

BRE Exercises Option to Acquire Sulista Rare Earth Project

- BRE exercises Option Agreement to acquire the Sulista Rare Earth Project and secure over 100km² of highly prospective exploration licences across the southern extension of the Rocha da Rocha Rare Earth Province
- The Sulista Rare Earth Project is located 80km southwest of the Monte Alto Project and the extensive dataset of historical drill results, surface hard rock outcrops, corestones/boulders and geophysical anomalies signals potential for a major rare earth endowment
- Historical diamond drilling of ~1,000m at the Sulista Project logged significant mineralised intercepts with gamma spectrometry readings in line with the ultra-high grade REE-Nb-Sc mineralisation at the Monte Alto Project
- On-site field reconnaissance by BRE's exploration team discovered a range of surface mineralised hard rock corestones/boulders with comparable gamma readings to the ultra-high grade REE-Nb-Sc mineralisation
- Diamond drilling is now underway at the Sulista Project to twin existing diamond drill holes and target ultra-high grade REE-Nb-Sc mineralisation along strike from historical intercepts

Brazilian Rare Earths Limited (ASX:BRE) ('BRE') is pleased to advise that after completing detailed due diligence it has exercised its option to acquire the advanced Sulista Rare Earth Project in Bahia, Brazil.

The Sulista Project is located 80km southwest of the world-class Monte Alto Rare Earth Project and includes an extensive database of historical drill results, hard rock surface outcrops and boulders/corestones. The acquisition secures control of 108km² of exploration licences in a near continuous block that links the southern extension of the Rocha da Rocha Rare Earth Province.

Historical diamond drilling of ~1,000m at the Sulista Project logged significant mineralised intercepts with gamma spectrometry readings that are in line with the ultra-high grade REE-Nb-Sc mineralisation at the Monte Alto Project - which recorded exceptional grades of up to 34.4% (344,000ppm) of Total Rare Earth Oxide (TREO), up to 5.9% (59,100ppm) NdPr¹, 3,229ppm DyTb¹, 1.5% niobium and 352ppm scandium².

BRE's on-ground reconnaissance identified surface geological features, such as hard rock outcrops and corestones/boulders, at the Sulista Project that mirror the extensive high-grade surface mineralisation at Monte Alto Project. These outcrops and boulders recorded gamma spectrometry readings in line with the ultra-high grade REE-Nb-Sc mineralisation discovered at the Monte Alto Project.

The ultra-high grade REE-Nb-Sc mineralisation discovered at the Monte Alto, Velinhos and Sulista projects are interpreted to be magmatic cumulates which are coeval with the leucogranites of the Rocha da Rocha Province. Initial petrographic studies² reveal that this high-grade mineralisation is primarily coarse-grained monazite occurring as mega-enclaves within the felsic gneiss host rock. These ultra-high grade concentrations of monazite are considered to be analogous to cumulate deposits of minerals, such as magnetite and apatite, which typically form large, extensive tabular orebodies that can be tens of meters in thickness and kilometres in strike length.

A comprehensive diamond drilling program is now underway at the Sulista Project to twin existing diamond drill holes and target high-grade REE-Nb-Sc mineralisation along strike from these intercepts.

The Sulista Project's ~1,000m of historical diamond drill core and ~5,000m of historical auger drill core will be expedited for re-assay.

Note ⁽¹⁾ NdPr = Nd₂O₃ + Pr₆O₁₁; DyTb = Dy₂O₃ + Tb₄O₇

⁽²⁾ Refer Prospectus dated 13 November 2023 for reported exploration result. The Company is not aware of any new information or data that materially affects the information contained in the Prospectus

Brazilian Rare Earths' CEO and MD, Bernardo da Veiga, commented:

"Our team is pleased to secure the advanced Sulista Rare Earth Project which strengthens our dominant position over the Rocha da Rocha Rare Earth Province.

The discovery of ultra-high grade REE-Nb-Sc mineralisation at the Monte Alto Project demonstrated the value of key exploration pathfinders used to successfully locate these unique high grade rare earth deposits. These key pathfinders include pronounced geophysical anomalies, high-grade monazite-sands (with over 1% TREO) near surface, and specific magnetic and gravity geophysical signatures.

We will leverage these successful exploration pathfinders across the Sulista Project - and we are poised to extend our exploration for new 'Monte Alto' style exploration targets along the geophysical trendline that runs down the extensive spine of this world class province."

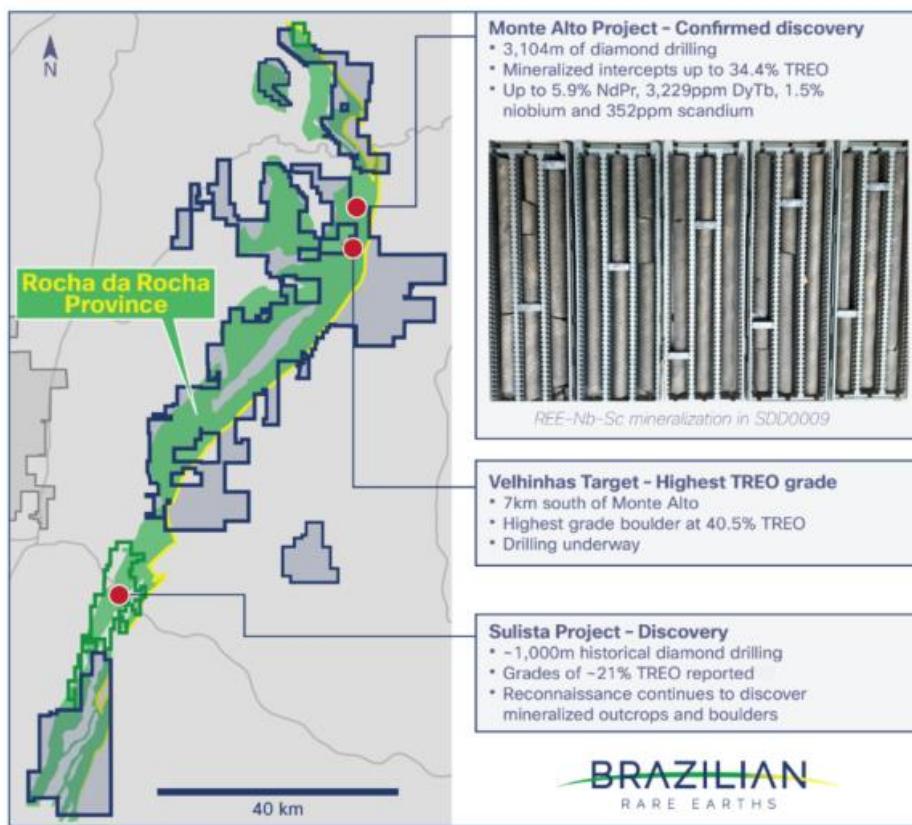


Figure 1: REE-Nb-Sc exploration projects along the geophysical trendline of the Rocha da Rocha Rare Earths Province²

⁽²⁾ Refer Prospectus dated 13 November 2023 for reported exploration result. The Company is not aware of any new information or data that materially affects the information contained in the Prospectus

Option Terms

On exercise of the option BRE paid the vendors a cash payment of BRL 4,800,000 (A\$1,485,835 at a FX rate of 3.23 BRL per A\$). BRE is also required to issue the vendors 8,000,000 fully paid ordinary shares in BRE (Shares) within five business days of BRE receiving from the Agencia Nacional de Mineração (ANM) all relevant information required to enable BRE to complete, to BRE's satisfaction, due diligence related to exploration licences 870.002/2013 and 870.930/2013. The Shares will be subject to the escrow conditions set out in the ASX Announcement dated 22 January 2024.

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

For further information and enquires please contact:

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MD and CEO

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

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

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 announcement that relates to Exploration Results is based on, and fairly represents, information compiled or reviewed 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 consents to the inclusion in this report of the results of the matters based on his information in the form and context in which it appears.