

Heading to the USA, a Strategic Review and Update

Dear Shareholder

Following the recently announced 1.43 billion Tonne JORC Maiden Resource at Halleck Creek the Board undertook a review of its capabilities, strategic priorities, and program of works to ascertain the most appropriate way to fast track and commercialise this significant resource.

Accordingly, I am pleased to advise that the organisation will be undertaking a series of steps to transform the company so it can be an active participant as the US develops its domestic Rare Earths and Critical Minerals supply chain and onshore its capabilities utilising deposits such as ours.

Our forward steps are as follows:

- We have agreed to initiate an upgrade to our US OTCQB listing and to make an immediate application to list on NASDAQ, ideally before calendar year end. The company will of course continue its listing on the ASX
- We will commence a process of Board renewal and skill enhancement with the recruitment of suitably qualified US mining professionals to the Board and ultimately the appointment of a US based Chairman as we list on NASDAQ
- We will relocate and centralise our operations in Phoenix, Arizona, with the expanded management team to be established there
- American Rare Earths management will relocate to Phoenix where our Western Rare Earths offices are located to drive these initiatives and lead the company's development
- Operationally our focus will be on Halleck Creek, as we look to commercialise and define a 1.4-billion-tonne Rare Earth deposit containing over 4 million tonnes of rare earths
- We will expand our in-house, US based, Rare Earths technical expertise, as well as engaging Wood PLC and other leading engineering companies to assist us in completing our Preliminary Economic Assessment (PEA) and other commercialisation initiatives in a timely and cost-effective manner
- Financially we are well funded with cash and other assets of approximately AUD \$20 million. We have more than sufficient funds to complete our PEA and the costs associated with a relocation to the US

It's important that you be aware of our changes and our commitment to enhancing both the value of our flagship Rare Earth project and your company's value.

Importantly you should know that we have no need to raise capital in the foreseeable future to undertake the above exciting steps.

Yours Sincerely

Creagh O'Connor, AM
Chairman

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