, upon individual application made to the ANM based on criteria to be set in a Presidential Decree, the rate may be reduced to up to 2%, with the objective of guaranteeing the economic use of deposits with low performance and profitability due to the content, scale of production, payment of taxes and number of employees.*
- Niobium and bauxite: 3% rate.
- Diamond, precious stones, cutable colored stones, carbonaceous, rare-earth elements and noble metals: at the rate of 2%.
- Gold, including when mined under Mining Mining Permission, rate of 1.5%.
- Rocks, sand, gravel, gravel and other mineral substances when intended for immediate use in civil construction; ornamental rocks; mineral and thermal waters, 1% rate.



## VIII.4.2 Mining inspection and control fee

### VIII.4.2.1 In the state of Bahia

329 The State of Bahia still does not contain a rule that governs the collection of fees for the inspection of mining activities.

330 In any case, the institution of a fee of this nature in the future cannot be ruled out. This is because the institution of this type of tax has proliferated among Brazilian states and municipalities, especially after the Federal Supreme Court judged that such impositions are constitutional. The decision was given in the judgment of Direct Actions of Unconstitutionality (ADIs) 4785, 4786 and 4787.

331 Likewise, it is possible that municipalities will begin to institute fees like this. For this reason, for investment analysis purposes, it is advisable to pay special attention to this type of exaction.

### VIII.4.3 TAH – Mining fee per property

332 The TAH – Annual Fee per Hectare was instituted in DL No 227/1967 (Mine Code) by Law No 7.886/1989. This is an annual fee payable by the exploration permit holder, which must be paid until the final exploration report is delivered (ie, it is not due before the start of the extraction phase).

333 The current values are BRL 4.33/hectare for the first term of the exploration permit. If the permit is renewed, the amount of BRL 6.48/hectare will be due.

334 The fee is due annually.

## VIII.5 Tax reform

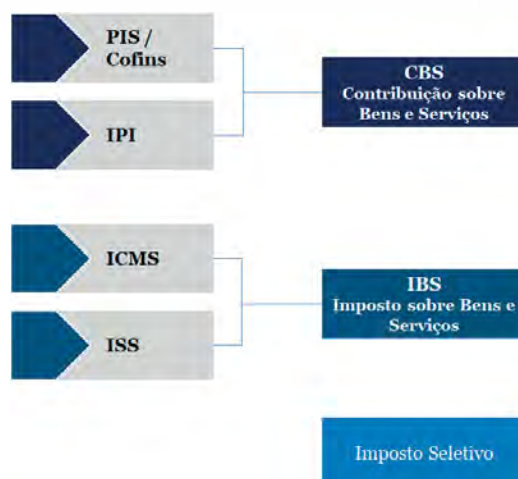
### VIII.5.1 Constitutional Amendment No. 45/2019 – Reform of taxation on consumption

335 On July 7, 2023, the Chamber of Deputies approved the Proposal for Constitutional Amendment No. 45/2019. The text aims to simplify the national tax system, with the extinction of IPI, PIS and Cofins, replaced by CBS (Contribution on Goods and Services); and the extinction of ICMS and ISS (Tax on Services) and the creation of the IBS (Tax on Goods and Services).

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336 The new taxes will be non-cumulative, with ample credit on previous operations. That is, the value of the tax paid in a previous transaction would be offset against the tax due in the subsequent calculation, so that the calculated difference would be the amount due.

337 The taxes would fall on goods and services, including both tangible and intangible goods, and on imports. Exports are not taxed. In addition, in the proposed model, the principle of destination would prevail, with the tax being collected in the State or municipality of destination.

338 The Proposed Constitutional Amendment also provides for reduced IBS and CBS rates for specific sectors such as education, health, agricultural products and public transport; and the creation of the Selective Tax, with extrafiscal characteristics, levied on the *“production, sale or importation of goods and services harmful to health or the environment”*.

339 The rates and other levy criteria must be defined by a Complementary Law, to be enacted after the approval of the PEC by the Senate.

### VIII.5.2 Bill No. 2.337/2021 – Income Taxation

340 Bill No. 2,337/2021 was presented by the Executive Branch on 06/25/2021 and proposes relevant changes to the Income Tax and CSLL legislation.

341 Among the main points, the reduction of the Income Tax rate, from 15% to 8%, maintaining the additional 10%; and CSLL, from 9% to 8%.

342 In addition, the taxation of dividends, currently exempt, is foreseen. Dividends paid must be withheld at source at the rate of 15%, if the Bill is approved. In addition, with regard to the



remuneration of shareholders, the text under vote extinguishes the deductibility of Interest on Own Capital, an important instrument for remuneration of shareholders.

### VIII.6 Analysis of certificates

343 The following certificates were made available for the work:

	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Jequié Mineração Ltda.	Ubaíra Mineração Ltda.
Federal	IBAMA, MPF, RFB, SERASA	IBAMA, MPF, RFB, SERASA	IBAMA, MPF, RFB, SERASA	IBAMA, MPF, RFB, SERASA
State	SEFAZ - Bahia, SEFAZ - São Paulo (State), MPSP, MPBA	SEFAZ - Bahia, SEFAZ - São Paulo (State), MPSP, MPBA	SEFAZ - Bahia, SEFAZ - São Paulo (State), MPSP, MPBA	SEFAZ - Bahia, SEFAZ - São Paulo (State), MPSP, MPBA
Municipality	SEFAZ - São Paulo (City)	SEFAZ - São Paulo (City)	SEFAZ - São Paulo (City)	SEFAZ - São Paulo (City)
Courts	TRF1, TRF3, TJBA, TJSP, TST, TRT-2, TRT-5, TRT-15	TRF1, TRF3, TJBA, TJSP, TST, TRT-2, TRT-5, TRT-15	TRF1, TRF3, TJBA, TJSP, TST, TRT-2, TRT-5, TRT-15	TRF1, TRF3, TJBA, TJSP, TST, TRT-2, TRT-5, TRT-15

344 For all companies, certificates referring to ongoing proceedings in the following courts were not available: TRF2, TRF4, TRF5 and TRF6. The absence of these certificates can be justified by the lack of activity by companies in the jurisdiction of these courts.

345 From the analysed certificates, it was identified the existence of federal debts with suspended enforceability for Borborema Mineração.

346 The existence of debts with suspended enforceability indicates that the company is administratively or judicially questioning the collection of a certain tax, in this case, under federal jurisdiction.

347 As a rule, administrative proceedings are confidential, with only the decisions handed down published. Due to this feature and the fact that we do not have a power of attorney to represent the company, we did not have access to the files. Nor were decisions identified in which Borborema is a party, which indicates that the process has not yet been judged.

348 Given the impossibility of accessing the files, it was not possible (i) to know the thesis discussed; (ii) quantify the demand; (iii) point out our assessment of the prognosis for success.

349 We also identified two labor lawsuits in which the plaintiffs demand compensation of a total of approximately BRL 113,000.00, considering the sum claimed in both lawsuits. As the lawsuits are in early phases, we cannot properly point the risk of an unfavorable final decision; however, as the maximum amount that the company may be obligated to pay is not material, we do not consider these lawsuits as relevant.

## IX – Other Relevant Information

### IX.1 Royalties to Brazil Royalty Corp Participações e Investimentos Ltda.

350 Borborema, Jequié and Ubaíra have granted a 2.5% gross revenue royalty regarding all BRE Tenements, except for exploration permits No. 871.928/2022, 871.929/2022, and 871.931/2022, to

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Brazil Royalty Corp Participações e Investimentos Ltda ("BRC"). BRE is jointly liable for the compliance with the royalty agreement by its subsidiaries. BRC is a Brazilian subsidiary of Alpha Minerals Pty Ltd. (ACN 652 550 339), which in turn is owned by certain shareholders of BRE, such as Todd Hannigan, Bernardo da Veiga, Kirk Kileff, Taso Arima and Dominic Allen.

351 The tenements subject to said royalty agreement may only be sold if the purchaser agrees to comply with the royalty, assuming all its obligations, and the owners of the buyer act as a guarantor. Furthermore, BRE shall consult BRC to conduct its activities and the parties shall mutually agree on relevant decisions regarding the mining rights.

352 BRC has the right to alter, at any time and for the period of its preference, the basis for calculating the "gross revenue". Instead of being determined by the total amount received from products sales, it may be based on the spot price, or the price used by companies with similar operations as BRE's subsidiaries, for the same material, multiplied by the quantity of minerals sold. In both cases, the prices to modify the basis for calculating the "gross revenue" shall be evaluated by an appointed professional of both parties' preference.

353 Finally, the BRE Tenements, except for exploration permits No. 871.928/2022, 871.929/2022, and 871.931/2022, are subject to a security agreement by which Borborema, Jequié and Ubaíra granted, in favour of BRC, security over the tenements in the form of legal mortgage. Brazilian law stipulates that the creditor (i.e. BRC) is the owner of the secured asset, while the debtor holds direct possession of and is entitled to use it. Despite the creditor's ownership, it may only claim the asset if the debtor is in default and, if this condition does not happen, the former is prohibited to interfere with the debtor's use of the asset, unless agreed by the debtor, as is the case of BRE's subsidiaries. Furthermore, if there is a default, the creditor cannot automatically possess the security; it is entitled only to sell it to third parties or to buy it from the debtor in consideration for the market value determined in a legal proceeding by an expert hired by the court. In that sense, if the applicable BRE subsidiary does not comply with its obligations related to the BRC royalty, BRC is entitled to sell the BRE Tenements, which were given as a security, to third parties or buy them from the applicable BRE subsidiary.

### **IX.2 Sale and purchase agreement of Amargosa Tenements entered into by Rio de Contas and Borborema**

354 As mentioned throughout this report and in Section 9.6(e) of the Prospectus, Rio de Contas and Borborema entered into an agreement to respectively sell and purchase the Amargosa Tenements on October 19, 2023. In consideration for Borborema acquiring the Amargosa Tenements<sup>38</sup>, except for exploration permits No. 870.671/2009, 870.672/2009 and 870.674/2009, Borborema shall pay the Brazilian Real equivalent of USD 9,328,000.00 to Rio de Contas, divided in three tranches, as follows:

<sup>38</sup> including the option to purchase tenements No. 872.605/2006, 870.466/1989, 870.465/1989, 870.463/1989 and 300.049/2011)



354.1 First tranche: the Brazilian Real equivalent of USD 2,000,000.00, already paid by Borborema.

354.2 Second tranche: the Brazilian Real equivalent of USD 5,000,000.00, payable within nine months from the execution of the agreement.

354.3 Third tranche: the Brazilian Real equivalent of USD 2,328,000.00, payable within 18 months from the execution of the agreement or five business days from the date when all the Amargosa Tenements, except for exploration permits No. 870.671/2009, 870.672/2009 and 870.674/2009, are officially held by Borborema.

355 The assignment of the Amargosa Tenements to Borborema, except for exploration permits No. 870.671/2009, 870.672/2009 and 870.674/2009, shall be requested by lodging an application with the ANM by Rio de Contas only when the second tranche is paid. This means that Borborema will not be the holder of the Amargosa tenements until that second tranche is paid, which is agreed to occur by July 19, 2024, *i.e.*, within nine months from the execution of the agreement. Despite that, Borborema is already responsible for maintaining the Amargosa Tenements.

356 In addition to the aforementioned amounts, if Borborema develops a mining project focused on bauxite (aluminium) in the Amargosa Tenements, it shall pay Rio de Contas the Brazilian Real equivalent of USD 40,000,000.00 within one year from the commencement of commercial production of this mineral. Rio de Contas also has a right of first refusal for all the bauxite produced from the Amargosa Tenements if the aluminium focused project is developed.

357 Furthermore, if Borborema develops a mining project focused on nickel in the Amargosa Tenements, it shall grant a purchase option of 20% of such project to Rio de Contas. In case that Rio de Contas exercises said right, it shall pay the Brazilian Real equivalent of USD 50,000,000.00 within one year from when it notifies Borborema of its decision.

358 Regarding the exploration permits No. 870.671/2009, 870.672/2009 and 870.674/2009, as further detailed in Section IX.4, Rio de Contas has acquired these mining rights from a third party (being Companhia Brasileira de Alumínio ("CBA")), which in turn still has some rights to explore and mine on these assets under certain conditions. Because of said restrictions, Borborema acquired an option to purchase these exploration permits, which may only be exercised if the agreement between Rio de Contas and CBA is terminated. If this condition takes place, Rio de Contas shall send a notice within six months of the termination to inform Borborema. The latter will then have a 30-day period to exercise the right to acquire the exploration permits No. 870.671/2009, 870.672/2009 and 870.674/2009. In consideration for those three exploration permits, Borborema shall pay the Brazilian Real equivalent of USD 672,000.00 to Rio de Contas within 10 days after the exercise of the option. Refer also to Section IX.4.

359 Borborema already prepared a complete legal due diligence report on the Amargosa Tenements, which was positive and attested that there were no fatal flaws on any of the assets. Despite that, it is worth noting that Rio de Contas granted a 9-months period, counted from the execution of the



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agreement, for Borborema to perform a technical due diligence on the Amargosa Tenements. If Borborema identifies material defects on more than half of the Amargosa Tenements within 90 days of the execution of the agreement, the parties would be entitled to terminate the agreement without any costs. If material defects are found in less than half of the Amargosa Tenements, within the same period, the parties will reduce the amounts of the two payable tranches, proportionally to the reduction of resources or reserves when compared to the quantity reported on Final Exploration Reports lodged before ANM. For the purposes of the agreement, "material defects" means non-approvals of exploration reports, whether partial or final, by ANM, or denial of applications for mining permits by ANM or the Ministry of Mines, which cannot be further contested judicially because of issuance of a final and unappealable decision.

360 Under the agreement, Rio de Contas agreed to indemnify Borborema for losses resulting from any breach or violation of representations and warranties, non-compliance with obligations, liabilities existing in the areas of the Amargosa Tenements or resulting from its activities. In turn, Borborema agreed to indemnify Rio de Contas for losses resulting from any breach or violation of representations and warranties, non-compliance with obligations, liabilities for its activities, including the technical due diligence. Notwithstanding the aforementioned, the parties indemnity obligations are limited to one year after the date when all mining rights are officially assigned to Borborema where the indemnity arises from any breach or violation of representations and warranties, non-compliance with obligations, liabilities existing in the areas of the Amargosa Tenements or resulting from its activities, except for environmental matters which are limited to five years after the same event. Furthermore, the indemnification is limited to 100% of the purchase price if the losses are related to environmental matters and 20% of the purchase price when the losses arise from any other matters.

361 BRE (as a parent company) guarantees the compliance with Borborema's obligations under the agreements. Finally, as further detailed in Section IX.3, Borborema promised to pledge the Amargosa Tenements to Rio de Contas.

### IX.3 Pledge agreement between Rio de Contas and Borborema

362 Borborema and BRE promised to enter a pledge agreement with Rio de Contas within three days from the date when all the Amargosa Tenements, except for exploration permits No. 870.671/2009, 870.672/2009 and 870.674/2009, are officially held by Borborema. In said contract, Borborema promised to pledge the Amargosa Tenements to guarantee the payment of USD 9,328,000.00 and agreed that this lien would be considered a first priority pledge and will have preference over any other encumbrances. The pledge will be annotated on the registry of the tenements, pursuant to Brazilian law.

363 Brazilian Law establishes that the possession of the pledged asset shall remain with the creditor, except for specific cases. However, it was set forth in the agreement that Borborema is entitled to exercise all rights and powers of the holder of the tenements, being authorized to receive,



retain and dispose of any benefits, as well as to conduct its business at its own risk and expense on the Amargosa Tenements.

364 Borborema agreed to not sell, assign, transfer, exchange, grant an option over the Amargosa Tenements, and to not restrict, depreciate or diminish the collateral while the pledge agreement is valid. Borborema also guaranteed that the assets would remain in its possession, free and clear of all liens and encumbrances, except for the pledge in favour of Rio de Contas. If Borborema receives a notice informing the occurrence of levy of execution, sequestration, seizure or any other judicial or administrative measure on the Amargosa Tenements, Rio de Contas is entitled to demand a supplementation of the pledge with other assets.

365 Although the agreement established a right of foreclosure, this clause is null in the Brazilian Law. Nonetheless, if there is a default, Rio de Contas is entitled to sell the Amargosa Tenements directly or request a Court to do it and retain the profits necessary to settle the debt.

#### **IX.4 Agreement for Rio de Contas to obtain the exploration permits No. 870.671/2009, 870.672/2009 and 870.674/2009**

366 The exploration permits No. 870.671/2009, 870.672/2009, 870.674/2009, which are part of the Amargosa Tenements, were obtained by Rio de Contas through an agreement entered into between its parent company, the Rio Tinto Group, and Companhia Brasileira de Alumínio, on December 08, 2009. The initial agreement was amended with minor changes six times to date, on July 26, 2010, August 23, 2013, August 26, 2013, July 25, 2014, January 31, 2018, and February 17, 2020.

367 In sum, in consideration for assigning several areas in the state of Para, Brazil, and rights regarding the minerals found in these assets, Rio de Contas acquired the exploration permits No. 870.671/2009, 870.672/2009, 870.674/2009. Pursuant to the agreement, Companhia Brasileira de Alumínio has the right to perform exploration works in said areas of the Amargosa Tenements. At any time, at its discretion, the latter may require the assignment of parts of the exploration permits where nickel ore and other associated metals may be found. The parties made a commitment to use their best efforts to develop Rio de Contas' and Companhia Brasileira de Alumínio's projects at the same time, however no priority order was set forth, therefore the parties shall enter into discussions regarding the details of the operations. Companhia Brasileira de Alumínio has not exercised its right to demand an assignment of the exploration permits to date. There is no term to CBA's rights related to exploration permits 870.671/2009, 870.672/2009, 870.674/2009, so that they will only terminate if CBA waives them or the agreement between CBA and Rio de Contas is terminated. In this context, it is worth noting that CBA has agreed to present a Feasibility Report by November 26, 2026, and, if this obligation is not timely fulfilled, Rio de Contas will have a claim to terminate the agreement and keep the exploration permits No. 870.671/2009, 870.672/2009 and 870.674/2009 for itself free of CBA's rights.

368 The agreement establishes that any assets that are part of it may only be assigned to third parties, such as Borborema, if: (i) the other party agrees, which must be demonstrated by a written letter; (ii) the transferring party remains responsible for compliance with the agreement and its

## 8. Independent Solicitor's Report continued



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obligations; (iii) the transferee complies with the agreement. As previously stated, Borborema acquired the right to purchase these three explorations permits, which may only be exercised if Rio de Contas terminates the agreement with CBA.

### **IX.5 Agreement between REA and BRE regarding the purchase and sale of shares currently held by REA in Borborema**

369 On September 30, 2023, REA and BRE entered into a share purchase agreement, which included Borborema as consenting intervening party and in which REA sold all its 6,030,984 shares in Borborema to BRE. In consideration for the sale, BRE agreed to pay A\$ 1,565,952.68, which was considered equivalent to BRL 5,055,677.58 on the date of the execution of agreement by the parties. BRE agreed to pay the purchase price by assigning 28,712 shares issued by BRE to REA, at the par value of A\$ 54.54 per share. We have been informed that BRE already has fulfilled this obligation. Refer to Section 9.6(g) of the Prospectus for further information in relation to the above transaction. The amendment of Borborema's articles of association to assign the shares held by REA to BRE was included as an exhibit of the share purchase agreement and it was executed on the same date as the contract. REA represented and warranted that the sold shares are free of all encumbrances and liens.

370 Under the agreement, BRE agreed to indemnify REA for losses resulting from any breach or violation of representations and warranties and non-compliance with obligations set forth in the agreement. In turn, REA agreed to indemnify BRE for losses resulting from any breach or violation of representations and warranties, non-compliance with obligations set forth in the agreement and any judicial administrative or arbitration proceedings against or involving Borborema that started on a date prior to the execution of the contract.

371 BRE and REA lodged the executed amendment to Borborema's articles of association before the Brazilian Government Business Registration Service of São Paulo on October 23, 2023, which is currently pending analysis and approval. Analysis is anticipated to occur in the short term, as this is a routine transaction for registration by the Brazilian Government Business Registration Service of São Paulo.

### **IX.6 Agreements to acquire the BRE Tenements**

372 According to the information disclosed by BRE for us to prepare this Report, all the agreements executed to obtain the BRE Tenements and Alpha Tenements were complied with by BRE and its subsidiaries; without any pending obligations to be performed.

### **IX.7 Landowner BRE Tenements Agreements**

373 Borborema has obtained access to four properties, which allegedly comprise mining rights No. 870.693/2021, 870.685/2021 and 870.664/2021, with permission to perform exploration activities, through agreements that are still valid when this Report was prepared.

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#### IX.8 Validity of the IPO according to Brazilian law

374 The IPO will not contravene any statute, law, rule, judgement, regulation or decree in Brazil and will require no authorization, approval, or other actions by and no notice to or consent of, any governmental authority or regulatory body in Brazil. We were not provided agreements in which the IPO would constitute default, breach or violation.

#### IX.9 Review of the use of funds

375 Considering the documents describing the use of funds by BRE and its subsidiaries made available to this firm (as described in the Prospectus) and which we analysed, we conclude that all funds allocated to the BRE Tenements, Alpha Tenements and Amargosa Tenements to be spent in matters regarding the tenements are legally able to be spent on those purposes and the validity of the tenements will surpass the period for the estimated expenditure to be occurred, provided that the Final Exploration Report or an application to extend the exploration permit term is timely lodged regarding the exploration permits that expire before two years from the date of the Prospectus.

#### IX.10 Tax events of the IPO and other transactions

376 The IPO and the agreement entered into by Borborema and Rio de Contas regarding the Amargosa Tenements will not trigger any tax events in Brazil. The merger of Alpha's spun off parts, which are the Alpha Tenements, into Borborema and the acquisition of REA's shares in Borborema by BRE, in Brazil, will trigger no tax events to Borborema or BRE:

376.1 Upon receiving the portion of the spun-off assets, Borborema did not make any expenses, as this proportion entered his assets in return for an increase in capital subscribed by a third party (REA), of an identical value. Therefore, a mere equity transaction occurred, without tax effects: Borborema's assets increased, with a counterpart in equity.

376.2 Subsequently, BRE (controlling company) acquired the shares of REA (minority) in Borborema, at an amount equivalent to less than their par value. The simple fact that this transaction is a treasury acquisition, and the parties are not Brazilian legal entities, would be enough to eliminate negative tax effects in Brazil. Even if BRE were a Brazilian legal entity, no tax effect on BRE or Borborema would occur in Brazil, considering that the transaction only implied in a change in the shareholding structure of Borborema.

#### X - Closure

377 This Opinion is issued only in accordance with the laws of Brazil in force on the date hereof and does not express any opinion in accordance with the laws of any other jurisdiction.

## 8. Independent Solicitor's Report continued



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378 We also emphasize that this Opinion is restricted to what was provided in items 1 and 2, and does not cover any technical, operational, commercial, or financial aspects of the BRE Tenements, Alpha Tenements or Amargosa Tenements.

Yours truly.

  
Tiago de Mattos

  
Bruno Costa

  
Caio Gomes

  
Bruno Malta

  
Bruno Feitosa

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# EXHIBIT I

List of consulted  
material documentation



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## 8. Independent Solicitor's Report continued



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1	Certificate of Enrollment with the Corporate Taxpayer Register
2	Certificate of Federal Public Debt
3	Certificate of State Public Debt (São Paulo and Bahia)
4	Certificate of Municipal Public Debt (São Paulo)
5	Certificate of Labor Debts
6	Certificate of Official Letters and Administrative Proceedings of the Federal Public Prosecutor's Office
7	Certificate of Official Letters and Administrative Proceedings of the State Public Prosecutor's Office (São Paulo and Bahia)
8	Certificate of Labor Lawsuits in Bahia and São Paulo
9	Certificate of Criminal Actions in Bahia and São Paulo and before the Federal Regional Court of the 1 <sup>st</sup> and 3 <sup>rd</sup> Regions.
10	Certificate of Civil and Bankruptcy Actions in Bahia and São Paulo and before the Federal Regional Court of the 1 <sup>st</sup> and 3 <sup>rd</sup> Regions.



# EXHIBIT II

Compilation of figures  
demonstrating overlaps



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BRASÍLIA

# 8. Independent Solicitor's Report continued

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Figure 1 - exploration permit 870.683/2021 in red and settlement project in gray.

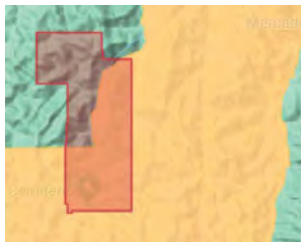


Figure 2 - exploration permit 870.685/2021 in red and APA in yellow.

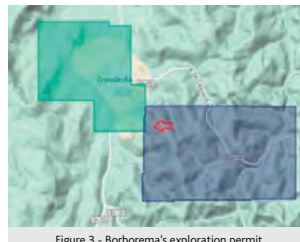


Figure 3 - Borborema's exploration permit 870.687/2021 in blue and Brazil Royalty Corp Participações e Investimentos Ltda.'s in green.



Figure 4 - exploration permit 870.689/2021 in red and settlement project in gray.

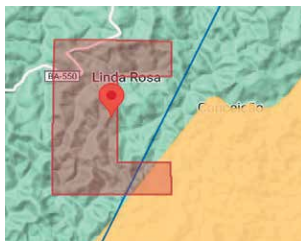


Figure 5 - exploration permit 870.690/2021 in red, APA in yellow and transmission line in blue.

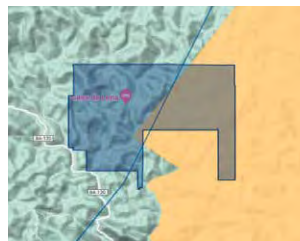


Figure 6 - exploration permit 870.691/2021 in blue, APA in yellow and transmission line in blue.

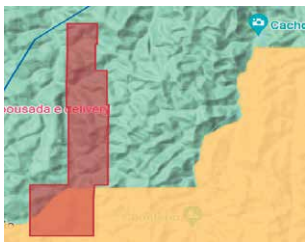


Figure 7 - exploration permit 870.693/2021 in red and APA in yellow.

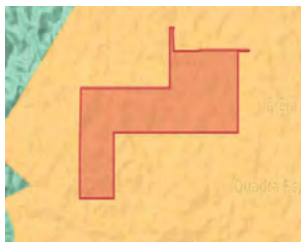


Figure 8 - exploration permit 870.772/2021 in red and APA in yellow.



Figure 9 - exploration permit 872.265/2021 in red and APA in yellow.



Figure 10 - exploration permit 872.266/2021 in red and APA in yellow.

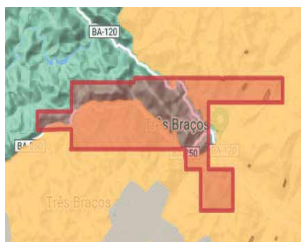


Figure 11 - exploration permit 870.694/2021 in red and APA in yellow.

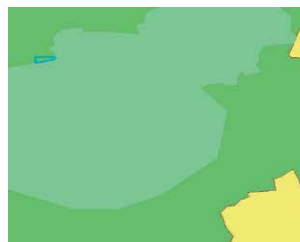


Figure 12 - exploration application 871.928/2022 in blue and APA in dark green.

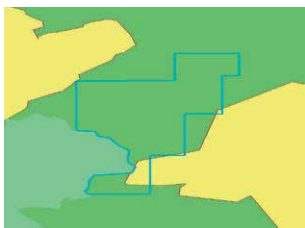


Figure 13 - exploration permit 871.929/2022 in blue, APA in dark green and settlement project in yellow.

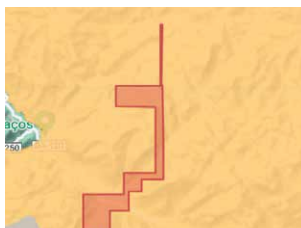


Figure 14 - exploration permit 871.931/2022 in red and APA in yellow.



Figure 15 - exploration permit 870.681/2021 in orange and transmission line in blue.



Figure 16 - exploration permit 870.682/2021 in orange and transmission line in blue.

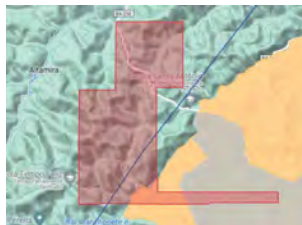


Figure 17 - exploration permit 870.695/2021 in red, APA Caminhos in yellow, transmission line in blue and settlement project in gray.



Figure 18 - exploration permit 870.697/2021 in red and transmission line in blue.



Figure 19 - exploration permit 870.779/2021 in orange, APA yellow, transmission line in blue and settlement project in gray.

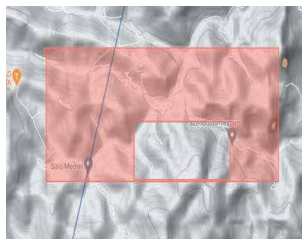


Figure 20 - exploration permit 870.780/2021 in orange and transmission line in blue.



Figure 21 - exploration permit 870.728/2016 in red, Rodrigo Andriotti Gama' mining process in blue and, in the circle, amplified image of the overlapping area.



Figure 22 - exploration permit 870.727/2016 in red, APA in yellow and transmission line in blue.

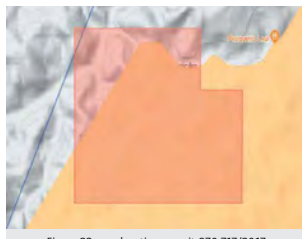


Figure 23 - exploration permit 870.717/2017 in orange, APA in yellow and transmission line in blue.

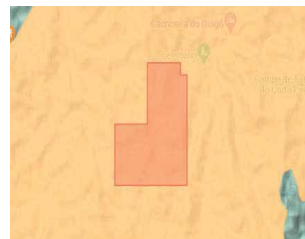


Figure 24 - exploration permit 870.484/2017 in orange and APA in yellow.

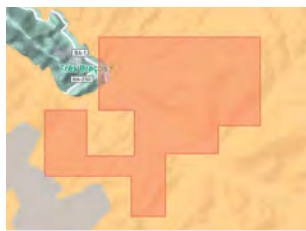


Figure 25 - exploration permit 870.483/2017 in orange, APA in yellow and settlement project in gray.



Figure 26 - exploration permit 871.394/2017 in orange and transmission line in blue.



Figure 27 - exploration permit 871.395/2017 in orange and transmission line in blue.



Figure 28 - exploration permit 871.243/2021 in orange and transmission line in blue.



Figure 29 - exploration permit 871.144/2021 in orange and transmission line in blue.

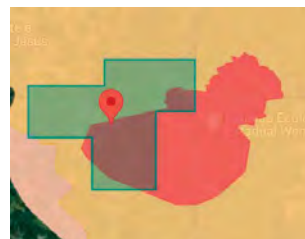


Figure 30 - exploration permit 871.439/2004 in green, APA in beige and ecological station in red.



# 8. Independent Solicitor's Report continued

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Figure 31 - exploration permit 871.439/2004 in blue and settlement project in gray.

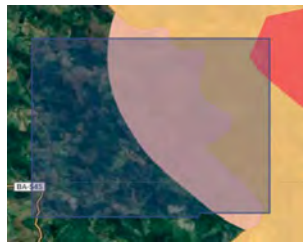


Figure 32 - exploration permit 871.438/2004 in blue, APA in beige, Ecological Station in red.



Figure 33 - exploration permit 871.438/2004 in blue and settlement project in gray.



Figure 34 - exploration permit 870.532/2007 in purple, APA in beige, Ecological Station in red.



Figure 35 - exploration permit 870.826/2004 in yellow and transmission line in blue.



Figure 36 - exploration permit 870.827/2004 in yellow and transmission line in blue.

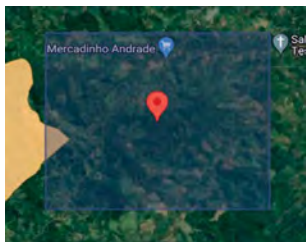


Figure 37 - exploration permit 873.776/2006 in blue and APA in beige.



Figure 38 - exploration permit 872.703/2008 in blue and APA in beige.



Figure 39 - exploration permit 871.239/2010 in blue and APA in beige.



Figure 40 - exploration permit 870.025/2007 in blue and APA in beige.

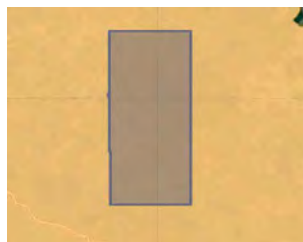


Figure 41 - exploration permit 870.024/2007 in blue and APA in beige.



Figure 42 - exploration permit 870.027/2007 in blue and APA in beige.



Figure 43 - exploration permit 870.029/2007 in blue and APA in beige.



Figure 44 - exploration permit 870.026/2007 in blue and APA in beige.



Figure 45 - exploration permit 874.320/2007 in blue and APA in beige.



Figure 46 - exploration permit 870.174/2007 in blue and APA in beige.



Figure 47 - exploration permit 873.777/2006 in blue and APA in beige.



Figure 48 - exploration permit 873.777/2006 in blue and settlement projects in gray.

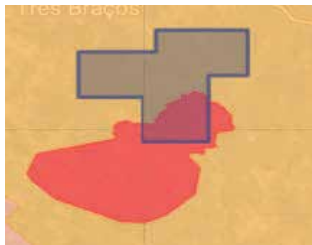


Figure 49 - exploration permit 872.563/2005 in blue, APA in beige and Ecological Station in red.



Figure 50 - exploration permit 873.563/2005 in blue and settlement project in gray.

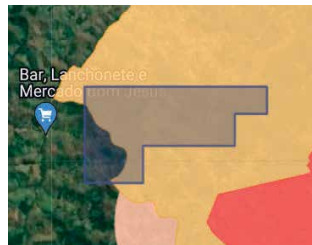


Figure 51 - exploration permit 873.212/2006 in blue and APA in beige.



Figure 52 - exploration permit 873.212/2006 in blue and settlement project in gray.



Figure 53 - exploration permit 873.213/2006 in blue and APA in beige.



Figure 54 - exploration permit 873.213/2006 in yellow and transmission line in blue.



Figure 55 - exploration permit 873.244/2006 in blue and APA in beige.



Figure 56 - exploration permit 873.244/2006 in blue and settlement project in gray.



Figure 57 - exploration permit 870.674/2009 in yellow and transmission line in blue.

## 8. Independent Solicitor's Report continued

### EXHIBIT III

Overview of  
mining tenements



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## Guide for interpreting the summaries of tenements

### ➤ Disclaimers

- a) On September 30, 2023, BRE purchased from Rare Earths America Pty. Ltd. (ACN 664 370 254) ("REA") the remaining 6,030,984 shares in Borborema that it did not own at that time (please refer to Section IX.5 for more details of this transaction). Therefore, BRE owns 100% of the shares of Borborema since September 30, 2023. The mentioned transfer of 6,030,984 shares is currently valid and enforceable between REA and BRE. BRE and REA already lodged the required amendment to Borborema's articles of association before the Brazilian Government Business Registration Service of São Paulo on October 23, 2023, which is currently pending analysis and approval. Analysis is anticipated to occur in the short term, as this is a routine transaction for registration by the Brazilian Government Business Registration Service of São Paulo. For the avoidance of doubt, such approval just involves the control of legal formalities and ensures publicity to the corporate documents.
- b) Borborema is entitled to the Alpha Tenements, due to the spin-off.
- c) BRE Tenements, except for the exploration permits No. 871.928/2022, 871.929/2022, and 871.931/2022, are subject to a royalty agreement (which is summarized in Section IX.1) in which the tenements were given to the creditor as collateral in a structure similar to a legal mortgage, so that BRE's subsidiaries will possess the tenements and hold them before the ANM as long as they comply with the agreement. If the agreement is not complied with, BRC is entitled to claim the tenements for itself.
- d) The Amargosa Tenements are subject of a pledge agreement in favor of Rio de Contas (please refer to Section IX.3 for more information).
- e) The issues arising from agreements entered into by BRE or Rio de Contas are not covered by this list.
- f) We have not identified, and we do not have any reason to think that there are encumbrances on the mining tenements other than the ones referred to in the Report.
- g) There are (i) no minimum spending commitments to maintain the tenements (ii) no regime whereby part of the tenements must be relinquished over time.
- h) All areas are located in the State of Bahia, in the Northeast region of Brazil.
- i) The only pecuniary obligation to maintain the tenements is the Annual Fee per Hectare, which shall be paid to the Brazilian Government annually and it costs BRL 4.33 per hectare if the exploration permit was not renewed and BRL 6.48 if it was.
- j) There are no natives claims.
- k) Beneficial interests do not apply to Brazilian law.
- l) The areas are not subjected to any challenges to date.



## 8. Independent Solicitor's Report continued



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- m) The fines imposed by the National Mining Agency (ANM) are only applicable to the holder of the tenement at the time the infraction was committed, which in every case is not BRE's Brazilian subsidiaries. However, we cannot guarantee that ANM will not impose the fines against BRE's subsidiaries as the current holder or assignee of the tenements. In any case, BRE's subsidiaries have the defense argument that the fine could not be imposed to it, among other reasons.
- n) The Amargosa Tenements permits are already expired. The Final Exploration Reports were lodged timely stating that there is a temporary infeasibility of mining due to technical and economic reasons. In this case, the ANM shall schedule a date to decide if it will approve or not approve the Final Exploration Reports. The ANM has only booked a date to review the Final Exploration Report for few of the Amargosa Tenements.
- o) The Final Exploration Report was timely lodged for every tenement that has already reached its expiry date, so that there are no risks for the validity of the tenement in these cases.
- p) The database used to prepare this exhibit comprehended information updated until October 25, 2023.

### ➤ List of repeating issues

- a) Settlement Projects: Overlaps with settlement projects imply that BRE's Brazilian subsidiary has to obtain INCRA's<sup>1</sup> consent of use of land in order to perform exploration or mining activities in the specific area which superposes the tenement. INCRA may give its consent only if the mining activities can coexist with the settlement. If INCRA consents, there will be additional obligations, such as payments to the land occupiers.
- b) APA Caminhos Ecológicos da Boa Esperança: According to Federal Law 9.985/2000, an APA is classified as a form of conservation unit for sustainable use (art. 14, item I) and it does not automatically impose prohibitions on the development of mining within it, however this possibility could be set forth in its Management Plan. In this case, the Management Plan of the Conservation has not yet been approved, so it is advisable to follow any determination of the Secretary of Environment and Water Resources - SEMARH of the state of Bahia regarding the plan.
- c) LT 500 kV Sapeaçu Poções III C1 transmission line: In this case, it is important to note that some field exploration and/or mining activities may be restricted in order to avoid any kind of damage to the transmission line. It is also important to remember that the ANM may reduce the area of the tenement in order to remove its interference with the energy transmission line.

<sup>1</sup> A governmental body that is responsible for land reform and settling land disputes.



- d) Wenceslau Guimarães State Ecological Station: This conservation unit prohibits any mining activities within it.
- e) The fines imposed by the National Mining Agency (ANM) for the untimely non-payment of the annual per hectare fee (TAH) are calculated as follows:

$$\text{Fine} = \text{EBV} \times \text{Up to 74\%} \times 0,085293$$

EBV (Estimated Budget Value) being the sum of budgets for funding exploration informed to the ANM related to every active Exploration Permit held by holder of the tenement on December 31 of the previous year. Furthermore, ANM has indicated in documents made available to the public that this kind of infraction will have a sanction equivalent to 22% of the EBV multiplied by 0,085293.

- f) The fines imposed by ANM for failing to report the restart of the exploration are calculated as follows:

$$\text{Fine} = \text{EBV} \times \text{Up to 74\%} \times 0,085293$$

EBV (Estimated Budget Value) being the sum of budgets for funding exploration informed to the ANM related to every active Exploration Permit held by holder of the tenement on December 31 of the previous year. Furthermore, ANM has indicated in documents made available to the public that this kind of infraction will have a sanction equivalent to 33% of the EBV multiplied by 0,085293.

- g) A second extension of the Exploration Permit may only be approved by the ANM if the holder demonstrates that it is having issues to access the area of the tenement and that it is acting diligently and taking the legal measures surpass this issue.

# 8. Independent Solicitor's Report continued

Summary of BRE Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Holder	Assignee(s)	Original Holder	Grant date	Renewal date	Expiry date	Issues
870.683/2021	Exploration Permit	1563.55	Ubaíra and Santa Inês	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps Iquirica Settlement Project, as per figure 1 of Exhibit II.
870.684/2021	Exploration Permit	1947.42	Ubaíra and Santa Inês	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.685/2021	Exploration Permit	1374.33	Jiquiriçá and Ubaíra	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 2 of Exhibit II.
870.687/2021	Exploration Permit	1934.8	Ubaíra, Santa Inês and Cravolândia	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps an exploration permit from a third party, as per figure 3 of Exhibit II, which results from an application that was filed after Borborema's application, therefore there is no relevant implication to Borborema's asset.
870.688/2021	Exploration Permit	1803.24	Ubaíra and Santa Inês	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.689/2021	Exploration Permit	1702.11	Cravolândia	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps Palestina Settlement Project, as per figure 4 of Exhibit II.
870.690/2021	Exploration Permit	1981.49	Ubaíra, Santa Inês and Cravolândia	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps APA Caminhos Ecológicos da Boa Esperança and LT 500 KV Sepeacu Poços II C1 energy transmission line, as per figure 5 of Exhibit II.
870.691/2021	Exploration Permit	1649.21	Ubaíra and Cravolândia	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps APA Caminhos Ecológicos da Boa Esperança and LT 500 KV Sepeacu Poços II C1 energy transmission line, as per figure 6 of Exhibit II.
870.693/2021	Exploration Permit	1737.29	Ubaíra	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 7 of Exhibit II.
870.772/2021	Exploration Permit	1323.87	Ubaíra	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	10/27/2021	n/a	10/27/2024	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 8 of Exhibit II.
872.265/2021	Exploration Permit	172.49	Ubaíra and Cravolândia	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	01/12/2022	n/a	01/12/2025	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 9 of Exhibit II.
872.266/2021	Exploration Permit	185.35	Wenceslau Guimarães and Cravolândia	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	01/12/2022	n/a	01/12/2025	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 10 of Exhibit II.
870.694/2021	Exploration Permit	1942.61	Wenceslau Guimarães, Ubaíra and Cravolândia	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 11 of Exhibit II.
871.928/2022	Application for Exploration Permit	3.57	Wenceslau Guimarães	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	-	n/a	-	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 12 of Exhibit II.
871.929/2022	Exploration Permit	512.88	Wenceslau Guimarães	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/30/2023	n/a	08/30/2026	The area overlaps APA Caminhos Ecológicos da Boa Esperança and Fábio Henrique settlement project, as per figure 13 of Exhibit II.

Summary of BRE Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Holder	Assignees (s)	Original Holder	Grant date	Renewal date	Expiry date	Issues
874.931/2022	Exploration Permit	531.9	Teolândia, Ubaira and Wenceslau Guimarães	Active	Borborema Mineração Ltda.	n/a	Borborema Mineração Ltda.	02/13/2023	n/a	02/13/2026	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 14 of Exhibit II.
870.664/2021	Exploration Permit	1026.36	Amarigosa and Ubaira	Active	Ubaira Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.665/2021	Exploration Permit	1777.41	Amarigosa, Brejões and Ubaira	Active	Ubaira Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.666/2021	Exploration Permit	1937.01	Ubaira	Active	Ubaira Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.667/2021	Exploration Permit	1938.5	Ubaira	Active	Ubaira Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.668/2021	Exploration Permit	1892.45	Brejões and Ubaira	Active	Ubaira Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.669/2021	Exploration Permit	1698.6	Jiquiriçá and Ubaira	Active	Ubaira Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.680/2021	Exploration Permit	1628.24	Ubaira	Active	Ubaira Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.681/2021	Exploration Permit	1677.5	Jiquiriçá and Ubaira	Active	Ubaira Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps LT 500 kV Sepaçu Poços III C1 energy transmission line, as per figure 15 of Exhibit II.
870.682/2021	Exploration Permit	1708.05	Jiquiriçá and Ubaira	Active	Ubaira Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps LT 500 kV Sepaçu Poços III C1 energy transmission line, as per figure 16 of Exhibit II.
870.695/2021	Exploration Permit	1633.34	Itaquara, Jaguaquara and Wenceslau Guimarães	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps APA Caminhos Ecológicos da Boa Esperança, LT 500 kV Sepaçu Poços III C1 energy transmission line and Novo Horizonte Settlement Project, as per figure 17 of Exhibit II.
870.696/2021	Exploration Permit	1295.66	Jaguaquara and Jequié	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.697/2021	Exploration Permit	1555.37	Jaguaquara and Jequié	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	The area overlaps LT 500 kV Sepaçu Poços III C1 energy transmission line, as per figure 18 of Exhibit II.
870.698/2021	Exploration Permit	1847.07	Jequié	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.699/2021	Exploration Permit	1453.24	Jequié	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.700/2021	Exploration Permit	1063.02	Itagi and Jequié	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	08/06/2021	n/a	10/01/2024	n/a
870.773/2021	Exploration Permit	157.17	Jaguaquara	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	10/05/2021	n/a	10/05/2024	n/a
870.774/2021	Exploration Permit	197.95	Itagi	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	10/27/2021	n/a	10/27/2024	n/a
870.779/2021	Exploration Permit	1464.58	Crovelândia, Itaquara and Wenceslau Guimarães	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	10/27/2021	n/a	10/27/2024	The area overlaps APA Caminhos Ecológicos da Boa Esperança, LT 500 kV Sepaçu Poços III C1 energy transmission line and Novo Horizonte Settlement Project, as per figure 19 of Exhibit II.
870.780/2021	Exploration Permit	812.85	Jequié	Active	Jequié Mineração Ltda.	n/a	Borborema Mineração Ltda.	10/27/2021	n/a	10/27/2024	The area overlaps LT 500 kV Sepaçu Poços III C1 energy transmission line, as per figure 20 of Exhibit II.

## 8. Independent Solicitor's Report continued

Summary of Alp a Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Holder	Assignee(s)	Original Holder	Grant date	Renewal date	Expiry date	Issues
870.728/2016	Exploration Permit	1480.05	Jiquiriçá and Ubaíra	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	e 17 Mineração, Pesquisas Minerais e Participações Ltda	09/14/2016	11/30/2021	11/30/2024	A small part of the area overlaps an exploration permit from a third party, as per figure 21 of Exhibit II, which results from an application that was filed before Alpha's therefore ANM should reduce the area of the Alpha's tenement. Furthermore, Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee. TAH. Finally, as the exploration permit has already been renewed once, ANM will only approve an extension request if the current holder can demonstrate that the access to the tenement area was interrupted after the renewal. This is because the previous extension was requested solely for the purpose of allowing more time to conduct exploration work, and there were no explicit mentions of access issues at that time. Therefore, it may be presumed that the holder had access to the area.
870.727/2016	Exploration Permit	679.95	Ubaíra	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	e 17 Mineração, Pesquisas Minerais e Participações Ltda	09/14/2016	11/30/2021	11/30/2024	The area overlaps APA Caminhos Ecológicos da Boa Esperança and LT 500 KV Sepeçu Poço III C1 energy transmission line, as per figure 22 of Exhibit II. Furthermore, Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee. TAH. Finally, as the exploration permit has already been renewed once, ANM will only approve an extension request if the current holder can demonstrate that the access to the tenement area was interrupted after the renewal. This is because the previous extension was requested solely for the purpose of allowing more time to conduct exploration work, and there were no explicit mentions of access issues at that time. Therefore, it may be presumed that the holder had access to the area.

Summary of Alp a Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Holder	Assignee(s)	Original Holder	Grant date	Renewal date	Expiry date	Issues
870.717/2017	Exploration Permit	953.68	Ubaíra	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	e 17 Mineração, Pesquisas Minerais e Participações Ltda	12/06/2017	07/14/2020	10/01/2023	The area overlaps APA Caminhos Ecológicos da Boa Esperança and LT 500 KV Sepesçu Popoos II C1 energy transmission line, as per figure 23 of Exhibit II. The final exploration report has been submitted on 09/22/2023, meaning that the obligation to maintain the mining right good standing has been fulfilled.
870.726/2016	Exploration Permit	851.92	Brejões and Ubaíra	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	e 17 Mineração, Pesquisas Minerais e Participações Ltda	09/14/2016	11/30/2021	11/30/2024	Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee TAH. Furthermore, as the exploration permit has already been renewed once, ANM will only approve an extension request if the current holder can demonstrate that the access to the tenement area was interrupted after the renewal. This is because the previous extension was requested solely for the purpose of allowing more time to conduct exploration work, and there were no explicit mentions of access issues at that time. Therefore, it may be presumed that the holder had access to the area. A fine of B R L1,046.31 was imposed and the payment is pending.
870.484/2017	Exploration Permit	516.92	Jiquiçá and Ubaíra	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	e 17 Mineração, Pesquisas Minerais e Participações Ltda	06/27/2017	01/19/2021	10/01/2023	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 24 of Exhibit II. The final exploration report has been submitted on 09/22/2023, meaning that the obligation to maintain the mining right good standing has been fulfilled.
870.483/2017	Exploration Permit	1900.19	Cravolândia, Teolândia, Ubaíra and Wenceslau Guimarães	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	e 17 Mineração, Pesquisas Minerais e Participações Ltda	06/27/2017	01/19/2021	10/01/2023	The area overlaps APA Caminhos Ecológicos da Boa Esperança, as per figure 25 of Exhibit II. The final exploration report has been submitted on 09/22/2023, meaning that the obligation to maintain the mining right good standing has been fulfilled.

# 8. Independent Solicitor's Report continued

Summary of Alpha Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Holder	Assignee(s)	Original Holder	Grant date	Renewal date	Expiry date	Issues
871.394/2017	Exploration Permit	853.24	Jaguaiquara	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Maria Emilia de Freitas Palhares Prats	05/07/2018	12/20/2022	12/20/2025	The area overlaps LT 500 kV Sapeaçu Poçoas III C1 energy transmission line, as per figure 26 of Exhibit II. Furthermore, Alpha is liable to two fines due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee, TAH, and the failing to report the restart of the exploration work. Finally, as the exploration permit has already been renewed once, ANM will only approve an extension request if the current holder can demonstrate that the access to the tenement area was interrupted after the renewal. This is because the previous extension was requested solely for the purpose of allowing more time to conduct exploration work, and there were no explicit mentions of access issues at that time. Therefore, it may be presumed that the holder had access to the area.
871.395/2017	Exploration Permit	1824.58	Jaguaiquara and Jequié	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Maria Emilia de Freitas Palhares Prats	12/21/2017	11/17/2022	11/17/2025	The area overlaps LT 500 kV Sapeaçu Poçoas III C1 energy transmission line, as per figure 27 of Exhibit II. Furthermore, Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee, TAH. Finally, as the exploration permit has already been renewed once, ANM will only approve an extension request if the current holder can demonstrate that the access to the tenement area was interrupted after the renewal. This is because the previous extension was requested solely for the purpose of allowing more time to conduct exploration work, and there were no explicit mentions of access issues at that time. Therefore, it may be presumed that the holder had access to the area.
870.899/2017	Exploration Permit	1950.44	Itagi and Jequié	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Maria Emilia de Freitas Palhares Prats	08/21/2017	10/03/2022	10/03/2025	Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee TAH. Furthermore, as the exploration permit has already been renewed once, ANM will only approve an extension request if the current holder can demonstrate that the access to the tenement area was interrupted after the renewal. This is because the previous extension was requested solely for the purpose of allowing more time to conduct exploration work, and there were no explicit mentions of access issues at that time. Therefore, it may be presumed that the holder had access to the area.



## Summary of Alp a Tenements

Tenement	Type	Area (Ha)	Municipalities	Status	Holder	Assignee(s)	Original Holder	Grant date	Renewal date	Expiry date	Issues
870.906/2017	Exploration Permit	658.17	Itagi	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Maria Emilia de Freitas Palhares Prais	08/21/2017	10/03/2022	10/03/2025	Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee TAH. Furthermore, as the exploration permit has already been renewed once, ANM will only approve an extension request if the current holder can demonstrate that the access to the tenement area was interrupted after the renewal. This is because the previous extension was requested solely for the purpose of allowing more time to conduct exploration work, and there were no explicit mentions of access issues at that time. Therefore, it may be presumed that the holder had access to the area.
870.900/2017	Exploration Permit	1703.7	Bonova, ário Meira, Itagi and Jequié	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Maria Emilia de Freitas Palhares Prais	08/21/2017	09/30/2022	09/30/2025	Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee TAH. Furthermore, as the exploration permit has already been renewed once, ANM will only approve an extension request if the current holder can demonstrate that the access to the tenement area was interrupted after the renewal. This is because the previous extension was requested solely for the purpose of allowing more time to conduct exploration work, and there were no explicit mentions of access issues at that time. Therefore, it may be presumed that the holder had access to the area.
870.912/2017	Exploration Permit	483.24	Itagi and Jequié	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Maria Emilia de Freitas Palhares Prais	09/28/2017	09/30/2022	09/30/2025	As the exploration permit has already been renewed once, ANM will only approve an extension request if the current holder can demonstrate that the access to the tenement area was interrupted after the renewal. This is because the previous extension was requested solely for the purpose of allowing more time to conduct exploration work, and there were no explicit mentions of access issues at that time. Therefore, it may be presumed that the holder had access to the area. A fine of BRL 1.005.86 was imposed and the payment is pending.
871.243/2021	Exploration Permit	1815.59	Ubatã	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Gr Consultoria Em Prospeccao Mineral Ltda	10/20/2021	n/a	10/20/2024	The area overlaps LT 500 KV Sispesqui Poçoas III CL energy transmission line, as per figure 28 of Exhibit II. Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee TAH.

## 8. Independent Solicitor's Report continued

Summary of Alp a Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Holder	Assignee(s)	Original Holder	Grant date	Renewal date	Expiry date	Issues
871.164/2021	Exploration Permit	1997.3	Itagi	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Gr Consultoria Em Prospecção Mineral Ltda	12/24/2021	n/a	12/24/2024	Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee TAH .
871.042/2021	Exploration Permit	359.4	Itagi	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Gr Consultoria Em Prospecção Mineral Ltda	01/12/2022	n/a	01/12/2024	Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee TAH .
871.144/2021	Exploration Permit	999.48	Jequié	Active	Alpha Minerals Brazil Participações Ltda.	Borborema Mineração Ltda.	Gr Consultoria Em Prospecção Mineral Ltda	12/24/2021	n/a	12/24/2024	The area overlaps LT 500 (V Separação) Poços III C1 energy transmission line, as per figure 29 of Exhibit II. Alpha is liable to a fine due to the previous tenement holder's untimely payment of the Annual Per Hectare Fee TAH .

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date of review of Final Exploration Report	Additional Information	Issues
870.314/2007	Exploration Permit	164.144	Mitupe and Presidente Tancredo Neves	Active	lo de Contas Desenvolvimentos Minerais Ltda.	eny Carvalho da Silva ang	06/05/2007	05/15/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
870.724/2010	Exploration Permit	221.65	Presidente Tancredo Neves	Active	lo de Contas desenvolvimentos Minerais Ltda.	Titânio Golás Mineração Indústria e Comércio Ltda	08/31/2010	10/02/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a

# 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date to review Final Exploration Report	Additional Information	Issues
872.947/2007	Exploration Permit	1849.59	Murupé and Presidente Tancredo Neves	Active	lo de Contas Desenvolvimentos Minerais Ltda.	Titânio Goiás Mineração Indústria e Comércio Ltda	02/19/2008	02/25/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
873.776/2006	Exploration Permit	2000.00	Presidente Tancredo Neves and Teolândia	Active	lo de Contas Desenvolvimentos Minerais Ltda.	eny Cavalho da Silva ang	03/20/2007	04/25/2016	n/a	ANM has not yet rendered a decision on the request submitted by lo de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance.	The area overlaps APA Caminhos Ecológicos da Boa Esperança Project, as per figure 37 of Exhibit II.
873.880/2007	Exploration Permit	1314.97	Teolândia, Murupé and Presidente Tancredo Neves	Active	lo de Contas Desenvolvimentos Minerais Ltda.	Titânio Goiás Mineração Indústria e Comércio Ltda	11/17/2008	05/18/2015	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	AMM to be reviewed Final Exploration Report	Additional Information	Issues
872.703/2008	Exploration Permit	999.93	Presidente Tancredo Neves and Teolândia	Active	Io de Contas Desenvolvimento Minerais Ltda.	Roberto Carmine Sica	10/03/2008	10/07/2014	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration report timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance	The area overlaps APA Caminhos Ecológicos da Boa Esperança Project, as per figure 38 of Exhibit II.
871.239/2010	Exploration Permit	1844.82	Teolândia	Active	Io de Contas Desenvolvimento Minerais Ltda.	io Tinto desenvolvimento Minerais Ltda	09/17/2010	01/02/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.1.1 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	The area overlaps APA Caminhos Ecológicos da Boa Esperança Project, as per figure 39 of Exhibit II.
870.025/2007	Exploration Permit	1976.06	Wenceslau Guimarães and Teolândia	Active	Io de Contas Desenvolvimento Minerais Ltda.	ery Carvalho da Silva ang	03/20/2007	04/25/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration report timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance	The area overlaps APA Caminhos Ecológicos da Boa Esperança Project, as per figure 40 of Exhibit II.

# 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Latest Final Exploration Report	Additional Information	Issues
870.024/2007	Exploration Permit	1727.33	Jequiriçá, Ubaíra and Teolândia	Active	Io de Contas Desenvolvimentos Minerais Ltda.	eny Carvalho da Silva ang	03/20/2007	04/25/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance	The area overlaps APA Caminhos Ecológicos da Boa Esperança Project, as per figure 41 of Exhibit II.
870.027/2007	Exploration Permit	1947.35	Jequiriçá and Ubaíra	Active	Io de Contas Desenvolvimentos Minerais Ltda.	eny Carvalho da Silva ang	03/20/2007	04/25/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance	The area overlaps APA Caminhos Ecológicos da Boa Esperança Project, as per figure 42 of Exhibit II.
870.029/2007	Exploration Permit	1994.47	Jequiriçá	Active	Io de Contas Desenvolvimentos Minerais Ltda.	eny Carvalho da Silva ang	03/20/2007	04/25/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance	The area overlaps APA Caminhos Ecológicos da Boa Esperança Project, as per figure 43 of Exhibit II.
870.036/2007	Exploration Permit	1783.00	Jequiriçá and Teolândia	Active	Io de Contas Desenvolvimentos Minerais Ltda.	eny Carvalho da Silva ang	03/20/2007	04/25/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance	The area overlaps APA Caminhos Ecológicos da Boa Esperança Project, as per figure 44 of Exhibit II.

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Latest scheduled date for ANM to review Final Exploration Report	Additional Information	Issues
874.320/2007	Exploration Permit	1994.71	Jequiciá and Teolândia	Active	Io de Contas Desenvolvimentos Minerais Ltda.	Io Tinto Desenvolvimentos Minerais Ltda.	04/16/2008	02/18/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors' report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	The area overlaps APA, Caminhos Ecológicos da Boa Esperança Project, as per figure 45 of Exhibit II.
870.174/2007	Exploration Permit	1686.99	Jequiciá, Presidente Tancredo Neves and Mutuípe	Active	Io de Contas desenvolvimentos Minerais Ltda.	Henrique Jorge de Oliveira Pinho	06/05/2007	06/18/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance.	The area overlaps APA, Caminhos Ecológicos da Boa Esperança Project, as per figure 46 of Exhibit II.
873.771/2006	Exploration Permit	1930.28	Wenceslau Guimarães	Active	Io de Contas desenvolvimentos Minerais Ltda.	eny Carvalho da Silva ang	03/20/2007	04/25/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement.	The area overlaps APA, Caminhos Ecológicos da Boa Esperança Project, as well as Novo Horizonte and Boa Sorte settlement projects, as per figures 47 and 48 of Exhibit II.
872.563/2005	Exploration Permit	1996.80	Wenceslau Guimarães	Active	Io de Contas desenvolvimentos Minerais Ltda.	Vanderlei Junior Bica	05/11/2006	06/05/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/16/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance.	The area overlaps APA, Caminhos Ecológicos da Boa Esperança Project, as well as Wenceslau Guimarães State Ecological Station, as per figures 49 and 50 of Exhibit II.



# 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date of Final Exploration Report	Additional Information	Issues
871.439/2004	Exploration Permit	2000.00	Wenceslau Guimarães	Active	lo de Contas desenvolvimento Minerais Ltda.	Carlin Francisco Teodoro	12/22/2004	10/18/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitor's report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	This area overlaps APA, Caminhos Ecológicos da Boa Esperança Project, as well as Wenceslau Guimarães State Ecological Station and Novo Horizonte Settlement Project, as per figures 30 and 31, of Exhibit II.
873.212/2006	Exploration Permit	120.128	Wenceslau Guimarães and Jaqueara	Active	lo de Contas desenvolvimento Minerais Ltda.	Su's Importação e Exportação Ltda	01/24/2007	01/02/2016	n/a	ANM has not yet rendered a decision on the request submitted by lo de Contas on 12/23/2015 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance.	This area overlaps APA, Caminhos Ecológicos da Boa Esperança Project and Novo Horizonte settlement project, as per figures 51 and 52, of Exhibit II.
873.213/2006	Exploration Permit	1810.84	Itaquara, Wenceslau Guimarães and Jaqueara	Active	lo de Contas desenvolvimento Minerais Ltda.	Su's Importação e Exportação Ltda	01/24/2007	07/11/2016	n/a	ANM has not yet rendered a decision on the request submitted by lo de Contas on 12/23/2015 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement.	This area overlaps APA, Caminhos Ecológicos da Boa Esperança and LT-500 KV Sepeaçu Popoos III C1 energy transmission line, as per figures 53 and 54 of Exhibit II.
873.244/2006	Exploration Permit	157.84	Wenceslau Guimarães and Jaqueara	Active	lo de Contas desenvolvimento Minerais Ltda.	Su's Importação e Exportação Ltda	01/31/2007	01/02/2016	n/a	ANM has not yet rendered a decision on the request submitted by lo de Contas on 12/23/2015 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance.	This area overlaps APA, Caminhos Ecológicos da Boa Esperança Project and Novo Horizonte settlement project, as per figures 55 and 56 of Exhibit II.

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Date scheduled by ANM to review the Final Exploration Report	Additional Information	Issues
871.438/2004	Exploration Permit	1984.72	Wenceslau Guimarães and Jaguapara	Active	Io de Contas Desenvolvimentos Minerais Ltda.	Carlin Francisco Teodoro	12/22/2004	10/18/2016	09/30/2024	<p>The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors' report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors' report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency</p>	<p>The area overlaps APA, Caminhos Ecológicos da Boa Esperança Project, as well as Wenceslau Guimarães State Ecological Station and Novo Horizonte Settlement Project, as per figures 32 and 33 of Exhibit II.</p>
870.532/2007	Exploration Permit	1795.34	Wenceslau Guimarães and Jaguapara	Active	Io de Contas Desenvolvimentos Minerais Ltda.	io Tinto desenvolvimentos Minerais Ltda	08/09/2007	01/31/2017	09/30/2024	<p>The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors' report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors' report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency</p>	<p>The area overlaps APA, Caminhos Ecológicos da Boa Esperança Project and Wenceslau Guimarães State Ecological Station, as per figure 34 of Exhibit II.</p>

# 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date to refile Final Exploration Report	Additional Information	Issues
870.826/2004	Exploration Permit	2000.00	Jequé and Jaguaquara	Active	lo de Comatas Desenvolvimentos Minerais Ltda.	Carlin Francisco Teodoro	10/07/2004	10/18/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	The area overlaps LT 500 KV Sepetaku Popoos III C1 energy transmission line, as per figure 35 of Exhibit II.
872.568/2005	Exploration Permit	1998.60	Jaguaquara	Active	lo de Comatas Desenvolvimentos Minerais Ltda.	Vanderlei Junior Bica	05/11/2005	10/18/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date of review of Final Exploration Report	Additional Information	Issues
870.827/2004	Exploration Permit	1,499.12	Jequié and Jaguaquara	Active	lo de Contas desenvolvimento Mineralis Ltda.	Carlin Francisco Teodoro	10/07/2004	10/18/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	The area overlaps LT 500 kV Sapeaçu Popoás III C1 energy transmission line, as per figure 36 of Exhibit II.
870.534/2007	Exploration Permit	1,433.93	Jequié and Jaguaquara	Active	lo de Contas desenvolvimento Mineralis Ltda.	io Tinto desenvolvimento Mineralis Ltda	08/09/2007	10/18/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	n/a

# 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Date scheduled by ANM to review Final Exploration Report	Additional Information	Issues
870.536/2007	Exploration Permit	1932.60	Jaguasquera	Active	Io de Comatas esenvolvimentos Minerais Ltda.	Io Tinto esenvolvimentos Minerais Ltda	08/09/2007	10/18/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
870.539/2007	Exploration Permit	1970.36	Jequí and Jaguasquera	Active	Io de Comatas esenvolvimentos Minerais Ltda.	Io Tinto esenvolvimentos Minerais Ltda	08/09/2007	05/18/2015	n/a	ANM has not yet rendered a decision on the request submitted by Io de Comatas on 04/06/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance	n/a
870.357/2009	Disprohibida de	989.86	Jequí	n/a	n/a	n/a	n/a	06/22/2011	n/a	n/a	n/a
870.585/2008	Exploration Permit	101.633	Jequí	Active	Io de Comatas esenvolvimentos Minerais Ltda.	Io Tinto esenvolvimentos Minerais Ltda	01/25/2011	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date of AMM to be reviewed in Final Exploration Report	Additional Information	Issues
870.674/2009	Exploration Permit	1592.48	Jequié and Jitaona	Active	Io de Contas Desenvolvimento Minerais Ltda.	Votorantim Metais S.a	08/17/2009	01/07/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/06/2019 aiming for a decision to suspend the analysis of the Final Exploration report timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance.	The area overlaps LT 500 HV Sapeaçu Popoas III C1 energy transmission line, as per figure 57 of Exhibit II.
870.540/2007	Exploration Permit	1705.05	Jequié	Active	Io de Contas Desenvolvimento Minerais Ltda.	Io Tinto Desenvolvimento Minerais Ltda	06/05/2007	09/04/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	n/a
870.541/2007	Exploration Permit	2000.00	Aparema and Jequié	Active	Io de Contas Desenvolvimento Minerais Ltda.	Io Tinto Desenvolvimento Minerais Ltda	06/05/2007	09/04/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	n/a

# 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date to review Final Exploration Report	Additional Information	Issues
870.545/2007	Exploration Permit	2000.00	Jequí and Itina	Active	Io de Contas esenvolvimentos Minerais Ltda.	Io Tinto esenvolvimentos Minerais Ltda.	06/05/2007	09/04/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
870.544/2007	Exploration Permit	2000.00	Jequí	Active	Io de Contas esenvolvimentos Minerais Ltda.	Io Tinto esenvolvimentos Minerais Ltda.	06/05/2007	09/04/2016	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
870.671/2009	Exploration Permit	1865.08	Aparema, Ibirataia and Itamarí	Active	Io de Contas esenvolvimentos Minerais Ltda.	Votorantim Metais S.a	07/27/2009	11/16/2015	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/06/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance	n/a



Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Date scheduled by ANM to re-review Final Exploration Report	Additional Information	Issues
870.672/2009	Exploration Permit	193543	Aparema, Ibirataia and Jequié	Active	io de Contas desenvolvimento Mineralis Ltda.	Votorantim Mercas S.a	07/14/2009	01/02/2016	n/a	ANM has not yet rendered a decision on the request submitted by io de Contas on 04/09/2019 aiming for a decision to suspend the analysis of the Final Exploration report timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement.	n/a
870.713/2007	Exploration Permit	125274	Ipia, Jequié, Aparema and Ibirataia	Active	io de Contas desenvolvimento Mineralis Ltda.	io Tinto desenvolvimento Mineralis Ltda	08/09/2007	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors' report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors' report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	n/a
870.714/2007	Exploration Permit	146260	Ibirataia	Active	io de Contas desenvolvimento Mineralis Ltda.	io Tinto desenvolvimento Mineralis Ltda	08/09/2007	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors' report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors' report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	n/a

# 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date to review Final Exploration Report	Additional Information	Issues
870.877/2007	Exploration Permit	1994.00	Itagi	Active	Io de Contas esenvolvimentos Minerais Ltda.	Io Tinto esenvolvimentos Minerais Ltda	08/09/2007	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the Tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
870.879/2007	Exploration Permit	1995.77	Itagi	Active	Io de Contas esenvolvimentos Minerais Ltda.	Io Tinto esenvolvimentos Minerais Ltda	08/09/2007	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the Tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date to review Final Exploration Report	Additional Information	Issues
872.970/2010	Exploration Permit	789.47	Itagi	Active	Io de Contas Desenvolvimento Minerais Ltda.	Io Tinto Desenvolvimento Minerais Ltda.	02/15/2011	02/19/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	n/a
872.480/2009	Exploration Permit	598.90	Itagi and Jequié	Active	Io de Contas Desenvolvimento Minerais Ltda.	Io Tinto Desenvolvimento Minerais Ltda.	11/18/2009	04/25/2016	n/a	ANM has not yet rendered a decision on the request submitted by Io de Contas on 04/06/2019 aiming for a decision to suspend the analysis of the Final Exploration reports timely lodged. Therefore, there are no regulatory measures to be taken to maintain the good standing of the tenement. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance.	n/a
870.880/2007	Exploration Permit	1802.12	Itagi	Active	Io de Contas Desenvolvimento Minerais Ltda.	Io Tinto Desenvolvimento Minerais Ltda.	08/09/2007	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out. It may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency.	n/a

# 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date of Final Exploration Report	Additional Information	Issues
870.882/2007	Exploration Permit	1461.47	Itagi and Jequié	Active	Io de Contas Desenvolimentos Minerais Ltda.	Io Tinto Desenvolimentos Minerais Ltda.	05/12/2008	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
873.398/2008	Exploration Permit	853.82	Boa Nova	Active	Io de Contas Desenvolimentos Minerais Ltda.	Pegran Mineracao Ltda.	10/03/2008	05/15/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date of review of Final Exploration Report	Additional Information	Issues
870.880/2007	Exploration Permit	185.64	Itagi	Active	Io de Contas Desenvolvimento Mineralis Ltda.	Io Tinto Desenvolvimento Mineralis Ltda.	08/09/2007	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the Tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
870.888/2007	Exploration Permit	171.038	Boa Nova, São Meira, Itagi and Jequié	Active	Io de Contas Desenvolvimento Mineralis Ltda.	Io Tinto Desenvolvimento Mineralis Ltda.	08/09/2007	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the Tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, pending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a

# 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Anticipated date of Final Exploration Report	Additional Information	Issues
870.898/2007	Exploration Permit	1690.23	Boa Nova, Ário Meira and Itagi	Active	lo de Contas desenvolvimento Minerais Ltda.	io Tinto desenvolvimento Minerais Ltda	08/09/2007	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
870.900/2007	Exploration Permit	2000.00	Ário Meira and Itagi	Active	lo de Contas desenvolvimento Minerais Ltda.	io Tinto desenvolvimento Minerais Ltda	08/09/2007	01/31/2017	09/30/2024	The Final Exploration report was timely lodged and the tenement is active and in force. The date scheduled by ANM to review the Final Exploration report, which date is in the column immediately to the left, must be interpreted as the deadline for adopting one of the alternatives indicated in paragraph 84 of the Solicitors report. Complementary exploration activities are allowed at this stage of this tenement, depending on the exploration activity that is going to be carried out, it may be necessary to obtain specific environmental authorization in advance. As per paragraph 27.11 of the Solicitors report, once the Final Exploration report is approved by the ANM, the mining right owner will have up to 1 year to apply for the mining permit and submit the Economic development Plan for analysis by the agency	n/a
300.049/2011	Disponibilidade	437.58	Presidente Tancredo Neves	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
872.605/2006	Mining Application	8.55	Presidente Tancredo Neves	Active	Titânio Goiás Mineração Ind. E Com. Ltda.	Titânio Goiás Mineração Ind. e Com. Ltda	12/29/2006	12/29/2009	n/a	n/a	We did not identify the presentation of an Environmental License in the mining process. The Mining Permit will not be granted without the presentation of the said License.

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Latest scheduled Environmental Exploration Report	Additional Information	Issues
870.466/1989	Mining Application	364.00	Presidente Tancredo Neves	Active	Titânio Goiás Mineração Ind. E Com. Ltda.	Basílio Antonio Campanholo	06/03/1994	04/17/2000	n/a	n/a	<p>The last thing to happen in the tenement was the owner, Titânio Goiás, responding to an official Letter Notice from the agency in 2007. Considering that the tenement was already in the mining application phase, it is possible that the 2007 official Letter is related to a the presentation of an Environmental License, or b the fulfillment of technical requirements to complement the Plan of Economic development. It is recommended that the owner of the mining right a present the current Environmental License or b in the absence of one, inform the current progress of the licensing process, proving that, in the meantime, it has adopted all the necessary measures to allow the issuance of the license. In the second option, it is important that the ANM be kept updated every 6 months, counting from the protocol, avoiding questions about compliance with art. 31, 4, of the regulation of the Mining Code.</p>
870.465/1989	Mining Application	112.72	Presidente Tancredo Neves	Active	Titânio Goiás Mineração Ind. E Com. Ltda.	Basílio Antonio Campanholo	06/03/1994	04/17/2000	n/a	n/a	<p>On 05/04/2015, the official Letter No. 145/2015 was published, requiring the presentation of the Environmental License within 180 days. According to the information we had access to, Titânio Goiás has not submitted a response to the Notice until today. It is recommended that the Environmental License be presented before the ANM re-analyzes the proceeding, allowing it to be alleged that i the company, despite not having responded to the official Letter timely, adopted the necessary measures for the issuance of the Environmental License, and ii there is no prejudice in the continuation of the mining application, since the process remained without analysis by the Agency for a long time and the document was presented before the agency proceeded with the process. That it is not possible to completely eliminate the risk of the agency rejecting the mining application based on the mentioned legal provision and the area being lost by Titânio Goiás. If this occurs, the area will be included in a disponibilidade procedure and the company may, if it is in its interest, try to recover the area within the scope of said procedure.</p>



## 8. Independent Solicitor's Report continued

Summary of Amargosa Tenements											
Tenement	Type	Area (Ha)	Municipalities	Status	Current Holder	Original Holder	Grant date	Expiry date	Latest Environmental Exploration Report	Additional Information	Issues
870.463/1989	Mining Application	163.74	Presidente Tancredo Neves	Active	Titônio Góias Mineração Ind. E Com. Ltda.	Basilio Antonio Campanholo	06/03/1994	n/a	n/a	n/a	<p>The last thing to happen in the proceeding was the owner, Titônio Góias, informing the ANM that an environmental licensing process was initiated. This information was presented in 2009, more than 13 years ago. Therefore, if the intention of B. E. is that the mining permit be granted, it is recommended that the owner of the mining right a) present the current Environmental License or b) in the absence of one, inform the current progress of the licensing process, proving that, in the meantime, it has adopted all the necessary measures to allow the issuance of the license. In the second option, it is important that the ANM be kept updated every 6 months, counting from the protocol, avoiding questions about compliance with art. 31, 4, of the Regulation of the Mining Code.</p>

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## 9. Additional Information

# 9. Additional Information

## 9.1 Rights attaching to Shares

A summary of the rights attaching to the Shares under the Offer is detailed below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to the Shares in any specific circumstances, the Shareholder should seek legal advice.

### (a) General meetings

Shareholders are entitled to be present in person, or by proxy or attorney to attend and vote at general meetings of the Company and these meetings may be held virtually using any technology that gives the Shareholders as a whole a reasonable opportunity to participate in the meeting.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act.

### (b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy or attorney (or, if a determination has been made by the Board, by direct vote);
- (ii) on a show of hands, every person present who is a Shareholder or a representative of a Shareholder has one (1) vote in respect of each Share carrying the right to vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder (or where a direct vote has been lodged) shall, in respect of each Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one (1) vote for each Share held, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

### (c) Direct Voting

Directors may determine that Shareholders may cast votes to which they are entitled on any or all of the resolutions (including any special resolution) proposed to be considered at, and specified in the notice convening, a meeting of Shareholders, by direct vote. Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

### (d) Dividend rights

The Directors alone may declare a dividend to be paid to Shareholders. The dividend is payable at a time determined in the Directors' discretion. No dividend may be declared or paid except as allowed by the Corporations Act. No interest is payable in respect of unpaid dividends. The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

The method of payment of a dividend may include any or all of the payment of cash, the issue of shares, the grant of options or other securities in the Company, the transfer of shares or any other securities in any other body corporate or units in any unit trust or the transfer of any other assets.

## 9. Additional Information continued

If the method of payment of a dividend includes an issue or transfer of shares in a body corporate, each Shareholder:

- (i) is deemed to have agreed to become a member of that body corporate and be bound by the constitution of that body corporate; and
- (ii) in the case of a transfer, appoints the Company and each Director as its agent to execute instrument of transfer or other document required to transfer those shares to that Shareholder.

### (e) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for the purpose set such value as he/she considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.

The liquidator may, with the authority of a special resolution of the Company, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is liability.

### (f) Shareholder liability

As the Shares to be issued under the Offer detailed in this Prospectus are fully paid shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

### (g) Transfer of Shares

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and/or the Listing Rules.

### (h) Variation of rights

Pursuant to section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

### (i) Restricted Securities

The Constitution complies with Listing Rule 15.12. Certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) are required to execute a formal escrow agreement in the form of Appendix 9A to the Listing Rules. For those with less significant holdings (such as non-related parties and non-promoters) the Company will issue restriction notices to holders of restricted securities in the form of Appendix 9C to the Listing Rules advising them of the restriction rather than requiring signed restriction agreements.

Refer to Section 1.23 for information in relation to anticipated ASX escrow which is expected to apply to certain of Shares (subject to ASX's discretion).

### (j) Alteration of Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of the votes cast by members entitled to vote on the resolution at the general meeting. In addition, at least 28 days' written notice specifying the intention to propose the resolution as a special resolution must be given.

## 9.2 Employee Incentive Plan

The Company has adopted the Employee Incentive Plan which has been designed to align Eligible Participants' interests with those of its Shareholders. The full terms of the Employee Incentive Plan may be inspected at the registered office of the Company during normal business hours. A summary of the Employee Incentive Plan is provided below.

Shareholder approval for various termination benefits that may arise from the Employee Incentive Plan (including, without limitation, arising from the Director Options and/or Management Performance Options) was obtained at the Company's Annual General Meeting held on 1 September 2023.

### (a) Definitions

For the purposes of the Employee Incentive Plan:

- (i) **Agreed Leaver** means a Participant who ceases to be an Eligible Participant in any of the following circumstances:
  - (A) the Participant and Board have agreed in writing that the Participant has entered into bona fide retirement;
  - (B) the Participant and the Board have agreed in writing that the Participant's role has been made redundant;
  - (C) the Board has determined that:
    - (1) Special Circumstances apply to the Participant; or
    - (2) the Participant is no longer able to perform their duties under their engagement or employment arrangements with the Company due to poor health, injury or disability;
  - (D) the Participant's death; or
  - (E) any other circumstance determined by the Board in writing.
- (ii) **Allocated Share** means a Share issued, transferred or allocated directly, pursuant to an EIP Offer under the Employee Incentive Plan (but excluding, for the avoidance of doubt, Shares issued, transferred or allocated:
  - (A) pursuant to the exercise of an Option; or
  - (B) pursuant to the conversion of a Performance Right, under the Employee Incentive Plan).
- (iii) **Change of Control Event** means:
  - (A) the Company announces that its Shareholders have at a Court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
  - (B) a Takeover Bid:
    - (1) is announced;
    - (2) has become unconditional; and
    - (3) the person making the Takeover Bid has a Relevant Interest in fifty percent (50%) or more of the issued Shares;
  - (C) any person acquires a Relevant Interest in forty percent (40%) or more of the issued Shares by any other means; or



## 9. Additional Information continued

- (D) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.
- (iv) **Director** means a director of the Company, or any member of the Group.
- (v) **EIP Offer** means an offer to an Eligible Participant, in the prescribed form, to apply for the grant of Employee Incentives under the Employee Incentive Plan.
- (vi) **Eligible Participant** means:
- (A) Directors and Employees who are determined by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives; or
  - (B) any other person who is determined by the Board in its sole and absolute discretion to be eligible to receive grants of Employee Incentives.
- (vii) **Employee** means any employee, consultant or contractor of the Company, or any member of the Group.
- (viii) **Employee Incentive** means any:
- (A) Share, Option or Performance Right granted, issued or transferred; or
  - (B) Share(s) issued pursuant to the exercise of an Option or conversion of a Performance Right, under the Employee Incentive Plan.
- (ix) **Employee Share Scheme** has the meaning given to that term in the Corporations Act.
- (x) **ESS Interest** has the meaning given to that term in the Corporations Act.
- (xi) **Group** means the Company and its associated entities (including subsidiaries).
- (xii) **Non-Agreed Leaver** means a Participant who ceases to be an Eligible Participant and:
- (A) does not meet the Agreed Leaver criteria; or
  - (B) meets the Agreed Leaver criteria but the Board has determined in writing that they be treated as a Non-Agreed Leaver.
- (xiii) **Participant** means:
- (A) an Eligible Participant who has been granted Employee Incentives under the Employee Incentive Plan; or
  - (B) where an Eligible Participant has made a nomination:
    - (1) the Eligible Participant; or
    - (2) the nominee of the Eligible Participant who has been granted Employee Incentives under the Employee Incentive Plan,as the context requires.
- (xiv) **Performance Period** means the period in which the Vesting Conditions must be satisfied in respect of an Employee Incentive.
- (xv) **Special Circumstances** means any of the following:
- (A) the death of the Participant; or
  - (B) the total and permanent disablement of the Participant such that the Participant is unlikely ever to engage in any occupation for which the Participant is reasonably qualified by education, training or experience.
- (xvi) **Vesting Conditions** means any condition(s) (as specified in the EIP Offer and determined by the Board in its sole and absolute discretion) which must be satisfied or waived in order for Employee Incentives to vest in accordance with their terms.



## (b) Participation

- (i) The Board may from time to time in its sole and absolute discretion determine that an Eligible Participant may participate in the Employee Incentive Plan.
- (ii) Following determination that an Eligible Participant may participate in the Employee Incentive Plan, the Board may at any time, and from time to time, make an EIP Offer to the Eligible Participant.

## (c) Maximum Allocation

- (i) The maximum number of Employee Incentives that may be granted pursuant to the Employee Incentive Plan must not at any time exceed 10% of the total number of Shares on issue (**Maximum Allocation**) and:
  - (A) in respect of an EIP Offer of Employee Incentives for monetary consideration, an EIP Offer of Employee Incentives may only be made if the Company reasonably believes that:
    - (1) the total number of Shares that may be issued comprising the Employee Incentives (including upon exercise or conversion of Options or Performance Rights); and
    - (2) the total number of Shares that have been issued, or may be issued, comprising:
      - (1) Employee Incentives (including upon exercise or conversion of Options or Performance Rights) issued, or which may be issued, under EIP Offers that were both received in Australia and made in connection with the Employee Incentive Plan; and
      - (2) ESS Interests (including upon exercise or conversion of ESS Interests) issued, or which may be issued, under offers that were both received in Australia and made in connection with any Employee Share Scheme other than the Employee Incentive Plan,(in aggregate, and whether offered for monetary consideration or no monetary consideration) during the previous three (3) years ending on the day the proposed EIP Offer is made, does not exceed 5% of the total number of Shares on issue as at the start of the day on which the proposed EIP Offer is made (or if the Constitution specifies an issue cap percentage, that percentage); and
  - (B) in respect of an EIP Offer of Employee Incentives for no monetary consideration:
    - (1) the Maximum Allocation must not be exceeded; and
    - (2) such EIP Offer must not cause the limit under Section 9.2(c)(i)(A) to be exceeded.
- (ii) For the avoidance of doubt, where an Employee Incentive lapses without being exercised, the Employee Incentive concerned shall be excluded from any calculation under Section 9.2(c)(i).
- (iii) The Maximum Allocation may be increased by Board resolution.

## (d) Nominee

- (i) Unless expressly permitted in the EIP Offer or by the Board, an Eligible Participant may only submit an Application in the Eligible Participant's name and not on behalf of any other person.
- (ii) If an Eligible Participant is permitted in the EIP Offer or by the Board, the Eligible Participant may nominate certain related persons or entities (each, a **Nominee**) to be issued the Employee Incentives the subject of the EIP Offer.

## (e) Employee Share Trust

The Board may in its sole and absolute discretion use an employee share trust or other mechanism for the purposes of holding Shares for Participants under the Employee Incentive Plan and delivering Shares to Participants for an issue of Shares upon exercise of the Options or the vesting of a Performance Right or otherwise.

## 9. Additional Information continued

### (f) Vesting Conditions

- (i) The Board may at its sole discretion determine the Vesting Conditions which will apply to any Employee Incentives. The Vesting Conditions will specify the criteria that the Eligible Participant is required to meet in the specified Performance Period (if any) in order to exercise Options or for Performance Rights to vest to become entitled to receive Shares under the Employee Incentive Plan.
- (ii) The Board may vary the Vesting Conditions and/or the Performance Period after the grant of those Employee Incentives, subject to:
  - (A) the Company complying with any applicable laws;
  - (B) the Vesting Conditions and/or the Performance Period as varied being no less favourable to the Participant than the terms upon which the Employee Incentives were originally granted; and
  - (C) the Board promptly notifying a Participant of any such variation.
- (iii) The Board will determine in its sole discretion whether (and, where applicable, to what extent) the Participant has satisfied the Vesting Conditions applicable to the relevant Performance Period.
- (iv) Where Employee Incentives have not satisfied the Vesting Conditions within the Performance Period, those Employee Incentives will automatically lapse.

### (g) Cash Settlement

- (i) Notwithstanding any other provision of the Employee Incentive Plan, the Board may (in its absolute discretion) make one or more EIP Offers of Options or Performance Rights on terms and conditions which provide that the Board has the absolute discretion to determine whether, upon exercise of any such Options or conversion of any such Performance Rights, instead of Shares being issued to be held by or on behalf of the Eligible Participant, a cash payment will instead be made to the Eligible Participant (or its Nominee, where applicable), with the methodology for determining the amount of that payment being specified in the terms and conditions of those Options or Performance Rights, as determined by the Board.
- (ii) The terms of Options or Performance Rights the subject of an EIP Offer described under subparagraph (i) above may also (in the Board's absolute discretion) provide for the Company to deduct from the cash payment referred to in that item an amount on account of one or more of the following:
  - (A) any applicable tax the Company is required to withhold (or otherwise deduct) in connection with such cash payment;
  - (B) any superannuation or pension amount the Company is required to pay in connection with such cash payment; and
- (iii) any Exercise Price (to the extent not already paid) relating to any relevant Options being exercised (if any).

### (h) Cashless Exercise

The terms of any Options may provide that a Participant may elect to pay the exercise price for each Option by setting off the total exercise price against the number of Shares which they are entitled to receive upon exercise (**Cashless Exercise Facility**). By using the Cashless Exercise Facility, the Participant will receive Shares to the value of the surplus after the exercise price has been set off.

### **(i) Lapsing of Employee Incentives**

Subject to the "Agreed Leaver" provisions below or the Board deciding otherwise, a Participant's Employee Incentives shall automatically lapse and be cancelled for no consideration on the earliest to occur of the following:

- (i) where the Participant is a Non-Agreed Leaver, upon the occurrence of a lapsing event in accordance with Section 9.2(k);
- (ii) where Section 9.2(l) applies;
- (iii) if the applicable Vesting Conditions are not achieved by the end of the relevant performance period;
- (iv) if the Board determines in its reasonable opinion that the applicable Vesting Conditions have not been met or cannot be met prior to the expiry date of the Employee Incentive or the end of the relevant performance period (as applicable);
- (v) the expiry date of the Employee Incentive;
- (vi) the receipt by the Company of notice from the Participant that the Participant has elected to surrender the Employee Incentives; or
- (vii) any other circumstances specified in any EIP Offer letter pursuant to which the Employee Incentives were issued.

### **(j) Agreed Leaver**

- (i) Subject to Section 9.2(j)(iii), where a Participant who holds Employee Incentives becomes an Agreed Leaver:
  - (A) all vested and (subject to Section 9.2(j)(i)(B)) unvested Employee Incentives which have not been exercised in accordance with the Employee Incentive Plan rules will continue in force, unless the Board determines otherwise in its sole and absolute discretion; and
  - (B) the Board may at any time, in its sole and absolute discretion, do one or more of the following:
    - (1) permit unvested Employee Incentives held by the Agreed Leaver to vest;
    - (2) amend the Vesting Conditions or reduce the relevant exercise period of unvested Employee Incentives; or
    - (3) determine that the unvested Employee Incentives will lapse.
- (ii) Where a person is an Agreed Leaver due to a Special Circumstance, the Participant's nominated beneficiary shall be entitled to benefit from any exercise of the above discretionary powers by the Board.

### **(k) Non-Agreed Leaver**

Where a Participant who holds Employee Incentives becomes a Non-Agreed Leaver:

- (i) unless the Board determines otherwise, in its sole and absolute discretion, all unvested Employee Incentives will immediately lapse; and
- (ii) unless the Board determines otherwise, in its sole and absolute discretion, all vested Employee Incentives will lapse 30 days after the Participant who holds Employee Incentives becomes a Non-Agreed Leaver (if they have not already lapsed by the end of that period).

## 9. Additional Information continued

### (l) Forfeiture events

Where, in the reasonable opinion of the Board, a Participant or Former Participant (which for the avoidance of doubt may include an Agreed Leaver):

- (i) acts fraudulently or dishonestly;
- (ii) willfully breaches his or her duties to the Company or any member of the Group; or
- (iii) has, by any act or omission, in the opinion of the Board (determined in its absolute discretion):
  - (A) brought the Company, the Group, its business or reputation into disrepute; or
  - (B) is contrary to the interest of the Company or the Group;
- (iv) commits any material breach of the provisions of any employment contract or services contract entered into by the Participant with any member of the Group;
- (v) commits any material breach of any of the policies of the Group or procedures or any applicable laws applicable to the Company or Group;
- (vi) is subject to allegations concerning, or has been accused of, charged with or convicted of, fraudulent or dishonest conduct in the performance of the Participant's (or Former Participant's) duties, which in the reasonable opinion of the Board affects the Participant's suitability for employment with any member of the Group, or brings the Participant or the relevant member of the Group into disrepute or is contrary to the interests of the Company or the Group;
- (vii) is subject to allegations concerning, or has been accused of, charged with or convicted of any criminal offence which involves, fraud or dishonesty or any other criminal offence which Board determines (in its absolute discretion) is of a serious nature;
- (viii) had committed any wrongful or negligent act or omission which has caused any member of the Group substantial liability;
- (ix) had become disqualified from managing corporations in accordance with Part 2D.6 of the Corporations Act or has committed any act that, pursuant to the Corporations Act, may result in the Participant being banned from managing a corporation;
- (x) had committed serious or gross misconduct, wilful disobedience or any other conduct justifying termination of employment without notice; or
- (xi) had willfully or negligently failed to perform their duties under any employment contract or services contract entered into by the Participant with any member of the Group,

then the Board may (in its absolute discretion) deem that all Employee Incentives held by the Participant or former Participant will automatically be forfeited.

### (m) Discretion of the Board

The Board may decide to allow a Participant to:

- (i) retain and exercise any or all of their Options, whether or not the Vesting Conditions have been satisfied during the Performance Period, and whether or not the Options would otherwise have lapsed, provided that no Options will be capable of exercise later than the relevant expiry date for those Options; and
- (ii) retain any Performance Rights regardless of:
  - (A) the expiry of the Performance Period to which those Performance Rights relate; or
  - (B) any failure by the Participant to satisfy in part or in full the Vesting Conditions specified by the Board in respect of those Performance Rights,

in which case, the Board may:

- (iii) determine that any or all of those retained Performance Rights shall vest and the corresponding Shares shall be provided to the Participant; or
- (iv) determine a new Performance Period or Vesting Conditions (as applicable) for those retained Performance Rights and notify the Participant of the determination as soon as practicable.

#### **(n) Change of control**

- (i) The terms of any Performance Rights or Options may provide that where a Change of Control Event has occurred or, in the opinion of the Board, there is a state of affairs that will or is likely to result in a Change of Control Event occurring:
  - (A) all granted Performance Rights which have not yet vested or lapsed shall automatically and immediately vest, regardless of whether any Vesting Conditions have been satisfied;
  - (B) all Options will automatically and immediately vest (to the extent they have not already vested) and shall be deemed to have been automatically exercised (utilising the Cashless Exercise Facility (if permitted by the terms and conditions of the Options), to the extent such Options have an Exercise Price), regardless of whether the Vesting Conditions have been satisfied, notwithstanding the Notice of Exercise not having been issued (except that there will be no automatic exercise of Options which have an Exercise Price which is greater than the amount which the Cashless Exercise Facility can be used for, as specified in the terms and conditions of the Options, but instead those Options will automatically lapse on the earliest to occur of the expiry date for those Options, when they would otherwise lapse in accordance with the Employee Incentive Plan or 11:59pm (in Perth, Western Australia) on the second business day after the Change of Control Event occurs); or
  - (C) if the Board has procured an offer for all holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the Change of Control Event and the Board has specified (in its absolute discretion) a period during which the holders of Options may elect to accept the offer and, if the Participant has not so elected at the end of that offer period, the Options, if not exercised within 10 days of the end of that offer period, shall expire.
- (ii) The terms and conditions of specific Options or Performance Rights may adopt varied terms arising from a Change of Control.

#### **(o) Employee Loan**

The Board may, as part of any EIP Offer, in its absolute discretion, offer to a Participant a limited recourse, interest free loan to be made by the Company to the Participant for an amount equal to the issue price multiplied by the number of Shares offered to the Participant pursuant to the relevant EIP Offer.

#### **(p) Restriction Period and Holding Lock**

- (i) Allocated Shares may be offered on terms that restrict the Participant from dealing with or transferring the relevant Allocated Share during a restriction period.
- (ii) In addition, the Board may at any time request that the Company's share registry impose a holding lock on any Employee Incentives issued pursuant to the Employee Incentive Plan where the Board determines or reasonably believes (in its absolute discretion) that a Participant (or a Former Participant) has or may breach the Employee Incentive Plan rules.

#### **(q) Transfer of Options or Performance Rights**

Options and Performance Rights terms may impose partial or complete restrictions on them being assigned, transferred or encumbered with a security interest in or over them.

## 9. Additional Information continued

### (r) Buy-Back

Subject to any applicable laws and subject to the Board's sole and absolute discretion, Allocated Share(s) will be subject to the Company's right to buy-back and may, during a prescribed period, be bought-back by the Company where Section 9.2(l) applies.

### (s) Contravention of Employee Incentive Plan rules

The Board may at any time, in its sole and absolute discretion, take any action it deems reasonably necessary in relation to any Employee Incentives if it determines or reasonably believes a Participant has breached the Employee Incentive Plan or the terms of issue of any Employee Incentives, including but not limited to, signing transfer forms in relation to Employee Incentives, signing all documents and doing all acts necessary to effect a buy-back placing, a holding lock on Employee Incentives, accounting for the proceeds of the sale of forfeited Employee Incentives, refusing to transfer any Employee Incentives and/or refusing to issue any Shares.

### (t) Amendments

- (i) The Board may at any time amend the Employee Incentive Plan rules or the terms and conditions upon which any Employee Incentives have been issued.
- (ii) No amendment to the Employee Incentive Plan rules or to Employee Incentives may be made if the amendment, in the reasonable opinion of the Board, materially reduces the rights of any Participant in respect of Employee Incentives granted to them prior to the date of the amendment, other than:
  - (A) an amendment introduced primarily:
    - (1) for the purposes of complying with or conforming to present or future applicable laws;
    - (2) to correct any manifest error or mistake;
    - (3) to allow the implementation of a trust arrangement in relation to the holding of Shares granted under the Employee Incentive Plan; and/or
    - (4) to take into consideration possible adverse taxation implications in respect of the Employee Incentive Plan including changes to applicable taxation legislation or the interpretation of that legislation by a court of competent jurisdiction or any rulings from taxation or duty authorities administering such legislation; or
  - (5) an amendment agreed to in writing by the Participant(s).

### 9.3 Terms and Conditions of the Director Options

The Company has issued Director Options to Kristie Young and Camila Ramos (and/or their nominees) as follows:

Table 20: Director Options issued to Kristie Young and Camila Ramos (and/or their nominees)

PARTICIPANT	TRANCHE A DIRECTOR OPTIONS	TRANCHE B DIRECTOR OPTIONS	TRANCHE C DIRECTOR OPTIONS
Kristie Young	88,900	88,900	88,725
Camila Ramos	88,900	88,900	88,725

Each Director Option entitles the holder to subscribe for a fully paid ordinary share in the Company on the following terms:

### **(a) Entitlement**

Subject to the satisfaction of the relevant vesting condition, each Director Option entitles the holder to either receive:

- (i) one fully paid ordinary share in the Company (Share) at nil cost pursuant to (f)(i) below; or
- (ii) a cash payment pursuant to (f)(ii) below,

(with the Company's board of directors (Board) to determine (pursuant to (f) below) which of those two alternatives applies).

### **(b) Expiry Date**

Each Director Option will expire at 5:00pm (Australian Western Standard Time) on the date that is 5 years from the date of issue of that Director Option (**Expiry Date**).

### **(c) Vesting Conditions**

The Director Options will be subject to the following vesting conditions:

- (i) Tranche A (comprising one third of the Director Options) shall vest on the one-year anniversary of the date of the Company's admission to the Official List of ASX (**IPO**);
- (ii) Tranche B (comprising one third of the Director Options) shall vest on the two-year anniversary of the IPO; and
- (iii) Tranche C (comprising one third of the Director Options) shall vest on the three-year anniversary of the IPO.

Director Options that have not vested will automatically lapse upon the earliest to occur of:

- (i) the Expiry Date;
- (ii) (unless otherwise determined by the Board in accordance with the Company's Employee Incentive Plan) if the relevant Participant becomes a Non-Agreed Leaver (each, as defined in the Employee Incentive Plan);
- (iii) if the relevant Participant becomes an Agreed Leaver (each, as defined under the Employee Incentive Plan) and the Board exercises, or has exercised, its discretion (in accordance with the Company's Employee Incentive Plan) to determine that the Director Options lapse; or
- (iv) upon the occurrence of any event causing forfeiture of the Director Options set out in the Employee Incentive Plan.

The Board may also determine that some or all Director Options vest when the relevant Participant ceases to be an Eligible Participant.

Director Options that have vested but have not been exercised and either Equity Settled or Cash Settled (as defined below) in accordance with these terms will automatically lapse upon the earliest to occur of:

- (i) the Expiry Date;
- (ii) (unless otherwise determined by the Board in accordance with the Company's Employee Incentive Plan) 30 days after the relevant Participant becomes a Non-Agreed Leaver (each, as defined in the Employee Incentive Plan);
- (iii) if the relevant Participant becomes an Agreed Leaver (each, as defined under the Employee Incentive Plan) and the Board exercises, or has exercised, its discretion (in accordance with the Company's Employee Incentive Plan) to determine that the Director Options lapse; or
- (iv) upon the occurrence of any event causing forfeiture of the Director Options set out in the Employee Incentive Plan.



## 9. Additional Information continued

### (d) Exercise Period

The exercise period for Director Options will commence when the Director Options have vested and will end on the earliest to occur of the Expiry Date or the lapse of the Director Options pursuant to Section 9.3(c), subject to the terms of the Company's Security Trading Policy.

### (e) Notice of Exercise

A Director Option is exercisable during the exercise period by the holder lodging a notice of exercise of options in a form approved by the Company (**Notice of Exercise**), and the relevant Director Option certificate, with the Company's Company Secretary (the date on which that occurs, or on which such exercise is deemed to have occurred as specified in these terms, is the **Exercise Date**).

### (f) Timing of settlement on Exercise

Within 5 business days after the Company receives the Notice of Exercise and the relevant Director Option certificate on the Exercise Date, the Company will choose one of the following two alternatives (which choice will be made by the Board, in its absolute discretion):

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Notice of Exercise (**Equity Settled**); or
- (ii) pay a cash amount to the holder in accordance with (h) below in respect of the number of Director Options specified in the Notice of Exercise (**Cash Settled**).

### (g) Equity Settled

If the Board determines that Director Options will be Equity Settled in accordance with (f)(i), the Company will:

- (i) if the Company is admitted to the official list of ASX at the time and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (ii) if the Company is admitted to the official list of ASX at the time and if required, apply for official quotation on ASX of the Shares issued pursuant to the exercise of the Director Options.

If a notice delivered under (g)(i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

### (h) Cash Settled

If the Board determines that Director Options will be Cash Settled in accordance with (f)(ii), the cash payment to be made to the holder of the Director Options will be:

- (i) (if the Exercise Date occurs on or prior to the date when Shares in the Company are admitted for the first time to official quotation on the ASX) determined by the Board (acting in good faith) and have regard to the market value, as at the Exercise Date, of the Shares (as determined by the Board acting in good faith) which would otherwise have been issued to the holder of the Director Options if the Director Options had been Equity Settled; or
- (ii) (if the Exercise Date occurs after the date when Shares in the Company are admitted for the first time to official quotation on the ASX) the most recent closing market price (as defined in the ASX Listing Rules) per Share traded on the ASX market immediately prior to the Exercise Date multiplied by the number of Shares which would otherwise have been issued to the holder of the Director Options if the Director Options had been Equity Settled (as determined by the Board acting in good faith).

The Company may deduct from the relevant cash payment either or both of the following (at the Board's absolute discretion):

- (i) any applicable tax the Company is required to withhold (or otherwise deduct) in connection with such cash payment; and
- (ii) any superannuation or pension amount the Company is required to pay in connection with such cash payment.

#### **(i) Partial Exercise**

A Director Option holder may exercise only some of that person's Director Options, which does not affect that holder's right to exercise the remainder of their Director Options by the Expiry Date.

#### **(j) Transferability**

The Director Options are not transferable unless permitted by the Board in accordance with the Employee Incentive Plan.

#### **(k) Shares Issued on Exercise**

Any Shares issued upon exercise of the Director Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. If admitted to the official list of ASX at the time, the Company will apply for official quotation to ASX of any Shares issued upon exercise of the Director Options.

#### **(l) Participation Rights**

If Director Options are exercised into Shares before the record date of an entitlement, the Director Option holder can, as the holder of those Shares, participate in a pro rata issue to the holders of Shares. The Company must notify the Director Option holder of the proposed issue at least two (2) business days before the record date. Director Option holders do not have a right to participate in new issues without exercising their Director Options.

#### **(m) Reconstruction of Capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Director Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction. In the event that the Company is not admitted to the official list of the ASX at the time of the reconstruction, all rights of the Director Option holder will nonetheless be changed in accordance with the rules set out in ASX Listing Rule 7.22.

#### **(n) Change of Control**

Subject to compliance with applicable law (and, if the Company is admitted to the official list of ASX, subject to compliance with the ASX Listing Rules), where a Change of Control Event has occurred or, in the opinion of the Board, there is a state of affairs that will or is likely to result in a Change of Control Event occurring, all issued Director Options which have not yet lapsed shall automatically and immediately vest (to the extent they have not already vested), regardless of whether vesting conditions have been satisfied, and shall be deemed to have been automatically exercised (notwithstanding the matters in Section 9.3(e) above not having occurred).

## 9. Additional Information continued

For the purposes of these terms and conditions, a “**Change of Control Event**” occurs if:

- (i) the Company announces that holders of Shares (**Shareholders**) have at a court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the court, by order, approves the scheme of arrangement;
- (ii) a takeover bid (as defined under section 9 of the Corporations Act, **Takeover Bid**):
  - (A) is announced;
  - (B) has become unconditional; and
  - (C) the person making the Takeover Bid has a relevant interest (as defined under section 9 of the Corporations Act, **Relevant Interest**) in fifty percent (50%) or more of the issued Shares;
- (iii) any person acquires a Relevant Interest in forty percent (40%) or more of the issued Shares by any other means; or
- (iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

### (o) No Conferral of Rights

A Director Option holder is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by the Company;
- (iii) participate in any new issues of securities offered to Shareholders;
- (iv) any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise; or
- (v) any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Director Options are exercised such that (subject to the Board’s discretion pursuant to (f)) the holder holds Shares.

A Director Option does not confer any right to a change in the exercise price of the Director Options nor a change to the number of Shares over which Director Options can (subject to the Board’s discretion pursuant to (f)) be exercised.

### (p) Quotation

The Company will not seek official quotation of any Director Options.

### (q) Incentive Plan

At all times, Director Options are subject to the full terms and conditions of the Company’s Employee Incentive Plan, save that to the extent of any inconsistency the terms of the Director Options override the Company’s Employee Incentive Plan.

## 9.4 Terms and conditions of the Management Performance Options

The Company has issued, Management Performance Options to certain Directors and officers (and/or their nominees) as follows:

**Table 21: Management Performance Options issued to certain Directors and officers (and/or their nominees)**

PARTICIPANT	TRANCHE A MANAGEMENT PERFORMANCE OPTIONS	TRANCHE B MANAGEMENT PERFORMANCE OPTIONS	TRANCHE C MANAGEMENT PERFORMANCE OPTIONS	TRANCHE D MANAGEMENT PERFORMANCE OPTIONS
Todd Hannigan	860,650	860,650	573,825	573,650
Bernardo da Veiga	1,147,650	1,147,475	764,925	764,925
Stephen Kelly	287,000	287,000	191,100	191,100
Renato Gonzaga	287,000	287,000	191,100	191,100
Other employees, contractors and other staff of the Company or their nominees	287,000	287,000	191,100	191,100

Each Management Performance Option entitles the holder to subscribe for a fully paid ordinary share in the Company (**Share**) on the following terms:

### (a) Entitlement

Subject to the satisfaction of the relevant vesting condition, each Management Performance Option entitles the holder to either receive:

- (i) one fully paid ordinary share in the Company (Share) at nil cost pursuant to (f)(i) below; or
- (ii) a cash payment pursuant to (f)(ii) below,

(with the Company's board of directors (Board) to determine (pursuant to (f) below) which of those two alternatives applies).

### (b) Expiry Date

Each Management Performance Option will expire at 5:00pm (Australian Western Standard Time) on the date that is 5 years from the date of issue of that Management Performance Option (Expiry Date).

### (c) Vesting Conditions

The Management Performance Options will be subject to the following vesting conditions:

- (i) Tranche A of the Management Performance Options (30% of the Management Performance Options) will vest on the Company 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 the Company or any subsidiary (as defined in the Corporations Act) of the Company:
  - (A) at the time of the Company's admission to the Official List of ASX (**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;
- (ii) Tranche B of the Management Performance Options (30% of the Management Performance Options) will vest on a successful feasibility study (being measured by an internal rate of return greater than 25%) of one or more of the Company's minerals projects, prepared in accordance with the provisions of the JORC Code, being announced by the Company on or before the three year anniversary of the IPO;

## 9. Additional Information continued

- (iii) Tranche C of the Management Performance Options (20% of the Management Performance Options) will vest on 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 the Company'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); and
- (iv) Tranche D of the Management Performance Options (20% of the Management Performance Options) will vest on achieving, on or before the five year anniversary of the IPO, a 90% increase in the Share price (compared to the price per share offered pursuant to the public offer under the Company'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).

In relation to Management Performance Options issued to Mr. Hannigan and Dr. da Veiga only (and not in relation to any other Management Performance Options issued to any other Participant), notwithstanding any other clause to the contrary in the terms of those Management Performance Options, but subject to compliance with applicable law, any such Management Performance Options that have not vested and have not lapsed shall automatically and immediately vest (regardless of whether vesting conditions have been satisfied) and shall be deemed to have been automatically and immediately exercised (notwithstanding the matters in (e) below not having occurred) if and when the employment by the Company of the relevant Participant (being Mr. Hannigan in relation to Management Performance Options issued to Mr. Hannigan and Dr da Veiga in relation to Management Performance Options issued to Dr. da Veiga) is terminated, prior to the lapse of those Management Performance Options, due to any of the following prescribed events occurring:

- (i) death of the relevant Participant;
- (ii) the total and permanent disablement of the relevant Participant such that the Participant is unlikely ever to engage in any occupation for which the Participant is reasonably qualified by education, training or experience;
- (iii) resignation from that employment by the relevant Participant due to any event where the Company:
  - (A) provides the relevant Participant with a direction or request which would constitute an unlawful act or would amount to a repudiation by the Company of the relevant Participant's employment agreement;
  - (B) provides the relevant Participant with a direction or request which would require the relevant Participant to act:
    - (1) other than in good faith in relation to the Company; or
    - (2) other than in the best interests of the Company; or
  - (C) materially changes the focus, nature and scale of its business; or
  - (D) such other reason as approved by the Board,(each a **Prescribed Leaver Event**).

Management Performance Options that have not vested will automatically lapse upon the earliest to occur of:

- (i) the Expiry Date;
- (ii) the deadline by which the vesting condition for those particular Management Performance Options is required to be satisfied (as detailed above);
- (iii) (unless otherwise determined by the Board in accordance with the Company's Employee Incentive Plan) if the relevant Participant becomes a Non-Agreed Leaver (each, as defined in the Employee Incentive Plan);

- (iv) if the relevant Participant becomes an Agreed Leaver (each, as defined under the Employee Incentive Plan) and the Board exercises, or has exercised, its discretion (in accordance with the Company's Employee Incentive Plan) to determine that the Management Performance Options lapse; or
- (v) upon the occurrence of any event causing forfeiture of the Management Performance Options set out in the Employee Incentive Plan.

In relation to the Management Performance Options issued to Mr. Hannigan and Dr. da Veiga (and not in relation to any other Management Performance Options issued to any other Participant) paragraphs (iii) and (iv) immediately above do not apply where a Prescribed Leaver Event occurs.

The Board may also determine that some or all Management Performance Options vest when the relevant Participant ceases to be an Eligible Participant.

Management Performance Options that have vested but have not been exercised and either Equity Settled or Cash Settled (as defined below) in accordance with the terms of those Management Performance Options will automatically lapse upon the earliest to occur of:

- (i) the Expiry Date;
- (ii) (unless otherwise determined by the Board in accordance with the Company's Employee Incentive Plan) 30 days after the relevant Participant becomes a Non-Agreed Leaver (each, as defined in the Employee Incentive Plan);
- (iii) if the relevant Participant becomes an Agreed Leaver (each, as defined under the Employee Incentive Plan) and the Board exercises, or has exercised, its discretion (in accordance with the Company's Employee Incentive Plan) to determine that the Management Performance Options lapse; or
- (iv) upon the occurrence of any event causing forfeiture of the Management Performance Options set out in the Employee Incentive Plan.

#### **(d) Exercise Period**

The exercise period for Management Performance Options will commence when the Management Performance Options have vested and will end on the earliest to occur of the Expiry Date or the lapse of the Management Performance Options pursuant to (c), subject to the terms of the Company's Security Trading Policy.

#### **(e) Notice of Exercise**

An Management Performance Option is exercisable during the exercise period by the holder lodging a notice of exercise of options in a form approved by the Company (Notice of Exercise), and the relevant Management Performance Option certificate, with the Company's Company Secretary (the date on which that occurs, or on which such exercise is deemed to have occurred as specified in these terms, is the Exercise Date).

#### **(f) Timing of settlement on Exercise**

Within 5 business days after the Company receives the Notice of Exercise and the relevant Management Performance Option certificate on the Exercise Date, the Company will choose one of the following two alternatives (which choice will be made by the Board, in its absolute discretion):

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Management Performance Options specified in the Notice of Exercise (Equity Settled); or
- (ii) pay a cash amount to the holder in accordance with (h) below in respect of the number of Management Performance Options specified in the Notice of Exercise (Cash Settled).

## 9. Additional Information continued

### (g) Equity Settled

If the Board determines that Management Performance Options will be Equity Settled in accordance with (f)(i), the Company will:

- (i) if the Company is admitted to the official list of ASX at the time and if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (ii) if the Company is admitted to the official list of ASX at the time and if required, apply for official quotation on ASX of the Shares issued pursuant to the exercise of the Management Performance Options.

If a notice delivered under (g)(i) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 business days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

### (h) Cash Settled

If the Board determines that Management Performance Options will be Cash Settled in accordance with (f)(ii), the cash payment to be made to the holder of the Management Performance Options will be:

- (i) (if the Exercise Date occurs on or prior to the date when Shares in the Company are admitted for the first time to official quotation on the ASX) determined by the Board (acting in good faith) and have regard to the market value, as at the Exercise Date, of the Shares (as determined by the Board acting in good faith) which would otherwise have been issued to the holder of the Management Performance Options if the Management Performance Options had been Equity Settled; or
- (ii) (if the Exercise Date occurs after the date when Shares in the Company are admitted for the first time to official quotation on the ASX) the most recent closing market price (as defined in the ASX Listing Rules) per Share traded on the ASX market immediately prior to the Exercise Date multiplied by the number of Shares which would otherwise have been issued to the holder of the Management Performance Options if the Management Performance Options had been Equity Settled (as determined by the Board acting in good faith).

The Company may deduct from the relevant cash payment either or both of the following (at the Board's absolute discretion):

- (i) any applicable tax the Company is required to withhold (or otherwise deduct) in connection with such cash payment; and
- (ii) any superannuation or pension amount the Company is required to pay in connection with such cash payment.

### (i) Partial Exercise

A Management Performance Option holder may exercise only some of that person's Management Performance Options, which does not affect that holder's right to exercise the remainder of their Management Performance Options by the Expiry Date.

### (j) Transferability

The Management Performance Options are not transferable unless permitted by the Board in accordance with the Employee Incentive Plan.



### **(k) Shares Issued on Exercise**

Any Shares issued upon exercise of the Management Performance Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. If admitted to the official list of ASX at the time, the Company will apply for official quotation to ASX of any Shares issued upon exercise of the Management Performance Options.

### **(l) Participation Rights**

If Management Performance Options are exercised into Shares before the record date of an entitlement, the Management Performance Option holder can, as the holder of those Shares, participate in a pro rata issue to the holders of Shares. The Company must notify the Management Performance Option holder of the proposed issue at least two (2) business days before the record date. Management Performance Option holders do not have a right to participate in new issues without exercising their Management Performance Options.

### **(m) Reconstruction of Capital**

In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of the Management Performance Option holder will be changed to the extent necessary to comply with the ASX Listing Rules applying to the reconstruction of capital, at the time of the reconstruction. In the event that the Company is not admitted to the official list of the ASX at the time of the reconstruction, all rights of the Management Performance Option holder will nonetheless be changed in accordance with the rules set out in ASX Listing Rule 7.22.

### **(n) Change of Control**

Subject to compliance with applicable law (and, if the Company is admitted to the official list of ASX, subject to compliance with the ASX Listing Rules), where a Change of Control Event has occurred or, in the opinion of the Board, there is a state of affairs that will or is likely to result in a Change of Control Event occurring, all issued Management Performance Options which have not yet lapsed shall automatically and immediately vest (to the extent they have not already vested), regardless of whether vesting conditions have been satisfied, and shall be deemed to have been automatically exercised (notwithstanding the matters in (e) above not having occurred).

For the purposes of these terms and conditions, a "Change of Control Event" occurs if:

- (i) the Company announces that holders of Shares (Shareholders) have at a court convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the court, by order, approves the scheme of arrangement;
- (ii) a takeover bid (as defined under section 9 of the Corporations Act, Takeover Bid):
  - (A) is announced;
  - (B) has become unconditional; and
  - (C) the person making the Takeover Bid has a relevant interest (as defined under section 9 of the Corporations Act, Relevant Interest) in fifty percent (50%) or more of the issued Shares;
- (iii) any person acquires a Relevant Interest in forty percent (40%) or more of the issued Shares by any other means; or
- (iv) the announcement by the Company that a sale or transfer (in one transaction or a series of related transactions) of the whole or substantially the whole of the undertaking and business of the Company has been completed.

## 9. Additional Information continued

### (o) No Conferral of Rights

A Management Performance Option holder is not entitled to:

- (i) notice of, or to vote or attend at, a meeting of the Shareholders;
- (ii) receive any dividends declared by the Company;
- (iii) participate in any new issues of securities offered to Shareholders;
- (iv) any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise; or
- (v) any right to participate in surplus assets or profits of the Company on winding up,

unless and until the Management Performance Options are exercised such that (subject to the Board's discretion pursuant to (f)) the holder holds Shares.

A Management Performance Option does not confer any right to a change in the exercise price of the Management Performance Options nor a change to the number of Shares over which Management Performance Options can (subject to the Board's discretion pursuant to (f)) be exercised.

### (p) Quotation

The Company will not seek official quotation of any Management Performance Options.

### (q) Incentive Plan

At all times, Management Performance Options are subject to the full terms and conditions of the Company's Employee Incentive Plan, save that to the extent of any inconsistency these terms override the Company's Employee Incentive Plan.

## 9.5 Further disclosures regarding Management Performance Options and Director Options

### (a) Management Performance Options

In accordance with the requirements of ASX and the Listing Rules, the following information is provided (along with the other information in this Prospectus) in relation to the Management Performance Options which have been issued to executive Directors and key management personnel of the Company as detailed in Section 9.4:

- (i) Mr Todd Hannigan, Dr Bernardo da Veiga, Mr Stephen Kelly and Mr Renato Gonzaga (and/or their respective nominees) are the recipients of the Management Performance Options;<sup>9</sup>
- (ii) Mr Hannigan and Dr da Veiga are each Directors of the Company and they therefore also fall under Listing Rule 10.14.1 (refer to Section 4.2 for further details in relation to Mr Hannigan and Dr da Veiga) and Mr Kelly and Mr Gonzaga are each members of the senior management team of the Company and are not related parties of the Company for the purposes of the ASX Listing Rules (refer to Section 4.3 for further details in relation to Mr Kelly and Mr Gonzaga);
- (iii) the Management Performance Options were issued as part of the recipients' overall remuneration packages and to incentivise the future performance or service of Mr Hannigan, Dr da Veiga Mr Kelly and Mr Gonzaga;
- (iv) the total remuneration packages for Mr Hannigan and Dr da Veiga are outlined in Section 4.4(a) and the total remuneration packages for Mr Kelly and Mr Gonzaga are outlined in Section 4.4(c);
- (v) the number and classes of Management Performance Options issued to Mr Hannigan, Dr da Veiga, Mr Kelly and Mr Gonzaga (and/or their respective nominees) are outlined above in Section 9.4;
- (vi) Mr Hannigan, Dr da Veiga, Mr Kelly and Mr Gonzaga and their associates hold the following Securities as at the date of this Prospectus:

9. Certain other employees, contractors and other staff of the Company (or their nominees) also received Management Performance Options, as detailed in this Prospectus.

**Table 22: Interests of executive Directors and members of the senior management team in Securities at the date of this Prospectus**

EXECUTIVE	SHARES	OPTIONS <sup>3</sup>	CONVERTIBLE NOTES
Todd Hannigan and his associates	24,577,875 <sup>1</sup>	2,868,775	-
Bernardo da Veiga and his associates	17,586,625 <sup>2</sup>	3,824,975	-
Stephen Kelly and his associates	-	956,200	-
Renato Gonzaga and his associates	-	956,200	-

**Notes:**

1. The 24,577,875 Shares in which Mr Hannigan and his associates have an interest are held by DITM Holdings Pty Ltd. DITM Holdings Pty Ltd paid cash consideration of A\$963,881 for these Shares.
2. Dr da Veiga paid cash consideration of A\$39,145 and remuneration receivable for services provided to the Company to the value of A\$137,090 for the 17,586,625 Shares held by Dr da Veiga in his personal capacity.
3. Options issued to Executives were issued as remuneration and no cash consideration has been received or is receivable for the issue of these Options.
4. Refer to Section 4.4(b) for further information on the Directors' interests in Securities as at the date of this Prospectus.

- (vii) the values which the Company attributes to the classes of Management Performance Options (including the financial benefits inherent in those issues of Securities) and the basis of those values is as set out in Section 6;
- (viii) the roles which Mr Hannigan, Dr da Veiga, Mr Kelly and Mr Gonzaga will play in meeting the performance milestones for their Management Performance Options is their services to the Company as the executive Directors or members of senior management of the Company (given that the milestones involve project or share-price based hurdles which, as key executive personnel of the Company, are directly impacted by those services, as detailed in Section 9.4);
- (ix) the reasons why the Company utilised the Management Performance Options as part of Mr Hannigan's, Dr da Veiga's, Mr Kelly's and Mr Gonzaga's remuneration packages and considered it appropriate and necessary to remunerate them with these issues of Management Performance Options, are to preserve the cash reserves of the Company, align those executives' interests with those of Shareholders and to incentivise them to strive to achieve success for the Company;
- (x) the numbers of Management Performance Options issued were determined having regard to:
- (A) the particular skills and experience of the individual executive;
  - (B) the purpose of attracting and retaining executives with the desired skills and experience; and
  - (C) the purpose of aligning individual and team behaviours with the interests of Shareholders;
- (xi) the numbers of Management Performance Options are considered appropriate based on the objectives of limiting the dilution of existing Shareholders upon the conversion of the Management Performance Options whilst also appropriately remunerating Mr Hannigan, Dr da Veiga, Mr Kelly and Mr Gonzaga and aligning their interests with Shareholders;
- (xii) Mr Hannigan, Dr da Veiga, Mr Kelly and Mr Gonzaga have not, before the issue of their respective Management Performance Options, previously been issued securities in the Company pursuant to the Employee Incentive Plan;
- (xiii) if all the Management Performance Options which have been issued to Mr Hannigan, Dr da Veiga, Mr Kelly and Mr Gonzaga and certain other employees, contractors and other staff of the Company (and/or their respective nominee(s)) are exercised into Shares, then 9,562,350 Shares will be issued (the impact that would have on the Company's capital structure would be to increase the total number of Shares on issue by 9,562,350, whilst reducing the number of Management Performance Options accordingly);
- (xiv) material terms of the Management Performance Options are detailed in Section 9.4 above;

## 9. Additional Information continued

- (xv) the Management Performance Options were issued prior to the date of this Prospectus;
- (xvi) no funds were or will be raised by the issue, exercise or conversion of the Management Performance Options, as they were issued for nil cash consideration and no exercise price is payable in order to convert them into Shares following their vesting;
- (xvii) material terms of the Employee Incentive Plan pursuant to which the Management Performance Options were issued are outlined in Section 9.2; and
- (xviii) the Company has not made, and will not make, any loans to Mr Hannigan, Dr da Veiga, Mr Kelly, Mr Gonzaga or the employees, contractors and other staff of the Company who have received Management Performance Options in relation to the acquisition of the Management Performance Options.

### (b) Director Options

In accordance with the requirements of ASX and the Listing Rules, the following information is provided (along with the other information in this Prospectus) in relation to the Director Options which were issued to BRE's non-executive Directors (and/or their respective nominees) as detailed in Section 9.3:

- (i) Mses Kristie Young and Camila Ramos (and/or their respective nominees) are the recipients of the Director Options;
- (ii) Mses Young and Ramos are each Directors of the Company, and they therefore fall under Listing Rule 10.14.1 (refer to Section 4.2 for further details in relation to Mses Young and Ramos);
- (iii) the Director Options were issued as part of the recipients' overall remuneration packages and to incentivise the future performance or service of Mses Young and Ramos;
- (iv) the number and classes of Director Options which have been issued to Mses Young and Ramos (and/or their respective nominees), along with details of Mses Young's and Ramos' (and their associated entities') respective interests in securities of the Company, are outlined above in Section 4.4(b);
- (v) the values which the Company attributes to the classes of Director Options (including the financial benefits inherent in those issues of Securities) and the basis of those values is as set out in Section 6;
- (vi) the total remuneration packages for Mses Young and Ramos are outlined in Section 4.4(a);
- (vii) the roles which Mses Young and Ramos will play in meeting the performance milestones for their Director Options is their services to the Company as Directors of the Company (given that the milestones are time-based performance periods, as detailed in Section 9.3);
- (viii) the reasons why the Company utilised the Director Options as part Mses Young's and Ramos' remuneration packages and considered it appropriate to remunerate them with these issues of Director Options, are to preserve cash reserves of the Company, align those Directors' interests with those of Shareholders, incentivise them to strive to achieve success for the Company and incentivise them to remain Directors for an extended period of time (given that the milestones are time-based performance periods);
- (ix) the number of Director Options issued to Mses Young and Ramos was determined based on a notional grant of Shares, being approximately two years of fees for a non-executive director that serves as a member of two Board sub-committees;
- (x) the numbers of Director Options are considered appropriate based on the objectives of limiting the dilution of existing Shareholders upon the conversion of the Director Options whilst also appropriately remunerating Mses Young and Ramos and aligning their interests with Shareholders;
- (xi) if all of the Director Options which have been issued to Mses Young and Ramos (and/or their respective nominee(s)) are exercised into Shares, then 533,050 Shares will be issued (the impact that would have on the Company's capital structure would be to increase the total number of Shares on issue by 533,050, whilst reducing the number of Director Options accordingly);

- (xii) Mses Young and Ramos have not, before the issue of their respective Director Options, previously been issued securities in the Company pursuant to the Employee Incentive Plan;
- (xiii) material terms of the Director Options are detailed in Section 9.3 above;
- (xiv) the Director Options were issued prior to the date of this Prospectus;
- (xv) no funds were or will be raised by the issue, exercise or conversion of the Director Options, as they were issued for nil cash consideration and no exercise price is payable in order to convert them into Shares following their vesting;
- (xvi) material terms of the Employee Incentive Plan pursuant to which the Director Options were issued are outlined in Section 9.2; and
- (xvii) the Company has not made, and will not make, any loans to Mses Young or Ramos in relation to the acquisition of the Director Options.

## 9.6 Material Contracts

The Directors consider that certain contracts entered into by the Company, or its subsidiaries are material to the Company or are of such a nature that an investor may wish to have particulars of them when assessing whether to apply for Shares under the Offer. The provisions of such material contracts are summarised in this Section 9.6 or in Section 4 above (and some of them are also summarised in the Independent Solicitor's Report in Section 8).

### (a) Lead Manager Mandate

On 28 September 2022, the Company and Canaccord Genuity (Australia) Limited ACN 075 071 466 (being the Lead Manager and Underwriter) entered into an exclusive agreement, whereby Lead Manager and Underwriter agreed to provide services as lead manager to the offer of the Convertible Notes other than the Founder Notes, conducted in 2022 (**Pre-IPO Capital Raise**) and the Offer in return for a fee to be paid by the Company (**Lead Manager Mandate**). The Company had agreed to pay the Lead Manager and Underwriter the following fees (but the following fees have been superseded and replaced by the fees pursuant to the Underwriting Agreement, as detailed in Section 9.6(b)):

- (i) a management fee of 1% (plus GST) of the gross proceeds raised under the Offer;
- (ii) a selling fee of 3% (plus GST) of the gross proceeds raised under the Offer by the Lead Manager and Underwriter (including its brokers or agents); and
- (iii) an incentive fee of 1% (plus GST) of the gross proceeds raised under the Offer by the Lead Manager and Underwriter (including its brokers or agents).

Those fees in relation to the Offer will not be paid as they have been superseded and replaced by the Underwriting Agreement summarised at Section 9.6(b).

The Lead Manager and Underwriter was paid \$400,000 (plus GST) by the Company in consideration for the Lead Manager and Underwriter's services to the Company pursuant to the Lead Manager Mandate in relation to the Pre-IPO Capital Raise and is also entitled to be reimbursed by the Company for reasonable out of pocket expenses incurred in connection with the Lead Manager Mandate, the Pre-IPO Capital Raise and the Offer. The Company also provides customary indemnities to the Lead Manager and Underwriter and other indemnified parties pursuant to the Lead Manager Mandate.

The Lead Manager Mandate may be terminated by the Lead Manager and Underwriter or the Company at any time with or without cause upon seven days written notice to the other party.

Upon termination, the Company is required to pay any fee owed to the Lead Manager and Underwriter, along with any costs and expenses incurred by the Lead Manager and Underwriter and certain obligations (such as the indemnities) survive the termination of the Lead Manager Mandate. Further, where the Company terminates the Lead Manager Mandate (other than due to a breach or other misconduct by the Lead Manager and Underwriter) and during the term of the Lead Manager Mandate the Company undertakes any form of

## 9. Additional Information continued

equity or hybrid capital raising other than the Offer and other than from the Company's existing shareholders (or their related bodies corporate or affiliates) or enters into an agreement with a third party pursuant to which the third party agrees to acquire 50% or more of the Company (whether by way of share, business or asset purchase) (each a **Withdrawal Fee Event**) the Company is required to pay a withdrawal fee to the Lead Manager and Underwriter calculated as follows:

- (i) if the Withdrawal Fee Event occurs prior to the IPO investor roadshow, the fee payable will be A\$250,000;
- (ii) if the Withdrawal Fee Event occurs after the IPO investor roadshow but prior to the lodgement of the prospectus with ASIC, the fee payable will be A\$500,000;
- (iii) if the Withdrawal Fee Event occurs after the lodgement of the prospectus with ASIC, the fee payable will be equal to the full amount of the fee that would have been payable to the Lead Manager and Underwriter by the Company had the IPO contemplated by the prospectus been completed.

The Lead Manager and Underwriter and the Company agreed that any other engagements by the Company during the period of the Lead Manager Mandate will constitute separate engagements and the fees for such engagements will be negotiated separately and in good faith.

The Lead Manager Mandate does not constitute an agreement to underwrite the Offer. Pursuant to the Underwriting Agreement, the terms of the Lead Manager Mandate continue to apply except to the extent of any inconsistency, such as with respect to the fees set out above, in which case the Underwriting Agreement will prevail.

### (b) Underwriting Agreement

On 13 November 2023 the Company and Lead Manager and Underwriter entered into an exclusive agreement (being the **Underwriting Agreement**), whereby the Lead Manager and Underwriter agreed to act as the lead manager, bookrunner and underwriter for the Offer. In consideration for those services, the Company:

- (i) will pay the Lead Manager and Underwriter the following fees on the date the Company is admitted to the Official List:
  - (A) a selling fee of 3% (plus GST) of the amount that is equal to:
    - (I) the number of Shares subscribed for and issued under the Broker Firm Offer and the Institutional Offer;
    - (II) plus (if any) the number of Shares subscribed for and issued under the Priority Offer in excess of 17,006,803 Shares; and
    - (III) plus any Shortfall Shares subscribed for and issued in accordance with the Underwriting Agreement, (but excluding, in each case, all those Shares (including any Shortfall Shares) which were subscribed for and issued (under the Broker Firm Offer, the Institutional Offer or the offer of Shortfall Shares) to any investors included in the Chairman's list of investors if less than 17,006,803 Shares were subscribed for and issued under the Priority Offer), multiplied by the Offer Price; and
  - (B) a management fee of 1% (plus GST) of all Offer proceeds; and
- (ii) may pay, if the Company elects to do so (in its sole discretion), an incentive fee to the Lead Manager and Underwriter of up to 1% (plus GST) of all Offer proceeds, after the Company is admitted to the Official List.

The Company must pay or reimburse the Lead Manager and Underwriter, including by way of set off against funds owed to it, all legal costs that the Lead Manager and Underwriter reasonably incurs in respect of the Lead Manager and Underwriter's services under the Underwriting Agreement in relation to the Offer (provided that such costs (including any applicable GST) do not exceed \$40,000). The Company has also agreed to pay or reimburse any reasonable out of pocket expenses (including GST) that the Lead Manager and Underwriter reasonably incurs in respect of the Lead Manager and Underwriter's services under the Underwriting Agreement in relation to the Offer.

Notwithstanding the Lead Manager Mandate, the fees and costs set out in the Underwriting Agreement supersede and replace all fees and costs in relation to the Offer set out in the Lead Manager Mandate.

For the purposes of this Section 9.6(b), 'Offer Documents' means the documents issued or published by or on behalf of the Company in respect of, or relating to, the Offer (such as this Prospectus).

The material terms of the Underwriting Agreement include:

- (i) **(Shortfall)** Subject to certain notice and review requirements to be performed by the Company and subject to the satisfaction (or waiver by the Lead Manager and Underwriter) of conditions precedent summarised below, the Lead Manager and Underwriter is required by the Settlement Date to apply and make payment for, or procure the application and payment to the Company by third parties for, any Shares under the Offer that the Company does not receive valid applications for by 5:00pm on the Closing Date (**Shortfall Shares**).
- (ii) **(Conditions precedent)** The obligations of the Lead Manager and Underwriter:
  - (A) under the Underwriting Agreement are conditional upon customary conditions precedent concerning the due diligence process for this Prospectus, this Prospectus having been lodged with ASIC and any regulatory approvals having been obtained; and
  - (B) to underwrite the Offer and to subscribe for Shortfall Shares are conditional on further customary conditions precedent, comprising:
    - (I) **(other conditions precedent)** the conditions precedent in (A) above;
    - (II) **(applications)** the Company confirming to the Lead Manager and Underwriter in writing that it became capable of accepting applications in accordance with section 727(3) of the Corporations Act by the day after the end of the exposure period under that section;
    - (III) **(certificates and notices)** the Lead Manager and Underwriter receiving duly executed certificates and notices from the Company in relation to customary matters;
    - (IV) **(regulatory approvals)** the maintenance of any relevant regulatory approvals;
    - (V) **(ASX quotation)** the ASX indicating in writing to the Company, by 12 December 2023, that it will grant permission for Official Quotation (subject only to standard conditions customarily imposed by the ASX and any other conditions agreed in writing by the Company and the Lead Manager and Underwriter (acting reasonably)); and
    - (VI) **(US opinion)** prior to 5:00pm on the Settlement Date, the Company's US counsel, delivering an opinion to the Lead Manager and Underwriter (and upon which opinion the Company may rely) in relation to certain customary matters.
- (iii) **(Company's termination right)** the Company may terminate the Underwriting Agreement, with immediate effect upon the Company giving notice to the Lead Manager and Underwriter, (and the Company may withdraw the Offer and/or this Prospectus) at any time prior to the Settlement Date, if the Company reasonably considers that it will not, despite the Company's best endeavours to fulfil the same, fulfil condition 8 in Listing Rule 1.1 (relating to shareholder spread requirements of the ASX) within six months after the date of the Underwriting Agreement.
- (iv) **(Lead Manager and Underwriter's termination rights that are not subject to materiality)** The Lead Manager and Underwriter may at any time prior to the end of the Settlement Date, by notice given to the Company, and without any cost or liability to the Lead Manager and Underwriter, immediately terminate the Underwriting Agreement if any one or more of the following occurs, or has occurred, at any time during the period between the date of the Underwriting Agreement and the end of the Settlement Date (or such other time as specified in such termination event):
  - (A) **(Offer Documents)** the Lead Manager and Underwriter forms the view (acting reasonably) that:
    - (I) a statement contained in the Offer Documents is or becomes misleading or deceptive or likely to mislead or deceive;



## 9. Additional Information continued

- (II) a matter required by the Corporations Act is omitted from the Offer Documents (having regard to section 710, 711 and 716 of the Corporations Act); or
  - (III) the issue of the Offer Documents is or becomes misleading or deceptive or likely to mislead or deceive;
- (B) **(section 730 notice)** a person gives a notice to the Company under section 730 of the Corporations Act;
- (C) **(encumbrance)** other than as disclosed in this Prospectus or as required by applicable laws, the Company or any of its subsidiaries creates or agrees to create an encumbrance over the whole or a substantial part of its business or property;
- (D) **(small resources fall)** the S&P/ASX Small Ordinaries Resources Index falls by 10% or more at any time from its level at market close on the business day (as defined in the Listing Rules, **Business Day**) immediately preceding the date of the Underwriting Agreement and that fall occurs for 2 consecutive ASX trading days;
- (E) **(market fall)** the S&P/ASX 200 or S&P/ASX 300 published by ASX falls by 10% or more at any time from its level at market close on the Business Day immediately preceding the date of the Underwriting Agreement and that fall occurs for 2 consecutive ASX trading days;
- (F) **(Shanghai metals market fall)** the Neodymium Oxide 99.5%min FOB China USD/Mt. price is, at close of trading on the ASX on a Business Day, at a level which is 10% or more below the level of that price at the close of trading on the ASX on the Business Day before the date of the Underwriting Agreement and that fall occurs for 2 consecutive ASX trading days;
- (G) **(offer of refund to investors)** any circumstance arises after lodgement of this Prospectus that results in the Company either repaying all money received from all persons who have applied for Shares or offering to all persons who have applied for Shares an opportunity to withdraw their application for Shares and be repaid their application money;
- (H) **(material adverse change)** any material adverse change occurs, being an event which has or is likely to give rise to:
  - (I) a material change in assets, liabilities, financial position or performance, profits, losses, earnings, prospects or forecasts of the Group from those disclosed in this Prospectus; or
  - (II) a material change in the nature of the business conducted by the Group as compared with that disclosed in this Prospectus;
- (I) **(withdrawal of Prospectus)** either the Company withdraws this Prospectus or terminates the Offer, or confirms to the Lead Manager and Underwriter that the Company does not intend to proceed with the Offer;
- (J) **(no certificate)** the Company does not provide certificates to the Lead Manager and Underwriter on the Opening Date and the Settlement Date certifying (among other things) that the Company has complied with its relevant obligations and that there is no right for the Lead Manager and Underwriter to terminate the Underwriting Agreement;
- (K) **(insolvency)** the Company or a subsidiary is or becomes insolvent, or an act occurs or an omission is made which may result in the Company or a subsidiary becoming insolvent;
- (L) **(regulatory action)** any of the following occurs in relation to the Offer:
  - (I) ASIC issues proceedings in relation to the Company;
  - (II) ASIC makes an order or interim order under section 739 or section 1324B of the Corporations Act concerning this Prospectus;
  - (III) ASIC applies for an order under Part 9.5 of the Corporations Act in relation to the Offer or any Offer Document;

- (IV) ASIC holds, or gives notice of intention to hold, a hearing or investigation in relation to the Offer or any Offer Document under the *Australian Securities and Investment Commission Act 2001* (Cth);
  - (V) ASIC prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Offer or any Offer Document; or
  - (VI) any other government agency commences any investigation or hearing in relation to the Offer, or any Offer Document;
- (M) **(stop order)** ASIC makes an interim order (other than an interim order that does not become public and is dismissed or withdrawn by ASIC within 2 Business Days) or final stop order in relation to this Prospectus under section 739 of the Corporations Act or holds a hearing (other than a hearing which does not become public and is dismissed or withdrawn by ASIC within 2 Business Days) under section 739 of the Corporations Act in relation to this Prospectus or makes an application under section 1324 or 1324B of the Corporations Act in relation to this Prospectus;
- (N) **(withdrawal of consent):**
- (I) any person whose consent to the issue of this Prospectus or any supplementary Prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of this Prospectus or any supplementary Prospectus withdraws such consent;
  - (II) any person (other than the Lead Manager and Underwriter) gives a notice under section 733(3) of the Corporations Act; or
  - (III) any person (other than the Lead Manager and Underwriter) who has previously consented to the inclusion of their name or any statement in this Prospectus or any supplementary Prospectus withdraws that consent;
- (O) **(supplementary Prospectus)** the Company lodges a supplementary Prospectus without the consent of the Lead Manager and Underwriter or fails to lodge a supplementary Prospectus in a form acceptable to the Lead Manager and Underwriter in accordance with the Underwriting Agreement or, in the Lead Manager and Underwriter's opinion, becomes required to lodge a supplementary Prospectus because of a materially adverse circumstance set out in section 719(1) of the Corporations Act;
- (P) **(change in Directors and senior management)** other than changes disclosed in any Offer Document, a change in the senior management or in the board of Directors, as named in the Offer Documents, occurs without the written consent of the Lead Manager and Underwriter or any such changes are announced, without the prior written consent of the Lead Manager and Underwriter;
- (Q) **(material adverse change in financial markets)** any of the following occurs:
- (I) any adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets of Australia, New Zealand, the United Kingdom, the United States of America, Singapore, Hong Kong, the People's Republic of China, Switzerland, Canada, Brazil, any member state of the European Union or the international financial markets or any change or development involving a prospective adverse change in any of those conditions or markets;
  - (II) a general moratorium on commercial banking activities in Australia, New Zealand, the United States of America, Canada, Brazil, the United Kingdom, Hong Kong, Singapore, Switzerland or any member state of the European Union is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
  - (III) trading in securities generally has been suspended or materially limited for at least one trading day, by any of the ASX, NZX, the Hong Kong Stock Exchange, the Singapore Stock Exchange, the London Stock Exchange, the Sao Paulo Stock Exchange, Toronto Stock Exchange, SIX Swiss Exchange or the New York Stock Exchange;

## 9. Additional Information continued

- (R) **(disclosures in due diligence committee report)** the Lead Manager and Underwriter forms the view that the due diligence committee report in relation to the Offer or any information supplied by or on behalf of the Company to the Lead Manager and Underwriter in relation to the Group or the Offer as part of the due diligence process is or becomes misleading or deceptive in a material respect, or information material to the Company or the business conducted by the Group has not been disclosed as part of the due diligence process;
- (S) **(material contracts)** if any of the obligations of the relevant parties under any of the material contracts of the Group are not capable of being performed in accordance with their terms (in the reasonable opinion of the Lead Manager and Underwriter) or if all or any part of any of the material contracts:
- (I) is terminated, withdrawn, rescinded, avoided or repudiated;
  - (II) is altered, amended or varied without the consent of the Lead Manager and Underwriter (acting reasonably);
  - (III) ceases to have effect, otherwise than in accordance with its terms;
  - (IV) is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and effect, or its performance is or becomes illegal; or
  - (V) is breached, or there is a failure by a party to comply;
- (T) **(ASX approvals and ASIC modifications)** except in the case of ASX approvals lapsing in accordance with their terms:
- (I) any relevant ASX approvals or ASIC modifications are otherwise withdrawn, revoked, adversely qualified or adversely amended without the prior written approval of the Lead Manager and Underwriter; or
  - (II) ASX or ASIC otherwise indicates to the Company or the Lead Manager and Underwriter that such approval is likely to be withdrawn, revoked, adversely qualified or adversely amended;
- (U) **(quotation approval):**
- (I) the ASX does not, by 12 December 2023, indicate in writing to the Company that it will grant permission for Official Quotation (subject only to standard conditions customarily imposed by the ASX and any other conditions agreed in writing by the Company and the Lead Manager and Underwriter (acting reasonably)), or if ASX does give that written indication by that time, it is subsequently withdrawn, qualified (other than subject to standard conditions customarily imposed) or withheld before all of the Shares offered pursuant to the Offer have been issued by the Company (including any Shortfall Shares to be issued in accordance with the Underwriting Agreement);
  - (II) if reasonable grounds exist for the Lead Manager and Underwriter to believe that any ASX conditions to Official Quotation of the Shares will not be completed, fulfilled or waived by ASX so as to result in the Shares not being granted Official Quotation by the relevant date agreed between the Company and the Lead Manager and Underwriter);
- (V) **(unauthorised changes)** the Company or a subsidiary:
- (I) disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property other than as contemplated in this Prospectus or as otherwise permitted by the Underwriting Agreement;
  - (II) ceases or threatens to cease to carry on its business, other than any cessation of business contemplated in this Prospectus or otherwise permitted by the Underwriting Agreement;
  - (III) alters its capital structure, other than as contemplated in this Prospectus or as otherwise permitted by the Underwriting Agreement; or
  - (IV) amends its constitution or any other constituent document of the relevant company;

- (W) **(action against Directors and senior management)**
- (I) a Director or any member of the senior management of the Group is charged with a criminal offence relating to any financial or corporate matter;
  - (II) any government agency commences any adverse public action against the Company, a subsidiary, any of the Directors or any member of the senior management of the Group, or announces that it intends to take any such action; or
  - (III) any Director or any member of the senior management of the Group is disqualified under the Corporations Act from managing a corporation;
- (X) **(fraud)** a Director or a senior member of management of the Company engages in any fraudulent conduct or activity;
- (Y) **(unable to proceed)** the Company is or will be prevented from conducting or completing the Offer (including issuing the Shares) by or in accordance with the Listing Rules, ASIC, ASX, any applicable laws or an order of a court of competent jurisdiction or otherwise is or will become unable to do any of these things;
- (Z) **(compliance with regulatory requirements)** the Offer or the Offer Documents do not comply with any applicable law or regulatory requirement or there is a contravention by the Company of the Corporations Act, its constitution or (where applicable) any of the Listing Rules;
- (AA) **(timetable)** a relevant event in the Offer timetable is delayed for more than 2 Business Days (excluding certain timetable delays of up to 3 Business Days in relation to delays (which are outside of the Company's reasonable control) in receiving ASX's conditional admission letter) without the written approval of the Lead Manager and Underwriter; and
- (BB) **(Restriction Agreements):** a restriction agreement entered into between the Company and a Shareholder in relation to Shares which are subject to ASX-imposed escrow (such as summarised in Section 1.23) is withdrawn, varied, terminated, rescinded, altered or amended, breached or failed to be complied with, except in each case as permitted by (as applicable from time to time):
- (I) the Listing Rules;
  - (II) a waiver of the Listing Rules granted by ASX; or
  - (III) the terms of the restriction agreement between the Company and that person (or permitted transferee).
- (v) **(Lead Manager and Underwriter's termination rights that are subject to materiality)** The Lead Manager and Underwriter may at any time prior to the end of the Settlement Date, by notice given to the Company, and without any cost or liability to the Lead Manager and Underwriter, immediately terminate the Underwriting Agreement if any one or more of the Additional Termination Events (as defined below) occurs, or has occurred, at any time during the period between the date of the Underwriting Agreement and the end of the Settlement Date if:
- (A) in the reasonable opinion of the Lead Manager and Underwriter the Additional Termination Event has had or could be expected to have, individually or in aggregate with a separate Additional Termination Event, a material adverse effect on:
    - (I) the financial condition, financial position, financial prospects, financial performance, shareholder's equity, profits, losses, results, condition, operations or prospects of the Company or the Group, or the success or outcome of the Offer;
    - (II) the ability of the Lead Manager and Underwriter to market, promote or settle the Offer or the potential market price of the Shares or a decision of an investor to invest in Shares; or
  - (B) there is a reasonable possibility that the Lead Manager and Underwriter will contravene, be involved in a contravention of, or incur a liability under the Corporations Act or any other applicable law as a result of the Additional Termination Event.

## 9. Additional Information continued

Each of the following is an 'Additional Termination Event':

- (C) **(future matters)** there are not, or there ceases to be, reasonable grounds in the opinion of the Lead Manager and Underwriter (acting reasonably) for any material statement or estimate in the Offer Documents which relate to a material future matter or any material statement or estimate in the Offer Documents that relate to a material future matter is, in the reasonable opinion of the Lead Manager and Underwriter, unlikely to be met in the projected timeframe (including in each case financial forecasts);
- (D) **(change in laws)** any of the following occurs which does or is likely to prohibit, materially restrict or materially adversely regulate the Offer or materially reduce the likely level of valid applications or materially adversely affects the financial position of the Company or has a material adverse effect on the success of the Offer:
- (I) the introduction of legislation into the Parliament of the Commonwealth of Australia or of any State or Territory of Australia; or
  - (II) the public announcement of prospective legislation or policy by the Federal Government or the Government of any State or Territory of Australia or the Reserve Bank of Australia; or
  - (III) the adoption by ASX or their respective delegates of any regulations or policy;
- (E) **(hostilities)** any of the following occurs:
- (I) there is an outbreak of hostilities not presently existing or a major escalation in existing hostilities occurs (in each case, whether or not a war or a national emergency has been declared);
  - (II) a declaration is made of a national emergency or war;
  - (III) a terrorist act is perpetrated; or
  - (IV) a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, including an escalation resulting in a material shut-down of business, involving any one or more of Australia, New Zealand, the United States of America, Canada, the United Kingdom, any member state of the European Union, Switzerland, any member of NATO, the People's Republic of China, Hong Kong, Singapore, Brazil or any diplomatic, military, commercial or political establishment of any of these countries elsewhere in the world;
- (F) **(legal proceedings and offence by Directors)** any of the following occurs:
- (I) legal proceedings are commenced against the Company; or
  - (II) any Director is charged with an indictable offence or any regulatory body commenced any public action against the Director or announced that it intends to take any such action; or
  - (III) any Director is disqualified from managing a corporation under section 206A, 206B, 206C, 206D, 206E or 206F of the Corporations Act;
- (G) **(compliance with regulatory requirements)** a contravention by the Company or any entity in the Group of the Corporations Act, the Listing Rules (where applicable), its constitution or any other applicable law or regulation;
- (H) **(Prospectus to comply)** this Prospectus, another Offer Document or any aspect of the Offer does not comply with the Corporations Act, the Listing Rules (where applicable) or any other applicable law or regulation;

- (I) **(public statements):**
    - (I) a statement in any of the public and other media statements, including any Offer Documents, made by or on behalf of the Company or any of its subsidiaries in relation to the affairs of the Company, the Group, a subsidiary of the Company or the Offer is misleading or deceptive or likely to mislead or deceive; or
    - (II) the Company or a subsidiary issues a public statement concerning the Offer which has not been approved by the Lead Manager and Underwriter;
  - (J) **(breach)** the Company breaches any of its undertakings or obligations under the Underwriting Agreement;
  - (K) **(false certificate)** a statement in a certificate provided by the Company to the Lead Manager and Underwriter on the Opening Date or the Settlement Date certifying that (among other things) the Company has complied with its relevant obligations and that there is no right for the Underwriter to terminate the Underwriting Agreement is untrue, incorrect or misleading or deceptive at the time it is given; or
  - (L) **(representations and warranties)** any representation or warranty contained in the Underwriting Agreement which is given on the part of the Company to the Lead Manager and Underwriter is breached or becomes false, misleading or incorrect.
- (vi) **(Company's undertakings)** The Company has given various undertakings to the Lead Manager and Underwriter under the Underwriting Agreement, such as that (among other undertakings) the Company must:
- (A) **(breach)** notify the Lead Manager and Underwriter of any breach of any representation, warranty or undertaking given by it under the Underwriting Agreement, the occurrence of any termination event or the non-satisfaction of any of the conditions precedent, immediately after the Company becomes aware of the breach, occurrence or non-satisfaction;
  - (B) **(conduct of business)** carry on its business until 180 days after the Settlement Date in the ordinary course and not, except as disclosed to the Lead Manager and Underwriter before the date of the Underwriting Agreement or as disclosed in this Prospectus:
    - (I) dispose of or charge, or agree to dispose of or charge, the whole or any material part of its business; or
    - (II) enter into any agreement or commitment which is material in the context of the Offer, the Company or the Group or the Group's business (taken as whole),  
without the prior written consent of the Lead Manager and Underwriter, which consent shall not be unreasonably withheld or delayed;
  - (C) **(moratorium)** not at any time after the date of the Underwriting Agreement until the expiration of 180 days after the Settlement Date, issue or agree to issue any equity securities (as defined in the Listing Rules) or any securities that are convertible or exchangeable into such equity securities, without the prior written consent of the Lead Manager and Underwriter (such consent not to be unreasonably withheld or delayed), other than, in each of the aforementioned cases, issues of equity securities or other securities (and agreements to issue equity securities or other securities) by the Company in any one or more of the following instances:
    - (I) for the purpose of remunerating or incentivising Directors, management or other employees or other personnel of the Company or any of its subsidiaries pursuant to the Company's Employee Incentive Plan;
    - (II) as disclosed in, or permitted by, the Prospectus (including issues pursuant to the Company's Employee Incentive Plan); and
    - (III) the conversion of equity securities issued prior to the date of, and disclosed in, this Prospectus into equity securities;

## 9. Additional Information continued

- (D) **(compliance)** not, at any time after the date of the Underwriting Agreement until the date of issue of the Shares pursuant to the Offer, commit, be involved in or acquiesce in any activity which materially breaches any provision of the Corporations Act, the Listing Rules or certain other legal and regulatory requirements;
  - (E) **(constitution)** not (other than as required by applicable law), before 180 days after the date of issue of the Shares pursuant to the Offer, vary any term of its constitution without the prior written consent of the Lead Manager and Underwriter to the terms of the variation, such consent not to be unreasonably withheld or delayed;
  - (F) **(structure)** except to the extent disclosed in, or permitted by, this Prospectus or as otherwise disclosed to the Lead Manager and Underwriter prior to the date of the Underwriting Agreement, not, from the date of the initial distribution of this Prospectus until the day before the date of issue of the Shares pursuant to the Offer, alter, agree to alter or propose an alteration to its capital structure (whether debt or equity), except with the prior consent of the Lead Manager and Underwriter and not create or agree to create any encumbrance over any or all of the Shares offered pursuant to the Offer; and
  - (G) **(prescribed occurrences)** except to the extent disclosed in, or permitted by, this Prospectus or permitted by the Underwriting Agreement, during the period from the date of issue of the Shares pursuant to the Offer until 180 days after that date, ensure that none of the events set out in sections 652C(1) or (2) of the Corporations Act has occurred in relation to the Company or any of its subsidiaries
- (vii) **(Indemnity)** Subject to certain customary exclusions, the Company unconditionally and irrevocably agrees to keep the Lead Manager and Underwriter and certain affiliated parties indemnified from certain losses related directly or indirectly to the Offer or the Underwriting Agreement.
- (viii) **(Other)** The Underwriting Agreement contains certain representations and warranties by the Company to the Lead Manager and Underwriter and vice versa. The Underwriting Agreement also contains various other customary provisions, such as additional undertakings provided by the Company in favour of the Lead Manager and Underwriter.

The Lead Manager and Underwriter has entered into an appointment letter with Petra Capital Pty Ltd ACN 110 952 782 (**Co-Lead Manager**) for the Co-Lead Manager to provide co-lead manager services. The Lead Manager and Underwriter must pay, on behalf of the Company, the Co-Lead Manager a base fee (which is inclusive of GST) equal to 15% of the net fee received by the Lead Manager and Underwriter from the Company after pay-aways (**Co-Lead Manager Fee**). The Co-Lead Manager Fee will become payable by the Lead Manager and Underwriter on payment by the Company of the fees payable to the Lead Manager and Underwriter. Expenses incurred by the Co-Lead Manager in connection with its appointment letter with the Lead Manager and Underwriter and its role as the Co-Lead Manager are for its own account. The Lead Manager and Underwriter may terminate the Co-Lead Manager's appoint as the Co-Lead Manager to the Offer in its absolute discretion at any time.

### (c) Convertible Note Deeds, Subscription Agreements and Notes Conversion

The terms and conditions of the Convertible Notes are governed by the convertible note deeds entered into by the Company with subscribers of the Convertible Notes. The subscribers subscribed to their respective Convertible Notes pursuant to subscription agreements entered into by the Company and the subscribers.



The material terms of the Convertible Notes include:

<b>Face value</b>	Each Convertible Note has a face value of A\$1.00.
<b>Principal amount</b>	The total principal amount in relation to all Convertible Notes is A\$21,432,834 (in aggregate).
<b>Maturity date</b>	The maturity date in respect of all the Convertible Notes is 30 June 2024, however, the maturity date can be extended by the Company (acting reasonably) to 31 December 2024 by notice to the Convertible Note holder where a prescribed force majeure event occurs prior to 30 June 2024.
<b>Interest</b>	<p>The interest on the principal amount in respect of each Convertible Note accrues daily at the interest rate of 10% per annum commencing on the date of issue of that Convertible Note and continuing until the Convertible Note is redeemed or converted in accordance with its terms.</p> <p>Interest on all Convertible Notes other than the Founder Notes is paid quarterly in cash within 10 business days after the end of each quarter or within 10 business days of conversion of those Convertible Notes, except where the conversion occurs pursuant to a Trade Sale (as described below), in which case any unpaid accrued interest will automatically convert into Shares at the conversion price.<sup>10</sup></p> <p>Interest on the Founder Notes is payable by the issue of Shares in the Company on conversion of the Founder Notes unless before the Founder Notes are converted into Shares, the Founder Notes are redeemed pursuant to an event of default occurring in relation to the Company, in which case, all interest accrued on the Founder Notes is payable in cash.</p>
<b>Conversion</b>	<p>The principal amounts owing under the Convertible Notes (and the interest amount under the Founder Notes) will automatically convert, without any further action required by the parties, into Shares at the conversion price upon the first to occur of the following:</p> <ul style="list-style-type: none"><li>(a) on the first day when Shares are issued or transferred pursuant to a Relevant IPO Transaction;</li><li>(b) on the day of completion of a transaction or series of related transactions in which a person, or a group of related persons (none of which is a member of the Group at the time), acquires all, or substantially all, of the Shares or all, or substantially all, of the assets of the Company (<b>Trade Sale</b>);</li><li>(c) in the case of a Trade Sale that is in the form of an offer for Shares pursuant to a takeover bid under Chapter 6 of the Corporations Act, the day when the Company first becomes aware that the person making the takeover bid has a Relevant Interest in 90% or more of the issued Shares;</li><li>(d) in the case of a Trade Sale that is in the form of a compromise or arrangement under Part 5.1 of the Corporations Act, the day when a Court, by order, approves the compromise or arrangement under that Part of the Corporations Act; or</li><li>(e) the maturity date in respect of the Convertible Note.</li></ul>

10. Each quarter is a period of 3-consecutive months commencing on 1 January, 1 April, 1 July or 1 October in any year, other than the first quarter which commences on the date of issue of the Convertible Note and expires on the date immediately preceding the next to occur of 1 January, 1 April, 1 July or 1 October.

## 9. Additional Information continued

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**Conversion price** The conversion price to be applied varies based on the event that triggers conversion and the time at which the conversion trigger occurs as summarised below.

**Relevant IPO Transaction**

Where the Convertible Notes are converted pursuant to a Relevant IPO Transaction, the conversion price is the lesser amount of:

- (a) where the conversion occurs prior to 31 December 2023, the amount which is equal to 80% of Relevant IPO Transaction Offer Price, or where the conversion occurs on or after 31 December 2023, the amount which is equal to 70% of the Relevant IPO Transaction Offer Price; or
- (b) the quotient which results by dividing A\$100 million by the Fully Diluted Share Capital.

**Trade Sale**

Where the Convertible Notes are converted pursuant to a Trade Sale, the conversion price is the lesser of 80% of the valuation implied by the Trade Sale on the conversion date and the quotient which results by dividing A\$100 million by the Fully Diluted Share Capital.

**Maturity date**

Where the Convertible Notes are converted upon the maturity date occurring, the conversion price is the quotient which results by dividing A\$80 million by the Fully Diluted Share Capital.

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**Security** All Convertible Notes are unsecured.

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Accordingly, on completion of the Offer, on the Allotment Date the Company will issue Shares to the Noteholders to repay (by way of conversion into Shares) the:

- (i) A\$21.43 million of Convertible Notes (including the Founder Notes) issued by the Company; and
- (ii) interest accrued on the Founder Notes at 10% per annum up to the date of their conversion into Shares (which will vary depending on the date the Shares are issued),

**(Notes Conversion).**

The number of Shares which the Convertible Notes (including the interest accrued on the Founder Notes) will convert into is estimated to be 33,624,073 Shares, assuming they are converted into Shares on 31 December 2023 and based on a subscription price per Share of approximately A\$0.638712, being the quotient (in Australian currency) which results by dividing A\$100,000,000 by the number of Shares on issue plus the Shares that would be issued assuming conversion of securities in the Company capable of being converted into Shares (but not including the Convertible Notes) as at 5:00pm on the Business Day immediately prior to the Allotment Date. The total number of Shares to be issued pursuant to the Notes Conversion may vary depending on the total interest accrued on the Founder Notes at the time of the Notes Conversion.

The Founder Notes (being 432,834 Convertible Notes) were issued on 16 January 2023 for nil cash consideration to Paulo Roberto Santoro Salomao (and since have been transferred to Kuda Huraa Mining Ventures and Global Investments Corp) as part-settlement of a "finder's fee" payable by the Company in consideration for certain Brazilian nationals assisting the Company to identify and peg certain BRE Tenements. Subscription funds of A\$21 million in relation to Convertible Notes that are not Founder Notes were received in full by the Company when Noteholders subscribed for those Convertible Notes in December 2022 and January 2023. Consequently, the Convertible Notes and the interest on the Founder Notes will be repaid in full by the Company issuing Shares upon conversion of the Convertible Notes on the Allotment Date.

The Company paid capital raising fees totalling A\$1,025,513 exclusive of disbursements and GST in relation to the Convertible Notes issues.

#### (d) BRC Royalty Agreements

On 15 March 2022, Borborema entered into 32 (thirty two) agreements with Brazil Royalty Corp. Participações e Investimentos Ltda. (**BRC**)<sup>11</sup> pursuant to which Borborema granted to BRC a 2.5% gross revenue royalty in relation to the following BRE Tenements: 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, 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, 870.695/2021, 870.696/2021, 870.697/2021, 870.698/2021, 870.699/2021, 870.700/2021, 870.772/2021, 870.773/2021, 870.774/2021, 870.779/2021, 870.780/2021, 872.265/2021 and 872.266/2021 (**Royalty Agreements**) (refer to section of IX.1 of the Independent Solicitor's Report in Section 8 of this Prospectus), for cash consideration of R\$200,000. The Royalty Agreements do not apply to the Alpha Tenements or the Amargosa Tenements.

The royalty is payable on all revenues derived directly or indirectly by Borborema from the relevant exploration permits after deducting the value of all cancelled or returned sales and any unconditional discounts granted by Borborema.

If BRC considers that the gross revenues derived by Borborema are not reflective of market prices, BRC may request that a report be prepared by an independent expert, mutually agreed by the parties, to assess the gross revenues for the purpose of the royalty calculation based on the average market price achieved by Borborema's competitors for products of equivalent quality and specifications and under similar trading conditions.

The Royalty Agreements have no fixed term. The Royalty Agreements may be terminated by mutual agreement of the parties, or unilaterally by one party in the event of a breach of the Royalty Agreement by the other party. In the event of termination due to breach by one of the parties, the breaching party shall pay a penalty of R\$20,000,000 to the other party.

If Borborema sells, transfers or assigns to another party any part of its interest in the exploration permits to which the Royalty Agreements apply (**disposed interest**), Borborema must procure that the acquiring party assumes Borborema's obligations under the Royalty Agreement in respect of the disposed interest.

The BRE Tenements to which the Royalty Agreements apply are subject to a security agreement pursuant to which Borborema granted to BRC security over those tenements in the form of a legal mortgage. If Borborema defaults on its obligations under a Royalty Agreement, BRC may exercise its rights under the security agreement to sell the relevant BRE Tenement pledged as a security to third parties or to purchase the pledged tenements from Borborema for their market value as determined by court appointed expert. Notwithstanding BRC potentially being a related party of the Company at the time of such transactions (as detailed in Section 4.4(d)),<sup>12</sup> such transactions would be exempt from Shareholder approval under ASX Listing Rule 10.1, due to the application of the exception in Listing Rule 10.3(e) on the basis that such transaction and certain information relating to it is disclosed in this Prospectus.

On 31 August 2023, Borborema transferred to Ubaira nine of, and to Jequie ten of, the exploration permits subject to the Royalty Agreements through the execution of the First Amendments of the Royalty Agreements. In compliance with Borborema's obligations under the Royalty Agreement, it procured that each of Jequie and Ubaira assumed Borborema's obligations under the Royalty Agreement in relation to the transferred tenements.

The Royalty Agreements include other terms and conditions that are usual for this type of agreement.

11. Refer to Section 4.4(d) for further information in relation to BRC.

12. And therefore triggering Listing Rule 10.1.1 in relation to the Company and also potentially triggering Listing Rule 10.1.4 as an associate of a related party of the Company.

## 9. Additional Information continued

### (e) Amargosa Tenement Acquisition Agreement

On 4 July 2023, Borborema executed a binding letter of intent to purchase the Amargosa Tenements and the geological data, drill core and supporting surveys in respect of those Amargosa Tenements from Rio de Contas Desenvolvimentos Minerais Ltda (**Rio Tinto Brazil**), a wholly owned subsidiary of Rio Tinto for cash consideration of US\$10 million.

The parties had a period of 90 days from the date of signing binding letter of intent to execute transaction documents for the acquisition. The parties executed transaction documents (being the **Amargosa Tenement Acquisition Agreement**) in respect of the acquisition on 19 October 2023 pursuant to which the number of exploration permits to be acquired by Borborema was reduced (to exclude the three exploration permits the subject of the Amargosa Option Agreement summarised in Section 9.6(f)) and the total consideration payable by Borborema was reduced to the Brazilian Real equivalent of US\$9.328 million. References to the Amargosa Tenements in this Section 9.6(e) exclude those three exploration permits.

Further information regarding the Amargosa Tenements is provided in the Independent Solicitor's Report in Section 8 and further information regarding the Amargosa Tenement Acquisition Agreement is detailed in section IX.2 of that report.

The cash consideration of the Brazilian Real Equivalent of US\$9.328 million is payable by Borborema to Rio Tinto Brazil in the following instalments:

- (i) A down payment of the Brazilian Real equivalent of US\$100,000 was paid within five days after execution of the binding letter of intent. Borborema paid the down payment on 4 July 2023.
- (ii) A first instalment of the Brazilian Real equivalent of US\$2 million, less the down payment paid, was paid on 23 October 2023.
- (iii) A second instalment of the Brazilian Real equivalent of US\$5 million shall be paid within 9 months from the date of signing the Amargosa Tenement Acquisition Agreement. Payment of the second instalment is a condition precedent for an application for the assignment of the Amargosa Tenements to Borborema to be submitted to the National Mining Agency of Brazil (**ANM**).
- (iv) A third and final instalment of the Brazilian Real equivalent of US\$2.328 million shall be paid on the later of 18 months from the date of signing the Amargosa Tenement Acquisition Agreement or within five business days as of the date of publication of the annotation of the assignment of the last of Amargosa Tenements to Borborema by the ANM.

In addition to the cash consideration of the Brazilian Real equivalent of US\$9.328 million, the following contingent consideration may be payable by Borborema:

- (i) In the event of a future development of a bauxite mining project at the Amargosa Tenements, Borborema will pay to Rio Tinto Brazil (or its affiliates/successors) the Brazilian Real equivalent of US\$40 million. The payment would be proposed to be made within one year from the start of commercial production of bauxite and Rio Tinto Brazil (or its affiliates/successors) would have a right of first refusal in the purchase of the bauxite produced in the Amargosa Tenements at the same prices used in the market.
- (ii) In the event of future development of a nickel mining project in the areas of the Amargosa Tenements, Rio Tinto Brazil (or its affiliates/successors) would have a purchase option of 20% of the project to be implemented, for the Brazilian Real equivalent of US\$50 million, which shall be paid within one year from the exercise of the purchase option.

With effect since the payment of the first instalment on 23 October 2023, Borborema is authorised to access the exploration permits to undertake technical due diligence which may include but is not limited to:

- (i) Performance of drilling and accessing the Amargosa Tenements area with vehicles, equipment, or people;
- (ii) Obtaining samples for the purposes of technical analysis;

- (iii) Analysis of the information relating to ownership, occupation, use and access to the lands covered by the Amargosa Tenements; and
- (iv) Analysis of all pertinent files, records and information contained in ANM's databases, including ANM administrative proceedings regarding the Amargosa Tenements (collectively "Pertinent Records") to determine all rights, title and ownership interest held by Rio Tinto Brazil in and to the Amargosa Tenements.

If within ninety days of the commencement of the technical due diligence period Borborema identifies any material defects over more than half of the Amargosa Tenements that impair the full exploitation of more than half of the Amargosa Tenements, Borborema shall notify Rio Tinto Brazil in writing of such defects. Rio Tinto Brazil shall have a period of thirty days from receipt of the notification from Borborema to resolve the defects. If the defects are not resolved within the thirty day period, either party may terminate the Agreement. For the purposes of the agreement, "material defects" means non-approvals of exploration reports, whether partial or final, by ANM, or denial of applications for mining permits by ANM or the Ministry of Mines, which cannot be further contested judicially because of issuance of a final and unappealable decision.

If within ninety days of the commencement of the technical due diligence period Borborema identifies any material defects that impair the full exploitation of less than half of the Amargosa Tenements, the parties will agree a proportionate reduction in the purchase price.

Within three business days of payment of the second instalment by Borborema the parties shall execute and submit to the ANM the transfer instrument and other required documents to be submitted by Rio Tinto Brazil to obtain the transfer of the Amargosa Tenements.

Borborema is responsible for maintaining the good standing of the Amargosa Tenements. Until the transfer of the exploration permits to Borborema has been registered by ANM, Rio Tinto Brazil shall provide such assistance and co-operation as is reasonably required by Borborema to maintain the good standing of the exploration permits. BRE is a party to the Agreement as a guarantor of the performance of Borborema's obligations under the Agreement.

Included in the Amargosa Tenements are four mining permit applications (being 872605/2006, 870465/1989, 870466/1989 and 870463/1989) that are registered in the name of Titanio Goias Mineracao Ind e Com Ltda (**Titanio**). If granted, each mining permit will be valid for four years from the date of grant. On 19 August 2010, Titanio and Rio Tinto Brazil entered into an agreement pursuant to which Titanio agreed to grant to Rio Tinto Brazil an option to purchase the four mining permits if they are granted (**Titanio Agreement**). Under the terms of the Titanio Agreement, Titanio has, subject to complying with applicable legislation and the parties agreeing an operating agreement, the right to undertake exploration and mining activities exclusively for titanomagnetite until 19 August 2030. In consideration for maintaining the option and purchasing the tenements, Borborema has assumed Rio Tinto Brazil's obligation to pay Titanio USD257.00 per hectare (approximately USD167,000 in total) for all four mining permit applications, payable in five equal tranches as follows:

- (i) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within 10 days of the granting of the mining permit.
- (ii) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within one year of the granting of the mining permit.
- (iii) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within two years of the granting of the mining permit.
- (iv) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within three years of the granting of the mining permit.
- (v) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within four years of the granting of the mining permit.

## 9. Additional Information continued

Also included in the Amargosa Tenements is availability process (processo de disponibilidade) No. 300.049/2011 over which Rio Tinto Brazil also acquired an option to purchase from Titanio. Should this exploration permit be awarded to Titanio, the option expires four years after the date on which the exploration permit is awarded. In consideration for maintaining the option and purchasing the tenement, Borborema has assumed Rio Tinto Brazil's obligation to pay Titanio USD257.00 per hectare (approximately USD 112,458.06 in total), payable in five equal tranches as follows:

- (i) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within 10 days of the granting of the exploration permit.
- (ii) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within one year of the granting of the exploration permit.
- (iii) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within two years of the granting of the exploration permit.
- (iv) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within three years of the granting of the exploration permit.
- (v) 20% of the full amount to be paid by Rio Tinto Brazil for the tenement, within four years of the granting of the exploration permit.

It is a condition of the Amargosa Tenement Acquisition Agreement, that within three days of the transfer of the title to all of the Amargosa Tenements (except for exploration permits 870.671/2009, 870.672/2009 and 870.674/2009) to Borborema, the parties will enter into a pledge agreement pursuant to which Borborema will grant to Rio Tinto Brazil first ranking security over the Amargosa Tenements. Under the pledge agreement, Borborema will agree to not sell, assign, transfer, exchange, grant an option over the Amargosa Tenements, and to not restrict, depreciate or diminish the collateral while the pledge agreement is valid. Borborema will also guarantee that the Amargosa Tenements will remain in its possession, free and clear of all liens and encumbrances, except for the pledge in favour of Rio Tinto Brazil. If Borborema receives a notice informing the occurrence of levy of execution, sequestration, seizure or any other judicial or administrative measure on the Amargosa Tenements, Rio Tinto Brazil will be entitled to demand a supplementation of the pledge with other assets. If Borborema defaults on its obligations under the Amargosa Tenement Acquisition Agreement after it becomes the registered holder of the Amargosa Tenements, Rio Tinto Brazil may be able to exercise its rights under the security agreement to sell the Amargosa Tenements pledged as a security to third parties or to purchase the pledged tenements from Borborema for their market value as determined by court appointed expert.

The Amargosa Tenement Acquisition Agreement includes other terms and conditions that are usual for this type of contract.

Rio Tinto and Rio Tinto Brazil are not related parties of the Company nor promoters of the Company.

### (f) Amargosa Option Agreement

On 20 October 2023 the Company's wholly owned subsidiary Borborema entered into a Mineral Rights Call Option Agreement (the **Amargosa Option Agreement**) with Rio Tinto Brazil pursuant to which Borborema is granted the right, but not the obligation to acquire exploration permits 870.671/2009, 870.672/2009 and 870.674/2009 (**Optioned Permits**) for a cash payment of the Brazilian Real equivalent of US\$672,000.

The Optioned Permits are currently subject to contractual rights granted to a third party by Rio Tinto Brazil which expire on the earlier of termination by the third party or 26 November 2026 if the third party has not fulfilled its obligations in relation to the Optioned Permits by that date (**Third Party Rights**).

Within six months of the termination or expiry of the Third-Party Rights, Rio Tinto Brazil is to provide Borborema written notice of such termination or expiry. If Borborema wishes to exercise the option, it must, within thirty days of receiving this written notice, notify Rio Tinto Brazil in writing of its wish to exercise the option and must pay the option exercise price of the Brazilian Real equivalent of US\$672,000 within ten days of the date of the exercise notice.

Within fifteen days of the date of the option exercise notice the parties shall execute an agreement for the assignment of the Optioned Permits to Borborema and within fifteen days of execution of this agreement the assignment agreement is to be registered with the ANM.

The Amargosa Option Agreement includes other terms and conditions that are usual for this type of contract. Further information regarding the Amargosa Option Agreement is provided in paragraph 358 of the Independent Solicitor's Report in Section 8.

### (g) Alpha Tenement Acquisition Agreement

Commencing 23 August 2023, the Company and Borborema entered into transactions with Rare Earths Americas Pty Ltd and its wholly owned subsidiary Alpha Minerals Brazil Participacoes Ltda (**Alpha Brazil**) (together comprising the **Alpha Tenement Acquisition Agreement**), the effect of which were that Borborema acquired a 100% interest in 16 mineral exploration permits (being the Alpha Tenements) from Alpha Brazil in consideration for 28,712 Shares (on a pre-Share split basis) which have been issued by the Company<sup>13</sup> (and are included in the Shares on issue as at the date of this Prospectus detailed in Section 1.7) to Rare Earths Americas Pty Ltd as the nominee of Alpha Brazil.<sup>14</sup> The transactions involved the following steps:

- (i) Alpha Brazil, a wholly owned subsidiary of Rare Earths Americas Pty Ltd, spun out the Alpha Tenements through a de-merger of part of its business undertaken in accordance with Brazilian Law. The de-merged business was comprised solely of the Alpha Tenements. All liabilities related to the Alpha Tenements, including any unpaid consideration for the acquisition of the Alpha Tenements by Alpha Brazil remained the responsibility of Alpha Brazil subsequent to the de-merger.
- (ii) The de-merged part of the Alpha Brazil business holding the Alpha Tenements was then acquired by Borborema through a merger undertaken in accordance with Brazilian law and which was approved by the Brazilian Government Business Registration Service of São Paulo on 23 August 2023. Borborema has applied to ANM for the registration of the transfer of the Alpha Tenements into the name of Borborema and at the date of this Prospectus that registration had not been finalised. The consideration provided by Borborema for the Alpha Tenements was 6,030,984 shares in Borborema.
- (iii) The Company, Rare Earths Americas Pty Ltd and Borborema entered into a Share Purchase Agreement effective 30 September 2023 pursuant to which Rare Earths Americas Pty Ltd agreed to sell to the Company the 6,030,984 shares in Borborema it acquired in step (ii) above in consideration for 28,712 Shares (being the Shares described above, on a pre-Share split basis) (**Alpha Consideration Shares**). The Alpha Consideration Shares were issued by the Company on 20 October 2023.

Details of the Alpha Tenements are provided in the Independent Solicitor's Report in Section 8.

The Alpha Tenements were acquired by Alpha Brazil pursuant to the following agreements:

- (i) On 26 January 2023, Alpha Brazil entered into an agreement with RE 17 Mineração, Pesquisas Mineraias e Participações Ltda. (**RE17**) to acquire six exploration permits (being exploration permits 870.728/2016, 870.727/2016, 870.717/2017, 870.726/2016, 870.484/2017 and 870.483/2017 for cash consideration of R\$3,250,000). The transfer of the exploration permits to Alpha Brazil was registered by ANM on 3 May 2023.
- (ii) On 26 January 2023, Alpha Brazil entered into an agreement with Maria Emilia de Freitas Palhares Prais (**Maria Emilia**) for the acquisition of five exploration permits (which included two of the Alpha Tenements, being exploration permits, 871.394/2017 and 871.395/2017) for cash consideration of R\$600,000. Alpha Brazil applied to the ANM for the registration of the transfer of the permits into the name of Alpha Brazil on 29 June 2023. The transfer of the exploration permits to Alpha Brazil was registered by ANM on 11 May 2023. Alpha Brazil has paid Maria Emilia the full consideration for these exploration permits.

13. In the form of 28,712 Shares on a pre-Share split basis, which now comprise 5,024,600 Shares on a post-Share split basis.

14. Refer to Section 4.4(d) for further information in relation to Rare Earths Americas Pty Ltd and Alpha Brazil.



## 9. Additional Information continued

- (iii) On 29 May 2023, Alpha Brazil entered into an agreement with Maria Emilia for the acquisition of four exploration permits (being exploration permits 870.899/2017, 870.900/2017, 870.906/2017, and 870.912/2017) for cash consideration of R\$700,000. The transfer of the exploration permit 870.912/2017 to Alpha Brazil was registered by ANM on 26 October 2023. Alpha Brazil has paid Maria Emilia R\$490,000 of the R\$700,000 cash consideration with a further instalment of R\$210,000 payable by Alpha Brazil not more than sixty days after the publication of the transfer of the exploration permits in the Official Gazette.
- (iv) On 30 May 2023, Alpha Brazil entered into an agreement with GR Consultoria em Prospecção Mineral Ltda. (**GR Consultoria**) for the acquisition of four exploration permits (being exploration permits 871.243/2021, 871.164/2021, 871.042/2021 and 871.144/2021) for cash consideration of R\$1,800,000. The transfer of the exploration permits to Alpha Brazil was registered by the ANM on 30 August 2023. Alpha Brazil has paid the consideration in full to GR Consultoria.

None of RE17, Maria Emilia or GR Consultoria are related parties or promoters of the Company.

For the purposes of Listing Rule 10.1, Borborema, being a wholly-owned subsidiary of the Company, may be treated as acquiring a substantial asset from Alpha Brazil (being the Alpha Tenements) which could potentially require approval by Shareholders if the Alpha Tenement Acquisition Agreement had been entered into following the Company's admission to the Official List of the ASX.

As Borborema agreed to acquire the Alpha Tenements, including by entering into the Alpha Tenement Acquisition Agreement, prior to the Company's proposed admission to the Official List of the ASX, even if the Alpha Tenement Acquisition were to be treated as an acquisition of a substantial asset, Shareholder approval would not be required under Listing Rule 10.1 due to the exception in Listing Rule 10.3(e) applying on the basis of the disclosures in this Prospectus.<sup>15</sup>

### (h) Related party equipment hire contract

On 13 June 2023 Borborema entered into an agreement with Brazil Royalty Corp Participacoes e Investimentos Ltda (**BRC**) pursuant to which Borborema is to pay BRC BRL450,000 per month for the hire of an Eijkelkamp CRS XL170 Max Duo Pro drill rig for use in Borborema's mineral exploration activities.

The contract has no fixed term and will continue until the return of the equipment to BRC by Borborema. Borborema is required to provide BRC sixty days' notice of its intention to return the equipment and terminate the agreement.

All maintenance and insurance expenses are the responsibility of Borborema with maintenance required to be undertaken by contractors nominated by BRC.

On 31 August 2023, the parties agreed to a reduction in the monthly rental under the agreement from R\$450,000 to R\$400,000. All other terms of the agreement remained unchanged. The contract includes other terms and conditions that are usual for this type of contract.

15. Notwithstanding Alpha Brazil and Rare Earths Americas Pty Ltd potentially being related parties of the Company (as detailed in Section 4.4(d)) and therefore triggering Listing Rule 10.1.1 in relation to the Company and also potentially triggering Listing Rule 10.1.4 as an associate of a related party of the Company.

### **(i) Related party management services contract**

On 1 August 2022 the Company's Brazilian subsidiary Borborema entered into an agreement with BRC pursuant to which Borborema is to pay BRC BRL50,000 per month for the provision of management services to Borborema by BRC.

On 1 April 2023 Borborema and BRC agreed to extend the term of the agreement for a twelve month period ending on 31 March 2024.

The contract may be terminated, without penalty, by either party providing written notice to the other party.

The contract includes other terms and conditions that are usual for this type of contract.

### **(j) Motor vehicle fleet lease agreement**

On 1 November 2022, Borborema entered into a motor vehicle fleet lease agreement to hire seventeen passenger utility vehicles from Prisma-Projetos Avaliacoés e Topografia Eirelli (**Hirer**) (which is not a related party of the Company) for a term of twenty-four months at a monthly payment of BRL144,500.

On 23 January 2023 the agreement was amended to include an additional ten vehicles and to increase the monthly payment to BRL229,500.

Scheduled maintenance and insurance expenses are the responsibility of the Hirer. Borborema is responsible for the costs of non-scheduled maintenance, repairs for damage to the vehicles through misuse and the insurance excess in the case of insurance claims. The agreement expires on 4 January 2025 but will automatically renew unless either party provides written notice to the other party that they wish to terminate the agreement. If either party terminates the agreement within twelve months of its commencement, the terminating party must pay a penalty of R\$17,000 to the other party.

The contract includes other terms and conditions that are usual for this type of contract.

### **(k) Technical and Scientific Co-operation Agreement (Clean Processing Technology)**

On 5 September 2023 BRC entered into an agreement with Instituto Federal de Educação, Ciência e Tecnologia do Rio Grande do Norte (**IFRN**) pursuant to which those parties will work together to develop new methodologies and processes for clean leaching of rare earths elements absorbed into ionic clays

The total value of the contract is R\$3,281,204.73 with Borborema funding around 30% (R\$998,444.73) and IFRN funding the balance of approximately 70% of the total contract value.

Intellectual property arising from the services provided under the agreement is to be jointly owned by IFRN and Borborema. The share of the intellectual property owned by IFRN may be transferred to Borborema upon payment of the amount equivalent to fifteen percent of the total value of the contract.

The contract includes other terms and conditions that are usual for this type of contract.

## 9. Additional Information continued

### 9.7 Related Party Transactions

Other than as disclosed in Section 4.4(d) or elsewhere in this Prospectus, there are no other existing agreements or arrangements and there are currently no proposed transactions in which the Company was, or is to be, a participant, and in which any related party of the Company (other than intra-group matters with, or between, the Company's wholly owned subsidiaries) has or will have a direct or indirect material interest.

Where required, related party financial benefits were approved by Shareholders, or by the Board without Shareholder approval where they were determined (absent any director with a material personal interest) to be reasonable remuneration, on arm's length terms or indemnities, exemptions or insurance premiums or other matters which are exempt from Shareholder approval requirements under the Corporations Act.

All future related party arrangements will be determined by the Board, having regard to their duties as Directors, and, where required, all requisite approvals, including but not limited to, Shareholder approval will be obtained. The Board monitors compliance with the law in relation to related party transactions via internal controls and obtaining legal advice where required.

### 9.8 Effect of the Offer on control and substantial Shareholders

As at the date of this Prospectus, based on the Company's register of Shareholders, the following persons have an interest in 5% or more of the Shares on issue:

**Table 23: Persons holding an interest of 5% or more of the Shares on issue at the date of this Prospectus**

SHAREHOLDER	NUMBER OF SHARES	PERCENTAGE OF SHARES
Kuda Huraa Mining Ventures and Global Investments Corp <sup>1</sup>	27,230,350	18.59%
DITM Holdings Pty Ltd <sup>2,3</sup>	24,577,875	16.78%
Bernardo Sanchez Agapito da Veiga <sup>3</sup>	17,586,625	12.01%
Kitabella Pty Ltd	16,907,100	11.54%
Dominic Paul Allen	16,580,423	11.32%
Anastasios Arima	16,235,514	11.08%

**Notes:**

1. The Company understands Kuda Huraa Mining Ventures and Global Investments Corp is owned by Paulo Roberto Santoro Salomao, based on the information available to the Company, shortly prior to the lodgement of this Prospectus.
2. DITM Holdings Pty Limited is a company controlled and owned by Mr Todd Hannigan and his spouse.
3. Refer also to Section 4.4(d) for disclosures made in relation to Rare Earths Americas Pty Ltd, which holds 5,024,600 Shares which are not included in the table above.

The persons who may hold an interest in 5% or more of the Shares upon admission of the Company to the Official List are currently unknown. However, based on the information known as at the date of this Prospectus, upon Admission the following Shareholders are expected to have an interest in 5% or more of the Shares on issue (noting that substantial shareholdings may be impacted by allocations of Shares under the Offer):

**Table 24: Persons expected to hold an interest of 5% or more of the Shares on issue at the date of Admission**

SHAREHOLDER	NUMBER OF SHARES	% OF SHARES ON ADMISSION <sup>1</sup>
Kuda Huraa Mining Ventures and Global Investments Corp <sup>2,3</sup>	27,975,783	13.07%
DITM Holdings Pty Ltd <sup>2,4</sup>	24,577,875	11.48%
Bernardo Sanchez Agapito da Veiga <sup>2</sup>	17,586,625	8.21%
Whitehaven Coal Limited <sup>5</sup>	17,128,595	8.00%
Kitabella Pty Ltd <sup>2,6</sup>	16,907,100	7.90%
Dominic Paul Allen <sup>2</sup>	16,580,423	7.74%
Anastasios Arima <sup>2</sup>	16,235,514	7.58%
Hancock Prospecting Pty Limited <sup>7</sup>	13,708,006	6.40%
<b>Total</b>	<b>150,699,921</b>	<b>70.38%</b>

**Notes:**

1. Assuming 33,624,073 Shares are issued pursuant to Notes Conversion on the Allotment Date and assuming 34,013,606 Shares are issued pursuant to the Offer and that no further Shares are issued or cancelled prior to Admission. The percentages in the table above may vary if the conversion of the Convertible Notes occurs at a different time than anticipated, due to that impacting on the number of Shares to be converted from interest due on the Founder Notes, as detailed in Section 9.6(c).
2. It is not anticipated that these Shareholders will participate in the Offer. Dominic Allen was previously a Director of the Company, but he resigned from that role with effect from 28 August 2023. Refer also to Section 4.4(d) for disclosures made in relation to Rare Earths Americas Pty Ltd, which holds 5,024,600 Shares which are not included in the table above.
3. This includes the estimated number of Shares to be issued to Kuda Huraa Mining Ventures and Global Investments Corp pursuant to the conversion of the Founder Notes as detailed in Section 9.6(c). The Company understands Kuda Huraa Mining Ventures and Global Investments Corp is owned by Paulo Roberto Santoro Salomao, based on the information available to the Company, shortly prior to the lodgement of this Prospectus.
4. DITM Holdings Pty Limited is a company controlled and owned by Mr Todd Hannigan and his spouse.
5. This includes 7,828,257 Shares to be issued to ACN 664 400 382 Pty Ltd on conversion of the Convertible Notes on the Allotment Date and 9,300,338 Shares allocated to Whitehaven Blackjack Pty Ltd under the Institutional Offer bookbuild (such allocation may change prior to completion of the Institutional Offer). Searches of ASIC's register conducted by the Company shortly prior to the lodgement of this Prospectus indicate that Whitehaven Coal Limited is the ultimate holding Company of each of ACN 664 400 382 Pty Ltd and Whitehaven Blackjack Pty Ltd.
6. Searches of ASIC's register conducted by the Company shortly prior to the lodgement of this Prospectus indicate that the shareholders of Kitabella Pty Ltd are Kirk Kileff and Sarah-Anne Kileff.
7. Includes 12,525,212 Shares to be issued to Hanrine Investments Pty Ltd on conversion of the Convertible Notes on the Allotment Date and 1,182,794 Shares allocated to Hancock Prospecting Pty Limited under the Institutional Offer bookbuild (such allocation may change prior to completion of the Institutional Offer). Searches of ASIC's register conducted by the Company shortly prior to the lodgement of this Prospectus indicate that Hancock Prospecting Pty Limited is the sole shareholder of Hanrine Investments Pty Ltd.

## 9. Additional Information continued

### 9.9 Interests and Benefits

No Director or proposed Director has as at the date of this Prospectus, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer, and

no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (a) any Director or proposed Director to induce them to become, or to qualify as, a Director; or
- (b) any Director or proposed Director for services provided in connection with the formation or promotion of the Company or the Offer,

except as disclosed in this Prospectus.

### 9.10 Interests of Promoters, Experts and Advisers

No promoter, underwriter to the Offer, financial services licensee named in this Prospectus as a financial services licensee involved in the Offer or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds or has (in each case as at the date of this Prospectus) or has had in the two (2) years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to any such person, for services provided in connection with the formation or promotion of the Company or the Offer, except as follows or as otherwise disclosed in this Prospectus:

- (a) Hall Chadwick WA Audit Pty Ltd has acted as auditor to the Company and has audited the financial statements of the Company for the period from 31 March 2021 to 31 December 2021 and for the year ended 31 December 2022 and reviewed the financial statements of the Company for the half year ended 30 June 2023. The Company has paid, or has agreed to pay, an amount of approximately A\$34,332 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid under time-based charges;
- (b) Hall Chadwick WA Audit Pty Ltd has also acted as Investigating Accountant and has prepared the Independent Limited Assurance Report which has been included in Section 6. The Company has paid, or has agreed to pay, an amount of approximately A\$24,500 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid to the Investigating Accountant under time-based charges;
- (c) Canaccord Genuity (Australia) Limited is the Lead Manager and Underwriter to the Offer and will receive a fee of up to A\$2,500,000 (plus GST) of the gross proceeds raised under the Offer, as described in Section 9.6(b), following the successful completion of the Offer for its services as lead manager, underwriter and bookrunner to the Offer. During the two years preceding the lodgement of this Prospectus with ASIC, the Lead Manager and Underwriter also received fees of A\$400,000 (plus GST) from the Company for corporate advisory and brokerage services in relation to the issuance of Convertible Notes by the Company. The Lead Manager and Underwriter has not received any other fees from the Company for any other services during the two years preceding the lodgement of this Prospectus with ASIC;

- (d) Petra Capital Pty Ltd ACN 110 952 782 has acted as the Co-Lead Manager to the Offer pursuant to its appointment letter with the Lead Manager and Underwriter described in Section 9.6(b). The Company will not pay any fees directly to the Co-Lead Manager for these co-lead manager services. Instead, the Co-Lead Manager will receive a fee of up to A\$375,000 (inclusive of GST) following successful completion of the Offer and payment by the Company of the fees payable to the Lead Manager and Underwriter. During the two years preceding the lodgement of this Prospectus with ASIC, the Co-Lead Manager has not received any fees from the Company;
- (e) ERM Australia Consultants Pty Ltd (trading as CSA Global) has acted as the independent technical expert to the Company and has prepared the Independent Technical Report which has been included in Section 7. The Company has paid, or has agreed to pay, an amount of approximately A\$90,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid under time-based charges;
- (f) William Freire Advogados Associados has acted as the tenement solicitors to the Company and has prepared the Independent Solicitor's Report which has been included in Section 8. The Company has paid, or has agreed to pay, an amount of approximately A\$90,000 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid under time-based charges;
- (g) Adamas Intelligence Inc has acted as the industry expert to the Company and has prepared the Industry Overview Report which has been included in Section 5. The Company has paid, or has agreed to pay, an amount of approximately A\$53,170 (excluding disbursements and GST) for these services up until the date of this Prospectus. Further amounts may be paid under time-based charges;
- (h) Thomson Geer has acted as Australian legal advisor to the Company in relation to the Offer. The Company has paid, or has agreed to pay, an amount of approximately A\$370,000 (excluding disbursements and GST) in respect of these services up until the date of this Prospectus. In addition, Thomson Geer has received, or will receive, approximately A\$193,000 (excluding disbursements and GST) from the Company for further legal services provided by Thomson Geer to the Company up until the date of this Prospectus. Further amounts may be paid to Thomson Geer in accordance with its normal time-based charges; and
- (i) Xcend Pty Ltd is the Company's share registry in respect of the Offer, and will be paid up to \$25,625 (excluding disbursements and GST) for these services. During the two years preceding the lodgement of this Prospectus with ASIC, Xcend Pty Ltd has received, or will receive, approximately A\$5,000 (excluding disbursements and GST) from the Company for further share registry services to the Company up until the date of this Prospectus. Further amounts will be paid to Xcend Pty Ltd in accordance with its normal charges.

Further amounts may be paid to the Company's service providers in accordance with their normal time-based charges.

## 9.11 Consents

Each of the parties referred to in this Section:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC; and
- (b) (except for the Directors) makes no representation regarding and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement or report included in this Prospectus with the consent of that party as specified in this Section 9.11.

None of the parties referred to in this Section 9.11 (other than the Directors) authorised or caused the issue of this Prospectus or the making of the Offer.

## 9. Additional Information continued

- (a) Hall Chadwick has given its written consent to be named as the Company's auditor and Investigating Accountant in this Prospectus, each in the form and context in which it is named, and has given its written consent to the inclusion of information in this Prospectus relating to its audit opinion for the Company's financial accounts for the period from 31 March 2021 (being the date of incorporation of the Company) to 31 December 2021, its audit opinion for the Company's 31 December 2022 financial accounts, its review conclusion of the Company's financial accounts for the half-year ended 30 June 2023 and to the inclusion of its Independent Limited Assurance Report (and each reference to it) in this Prospectus, in each case in the form and context in which it is included, and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Hall Chadwick, in each case in the form and context as they appear in this Prospectus. Hall Chadwick has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (b) Canaccord Genuity (Australia) Limited has given its written consent to being named in this Prospectus as lead manager, underwriter and bookrunner to the Offer in the form and context in which it is named in this Prospectus and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Canaccord Genuity (Australia) Limited, in each case in the form and context as they appear in this Prospectus. Canaccord Genuity (Australia) Limited has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (c) Petra Capital Pty Ltd has given its written consent to being named in this Prospectus as co-lead manager to the Offer in the form and context in which it is named in this Prospectus and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Petra Capital Pty Ltd, in each case in the form and context as they appear in this Prospectus. Petra Capital Pty Ltd has not withdrawn its consent prior to lodgement of this Prospectus with ASIC.
- (d) ERM Australia Consultants Pty Ltd (trading as CSA Global) has given its written consent to be named as the independent technical expert to the Company in this Prospectus in the form and context in which it is named and to the inclusion of its Independent Technical Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, ERM Australia Consultants Pty Ltd (trading as CSA Global), in each case in the form and context as they appear in this Prospectus. ERM Australia Consultants Pty Ltd (trading as CSA Global) has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
- (e) William Freire Advogados Associados has given its written consent to being named as the tenement solicitors to the Company in this Prospectus in the form and context in which it is named and to the inclusion of its Independent Solicitor's Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, William Freire Advogados Associados, in each case in the form and context as they appear in this Prospectus. William Freire Advogados Associados has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
- (f) Thomson Geer has given its written consent to be named in this Prospectus as Australian legal advisor to the Company in relation to this Prospectus, in the form and context in which it is named. Thomson Geer has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
- (g) Xcend Pty Ltd has given its written consent to be named as the Company's share registry in this Prospectus in the form and context in which it is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Xcend Pty Ltd, in each case in the form and context as they appear in this Prospectus. Xcend Pty Ltd has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.



- (h) Adamas Intelligence Inc has given its written consent to being named as the industry expert to the Company in this Prospectus in the form and context in which it is named and to the inclusion of its Industry Overview Report (and each reference to it) in this Prospectus in the form and context in which it is included and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, Adamas Intelligence, in each case in the form and context as they appear in this Prospectus. Adamas Intelligence has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC.
- (i) David Williams has given his written consent to being named in this Prospectus as a Competent Person, as a Practitioner and Specialist and as a contributing author of the Independent Technical Report, in each case in the form and context in which he is named. David Williams has also given his written consent to the inclusion in this Prospectus of the Independent Technical Report in the form and context in which it is included, and the matters and the supporting information based on his information and all information and statements relating to, made by, or said to be based on statements by, him, in each case in the form and context as they appear in this Prospectus. David Williams has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.
- (j) Pete Siegfried has given his written consent to being named in this Prospectus as a Competent Person, as a Practitioner and Specialist and as a contributing author of the Independent Technical Report, in each case in the form and context in which he is named. Pete Siegfried has also given his written consent to the inclusion in this Prospectus of the Independent Technical Report in the form and context in which it is included, and the matters and the supporting information based on his information and all information and statements relating to, made by, or said to be based on statements by, him, in each case in the form and context as they appear in this Prospectus. Pete Siegfried has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.
- (k) Sonia Konopa has given her written consent to being named in this Prospectus as a Competent Person, as a Practitioner and Specialist and as coordinating author and peer reviewer of the Independent Technical Report, in each case in the form and context in which she is named. Sonia Konopa has also given her written consent to the inclusion in this Prospectus of the Independent Technical Report in the form and context in which it is included, and the matters and the supporting information based on her information and all information and statements relating to, made by, or said to be based on statements by, her, in each case in the form and context as they appear in this Prospectus. Sonia Konopa has not withdrawn her consent prior to the lodgement of this Prospectus with ASIC.
- (l) Adam Karst has given his written consent to being named in this Prospectus as a Competent Person, in each case in the form and context in which he is named. Adam Karst has also given his written consent to the inclusion in this Prospectus of the Independent Technical Report in the form and context in which it is included, and the matters and the supporting information based on his information and all information and statements relating to, made by, or said to be based on statements by, him, in each case in the form and context as they appear in this Prospectus. Adam Karst has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.
- (m) Peter Diorio has given his written consent to being named in this Prospectus in the form and context in which he is named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, him, in each case in the form and context as they appear in this Prospectus. Peter Diorio has not withdrawn his consent prior to the lodgement of this Prospectus with ASIC.
- (n) Each of the Directors has given their written consent to being named in this Prospectus in the form and context in which they are named and to the inclusion in this Prospectus of all information and statements relating to, made by, or said to be based on statements by, them, in each case in the form and context as they appear in this Prospectus. The Directors have not withdrawn their consents prior to lodgement of this Prospectus with ASIC.

## 9. Additional Information continued

### 9.12 Ownership Restrictions

The sale and purchase of Shares in Australia are regulated by a number of laws that restrict the level of ownership or control by any one person (either alone or in combination with others). This Section 9.12 details a general description of certain of these laws.

#### (a) *Foreign Acquisitions and Takeovers Act 1975 (Cth) and Commonwealth Government Foreign Investment Policy*

Generally, the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* (**FATA**) applies to acquisitions of shares and Voting Power in a company of 20% or more by a single “foreign person” and its associates (**Substantial Interest**).

Where a proposed acquisition of a Substantial Interest meets certain criteria, the acquisition may not occur unless notice of it has been given to the Commonwealth Treasurer and the Commonwealth Treasurer has either stated that there is no objection to the proposed acquisition in terms of Australia’s Foreign Investment Policy or a statutory period has expired without the Commonwealth Treasurer objecting. An acquisition of a Substantial Interest meeting certain criteria may also result in a disposal order unless prior notification of the acquisition has been made to the Commonwealth Treasurer and either a non-objection notification has been issued or a statutory period has expired without objection to the acquisition.

In addition, under the FATA, proposed acquisitions of a “direct interest” in an Australian company by “foreign government investors” and their associates must be notified to the Commonwealth Treasurer for prior approval, irrespective of the value of the investment. Under the FATA, a “direct interest” is an interest of 10% in the entity but may also include an interest of less than 10% where the investor has entered into business arrangements with the entity, or where the investor is in a position to influence or participate in the management and control or policy of the entity. It is the responsibility of each investor to confirm whether the FATA applies to them before acquiring securities in a company and to comply with the FATA. Failure to comply with the FATA may result in civil and/or criminal penalties.

The Australian Federal Treasurer also retains the right to “call-in” certain acquisitions for review after the acquisition occurs.

If a sufficient proportion of the Company’s issued securities are held by “foreign persons” (or “foreign government investors”), then the Company itself (and its subsidiaries) will be a “foreign person” (or a “foreign government investor”) for the purposes of the FATA and the Company and its corporate group would be subject to regulatory compliance requirements under the FATA.

#### (b) *Corporations Act*

The takeover provisions in Chapter 6 of the Corporations Act restrict acquisitions of Relevant Interests in issued voting shares in listed companies, and unlisted companies with more than 50 members, if, as a result of the acquisition, the acquirer’s (or another party’s) Voting Power in that company would increase from 20% or below to more than 20%, or would increase from a starting point that is above 20% and below 90%, unless certain exceptions apply. The Corporations Act also imposes notification requirements on persons having Voting Power of 5% or more in the Company either themselves or together with their associates.

## 9.13 Expenses of the Offer

The estimated total expenses of the Offer payable by the Company are (including GST):

Table 25: Estimated expenses of the Offer

CATEGORY OF EXPENSE	(A\$)
ASIC Lodgement Fee	5,500
ASX Listing Fee	303,580
Australian Legal Counsel Fees	503,116
Lead Manager and Underwriter Fee <sup>1</sup>	2,750,000
Independent Limited Assurance Report	45,650
Independent Technical Report	99,000
Industry Report	53,170
Brazil Legal Counsel Fees	149,500
Share Registry	25,625
Executive bonuses <sup>2</sup>	716,000
Other expenses of the Offer	71,500
<b>Total expenses of the Offer</b>	<b>4,722,641</b>
Expenses of the Offer paid up to the date of this Prospectus	(439,557)
<b>Expenses of the Offer to be paid from the proceeds of the Offer</b>	<b>4,283,084</b>

**Notes:**

1. Represents the maximum possible fees which may be payable by the Company to the Lead Manager and Underwriter under the Underwriting Agreement assuming all Shares are issued under the Broker Firm Offer and the Institutional Offer and that no Shares are issued under the Priority Offer and no Shares are issued to investors included in the Chairman's list. The actual fees payable to the Lead Manager and Underwriter may vary as detailed in Section 9.6(b). That Section also contains information in relation to the fees which may be payable by the Lead Manager and Underwriter to the Co-Lead Manager.
2. Refer to Section 4.5 for further information in relation to the terms of Executive Agreements pursuant to which bonuses may be payable on completion of the Offer.

## 9.14 Disclosing Entity

Following admission to the Official List, the Company will be a "disclosing entity" (as defined in section 111AC of the Corporations Act) and, as such, will be subject to additional obligations under the Corporations Act, including (among other things):

- (a) the special requirements that apply to remuneration recommendations in relation to key management personnel;
- (b) the obligation to prepare financial statements and reports for half-years as well as full financial years, as detailed in Chapter 2M of the Corporations Act; and
- (c) the continuous disclosure requirements under the Corporations Act (in addition to the other obligations that will apply under the Listing Rules following the Company's admission to the Official List).

The Company will comply with its continuous disclosure requirements by publicly releasing price sensitive information through ASX before it is otherwise disclosed to Shareholders and market participants.

## 9. Additional Information continued

### 9.15 Litigation and Claims

So far as the Directors are aware, there are no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

### 9.16 Continuous Disclosure Obligations

Following Admission, the Company will be subject to regular reporting and disclosure obligations. Specifically, the Company will be required to continuously disclose to the ASX market any information it has which a reasonable person would expect to have a material effect on the price or the value of the Shares (unless a relevant exception to disclosure applies). Price sensitive information will be publicly released through ASX before it is otherwise disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to ASX. In addition, the Company will post this information on its website after ASX confirms that an announcement has been made.

### 9.17 Regulatory Relief

#### (a) ASIC exemptions, modifications and relief

The Company has applied for and ASIC has issued to the Company a declaration under subsection 741(1)(b) of the Corporations Act modifying or varying section 707 of the Corporations Act to permit Shares issued to holders of the Convertible Notes (including in relation to the accrued interest on the Founder Notes) pursuant to the Notes Conversion to be able to be sold within 12 months of their issue without the requirements for a future disclosure document (or cleansing notice) being prepared in connection with those sales.

#### (b) ASX in-principle waivers

The Company has applied for and been granted an in-principle confirmation from ASX (which is no longer current) that (subject to ASX's discretion to make a different decision), upon the Company's formal application to ASX Limited, ASX would be likely to:

- (i) grant the Company a waiver from Listing Rule 11 condition 12 to the extent necessary to permit the Company to have on issue up to 10,095,400 Options (comprising the Director Options and Management Performance Options) to be issued to Directors and key management personnel of the Company (as applicable) for a nil exercise price on the condition that the full terms and conditions of those Options are clearly disclosed in this Prospectus; and
- (ii) confirm that the terms of the 10,095,400 Options (comprising the Director Options and Management Performance Options) are appropriate and equitable for the purposes of Listing Rule 6.1 subject to certain conditions.

Whilst this in-principle advice has expired, the Company will apply for a formal waiver and confirmation on a similar basis when submitting its formal application to ASX for Admission. The material terms and conditions of the Options referred to above have been disclosed in Sections 9.3 and 9.4. Further information that was required by ASX in relation to those Options has also been included in Section 9.5 (or elsewhere in this Prospectus).

## 9.18 Electronic Prospectus

If you have received this Prospectus as an Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not, please email the Company and (if you are eligible) the Company will send to you, for free, either a hard copy or a further electronic copy of this Prospectus or both. This Prospectus may be made available in electronic form only to persons in Australia.

The Corporations Act prohibits any person from passing on to another person an Application Form, unless it is attached to or accompanies a hard copy of this Prospectus or a complete and unaltered electronic copy of this Prospectus.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies received will be dealt with in accordance with section 722 of the Corporations Act.

## 9.19 Governing law

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the law applicable in New South Wales and each Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales and of the Commonwealth of Australia.

## 9.20 Documents Available for Inspection

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company at Level 1, 1024 Ann Street, Fortitude Valley QLD 4006:

- (a) this Prospectus; and
- (b) the Constitution.

## 9.21 Statement of Directors

The Directors report that after due enquiries by them, in their opinion, since the date of the financial statements in the Independent Limited Assurance Report in Section 6, there have not been any circumstances that have arisen that have materially affected the assets and liabilities, financial position, profits or losses or prospects of the Company, other than as disclosed in this Prospectus.





# 10. Authorisation

# 10. Authorisation

This Prospectus is authorised by the Company and lodged with ASIC pursuant to section 718 of the Corporations Act.

Each of the Directors has consented to the lodgement of this Prospectus with ASIC, in accordance with section 720 of the Corporations Act and has not withdrawn that consent.

This Prospectus is signed for and on behalf of the Company by:

A handwritten signature in black ink, appearing to read 'Todd Hannigan', is positioned above the printed name and title.

**Todd Hannigan**  
**Executive Chairman**

Dated: 13 November 2023





# 11.

## Glossary of Terms

# 11. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

<b>A\$ or \$ or AUD</b>	Australian dollars.
<b>Adamas Intelligence or Adamas</b>	Adamas Intelligence Inc.
<b>Admission</b>	Admission of the Company to the Official List, following completion of the Offer.
<b>Allotment Date</b>	The date the Company anticipates the Shares will be allotted and issued to Applicants pursuant to the Offer.
<b>Alpha Brazil</b>	Alpha Minerals Brazil Participacoes Ltda.
<b>Alpha Tenement Acquisition Agreement</b>	The agreement summarised in Section 9.6(g).
<b>Alpha Tenement Acquisition</b>	The acquisition by the Company of the Alpha Tenements, as detailed in Section 9.6(g).
<b>Alpha Tenements</b>	The sixteen active exploration permits (located in the Northeast of Brazil, in the State of Bahia) which the Company's wholly owned Brazilian subsidiary Borborema has entered into a legally binding agreement (being the Alpha Tenement Acquisition Agreement) to purchase from Alpha Minerals Brazil Participacoes Limitada and which will be wholly owned by Borborema Mineracao Limitada on completion of the agreement. Refer to Section V of the Independent Solicitor's Report at Section 8 of this Prospectus for further information regarding the Alpha Tenements and Section 9.6(g) of this Prospectus for the material terms of the agreement to purchase the Alpha Tenements.
<b>ANM</b>	National Mining Agency of Brazil.
<b>Amargosa Option Agreement</b>	The agreement summarised in Section 9.6(f).
<b>Amargosa Tenement Acquisition</b>	The acquisition by Borborema of the Amargosa Tenements pursuant to the Amargosa Tenement Acquisition Agreement.
<b>Amargosa Tenement Acquisition Agreement</b>	The agreement summarised in Section 9.6(e).

## 11. Glossary of Terms continued

<b>Amargosa Tenements</b>	<p>The:</p> <ul style="list-style-type: none"> <li>▪ package of: <ul style="list-style-type: none"> <li>› forty six granted exploration permits;</li> <li>› four applications for mining permits; and</li> <li>› two disponibilidades,<sup>16</sup></li> </ul> <p>which the Company's wholly owned Brazilian subsidiary Borborema has entered into a legally binding agreement (being the Amargosa Tenement Acquisition Agreement) to purchase from Rio Tinto Brazil and which will be wholly owned by, or applied for by (as applicable), Borborema on completion of the agreement; and</p> </li> <li>▪ further three granted exploration permits (being the Optioned Permits) which Borborema has a call option to potentially acquire from Rio Tinto Brazil pursuant to the Amargosa Option Agreement,</li> </ul> <p>all located in the Northeast of Brazil, in the State of Bahia.</p> <p>Refer to Section VI of the Independent Solicitor's Report at Section 8 of this Prospectus for further information regarding the Amargosa Tenements, Section 9.6(e) for a summary of the Amargosa Tenement Acquisition Agreement and 9.6(f) for a summary of the Amargosa Option Agreement.</p>
<b>Applicant</b>	A person who submits Application Monies, whether with or without an Application Form.
<b>Application</b>	A valid application for Shares under the Offer made pursuant to an Application Form (accompanied by the payment of Application Monies) or made via the payment of Application Monies.
<b>Application Form(s)</b>	The application form(s) attached to this Prospectus.
<b>Application Monies or Application Money</b>	Application monies (being A\$1.47 per Share) to be paid to the Company by Applicants applying for Shares pursuant to the Offer under this Prospectus.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	ASX Limited ACN 008 624 691 or, where the context requires, the financial market operated by it.
<b>ASX Listing Rules</b>	The listing rules of ASX.
<b>ASX Settlement Rules</b>	ASX Settlement Operating Rules of ASX Settlement Pty Ltd (ABN 49 008 504 532).
<b>Board</b>	The board of Directors of the Company.
<b>Borborema</b>	Borborema Mineração Ltda., being a company which is a wholly owned subsidiary of BRE and is incorporated in Brazil.
<b>BRC</b>	Brazil Royalty Corp Participacoes E Investimentos Ltda.

16. Refer to paragraph 27.25 of the Independent Solicitor's Report in Section 8 for an explanation of the bidding procedure commonly known as "disponibilidade".

<b>BRE Tenements</b>	The thirty four active exploration permits granted to, and one application for an exploration permit submitted by, the Company's wholly owned Brazilian subsidiaries Borborema Mineracao Limitada, Jeque Mineracao Limitada and Ubaira Mineracao Limitada. Refer to Section IV of the Independent Solicitor's Report at Section 8 of this Prospectus for further information regarding those BRE Tenements.
<b>Broker</b>	Any ASX participating organisation selected by the Lead Manager and Underwriter and the Company to act as a broker to the Offer.
<b>Bt</b>	Billions of tonnes.
<b>CAGR</b>	Compound annual growth rate.
<b>Change Reason</b>	In respect of an Executive Agreement, any event where the Company materially changes the focus, nature and scale of its business such that the Listing Rules require Shareholder approval of that change.
<b>CHESS</b>	Clearing House Electronic Subregister System.
<b>Closing Date</b>	The date the Offer closes.
<b>Co-Lead Manager</b>	Petra Capital Pty Ltd ACN 110 952 782.
<b>Company or BRE</b>	Brazilian Rare Earths Limited ACN 649 154 870.
<b>Competent Person</b>	Has the meaning given in the JORC Code.
<b>Constitution</b>	The constitution of the Company from time to time.
<b>Convertible Notes</b>	The 21,432,834 convertible notes issued by the Company which are outstanding as at the date of this Prospectus (including the Founder Notes).
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Director Options</b>	Options issued to non-executive Directors (or their nominees) pursuant to the Employee Incentive Plan and on the terms and conditions detailed in Section 9.3.
<b>Directors</b>	The directors of the Company.
<b>DyTb</b>	The heavy rare earth elements Dysprosium-Terbium.
<b>Electronic Prospectus</b>	The electronic copy of this Prospectus located on the Company's website at <a href="http://www.brazilianrareearths.com">www.brazilianrareearths.com</a> .
<b>Eligible Participant</b>	Has the meaning given in Section 9.2.
<b>Employee Incentive Plan</b>	The Employee Incentive Plan adopted by the Company as summarised in Section 9.2.
<b>ERM Australia Consultants Pty Ltd</b>	ERM Australia Consultants Pty Ltd (trading as CSA Global) ACN 003 687 581.
<b>EU Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union.
<b>Executive Agreements</b>	Has the meaning given in Section 4.5.
<b>Exploration Target</b>	Has the meaning given in the JORC Code, being a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and a range of grade (or quality), relates to mineralisation for which there has been insufficient exploration to estimate a Mineral Resource.

## 11. Glossary of Terms continued

<b>Exposure Period</b>	In accordance with section 727(3) of the Corporations Act, the period of seven (7) days (which may be extended by ASIC to up to 14 days) after lodgement of this Prospectus with ASIC during which the Company must not process Applications.
<b>FMC Act</b>	<i>Financial Markets Conduct Act 2013.</i>
<b>Founder Notes</b>	The 432,834 Convertible Notes issued by the Company to Paulo Roberto Santoro Salomao and subsequently transferred to Kuda Huraa Mining Ventures and Global Investments Corp (refer to Section 9.6(c)).
<b>FPO</b>	<i>Financial Services and Markets Act 2000</i> (Financial Promotions) Order 2005.
<b>FPO Relevant Person</b>	Has the meaning given in Section 1.22.
<b>FSMA</b>	<i>Financial Services and Markets Act 2000.</i>
<b>Fully Diluted Share Capital</b>	In respect of the Convertible Notes, the fully diluted Share capital as at 5:00pm on the business day immediately before the relevant conversion date (but excluding the Convertible Notes from that calculation of the fully diluted Share capital).
<b>Good Faith</b>	In respect of an Executive Agreement, any event where the Company provides the employee the subject of that Executive Agreement with a direction or request which would require that employee to act other than in good faith or in the best interests of the Company.
<b>Good Reason</b>	In respect of an Executive Agreement, any event where the Company provides the employee the subject of that Executive Agreement with a direction or request which would constitute an unlawful act or would amount to a repudiation by the Company of that Executive Agreement.
<b>Group</b>	The Company and its subsidiaries.
<b>GST</b>	Goods and Services Tax.
<b>Hall Chadwick or Investigating Accountant</b>	Hall Chadwick WA Audit Pty Ltd ACN 121 222 802.
<b>HIN</b>	Holder Identification Number.
<b>Historical and Pro Forma Financial Information</b>	Has the meaning given in Section 6.2.
<b>Historical Financial Information</b>	Has the meaning given in Section 6.2.
<b>HREE</b>	Heavy rare earth elements.
<b>IAC</b>	ionic absorption clay.
<b>Independent Limited Assurance Report</b>	The report contained in Section 6.11.
<b>Independent Solicitor's Report</b>	The report contained in Section 8.
<b>Independent Technical Report</b>	The report contained in Section 7.

<b>Indicative Timetable</b>	The indicative timetable for the Offer which is on page 8 of this Prospectus.
<b>Industry Overview Report</b>	The report contained in Section 5.
<b>Institutional Investors</b>	<p>Investors (and any person for whom they are acting):</p> <ul style="list-style-type: none"> <li>▪ in Australia who are either “professional investors” or “sophisticated investors” under sections 708(11) and 708(8) of the Corporations Act; or</li> <li>▪ in other Permitted Jurisdictions, who are institutional or professional investors, and in particular: <ul style="list-style-type: none"> <li>› in <b>Brazil</b>, a “professional investor” within the meaning of Resolution 160 of the Brazilian Securities and Exchange Commission (<i>Comissão de Valores Mobiliários</i>);</li> <li>› in the <b>European Union (including Austria)</b>, a “qualified investor” (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union);</li> <li>› in <b>Hong Kong</b>, a “professional investor” (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong);</li> <li>› in <b>New Zealand</b>, a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the <i>Financial Markets Conduct Act 2013</i> (New Zealand) (the “FMC Act”), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification);</li> <li>› in <b>Singapore</b>, an “institutional investor” or an “accredited investor” (as such terms are defined in the Securities and Futures Act 2001 of Singapore (<b>SFA</b>));</li> <li>› in <b>United Kingdom</b>, a “qualified investor” within the meaning of Article 2(e) of the UK Prospectus Regulation; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the <i>UK Financial Services and Markets Act 2000</i> (Financial Promotion) Order 2005, as amended; and</li> <li>› in the <b>United States</b>, either (i) an “institutional accredited investor” within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) and (12) under the US Securities Act or (ii) a dealer or other professional fiduciary organized or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.</li> </ul> </li> </ul>
<b>IPO Adjustments</b>	Has the meaning given in Section 6.6(a).
<b>Jequie</b>	Jequí Mineração Ltda., being a company which is a wholly owned subsidiary of BRE and is incorporated in Brazil.
<b>JORC or JORC Code</b>	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012.

## 11. Glossary of Terms continued

<b>Kt</b>	Thousands of tonnes.
<b>Lead Manager and Underwriter</b>	Canaccord Genuity (Australia) Limited ACN 075 071 466.
<b>Lead Manager Mandate</b>	Has the meaning given in Section 9.6(a).
<b>Listing Rules</b>	The listing rules of ASX.
<b>Management Performance Options</b>	Options issued to executive Directors and senior management of the Company (or their nominees) and certain employees, contractors and other staff of the Company (or their nominees) who are not Directors or related parties of the Company, pursuant to the Employee Incentive Plan and on the terms and conditions detailed in Section 9.4.
<b>Mineral Resource</b>	has the meaning given to that term in the JORC Code, being a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction.
<b>Minimum Subscription</b>	Has the meaning given in Section 1.3.
<b>MRE</b>	Has the meaning given in Section 2.13.
<b>Mt</b>	Millions of tonnes.
<b>NdPr</b>	The light rare earth elements Neodymium-Praseodymium.
<b>Non-Executive Director Appointment Letters</b>	Has the meaning given in Section 4.6.
<b>Noteholder</b>	A holder of one or more Convertible Notes.
<b>Notes Conversion</b>	Has the meaning given in Section 9.6(c).
<b>Offer</b>	The offer by the Company, pursuant to this Prospectus, of 34,013,606 Shares at an Offer Price of A\$1.47 per Share to raise A\$50,000,000 (before associated costs).
<b>Offer Period</b>	The period commencing on the Opening Date and ending at 5:00 pm (Sydney time) on the Closing Date.
<b>Offer Price</b>	A\$1.47 per Share under the Offer.
<b>Official List</b>	The official list of ASX.
<b>Official Quotation or Quotation</b>	Official quotation by ASX in accordance with the Listing Rules.
<b>Opening Date</b>	The date the Offer opens.
<b>Option</b>	An option to subscribe for a Share.
<b>Optioned Permits</b>	Has the meaning given in Section 9.6(f).
<b>Ore Reserve</b>	The economically mineable part of a measured and/or indicated Mineral Resource.
<b>Participant</b>	Has the meaning given in Section 9.2(a)(xiii).



<b>Performance Right</b>	A performance right issued under the Employee Incentive Plan.
<b>Permitted Jurisdictions</b>	Australia, Brazil, European Union (including Austria), Hong Kong, New Zealand, Singapore, United Kingdom and the United States (or as may otherwise be permitted by the law and accepted by the Company).
<b>Project</b>	The Rocha da Rocha Project.
<b>Prospectus</b>	This prospectus dated 13 November 2023.
<b>Recommendations</b>	Has the meaning given in Section 4.8.
<b>REE</b>	Rare earth element.
<b>RE17</b>	RE 17 Mineração, Pesquisas Mineraias e Participações Ltda.
<b>REE-Nb-Sc</b>	Rare Earth Elements, Niobium, uranium and Scandium mineralization associated with monazite cumulate rocks that are unique to the Rocha da Rocha Critical Mineral Province.
<b>Relevant Interest</b>	has the meaning given in section 9 of the Corporations Act.
<b>Relevant IPO Transaction</b>	An initial public offering of Shares (such as the Offer) to be quoted on, and an application for admission of the Company to the official list of the ASX or any other internationally recognised stock exchange (such as the London Stock Exchange, AIM, NASDAQ, the Toronto Stock Exchange or the New York Stock Exchange).
<b>Relevant IPO Transaction Offer Price</b>	The price (in Australian currency) payable by an investor for the issue of a Share offered by the Company pursuant to a Relevant IPO Transaction.
<b>Rio Tinto</b>	Rio Tinto Limited ACN 004 458 404.
<b>Rio Tinto Brazil</b>	Rio de Contas Desenvolvimentos Mineraias Ltda.
<b>Rocha da Rocha Project</b>	<p>The project of that name which comprises of the BRE Tenements, Alpha Tenements and Amargosa Tenements, which (in aggregate) are:</p> <ul style="list-style-type: none"> <li>▪ ninety six granted exploration permits;</li> <li>▪ one application for an exploration permit;</li> <li>▪ four applications for mining permits;</li> <li>▪ two disponibilidades;<sup>17</sup> and</li> <li>▪ an option to acquire a further three granted exploration permits,</li> </ul> <p>registered or applied for under Brazil's National Mining Agency, in the Rocha da Rocha Critical Minerals Province, located in Bahia, Brazil.</p>
<b>Royalty Agreements</b>	Has the meaning given in Section 9.6(d).
<b>Section</b>	A section of this Prospectus.
<b>Security</b>	A Share, Option or Convertible Note, as the context requires.

17. Refer to paragraph 27.25 of the Independent Solicitor's Report in Section 8 for an explanation of the bidding procedure commonly known as "disponibilidade".

## 11. Glossary of Terms continued

<b>Settlement Date</b>	The date when settlement of the Offer and any Shortfall Shares (if applicable) occurs, being five business days (as defined in the Listing Rules) after the later to occur of the Closing Date and when ASX indicates in writing to the Company that it will grant permission for Official Quotation of Shares (subject only to standard conditions customarily imposed by the ASX and any other conditions agreed in writing by the Company and the Lead Manager and Underwriter (acting reasonably)), or such other date as may be agreed between the Company and the Lead Manager and Underwriter.
<b>SFA</b>	Securities and Futures Act 2001 of Singapore.
<b>SFO</b>	Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong.
<b>Share</b>	A fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	A holder of one or more Shares.
<b>Share Registry</b>	Xcend Pty Ltd ACN 662 440 959.
<b>Shortfall Shares</b>	Has the meaning given in Section 9.6(b).
<b>SRN</b>	Security holder reference number.
<b>Subsequent Events</b>	Has the meaning given in Section 6.6(a).
<b>Titanio</b>	Has the meaning given in Section 9.6(e).
<b>Titanio Agreement</b>	Has the meaning given in Section 9.6(e).
<b>TREO</b>	Total rare earth element oxides.
<b>Ubaira</b>	Ubaira Mineração Ltda., being a company which is a wholly owned subsidiary of BRE and is incorporated in Brazil.
<b>Underwriting Agreement</b>	Has the meaning given in Section 9.6(b).
<b>US Offering Circular</b>	The offering circular that must accompany any distribution of this Prospectus in the United States to Institutional Investors.
<b>US Securities Act</b>	The <i>U.S. Securities Act of 1933</i> .
<b>US\$ or USD</b>	United States of America dollars.
<b>Vesting Condition</b>	Has the meaning given in Section 9.2(a)(xvi).
<b>Voting Power</b>	Has the meaning given to that term in the Corporations Act.
<b>VRPS</b>	Volta do Rio Plutonic Suite.
<b>VWAP</b>	Has the same meaning as the term “Volume Weighted Average Market Price” has in the Listing Rules.

# Corporate Directory

## 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

## Company Secretary

Mr Stephen Kelly

## Registered Office

Level 1, 139 Macquarie Street

Sydney NSW 2000

Phone: + 61 2 7208 8033

Email: info@brazilianrareearths.com

## Principal Place of Business

Level 1, 1024 Ann Street

Fortitude Valley QLD 4006

Phone: + 61 7 3854 2387

## Share Registry\*

### Xcend Pty Ltd

Level 1, 139 Macquarie Street

Sydney NSW 2000

Phone: + 61 2 7208 8033

## Proposed Stock Exchange Listing

### Australian Securities Exchange (ASX)

Proposed ASX Code: BRE

## Company website

www.brazilianrareearths.com

## Australian Legal Adviser

### Thomson Geer

Level 29, Central Park Tower

152-158 St Georges Terrace

Perth WA 6000

## Auditor and Investigating Accountant

### Hall Chadwick WA Audit Pty Ltd

283 Rokeby Road

Subiaco WA 6008

## Independent Technical Expert

### ERM Australia Consultants Pty Ltd (trading as CSA Global)

Level 3, 1-5 Havelock Street

West Perth WA 6005

## Independent Tenement Solicitor

### William Freire Advogados Associados

Avenida Afonso Pena, 4100, 12th Floor

Cruzeiro – Cep: 30130-009

Belo Horizonte-MG

Brazil

## Industry Expert

### Adamas Intelligence Inc

500 King St. W. 3rd Floor

Toronto, Ontario

Canada, M5V 1L9

## Lead Manager and Underwriter

### Canaccord Genuity (Australia) Limited

Level 42, 101 Collins Street

Melbourne VIC 3000

## Co-Lead Manager

### Petra Capital Pty Ltd

17/14 Martin Place

Sydney NSW 200

\* These entities are included for information purposes only. They have not been involved in any part of this Prospectus.

**BRAZILIAN**

RARE EARTHS

[brazilianrareearths.com](http://brazilianrareearths.com)