

Positive Metallurgical Test Results - Halleck Creek Project

American Rare Earths (**ASX: ARR | ADRs - OTCQX: AMRRY | Common Shares - OTCQB: ARRNF | FSE:1BHA**) (**ARR or the Company**) announces results from its metallurgical testing program from its flagship Halleck Creek project in Wyoming, performed under the direction of Wood PLC.

Highlights

- Recoveries of Neodymium and Praseodymium Oxide (NdPrO) increased 28.5% from prior designs.
- This preliminary test work indicates the ore can be effectively processed using conventional technologies that not only require less initial capital expenditure but also provides lower ongoing operating costs.
- Block flow diagrams are now complete and will be utilised in a subsequent phase of metallurgical test work to finalise a flowsheet to be used in a forthcoming Preliminary Economic Analysis.

ARR continues to advance the Halleck Creek project as potentially the largest strategic rare earth project in the United States, with a previously announced 1.43 billion tonne JORC resource². The mineralisation in this deposit is allanite and testing shows that rare earth elements can be leached from allanite utilising atmospheric acid tank leaching, whereas rare earth elements cannot be leached from monazite or bastnaesite deposits utilising the same leaching process. In the most recent tests, sulphation baking kilns were removed from updated flowsheet design in favour of acid tank leaching. Acid tank leaching requires much lower operating temperatures and provides lower capital and operating costs than thermal cracking operations. Furthermore, the main reagents utilised are in plentiful supply in the Western U.S. and the project is proximate to interstate highway and railroad transportation.

“We are encouraged by the results of our most recent metallurgical tests provided by Wood PLC because they indicate that the properties of the Halleck Creek deposit may allow us to extract greater recoveries of magnet metals using simpler, lower-cost technology” said Donald Swartz, Chief Executive Officer of American Rare Earths.

Initial results indicate increased recoveries of targeted rare earth materials (82-87% of the NdPr) using conventional processing technologies. Furthermore, ARR’s current exploration program is nearing completion. The core material obtained from the ongoing program is being prepared and will be sent to labs for the next phase of detailed metallurgical testing.

1. ASX announcement June 2, 2023
2. ASX announcement March 30, 2023

Technical Summary

- NdPr represents a favorable 23% of the Total Rare Earth Oxides (TREO) grade in the resource.
- The coarse grain structure offers relatively low energy costs, allowing sequential grinding and beneficiation to reject 83.9% of feed mass.
- The ore exhibits favorable selectivity for magnetic separation utilising Wet High Intensity Magnetic Separator (WHIMS) magnetics at a grind size of 80% passing 106 microns, and the concentrated ore has a TREO grade of 1.51%, illustrating an impressive upgrade ratio of 4.3:1 using WHIMS processing alone.
- Preliminary acid tank leach testing adopted 6 hours of residence time at 90 deg C with 250 kg/t sulfuric acid addition, extracted 82-87% of the NdPr from feed material. Future work will continue to optimise the design and increase recoveries.
- The use of flotation does not significantly improve the upgrade ratio. Therefore, flotation will not be included in flowsheet design, further reducing potential capital and operating costs.

CEO, Donald Swartz, commented further “Acid tank leaching is a well-established mineral processing technology with little technical risk and offers the ability to process high volumes of concentrate in low-cost leach trains at below-boiling point, compared to the constraints of acid-baking kilns that are limited to feed solids and are expensive to build and operate.”

This market announcement has been authorised for release to the market by the CEO of American Rare Earths.

Competent Persons Statement: The information in this document is based on information compiled by Mr Greg Henderson. Mr Henderson is a Senior Process Consultant at Wood Australia. Mr Henderson is a Fellow of the Australian Institute of Mining and Metallurgy (AUSIMM), number 109007, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Henderson consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears. This work was reviewed and approved for release by Mr Dwight Kinnes (Society of Mining Engineers #4063295RM) who is employed by American Rare Earths and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 JORC Code. Mr Kinnes consents to the inclusion in the report of the matters based upon the information in the form and context in which it appears.

About American Rare Earths Limited:

American Rare Earths (ASX: ARR | ADRs - OTCQX: AMRRY | Common Shares - OTCQB: ARRNF | FSE:1BHA) owns the Halleck Creek, WY and La Paz, AZ rare earth deposits which have 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 to help ensure a renewable future.

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JORC Code, 2012 Edition – Table 1 Halleck Creek Exploration Area		
Section 1 Sampling Techniques and Data		
(Criteria in this section apply to all succeeding sections.)		
Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	<p>ARR drilled 38 reverse circulation (RC) holes across the Halleck Creek Resource Claim area between October and December 2022. All holes were approximately 150 meters (492.13 feet) deep, with the exception of HC22-RM015 which went to a depth of 175.5 meters (576 feet). Chip samples were collected at 1.5-meter continuous intervals via rotary splitter.</p> <p>In March and April 2022, ARR drilled nine HQ-sized core holes across the Halleck Creek Resource claim area. All holes were approximately 350 ft with the exception of one hole which was terminated at 194 ft. Total drilled length of 3,008 ft (917 m). Rock core was divided into sample lengths of 5 ft (1.52 m) long and at key lithological breaks.</p> <p>An additional 71 surface rock samples were collected on claim areas east of the Overton Mountain study area.</p> <p>A total of 513 surface rock samples exist in the Halleck Creek database. Surface rock samples collected by ARR are logged, photographed and located using handheld GPS units.</p> <p>As part of reverse circulation (RC) exploration drilling at Halleck Creek. ARR collected XRF readings on RC chip samples. Elements included in XRF measurements include: Lanthanum, Cerium, Neodymium, and Praseodymium. ARR collected three XRF readings on each sample, then averaged the readings. Readings are performed at 25-meter intervals down each drill hole. These values</p>

		are considered to be qualitative in nature and provide only rough indications of grade.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Core recoveries and RQDs were calculated by ARR field geologists. For the April 2022 core drilling program
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	The Red Mountain Pluton of the Halleck Creek Rare Earths Project is a distinctly layered monzonitic to syenitic body which exhibits significant and widespread REE enrichment. Enrichment is dependent on allanite abundance, a sorosilicate of the epidote group, which is most abundant within the clinopyroxene quartz monzonite. However, lower levels of REE enrichment can be found in other RMP units which notably include the fayalite monzonite and the biotite hornblende quartz syenite.
	<i>In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	Reverse circulation rock chip samples were collected at 1.5-meter continuous intervals via rotary splitter. For each interval chip samples were placed in labelled sample bags weighing between 1-2kg. A 0.5-1kg sample was collected for reserve analysis and logging. Chip samples were also placed into chip trays with 20 slots for logging and XRF analysis. Rock core samples 5 ft (1.52 m) long are being fillet cut. The fillet cuts are being pulverised and sampled for 60 elements including rare earth elements using ICP-MS and industry standards. A select number of samples are additionally being assayed for whole rock geochemistry. American Assay Labs in Sparks, NV is performing the analyses.

		<p>RC chip samples were sent to ALS labs in Twin Falls, ID for preparation and forwarded on to ALS labs in Vancouver, BC for ICP-MS analysis. ALS analysis: ME-MS81</p> <p>The rock samples pulverised and analysed for 48 elements, including rare earth elements using ICP-MS. American Assay Labs in Sparks, NV is performed the analyses.</p>
<i>Drilling techniques</i>	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or another type, whether the core is oriented and if so, by what method, etc.).</i>	<p>A Schraam T-450 reverse circulation drill rig was used to drill all 38 RC drill holes. A continuous rotary sample splitter was used to collect the RC samples at 1.5m intervals.</p> <p>Core: HQ, diamond tip, 5-ft runs, unoriented. Total drilled depth of 3,008 ft (917 m).</p>
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	<p>A continuous rotary sample splitter was used to collect the RC samples at 1.5m intervals.</p> <p>All drill core was visually logged, measured, and photographed by ARR geologists. Drill core was collected in lengths (runs) of 5 ft (1.52 m). Recoveries were calculated for each core run.</p> <p>Each rock sample was described, photographed with its location determined using handheld GPS.</p>
	<i>Measures are taken to maximise sample recovery and ensure the representative nature of the samples.</i>	<p>Reverse circulation rock chip samples were collected at 1.5-meter continuous intervals via rotary splitter. For each interval chip samples were placed in labelled sample bags weighing between 1 - 2kg. A 0.5-1kg sample was collected for reserve analysis and logging. Chip samples were also placed into chip trays with 20 slots for logging and XRF analysis.</p> <p>All core and associated samples were immediately placed in core boxes.</p>

	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	Recoveries were very high in competent rock. No loss or gain of grade or grade bias related to recovery
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	<p>All RC samples were visually logged by ARR geologists from chip trays using 10x binocular microscopes. Samples at 25m intervals were photos and analysed using an Olympus Vanta handheld XRF analyser in triplicate. Lanthanum, Cerium, Neodymium, and Praseodymium were analysed via XRF.</p> <p>All drill core was visually logged, measured, and photographed by ARR geologists. Drill core was collected in lengths (runs) of 5 feet (1.52m). ARR geologists calculated recoveries for each core run. ARR geologists logged lithology, various types of alteration and mineralisation, fractures, fracture conditions, and RQD.</p>
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	<p>RC samples and logging is quantitative in nature. Chip samples are stored in secure sample trays. Chip samples were photographed and 25m intervals.</p> <p>Core logging is quantitative in nature. All core was photographed.</p>
	<i>The total length and percentage of the relevant intersections logged.</i>	<p>All RC samples were visually logged by ARR geologists for each 1.5-meter continuous sample.</p> <p>All drill core was visually logged, measured, and photographed by ARR geologists. Drill core was collected in lengths (runs) of 5 feet (1.52m). ARR geologists calculated recoveries for each core run. ARR geologists logged lithology, various types of alteration and mineralisation, fractures, fracture conditions, and RQD.</p>
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	<p>RC chip samples were not cut.</p> <p>Drill core was fillet cut by American Assay Labs, with approximately 1/3 of the core used for assay. The remaining core material will be kept in reserve by ARR in a secure location.</p>

	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Samples varied between wet and dry. The coarse crystalline nature of the deposit minimizes adverse effects of wet samples. Samples were rotary split during drilling and sample collection. ALS labs dried wet samples using their DRY-21 drying process.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<p>RC samples were taken from pulverize splits of up to 250 g to better than 85 % passing minus 75 microns.</p> <p>All core samples were dry. Sample preparation: 1kg samples split to 250g for pulverising to -75 microns. Sample analysis: 0.5g charge assayed by ICP-MS technique.</p> <p>Both sampling methods are considered appropriate for the type of material collected and are considered industry standard.</p>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise the representivity of samples.</i>	<p>Section 12.1 above outlines a detailed description of Q/Qc protocols used by ARR.</p> <p>ARR submitted CRM sample blanks, CRM standard REE samples from CND Labs and duplicate samples for analysis. Blank samples were added one for every 10 core samples, REE samples were added one for every 25 core samples, and Duplicate samples were added one per every 25 core samples.</p>
	<i>Measures are taken to ensure that the sampling is representative of the in situ material collected, including, for instance, results for field duplicate/second-half sampling.</i>	<p>RC samples were collected using a continuous feed rotary split sampler.</p> <p>Fillet cuts along the entire length of all core are representative of the in-situ material.</p>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Allanite is generally well distributed across the core and the sample sizes are representative of the fine grain size of the Allanite.

Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	<p>ALS uses a 5-acid digestion and 32 elements by lithium borate fusion and ICP-MS (ME-MS81). For quantitative results of all elements, including those encapsulated in resistive minerals. These assays include all rare earth elements.</p> <p>AAL Labs uses 5-acid digestion and 48 element analysis including REE reported in ppm using method REE-5AO48 and whole-rock geochemical XRF analysis using method X-LIB15.</p>
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	<p>Samples at 25m intervals were photos and analysed using an Olympus Vanta handheld XRF analyser in triplicate. Lanthanum, Cerium, Neodymium, and Praseodymium were analysed. Simple average values of three XRF readings were calculated.</p> <p>No downhole geophysical tools used in the drilling program.</p>
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	<p>Section 12 above outlines the Qa/Qc procedures used by ARR.</p> <p>For the RC drilling, ARR submitted CRM sample blanks, CRM standard REE samples from CND Labs and duplicate samples for analysis. CRM and Blank samples were inserted alternately at 20 sample intervals.</p> <p>Core the core drilling, ARR submitted CRM sample blanks, CRM standard REE samples from CND Labs and duplicate samples for analysis. Blank samples were added one for every 10 core samples, REE samples were added one for every 25 core samples, and Duplicate samples were added one per every 25 core samples. Internal laboratory blanks and standards will additionally be inserted during analysis.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	RC chip samples have not yet been verified by independent personnel.

		Consulting company personnel have observed the assayed core samples. Company personnel sampled the entire length of each hole.
	<i>The use of twinned holes.</i>	No twinned holes were used.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	<p>Data entry was performed by ARR personnel and checked by ARR geologists. All field logs were scanned and uploaded to company file servers. All photographs of the core were also uploaded to the file server daily. Drilling data will be imported into the DHDB drill hole database. All scanned documents are cross-referenced and directly available from the database.</p> <p>Assay data from the RC samples was imported into the database directly from electronic spreadsheets sent to ARR from ALS.</p> <p>Core assay data was received electronically from AAL labs. These raw data as elements reported ppm were imported into the database with no adjustments.</p>
	<i>Discuss any adjustment to assay data.</i>	Assay data is stored in the database in elemental form. Reporting of oxide values are calculated in the database using the molar mass of the element and the oxide.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	<p>RC drill holes have been located using handheld GPS units. Final surveys of hole locations will be performed by professional surveyors.</p> <p>Drill hole location is based on GPS coordinates +/- 10 ft (3 m) accuracy.</p>
	<i>Specification of the grid system used.</i>	The grid system used to compile data was NAD83 Zone 13N.
	<i>Quality and adequacy of topographic control.</i>	Topography control is +/- 10 ft (3 m).
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	Both randomly spaced and localised clustering of drillholes.

	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The drill hole data is at a sufficient spacing to determine a mineral resource or reserve.
	<i>Whether sample compositing has been applied.</i>	Each sample is the result of assaying a 5 ft interval of core. Composite assay values have not been calculated or applied.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Mineralization at Halleck Creek is a function of fractional crystallization of allanite in syenitic rocks of the Red Mountain Pluton. Mineralization is not structurally controlled and exploration drilling to date does not reveal any preferential mineralization related to geologic structures. Therefore, orientation of drilling does not bias sampling.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Orientation of drilling does not bias sampling.
<i>Sample security</i>	<i>The measures are taken to ensure sample security.</i>	<p>All RC chip samples were collected from the drill rigs and stored in a secured, locked facility. Sample pallets were shipped weekly, by bonded carrier, directly to ALS labs in Twin Falls, ID. Chains of custody were maintained at all times.</p> <p>All core was collected from the drill rig daily and stored in a secure, locked facility until the core was dispatched by bonded courier to American Assay Labs. Chains of custody were maintained at all times.</p> <p>All rock samples were in the direct control of company geologists until dispatched to American Assay Labs.</p>
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No external audits or reviews have been conducted to date. However, sampling techniques are consistent with industry standards.

Section 2 Reporting of Exploration Results		
(Criteria listed in the preceding section also apply to this section.)		
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<i>Type, reference name/number, location and ownership, including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	ARR acquired 5 unpatented federal lode claims on BLM US Federal Land totalling 71.6 acres (29 has) from Zenith Minerals, Ltd (Zenith). in 2021. 67 unpatented federal lode claims were staked by ARR that totalled 1193.3 acres (482 ha) in summer 2021. ARR staked 182 unpatented federal lode claims in March 2022 covering an area of approximately 3,088 acres (1,250 ha). ARR staked 118 unpatented federal lode claims in November 2022 covering an area of approximately 2,113 acres (855 ha). As of December 31, 2022, ARR controlled 367 unpatented federal lode claims and 4 Wyoming State mineral licenses covering 8,165 acres (3,304 ha).
	<i>The security of the tenure held at the time of reporting and any known impediments to obtaining a licence to operate in the area.</i>	No impediments to holding the claims exist. To maintain the claims an annual holding fee of \$165/claim (\$11,880.00) is payable to the BLM. To maintain the State leases minimum rental payments of \$1/acre for 1-5 years; \$2/acre for 6-10 years; and \$3/acre if held for 10 years or longer.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Prior to sampling by WIM on behalf of Blackfire Minerals and Zenith there was no previous sampling by any other groups within the ARR claim and Wyoming State Lease blocks.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The REE's occur within Allanite which occurs as a variable constituent of the Red Mountain Pluton. The occurrence can be characterised as a disseminated type rare earth deposit.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i>	FTE DRILLING USA INC. of Mount Uniacke, Nova Scotia used a Schraam T-450 track mounted rig to drill 38 reverse circulation drill holes. Drill hole depths for 37 holes was 150m and one hole at 175.5m. Authentic Drilling from Kiowa, Colorado used both a track mounted and ATV mounted core rig to drill nine HQ diameter core holes. From March to April 2022, ARR drilled nine core holes across the Halleck Creek claim area. Drill holes ranged in depth from 194 to 352.5 ft with a total drilled length of 3,008 ft (917 m).

	<i>easting and northing of the drill hole collar</i>	Drilling information is presented in detail in the "Technical Report of Exploration and Maiden Resource Estimates of the Halleck Creek Rare Earths Project", March 2023
	<i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i>	
	<i>dip and azimuth of the hole</i>	
	<i>downhole length and interception depth</i>	
	<i>Hole length.</i>	
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	No Drilling data has been excluded.
<i>Data aggregation methods</i>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	Average Grade values were cut at minimum of TREO 1,500 ppm.
	<i>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Assays are representative of each 5 ft (1.52 m) sample interval.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents used.

<i>Relationship between mineralisation widths and intercept lengths</i>	<p><i>These relationships are particularly important in the reporting of Exploration Results.</i></p> <p><i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></p> <p><i>If it is unknown and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i></p>	Allanite mineralization observed at Halleck Creek occurs uniformly throughout the CQM and BHS rocks of within the Red Mountain Pluton. Therefore, the geometry of mineralisation does not vary with drill hole orientation or angle within homogeneous rock types.
<i>Diagrams</i>	<p><i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views.</i></p>	Location information is presented in detail in the "Technical Report of Exploration and Maiden Resource Estimates of the Halleck Creek Rare Earths Project", March 2023
<i>Balanced reporting</i>	<p><i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practised to avoid misleading reporting of Exploration Results.</i></p>	<p>The latest exploration results reported in "Mapping and Surface Sampling Summary at the Halleck Creek Project Area: April 2022".</p> <p>All relevant information for this section can be found in Table 1 in the "Technical Report of Exploration and Maiden Resource Estimates of the Halleck Creek Rare Earths Project", March 2023</p>
<i>Other substantive exploration data</i>	<p><i>Other exploration data, if meaningful and material, should be reported, including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i></p>	<p>In hand specimen this rock is a red colored, hard and dense granite with areas of localised fracturing. The rock shows significant iron staining and deep weathering.</p> <p>Microscopic description: In hand specimen the samples represent light colored, fairly coarse-grained granitic rock composed of visible secondary iron oxide, amphibole, opaques, clear quartz and pink to white colored feldspar. All of the specimens show moderate to strong weathering and fracturing. Allanite content is variable from trace to 2%. Rare Earths are found within the Allanite.</p> <p>Historical metallurgical testing consisted of concentrating the Allanite by both gravity and magnetic separation. The current program employs sequential high gradient</p>

		magnetic separation and flotation to produce a concentrate suitable for downstream rare earth elements extraction.
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Further drilling is planned to increase the area of the project, and to increase confidence levels of resources. Geological mapping and surface sampling will also be performed to define and prioritize drilling targets.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Additional drilling is planned in new exploration areas and to increase resource confidence levels.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	<p><i>Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.</i></p> <p><i>Data validation procedures used.</i></p>	<p>Drill hole data header, lithologic data checked by field geologists and by visual examination on maps and drill hole striplogs.</p> <p>Assay and Qa/Qc data were imported into the database directly from electronic spreadsheets provide by laboratories. Histograms graphical logs were also prepared and reviewed by ARR geologists.</p>
Site visits	<p><i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i></p> <p><i>If no site visits have been undertaken indicate why this is the case.</i></p>	<p>Mr. Dwight Kinnes visited the Halleck Creek site during the RC and core drilling projects.</p> <p>Mr. Jim Guilinger has not visited the site during the RC and core drilling projects. ARR will facilitate a site visit during the 2023 calendar year.</p> <p>Mr. Alf Gliman has not visited the site during the RC and core drilling projects. Mr. Gilman resides in Perth, Western Australia. Site visits to the project have so far been logistically difficult and very expensive.</p>
Geological interpretation	<i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i>	The Halleck Creek RE deposit is contained with rocks of the Red Mountain Pluton. These rocks consist primarily of clinopyroxene quartz monzonite (CQM), and biotite hornblende syenite (BHS). These two lithologies are

Criteria	JORC Code explanation	Commentary
	<p><i>Nature of the data used and of any assumptions made.</i></p> <p><i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i></p> <p><i>The use of geology in guiding and controlling Mineral Resource estimation.</i></p> <p><i>The factors affecting continuity both of grade and geology.</i></p>	<p>difficult to visually distinguish. However, the concentration of rare earth elements is observable between lithologies.</p> <p>Rocks of the Elmers Rock Greenstone Belt (ERGB) and the Sybille (Syb) intrusion are easily distinguishable from rocks of the RMP. These rock units are essentially barren of rare earth elements. Therefore, the confidence in discerning rocks of the RMP from is high.</p> <p>The extent of the RMP relative to other units was outlined into modelling domains used for resource estimates.</p> <p>The distribution of allanite throughout CQM and BHS rocks of the RMP is generally uniform and is not structurally controlled. Potassic alteration observed does not appear to affect the grade of allanite throughout the deposit.</p>
<i>Dimensions</i>	<p><i>The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.</i></p>	<p>The Halleck Creek REE project currently contains two primary resource areas: the Red Mountain area and the Overton Mountain area. Resources also extend into the Bluegrass resource area.</p> <p>The Red Mountain resource area is bounded to the west by the ERGB, and to the south by the Syb. Further exploration is needed to determine the extent to the north and two the east.</p> <p>RC samples with TREO grades exceeding 1,500 ppm occurred at the base of 37 drill holes in the Red Mountain resource area extending down to depths of 150m with one hole extending to a depth of 175.5m. Therefore, ARR considers the Red Mountain resource area to be open at depth.</p> <p>The Overton Mountain resource area is bounded to the west by mineral claims, and therefore, remains open to the west. Lower grade BHS rocks occur at the northern end of Overton Mountain. Drilling data to the east and south indicate that the Overton Mountain resource area remains open across Bluegrass Creek.</p>

Criteria	JORC Code explanation	Commentary
		Like the Red Mountain drilling, RC samples at Overton Mountain contained TREO assay values exceeding 3,500 ppm to depths of 150m in 18 holes. Therefore, ARR considers the Overton Mountain resource area to be open at depth.
Estimation and modelling techniques	<p><i>The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.</i></p> <p><i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i></p> <p><i>The assumptions made regarding recovery of by-products.</i></p> <p><i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i></p> <p><i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i></p> <p><i>Any assumptions behind modelling of selective mining units.</i></p> <p><i>Any assumptions about correlation between variables.</i></p> <p><i>Description of how the geological interpretation was used to control the resource estimates.</i></p> <p><i>Discussion of basis for using or not using grade cutting or capping.</i></p> <p><i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i></p>	Relevant information is presented in detail in the "Technical Report of Exploration and Maiden Resource Estimates of the Halleck Creek Rare Earths Project", March 2023

Criteria	JORC Code explanation	Commentary
Moisture	<i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i>	Tonnages are based on dry basis.
Cut-off parameters	<i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i>	Currently a subjective cut-off grade of 1,500 ppm TREO was applied to reported resource estimates. Ongoing metallurgical testwork and upcoming conceptual planning will provide input to determine a net smelter return.
Mining factors or assumptions	<i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i>	No mine plan or design has been prepared at this stage however the shallow nature of the deposit assumes extraction by open pit mining methods.
Metallurgical factors or assumptions	<i>The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.</i>	ARR is performing preliminary metallurgical testwork at Halleck Creek. The preliminary results are presented here.
Environmental factors or assumptions	<i>Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not</i>	ARR is in the process of outlining environmental, social, and community impacts regarding the potential development of the project. These impacts are being included in conceptual designs of all facets of the project.

Criteria	JORC Code explanation	Commentary
	<i>always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</i>	
<i>Bulk density</i>	<p><i>Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.</i></p> <p><i>The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.</i></p> <p><i>Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.</i></p>	An average specific gravity of 2.70 represents the in-place ore material at Halleck Creek based on hydrostatic testing.
<i>Classification</i>	<p><i>The basis for the classification of the Mineral Resources into varying confidence categories.</i></p> <p><i>Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></p> <p><i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i></p>	<p>The basis of classification of mineral resources was based on geostatistical analysis of variograms of rare earth elements. The variographic results showed a resource boundary based on 90% of sill range of approximately 325-meters is applicable at Halleck Creek.</p> <p>These results do reflect the CP's view of the project.</p>
<i>Audits or reviews</i>	<i>The results of any audits or reviews of Mineral Resource estimates.</i>	There have not been any audits of mineral resource estimates.
<i>Discussion of relative</i>	<i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the</i>	Reported resources for Halleck Creek are in-place global estimates of tonnage and rare earth grade. The basis of classification of mineral resources was based on geostatistical analysis of variograms of rare earth elements.

Criteria	JORC Code explanation	Commentary
accuracy/ confidence	<p><i>relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i></p> <p><i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i></p> <p><i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i></p>	<p>Within the confines of the available data resource estimates should be accurate for a maiden resource estimate.</p>