

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d)
of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 16, 2026



USA Rare Earth, Inc.
(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-41711

(Commission File Number)

98-1720278

(I.R.S. Employer
Identification No.)

100 W. Airport Road, Stillwater, OK 74075
(Address of Principal Executive Offices) (Zip Code)

(813) 867-6155
(Registrant's telephone number, including area code)

Not applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001	USAR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EXPLANATORY NOTE

As previously announced, USA Rare Earth, Inc. (“USAR,” “we,” “our,” and “us”) entered into a definitive Agreement and Plan of Merger (the “Merger Agreement”), dated as of April 19, 2026, by and among (i) USAR, (ii) Middlebury Merger Sub Ltd., a business company limited by shares incorporated under the laws of the British Virgin Islands and an indirect, wholly owned Subsidiary of USAR (“Merger Sub”), (iii) SVRE Holdings Ltd., a business company limited by shares incorporated under the laws of the British Virgin Islands (“SVRE”), and (iv) Serra Verde Rare Earths Ltd., a company incorporated and existing under the laws of the British Virgin Islands, solely in its capacity as the representative of SVRE’s shareholders (the “Shareholder Representative”). The Merger Agreement provides for the merger of SVRE with and into Merger Sub, with Merger Sub surviving such merger as an indirect, wholly owned subsidiary of USAR (the “Merger”). USAR is filing this Current Report on Form 8-K in part for the purpose of supplementing disclosures contained in USAR’s filings with the SEC.

Item 1.01 Entry into a Material Definitive Agreement.

On July 16, 2026, USAR, Merger Sub, SVRE and the Shareholder Representative entered into Amendment No. 1 to the Merger Agreement (“Amendment No. 1 to the Merger Agreement”), pursuant to which the satisfaction (and non-waiver) of certain conditions precedent set forth in the offtake agreement entered into on April 20, 2026 by and between SV Management Switzerland AG (“SV Management Switzerland”), a subsidiary of SVRE, and a special purpose vehicle capitalized by the U.S. government and private capital sources (the “Counterparty”) (as amended from time to time, the “Offtake Agreement”) for the long-term supply of rare earth materials produced by SVRE, the lapse of the right of SV Management Switzerland to terminate the Offtake Agreement, and the Offtake Agreement being in full force and effect as of the closing of the Merger became conditions to the obligation of USAR and Merger Sub to complete the Merger.

Amendment No. 1 to the Merger Agreement is included as Exhibit 2.1 and is incorporated herein by reference. The description of Amendment No. 1 to the Merger Agreement above does not purport to be complete and is qualified in its entirety by reference to the full text of the agreement filed herewith. A copy of Amendment No. 1 to the Merger Agreement has been included to provide USAR stockholders with information regarding its terms and is not intended to provide any factual information about USAR, SVRE, Merger Sub or their respective affiliates.

Item 8.01 Other Events.

In connection with the transactions contemplated by the Merger Agreement, on July 16, 2026, USAR filed with the Securities and Exchange Commission (the “SEC”) Amendment No. 2 (“Amendment No. 2”) to the preliminary proxy statement that was filed on Schedule 14A on May 13, 2026 (together with Amendment No. 1, which was filed on June 12, 2026, and Amendment No. 2, the “Preliminary Proxy Statement”), which included an updated version of USAR’s unaudited pro forma condensed combined financial statements as of and for the three months ended March 31, 2026 and for the year ended December 31, 2025, giving effect to the Merger (the “Updated USAR Pro Forma Financial Statements”). USAR is filing this Current Report on Form 8-K for the purpose of disclosing the Updated USAR Pro Forma Financial Statements and certain other updated disclosures that were included in Amendment No. 2. The Updated USAR Pro Forma Financial Statements and other updated disclosures are included in Exhibit 99.1 and Exhibit 99.2 hereto.

As a public company, our filings are subject to review by the SEC, including the Preliminary Proxy Statement filed in connection with the Merger, which includes USAR’s pro forma financial statements referenced above, which could cause changes or modifications to such information.

Cautionary Note Regarding Forward-Looking Statements

This report, including the exhibits filed hereto, contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include those relating to our financing arrangement with the U.S. Department of Commerce (the “DOC”), the proposed acquisition of Serra Verde Group (“SVG”), our business plans, strategy, goals and prospects, our plans for and prospects of our other acquisitions, investments and other business development activities, including the announced Carester SAS (“Carester”) and Texas Mineral Resources Corp. (“TMRC”) transactions and other statements regarding USAR’s expectations for future development, operations, strategies, transactions and financial performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. Words such as “aim,” “anticipate,” “believe,” “can,” “continue,” “could,” “estimate,” “expect,” “growth,” “intend,” “may,” “might,” “plan,” “potential,” “project,” “propose,” “should,” “target,” “vision,” “will,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking.

Forward-looking statements are subject to risks and uncertainties and potentially inaccurate assumptions that could cause actual results to differ materially from our expectations, including without limitation: risks that the proposed transactions with SVG, Carester and TMRC may not be consummated on their anticipated timelines or at all; we may not realize the anticipated benefits of our proposed and prior acquisitions, including expected synergies, financial performance, estimated earnings before interest, taxes, depreciation and amortization and, in the case of SVG, integration of operations, on the anticipated timeline or at all; the ability of our magnet manufacturing facility in Stillwater, Oklahoma (the “Stillwater facility”) or other future magnet manufacturing facilities to commence commercial operations on the timing and with the production capacity anticipated or at all; our limited operating history; our ability to commercially extract minerals from the Round Top deposit in Texas on our anticipated timeline or at all; risks that we may experience delays, unforeseen expenses, increased capital costs, and other complications in operating our business; our ability to raise necessary capital on acceptable terms or at all; potential dilution to existing stockholders and adverse effect on our stock price if we issue additional common stock or equity-linked securities; the volatility of our stock price; our ability to satisfy project milestones and other conditions to disbursement under our financing arrangement with the DOC on the anticipated timeline or at all; our dependence on continued governmental support for the DOC financing transactions, which remains subject to changes in laws, regulations, administrations and appropriations; extensive affirmative and negative covenants, domestic content and national security guardrail provisions and ongoing reporting obligations in the DOC financing agreements that restrict our operational and financial flexibility; the risk that defaults under the DOC funding agreements could trigger cross-defaults across our financing arrangements; the impact of the DOC’s equity interest in us on our ability to pursue strategic transactions and on our relationships with customers, suppliers, partners and other counterparties; the availability of rare earth oxide, metal feedstock and other materials, utilities (including power and water) and equipment in quantities and prices that allow us to develop and commercially operate our Stillwater facility and other facilities; our ability to meet individual customer specifications and manufacture a consistently high quality product; fluctuations in demand for and prices of our products, including without limitation as a result of dumping, predatory pricing and other tactics by our competitors or state actors or the overall competitive environment; our ability to achieve positive cash flow or profitability or the ability to access cash flow within our corporate structure due to restrictions contained in our financing agreements; our ability to convert current commercial discussions and/or memorandums of understanding with customers for the sale of our neo magnets and other products into definitive orders; geopolitical developments or disruptions, such as changes in the political environment, export/import or environmental policy of the People’s Republic of China, the United States or other countries in which we operate or sell products or otherwise; war, terrorism, natural disasters or public health emergencies; our ability to retain or recruit key personnel; environmental, health and safety regulations; and our ability to comply with requirements for federal, state and local government incentives and financing.

Additional risks and detailed information regarding factors that may cause actual results to differ materially has been and will be included in our filings with the SEC. Any forward-looking statements speak only as of the date of this report (or such other date as is specified in such statements), and USAR undertakes no obligation to update any forward-looking statements as a result of new information or future events or developments, except to the extent required by law.

Additional Information and Where to Find It

In connection with the Merger, USAR filed the Preliminary Proxy Statement and, following SEC review, intends to file a definitive proxy statement (together with any amendments or supplements thereto, the “Proxy Statement”), to be distributed to USAR’s stockholders in connection with USAR’s solicitation of proxies for the vote by USAR’s stockholders with respect to the issuance of USAR common stock as merger consideration and other matters described in the Proxy Statement. SVRE’s shareholders approved the merger by written consent which was delivered concurrently with the signing of the merger agreement and will not receive a proxy statement or prospectus. USAR also plans to file with or furnish to the SEC other relevant documents regarding the Merger. After SEC review of the preliminary proxy statement is completed, the definitive Proxy Statement will be mailed to stockholders of USAR. BEFORE MAKING ANY VOTING OR INVESTMENT DECISION, INVESTORS AND SECURITY HOLDERS ARE URGED TO READ THE PROXY STATEMENT AND ALL OTHER RELEVANT DOCUMENTS THAT ARE OR WILL BE FILED WITH OR FURNISHED TO THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THESE DOCUMENTS, CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN OR WILL CONTAIN IMPORTANT INFORMATION ABOUT THE MERGER AND RELATED MATTERS.

Investors and security holders will be able to obtain free copies of the Proxy Statement and other documents containing important information about USAR and the Merger, once such documents are filed with or furnished to the SEC through the website maintained by the SEC at www.sec.gov. Copies of the documents filed with or furnished to the SEC by USAR will be available free of charge on USAR’s website at investors.usare.com or by contacting USAR’s Investor Relations department by email at IR@usare.com. The information included on, or accessible through, USAR’s website is not incorporated by reference into this communication.

Participants in the Solicitation

USAR and certain of its directors and executive officers and other members of its management and employees may be deemed to be participants in the solicitation of proxies in respect of the Merger.

Information about the directors and executive officers of USAR, including a description of their direct or indirect interests, by security holdings or otherwise, is contained in USAR’s Preliminary Proxy Statement. Any changes in the holdings of USAR’s securities by USAR’s directors or executive officers from the amounts described in the Preliminary Proxy Statement will be reflected in Statements of Changes in Beneficial Ownership on Form 4 (“Form 4”) or Annual Statements of Changes in Beneficial Ownership of Securities on Form 5 (“Form 5”) subsequently filed with the SEC and available at the SEC’s website at www.sec.gov. Additional information regarding the interests of such participants will be contained in the Proxy Statement when available.

No Offer or Solicitation

This communication is for informational purposes only and is not intended to and shall not constitute an offer to buy or sell or the solicitation of an offer to buy or sell any securities, or a solicitation of any vote or approval on the Merger or otherwise, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made, except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or pursuant to an applicable exemption therefrom.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are attached with this current report on Form 8-K:

Exhibit No.	Description
2.1	<u>Amendment No. 1, dated July 16, 2026, to the Merger Agreement by and among USAR, SVRE, Merger Sub and the Shareholder Representative</u>
99.1	<u>Unaudited pro forma condensed combined financial statements of USAR as of and for the three months ended March 31, 2026, and for the year ended December 31, 2025</u>
99.2	<u>Other Updated Disclosures</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

USA Rare Earth, Inc.

Date: July 16, 2026

By: /s/ Valerie Ford Jacob
Valerie Ford Jacob
Chief Legal Officer

AMENDMENT NO. 1 TO AGREEMENT AND PLAN OF MERGER

This Amendment No. 1 to Agreement and Plan of Merger (this “Amendment”), dated as of July 16, 2026, is entered into by and among (i) USA Rare Earth, Inc., a Delaware corporation (“Parent”), (ii) Middlebury Merger Sub Ltd., a business company limited by shares incorporated under the laws of the British Virgin Islands and an indirect, wholly owned Subsidiary of Parent (“Merger Sub”), (iii) SVRE Holdings Ltd., a business company limited by shares incorporated under the laws of the British Virgin Islands (the “Company”), and (iv) Serra Verde Rare Earths Ltd., a company incorporated and existing under the laws of the British Virgin Islands, solely in its capacity as the representative of the Company Shareholders (the “Seller Representative”).

WHEREAS, the parties hereto are parties to that certain Agreement and Plan of Merger, dated as of April 19, 2026 (as amended, supplemented or otherwise modified from time to time, the “Merger Agreement”);

WHEREAS, pursuant to Clause 2.2 of the Offtake Agreement, certain conditions precedent to the Seller’s obligation to sell and deliver and the Buyer’s obligation to purchase and take Pre-COD Product and the ACQ (all of which capitalized terms are defined in the Offtake Agreement) are required to be satisfied or waived;

WHEREAS, pursuant to Section 10.11 of the Merger Agreement, the Merger Agreement may be amended in a written instrument executed by Merger Sub, Parent, the Company and the Seller Representative; and

WHEREAS, the parties hereto desire to amend the Merger Agreement in accordance with Section 10.11 of the Merger Agreement to add a new closing condition for the benefit of Parent and Merger Sub as provided herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

Section 1 Definitions. Capitalized terms used herein without definition shall have the meanings ascribed to such terms in the Merger Agreement unless otherwise indicated.

Section 2 Amendment to the Merger Agreement. A new Section 6.1(q) is hereby added to the Merger Agreement immediately following Section 6.1(p) to read in its entirety as follows:

“(q) Offtake Condition. (i) The conditions set forth in Clause 2.2(b) and Clause 2.2(c) of the Offtake Agreement shall each have been satisfied (and not waived), (ii) the right of SV Management Switzerland AG (the “Offtake Seller”) to terminate the Offtake Agreement in accordance with Clause 2.4 of the Offtake Agreement shall have lapsed and shall no longer be exercisable by the Offtake Seller, and (iii) the Offtake Agreement shall be in full force and effect as of the Closing.”

Section 3 No Other Amendments; Ratification. Except as expressly provided in this Amendment, all of the terms and provisions of the Merger Agreement are and shall remain in full force and effect and are hereby ratified and confirmed by the parties hereto. The amendments contained herein shall not be construed as an amendment to or waiver of any other provision of the Merger Agreement or as a waiver of or consent to any further or future action on the part of any party that would require the waiver or consent of any other party.

Section 4 Effect of Amendment. On and after the date of this Amendment, each reference in the Merger Agreement to “this Agreement,” “hereunder,” “hereof,” “herein” or words of like import referring to the Merger Agreement shall mean and be a reference to the Merger Agreement as amended by this Amendment. In the event of any inconsistency between the terms of this Amendment and the terms of the Merger Agreement, the terms of this Amendment shall control.

Section 5 Incorporation by Reference. The provisions of Article X (Miscellaneous) of the Merger Agreement shall, to the extent not already set forth in this Amendment, apply *mutatis mutandis* to this Amendment, and to the Merger Agreement as modified by this Amendment, taken together as a single agreement, reflecting the terms as modified hereby.

Section 6 Counterparts. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Amendment by electronic transmission shall be effective as delivery of a manually executed counterpart of this Amendment.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

PARENT:

USA RARE EARTH, INC.

By: /s/ Barbara Humpton

Name: Barbara Humpton

Title: Chief Executive Officer

MERGER SUB:

MIDDLEBURY MERGER SUB LTD.

By: /s/ David Kronenfeld

Name: David Kronenfeld

Title: Sole Director

[Signature Page to Amendment No. 1 to Agreement and Plan of Merger]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date first above written.

THE COMPANY:

SVRE HOLDINGS LTD.

By: /s/ Sir Mick Davis

Name: Sir Mick Davis

Title: Authorized Person

THE SELLER REPRESENTATIVE:

SERRA VERDE RARE EARTHS LTD.,

solely in its capacity as the Seller
Representative hereunder

By: /s/ Justin Machin

Name: Justin Machin

Title: Authorized Person

[Signature Page to Amendment No. 1 to Agreement and Plan of Merger]

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Introduction

The following unaudited pro forma condensed combined financial information is derived from the historical consolidated financial statements of USA Rare Earth, Inc. (“USAR” or the “Company”), and the historical consolidated financial statements of SVRE Holdings Ltd. (“SVRE”), and gives effect to (i) the Merger (as defined below), (ii) the Private Placement (as defined below), (iii) the Retained Finance Agreement (as defined below), (iv) the Offtake Agreement (as defined below), and (v) the issuance of Earnout Shares (as defined below) (collectively, the “Pro Forma Transactions”).

On August 21, 2024, Inflection Point Acquisition Corp. II, a Cayman Islands exempted company (“IPXX”) entered into a Business Combination Agreement (as amended on November 11, 2024 and January 30, 2025, the “Business Combination Agreement”), by and among IPXX, USA Rare Earth, LLC, a Delaware limited liability company, and IPXX Merger Sub, LLC, a Delaware limited liability company and a direct wholly owned subsidiary of IPXX. Pursuant to the Business Combination Agreement, IPXX Merger Sub, LLC merged with and into USA Rare Earth, LLC, with USA Rare Earth, LLC continuing as the surviving company, and IPXX changed its name to USA Rare Earth, Inc. On March 13, 2025, USAR consummated the previously announced merger contemplated by the Business Combination Agreement and USA Rare Earth, LLC became a direct wholly owned subsidiary of USAR. This transaction is already reflected in the USAR historical audited consolidated balance sheet as of December 31, 2025 and the historical statement of operations of IPXX from January 1, 2025 to March 12, 2025 is not material to the pro forma presentation of the Merger (as defined below) for the purpose of unaudited pro forma condensed combined statement of operations.

Merger

On April 19, 2026, USAR entered into a Merger Agreement by and among (i) USAR, (ii) Middlebury Merger Sub Ltd. (“Merger Sub”), (iii) SVRE, and (iv) Serra Verde Rare Earths Ltd. The Merger Agreement provides for the merger of SVRE with and into Merger Sub, with Merger Sub surviving such merger as an indirect, wholly owned subsidiary of USAR (the “Merger”), subject to the satisfaction or waiver of the conditions precedent to such closing. In the Merger, USAR will issue 126,849,307 shares of USAR’s common stock, par value \$0.0001 per share (“Common Stock”) and pay an aggregate of \$300 million of merger consideration.

Upon closing, all outstanding warrants of SVRE will be automatically exercised and converted into SVRE ordinary shares immediately prior to the Merger. All outstanding RSUs and SARs, whether vested or unvested, will accelerate in full and be cancelled in exchange for a pro rata portion of the merger consideration. Stock options not subject to performance conditions will be similarly cancelled on a cashless basis for merger consideration, while performance-vesting options held by continuing service providers will be substituted with USAR RSUs subject to continued service vesting. SVRE’s equity incentive plan will be terminated at closing.

Private Placement

On January 26, 2026, USAR, entered into a securities purchase agreement, for the private placement of 69,767,442 shares of the USAR’s Common Stock, for aggregate gross proceeds of approximately \$1.5 billion, at a price per share of \$21.50 (the “Private Placement”). USAR closed the Private Placement and issued the shares of Common Stock on January 28, 2026.

Parent Loan Agreement

Concurrently with the execution of the Direct Funding Agreement and the Loan Guarantee Agreement, USAR entered into a Securities Issuance Agreement with the DOC and issued to the DOC 16,132,790 shares of Common Stock (“the SIA Shares”) and a warrant to purchase 17,600,584 shares of Common Stock at an exercise price of \$17.17 per share (the “DOC Warrant”).

Based on preliminary conclusions, the SIA Shares were issued in exchange for access to the awards pursuant to the Direct Funding Agreement and the warrant to purchase 17,600,584 shares of Common Stock was issued in exchange for obtaining the Loan Guarantee Agreement. The Company has recorded deferred financing and other transaction costs for the issuance of the SIA Shares and warrant.

The issuance of the SIA Shares has been reflected in the unaudited pro forma condensed combined balance sheet as of March 31, 2026 as an increase in stockholders' equity of \$451.4 million which represents the fair value of the SIA Shares at the date of issuance, an increase in other non-current assets of \$277.0 million which represents a deferred financing cost related to the maximum award amount of \$277.0 million pursuant to the Direct Funding Agreement, and an increase in accumulated deficit of \$174.4 million which represents the cost of obtaining the Direct Funding Agreement which is equal to the difference between the fair value of the SIA Shares at issuance and the maximum direct funding award. The deferred financing cost will commence amortization pro rata upon recognition of grant income under the Direct Funding Agreement, which is subject to the achievement of various project-specific milestones, the making of cash equity contributions by USAR to its subsidiaries, the satisfaction of financial ratio and liquidity thresholds, the receipt of required permits and approvals and other customary conditions, which have not yet been satisfied as of the date of this filing. As such no amortization of the deferred financing cost has been reflected in the accompanying unaudited pro forma condensed combined financial information.

The Company has determined that the warrant issued to the DOC is liability-classified, with an initial fair value of \$24.48 per common share, or approximately \$430.9 million in aggregate as of the issuance date of June 3, 2026. The DOC Warrant liability will be remeasured at fair value at the end of each reporting period, with changes in fair value recognized as a gain or loss within other income (expense), net in the Company's condensed consolidated statements of operations and comprehensive income (loss). The DOC Warrant liability was initially recorded at fair value with an offsetting entry recorded as a deferred loan commitment asset until the debt associated with the Parent Loan Agreements is drawn. Upon each draw, the deferred loan commitment asset will be derecognized proportionately, and recorded as a component of the related debt's amortized cost basis, which will be amortized over the term of the debt using the effective interest method. As of the date of this filing, no amounts associated with the Parent Loan Agreements had been drawn. Accordingly, no reclassification of the deferred loan commitment asset to related debt's amortized cost basis has been reflected on the Company's unaudited pro forma condensed combined balance sheet as of March 31, 2026, and no related amortization expense has been reflected in the Company's unaudited pro forma condensed combined statements of operations for the three months ended March 31, 2026 and for the year ended December 31, 2025.

The Company's accounting for the Securities Issuance Agreement, including the issuance of the SIA Shares and the DOC Warrant is preliminary. Accordingly, the treatment depicted in the unaudited pro forma condensed financial information may change as the Company completes its accounting assessment.

The Retained Finance Agreement

On January 21, 2026, SVRE entered into a Finance Agreement with the United States International Development Finance Corporation (the "DFC"), which was amended on March 5, 2026 (as further amended from time to time, the "Retained Finance Agreement"). The Retained Finance Agreement provides SVRE with long-term debt financing to support its rare earth mining and processing operations in an aggregate committed amount not to exceed \$565 million, consisting of (i) an initial loan tranche with a principal amount not to exceed \$465 million (the "Initial Loan"), and (ii) a second loan tranche with a principal amount not to exceed \$100 million (the "Incremental Loan"). As of March 31, 2026, the aggregate outstanding principal amount of indebtedness of SVRE and its subsidiaries under the Retained Finance Agreement was \$325 million.

On May 28, 2026, SVRE and the DFC entered into the Second Amendment to the Finance Agreement, which formalized the inclusion of a \$100 million Incremental Loan as a second tranche under the existing \$465 million Initial Loan facility. The Second Amendment also extended the loan term for both tranches from up to 12 years to up to 15 years from the first closing date, upon the execution of the Offtake Agreement (see discussion below). In connection with the Incremental Loan, DFC was issued two warrants (the "DFC Warrants") granting a combined 12% fully diluted equity interest in the Company, which will automatically exercise upon the closing of the Merger, at which point the Incremental Loan shall be deemed extinguished in full. The Incremental Loan was closed on June 4, 2026.

The Initial Loan issuance was reflected in the historical unaudited condensed consolidated balance sheet of SVRE as of March 31, 2026, accordingly, no adjustment has been reflected within the unaudited pro forma condensed combined balance sheet for such amounts. The Incremental Loan and the DFC Warrants issuance on June 4, 2026, and the DFC Warrants exercise and extinguishment of the Incremental Loan upon the closing of the Merger, have been included as an other material transaction adjustment within the unaudited pro forma condensed combined balance sheet as of March 31, 2026. Adjustments for the Initial Loan have been included within the unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2026 and for the year ended December 31, 2025 assuming the Initial Loan was entered and drawn down on January 1, 2025.

The Offtake Agreement

On or about the date of the Merger Agreement, SV Management Switzerland AG ("SV Management Switzerland"), a subsidiary of SVRE, entered into an offtake agreement with a special purpose vehicle capitalized by the U.S. government, as well as private capital sources (the "Counterparty") (as amended from time to time, the "Offtake Agreement") for the long-term supply of rare earth materials produced by SVRE.

The Offtake Agreement provides for the sale of 100% of the rare earth products produced from phase one of the Pela Ema project, subject to limited carve-outs. The Incremental Loan was fully disbursed on June 4, 2026, and SVRE's delivery obligation will be for 100% of phase one production. The agreement remains in effect until the earlier of specified production-based volume delivery thresholds and the date that is 20 years after the date on which SVRE's facility becomes capable of producing the contemplated products (the "Commercial Operations Date"), unless extended with the consent of the U.S. government. Pricing is based on annually escalated contractual floor prices, with amounts above the applicable floor price, as well as certain cost savings and yield variances, allocated 70% to SV Management Switzerland and 30% to the Counterparty. Commencement of deliveries is subject to the satisfaction or waiver of specified conditions precedent by the agreed long-stop date, June 12, 2026, and either party may terminate the agreement without liability if such conditions are not satisfied or waived by that date. As the Offtake Agreement has been executed subsequent to March 31, 2026, adjustments related to the Offtake agreement have been included within the unaudited pro forma condensed combined financial statements. On June 29, 2026, SV Management Switzerland and the Counterparty entered into an amendment, consent and waiver to the Offtake Agreement that extended the long-stop date from June 12, 2026 to August 14, 2026.

Issuance of Earnout Shares

In connection with the business combination between the Company and USA Rare Earth, LLC, the Company agreed to issue common stock of the Company (the "earnout shares") to certain shareholders of USA Rare Earth, LLC in two tranches upon the occurrence of certain triggering events. On April 15, 2026, the Company achieved the market-price condition for the first tranche of earnout shares, as the Company's common stock exceeded \$15.00 per share for at least 20 out of 30 consecutive trading days. 5.05 million shares were issued to USA Rare Earth, LLC shareholders. The second tranche of 5.05 million earnout shares were issued on May 15, 2026 when the Company achieved the market-price condition for the second tranche, as the Company's common stock exceeds \$20.00 per share for at least 20 out of 30 consecutive trading days.

The earnout shares were classified as liabilities and remeasured at fair value on a recurring basis prior to conversion. Upon issuance of the two tranches of the earnout shares, the related earnout liability was reclassified to common stock and additional paid-in capital. The effect of the conversion has been included within the unaudited pro forma condensed combined balance sheet as of March 31, 2026.

Presentation Periods

The unaudited pro forma condensed combined financial information has been prepared in accordance with Article 11 of Regulation S-X and should be read in conjunction with the accompanying notes.

The unaudited pro forma condensed combined balance sheet as of March 31, 2026 combines the unaudited condensed consolidated balance sheet of USAR as of March 31, 2026 with the unaudited condensed consolidated balance sheet of SVRE as of March 31, 2026, giving effect to the Pro Forma Transactions as if it had been consummated on March 31, 2026.

The unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2026 combines the unaudited condensed consolidated statement of operations of USAR for the three months ended March 31, 2026 with the unaudited condensed consolidated statement of operations of SVRE for the three months ended March 31, 2026, giving effect to the Pro Forma Transactions as if it had been consummated on January 1, 2025.

The unaudited pro forma condensed combined statement of operations for the year ended December 31, 2025 combines the audited consolidated statement of operations of USAR for the year ended December 31, 2025 with the audited consolidated statement of operations of SVRE for the year ended December 31, 2025, giving effect to the Pro Forma Transactions as if it had been consummated on January 1, 2025.

The unaudited pro forma condensed combined financial information was derived from, and should be read in conjunction with, the following historical financial statements and the accompanying notes:

- The historical audited consolidated financial statements of USAR as of and for the year ended December 31, 2025, as included in the Company's Annual Report on Form 10-K filed with the SEC on March 30, 2026;
- The historical unaudited condensed consolidated financial statements of USAR as of and for the three months ended March 31, 2026, as included in the Company's Quarterly Report on Form 10-Q filed with the SEC on May 14, 2026;
- The historical audited financial statements of SVRE as of and for the year ended December 31, 2025, included as Exhibit 99.3 in the Company's Current Report on Form 8-K filed with the SEC on May 13, 2026.

The historical unaudited condensed consolidated balance sheet and statement of operations of SVRE as of and for the three months ended March 31, 2026 are derived from the books and records of SVRE. The unaudited pro forma condensed combined financial information should also be read together with other financial information included elsewhere or filed with the SEC.

Accounting for the Merger

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting in accordance with accounting principles generally accepted in the United States (“U.S. GAAP”). USAR has been identified as an accounting acquirer for accounting purposes, and thus accounts for the Merger as a business combination in accordance with Accounting Standards Codification Topic 805, Business Combinations (“ASC 805”). Under the acquisition method of accounting, SVRE’s assets and liabilities will be recorded at their respective fair values. Any difference between the purchase price for SVRE and the fair value of the identifiable net assets acquired (including intangibles) will be recorded as goodwill. The assets and liabilities of SVRE have been measured based on various preliminary estimates using assumptions that USAR’s management believes are reasonable and based on currently available information. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing this unaudited pro forma condensed combined financial information.

Differences between these preliminary estimates and the final purchase accounting may occur, and the final purchase accounting could be materially different from the preliminary estimates used to prepare the accompanying unaudited pro forma condensed combined financial information and could have a material impact on the combined company’s future results of operations and financial position.

Basis of Pro Forma Presentation

The unaudited pro forma condensed combined financial information appearing below does not consider any potential effects of changes in market conditions on revenues or expense efficiencies, among other factors. In addition, as explained in more detail in the accompanying notes, the preliminary allocation of the pro forma purchase price reflected in the unaudited pro forma condensed combined financial information is subject to adjustment and may vary significantly from what will be recorded upon completion of the final purchase price allocation.

The unaudited pro forma condensed combined financial information has been prepared based on the aforementioned historical financial statements and the assumptions and adjustments as described in the notes to the unaudited pro forma condensed combined financial information. The pro forma adjustments reflect transaction accounting adjustments related to the Pro Forma Transactions, which are discussed in further detail below. The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and do not purport to represent the combined company’s consolidated results of operations or the consolidated financial position that would actually have occurred had the Pro Forma Transactions been consummated on the dates assumed or to project the combined company’s consolidated results of operations or consolidated financial position for any future date or period.

The accounting policies followed in preparing the unaudited pro forma condensed combined financial information are those used by USAR as set forth in the audited historical financial statements. Based on the Company’s initial review and understanding of SVRE’s significant accounting policies, there are no material adjustments required at this time to conform SVRE’s historical financial information to USAR’s significant accounting policies. A more comprehensive comparison and assessment will occur, which may result in additional differences being identified. Additionally, USAR has included certain preliminary presentation adjustments for consistency in the financial statement presentation. See Notes 2 and 3 below for more information.

The unaudited pro forma condensed combined financial information is presented for illustrative purposes only and does not reflect the costs of any integration activities or cost savings or synergies that may be achieved because of the Merger.

USAR and SVRE have not had any historical material relationship prior to the Merger. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2026
(in thousands)

	<u>USAR Historical</u>	<u>SVRE Historical</u>	<u>Presentation Adjustments</u>	<u>Transaction Accounting Adjustments</u>	<u>Other Material Transactions</u>	<u>Pro Forma Combined</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ 1,749,644	\$ 110,417		\$ (300,000)(B)	\$ 99,000(E)	\$ 1,659,061
Accounts receivables	5,691	31				5,722
Other receivables	—	241	(241)(A)			—
Inventories	28,430	21,231				49,661
Prepaid expenses and other current assets	6,621	3,760	241(A)			10,622
Total current assets	1,790,386	135,680	—	(300,000)	99,000	1,725,066
Property, plant and equipment, net	118,967	611,588	1,000(A)	2,510,291(B)		3,227,041
			(14,805)(A)			
Mineral interests	17,339	—	14,805(A)			32,144
Goodwill	134,848	—		1,090,843(B)	(99,000)	1,126,691
Other intangible assets, net	67,255	—		246,691(B)		313,946
Equipment deposits	5,364	—				5,364
Operating lease right-of-use assets	473	—				473
Other non-current assets	207	1,193	(1,000)(A)		277,000(F)	708,262
					430,862(G)	
Total assets	<u>\$ 2,134,839</u>	<u>\$ 748,461</u>	<u>\$ —</u>	<u>\$ 3,547,825</u>	<u>\$ 707,862</u>	<u>\$ 7,138,987</u>
LIABILITIES, MEZZANINE AND STOCKHOLDER'S EQUITY						
Liabilities						
Current liabilities						
Accounts payable	\$ 17,084	\$ 15,647	\$ (6,702)(A)			\$ 26,029
Accrued liabilities	21,360	—	13,190(A)	113,000(C)		147,995
			445(A)			
Contract liabilities	10,377	—				10,377
Salaries and social charges	—	6,488	(6,488)(A)			—
Taxes payable	—	414				414
Other current liabilities	—	445	(445)(A)			—
Royalty agreement	—	11,443				11,443
DFC Loan	—	2,232				2,232
Finance leases, current	286	933				1,219
Operating leases, current	232	—				232
Total current liabilities	49,339	37,602	—	113,000	—	199,941
Royalty agreement	—	65,534		149,881(B)		215,415
DFC Loan	—	297,009				297,009

Please refer to the notes to the unaudited pro forma condensed combined financial information.

Unaudited Pro Forma Condensed Combined Balance Sheet
As of March 31, 2026 — (Continued)
(in thousands)

	USAR Historical	SVRE Historical	Presentation Adjustments	Transaction Accounting Adjustments	Other Material Transactions	Pro Forma Combined
Asset retirement obligations	—	4,738				4,738
Deferred grant income	8,414	—				8,414
Finance leases, non-current	519	180				699
Operating leases, non-current	244	—				244
Other liabilities	—	1,564				1,564
Earnout liability	145,080	—			(145,080)(D)	—
Warrant liability	26,491	14,841		(14,841)(B)	430,862(G)	457,353
Deferred tax liability	16,179	—		886,414(B)		902,593
Total liabilities	246,266	421,468	—	1,134,454	285,782	2,087,970
Commitments and contingencies						
Mezzanine equity						
12% Series A Cumulative Convertible Preferred Stock	9,614	—				9,614
Total mezzanine equity	9,614	—	—	—	—	9,614
Stockholders' equity						
Common stock	22	—		16(B)	1(D) 2(F)	41
Accumulated other comprehensive income (loss)	(200)	(18,126)		18,126(B)		(200)
Additional paid-in capital	2,332,912	615,756		(615,756)(B)	215,826(D)	5,853,479
				2,853,348(B)	451,393(F)	
Accumulated deficit	(454,349)	(270,637)		270,637(B)	(70,747)(D)	(812,491)
				(113,000)(C)	(174,395)(F)	
Non-controlling interest	574	—				574
Total stockholders' equity	1,878,959	326,993	—	2,413,371	422,080	5,041,403
Total liabilities, mezzanine equity, and stockholder's equity	\$ 2,134,839	\$ 748,461	\$ —	\$ 3,547,825	\$ 707,862	\$ 7,138,987

Please refer to the notes to the unaudited pro forma condensed combined financial information.

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Three Months Ended March 31, 2026
(in thousands except per share amounts)

	USAR Historical	SVRE Historical	Presentation Adjustments	Transaction Accounting Adjustments	Other Material Transactions	Pro Forma Combined
Revenue	\$ 5,698	\$ 588				\$ 6,286
Cost of revenue	5,592	5,009				10,601
Gross profit	106	(4,421)	—	—	—	(4,315)
Operating expenses:						
Selling, general and administrative	21,175	8,026	346(AA)	1,219(DD)		30,766
Research and development	14,249	—				14,249
Amortization of intangible assets	1,357	—				1,357
Other expenses, net	—	2,365				2,365
Total operating expenses	36,781	10,391	346	1,219	—	48,737
Loss from operations	(36,675)	(14,812)	(346)	(1,219)	—	(53,052)
Other (expense) income, net:						
Interest and dividend income	11,970	175				12,145
Loss on fair market value of financial instruments, net	(43,553)	—	(6,216)(AA)		6,216(EF)	(43,553)
Interest expense and other loss, net	(593)	(12,218)	6,562(AA)		2,276(FG) (4,028)(GG) 1,454(HH)	(6,547)
Grant income	206	—				206
Foreign currency exchange, net	—	15,800				15,800
Total other expense, net	(31,970)	3,757	346	—	5,918	(21,949)
Loss before taxes	(68,645)	(11,055)	—	(1,219)	5,918	(75,001)
Benefit from income taxes	(577)	—				(577)
Net loss	(68,068)	(11,055)	—	(1,219)	5,918	(74,424)
Net loss attributable to non-controlling interest	(1,079)	—				(1,079)
Net loss attributable to USA Rare Earth, Inc.	\$ (66,989)	\$ (11,055)	\$ —	\$ (1,219)	\$ 5,918	\$ (73,345)
Net loss per share attributable to USA Rare Earth, Inc.:						
Basic and diluted	\$ (0.34)	\$ (0.06)				\$ (0.21)
Number of shares used in per share calculations:						
Basic and diluted	196,479	193,429				349,561

Please refer to the notes to the unaudited pro forma condensed combined financial information.

Unaudited Pro Forma Condensed Combined Statement of Operations
For the Year Ended December 31, 2025
(in thousands except per share amounts)

	USAR Historical	SVRE Historical	Presentation Adjustments	Transaction Accounting Adjustments	Other Material Transactions	Pro Forma Combined
Revenue	\$ 1,643	\$ 2,486				\$ 4,129
Cost of revenue	1,448	36,105				37,553
Gross profit	195	(33,619)	—	—	—	(33,424)
Operating expenses:						
Selling, general and administrative	43,135	25,803	278(AA)	113,000(CC) 10,393(DD)		192,609
Research and development	15,885	—				15,885
Amortization of intangible assets	678	—				678
Other expenses, net	—	1,440				1,440
Total operating expenses	59,698	27,243	278	123,393	—	210,612
Loss from operations	(59,503)	(60,862)	(278)	(123,393)	—	(244,036)
Other (expense) income, net:						
Interest and dividend income	5,446	2,671				8,117
Loss on fair market value of financial instruments, net	(244,488)	—	(7,652)(AA)		7,652(EE)	(244,488)
Interest expense and other income (loss), net	(139)	(9,873)	7,930(AA)		4,268(FF) (26,206)(GG) 700(HH)	(23,320)
Foreign currency exchange, net	—	49,532				49,532
Total other expense, net	(239,181)	42,330	278	—	(13,586)	(210,159)
Loss before taxes	(298,684)	(18,532)	—	(123,393)	(13,586)	(454,195)
Benefit from income taxes	(160)	—				(160)
Net loss	(298,524)	(18,532)	—	(123,393)	(13,586)	(454,035)
Net loss attributable to non-controlling interest	(965)	—				(965)
Net loss attributable to USA Rare Earth, Inc.	\$ (297,559)	\$ (18,532)	\$ —	\$ (123,393)	\$ (13,586)	\$ (453,070)
Net loss per share attributable to USA Rare Earth, Inc.:						
Basic and diluted	\$ (3.31)	\$ (0.10)				\$ (1.54)
Number of shares used in per share calculations:						
Basic and diluted	98,021	193,429				310,771

Please refer to the notes to the unaudited pro forma condensed combined financial information.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The pro forma adjustments have been prepared as if the Pro Forma Transactions had been consummated on March 31, 2026, in the case of the unaudited pro forma condensed combined balance sheet, and, in the case of the unaudited pro forma condensed combined statements of operations, as if the Pro Forma Transactions had been consummated on January 1, 2025, the beginning of the earliest period presented in the unaudited pro forma condensed combined statements of operations.

The unaudited pro forma condensed combined financial information has been prepared assuming the acquisition method of accounting in accordance with U.S. GAAP. Under this method, SVRE's assets and liabilities will be recorded at their respective fair values. Any difference between the purchase price for SVRE and the fair value of the identifiable net assets acquired (including intangibles) will be recorded as goodwill. The assets and liabilities of SVRE have been measured based on various preliminary estimates using assumptions that USAR's management believes are reasonable and based on currently available information. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing this unaudited pro forma condensed combined financial information.

The pro forma adjustments represent management's estimates based on information available as of the date of the Form 8-K in which these pro forma financial statements are included and are subject to change as additional information becomes available and additional analyses are performed.

USAR has performed a preliminary review to identify any accounting policy differences between the accounting policies used in SVRE's financial statements and those of the Company, where the impact was potentially material and could be reasonably estimated, with the Company identifying no such differences.

2. Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2026

The adjustments included in the unaudited pro forma condensed combined balance sheet as of March 31, 2026 are as follows:

- (A) Reflects reclassification adjustments to conform SVRE's historical balances to the financial statement presentation of USAR.
- (B) Reflects the purchase price allocation adjustments to record SVRE's identifiable assets acquired and liabilities assumed at their estimated fair values as of the acquisition date. The related statement of operations adjustments are reflected at adjustment (BB). This adjustment reflects the recording of the preliminary estimate of goodwill and the elimination of the historical equity balances of SVRE. Additionally, the adjustment removes SVRE's outstanding warrant liability, to reflect the conversion of all warrants into SVRE's ordinary shares immediately prior to the Merger.

Pursuant to ASC 805, the preliminary purchase price was allocated among the identified net assets to be acquired, based on a preliminary analysis. Goodwill is expected to be recognized as a result of the Merger, which represents the excess fair value of consideration over the fair value of the underlying net assets of SVRE. The deferred income taxes represent the deferred tax impact associated with the incremental differences in book and tax basis created from the preliminary purchase price allocation. Deferred taxes associated with estimated fair value adjustments were calculated using the statutory corporate tax rate in Brazil of 34%. The estimates of fair value are based upon preliminary valuation assumptions, and are believed to be reasonable, but are inherently uncertain and unpredictable. As a result, actual results may differ from estimates, and the difference may be material.

The following is a preliminary estimate of fair value of the assets acquired and the liabilities assumed by USAR in the Merger, reconciled to the estimated purchase consideration (in thousands):

Net Assets Identified	Preliminary Estimate of Fair Value
Cash and cash equivalents	\$ 209,417
Accounts receivable	31
Inventories	21,231
Prepaid expenses and other current assets	4,001
Property, plant and equipment, net (incl. mineral interests) ⁽¹⁾	3,122,879
Other intangible assets, net ⁽²⁾	246,691
Other non-current assets	193
Accounts payable	(8,945)
Accrued liabilities	(13,635)
Tax payable	(414)
Royalty agreement – current ⁽³⁾	(11,443)
DFC loan, current	(2,232)
Finance lease, current	(933)
Royalty agreement – noncurrent ⁽³⁾	(215,415)
DFC loan, noncurrent	(297,009)
Asset retirement obligations	(4,738)
Finance leases, non-current	(180)
Other liabilities	(1,564)
Deferred tax liabilities	(886,414)
Total net assets identified	\$ 2,161,521
Goodwill	991,843
Total purchase consideration	\$ 3,153,364

Value Conveyed

Cash consideration ⁽⁴⁾	\$ 300,000
Equity consideration ⁽⁵⁾	2,850,304
Pre-combination expense for vested performance stock options ⁽⁶⁾	3,060
Total purchase consideration	\$ 3,153,364

- (1) The \$3.1 billion allocated to property, plant and equipment, net, is related to development stage properties. Upon the closing of the Merger, the mine will continue to be designated as a development stage property, and related development costs will continue to be capitalized until the milestones necessary to be considered operational are achieved. An expansion and optimization project is currently being implemented that is expected to result in higher production capacity, a sustained lower operating cost profile and enhanced product quality. Construction is expected to be completed, and commercial operations are expected to commence in 2027.
- (2) Other intangible assets is comprised of an Offtake Agreement. The Offtake Agreement asset is expected to be amortized on a systematic basis using the units of production method. As of the date of the Form 8-K in which these pro forma financial statements are included, delivery pursuant to the Offtake Agreement has not started. Accordingly, amortization of the Offtake Agreement had not commenced as of the pro forma transaction date and no related amortization expense has been reflected in the unaudited pro forma condensed combined statement of operations.
- (3) This reflects an increase in the fair value of the liability for royalty payments due to an increase in estimated future cash payments. The increase in estimated future cash payments is primarily related to the anticipated impact of the Offtake Agreement.
- (4) This amount represents cash consideration paid to SVRE's shareholders.
- (5) Equity consideration is provided in the form of Common Stock of USAR and is calculated as 126,849,307 shares of USAR Common Stock to be issued to SVRE shareholders, multiplied by \$22.47, the closing share price of USAR on June 5, 2026.

The following table shows the effect of changes in USAR's share price and the resulting impact on the estimated purchase consideration, and estimated goodwill:

Change in Share Price of USAR	Share Price	Estimated Purchase Consideration (in thousands)	Estimated Goodwill (in thousands)
Increase of 25%	\$ 28.09	\$ 3,865,939	\$ 1,704,419
Decrease of 25%	16.85	2,440,787	279,267

- (6) This reflects the pre-combination expense pertaining to options to purchase SVRE shares subject to performance-vesting conditions (the "Performance-Vesting Options") which will be substituted with USAR time-vesting restricted stock units.
- (C) Reflects the impact of nonrecurring expenses related to estimated transaction costs, primarily comprised of investment banking fees, legal fees, issuance costs, accounting and audit fees, and other related advisory costs. No amount was incurred and accrued on the balance sheet as of March 31, 2026. The related income statement adjustment is reflected at adjustment (CC).
- (D) Reflects the issuance of USAR's common stock in an amount of \$216 million upon conversion of earnout liabilities of \$145 million. The \$71 million increase in fair value of the earnout liability between March 31, 2026 and the conversion dates will be recorded as loss on fair market value of financial instruments, net in the Company's unaudited condensed consolidated statement of operations and comprehensive income (loss) for the three and six months ended June 30, 2026.
- (E) Reflects i) the issuance of the Incremental Loan pursuant to the Retained Finance Agreement in an amount of \$100 million, net of estimated debt issuance costs of \$1 million; ii) the reduction to goodwill due to the increase of the SVRE's net assets of \$99 million. The warrant liability upon the issuance of the DFC Warrants will be eliminated upon the closing of the Merger, at which point the DFC Warrants will be exercised. The Incremental Loan will be deemed to be extinguished upon the exercise of the DFC Warrants, pursuant to which the outstanding principal amount of the Incremental Loan shall be deemed repaid in full, and unpaid accrued interest will be settled in cash. The amount of the interest accrual will be determined upon the closing of the Merger. As both the DFC Warrant and the Incremental Loan are assumed to be exercised and extinguished, respectively, upon the closing of the Merger, no adjustment has been reflected in the unaudited pro forma condensed combined statement of operations. The recognition of the Incremental Loan and DFC Warrant liability will be recorded in SVRE's unaudited condensed financial statements as of and for the six months ended June 30, 2026.
- (F) Reflects the issuance of 16,132,790 shares of USAR common stock, with a fair value of approximately \$451.4 million to the DOC pursuant to the Securities Issuance Agreement dated June 3, 2026, as a condition precedent to the Direct Funding Agreement under the CHIPS Act. The deferred financing cost represents the deferred asset recoverable through the maximum direct funding award which is \$277.0 million, and will commence amortization upon recognition of grant income under the Direct Funding Agreement. The \$174.4 million difference between the fair value of the SIA shares and the deferred financing cost represents the cost of obtaining the Direct Funding Agreement which is presented as an increase to accumulated deficit.
- (G) Reflects the issuance of the warrant to the DOC to purchase 17,600,584 shares of USAR common stock pursuant to the Warrant to Purchase Common Shares of USA Rare Earth, Inc Agreement dated June 3, 2026, as a condition precedent to the Loan Guarantee Agreement. The DOC Warrant's initial fair value approximates \$430.9 million. The corresponding deferred loan commitment asset recorded upon the issuance of the warrant to the DOC will be derecognized proportionately as a component of the related debt's amortized cost basis as the debt is drawn, and will be amortized over the term of the debt using the effective interest method. The changes in fair value of the warrant liability will be recognized as a gain or loss within other income (expense), net in the Company's condensed consolidated statements of operations and comprehensive income (loss).

3. Adjustments to the Unaudited Pro Forma Condensed Combined Statement of Operations for the three months ended March 31, 2026 and for the year ended December 31, 2025

The adjustments included in the unaudited pro forma condensed combined statement of operations for the three months ended March 31, 2026 and for the year ended December 31, 2025 are as follows:

- (AA) Reflects a reclassification adjustment to conform SVRE's historical expenses to the financial statement presentation of USAR.

- (CC) Reflects the recognition of nonrecurring expenses related to estimated transaction costs in the amount of \$113 million, which are primarily comprised of investment banking fees, legal fees, issuance costs, accounting and audit fees, and other related advisory costs. The related balance sheet adjustment is reflected at adjustment (C).
- (DD) Reflects the recognition of post-combination stock-based compensation expense in the amount of \$1.2 million for the three months ended March 31, 2026 and \$10.4 million for the year ended December 31, 2025 related to Performance-Vesting Options which will be substituted with USAR time-vesting restricted stock units.
- (EE) Reflects the elimination of the recognized loss due to the change in fair value of warrant liability in an amount equal to \$6.2 million for the three months ended March 31, 2026 and \$7.7 million for the year ended December 31, 2025 related to the private placement warrants issued by SVRE to its investors. These warrants will be settled through equity consideration to the holders pursuant to the Merger. The related balance sheet adjustment is reflected in adjustment (B).
- (FF) Reflects the elimination of interest related to Class A Preferred Shares in an amount equal to \$2.3 million for the three months ended March 31, 2026 and \$4.3 million for the year ended December 31, 2025 due to their redemption pursuant to the side letter agreement, dated March 5, 2026, between SVRE and Orion.
- (GG) Reflects estimated interest expense related to long-term debt financing of SVRE pursuant to the Retained Finance Agreement, calculated using an estimated interest rate of Term SOFR plus 4%. This adjustment also includes the amortization of estimated debt discount and debt issuance costs of \$0.5 million for the three months ended March 31, 2026 and \$1.9 million for the year ended December 31, 2025. An increase or decrease of one-eighth of a percent in the interest rate would not result in a significant change in interest expense for the three months ended March 31, 2026 and for the year ended December 31, 2025.
- (HH) Reflects the elimination of interest related to the OMF Credit Agreement in an amount equal to \$1.5 million for the three months ended March 31, 2026 and \$0.7 million for the year ended December 31, 2025 due to their repayment.

4. Unaudited Pro Forma Net Loss Per Share

The pro forma net loss per share calculations have been performed for the three months ended March 31, 2026 and for the year ended December 31, 2025, assuming the Pro Forma Transactions had been consummated on January 1, 2025.

<i>(in thousands except per share amounts)</i>	For the Three Months Ended March 31, 2026	For the Year Ended December 31, 2025
Numerator		
Pro forma net loss attributable to USA Rare Earth, Inc.	\$ (73,345)	\$ (453,070)
Declared and deemed dividends, and interest accretion	(709)	(26,594)
Pro forma undistributed net loss attributable to USA Rare Earth, Inc.	<u>\$ (74,054)</u>	<u>\$ (479,664)</u>
Denominator		
USAR weighted average number of common shares outstanding-basic	196,479	98,021
Add: Shares issued to SVRE shareholders in a Merger	126,849	126,849
Add: Shares issued in a private placement ^(*)	—	69,767
Add: Shares issued for earnout payments	10,100	—
Add: Shares issued to DOC	16,133	16,133
Pro forma weighted average shares of common stock outstanding – basic & diluted	<u>349,561</u>	<u>310,771</u>
Pro forma net loss per share – basic & diluted	<u>\$ (0.21)</u>	<u>\$ (1.54)</u>

* Shares to be issued in a private placement for the three months ended March 31, 2026 are already reflected in the historical unaudited condensed consolidated financial statements of USAR and therefore are not reflected separately.

The Company's potentially dilutive outstanding securities, including DOC Warrant to purchase 17,600,584 shares of USAR Common Stock were excluded from the computation of pro forma diluted net loss per share because their effect would have been anti-dilutive.

USA Rare Earth, Inc. (“USAR,” “we,” “our,” and “us”) is providing the additional information below for the purpose of supplementing disclosures contained in USAR’s filings with the Securities and Exchange Commission (the “SEC”). Unless otherwise noted or the context otherwise requires:

- references to the “merger” refer to merger of SVRE Holdings Ltd. (“SVRE”) with and into Middlebury Merger Sub Ltd. (“Merger Sub”), an indirect, wholly owned subsidiary of USAR, with Merger Sub continuing as the surviving company and an indirect, wholly owned subsidiary of USAR, pursuant to the Agreement and Plan of Merger, dated as of April 19, 2026 (as it may be amended from time to time, the “Merger Agreement”), by and among USAR, Merger Sub, SVRE and Serra Verde Rare Earths Ltd., as Shareholder Representative; and
- references to the “Parent Loan Agreement” refer to (i) a direct funding agreement (the “Direct Funding Agreement”) among USAR, certain subsidiaries of USAR, as guarantors, and the U.S. Department of Commerce (the “DOC”) entered into on June 3, 2026, providing for direct funding awards with a maximum award amount of \$277.0 million, and (ii) a loan guarantee agreement (the “Loan Guarantee Agreement”) entered into on June 3, 2026 among USAR, certain subsidiaries of USAR, as guarantors, and the DOC, pursuant to which the DOC has agreed to guarantee USAR’s repayment of advances in an aggregate principal amount of up to \$1.3 billion made by the Federal Financing Bank pursuant to a note purchase agreement to be entered into among USAR, the Federal Financing Bank and the Secretary of Commerce.

The issuance of shares of Common Stock in the merger and other contemplated issuances will dilute the voting power of existing USAR stockholders and their percentage interest in any future earnings of USAR.

In connection with the merger, USAR will issue 126,849,307 shares of USAR’s common stock, par value \$0.0001 per share (“Common Stock”) to the former SVRE securityholders as aggregate stock merger consideration.

As a result, the issuance of shares of Common Stock in the merger will significantly reduce the relative voting power of existing USAR stockholders and dilute their percentage interest in any future earnings, dividends or other distributions of USAR. The actual extent of any such dilution will depend on a number of factors, including the number of shares of Common Stock outstanding at the effective time of the merger, the future operating results of USAR and the combined company, and the timing and amount of any future issuances of Common Stock or other equity securities by USAR.

The impact of dilution to USAR’s shareholders will also be impacted by other transactions that are currently pending or that have been consummated since the date of the Merger Agreement, including (1) USAR’s agreement to issue 3,823,328 shares of Common Stock as merger consideration in connection with the proposed acquisition of Texas Mineral Resources Corp. (“TMRC”) (the “TMRC Transaction”), (2) the issuance of 16,132,790 shares of Common Stock and a warrant to purchase 17,600,584 shares of Common Stock (at an exercise price of \$17.17 per share) to the U.S. Department of Commerce on June 3, 2026 in connection with the Parent Loan Agreement, (3) our commitment to issue approximately \$13.5 million of Common Stock (or pay cash) to Carester SAS (“Carester”) in connection with the proposed transaction with Carester (the “Carester Transaction”), and (4) the issuance of an aggregate of 10,100,000 shares of Common Stock as earnout shares (the “Earnout Shares”) upon the achievement of the applicable market-price conditions (5,050,000 shares issued on April 15, 2026 and 5,050,000 shares issued on May 15, 2026).

The following table quantifies, on a disaggregated basis, the potential dilutive effect of these transactions and material agreements. Dilutive effect percentages are calculated based on 244,671,142 shares of Common Stock outstanding as of June 29, 2026.

Transaction	Shares of Common Stock Issuable	% of Fully-Diluted Shares
Shares of Common Prior to Issuances Noted Below ⁽¹⁾	225,294,054	54.8%
The Merger	126,849,307	30.9%
U.S. Department of Commerce – Warrant ⁽²⁾	17,600,584	4.3%
U.S. Department of Commerce – Direct Funding Agreement ⁽³⁾	16,132,790	3.9%
Shares Reserved Under USAR Equity Incentive Plan for Future Grants	10,418,629	2.5%
Earnout Shares ⁽⁴⁾	10,100,000	2.5%
TMRC Transaction	3,823,328	0.9%
Carester Transaction ⁽⁵⁾	641,722	0.2%
Total Fully-Diluted Shares	410,860,414	100%

(1) Includes shares of Common Stock outstanding and shares issuable upon the exercise or conversion of outstanding equity instruments as of June 29, 2026, except for (1) the shares underlying the warrant issued to the U.S. Department of Commerce on June 3, 2026, (2) the shares of Common Stock issued to the U.S. Department of Commerce on June 3, 2026, (3) the Earnout Shares issued on April 15, 2026 and May 15, 2026, or (4) shares reserved under USAR’s equity incentive plan for future grants, which are included as separate line items.

(2) Assumes full exercise at an exercise price of \$17.17.

(3) Issued June 3, 2026.

(4) Consists of 5,050,000 shares issued on April 15, 2026 and 5,050,000 shares issued May 15, 2026.

(5) Number of shares estimated based on the dollar amount of the share consideration to be issued in the transaction (approximately \$13.5 million based on the EUR to USD exchange rate on June 29, 2026), divided by the closing price of the Common Stock on such date.

If the conditions precedent to the Offtake Agreement are not satisfied or waived, or if the Offtake Agreement is terminated for any reason, SVRE may lose the significant commercial benefits provided by the Offtake Agreement and be forced to seek alternative buyers on less favorable terms, which could materially adversely affect the combined company's business, financial condition, results of operations and prospects.

The Offtake Agreement (as defined below) was entered into between SV Management Switzerland AG ("SV Management Switzerland"), a wholly owned subsidiary of SVRE, and US SIE, LLC (the "Counterparty"), a special purpose vehicle capitalized by the U.S. government and private capital sources. Commencement of deliveries under the Offtake Agreement is subject to the satisfaction or waiver of certain conditions precedent by an agreed long-stop date, including, among others, the execution of the Call Option Agreement (as defined below) and the receipt by the Counterparty of specified financial support from the U.S. government. If conditions precedent relating to execution of the Call Option Agreement or evidence that SV Management Switzerland is not owned or controlled by restricted persons are not satisfied or waived by such date, the Counterparty may terminate the Offtake Agreement without liability. If the conditions precedent relating to U.S. government financial support is not satisfied or waived by such date, SV Management Switzerland may terminate the Offtake Agreement without liability. There can be no assurance that all such conditions will be satisfied or waived on a timely basis, or at all. In particular, if the U.S. government or private capital sources fail to provide adequate capitalization to the Counterparty, or if such capitalization is significantly delayed, the Counterparty may lack the financial resources necessary to perform its purchase obligations under the Offtake Agreement, and the applicable conditions precedent may not be capable of satisfaction. The Offtake Agreement may also be subject to termination in other circumstances, including as a result of a material breach by either party, changes in the regulatory or political environment, or other events beyond the control of SVRE or the Counterparty.

In addition, pursuant to Amendment No. 1 to the Merger Agreement, dated July 16, 2026, the satisfaction (and non-waiver) of certain of these conditions precedent under the Offtake Agreement, the lapse of the right of SV Management Switzerland to terminate the Offtake Agreement, and the Offtake Agreement being in full force and effect as of the closing are conditions to the obligation of USAR and Merger Sub to complete the merger. As a result, if these conditions are not satisfied, USAR and Merger Sub would not be obligated to complete the merger, and the merger may not be completed on its anticipated timeline or at all.

The Offtake Agreement provides SVRE with a number of significant commercial benefits that underpin its business plan and financial projections. These benefits include the option for SVRE to deliver higher-value products, such as separated rare earth oxides, and support for the extension of the term of the Retained Finance Agreement (as defined below) from 12 to 15 years upon satisfaction of certain conditions under the Offtake Agreement. These arrangements are expected to provide a meaningful measure of certainty with respect to SVRE's medium- and longer-term cash flows and to help de-risk the combined company's revenue.

If the conditions precedent to the Offtake Agreement are not satisfied or waived, if the Offtake Agreement is terminated for any reason, or if the Counterparty defaults on its purchase obligations, SVRE may be forced to seek alternative buyers for its rare earth products. There can be no assurance that alternative offtake arrangements would be available on comparable terms, or at all. Any alternative arrangements would likely not include the floor price protection, annual price escalation, favorable upside-sharing mechanics, take-or-pay volume commitments, or long-term duration provided by the Offtake Agreement. The loss of these protections would expose the combined company to the full volatility of rare earth commodity prices and market demand fluctuations, which could result in materially lower and less predictable revenue, reduced margins and impaired ability to service the combined company's substantial indebtedness, including under the Retained Finance Agreement. In addition, the failure to maintain the Offtake Agreement could jeopardize the combined company's ability to satisfy the conditions required for the extension of the Retained Finance Agreement term from 12 to 15 years, potentially accelerating repayment obligations. The occurrence of any of the foregoing events could have a material adverse effect on the combined company's business, financial condition, results of operations and prospects.

We are subject to risks associated with being designated on an export control list by China.

On June 22, 2026, USAR was added to China's export control list, along with several other U.S. companies. Following this designation, exporters in China have been prohibited from exporting certain items to USAR, and exporters outside China have been prohibited from transferring or providing certain China-origin items to USAR without a license from the Chinese government, which in practice may be difficult or impossible to obtain. This restriction has had and is expected to continue to have an adverse impact on USAR's ability to source key raw materials and supplies from China, which in turn has impacted and is expected to continue to impact USAR's business. This designation, as well as any future designations or adverse actions taken by the Chinese government, may have a negative effect on USAR's ability to produce its products, including if USAR is unable to source impacted items of the same quantity and quality from outside of China that are not of Chinese origin. China's export control regime is relatively new, has recently been substantially expanded, and continues to evolve. The scope, extraterritorial reach and enforcement of these measures remain uncertain and, in certain respects, untested, and further changes could materially and adversely affect USAR's business.

GOVERNMENT SUPPORT AND FINANCING

USAR and SVRE are party to, or have entered or expect to enter into, the following government-related financing and offtake arrangements, each of which is relevant to the consummation of the merger.

The Retained Finance Agreement

On January 21, 2026, SVRE entered into a Finance Agreement with the United States International Development Finance Corporation (the “DFC”), which was amended on March 5, 2026 (as further amended from time to time, the “Retained Finance Agreement”). The Retained Finance Agreement provides SVRE with a long-term debt financing to support the debottlenecking and optimization of its rare earth mining and processing operations in an aggregate committed amount not to exceed \$565 million, consisting of (i) an initial loan tranche with a principal amount not to exceed \$465 million and (ii) a second loan tranche with a principal amount not to exceed \$100 million (the “Incremental Loan”). As of March 31, 2026, the aggregate outstanding principal amount of indebtedness of SVRE and its subsidiaries under the Retained Finance Agreement was approximately \$325 million. The Incremental Loan was fully disbursed to SVRE on June 4, 2026.

In connection with the Retained Finance Agreement, following the disbursement of the Incremental Loan, the DFC holds warrants to purchase ordinary shares of SVRE, which warrants will be automatically exercised immediately prior to the closing. As a condition to the disbursement of the Incremental Loan, SVRE and the DFC entered into a side letter (the “DFC Side Letter”) pursuant to which the DFC will have the right to nominate (i) a director to the board of directors of Merger Sub, and (ii) an observer to attend all meetings of the board of directors of Merger Sub, which appointments, if made, are conditions to USAR’s obligation to complete the merger.

The transactions contemplated by the Merger Agreement require certain consents, amendments or waivers under the Retained Finance Agreement, including (i) the release of the SVRE securityholders from an equitable share mortgage granted in favor of the DFC over certain SVRE shares, and (ii) the consent from the DFC to permit the transactions contemplated by the Merger Agreement under the Retained Finance Agreement. As a condition to providing such consents, the DFC may require the surviving company to assume SVRE’s obligations under the Retained Finance Agreement and to maintain or re-create the related security interests. At this time, the DFC has not requested that USAR nor any of its subsidiaries (other than Merger Sub and its subsidiaries) provide guarantees, pledges, purchase rights or other credit support in connection with such consents.

The Offtake Agreement and Related Call Option Agreement

On April 20, 2026, SV Management Switzerland AG (“SV Management Switzerland”), a subsidiary of SVRE, entered into an offtake agreement with a special purpose vehicle capitalized by the U.S. government and private capital sources (the “Counterparty”) (as amended from time to time, the “Offtake Agreement”) for the long-term supply of rare earth materials produced by SVRE.

The Offtake Agreement contemplates the sale and purchase of 100% of the rare earth payable products produced by SVRE from the first phase of operations at the Pela Ema project, subject to limited carve-outs. The Incremental Loan was fully disbursed on June 4, 2026, and the parties have acknowledged that SVRE’s obligation to deliver the full annual contract quantity will be for 100% of the first phase of operations at the Pela Ema project. The Offtake Agreement provides for a term ending on the earlier of (i) the date on which deliveries by SV Management Switzerland equal the rare earth products produced from 198,000,000 metric tons of run-of-mine ore and (ii) the date that is 20 years after the date on which SVRE’s facility becomes capable of producing the contemplated products (the “Commercial Operations Date”), with mutually agreed extensions subject to the consent of the U.S. government. The purchase price for the principal payable rare earth elements is determined on the basis of contractual floor prices, escalated by 2% annually, with 70% of the excess of the prevailing market index price over the applicable floor price payable to SV Management Switzerland and certain cost savings and yield variances allocated 70% to SV Management Switzerland and 30% to the Counterparty. Prior to the Commercial Operations Date, SV Management Switzerland is required to offer to the Counterparty all rare earth products available for sale, and the Counterparty is obligated to purchase such products subject to agreement on the terms and conditions for such sale. The commencement of deliveries under the Offtake Agreement is subject to the satisfaction or waiver of certain conditions precedent by an agreed long-stop date, June 12, 2026, including the execution of the Call Option Agreement, the receipt by the Counterparty of specified financial support from the U.S. government, confirmation that the Retained Finance Agreement is in place and confirmation by the U.S. government that SVRE is not owned or controlled by restricted persons; if the conditions precedent are not satisfied or waived by such date, either party may terminate the Offtake Agreement without liability. On June 29, 2026, SV Management Switzerland and the Counterparty entered into an amendment, consent and waiver to the Offtake Agreement that extended the long-stop date from June 12, 2026 to August 14, 2026.

In connection with the amendment, consent and waiver described above, the description of the U.S. government financial support to be provided to the Counterparty was revised to consist of (i) an initial capital investment in the Counterparty of \$500 million, (ii) a debt facility and/or an inventory monetization facility with a funding amount of \$500 million to be made available to the Counterparty, and (iii) one or more forward purchase contracts pursuant to which the U.S. government will acquire no less than \$300 million of rare earth payable products from the Counterparty over the first five years following the Commercial Operations Date (extended from three years), in each case with any obligations of the U.S. government in excess of \$300 million in the aggregate subject to the availability of appropriations.

On July 16, 2026, USAR, Merger Sub, SVRE and the Shareholder Representative entered into Amendment No. 1 to the Merger Agreement, pursuant to which the satisfaction (and non-waiver) of the conditions precedent set forth in Clauses 2.2(b) and 2.2(c) of the Offtake Agreement, the lapse of the right of SV Management Switzerland to terminate the Offtake Agreement in accordance with Clause 2.4 of the Offtake Agreement, and the Offtake Agreement being in full force and effect as of the closing became conditions to the obligation of USAR and Merger Sub to complete the merger. The condition precedent set forth in Clause 2.2(b) of the Offtake Agreement, which is for the benefit of SV Management Switzerland, is the receipt by the Counterparty of the specified financial support from the U.S. government described above (including the execution by the U.S. government and the Counterparty of one or more contracts for the purchase by the U.S. government of products from the Counterparty), together with the delivery to SV Management Switzerland of satisfactory evidence thereof. The condition precedent set forth in Clause 2.2(c) of the Offtake Agreement, which is for the benefit of the Counterparty, is the confirmation by the U.S. government that it has received the Retained Finance Agreement and evidence satisfactory to it that SV Management Switzerland is not owned or controlled by restricted persons. Under Clause 2.4 of the Offtake Agreement, SV Management Switzerland may terminate the Offtake Agreement without liability if the condition set forth in Clause 2.2(b) is not satisfied or waived by the applicable long-stop date.

In connection with the Offtake Agreement, SVRE, the SVRE securityholders and the Counterparty have agreed to enter into a related call option agreement, to be dated on or before the closing date (as amended from time to time, the “Call Option Agreement”).

Pursuant to the Call Option Agreement, upon the occurrence of certain specified triggering events, including, among others, the insolvency or bankruptcy of SV Management Switzerland or its mining subsidiary (subject to a carve-out where certain U.S. government entities are lenders), the voluntary cessation of all or substantially all of the mining operations at the project site for 60 or more consecutive days, breaches by SV Management Switzerland of certain obligations under the Offtake Agreement (including the change of control and assignment provisions), and events of default under new approved lender financing documents, the Counterparty shall have the option to purchase all (but not less than all) of the equity interests in SVRE held by each party to the Call Option Agreement. The purchase price would be equal to the fair market value of the equity interests, as determined by a panel of three independent experts. The Call Option Agreement restricts transfers of SVRE equity interests by the parties thereto to certain third parties without the Counterparty’s prior written consent and automatically terminates upon the earliest of (i) the closing of the sale of equity interests thereunder, (ii) with respect to any party to the Call Option Agreement, the date on which such party no longer holds any equity interests in SVRE due to a permitted transfer, or (iii) the termination of the Offtake Agreement, subject to a 180-day survival period if the Offtake Agreement is terminated by the Counterparty following a fundamental seller default. The consummation of the merger requires the receipt of certain consents, amendments or waivers under each of the Offtake Agreement and the Call Option Agreement, including the release of the SVRE securityholders from the Call Option Agreement. In connection with the closing, the wholly owned subsidiary of USAR that will directly hold the equity interests of Merger Sub is expected to enter into the Call Option Agreement and is expected to grant a pledge of those equity interests in favor of the DFC. It is anticipated that neither USAR nor any of its subsidiaries (other than Merger Sub and its subsidiaries and, with respect to such pledge, the direct parent of Merger Sub) will be required to provide guarantees, pledges, purchase rights or other credit support in connection with such consents.

The Parent Loan Agreement

On January 26, 2026, USAR entered into a letter of intent with the U.S. Department of Commerce (the “DOC”) setting forth the principal terms on which USAR expected to enter into a long-term financing package with the DOC to support the development of USAR’s domestic rare earth and magnet supply chain, including the Round Top Mountain heavy rare earth elements deposit (the “Round Top”) and USAR’s Stillwater magnet manufacturing facility. On June 3, 2026, USAR entered into (i) a direct funding agreement (the “Direct Funding Agreement”) among USAR, certain subsidiaries of USAR, as guarantors, and the DOC, providing for direct funding awards with a maximum award amount of \$277.0 million, and (ii) a loan guarantee agreement (the “Loan Guarantee Agreement”) among USAR, certain subsidiaries of USAR, as guarantors, and the DOC, pursuant to which the DOC has agreed to guarantee USAR’s repayment of advances in an aggregate principal amount of up to \$1.3 billion made by the Federal Financing Bank pursuant to a note purchase agreement to be entered into among USAR, the Federal Financing Bank and the Secretary of Commerce (collectively, the “Parent Loan Agreement”). Concurrently with the execution of the Direct Funding Agreement and the Loan Guarantee Agreement, USAR entered into a Securities Issuance Agreement with the DOC and issued to the DOC 16,132,790 shares of USAR common stock, par value \$0.0001 per share (“Common Stock”) and a warrant to purchase 17,600,584 shares of Common Stock at an exercise price of \$17.17 per share. For additional information regarding the Parent Loan Agreement, see USAR’s Current Report on Form 8-K filed with the SEC on June 3, 2026, which is incorporated by reference into this Proxy Statement.

Disbursements under the Parent Loan Agreement are subject to the achievement of various project-specific milestones, the making of cash equity contributions by USAR to its subsidiaries, the satisfaction of financial ratio and liquidity thresholds, the receipt of required permits and approvals and other customary conditions.

The Royalty Agreements

SVRE is party to two royalty agreements with affiliates of Orion Mine Finance: (i) an amended and restated royalty agreement dated as of July 11, 2022, among SVRE, as grantor, the other royalty parties named therein, OMF Fund III (CR) Ltd., as royalty holder, and TMF Canada Inc., as collateral agent (as amended, supplemented and/or otherwise modified from time to time, the “Non-Buyback Royalty Agreement”), and (ii) a royalty agreement (buyback) dated as of August 15, 2023, among SVRE, as grantor, the other royalty parties named therein, OMF Fund III (F) Ltd. (“OMF F”), as royalty holder, and TMF Canada Inc., as collateral agent (as amended, supplemented and/or otherwise modified from time to time, the “Buyback Royalty Agreement” and, together with the Non-Buyback Royalty Agreement, the “Royalty Agreements”). Under the Royalty Agreements, SVRE has granted to the applicable royalty holders a perpetual royalty interest at a royalty rate of 5.25% (in the aggregate) in respect of all products extracted and recovered from the Serra Verde rare earths projects located in Brazil.

In connection with the transactions contemplated by the Merger Agreement, the parties to the Royalty Agreements amended each Royalty Agreement to, among other things, add a definition of “Permitted Transaction” to permit the merger, exempt the merger from the general prohibition on Transfers, and add USAR to the schedule of additional holders. As a condition to providing such amendments to the Royalty Agreements, Orion Mine Finance will require the surviving company to assume SVRE’s obligations under the Royalty Agreements and to maintain or re-create the related security interests.

Concurrently with the execution of the Merger Agreement, SVRE and OMF F entered into a payout letter to the side letter, dated as of March 5, 2026, between SVRE and OMF F (the “Orion Side Letter”), which provided OMF F a right to receive a Post-Optimal Redemption Payment (as defined under the Orion Side Letter). Pursuant to such payout letter, OMF F confirmed that once the Post-Optimal Redemption Payment is received, SVRE’s obligation under the Orion Side Letter will be satisfied.