



Quarterly Activities Report and Appendix 5B

June 2023 Quarter

Highlights

American Rare Earths (ASX: ARR | OTCQB: ARRNF | FSE:1BHA) (ARR or 'the Company') announces its quarterly activities for the June quarter of FY2023. During the quarter, the Company made significant progress on its transition to the United States. It continues to focus on its flagship project, Halleck Creek, with its 1.43 billion tonne Maiden JORC Resource¹.

US Transformation

- The Company is progressing with its upgrade to the OTCQX, the top tier of the OTC Markets, and making application to list on NASDAQ.
- Commenced a process of Board renewal and skill enhancement with the recruitment of suitably qualified US mining professionals and ultimately the appointment of a US based Chairman.
- The Company progressed its relocation to the United States and commenced recruitment of senior management.

Halleck Creek

- The Company applied for a permit to drill up to 31 holes at Halleck Creek and plans to drill at least 2,400 metres. The drill program is expected to commence in the September 2023 quarter.
- Metallurgical test work continues to show that a simple process flow sheet can produce a rare earth concentrate and maximise the recovery of magnet metals.
- Bulk rougher/scavenger (primary) Wet High Intensity Magnetic Separation (WHIMS) produced 72% recovery and rejected 77% of feed mass, an upgrade ratio of 3.1.
- Internal studies focused on annualised ore processing rates of 10, 15 and 20 million tonnes per annum feed rate to the concentrator to establish optimal project economics.

¹ Refer ASX Announcement 30 March 2023 American Rare Earths – 1.43 billion Tonne Resource

Corporate

The Company announced its intention to upgrade the OTCQB listing and to make an immediate application to list on NASDAQ. The Company will remain dual listed. During the period recruitment activities were progressed to appoint new US based management and directors to establish a strong presence and leverage the immense opportunities available in the region.

Mr Clarence McAllister retired as a Non-Executive Director at the end of June after two years of service. The Company thanks him for his contribution over this period.

Cash and Financial Assets

The Company is well funded with a cash position of AUD\$12.485m on 30 June 2023. The Company has sufficient cash to carry out its planned activities for FY24, with no current requirement to raise capital.

In addition to its strong cash position, the Company holds significant financial assets associated with ASX listed Cobalt Blue Holdings Limited (ASX Code: COB).

Expenditure

Net cash expenditure of \$745k for operating activities was incurred during the quarter.

The main expenditure areas were administration and corporate costs (\$685k) and staff costs (\$268k), partly offset by net income of \$208k from interest and other receipts. Cash expenditure for investing activities (\$389k) consisted of costs attributed to the metallurgy and mineralogy testing, further advanced on core samples collected from the Halleck Creek project.

Aggregate payments to related parties are included in item 6 of Appendix 5B (\$167k). This figure consists of Director's fees, Managing Director's salary payments, direct reimbursement for business related travel, and incidentals made to related parties during the June quarter.

Tenement Schedule

Listings of tenements held as of 30 June 2023 are shown in Annexures 1 to 3.

ASX Announcements made during the quarter

24 April	Quarterly Activities/Appendix 5B Cash Flow Report
28 April	Quarterly Investor Update Webinar
1 May	Chairman's Letter to Shareholders
5 May	March Quarterly Presentation
12 May	OTC Virtual Investor Conference Presentation
26 May	US Meetings and Corporate Update
2 June	Positive Metallurgical Test Results
21 June	Investor Presentation - Gold Coast Investment Showcase
29 June	Resource Drilling Exploration Plan - Halleck Creek

Focus for the September quarter and subsequent events

- The Company has since announced the appointment of new CEO, Donald Swartz² and CFO, Jose Rico³.
- Upgrading the OTC listing and continuing to progress the NASDAQ application.
- Continuing active exploration both at Halleck Creek and new prospects in Wyoming. The Halleck Creek program will include drilling, mapping and geochemical surveys that will be used for economic and feasibility studies currently underway. With less than 25% of the claim area drilled, the next drill program aims to explore the presence of rare earth mineralisation in detail and support our belief that the Halleck Creek Project is potentially the largest rare earth project in the United States.
- The Company has staked claims at Beaver Creek,⁴ Wyoming covering 303 hectares (749 acres) with grades between 1.7% and 9.1% of rare earths lanthanum, cerium, neodymium, praseodymium, and yttrium (La + Ce + Nd + Pr + Y). Applications have been lodged with the state of Wyoming for a further 259 hectares (640 acres). A detailed mapping and sampling program will be fast tracked to add to the Company's understanding of the deposit and to advance the project.

This announcement has been authorised for release by the Board of American Rare Earths.

Mr Chris Gibbs
CEO & Managing Director

Competent Persons Statement

This work was reviewed and approved for release by Mr Dwight Kinnes (Society of Mining Engineers #4063295RM), who is employed by American Rare Earths and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Kinnes consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

About American Rare Earths Limited

American Rare Earths Limited (ASX: ARR, OTCQB: ARRNF, FSE: 1BHA) is a leading rare earth elements exploration and development company focused on its flagship Halleck Creek project in Wyoming, USA. With extensive mineral resources and a commitment to sustainable and responsible practices, ARR aims to become a prominent player in the global rare earths market. For more information, visit www.americanrareearths.com.au

² Refer ASX Announcement 27 July 2023 Donald S Swartz II named new CEO of American Rare Earths

³ Refer ASX Announcement 1 July 2023 American Rare Earths appoints US based Chief Financial Officer

⁴ Refer ASX Announcement 25 July 2023 American Rare Earths stakes new high-grade rare earth deposit – Wyoming USA



1 – La Paz Tenements 30 June 2023

Mining tenements at the beginning of the quarter				Mining tenements acquired or disposed/expired during the quarter		Mining tenements held at the end of the quarter		
Serial Number	Claim Name	Claimant Name	Beneficial Interest %	Reference	Location	Serial Number	Claim Name	Claimant Name
639 Acres	Exploration License 008-120965-00	LA PAZ RARE EARTH LLC	100%			639 Acres	Exploration License 008-120965-00	LA PAZ RARE EARTH LLC
AZ101556959 - AZ101556965	LA PAZ-1 - LA PAZ-7	LA PAZ RARE EARTH LLC	100%			AZ101556959 - AZ101556965	LA PAZ-1 - LA PAZ-7	LA PAZ RARE EARTH LLC
AZ101558159 - AZ101558165	LA PAZ-8 - LA PAZ-14	LA PAZ RARE EARTH LLC	100%			AZ101558159 - AZ101558165	LA PAZ-8 - LA PAZ-14	LA PAZ RARE EARTH LLC
AZ101558166 - AZ101558178	LA PAZ-33 - LA PAZ-45	LA PAZ RARE EARTH LLC	100%			AZ101558166 - AZ101558178	LA PAZ-33 - LA PAZ-45	LA PAZ RARE EARTH LLC
AZ101559358 - AZ101559378	LA PAZ-46 - LA PAZ-66	LA PAZ RARE EARTH LLC	100%			AZ101559358 - AZ101559378	LA PAZ-46 - LA PAZ-66	LA PAZ RARE EARTH LLC
AZ101560374 - AZ101560379	LA PAZ-67 - LA PAZ-69	LA PAZ RARE EARTH LLC	100%			AZ101560374 - AZ101560379	LA PAZ-67 - LA PAZ-69	LA PAZ RARE EARTH LLC
AZ101560377	LA PAZ-71	LA PAZ RARE EARTH LLC	100%			AZ101560377	LA PAZ-71	LA PAZ RARE EARTH LLC
AZ101560378	LA PAZ-73	LA PAZ RARE EARTH LLC	100%			AZ101560378	LA PAZ-73	LA PAZ RARE EARTH LLC
AZ101560379	LA PAZ-75	LA PAZ RARE EARTH LLC	100%			AZ101560379	LA PAZ-75	LA PAZ RARE EARTH LLC
AZ101560380 - AZ101560389	LA PAZ-92 - LA PAZ-101	LA PAZ RARE EARTH LLC	100%			AZ101560380 - AZ101560389	LA PAZ-92 - LA PAZ-101	LA PAZ RARE EARTH LLC
AZ101859569 - AZ101859589	LA PAZ-108 - LA PAZ-128	LA PAZ RARE EARTH LLC	100%			AZ101859569 - AZ101859589	LA PAZ-108 - LA PAZ-128	LA PAZ RARE EARTH LLC
AZ101735180 - AZ101735200	LA PAZ-129 - LA PAZ-149	LA PAZ RARE EARTH LLC	100%			AZ101735180 - AZ101735200	LA PAZ-129 - LA PAZ-149	LA PAZ RARE EARTH LLC
AZ101736380 - AZ101736400	LA PAZ-150 - LA PAZ-170	LA PAZ RARE EARTH LLC	100%			AZ101736380 - AZ101736400	LA PAZ-150 - LA PAZ-170	LA PAZ RARE EARTH LLC
AZ101737338 - AZ101737358	LA PAZ-171 - LA PAZ-191	LA PAZ RARE EARTH LLC	100%			AZ101737338 - AZ101737358	LA PAZ-171 - LA PAZ-191	LA PAZ RARE EARTH LLC
AZ101738345 - AZ101738365	LA PAZ-192 - LA PAZ-212	LA PAZ RARE EARTH LLC	100%			AZ101738345 - AZ101738365	LA PAZ-192 - LA PAZ-212	LA PAZ RARE EARTH LLC
AZ101739385 - AZ101739391	LA PAZ-213 - LA PAZ-219	LA PAZ RARE EARTH LLC	100%			AZ101739385 - AZ101739391	LA PAZ-213 - LA PAZ-219	LA PAZ RARE EARTH LLC
AZ101924809 - AZ101924821	LA PAZ-220 - LA PAZ-232	LA PAZ RARE EARTH LLC	100%			AZ101924809 - AZ101924821	LA PAZ-220 - LA PAZ-232	LA PAZ RARE EARTH LLC
AZ101957743 - AZ101957763	LA PAZ-233 - LA PAZ-253	LA PAZ RARE EARTH LLC	100%			AZ101957743 - AZ101957763	LA PAZ-233 - LA PAZ-253	LA PAZ RARE EARTH LLC
AZ101958229 - AZ101958236	LA PAZ-254 - LA PAZ-261	LA PAZ RARE EARTH LLC	100%			AZ101958229 - AZ101958236	LA PAZ-254 - LA PAZ-261	LA PAZ RARE EARTH LLC
AZ105263134 - AZ105263153	LA PAZ-262 - LA PAZ-281	LA PAZ RARE EARTH LLC	100%			AZ105263134 - AZ105263153	LA PAZ-262 - LA PAZ-281	LA PAZ RARE EARTH LLC
AZ105764412 - AZ105764506	LA PAZ-282 - LA PAZ-376	LA PAZ RARE EARTH LLC	100%			AZ105764412 - AZ105764506	LA PAZ-282 - LA PAZ-376	LA PAZ RARE EARTH LLC

Appendix 2 – Halleck Creek Tenements 30 June 2023

Mining tenements at the beginning of the quarter				Mining tenements acquired during the quarter		Mining tenements held at the end of the quarter		
Serial Number	Claim Name	Claimant Name	Beneficial	Reference	Location	Serial Number	Claim Name	Claimant Name
WY101766644 - WY101766648	REX-1 - REX-5	Wyoming Rare (USA) Inc	100%			WY101766644 - WY101766648	REX-1 - REX-5	Wyoming Rare (USA) Inc
WY105250218 - WY105250231	REX 10 - REX 23	Wyoming Rare (USA) Inc	100%			WY105250218 - WY105250231	REX 10 - REX 23	Wyoming Rare (USA) Inc
WY105260482 - WY105260501	REX 25 - REX 43	Wyoming Rare (USA) Inc	100%			WY105260482 - WY105260501	REX 25 - REX 43	Wyoming Rare (USA) Inc
WY105250232 - WY105250260	REX 44 - REX 72	Wyoming Rare (USA) Inc	100%			WY105250232 - WY105250260	REX 44 - REX 72	Wyoming Rare (USA) Inc
WY105772327 - WY105772255*	REX 75 - REX 165	Wyoming Rare (USA) Inc	100%			WY105772327 - WY105772255*	REX 75 - REX 165	Wyoming Rare (USA) Inc
WY105772203 - WY105772278*	REX 167 - REX 176	Wyoming Rare (USA) Inc	100%			WY105772203 - WY105772278*	REX 167 - REX 176	Wyoming Rare (USA) Inc
WY105772299 - WY105772326*	REX 178 - REX 257	Wyoming Rare (USA) Inc	100%			WY105772299 - WY105772326*	REX 178 - REX 257	Wyoming Rare (USA) Inc
				REX 258 - REX 375	Halleck Creek		REX 258 - REX 375	Wyoming Rare (USA) Inc
0-43568 – 0-43571	Halleck Creek	Wyoming Rare (USA) Inc	100%			0-43568 – 0-43571	Halleck Creek	Wyoming Rare (USA) Inc
						*Non-inclusive range		

Appendix 3 – Searchlight Tenements 30 June 2023

Mining tenements at the beginning of the quarter				Mining tenements acquired during the quarter		Mining tenements held at the end of the quarter		
Serial Number	Claim Name	Claimant Name	Beneficial	Reference	Location	Serial Number	Claim Name	Claimant Name
NV105228419 - NV105228498	T-01 - T-80	Western Rare Earth LLC	100%			NV105228419 - NV105228498	T-01 - T-80	Western Rare Earth LLC

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

American Rare Earths Limited

ABN

83 003 453 503

Quarter ended ("current quarter")

30 June 2023

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	36	125
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(268)	(1,142)
	(e) administration and corporate costs	(685)	(2,607)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	172	398
1.5	Interest and other costs of finance paid	-	(8)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(745)	(3,234)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	(3)	(171)
	(c) property, plant and equipment	-	(81)
	(d) exploration & evaluation	(371)	(3,546)
	(e) investments	-	(232)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material): Lease payment	(15)	(57)
2.6	Net cash from / (used in) investing activities	(389)	(4,087)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	14,296
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	6	66
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(2)	(964)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	4	13,398

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	13,465	6,340
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(745)	(3,234)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(389)	(4,087)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	4	13,398

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	150	68
4.6	Cash and cash equivalents at end of period	12,485	12,485

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	6,696	6,241
5.2	Call deposits	5,789	7,224
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,485	13,465

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1 *	167
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	<ul style="list-style-type: none"> Includes some payments to Director's relating to fees for the prior quarter 	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(745)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(371)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,116)
8.4	Cash and cash equivalents at quarter end (item 4.6)	12,485
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	12,485
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	11.18
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2023

Authorised by: By the Audit and Risk Committee
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.