



Chairman's 2021 AGM address

Good afternoon ladies and gentlemen, welcome to the first Annual General Meeting of Australian Rare Earths Limited.

In keeping with the commitment made in the Initial Public Offer we are making steady progress in establishing AR3 as a leading rare earths company committed to the development of our world class resources through strong environmental, social, community and governance principles.

The current global push for carbon neutrality has underwritten the performance of Australian Rare Earths through recognition of the critical role rare earths will play through the incorporation of rare earth permanent magnets (REPMs) in the drives of Electric Vehicles (EVs), in renewable energy (wind turbines) installations and in domestic appliances through their role in improving their efficiency.

The Company's focus is our 100%-owned Koppamurra Project; Australia's only prospective ionic clay hosted rare earths deposit and one of only three listed opportunities globally. Koppamurra is located in close proximity to the town of Naracoorte, a tier one mining jurisdiction, within the South Eastern region of South Australia, that has a skilled workforce, established energy and transport infrastructure in close proximity.

In keeping with our strong environmental and social principles, Australian Rare Earths has and continues to make a concerted effort to keep the local community fully informed of our current and future activities. To further our community presence, the Company has established a base in Naracoorte and employed a Land Access and Regional Communications Manager.

Importantly, the characteristics of the Koppamurra deposit are unique as it contains the four rare earths used in the production of REPMs, namely praseodymium, neodymium, terbium and dysprosium. This represents a key advantage for Australian Rare Earths, having already received preliminary interest from potential customers and downstream partners.

At the time of Listing the Company had already experienced significant exploration success at Koppamurra through the discovery of the Red Tail and Yellow Tail deposits, which led to the declaration of a maiden JORC 2021 Inferred Mineral Resource of 39.9Mt @ 725ppm TREO, a grade which is comparable to those that form the backbone of other global rare earth ionic resources. The initial assay results from our current drilling program, announced to the ASX yesterday, are indicative of the potential for the Company to achieve its goal of becoming an active participant in a future independent global mine to magnet supply chain.

Over the past year COVID-19 has had a negative impact on the progress of many business activities, fortunately for Australian Rare Earths the impact on our exploration program has been minimal due the containment policies put in place by the South Australian Government.

Since joining the Company just a year ago, I have continued to be thankful and impressed by the skills and dedication of the Australian Rare Earths team, the professional personnel who assisted in the preparation of



the IPO, the support of the local community (Naracoorte), and our contractors. I wish to take this opportunity to thank them for the efforts they have made to ensure our journey to date has been both rewarding and successful.

On behalf of the Board of Directors I thank you for your support of the Company. You may rest assured that we will be working hard to enhance the value of your shareholding in Australian Rare Earths in the coming years.

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About Australian Rare Earths Limited

Australian Rare Earths (AR3) is committed to the timely exploration and development of its 100% owned, flagship Koppamurra Project, located in South Australia and Victoria. Koppamurra is a prospective ionic clay hosted rare earth element (REE) deposit; uniquely rich in the REEs required in the manufacture of rare earth permanent magnets which are essential components in energy efficient motors.

The Company is focused on executing a growth strategy that will ensure AR3 is in a position to become an independent and sustainable source of HREEs, playing a pivotal role in the global transition to renewable sources of energy such as wind power and in decarbonising the worlds energy landscape, through the adoption of electric vehicle transportation.