AMERICAN RARE EARTHS

07 August 2025

Dear Shareholders,

ARR Strategically Positioned to Advance Halleck Creek

Following the successful completion of the A$15m Placement[1], it gives me great pleasure to provide all shareholders with an update on the Company's progress towards becoming America's next producing rare earths mine.

Before I do that, and as we welcome new shareholders to the American Rare Earths' register, I would like to also particularly acknowledge the Company's long-term supporters.

Update

The Board of Directors and I visited the Cowboy State Mine at Halleck Creek in Wyoming last month. I left Wyoming excited about the progress of the project and confident that we have the right team in place to ensure that American Rare Earths is now strategically placed to provide decades of critical mineral security for America.

I'm energised by the positive outlook for the U.S. rare earth industry across the sector and strongly believe that Halleck Creek has the potential to secure a multigenerational supply of both heavy and light rare earths for U.S. manufacturing and defense. Visiting the site in person re-iterated just how much is possible for American Rare Earths and I'm happy to share an update with you all here:

- In our view, the recent announcement from the Department of Defense that it is engaging in a Public-Private partnership with MP Materials (NYSE: MP), is a strong indication that the U.S. Federal Government intends support and grow the domestic rare earths industry.

- In addition, the Trump administration has expressed a strong desire to rapidly expand U.S. rare earths mining and magnet production capabilities—with the same urgency and resource commitment that enabled the development of a COVID-19 vaccine in under a year. Senior White House officials have also indicated support for domestic critical mineral developers, including potential measures such as price floors.[2]

- **We are therefore currently exploring opportunities to avail ourselves of U.S. Federal Government funding to help further accelerate the development of Halleck Creek.** Any funding will be in addition to the existing, strong commitment from the State of Wyoming in the form of a matching grant of A$10,700,00 (USD $7,100,000).[3] received last year.

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[1] ASX release July 24, 2025
[2] Reuters article published July 31, 2025, titled "*Exclusive: Trump administration to expand price support for US rare earths projects, sources say*"
[3] ASX release June 27, 2024

The Halleck Creek Project offers the potential for **over 100 years** of domestic rare earth production for the U.S. and significantly increases the capacity to expand the United States' rare earths supply – especially the military-critical heavy rare earths:

- Cowboy State Mine (Phase I of the Halleck Creek Project's development) has a **streamlined state-focused pathway to permitting** due to its location in the State of Wyoming. This pathway allows for the possibility that the site can be permitted in approximately 2 years time, which is a light-speed timeline when compared to federal permitting timelines of over 10 years. This is an important factor in our efforts to secure an immediate resource pipeline for the growing U.S. magnet manufacturing industry;

- The Cowboy State Mine encompasses only ~20% of the broader Halleck Creek resource. Given the expedited timeline outlined above, I believe **American Rare Earths is well positioned to deliver the domestic rare earths supply needed both for today and for generations to come**;

- **The successful capital raise of A$15m**[4] provides a sustained runway for the business and paves the way for the beneficiation portion of the **Demonstration Plant** to capitalise on the 10X concentration upgrade[5] of Halleck Creek's in-situ ore. The key components necessary for this work have already been ordered from manufacturers demonstrating the company's confidence in the ongoing mineral processing flowsheet development;

- **Optimisation work** to enhance comminution methods, mineral separation and concentration is underway, bolstered by test mining at the Cowboy State Mine under state approved License to Explore[6];

- **Hydrometallurgy advancing** per extensive scoping leach tests is being completed at SGS's laboratory[7] – this work has identified the best options for further work on the flowsheet using optimised concentrations; and

- **The American focused leadership team** at our wholly owned subsidiary, Wyoming Rare (USA) Inc., led by our interim CEO, Joe Evers, is well positioned to advance the project, leveraging deep local knowledge and strategic relationships. We have world-class technical talent focused on developing our capacity to provide **end-to-end domestic production of rare earths to secure America's energy future.**

Why does this matter to shareholders?

New sources of rare earths are needed to ensure domestic magnet facilities have the feedstock necessary to secure a 100% U.S.-based mine to magnet supply chain. I believe the continued progress and work that has been performed to date positions our project as the next producing rare earth mine in the U.S.

This, coupled with the U.S. Government's strong investment in domestic rare earth magnet production, highlights how Halleck Creek can meet the growing demands for feedstock (especially the heavy rare earths Halleck Creek Ore contains). We strongly believe Halleck Creek has the scale to underpin the growing U.S. rare earths magnet industry, and the speed to deliver

[4] ASX release dated July 24, 2025
[5] ASX release dated February 20, 2025
[6] ASX release dated July 18, 2025
[7] ASX release dated July 16, 2025

in the immediate term given our strategic state-permitting advantage for the initial phase of development.

This is a new chapter in American industry; one that allows us to build something meaningful together with our employees, communities, and shareholders. American Rare Earths and our team will continue to focus all our efforts on working towards creating a more secure rare earths supply for all Americans.

Best of all, we're going to extract, process and refine these critical rare earths all in Wyoming, creating a 100% domestic supply chain that can fuel the American economy for the next 100 years.

Thank you for your continued support. We are honored to have you with us on this journey.

Richard Hudson
Chairman of American Rare Earths

ARR confirms it is not aware of any new information or data that materially affects the information included in the original market announcement, and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. ARR confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcement.

ARR confirms it is not aware of any new information or data that materially affects the information included in the original market announcement, and, in the case of all material assumptions underpinning the production target or the forecast financial information derived from a production target in the initial report continue to apply and have not materially changed.

About American Rare Earths Limited:
American Rare Earths **(ASX: ARR | OTCQX: ARRNF | ADR: AMRRY)** is a critical minerals company at the forefront of reshaping the U.S. rare earths industry. Through its wholly owned subsidiary, Wyoming Rare (USA) Inc., the company is advancing the Halleck Creek Project in Wyoming—a world-class rare earth deposit with the potential to secure America's critical mineral independence for generations. The Halleck Creek Project boasts a JORC-compliant resource of 2.63 billion tonnes, representing approximately 16% of the greater Halleck Creek project surface area, making it one of the largest rare earth deposits in the United States. Located on Wyoming State land, the Cowboy State Mine within Halleck Creek offers cost-efficient open-pit mining methods and benefits from streamlined permitting processes in this mining-friendly state.

With plans for onsite mineral processing and separation facilities, Halleck Creek is strategically positioned to reduce U.S. reliance on imports—predominantly from China—while meeting the growing demand for rare earth elements essential to defense, advanced technologies, and economic security. As exploration progresses, the project's untapped potential on both State and Federal lands further reinforces its significance as a cornerstone of U.S. supply chain security. In addition to its resource potential, American Rare Earths is committed to environmentally responsible mining practices and continues to collaborate with U.S. Government-supported R&D programs to develop innovative extraction and processing technologies for rare earth elements.