

Ionic Rare Earths Limited and Viridis Mining to Form REE Refining and Recycling JV in Brazil

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Brazilian Hub Accelerates IonicRE Integrated Supply Chain Strategy

Melbourne, April 3, 2024 - The Board of [Ionic Rare Earths Limited](#) (ASX:IXR) (XRRF) is very pleased to advise that it has entered into a Binding Agreement (the Agreement) with ASX listed [Viridis Mining and Minerals Limited](#) (ASX:VMM) ("Viridis") to form a 50:50 joint venture company (JV Co) with the aim of establishing a significant leading role in the future global supply chain for Rare Earth Elements (REE) via the leveraging of intellectual property (IP) and skill set of IonicRE and the global assets of Viridis.

The Joint Venture Deal

The joint venture agreement is seen as an outstanding opportunity for IonicRE to advance the strategy of the Company to become a leading supplier to the western world, of high quality, secure and dependable magnet and heavy rare earths, critical to the multitude of dependent industries and energy transition affecting billions of people around the globe. Forming a 50:50 Joint Venture with Viridis, IonicRE secures strategic opportunity leveraging their technology and IP to do so ensuring a successful outcome for both companies and for all stakeholders. This joint combination advances the growth strategy for both companies by several years and draws on the support and alignment of several state agencies of Brazil, a nation that is both rich in rare earths and also aims to become a global leader in rare earth production and supply.

Both Companies will co-fund the JV Co and the proposed Brazilian production facility on a 50:50 basis and a Scoping Study is targeted for completion by the end of 2024. Pending a decision to proceed the JV Co would then aim to complete a preliminary feasibility study (PFS) within the following 18 months.

Integrating World-Class Geology with World-Leading Technology

Both Companies recognise that this opportunity brings a stronger sum-of-the-parts operation combining assets, skillsets, IP, technology, personnel, and enterprise, than by progressing independently. Thereby accelerating their respective business plans and aligning with the RE supply chain strategic ambitions of Brazil.

Recently IonicRE announced the successful production of rare earth oxides (REOs) from its magnet recycling facility in Belfast (ASX IXR 25 March 2024), producing 11.5 kg of 99.8% grade Didymium (NdPr) Oxide and demonstrated continuous production capability as part of a UK Government supported program in collaboration with Ford Motor Company and Less Common Metals.

Viridis' Colossus Ionic Adsorption Clay REE Project in Brazil is located within the same alkaline complex as Meteoric Resources' high grade Caldeira Project, and Viridis has recently announced two MoU's (ASX VMM 4 March 2024) with the state government of Minas Gerais and the Municipality of Pocos De Caldas to fast-track regulatory approvals and infrastructure requirements to streamline the projects advancement. Colossus has the scope to be a world class Ionic Adsorption Clay (IAC) REE deposit where drilling programs are defining potential for a very large IAC resource and recent metallurgical testwork has delivered very strong results including: 11.9m @80% Nd-Pr extraction, 11.0m @66% Dy-Tb extraction and 17.9m @71% TREE-Ce (total rare earth element less cerium) extraction, all from 3.3m (ASX VMM 20 March 2024).

Advancing Growth Strategy on Two Continents

With the successful production of magnet REOs at its Belfast facility, IonicRE has now very successfully proven its recycling technology and skillset. This announced joint venture with Viridis, a company with Southern hemisphere projects like the potentially significant Colossus Project, is a major step in IonicRE's commercial strategy. Viridis' Colossus REE Project offers a high-grade IAC resource with excellent processing potential.

This project complements IonicRE's own Makuutu Rare Earth Project in Uganda, providing mixed rare earth

carbonate (MREC) feed for the JV and creating alternative sources for new rare earth supply chains.

The IonicRE Board sees this JV as a pivotal opportunity to leverage its intellectual property and accelerate growth for all stakeholders and offers Ionic Rare Earths an exceptional path to global success. The Board of IonicRE looks forward to delivering further details and developments to shareholders as the two companies progress this Joint Venture Agreement.

IonicRE's Executive Chairman, Mr Brett Lynch states, "This Joint Venture agreement cements IonicRE's advancement over the past 24 months in becoming a significant global participant in the crucial supply chain for rare earths for the western world and follows our successful continuous magnet REO production at Belfast and Demonstration Plant MREC product from Makuutu.

"Secure REO supply is critical for a broad range of modern technologies that we depend upon every day including the huge demand from the energy transition evolution underway, specifically electric motors, wind turbines, HVAC, robotics for advanced manufacturing and defence.

"With IonicRE joining forces with Viridis, we are able to share assets that allow us to leap forward in terms of global footprint and operation. We can combine the significant scale and high-grade IAC from Colossus, with skilled staff, equipment, technology, and also leverage support from Brazilian authorities, and position IonicRE right at the forefront of this alternative global rare earth chain supply dominated by China.

"It is critical that the western world established long term, secure, resilient supply and IonicRE will be a leading player in that critical supply chain."

Key Terms

The key terms of the binding terms sheet are as follows:

- Viridis and IonicRE (the 'Parties') intend, either directly or through wholly owned subsidiaries, to incorporate a joint venture company that will operate as the vehicle for the Joint Venture (JV Co).
- The Parties agree that the JV Co is a global arrangement between the Parties for MREC, or equivalent agreed intermediate feed streams, for rare earth separation and refining into individual REOs at target specification to be agreed.
- JV Co shall be a profit-sharing vehicle based on the equal equity stakes in the proportions of 50:50 held by each party in JV Co (Equity Proportion).
- The Parties acknowledge and agree that on and from the Commencement Date (being the date the JV Co is incorporated), each Venturer (being a Party but not including a Party in its capacity as JV Manager) will contribute to the funding of the Joint Venture on a 50:50 basis. Budgets and work programs will be developed to inform future funding requirements, which must be agreed by both Parties.
- The Parties agree to form the Joint Venture for the purposes of constructing a refinery facility and implementing Ionic Rare Earth's extraction technology or alternative based upon optimal financial metrics.
- Viridis undertakes to sell rare earth carbonates or rare earth chemical precipitates recovered from the Colossus Project to the JV Co on terms considered standard with regard to market prices at the time of sale. This undertaking does not constitute an offtake agreement for the Colossus REE Project.
- IonicRE undertakes to provide access to separation technology and know-how to define the optimal process to separate rare earth chemical precipitates using its 100% owned UK subsidiary, Ionic Technologies International Limited (Ionic Technologies) or alternative should it be identified.
- New IP and process design package developed through investment in the JV Co vehicle will be wholly owned by the JV Co and, for the avoidance of doubt, will be for the exclusive use of JV Co worldwide. This exclusive use does not extend to intellectual property developed by a Party outside of the JV Co in relation to downstream rare earth refining. For the avoidance of doubt, the process design package shall include process design criteria, process flowsheet and supporting test work data, process models, capital and operating cost estimates and location analysis reports.
- The Joint Venture will have exclusive rights to use IonicRE's magnet recycling technology in Brazil. IonicRE will retain the IP for magnet recycling which is not included in the JV excluding Brazil.
- On and from incorporation of JV Co, each Venturer is entitled to appoint two directors to the Board with

equal voting rights and with neither Party having a casting vote.

About Ionic Rare Earths Limited

Ionic Rare Earths Limited (ASX:IXR) (OTCMKTS:IXRRF) is focused on developing its flagship Makuutu Rare Earths Project in Uganda into a significant long life, low-cost, supplier of high-value critical and heavy rare earths.

Makuutu is an advanced-stage, ionic adsorption clay-hosted project highlighted by near-surface mineralisation, significant exploration upside, excellent metallurgical characteristics and access to tier-one infrastructure.

The ionic adsorption clay-hosted geology at Makuutu is similar to major rare earths projects in Southern China, which are responsible for the majority of global supply of low cost heavy and critical rare earths, specifically the high value magnet metals (Dysprosium and Terbium) Heavy Rare Earths (>98% originating from ionic clays). Metallurgical testing at Makuutu has returned excellent recovery rates, which provide multiple avenues for a simple process route.

Makuutu is well-supported by tier-one existing infrastructure which includes access to major highways, roads, power, water and a professional workforce.

Rare Earths will play a critical role in the future of clean energy. Rare Earths are a key ingredient in the permanent magnets found in wind turbines and electric vehicles.

IonicRE is led by an experienced and proven team, who have the capabilities to deliver Makuutu into production and realise value for all stakeholders.

Contact

Tim Harrison

[Ionic Rare Earths Limited](#)

E: investors@ionicre.com

T: +61 (3) 9776 3434

For Investor Relations

Peter Taylor

NWR Communications

E: peter@nwrcommunications.com.au

T: +61 (0) 412 036 231

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