



AMERICAN RARE EARTHS LIMITED
ABN 83 003 453 503 (Australia)

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

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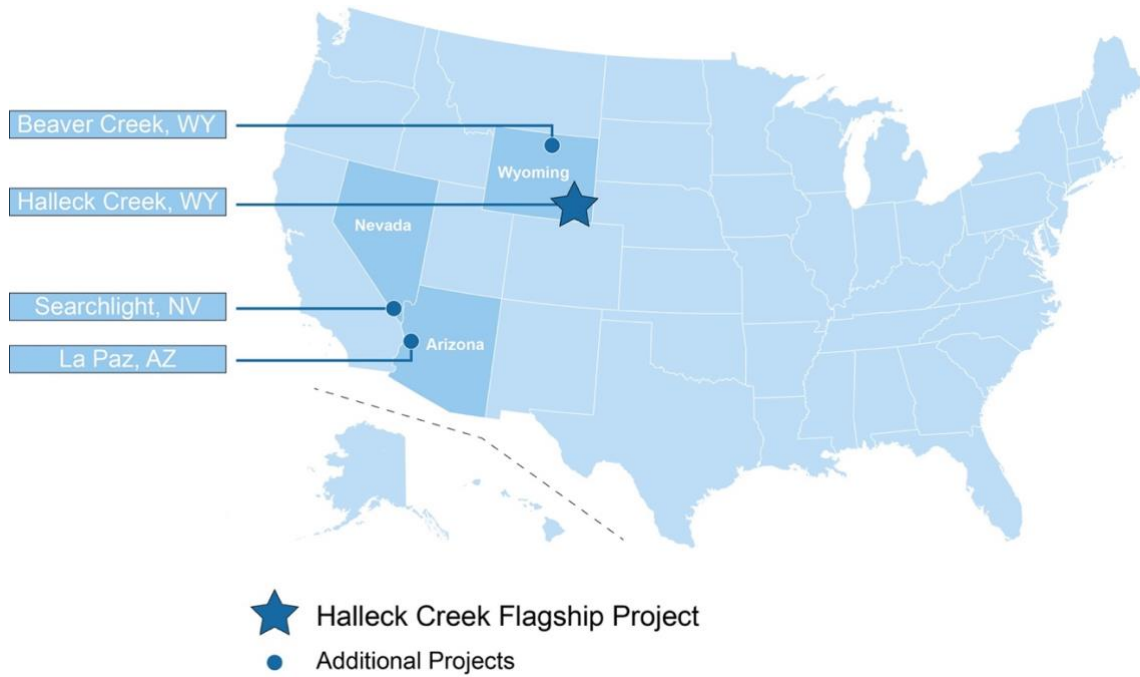
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COMPANY DIRECTORY

<p>DIRECTORS</p> <p>Richard Hudson – Non-Executive Chairman</p> <p>Sten Gustafson – Deputy Chairman Chris Gibbs Geoffrey Hill John Mansanti Mel Sanderson Kenneth Traub Paul Zink</p>	<p>AUDITOR</p> <p>Hall Chadwick Level 40 2 Park Street Sydney NSW 2000</p>
<p>COMPANY SECRETARY</p> <p>Wayne Kernaghan</p>	<p>BANKERS</p> <p>National Australia Bank Wells Fargo Bank Jonah Bank of Wyoming</p>
<p>REGISTERED OFFICE</p> <p>Level 40 2 Park Street Sydney NSW 2000</p>	<p>SECURITIES LISTED</p> <p>Australian Securities Exchange (ASX): ARR OTCQB Common Shares: ARRNF OTCQX ADRs: AMRRY</p>
<p>AUSTRALIAN OFFICE</p> <p>Suite 706, Level 7 89 York Street Sydney NSW 2000</p> <p>GPO Box 1546 SYDNEY NSW 2001</p> <p>Phone: (+61 2) 8054 9779 Email: info@americanree.com</p> <hr/> <p>WEBSITE</p> <p>https://americanree.com</p>	<p>SHARE REGISTRY</p> <p>Computershare Investor Services Pty Ltd Level 5, 115 Grenfell Street Adelaide, South Australia 5001 Phone: 1300 556 161 (within Australia) (+61 3) 9415 4000 (outside Australia)</p> <p>www.computershare.com.au</p>

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INTERESTS IN TENEMENTS

Tenement Name	Tenement Type and Number	Location	Group Ownership
La Paz	Lease Number 008-120965-00	Arizona, United States	100%
La Paz	La Paz 1 – 14	Arizona, United States	100%
La Paz	La Paz 33 – 69	Arizona, United States	100%
La Paz	La Paz 71, 73, 75	Arizona, United States	100%
La Paz	La Paz 92 - 101	Arizona, United States	100%
La Paz	La Paz 108 – 219	Arizona, United States	100%
La Paz	La Paz 220 – 376	Arizona, United States	100%
Halleck Creek	Rex 1- 5	Wyoming, United States	100%
Halleck Creek	Rex 10 – 23	Wyoming, United States	100%
Halleck Creek	Rex 25 - 43	Wyoming, United States	100%
Halleck Creek	Rex 44 – 72	Wyoming, United States	100%
Halleck Creek	Rex 75 - 165	Wyoming, United States	100%
Halleck Creek	Rex 167 - 176	Wyoming, United States	100%
Halleck Creek	Rex 178 - 375	Wyoming, United States	100%
Halleck Creek	0-43568 – 0-43571	Wyoming, United States	100%
Western Rare	Nevada T-01 – T80	Nevada, United States	100%
Beaver Creek	BM 1 - 37	Wyoming, United States	100%
Beaver Creek	0-43773	Wyoming, United States	100%

Competent Persons’ Statement

The information in this document is based on information compiled by personnel under the direction of Mr. Dwight Kinnes. This work was reviewed and approved for release by Mr Dwight Kinnes (Society of Mining Engineers #4063295RM) who is employed by American Rare Earths and 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 to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Kinnes consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

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DIRECTORS' REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

The Directors present the following report including financial statements of American Rare Earths Limited (**Company or ARR**) for the six months ended 31 December 2023.

1. Directors

The names of the Directors of the Company during the half-year and up to the date of this report are:

F Creagh O'Connor	Non-Executive Chairman	Appointed 22 June 2000 Retired 16 November 2023
Chris Gibbs	Non-Executive Director	Appointed 1 November 2021
Sten Gustafson	Non-Executive Director	Appointed 7 January 2022
Geoffrey Hill	Non-Executive Director	Appointed 27 August 2015
Richard Hudson	Non-Executive Director Non-Executive Chairman	Appointed 8 February 2022 Appointed 7 February 2024
John Mansanti	Non-Executive Director	Appointed 21 August 2023
Melissa Sanderson	Non-Executive Director	Appointed 12 November 2021
Kenneth Traub	Non-Executive Director	Appointed 18 August 2023
Paul Zink	Non-Executive Director	Appointed 21 August 2023

2. Review of Operations

Halleck Creek Rare Earths Project (100% Owned) Wyoming, USA

In September, ARR commenced the Halleck Creek drilling program with the aim of upgrading the JORC Resource estimates. Drilling comprised a 23-hole program at the Overton Mountain sub-area of the Halleck Creek REE Project in mid-September of 2023 (See Figure 1 below). The program included eight diamond core holes and 15 reverse circulation (RC) holes. Seven of the diamond core holes extended to 80m (262ft) depth, with one deep hole extending to 305m (1000ft), and all 15 RC holes extending to 100m (330ft) depth.

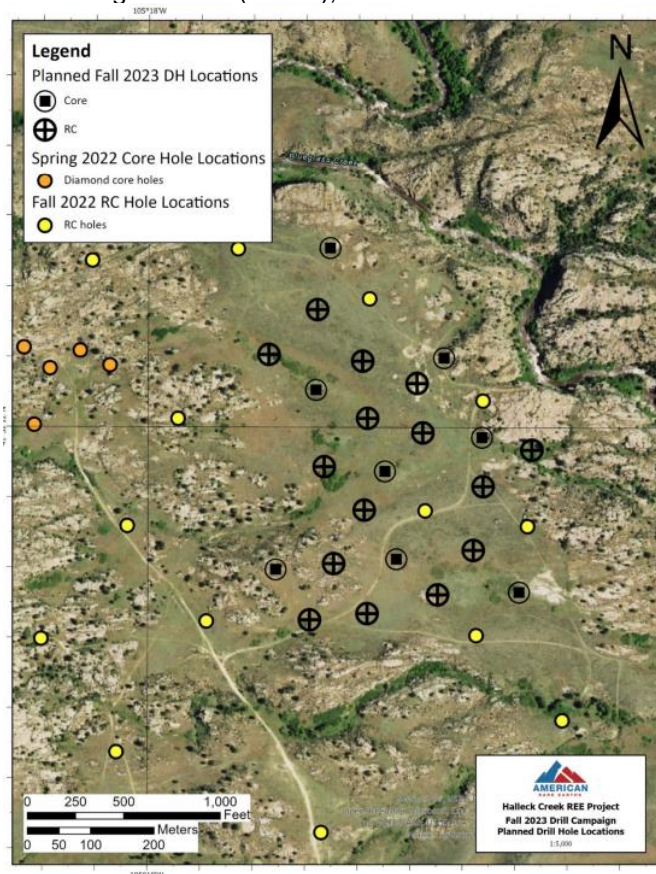


Figure 1. Location of planned drill holes for September 2023 campaign

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ARR announced exceptional drill results in October following the successful completion of the program. Of the 15 RC holes drilled, there was an average TREO value 24% higher than that of the Company’s previous JORC resource estimate¹ (3,309 ppm TREO). From the 15 RC holes drilled, 9 holes exhibited an average TREO value of greater than 4,000 ppm, utilising a cutoff value of 1,500 ppm. The addition of the final RC assays will be a significant contribution to upgrading the Company’s current 1.43 billion tonne JORC resource as at 30 March 2023.

On 7 February 2024, the Company announced a 64% increase in the JORC resource to 2.34 billion tonnes at 3,196 ppm TREO.

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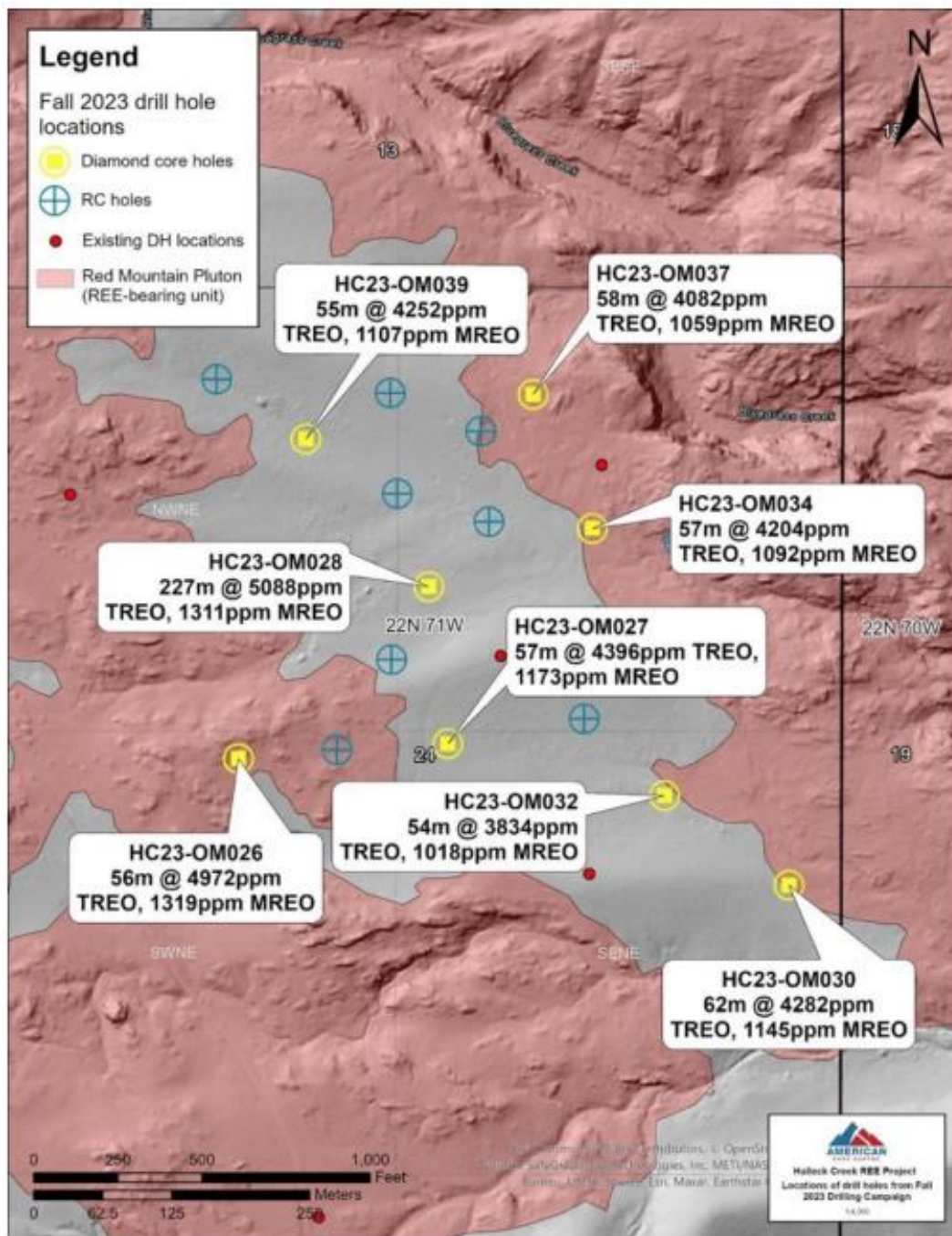


Figure 2 – Fall 2023 drill hole locations

¹ ASX announcement – “American Rare Earths - 1.43 Billion Tonne JORC Resource” - March 30, 2023

² ASX announcement – “Resource Estimate Increased by 64%. Estimated In-Situ Resources Increased to 2.34 Billion Tonnes at 3,196ppm TREO – February 7, 2024

As part of the September exploration drilling program, the Company identified potential in the surrounding claims of Bluegrass, Sommers Flat, Trail Creek and County Line areas, as shown in Figure 3. Geologists were able to tightly constrain important contacts and boundaries between the REE enriched material and surrounding rocks.

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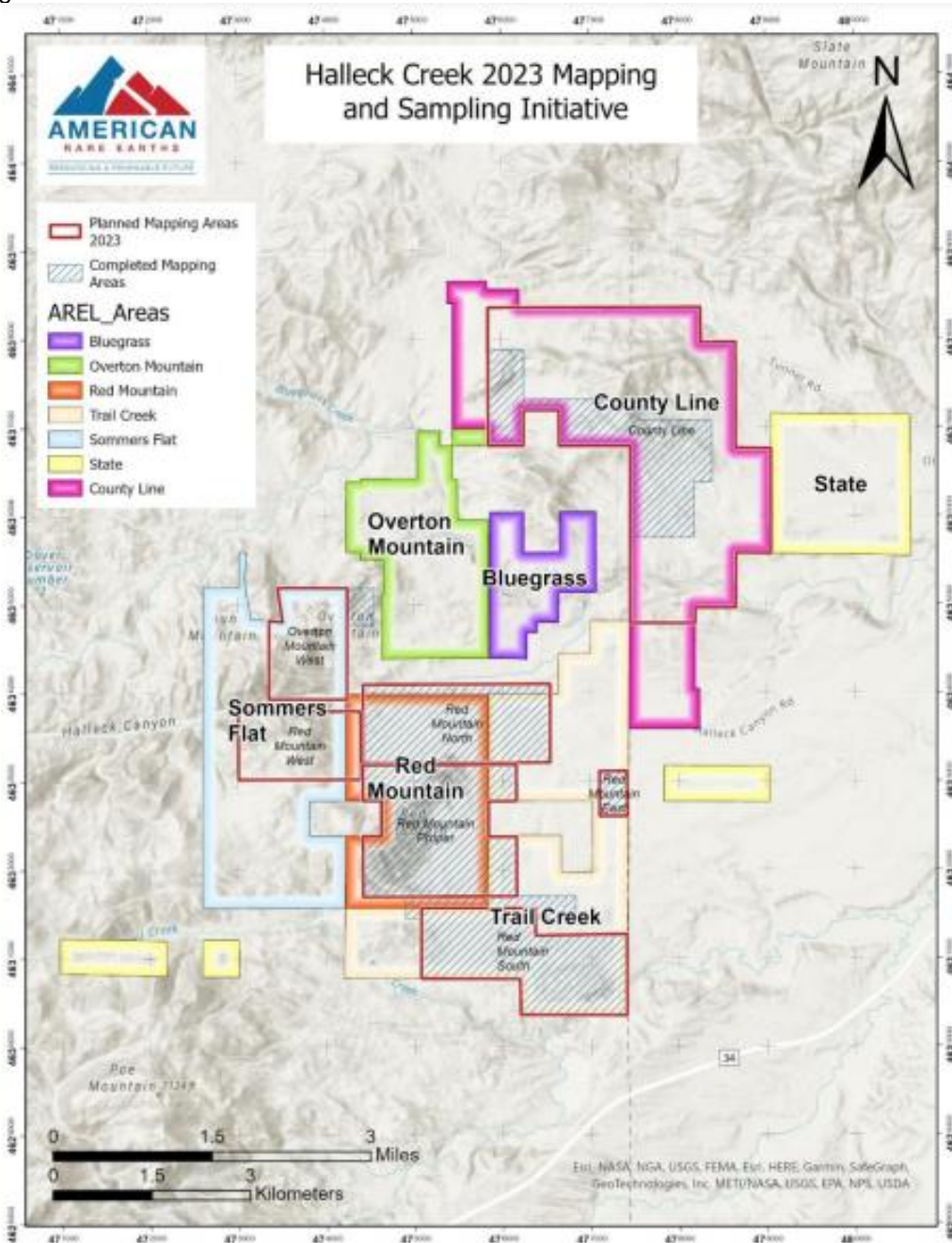


Figure 3 – Halleck Creek REE Exploration Areas, Mapped Areas, and Future Map Areas

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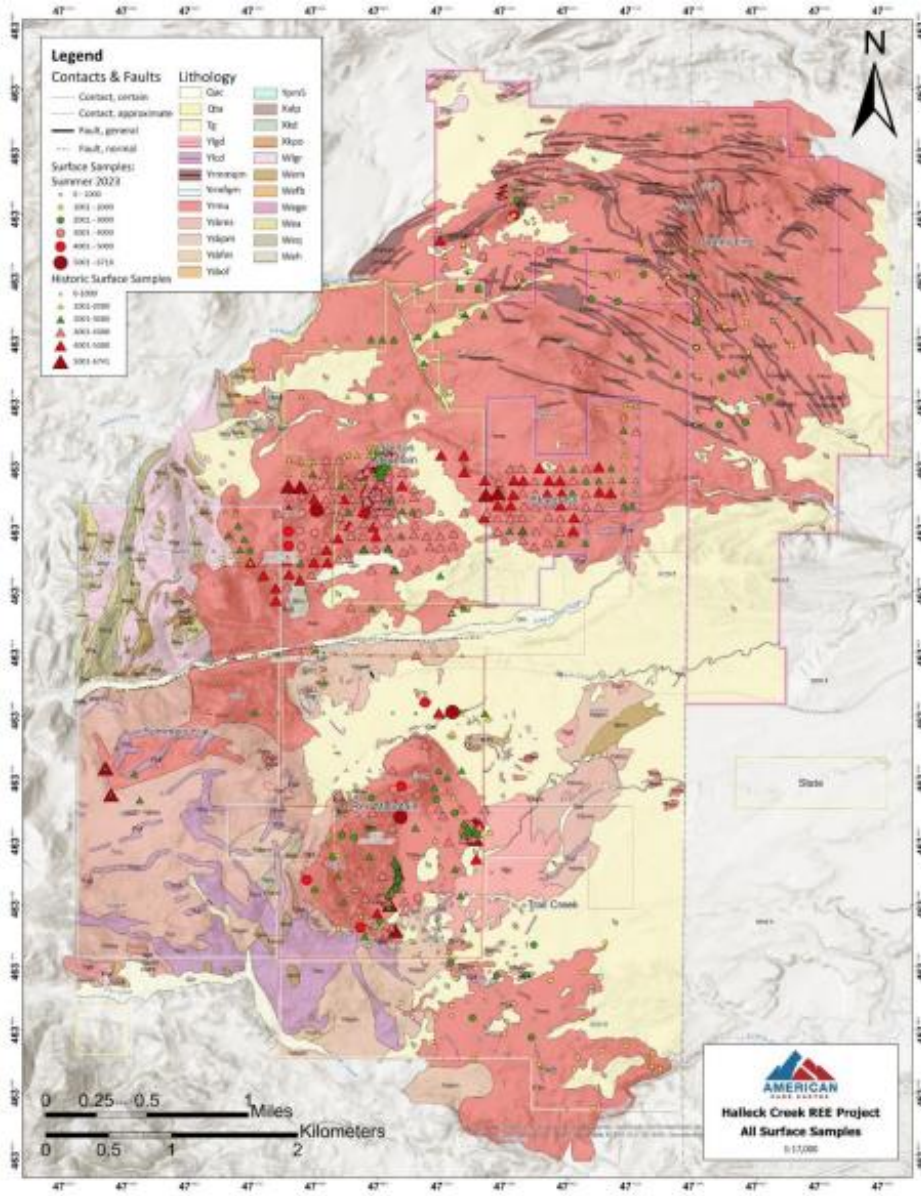


Figure 4 – Halleck Creek REE Surface Sample Locations

Beaver Creek Rare Earths Project

High-grade field assay results were obtained at the new Beaver Creek rare earth project in Wyoming. Final assay results confirmed TREO grades between 5.8% and 13.9%. Assays for the valuable magnetic rare earths, neodymium and praseodymium ranged between 1% and 2.2%.

The newly acquired state section at the Beaver Creek REE project increased the Company’s holdings in the region by 85% from 749 acres (303 hectares) to 1,389 acres (562 hectares). Importantly, the state mineral lease is directly along strike from previously examined outcrops, and has the potential to contain additional, highly enriched REE mineralisation. Plans are underway to conduct further field work to define JORC Exploration Target.



Image 1. Large reddish-brown allanite crystals in a chlorite, calcite, feldspar, and quartz hydrothermal breccia outcrop

US Transformation

In July, Donald S. Swartz II was named Chief Executive Officer of the Company effective 1 August, with over 20 years of leadership experience in the US domestic and international resources sector. He is a highly skilled mining professional with a proven track record of success in developing and executing strategies that resulted in creating new business opportunities in the mining industry with significant revenue growth.

Mr. Jose Rico was appointed as the Company's new US-based Chief Financial Officer, with over 22 years of corporate finance and accounting experience across both US domestic and international operations. Prior to joining, he was Global Head of Management Company Finance at Resource Capital Funds, a mining-focused global alternative investment firm, and Managing Director of Corporate Accounting at The Charles Schwab Corporation.

During the half year, ARR appointed three additional US-based Directors, Kenneth Traub, John Mansanti and Paul Zink, bringing a wealth of mining and financial experience to the Board. Their strong industry standing and extensive experience are already proving invaluable to the Company.

In August, ARR announced the launch of its sponsored Level 1 American Depositary Receipts Program ("ADR Program") which commenced trading on the OTCQX market under ticker symbol AMRRY on 15 August.

ADRs enable qualifying non-US companies to have direct exposure to the US investment community, and OTCQX trading provides access to enhanced visibility and trading liquidity. The Company has received approval from the United States Securities and Exchange Commission ("SEC") to establish the ADR Program in the United States, and all requirements for OTCQX trading have been successfully met. The OTCQX listing has complemented the Company's listing on the Australian Securities Exchange ("ASX").

Environmental, Social & Governance (ESG)

During the reporting period there were zero safety, health and/or environmental incidents.

ESG is a key focus at American Rare Earths and is central to what we do. We are keenly aware of our role and responsibilities as temporary custodians of the concessions we explore/operate, as employers and leaders and as partners to the communities in which we work. We are shaping the future not only for American Rare Earths, but also the next generation.

Corporate & Finance Review

The Company made an investment in Godolphin Resources Limited (GRL) during the period accumulating a 15% shareholding. The Company also continues to hold shares in Cobalt Blue Holdings Limited ("COB") and an A\$3M COB Promissory Note (PN) interest-free for years one to three with interest payable in arrears at 6% per annum for years four and five. The PN is currently in year four and secured over title to tenements; it matures January 2025. On 31 December 2023, this note has a financial asset value of A\$3.105M. In addition, the Company also holds rights to a Net Smelter Return (NSR) royalty of 2% on all cobalt production from the Thackaringa Project, which was sold to Cobalt Blue Holdings Limited in February 2020.

Total assets decreased to \$23,011,865 (30 June 2023: \$25,914,657) and total liabilities increased to \$742,905 (30 June 2023: \$715,809). Loss after income tax for the six-month period to 31 December 2023 was \$3,170,715 (six-months ended 31 December 2022: loss \$1,794,315).

3. Auditor's Independence Declaration

We confirm that we have obtained the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* (Cth), which is set out on page 13.

4. Subsequent Events

On 22 January 2024, the Company provided an update on its metallurgical results at Halleck Creek as part of the SynBREE project.

On 7 February 2024, the Company announced a 64% increase in the Halleck Creek Resource to 2.34 billion tonnes at 3,196 ppm Total Rare Earth Oxides.

On 9 February 2024, the Company announced that Mr Richard Hudson has been appointed Non-Executive Chairman, replacing Mr Ken Traub who remains on the board as a Non-Executive Director. Mr Sten Gustafson has been appointed Deputy Chairman of the Company.

On 19 February 2024, 2,000,000 ordinary fully paid shares were issued as the result of the exercise of \$0.20 strike options – total proceeds received of \$400,000.

On 23 February 2024, the Company announced a \$13.5m institutional share placement at an issue price of \$0.30 per share. As a result, 45,000,000 shares were issued on 29 February 2024, in addition to 6,000,000 unlisted broker options with an exercise price of \$0.45 and expiry date of 28 February 2027.

Signed for and on behalf of the Board.



Richard Hudson
Chairman



Sten Gustafson
Director

Date: 11 March 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

AMERICAN RARE EARTHS LIMITED
ABN 83 003 453 503

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF
AMERICAN RARE EARTHS LIMITED****Report on the Half-year Financial Report***Conclusion*

We have reviewed the half-year financial report of American Rare Earths Limited, which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of American Rare Earths Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the American Rare Earths Limited financial position as at 31 December 2023 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of American Rare Earths Limited in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of American Rare Earths Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner Dated: 11 March 2024

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AUDITOR'S INDEPENDENCE DECLARATION

AMERICAN RARE EARTHS
LIMITED ABN 83 003 453 503

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AMERICAN RARE EARTHS LIMITED**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of American Rare Earths Limited. As the lead audit partner for the review of the financial report of American Rare Earths Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 11 March 2024

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	6 months ended 31/12/2023	6 months ended 31/12/2022
	A\$	A\$
Continuing Operations		
Interest received	212,001	115,151
Other income	128,849	36,438
Revaluation of financial assets	(92,902)	(53,117)
Consulting fees	(251,358)	(125,117)
Employee expenses	(889,001)	(551,169)
Directors' fees	(138,830)	(96,692)
Investor relations	(178,663)	(91,573)
Accounting, secretarial, legal	(313,175)	(126,519)
Administration expenses	(775,715)	(328,902)
ASX, OTC & Registry	(64,482)	(70,195)
Depreciation expense	(67,120)	(37,889)
Auditor's remuneration – auditing the accounts	(51,500)	(22,385)
Marketing & promotion	(95,997)	(113,135)
Interest expense	(3,342)	(5,236)
Foreign exchange revaluation	56,435	(4,159)
Loss for the period before extraordinary items	(2,524,800)	(1,474,533)
Extraordinary items		
Fair value recognition of share-based payments	(645,915)	(319,782)
Loss for the period after extraordinary items	(3,170,715)	(1,794,315)
Income tax benefit	-	-
Loss for the period after income tax	(3,170,715)	(1,794,315)
Other comprehensive income	(405,088)	(39,280)
Total comprehensive income attributable to the Parent entity	(3,575,803)	(1,833,595)
Net Loss per share		
Basic loss per share from continuing operations	(0.71) cents	(0.42) cents
Diluted loss per share from continuing operations	(0.71) cents	(0.42) cents

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Share capital A\$	Options reserve A\$	Accumulated losses A\$	Foreign currency translation A\$	Total A\$
2023					
Equity at 1 July 2023	34,010,645	2,265,650	(11,183,945)	106,498	25,198,848
Issue of share capital net of costs	-	-	-	-	-
Loss for the year	-	-	(3,170,715)	-	(3,170,715)
Share based payments	-	645,915	-	-	645,915
Options cancelled	-	(226,385)	226,385	-	-
Exchange difference arising on foreign operations	-	-	-	(405,088)	(405,088)
Movement in equity for the period	-	419,530	(2,944,330)	(405,088)	(2,929,888)
Equity at 31 December 2023	34,010,645	2,685,180	(14,128,275)	(298,590)	22,268,960
2022					
Equity at 1 July 2022	20,828,812	1,550,811	(6,359,850)	(18,678)	16,001,095
Issue of share capital net of costs	12,943,334	391,800	-	-	13,335,134
Loss for the year	-	-	(1,794,315)	-	(1,794,315)
Share based payments	-	319,782	-	-	319,782
Exercise of share options	70,625	(12,100)	-	-	58,525
Exchange difference arising on foreign operations	-	-	-	(39,280)	(39,280)
Movement in equity for the period	13,013,959	699,482	(1,794,315)	(39,280)	11,879,846
Equity at 31 December 2022	33,842,771	2,250,293	(8,154,165)	(57,958)	27,880,941

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31/12/2023 A\$	30/06/2023 A\$
ASSETS			
Current assets			
Cash and cash equivalents		6,296,056	12,485,220
Receivables		59,885	76,269
Other assets		116,050	75,628
Total current assets		6,471,991	12,637,117
Non-current assets			
Property, plant & equipment	6	125,145	89,008
Right-of-use assets	7	318,462	109,043
Exploration and evaluation	8	10,674,259	8,682,600
Security deposits		271,639	240,683
Financial assets	9	5,150,369	4,156,206
Total non-current assets		16,539,874	13,277,540
Total assets		23,011,865	25,914,657
LIABILITIES			
Current liabilities			
Trade and other payables		379,813	525,224
Provisions		25,634	74,430
Lease liabilities		112,570	63,854
Total current liabilities		518,017	663,508
Non-current liabilities			
Lease liabilities		224,888	52,301
Total non-current liabilities		224,888	52,301
Total liabilities		742,905	715,809
Net Assets		22,268,960	25,198,848
EQUITY			
Share capital	2	34,010,645	34,010,645
Reserves	2	2,685,180	2,265,650
Foreign currency reserve		(298,590)	106,498
Accumulated losses		(14,128,275)	(11,183,945)
Total equity		22,268,960	25,198,848

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023

	Note	6 months ended 31/12/2023	6 months ended 31/12/2022
Cash flows from operating activities			
Interest received		186,064	115,151
Cash received in the course of operations		116,638	20,156
Interest expenses		(3,342)	(5,236)
Payments to suppliers and employees		(2,939,560)	(1,909,047)
Net cash used in operating activities	3	(2,640,200)	(1,778,976)
Cash flows from investing activities			
Payment for property, plant & equipment		(47,933)	(12,584)
Purchase of investments		(1,087,253)	(232,000)
Proceeds from sale of investments		743	-
Security deposit paid		(30,956)	(165,805)
Exploration and evaluation expenditure		(2,388,394)	(1,841,010)
Net cash used in investing activities		(3,553,793)	(2,251,399)
Cash flows from financing activities			
Share capital issued		-	14,356,000
Share issue costs		-	(962,341)
Repayment of lease liabilities		(51,606)	(27,804)
Net cash provided by financing activities		(51,606)	13,365,855
Net(decrease)/increase in cash and cash equivalents held			
Exchange difference		56,435	(126,686)
Cash and cash equivalents at the beginning of the period		12,485,220	6,339,542
Cash and cash equivalents at the end of the period		6,296,056	15,548,336
Cash comprises:			
Cash at bank		6,296,056	15,548,336

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023**1. Summary of Significant Accounting Policies****Reporting entity**

American Rare Earths Limited (**ARR** or **Company**) is a profit-oriented company incorporated in Australia registered under the *Corporations Act 2001* and listed on the Australian Securities Exchange (ASX).

The principal activity of the Company and its subsidiaries (the "Group") is minerals exploration.

The Group consists of American Rare Earths Limited and its wholly owned subsidiaries, Broken Hill Uranium Pty Ltd, Broken Hill Chemical Pty Limited, Broken Hill Minerals Pty Ltd, Murray Basin Minerals Pty Limited, Wyoming Rare Pty Ltd, Western Rare Earth LLC, ARE Management LLC, La Paz Rare Earth LLC and Wyoming Rare (USA) Inc.

These interim financial statements were authorised for issue on 11 March 2024.

Reporting currency

The functional and presentation currency is Australian dollars.

Basis of preparation: These general-purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Corporations Act 2001 and Australian Accounting Standards AASB 134, Interim Financial Reporting.

These accounts have been prepared in accordance with generally accepted accounting practice in Australia and therefore also comply with International Financial Reporting Standards. For this purpose, the Company has designated itself as profit-oriented. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2023, together with any public announcements made during the half-year.

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis have been followed by the Group.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Seasonality of operations

The results are unaffected to any significant extent by seasonal factors.

Changes in accounting policies

There have been no changes in accounting policies during the period. The accounting policies and method of computation applied during the previous year were applied on a consistent basis during the current period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
31 DECEMBER 2023 (continued)

2. Share capital

	31/12/2023 A\$	30/06/2023 A\$
Ordinary shares – 446,423,299 (30 June 2023: 446,423,299)	34,010,645	34,010,645
Movement in share capital		
Balance at beginning	34,010,645	20,828,812
Shares issued under Placement	-	14,296,000
Shares issued on exercise of options	-	241,600
Share issue costs	-	(1,355,767)
Balance at end	34,010,645	34,010,645
Movement in share issued		
	No. of shares	No. of shares
Share capital at 30 June 2023	446,423,299	395,704,936
Shares issued under placement	-	50,275,863
Shares issued on exercise of options	-	442,500
Share capital at 31 December 2023	446,423,299	446,423,299
	A\$	A\$
Unlisted options – 53,100,000 (30 June 2023: 42,494,223)	2,685,650	2,265,650
Movement in options reserve		
Balance at beginning	2,265,650	1,550,811
Options issued under placement	-	391,800
Options issued under share-based payment	645,915	520,729
Options cancelled	(226,385)	(22,465)
Options exercised	-	(175,225)
Balance at end	2,685,180	2,265,650
Movement in Options issued		
	No. of options	No. of options
Options on issue at beginning	42,494,223	22,936,723
Options issued under Placement	-	6,000,000
Share based payments	14,500,000	19,250,000
Options cancelled	(3,894,223)	(5,250,000)
Options exercised	-	(442,500)
Options on issued at end	53,100,000	42,494,223

All shares have equal voting rights and will share equally in dividends and surplus on winding up.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (continued)

3. Reconciliation of operating cash flow & net income

	6 months ended 31/12/2023 A\$	6 months ended 31/12/2022 A\$
Net loss attributable to members of parent entity	(3,170,715)	(1,794,315)
Add non-cash items:		
Depreciation expenses	67,120	37,889
Fair value recognition of share-based payments	645,915	319,782
Revaluation of financial assets	92,902	53,117
Profit on sale of investments	(743)	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables and other assets	(24,039)	(37,545)
(Decrease)/increase in trade and other payables	(194,206)	(362,063)
Foreign exchange revaluations	(56,434)	4,159
Net cash used in operating activities	<u>(2,640,200)</u>	<u>(1,778,976)</u>

4. Commitments

Expenditure requirements for tenements

The Group had no expenditure requirements for tenements as at 31 December 2023 (2022: \$Nil).

5. Controlled entities

Interests in subsidiaries

Name of Entity	Equity Held		Country of Incorporation
	2023	2022	
Broken Hill Uranium Pty Ltd	100%	100%	Australia
Broken Hill Chemical Pty Ltd	100%	100%	Australia
Broken Hill Minerals Pty Ltd	100%	100%	Australia
Murray Basin Minerals Pty Ltd	100%	100%	Australia
Wyoming Rare Pty Ltd	100%	100%	Australia
Western Rare Earth LLC	100%	100%	United States
La Paz Rare Earth LLC	100%	100%	United States
ARE Management LLC	100%	100%	United States
Wyoming Rare (USA) Inc	100%	100%	United States

All Australian subsidiaries of the Company have June balance dates and the United States subsidiaries have December balance dates.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED
31 DECEMBER 2023 (continued)

6. *Property, plant and equipment*

	31/12/2023	30/06/2023
	A\$	A\$
Computer and office equipment		
Balance at beginning of period	89,008	36,115
Additions	47,933	80,256
Depreciation	(11,796)	(27,363)
Balance at end of period	<u>125,145</u>	<u>89,008</u>

7. *Right-of-use assets*

Right-of-use asset: office lease		
Balance at beginning of period	109,043	171,353
Additions	264,743	-
Depreciation	(55,324)	(62,310)
Balance at end of period	<u>318,462</u>	<u>109,043</u>

8. *Exploration and evaluation assets*

Balance at beginning of period	8,682,600	4,897,590
Exploration & evaluation expenses	2,213,736	3,595,671
Exchange difference	(222,077)	189,339
Balance at end of period	<u>10,674,259</u>	<u>8,682,600</u>

9. *Financial assets*

Shares in listed entities at fair value	2,044,955	1,165,999
5-year promissory note at fair value	3,105,414	2,990,207
	<u>5,150,369</u>	<u>4,156,206</u>

10. *Contingent liabilities*

There were no contingent liabilities at 31 December 2023 (31 December 2022: \$nil).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (continued)

11. Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Amount paid to director-related entities for director and consulting fees were, for the Company and the Group:

	6 months ended 31/12/2023 A\$	6 months ended 31/12/2022 A\$
Directors' fees	138,830	96,692
Shares issued:		
C Gibbs – 2 million shares @\$0.148	-	296,000
Options issued*:		
F C O'Connor – 2 million options @\$0.22	102,406	-
R Hudson – 2 million options @\$0.40	-	139,876
C Gibbs – 5 million options @\$0.40	-	20,357
C Gibbs – 5 million options @\$0.47	-	6,526
* Black-Scholes option pricing model used to determine fair value as per AASB 2.		
Salary and oncosts:		
C Gibbs	96,228	174,975
M Sanderson	195,444	-
Purchase of Financial Assets acquired on behalf of the Company:		
G Hill	259,258	-
Consulting Fees:		
Odyssey Mining Pty Ltd – an entity related to C Gibbs	108,000	-
Mel Sanderson Consulting – an entity related to M Sanderson	30,702	-
	930,868	734,426

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (continued)

12. Segment Information

The Company has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The Company does not yet have any products or services from which it derives an income.

During the half year to 31 December 2023, CODM has identified the Company as having two reportable segments, being the geographic location of assets in the United States and Australia.

The CODM review EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

	USA A\$	Australia A\$	Total A\$
Consolidated 6 Months Ended December 2023			
Other revenue			
Interest income	1,825	210,176	212,001
Other income	110,904	17,945	128,849
Revaluation of financial assets	-	(92,902)	(92,902)
	<u>112,729</u>	<u>135,219</u>	<u>247,948</u>
Expenses			
General operating expenses	(1,781,768)	(1,633,553)	(3,415,321)
Interest expenses	-	(3,342)	(3,342)
Loss before income tax	<u>(1,669,039)</u>	<u>(1,501,676)</u>	<u>(3,170,715)</u>
Consolidated 6 Months Ended December 2022			
Other revenue			
Interest income	106	115,045	115,151
Other income	19,918	16,520	36,438
Revaluation of financial assets	-	(53,117)	(53,117)
	<u>20,024</u>	<u>78,448</u>	<u>98,472</u>
Expenses			
General operating expenses	(587,919)	(1,299,632)	(1,887,551)
Interest expenses	-	(5,236)	(5,236)
Loss before income tax	<u>(567,895)</u>	<u>(1,226,420)</u>	<u>(1,794,315)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2023 (continued)

12. Segment information – continued

Below is an analysis of the Company's assets and liabilities from reportable segments:

	USA A\$	Australia A\$	Total A\$
Consolidated December 2023			
Current assets	2,685,524	3,786,467	6,471,991
Non-current assets	11,075,207	5,464,667	16,539,874
Total assets	<u>13,760,731</u>	<u>9,251,134</u>	23,011,865
Current liabilities	315,356	202,661	518,017
Non-current liabilities	172,587	52,301	224,888
Total liabilities	<u>487,943</u>	<u>254,962</u>	742,905
Net segment assets	<u>13,272,788</u>	<u>8,996,172</u>	<u>22,268,960</u>
Consolidated June 2023			
Current assets	203,046	12,434,071	12,637,117
Non-current assets	8,805,577	4,471,963	13,277,540
Total assets	<u>9,008,623</u>	<u>16,906,034</u>	25,914,657
Current liabilities	57,522	605,986	663,508
Non-current liabilities	-	52,301	52,301
Total liabilities	<u>57,522</u>	<u>658,287</u>	715,809
Net segment assets	<u>8,951,101</u>	<u>16,247,747</u>	<u>25,198,848</u>

13. Going concern

The financial report has been prepared on a going concern basis.

The Group had a net loss of \$3,170,715 and had net operating cash outflows of \$2,640,200 for the 6 months ending 31 December 2023. As of 31 December 2023, the Group has cash and cash equivalents of \$6,296,056, net assets of \$22,268,960 of which \$5,150,369 were financial assets. Subsequent to 31 December 2023, the Group completed a \$13.5m equity raising (before costs) further strengthening its working capital. This places the group in a strong financial position to fund major exploration and evaluation expenses into the next financial year and to meet financial obligations beyond 12 months from the date of this report.

14. Subsequent Events

On 22 January 2024, the Company announced metallurgical results at Halleck Creek as part of the SynBREE project.

On 7 February 2024, the Company announced a 64% increase in the Halleck Creek Resource to 2.34 billion tonnes at 3,196 ppm Total Rare Earth Oxides.

On 9 February 2024, the Company announced that Mr Richard Hudson has been appointed Non-Executive Chairman, replacing Mr Ken Traub who remains on the board as a Non-Executive Director. Mr Sten Gustafson has been appointed Deputy Chairman of the Company.

On 19 February 2024, 2,000,000 ordinary fully paid shares were issued as the result of the exercise of \$0.20 strike options – total proceeds received of \$400,000.

On 23 February 2024, the Company announced a \$13.5m institutional share placement at an issue price of \$0.30 per share. As a result, 45,000,000 shares were issued on 29 February 2024, in addition to 6,000,000 unlisted broker options with an exercise price of \$0.45 and expiry date of 28 February 2027.

DIRECTORS' STATEMENT

The Directors of the Company declare that:

1. The financial statements and notes, as set out in the half yearly report to 31 December 2023 are in accordance with the Corporations Act 2001, including:
 - (a) comply with Accounting Standard AASB 134, Interim Financial Reporting, and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2023 and its performance and cash flows for the period ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

Signed for and on behalf of the Board of Directors.



Richard Hudson
Chairman



Sten Gustafson
Director

Date: 11 March 2024