AMERICAN RARE EARTHS ABN 83 003 453 503

ASX RELEASE

23 February 2024

A$13.5m Placement to advance Halleck Creek Project

Highlights

- Firm commitments received via an institutional placement to raise gross proceeds of A$13.5 million at an issue price of A$0.30 per share
- Strong support received from existing shareholders and new institutional investors
- Placement provides significant runway for ARR to execute on project development milestones to advance Halleck Creek towards providing secure supply of critical minerals to the North American supply chain

American Rare Earths Limited (ASX: ARR | ADRs – OTCQX: AMRRY | Common Shares – OTCQB: ARRNF) (**"ARR"** or the **"Company"**) is pleased to announce that it has received firm commitments for a placement of 45 million new fully paid ordinary shares (**"New Shares"**) at an issue price of A$0.30 to raise A$13.5 million (**"Placement"**).

The Placement was strongly supported by new and existing institutional, professional, and sophisticated investors, both domestically and offshore, to develop environmentally friendly and cost-effective extraction and processing methods to meet the rapidly increasing demand for resources essential to the clean energy transition and US national security.

American Rare Earths CEO, Donald Swartz, commented on the Placement:

"I am thrilled to announce the successful completion of our institutional placement, which has raised A$13.5 million. The overwhelming support from both existing shareholders and new institutional investors underscores the confidence in our vision and the potential of our projects in particular the Halleck Creek Rare Earth Project.

This Placement provides us with the capital to advance our flagship project, Halleck Creek, towards delivering a secure supply of critical minerals to the North American supply chain. We are committed to executing on our project development milestones and are grateful for the support that enables us to further our mission.

With a focus on environmentally friendly and cost-effective extraction methods, we are well set to meet the escalating demand for resources essential to the clean energy transition and US national security. This milestone marks a pivotal moment in our journey, and we are excited for the opportunities that lie ahead as we continue to drive value for our shareholders and stakeholders alike"

Placement

Placement shares will be issued at A$0.30 per share. The Placement price represents a 5.1% discount to the 10-day VWAP.

Shares allocated under the Placement will settle on Wednesday 28 February 2024 and will rank equally with existing shares on issue.

Canaccord Genuity acted as sole Lead Manager and bookrunner to the Placement. Bell Potter acted as Co-Lead Manager to the Placement. The Placement will be completed under the Company's capacity pursuant to ASX Listing Rules 7.1.

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Use of Funds

Proceeds from the Placement, together with existing cash, will be used to fund the continued development of the Company's flagship Halleck Creek Rare Earths Project in Wyoming, USA. Specifically, this will include mineral resource and extensional drilling, PFS, metallurgical test work and process development, heritage / permitting / environmental activities, and for general working capital purposes.

This market announcement has been authorised for release by the Chairman of American Rare Earths Limited.

About American Rare Earths Limited:

American Rare Earths (ASX: ARR | ADRs - OTCQX: AMRRY | Common Shares - OTCQB: ARRNF) owns the Halleck Creek, WY and La Paz, AZ rare earth deposits. The Company's flagship project at Halleck Creek, WY, has the potential to become the largest and most sustainable rare earth projects in North America. American Rare Earths is developing environmentally friendly and cost-effective extraction and processing methods to meet the rapidly increasing demand for resources essential to the clean energy transition and US national security. The Company continues to evaluate other exploration opportunities and is collaborating with US Government-supported R&D to develop efficient processing and separation techniques of rare earth elements.

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