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7 February 2025

2025 Drilling Underway at Overland Uranium Project

Highlights:

- **2025 Drilling Started:** ~5,000m of drilling planned through the end of March with regular progress updates to shareholders.
- **Palaeovalley Focus:** Initial drilling will map the extent of the palaeovalley within EL7001, building on the encouraging results from the 2024 program.
- **High-Priority Targets:** Drilling will then target the western margin of the palaeovalley, following up on the mapped lignite horizons and associated gamma anomalies.
- **Sheer Gold Farm-In Approved:** Regulatory approvals have been received for the Sheer Gold Farm-In, enabling drilling to commence on three initial high-priority target areas within EL6678 (*ASX release, 5 February 2025*).
- **Results Driven Approach:** Interpretations from the current drilling will inform the next phase of exploration, including further drilling and/or geophysics, planned for the June quarter.
- **Assay Results Imminent:** Assay results from the 2024 drilling program are expected imminently. The Company anticipates these results will provide valuable correlation and confidence with the initial gamma and pXRF data.
- Engage with this announcement at the AR3 ***investor hub.***

Australian Rare Earths Limited (ASX: AR3) is pleased to announce that the 2025 drilling program at its 100% owned Overland Uranium Project in South Australia has commenced.

The program, which began last week (see figure 1), will initially focus on mapping the newly defined palaeovalley (*refer ASX release 21/1/25*) further south within EL7001. Following this, the drilling will target the western margin of the palaeovalley where previous drilling has identified an abundance of lignite horizons with associated anomalous downhole natural gamma readings, indicating significant potential for uranium mineralisation.

The 2024 drilling program at Overland has significantly advanced the project's uranium potential, graduating it from a greenfields prospect to a compelling exploration opportunity. While still early stage, the program's success in defining a north-south trending palaeovalley setting, containing thick sequences of Murray group stratigraphy with interbedded sands, clays, and abundant lignite horizons, is most promising. These geological features are key hallmarks for the formation of sedimentary-hosted uranium deposits.

Furthermore, the identification of a target zone along the palaeovalley's western margin, characterised by lignite horizons and coincident anomalous downhole natural gamma readings, strengthens the potential for uranium mineralisation. These encouraging intersections, though

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preliminary, have provided critical insights, enabling the Company to refine its exploration model and vector in as we search for a significant uranium discovery.

In addition, AR3 recently secured South Australian ministerial consent for the right to acquire a 100% interest in the sedimentary-hosted uranium rights of EL6678, adding a further ~1,000km^2 of prospective tenure to the Overland Uranium Project. By investing $200,000 in exploration by September 2025, AR3 secures title to (*See ASX release on 5 February for further details*) the tenement and full ownership of any sedimentary-hosted uranium therein. With an approved Exploration Program for Environment Protection and Rehabilitation (EPEPR) plan, the Company will begin drilling in February 2025 at identified target zones.

AR3 Managing Director and CEO, Travis Beinke, commented:

"It's great to be out in the field and commencing our 2025 drilling program at the Overland Uranium Project, kicking off what will be an active year of drilling in a frontier uranium exploration play. Starting with drilling on western margins palaeovalley and its high-priority targets, we plan to have the rig turning on multiple targets across this highly prospective project area in the coming months.

The receipt of approvals for the Sheer Gold Farm-In is another significant step forward, opening up additional exciting target areas for exploration. We are also eagerly awaiting the assay results from the 2024 drilling, which we believe will provide further validation of the project's potential.

With a substantial drilling program planned through to the end of March, we look forward to providing regular updates to shareholders on our progress."

Figure 1: *Rig on exploration hole at the Overland Uranium Project*

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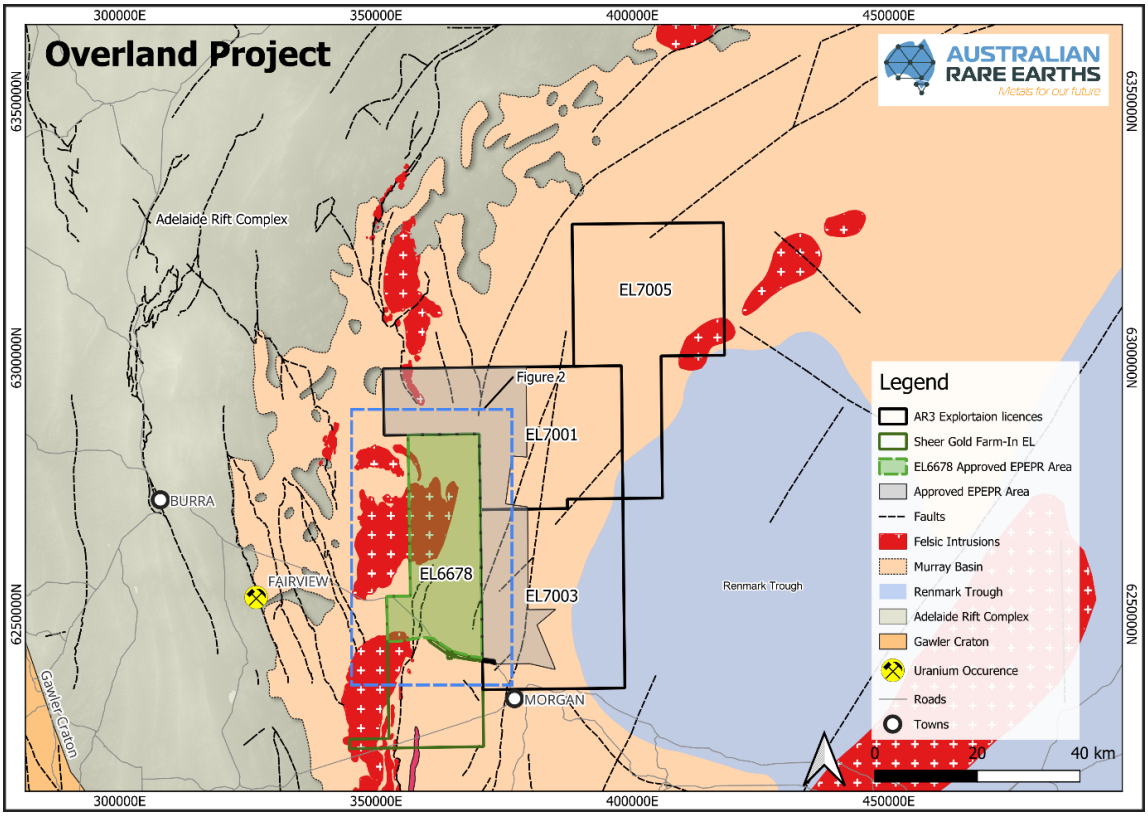

Figure 2: *Overland project with approved work areas, regional geology.*

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

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Engage and Contribute at the AR3 investor hub: https://investorhub.ar3.com.au/

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 Chief Technical Officer 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.

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, 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 uranium and ionic clay hosted rare earth deposits throughout Australia.

The Company is focused on executing a growth strategy that aims to position AR3 as an independent and sustainable source of energy transition metals, playing a pivotal role in the global transition to a green economy.