ASX Release: 28 August 2026

$2.1 Million IPCM Grant Instalment Received as Koppamurra Pilot Processing Continues at ANSTO

Federal Government funding follows delivery of the Koppamurra PFS and Maiden Ore Reserve, with pilot-scale processing underway at ANSTO

Highlights

- **$2.1 million grant instalment received:** A further $2.1 million instalment under the Australian Government's International Partnerships in Critical Minerals (IPCM) Program, taking cumulative grant funding received to date to $4.85 million of the Company's $5 million IPCM award.
- **Funding follows delivery of two key milestones:** the instalment has been received directly following the Company's Koppamurra Pre-Feasibility Study (PFS) and Maiden Ore Reserve, supporting the next phase of project advancement.
- **Pilot plant processing underway at ANSTO:** Koppamurra ore continues to be processed through a continuous pilot-scale circuit at ANSTO's facility, producing Mixed Rare Earth Oxide (MREO) samples for customer qualification and Definitive Feasibility Study (DFS) engineering data.
- **PFS confirms compelling project economics:** Previously reported A$858 million after-tax NPV_8, 99% IRR and ~1 year payback on a capital-light A$178 million development – the economic case this grant funding is helping advance toward development.
- **Engage with this announcement via [AR3 Investor Hub here.]()**

Australian Rare Earths Limited (ASX: AR3 or the Company) is pleased to announce it has received a further A$2.1 million instalment from the Australian Government under the International Partnerships in Critical Minerals (IPCM) Program, as the Company continues to advance its flagship Koppamurra Rare Earths Project following recent delivery of the Pre-Feasibility Study (PFS) and Maiden Ore Reserve.

This latest instalment takes total IPCM grant funding received to date to $4.85 million, with the remaining $150,000 of AR3's $5 million IPCM grant award expected to be received in early 2027.

The funding continues to support AR3's pilot-scale processing program at the Australian Nuclear Science and Technology Organisation's (ANSTO) critical minerals processing facilities in Sydney, where AR3 is the first industry partner to use the purpose-built, clay-hosted rare earth pilot processing plant.

> *"The receipt of this $2.1 million IPCM instalment, arriving on the back of our Pre-Feasibility Study and Maiden Ore Reserve, is an important milestone for AR3 and provides further non-dilutive funding to maintain momentum at Koppamurra. With our pilot plant program continuing at ANSTO, we are converting the technical foundation established through the PFS into the customer qualification samples and engineering data needed to advance our Definitive Feasibility Study. We look forward to updating the market as pilot plant results progress and we continue to advance Koppamurra toward development."*
>
> **Travis Beinke, Managing Director and CEO, Australian Rare Earths Limited**

Momentum at Koppamurra

- **Pre-Feasibility Study delivered:** the PFS confirmed a A$858 million after-tax NPV_8, 99% IRR and ~1 year payback on a capital-light A$178 million development (ASX announcement 25 June 2026).
- **Maiden Ore Reserve declared:** underpinning an initial 12-year mine life with substantial potential for a multi-decade operation as the Project scales (ASX announcement 25 June 2026).
- **Pilot plant processing continuing at ANSTO:** ~30 tonnes of Koppamurra bulk sample is being processed through a continuous pilot-scale circuit, with the first bulk MREO samples expected in late September 2026.
- **Mining Lease Application:** on track for submission end of 2026.

The continued receipt of Federal Government funding at this stage of the Project's development supports progression from study work into pilot-scale demonstration, activities that further de-risk the development pathway for Koppamurra.

Next Steps

- Continue pilot plant processing at ANSTO and receive the first bulk MREO samples that can be provided to potential offtake partners.
- Commence the Definitive Feasibility Study (DFS) for the Koppamurra Project.
- Progress the Mining Lease application for the Koppamurra Project.
- Provide further updates as key milestones in the program are achieved.

The announcement has been authorised for release by the Board of Australian Rare Earths Limited.

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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, now underpinned by a Pre-Feasibility Study and maiden Ore Reserve, and supported by the Australian Government through a $5 million grant to accelerate development. AR3 is progressing toward a Definitive Feasibility Study and pilot-scale demonstration production at ANSTO's Sydney facility, solidifying its role as a potential new source of new supply to diversify global rare earth feedstocks for the clean energy transition.*
- *AR3's large ~8,000 km^2 Overland Uranium Project in South Australia shows strong uranium discovery potential, with drilling also identifying a new niobium–rare earth carbonatite exploration target.*

With strategic projects as well as strong government support, AR3 is well placed to capitalise on significant growth in the critical minerals market.

Cautionary Statement and disclaimers

The information in this announcement is in summary form and does not purport to be complete nor does it contain all the information in relation to the Company. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the ASX at www.asx.com.au.

The Company does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this document. The opinions and recommendations in this announcement are not intended to represent recommendations of uncertainties, to particular persons. This announcement does not constitute financial product advice.

To the fullest extent permitted by law, the Company and its associates or any of its directors, agents, officers or employees do not make any representations or warranties, express or implied, as to the accuracy or completeness of any information, statements, opinions, estimates, forecasts or other representations contained in this announcement. No responsibility or liability for any errors or omissions from this announcement arising out of negligence or otherwise is accepted. Each party to whom this announcement is made available must make its own independent assessment of the Company and the announcement after making such investigations and taking such advice as may be deemed necessary. Any reliance placed on the announcement is strictly at the risk of such person relying on such announcement.

All references to $ in this announcement are to Australian dollars unless stated otherwise.

Forward Looking Statements

Some of the statements contained in this announcement are forward-looking statements. Forward looking statements include but are not limited to, statements concerning estimates of expected costs, statements relating to the advancement of the Company's investments and other statements which are not historical facts. Although the Company believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward-looking statements include the potential that the Company's projects may experience technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by the Company or disclosed in the Company's published material.

The Pre-Feasibility Study referred to in this announcement is a preliminary technical and economic assessment of the potential viability of producing a mixed rare earth oxide (MREO) product to support Mineral Resources and Ore Reserve of the Koppamurra Project. Those estimates have been prepared by a competent person in accordance with JORC Code 2012 and all production targets are based on those Mineral Resources and Ore Reserves and all material assumptions relating to those production targets and related forecast financial information are set out in this announcement.

The production targets, related forecast financial information and other forward-looking statements referred to are based on information available to the Company at the time of release and should not be solely relied upon by investors when making investment decisions. Material assumptions and other important information are contained in the 25 June 2026 announcement. The Company cautions that mining and exploration are high risk and subject to change based on new information or interpretation, commodity prices or foreign exchange rates. Actual rates may differ materially from the results or production targets contained in this announcement. Further evaluation is required prior to a decision to conduct mining being made.

Mineral Resource and Ore Reserve estimates are necessarily imprecise and depend on interpretations and geological assumptions, minerals prices, cost assumptions and statistical inferences (and assumptions concerning other factors, including mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors) which may ultimately prove to be incorrect or unreliable. Mineral Resource and Ore Reserve estimates are regularly revised based on actual exploration or production experience or new information and could therefore be subject to change. In addition, there are risks associated with such estimates, including (among other risks) that minerals mined may be of a different grade or tonnage from those in the estimates and the ability to economically extract and process the minerals may become compromised or not eventuate. The Company's plans, including its mine and infrastructure plans, and timing, for the Project, are also subject to change. Accordingly, no assurances can be given that the production targets, financial forecasts, other forecasts or other forward-looking statements or information will be achieved.

To achieve the development outcomes outlined in this announcement, AR3 estimates that funding of at least A$178 million will be required. There is no certainty that AR3 will be able to raise the required funding when needed, and any such funding may only be available on terms that may be dilutive or otherwise adversely affect shareholders.

Competent Persons Statements

The information in this report that relates to metallurgical results is based on information compiled by Australian Rare Earths Limited and reviewed by Mr. James Davidson who is the principal Metallurgist of Rendement and is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM). Mr. Davidson has sufficient experience that is relevant to the metallurgical testing which was undertaken to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Davidson consents to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The Company confirms that it is not aware of any new information or data that materially affects the Mineral Resource estimate, Exploration Target, Ore Reserve and Production Target information included in the relevant market announcement (ASX announcement dated 25 June 2026) and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement (ASX announcement dated 25 June 2026) continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement (ASX announcement dated 25 June 2026).