



AMERICAN RARE EARTHS LIMITED
ABN 83 003 453 503 (Australia)

INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

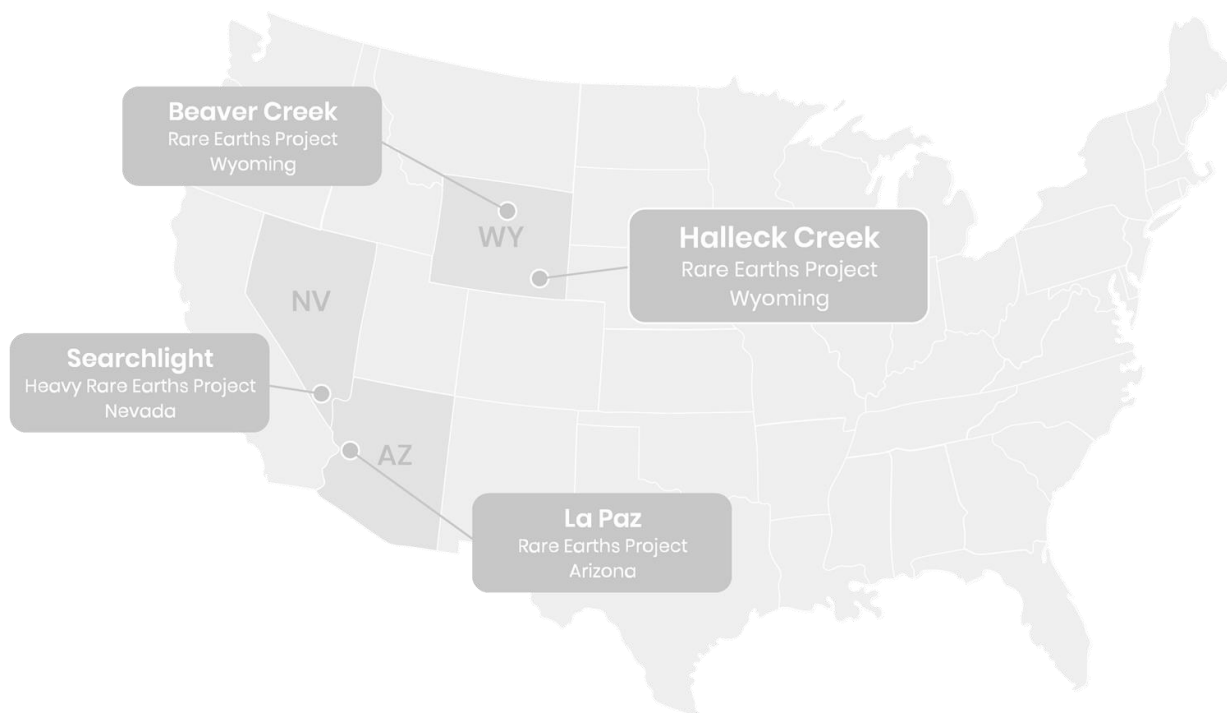


Table of Contents

COMPANY DIRECTORY	3
INTERESTS IN TENEMENTS	4
RESOURCE STATEMENTS	5
COMPETENT PERSONS' STATEMENT	5
DIRECTORS' REPORT	6
CORPORATE & FINANCE REVIEW	9
INDEPENDENT AUDITOR'S REVIEW REPORT	10
AUDITOR'S INDEPENDENCE DECLARATION	12
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2024	13
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2024	14
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024	15
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024	16
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024	17
1. SUMMARY OF MATERIAL ACCOUNTING POLICIES.....	17
2. SHARE CAPITAL	18
3. RECONCILIATION OF OPERATING CASH FLOW & NET INCOME	19
4. COMMITMENTS	19
5. CONTROLLED ENTITIES	19
6. PROPERTY, PLANT AND EQUIPMENT	20
7. RIGHT-OF-USE ASSETS	20
8. EXPLORATION AND EVALUATION ASSETS	20
9. SECURITY DEPOSITS.....	20
10. FINANCIAL ASSETS	20
11. CONTINGENT LIABILITIES.....	20
12. RELATED PARTIES	21
13. SEGMENT INFORMATION	22
14. GOING CONCERN.....	23
15. SUBSEQUENT EVENTS	23
DIRECTORS' STATEMENT	24

COMPANY DIRECTORY

<p>DIRECTORS</p> <p>Richard Hudson – Non-Executive Chairman Sten Gustafson – Deputy Chairman Chris Gibbs Hugh Keller Mel Sanderson</p>	<p>AUDITOR</p> <p>Hall Chadwick Level 40 2 Park Street Sydney NSW 2000</p>
<p>COMPANY SECRETARY</p> <p>Wayne Kernaghan</p>	<p>BANKERS</p> <p>National Australia Bank Wells Fargo Bank Jonah Bank of Wyoming</p>
<p>REGISTERED OFFICE</p> <p>Level 40 2 Park Street Sydney NSW 2000</p>	<p>SECURITIES LISTED</p> <p>Australian Securities Exchange (ASX): ARR OTCQB Common Shares: ARRNF OTCQX ADRs: AMRRY</p>
<p>AUSTRALIAN OFFICE</p> <p>Suite 706, Level 7 89 York Street Sydney NSW 2000</p> <p>GPO Box 1546 SYDNEY NSW 2001</p> <p>Phone: (+61 2) 8054 9779 Email: info@americanree.com</p> <hr/> <p>WEBSITE</p> <p>https://americanree.com</p>	<p>SHARE REGISTRY</p> <p>Computershare Investor Services Pty Ltd Level 5, 115 Grenfell Street Adelaide, South Australia 5001 Phone: 1300 556 161 (within Australia) (+61 3) 9415 4000 (outside Australia)</p> <p>www.computershare.com.au</p>



INTERESTS IN TENEMENTS

Tenement Name	Tenement Type and Number	Location	Group Ownership
La Paz	Lease Number 008-120965-00	Arizona, United States	100%
La Paz	La Paz 1 – 14	Arizona, United States	100%
La Paz	La Paz 33 – 69	Arizona, United States	100%
La Paz	La Paz 71, 73, 75	Arizona, United States	100%
La Paz	La Paz 92 - 101	Arizona, United States	100%
La Paz	La Paz 108 – 376	Arizona, United States	100%
Halleck Creek	Rex 1- 5	Wyoming, United States	100%
Halleck Creek	Rex 10 – 23	Wyoming, United States	100%
Halleck Creek	Rex 25 - 43	Wyoming, United States	100%
Halleck Creek	Rex 44 – 72	Wyoming, United States	100%
Halleck Creek	Rex 258 - 375	Wyoming, United States	100%
Halleck Creek	TREX 79 - 165	Wyoming, United States	100%
Halleck Creek	TREX 167 - 176	Wyoming, United States	100%
Halleck Creek	TREX 178 - 181	Wyoming, United States	100%
Halleck Creek	TREX 183 - 254	Wyoming, United States	100%
Halleck Creek	0-43568 – 0-43571	Wyoming, United States	100%
Western Rare	Nevada T-01 – T80	Nevada, United States	100%
Beaver Creek	BM 1 - 37	Wyoming, United States	100%
Beaver Creek	0-43773	Wyoming, United States	100%

Resource Statements

Halleck Creek ¹

Classification	Tonnage	Grade			
		TREO	LREO	HREO	MREO
	Mt	ppm	ppm	ppm	ppm
Measured	206.7	3,720	3,352	370	904
Indicated	1,272.6	3,271	2,900	360	852
Inferred	1,147.2	3,239	2,878	361	837
Total	2,626.5	3,292	2,926	361	850

Classification	Tonnage	Contained Material			
		TREO	LREO	HREO	MREO
	Mt	kt	kt	kt	kt
Measured	206.7	769.0	692.9	76.6	186.8
Indicated	1,272.6	4,162.4	3,690.0	458.1	1,084.3
Inferred	1,147.2	3,715.7	3,302.0	413.7	960.4
Total	2,626.5	8,647.1	7,684.9	948.3	2,231.4

La Paz ²

Classification	Tonnage	Grade	
		TREO	Scandium
	Mt	ppm	ppm
Indicated	35.2	459	17
Inferred	135.4	472	17
Total	170.6	469	17

Classification	Tonnage	Contained Material	
		TREO	Scandium
	Mt	kt	t
Indicated	35.2	16.1	592.7
Inferred	135.4	63.9	2,280.9
Total	170.6	80.0	2,873.6

Notes: (1) ASX announcement, 4 February 2025. (2) ASX announcement, 3 August 2021.

Competent Persons' Statement

The information in this document is based on information compiled by personnel under the direction of Mr. Dwight Kinnes who is Chief Technical Officer of American Rare Earths. This geological work was reviewed and approved for release by Mr. 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.

ARR confirms it is not aware of any new information or data that materially affects the information included in the original market announcement, and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. ARR confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcement.

DIRECTORS' REPORT

FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

The Directors present the following report including financial statements of American Rare Earths Limited (**Company or ARR**) for the six months ended 31 December 2024.

Directors

The names of the Directors of the Company during the half-year and up to the date of this report are:

Chris Gibbs	CEO & Managing Director	Appointed 1 November 2021
Sten Gustafson	Non-Executive Director	Appointed 7 January 2022
Geoffrey Hill	Non-Executive Director	Appointed 27 August 2015 Retired 1 October 2024
Richard Hudson	Non-Executive Director Non-Executive Chairman	Appointed 8 February 2022 Appointed 7 February 2024
Hugh Keller	Non-Executive Director	Appointed 1 October 2024
John Mansanti	Non-Executive Director	Appointed 21 August 2023 Retired 31 August 2024
Melissa Sanderson	Non-Executive Director	Appointed 12 November 2021

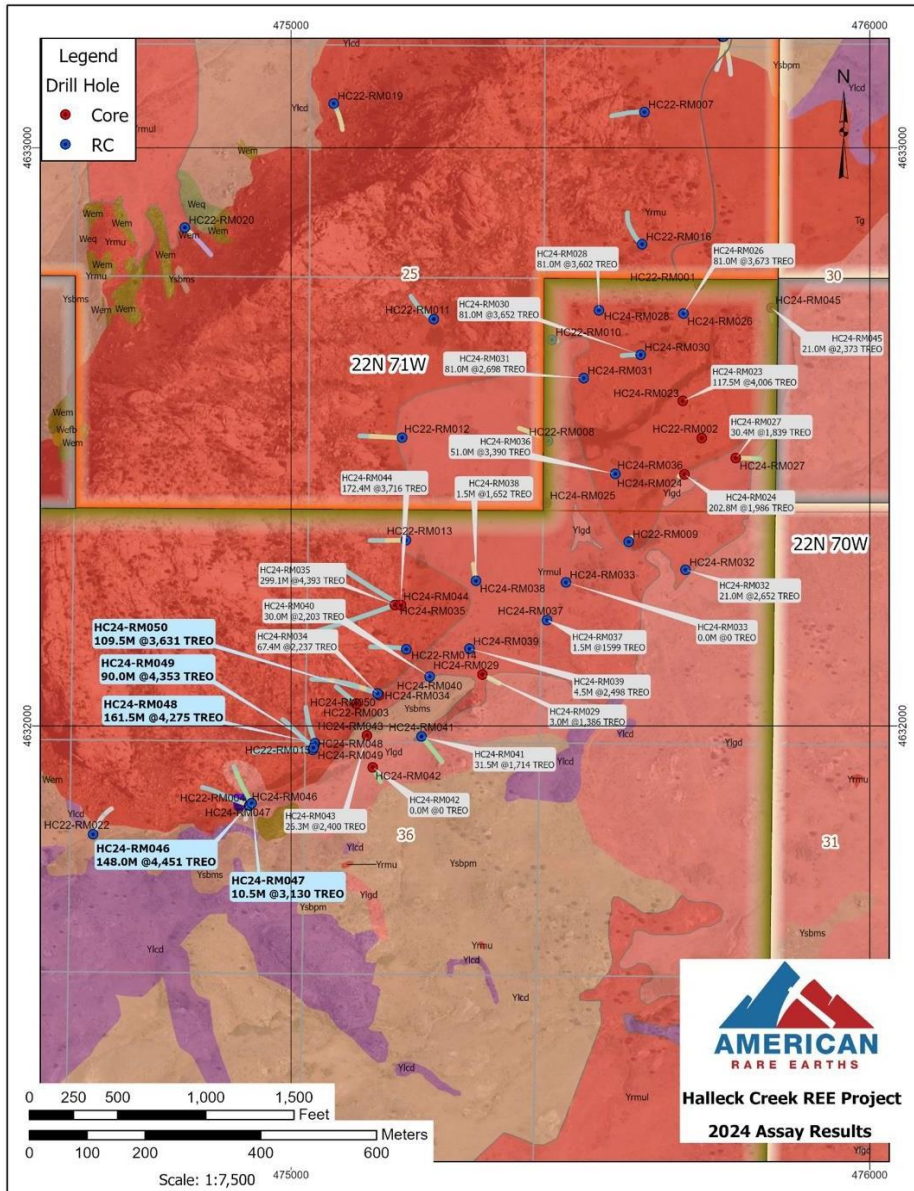
Review of Operations

During the half year, American Rare Earths made significant advancements in exploration, financing, and corporate strategy, reinforcing its position as a key player in the North American rare earths sector. The Company's Halleck Creek Project continued to demonstrate strong potential, with drilling at the Cowboy State Mine yielding some of the highest total rare earth oxide (TREO) grades recorded in the region. Alongside these exploration successes, ARR expanded its presence with new exploration areas at Bluegrass and Sommers Flat, setting the stage for future growth.

Exploration and Drilling Highlights:

- Completed **2,616m of drilling** at the Cowboy State Mine, confirming **high-grade rare earth mineralisation** and potential resource expansion.
- Key drilling results included:
 - **148.0m @ 4,451 ppm TREO** (max 6,198 ppm)
 - **161.5m @ 4,275 ppm TREO** (max 5,869 ppm)
 - **90.0m @ 4,353 ppm TREO** (max 6,049 ppm).
- Expanded exploration into Bluegrass and Sommers Flat, with sampling indicating strong rare earth potential.

2024 Drill Hole Locations and Assay Summaries



Financially, ARR secured strong backing with a \$7.1 million grant from the Wyoming Energy Authority and a non-binding letter of interest from EXIM Bank for up to \$456 million. These funding commitments underscored the project’s importance within the U.S. supply chain for critical minerals. Additionally, the engagement of BMO Capital Markets provides a key opportunity to secure strategic investments and partnerships to accelerate development.

To support its operational growth, ARR established Wyoming Rare (USA) Inc., a dedicated U.S. subsidiary, and secured a facility at the Western Research Institute in Wyoming to house drill cores, centralise operations, and serve as a future pilot plant site. These steps strengthened the company’s U.S. presence and positioned it for efficient project execution.

By the end of December, ARR had strengthened its financial position, advanced the pre-feasibility study, and deepened engagement with strategic partners. The progress made in late 2024 set a strong foundation for 2025, with ARR well-positioned to capitalise on its exploration success and continue advancing the Halleck Creek Project.

Corporate and Leadership Updates

ARR continued to strengthen its leadership team in the second half of 2024:

- Chris Gibbs appointed CEO, bringing extensive industry experience.
- Joe Evers named President of Wyoming Rare (USA) Inc. (WRI)
- Sten Gustafson appointed Chairman of WRI.
- Hugh Keller joined the Board as a Non-Executive Director, replacing Geoffrey Hill.
- Melissa Sanderson appointed Co-Chair of the Critical Minerals Institute (CMI), aligning with ARR's focus on sustainability and critical mineral policy.
- Chris Gibbs appointed to the Board of Godolphin Resources Limited (ASX: GRL), reinforcing ARR's broader investment strategy in the rare earths sector.

Subsequent Events

In early January the Company received approval to begin test mining at the Halleck Creek Rare Earths Project. The newly granted License to Explore by Dozing allows its subsidiary, Wyoming Rare (USA) Inc (WRI), to conduct trenching, exploratory excavation, and bulk material collection at the Cowboy State Mine within Halleck Creek. This step is crucial for advancing the project toward pilot plant processing and eventual commercial development.

ARR announced a 12.2% increase in the total mineral resource estimate at Halleck Creek, now standing at 2.63 billion tonnes at 3,292 ppm Total Rare Earth Oxides (TREO). The Red Mountain Area within Halleck Creek saw a 29.7% growth, with its resources reaching 1.24 billion tonnes and an 8.3% uplift in grade. The Cowboy State Mine alone expanded by 29.4%, with a 2.7% increase in TREO grade.

The Company has released an updated Scoping Study for the Halleck Creek Project, confirming strong economic potential and significant scalability. The study highlights a base case production of 3 Mtpa with an NPV10% of US\$558M and an IRR of 24%, while an expanded 6 Mtpa scenario demonstrates a billion-dollar opportunity with an NPV10% of US\$1.17B and IRR of 28.4%. ARR aims for first production by 2029, subject to technical and economic assessments, with efforts underway to fast-track development, including a pilot plant. The project's strategic location in Wyoming offers permitting advantages, reinforcing ARR's position as a key player in securing a domestic U.S. rare earth supply chain.

On 20 January 2025, the Company announced that Cobalt Blue Holdings Limited ("COB") have repaid \$2m of the \$3 m Promissory Note and accrued interest of \$180,000 up to 17 January 2025. The remaining balance of \$1m is to be paid on 1 October 2025 together with accrued interest up to that date. The interest rate is 6% and security for the Promissory Note remains unchanged. As part of the consideration for agreeing to the amended terms of the Promissory Note, the Company has been issued with 335,882 fully paid ordinary shares in COB.

1m shares were issued on the exercise of 1m unlisted options exercisable at \$0.22 with an expiry date of 1 August 2026.

ARR's next steps include pilot plant testing, metallurgical analysis, and process optimisation, all feeding into a Pre-Feasibility Study later in the year. These advancements reinforce ARR's ambition to make Halleck Creek a cornerstone project in securing a sustainable U.S. rare earth supply chain.

Corporate & Finance Review

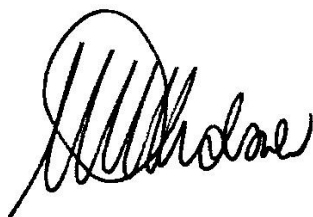
The Company increased investment in Godolphin Resources Limited (GRL) during the period and now holds a 18.9% shareholding. The Company also continues to hold shares in Cobalt Blue Holdings Limited ("COB") and an A\$3M COB Promissory Note (PN) interest-free for years one to three with interest payable in arrears at 6% per annum for years four and five. The PN is secured over title to tenements; it matures on 17 January 2025. On 17 January 2025 \$2m and accrued interest of \$180,000 was received. The remaining balance of \$1m is to be repaid on 1 October 2025 together with accrued interest of 6% pa up to that date. In addition, the Company also holds rights to a Net Smelter Return (NSR) royalty of 2% on all cobalt production from the Thackaringa Project, which was sold to Cobalt Blue Holdings Limited in February 2020.

Total assets decreased to \$32,704,024 (30 June 2024: \$34,019,733) and total liabilities decreased to \$680,896 (30 June 2024: \$961,612). Loss after income tax for the six-month period to 31 December 2024 was \$3,786,197 (six-months ended 31 December 2023: loss \$3,575,803).

Auditor's Independence Declaration

We confirm that we have obtained the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001 (Cth)*, which is set out on page 12.

Signed for and on behalf of the Board.



Richard Hudson
Chairman

Date: 3 March 2025



Sten Gustafson
Director

Date: 3 March 2025

**AMERICAN RARE EARTHS LIMITED
ABN 83 003 453 503
AND ITS CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AMERICAN RARE EARTHS LIMITED**

Conclusion

We have reviewed the half-year financial report of American Rare Earths Limited (the company) and its controlled entities (the group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year then ended, a summary of material accounting policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the group financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410: *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: *Interim Financial Reporting and the Corporations Regulations 2001*.

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9 50 Pirie Street Adelaide SA 5000 +61 8 7093 8283	Level 4 240 Queen Street Brisbane QLD 4000 +61 7 2111 7000	Level 1 48-50 Smith Street Darwin NT 0800 +61 8 8943 0645	Level 14 440 Collins Street Melbourne VIC 3000 +61 3 9820 6400	Level 11 77 St Georges Tce Perth WA 6000 +61 8 6557 6200	Level 40 2 Park Street Sydney NSW 2000 +61 2 9263 2600

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

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AMERICAN RARE EARTHS LIMITED
ABN 83 003 453 503
AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AMERICAN RARE EARTHS LIMITED

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 3 March 2025

**AMERICAN RARE EARTHS LIMITED
ABN 83 003 453 503
AND ITS CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF AMERICAN RARE EARTHS LIMITED**

In accordance with Section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of American Rare Earths Limited. As the lead audit partner for the review of the financial report of American Rare Earths Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. any applicable code of professional conduct in relation to the review.



HALL CHADWICK (NSW)
Level 40, 2 Park Street
Sydney NSW 2000



DREW TOWNSEND
Partner
Dated: 3 March 2025

ADELAIDE	BRISBANE	DARWIN	MELBOURNE	PERTH	SYDNEY
Level 9	Level 4	Level 1	Level 14	Level 11	Level 40
50 Pirie Street	240 Queen Street	48-50 Smith Street	440 Collins Street	77 St Georges Tce	2 Park Street
Adelaide SA 5000	Brisbane QLD 4000	Darwin NT 0800	Melbourne VIC 3000	Perth WA 6000	Sydney NSW 2000
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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	6 months ended 31/12/2024	6 months ended 31/12/2023
	A\$	A\$
Continuing Operations		
Interest received	270,096	212,001
Other income	17,907	128,849
Revaluation of financial assets	(57,181)	(92,902)
Consulting fees	(317,280)	(251,358)
Employee expenses	(1,557,199)	(889,001)
Directors' fees	(121,230)	(138,830)
Investor relations	(169,912)	(178,663)
Accounting, secretarial, legal	(676,343)	(313,175)
Administration expenses	(372,324)	(775,715)
ASX, OTC & Registry	(112,319)	(64,482)
Depreciation expense	(118,604)	(67,120)
Auditor's remuneration – auditing the accounts	(20,590)	(51,500)
Marketing & promotion	(38,516)	(95,997)
Interest expense	-	(3,342)
Foreign exchange revaluation	2,406	56,435
Loss for the period before extraordinary items	(3,271,089)	(2,524,800)
Extraordinary items		
Fair value recognition of share-based payments	(515,108)	(645,915)
Loss for the period after extraordinary items	(3,786,197)	(3,170,715)
Income tax benefit	-	-
Loss for the period after income tax	(3,786,197)	(3,170,715)
Other comprehensive income	-	(405,088)
Total comprehensive income attributable to the Parent entity	(3,786,197)	(3,575,803)
Net Loss per share		
Basic loss per share from continuing operations	(0.76) cents	(0.71) cents
Diluted loss per share from continuing operations	(0.76) cents	(0.71) cents

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Share capital A\$	Options reserve A\$	Accumulated losses A\$	Foreign currency translation A\$	Total A\$
2024					
Equity at 1 July 2024	46,687,101	3,381,350	(17,215,109)	204,779	33,058,121
Loss for the year	-	-	(3,786,197)	-	(3,786,197)
Share based payments	-	515,108	-	-	515,108
Share issues on exercising options	3,383,613	(883,613)	-	-	2,500,000
Options cancelled	-	(6,739)	6,739	-	-
Exchange difference arising on foreign operations	-	-	-	(263,904)	(263,904)
Movement in equity for the period	3,383,613	(375,244)	(3,779,458)	(263,904)	(1,034,993)
Equity at 31 December 2024	50,070,714	3,006,106	(20,994,567)	(59,125)	32,023,128
2023					
Equity at 1 July 2023	34,010,645	2,265,650	(11,183,945)	106,498	25,198,848
Loss for the year	-	-	(3,170,715)	-	(3,170,715)
Share based payments	-	645,915	-	-	645,915
Options cancelled	-	(226,385)	226,385	-	-
Exchange difference arising on foreign operations	-	-	-	(405,088)	(405,088)
Movement in equity for the period	-	419,530	(2,944,330)	(405,088)	(2,929,888)
Equity at 31 December 2023	34,010,645	2,685,180	(14,128,275)	(298,590)	22,268,960

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	31/12/2024 A\$	30/06/2024 A\$
ASSETS			
Current assets			
Cash and cash equivalents		11,739,759	16,299,550
Other receivables		410,220	26,833
Prepayments		23,143	22,537
Financial assets	10	3,347,938	3,223,734
Total current assets		15,521,060	19,572,654
Non-current assets			
Property, plant & equipment	6	147,180	132,422
Right-of-use assets	7	181,908	335,453
Exploration and evaluation	8	15,204,884	12,773,702
Security deposits	9	398,947	300,163
Financial assets	10	1,250,045	905,339
Total non-current assets		17,182,964	14,447,079
Total assets		32,704,024	34,019,733
LIABILITIES			
Current liabilities			
Trade and other payables		452,283	592,950
Provisions		39,607	26,605
Lease liabilities		111,117	170,390
Total current liabilities		603,007	789,945
Non-current liabilities			
Lease liabilities		77,889	171,667
Total non-current liabilities		77,889	171,667
Total liabilities		680,896	961,612
Net Assets		32,023,128	33,058,121
EQUITY			
Share capital	2	50,070,714	46,687,101
Option reserves	2	3,006,106	3,381,350
Foreign currency reserve		(59,125)	204,779
Accumulated losses		(20,994,567)	(17,215,109)
Total equity		32,023,128	33,058,121

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

	Note	6 months ended 31/12/2024	6 months ended 31/12/2023
Cash flows from operating activities			
Interest received		269,607	186,064
Cash received in the course of operations		-	116,638
Interest expenses		-	(3,342)
Payments to suppliers and employees		(3,879,465)	(2,939,560)
Net cash used in operating activities	3	(3,609,858)	(2,640,200)
Cash flows from investing activities			
Payment for property, plant & equipment		(56,193)	(47,933)
Purchase of investments		(526,092)	(1,087,253)
Proceeds from sale of investments		-	743
Security deposit paid		(98,784)	(30,956)
Exploration and evaluation expenditure		(2,641,818)	(2,388,394)
Net cash used in investing activities		(3,322,887)	(3,553,793)
Cash flows from financing activities			
Share capital issued		2,500,000	-
Share issue costs		-	-
Repayment of lease liabilities		(127,046)	(51,606)
Net cash provided by/(used in) financing activities		2,372,954	(51,606)
Net(decrease) in cash and cash equivalents held		(4,559,791)	(6,245,599)
Exchange difference		-	56,435
Cash and cash equivalents at the beginning of the period		16,299,550	12,485,220
Cash and cash equivalents at the end of the period		11,739,759	6,296,056
Cash comprises:			
Cash at bank		11,739,759	6,296,056

This statement is to be read in conjunction with the accompanying notes and the previous year's annual financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024**1. Summary of Material Accounting Policies****Reporting entity**

American Rare Earths Limited (**ARR** or **Company**) is a profit-oriented company incorporated in Australia registered under the *Corporations Act 2001* and listed on the Australian Securities Exchange (ASX).

The principal activity of the Company and its subsidiaries (the "Group") is minerals exploration.

The Group consists of American Rare Earths Limited and its wholly owned subsidiaries, Broken Hill Uranium Pty Ltd, Broken Hill Chemical Pty Limited, Broken Hill Minerals Pty Ltd, Murray Basin Minerals Pty Limited, Wyoming Rare Pty Ltd, Western Rare Earth LLC, ARE Management LLC, La Paz Rare Earth LLC and Wyoming Rare (USA) Inc.

These interim financial statements were authorised for issue on 3 March 2025.

Reporting currency

The functional and presentation currency is Australian dollars.

Basis of preparation: These general-purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with *Corporations Act 2001* and Australian Accounting Standards AASB 134, Interim Financial Reporting.

These accounts have been prepared in accordance with generally accepted accounting practice in Australia and therefore also comply with International Financial Reporting Standards. For this purpose, the Company has designated itself as profit-oriented. It is recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2024, together with any public announcements made during the half-year.

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on an historical cost basis have been followed by the Group.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Seasonality of operations

The results are unaffected to any significant extent by seasonal factors.

Changes in accounting policies

There have been no changes in accounting policies during the period. The accounting policies and method of computation applied during the previous year were applied on a consistent basis during the current period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (continued)

2. Share capital

	31/12/2024	30/06/2024
	A\$	A\$
Ordinary shares – 506,423,299 (30 June 2024: 493,423,299)	50,070,714	46,687,101
Movement in share capital		
Balance at beginning	46,687,101	34,010,645
Shares issued under Placement	-	13,500,000
Shares issued on exercise of options	3,383,613	516,411
Share issue costs	-	(1,339,955)
Balance at end	50,070,714	46,687,101
Movement in share issued		
	No. of shares	No. of shares
Share capital at 30 June 2024	493,423,299	446,423,299
Shares issued under placement	-	45,000,000
Shares issued on exercise of options	13,000,000	2,000,000
Share capital at 31 December 2024	506,423,299	493,423,299
	A\$	A\$
Unlisted options – 51,000,000 (30 June 2024: 57,100,000)	3,006,106	3,381,350
Movement in options reserve		
Balance at beginning	3,381,350	2,265,650
Issued to consultant	-	529,956
Granted	515,108	928,539
Lapsed/Cancelled	(6,739)	(226,323)
Exercised	(883,613)	(116,472)
Balance at end	3,006,106	3,381,350
Movement in Options issued		
	No. of options	No. of options
Options on issue at beginning	57,100,000	42,494,223
Issued under Placement	-	6,000,000
Granted	7,000,000	14,500,000
Lapsed/Cancelled	(100,000)	(3,894,223)
Exercised	(13,000,000)	(2,000,000)
Options on issue at end	51,000,000	57,100,000

All shares have equal voting rights and will share equally in dividends and surplus on winding up.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (continued)

3. Reconciliation of operating cash flow & net income

	6 months ended 31/12/2024 A\$	6 months ended 31/12/2023 A\$
Net loss attributable to members of parent entity	(3,786,197)	(3,170,715)
Add non-cash items:		
Depreciation expenses	118,604	67,120
Fair value recognition of share-based payments	515,108	645,915
Revaluation of financial assets	57,181	92,902
Profit on sale of investments	-	(743)
Changes in assets and liabilities:		
(Increase)/decrease in receivables and other assets	(383,994)	(24,039)
(Decrease)/increase in trade and other payables	(127,665)	(194,206)
Foreign exchange revaluations	(2,895)	(56,434)
Net cash used in operating activities	<u>(3,609,858)</u>	<u>(2,640,200)</u>

4. Commitments

Expenditure requirements for tenements

The Group had no expenditure requirements for tenements as at 31 December 2024 (2023: \$Nil).

5. Controlled entities

Interests in subsidiaries

Name of Entity	Equity Held		Country of Incorporation	Reporting Date	Activity
	2024	2023			
Broken Hill Uranium Pty Ltd	100%	100%	Australia	30 June	Inactive
Broken Hill Chemical Pty Ltd	100%	100%	Australia	30 June	Inactive
Broken Hill Minerals Pty Ltd	100%	100%	Australia	30 June	Inactive
Murray Basin Minerals Pty Ltd	100%	100%	Australia	30 June	Inactive
Wyoming Rare Pty Ltd	100%	100%	Australia	30 June	Mineral Exploration
Western Rare Earth LLC	100%	100%	USA	30 June	Mineral Exploration
La Paz Rare Earth LLC	100%	100%	USA	31 December	Mineral Exploration
Wyoming Rare (USA) Inc.	100%	100%	USA	30 June	Mineral Exploration
ARE Management LLC	100%	100%	USA	31 December	Exploration General Management

The investment in each subsidiary is recorded at cost in the Company's statement of financial position and is eliminated in consolidation.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (continued)

6. Property, plant and equipment

	31/12/2024 A\$	30/06/2024 A\$
Computer and office equipment		
Balance at beginning of period	132,422	89,008
Additions	56,193	55,704
Depreciation	(41,435)	(12,290)
Balance at end of period	<u>147,180</u>	<u>132,422</u>

7. Right-of-use assets

Right-of-use assets: office leases and motor vehicle		
Balance at beginning of period	335,453	109,043
Additions	-	351,057
Pay-out motor vehicle	(76,376)	-
Depreciation	(77,169)	(124,647)
Balance at end of period	<u>181,908</u>	<u>335,453</u>

8. Exploration and evaluation assets

Balance at beginning of period	12,773,702	8,682,600
Exploration & evaluation expenses	2,431,182	3,994,082
Exchange difference	-	97,020
Balance at end of period	<u>15,204,884</u>	<u>12,773,702</u>

9. Security deposits

Security deposits for tenements	<u>398,947</u>	300,163
	<u>398,947</u>	<u>300,163</u>

10. Financial assets

Current		
5-year promissory note at fair value	<u>3,347,938</u>	3,223,734
	<u>3,347,938</u>	<u>3,223,734</u>
Non-current		
Shares in listed entities at fair value	<u>1,250,045</u>	905,339
	<u>1,250,045</u>	<u>905,339</u>

11. Contingent liabilities

There were no contingent liabilities at 31 December 2024 (31 December 2023: \$nil).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (continued)

12. Related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Amount paid to director-related entities for director and consulting fees were, for the Company and the Group:

	6 months ended 31/12/2024 A\$	6 months ended 31/12/2023 A\$
Directors' fees	121,230	138,830
Options issued *:		
F C O'Connor – 2 million options @\$0.22	-	102,406
R Hudson – 2 million options @\$0.25	278,569	-
R Hudson – 1 million options @\$0.3274	44,522	-
M Sanderson – 1 million options @\$0.3274	44,522	-
H Keller – 1 million options @\$0.3274	44,522	-
C Gibbs – 2 million options @\$0.3274	-	-
* <i>Black-Scholes option pricing model used to determine fair value as per AASB 2.</i>		
Salary and on-costs:		
C Gibbs	162,979	96,228
M Sanderson	12,545	195,444
Purchase of Financial Assets acquired on behalf of the Company:		
G Hill	-	259,258
Consulting Fees:		
Odyssey Mining Pty Ltd – an entity related to C Gibbs	59,318	108,000
Mel Sanderson Consulting – an entity related to M Sanderson	65,240	30,702
	833,447	930,868

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (continued)

13. Segment Information

The Company has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. The Company does not yet have any products or services from which it derives an income.

During the half year to 31 December 2024, CODM has identified the Company as having two reportable segments, being the geographic location of assets in the United States and Australia.

The CODM review EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

	USA A\$	Australia A\$	Total A\$
Consolidated 6 Months Ended December 2024			
Other revenue			
Interest income	1,191	268,905	270,096
Other income	-	17,907	17,907
Revaluation of financial assets	-	(57,181)	(57,181)
	<u>1,191</u>	<u>229,631</u>	<u>230,822</u>
Expenses			
General operating expenses	(2,367,435)	(1,649,584)	(4,017,019)
Interest expenses	-	-	-
Loss before income tax	<u>(2,366,244)</u>	<u>(1,419,953)</u>	<u>(3,786,197)</u>
Consolidated 6 Months Ended December 2023			
Other revenue			
Interest income	1,825	210,176	212,001
Other income	110,904	17,945	128,849
Revaluation of financial assets	-	(92,902)	(92,902)
	<u>112,729</u>	<u>135,219</u>	<u>247,948</u>
Expenses			
General operating expenses	(1,781,768)	(1,633,553)	(3,415,321)
Interest expenses	-	(3,342)	(3,342)
Loss before income tax	<u>(1,669,039)</u>	<u>(1,501,676)</u>	<u>(3,170,715)</u>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 (continued)

13. Segment information – continued

Below is an analysis of the Company's assets and liabilities from reportable segments:

	USA A\$	Australia A\$	Total A\$
Consolidated December 2024			
Current assets	565,896	14,955,164	15,521,060
Non-current assets	15,532,578	1,650,386	17,182,964
Total assets	<u>16,098,474</u>	<u>16,605,550</u>	<u>32,704,024</u>
Current liabilities	472,577	130,430	603,007
Non-current liabilities	77,889	-	77,889
Total liabilities	<u>550,466</u>	<u>130,430</u>	<u>680,896</u>
Net segment assets	<u>15,548,008</u>	<u>16,475,120</u>	<u>32,023,128</u>
Consolidated June 2024			
Current assets	191,935	19,380,719	19,572,654
Non-current assets	13,198,308	1,248,771	14,447,079
Total assets	<u>13,390,243</u>	<u>20,629,490</u>	<u>34,019,733</u>
Current liabilities	630,261	159,684	789,945
Non-current liabilities	171,667	-	171,667
Total liabilities	<u>801,928</u>	<u>159,684</u>	<u>961,612</u>
Net segment assets	<u>12,588,315</u>	<u>20,469,806</u>	<u>33,058,121</u>

14. Going concern

The financial report has been prepared on a going concern basis.

The Group had a net loss of \$3,786,197 and had net operating cash outflows of \$3,609,858 for the 6 months ending 31 December 2024. As of 31 December 2024, the Group has cash and cash equivalents of \$11,739,759, net assets of \$32,023,128 of which \$4,597,983 were financial assets.

15. Subsequent Events

On 8 January 2025, the Company announced that its wholly owned subsidiary Wyoming Rare (USA) Inc ("WRI") has been granted a Licence to Explore by Dozing at Halleck Creek. This licence enables WRI to conduct test mining, trenching and exploratory excavation including collecting bulk samples.

On 20 January 2025, the Company announced that Cobalt Blue Holdings Limited ("COB") have repaid \$2m of the \$3 m Promissory Note and accrued interest of \$180,000 up to 17 January 2025. The remaining balance of \$1m is to be paid on 1 October 2025 together with accrued interest up to that date. The interest rate is 6% and security for the Promissory Note remains unchanged. As part of the consideration for agreeing to the amended terms of the Promissory Note, the Company has been issued with 335,882 fully paid ordinary shares in COB.

On 4 February 2025, the Company announced that the Halleck Creek resource increased by 12.2% to 2.63 billion tonnes at 3,292 ppm Total Rare Earth Oxides.

On 24 February 2025, the Company released an updated Scoping Study for the Halleck Creek Project, confirming strong economic potential and significant scalability. The study highlights a base case production of 3 Mtpa with an NPV10% of US\$558M and an IRR of 24%, while an expanded 6 Mtpa scenario demonstrates a billion-dollar opportunity with an NPV10% of US\$1.17B and IRR of 28.4%. ARR aims for first production by 2029, subject to technical and economic assessments, with efforts underway to fast-track development, including a pilot plant. The project's strategic location in Wyoming permitting advantages, reinforcing ARR's position as a key player in securing a domestic U.S. rare earth supply chain.

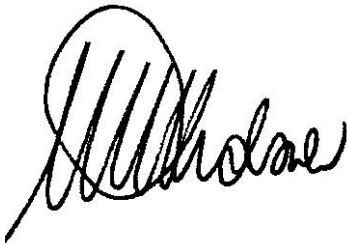
1m shares were issued on the exercise of 1m unlisted options exercisable at \$0.22 with an expiry date of 1 August 2025.

DIRECTORS' STATEMENT

The Directors of the Company declare that:

1. The financial statements and notes, as set out in the half yearly report to 31 December 2024 are in accordance with the Corporations Act 2001, including:
 - (a) comply with Accounting Standard AASB 134, Interim Financial Reporting, and
 - (b) give a true and fair view of the Company's financial position as at 31 December 2024 and its performance and cash flows for the period ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable

Signed for and on behalf of the Board of Directors.



Richard Hudson

Chairman

Date: 3 March 2025



Sten Gustafson

Director

Date: 3 March 2025