

27 November 2024

Chairman's AGM Address

2024 Annual General Meeting

Good morning to all shareholders, colleagues, and guests in attendance, and welcome to the 2024 Annual General Meeting of Australian Rare Earths Limited.

I'll spend a few minutes to reflect on progress over the past year – my first at the helm as Chairman of AR3 – and then outline our vision for the future as we progress our project portfolio to discover and develop the metals critical to the world's energy transition.

This year has been marked by both challenges and opportunities for AR3.

Amidst subdued investor sentiment in the rare earths sector, we focused on those factors within our control, ensuring AR3 remains resilient and well-positioned for the future.

Progress at Koppamurra

Our Koppamurra Rare Earth Project continues to demonstrate its strategic importance, as Australia's most advanced ionic clay hosted rare earths deposit.

Drilling provided the data for a material upgrade of our JORC resource to 236 million tonnes at 748 ppm TREO. Over 25%, 68 million tonnes of that resource grades over 1000 ppm TREO, and we have a material component of the more valuable 'heavies' (Dysprosium and Terbium), which is of particular importance at a time of depressed rare earth prices.

And all this, on less than 2% of our rare earth tenements acreage.

But most significantly, **this year, AR3 has undertaken trials at ANSTO that have successfully demonstrated the potential for a progressive heap-leach approach at Koppamurra.**

This opens a pathway for a capital-efficient, cost-effective and environmentally responsible pathway to bring Koppamurra into production, subject to permitting and favourable market conditions.

Strategic diversification into Uranium

This year, we expanded our portfolio of energy transition metals, with the acquisition of promising uranium tenements in South Australia. These assets complement our rare earth operations, diversify our portfolio to add exposure to a metal that's enjoying strong demand and buoyant pricing as a result of the green energy transition, and play to the strengths of our exploration team.

Thanks to the good groundwork by AR3 management and timely processing by the South Australian Department for Energy and Mining, we received the EPEPRs enabling us to get on the ground at the Overland project and start drilling within months of the grant of the Exploration Licences, and the results are now starting to flow.

I know the AR3 management and geological team were delighted at the early results from our very first series of drill holes at Overland.

It's early days, but to get this kind of result validating our team's geological model, on our first series of holes, in a frontier uranium exploration play, is really encouraging. It shows we've found a working uranium system. Now to find the lodes, if they're out there.

And we have a lot of ground, with a lot of drilling to come through the balance of 2024 and into 1H 2025.

Strategic Partners – Industry & Government

Strategic partnerships have been integral to our progress in 2024.

Our ongoing collaboration with Neo Performance Materials is highly valued, providing technical assistance and insight into how Koppamurra can integrate into the global supply chain for rare earths.

Meanwhile, engagement with Government been a particular focus.

As I noted in my letter to shareholders in our 2024 Annual Report, “in an age of heightened geopolitical rivalry, *‘industry policy is back’* in a way we haven't seen since the 1960s and 70s, particularly for minerals like rare earths that are vital to our future energy, transport and defence systems.”

And as a result, there's been a range of positive policy initiatives from the Australian Government this year, including the expansion of the Critical Minerals Facility to \$4bn, the opening of grant applications for the International Partnerships Program to build end-to-end critical minerals supply chains, the announcement of the Critical Minerals Production Tax Incentive, and the launch of the Mineral Security Partnership Forum with friends and allies of Australia.

As an ionic-clay hosted deposit, Koppamurra could benefit from a relatively short construction period and lower technical risk during ramp-up, which positions it well to be in the vanguard of the next wave of Rare Earth producers entering steady-state production.

Rest assured, we are working hard to ensure government policy-and-decision-makers are aware of Koppamurra's potential speed-to-market edge in a volatile world. When it comes to building momentum and official support behind a project, ‘nothing succeeds like success’.

Community

Progressing our projects in a way that considers the broad range of stakeholders necessary for a successful mining operation is an integral part of AR3's work.

At our rare earth project at Koppamurra, that spans active engagement in the community around Naracoorte through to work we are pioneering in the lab and on the ground, all aimed at refining our environmentally responsible pathways for mineral harvesting and rapidly returning the land to its former use.

At our uranium exploration project at Overland, that involves working closely with the local landowners as we rapidly progress our drilling campaign.

Thank you to all of our stakeholders for being part of the dialogue, and the journey.

Outlook for 2025

Looking ahead, AR3 is poised for an exciting phase of growth. Our immediate priorities include:

- Advancing Koppamurra toward permitting and development, with ongoing metallurgical testwork and flowsheet development, and a strong focus on capital efficiency and environmental stewardship.
- Building on our early on-ground exploration success at our South Australian uranium projects, with an active program of drilling through 2024/25.
- Continuing to advocate for policies that strengthen Australia's position as a global leader in critical minerals supply chains.

Conclusion

In closing, I want to acknowledge and thank you, our shareholders, for your continued support and patience as we navigated what was a very challenging year. Weak rare earth prices were reflected in poor investor sentiment and share price declines across most of the listed rare earth sector this year, and AR3 was not immune to this.

However, in a tough market, we have:

- Controlled what we can - by identifying higher grade subsets at Koppamurra, and developing the rapid rehabilitation progressive heap leach approach; and
- Proactively moved to 'make our own weather' - by diversifying the portfolio to bring in uranium, an energy transition metal enjoying a renaissance in demand.

And both initiatives are bearing fruit.

So as we stand on the cusp of another year, I look forward with optimism to the future.

I extend my gratitude to the AR3 management team, led by our Managing Director Travis Beinke, and to all our employees, for their tireless efforts, creativity and innovation.

Thank you for your time and continued confidence in Australian Rare Earths.

I look forward to an exciting year ahead.

For further information please contact:

AR3 Limited

Travis Beinke
Managing Director
T: 1 300 646 100

Media Enquiries

Jessica Fertig
Tau Media
E: jessica@taumedia.com.au

Engage and Contribute at the AR3 investor hub: <https://investorhub.ar3.com.au/>

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.