ASX: AR3

24 April 2026

Quarterly Activities Report

For the three months ended 31 March 2026

Highlights:

Significant progress at Koppamurra Rare Earths Project

- **High-purity Mixed Rare Earth Oxide pathway established**, with testwork achieving 99.9% rare earth recovery from solution via oxalate precipitation and a projected calcined product grade of ~98.6% Rare Earth Oxide (**REO**) + Yttrium Oxide (Y_2O_3) by weight. This is a simpler and more commercially attractive processing route than the Mixed Rare Earth Carbonate (**MREC**) flowsheets being pursued by most other western ionic clay projects.
- **Step-change improvement in heap leach performance**: Doubling of irrigation rates from 5 to 10 L/m²/h approximately halved leaching time while delivering magnet rare earth recoveries of ~70%. Halving Magnesium Sulphate ($MgSO_4$) reagent addition showed no measurable impact on extraction.
- **Lower capital and lower operating costs** supported by lower reagent consumption and faster leach cycles reducing heap leach footprint.
- **High recoveries of other strategically critical elements** including Yttrium (70%), Gadolinium (69%) and Samarium (66%) (all are subject to China's expanded export controls) reinforcing the geopolitical relevance of the Koppamurra product.
- **Pre-Feasibility Study on track for late Q2 2026 release,** with flowsheet design finalised and metallurgical optimisation program with Australian Nuclear Science and Technology Organisation (**ANSTO**) nearing completion.
- **Pilot plant operations scheduled to commence late Q2 2026,** targeting the processing of ~30 tonnes of clay to produce a high-quality MREO for downstream customer qualification and engagement. AR3 first to use ANSTO's new continuous pilot-scale rare earth processing facility in Sydney.
- **~$1 million International Partnerships in Critical Minerals (IPCM) grant instalment received**, bringing total Australian Government grant receipts to $2.75million against a $5 million award, with $2.25 million remaining to be received in 2026 subject to milestone delivery.
- **Mining Lease application preparation on track** for submission in 2026.

Overland Uranium Project — New Targets Defined, Drilling to Recommence

- **Regulatory approval secured** for a uranium drill program at EL7079, with a drilling contractor engaged and rig mobilisation scheduled for April 2026.
- **Two large-scale sedimentary-hosted uranium target zones defined**: the Western Flank Zone within the Ettrick Formation and the Basal Sandy Unit, based on a comprehensive review of historic drilling across the Sedan coal deposit area (1979–1982) and confirmed assay results from resampling of historic core hole C051.
- **Historic core hole C051 confirmed uranium mineralisation** including 0.44 m @ 159 ppm U_3O_8 from 56.6 m, 0.70 m @ 153 ppm U_3O_8 from 57.3 m and 0.90 m @ 201 ppm U_3O_8 from 60.3 m[1].

[1] See ASX 7 November 2025 "Assay results point to sedimentary hosted uranium targets on new Overland tenure"

- **Numerous legacy drillholes show anomalous gamma responses**, highlighting widespread uranium potential across the newly granted EL7079, EL7080 and EL7081 tenure[2].

Corporate

- **Cash position remains strong with $6.66 million as at 31 March 2026:** ~$6 million raised via share placement to institutional, sophisticated and professional investors at $0.185 per share during the quarter providing a robust balance sheet to execute near-term milestones across both the Koppamurra and Overland Projects.
- **Strengthened balance sheet**: Placement proceeds combined with existing cash and a further:
    - $2.25 million Australian Government International Partnerships in Critical Minerals grant instalment grant funding anticipated during 2026; and
    - ~16.9 million AR3 unlisted options with a 10-cent exercise price and expiring 30 March 2029 available for shareholders to exercise as at 17 April 2026;

  combined, provide AR3 with the runway to advance both its critical minerals projects in a disciplined and capital-efficient manner.
- Engage with this announcement at the ***AR3 Investor Hub*.**

Travis Beinke, Managing Director and CEO, commented:

"During the quarter, we delivered strong technical progress at Koppamurra, including the establishment of a high-purity MREO pathway and step-change improvements in heap leach performance, supporting a simpler, lower-cost and more commercially attractive development strategy.

We continue to achieve solid recoveries across both magnet rare earths and other key critical elements such as yttrium, gadolinium and samarium, further reinforcing the strategic value of the project. With the Pre-Feasibility Study on track for late Q2 2026 and pilot plant operations set to commence, we are progressing toward development with increasing confidence.

At Overland, newly defined uranium targets and an approved drill program provide additional upside, while a strengthened balance sheet post the share placement and continued government support position AR3 to deliver on its near-term milestones and create long-term shareholder value."

Australian Rare Earths Limited (ASX: AR3 or the **Company)** is pleased to provide an update on progress made during the quarter ended 31 March 2026. The Company continues to make strong progress at both the Koppamurra and the Overland Projects.

Operational Review

Koppamurra Rare Earths Project, South Australia

AR3 made substantial progress across the Koppamurra Rare Earths Project during the March quarter, delivering a series of significant metallurgical milestones, advancing the Pre-Feasibility Study (PFS) toward completion and securing a further A$960,000 progress instalment from the Australian Government under the International Partnerships in Critical Minerals Program.

[2] See ASX 5 March 2026 "AR3 to recommence uranium drilling at Overland in April 2026"

High-Purity Mixed Rare Earth Oxide Pathway Established

In January 2026, the Company confirmed testwork had established a viable process to produce a high-purity Mixed Rare Earth Oxide (MREO) using conventional, low-risk technology (refer ASX announcement "Koppamurra test work produces high purity Mixed Rare Earth Oxide" 20 January 2026).

The program represents the first production of marketable rare earth products from bulk leaching the pregnant leach solution (PLS) derived from processing Koppamurra ores via a heap leach and rapid rehabilitation development approach. It demonstrates a complete, scalable pathway from ore through to saleable rare earth intermediates using conventional processing techniques.

Initial oxalate precipitation testwork applied a 100% stoichiometric addition of oxalic acid to the rare earth elements (REE) and primary gangue minerals in the feed solution. Adding 0.86 Molarity oxalic acid to the 45°C re-dissolution solution delivered exceptional metallurgical performance, achieving 99.9% recovery of total rare earth oxides from solution while rejecting the majority of impurities. The resulting oxalate product contained less than 0.5% measured impurities by weight, dominated by calcium.

Following calcination (a conventional, well-understood high-temperature heat treatment process) the product is projected to contain approximately 98.6% REO + Y_2O_3 by weight, with total impurities of approximately 1.4% by weight. The MREO product contains approximately 49% of magnet rare earth elements together with yttrium, gadolinium, samarium and lutetium — all elements subject to China's expanded export controls announced in April 2025 and increasingly critical to Western supply chains.

Figure 1 — Sample of AR3's mixed rare earth oxalate

Impurities	as oxide in oxalate* wt% Product	as oxide calcined** wt% Product
Al_2O_3	0.025	0.07
CaO	0.406	1.05
FeO	0.011	0.03
K_2O	0.007	0.02
MgO	0.039	0.10
MnO	0.012	0.03
$Na_2O^{\#}$	-	-
SO_4	0.010	0.03
SiO_2	0.036	0.09
	0.55	**1.4**

Below detection limit

U^	<10 ppm
Th^	<10 ppm

^ Below detection limit. Assays are inferred from the feed concentrations to Oxalate precipitation

REO	as oxide in oxalate* wt% Product	as oxide calcined** wt% Product
La_2O_3	6.32	16.3
CeO_2	11.80	30.4
Pr_6O_{11}	**1.71**	**4.4**
Nd_2O_3	**6.79**	**17.5**
Sm_2O_3	**1.30**	**3.4**
Eu_2O_3	0.32	0.8
Gd_2O_3	**1.29**	**3.3**
Tb_4O_7	**0.19**	**0.5**
Dy_2O_3	**1.05**	**2.7**
Ho_2O_3	0.20	0.5
Er_2O_3	0.51	1.3
Tm_2O_3	0.06	0.2
Yb_2O_3	0.34	0.9
Lu_2O_3	**0.05**	**0.1**
Y_2O_3	**6.27**	**16.2**
TREO+Y_2O_3	**38.2**	**98.6**

Table 1 — Impurity Deportment **| Table 2** — Rare Earth Oxide Deportment

Rare earths highlighted in Table 2 are subject to Chinese export controls from 4 April 2025.
* Laboratory analysis of the oxalate product generated in this test work has been converted to its oxide form using the appropriate oxide conversion factors.
** Calcined product calculation assumptions include; • The rare earth portion remains as rare earth oxides (REO + Y_2O_3), • The impurities (Ca, Mg, etc.) remain in the solid – but become oxides, • The oxalate and any bound water decompose and are driven off as gases (mainly CO_2, CO and H_2O). The combined rare earths and gangue element mass is all that remains and now represents 98.6% and 1.4% respectively of the calcined product.

AR3 has assessed a range of technical, cost and downstream processing factors and determined that production of a MREO via oxalate precipitation represents the most cost-effective and economically beneficial product option for Koppamurra. Early-stage customer conversations have indicated an MREO product will be attractively positioned in the marketplace, with benefits including better material handling characteristics, lower transport costs, reduced impurity levels and higher overall product quality. The oxalate route also provides a simpler downstream purification pathway compared to mixed rare earth carbonate flowsheets requiring multiple re-dissolution and precipitation steps.

Mixed Rare Earth Carbonate (MREC) – Alternative Product Option

As part of the same testwork program, the Company also successfully produced a mixed rare earth carbonate (MREC), confirming this as a technically viable alternative product. No additional work is currently planned for the MREC option, with priority directed to the MREO pathway.

Metallurgical Optimisation Program Delivers Step-Change Improvements

In February 2026, the Company reported a further significant advance in metallurgical performance, with heap leach optimisation testwork delivering step-change improvements in leaching kinetics, recoveries and reagent efficiency (refer ASX announcement "Koppamurra testwork optimisation delivers high recoveries of critical rare earth elements" 16 February 2026).

The results are part of a comprehensive metallurgical optimisation program conducted in collaboration with the ANSTO as part of preparations for pilot plant operations and to inform the PFS. The testwork program targeted key stages of the Koppamurra flowsheet, including clay preparation, heap leaching, intermediate precipitation and oxalate-to-oxide conversion.

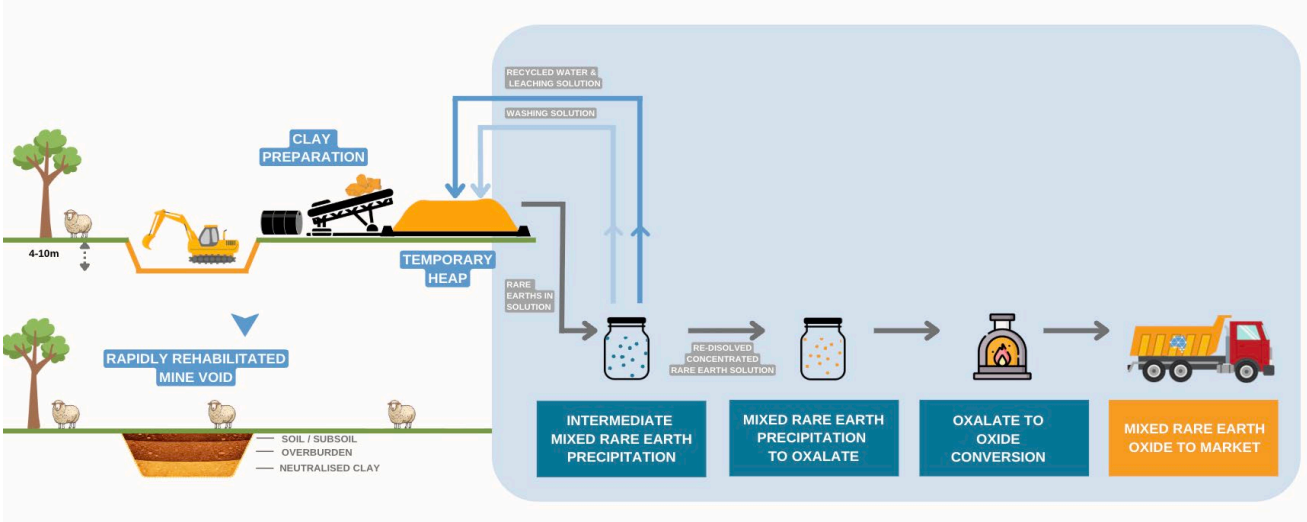

Figure 2 — Koppamurra Conceptual Project Flowsheet showing the five-stage flowsheet from clay preparation through to Mixed Rare Earth Oxide to market.

The most significant outcomes achieved during the metallurgical optimisation program were:

Leaching rate upside: Using baseline lixiviant conditions of 0.3 M $MgSO_4$ at pH 2.2, doubling the irrigation rate from 5 to 10 L/m²/h (Test C15) approximately halved the time required to achieve target magnet rare earth element (MREE) extractions. Earlier ANSTO work indicates irrigation rates of up to 35 L/m²/h are sustainable for ore washing, highlighting potential for further improvement beyond the 10 L/m²/h demonstrated to date. Importantly, testing confirmed that heap slumping was not an issue at these elevated flow rates.

Reagent optimisation and cost reduction*:* Halving the $MgSO_4$ concentration from 0.3 M to 0.15 M (Test C13) showed no measurable impact on either leaching rate or final extraction, confirming a clear opportunity to reduce reagent consumption without compromising metallurgical performance.

Magnet Rare Earth recoveries: Testwork delivered magnet rare earth recoveries of approximately 70% across a range of test conditions for Nd, Pr, Dy and Tb. High recoveries were also achieved for strategically important elements including Yttrium (70%), Gadolinium (69%) and Samarium (66%) — elements subject to China's expanded export controls.

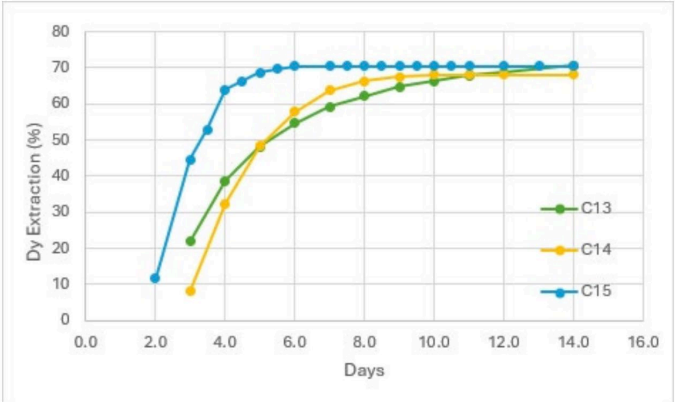

Figure 3 — Dy extraction over time; C15 at double flow rate compared with C13 (50% MgSO4) & C14 (std conditions).

	Reagent Addition	Liquor	Irrigation Rate	Test Duration	Recoveries %				
Column ID	$MgSO_4$	pH	(L/m2/hr)	(days)	Nd	Pr	Dy	Tb	MRE
AR3-C13	0.15 M	2.2	5	14	63	66	71	62	64
AR3-C14	0.3 M	2.2	5	14	64	66	68	64	65
AR3-C15	0.3 M	2.2	10	14	69	71	71	63	70

Table 3 — Column test conditions with Magnet Rare Earth recoveries

Collectively, these results materially improve the potential economics and scalability of the Koppamurra flowsheet. Demonstrating that heap irrigation rates can be at least doubled while maintaining strong recoveries provides a clear pathway to faster leach cycles, higher throughput and earlier MREO production from a given heap leach footprint. The combination of faster leach kinetics and lower reagent intensity also provides a pathway to lower capital intensity, as the same production outcome may be achievable with smaller heap leach pads and associated infrastructure.

Pre-Feasibility Study and Pilot Plant

The PFS advanced materially during the quarter, with the flowsheet design finalised and metallurgical testwork optimisation approaching completion; both representing significant de-risking milestones for the project. The PFS remains on track for release during Q2 2026, and will provide the market with detailed project economics, development pathway and key technical outcomes.

In parallel, AR3 is preparing to commence a pilot plant program at ANSTO's new continuous pilot-scale rare earth processing facility in late Q2 2026. The pilot program is intended to process approximately 30 tonnes of clay, producing a high-quality MREO product for downstream qualification and customer engagement. **AR3 remains the first industry partner selected to access ANSTO's new facility.** This negates the need for the Company to construct its own pilot plant, reducing risk and saving both time and capital in the Koppamurra development timeline.

Mining Lease and Regulatory Approvals

Preparation for an initial Mining Lease application remained on track during the quarter, with submission targeted in 2026. AR3 continues to advance environmental and social assessment workstreams in line with the framework established through the SA Department of Energy and Mining's (DEM) scoping process completed in the prior quarter.

IPCM Grant Instalment Received

In February 2026, the Company received a further A$960,000 progress instalment from the Australian Government under the IPCM Program (refer ASX announcement "~$1M IPCM grant instalment received; Koppamurra PFS and Pilot Plant on Track" 20 February 2026). This instalment takes **total IPCM grant funding received to date to $2.75 million, with a further $2.25 million scheduled to be received during the balance of 2026** under AR3's $5 million IPCM grant award, subject to the achievement of agreed milestones.

AR3 notes increasing Australian Government support for critical minerals, including recent confirmation that rare earths are among the first minerals to be included in Australia's Critical Minerals Strategic Reserve, further highlighting the strategic importance of advanced, high-quality Australian rare earth projects.

Overland Uranium Project, South Australia

Overland is located in South Australia, **widely regarded as one of the world's premier uranium jurisdictions, hosting the only three currently operating uranium mines in Australia.** The recommencement of drilling occurs against a supportive macro backdrop of robust uranium prices, driven by expanding global nuclear power programs, energy security imperatives and structural supply constraints.

AR3 continued to advance its ~8,000 km² Overland Uranium Project in South Australia, securing regulatory approval for a new drill program to test two large-scale sedimentary-hosted uranium target zones on recently granted exploration tenure EL7079, covering the Sedan prospect (refer ASX announcement "AR3 to recommence uranium drilling at Overland in April 2026" 5 March 2026).

A drilling contractor has been engaged, with rig mobilisation scheduled for late April 2026. The program will test two priority sedimentary-hosted uranium target zones defined through AR3's comprehensive review of historic drilling and assay results in the Sedan area, initially drilled between 1979 and 1982 to evaluate a brown coal deposit. These zones were defined through detailed reanalysis of legacy geological and geophysical data and confirmed by resampling of historic core hole C051 at the South Australian Drill Core Reference Library.

Historic Core Hole C051: Confirmed Uranium Mineralisation
Core material from hole C051, resampled by AR3 and submitted to Bureau Veritas for analysis, returned the following significant uranium intersections:

- 0.44 m @ 159 ppm U_3O_8 from 56.6 m (within limestone)
- 0.70 m @ 153 ppm U_3O_8 from 57.3 m (within limestone; weighted average of two samples)
- 0.90 m @ 201 ppm U_3O_8 from 60.3 m (within lignite; weighted average of two samples)

Gamma logging in adjacent hole R016 independently points to a 5 m thick anomalous zone at 56 to 61 m depth, roughly corresponding to the interval defined by the C051 assay results above. Numerous additional historic drillholes across the area returned anomalous gamma responses, highlighting widespread uranium potential across the Sedan area and surrounding tenure.

Figure 4 — Core hole C51, with significant uranium assay intersections marked. Note redox boundary becoming evident in the sample 4586338 sample interval.

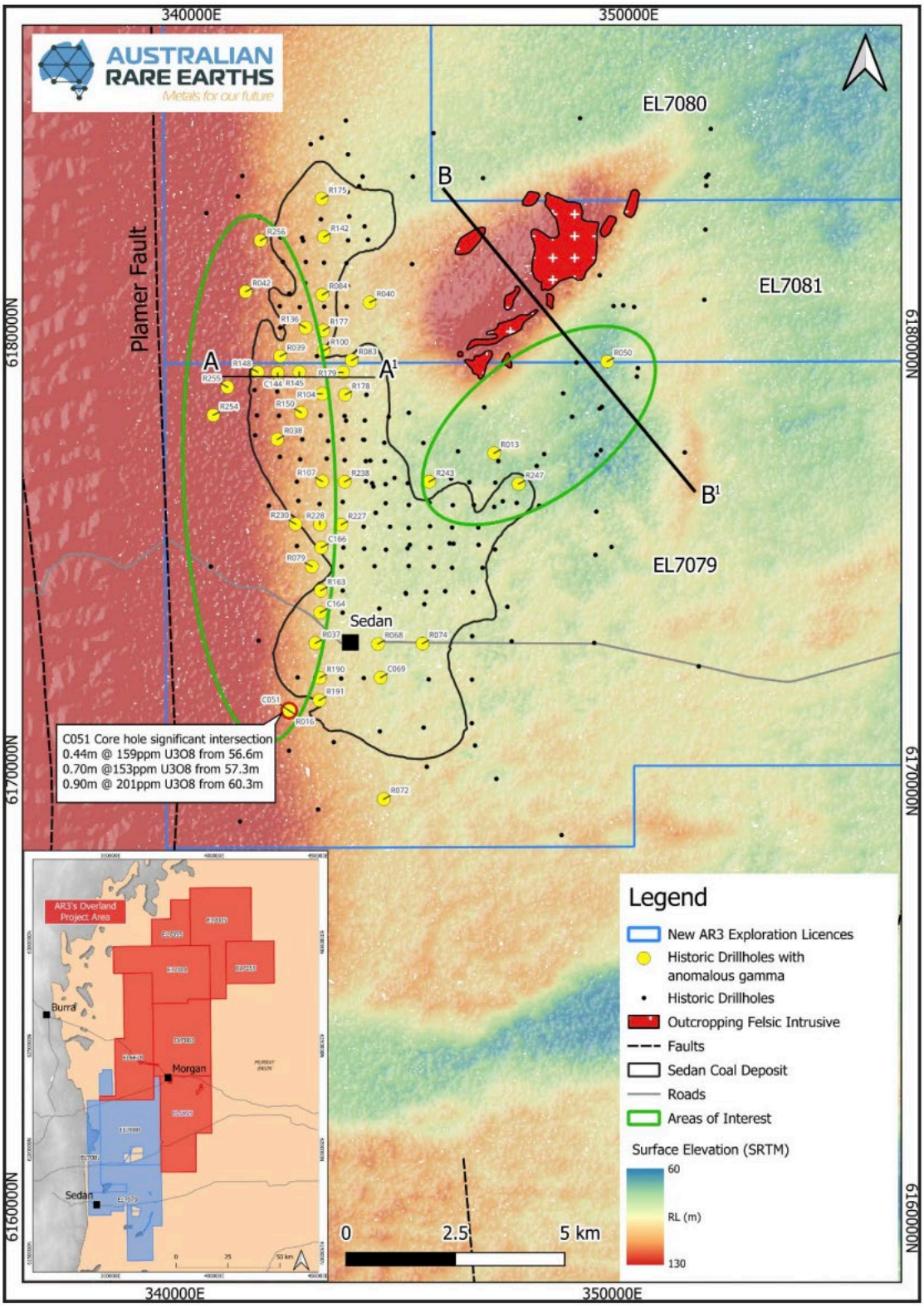

Figure 5 — Plan map of historic drilling around the Sedan Coal deposit, historic holes which intersected anomalous gamma and resampled hole C051 shown highlighted.

Two Primary Target Areas Defined

The program is designed to test two primary target zones within EL7079:

1. **Western 'Flank' Zone** — located within the Ettrick Formation overlying the Sedan coal seams, remaining largely open toward the regional Palmer Fault. This zone is defined by numerous drillholes with anomalous gamma intercepts within sedimentary horizons at and above the contact with the coal deposit.
2. **Basal Sandy Unit** — a thick sandy unit developed in an area of lower topography at the base of the sedimentary sequence overlying basement rocks, where weathered granite has produced a 'wash' of potentially elevated uranium-bearing sediment, providing a potential source of uranium enrichment.

The two target areas lie between the Palmer Fault — which informs the western margin of the Murray Basin sediments — and intrusive units of the Delamerian Orogen. A structural depression in this area has accumulated the Sedan brown coal deposits and provided groundwater pathways conducive to uranium mineralisation.

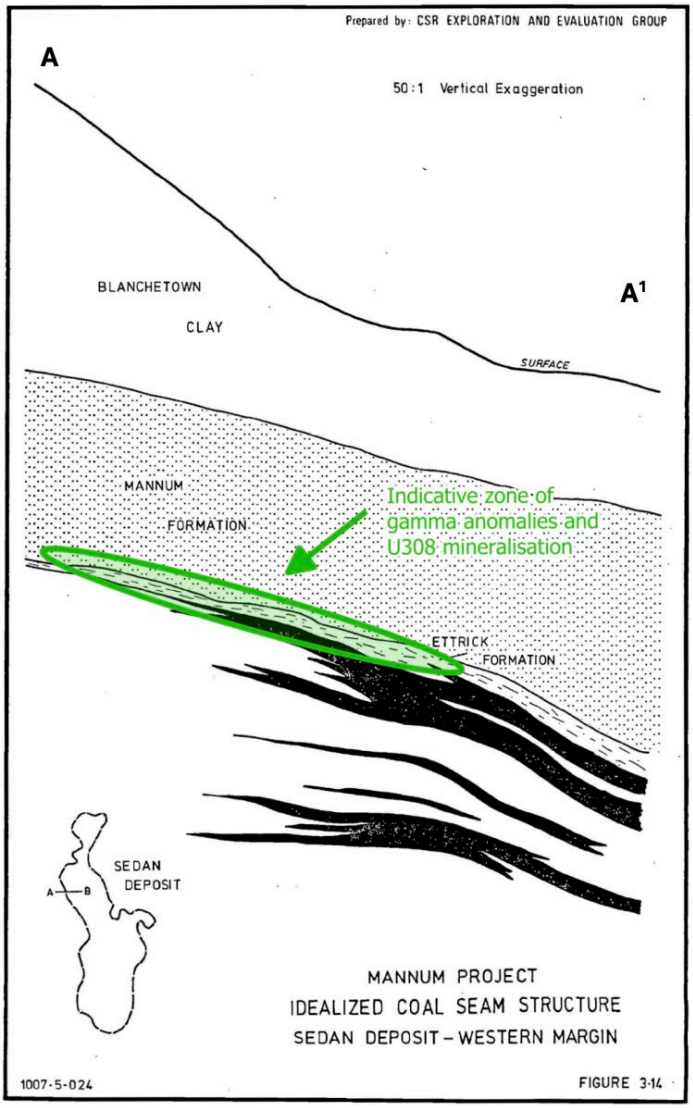

Figure 6 — Western flank zone of interest, through A-A1 , shown with 50:1 vertical Exaggeration. Modified from Open File Envelope ENV03345 pg1759.

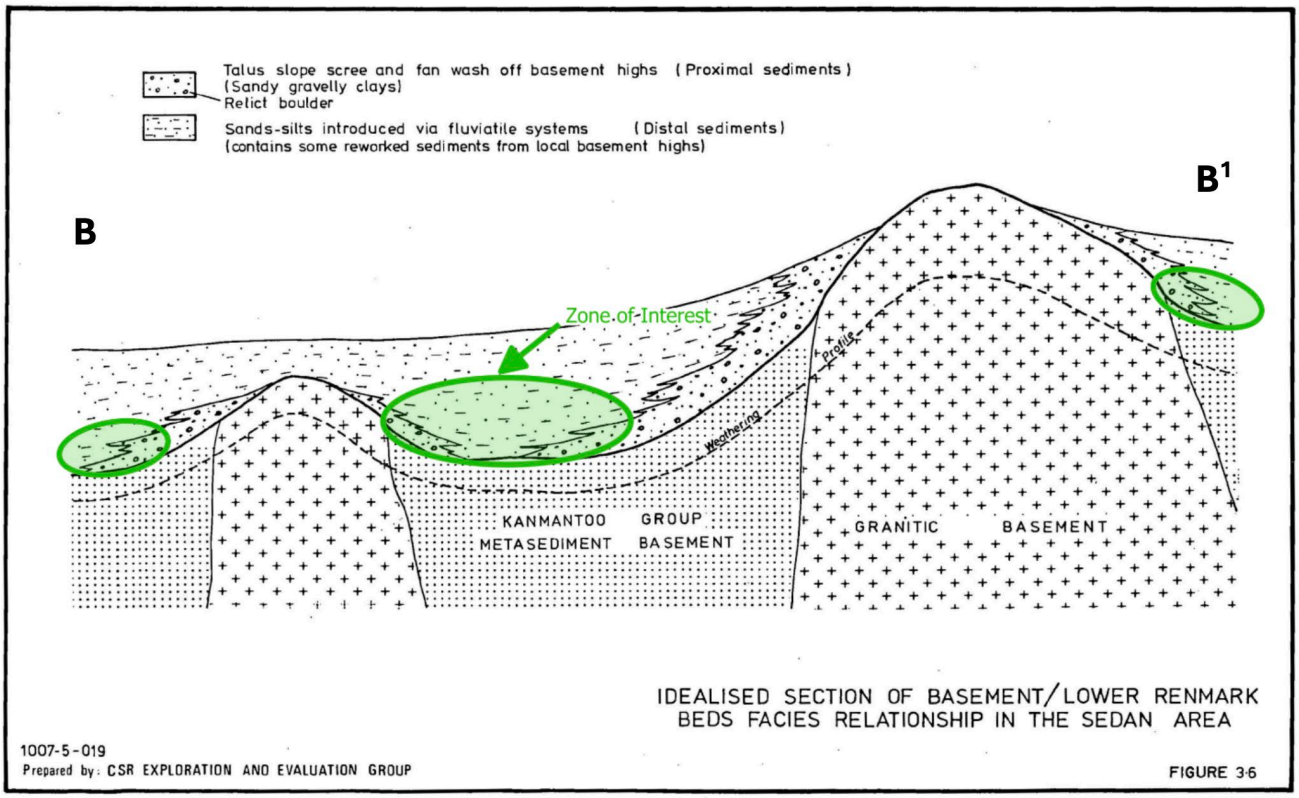

Figure 7 — Idealised Section - Granite 'wash' schematic. Modified from Open File Envelope ENV03345 pg.1745

Northern Queensland Rare Earths Projects

No activities were conducted over the Company's Queensland projects during the reporting period.

Financial Update

AR3 completed the quarter with A$6.66 million in cash as at 31 March 2026. During the period the Company completed a share placement raising approximately $6 million (before costs) and received a further $960,000 IPCM grant instalment, materially strengthening the balance sheet to fund near-term project milestones across both Koppamurra and Overland.

Corporate Update

During the March quarter, the Company maintained strong engagement with its investor base and continued to position AR3 within the context of the broader critical minerals thematic, pursuing strategic partnerships, offtake discussions and financing options as it advances Koppamurra toward a commercial development decision.

CEO & MD, Travis Beinke presented to investors at the Fremantle RIU Explorers Conference in February 2026.

The Company notes the accelerating rare earths investment thematic, driven by global policy shifts including the inclusion of rare earths in Australia's Critical Minerals Strategic Reserve, expanding defence and energy transition demand, China's export controls on key rare earth elements, and the strategic urgency for western nations to establish diversified and secure supply chains. AR3's dual South Australian critical minerals strategy (rare earths at Koppamurra and uranium at Overland) positions the Company to benefit from growing institutional and government interest in both commodities.

A General Meeting (GM) was held 21 April 2026, to seek shareholder ratification of placement shares and approval for the issuance of options attached to the January 2026 placement. All resolutions put to the meeting were approved by shareholders.

Subsequent Events to Quarter End

AR3 Progresses ANSTO Pilot-Scale Program: Ore Ready for Shipment

On 15 April 2026, the Company announced a significant milestone in the advancement of the Koppamurra Rare Earths Project, with approximately 30 tonnes of Koppamurra ore prepared and ready for transport to ANSTO's new pilot-scale rare earth processing facility in Sydney.

This milestone marks AR3's transition from laboratory testwork into pilot-scale execution; a key step in the Koppamurra development pathway and positions the Company as the first industry participant to utilise ANSTO's new pilot-scale facility.

Key highlights of the post-quarter announcement include:

- Pilot operations on track for end of Q2 2026, targeting production of Mixed Rare Earth Oxide (MREO) product to support offtake discussions, product qualification and strategic partner engagement;
- Process flowsheet validation at scale, with the pilot program designed to generate critical engineering and operational data to underpin feasibility studies and project design;
- Co-funding under AR3's $5 million Australian Government International Partnerships in Critical Minerals grant, reflecting strong government support for domestic rare earth supply chain development; and
- Near-term milestone pipeline, with the Pre-Feasibility Study (PFS) nearing completion (targeted Q2 2026) and the Mining Lease application progressing toward submission later in 2026.

Figure 8: 30 tonne bulk sample ready for transportation from Adelaide to ANSTO's Pilot Plant facility in Sydney.

Listing Rule 5.23 Disclosure

The Company confirms that it is not aware of any new information or data that materially affects the Exploration Results and/or the estimates of Mineral Resources in this release, and in respect of the estimates of Mineral Resources reported, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed.

List of Tenements

Tenement	Location	Commodity	Project	Jurisdiction
EL6509	Naracoorte	Rare Earths	Koppamurra	SA
EL6613	Frances	Rare Earths	Koppamurra	SA
EL6690	Keith	Rare Earths	Koppamurra	SA
EL6691	Bordertown	Rare Earths	Koppamurra	SA
EL6942	Wattle Range	Rare Earths	Koppamurra	SA
EL6943	Tarpeena	Rare Earths	Koppamurra	SA
EL007254	Apsley	Rare Earths	Koppamurra	Victoria
EL007719	Minimay	Rare Earths	Koppamurra	Victoria
EL008208	Lake Mundi	Rare Earths	Koppamurra	Victoria
EL008254	Dartmoor	Rare Earths	Koppamurra	Victoria
EL008435	Charam	Rare Earths/HMS	Koppamurra	Victoria
EMP27952	Massie Creek	Rare Earths	Massie Creek	QLD
EMP28169	Stones Creek	Rare Earths	Dalrymple	QLD
EMP28168	Mt Wickham	Rare Earths	Dalrymple	QLD
EMP28165	Riverside	Rare Earths	Dalrymple	QLD
EPM28167	Burdekin	Rare Earths	Dalrymple	QLD
EPM28166	Dalbeg	Rare Earths	Dalrymple	QLD
EMP28872	Forty Mile Scrub	Rare Earths	Forty Mile Scrub	QLD
EPM28901	Sandy Tate	Rare Earths	Sandy Tate	QLD
EPM28902	Oaky Valley	Rare Earths	Oaky Valley	QLD
EL7005	Sturt Vale	Uranium	Overland	SA
EL7001	Warnes	Uranium	Overland	SA
EL7003	Bunyung	Uranium	Overland	SA
EL7055	Sturt Vale	Uranium	Overland	SA
EL6678*	Warnes Area	Uranium	Overland	SA
EL6895^	Stockyard Plain	Uranium	Overland	SA
EL7010	Wirrealpa	Uranium	Triggs Bore	SA
EL7011	Moolawatana	Uranium	Hamilton Creek	SA

1 – All tenements are 100% held by AR3 unless noted.

** EL is in the process of being transferred to AR3 with AR3 holding the sedimentary hosted mineralisation right.*

^ Refer to ASX announcement 10 July 2025 regarding the acquisition of EL6895 with the transfer to AR3 subject to Ministerial consent pursuant to section 15AB of the Mining Act.

Capital Structure

Shares on issue: 255,514,686 fully paid ordinary shares.

Options on issue: 28,856,012 unlisted options, comprising:

- *1,500,000 exercisable at $0.37 and expiring on 26 November 2026*
- *1,500,000 exercisable at $0.50 and expiring on 26 November 2026*
- *1,550,000 exercisable at $0.50 and expiring on 2 December 2026*
- *1,500,000 exercisable at $0.4739 and expiring on 20 December 2026*
- *1,808,333 exercisable at $0.435 and expiring on 26 November 2027*
- *3,000,000 exercisable at $0.325 and expiring on 26 November 2028*
- *16,934,785 exercisable at $0.10 and expiring on 30 March 2029 (unless accelerated)*
- *1,062,894 exercisable at $0.00 and expiring on 30 September 2029*

Appendix 5B Disclosures

AR3's accompanying Appendix 5B (quarterly Cashflow Report) includes an amount in item 6.1 which constitutes executive remuneration and non-executive director fees for the quarter.

During the period, the Company spent approx. $1,641,000 on exploration activities, including direct costs associated with the Koppamurra exploration and development programs, which included, drilling, geochemical assays, metallurgical test work. This figure also includes allocation of wages directly attributed to specific exploration and development activities.

The Board of AR3 authorised this announcement to be released to the ASX.

For further information please contact:

Australian Rare Earths Limited
Travis Beinke
Managing Director and CEO
T: 1 300 646 100

Media Enquiries
Jessica Fertig
Tau Media
E: jessica@taumedia.com.au

We encourage shareholders and followers to ask any questions here: https://investorhub.ar3.com.au

About Australian Rare Earths Limited

Australian Rare Earths (AR3) is a diversified critical minerals company, strategically positioned to meet the growing global demand for uranium and rare earth elements:

- *AR3's Koppamurra Rare Earths Project in South Australia and Victoria is a significant deposit of light and heavy rare earths, which has secured important Australian government support through a $5 million grant to accelerate development. With technical support from global advanced industrial materials manufacturer, Neo Performance Materials, AR3 is progressing toward a Pre-Feasibility Study and a demonstration facility, solidifying its role in diversifying global rare earth supply chains for the clean energy transition.*
- *AR3's large ~8,000 km² Overland Uranium Project in South Australia shows strong uranium discovery potential, with initial drilling identifying opportunities for substantial near-surface and deeper deposits.*

With strategic projects as well as strong government support, AR3 is poised for significant growth in the critical minerals market.

Appendix 5B

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

Name of entity

Australian Rare Earths Limited

ABN	Quarter ended ("current quarter")
73 632 645 302	31 March 2026

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	6	21
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs - *net of allocations to capitalised exploration assets*	(291)	(869)
	(e) administration and corporate costs	(373)	(560)
1.3	Dividends received (see note 3)		
1.4	Interest received	30	99
1.5	Interest and other costs of finance paid	-	
1.6	Income taxes paid	-	
1.7	Government grants and tax incentives – R&D Tax incentive	-	618
1.8	Other (provide details if material)	-	-
1.9	**Net cash from / (used in) operating activities**	**(628)**	**(691)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	
	(b) tenements	-	
	(c) property, plant and equipment		
	(d) exploration & evaluation	(1,641)	(6,231)
	(e) investments	-	-
	(f) other non-current	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(4)	(8)
	(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)	960	2,010
2.6	**Net cash from / (used in) investing activities**	**(685)**	**(4,229)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	5,990	5,990
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options	86	1,016
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(394)	(405)
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)	(48)	(116)
3.10	**Net cash from / (used in) financing activities**	**5,634**	**6,485**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,345	5,101
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(628)	(691)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(685)	(4,229)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,634	6,485

Consolidated statement of cash flows		Current quarter $A'000	Year to date (9 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**6,666**	**6,666**

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	6,462	2,151
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (Term Deposits)	204	194
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**6,666**	**2,345**

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 * *The payments disclosed here relate to fees and salaries paid to all Directors (including Managing Director) during the quarter.*	171
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.

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)	(628)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,641)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,269)
8.4	Cash and cash equivalents at quarter end (item 4.6)	6,666
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	6,666
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	2.94 quarters

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?

N/A

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?

N/A

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?

N/A

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: .....24 APRIL 2026.....

Authorised by: .....By the Board.....
(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.