

10 October 2023

Koppamurra Rare Earths Province, South Australia-Victoria

AR3 commences major drilling program to expand Koppamurra Rare Earths Province

Highlights

- 30,000m aircore drilling program at Koppamurra has commenced.
- The exploration and resource drilling aims to build on the Koppamurra Resource of 186 million tonnes at 712 ppm Total Rare Earth Oxides (TREO) ^(ASX 19/09/2023) and inform an updated Mineral Resource Estimate.
- Drilling will generate ~18,000 samples for analysis.
- First drill samples have been dispatched to assay laboratory with initial results expected in November 2023.
- Program is focused on the northern 10km strike extension of the known mineralisation, an area that has not been drill tested to date.

Australian Rare Earths (ASX: AR3) is pleased to announce the start of a major new drilling campaign, aimed at growing and upgrading the world-scale Resource at its Koppamurra rare earths project in South Australia.

The drilling will target a highly prospective and untested 10km-long northern strike extension of the Koppamurra Resource (Figure 2). In addition, drilling will target resource definition upgrades in the southern resource area.

AR3 Chief Executive Travis Beinke said: *"This drill campaign aims to continue growing the Koppamurra Resource, which is open along strike, further enlarge our already very large Exploration Target, and continue to convert that Exploration Target into Resource."*

"We believe that increasing and upgrading the Koppamurra rare earths resource inventory is one of the most effective ways to create further value for our shareholders while also demonstrating the globally significant nature of this project to potential future offtake partners".

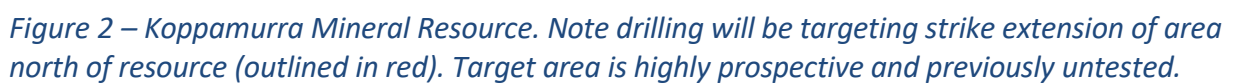
The recently updated Mineral Resource of 186Mt at 712ppm TREO confirms Koppamurra is a globally significant project with an Exploration Target range of 340Mt to 3.1Bt, at average grades of 510ppm to 780 ppm TREO. The potential quantity and grade of the Exploration Target is conceptual in nature, as there has been insufficient exploration undertaken as yet to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Australian Rare Earths is in the vanguard of developments regarding ionic clay hosted rare earths in Australia, building a team with highly qualified technical capacity, experience and knowledge in their exploration, evaluation and processing.

The Company is building a portfolio of exploration projects for scale and optionality, utilising its ionic clay hosted rare earths prospect evaluation and sourcing skills to keep AR3 at the forefront of rare earths potential in this type of geological setting in Australia. With global electrification trends driving the high growth in rare earth magnet demand, AR3 aims to develop a complimentary series of sustainable sources of those strategically important magnet rare earths.



Figure 1- Koppamurra aircore drilling, October 2023.



The announcement has been authorised for release 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's 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.

Listing Rule 5.23 disclosure

The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcement (ASX release 19/09/2023) and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement (ASX release 19/09/2023) continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement (ASX release 19/09/2023).

Forward Looking Statement

This announcement contains forward-looking statements which involve a number of risks and uncertainties. These forward-looking statements are expressed in good faith and believed to have a reasonable basis. These statements reflect current expectations, intentions or strategies regarding the future and assumptions based on currently available information. Should one or more of the risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary from the expectations, intentions and strategies described in this announcement. No obligation is assumed to update forward looking statements if these beliefs, opinions, and estimates should change or to reflect other future developments.

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, 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. In addition AR3 is actively reviewing other potential prospective areas which may also host ionic clay hosted rare earth deposits throughout Australia.

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.