



Board of Directors Notational Vote
Tuesday, August 12, 2025

The information summary for the below-listed project can be found on [dfc.gov](https://www.dfc.gov).

Meeting Agenda

I. PROJECT APPROVAL

- a. SVRE Holdings Ltd. - Brazil

Public Information Summary

Host Country

Brazil

Name of Counterparty / Issuer

SVRE Holdings Ltd.

Project Description

The financing of (a) improvements to a brownfield rare earths mine located in the state of Goiás (the “**Pela Ema mine**”) in Brazil, (b) operational expenses, (c) refinancing of existing shareholder debt, and (d) reserve accounts and other transaction costs (the “**Project**”).

DFC Product Type

Debt Financing

DFC Investment / Insured / Equity Amount

\$465,000,000

Total Project Costs

\$628,000,000

U.S. Involvement (If not applicable, put N/A)

N/A

Policy Review**Developmental Objectives**

Despite being home to the world’s second-largest rare earth mineral reserves, Brazil has seen declining rare earth mine production over the past decade, with only 20 metric tons of Total Rare Earth Oxide (“TREO”) produced in 2024 compared to a 2016 peak of 2,200 metric tons. Brazil currently represents less than 1% of global rare earth exports, and rare earth mining and processing therefore has significant potential for new local income and employment while diversifying global rare earth supply chains.

In response to these challenges, the Project is expected to have a positive development impact in Brazil through financing improvements to a brownfield rare earths mine, which will be the first significant producer of heavy rare earths outside of China. This site has significant potential, with a 2025 market study finding that the Pela Ema mine could produce 10% of global supply of heavy rare earth ores over its lifetime. The mine’s primary product is expected to be Mixed Rare Earth Carbonate (“MREC”), an intermediate product that is sold to midstream market offtakers for refinement into individual rare earth metals. Improvements to metallurgic recovery and product quality are intended to increase the TREO content in the mine’s MREC, a key determinant of market value. By 2029, MREC production volume is expected to reach thousands of tons per

annum of TREO, supporting an anticipated hundreds of millions of dollars in annual exports and 175 new direct jobs. Contributions to local income are expected to be substantial, exceeding \$400 million over the next five years. Additionally, the Project will support broader local economic growth through its supply chains, which are expected to include Brazilian small and medium enterprises. Given the Project's characteristics, it is expected to be categorized as Highly Impactful per DFC's Impact Quotient pending final environmental and social risk deductions.

Risk Assessment

SUMMARY FOR PUBLIC INFORMATION PROFILE SCREENING: The Project has been reviewed against DFC's categorical prohibitions and determined to be categorically eligible. The Project is screened as Category A because it involves a large, open pit mine that may have significant adverse environmental and social impacts that are irreversible, sensitive, diverse, or unprecedented in the absence of adequate mitigation measures.

APPLICABLE STANDARDS: DFC's preliminary environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following International Finance Corporation (IFC) 2012 Performance Standards:

- PS 1: Assessment and Management of Environmental and Social Risks and Impacts;
- PS 2: Labor and Working Conditions;
- PS 3: Resource Efficiency and Pollution Prevention;
- PS 4: Community Health, Safety, and Security;
- PS 5: Land Acquisition and Involuntary Resettlement; and
- PS 6: Biodiversity Conservation & Sustainable Management of Living Natural Resources

Based on a desk review, no Indigenous Peoples are known to live in the Project area, and no adverse impacts to cultural heritage are expected. Therefore, PS 7 and PS 8 are not triggered by the Project at this time.

In addition to the Performance Standards listed above, the IFC's 2007 general health and safety guidelines and guidelines for mining are applicable, as are the IFC and EBRD processes and standards for workers' accommodations.

KEY RISK ISSUES AND MITIGATION: Primary environmental and other issues of concern include implementation of an adequate risk management system, water quality and availability; biodiversity impacts to natural habitat; community nuisance impacts such as noise, dust, and traffic; emergency preparedness and response; labor management, including occupational health and safety; waste management; land acquisition; and stakeholder engagement.

Tailings will be de-watered and dry stacked. This method does not require a wet tailings dam and minimizes the risk of a tailings facility failure and subsequent risk to Project workers and communities.

Risk Management System: The Borrower has a formal risk management approach and organizational structure in place, with adequate established corporate policies and statements, internal procedures and policies, a team dedicated to managing health and safety and other risks, and an Integrated Management System. The Borrower conducted an impact assessment for the

Mine which was approved by the State Environmental Agency. In addition, the Borrower will conduct a Cumulative Impacts Study. Additionally, third-party audits benchmarking against international standards were conducted in 2023 and 2024. DFC posted the 2024 Audit and associated documents for public comment. No comments were received.¹

Water Quality and Availability: The Borrower conducts periodic monitoring of surface and underground water according to Brazilian Regulations and its Operating Permit. The DFC's independent consultant indicated the geological composition of the Minaçu region could have given rise to parameters being above permissible limits under Brazilian legislation, identified in a 2022 and 2023 study. DFC will continue to diligence this topic, and the Borrower will be required to continue monitoring surface and groundwater to determine if the exceedances are Project-related.

Biodiversity: The Project has implemented mitigation measures, including the rehabilitation of mined areas and re-vegetation with native species and faunal re-location. However, the residual impact compensation still lacks a structured approach for critical habitats and ecosystem services, with a clear assessment framework. The Borrower will be required to update its management plan to include an assessment of habitat classification (modified, natural, or critical) and ecosystem services, as well as enhance mitigation effectiveness to ensure alignment with PS 6.

Community Impacts: The Borrower maintains a Road Conservation and Control Program for the mine area. Traffic campaigns were carried out through the distribution of digital material (WhatsApp, Facebook, stickers, and LinkedIn, among others), actions to adapt the access road, a traffic education campaign, in partnership with the municipal traffic department, and campaigns to prevent wildlife being run over. On the stretches that aren't paved, roads are wetted down with a water tanker to prevent dust. In order to prevent traffic accidents, the Borrower has installed a camera monitoring system in its cars and buses to monitor drivers and vehicle speed and has implemented a Traffic Plan and driver training activities.

Emergency Preparedness and Response: The Project has an Emergency Response Plan that presents different emergency scenarios and Project responses. However, the Plan does not identify potentially affected communities and areas where accidents and emergency situations may occur, as well as the need for training and drills for these communities. The Borrower will be required to update the Emergency Response Plan to include nearby communities.

Labor Management and Occupational Health and Safety: The Borrower provides a healthy and safe working environment for Project workers and maintains a Hazard and Risk Inventory that identifies Project-related physical, chemical, and biological risks, and informs the mitigation measures to address the risks. The Project also maintains a Radiological Plan to address any radiological risks. OHS risks are overseen by an OHS Team and Safety Committee. The Project has a system to track, document, and report occupational accidents, diseases, and incidents.

Waste Management: The Borrower has an adequate Waste Management Plan that includes procedures for the management of hazardous and non-hazardous waste from generation to final

¹ Note: posting period ended on May 24, 2025.

disposal. Wastes are hauled and disposed of by third-party contractors. The Borrower creates an annual Waste Inventory Report which is submitted to the relevant authorities. If radioactive waste is generated as part of the Project, it will be disposed of according to Brazilian regulations.

Land Acquisition: DFC's independent consultant indicated that no physical or economic displacement occurred as a result of the construction or operation of the mine, access road or transmission line. However, the Project is still in the process of negotiating fair compensation for rights-of-way with two property owners, and it is unclear if the Borrower can resort to expropriation to force an agreement, which would trigger the requirements of PS 5. DFC and the independent consultant will continue to diligence this topic and determine if the requirements of PS 5 are applicable.

Stakeholder Engagement: The Borrower has a Stakeholder Engagement Plan that establishes procedures for stakeholder mapping, communications and relationship management, and social investment and community development. The Borrower conducted stakeholder engagement meetings during the ESIA process prior to mine construction. During construction, the Borrower held technical meetings with the local community every six months to maintain transparency and keep the community aware of the Project's status. Since 2023 and throughout operations, the Borrower has also held two different non-technical monthly meetings, one for the rural area around the mine, and one for the urban/Minaçu area to maintain transparency/communication with the local community.