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ANNUAL REPORT

For the year ended 30 June 2026

AMERICAN RARE EARTHS LIMITED

ABN 83 003 453 503

Turning **Strategy Into Progress**

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AMERICAN RARE EARTHS

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MESSAGE FROM

The Chairman

Dear Fellow Shareholders,

FY2026 was an important year for American Rare Earths. During the year, the Company continued to advance Halleck Creek technically while establishing a clearer pathway for its development. We ended the year with a strengthened leadership team, a more execution-focused organisation and an increasingly important position within the United States' rare earths supply chain.

The appointment of Mark Wall as Chief Executive Officer marked an important step in that progression. Since joining the Company, Mark has brought a renewed sense of urgency, a strong focus on execution and a clear vision for the Company's development. Under his leadership, the organisation has moved quickly to advance Halleck Creek while laying the foundations for a fully integrated U.S. mine-to-magnet strategy. The Board has been encouraged by the pace and discipline with which Mark and the broader team have progressed the Company's strategy.

From Evaluation to Execution

During the year, the Company achieved important technical and development milestones at Halleck Creek. The processing flowsheet demonstrated that Halleck Creek ore can be treated through to a mixed rare earth oxalate and mixed rare earth oxide using conventional, non-proprietary unit operations, while beneficiation and processing optimisation work continued to advance.

Building on these technical foundations, the Company progressed its Pre-Feasibility Study, established a Wyoming-led pilot plant pathway towards pre-production rare earth oxide, commenced feasibility-stage drilling at the Cowboy State Mine and initiated a Whole of Property Assessment to support longer-term development planning across the broader Halleck Creek district.

The Company also commenced oxide-to-metal studies covering the processing step immediately preceding permanent magnet manufacturing. Since year end, this work has progressed through an MoU with U.S. rare earth metallurgy company Novex, establishing a framework for the conversion of separated Halleck Creek oxides into metals required for permanent magnets and for collaboration on potential domestic metal production capability.

These initiatives support the Company's longer-term objective of contributing to a domestic U.S. mine-to-magnet supply chain. They also reflect the increasing maturity of Halleck Creek as we continue to build the technical, operational and corporate foundations required for its development.

Building the Capability to Deliver

A project of Halleck Creek's scale and strategic importance requires an experienced team with the capability to deliver complex mining and processing projects.

During the year and since year end, the Company strengthened its capability across project development, engineering, permitting, commercial strategy, investor engagement and government and community affairs. This included the appointments of Nick Lissolo as Chief Commercial Officer and Andrew Conover as Chief Development Officer, together with several senior technical and project appointments.

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The Board was also strengthened through the appointment of Matthew Gili as a Non-Executive Director. Matt brings extensive mine development experience, together with valuable Wyoming, hydrometallurgical and U.S. public-market expertise.

The calibre of the people joining American Rare Earths reflects both the scale of the Halleck Creek project and the increasingly execution-focused organisation being built to deliver it. The Board's priority is to ensure that this growth in capability is accompanied by clear accountability, disciplined decision-making and careful allocation of shareholder capital.

Aligning with the United States

Alongside the development of Halleck Creek, the Company has continued to assess how its corporate and capital markets presence can be more closely aligned with the market in which its flagship asset is located.

The Board remains committed to evaluating a Nasdaq listing and the pathway that will provide the strongest long-term outcome for shareholders. Preparatory work includes the PCAOB audit process, conversion of Halleck Creek reporting to the SEC's S-K 1300 standard, engagement of U.S. securities counsel and the appointment, since year end, of a leading North American financial adviser.

No decision has been made on the preferred listing structure, and the available pathways remain under consideration. The Board will continue to assess these alternatives carefully, having regard to execution risk, cost, timing, governance requirements and the interests of existing shareholders.

This work is about more than access to an additional trading venue. Halleck Creek is a U.S. strategic asset, and a greater presence in U.S. capital markets will broaden the Company's investor base and improve access to the capital required as the project advances.

The policy environment continues to place increasing emphasis on domestic processing capability and secure critical mineral supply chains. These developments reinforce the strategic relevance of Halleck Creek and the importance of establishing a resilient domestic rare earth supply chain.

Looking Ahead

Our priorities are clear: continue advancing the Pre-Feasibility Study and Feasibility activities; complete the current drilling program; progress the pilot plant, permitting work and Whole of Property Assessment; and advance the infrastructure and development activities required to move Halleck Creek forward.

The Company will also continue its U.S. midstream work, including its collaboration with Novex, while progressing its Nasdaq strategy and strengthening its alignment with U.S. stakeholders and capital markets.

The Board approaches these priorities with confidence, while recognising that considerable technical, permitting, funding and execution work remains. We will continue to maintain a strong focus on governance, financial discipline and the allocation of capital to the activities that most effectively advance and de-risk Halleck Creek.

I would like to thank Mark and the broader team, together with our employees, consultants and partners, for their contribution during the year. I also thank the communities, government representatives and other stakeholders in Wyoming for their continued engagement.

Most importantly, I thank our shareholders for their ongoing support.

American Rare Earths has a significant strategic asset, an increasingly capable team and a clear objective: to translate the scale and importance of Halleck Creek into a producing U.S. rare earths project capable of making an enduring contribution to America's critical minerals security.

Richard Hudson
Chairman of American Rare Earths

LETTER FROM

The Chief Executive Officer

Dear Shareholders,

Our ambition is to establish American Rare Earths as a major supplier to a secure U.S. rare earth supply chain. With Halleck Creek at the centre of that business, we are connecting a substantial American resource with the processing capabilities, industrial partners and capital needed to bring it into production and create lasting value for shareholders.

When I joined the Company in December 2025, my priorities were to advance Halleck Creek, strengthen our capacity to execute in Wyoming and bring the business closer to U.S. industry and capital markets. FY2026 delivered progress across each of these priorities. Important developments since 30 June have added to that momentum and are identified separately in this report.

The scale of Halleck Creek gives us the opportunity to think beyond a single development phase. Our immediate responsibility is to establish a technically sound, financeable first operation that can anchor a larger business. That means proving the processing pathway, making disciplined engineering decisions and building the commercial relationships needed to turn mineral resources into reliable supply.

Advancing Cowboy State Mine

The Cowboy State Mine is the first step in that strategy. During the year, test mining provided material for processing work, environmental baseline studies continued and drilling commenced to support future feasibility assessment. Initial results received since year end provide further evidence of broad rare earth mineralisation at Red Mountain. These exploration results will inform the next stage of geological evaluation.

The September 2026 Scoping Study update evaluates a larger first development phase than the 2025 case and brings together engineering, metallurgy and mine planning from the ongoing Preliminary Feasibility Study, or PFS, program. It provides a clearer basis for the decisions ahead, including the implications of lower recovery assumptions, a larger capital requirement and updated product prices.

As part of our Nasdaq preparation, this work also supported an Initial Assessment under the SEC's S-K 1300 reporting framework. The JORC Scoping Study draws on the same underlying technical basis, presented for Australian reporting requirements. Both are preliminary assessments, with the PFS remaining in progress.

Our focus is to finalise the PFS through trade-off studies and optimisation of recovery, infrastructure and plant configuration. We intend to move into the Feasibility Study stage as rapidly as the technical work allows, advancing suitable work in parallel where design decisions are sufficiently defined. Speed matters but so does resolving the right questions before major capital is committed.

Demonstrating the processing pathway

Producing mixed rare earth oxalate and mixed rare earth oxide from Halleck Creek ore in December 2025 was an important technical achievement. It established a foundation for the next phase: demonstrating repeatable performance at greater scale and improving recovery, particularly for the heavy rare earths.

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Led by Jaye T. Pickarts, our pilot and demonstration program connects concentration work in Wyoming with downstream processing at Saskatchewan Research Council in Canada. Our technical team and specialist partners are focused on converting laboratory progress into operating evidence.

We are targeting separated rare earth oxide by the end of the second calendar quarter of 2027, subject to equipment readiness, test results and processing schedules. This demonstration milestone is intended to generate the data and product samples needed to refine engineering and support downstream engagement. It is not the start of commercial mine production.

Connecting Halleck Creek to U.S. industry

Our immediate studies focus on a mine to oxide business. Our broader strategy is to connect that production with U.S. metal, alloy and permanent magnet manufacturing, creating a pathway from Wyoming mineral resources to the materials required by American industry.

Domestic rare earth independence requires more than mineral deposits. It requires the ability to refine those materials, convert them into metals and alloys, and manufacture products that meet customer requirements. We intend to develop Halleck Creek with those requirements in view, making downstream processing and market access integral to our development strategy.

The August 2026 MoU with Novex is an important step in developing that pathway. It provides a framework to test the conversion of Halleck Creek material into rare earth metal and assess potential U.S. metal production capability. Further technical work and commercial negotiation are required before that framework can become a definitive partnership.

Our approach to integration will be selective and commercially driven. Each stage must have sound economics and an appropriate allocation of capital and risk. We will pursue ownership, partnerships or other commercial arrangements according to what best strengthens the project and creates shareholder value, rather than assume that ARR must own every link.

Building the capability and capital base to deliver

Execution depends on people with the experience to turn plans into operating businesses. During the year and since year end, we strengthened our capabilities across engineering, project development, commercial strategy and Wyoming stakeholder engagement.

Andrew Conover and Nick Lissolo, appointed to their current executive roles after year end, bring focus to project delivery and commercial execution. Matthew Gili's appointment adds mine development and U.S. public company experience to the Board. As we grow, we will maintain clear accountability for technical progress, development milestones and the use of shareholder capital.

In parallel, we are progressing the audit, technical reporting and advisory work needed to assess a Nasdaq listing. No listing route has been selected. Our objective is to align our capital markets presence more closely with our U.S. asset base and broaden access to investors and capital that can support the Company through its next stages of development.

Engagement with Wyoming and the U.S. Federal Government is also a priority. Our objective is to position Halleck Creek as a potential cornerstone of domestic rare earth supply and advance discussions on infrastructure, permitting and potential funding. We must support that strategic case with technical evidence, a competitive project and a credible financing plan.

Turning progress into long term value

Our priorities for the coming year are specific: improve and validate recovery, advance the pilot program, complete the next technical studies, progress water, power and permitting, and develop the commercial and financing arrangements needed for a credible mine to magnet pathway. These workstreams must come together in a project that can attract capital, meet customer requirements and operate reliably.

I am confident in the opportunity at Halleck Creek and clear about the work required to realise it. We will measure progress by technical results, commercial commitments and readiness for a development decision. Shareholders can expect clear communication on both the milestones achieved and the challenges still to be resolved.

I thank our team, partners, Wyoming communities and shareholders for their continued support. Our ambition is substantial, and our focus is practical: turn Halleck Creek's potential into a producing U.S. rare earths business that contributes to domestic supply security and delivers enduring shareholder value.

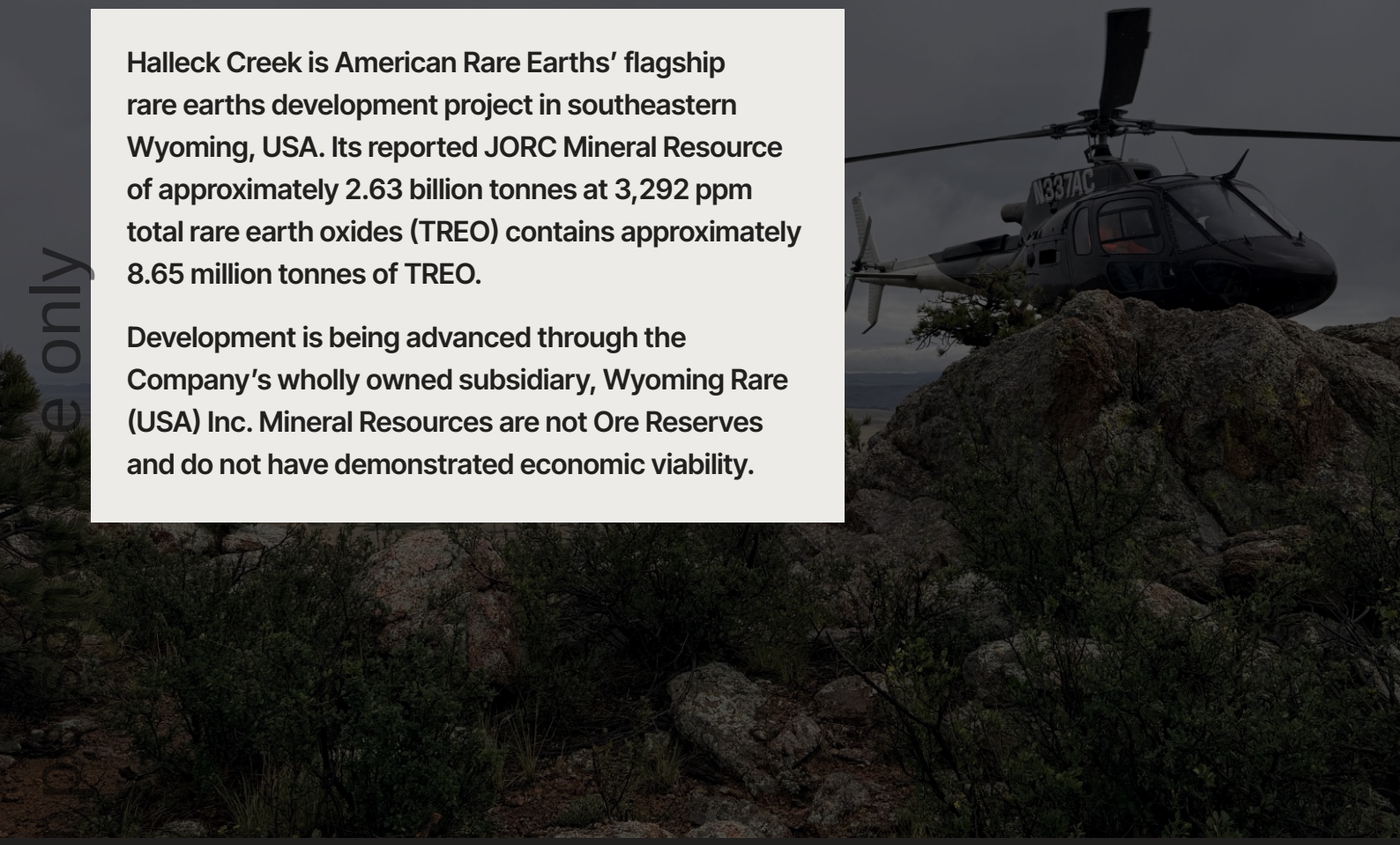
Mark Wall
Chief Executive Officer of American Rare Earths

Halleck Creek

Wyoming, USA

Halleck Creek is American Rare Earths' flagship rare earths development project in southeastern Wyoming, USA. Its reported JORC Mineral Resource of approximately 2.63 billion tonnes at 3,292 ppm total rare earth oxides (TREO) contains approximately 8.65 million tonnes of TREO.

Development is being advanced through the Company's wholly owned subsidiary, Wyoming Rare (USA) Inc. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.



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The Cowboy State Mine (CSM), located on Wyoming State mineral leases, is the proposed first development phase within Halleck Creek. The September 2026 Scoping Study update evaluates a 26 year mine plan at 4.5 million tonnes per annum, compared with the 20 year, 3.0 million tonne per annum case considered in 2025. The updated case and its preliminary status are described below; it is not a development plan for the entire Halleck Creek resource.

During FY2026, the Company progressed the PFS program and commenced selected work to support a future Feasibility Study. Activities included mineral processing test work, test mining, pilot plant planning, drilling and assessment of the broader Halleck Creek property. The PFS remains in progress; commencement of feasibility support work does not mean that a PFS or Feasibility Study has been completed.

Mineral Processing Advances

Test work during FY2026 advanced the removal of impurities from the allanite processing stream and supported further development of the flowsheet. These results relate to the tested material and conditions. They do not establish equivalent performance in continuous commercial operation, and recovery, reagent consumption and operating costs remain important areas for optimisation.

The Company also completed beneficiation optimisation work incorporating Reflux Classifier technology in combination with Induced Roll Magnetic Separation ("IRMS"), resulting in an updated preliminary mineral processing flowsheet. This work supported the continued optimisation of magnet rare earth recoveries and overall process efficiency.

In December 2025, test work produced mixed rare earth oxalate and mixed rare earth oxide from Halleck Creek ore using the preliminary processing flowsheet. This demonstrated progression to a mixed oxide product, rather than separated individual oxides or commercial metal production. The term mixed rare earth oxide is written in full here to distinguish it from MREO, which denotes magnet rare earth oxides in the geological resource table.

Test Mining and Pilot Plant Development

Test mining at the Cowboy State Mine was completed during the year, with approximately 3,080 tonnes of material mined. Bulk samples were dispatched for comminution and process optimisation testing, with the balance stockpiled for larger scale processing. This was a test mining program, not the commencement of commercial production.

Building upon this work, the Company accelerated planning for a pilot plant program designed to produce pre-production rare earth concentrate from Halleck Creek ore. To support this initiative, experienced U.S.-based metallurgical engineer Jaye T. Pickarts, P.E. was engaged to lead the program and key processing equipment was secured, including two full-scale IRMS units and a GradePro Reflux Classifier.

Stockpiled material from that program will support larger scale processing and representative sample production. By August 2026, agreements with Western Research Institute, DISA Technologies and Saskatchewan Research Council defined the pilot and demonstration pathway, and crushing had commenced in Wyoming. The program is intended to test concentration, leaching, impurity removal and oxide separation, with separated rare earth oxide targeted for late in the second calendar quarter of 2027. Performance and timing remain subject to test results, equipment readiness and processing schedules.

Feasibility-Stage Development

In May 2026, the Company commenced HQ diamond drilling at Red Mountain to support future Feasibility Study work. The original plan comprised approximately 3,050 metres across 19 holes. The 21 September 2026 drilling update reports 18 holes completed, with the final planned hole not completed following an assessment that it was not required. The initial assays received after year end are discussed separately below.

The program is targeting resource conversion and future ore reserve estimation while generating material for geotechnical, hydrogeological, environmental and metallurgical test work. In parallel, environmental baseline studies and permitting activities continued during the year to support future mine permitting requirements and project development planning.

The Company also commenced a Whole of Property Assessment ("WOPA") covering the entire 8,108-acre Halleck Creek land package. The assessment integrates geological, metallurgical, mining and permitting data to establish a strategic development roadmap beyond the initial Cowboy State Mine, including potential future development phases across Red Mountain, Overton Mountain and Bluegrass.

Stantec is leading the Whole of Property Assessment, also referred to as the Whole of Property Development Assessment. By August 2026, its first phase had been completed and the Company was reviewing conceptual development scenarios and sequencing. This work considers opportunities beyond the initial CSM case; it does not establish an expanded Ore Reserve, an approved expansion or the economics of developing the entire resource.

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September 2026 Scoping Study Update

The updated Scoping Study brings together engineering, metallurgy and mine planning undertaken through the ongoing PFS program. It evaluates mining and mineral concentration at CSM with a separate hydrometallurgical refinery in the Wheatland or Laramie area of Wyoming. Refinery site selection, infrastructure configuration and permitting remain part of the development work.

The Scoping Study is a preliminary technical and economic assessment, not a PFS or Feasibility Study. It includes Inferred Mineral Resources, which have a low level of geological confidence. There is no certainty that further exploration will convert them to higher confidence categories or that the production targets and forecast financial outcomes will be realised. The study is insufficient to support estimation of Ore Reserves or provide assurance of an economic development case. No Ore Reserves have been declared.

KEY MEASURE	2026 SCOPING STUDY BASE CASE
Planned run of mine (ROM) throughput	4.5 million tonnes per annum
Modelled mine life	26 years
Total material mined	135.0 million tonnes
Average annual NdPr oxide production	Approximately 2,500 tonnes
After tax NPV at 8% real	Approximately US$1.07 billion
After tax NPV at 10% real	US$764 million
Initial capital, including contingency	US$900 million
Average operating cost	US$39.68 per tonne ROM processed
NdPr oxide price assumption	US$151 per kilogram

Basis: September 2026 Scoping Study update. Estimates are stated in constant Q1 2026 U.S. dollars. The NdPr price is a study assumption, not a contracted sales price. The study evaluates the mine and oxide production case, not the economics of a completed mine to magnet business. Investors should not make investment decisions based solely on Scoping Study results.

Planned throughput is 50% higher than the 2025 base case, while modelled average annual NdPr oxide production increases from approximately 1,800 tonnes to 2,500 tonnes, or approximately 36%. At a common 10% real discount rate, the modelled after tax NPV is US$764 million, compared with US$558 million in 2025. The cases also differ in mine life, pricing, recovery, capital and operating assumptions. The higher NPV cannot be attributed solely to technical improvements, and the 8% headline NPV should not be compared directly with the earlier 10% headline value.

Initial capital comprises US$690 million of direct capital and US$210 million of contingency, with contingency calculated at 30% of direct capital. Closure capital of US$56 million is identified separately. The initial capital estimate compares with US$456 million in the 2025 case and remains at Scoping Study level, with stated accuracy of approximately ±30% to ±50%. The larger contingency does not remove construction, financing or execution risk.

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Recovery assumptions and optimisation

The updated study adopts lower recoveries to product than the 2025 case: NdPr oxide at 58.2% compared with 63.9%; terbium oxide at 28.7% compared with 70.2%; dysprosium oxide at 12.4% compared with 66.5%; and the samarium, europium and gadolinium product at 25.8% compared with 70.1%. These are material reductions, particularly for the heavy rare earth products, and are a central focus of the ongoing test program.

At the September update, a large sample was with Nagrom in Perth, with transfer to Saskatchewan Research Council scheduled for December 2026 for further recovery optimisation. A separate 50 kg concentrate sample was with Novex in the United States for recovery work and a program intended to progress through to NdPr metal. These programs will also inform reagent consumption and process configuration. Potential recovery improvements and additional products remain subject to testing and further economic assessment.

The JORC Scoping Study update and the parallel SEC Regulation S-K, Subpart 1300 Initial Assessment share an underlying technical basis but use different reporting frameworks and are not interchangeable. Neither should be described as a completed PFS. Drilling and associated work undertaken to support future reserve definition have not been incorporated into this Scoping Study and remain part of the ongoing feasibility program.

Post Reporting Date: initial 2026 drilling results

The drilling update dated 21 September 2026 reports certified assays for the first six HQ core holes, HC26-RM051 to HC26-RM056. The reporting population comprises 386 unique geological assay intervals, with 20 QA/QC only assays excluded. The simple, non length weighted mean is 3,497 ppm TREO, with a median of 3,879 ppm. Of those intervals, 358, or approximately 93%, exceed the 1,000 ppm TREO CSM resource cut off. These sample statistics are not a Mineral Resource grade or a mine production grade.

HC26-RM056 returned a reported composite of 191.11 metres at 3,951 ppm TREO from 8.84 metres to 199.95 metres downhole. The highest individual sample assay was 9,084 ppm TREO over 3.02 metres in HC26-RM051. Significant composites use sample length weighted averages, a 1,000 ppm TREO cut off, up to 2.0 metres of internal dilution and a minimum interval of 3.0 metres. Reported intervals are downhole lengths; true widths are not known.

Assays from the remaining 12 completed holes were outstanding at that update. The results will support geological modelling, evaluation of resource classification and future mine planning, together with geotechnical, hydrogeological, environmental and metallurgical work. They do not constitute a new Mineral Resource estimate or an Ore Reserve. Further detail on sampling, QA/QC and reporting methods is provided in the 21 September 2026 drilling disclosure and its JORC Table 1.

Priorities and development dependencies

Technical priorities are to complete review of the drilling results, validate and improve recoveries, progress the pilot and demonstration program and resolve the plant configuration and cost trade offs needed to finalise the PFS. Selected Feasibility Study work will continue in parallel where the underlying design decisions are sufficiently defined. Completion of these activities remains dependent on technical results and engineering review.

Infrastructure and permitting priorities include hydrology and hydrogeology studies, water and power supply arrangements, refinery site selection and the WDEQ Land Quality Division permit to mine application with WWC Engineering. State mineral tenure and proximity to regional infrastructure do not establish that permits, water rights, utility capacity or supply agreements are secured.

Funding and commercial priorities include strategic participation, potential project debt and equity, government programs and joint venture opportunities. The estimated US$900 million initial capital requirement materially exceeds the Company's current cash resources. The previously announced nonbinding U.S. EXIM Bank letter of intent is not committed financing, and no formal project financing process had commenced at the September study update. There is no certainty of funding on acceptable terms. Equity funding could dilute shareholders, while other arrangements could affect ARR's ownership or economic interest in CSM.

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La Paz

Arizona, USA

The La Paz Project is located in western Arizona and hosts a 170.6 million tonne JORC-compliant Mineral Resource, containing magnet rare earth elements including Neodymium and Praseodymium ("NdPr"), together with Scandium. The Project is characterised by very low levels of radioactive elements and remains an important component of American Rare Earths' broader U.S. project portfolio.

During FY2026, the Company commenced a broader assessment of the mineral potential of the La Paz property, extending beyond its established rare earth resource base.

In March 2026, American Rare Earths engaged a U.S.-based exploration and geoscience consultancy to undertake a comprehensive review of historical geological, drilling, geochemical and geophysical data across the broader La Paz land package, with a particular focus on its potential for gold, silver, copper, manganese and other non-rare earth critical minerals.

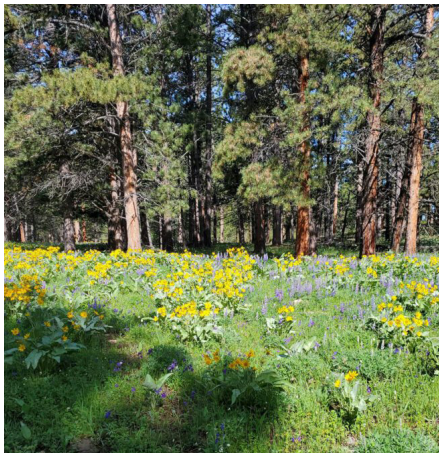
The work includes reinterpretation of historical geological mapping, review and re-logging of available drill core and chips, reassessment of geochemical datasets and review of historical geophysical surveys. The objective is to identify and rank prospective targets for potential follow-up exploration.

The broader La Paz district has a history of precious and base metal activity, including historical copper exploration and mining activity in the northern part of the Project area in the late 1800s and early 1900s.

The review continued through 2026, with potential follow-up activities including focused geological mapping, geochemical sampling and selective geophysical programs over priority targets. The work is intended to improve the Company's understanding of both the rare earth and broader metals potential of the La Paz property.

Beaver Creek

Wyoming, USA



Beaver Creek is an exploration project in Wyoming. Previously reported selected surface grab samples returned 5.8% to 13.9% TREO. These samples demonstrate local mineralisation but are not representative of a bulk deposit grade and do not establish a Mineral Resource.

37 federal unpatented lode claims have been staked, covering a total area of 303 hectares (749 acres).

The company secured a Wyoming State Mineral Lease (0-43773), covering an additional 259 hectares (640 acres).

Searchlight

Nevada, USA

The Searchlight Heavy Rare Earths Project is an exploration project located in a precious metal mining district in the eastern Mojave Desert region, approximately 119 km south of Las Vegas and 30 km east of the Mountain Pass rare earth mine, Nevada. The area is readily accessible by road, with climate and terrain favouring year round exploration activities.

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Downstream Development & Strategic Initiatives

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American Rare Earths is advancing Halleck Creek with the objective of becoming a significant domestic source of both light and heavy rare earth materials for the emerging U.S. magnet supply chain.

The United States continues to prioritise development of secure domestic critical mineral supply chains, from mining and processing through to the production of materials required for permanent magnet manufacturing. Halleck Creek's scale, resource quality and strategic location in Wyoming position the Project to contribute to the diversification and resilience of upstream U.S. rare earth supply.

During FY2026, the Company advanced several initiatives aimed at extending Halleck Creek's role beyond the mine and further into the domestic rare earth supply chain.

U.S. Department of Energy – METALLIC

In March 2026, Halleck Creek ore was selected as a key feedstock for the U.S. Department of Energy's Minerals to Materials Supply Chain Research Facility ("METALLIC") consortium, led by the National Energy Technology Laboratory.

Approximately five tonnes of allanite ore from the Cowboy State Mine test pit were supplied for research across METALLIC's four test centres. The consortium brings together the research capabilities of nine U.S. national laboratories to validate, improve and help commercialise technologies supporting domestic critical minerals and materials supply chains.

METALLIC researchers will use mineral processing methods developed by American Rare Earths alongside novel processing technologies, providing an opportunity for third-party validation of the Company's flowsheet and investigation of potentially more efficient methods for recovering and refining magnet rare earth elements.

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Advancing from Oxides to Metals

In March 2026, the Company engaged Tetra Tech to undertake an Oxides to Metals study focused on Halleck Creek's heavy rare earth stream.

The study is evaluating pathways to convert separated heavy rare earth oxides, including Samarium, Gadolinium, Terbium and Dysprosium, into metals. This represents the next stage downstream from separated rare earth oxides and immediately precedes permanent magnet manufacture.

The study supports American Rare Earths' longer-term strategy of evaluating opportunities to participate in downstream rare earth processing activities within the United States and extend Halleck Creek's role within a developing domestic mine-to-magnet supply chain.

Government and Strategic Engagement

During the year, American Rare Earths expanded its relationship with Tetra Tech to include support in identifying and pursuing potential U.S. Government funding opportunities for Halleck Creek. Tetra Tech has supported Halleck Creek's mineral processing testing and engineering since 2023.

Since year end, the Company has further advanced its downstream strategy through the execution of an MoU with U.S. rare earth metallurgy company Novex LLC. The agreement establishes a framework to evaluate opportunities for the conversion of separated rare earth oxides into rare earth metals required for permanent magnet manufacturing and to explore the development of domestic metal production capability within the United States.

The August 2026 Novex MoU is nonbinding apart from confidentiality and governing law provisions. The parties intend to work towards a definitive agreement within 12 months, but no definitive agreement, commercial production capacity or assured metal recovery is implied. The collaboration is intended to assess technology and commercial options, rather than commit ARR to constructing and owning every downstream processing stage.

A staged pathway through the supply chain

ARR's current development focus is the proposed mine and processing pathway to separated rare earth oxides. Conversion of oxides to metals, alloy production and magnet manufacture are subsequent stages, each requiring further technical work, capital and customer qualification. A mine to magnet strategy describes the supply chain the Company seeks to support, not a claim that ARR operates an integrated commercial supply chain today.

The Company is also supporting early-stage research with a US Government Laboratory into potential yttrium recovery. This work does not establish a commercial yttrium product or revenue stream. Any government funding applications and discussions with potential partners remain subject to further assessment, agreement and relevant approvals.

ESG

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American Rare Earths is committed to the responsible development of its projects and to integrating environmental and sustainability considerations into project planning and decision-making. As Halleck Creek advances through feasibility-stage development, the Company continues to focus on environmental stewardship, stakeholder engagement and the collection of baseline data required to support future permitting activities.

Environmental Studies and Permitting

During FY2026, the Company continued environmental baseline and permitting activities at the Cowboy State Mine ("CSM") to support a future Wyoming Department of Environmental Quality - Land Quality Division Permit to Mine application.

A significant milestone during the year was the completion of a 24-hour groundwater monitoring well pump test, which generated hydrological data required for the development of a three-dimensional groundwater model for the CSM. Groundwater sampling and monitoring activities also continued as part of the ongoing environmental baseline program and will support mine planning, feasibility engineering and future permitting requirements.

Environmental studies undertaken across the Project are designed to provide a comprehensive understanding of local environmental conditions and support responsible project development as Halleck Creek progresses through future development stages.

Land Rehabilitation and Stewardship

Following completion of test mining activities in August 2025, rehabilitation of disturbed areas commenced, including backfilling, replacement of stockpiled topsoil and preliminary seeding activities.

In May 2026, land stewardship considerations were also incorporated into the Company's exploration drilling program at the Cowboy State Mine. A portion of the drilling program was conducted using helicopter-supported drill sites in areas where conventional ground access was not an option or would have resulted in greater surface disturbance.

Temporary timber pads were constructed to support helicopter operations and drilling equipment at these locations. As drilling was completed, the pads were deconstructed and removed from the mountain, reducing the amount of permanent infrastructure and ground disturbance associated with the program. Disturbed drill sites were then prepared for natural recovery.

These rehabilitation measures form part of the Company's broader commitment to responsible land management and demonstrate the practical application of progressive rehabilitation principles during project development activities.

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Research and Sustainability Initiatives

American Rare Earths continues to evaluate opportunities to reduce the environmental footprint of future mining and processing operations while enhancing project outcomes.

During the year, the Company partnered with the University of Wyoming School of Energy Resources to investigate potential end uses for tailings and other by-products associated with future rare earth production at Halleck Creek. The research is assessing opportunities to repurpose project by-products, support resource efficiency and potentially improve project economics while reducing waste generation.

Community and Stakeholder Engagement

During FY2026, the Company continued to engage with local communities, landholders, regulatory agencies, educational institutions and other stakeholders in support of the responsible development of the Halleck Creek Project.

As the United States seeks to strengthen domestic critical mineral supply chains, the Company remains focused on advancing Halleck Creek in a manner that supports long-term environmental, social and economic outcomes.

Director's Report

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DIRECTORS' REPORT

The Directors present their report, together with the financial statements of the consolidated entity, consisting of American Rare Earths Limited ("ARR" or the "Company") and the entities it controls (the "Group") for the year ended 30 June 2026.

Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated:

Current Directors

Richard Hudson	Non-Executive Director and Chairman	Appointed 8 February 2022
Sten Gustafson	Non-Executive Director and Deputy Chairman	Appointed 7 January 2022
Melissa Sanderson	Non-Executive Director	Appointed 12 November 2021
Brian Arkell	Non-Executive Director	Appointed 30 April 2025
Jason Beckton	Non-Executive Director	Appointed 28 October 2025
Matthew Gili	Non-Executive Director	Appointed 21 August 2026

Former Directors

Chris Gibbs	CEO & Managing Director Non-Executive Director	Appointed 1 August 2024 Resigned 31 July 2025 Appointed 31 August 2023 Resigned 31 July 2025
Hugh Keller	Non-Executive Director	Appointed 1 October 2024 Resigned 28 October 2025

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Information of Directors

The following information is current as at the date of this report.

Name:	**Mr Richard Hudson**
Title:	**Chairman, Independent, Non-Executive Director**
Date of Appointment:	8 February 2022
Qualifications:	B.Com. FCA
Experience and expertise:	Richard is experienced in corporate governance & strong internal controls, resolving shareholder disputes, advising on business sales, acquisitions & mergers. He is currently Chairman of a private Contract Research Organisation in Animal Health operating in Australia & New Zealand. He is Company Secretary of a group of Emergency Veterinary Practices operating throughout Australia. He was previously Chairman for many years of manufacturing business operating in the marine industry in Australia, New Zealand, and Asia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Nomination and Remuneration Committee and Member of the Audit & Risk Committee
Interest in shares:	500,000
Interest in options:	3,000,000

Name:	**Mr Sten L. Gustafson**
Title:	**Deputy Chairman, Non-Executive Director**
Date of Appointment:	7 January 2022
Qualifications:	B.A., J.D.
Experience and expertise:	Sten currently serves as the Chief Executive Officer and a director of both Pyrophyte Acquisition Corp. (NYSE: PHYT) and Pyrophyte Acquisition Corp II (NYSE: PAII), both SPACs focused on companies that provide products, services, equipment, and technologies that support a variety of energy transition solutions. Sten is a highly experienced energy service industry executive, investment banker, and corporate securities attorney. With over 25 years of experience in the global energy sector, Sten has advised on over 100 corporate transactions around the world for over $100 billion of transaction value
Other current directorships:	Pyrophyte Acquisition Corp. (NYSE: PHYT) appointed 12 February 2021 Pyrophyte Acquisition Corp II (NYSE: PAII) appointed July 2025
Former directorships (last 3 years):	Golden Energy Offshore Services ASA from January 2018 to October 2023
Special responsibilities:	Chair of the Audit & Risk Committee
Interest in shares:	65,250*

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	*Sten has purchased a total of 1,305 American Depository Receipts (AMRRY) on-market which is the equivalent of 65,250 fully paid ordinary shares.
Interest in options:	None

Name:	**Ms Melissa (Mel) Sanderson**
Title:	**Non-Executive Director**
Date of Appointment:	12 November 2021
Qualifications:	B.Ec., BA English Literature, MBA, Professor, Thunderbird School of Global Management
Experience and expertise:	Mel's international career has spanned diplomacy and mining for 30+ years. Mel is adept at cross-cultural communication and brings leadership experience in inclusivity and diversity issues. At global mining leader Freeport-McMoRan, Mel sited, staffed, and ran a corporate office focused on government and public relations, as well as social responsibility programs. She served as a senior diplomat in the U.S. Department of State.
Other current directorships:	AE Fuels Corporation (TSXV: AEF) appointed January 2026 Co-Chair, Critical Minerals Institute appointed November 2024
Former directorships (last 3 years):	Advance Metals Limited (ASX:AVM) from 14 April 2022 to 19 September 2024 Auxico Resources Canada Inc. (CSE: AUAG) from 6 September 2022 to 19 September 2024
Special responsibilities:	Member of the Nomination and Remuneration Committee and Member of the Audit & Risk Committee
Interest in shares:	None
Interest in options:	1,000,000

Name:	**Mr Brian Arkell**
Title:	**Independent, Non-Executive Director**
Date of Appointment:	30 April 2025
Qualifications:	B.S. Geology and Engineering from the University of Maryland, M.S. in Geology from the New Mexico Institute of Mining and Technology, Fellow of AusIMM, Fellow of Society of Economic Geologists and SME Registered Member.
Experience and expertise:	Brian brings over 35 years of global experience in mineral exploration, mine development, and operations, with a proven track record advancing world-class gold and copper-gold projects across the Americas and Southeast Asia. His career highlights include key roles in the development of the Yanacocha (Peru), Batu Hijau (Indonesia), Merian (Suriname), and Magino (Canada) mines. Brian is presently Vice President Exploration and Technical Services for Cabral Gold Corp. From 2018 to 2023, he served as

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	Vice President of Exploration and Mine Technical Services at Argonaut Gold, managing exploration, mine planning, geology and corporate reserves across five producing mines and multiple development assets. He has also held senior positions as CEO of Caza Gold, SVP at Rio Novo Gold and spent over 20 years with Newmont Mining, where he rose to Director of Geology and Exploration for South America.
Other current directorships:	Zephyr Minerals Ltd (TSXV: ZFR) appointed 18 December 2024
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Technical Committee
Interest in shares:	25,000
Interest in options:	250,000

Name:	**Mr Jason Beckton**
Title:	**Independent, Non-Executive Director**
Date of Appointment:	28 October 2025
Qualifications:	Bachelor of Science (Honours) from University of Melbourne and Master of Economic Geology (MEconGeol) from University of Tasmania
Experience and expertise:	Mr. Beckton is a professional geologist and Member of the Australian Institute of Geoscientists with more than 30 years' experience in exploration, project development, production, and management across Australia and internationally.
Other current directorships:	European Resources Limited (ASX: ERE) appointed 26 September 2014 Mineral Exploration Limited (ASX: MEX) appointed 3 March 2026
Former directorships (last 3 years):	Lode Resources Limited (ASX: LDR) from 29 September 2020 to 26 May 2026
Special responsibilities:	Chair of the Technical Committee and Member of the Nomination and Remuneration Committee
Interest in shares:	None
Interest in options:	None

Name:	**Mr Matthew Gili**
Title:	**Independent, Non-Executive Director**
Date of Appointment:	21 August 2026
Qualifications:	B.Eng, BSc
Experience and expertise:	Matthew D. Gili, B. is an experienced mining executive with more than 25 years of global mine development, construction and operational experience.

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	Mr Gili is President and Chief Executive Officer of Ur-Energy Inc. (NYSE American: URG / TSX: URE), a Wyoming-based uranium producer. His career includes 15 years with Rio Tinto, where he held senior operational roles including Chief Operating Officer of Oyu Tolgoi, and six years with Barrick Gold, including as Chief Technical Officer. Based in Casper, Wyoming, Mr Gili brings extensive experience in mine development, hydrometallurgical processing, operational leadership and the Wyoming regulatory and mining environment. Mr Gili is a member of American Rare Earths' Technical Committee and contributes his technical and operational expertise to the advancement of the Halleck Creek Rare Earths Project.
Other current directorships:	Ur- Energy Inc. (NYSE American: URG / TSX: URE) appointed December 2025
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Technical Committee
Interest in shares:	None
Interest in options:	None

Company Secretary

Megan McPherson: BCom, CA, Company Secretary. Appointed 2 March 2026

Megan is a seasoned finance and governance professional with over 23 years of experience, including senior leadership roles at several ASX-listed mining companies. She most recently served as CFO and later Company Secretary at Group 6 Metals Limited. Megan is a member of the Institute of Chartered Accountants in Australia and New Zealand.

Principal Activities

The principal activity for the Consolidated Entity comprising American Rare Earths Limited ("the Company") and its controlled entities (together "the Consolidated Entity") during the financial year was mineral exploration. There was no significant change in the nature of the Consolidated Entity's activities during the year.

Results

The loss attributable to the Consolidated Entity for the financial year was $5,719,154 (2025: loss of $6,465,370). No income tax was attributable to this result (2025: $Nil).

The financial result was primarily driven by employee and corporate administration costs associated with advancing the Company's U.S. rare earth projects, including non-cash share-based payment expenses of $2,581,382. These costs were partially offset by a gain of approximately $2,212,959 recognised on the fair value remeasurement of listed equity investments. Exploration and evaluation expenditure that met the recognition criteria of AASB 6 was capitalised during the year and therefore did not materially impact the reported loss.

Dividends

The directors do not recommend the payment of a dividend for this financial year. No dividend has been declared or paid by the Company since the end of the previous financial year.

Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

After Reporting Date Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect the

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operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years other than:

On 17 August 2026, the Company announced the execution of a Memorandum of Understanding (MOU) with Novex LLC to advance U.S. rare earth oxide-to-metal production capability.

On 21 September 2026, the Company announced certified assay results from the first six drill holes completed as part of the 2026 feasibility study drilling program at the Halleck Creek Rare Earths Project. The results support ongoing geological interpretation, resource conversion objectives and feasibility study workstreams associated with the development of the project.

On 30 September 2026, the Company announced the results of an updated Scoping Study for the Cowboy State Mine, the first development phase of the Halleck Creek Rare Earths Project. The updated study evaluates a 4.5 million tonne per annum operation over a 26-year mine life and reported an estimated after-tax net present value of approximately US$1.07 billion at an 8% real discount rate.

Subsequent to year end, the Company has raised $401,952 via the exercise of 1,739,840 options.

Likely Developments and Future Results
Other than as referred to in this report, further information as to likely developments in the operations of the Consolidated Entity and the expected results of those operations would, in the opinion of the directors, be speculative and not in the best interests of the Consolidated Entity.

Options

At the date of this report, there were 41,750,000 unissued ordinary shares under option.

Details of unissued ordinary shares under option at the date of this report are as follows:

Expiry Date	Exercise Price ($)	Number of Options
6 December 2026	0.20	500,000
28 February 2027	0.45	6,000,000
7 December 2027	0.47	5,000,000
18 December 2027	0.47	1,000,000
30 November 2027	0.3274	5,000,000
23 December 2027	0.25	2,000,000
30 November 2028	0.4818	250,000
19 December 2028*	0.30	10,000,000
22 December 2028	0.3882	2,000,000
11 July 2029	0.35	3,000,000
16 July 2029	0.30	2,000,000
31 March 2031	0.3808	4,000,000
31 March 2031	0.3283	1,000,000
Total		**41,750,000**

During the financial year, 26,569,660 options were exercised, resulting in the issue of 26,569,660 ordinary shares and gross cash proceeds of $7,921,848. During the year, 19,250,000 options were granted and 5,190,500 options were cancelled.

Subsequent to 30 June 2026 and up to the date of this report, a further 1,739,840 options were exercised and 1,500,000 options were cancelled.

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

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Shares Issued on Exercise of Options
During the financial year, 26,569,660 fully paid ordinary shares were issued upon the exercise of options.

Subsequent to 30 June 2026 and up to the date of this report, a further 1,739,840 fully paid ordinary shares were issued upon the exercise of options.

No amounts are unpaid on any of the shares issued upon the exercise of options.

Directors' Meetings

The number of meetings of the Board of Directors, Audit & Risk Committee, Nomination & Remuneration Committee and Technical Committee held during the year ended 30 June 2026 and the number of meetings eligible to attend while a director was:

	Board of Directors		**Audit & Risk Committee**		**Nomination & Remuneration Committee**		**Technical Committee**	
Directors:	*Eligible to attend*	*Attended*	*Eligible to attend*	*Attended*	*Eligible to attend*	*Attended*	*Eligible to attend*	*Attended*
Richard Hudson	12	12	6	6	2	2	4	4
Chris Gibbs	2	0	-	-	-	-	1	-
Sten Gustafson	12	11	6	6	-	-	4	4
Melissa Sanderson	12	12	4	4	2	2	-	-
Hugh Keller	3	3	2	2	1	1	-	-
Brian Arkell	12	11	-	-	-	-	10	10
Jason Beckton	9	9	-	-	1	1	6	6

In addition, several matters were resolved during the year by circular resolution.

In addition to formal directors' meetings, executive and non-executive directors are in frequent communication.

FINANCIAL REVIEW

- Cash balance at 30 June 2026 was $18,550,987 (2025: $9,353,143)
- Total assets at 30 June 2026 was $52,025,833 (2025: $31,334,278)
- Total liabilities at 30 June 2026 was $4,193,689 (2025: $1,223,784)

During the financial year, 26,569,660 shares were issued upon the exercise of options, raising additional capital of $7,921,848.

During the financial year, the Company successfully raised $15,000,000 (before costs) from a placement of 46,875,000 fully paid ordinary shares to professional and sophisticated investors at an issue price of $0.32 per share. Bell Potter Securities Limited and BMO Capital Markets Limited acted as Joint Lead Managers to the Placement.

A further 1,739,840 fully paid ordinary shares were issued upon the exercise of options during the months of July and August 2026, raising $401,952.

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REVIEW OF OPERATIONS

American Rare Earths Limited, through its wholly owned subsidiary Wyoming Rare (USA) Inc., is advancing the Halleck Creek Rare Earths Project in Wyoming, USA, one of the largest rare earth deposits in North America. The Company also maintains a portfolio of exploration projects in the United States, including La Paz in Arizona, Beaver Creek in Wyoming and Searchlight in Nevada.

During FY2026, the Company's primary focus was the continued advancement of Halleck Creek from resource evaluation and pre-feasibility stage activities toward feasibility-stage development. Key activities during the year included continued mineral processing optimisation, completion of test mining, advancement of pilot plant planning, commencement of feasibility-level drilling, ongoing environmental and permitting activities and evaluation of broader downstream supply chain opportunities. The PFS remains in progress, with selected feasibility activities undertaken in parallel. The September 2026 Scoping Study update is a preliminary assessment and does not constitute completion of a PFS or Feasibility Study.

As the Company remains in the development stage and does not yet generate operating revenue, financial performance during FY2026 continued to be driven primarily by exploration, technical study, permitting, corporate development and project advancement activities. Expenditure during the year was directed towards advancing the Halleck Creek Project through feasibility study workstreams, expanding technical and executive capability, progressing the Company's NASDAQ readiness initiatives and supporting broader corporate and investor engagement activities. The Company maintained a strong cash position during the year following successful equity funding activities and the exercise of options.

Halleck Creek Rare Earths Project

Halleck Creek is the Company's flagship rare earths development project located in southeastern Wyoming, USA. The Project hosts a JORC-compliant Mineral Resource Estimate of 2.63 billion tonnes at 3,292 ppm Total Rare Earth Oxide ("TREO"), containing both light and heavy rare earth elements. The scale of the resource and its location within the United States position Halleck Creek as a potential long-term domestic source of rare earth materials for manufacturing, defence and industrial applications.

The initial phase of development, the Cowboy State Mine ("CSM"), is located on Wyoming State land and forms the focus of the Company's current development activities.

FY2026 Highlights

Key achievements during the year included:

- Progression of the PFS and commencement of drilling to support further feasibility work, without implying completion of either study.
- Completion of test mining at the Cowboy State Mine and generation of bulk samples for comminution and process optimisation testing.
- Successful production of Mixed Rare Earth Oxalate and Mixed Rare Earth Oxide from Halleck Creek ore using the Company's evolving mineral processing flowsheet.
- Continued optimisation of beneficiation and impurity removal processes, including testing of Reflux Classifier and Induced Roll Magnetic Separation technologies.
- Advancement of pilot plant planning activities, including engagement of specialist metallurgical expertise and procurement of key processing equipment.
- Continued environmental baseline studies, groundwater monitoring and permitting activities supporting future mine development.
- Commencement of the Whole of Property Assessment to evaluate the long-term development potential of the broader Halleck Creek land package.
- Participation in United States Department of Energy research initiatives and commencement of downstream rare earth processing studies to support development of a domestic mine-to-magnet supply chain.

The Company's activities during FY2026 continued to focus on technical de-risking, optimisation of the processing pathway and generation of the information required to support future feasibility studies, permitting and development planning. The Company also continued to benefit from support received from the State of Wyoming and ongoing engagement with U.S. Government and industry stakeholders.

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La Paz Rare Earths Project

The La Paz Rare Earths Project is located approximately 200 kilometres northwest of Phoenix, Arizona and is held through the Company's wholly owned subsidiary, La Paz Rare Earth LLC.

La Paz hosts a JORC-compliant Mineral Resource Estimate of 170.6 million tonnes and is located in close proximity to existing infrastructure. The current resource estimate covers only a portion of the broader project area and remains open laterally and at depth. The Company continues to assess the longer-term strategic opportunities associated with the Project within its broader rare earths project portfolio.

Searchlight Rare Earths Project

The Searchlight Project is an exploration-stage rare earths project located in the eastern Mojave Desert region of Nevada, approximately 30 kilometres east of the Mountain Pass rare earth mine.

The Project provides exposure to heavy rare earth mineralisation in a well-established mining jurisdiction and remains part of the Company's broader exploration portfolio.

Beaver Creek Rare Earths Project

The Beaver Creek Project is an exploration-stage rare earths project located in Wyoming, USA.

Previous exploration activities identified high-grade rare earth mineralisation, including Total Rare Earth Oxide ("TREO") grades ranging from 5.8% to 13.9%, together with elevated concentrations of magnetic rare earth elements including neodymium and praseodymium. The Company continues to maintain the Project as part of its broader portfolio of rare earth opportunities.

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Details of JORC Resources at 30 June 2026

Halleck Creek

Table 1 summarises estimated in-situ resources at Halleck Creek by resource area and category using a TREO cut-off of 1,000 ppm.

Table 1 – Mineral Resource Estimate at Halleck Creek (1000ppm TREO cut off)

Classification	Tonnage	Grade				Contained Material			
		TREO	LREO	HREO	MREO	TREO	LREO	HREO	MREO
	t	ppm	ppm	ppm	ppm	t	t	t	t
Measured	206,716,068	3,720	3,352	370	904	769,018	692,935	76,550	186,836
Indicated	1,272,604,372	3,271	2,900	360	852	4,162,386	3,689,999	458,140	1,084,256
Meas + Ind	**1,479,320,439**	**3,334**	**2,963**	**361**	**859**	**4,931,405**	**4,382,934**	**534,691**	**1,271,092**
Inferred	1,147,180,795	3,239	2,878	361	837	3,715,661	3,302,005	413,651	960,355
Total	**2,626,501,234**	**3,292**	**2,926**	**361**	**850**	**8,647,066**	**7,684,939**	**948,341**	**2,231,447**

La Paz

Table 2: La Paz Rare Earths Project JORC 2012 Classified Mineral Resource Estimate

La Paz Resource Estimate 2012 JORC				
	Mt	TREE (ppm)	Contained TREE (kg)	Contained TREO (kg)
Inferred	135.4	393	53,198,803	63,865,163
Indicated	35.2	382	13,448,019	16,144,347
Total	170.6	391	66,646,822	80,009,510

Reserves

The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Dwight Kinnes and Mr Jim Guilinger. Mr Kinnes and Mr Guilinger are Members 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 Kinnes was employed by American Rare Earths, Ltd. as Chief Technical Officer. Mr Guilinger is Principal of independent consultants World Industrial Minerals LLC. Mr Kinnes and Mr Guilinger have sufficient experience relevant to the style of mineralisation and type of deposits 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 Kinnes and Mr Guilinger consent to the inclusion in this report of the matters based on their information in the form and context that the information appears.

American Rare Earths Limited confirms that 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. American Rare Earths Limited 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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RISK MANAGEMENT

American Rare Earths is committed to identifying, assessing and managing risks that may affect the achievement of its strategic objectives. The Board is responsible for overseeing the Company's risk management framework, while management is responsible for implementing policies and controls designed to identify and mitigate material business risks.

The Company regularly reviews its risk profile as projects progress through exploration, evaluation and development stages.

The risks described below are not intended to be an exhaustive list of all risks facing the Group. Additional risks and uncertainties that are currently unknown, or that are presently considered immaterial, may also adversely affect the Group's operations, financial performance and future prospects.

Key risks and mitigation measures are summarised below.

Risk Category	Description of Risk	Risk Mitigation
Project Development and Technical Risk	The Halleck Creek Project remains in the study, evaluation and development phase. There is a risk that geological interpretation, mineral resource estimates, metallurgical performance, engineering assumptions, capital costs, operating costs or project economics may differ from current expectations. Such outcomes may impact project viability, development schedules or future financial returns.	The Company undertakes ongoing drilling, metallurgical testing, process optimisation, pilot-scale development activities and independent technical reviews to progressively de-risk the Project and support future development decisions.
Regulatory and Permitting Risk	Development of the Company's projects requires a range of environmental, mining, land use and other regulatory approvals. Delays in obtaining approvals, changes in legislation, regulatory requirements or permitting conditions may adversely affect project timelines, costs or planned development activities.	The Company maintains active engagement with regulatory authorities and stakeholders, undertakes environmental baseline and permitting studies and utilises experienced internal personnel and external advisers to support compliance and permitting activities.
Funding and Capital Management Risk	The Company's exploration, evaluation and project development activities require ongoing access to capital. Adverse market conditions, increased project costs or limited access to debt and equity funding may affect the Company's ability to execute its development strategy or advance its projects in accordance with planned timelines.	The Company actively manages cash resources, maintains regular engagement with capital markets participants and funding providers, evaluates both debt and equity funding alternatives and seeks government funding and strategic financing opportunities where appropriate.
Commodity Market and Strategic Supply Chain Risk	Project economics and future development opportunities may be affected by changes in rare earth prices, customer demand, geopolitical developments, trade restrictions or disruptions within global rare earth supply chains. As the rare earth industry continues to evolve, there is also a risk that market conditions may differ from those assumed in technical and economic studies.	The Company focuses on strategically important magnet rare earth elements and continues to develop relationships with government agencies, industry participants, potential customers and strategic partners supporting the development of a domestic U.S. rare earth supply chain.
Operational and Health & Safety Risk	Exploration, drilling, test mining and future development activities involve operational risks that may result in workplace injuries, environmental incidents, equipment failures,	The Company maintains health, safety and environmental management systems, engages suitably qualified employees and contractors, monitors operational activities and maintains

	project delays, increased costs or financial loss.	insurance coverage considered appropriate for its activities.
Environmental and Climate-Related Risk	The Company is exposed to environmental and climate-related risks, including changes in environmental regulation, permitting requirements, stakeholder expectations and disclosure obligations. Physical climate-related risks, including the potential impacts of changing weather patterns, water availability and extreme weather events, may affect project development activities, schedules, operating costs and access to capital. Failure to appropriately manage environmental impacts may adversely affect approvals, project timelines, reputation and future development opportunities.	The Company incorporates environmental considerations into project planning and decision making, undertakes environmental baseline studies, groundwater monitoring and rehabilitation activities and continues to assess potential environmental and climate-related risks as its projects advance through development.

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Execution risks as Halleck Creek advances

The proposed development remains exposed to uncertainty in metallurgical recovery and scale up, resource conversion, product quality and customer qualification. Lower recoveries or changes to the flowsheet may affect production, costs and project value. Water availability, power supply, refinery siting, transport arrangements, waste management and regulatory approvals must be established to a standard suitable for the next study and development stages.

Development depends on substantial additional capital and commercially acceptable arrangements for the sale of products. Rare earth prices may differ materially from study assumptions, while nonbinding funding indications and MoUs may not become definitive agreements. A potential Nasdaq listing is subject to the selection of a route, applicable regulatory and shareholder approvals, market conditions and listing requirements. It is not assured and does not itself fund project construction.

Indemnification and insurance of Directors and Officers

The Company has entered into deeds of indemnity with the Directors indemnifying them against certain liabilities and costs to the extent permitted by law. The Company has paid premiums totalling $45,749 (2025: $51,128) in respect of Directors and Officers Liability Insurance and Company reimbursement policies, which covers all Directors and Officers of the Company. The policy conditions preclude the Company from any detailed disclosures.

Indemnification of auditors

The Company has not, during or since the end of the financial year, indemnified it auditors or agreed to indemnify the auditor, BDO Audit Pty Ltd ("BDO"), as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify BDO during or since the financial year.

Employees

The Consolidated Entity had 7 employees as at 30 June 2026 (2025: 6).

Corporate Governance

In recognising the need for the highest standard of corporate behaviour and accountability, the directors of American Rare Earths Limited support and have adhered to the principles of good corporate governance. The Company's corporate governance statement is on our website.

Auditor Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 42.

Audit and non-audit services

Details of the amounts paid or payable to the auditors for audit and non-audit services during the year are disclosed in note 25 Remuneration of auditors.

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

The Board of Directors, in accordance with advice from the Audit & Risk Committee, is satisfied that the provision of non-audit services is consistent with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the audit committee to ensure they do not impact the impartiality and objectivity of the auditor, and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to the rounding of amounts in the Directors' Report. Amounts in this report have been rounded to the nearest dollar in accordance with that Instrument.

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REMUNERATION REPORT - AUDITED

This remuneration report outlines the remuneration arrangements in place for key management personnel (KMP) of American Rare Earths Limited and its wholly owned subsidiaries (the "Company") or (the "Group") which includes the executive director and non-executive directors. It has been prepared and audited in accordance with the requirements of the Corporations Act 2001, its regulations and applicable accounting standards.

Key Management Personnel

KMP comprise those individuals having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly (whether executive or otherwise):

Name	Position	Commenced as KMP	Ceased as a KMP
Non-executive Directors			
Richard Hudson	Non-executive Chairman	8 February, 2022	
Sten Gustafson	Non-Executive Director	7 January, 2022	
Mel Sanderson	Non-Executive Director	12 November, 2021	
Brian Arkell	Non-Executive Director	30 April, 2025	
Jason Beckton	Non-Executive Director	28 October, 2025	
Hugh Keller	Non-Executive Director	1 October, 2024	28 October, 2025
Executive Director			
Chris Gibbs	CEO & Managing Director	1 August, 2024	31 July, 2025
Executives			
Mark Wall	CEO	22 December, 2025	
Megan McPherson	CFO	5 May 2025	

Governance

The Company has a Nomination and Remuneration Committee (The Committee) which is responsible for the development of the remuneration strategy and policies and ensuring that they are appropriate for a company of the nature, size and standing of American Rare Earths. The Committee is responsible for making recommendations to the Board on:

- Remuneration arrangements (including base pay, performance targets, bonuses, equity awards, superannuation, retirement rights, termination payments) for the executive director and senior executives.
- Establishment of employee-incentive and equity-based plans and the number and terms of any incentives proposed to be issued to executives pursuant to those plans, including any vesting criteria.
- Remuneration of Non-Executive Directors.

The members of The Committee during the year were:

- Richard Hudson- Non-Executive Director- Chairman
- Melissa Sanderson- Non-Executive Director
- Jason Beckton- Non-Executive Director
- Hugh Keller- Non-Executive Director- Resigned 28 October 2025

The Committee met informally during the year and several matters were resolved during the year by circular resolution.

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Remuneration Principles

The Group's remuneration strategy and structure is reviewed by The Committee for business appropriateness and market suitability on an ongoing basis. KMP are remunerated and rewarded in accordance with the Group's remuneration policies (outlined in further detail below).

Engagement of remuneration consultants

The following protocols are followed by the Board in regard to remuneration consultants:

- The Board has regard to any potential conflicts of interest including factors that may influence independence such as previous and future work performed by the consultant and any relationships that exist between KMP's and consultants;
- Remuneration consultants are engaged and report directly to the Board; and
- Communication between KMP and consultants are restricted to avoid risk of undue influence.

During the financial year, no remuneration recommendations, as defined by the Corporations Act, were provided by any advisor.

During FY2026, total KMP remuneration increased relative to prior years. This primarily reflects the appointment of a new Chief Executive Officer, implementation of a formal remuneration framework, retention arrangements designed to support leadership continuity during a period of organisational transition and a greater emphasis on performance-based and equity-linked remuneration. The Board also considered the increasing complexity of the Company's U.S.-focused operations and the need to attract and retain executives with the skills and experience required to advance the Halleck Creek Project through its next stage of development.

Executive Remuneration

Remuneration Strategy

During FY2026, the Company adopted a formal remuneration framework designed to support its transition from an exploration company to a development-stage business. The framework was approved by the Board following a comprehensive review of remuneration practices, market benchmarks and the strategic requirements of the Company as it advances the Halleck Creek Project.

The Board believes the revised remuneration framework better reflects the Company's transition from exploration to development and supports the attraction and retention of executives with experience in the North American critical minerals sector.

As the Company's operations, executive team and strategic growth initiatives are increasingly focused on the United States, the Board considered remuneration practices and market conditions applicable to North American mining and critical minerals executives when establishing remuneration arrangements.

The Company's remuneration philosophy is built around the following principles:

- attracting and retaining high-calibre executives with the skills and experience required to lead the Company through its next phase of growth;
- rewarding exceptional performance and achievement of strategic objectives;
- aligning executive remuneration with long-term shareholder value creation through meaningful equity participation;
- supporting continuity and retention of key personnel during a critical stage of development; and
- recognising the cross-jurisdictional nature of the Company's operations and workforce.

The Board believes the remuneration framework provides an appropriate balance between fixed remuneration, short-term performance incentives and long-term value creation, while supporting retention of key personnel and alignment with shareholder interests.

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5 Year performance

The Group's performance over the past five years is as follows:

	2026	2025	2024	2023	2022
Net loss ($)	(5,719,154)	(6,465,370)	(6,257,487)	(4,846,560)	(2,039,992)
Loss per share (cents)	(1.01)	(1.29)	(1.35)	(1.11)	(0.55)
Dividends / distributions ($)	-	-	-	-	-
Share price at year end ($)	0.385	0.245	0.265	0.145	0.255
Market capitalisation ($M)	223.634	124.319	130.757	64.731	100.904
Director & Key Management Personnel remuneration ($)	3,973,660	2,100,791	1,527,864	1,244,515	1,699,776

The Board recognises that the Company remains pre-revenue and is focused on advancing the Halleck Creek Project through the study, permitting and development phases. Accordingly, remuneration outcomes are assessed having regard to both shareholder returns and the achievement of strategic, operational, financing, governance and project development objectives considered critical to advancing long-term shareholder value.

Remuneration Framework

The Company's executive remuneration framework comprises four key components:

Component	Purpose
Total Fixed Remuneration (TFR)	Provides market-aligned remuneration reflecting role responsibilities, experience and capability.
Retention Awards	Supports retention of strategically important personnel through periods of organisational transition or strategic importance.
Short-Term Variable Reward (STVR)	Rewards annual performance against strategic and operational objectives.
Long-Term Variable Reward (LTVR)	Aligns executive interests with long-term shareholder value creation and supports retention of key personnel.

The Company places a portion of executive remuneration "at risk" through STVR and LTVR arrangements. Under the framework adopted during FY2026, target incentive opportunities are set as a percentage of Total Fixed Remuneration and vary according to role and responsibilities.

Executive	TFR	Target STVR	Target LTVR
Mark Wall	US$430,000	75% of TFR	100% of TFR
Megan McPherson	A$315,000	50% of TFR	75% of TFR

Short-Term Variable Reward (STVR)

The STVR framework is designed to reward achievement of annual strategic objectives that support delivery of the Company's business plan. Performance is assessed against key performance indicators established for the relevant financial year, which may include strategic, operational, financial, governance, capital markets and project development objectives.

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STVR opportunities are expressed as a percentage of total fixed remuneration. For FY2026, the target STVR opportunity was 75% of total fixed remuneration for the Chief Executive Officer and 50% for the Chief Financial Officer and Company Secretary. Performance above target could result in an award of up to 150% of the target opportunity.

Following the end of FY2026, the Board assessed each executive's performance against the applicable weighted objectives. Individual objectives were assessed having regard to the extent of achievement, with above-target multipliers applied where the Board determined that an objective had been exceeded. The resulting weighted performance outcome was then compared with the maximum STVR opportunity. In determining final outcomes, the Board also considered each executive's broader contribution during a period of significant organisational change and leadership transition.

FY2026 STVR performance outcomes

Executive	Key performance measures and weightings	Performance assessment	FY2026 outcome
Mark Wall, Chief Executive Officer	Development and implementation of Company strategy, 10%; acceleration of pilot plant activities, 30%; advancement of whole-of-property development planning, 20%; progress towards a Nasdaq listing pathway, 20%; permitting and water strategy development, 10%; and recruitment of key leadership personnel, 10%.	The weighted KPI assessment resulted in an outcome of 120% of target opportunity. This included above-target assessments for acceleration of pilot plant activities and recruitment of key leadership personnel. The Board also recognised additional contributions during the year, resulting in an aggregate assessment of 135% of target opportunity.	The aggregate outcome of 135% of target opportunity represented 90% of the maximum opportunity, calculated as 135% divided by the maximum of 150%. The resulting award was prorated for the 27 weeks during which Mark Wall was employed in FY2026.
Megan McPherson, Chief Financial Officer and Company Secretary	Nasdaq listing readiness and execution planning, 35%; capital markets strategy and financing readiness, 30%; governance, risk, treasury and compliance enhancement, 20%; and organisational and leadership capability, 15%.	The weighted KPI assessment resulted in an outcome of 119.5% of target opportunity. This included above-target assessments for Nasdaq listing readiness, governance enhancement and organisational capability.	The outcome of 119.5% of target opportunity represented approximately 80% of the maximum opportunity, calculated as 119.5% divided by the maximum of 150%. No prorating was applied.

The final outcomes reflect performance against the individually weighted objectives, including the application of above-target multipliers where the Board determined that the relevant objective had been exceeded. For the Chief Executive Officer, the Board also recognised contributions outside the formal weighted KPI scorecard. Other than these assessments, no further discretionary adjustment was applied to the calculated FY2026 STVR outcomes.

Settlement of STVR Awards

STVR outcomes are assessed annually following the end of the relevant financial year and remain subject to Board approval. Awards are ordinarily settled in cash and are generally paid following completion of the annual performance assessment and approval process. The Board retains discretion to settle all or part of an STVR award in equity instruments where it considers this to be in the best interests of the Company and its shareholders.

The FY2026 STVR awards were settled in cash in July 2026. No portion of the FY2026 awards was deferred. No forfeiture conditions applied following Board approval. The Company did not operate a formal clawback mechanism in relation to FY2026 STVR awards; however, all awards remained subject to Board approval and discretion before settlement.

Long-Term Variable Reward (LTVR)

The Company's LTVR arrangements are designed to align executive interests with the long-term creation of shareholder value while supporting the retention of key personnel during a critical phase of the Company's development.

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LTVR awards are determined by the Board having regard to the Company's strategic objectives, the need to retain key personnel, market practice and alignment with shareholder interests. Awards may be made in the form of options, performance rights, shares or other equity instruments, subject to shareholder approval where required.

The Board retains discretion to determine the form, amount and vesting conditions of LTVR awards having regard to market practice, individual performance, retention considerations, shareholder alignment and the Company's strategic objectives.

Chief Executive Officer remuneration

On 8 December 2025, the Company announced the appointment of Mark Wall as Chief Executive Officer. Mr Wall commenced employment on 22 December 2025 pursuant to an Executive Employment Agreement. Under the Agreement, Mr Wall is entitled to:

- Base salary of US$430,000 per annum.
- Sign-on bonus of US$215,000 payable in two equal tranches. The first tranche was paid on commencement. The second tranche is payable on the first anniversary of commencement. The sign-on bonus was provided in recognition of benefits forgone by Mr Wall in accepting employment with the Company. In certain circumstances, amounts paid may be subject to clawback if employment terminates within 12 months of commencement.
- Participation in the Company's STVR and LTVR arrangements.
- Employee benefits available to executives of the Company.
- Four weeks annual leave per annum.

The Agreement provides either party with 90 days' notice of termination. If employment is terminated by the Company without cause, or by Mr Wall in prescribed circumstances constituting a material diminution of role or status, Mr Wall may be entitled to a payment of up to 12 months' base salary, subject to the limits imposed by the Corporations Act.

Options

- 2,000,000 unlisted options were granted to Mr Wall as part of his commencement arrangements. The options vest in two equal tranches on the first and second anniversaries of commencement, subject to Mr Wall remaining continuously employed by the Company until each applicable vesting date, and expire three years from the grant date.
- 4,000,000 unlisted options were granted to Mark Wall in recognition of the expanded responsibilities arising from the consolidation of the President and Chief Executive Officer roles. The options vest in three equal tranches on the first, second and third anniversaries of the grant date, subject to Mr Wall remaining continuously employed by the Company until each applicable vesting date, and expire five years from the grant date.

Chief Financial Officer remuneration

On 2 May 2025, the Company announced the appointment of Megan McPherson as Chief Financial Officer, commencing 5 May 2025.

During FY2026, following a review of executive remuneration, Ms McPherson's remuneration package was revised to reflect her expanded duties and contribution to the Company during a period of leadership transition. The revised arrangements included retention incentives, participation in the Company's STVR and LTVR programs and the grant of long-term incentive options.

At 30 June 2026, Ms McPherson's annual Total Fixed Remuneration was $315,000 (inclusive of superannuation) and she was eligible to participate in the Company's STVR and LTVR arrangements.

Cash incentives

During FY2026, Ms McPherson was awarded a cash bonus of $100,000 in recognition of the additional responsibilities assumed and leadership support provided during the Company's search for a new Chief Executive Officer following the departure of the former CEO. The bonus was payable in two equal tranches of $50,000, with the first tranche payable through the next scheduled payroll following the award and the second tranche payable through the December 2025 payroll.

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Ms McPherson was also awarded a cash retention incentive of $38,000, payable on 31 March 2026. Payment of the retention incentive was conditional upon Ms McPherson remaining continuously employed by the Company until 31 March 2026. The service condition was satisfied and the retention incentive was paid during FY2026.

Options

- 4,000,000 options with an exercise price of $0.30 were issued to Ms McPherson as remuneration. The options vest in two equal tranches, with 50% vesting immediately and 50% vesting on the first anniversary of the grant date, and expire three years from the grant date. Vesting of the second tranche is subject to Ms McPherson remaining continuously employed by the Company until the applicable vesting date.

Termination arrangements

Under her employment agreement, Ms McPherson may resign by providing 90 days' written notice. The Company may terminate her employment without cause by providing 90 days' notice or, at its election, payment in lieu of notice equal to 90 days' base salary, together with any applicable statutory entitlements.

If employment is terminated for cause, no notice or payment in lieu of notice is payable, other than accrued statutory entitlements. On cessation of employment, accrued but untaken annual leave is payable in accordance with applicable legislation, and any unvested options or shares granted under the Company's employee incentive arrangements lapse, subject to the applicable plan rules. On resignation, Ms McPherson is not entitled to an STVR payment or any additional termination benefit beyond her accrued statutory entitlements

Former Managing Director & CEO remuneration

Chris Gibbs ceased employment as Managing Director and Chief Executive Officer and resigned as a director of the Company effective 31 July 2025. The cessation of employment was governed by a Deed of Settlement entered into on 21 July 2025.

Under the Deed of Settlement, the Company agreed to treat the cessation as a termination without cause. Mr Gibbs received payment of accrued statutory entitlements and a termination payment of $380,000, representing 12 months' base salary. Existing incentive awards and options were retained in accordance with the terms of the Deed of Settlement.

Non-Executive Director's remuneration

The current maximum aggregate limit for Non-Executive Directors' fees is A$1,000,000 per annum (**Limit**) which was approved by shareholders at the 8 November 2022 Annual General Meeting.

Non-Executive Directors are engaged under letters of appointment and are not employees of the Company. Their appointments are subject to the Company's Constitution, the *Corporations Act 2001* and the ASX Listing Rules, including applicable requirements relating to retirement by rotation and re-election by shareholders. Non-Executive Directors may resign by providing written notice to the Company.

Non-Executive Directors receive fixed annual fees determined by the Board within the Limit. The level of fees is reviewed periodically having regard to the responsibilities and time commitments of the role. Non-Executive Directors do not participate in the Company's STVR arrangements but may be granted options or other equity-based awards, subject to shareholder approval and the applicable option terms.

If a Non-Executive Director performs additional duties or services that, in the opinion of the non-associated Directors, fall outside the ordinary duties of a Director, the Company may pay additional remuneration for those services on normal commercial terms and conditions no more favourable than those available to other parties. Any such remuneration is paid in addition to the Director's ordinary fees.

Non-Executive Directors are entitled to reimbursement of reasonable travelling, accommodation and other expenses properly incurred and documented in attending meetings of the Board or its committees, or otherwise carrying out their duties as Directors.

Non-Executive Directors do not receive termination or retirement benefits, other than statutory entitlements where applicable. On cessation of appointment, a Non-Executive Director is entitled to payment of any accrued and unpaid Director's fees, including any other approved fees, calculated on a pro rata basis up to the date of cessation, together with reimbursement of properly incurred and documented expenses.

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Details of Key Management Personnel Remuneration

Details of the nature and amount of each element of the remuneration of Directors and other Key Management Personnel of the Company during the financial year are:

		Short-Term Employee Benefits		Post-Employment	Share Based Payments		Other		Proportion of Remuneration Performance Related	Value of Share-Based Payments as a Proportion of Remuneration
	Year	Salary, Fees and Leave Benefits	Bonus	Super-annuation Benefits	Shares	Options	Termination Benefits	Total		
Key Management Personnel		$	$	$	$	$	$	$	%	%
DIRECTORS										
Richard Hudson	**2026**	**152,044**				**44,706**	**-**	**196,750**	**-**	**22.72**
	2025	112,044	-	-	-	356,209	-	468,253	-	76.1
Sten Gustafson	**2026**	**95,663**				**-**	**-**	**95,663**	**-**	**-**
	2025	149,218	-	-	-	-	-	149,218	-	-
Melissa Sanderson	**2026**	**49,322**				**44,706**	**-**	**94,028**	**-**	**47.55**
	2025	53,465	-	-	-	77,639	-	131,104	-	59.22
Brian Arkell	**2026**	**49,279**	**-**	**-**	**-**	**39,500**	**-**	**88,779**	**-**	**44.49**
	2025	8,524	-	-	-	-	-	8,524	-	-
Jason Beckton	**2026**	**33,333**	**-**	**-**	**-**	**-**	**-**	**33,333**	**-**	**-**
	2025	-	-	-	-	-	-	-	-	-
Hugh Keller [1]	**2026**	**21,640**	**-**	**-**	**-**	**55,928**	**-**	**77,568**	**-**	**-**
	2025	48,690	-	-	-	77,639	-	126,329	-	61.5
Geoff Hill [2]	2025	12,500	-	-	-	-	-	12,500	-	-
John Mansanti [3]	2025	9,475	-	-	-	-	-	9,475	-	-
EXECUTIVES										
Mark Wall [4]	**2026**	**369,391**	**563,213**	**-**	**-**	**286,310**	**-**	**1,218,914**	**46.21**	**23.49**
Megan McPherson [5]	**2026**	**296,889**	**326,213**	**30,000**	**-**	**653,473**	**-**	**1,306,575**	**24.97**	**50.01**
	2025	48,798	-	4,771	-	-	-	53,569	-	-
Chris Gibbs[6]	**2026**	**46,067**		**3,500**		**432,483**	**380,000**	**862,050**	**-**	**50.17**
	2025	325,000	-	27,978	-	202,098	-	555,076	36.4	36.4
Donald Swartz [7]	2025	64,544	-	-	-	20,811	501,388	586,743	-	3.5
Total	**2026**	**1,113,628**	**889,426**	**33,500**	**-**	**1,557,106**	**380,000**	**3,973,660**	**22.38**	**39.19**
	2025	832,258	-	32,749	-	734,396	501,388	2,100,791	34.95	34.95

1. Mr Hugh Keller resigned from the Board of ARR on 28 October 2025. In accordance with the terms of the applicable option grants and the Option Share Trust Plan, Mr Keller retained his existing options following his resignation.
2. Mr Geoff Hill retired from the Board of ARR on 1 October 2024. As a founding shareholder and long-standing member of the Board, Mr Hill's contribution over a 35-year tenure has been instrumental in positioning the Company to unlock the full potential of the Halleck Creek Project. Mr Hill continues as a consultant to the Chairman of the Board.
3. Mr John Mansanti retired from the board on 31 August 2024. He continues to contribute to the Company via a consultancy agreement. His depth of experience and technical knowledge is invaluable as the Company progresses both the pre-feasibility and optimisation work on the Halleck Creek Project.

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4. Mr Mark Wall was appointed as Chief Executive Officer on 22 December 2025. Mr Wall received a sign on bonus of US$215,000 payable in two equal tranches, with the first tranche paid on commencement and the second tranche payable on the first anniversary of commencement. Mr Wall also received 2,000,000 unlisted options exercisable at $0.3882 with a three-year term. On 2 March 2026, the Company announced the consolidation of the CEO and President role. Mr Wall was awarded a further 4,000,000 unlisted options exercisable at $0.3808 with a five-year term. Mr Wall was also awarded a short-term incentive bonus of US$226,395 for FY 2026. This STI was paid on 31 July 2026.

5. Ms Megan McPherson was appointed as Chief Financial Officer on 5 May 2025. Ms McPherson was awarded a cash retention incentive of $138,000 payable in three tranches following the resignation of Chris Gibbs. She was also awarded 4,000,000 unlisted options exercisable at $0.30 with a three-year term. On March 2, 2026, Ms McPherson was also appointed as Company Secretary. Ms McPherson was also awarded a short-term incentive bonus of $188,213 for FY 2026. This STI was paid on 31 July 2026.

6. Mr Chris Gibbs resigned as Managing Director/ CEO of the Company effective 31 July 2025. Mr Gibbs received a termination payment of $380,000. As part of his separation agreement, Mr Gibbs retained his options with performance and/ or vesting conditions waived.

7. Mr Donald Swartz resigned as CEO of the Company effective 8 August 2024. Mr Swartz received a termination payment of US$325,000.

Equity Instruments held by Key Management Personnel

The number of shares and options over shares in the Company held during the financial year by each Director of and each of the other key management personnel, including their personally related entities, are set out below:

Movement in Shareholdings held by Key Management Personnel [1]

	Held at 30 June 2025	Other Changes During the Year	Held at 30 June 2026
2026			
Directors and Key Management			
Richard Hudson	**400,000**	100,000	**500,000**
Sten Gustafson	**-**	65,250[2]	**65,250**
Melissa Sanderson	**-**	-	**-**
Brian Arkell	**-**	25,000	**25,000**
Jason Beckton	**-**	-	**-**
Hugh Keller	**130,000**	(130,000)[3]	**-**
Mark Wall	**-**	-	**-**
Megan McPherson	**-**	-	**-**
Chris Gibbs	**3,829,916**	(3,829,916)[4]	
Total	**4,359,916**	**(3,769,666)**	**590,250**

[1] Held directly and in-directly

[2] S Gustafson purchased 1,305 ADRs during the year which is the equivalent of 65,250 fully paid ordinary shares

[3] H Keller ceased to be KMP on 28 October 2025

[4] C Gibbs ceased to be KMP on 31 July 2025

No shares were granted as remuneration during the year ending 30 June 2026.

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Compensation options: Granted and vested during the year

There was a total of 10,250,000 options issued to KMP as remuneration during 2026. The balances and movements of the options held by the Directors and key management personnel are:

KMP	Vested	Quoted	Expiry Date	Exercise Price	Opening 1 July 2025	Issued	Expired/ ceased to be KMP	Exercised	Closing 30 June 2026
Richard Hudson	Partial	No	5/12/2025 30/11/2027 23/12/2027	$0.40 $0.3274 $0.25	2,000,000 1,000,000 2,000,000	- - -	(2,000,000) - -	- - -	- 1,000,000 2,000,000
Sten Gustafson	-	-	-	-	-	-	-	-	-
Mel Sanderson	Partial	No	30/11/2027	$0.3274	1,000,000	-	-	-	1,000,000
Brian Arkell	Yes	No	30/11/2028	$0.4818	-	250,000	-	-	250,000
Jason Beckton	-	-	-	-	-	-	-	-	-
Mark Wall	No	No	22/12/2028 31/3/2031	$0.3882 $0.3808	- -	2,000,000 4,000,000	- -	- -	2,000,000 4,000,000
Megan McPherson	Partial	No	19/12/2028	$0.30	-	4,000,000	-	-	4,000,000
Hugh Keller (resigned 28 October 2025)	Partial	No	30/11/2027	$0.3274	1,000,000	-	(1,000,000)	-	-
Chris Gibbs (resigned 31 July 2025)	Yes	No	6/12/2026 7/12/2025 7/12/2027 30/11/2027	$0.20 $0.40 $0.47 $0.3274	500,000 5,000,000 5,000,000 2,000,000	- - - -	(500,000) (5,000,000) (5,000,000) (2,000,000)	- - - -	- - - -
					19,500,000	**10,250,000**	**(15,500,000)**	**-**	**14,250,000**

Compensation options granted during FY2026

Details of options granted to Key Management Personnel as remuneration during FY2026, including grant date fair value, vesting conditions and vested and exercisable balances at 30 June 2026, are set out below.

Executive	Grant Date	Number Granted	Fair Value per option ($)	Vesting Conditions	Vested at 30 June 2026	Exercisable at 30 June 2026
Mark Wall	23 Dec 2025	1,000,000	0.21	Vest in two equal tranches on the first and second anniversary of commencement, subject to continued employment	Nil	Nil
		1,000,000	0.22			
Mark Wall	26 Mar 2026	1,333,333	0.18	Vest in three equal tranches on the first, second and third anniversary of grant, subject to continued employment	Nil	Nil
		1,333,333	0.19			
		1,333,334	0.21			

Megan McPherson	19 Dec 2025	2,000,000	0.21	50% vested on grant, 50% vest on first anniversary of grant subject to continued employment	2,000,000	2,000,000
		2,000,000	0.24			
Brian Arkell	12 Dec 2025	250,000	0.16	100% vested upon grant	250,000	250,000

Loans to Key Management Personnel

There were no loans to key management personnel during the year.

Transactions with Key Management Personnel and their Related Entities

During the year, the Company entered into transactions with Key Management Personnel and their related entities on normal commercial terms and conditions.

Related Party	Nature of Transaction	2026 ($)	2025 ($)
Melissa Sanderson-related entity[1]	Strategic and advisory consulting services	77,023	163,526
Chris Gibbs- related entity[2]	Consulting services	-	29,318
Geoff Hill- related entity	Share of office rental and use of office facilities	-	8,601
	Total	77,023	201,445

[1] Ms Melissa Sanderson was engaged as a consultant until 30 November 2025 for services provided to the Group separate to her obligations and responsibilities as a director. The additional work focuses on advancing government affairs, ESG priorities and public relations. Her appointment as Co-Chair of the Critical Minerals Institute further enhances this work.

[2] Mr Chris Gibbs provided consultancy services to the Group during the period 1 September 2023 and 31 July 2024 for services separate to his role as a director primarily to support the transition of executive responsibilities to the newly appointed Chief Executive Officer, including leadership transition and handover activities, investor relations support, U.S. capital markets initiatives, project development and strategic advisory services.

All transactions with Key Management Personnel and their related entities were conducted on normal commercial terms and conditions and approved in accordance with the Company's related party transaction approval processes.

End of remuneration report – Audited.

Signed in accordance with a resolution of the directors

Richard Hudson Chairman 30 September 2026	Sten Gustafson Director 30 September 2026

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AUDITOR'S INDEPENDENCE DECLARATION

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DECLARATION OF INDEPENDENCE BY R M SWABY TO THE DIRECTORS OF AMERICAN RARE EARTHS LIMITED

As lead auditor of American Rare Earths Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of American Rare Earths Limited and the entities it controlled during the period.

R M Swaby

Director

BDO Audit Pty Ltd

Brisbane, 30 September 2026

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Financials

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CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 A$	2025 A$
Interest income		**811,707**	700,077
Other income		**-**	26,861
Other gains/(losses) - net	2	**2,124,718**	(852,320)
Administrative expenses	3	**(8,255,081)**	(4,358,997)
Exploration expenses	4	**(397,047)**	(1,975,377)
Interest paid on lease liabilities		**(3,451)**	(5,614)
Loss before income tax		**(5,719,154)**	(6,465,370)
Income tax expenses	5	**-**	-
Loss for the year		**(5,719,154)**	(6,465,370)
Other comprehensive income/(loss)			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		**(1,162,426)**	(220,415)
Total other comprehensive loss		**(1,162,426)**	(220,415)
Total comprehensive income/(loss)		**(6,881,580)**	(6,685,785)

Loss per Share		**Cents per share**	Cents per share
Basic loss per share	23	**(1.01)**	(1.29)
Diluted loss per share	23	**(1.01)**	(1.29)

The accompanying notes form part of these consolidated financial statements

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	2026 A$	2025 A$
ASSETS			
Current assets			
Cash and cash equivalents	6	**18,550,987**	9,353,143
Other receivables	7	**899,158**	248,558
Prepayments		**27,805**	34,488
Financial assets at amortised cost	12	**-**	1,026,795
Total current assets		**19,477,950**	10,662,984
Non-current assets			
Other receivables	7	**-**	164,029
Property, plant and equipment	8	**894,754**	114,995
Right-of-use assets	9	**29,142**	175,401
Exploration and evaluation assets	10	**31,037,111**	18,827,252
Security deposits	11	**275,136**	393,124
Financial assets at FVTPL	13	**311,740**	996,493
Total non-current assets		**32,547,883**	20,671,294
Total assets		**52,025,833**	31,334,278
LIABILITIES			
Current liabilities			
Trade and other payables	14	**4,120,222**	955,419
Provisions		**47,793**	85,494
Lease liabilities	15	**25,674**	155,947
Total current liabilities		**4,193,689**	1,196,860
Non-current liabilities			
Lease liabilities	15	**-**	26,924
Total non-current liabilities		**-**	26,924
Total liabilities		**4,193,689**	1,223,784
Net assets		**47,832,144**	30,110,494
EQUITY			
Share capital	16	**74,194,390**	50,338,838
Share-based payments reserves	17	**3,870,256**	3,461,032
Foreign currency translation reserves	17	**(1,178,062)**	(15,636)
Accumulated losses		**(29,054,440)**	(23,673,740)
Total equity		**47,832,144**	30,110,494

The accompanying notes form part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2026

2026	Share capital A$ (Note 15)	Other reserves A$ (Note 16)	Accumulated losses A$	Total equity A$
Balance at beginning of year	50,338,838	3,445,396	(23,673,740)	30,110,494
Loss for the year	**-**	**-**	**(5,719,154)**	**(5,719,154)**
Other comprehensive income	**-**	**(1,162,426)**	**-**	**(1,162,426)**
Total comprehensive Income for the year	**-**	**(1,162,426)**	**(5,719,154)**	**(6,881,580)**
Transactions with owners in their capacity as owners:				
Share issue net of costs	**23,855,552**	**(1,833,704)**	**-**	**22,021,848**
Options cancelled	**-**	**(338,454)**	**338,454**	**-**
Equity-settled share-based payments	**-**	**2,581,382**	**-**	**2,581,382**
	23,855,552	**409,224**	**338,454**	**24,603,230**
Balance at end of year	**74,194,390**	**2,692,194**	**(29,054,440)**	**47,832,144**
2025				
Balance at beginning of year	46,687,101	3,586,129	(17,215,109)	33,058,121
Loss for the year	-	-	(6,465,370)	(6,465,370)
Other comprehensive income	-	(220,415)	-	(220,415)
Total comprehensive Income for the year	-	(220,415)	(6,465,370)	(6,685,785)
Transactions with owners in their capacity as owners:				
Share issue net of costs	3,651,737	(931,737)	-	2,720,000
Options cancelled	-	(6,739)	6,739	-
Equity-settled share-based payments	-	1,018,158	-	1,018,158
	3,651,737	79,682	6,739	3,738,158
Balance at end of year	50,338,838	3,445,396	(23,673,740)	30,110,494

The accompanying notes form part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2026

	Note	2026 A$	2025 A$
Cash flows from operating activities			
Interest received		**811,707**	673,282
Interest paid on lease liabilities		**(3,451)**	(5,614)
Payments to suppliers and employees (GST inclusive)		**(5,032,027)**	(5,094,947)
Net cash used in operating activities	21	**(4,223,771)**	(4,427,279)
Cash flows from investing activities			
Exploration and evaluation expenditure		**(13,134,277)**	(7,470,876)
Proceeds from government grants		**1,497,346**	1,277,578
Payments for plant, property and equipment		**(828,333)**	(12,320)
Purchase of investments		**-**	(712,931)
Proceeds from promissory notes		**1,000,000**	2,000,000
Proceeds from sale of financial assets		**2,897,712**	-
Security deposits received/(paid)		**117,988**	(92,961)
Net cash used in investing activities		**(8,449,564)**	(5,011,510)
Cash flows from financing activities			
Issue of shares		**22,921,848**	2,720,000
Share issue costs		**(900,000)**	-
Payments of lease liabilities (principal)		**(150,669)**	(227,618)
Net cash from financing activities		**21,871,179**	2,492,382
Net increase in cash and cash equivalents		**9,197,844**	(6,946,407)
Cash and cash equivalents at the beginning of the year		9,353,143	16,299,550
Cash and cash equivalents at the end of the year		**18,550,987**	9,353,143
Cash comprises:			
Cash at bank		**18,550,987**	9,353,143

The accompanying notes form part of these consolidated financial statements.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Material 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 Group consists of American Rare Earths Limited and its subsidiaries (the "Group") as at 30 June 2026. A list of the subsidiaries is provided in Note 27. These financial statements comprise the consolidated financial statements of the Group.

The Company and its subsidiaries are engaged in minerals exploration.

The Directors authorised these financial statements for issue on 30 September 2026.

Statement of compliance: These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB).

Measurement base: The accounting principles adopted are those recognised as appropriate for the measurement and reporting of financial performance and financial position on the historical cost basis modified by the revaluation of certain financial assets. The accruals basis of accounting has been used unless otherwise stated, and the financial statements have been prepared on a going concern basis.

Reporting currency: The financial statements are presented in Australian dollars (A$), which is ARR's functional and presentation currency.

Going Concern:

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

For the year ended 30 June 2026, the Group recorded a net loss of A$5,719,154 (2025: A$6,465,370) and net cash outflows from operating activities of A$4,223,771 (2025: A$4,427,279). As at 30 June 2026, the Group had cash and cash equivalents of A$18,550,987 (2025: A$9,353,143), net current assets of A$15,284,261 (2025: A$9,466,124) and net assets of A$47,832,144 (2025: A$30,110,494).

The Directors have reviewed the Group's cash flow forecasts covering a period of at least 12 months from the date of approval of these financial statements. These forecasts incorporate planned corporate, exploration, study and project development activities.

In forming their going concern assessment, the Directors considered:

- the Group's cash and cash equivalents of A$18,550,987 at 30 June 2026;
- forecast cash requirements for the assessment period;
- the discretionary nature of a significant portion of planned exploration, study and project development expenditure, which can be deferred, reduced or reprioritised if required;
- the Group's ability to access alternative sources of funding, including equity capital, government funding programs, strategic investments and other financing arrangements; and
- the Group's demonstrated history of successfully raising capital to fund its activities.

The Group's cash flow forecasts indicate that additional funding will be required during the assessment period in order to continue planned exploration, study and project development activities beyond the Group's currently available cash resources.

The Directors have also considered a downside scenario under which discretionary exploration, study and project development expenditure is reduced, deferred or reprioritised. These measures would preserve cash resources but may not, in isolation, provide sufficient funding for the Group to continue all planned operations throughout the assessment period.

The Group's ability to continue as a going concern is therefore dependent on securing additional funding and, where necessary, implementing measures to reduce or defer discretionary expenditure. While the Directors have reasonable grounds to expect that the Group will be able to secure sufficient funding, there

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can be no assurance that funding will be obtained in the required timeframe or on terms acceptable to the Group.

These events and conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business.

Notwithstanding this material uncertainty, the Directors consider that the Group has reasonable grounds to expect that it will be able to secure sufficient funding and, if required, adjust the timing and extent of its discretionary expenditure. Accordingly, the Directors consider it appropriate to prepare the financial statements on a going concern basis.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, that might be necessary if the Group were unable to continue as a going concern.

Material accounting policies

The following accounting policies which materially affect the measurement of financial results and financial position has been applied:

(a) Fair value measurement: The Group measures financial instruments such as investments in listed equity shares at fair value at each reporting date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised using the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measure as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

(b) Government grants: Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions. Note 6 provides further information on how the group accounts for government grants.

(c) Income tax: American Rare Earths Limited and its wholly owned Australian-controlled entities have implemented the tax consolidation legislation.

The head entity, American Rare Earths Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax-consolidated group were a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, American Rare Earths Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

(d) Financial instruments:

Financial instruments recognised in the consolidated statement of financial position include cash at bank, receivables, payables and borrowings. Receivables and payables are initially recorded at fair value and subsequently amortised using the effective interest method. Borrowings are initially recorded at fair value net of transaction costs and subsequently at amortised cost using the effective interest method. Borrowing costs are recognised as an expense in the period incurred.

The Company's promissory note receivable is measured at amortised cost and listed share investments are carried at market value with fair value movements recognised in the profit or loss.

The Company has no off-balance sheet financial instruments.

(e) Prospecting costs: Acquisition, exploration and development expenditure on exploration and mining tenements is initially recorded at cost. Exploration and evaluation costs are capitalised as deferred expenditure.

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In the event where exploration demonstrates a tenement is no longer prospective for economically recoverable reserves, or the exploration licence is relinquished, the value or cost of the tenement is immediately recognised as an expense in the statement of comprehensive income.

Prospecting costs are expected to be recovered from future mining revenues. The recoverability of the exploration and evaluation asset is contingent upon future events, such as technical success and commercial development, sale of the area of interest, the results of further exploration, agreements entered into with other parties, and also upon meeting commitments under the terms of the tenement licences.

(f) Impairment of non-financial assets:

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's (cash generating unit's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(g) Property, plant, and equipment: All property, plant and equipment is initially recorded at cost.

Depreciation is provided for on a straight-line basis on all plant and equipment. Leased assets are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.

Major depreciation periods are:

Capital work in progress – not depreciated

Computer and office equipment – 3 to 5 years

Motor vehicles – 4 to 5 years

(h) Consolidation: In the Company's separate financial statements, the investment in subsidiaries is stated at cost less any impairment losses.

(i) Restoration and rehabilitation provisions: For any close-down restoration and environmental clean-up costs from exploration programs, a provision will be made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

(j) Share-based payments: The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using Black-Scholes Option Pricing Models. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied. The cost is recognised in share-based payments expense, together with a corresponding increase in equity over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant assumptions and estimates is provided in the relevant accounting policy or will be provided in the relevant Note.

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The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Judgement and estimation uncertainty

The effect of judgement is greatest in the assessment of impairment to capitalised exploration and evaluation expenditure. Directors have reviewed facts and circumstances surrounding the capitalised exploration and evaluation expenditure (also refer to note 9).

New and amended standards and interpretations:

The Group has adopted all the new or amended Accounting Standards and Interpretations that are mandatory for the current reporting period.

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period, which includes AASB 18 / IFRS 18 Presentation and Disclosure in Financial Statements, which replaces AASB 101 *Presentation of Financial Statements* and requires income and expenses to be classified in profit or loss as one of five categories, being investing, financing, income taxes, discontinued operations and operating (which is a residual category). AASB 18 also requires disclosures related to management-defined performance measures in the notes to the financial statements. Adoption of AASB 18 may affect the presentation and classification of income and expenses in the financial statements and may require additional disclosures.

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2. Other gains/(losses) - net

	Consolidated 2026 A$	2025 A$
Fair value adjustments on equity instruments	**2,212,959**	(845,511)
Foreign exchange gain/(loss)	**(88,241)**	(6,809)
Total Other gains/(losses) - net	**2,124,718**	(852,320)

3. Administrative expenses

	Consolidated 2026 A$	2025 A$
Auditors' remuneration (refer to note 25)	**(484,100)**	(53,956)
Accounting, company secretarial and legal	**(611,564)**	(165,484)
Consulting fees	**(434,379)**	(1,007,135)
Directors' fees	**(401,262)**	(377,448)
Share-based payment expenses	**(2,581,382)**	(1,018,158)
Depreciation	**(53,157)**	(63,327)
Salaries and related expenses	**(2,203,477)**	(444,471)
Listing and registry	**(370,653)**	(150,144)
Marketing and promotion	**(129,486)**	(111,019)
Investor relations	**(250,133)**	(337,962)
Other administrative expenses	**(735,488)**	(629,893)
Total administrative expenses	**(8,255,081)**	(4,358,997)

4. Exploration expenses

	Consolidated 2026 A$	2025 A$
Consulting fees	**(44,698)**	(186,100)
Depreciation	**(50,042)**	(71,325)
Salaries and related expenses	**(300,753)**	(1,708,643)
Other exploration expenses	**(1,554)**	(9,309)
Total exploration expenses	**(397,047)**	(1,975,377)

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5. Income Taxation

	Consolidated 2026 A$	2025 A$
Income tax expense/benefit		
The components of income tax expense/benefit comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
Reconciliation of income tax expense/(benefit) to prima facie tax payable on accounting profit/(loss):		
Loss for the year before income tax	**(5,719,154)**	(6,465,370)
Prima facie income tax benefit/(expense) at 30% (2025: 30%)	**1,715,746**	1,939,611
Less effect of permanent differences:		
Share-based payments	**(774,415)**	(305,448)
Gain on sale of assets	**(329,885)**	-
Other	**(55,998)**	(7,508)
	555,448	1,626,655
Temporary differences:		
Share issue costs	**186,292**	155,539
Financial assets fair value movements	**663,888**	(253,653)
Other	**(19,675)**	(7,990)
Income tax benefit/(expense)	**1,385,953**	1,520,551
Prior year tax under-provided		-
Income tax benefit recognised /(not recognised)	**(1,385,953)**	(1,520,551)
Income tax expense recognised	**-**	-
Deferred tax assets not brought to account:		
The directors estimate that the potential future income tax benefits carried forward but not brought to account at year end at the Australian corporate tax rate of 30% (2025: 30%) are made up as follows:		
Carry forward tax losses	**4,414,212**	3,265,945
Share issue costs	**371,038**	287,330
Financial assets	**171,810**	505,812
Other deductible temporary differences	**38,864**	18,490
Taxable temporary differences	**-**	(15,947)
	4,995,924	4,061,630

Deferred tax and income tax benefits are not recognised unless future taxable income is probable.

The Company has established that the business operations and the central management and control are currently in Australia. It follows that in accordance with the double tax agreement between Australia and New Zealand, the Company is treated as a resident of Australia.

Losses accrued in Australia will be available to offset future taxable income only if:

(a) The Company derives future assessable income of a nature and amount sufficient to offset the losses.

(b) The Company continues to comply with the conditions for deductibility imposed by the Law; and

(c) There are no changes in the legislation that would adversely affect the deductibility of the losses.

From 1 July 2014, the Company is part of a consolidated tax group. Carried forward losses of the Group are A$14,714,038 (2025: A$10,886,488).

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6. Cash and cash equivalents

	Consolidated 2026 A$	2025 A$
Current		
Cash at bank	**18,550,987**	9,353,143
	18,550,987	9,353,143

Cash and cash equivalents of $18.6 million at 30 June 2026 represent the Group's primary source of funding for planned exploration, study and project development activities during the assessment period.

Included in cash and cash equivalents at 30 June 2026 is a term deposit of $52,607 held as security for a bank guarantee associated with the Company's Sydney office lease. Subsequent to year end, following termination of the lease, the bank guarantee was released and the term deposit funds were returned to the Company's operating bank account.

7. Other receivables

	Consolidated 2026 A$	2025 A$
Current		
Wyoming Grant	**854,414**	211,884
GST refundable	**38,845**	30,090
Other receivables	**5,899**	6,584
	899,158	248,558
Non-current		
Wyoming Grant	**-**	164,029
	-	164,029

On 27 June 2024, the Group announced that the Cowboy State Mine at Halleck Creek had been approved for funding under a three-year Wyoming Energy Authority ("WEA") matching grant program of up to US$7,100,000. The grant reimburses eligible project expenditure incurred on approved activities, generally at 50% of qualifying costs, following submission of reimbursement claims and supporting documentation.

During the year, total submissions made under the grant were A$2,365,379 or US$1,624,779 (2025 A$1,640,285 or US$1,074,387). As of 30 June 2026, approximately A$6,406,804, or US$4,400,834 (2025 A$9,199,394 or US$6,025,613) of the grant remains available, providing meaningful support for ongoing development.

The Group recognises a grant receivable when eligible expenditure has been incurred, a reimbursement claim has been submitted and management concludes there is reasonable assurance that the conditions attaching to the grant will be satisfied and the reimbursement will be received. Grant funding relating to exploration and evaluation activities is recognised as a reduction of the carrying amount of exploration and evaluation assets, while grant funding relating to plant and equipment is recognised as a reduction of the carrying amount of the related asset.

Under the funding agreement, approximately 10% of approved reimbursement claims is retained by the WEA until completion of final reporting and project close-out requirements. The retained amount remains recognised as a receivable as the underlying expenditure has been incurred, the reimbursement claims have been approved and management expects the remaining administrative requirements to be satisfied. At 30 June 2026, the entire grant receivable was classified as current as settlement is expected within 12 months.

The Group separately assessed the Wyoming Grant receivable for expected credit losses and determined that no loss allowance was required at 30 June 2026.

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8. Property, Plant and Equipment

2025	Computers and office equipment	Motor Vehicles	Capital Work In Progress	Total
At 1 July 2024				
Cost	187,936	-	-	187,936
Accumulated depreciation	(55,514)	-	-	(55,514)
Net book amount	132,422	-	-	132,422
Balance at beginning of year	132,422	-	-	132,422
Additions	12,320	-	-	12,320
Transfer from right-of-use assets	-	72,181	-	72,181
Disposals	(21,017)	(6,281)	-	(27,298)
Depreciation	(63,547)	(11,083)	-	(74,630)
Currency translation	983	(983)	-	-
Balance at end of year	**61,161**	**53,834**	**-**	**114,995**
Cost	161,325	68,724	-	230,049
Accumulated depreciation	(100,164)	(14,890)	-	(115,054)
Net book amount	**61,161**	**53,834**	**-**	**114,995**
2026				
Balance at beginning of year	61,161	53,834	-	114,995
Additions	7,841	63,728	774,584	846,153
Disposals	(7,420)	-	-	(7,420)
Depreciation	(27,725)	(16,451)	-	(44,176)
Currency translation	(2,515)	(3,062)	(9,221)	(14,798)
Balance at end of year	**31,342**	**98,049**	**765,363**	**894,754**
Cost	155,324	128,502	765,363	1,049,189
Accumulated depreciation	(123,982)	(30,453)	-	(154,435)
Net book amount	**31,342**	**98,049**	**765,363**	**894,754**

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9. Right-of-use assets:

	Offices	Motor Vehicles	Total
2025			
At 1 July 2024			
Cost	650,036	76,259	726,295
Accumulated depreciation	(389,571)	(1,271)	(390,842)
Net book amount	260,465	74,988	335,453
Balance at beginning of year	260,465	74,988	335,453
Additions	66,446	-	66,446
Transfer to property, plant and equipment	-	(72,181)	(72,181)
Depreciation*	(152,667)	(2,807)	(155,474)
Currency translation	1,157	-	1,157
Balance at end of year	**175,401**	**-**	**175,401**
Cost	716,733	-	716,733
Accumulated depreciation	(541,332)	-	(541,332)
Net book amount	**175,401**	**-**	**175,401**

* Includes $92,645 capitalised to exploration and evaluation assets

2026			
Balance at beginning of year	175,401	-	175,401
Depreciation*	(141,636)	-	(141,636)
Currency translation	(4,623)	-	(4,623)
Balance at end of year	**29,142**	**-**	**29,142**
Cost	703,960	-	703,960
Accumulated depreciation	(674,818)	-	(674,818)
Net book amount	**29,142**	**-**	**29,142**

* Includes $88,479 capitalised to exploration and evaluation assets

Additional information on right-of-use assets:

Office lease	**2026**	2025
(i) Income on sub-leasing	**-**	26,861
(ii) Total cash outflow on lease	**(154,120)**	(233,232)
(iii) Interest paid on lease liabilities	**(3,451)**	(5,614)

10. Exploration and evaluation assets

	Consolidated	
	2026	2025
	A$	A$
Prospecting costs and mining tenements		
Balance at the beginning of the year	**18,827,252**	12,773,702
Exploration and evaluation expenses	**14,313,548**	7,691,257
Government grants	**(1,999,279)**	(1,657,417)
Exchange difference	**(104,410)**	19,710
Balance at year end	**31,037,111**	18,827,252

Prospecting expenditure, including exploration and evaluation expenditure, is recorded as a non-current asset and carried at historical cost less any impairment adjustment.

The ultimate recovery of the carrying amount in the exploration and evaluation expenditure is dependent on the establishment of economic operations or the realisation of the Group's economic interest in the relevant mining tenements.

In accordance with IFRS 6, management has verified that there are no facts and circumstances that may suggest that the carrying value of the exploration and evaluation asset may exceed its recoverable amount.

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11. Security deposits

	Consolidated 2026 A$	2025 A$
Security deposits for tenements	**275,136**	393,124

12. Financial assets at amortised cost

	Consolidated 2026 A$	2025 A$
Current		
5-year promissory note at amortised cost	**-**	1,026,795
	-	1,026,795

The 5-year promissory note had a face value of A$3,000,000 maturing on 17 January 2025. A$2,180,000 (including interest of $180,000) was repaid on that date. The repayment of the remaining balance of A$1,000,000 was extended and repaid on 1 October 2025. Interest totalling A$42,082 (A$26,795 accrued as at 30 June 2025) is also payable at maturity, accruing at a rate of 6% per annum commencing from 18 January 2025. As part of the consideration for agreeing to the amended terms of the promissory note, ARR was issued with 335,882 fully paid ordinary shares in Cobalt Blue Holdings Limited (ASX: COB).

13. Financial assets at fair value through profit or loss

	Consolidated 2026 A$	2025 A$
Non-current		
Fair value hierarchy level 1:		
Shares in listed entities at fair value	**311,740**	996,493
	311,740	996,493

14. Trade and other payables

	Consolidated 2026 A$	2025 A$
Trade payables	**1,920,485**	341,375
Payroll tax & superannuation	**57,459**	78,766
Accrued employee bonuses	**628,585**	326,718
Accrued project and development costs	**1,357,309**	-
Other accruals	**156,384**	208,560
	4,120,222	955,419

Trade payables are unsecured and are usually paid within 30 days of recognition. Where tradevpayables are settled via electronic cash transfer, they are derecognised when the group has no abilityvto withdraw, stop or cancel the payment, has lost the practical ability to access the cash as a result ofvthe electronic payment instruction, and the risk of a settlement not occurring is insignificant.

Other payables and accrued expenses primarily comprise accrued drilling, metallurgical testing, engineering, permitting and consulting costs associated with the Group's U.S. rare earth projects. A significant proportion of these accruals relate to drilling activities underway at 30 June 2026. These balances are unsecured, non-interest bearing and are generally expected to be settled within 12 months.

The carrying amounts of trade and other payables are considered to be reasonable approximations of their fair values, due to their short-term nature.

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15. Lease liabilities

	Consolidated	
	2026	2025
	A$	A$
Current liabilities	**25,674**	155,947
Non-current liabilities	**-**	26,924
Total Lease liabilities	**25,674**	182,871

The Sydney office lease was renewed on 1 April 2025 for 15 months at A$6,667 per month, with annual indexation of 3.25%, and is not being renewed. The Denver office lease was initiated on 31 August 2023 for 38 months, with a rent incentive for the first two months and a fixed rate of 1.89% per annum. A motor vehicle lease was initiated on 30 May 2024 for 5 years at 5.85% per annum, with the first payment due in July 2024 and was paid out during the financial year ended 30 June 2025.

16. Issued share capital

	Consolidated	
	2026	2025
	A$	A$
580,867,959 ordinary shares (2025: 507,423,299)	**74,194,390**	50,338,838
Movement in share capital	**No. of shares**	**A$**
Share capital at 30 June 2024	493,423,299	46,687,101
Movements during the year ended 30 June 2025:		
Shares issued on exercising options	14,000,000	2,720,000
Options exercised transferred from share-based payments reserve	-	931,737
Share capital at 30 June 2025	507,423,299	50,338,838
Movements during the year ended 30 June 2026:		
Shares issued from placement	46,875,000	15,000,000
Shares issued on exercising options	26,569,660	7,921,848
Options exercised transferred from share-based payments reserve	-	1,833,704
Share issue costs	-	(900,000)
Share capital at 30 June 2026	**580,867,959**	**74,194,390**

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends, as declared from time to time, and are entitled to one vote per share at shareholders' meetings. In the event of the Company's winding up, ordinary shareholders rank after all creditors and are entitled to any proceeds of liquidation. Ordinary shares have no par value, and the Company has unlimited authorised capital.

Capital Management

Management controls the Company's capital to provide capital growth for shareholders and to ensure the Company can fund its operations and continue as a going concern. The Company's capital includes ordinary share capital, reserves and accumulated losses as disclosed in the Statement of Financial Position. There are no externally imposed capital requirements. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues.

There have been no changes to the strategy adopted by management to control the Group's capital since the prior year.

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17. Other reserves

	Share-based payments A$	Foreign currency translation A$	Total Other reserves A$
2025			
At beginning of year	3,381,350	204,779	3,586,129
Share-based payments expense	1,018,158	-	1,018,158
Options exercised transferred to issued share capital	(931,737)	-	(931,737)
Options cancelled transferred to accumulated losses	(6,739)	-	(6,739)
Exchange difference arising on foreign operations	-	(220,415)	(220,415)
Other comprehensive income	79,682	(220,415)	(140,733)
At end of year	3,461,032	(15,636)	3,445,396
2026			
At beginning of year	3,461,032	(15,636)	3,445,396
Share-based payments expense	2,581,382	-	2,581,382
Options exercised transferred to issued share capital	(1,833,704)	-	(1,833,704)
Options cancelled transferred to accumulated losses	(338,454)	-	(338,454)
Exchange difference arising on foreign operations	-	(1,162,426)	(1,162,426)
Other comprehensive income	409,224	(1,162,426)	(753,202)
At end of year	**3,870,256**	**(1,178,062)**	**2,692,194**

Share-Based Payment Reserve

The reserve records:

- the fair value of equity-settled share-based payments recognised in accordance with AASB 2 *Share-based Payment.*

Upon exercise of options, the balance attributable to those options is transferred to issued capital. Upon expiry or cancellation of options, the related balance is transferred to accumulated losses.

Foreign Currency Translation Reserve

This is used to record exchange differences arising from translating the financial statements of foreign subsidiaries.

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Movement in options on issue	**No of options**
Options at 30 June 2024	57,100,000
Movements during the year ending 30 June 2025:	
Options cancelled during the year[1]	(100,000)
Options issued during the year	14,500,000
Options exercised	(14,000,000)
Options at 30 June 2025	57,500,000
Movements during the year ending 30 June 2026:	
Options cancelled during the year[1]	**(5,190,500)**
Options issued during the year	**19,250,000**
Options exercised	**(26,569,660)**
Options at 30 June 2026	**44,989,840**

Details of outstanding unquoted options at 30 June 2026 are:

Expiry Date	Exercise Price	No. of options	Description
17 August 2026	$0.22	3,000,000	KMP/ employee options
6 December 2026	$0.20	500,000	KMP/ employee options
7 December 2027	$0.47	5,000,000	KMP/ employee options
18 December 2027	$0.47	1,000,000	KMP/ employee options
28 February 2027	$0.45	6,000,000	Capital raise/ broker options
30 November 2027	$0.3274	5,000,000	KMP/ employee options
23 December 2027	$0.25	2,000,000	KMP/ employee options
11 July 2029	$0.35	3,000,000	KMP/ employee options
16 July 2029	$0.30	2,000,000	KMP/ employee options
30 November 2028	$0.4818	250,000	KMP/ employee options
19 December 2028	$0.30	10,239,840	KMP/ employee options
22 December 2028	$0.3882	2,000,000	KMP/ employee options
31 March 2031	$0.3808	4,000,000	KMP/ employee options
31 March 2031	$0.3283	1,000,000	KMP/ employee options
		44,989,840	

[1] Upon expiry or cancellation of options, the balance of the option reserve relating to those options is transferred to accumulated losses.

Reconciliation of options outstanding

Of the total options outstanding at 30 June 2026, the following options were accounted for under AASB 2:

	2026	2025
KMP/ employee options	38,989,840	45,500,000
Capital raise/ broker options	6,000,000	12,000,000
	44,989,840	57,500,000

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18. Related parties

Refer to Note 18 and the Remuneration Report contained in the Directors' Report for details of remuneration paid or payable to members of the Group's Key Management Personnel.

There were no amounts payable to, or receivable from, Key Management Personnel or their related entities at 30 June 2026 (2025: payable A$8,534; receivable A$nil).

No related party debts were written off during the year.

The following transactions were undertaken with Key Management Personnel or their related entities on normal commercial terms and conditions:

Entity relating to	**2026 A$**	2025 A$
Melissa Sanderson[1]	**77,023**	163,526
Chris Gibbs[2]	**-**	29,318
Geoff Hill[3]	**-**	8,601
	77,023	201,445

[1] Melissa Sanderson was engaged as a consultant until 30 November 2025 for services provided to the Group separate from her duties as a Non-Executive Director. The services principally related to government affairs, ESG initiatives and public relations activities.

[2] Chris Gibbs provided consulting services to the Group for the period 1 September 2023 to 31 July 2024. The services related primarily to executive transition and handover activities, investor relations support, U.S. capital markets initiatives, project development and strategic advisory services.

[3] Amounts charged to Geoff Hill's related entity for share of office rental and use of office facilities during the year. Geoff Hill retired as a director of the Company on 1 October 2024.

19. Key management personnel

	Consolidated	
	2026 A$	2025 A$
Short-term benefits	**2,003,054**	832,258
Post-employment benefits	**33,500**	32,749
Share-based payments	**1,557,106**	734,396
Termination benefits	**380,000**	501,388
	3,973,660	2,100,791

20. Share-based payments

At the Company's Annual General Meeting held on 13 November 2025, it was approved to issue:

i. 250,000 options at a strike price of $0.4818 to Director B Arkell as remuneration for no cash consideration. The options were issued on 12 December 2025 and vested immediately upon grant.

During the year, the following options were issued to employees of the Company;

12,000,000 options at a strike price of $0.30 were issued to executives of the Company. 6,000,000 of these options vested immediately at issue date with the vesting of the remaining options subject to continued employment. As a result of the resignation of two employees during the period, the vesting condition of 4,000,000 options cannot be satisfied and therefore these options will lapse unvested. The options were issued on 19 December 2025.

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2,000,000 options at a strike price of $0.3882 and 4,000,000 options at a strike price of $0.3808 were issued to CEO Mark Wall upon the commencement of employment and at the time of appointment as President. The options were issued on 22 December 2025 and 31 March 2026 respectively. The vesting of the options are subject to continued employment.

1,000,000 options at a strike price of $0.3283 were issued to a US executive upon the commencement of employment. The options were issued on 29 March 2026. The vesting of the options are subject to continued employment.

Pursuant to a deed of settlement entered into during the year, the following options previously granted to former Chief Executive Officer Christopher Gibbs remained on issue and continue to be exercisable in accordance with their original expiry dates:

Expiry Date	Exercise Price	No. of options
6 December 2026	$0.20	500,000
7 December 2027	$0.47	5,000,000
30 November 2027	$0.3274	2,000,000

26,569,660 options at various strike prices were exercised during the period raising $7,921,848.

5,190,500 options lapsed upon the expiration of the exercise period.

A summary of the movements of all Company options issued as equity-settled share-based payments and related weighted average exercise price (WAEP) is as follows:

	Consolidated			
	Number of options 2026	**WAEP A$ 2026**	**Number of options** 2025	**WAEP A$** 2025
Options outstanding as at 1 July	**57,500,000**	**0.34**	57,100,000	0.27
Lapsed/Cancelled	**(5,190,500)**	**0.40**	(100,000)	0.20
Exercised	**(26,569,660)**	**0.30**	(14,000,000)	0.19
Granted	**19,250,000**	**0.33**	14,500,000	0.31
Options outstanding at 30 June	**44,989,840**	**0.35**	57,500,000	0.34

Of these outstanding options, 27,989,840 options are vested and exercisable.

The weighted average contractual life of options outstanding at year-end was 2.18 years (2025: 1.74 years).

The weighted average market price of the Company's ordinary shares at the dates on which options were exercised during the year was $0.52 per share (2025: $0.26 per share).

Share-based payments that were included in the statement of comprehensive income were $2,581,382 (2025: $1,018,158).

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Fair value of options granted

The fair value of options granted during the year was determined using the Black-Scholes option pricing model. The model incorporated assumptions relating to the share price at grant date, exercise price, expected volatility, expected option life, risk-free interest rate and expected dividend yield. Expected volatility was determined by reference to the historical volatility of the Company's share price over a period corresponding to the expected life of the options. The expected dividend yield was assumed to be nil.

The model inputs for options granted during the year ended 30 June 2026 included:

Date Granted	Expiry Date	Vesting Date	Number Granted	Expected Volatility %	Risk-free Interest Rate %	Weighted Ave. Life of Options Years	Exercise Price Cents	Share Price at Grant Date Cents	Fair Value of Option Cents
12 December 2025	30 November 2028	12 December 2025	250,000	83.4079	3.5928	1.5236	48.18	42.50	15.80
19 December 2025	19 December 2028	19 December 2025	6,000,000	83.3429	3.9000	1.5003	30.00	40.50	20.12
19 December 2025	19 December 2028	19 December 2026	6,000,000	95.307	3.9601	2.005	30.00	40.50	23.99
22 December 2025	22 December 2028	22 December 2026	1,000,000	96.4709	4.0001	2.005	38.82	38.50	20.11
22 December 2025	22 December 2028	22 December 2027	1,000,000	94.0762	4.0600	2.5000	38.82	38.50	21.70
26 March 2026	31 March 2031	31 March 2027	1,333,333	92.1656	4.5547	3.014	38.08	32.0	18.19
26 March 2026	31 March 2031	31 March 2028	1,333,333	89.6626	4.5642	3.514	38.08	32.0	19.09
26 March 2026	31 March 2031	31 March 2029	1,333,334	91.3098	4.5743	4.014	38.08	32.0	20.53
29 March 2026	31 March 2031	31 March 2027	333,333	92.2747	4.6311	3.006	32.83	32.0	19.20
29 March 2026	31 March 2031	31 March 2028	333,333	89.7330	4.6408	3.505	32.83	32.0	20.04
29 March 2026	31 March 2031	31 March 2029	333,334	90.8980	4.6504	4.006	32.83	32.0	21.30

The assessed fair value at grant date of options granted during the year ended 30 June 2025 was $0.31 per option.

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Terms and Conditions of Options Outstanding at 30 June 2026

The terms and conditions of options outstanding at 30 June 2026 are set out below. Options granted during the year were equity-settled and, where applicable, vest subject to continued employment. Once vested, the options are exercisable at any time up to their contractual expiry date.

Identifying code	Date Granted	Expiry Date	Vesting Date	Vesting Condition	Number Granted	Exercise Price
ARRAR	18 August 2023	17 August 2026	18 August 2023	100% vest upon grant date	1,500,000	$0.22
ARRAR	21 August 2023	17 August 2026	21 August 2023	100% vest upon grant date	1,500,000	$0.22
ARRAU	29 February 2024	28 February 2027	29 February 2024	100% vest upon grant date	6,000,000	$0.45
ARRAJ	6 December 21	6 December 2026	6 December 2024	100% vest on the third anniversary of grant, subject to continued employment	500,000	$0.20
ARRAO	8 December 22	7 December 2027	8 December 2025	100% vest on the third anniversary of grant, subject to continued employment	5,000,000	$0.47
ARRAQ	19 December 2022	18 December 2027	19 December 2023	Vest in three equal tranches on the first, second and third anniversary of grant, subject to continued employment	333,333	$0.47
ARRAQ	19 December 2022	18 December 2027	19 December 2024		333,333	$0.47
ARRAQ	19 December 2022	18 December 2027	19 December 2025		333,334	$0.47
ARRAW	27 December 2024	30 November 2027	27 Dec 2024	100% vest upon grant date	1,000,000	$0.3274
ARRAW	27 December 2024	30 November 2027	27 Dec 2025	100% vest upon the first anniversary of grant date	2,000,000	$0.3274
ARRAW	27 December 2024	30 November 2027	27 Dec 2026	100% vest upon the second anniversary of grant date	2,000,000	$0.3274
ARRAV	23 December 2024	23 December 2027	23 December 2024	100% vest upon grant date	2,000,000	$0.25
ARRAZ	14 April 2025	11 July 2029	11 July 2025	Vest in three equal tranches on the applicable vesting dates subject to continued employment	1,000,000	$0.35
ARRAZ	14 April 2025	11 July 2029	11 July 2026		1,000,000	$0.35
ARRAZ	14 April 2025	11 July 2029	11 July 2027		1,000,000	$0.35
ARRAY	14 April 2025	16 July 2029	16 July 2025	Vest in equal tranches on the applicable vesting dates subject to continued employment	1,000,000	$0.30
ARRAY	14 April 2025	16 July 2029	16 July 2026		1,000,000	$0.30
ARRAA	12 December 2025	30 November 2028	12 December 2025	100% vest upon grant date	250,000	$0.4818
ARRAB	19 December 2025	19 December 2028	19 December 2025	100% vest upon grant date	4,239,840	$0.30

ARRAB	19 December 2025	19 December 2028	19 December 2026	100% vest upon the first anniversary of grant date, subject to continued employment	6,000,000	$0.30
ARRAC	23 December 2025	22 December 2028	23 December 2026	Vest in two equal tranches on the first and second anniversary of grant, subject to continued employment	1,000,000	$0.3882
ARRAC	23 December 2025	22 December 2028	23 December 2027		1,000,000	$0.3882
ARRAF	26 March 2026	31 March 2031	31 March 2027	Vest in three equal tranches on the first, second and third anniversary of grant, subject to continued employment	1,333,333	$0.3808
ARRAF	26 March 2026	31 March 2031	31 March 2028		1,333,333	$0.3808
ARRAF	26 March 2026	31 March 2031	31 March 2029		1,333,334	$0.3808
ARRAG	29 March 2026	31 March 2031	31 March 2027	Vest in three equal tranches on the first, second and third anniversary of grant, subject to continued employment	333,333	$0.3283
ARRAG	29 March 2026	31 March 2031	31 March 2028		333,333	$0.3283
ARRAG	29 March 2026	31 March 2031	31 March 2029		333,334	$0.3283

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21. Cash flow information

Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated	
	2026 A$	2025 A$
Loss after tax	**(5,719,154)**	(6,465,370)
Non-cash items:		
Depreciation	**103,199**	134,652
Share-based payments	**2,581,382**	1,018,158
(Gain)/Loss on revaluation of financial assets	**(2,212,959)**	845,511
Assets written off	**1,554**	9,309
Net exchange differences	**88,240**	12,422
Add / (less) movement in working capital:		
(Increase)/decrease in other receivables	**(8,070)**	14,218
Decrease/(increase) in prepayments	**6,683**	(36,010)
Increase in payables and accruals	**935,354**	39,831
Net cash flows applied to operating activities	**(4,223,771)**	(4,427,279)

Non-cash investing and financing activities disclosed in other notes are:

- Note 8 - additions to right-of-use assets
- Note 14 - entering into or extending lease liability agreements
- Note 16, 18 & 19 - options awarded to KMP and non-KMP employees as remuneration for no cash consideration, subject to shareholder approval where applicable

Net cash/(debt):

	Consolidated	
	2026 A$	2025 A$
Cash and cash equivalents	**18,550,987**	9,353,143
Lease liabilities (refer to note 14)	**(25,674)**	(182,871)
Net cash/(debt)	**18,525,313**	9,170,272
Cash and cash equivalents at beginning of the year	9,353,143	16,299,550
Lease liabilities at beginning of the year	(182,871)	(342,057)
Net cash/(debt) at beginning of the year	9,170,272	15,957,493
Net cash used in operating activities	(4,223,771)	(4,427,279)
Net cash used in investing activities	(8,449,564)	(5,011,510)
New leases	-	(66,446)
Proceeds from issue of shares	22,021,848	2,720,000
Currency translation	6,528	(1,986)
Net cash/(debt) at end of the year	18,525,313	9,170,272

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22. Financial instruments

Credit Risk: Financial instruments, which potentially subject the Group to credit risk, principally consist of bank balances and receivables. Maximum exposure to credit risk at reporting date is represented by the carrying value of the financial instruments. No collateral is held on these assets, and none are considered overdue or impaired. All bank deposits were held with an authorised bank in Australia and United States with at least an A credit rating and represent 100% of cash.

Currency Risk: The Group has little direct exposure to foreign currency exchange risk as the majority of cash held is denominated in Australian currencies. At reporting date, the Group had cash balances made up of Australian and United States Dollars as follows:

Currency	**2026**	2025
	A$	A$
AUD	**16,513,321**	8,869,245
USD	**2,037,666**	483,898
	18,550,987	9,353,143

At 30 June, if the USD: AUD exchange rate had moved as illustrated in the table below with all other variables held constant, the post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	**Post Tax Profit Higher/(Lower)**		**Equity Higher/(Lower)**	
	30 June 2026	30 June 2025	**30 June 2026**	30 June 2025
	A$	A$	**A$**	A$
Group				
+10.00%	**224,143**	53,229	**224,143**	53,229
- 10.00%	**(183,390)**	(43,551)	**(183,390)**	(43,551)

Liquidity Risk: Management supervises liquidity by budgeting and by carefully monitoring cash inflows from receivables and controlling cash outflows on payables from existing cash resources. The Group relies on new equity to fund exploration expenditure.

	2026	2025
	A$	A$
Contractual maturity of financial liabilities:		
Less than 1 year	**4,146,794**	1,185,388
1-5 years	**-**	27,866
Over 5 years	**-**	-
	4,146,794	1,212,312

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will affect the Group's income or the value of its instruments which arises on floating rate instruments. The Group's exposure to market interest rates relates primarily to cash and cash equivalents.

At reporting date, the Group had the following financial instruments exposed to variable interest rate risk:

	2026	2025
	A$	A$
Financial Assets:		
Cash assets	**18,550,987**	9,353,143
	18,550,987	9,353,143

Interest rates over the 12-month period were analysed and a sensitivity analysis determined to show the effect on profit and equity after tax if the interest rates at the reporting date had been 1.0% higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

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At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	30 June 26	30 June 25	**30 June 26**	30 June 25
	A$	A$	**A$**	A$
Group				
+1.00%	**20,580**	4,887	**20,580**	**4,887**
- 1.00%	**(20,173)**	(4,791)	**(20,173)**	**(4,791)**

Fair Values: The carrying amounts of cash and cash equivalents, receivables and payables approximate their fair values due to the short-term nature of these instruments.

The Group's listed equity investment is measured at fair value and classified as a Level 1 fair value measurement. The fair value is based on quoted market prices in an active market for identical assets.

Financial assets at FVTPL	Level 1 A$	Level 2 A$	Level 3 A$	Total A$
Listed ordinary shares held in Cobalt Blue Holdings Limited	311,740	-	-	311,740

23. Segment information

The Company has identified its operating segments based on internal reports reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) to assess performance and determine resource allocation. The Company does not yet have any products or services from which it derives revenue.

During the year to 30 June 2026, CODM has identified the Company as having two reportable segments: the United States and Australia.

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 Year Ended June 2026			
Other Income / (Loss)			
Interest received	**18,180**	**793,527**	**811,707**
Other gains/(losses) - net	**-**	**2,124,718**	**2,124,718**
	18,180	**2,918,245**	**2,936,425**
Expenses			
Consulting fees	**(44,698)**	**(434,379)**	**(479,077)**
Share-based payment expenses	**-**	**(2,581,382)**	**(2,581,382)**
Salaries and related expenses	**(300,753)**	**(2,203,477)**	**(2,504,230)**
Other operating expenses	**(409,936)**	**(2,677,503)**	**(3,087,439)**
Interest paid on lease liabilities	**-**	**(3,451)**	**(3,451)**
Loss for the year	**(737,207)**	**(4,981,947)**	**(5,719,154)**

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	USA A$	Australia A$	Total A$
Consolidated Year Ended June 2025			
Other Income / (Loss)			
Interest received	4,634	695,443	700,077
Other income	-	26,861	26,861
Other gains/(losses) - net	-	(852,320)	(852,320)
	4,634	(130,016)	(125,382)
Expenses			
Consulting fees	(186,100)	(1,007,135)	(1,193,235)
Share-based payment expenses	-	(1,018,158)	(1,018,158)
Salaries and related expenses	(1,708,643)	(444,471)	(2,153,114)
Other operating expenses	(400,130)	(1,569,737)	(1,969,867)
Interest paid on lease liabilities	(1,559)	(4,055)	(5,614)
Loss for the year	(2,291,798)	(4,173,572)	(6,465,370)

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

	USA A$	Australia A$	Total A$
Consolidated June 2026			
Current assets	**2,922,645**	**16,555,305**	**19,477,950**
Non-current assets	**31,204,351**	**1,343,532**	**32,547,883**
Total assets	**34,126,996**	**17,898,837**	**52,025,833**
Current liabilities	**3,375,600**	**818,089**	**4,193,689**
Non-current liabilities	**-**	**-**	**-**
Total liabilities	**3,375,600**	**818,089**	**4,193,689**
Net segment assets	**30,751,396**	**17,080,748**	**47,832,144**
Additions to non-current assets	15,159,701	-	15,159,701
Consolidated June 2025			
Current assets	887,153	9,775,831	10,662,984
Non-current assets	19,078,824	1,592,470	20,671,294
Total assets	19,965,977	11,368,301	31,334,278
Current liabilities	908,536	288,324	1,196,860
Non-current liabilities	26,924	-	26,924
Total liabilities	935,460	288,324	1,223,784
Net segment assets	19,030,517	11,079,977	30,110,494
Additions to non-current assets	7,703,577	66,446	7,770,023

24. Earnings per Share

	Consolidated 2026 A$	2025 A$
Loss for the period	**(5,719,154)**	(6,465,370)
Weighted average number of shares on issue	**567,068,724**	502,274,812
Basic (loss) per share (cents)	**(1.01)**	(1.29)
Diluted (loss) per share (cents)	**(1.01)**	(1.29)

Earnings per share is based on the average weighted number of ordinary shares on issue during the year and on the operating deficit after tax attributable to shareholders. Note 15 shows movement in the number of shares on issue.

Options on issue during the year are not included in the calculation of diluted earnings per share because they are anti-dilutive. Details relating to options are set out in Notes 16 and 19.

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25. Remuneration of auditors

During the year, the following fees were paid or payable for services provided by BDO as the auditor of the parent entity, American Rare Earths Limited, by BDO's related network firms and by non-related audit firms:

	Consolidated 2026 A$	2025 A$
BDO		
Audit and review of financial reports- ASX	**51,500**	-
Audit and review of financial reports- PCAOB	**412,000**	
Other assurance services	**-**	-
Tax and other advisory services	**-**	-
	463,500	-
Other auditors and their related network firms		
Audit and review of financial reports	**20,600**	53,956
Other assurance services	**-**	-
Tax and other advisory services	**11,000**	10,000
	31,600	63,956

26. Commitments

Capital committed but not recognised as liabilities at 30 June 2026

	Consolidated 2026 A$	2025 A$
Pilot plant RCC unit	**535,895**	-
	535,895	-

As at 30 June 2026, the Group had contracted capital expenditure commitments of A$535,895 relating to the purchase of a RCC unit for the planned pilot plant. The commitment represents amounts payable under the supply agreement with the manufacturer and is expected to be incurred within one year of the reporting date.

The RCC unit is expected to qualify for reimbursement under the Wyoming Energy Authority grant program. No grant receivable has been recognised in respect of these commitments at 30 June 2026.

Expenditure requirements for tenements

The Company had no expenditure requirements for tenements at the reporting date 30 June 2026 (2025: A$ Nil).

27. Interests in subsidiaries

Name of Entity	Equity Held 2026	Equity Held 2025	Country of Incorporation	Reporting date	Activity
Broken Hill Uranium Pty Ltd	**100%**	100%	Australia	30 June	Inactive
Broken Hill Chemical Pty Ltd	**100%**	100%	Australia	30 June	Inactive
Broken Hill Minerals Pty Ltd	**100%**	100%	Australia	30 June	Inactive
Murray Basin Minerals Pty Ltd	**100%**	100%	Australia	30 June	Inactive
Wyoming Rare Pty Ltd	**100%**	100%	Australia	30 June	Mineral Exploration
American Rare Earths Inc.	**100%**	100%	USA	30 June	Mineral Exploration
La Paz Rare Earth LLC	**100%**	100%	USA	31 December	Mineral Exploration
Wyoming Rare (USA) Inc.	**100%**	100%	USA	30 June	Mineral Exploration
ARE Management LLC	**100%**	100%	USA	31 December	General Management

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The investment in each subsidiary is recorded at cost in the Company's statement of financial position and is eliminated in consolidation.

28. Contingencies

The Company did not have any contingencies at the reporting date 30 June 2026 (2025: A$ nil).

29. Parent entity information

The parent entity within the Group is American Rare Earths Limited.

	2026 A$	2025 A$
Current assets	**16,554,288**	9,939,328
Non-current assets	**42,924,894**	29,151,800
Total assets	**59,479,182**	39,091,128
Current liabilities	**2,167,697**	1,637,932
Non-current liabilities	**-**	-
Total liabilities	**2,167,697**	1,637,932
Net assets	**57,311,485**	37,453,196
Equity		
Share capital	**74,194,390**	50,338,838
Share-based payments reserve	**3,870,256**	3,461,032
Accumulated losses	**(20,753,161)**	(16,346,674)
Total equity	**57,311,485**	37,453,196
Loss for the year	**(4,744,888)**	(4,173,572)
Total loss for the year	**(4,744,888)**	(4,173,572)

(a) Guarantees entered into by the parent entity

The parent entity has not provided any financial guarantees as at 30 June 2026 (2025: A$ Nil)

(b) Contractual commitments for acquisition of property, plant and equipment

As at 30 June 2026, the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

30. Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in financial years subsequent to 30 June 2026 other than:

On 17 August 2026, the Company announced the execution of a Memorandum of Understanding (MOU) with Novex LLC to advance U.S. rare earth oxide-to-metal production capability.

On 21 September 2026, the Company announced certified assay results from the first six drill holes completed as part of the 2026 feasibility study drilling program at the Halleck Creek Rare Earths Project. The results support ongoing geological interpretation, resource conversion objectives and feasibility study workstreams associated with the development of the project.

On 30 September 2026, the Company announced the results of an updated Scoping Study for the Cowboy State Mine, the first development phase of the Halleck Creek Rare Earths Project. The updated study evaluates a 4.5 million tonne per annum operation over a 26-year mine life and reported an estimated after-tax net present value of approximately US$1.07 billion at an 8% real discount rate.

Subsequent to year end, the Company has raised $401,952 via the exercise of 1,739,840 options.

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2026

Name of Entity	Entity Type	Place Formed/Country of Incorporation	Ownership Interest %	Tax Residency
American Rare Earths Limited	Body Corporate	Australia	N/A	Australia
Broken Hill Uranium Pty Ltd	Body Corporate	Australia	100%	Australia
Broken Hill Chemical Pty Ltd	Body Corporate	Australia	100%	Australia
Broken Hill Minerals Pty Ltd	Body Corporate	Australia	100%	Australia
Murray Basin Minerals Pty Ltd	Body Corporate	Australia	100%	Australia
Wyoming Rare Pty Ltd	Body Corporate	Australia	100%	Australia
American Rare Earths Inc.	Body Corporate	USA	100%	USA
La Paz Rare Earth LLC	Body Corporate	USA	100%	USA
Wyoming Rare (USA) Inc.	Body Corporate	USA	100%	USA
ARE Management LLC	Body Corporate	USA	100%	USA

Basis of preparation

This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of tax residency

Section 295 (3B)(a) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement, as there are different interpretations that could be adopted, which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**

  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5

- **Foreign tax residency**

  Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation, in accordance with section 295(3A)(vii) of the Corporations Act 2001.

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DIRECTORS' DECLARATION

In the directors' opinion:

(a) the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

(b) the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;

(c) the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date;

(d) the remuneration disclosures included in the Directors' Report for the year ended 30 June 2026 comply with section 300A of the *Corporations Act 2001*;

(e) the Consolidated Entity Disclosure Statement required by section 295(3A) of the *Corporations Act 2001* is true and correct; and

(f) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Board of Directors.

For and on behalf of the Board.

Richard Hudson
Chairman
30 September 2026

Sten Gustafson
Director
30 September 2026

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INDEPENDENT AUDITOR'S REPORT

To the members of American Rare Earths Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of American Rare Earths Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Carrying value of Exploration and Evaluation assets

Key audit matter	How the matter was addressed in the audit
At 30 June 2026, we note that the carrying value of the exploration and evaluation asset is significant to the financial statements, as disclosed in Note 10 of the financial report. The recoverability and classification of exploration and evaluation asset is a key audit matter due to the significance of the total balance and the level of procedures undertaken to evaluate management's application of the requirements of AASB 6 *Exploration for and Evaluation of Mineral Resources* ('AASB 6') in light of any indicators of impairment that may be present.	Our audit procedures, amongst others, included: • Obtaining a schedule of the areas of interest from management and assessed whether the Group had rights to tenure over the relevant exploration areas and considering whether the Group maintains the tenements in good standing; • Obtaining an understanding of the current status of the tenements/projects including key activities undertaken during the period; • Vouching a sample of capitalised exploration expenditure during the year to ensure it meets the recognition criteria under AASB 6; • Reviewing budgets and evaluated assumptions made by the entity to ensure that substantive expenditure on further exploration for and evaluation of the mineral reserve in the areas of interest were planned; • Assessing management's determination for exploration activities that have not yet progressed to the point where the existence of an economically recoverable mineral reserve may be determined through discussions with the management, review of ASX announcements and other relevant documentation; • Enquiring with management if any impairment indicators in accordance with AASB 6 have been identified across the Group's exploration projects;

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Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other matter

The financial report of American Rare Earths Limited, for the year ended 30 June 2025 was audited by another auditor who expressed an unmodified opinion on that report on 22 September 2025.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 32 to 41 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of American Rare Earths Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

BDO

R M Swaby
Director

Brisbane, 30 September 2026

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Additional Information

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ADDITIONAL INFORMATION

Distribution of Equity Securities as at 4 September 2026

SIZE OF HOLDING	Ordinary shares	
	Number of Holders	Number of Shares
1 – 1,000	276	94,422
1,001 - 5,000	1,376	3,865,387
5,001 – 10,000	820	6,700,368
10,001 to 100,000	1,633	56,033,110
100,001 and over	372	515,914,512
Totals	**4,447**	**582,607,799**

There were 419 holders of less than a marketable parcel of ordinary shares (36.50 cents each share).

Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hand.

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20 Largest Shareholders 4 September 2026

Rank	Name	Units	% of units
1	CITICORP NOMINEES PTY LIMITED	112,661,824	19.34
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	81,901,165	14.06
3	USA CONTROL ACCOUNT\C	80,154,116	13.76
4	HILL FAMILY GROUP PTY LTD	49,750,000	8.54
5	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	24,162,413	4.15
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	10,250,637	1.76
7	BNP PARIBAS NOMS PTY LTD	7,085,182	1.22
8	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	5,683,030	0.98
9	MR ROBERT BRUCE WOODLAND + MRS ERIKA WOODLAND <R WOODLAND EXHIBIT S/F A/C>	5,250,000	0.90
10	COONAN FAMILY SUPERANNUATION FUND PTY LTD <COONAN FAMILY S/F A/C>	4,000,000	0.69
11	ACM GROUP PTY LIMITED	3,319,946	0.57
12	ODYLS PTY LTD <THE ODYLS A/C>	3,317,769	0.57
13	MS PHAIK CHIN LIM	3,260,334	0.56
14	ASB NOMINEES LIMITED <156563 A/C>	3,220,000	0.55
15	LAKEVIEW HOLDING GMBH	3,000,000	0.51
16	MRS DEBORAH ELIZABETH O'SULLIVAN + MR GAVIN ANDREW O'SULLIVAN	2,895,696	0.50
17	DOVIDO PTY LTD	2,300,000	0.39
18	HFT NOMINEES PTY LTD <HILL FAMILY SUPER A/C>	2,200,000	0.38
19	MRS LILIANA	2,000,000	0.34
20	CG NOMINEES (AUSTRALIA) PTY LTD	1,800,000	0.31

Unquoted Options

At 4 September 2026 there were 41,750,000 unquoted options.

Exercise Price	Grant Date	Vesting Date	Expiry Date	Number
$0.20	06 Dec 2021	Various	06 Dec 2026	500,000
$0.47	08 Dec 2022	Various	07 Dec 2027	5,000,000
$0.47	19 Dec 2022	Various	18 Dec 2027	1,000,000
$0.45	29 Feb 2024	29 Feb 2024	28 Feb 2027	6,000,000
$0.25	23 Dec 2024	23 Dec 2024	23 Dec 2027	2,000,000
$0.3274	27 Dec 2024	Various	30 Nov 2027	5,000,000
$0.35	14 Apr 2025	Various	11 Jul 2029	3,000,000
$0.30	14 Apr 2025	Various	16 Jul 2029	2,000,000
$0.4818	12 Dec 2025	12 Dec 2025	30 Nov 2028	250,000
$0.30	19 Dec 2025	Various	19 Dec 2028	10,000,000
$0.3882	23 Dec 2025	Various	22 Dec 2028	2,000,000
$0.3808	26 Mar 2026	Various	31 Mar 2031	4,000,000
$0.3283	29 Mar 2026	Various	31 Mar 2031	1,000,000

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option.

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CORPORATE DIRECTORY

Directors
Richard Hudson (Chairman)
Sten L. Gustafson (Non-Executive Director and Deputy Chairman)
Melissa Sanderson (Non-Executive Director)
Brian Arkell (Non-Executive Director)
Jason Beckton (Non-Executive Director)
Matthew Gili (Non-Executive Director)

Company Secretary
Megan McPherson

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OTCQX – Common shares: ARRNF

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TENEMENT SCHEDULE

Tenement Holder	Project	Tenement Type and Number	Location	Group Ownership
La Paz Rare Earth LLC	La Paz	Lease Number 008-125126-00-100	Arizona United States	100%
La Paz Rare Earth LLC	La Paz	La Paz 1 – 14	Arizona United States	100%
La Paz Rare Earth LLC	La Paz	La Paz 33 – 69	Arizona United States	100%
La Paz Rare Earth LLC	La Paz	La Paz 71, 73, 75	Arizona United States	100%
La Paz Rare Earth LLC	La Paz	La Paz 92 – 101	Arizona United States	100%
La Paz Rare Earth LLC	La Paz	La Paz 108 – 376	Arizona United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	REX 1 - 5	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	REX 10 - 72	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	REX 258 - 375	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	0-43568 – 0-43571	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	0-44150- 0-44151	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	SG-02029- SG-0230	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	TREX 75 - 165	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	TREX 167 - 176	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	TREX 178 - 181	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	TREX 183 - 212	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	TREX 212A	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	TREX 213- 222	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	TREX 222A	Wyoming United States	100%
Wyoming Rare (USA) Inc	Halleck Creek	TREX 223- 254	Wyoming United States	100%
Wyoming Rare (USA) Inc	Beaver Creek	BM 1 - 37	Wyoming United States	100%
Wyoming Rare (USA) Inc	Beaver Creek	0-43773	Wyoming United States	100%
American Rare Earths Inc	Searchlight	T-01 – T-80	Nevada United States	100%

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