26 November 2025

Chairman's Address – 2025 Annual General Meeting of Australian Rare Earths

Welcome and Year in Review

Good morning, fellow shareholders, colleagues, and guests. Welcome to the 2025 Annual General Meeting of Australian Rare Earths Limited.

Thank you for joining us as we review the year, outline our strategic progress, assess current market conditions, and share what lies ahead for AR3.

What a difference a year makes. Over the last 12 months, the strategic significance of rare earths has come into sharp focus. While small-and-mid-cap rare earth players experienced exceptional share price volatility, the overall trend is unmistakenly upward - strongly so - and built on firm policy foundations.

The policy, geopolitical, and market forces now at play for critical minerals are aligning in ways we haven't seen since the heights of the Cold War two generations ago – and in rare earths, probably ever.

Progress at Koppamurra Rare Earth Project

Our flagship Koppamurra Rare Earth Project has grown in strategic importance. The mix of light and heavy magnet rare earths in its planned mixed rare earth carbonate (MREC) output underscores Koppamurra's potential to diversify global supply chains – especially as our allies seek reliable alternatives to the heavy rare earths that today come almost exclusively from ionic clay deposits in southern China or Myanmar.

As we progress Koppamurra, I extend a special thanks and acknowledgement to our friends and partners at Neo Performance Materials – their ongoing support is highly valued, providing technical insights and line of sight into how Koppamurra MREC can integrate into the global rare earth supply chain.

With co-funding from the Australian Government (awarded in December 2024), we are close to finalising our pre-feasibility study for Koppamurra early in 2026. Koppamurra's combination of *significant scale, attractive mix of light and heavy rare earths, low technical risk, modest capex and a time-to-market edge* makes it a highly attractive asset in a world urgently seeking new rare earth supply.

Geopolitical and Industry Policy Context

On the geopolitical front, Australia and allied governments have made rare earths an explicit national-security priority.

In the United States, a Section 232 investigation began in April 2025 to assess imports of processed critical minerals. The results of this are expected very soon, including potential policy moves to impose escalating US tariffs on Chinese rare earth materials imports and provide preferential access to reliable allied suppliers like Australia.

In October, China threatened to strengthen its April 2025 export controls on certain rare earth materials and technologies. When the world's dominant supplier moves to constrain exports of the metals needed for electric vehicles, wind turbines, defence systems, drones and robotics, it sends a clear signal: nations around the world must secure alternative sources. Enter Koppamurra. We are actively working to ensure Koppamurra's potential – particularly as a non-China source of Dysprosium, Terbium and Yttrium - is recognised among Australia's friends and allies.

AR3 has registered with U.S. strategic materials procurement programs and participated in official delegations and industry forums abroad, bolstering our international profile.

In September 2025, I represented AR3 on a select Australian Government-sponsored delegation to Washington DC, meeting U.S. officials and agencies as they seek to address supply gaps in critical minerals such as rare earths. A special thank you to the teams at Austrade, the Department of Industry, Science & Resources, and the Australian Embassy in Washington for delivering such a high-impact meeting program – truly, you're making a difference and delivering tangible outcomes for Australia.

The fiscal and pricing incentives for rare earths are here, they are tangible, and they only going to get stronger in the year ahead:

- In May 2024, the Australian Government announced the Critical Minerals Production Tax Incentive – a 10% refundable tax offset on mineral processing costs.
- In April 2025, the Federal Government announced its intention to establish National Offtake Agreements and a Critical Minerals Strategic Reserve – mirroring similar moves in the US to provide floor price arrangements for the only US rare earths miner, MP Materials.
- In October, Australia and the United States signed a joint Framework Agreement to secure mining, separation and processing of critical minerals, including rare earths, by creating clearer pathways for offtake, project finance and technical collaboration across allied supply chains.

Australian Rare Earths is an active contributor to the policy design work now underway in Canberra for the National Offtake Agreements. Given the Australian Government's proposed start date of late 2026 for these policies, concrete details on the National Offtake Agreements should emerge within months – shareholders, watch this space.

In short, rare earths have moved from a niche issue to a central plank of national industry policy, here and abroad. The resurgence of proactive industry policy – production incentives, soft loans, tariff protection, government offtakes and strategic reserves – is reshaping the landscape for critical minerals. For AR3, these developments are very encouraging: the wind is now firmly at our backs as we progress the development of Koppamurra.

Exploration Momentum at Overland Uranium project

In addition to our rare earth activities, this past year AR3 was quick out of the blocks to begin uranium exploration at the Overland project – a complementary part of our minerals portfolio in the energy transition space. Thanks to prompt approvals from regulators, our team commenced drilling at the Overland Uranium Project within months of securing the licenses.

Initial drilling results have been encouraging, validating our geological model from the very first set of holes. Hitting mineralisation in a frontier uranium play on the first pass is an exciting outcome – it indicates we've discovered a "working" uranium system in the area.

It's still early days, but we are encouraged by what we have learned so far and looking forward to the next stage of our phased exploration program on the substantial tenement package at Overland.

Stakeholder and Community Engagement

Our growth is underpinned by a clear commitment to environmental, social and governance principles. Our goal is to deliver rare earths production in an environmentally sustainable way, supporting Australia's ambition to lead in responsible critical minerals production.

I would like to acknowledge the work of the Koppamurra Community Consultative Committee (CCC), established this year to succeed the previous Koppamurra Landholder Reference Group (KLRG). The CCC brings together representatives from across the region to ensure a broad and balanced range of perspectives are heard. It provides a forum for open discussion, enabling input on project activities, the sharing of community perspectives, and advice on matters of importance to landholders, industry, and the wider community. I look forward to their continued input as we submit our Mine Lease application in 2026.

Outlook and Priorities for 2026

Looking ahead, AR3 is poised for substantial progress. Our immediate priorities for the next 12 months include:

- Complete the Pre-Feasibility Study for Koppamurra. This study will refine our project design, economics and development plan as we move closer to a development decision.
- Build and operate a demonstration plant to process Koppamurra ore into a mixed rare earth carbonate product. Producing a saleable rare earth carbonate at demo-plant scale will de-risk our flowsheet and provide samples for potential off-takers.
- Submit our Mining Lease application for Koppamurra, working in close consultation with our local landowner partners. This is a crucial step on the path to production, and we will engage transparently with the local community, including via the Community Consultative Committee.
- Proactively pursue value-adding Government policy and industry partnerships through advocacy for supportive policy initiatives, exploring potential strategic partnerships and offtake agreements, and progressing both public-and-private-sector financing options for Koppamurra.
- Advance exploration at our Overland uranium project, drilling high-priority targets.

Conclusion

In closing, I want to emphasise how far AR3 has come over the past year. 2025 draws to a close with much improved prospects for critical minerals in general, and rare earths in particular.

We have advanced our projects, managed our costs, and secured additional funding through a well-supported rights issue and non-dilutive government grants. Most importantly, we focused on the things within our control, so that as the commodity cycle turns upward – as it now appears to be – we are well-placed to capitalise.

I acknowledge the hard work and creativity of our team, led by Managing Director Travis Beinke. Our staff's ability to progress the technical, regulatory, and strategic dimensions of our projects in a fast-changing environment has been a source of value creation for AR3 shareholders.

I thank our partners and collaborators – from industry partners like Neo Performance Materials to government departments and agencies who have engaged with us. Your support and expertise have been invaluable in advancing our mission.

And lastly, I thank you, our shareholders, for your continued support, patience, and confidence in Australian Rare Earths. Earlier this year, when we raised additional capital to fund our activities, our existing shareholders showed tremendous support through their strong take-up of our rights issue amidst turbulent markets. We do not take that trust lightly. We will continue to work diligently to justify your faith in us.

The themes we discussed a year ago are now undeniable realities: governments are back in the business of industrial policy, and critical minerals are front and center. Export controls, strategic offtakes, and national reserves are reshaping our industry's landscape.

In this new context, AR3 is growing in strength. Koppamurra's combination of light and heavy rare earths, its potential low-capex, low-technical risk development, and its location in a gold-standard low political risk jurisdiction make it a strategic asset of increasing significance. Uranium exploration at Overland provides us additional diversification and future optionality.

As policy shifts and geopolitics remind the world what is at stake, we are well placed to seize the opportunity ahead.

Thank you.

Angus Barker

Chairman

The announcement has been authorised for release by the Board of Australian Rare Earths Limited.

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