Quarterly Activities Report for the Quarter Ended 30 September 2026

Iondrive advances U.S. rare earth commercialisation with strong module economics, a five-tonne qualification campaign and diversified U.S. funding initiatives

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Highlights

- **Strong Economics for First U.S. Commercial Module:** Updated technical and economic evaluation returned a modelled post-tax NPV10 of US$243 million and annual EBITDA of US$62.1 million for a single ~2,400 tpa U.S. module, with estimated development capital of US$11.9 million[1].
- **Commercialisation Pathway Defined:** The Company is progressing feedstock qualification, customer acceptance, engineering definition and funding work for its proposed first U.S. module. The economic evaluation assumes 30.66% REO feedstock grade and approximately 89% overall flowsheet recovery.
- **Five-Tonne North American Qualification Campaign:** Kingston Process Metallurgy Inc. was engaged to undertake a campaign processing approximately five tonnes of end-of-life permanent magnets using IONSolv™, targeting production of ~1.4 tonnes of mixed rare earth oxides in Q4 CY2026 for downstream customer qualification and engineering data.
- **Leadership Strengthened to Support U.S. Deployment:** Former BHP Head of Innovation Dr Grant Caffery commenced as CEO on 1 August 2026, with Mr Lewis Utting transitioning to Chief Strategy & Commercial Officer to lead strategic partnerships, financing initiatives and growth opportunities.
- **Diversified U.S. Funding Strategy (Including Subsequent Events):** The Company has submitted five government funding applications totalling approximately US$62.6 million. It is also progressing a potential senior debt pathway under the USDA B&I program and Oklahoma incentives of up to approximately US$5.2 million for the first module (non-binding).
- **Financial Position:** Cash of A$5.1 million at 30 September 2026, together with a lodged A$1.0 million FY26 Research and Development Tax Incentive claim.

Iondrive Limited (ASX: ION) ("Iondrive" or the "Company"), an Australian developer of a modular platform technology for the selective recovery of critical minerals, is pleased to provide its Quarterly Activities Report and Appendix 4C for the period ended 30 September 2026 (the "Quarter" or the "Reporting Period").

The September Quarter advanced the commercial development case for Iondrive's proposed first U.S. rare earth processing module. The Company engaged Kingston Process Metallurgy Inc. for its largest IONSolv™ rare earth batch campaign to date, released an updated technical and economic evaluation, and strengthened its executive capability. Together with financing initiatives progressing

[1] Iondrive confirms there has been no material changes in key assumptions subsequent to the release of the technical and economic evaluation on 7 September 2026.

after quarter end, these activities support a defined pathway from technology validation towards commercial deployment.

These developments build on previously reported independent laboratory validation of IONSolv™ using commercial U.S. magnet feedstock, where it achieved single-pass leach recoveries of 96.5% for neodymium (Nd), 96.5-97.3% praseodymium (Pr), and 93.5-93.6% for dysprosium (Dy). The next stage is to establish the operating and commercial conditions required for a funded project, including qualified feedstock, demonstrated overall recovery, customer acceptance, engineering definition and an executable funding package.

The updated September economic evaluation supersedes the November 2025 evaluation and models a ~2,400 tpa commercial module. The updated evaluation's improved economics are driven principally by a richer assumed feedstock and its composition, particularly dysprosium content, together with updated pricing and cost assumptions that align with published North American benchmark assessments. Confirming those assumptions at commercial scale remains central to the development pathway.

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Iondrive's CEO, Dr Grant Caffery, commented:

"The September Quarter was an important period for Iondrive as we advanced the technical and commercial foundations for our proposed first U.S. rare earth processing facility. We engaged a North American processing partner for our five-tonne qualification campaign and completed an updated evaluation demonstrating the potential value of a single commercial module.

The updated evaluation provides a strong basis for the next phase of work. Our focus is on validating commercial-scale feedstock assumptions, producing material for downstream customer qualification, and progressing the engineering and commercial arrangements required for deployment.

Using established North American processing infrastructure provides a capital-light pathway to generate larger product samples and operational data ahead of investment in a dedicated facility.

We are also advancing several financing pathways for Oklahoma. By the date of this release, five government funding applications totalling approximately US$62.6 million had been submitted, alongside work on a potential USDA B&I senior debt facility and state-level incentives. While these processes remain subject to approval and agreed terms, they demonstrate a deliberate strategy to pursue government support, debt and strategic capital as we work towards an investment decision."

U.S. Rare Earth Commercial Opportunity

Iondrive's immediate commercial focus is the recovery of neodymium (Nd), praseodymium (Pr) and dysprosium (Dy) from end-of-life permanent magnets. These materials are required across key industries including defence, automotive, robotics, energy and advanced manufacturing, many of which are also critical to the current U.S. administration's objectives surrounding U.S. sovereignty and reshoring of domestic manufacturing. The Company's proposed model is to source magnet-bearing waste in the United States, process it domestically using IONSolv™ and supply recovered rare earth products to downstream customers:

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OVERVIEW OF OPERATIONS

Five-Tonne IONSolv™ Production Campaign in North America

On 3 August 2026, Iondrive announced that it had engaged Kingston Process Metallurgy Inc. (Kingston) to undertake its first five-tonne IONSolv™ rare earth batch production campaign at an established third-party facility in North America. The campaign is to be overseen and facilitated by ProProcess Engineering. Kingston is engaged on a time-and-expense basis, with an agreed budget of less than US$1 million.

The campaign targets approximately 1.4 tonnes of MREO in Q4 CY2026, comprising neodymium and praseodymium (light rare earths) and dysprosium (a heavy rare earth). It is intended to bridge kilogram-scale laboratory validation and the proposed first U.S. commercial ~2,400 tpa module by producing material for downstream separation, refining and customer qualification, while generating operating and mass balance data to inform engineering.

Campaign parameter	Announced basis
Permanent magnet feedstock	Approximately 5.0 tonnes
Estimated REO content	Approximately 30%
Estimated contained REO	Approximately 1.5 tonnes
Targeted overall flowsheet recovery	Approximately 95%
Targeted MREO production	Approximately 1.4 tonnes
Target completion	Q4 CY2026

The approximately 95% recovery is a campaign target to be tested, distinct from both the previously reported single-pass leach efficiencies and the approximately 89% overall recovery assumptions used in the September economic model. Actual output depends on final feedstock assay, campaign performance, achieved recovery and final product specification.

The resulting MREO is expected to allow potential customers to assess composition, impurities, consistency, physical characteristics and compatibility with their downstream processes. Supply for qualification remains subject to agreed specifications, pricing and final commercial terms.

Using an established third-party North American facility provides a capital-light route to producing bulk qualification material and operational data while retaining Iondrive's intellectual property. The campaign supports Iondrive's strategy to enter the U.S. market for domestically sourced critical minerals; it does not represent the commencement of continuous commercial operations.

From Validation to Qualified Product

Prior independent testwork reported single-pass leach recoveries of approximately 96.5% neodymium, 96.5% praseodymium and 93.5% dysprosium from commercially sourced U.S. feedstock. These results relate to the leach stage and do not demonstrate overall recovery through to final MREO product. The planned bulk and integrated testwork is intended to test that full flowsheet pathway.

Feedstock supply, downstream qualification and offtake remain priority workstreams. The 7 September evaluation stated that no offtake agreement had been executed and no sales price was contracted at that date.

Updated Technical and Economic Evaluation

On 7 September 2026, Iondrive released an updated evaluation prepared by ProProcess Engineering (Pty) Ltd and ModelAnswer Commercial Analytics Pty Ltd. The base case evaluation returned US$243 million post-tax NPV (10% real) with a modelled annual EBITDA of US$62.1 million (with 51% EBITDA margin) on a modelled revenue of US$121.8 million and incorporating a capital-light approach (US$11.9 million development capital).

The evaluation uses a financial model dated 3 September 2026 and engineering cost estimates dated 31 August 2026. It supersedes the November 2025 evaluation.

Single module parameter	Updated evaluation
Feedstock throughput	2,402 tpa
Assumed REO head grade	30.66% of which 29.2% payable Nd Pr and Dy oxide
Modelled overall recovery Nd / Pr / Dy oxides	89.3% / 88.5% / 88.8%
Rare earth oxide output	Approximately 630 tpa including approximately 624 tpa payable Nd, Pr and Dy oxide
Annual revenue / operating cost	US$121.8 million / US$59.7 million
Annual EBITDA / EBITDA margin	US$62.1 million / 51.0%
Development / sustaining capital	US$11.9 million / US$6.0 million over ten years
Post tax / pre tax NPV at 10% real	US$243 million / US$348 million
Operating life	Ten years following one construction year

The model is ungeared, expressed in real U.S. dollars, and applies a 30% corporate tax rate and a valuation date of 31 December 2025. It assumes 85% plant availability, no production ramp, no working capital and full utilisation from first production. Modelled periods are indicative and do not constitute a development timetable.

The principal change from the earlier study is the higher assumed feedstock grade, from approximately 7.2% implied REO to 30.66%, and an updated composition with higher dysprosium content. The uplift in payable oxide output is principally attributable to the richer assumed feedstock rather than improved recovery. Dysprosium accounts for approximately 4.7% of modelled production by mass and 49.5% of base-case revenue.

Product pricing assumes 90% realisation against management-adopted North American benchmark inputs of US$115/kg for neodymium and praseodymium oxides and US$2,300/kg for dysprosium oxide. These are modelling assumptions, not independent price forecasts or contracted sales prices. Feedstock is costed at 20% of contained Nd, Pr and Dy oxide value, equivalent to US$30.4 million annually in the base case.

The reported pricing sensitivities returned post-tax NPVs of US$40 million to US$298 million. A 30% reduction in realised product price returned US$130 million. No discrete head-grade sensitivity was run. Sustained lower grade would reduce production and margin because several processing costs remain driven by tonnes processed.

The evaluation is a study, not a final investment decision. Technical validation does not validate its commercial assumptions. Overall flowsheet recovery, commercial-scale feedstock supply, pricing, utilisation and study-level costs remain subject to further work. Development requires engineering, site selection, permitting, funding and Board approval.

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Battery Recycling Pilot Plant

The Company is transitioning from its current EPC delivery model for the battery recycling pilot plant and is in advanced discussions with a third-party facility to undertake the pilot campaign. The outsourced approach is intended to reduce the capital and management resources required and provide access to established pilot facilities and expertise. The arrangements remain subject to final agreement.

The transition provides an opportunity to complete further bench-scale optimisation of the battery recycling flowsheet before the pilot campaign commences. This work is focused on integrating the process steps, including anti-solvent selection and recovery, and will inform the final pilot scope and equipment requirements.

The Company expects the proposed approach to support a more cost-effective and timely pilot program, while allowing management to focus resources on the Company's priority rare earth magnet recycling opportunity in the United States.

Subject to successful completion of the optimisation work and finalisation of the outsourced arrangements, the Company is targeting completion of the pilot plant runs by July 2027.

Leadership Capability to Support Commercial Deployment

On 20 July 2026, Iondrive announced the appointment of Dr Grant Caffery as Chief Executive Officer, effective 1 August 2026. Dr Caffery was most recently Head of Innovation at BHP, with experience in technology development and commercialisation and in building partnerships between industry, technology developers and research organisations. The appointment provides additional operational and organisational capability as Iondrive progresses the proposed first commercial module.

It was also announced that Lewis Utting would transition to the newly established role of Chief Strategy & Commercial Officer, reporting to the CEO and continuing to lead strategic partnerships, financing initiatives, government engagement and growth opportunities. The new structure complements Kevin Hobbie's ongoing role as Vice President North America, focused on U.S. feedstock, offtake, government and strategic-partner engagement.

CORPORATE

September Quarter Cash Flows

As at 30 September 2026, Iondrive reported a cash balance of A$5.1 million, together with a A$1.0 million receivable for the lodged FY26 Research and Development Tax Incentive claim. Subsequent to the end of the Quarter, a further A$0.2 million was received for options exercised in October.

For the Quarter, the Company reported total net cash outflows of A$1.9 million which included:

- Operating and investing cash outflows of A$2.2 million, with A$1.1 million of this directly associated with research & development activities to progress the Company's IONSolv™ technology, including the magnet recycling project in the US.
- Financing inflows of A$0.3 million, being proceeds received from the exercise of options.

Cash flows for the Quarter include related party payments of A$91,000, comprising Non-Executive Directors' fees.

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EVENTS SUBSEQUENT TO QUARTER END

Proposed Oklahoma Senior Debt Funding Pathway

On 8 October 2026, Iondrive announced that it was progressing a potential senior debt facility for its first commercial IONSolv™ rare earth recycling module in Oklahoma with an estimated development cost of US$11.9 million. Multiple prospective lenders were under assessment, with no preferred lender selected, under the USDA Rural Development Business & Industry ("B&I") Guaranteed Loan Program.

The B&I Guaranteed Loan Program provides a loan guarantee of up to 80% of the qualifying lender exposure. Any guarantee would be provided to the participating lender, not to Iondrive, and remains subject to project and borrower eligibility, lender underwriting, commercial terms and final USDA approval.

Indicative program fees outlined in the announcement were up to 3% of the guaranteed loan amount at establishment and up to 0.55% per annum of the remaining guaranteed balance. Interest rates would be negotiated with the lender. These are potential financing terms, not current expenditure commitments.

Latimer County Site and Broader Funding Package

The Company is assessing a prepared industrial site in Latimer County, Oklahoma, with existing infrastructure and transport access. If secured, the site could reduce civil works, establishment cost and development complexity. Site tenure has not been finalised.

Iondrive is progressing a diversified U.S. capital package comprising senior debt, incentives, government funding applications and potential strategic capital. By the date of this release, five government funding applications with an aggregate requested amount of approximately US$62.6 million had been submitted. These represent applications, not awards, and remain subject to assessment, eligibility, approval and other conditions. The application total should not be treated as additional to other funding pathways without accounting for any overlapping programs or amounts. Engagement also continues with Oklahoma and other state, tribal and regional stakeholders, including the non-binding Oklahoma Department of Commerce Letter of Support and the Governor's Quick Action Closing Fund.

The previously disclosed Letter of Support identified potential aggregate incentives of up to approximately US$5.2 million for the first module and more than US$15 million across three modules. These are indicative, non-binding, subject to eligibility, application, approval and performance requirements, and do not represent an upfront grant. No incentives referred to in the 8 October 2026 announcement had been awarded at that date.

Priorities for the Coming Quarter

Iondrive's priorities for the coming quarter are to advance the integrated technical, commercial, engineering and financing workstreams needed to support a final investment decision for the proposed first Oklahoma module. These include:

- Progress the five-tonne campaign, including processing the acquired feedstock and independent analysis of resulting MREO.
- Supply product for downstream qualification, subject to agreed specifications and commercial terms, and incorporate campaign data into engineering.
- Confirm commercial-scale feedstock grade, composition and availability, and advance feedstock supply and product offtake arrangements.

- Complete front-end engineering design and refine capital and operating cost estimates.
- Progress site selection, tenure, permitting and infrastructure planning in Oklahoma.
- Continue lender assessment, select a preferred lender and progress underwriting and a USDA B&I application through that lender, alongside incentives and strategic capital.

This announcement has been approved for release by the Board of Directors.

Forward looking statements

This document contains certain forward-looking statements that involve risks and uncertainties. Although we believe that the expectations reflected in the forward-looking statements are reasonable at this time, we can give no assurance that these expectations will prove to be correct. Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements due to many important factors, risks and uncertainties including those risks detailed from time to time in the Company's announcements to the ASX including, without limitation, risks that the technologies are not commercially viable, provisional patents may not result in successfully granted national patents, others may independently develop similar or improved technologies or design around patents or patent applications, or that granted patents will provide meaningful protection or competitive advantages. All reasonable efforts have been made to provide accurate information, but the Company does not undertake any obligation to release publicly any revisions to any "forward-looking statement" to reflect events or circumstances after the date of this presentation, except as may be required under applicable laws. Recipients should make their own enquiries in relation to any investment decisions from a licensed investment advisor.

Deep Eutectic Solvent (DES) technologies, including the Company's IONSolv™ platform, have not yet been demonstrated at full industrial scale. The metals and application areas shown in this presentation are based on feasibility studies conducted by third parties, including Iondrive in some cases, and should not be interpreted as proof of commercial outcomes.

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About Iondrive Limited

Iondrive is advancing IONSolv™, an innovative metal extraction platform designed to support selective recovery of critical minerals across multiple feedstocks. The platform is being developed for scalable deployment across battery materials, rare earths and e-waste, with a focus on commercialisation pathways aligned to emerging critical-minerals supply chains.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

IONDRIVE LIMITED

ABN	**Quarter ended ("current quarter")**
30 107 424 519	30 September 2026

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) research and development	(1,068)	(1,068)
	(b) product manufacturing and operating costs	-	-
	(c) exploration & evaluation	-	-
	(d) leased assets	-	-
	(e) staff costs	(737)	(737)
	(f) administration and corporate costs	(470)	(470)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	48	48
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	40	40
1.8	Other (short term lease payments)	(8)	(8)
1.9	**Net cash from / (used in) operating activities**	**(2,195)**	**(2,195)**

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

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from disposal of:		
	(a) entities		
	(b) businesses		
	(c) property, plant and equipment		
	(d) subsidiary		
	(e) intellectual property		
	(f) other non-current assets (tenements)		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (exclusivity fees)		
2.6	**Net cash from / (used in) investing activities**	**-**	**-**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	355	355
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liability)	-	-
3.10	**Net cash from / (used in) financing activities**	355	355

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	6,969	6,969
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,195)	(2,195)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	355	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**5,129**	**5,129**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	5,129	5,129
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**5,129**	**5,129**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	91
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

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

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

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

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(2,195)
8.2	Cash and cash equivalents at quarter end (item 4.6)	5,129
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	5,129
8.5	**Estimated quarters of funding available (item 8.4 divided by item 8.1)**	2.3

Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.

8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:

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

Answer:

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

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

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Compliance statement

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

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

Date: 30 October 2026.....

Authorised by: The Board of Directors.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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