

Mining Trial Commences at Koppamurra

Highlights

- A small-scale mining trial has commenced at Koppamurra supported by the State regulator, local landowner and implemented by a local earth moving firm
- The trial serves multiple purposes, from improved geological interpretation of the clay hosted rare earth layer to the collection of a bulk sample for future metallurgical pilot plant testing, and a demonstration of rapid rehabilitation of the site

Australian Rare Earths Limited (<u>ASX: AR3</u>) ('AR3' or the Company) is pleased to announce the commencement of trial mining activities at the Koppamurra Project in the south-east of South Australia.

Local contractor Henschke Industries has been engaged to execute the work. Henschke is a local earthworks company, headquartered in Naracoorte, and its engagement continues AR3's support and involvement of local business. The Company remains committed to its objective of engaging with and working alongside local stakeholders in every aspect of exploring and progressing the Koppamurra mineral resource.

The Koppamurra mining trial is located adjacent to the existing Red Tail mineral resource area. This area has been one of the most extensively drilled to date, generating a large geological dataset and results which warrant a small-scale mining trial in this location.

The Company is undertaking this trial with the following five objectives in mind:

- Improving the understanding of the structural nature of the clays, including the contact with the underlying limestone layer;
- Providing additional information for mine planning, specifically with respect to fleet selection and selective removal methods of the clay layer to minimise dilution from the underlying limestone or other low concentrations of rare earth minerals;
- Collecting a bulk sample of rare earth oxide rich clay for future metallurgical pilot plant tests;
- Providing an opportunity for landowners, regulators, and community members to witness first-hand what a rare earth rich clay looks like and to learn about its mining and extraction at Koppamurra; and
- At the conclusion of the trial mining, the area will be rehabilitated with the support of soil scientists, to demonstrate the potential for continuous reclamation and soil improvements to support enhanced crop productivity post mining.

Commenting on this work, Don Hyma, Managing Director of Australian Rare Earths said:

"Albeit at a small scale, this trial is an important step to advancing our understanding across multiple work streams. The value of the information collected will contribute to optimising and de-risking the project."

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The Board of AR3 authorised this announcement to be released to the ASX.

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About Australian Rare Earths Limited

Australian Rare Earths (AR3) is committed to the timely exploration and development of its 100% owned, flagship Koppamurra Project, located in South Australia and Victoria. Koppamurra is a prospective ionic clay hosted rare earth element (REE) deposit; uniquely rich in all the REEs required in the manufacture of rare earth permanent magnets which are essential components in energy efficient motors.

The Company is focused on executing a growth strategy that will ensure AR3 is positioned to become an independent and sustainable source of light and heavy REEs, playing a pivotal role in the global transition to a green economy.

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