Hallgarten & Company Releases Coverage Update on American Rare Earths: Halleck Creek – Locked & Loaded

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Hallgarten & Company recently released a coverage update on **American Rare Earths Limited** (ASX: ARR | OTCQX: ARRNF), focusing on the company's progress with its flagship Halleck Creek project in Wyoming. The report outlines American Rare Earths' efforts to establish itself as a key player in the U.S. rare earth market, positioning the project as a potential cornerstone for domestic rare earth supply chains.

Halleck Creek: A Resource with Scale and Strategic Potential

According to Hallgarten's report, the Halleck Creek project holds a JORC-compliant resource estimate of 2.43 billion tonnes with an average NdPr (Neodymium-Praseodymium) grade of 871 ppm. These metals are vital for applications such as electric vehicles and wind turbines. The low levels of radioactive contaminants at Halleck Creek were noted as a significant advantage in terms of regulatory compliance.

Hallgarten highlights that Halleck Creek is one of the few rare earth projects in the U.S. that has reached this level of development, with an upgraded resource estimate in February 2024 showing a 64% increase in in situ tonnage compared to the initial 2023 estimate.

U.S. Market Dynamics and Government Support

The report places Halleck Creek's development within the broader context of U.S. government efforts to reduce reliance on China for rare earth elements. American Rare Earths' project is presented as well-positioned to meet the anticipated demand for upstream rare earth concentrates, especially as midstream processing facilities, such as Lynas Rare Earths Ltd.'s (ASX: LYC) Texas operation, expand.

Hallgarten also notes the significant financial and governmental support American Rare Earths has received, including:

- A **Wyoming Energy Authority Grant** of AUD$10.7 million (US$7.1 million).
- An **EXIM Bank Letter of Interest** for up to US$456 million, representing the full project CapEx.
- **Cash Reserves** of AUD$11.9 million as of the September quarter, supplemented by AUD$4 million in financial assets.

Economic Viability and Project Progress

The report discusses the results of Halleck Creek's Preliminary Economic Assessment (PEA), completed in March 2024. It outlines financial metrics for a 3 million tonnes per annum (tpa) production scenario, with key highlights including:

- **Pre-Tax NPV (8%):** US$2.08 billion
- **Post-Tax NPV (8%):** US$1.85 billion

- **Post-Tax IRR:** 21%
- **Payback Period:** 3.1 years

The PEA suggests scalability, with the potential to increase production to 6 million tpa if market demand justifies expansion.

The project’s low strip ratio (0.03) and simplified processing flow sheet were highlighted as factors contributing to its economic potential. However, Hallgarten acknowledges the challenges posed by volatile rare earth pricing and broader market conditions.

Challenges in the Rare Earth Market

Hallgarten’s report recognizes the difficulties in the rare earth sector, citing declining prices over the last 12 months and potential Chinese market interventions. Additionally, the perceived slowdown in EV adoption is noted as a headwind, although demand from the wind energy sector remains strong.

The report indicates that American Rare Earths’ strategy to keep initial capital expenditures low may be beneficial in a challenging funding environment.

Looking Ahead

Hallgarten anticipates that the next major milestone for American Rare Earths will be the completion of a Pre-Feasibility Study (PFS) for Halleck Creek, likely by mid-2025. The report underscores that the company’s progress aligns with increasing governmental focus on securing a domestic rare earth supply chain.

Conclusion

Hallgarten & Company's update positions American Rare Earths as a notable contender in the U.S. rare earth mining space, presenting Halleck Creek as a potentially significant project. The report provides a detailed examination of the project's resource potential, financial metrics, and strategic importance within the evolving rare earth market. To access Hallgarten & Company's full report on American Rare Earths, **click here to access it**.

The upcoming **CMI Summit IV**, themed *The War for Critical Minerals and Capital Resources*, is scheduled to take place in Toronto, Ontario, on May 13-14, 2025. The CMI Summit aims to foster strategic partnerships and develop actionable solutions that support the growing demand for critical minerals, crucial for the advancement of clean energy, technology, and national security.

To secure a **CMI Membership**, click here or to secure a **CMI Summit IV** 2-day Delegates Pass, click here

