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ARR ADVANCES HALLECK CREEK DEMONSTRATION PLANT WITH A$15M PLACEMENT

HIGHLIGHTS

- **Firm commitments received via an institutional placement to raise gross proceeds of A$15.0 million at an issue price of A$0.32 per share**
- **Strong support received from existing shareholders and high-quality institutional investors**
- **Funds raised to accelerate development of the Halleck Creek project, one of the largest rare earths deposit in the U.S.**
- **ARR to unlock its vast potential to meet the growing demand from the U.S. magnet industry**

American Rare Earths (**ASX: ARR | OTCQX: ARRNF | ADR: AMRRY) ("ARR"** or the **"Company"**) is pleased to announce that it has received firm commitments for a placement of approximately 46.9 million new fully paid ordinary shares (**"New Shares"**) at an issue price of A$0.32 per share to raise A$15.0 million (**"Placement"**).

The Placement was strongly supported by new and existing institutional, professional, and sophisticated investors from around the world.

ARR is advancing the Halleck Creek Rare Earths Project in Wyoming, U.S.A ("**Halleck Creek**") – a world-class rare earth deposit which aims to reduce U.S. reliance on foreign supply chains of critical minerals. Proceeds from the Placement are being used to fund a demonstration plant, in-fill drilling and engineering works at Halleck Creek. Given the confidence in the project, the Company seized this strategic opportunity to secure the funds required for the next stage of project development beyond the Pre-Feasibility Study.

American Rare Earths Chairman, Richard Hudson, commented on the Placement:

"This capital raise comes at a critical time in the U.S. rare earths industry as domestic growth is catalysed by the Government's decisive action to counter China's global rare earths dominance. The significant support of the Placement by existing shareholders, along with new investors, reaffirms our belief that Halleck Creek's immense potential positions the Company to supply the rapidly growing permanent magnet production capacity in the U.S.

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Following my recent visit to Wyoming, I continue to have full faith in the U.S. management team's ability to bring the next domestic rare earth mine online by leveraging the advantage of permitting on State of Wyoming Lands, which I believe is unique to our project."

Placement

Placement shares will be issued at A$0.32 per share. The Placement price represents an 18.8% discount to the 10-day VWAP.

Shares allocated under the Placement will settle on Wednesday, 30 July 2025 and will rank equally with existing shares on issue. The Placement will be completed under the Company's capacity pursuant to ASX Listing Rule 7.1.

Bell Potter Securities Limited and BMO Capital Markets Limited acted as Joint Lead Managers to the Placement. The Joint Lead Managers will be entitled to a 2% management fee and a 4% capital raising fee. Bell Potter Securities Limited acted as Sole Bookrunner to the Placement. Canaccord Genuity (Australia) acted as Co-Manager to the Placement.

Use of Funds

Proceeds from the Placement, together with existing cash, will be used to fund the continued development of Halleck Creek. Specifically, the funds will be used to –

- develop a demonstration plant at Halleck Creek for the beneficiation process;
- in-fill drilling at the Cowboy State Mine ("**CSM**") for future studies outside of the Pre-Feasibility Study; and
- engineering work.

Change in Leadership to Reflect U.S. Focus

As announced on 21 July 2025, Mr. Chris Gibbs has resigned from his position as Managing Director and CEO, with CFO Megan McPherson now having key oversight of ARR's corporate headquarters in Australia.

The change in leadership reflects the Company's increasing focus on North America and the role played by Halleck Creek to secure America's critical mineral independence for generations. Mr. Joe Evers, President of ARR's wholly owned subsidiary Wyoming Rare (USA) Inc., will continue to lead U.S.-based operations, prioritising the development of Halleck Creek's CSM.

Specifically, Mr. Evers remains focused on progressing test mining, mineral processing optimisation, the publication of the CSM Pre-Feasibility Study and the establishment of a demonstration plant – key steps in moving a development project closer to becoming a producing asset.

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Strategic Roadmap and Upcoming Catalysts

The Placement leaves ARR strongly placed to progress through several value-creating milestones, including:

- ✓ Test mining at the CSM to extract bulk samples of Halleck Creek ore for optimisation tests, in addition to providing the feedstock required for a demonstration plant
- ✓ Completion of on-going mineral processing optimisation work to potentially increase overall rare earth recoveries
- ✓ Publication of the CSM Pre-Feasibility Study
- ✓ Continue baseline environmental and water data for permit to mine application
- ✓ Submit permit to mine application
- ✓ Commencing construction of a demonstration plant (long lead time equipment has already been ordered)

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This release was authorised by the board of American Rare Earths.

Investors can follow the Company's progress at www.americanree.com

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About American Rare Earths Limited:

American Rare Earths (ASX: ARR | OTCQX: ARRNF | ADR: AMRRY) is a critical minerals company at the forefront of reshaping the U.S. rare earths industry. Through its wholly owned subsidiary, Wyoming Rare (USA) Inc. ("WRI"), the company is advancing the Halleck Creek Project in Wyoming – a world-class rare earth deposit with the potential to secure America's critical mineral independence for generations. Located on Wyoming State land, the Cowboy State Mine within Halleck Creek offers cost-efficient open-pit mining methods and benefits from streamlined permitting processes in this mining-friendly state.

With plans for onsite mineral processing and separation facilities, Halleck Creek is strategically positioned to reduce U.S. reliance on imports – predominantly from China – while meeting the growing demand for rare earth elements essential to defense, advanced technologies, and economic security. As exploration progresses, the project's untapped potential on both State and Federal lands further reinforces its significance as a cornerstone of U.S. supply chain security. In addition to its resource potential, American Rare Earths is committed to environmentally responsible mining practices and continues to collaborate with U.S. Government-supported R&D programs to develop innovative extraction and processing technologies for rare earth elements.

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