

2 August 2023

Koppamurra Rare Earths Project, South Australia-Victoria

AR3 applies for new highly prospective tenure along strike from Koppamurra

- EL applications lodged covering new prospective tenure south of Koppamurra
- Additional tenure is believed to host an extension of the Koppamurra setting
- Targeting shallow Gambier limestone overlain by clay; analogous to the geological setting at Koppamurra
- Once granted, the additional ~2,700 km² will expand the Koppamurra project area to more than ~6,700 km²
- Resource and Exploration Target update set for later this year

Australian Rare Earths Limited (ASX: AR3) is pleased to announce that it has submitted applications for Exploration Licenses (ELA 2023/07, ELA 2023/08, EL 8208, EL 8254) which are believed to host an extension of key geological setting at the Company's Koppamurra Rare Earths project.

Once granted, the EL's will increase prospective tenure to the south of the Koppamurra rare earth project by an additional ~2,700km², taking the total project area to more than ~6,700km².

The application areas are considered an extension of the Koppamurra rare earth mineral Province based on the shallow nature of the mapped Gambier Limestone in the region and a review of historic drilling which confirms clay lithologies overlying the Gambier limestone. The Gambier limestone is thought to play a critical role in the mineralisation process at Koppamurra and is therefore deemed highly prospective for additional Koppamurra style mineralisation.

Recently announced drilling in Victoria (see ASX Announcement 18 July 2023) has confirmed that the depth of mineralised clays can be correlated with surface topography, whereby surface elevations below 145m AHD correlate with shallow depths to the targeted geology. As illustrated in the topographic map (Figure 1), the application areas target this prospective surface RL, further supporting the prospectivity of the applications and of the overall AR3 tenure.

Chief Executive Officer Travis Beinke said: *"Adding an additional 2,700km² of prospective tenure at Koppamurra supports our strategy of establishing a world-scale ionic clay-hosted rare earths Province in the heart of a tier-one location."*

“As we continue to grow our understanding of the geology and rare earth mineralisation process’ at Koppamurra, the EL’s currently under application will provide an opportunity to expand the size and scale of the rare earths Province.

“Work is underway to update our existing 101Mt Mineral Resource Estimate and significant Exploration Target of 330 million to 1.4 billion tonnes to incorporate results of the H1 2023 drill program. The update, expected later this year, will then be followed by our next drilling program to commence in Q4 2023 and will focus on expanding our understanding of the Province potential at Koppamurra.”

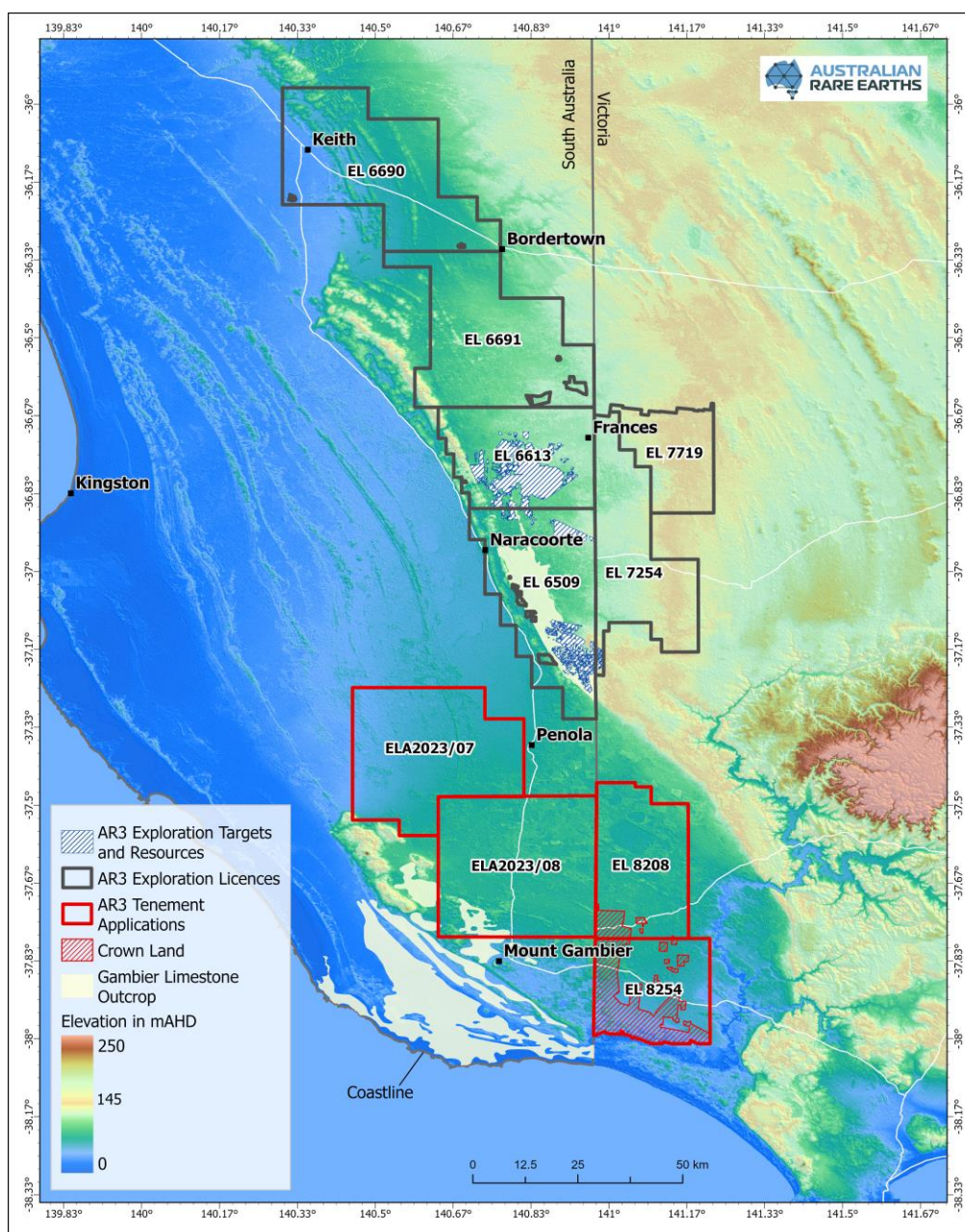


Figure 1 – Regional elevation, outcropping Gambier limestone, AR3 tenure and applications. Surface elevations below 145m AHD shown in green are prospective for the targeted lithologies.

The announcement has been authorised for release the by the Board of AR3 Limited.

For further information please contact:

AR3 Limited

Travis Beinke
Chief Executive Officer
T: 1 300 646 100

Media Enquiries

Nicholas Read / Paul Armstrong
Read Corporate
T: 08 9388 1474

Competent Person Statement

The information in this report that relates to Exploration results is based on information compiled by Australian Rare Earths Limited and reviewed by Mr Rick Pobjoy who is the Technical Director of the Company and a member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Pobjoy has sufficient experience that is relevant to the style of mineralisation, the type of deposit under consideration and to the activities undertaken to qualify as a Competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Pobjoy consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

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 Koppamurra rare earths Province in south eastern South Australia and western 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