

Australian Rare Earths Advances the AR3 ANSTO Pilot and Neo Performance Offtake Plans

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[Australian Rare Earths Limited](#) (ASX: AR3) is advancing its Koppamurra pilot programme at the [Australian Nuclear Science and Technology Organisation \(ANSTO\)](#) to generate the technical results and customer samples needed to support rare earth offtake agreements. In an InvestorNews interview with Tracy Hughes, Managing Director and CEO Travis Beinke explained how the work will help prospective buyers evaluate the company's mixed rare earth oxide product while informing its definitive feasibility study. An existing non-binding offtake memorandum of understanding with [Neo Performance Materials Inc.](#) (TSX: NEO | OTCQX: NOPMF), covering half of planned Stage 1 production, gives AR3 a commercial relationship to build on as it advances customer qualification and financing discussions.

"Yes, we do have a non-binding MOU for offtake for half of our Stage 1 production with Neo Performance Materials," Beinke said. Neo became a shareholder when AR3 listed in 2021 and has provided technical support as Koppamurra has developed. The relationship gives AR3 access to downstream expertise as it advances discussions about the eventual sale of its production. The [memorandum of understanding](#) remains non-binding, with definitive commercial arrangements still to be secured.

The pilot programme is centred on ANSTO's purpose-built facility for clay-hosted rare earths, where AR3 is the first industry participant. Approximately 30 tonnes of Koppamurra material are

being used in a campaign [designed to validate](#) the full processing flowsheet and generate mixed rare earth oxide samples for prospective offtakers. Beinke said access to an existing facility reduces the capital and time the company would otherwise need to establish its own pilot plant. "It also saves us a significant amount of time, being able to utilize the great facility that's been built at ANSTO," he said.

AR3's [September 10, 2026 update](#) showed the programme advancing into downstream product recovery. Its first heap leach column cycle, using approximately eight tonnes of ore, had generated rare earth bearing solution that was subsequently processed through a mixed rare earth hydroxide precipitation circuit. That hydroxide is an intermediate product to be further refined into the mixed rare earth oxide samples intended for customer assessment. The campaign is scheduled to continue through December 2026, collecting operating and engineering data for the definitive feasibility study, which the company is targeting for completion in 2027.

Koppamurra's [processing approach](#) reflects the nature of its ionic adsorption clay mineralization. Beinke explained that the rare earths can be extracted from the clays more readily than from many hard rock deposits, offering the potential for lower capital and operating costs. The proposed development uses heap leaching, followed by recovery and purification steps, to produce a mixed oxide feedstock for customers with rare earth separation capabilities. "On the flip side, they are lower grade than some of the hard rock deposits," he said, adding that ionic clays can also contain a valuable proportion of heavy rare earths.

"It's really important what the assemblage of your product is and how much of the more valuable rare earth elements you have within that," Beinke said. The company's published [pre-](#)

[feasibility study](#) estimates average annual production of 1,860 tonnes of total rare earth oxides, including 435 tonnes of neodymium and praseodymium, 57 tonnes of dysprosium and terbium, and 238 tonnes of yttrium. These quantities describe oxide content within the proposed mixed product, which would undergo further separation downstream. Beinke also highlighted samarium, gadolinium and lutetium as part of Koppamurra's broader rare earth mix.

The pre-feasibility study and maiden ore reserve, released in June 2026, provide the basis for the next phase of development, with estimated initial capital of A\$178 million. The study's production target is supported by approximately 71% probable ore reserves and 29% inferred mineral resources, with the inferred portion carrying a lower level of geological confidence. Pilot results and further feasibility work will help refine the proposed operation before a final investment decision. The 2029 production schedule remains a target, with approvals and construction financing still to be advanced.

Australian government support has already helped AR3 fund the work leading to that stage. The company was awarded an [A\\$5 million grant](#) under the International Partnerships in Critical Minerals program, supporting the development of its Koppamurra demonstration and processing work. Beinke said the grant has contributed to both the pre-feasibility study and piloting, alongside the benefit of access to ANSTO's facility. He described the company's government engagement as part of a sustained effort to demonstrate how Koppamurra could contribute to Australia's rare earth supply capabilities.

For the larger construction funding requirement, Beinke identified potential debt support from [Export Finance Australia](#) and possible investment by offtakers as options the company is exploring. "We do think there are going to be opportunities with

the likes of Export Finance Australia to provide the debt component for the project,” he said. He also sees scope for customers interested in securing the proposed rare earth product to consider financial participation in its development. Those possibilities remain financing options the company is evaluating as it works toward a construction funding package.

Asked how AR3 allocates capital between its projects, Beinke was unequivocal about Koppamurra’s priority. “The vast majority of our capital, our resources and our focus is on delivering this project into production as quickly and efficiently as we can,” he said. The company’s [Overland Uranium Project](#) in South Australia has also yielded an early-stage carbonatite discovery, creating an additional exploration opportunity for rare earths and niobium. Beinke said follow-up drilling had intersected approximately 130 metres of carbonatite, with assays pending at the time of the interview. Further results will be needed to assess the significance of that discovery.

For AR3 shareholders, Beinke identified pilot performance, delivery of samples to prospective offtakers and submission of a [mining lease application](#), targeted for the end of 2026, as the next milestones. The pilot will test whether the processing assumptions made in the pre-feasibility study hold as the operation is scaled up, while the samples will allow potential buyers to assess the feedstock. As those results feed into the definitive feasibility study, AR3’s next task will be to turn technical progress into commercial commitments and a construction financing package.

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