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AMERICAN RARE EARTHS

American Rare Earths

(ASX: ARR; OTC: ARRNF; FSE: 1BHA)

June 2023
Quarterly Activities

Disclaimers and Forward Looking Statements

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Disclaimers

This presentation contains forward-looking statements that involve subjective judgement and analysis and accordingly, are subject to significant uncertainties and risks, many of which are outside the control of, and are unknown to, American Rare Earths ("ARR"). In such circumstances, the forward-looking statements can be identified by the use of forward looking words such as "may", "will", "expect", "intend", "seek", "estimate", "believe", "continue" or other similar words.

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ARR wishes to caution readers that these forward-looking statements are based on economic predictions and assumptions on reserves, mining method, production rates, metal prices and costs (both capital and operating) developed by ARR management in conjunction with consultants.

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Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr. Jim Guilinger. Mr. Guilinger is a Member of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr. Guilinger is Principal of independent consultants World Industrial Minerals LLC. Mr. Guilinger has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking 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. Guilinger consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in this document that relates to Mineral Resource Estimate is based on information provided by Mr Alfred Gillman. Mr. Gillman is Principal of the independent consultant firm Odessa Resources Pty Ltd. Mr. Gillman is a Fellow and Chartered Professional of the Australian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code. Mr. Gillman consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

The mineral resources disclosed in this presentation are compliant with NI 43-101 standards which are close to the JORC Code in their key definitions. La Paz mineral resources can therefore be quoted as "qualifying foreign estimates" according to ASX listing rules.

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.

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"Right place, at the right time and with the right commodity"

The only successful Australian Explorer with a world-class rare earth deposit in the USA, a JORC resource of 1.43 billion tonnes containing over 4 million tonnes of TREO and more than 1 million tonnes of Nd Pr.

Pleased to announce our successful exploration program will continue in the second half of 2023, offering significant upside to current estimates.

The USA, the largest economy in the world is seeking to onshore rare earths and priority will be provided to domestic suppliers.

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NdPr - Critical to Global Supply Chains

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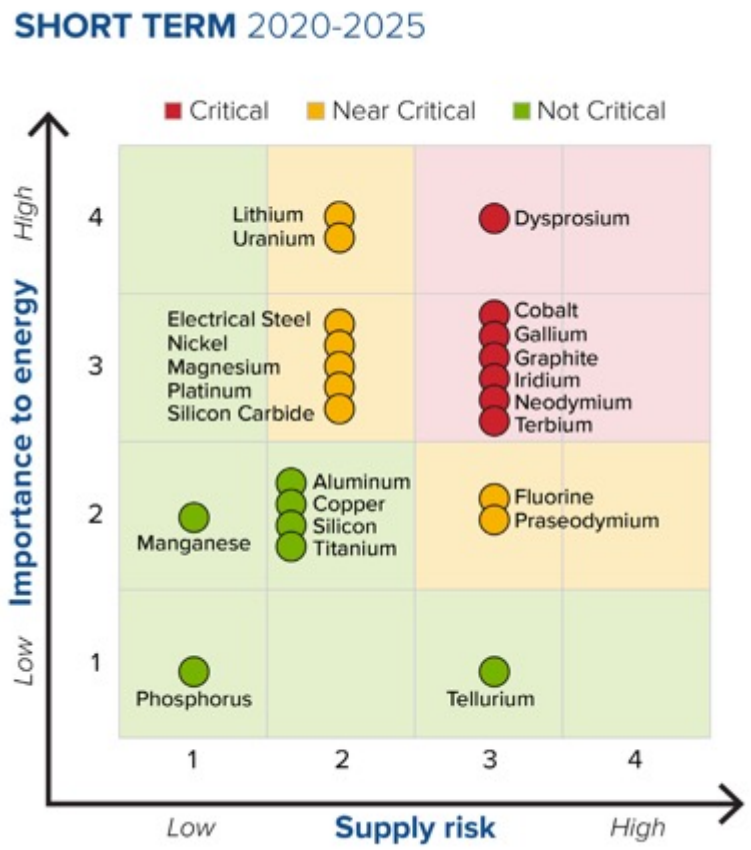

Figure ES.1. Short-term (2020–2025) criticality matrix

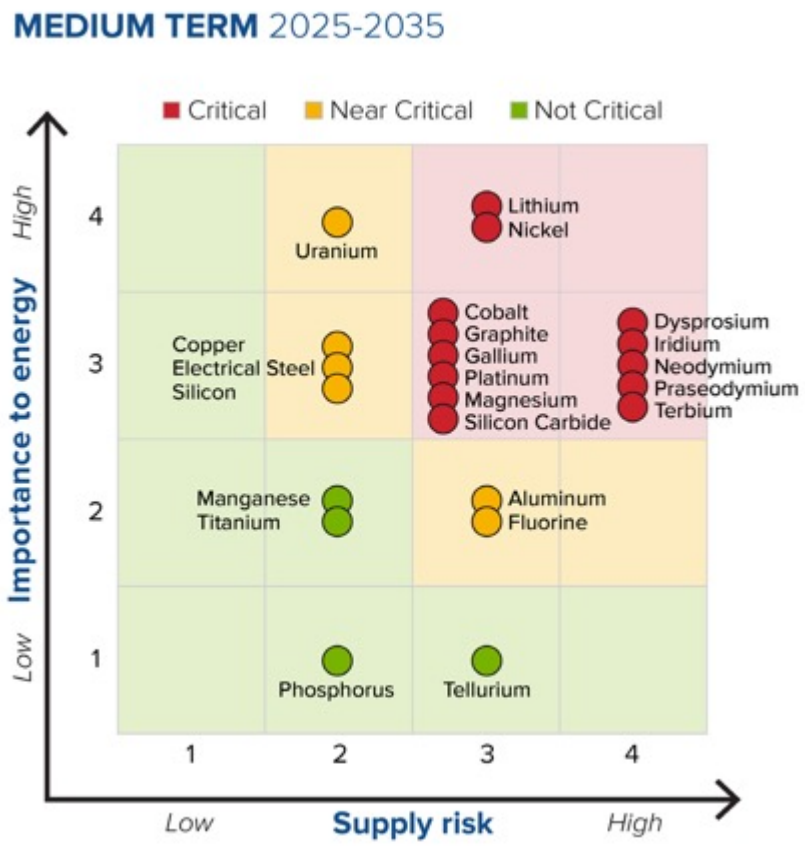

Figure ES.2. Medium-term (2025–2035) criticality matrix

Source: U.S. Department of Energy, Critical Materials Assessment 2023

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Highlights for the June Quarter

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US Transformation

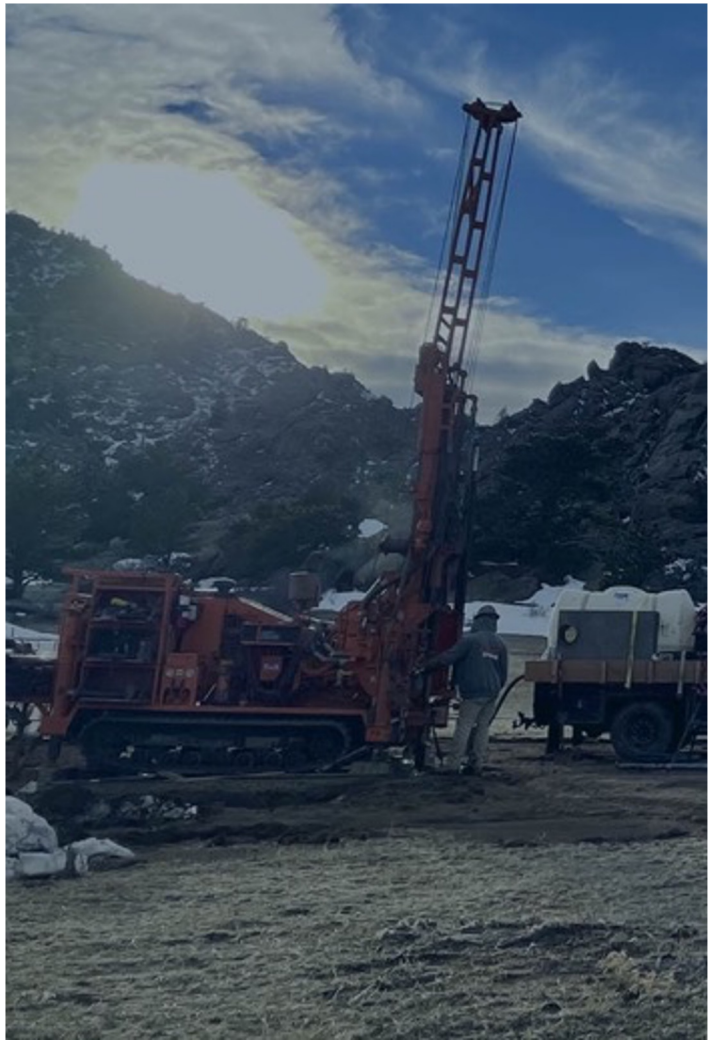
- The Company is progressing with its upgrade to the OTCQX, the top tier of the OTC Markets.
- Commenced making application to list on NASDAQ.
- The Company progressed its relocation to the United States and commenced recruitment of Board members and senior management.

Halleck Creek

- The Company applied for a permit to drill up to 28 holes at Halleck Creek and plans to drill at least 2,400 metres.
- Metallurgical test work continues to show that a simple process flow sheet can produce a rare earth concentrate and maximise the recovery of magnet metals.
- Bulk rougher/scavenger (primary) Wet High Intensity Magnetic Separation (WHIMS) produced 72% recovery and rejected 77% of feed mass, an upgrade ratio of 3.1.
- Internal studies focused on annualised ore processing rates of 10, 15 and 20 million tonnes per annum feed rate to the concentrator to establish optimal project economics.

Corporate

- Mr Clarence McAllister retired as a Non-Executive Director



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Financials

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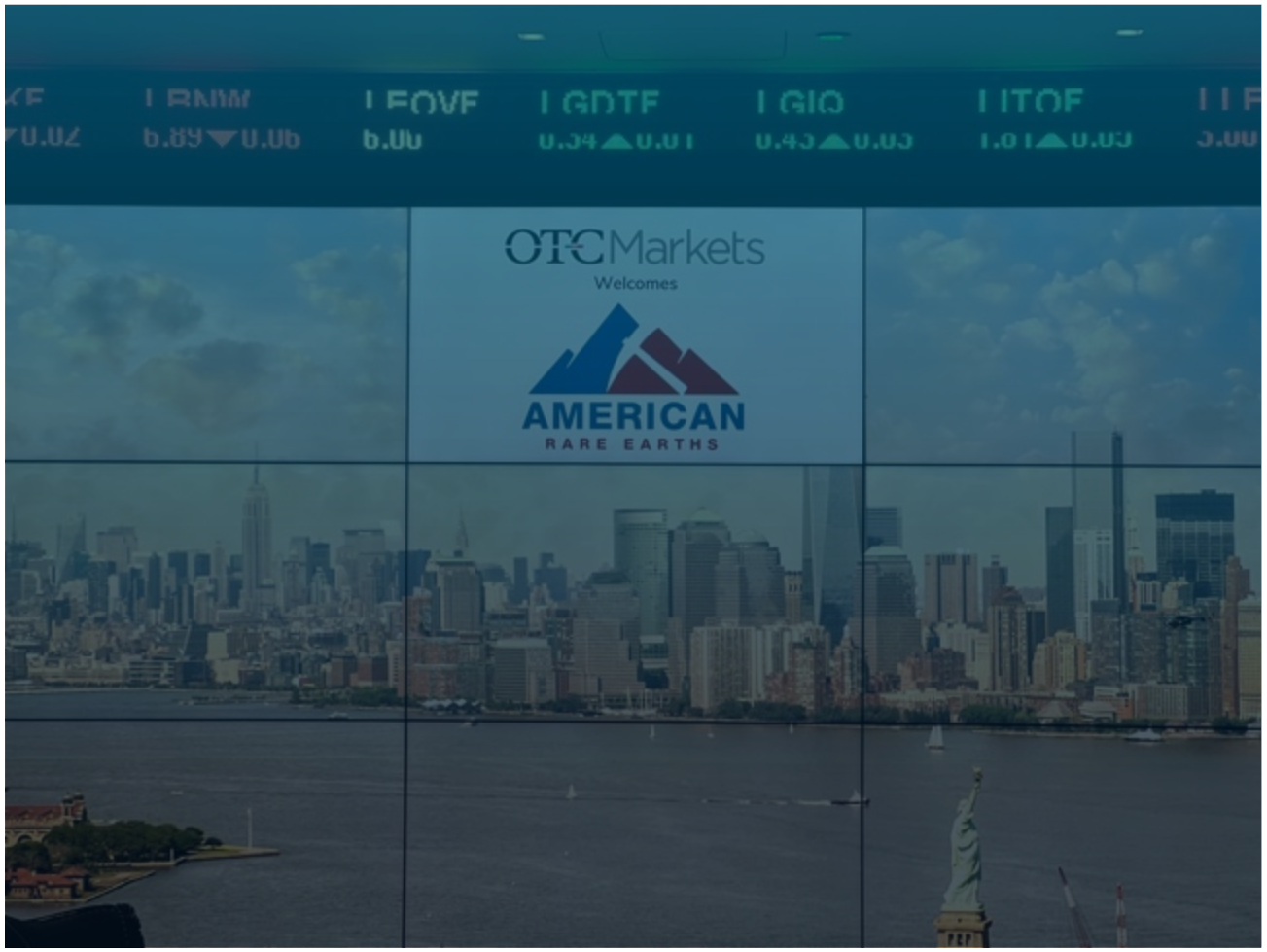
- Well-funded to deliver on our objectives.
- On 30th June 2023, we had a cash position of $12.485m.
- 4,400,000 ASX: COB shares.
- $3m promissory note with a financial asset value of $2,990,207.
- Rights to NSR royalty of 2% on cobalt production from Thackaringa Project.



Update on the relocation to the US

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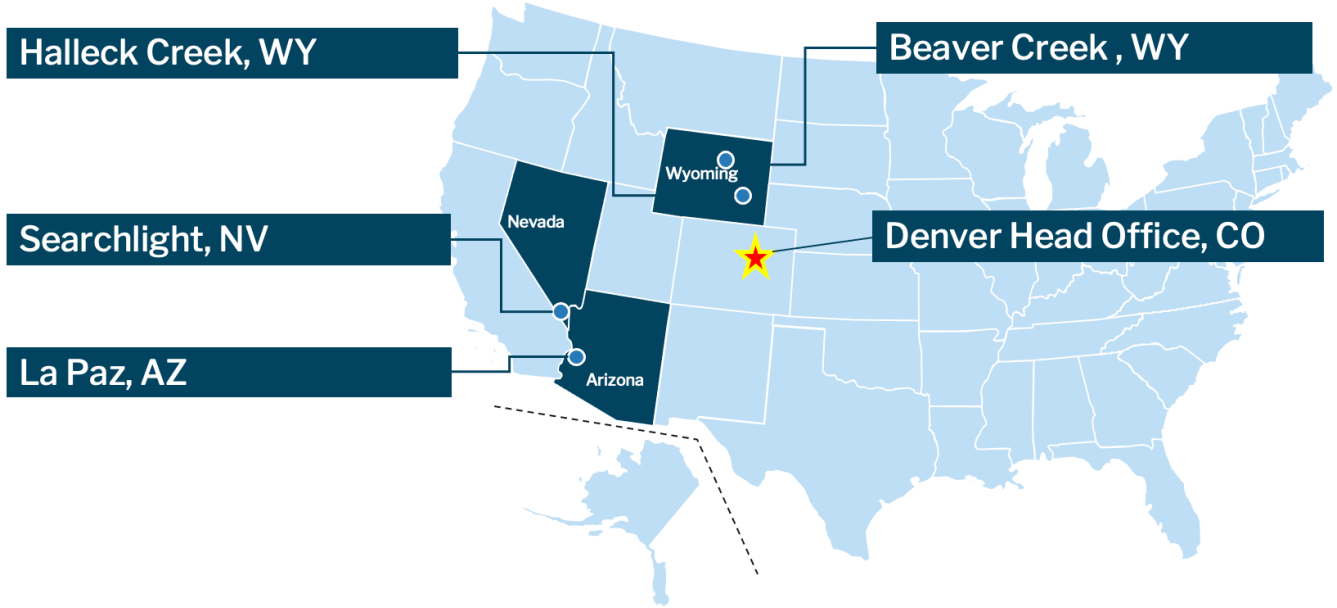
- Established US based Executive Team:
  - Donald Swartz appointed as Chief Executive Officer
  - Jose Rico appointed as Chief Financial Officer
- Three US based Directors to be appointed once necessary documentation is complete.
- Mel Sanderson to continue in role of President, North America.
- US Headquarters will be in Denver, Colorado



Halleck Creek Drilling Exploration Plan

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- Applied for drilling permit for up to 28 drill holes with plans to drill approximately 2,400 metres in total.
- The drilling will focus on identifying the highest-grade areas to define a significant volumes of measured and indicated resources at Halleck Creek.
- Core material obtained from the drilling will be used for additional detailed metallurgical testing.
- Core samples will also be utilised for geotechnical testing, enabling a comprehensive assessment of the rock and soil properties.
- Preliminary baseline hydrological sampling and monitoring will be conducted to establish a comprehensive understanding of the project's impact on water resources.
- The drilling will also provide additional feedstock material for Research and Development Projects, supporting ongoing advancements in rare earth technologies.

Positive Metallurgical Test Results

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- The latest test work supports previous results showing a simple process flow sheet to produce a rare earth concentrate and maximise the recovery of magnet metals Neodymium and Praseodymium (NdPr).
- Bulk rougher/scavenger (primary) Wet High Intensity Magnetic Separation (WHIMS) produced 72% recovery and rejected 77% of feed mass, an upgrade ratio of 3.1.
- Further testing will seek to generate the final concentrate for refinery testing.
- Internal studies focus on annualised ore processing rates of 10, 15 and 20 million tonnes per annum feed rate to the concentrator to establish optimal project economics.
- This equates to a modelled annual production of 3,800 tonnes, 5,700 tonnes and 7,600 tonnes, respectively of the highly valuable NdPr oxides contained in Mixed Rare Earth Carbonate (MREC) as a saleable product to be processed within the USA

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Outlook for September Quarter

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- US Business Transition
  - New management team & directors
  - ADR's in place and OTCQX Upgrade
  - Preparation for NASDAQ application
- Advancing Halleck Creek
  - Resource Drill Program
  - Finalising next round of metallurgical test work
- Beaver Creek – Detailed Field Exploration Program

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Contact Us

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