

May 10, 2023

Infill Drilling Commences in Frances Exploration Target Area

Drilling aimed at converting Exploration Targets in the Frances area to JORC Resources has commenced. Exploration drilling will commence soon in areas identified for increasing the Exploration Target across Koppamurra

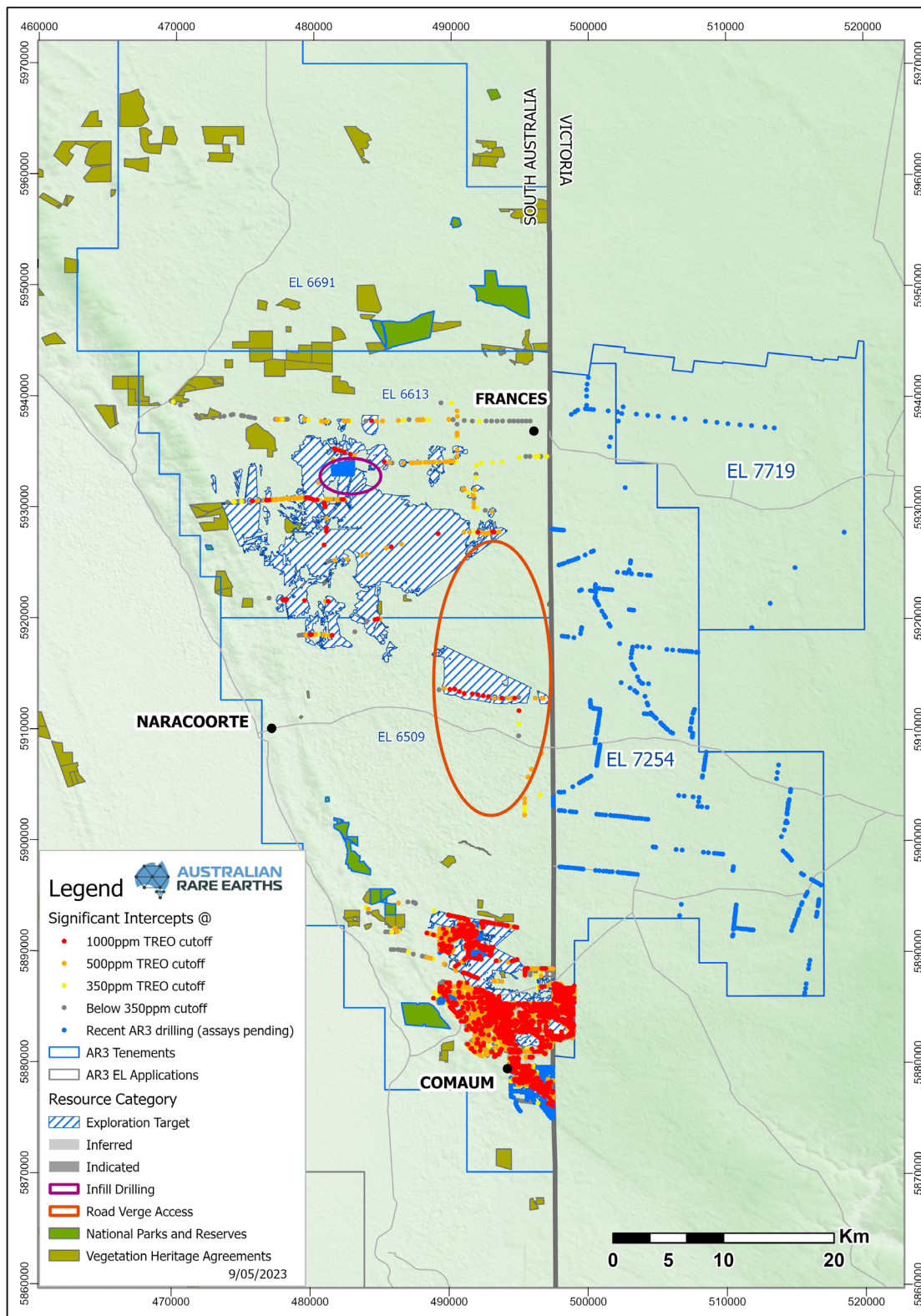
Australian Rare Earths Limited (ASX: AR3) ('AR3' or the 'Company') is pleased to provide this Project Update regarding exploration drilling activities on the Koppamurra Project area. The planned infill drilling in the Frances exploration target area and road verge drilling between Naracoorte and the Victorian border will add further to the comprehensive drilling program started in February this year and is expected to provide data for subsequent Resource updates scheduled for the second half of 2023. It will allow AR3 to rapidly progress towards its goal of establishing a globally significant ionic clay-hosted rare earth inventory at Koppamurra.

Highlights

- Infill drilling has commenced within the Frances Exploration Target Area on private land holdings where AR3 has established Land Access Agreements.
- The drilling at Frances is aimed at converting the current Exploration Target to a defined JORC Mineral Resource (*Map 1*).
- Access has also been granted for road verge exploration drilling to the south of the Frances area - aimed at expanding the Exploration Targets across those areas (*Map 1*).
- Road verge drilling will begin to join the Frances Exploration Target with existing Koppamurra Mineral Resource of 101Mt @ 818ppm TREO.
- Year to date drilling in 2023 totals 1,127 holes for 14,027 metres and is planned to continue through May and June.



Image 1: Drilling being conducted in open paddocks of private landholdings within the Frances Exploration Target Area



Map 1, illustrating locations for infill drilling and Road Verge Drilling, along with drilling recently completed across the Koppamura Project Area

Acting Managing Director Rick Pobjoy said:

“The consistent nature of the deposit facilitates drilling and rapid Resource growth as well as the ability to undertake progressive rehabilitation, all of which continues to distinguish Koppamurra as a unique rare earth business opportunity.”

“This drilling program we are undertaking to the north of our existing 101Mt JORC Resource aims to demonstrate and confirm the regional size and scale of the ionic clay-hosted rare earth Koppamurra district. The road verge drilling between Naracoorte and the Victorian border, along with infill drilling of the Frances Exploration Target should elevate Koppamurra to the stage where it will be recognised as a globally significant rare earths project”

“Koppamurra is one of a limited number of advanced ionic clay-hosted rare earth deposits outside China/Myanmar. It will combine Australia’s Tier-1 jurisdiction location with both the light and heavy rare earths required for high-strength permanent magnets. The development pathways under consideration will provide significant optionality with multiple low-cost pathways to further expand and enhance the project.”

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.