

9 March 2023

First Koppamurra Mixed Rare Earth Carbonate produced

Koppamurra: Bringing Diversity to Global Rare Earths Supply

Australian Rare Earths Limited (ASX: AR3) ('AR3' or the 'Company') is pleased to announce the successful pilot scale production of a Mixed Rare Earth Carbonate (MREC) containing all the rare earths needed to produce rare earth permanent magnets; essential for increasing the efficient use of the power the world generates.

As a first for an Australian ionic clay hosted rare earth resource, this achievement is being met with great interest by potential downstream customers, especially in light of an increasing awareness that the world currently lacks the sustainable diversity of rare earths supply required to meet the growing demand of a carbon-free global economy.

Highlights:

- Mixed Rare Earth Carbonate (MREC) has been successfully produced from ~800kg of Koppamurra bulk sample using existing equipment and simple processes operating at ambient temperature and pressure at ANSTO Minerals
- This is an important milestone for the Koppamurra Project and a key step in AR3's journey to becoming a producer of rare earth products
- Demand for MREC with low levels of impurities from sustainable resources from Tier 1 jurisdictions is strong
- The initial MREC is being used for marketing purposes, particularly in further developing an offtake relationship with Neo Performance Materials ('NEO')
- In consultation with NEO further process optimisation and impurity removal testwork is underway to enhance the initial product characteristics.

Acting Managing Director Mr Rick Pobjoy commented:

"This is an excellent result pointing to the potential economic recoverability of the MREE at the Koppamurra project. The ease with which the process can be undertaken utilising readily available equipment, to recover REEs in solution, gives validation to our belief that Koppamurra will be a long term rare earth supplier of global significance. Potential off-take partners are engaged and looking forward to receiving samples of the MREC to confirm the compatibility of the carbonate with their downstream processing techniques".

As the test work progresses it is leading to an increased understanding of the chemistry of rare earths recovery at Koppamurra, including improving rare earth recovery and the successful management of impurities in a MREC. Further work is planned.

Images of MREC production:



Figure - A sample of the mixed rare earth carbonate (MREC) product from Koppamurra



Figure – existing equipment at ANSTO, used in the production of a mixed rare earth carbonate from Koppamurra - at scale



The announcement has been authorised for release the by the Board of AR3 Limited.

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About Australian Rare Earths Limited

Australian Rare Earths 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 deposit, uniquely rich in all the elements required in the manufacture of rare earth permanent magnets which are essential components in electric vehicles, wind turbines and domestic appliances.

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