BRE and Carester sign 10-year Heavy Rare Earth Offtake and Partnership to deliver BRE's Rare Earth Separation Plant

- **Long-term strategic partnership**: Carester is a leading global rare earth processing specialist having played key roles in the design, commissioning and optimisation of rare earth production plants worldwide.
- **Binding 10-year heavy rare earth offtake agreement:** Carester to purchase heavy rare earth feedstocks from BRE for an initial 10-year term. Supply offtake agreement will support up to 150 tpa of separated dysprosium and terbium (DyTb) oxide production at Caremag, Carester's plant.
- **Caremag heavy rare earth supply chain:** Carester is building one of the world's largest heavy rare earth separation and recycling plants via its Caremag subsidiary, in Lacq, France. Caremag is backed by the French Government and Japanese partners (JOGMEC/Iwatani) and is targeting late-2026 operations. This leading rare earth production facility is expected to produce ~600 tpa of strategically vital heavy rare earth DyTb oxides at steady state operations.
- **Engineering and technical services agreement:** Carester will provide engineering, construction and commissioning services for BRE's planned integrated rare earth separation plant at the Camaçari Petrochemical Complex in Bahia.

Brazilian Rare Earths Limited (ASX: BRE) has executed strategic agreements with Carester SAS (Carester), a leading western rare earth processing specialist, for the supply of heavy rare earth feedstocks and to provide engineering and technical services for BRE's planned integrated rare earths separation refinery at the Camaçari Petrochemical Complex in Bahia.

These agreements underpin BRE's strategy to establish Brazil as a leading hub for rare earth production, supplying high-value neodymium and praseodymium (NdPr) oxide, heavy rare earth concentrate (SEG+), separated dysprosium and terbium oxides and uranium. BRE has signed a binding 10-year heavy rare earth supply offtake with Carester that will underpin high-value DyTb oxide separation at the Caremag plant in France.

Carester is renowned for its expertise in rare earth processing technologies, having played key roles in the design, commissioning and optimisation of advanced rare earth separation facilities worldwide. Carester's leading engineering and technical specialists will support the design, construction and commissioning of BRE's planned rare earth separation plant in Brazil. This planned integrated rare earth production facility will be designed to process high-grade feedstock from BRE's Monte Alto Rare Earths Project, one of the highest-grade rare earth deposits in the world with exceptional grades of heavy rare earths DyTb, NdPr, niobium, scandium, tantalum and uranium.

BRE's Managing Director & CEO, Bernardo da Veiga:

"This strategic partnership with Carester validates our strategy: accelerate the development of our high-grade Brazilian rare earth assets, focus on heavy rare earths DyTb where global supply is short, partner with recognised global leaders like Carester to establish Brazil as a leading global hub for rare earth production. Teaming with Carester gives us the technical depth and downstream capacity to rapidly convert our ultra- high-grade Brazilian rare earths into the vital products customers need."

Carester President, Frédéric Carencotte:

"The world-class Rocha da Rocha Rare Earth Province stands out for excellent rare earth enrichment; paired with our Caremag rare earth separation and recycling facility in France, we intend to add a secure rare earth supply chain to produce heavy rare earth DyTb oxides for high-performance permanent magnets."

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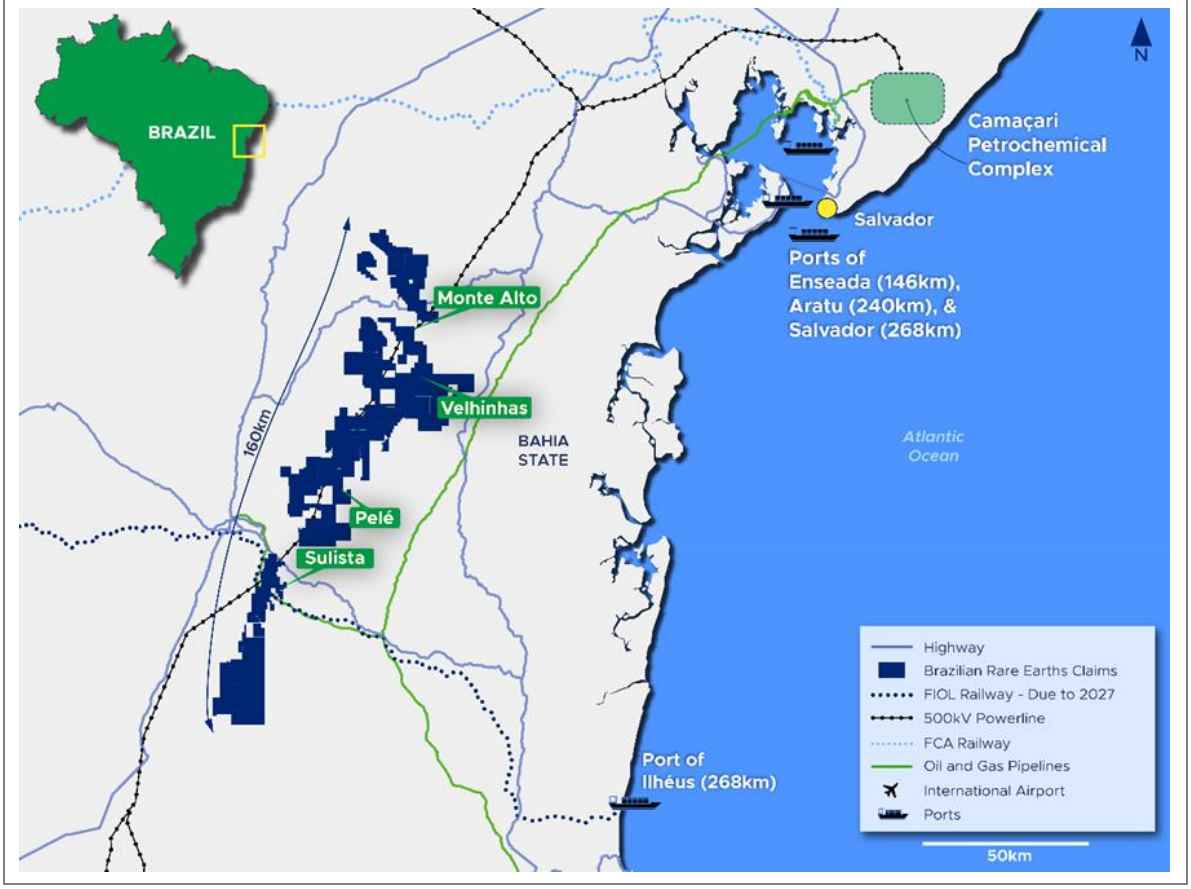
BRE's Monte Alto Project: High-Grade Heavy Rare Earths

This BRE and Carester partnership targets heavy rare earths to address the critical market shortage in dysprosium (Dy) and terbium (Tb) – essential for high-performance permanent magnets. Within BRE's Rocha da Rocha Rare Earth Province, the flagship Monte Alto Rare Earth Project hosts high grade, heavy rare earth-rich mineralisation alongside world-leading grades of NdPr, niobium, scandium, tantalum and uranium. Extensive drilling and metallurgical test work support a pathway for the potential low-cost, high-recovery production of critical minerals and positions Monte Alto as the preferred heavy rare earth feedstock for Carester's new rare earth separation facility in France.

Long-term Heavy Rare Earths Offtake Agreement

BRE's strategy is to initially produce separated NdPr oxide, heavy rare earth concentrate and uranium yellowcake from an integrated rare earth separation refinery at the Camaçari Petrochemical Complex (~260km northeast of Monte Alto). Under a binding Offtake Agreement, Carester will purchase heavy rare earth concentrate at market-linked prices, up to a maximum of 150 tpa of contained DyTb over an initial 10-year term.

BRE's planned rare earth separation plant at the Camaçari Petrochemical Complex



Carester plans to process BRE's heavy rare earth concentrate to produce separated heavy rare earth dysprosium and terbium oxides at its Caremag facility located in France. This leading rare earth separation and recycling facility is scheduled to commence operations in late-2026, with funding support from the French Government, the Japan Organization for Metals and Energy Security (JOGMEC) and Iwatani Corporation, a leading Japanese industrials and advanced materials company. With a nameplate production capacity of ~600 tpa of dysprosium and terbium oxides, Caremag is set to become the largest separator of heavy rare earth oxides in the western world with ~15% of current global production capacity.

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Caremag Facility, one of the world's largest heavy rare earth separation plants, and groundbreaking ceremony with JOGMEC in March 2025 (inset)



Engineering & Technical Services Agreement

To accelerate development of BRE's planned rare earth refinery in Brazil, Carester and BRE have executed a long-term Engineering & Technical Services Agreement, complementing the heavy rare earth Offtake Agreement. Carester will assist with specialised front-end engineering, process design, commissioning support, and ramp-up and optimisation. The agreement runs through December 2031, underscoring a shared commitment from construction into steady-state operations and future capacity expansions. In parallel, Carester's purchase of heavy rare earth concentrate under the offtake tightly aligns technical execution with downstream customer demand.

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

For further information or enquiries please contact:

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

About Carester

Carester SAS is a leading rare earth refining and process-engineering company founded in 2019 by Frédéric Carencotte and a team of highly experienced international experts. Carester's strengths include process design, environmental performance, and closed-loop magnet recycling, and has over 250 years of combined

rare earth experience. Carester is building Caremag in Lacq, southwest France, a large-scale rare earth separation and recycling plant supported by over €216 million of funding from Japanese partners JOGMEC/Iwatani and the French Government, with first production expected late 2026.

About Brazilian Rare Earths

Brazilian Rare Earths is developing a world-class critical minerals province in Bahia, Brazil, and aims to be a leading rare earth and critical minerals company. Our flagship Monte Alto Rare Earths Project is among the highest-grade rare earth deposits in the world, enriched with heavy rare earths and with niobium, scandium, tantalum and uranium. Our world-class critical minerals province hosts the rare earths and minerals vital for advanced industries, including electric vehicles, robotics, energy systems, medical technologies and defence applications.

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Appendix 1 – Material Terms of the Offtake Agreement

The Offtake Agreement between Brazilian Rare Earths Limited (BRE) and Carester SAS (Carester) has an initial term of 10 years from the date of signing. Under the agreement, BRE will produce separated NdPr oxide, heavy rare earth concentrate (SEG+), and uranium yellowcake. Carester has committed to purchase 100% of BRE's SEG+ production, up to a maximum of 150 tonnes per annum of contained dysprosium and terbium (DyTb). Pricing for the offtake will be based on market-based prices for heavy rare earths. The agreement incorporates customary termination provisions, including rights relating to breach, insolvency, non-payment, or extended force majeure events.

Appendix 2 – Material Terms of the Engineering & Technical Services Agreement

The agreement commences on 8 October 2025 and extends through 31 December 2031, with an option for a further three-year extension. Carester will provide a full suite of technical and engineering services for the refinery project, including front-end engineering, process design, commissioning support, and assistance with ramp-up and optimisation. Carester will be compensated through hourly service fees and milestone-based payments, contingent upon successful achievement of defined project development milestones. The agreement includes customary termination rights, allowing either party to terminate in the event of breach or insolvency.

Forward-Looking Statements and Information

This Announcement may contain "forward-looking statements" and "forward-looking information", including statements and forecasts which include (without limitation) expectations regarding industry growth and other trend projections, forward-looking statements about the BRE's Projects, 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 of the Prospectus dated 13 November 2023. 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 on the perception of trends, current conditions and expected developments, as well as other factors that BRE believes to be relevant and reasonable in the circumstances at the date such statements are made, but which may prove to be incorrect. Although BRE believes that the assumptions and expectations reflected in such forward-looking statements and information (including as described in this Announcement) are reasonable, readers are cautioned that this is not exhaustive of all factors which may impact on the forward-looking information.

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

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.

Competent Persons Statement

The information in this release that relates to Metallurgical Testwork, is based on information compiled and/or reviewed by Dr Kurt Forrester who is a Member of The Australasian Institute of Mining and Metallurgy (AusIMM). Dr Forrester is Chief Metallurgist and Head of Metallurgical Processing for Brazilian Rare Earths Limited ("BRE") with sufficient experience relevant to the activity which he is undertaking to be recognised as competent to compile and report such information 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. Dr Forrester is entitled to participate in BRE's Employee Incentive Plan and holds securities in BRE via a related party.

Dr Forrester consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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