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ASX RELEASE
AMERICAN RARE EARTHS **ABN 83 003 453 503**

29 OCTOBER 2026

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2026

September quarter advances Cowboy State Mine development, feasibility activities, pilot plant program and U.S. mine-to-magnet strategy

HIGHLIGHTS

- **Advanced the Cowboy State Mine development case, with the September 2026 Scoping Study outlining a larger first development phase at Halleck Creek, including planned throughput of 4.5 million tonnes per annum and a 26-year mine plan**
- **Completed the 18-hole 2026 feasibility-stage drilling program at Cowboy State Mine, with certified results from the first six holes confirming broad, near-surface mineralisation**
- **Commenced crushing of Halleck Creek ore as part of the Wyoming-led pilot plant program**
- **Expanded the Company's U.S. mine-to-magnet strategy through an MoU with Novex to evaluate the conversion of NdPr oxide into NdPr metal**
- **Strengthened leadership and execution capability through key executive and Board appointments**
- **Continued to advance U.S. capital markets readiness, including PCAOB audit work, SEC S-K 1300 technical disclosure work and evaluation of potential Nasdaq listing pathways**

American Rare Earths Limited (**ASX: ARR | OTCQX: ARRNF | ADR: AMRRY**) ("ARR" or "the Company") is pleased to provide an update on activities for the quarter ended 30 September 2026, during which the Company continued to advance the Cowboy State Mine ("CSM"), the first development phase of the Halleck Creek Rare Earths Project in Wyoming, while progressing technical, processing, downstream and corporate initiatives supporting its U.S. rare earths strategy.

The September quarter marked further progress across the Halleck Creek development pathway. The Company advanced the CSM development case, completed its 2026 feasibility-stage drilling program, progressed its Wyoming-led pilot plant pathway and expanded its U.S. mine-to-magnet strategy through a new collaboration with Novex. ARR also continued to strengthen the technical, project delivery and commercial capability required to advance Halleck Creek towards development.

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HALLECK CREEK RARE EARTHS PROJECT, WYOMING

ADVANCING THE COWBOY STATE MINE DEVELOPMENT PATHWAY

During the quarter, the Company continued to advance the Cowboy State Mine ("CSM"), the proposed first development phase of the Halleck Creek Rare Earths Project, while progressing the Pre-Feasibility Study ("PFS") and selected feasibility support work in parallel.

On 30 September 2026, the Company announced the September 2026 Scoping Study for CSM outlining a larger first development phase within the broader Halleck Creek resource. The updated case evaluates a 4.5 million tonne per annum operation over a 26-year mine life, compared with the 3.0 million tonne per annum, 20-year case considered in 2025[1].

2026 FEASIBILITY-STAGE DRILLING PROGRAM

The Company completed its 2026 feasibility-stage drilling program at the CSM area of Red Mountain, with 18 HQ core holes completed. The program was designed to provide additional geological and technical data to support ongoing feasibility work, including evaluation of Mineral Resource classification and future mine planning.

On 21 September 2026, the Company reported certified assay results from the first six drill holes. The results confirmed broad, near-surface rare earth mineralisation across all six holes and were consistent with the existing CSM geological model.

Across the reported intervals, approximately 93% exceeded the Company's 1,000 ppm TREO resource cut-off grade, with a mean TREO grade of 3,497 ppm and median grade of 3,879 ppm. Hole HC26-RM056 returned 191 metres of continuous mineralisation, while the highest individual assay returned 9,084 ppm TREO over 3.02 metres in HC26-RM051[2].

Results from the remaining 12 completed holes were outstanding at quarter end. The expanded drilling dataset will support ongoing geological modelling, evaluation of Mineral Resource classification, Feasibility Study activities and future mine planning.

PILOT PLANT PROGRAM

Accelerating the Pathway to Separated Rare Earth Oxide

The Company continued to advance its Wyoming-led pilot plant program, building on agreements with Western Research Institute, DISA Technologies and Saskatchewan Research Council ("SRC") to undertake the various stages of processing Halleck Creek material.

Crushing of Halleck Creek ore commenced in Wyoming during the quarter, progressing the program from planning and procurement into physical processing. The program is designed to test concentration, leaching, impurity removal and oxide separation.

[1] Refer ASX announcement dated 30 September 2026
[2] Refer ASX announcement dated 21 September 2026

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Recovery optimisation remains a key focus of the program. A large sample was undergoing test work at Nagrom. In parallel, a 40 kg concentrate sample was with Novex, LLC ("Novex") in the United States for recovery work and a program intended to progress through to NdPr metal.

Advancing the U.S. Mine-to-Magnet Strategy

In August 2026, the Company entered into a Memorandum of Understanding ("MoU") with U.S.-based Novex to advance the conversion of separated rare earth oxides from Halleck Creek into high-purity metals required for permanent magnet production[3].

Under the MoU, the parties have established a framework for metallisation test work using Halleck Creek material, providing a pathway to evaluate the conversion of NdPr oxide into NdPr metal. The parties will also collaborate on the potential development of domestic U.S. rare earth metal production capability.

The collaboration advances ARR's strategy to participate further downstream in the U.S. rare earth supply chain, connecting the development of Halleck Creek with the materials required for permanent magnet manufacturing.

Whole of Property Assessment

Work also progressed on the Whole of Property Assessment ("WOPA") for the broader 8,108-acre Halleck Creek land package, led by Stantec.

The first phase of the assessment was completed during the quarter, with the Company progressing the review of conceptual development scenarios and sequencing across Red Mountain, Overton Mountain and Bluegrass.

The WOPA is intended to establish a strategic development roadmap beyond the initial CSM and assess opportunities for the longer-term development of the broader Halleck Creek district.

Strengthening Leadership and Execution Capability

The Company further strengthened its technical, project delivery and commercial capability through a series of senior appointments supporting the advancement of Halleck Creek and its broader U.S. strategy.

Andrew Conover joined the Company as Chief Development Officer, a new executive role focused on advancing Halleck Creek through the current PFS, feasibility activities and towards construction. Mr Conover is responsible for integrating key project delivery workstreams including engineering, project controls, risk management and constructability.

Nick Lissolo was appointed Chief Commercial Officer, with an expanded remit spanning the Company's U.S. capital markets strategy, mine-to-magnet commercial partnerships, U.S. investor relations, Wyoming stakeholder engagement and the WOPA.

[3] Refer ASX announcement dated 17 August 2026.

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Dr Sanja Miskovic was appointed Chief Technical Advisor, with a focus on process and recovery optimisation, flowsheet development and process scale-up activities supporting the Company's pathway to separated rare earth oxide production.

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

NASDAQ LISTING

The Company continued to advance preparations supporting a potential Nasdaq listing and greater alignment with U.S. capital markets.

Preparatory work progressed across the PCAOB audit process and conversion of Halleck Creek technical reporting to the SEC's Regulation S-K 1300 standard. The Company has also engaged U.S. securities counsel and a leading North American financial adviser to support the evaluation of potential listing pathways and transaction structures[4].

The Board continues to evaluate the available pathways, with no decision made on the preferred listing structure. The assessment includes consideration of execution risk, cost, timing, governance requirements and the interests of existing shareholders.

"This quarter we continued to move Halleck Creek from evaluation towards execution. The updated Cowboy State Mine study provides a stronger platform for our first development phase, while the progress we are making across drilling, processing, the pilot program and our collaboration with Novex is bringing the pieces of our U.S. mine-to-magnet strategy together.

Our immediate priority is to establish a technically sound and financeable first operation at Cowboy State Mine that can anchor a much larger business at Halleck Creek. Work continues on optimizing all aspects of the project, including improving recoveries, making disciplined decisions around plant configuration and infrastructure, advancing permitting and demonstrating the processing pathway through to separated rare earth oxide and ultimately metal.

The scale of Halleck Creek gives us a significant long-term opportunity, but our focus is execution. We are building the technical team, commercial relationships and U.S. capital markets platform needed to turn this resource into a secure domestic source of rare earth materials and create long-term value for shareholders."

OUTLOOK

Looking ahead, the Company's near-term priorities are focused on advancing the CSM development pathway and continuing to de-risk the broader Halleck Creek Project.

Key activities include progressing the PFS and selected feasibility support work in parallel, completing evaluation of the 2026 drilling results, advancing recovery optimisation and the pilot plant program, and progressing infrastructure, permitting and water studies.

[4] Refer ASX announcement dated 30 July 2026.

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The Company will also continue the WOPA to evaluate longer-term development opportunities across the broader Halleck Creek district.

In parallel, ARR will continue to advance its U.S. mine-to-magnet strategy, including its collaboration with Novex, while progressing the work required to support a potential Nasdaq listing and greater alignment with U.S. capital markets.

BALANCE SHEET AND CASH POSITION

The Company has a cash position of A$11.0 m at 30 September 2026.

The Company raised approximately A$0.4 m via the exercise of 1.7m unlisted options and continues to hold its financial asset associated with ASX listed Cobalt Blue Holdings (ASX:COB) of A$0.3 m.

The Company had net cash expenditure of A$1.1 m for operating costs and A$6.6m for project development (net of reimbursement from the Wyoming Energy Authority (WEA) grant) activities during the quarter. The project development expenditure reflects the acceleration of feasibility study drilling, pilot plant activities, technical studies and broader project development workstreams, including deposits associated with the pilot plant program and feasibility study drilling.

Payments to related parties are included in item 6 of the Appendix 5B. Item 6.1 relates to payment of non-executive directors' fees, superannuation and consulting fees for the quarter.

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

ABOUT THE HALLECK CREEK RARE EARTHS PROJECT

The Halleck Creek Rare Earths Project, located in Wyoming, hosts the largest known rare earth deposit in the United States on a total rare earth oxide (TREO) basis[5]. The Cowboy State Mine area within Halleck Creek offers cost-efficient open-pit mining methods on Wyoming State land, benefiting from a mature permitting framework in Wyoming. The project is currently advancing through the Pre-Feasibility Study and related technical activities, alongside a pilot plant program designed to support the production of separated rare earth oxide and the development of ARR's U.S. mine-to-magnet strategy.

Halleck Creek is strategically positioned to reduce U.S. reliance on rare earth imports, predominantly from China, while meeting growing domestic demand from defense, advanced manufacturing, electric vehicles, wind energy, and semiconductor industries. The project includes plans for onsite mineral processing and separation facilities, and the Company is engaged with U.S. Government-supported R&D programs to develop innovative extraction and processing technologies.

[5] Refer ASX announcement dated 4 February 2025

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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.

Further information is available at www.americanree.com.

INVESTOR CONTACT

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FORWARD LOOKING STATEMENTS

This announcement contains forward-looking statements that involve subjective judgement and analysis and accordingly, are subject to significant uncertainties and risks, many of which are outside the control of, and are unknown to, American Rare Earths ("**ARR**"). In such circumstances, the forward-looking statements can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "seek", "estimate", "believe", "continue" or other similar words. No representation, warranty or assurance is given or made in relation to any forward-looking statement by ARR or its representatives. In addition, no representation, warranty or assurance is given in relation to any underlying assumption or that any forward-looking statements will be achieved. Actual future events may vary materially from the forward-looking statements and the assumptions on which the forward-looking statements are based. Accordingly, announcement readers are cautioned not to place undue reliance on such forward-looking statements as a result of the uncertainties. ARR wishes to caution readers that these forward-looking statements are based on economic predictions and assumptions on reserves, mining method, production rates, metal prices and costs (both capital and operating) developed by ARR management in conjunction with consultants. This presentation and the forward-looking statements made in this announcement, speak only as of the date of the announcement. Accordingly, subject to any continuing obligations under the Corporations Act and the Australian Securities Exchange Listing Rules, ARR disclaims any obligation or undertaking to publicly update or revise any of the forward-looking statements in this announcement, whether as a result of new information, or any change in events, conditions or circumstances on which any such statements is based.

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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-02030	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%

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

American Rare Earths Limited

ABN	Quarter ended ("current quarter")
86 003 453 503	**30 September 2026**

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(306)	(306)
	(e) administration and corporate costs	(904)	(904)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	145	145
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(1,065)**	**(1,065)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(259)	(259)
	(d) exploration & evaluation	(7,134)	(7,134)
	(e) Wyoming State grant	545	545
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(6,848)**	**(6,848)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	402	402
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material): Lease payments	(25)	(25)
3.10	**Net cash from / (used in) financing activities**	**377**	**377**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	18,551	18,551
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,065)	(1,065)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(6,848)	(6,848)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	377	377
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**11,015**	**11,015**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	11,015	18,551
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**11,015**	**18,551**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	68
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,065)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d)+ item 2.1(e))	(6,589)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(7,654)
8.4	Cash and cash equivalents at quarter end (item 4.6)	11,015
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	11,015
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	1.44

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: The Company expects continued expenditure as it progresses development activities at the Halleck Creek Project, including ongoing technical studies and pilot plant activities. While the September quarter included expenditure associated with completion of the Company's drilling program and certain pilot plant procurement activities, the Company expects continued investment in project development activities in future quarters.

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8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
Answer:	The Company is evaluating a range of funding alternatives to support its planned activities and working capital requirements. These may include equity and other funding sources. The Company regularly reviews its funding requirements and remains focused on ensuring adequate funding is available to support its business objectives.
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	The Company expects to be able to continue its operations and meet its business objectives based on its existing cash resources and its ability to access additional funding as required. The Company continues to actively manage expenditure and funding requirements in line with its development objectives.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 29 October 2026

Authorised by: The Board of American Rare Earths Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.