

6 December 2024

AR3 awarded \$5M Federal Government grant for Koppamurra Project

Highlights:

- **\$5M Government Grant:** AR3 has secured a \$5M grant from the Australian Federal Government's International Partnerships in Critical Minerals Program
- **Koppamurra Project Advancement:** This is a substantial step forward for Koppamurra, with the grant supporting additional metallurgical testwork, completion of a Pre-Feasibility Study (PFS) and building / operating a demonstration plant
- **Strategic Partnership with NEO:** AR3's grant application was supported by AR3 shareholder and global advanced industrial materials manufacturer, Neo Performance Materials Inc (Neo) which has 30+ years of international rare earth magnetics experience; AR3 has previously entered into non-binding MOU for offtake with Neo¹
- **Critical Minerals Focus:** This grant funding validates the potential of the Koppamurra Project as a future source of rare earths, helping to create new and diversified supply chains vital to the world's clean energy transition
- Engage with this announcement at the AR3 [investor hub](#).

Australian Rare Earths Limited (ASX: AR3) is delighted to announce it has been awarded \$5 million under the Australian Federal Government's International Partnerships in Critical Minerals (IPCM) Program². This grant significantly validates the potential of the Koppamurra Rare Earths Project and its strategic importance in building diverse, resilient and sustainable supply chains through strong and secure international partnerships.

The funding will support additional metallurgical testwork, completion of a Pre-Feasibility Study (PFS), and the construction and operation of a Demonstration Plant to advance the project and significantly derisk the development pathway. AR3 will match the grant funding, bringing the total planned expenditure to \$10M spread over 2025 and 2026.

AR3 will continue working closely with Neo, which continues to provide important technical support to the development of the Koppamurra project to further diversify its supply chain for its European midstream rare earth separation facility. Neo is expanding its European footprint with the addition of a sintered magnet facility near its midstream facility, positioning it as the leading vertically integrated magnet supplier in Europe.

The IPCM funding aligns with AR3's strategic focus on developing a portfolio of energy transition metals projects, and this award recognises Koppamurra's potential as a near term source of strategically important rare earths to the international critical mineral supply chain.

Key deliverables that the funding will enable:

1. **Metallurgical Testwork and Flowsheet Development:** Laboratory scale metallurgical minerals processing test work to optimise and enhance the Project's process flowsheet. Heap leach engineering deliverables and equipment selection.
2. **Pre-Feasibility (PFS) Study:** Evaluation of the progressive heap leach and rapid rehabilitation flowsheet from the mine through to a Mixed Rare Earth product including social, environmental and economic assessments.
3. **Demonstration Plant Construction:** Demonstration scale equipment selection and optimisation, together with the construction of process infrastructure, based on design inputs from the flowsheet development and PFS.
4. **Demonstration Plant Operation:** Full-scale demonstration operation to validate process design, supporting the pathway to commercialisation.

AR3 will now work to finalise the Grant Agreement with the Department of Industry, Science and Resources and provide details of the material terms in due course.

AR3 Managing Director and CEO, Travis Beinke, said:

"The Australian Government's IPCM grant is a significant milestone for AR3 and is further endorsement of Koppamurra's strategic importance in creating a diverse rare earths sector. The grant will advance project development, attract investment, and build our global strategic partnerships."

We are very grateful to the Australian Federal Government for its support."

The announcement has been authorised for release by the Board of Australian Rare Earths 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 the new Koppamurra rare earths Province in southeastern South Australia and western Victoria. Koppamurra is a prospective ionic clay hosted rare earth deposit, 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. In addition, AR3 is actively reviewing other potential prospective areas which may also host uranium and ionic clay hosted rare earth deposits throughout Australia.

The Company is focused on executing a growth strategy that aims to position AR3 as an independent and sustainable source of energy transition metals, playing a pivotal role in the global transition to a green economy.

¹ See AR3 ASX announcement dated 17 October 2022 “AR3 signs MOU for offtake and technical collaboration with global rare earths processor

² See [International Partnerships in Critical Minerals | business.gov.au](#)