AMERICAN RARE EARTHS ABN 83 003 453 503

ASX RELEASE

1 October 2024

REPLACEMENT 2024 ANNUAL REPORT

Please find attached a replacement 2024 Annual Report.

The replacement is due to part of Note 14 missing on page 51 of the original 2024 Annual Report lodged.

This announcement has been authorised for release by the Company Secretary of American Rare Earths Limited.

American Rare Earths (ASX: ARR | OTCQX: ARRNF | ADR: AMRRY) owns Wyoming Rare (USA) Inc. which is focused on the development of the Halleck Creek Project, WY. It also owns La Paz, AZ rare earth deposit. Both can potentially become the largest and most sustainable rare earth projects in North America. The Company is developing environmentally friendly and cost-effective extraction and processing methods to meet the rapidly increasing demand for resources essential to the clean energy transition and US national security. The Company continues to evaluate other exploration opportunities and is collaborating with US Government-supported R&D to develop efficient processing and separation techniques of (REEs) elements to help ensure a renewable future.

24

AMERICAN RARE EARTHS LIMITED

ANNUAL REPORT

Year ended 30 June 2024

American Rare Earths Limited

AMERICAN RARE EARTHS

ABN 83 003 453 503

> Our mission is to supply critical minerals for renewable energy, green technology, a sustainable economy, national security and a carbon reduced future.

TABLE OF CONTENTS

CORPORATE **DIRECTORY**

Directors

Richard Hudson (Chairman)
Geoffrey Hill (Non-Executive Director)
Chris Gibbs (Non-Executive Director)
Sten L. Gustafson (Non-Executive Director & Deputy Chair)
Melissa Sanderson (Executive Director)

Company Secretary

Wayne Kernaghan

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Sydney NSW 2000
Australia

Australian Office

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Sydney 2000

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Website: www.americanree.com
Email: info@americanree.com

Auditor

Hall Chadwick
40/2 Park Street
Sydney NSW 2000
Australia

Bankers

National Australia Bank
Wells Fargo Bank

Listed Securities

Australian Securities Exchanges ASX Code: ARR
OTCQX – ADRs: AMRRY
OTCQB – Common shares: ARRNF

Share Registry

Computershare Investor Services Pty Ltd
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Adelaide, South Australia 5000

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Tel. +61 3 9415 4062 (outside Australia)

www.computershare.com.au

US Office

1658 Cole Boulevard, Suite G30
Lakewood
Colorado 80401

TENEMENT SCHEDULE 30 JUNE 2024

Tenement Name	*Tenement Type & 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%
La Paz	La Paz 220 – 281	Arizona United States	100%
La Paz	La Paz 282 - 376	Arizona United States	100%
Halleck Creek	REX 1 - 5	Wyoming United States	100%
Halleck Creek	REX 10 - 72	Wyoming United States	100%
Halleck Creek	REX 75 - 165	Wyoming United States	100%
Halleck Creek	REX 167 - 176	Wyoming United States	100%
Halleck Creek	REX 178 - 375	Wyoming United States	100%
Halleck Creek	0-43568 – 0-43571	Wyoming United States	100%
Halleck Creek	TREX 79 - 116	Wyoming United States	100%
Halleck Creek	TREX 170 - 181	Wyoming United States	100%
Halleck Creek	TREX 183 - 223	Wyoming United States	100%
Western Rare	Nevada T-01 – T80	Nevada United States	100%
Wyoming Rare	BM 1 - 27	Wyoming United States	100%

FINANCIAL YEAR ENDING 30 JUNE 2024

MESSAGE FROM **THE CHAIRMAN**

Richard Hudson

Dear Shareholders

I am pleased to reflect on what has been a highly productive and transformative year for American Rare Earths. This past year has seen substantial progress across all areas of our business, especially at our flagship Halleck Creek Project in Wyoming. From successful drilling campaigns to breakthrough metallurgical processes, significant grant funding, and important strategic partnerships, ARR has built a strong foundation to advance its position as a key player in the rare earth elements (REE) market. These achievements reflect not only our company's dedication to operational excellence but also our commitment to sustainability and delivering long-term value for shareholders.

The Halleck Creek Project continues to evolve into one of the most promising rare earth deposits in North America. This year, we achieved several critical milestones that have de-risked the project and enhanced its commercial viability.

One of the most significant achievements of the year was the completion of the Halleck Creek Scoping Study. Conducted by leading consultants, the study demonstrated that Halleck Creek has the potential to be a low-cost, long-life rare earths project. The study confirmed that the project is commercially viable, with strong financial metrics. With a payback period of just under three years and scalable production plans, the project is well-positioned to deliver significant returns.

The Scoping Study highlighted an initial mining rate of 3 million tonnes per annum (Mtpa), scalable to 6 Mtpa as demand for rare earth elements increases. This scalable approach ensures we can meet the growing global demand for REEs while maintaining operational flexibility. The projected mine life exceeds 20 years, with opportunities to extend significantly given the 2.34 billion tonnes of total resource that we now control at Halleck Creek. Importantly, the project remains open at depth, indicating further exploration upside in the years ahead.

In support of the Scoping Study, ARR completed a highly successful drilling campaign in the Cowboy State Mine area. The campaign included 11 core holes and 12 reverse circulation (RC) holes, for a total of over 2,600 metres drilled. Assay results revealed high Total Rare Earth Oxide (TREO) concentrations, further proving the quality and scale of the deposit. continue our program of work for the next 12 months, pleasingly, the raise was supported by our key institutional investor, Fidelity, which maintained its 9.9% stake.

In addition to drilling success, ARR has achieved significant progress in metallurgical testing. Our efforts to optimise extraction methods have yielded impressive results, positioning Halleck Creek as a low-cost producer of rare earth elements. Our collaboration with leading academic institutions has been instrumental in refining processing techniques. The use of Dense Medium Separation (DMS) and Wet High-Intensity Magnetic Separation (WHIMS) provided up to a 10x upgrade in ore grade, significantly improving the efficiency and economics of our extraction processes. By employing these advanced methods, we can reduce the volume of material sent for downstream processing, thereby lowering operating costs while maximising output.

Another breakthrough was the successful application of low-temperature leaching, which achieved 80% REE recovery without the need for expensive and energy-intensive cracking methods. This efficient leaching process reduces both operational costs and the environmental impact of our operations. Our ability to achieve high recovery rates at relatively low temperatures demonstrates the potential for ARR to operate as both a low-cost and environmentally responsible producer of rare earth elements.

This year has also been marked by significant financial accomplishments, ensuring that we have the capital required to continue advancing Halleck Creek and other strategic projects.

In June 2024, ARR secured a A$10.7 million non-dilutive grant from the State of Wyoming, marking a pivotal moment in our project's development. This grant will fund further exploration and drilling activities, environmental studies, pilot processing plants, and essential permitting for the Cowboy State Mine at Halleck Creek. The support from Wyoming demonstrates the state's commitment to advancing strategic resource projects that contribute to U.S. national security and energy independence.

In February 2024, we completed a successful A$13.5 million institutional placement, further strengthening our financial position. These funds, combined with the grant from Wyoming, provide a solid foundation for our ongoing exploration, metallurgical testing, and project development activities. Our strong financial position allows us to continue advancing Halleck Creek without the need for additional equity raises in the near term.

As part of our strategic review, we established Wyoming Rare (USA) Inc., a wholly owned subsidiary dedicated to the development of Halleck Creek. This new structure allows us to access U.S.-based funding and attract investment partners specifically focused on advancing the project. The formation of Wyoming Rare ensures that we can unlock the full value of the Halleck Creek Project while maintaining flexibility in our capital structure.

To support the accelerated development of Halleck Creek, we made several key leadership appointments, including Chris Gibbs as CEO of American Rare Earths and Joe Evers as President of Wyoming Rare. These appointments, combined with a strong operational team, will help us achieve our near-term project milestones and ensure that ARR remains focused on delivering long-term shareholder value.

Sustainability is central to ARR's vision. Our commitment to minimising environmental impact is evident in the steps we've taken this year to ensure that the Halleck Creek Project operates in an environmentally responsible manner. We have initiated baseline environmental studies in the Cowboy State Mine area, including wildlife and vegetation monitoring, to ensure compliance with state and federal regulations. Our use of low-temperature leaching processes reduces energy consumption and limits harmful emissions, aligning with our goal of reducing the carbon footprint of rare earth production.

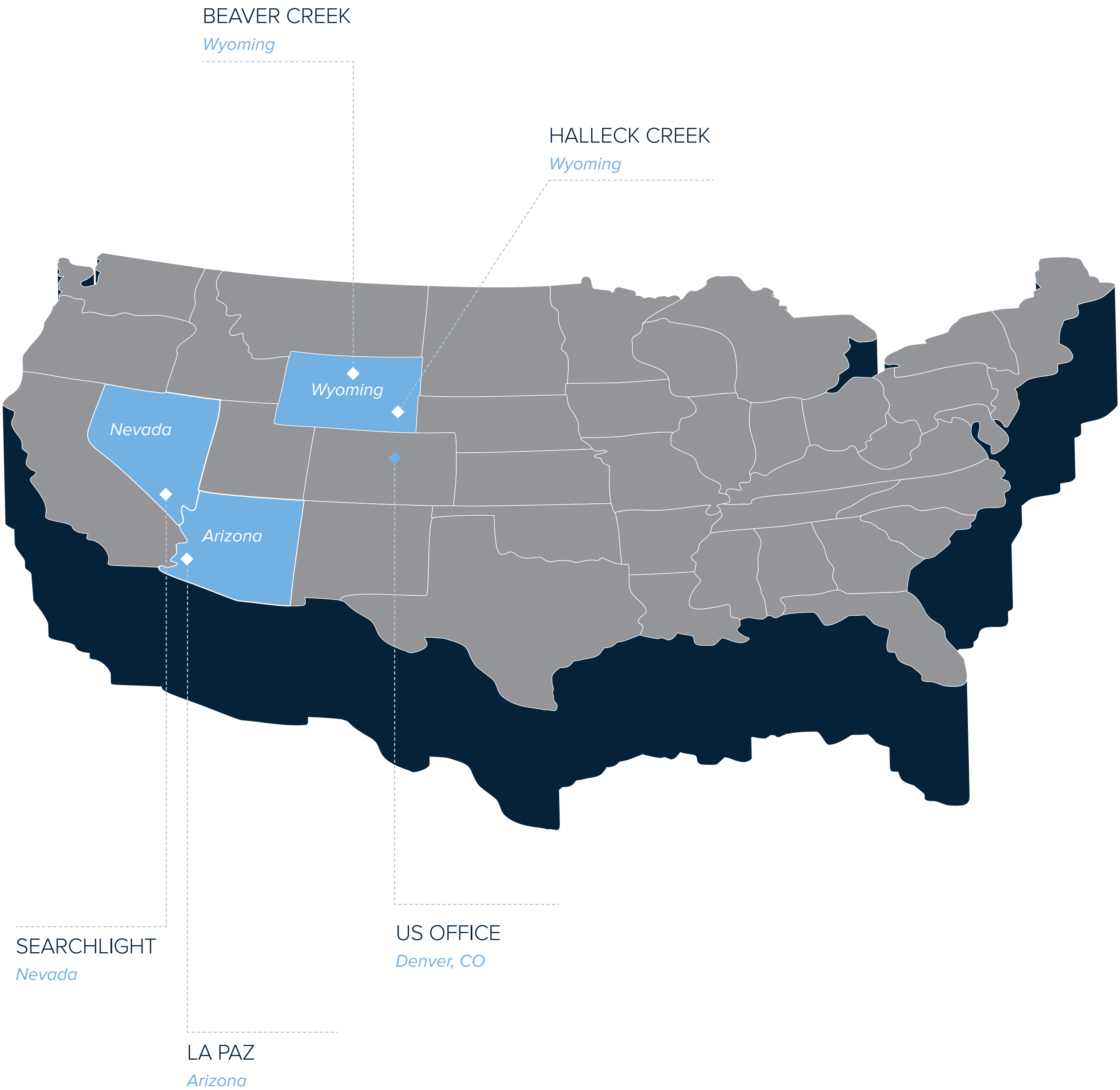
We are also deeply engaged with the local community and are working closely with the Wyoming Energy Authority and local stakeholders to ensure that our project brings long-term economic benefits to the region. The positive reception we have received from the community and the state government further reinforces the strategic importance of the Halleck Creek Project to both Wyoming and the broader U.S. rare earths supply chain.

As we look to the future, I am confident that American Rare Earths is well-positioned to capitalise on the growing demand for rare earth elements, driven by the global shift toward clean energy technologies. With the completion of the Scoping Study, the upcoming Pre-Feasibility Study, and a continued focus on operational excellence, we are on track to unlock significant value from the Halleck Creek Project.

On behalf of the board and management, I would like to thank our shareholders for their ongoing support. The past year has been one of tremendous progress, and we are excited to continue building a sustainable and profitable future for American Rare Earths.

RICHARD HUDSON

Chairman



MAJOR **PROJECTS**

Expanding high value resources, including two of the potentially largest rare earths projects in the USA.

> Our vision is to create significant shareholder value by being a leading and sustainable supplier of critical minerals from and to North America.

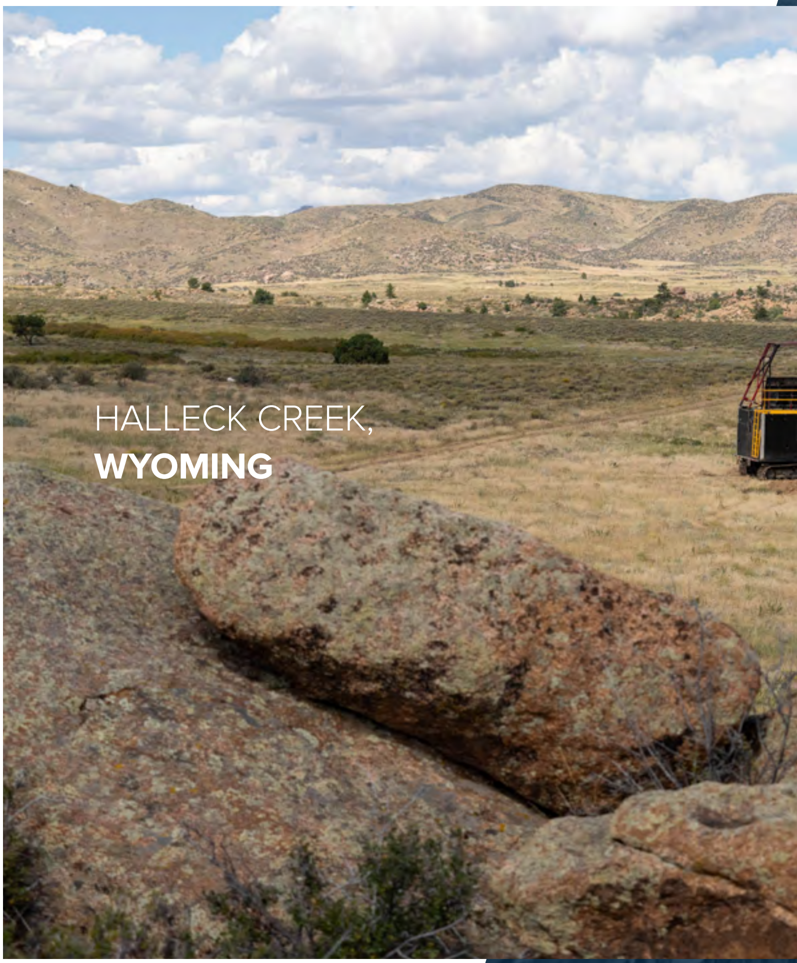
PROJECT
HALLECK CREEK, WYOMING

The Halleck Creek Project in Wyoming is one of the largest rare earth element (REE) deposits in North America, with a resource size of 2.34 billion tonnes. The project is focused on environmentally friendly and cost-effective extraction methods, including Dense Medium Separation (DMS) and low-temperature acid leaching, achieving up to 80% REE recovery. Supported by a A$10.7 million grant from the State of Wyoming, the project is advancing through exploration and metallurgical breakthroughs. With promising co-product potential, like zircon, and continued drilling, Halleck Creek is poised for long-term growth and resource expansion.

R&D partnership funding for Phase II secured with Defense Advanced Research Projects Agency (DARPA).

Non-dilutive grant funding approved by the State of Wyoming, USA, for up to A$10.7m.

2024 Drilling Program at Cowboy State Mine recently completed.



» Scoping Study Technical Report confirms low cost, scalable, world class REE project

» Breakthrough metallurgical results with ore successfully preconcentrated to 3.5% TREO at a 12:1 upgrade ratio

» An estimated 7.48 million tonnes of contained Total Rare Earth Oxides (TREO)

» Average TREO grade of 3,196 ppm

PROJECT
LA PAZ, ARIZONA

The La Paz Rare Earths project, 100% owned by La Paz Rare Earth LLC, is strategically located in Arizona and boasts a 170.6 million tonnes JORC-compliant resource, with potential to exceed one billion tonnes. It contains valuable magnet rare earth elements and Scandium, with the advantage of low radioactive content. Metallurgical testing has demonstrated strong recovery rates and promising results for future extraction processes. With ongoing exploration and development, La Paz is poised to become a leading rare earths project in the U.S.

1. **Significant Resource Potential:** La Paz hosts a 170.6 million tonnes JORC-compliant resource, with potential for expansion to over one billion tonnes, making it one of the largest, rare earths projects in the U.S.

2. **High-Value Rare Earth Elements:** The project contains high concentrations of magnet rare earths (NdPr) and Scandium, critical for advanced technologies, with minimal radioactive elements like thorium.

3. **Successful Metallurgical Results:** Test-work showed recovery rates of 66.4% TREO and 71.5% Scandium, along with rapid dissolution times and minimal penalty elements like uranium and thorium.

4. **Strategic Location and Growth:** Situated near key infrastructure in mining-friendly Arizona, the project covers only 10.2% of the total area, leaving significant room for future resource expansion.

PROJECT
BEAVER CREEK, WYOMING

- A significant rare earth deposit was discovered in Wyoming, USA, with surface samples showing grades of Lanthanum, Cerium, Neodymium, Praseodymium, and Yttrium ranging from 1.7% to 9.1%.

- 37 federal unpatented lode claims have been staked, covering a total area of 303 hectares (749 acres).

- The company secured a Wyoming State Mineral Lease (0-43773), covering an additional 259 hectares (640 acres).

- The identified deposit includes valuable rare earth elements such as Lanthanum, Cerium, Neodymium, Praseodymium, and Yttrium.

SUPPLY CHAIN
R&D

Across our R&D projects, we have partnered with global top 100 universities and American national laboratories.

1. Breakthrough in Ore Pre-Concentration: ARR achieved a significant milestone by pre-concentrating Halleck Creek ore to 3.5% TREO using Dense Medium Separation (DMS), reducing material sent to leaching circuits by 56%, dramatically lowering operating costs.

2. 80% REE Recovery through Direct Acid Leaching: Collaborative efforts under the DARPA EMBER program resulted in an 80% REE recovery rate using low-temperature direct acid leaching, showcasing cost-effective and energy-efficient extraction methods.

3. Discovery of Zircon Co-Product Potential: R&D work with the University of Wyoming identified zircon as a valuable co-product of rare earth processing at Halleck Creek, enhancing the project's overall economics and creating an additional revenue stream.

4. Sustainable Extraction Techniques and Environmental Focus: ARR's R&D initiatives prioritized environmentally friendly extraction techniques, including low-impact mining processes and sustainability-focused methods, contributing to responsible resource development.

University of Kentucky

University of Wyoming

AMES National Laboratory
Creating Materials & Energy Solutions

Arizona Mining Association

Wyoming Mining Association

Columbia University in the City of New York

PennState

VT Virginia Tech

Lawrence Livermore National Laboratory

NMA The American Resource

AMERICAN RARE EARTHS
ESG COMMITMENT

Our role and responsibilities as temporary custodians of the lands we explore.

At American Rare Earths, we are keenly aware of our role and responsibilities as temporary custodians of the lands we explore/operate, as employers and leaders and as partners to the communities in which we work.

Our flagship project, Halleck Creek, Wyoming, is where we are working hard to begin the development of a major strategic rare earth resource. As part of preparing the Cowboy State Mine site for the permitting phase of operational development, we are working with State authorities to ensure we meet or exceed environmental requirements. The studies we undertook last year, partnering with environmental specialists and local authorities to identify and map the flora and fauna in the Overton and Red Mountain areas is being expanded upon this year. The resulting information will serve as bedrock in our operational planning, ensuring we consider what we have today and plan for full restoration after operations cease.

Water is a vital resource to our neighbours and ourselves. Despite a welcome snowy winter, Wyoming essentially is a high plateau engulfed in an ongoing drought of 20-year duration. Taking advantage of runoff from the winter snows, we conducted last year a thorough survey of the water sources in our district, including so-called transitory waters, which, in some cases, were running for the first time in several years. We also made special note of ponds essential to migratory species and catalogued those species' appearance times. This year we are undertaking a complex hydrology study to full document the structure and condition of underground aquifers and subterranean water flows. We also are investigating potential partners to bring the newest and greenest technology to help us achieve as close as possible to a closed water system. Our goal is to minimise our impact and to share responsibly with our neighbours, both human and wild.

Our cooperative program to develop new processing technologies for rare earth separation based on amoeba and enzyme extraction also is ongoing, with University partners reporting encouraging progress.

As our project preparations advance so too do our stakeholder engagement efforts. Recently we held our first stakeholder engagement meeting in Cheyenne where we had the opportunity to meet with a broad range of interested Wyomingites, from ranchers and businesspeople to elected officials. We have begun working more closely with the University of Wyoming in areas ranging from workforce development to geology and are in very early stages of discussion with neighboring towns on a shared economic development vision. ARR is committed to a long-term vision of a sustainable future that will continue to benefit communities even after the mine is no longer in production.

Our drilling program at Halleck Creek has been active this year, producing very encouraging results, and we continued to work with our drilling partners to ensure complete remediation of the affected sites.

We have strict standards of behaviour in place to guide and protect our employees today and tomorrow, and we apply those same standards to contractors who work with us. The Board of Directors assists our CEO in ensuring that all shared values become best practices. Our ESG measures will continue to grow as we expand, not just because they are required, but because protecting people and planet is an integral part of who we are.

> “We continue to build and maintain good relationships with the ranchers and small towns near our respective properties to share our vision and passion – developing secure sources of the materials needed for a greener and more secure US economy

DIRECTORS' REPORT

Your Directors submit their report for the year end 30 June 2024.

Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated:

Current Directors

Richard Hudson	Non-Executive Director and Chairman	Appointed 8 February 2022
Sten Gustafson	Non-Executive Director and Deputy Chairman	Appointed 7 January 2022
Chris Gibbs	CEO & Managing Director	Appointed 1 November 2021
		Retired 31 August 2023 Appointed 1 September 2024
	Non-Executive Director	Appointed 31 August 2023
Geoffrey Hill	Non-Executive Director	Appointed 27 August 2015
Melissa Sanderson	Non-Executive Director	Appointed 12 November 2021

Former Directors

F Creagh O'Connor	Non-Executive Chairman	Appointed 22 June 2000 Retired 16 November 2023
Ken Traub	Non-Executive Director	Appointed 18 August 2023 Retired 20 June 2024
Paul Zink	Non-Executive Director	Appointed 21 August 2023 Retired 30 June 2024
John Mansanti	Non-Executive Director	Appointed 21 August 2023 Retired 31 August 2024

Details of Directors

Current

Richard Hudson: B.Com. FCA. Non-Executive Director, (Appointed Chairman 7 February 2024) Appointed 8 February 2022

Richard is experienced in strong corporate governance & strong internal controls, resolving shareholder disputes, advising on business sales, acquisitions & mergers. He is currently Chairman of a private Contract Research Organisation in Animal Health operating in Australia & New Zealand. He is Company Secretary of a group of Emergency Veterinary Practices operating throughout Australia. He was previously Chairman for many years of manufacturing business operating in the marine industry in Australia, New Zealand, and Asia. Mr Hudson has had no other directorships of ASX listed companies in the last three years.

Sten L. Gustafson: B.A., J.D. Non-Executive Director. Appointed 7 January 2022

Sten L. Gustafson currently serves as the Chief Executive Officer and a director of Pyrophyte Acquisition Corp. (NYSE: PHYT), a SPAC focused on companies that provide products, services, equipment, and technologies that support a variety of energy transition solutions. Mr. Gustafson is a highly experienced energy service industry executive, investment banker, and corporate securities attorney. With over 25 years of experience in the global energy sector, Mr. Gustafson has advised on over 100 corporate transactions around the world for over $100 billion of transaction value. Mr Gustafson has had no other directorships of ASX listed companies in the last three years.

Chris Gibbs: BA, AIM, AICD CEO & Managing Director. Appointed 1 November 2021

Chris has over 28 years' experience in the resource sector within Australia, Canada, USA, South America, Africa and Europe. He is an innovative leader with a proven track record for implementing organization change and delivering business results. Prior to joining the company, he was Vice President General Manager for Argonaut Gold's Canada business and leading the development of the Magino Gold Project. He has also held various leadership roles with Centerra Gold and Thompson Creek Metals, including VP of Operations, VP Operational Excellence and VP General Manager of the Langeloth Metallurgical Company in Pittsburgh and VP

General Manager of the Endako Mine in British Columbia. Chris has also held various leadership roles with Barrick Gold, Placer Dome, and Millennium Chemicals. He holds a master's degree in project management and a Bachelor of Business Degree from Curtin University of Western Australia. Mr Gibbs has had no other directorships of ASX listed companies in the last three years.

Geoffrey Hill: B.Ec., MBA, FCPA, ASIA, FAICD. Non-Executive Director. Appointed 27 August 2015

Geoff Hill was a founding director of the Company, serving from 1989 to 30 June 2014. He re-joined the Board on 27 August 2015. Geoff is a merchant banker based in Sydney, with specialist experience in mergers and capital raising and has acted for a wide range of corporate clients in Australia and overseas, particularly in the resources sector. He is Chairman of the International Pacific Capital Group and Chairman of ASX listed company Advanced Metals limited.

During the past 3 years Mr Hill was a Director of the following listed companies:

- Advance Metals Limited (ASX:AVM). Retired 24 June 2024

Melissa (Mel) Sanderson: B.Ec., BA English Literature, MBA, Professor, Thunderbird School of Global Management. Non-Executive Director. Appointed 12 November 2021

Her international career has spanned diplomacy and mining for 30+ years. Mel is adept at cross-cultural communication and brings leadership experience in inclusivity and diversity issues. At global mining leader Freeport-McMoRan, Mel sited, staffed, and ran a corporate office focused on government and public relations, as well as social responsibility programs. She served the nation as a senior diplomat in the U.S. Department of State.

During the past 3 years Ms Sanderson was a Director of the following ASX listed companies:

Advance Metals Limited (ASX: AVM) from 14 April 2022 to 19 September 2024

Former Directors

F. Creagh O'Connor: AM, FAIM, FAICD. Chairman and Non-Executive Director (Independent). Appointed 22 June 2000. Retired 16 November 2023

Creagh O'Connor was appointed to the Board in 2000 and to the role of Chairman in 2004. He has approximately 40 years' senior management experience in providing consulting and advisory services for oil, gas, and mineral projects throughout Australia and overseas. He is a leading consultant for Australian construction and development consortiums. He has served as a Director and Chairman on a number of listed and private companies. Mr O'Connor has had no other directorships of ASX listed companies in the last three years.

Kenneth H. Traub: MBA, NACD.DC Non-Executive Director. Appointed 18 August 2023. Retired 20 June 2024

Since 2019, Kenneth H. Traub has been the Managing Partner of Delta Value Advisors, a strategic consulting and investment advisory firm, specializing in corporate governance and turnarounds. Mr. Traub also currently serves on the Board of Directors and is Chairman of the Nominating and Corporate Governance Committee of Tidewater, Inc. (NYSE: TDW), the leading global owner and operator of offshore support vessels for the energy industry. He has over 30 years of experience as a CEO, chairman, director, investor, and consultant in public companies with a successful track record of driving strategic, financial, operational and governance improvements to enhance shareholder value. Mr Traub has had no other directorships of ASX listed companies in the last three years.

Paul Zink: B.A.: Non-Executive Director. Appointed 21 August 2023. Retired 30 June 2024

Paul Zink is currently a Professor of Practice in the Economics and Business and Mining Engineering departments at the Colorado School of Mines. Mr. Zink has more than 45 years of experience in leading and building cross functional teams in mineral royalties, mineral economics, financial management, strategic planning, and acquisition targeting. He has served as a director for several companies including Timberline Resources, Rare Element Resources and Atna Resources, where he chaired the Audit Committees. Also, former CFO of Rare Element Resources Limited. Mr Zink has had no other directorships of ASX listed companies in the last three years.

John G. Mansanti: Non-Executive Director. Appointed 21 August 2023. Retired 31 August 2024

John G. Mansanti is a consultant to the minerals industry. He has more than four decades of mining experience, primarily in operations, technical support, and capital projects. Mr. Mansanti is an experienced CEO, Non-Executive Director and leader of major US mines. He has more than 45 years of experience leading successful teams in mining. Those teams were successful in project development, engineering, project financing, capital execution, and operations. Mr. Mansanti was CEO of Pacific Soda, CEO and President of Crystal Peak Minerals, and Senior VP of Operations for Intrepid Potash. He served as a director for Rye Patch Gold and Alio Gold. Mr Mansanti has had no other directorships of ASX listed companies in the last three years.

Company Secretary

Wayne Kernaghan: BBus, ACA, FAICD, ACIS Company Secretary. Appointed 25 September 2020

Wayne is a member of the Institute of Chartered Accountants in Australia with a number of years' experience in various areas of the mining industry. He is also a Fellow of the Australian Institute of Company Directors and a Chartered Secretary.

Principal Activities

The principal activity for the Consolidated Entity comprising American Rare Earths Limited ("the Company") and its controlled entities (together "the Consolidated Entity") during the financial year was mineral exploration. There was no significant change in the nature of the Consolidated Entity's activities during the year.

Results

The loss attributable to the Consolidated Entity for the financial year was $6,257,487 (2023: loss $4,846,560). No income tax was attributable to this result (2023: $Nil).

Dividends

The directors do not recommend the payment of a dividend for this financial year. No dividend has been declared or paid by the Company since the end of the previous financial year.

Significant Changes in the State of Affairs

In the opinion of the directors there were no significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review not otherwise disclosed in this report or the consolidated financial statements.

After Balance Date Events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect the operations of the Consolidated Entity, the results of those operations or the state of affairs of the Consolidated Entity in subsequent financial years other than:

As announced by the company on 15 July 2024, the 2024 drilling campaign commenced at Cowboy State Mine Area for a total of 2,670m including 11 core holes and 12 reverse circulation holes. The campaign will upgrade resources and provide additional material for planning towards prefeasibility analysis.

As announced by the company on 7 August 2024, mapping and sampling across unsampled areas at the new Bluegrass Resource Area were completed and the results continue to demonstrate the upside potential of the Halleck Creek district.

As announced by the company on 12 August 2024, 100% owned subsidiary, Wyoming Rare USA Inc., will be dedicated to developing the Halleck Creek Project. This subsidiary will allow for US based investments and partnerships.

As announced by the company on 19 August 2024, the 2024 drilling campaign in Cowboy State Mine Area has been completed with positive results.

As announced by the company on 3 September 2024, assay results for 756 samples from the first 11 core and reverse circulation holes were received following completion of the 2024 drilling campaign. Assays showed elevated rare earth mineralisation from surface to depths of at least 300m and the deposit remains open at depth.

Likely Developments and Future Results

Other than as referred to in this report, further information as to likely developments in the operations of the Consolidated Entity and the expected results of those operations would, in the opinion of the directors, be speculative and not in the best interests of the Consolidated Entity.

Options

As at the date of this report the Company has 56,100,000 (2023: 46,994,223) unquoted options on issue. During the year 20,500,000 (2023: 25,250,000) options were issued and 5,894,223 (2023: 5,692,50) options were exercised/cancelled. Refer to Note 14 of the financial statements for further details of the options outstanding.

During the year 2,000,000 fully paid ordinary shares were issued by virtue of the exercise of options (2023: 442,500). Since the end of the financial year 1,000,000 shares have been issued by virtue of the exercise of options (2023: nil).

Directors' Interest

At the date of this report, the interest of the directors in the shares and options of the company were:

	Direct		Indirect	
2024	Fully Paid Shares	Options	Fully Paid Shares	Options
G Hill	-	2,000,000	77,973,392	-
C Gibbs	2,000,000	-	1,500,000	11,500,000
M Sanderson	-	2,000,000	-	-
S Gustafson	-	2,000,000	-	-
R Hudson	-	-	300,000	2,000,000

Directors' Meetings

The number of meetings of the Directors and Audit/Risk Committee held during the year ended 30 June 2024 and the numbers of meetings eligible to attend while a director was:

	Board of Directors		**Audit & Risk Committee**	
Directors:	*Eligible to attend*	*Attended*	*Eligible to attend*	*Attended*
FC O'Connor	2	2	-	-
G Hill	8	8	5	5
C Gibbs	8	8	-	-
Mel Sanderson	8	5	2	1
S Gustafson	8	6	7	6
R Hudson	8	8	7	7
J Mansanti	7	6	-	-
K Traub	6	6	-	-
P Zink	7	6	6	6

In addition, several matters were resolved during the year by circular resolution.

As well as formal directors' meetings, executive and non-executive directors are in frequent communication.

FINANCIAL REVIEW

- **$13,900,000 raised in additional capital during the financial year (before costs)**
- **Cash balance at 30 June 2024 was $16,299,350 (2023: $12,485,220)**
- **Total assets at 30 June 2024 was $34,019,733 (2023: $25,914,657)**
- **Total liabilities at 30 June 2024 was $961,612 (2023: $715,809)**

During the financial year the Company successfully raised $13,500,000 (before costs) from a placement of 45,000,000 fully paid shares to professional and sophisticated investors at an issue price of $0.30 per share undertaken by Canaccord Genuity (Australia) Limited. A further 2,000,000 shares were issued during the financial year due to exercise of options at $0.20 each, which raised additional capital of $400,000.

REVIEW OF OPERATIONS

American Rare Earths, through its wholly owned subsidiary Wyoming Rare (USA) Inc., is focused on advancing the Halleck Creek Project in Wyoming. This project has the potential to become one of the largest and most sustainable rare earth operations in North America. The Company continues to explore new opportunities while collaborating with U.S. Government-supported research initiatives to develop efficient rare earth element (REE) processing and separation technologies, contributing to a renewable energy future.

Halleck Creek Rare Earths Project

In FY2024, the Company made significant progress in developing its flagship Halleck Creek Project, located in the mining-friendly state of Wyoming. This project is poised to play a crucial role in securing a domestic rare earth supply chain for the U.S., reducing reliance on foreign sources. With a 100% ownership of the project and a JORC-compliant resource of 2.34 billion tonnes, Halleck Creek holds the potential to become a long-term, strategic asset for the nation.

Key advancements during the year included the successful continuation of the 2024 Drilling Program at the Cowboy State Mine (CSM) area, securing R&D funding from DARPA, initiating environmental permitting, and achieving notable progress in processing and metallurgical test work. Additionally, the potential for zircon as a valuable co-product was confirmed, offering further economic opportunities.

In October 2023, the completion of mapping and sampling at Halleck Creek revealed the possibility of a larger, higher-grade REE resource. Optimized exploration programs were subsequently developed, along with an updated JORC Exploration Target. Metallurgical testing, conducted under the direction of Wood PLC, showed encouraging results, indicating that higher recoveries of magnet metals could be achieved using simpler and more cost-effective technologies.

The 2023 Drilling Program was successfully completed in November 2023, with 2,389 meters drilled across 23 holes. The core samples collected will be integral in refining the flow sheet design and informing cost estimates for the upcoming Preliminary Economic Analysis (PEA).

In January 2024, breakthrough metallurgical test results were achieved as part of the SynBREE project, a consortium led by Lawrence Livermore National Laboratory. The test work demonstrated a 200% improvement in performance, preconcentrating the Halleck Creek ore to 3.5% TREO using conventional Dense Medium Separation (DMS).

The March 2024 Scoping Study, prepared by Stantec Consulting Services Inc., further validated the project's strong economics. With an NPV8 of US$673.9 million (pre-tax), an IRR of 22.5%, and a payback period of just 2.9 years, the study underscored the project's robust financial potential under a 3Mtpa operating scenario. The low operating costs were attributed to favorable geological conditions, efficient mining techniques, and a beneficiation process that upgrades the ore tenfold.

In May 2024, the Company confirmed zircon co-product potential in collaboration with the University of Wyoming’s School of Energy Resources. This presents an opportunity to enhance project economics and generate additional revenue streams.

June 2024 brought further positive developments when the State of Wyoming approved up to A$10.7 million (US$7.1M) in non-dilutive funding for the CSM area under a three-year Matching Funds agreement. This financial support is critical for continuing the project’s development.

Post FY2024, the 2024 Drilling Program at CSM commenced in July, targeting 2,670 meters across 11 core and 12 RC holes. The campaign aims to upgrade the resource, supply additional material for metallurgical testing, and advance mine planning towards a prefeasibility analysis. By August 2024, the drilling campaign was completed, and in September, the initial assay results reinforced the district's strong resource potential.

In addition, the Company has adopted a new strategy to accelerate the development of Halleck Creek, restructuring Wyoming Rare (USA) Inc. with its own capital structure and funding sources. This positions the project to attract U.S.-based investments and partnerships.

La Paz Rare Earths Project

The La Paz Rare Earths Project, 100% owned by the Company's subsidiary La Paz Rare Earth LLC, is located approximately 200 kilometers northwest of Phoenix, Arizona. The project boasts a JORC-compliant resource of 170.6 million tonnes, and its location provides excellent access to key infrastructure. The current resource estimate covers only 10.2% of the project area, with further potential identified in exploration targets estimated between 742 and 928 million tonnes.

La Paz is notable for its high grades of magnet rare earth elements (NdPr) and scandium, with the added advantage of minimal radioactive elements, an uncommon benefit in rare earth projects. Metallurgical testing confirmed strong recovery rates of up to 66.4% for TREO and 71.5% for scandium, with very low levels of thorium and uranium.

While the La Paz project remains an important part of the Company's portfolio, the focus has shifted to the Halleck Creek Project, given the exceptional exploration results and progress achieved over the past year. Nevertheless, La Paz continues to offer substantial long-term potential.

Details of JORC Resources at 30 June 2024

Halleck Creek

Table 1 summarises estimated in-situ resources at Halleck Creek by resource area and category using a TREO cut-off of 1,000 ppm.

Table 1 - Estimated Rare Earth Resources at Halleck Creek (1000ppm TREO cut off)

Classification	Tonnage	*Grade*				*Contained Material*			
		TREO	LREO	HREO	MREO	TREO	LREO	HREO	MREO
	t	ppm	ppm	ppm	ppm	t	t	t	t
Measured	206,716,068	3,720	3,352	370	904	769,018	692,935	76,550	186,836
Indicated	1,210,173,301	3,223	2,838	349	780	3,899,931	3,434,947	422,124	943,421
Meas + Ind	**1,416,889,369**	**3,295**	**2,913**	**352**	**798**	**4,668,949**	**4,127,881**	**498,674**	**1,130,257**
Inferred	924,698,618	3,041	2,696	339	737	2,812,121	2,493,178	313,187	681,138
Total	**2,341,587,986**	**3,195**	**2,828**	**347**	**774**	**7,481,070**	**6,621,059**	**811,861**	**1,811,395**
Rounded	**2,342,000,000**	**3,195**	**2,828**	**347**	**774**	**7,481,000**	**6,621,000**	**812,000**	**1,811,000**

La Paz

Table 2: La Paz Rare Earths Project JORC 2012 Classified Mineral Resource Estimate

La Paz Resource Estimate 2012 JORC				
	Mt	Grade (%)	Contained REE (kg)	Contained REE (Mlbs)
Inferred	112	0.037	37,586,080	83.3
Indicated	16.2	0.037	5,436,558	12.1
Total	128.2	0.037	43,022,638	95.4

Resources

The information in this report that relates to Mineral Resources and Exploration Results is based on information compiled by Mr Dwight Kinnes and Mr Jim Guilinger. Mr Kinnes and Mr Guilinger are Members of a Recognised Overseas Professional Organisation included in a list promulgated by the ASX (SME Registered Member of the Society of Mining, Metallurgy and Exploration Inc). Mr Kinnes is employed by American Rare Earths, Ltd. as Chief Technical Officer. Mr Guilinger is Principal of independent consultants World Industrial Minerals LLC. Mr Kinnes and Mr Guilinger have sufficient experience relevant to the style of mineralisation and type of deposits under consideration and to the activity which they are undertaking 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 Kinnes and Mr Guilinger consent to the inclusion in this report of the matters based on their information in the form and context that the information appears.

RISK MANAGEMENT

American Rare Earths manages risks inherent in its business with the objective of ensuring risks are identified, measured, and managed to an acceptable level. The Executive and management perform risk assessments on activities on a regular basis with a continuous improvement mindset to risk identification, management and mitigation.

A summary of key risks groups associated with company are discussed here:

Exploration

Exploration is a speculative activity with associated risk to discovery. ARR utilises established methodologies and experienced personnel to evaluate prospects and manage the risk associated with exploration. The Company also ensures all major exploration decisions are subjected to assurance reviews, including external experts and contractors where appropriate.

Regulatory

American Rare Earths operates in a highly regulated environment and complies with regulatory requirements. There is a risk that regulatory approvals are withheld, take longer than expected, or unforeseen circumstances arise where requirements may not be adequately addressed in the eyes of the regulator, and costs may be incurred to remediate non-compliance and/or obtain approval(s). Changes in personnel, government, monetary, taxation and other laws in the United States, Australia or internationally may impact the Company's operations.

Operating

There are several risks associated with operating. The occurrence of any event associated with these risks could result in substantial losses to the Company that may have a material adverse effect on the business of ARR, results of operations and financial condition. To the extent that it is reasonable, ARR mitigates the risk of loss associated with operating events through insurance contracts and management systems.

Funding

ARR's development appraisal and exploration activities are reliant on access to adequate funding, and restrictions on this access could have a material adverse effect on the business, results from operations, financial conditions, and prospects. ARR's business and development of our projects rely on access to debt and equity funding. There can be no assurance that sufficient debt or equity funding will be available on acceptable terms or at all. ARR endeavours to ensure the best source of funding is obtained to maximise shareholder value, having regard to prudent risk management supported by economic and commercial analysis of all business undertakings.

Indemnification and insurance of Directors and Officers

The Company has entered into deeds of indemnity with the Directors indemnifying them against certain liabilities and costs to the extent permitted by law. The Company has paid premiums totalling $56,447 (2023: $60,733) in respect of Directors and Officers Liability Insurance and Company reimbursement policies, which covers all Directors and Officers of the Company. The policy conditions preclude the Company from any detailed disclosures.

Indemnification of Auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Hall Chadwick, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Hall Chadwick during or since the financial year.

Employees

The Consolidated Entity employed 5 employees as at 30 June 2024 (2023: 7).

Corporate Governance

In recognising the need for the highest standard of corporate behaviour and accountability, the directors of American Rare Earths Limited support and have adhered to the principles of good corporate governance. The Company's corporate governance statement is on our website.

Auditor Independence

The directors have received the auditor's independence declaration for the year ended 30 June 2024 which is on page 35 and forms part of this directors' report. For the year Hall Chadwick have provided non-audit services to the Consolidated Entity in the amount of $11,000 (2023: $2,349).

The directors are satisfied that non-audit services are compatible with the independence requirements of the Corporations Act 2001. The nature and scope of the non-audit services provided has meant that auditor independence was not compromised.

Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest Australian Dollar (unless otherwise stated) under the option available to the Company under the *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which the instrument applies.

REMUNERATION REPORT - AUDITED

This remuneration report outlines the director and executive remuneration arrangements of American Rare Earths Limited in accordance with the requirements of the Corporations Act 2001 and its Regulations

Remuneration Committee

The Company has a remuneration committee. The remuneration committee reviews and makes recommendations to the board on remuneration packages and policies applicable to the executive officers and directors of the Company and of other executives of the Group. It is also responsible for share option schemes, incentive performance packages, superannuation entitlements, retirement and termination entitlements, fringe benefits policies and professional indemnity and liability insurance policies.

The members of the remuneration committee during the year were:

- Geoff Hill (Chairman) – Non-Executive Director
- Sten Gustafson – Non-Executive Director
- F. Creagh O'Connor – Non-Executive Chairman – Resigned 16 November 2023
- Richard Hudson – Non-Executive Director
- Ken Traub – Non-Executive Director – Appointed 22 September 2023 and Resigned 20 June 2024

The remuneration structures explained below are designed to attract suitably qualified candidates, reward the achievement of strategic objectives and achieve the broader outcome of creation of value for security holders. The remuneration structures take into account a range of factors, including the following:

- the capability and experience of the key management personnel;
- the requirement to utilise those skills in the furtherance of the Group's strategic objectives;
- the performance of key management in their particular role;
- the Group's overall performance;
- the remuneration levels being paid by competitors for similar positions; and
- the need to ensure continuity of executive talent and smooth succession planning.

Remuneration policy

The remuneration policy, which sets the terms and conditions for KMP, was developed by the Company's Remuneration Committee and approved by the Board.

The Board seeks to set aggregate remuneration at a level which provides the Company with the ability to attract and retain Directors and key management of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The remuneration of the Non-Executive Chairman and Directors is paid by fixed sum plus the issue of unlisted options.

Remuneration of the Managing Director is a fixed salary package plus short-term incentives (STI) and long-term incentives (LTI) linked to Company performance. In respect to executive directors and employees they may participate in a long-term share-option equity plan (the "Plan").

In the 2022 financial year the Company established the Plan for the purpose of providing a long-term equity incentive structure to deliver equity-based benefits to the Executive Directors, employees, and contractors. The Board strongly believes that the Plan better aligns the rewards of the key management personnel with the interests of the shareholders.

At the Company's Annual General Meeting held on 16 November 2023, it was approved to issue:

1. 2,000,000 options at a deemed issue price of $0.22 to a Director, Mr F C O'Connor as remuneration for no cash consideration. The options were issued on 16 November 2023;

For the 2024 financial year the key management personnel of the Company consisted of the Directors of the Company and its subsidiaries and its Chief Executive Officer.

When considering the relationship between the Group's Remuneration Policy and the performance of the Group and Executives and the subsequent benefits the performance had on shareholders' wealth, the Remuneration Committee had regard to the following:

	2024	2023
Net loss ($)	(6,257,487)	(4,846,560)
Loss per share (cents)	(1.35)	(1.11)
Dividends / distributions ($)	-	-
Share price at year end ($)	0.265	0.145
Market capitalisation ($M)	130.757	64.731
Director & Key Management Personnel remuneration ($)	1,659,177	1,244,515

The Remuneration Committee considers that the Group's remuneration policy is appropriate.

Non-Executive Director's fees

The current maximum aggregate limit for Non-Executive Directors' fees is A$1,000,000 per annum. (**Limit**)

If a Non-Executive Director performs extra services which, in the opinion of non-associated Directors, are outside the scope of the ordinary duties of the Director, the Company may remunerate that Director on normal commercial terms and conditions no more favourable than those available to other parties. The remuneration would be in addition to the fees referred to above.

A non-executive Director is entitled to be paid travelling and other expenses properly incurred by them in attending Director's or general meetings of the Company or otherwise in connection with the business of the Company.

Service agreement – Chief Executive Officer

Mr D Swartz was appointed CEO of the Company on 1 August 2023. A service agreement was executed on the same day. Mr Swartz's remuneration under the Agreement is:

Base salary of US$300,000 per annum.

Subject to the ASX Listing Rules and as determined by the Company's Board, Mr Swartz is further entitled to participate in the Company's short-term incentive (STI) and long-term incentive (LTI) scheme.

On 1 August 2024, he ceased employment as CEO.

Directors and Officers insurance and indemnity

During the financial year, as provided for under the Company's Constitution, the Company paid an insurance premium, insuring the Company's Directors and Officers against liabilities not prohibited from insurance by the *Companies Act 1993*.

Details of remuneration

Details of the remuneration and benefits of the Directors and key management personnel for the current and prior financial year are.

Details of Key Management Personnel

Directors

Name	Position
FC O'Connor	Non-Executive Chairman (Retired 16 November 2023)
G Hill	Non-Executive Director
C Gibbs	Non-Executive Director
M Sanderson	Non-Executive Director
S Gustafson	Non-Executive Director
R Hudson	Non-Executive Director
K Traub	Non-Executive Director Appointed 18 August 2023 (Retired 20 June 2024)
P Zink	Non-Executive Director Appointed 21 August 2023 (Retired 30 June 2024)
J Mansanti	Non-Executive Director Appointed 21 August 2023

Key management personnel are those directly accountable and responsible for the operational management and strategic direction of the Company and the Group.

Name	Position
D Swartz	CEO Appointed 1 August 2023

Details of the nature and amount of each element of the remuneration of Directors and other Key Management Personnel of the Company during the financial year are:

	Year	Short-Term Employee Benefits		Post-Employment	Share Based Payments			Proportion of Remuneration Performance Related	Value of Share-Based Payments as a Proportion of Remuneration
		Salary & Fees	Bonus	Super-annuation Benefits	Shares	Options	Total		
Key Management Personnel		**$**	**$**	**$**	**$**	**$**	**$**	**%**	**%**
FC O'Connor[5]	**2024**	**14,167**	**-**	**-**	**-**	**102,359**	**116,526**	**-**	**87.8**
	2023	37,500	-	-	-	-	37,500	-	-
G Hill	**2024**	**33,761**		**-**	**-**	**-**	**33,761**		**-**
	2023	20,000	-	-	-	-	20,000	-	-
C Gibbs[10]	**2024**	**226,335**	**-**	**2,614**	**-**	**-**	**228,949**	**-**	**-**
	2023	322,499	-	27,447	-	265,457	615,403	43.1	43.1
M Sanderson[2,3]	**2024**	**290,801**	**-**	**-**	**-**	**-**	**290,801**		
	2023	202,119	-	-	-	-	202,119	-	-
S Gustafson[2]	**2024**	**46,258**	**-**	**-**	**-**	**-**	**46,258**	**-**	**-**
	2023	59,806	-	-	-	-	59,806	-	-
R Hudson	**2024**	**31,760**	**-**	**1,899**	**-**	**-**	**33,659**	**-**	**-**
	2023	22,624	-	2,376	-	139,876	164,876	-	84.8
K Traub[6]	**2024**	**76,263**	**-**	**-**	**-**	**64,519**	**140,782**	-	45.8
P Zink[7]	**2024**	**44,953**	**-**	**-**	**-**	**64,519**	**109,472**	-	58.9
J Mansanti[8]	**2024**	**41,547**	**-**	**-**	**-**	**64,519**	**106,066**	-	60.8
D Swartz[9]	**2024**	**381,313**	**-**	**-**	**-**	**171,590**	**552,903**	31.0	31.0
C McAllister[12]	2023	141,478	**-**	**-**	**-**	**-**	141,478	-	-
D Geldard[4]	2023	3,333	-	-	-	-	3,333	-	-
Total	**2024**	**1,187,158**	-	**4,513**	**-**	**467,506**	**1,659,177**	**10.3**	**28.2**
	2023	809,359	-	29,823	-	405,333	1,244,515	32.6	32.6

1. On 29 June 2023, Mr Clarence McAllister retired from the board and received a termination payment being 6-months payment in lieu $22,275). No other termination payments, bonuses or long-term benefits have been paid or accrued for any other director or key management personnel in the year ended 30 June 2023.
2. The following Directors received payments in 2023 in respect to the cancellation of unlisted options held in wholly owned subsidiary Western Rare Earth LLC - C McAllister $74,653, M Sanderson $30,106 and S Gustafson $30,106.
3. On 6 January 2023, Ms Melissa Sanderson transitioned to an executive role within the Group as President of North American Operations.
4. On 31 August 2022, Mr Dennis Geldard retired from the board.
5. On 16 November 2023 Mr FC O'Connor retired from the board
6. Mr Traub was appointed to the board on 18 August 2023 and retired on 20 June 2024.
7. Mr Zink was appointed to the board on 21 August 2023 and retired on 30 June 2024.
8. Mr Mansanti was appointed to the board on 21 August 2023.
9. Mr Swartz was appointed as CEO on 1 August 2023.
10. Mr Gibbs resigned as CEO on 31 August 2023 and continued as a Non-Executive Director.

Equity Instruments held by Key Management Personnel

The number of shares and options over shares in the Company held during the financial year by each Director of and each of the other key management personnel, including their personally related entities, are set out below:

Movement in Shareholdings held by Key Management Personnel [1]

	Held at 30 June 2023	Other Changes During the Year	Held at 30 June 2024
2024			
Directors and Key Management			
FC O'Connor[2]	**-**	-	**-**
G Hill	**79,773,392**	(1,800,000)	**77,973,392**
C Gibbs	**3,500,000**	-	**3,500,000**
M Sanderson	**-**	-	**-**
S Gustafson	**-**	-	**-**
R Hudson	**300,000**	-	**300,000**
K Traub[3]	**-**	-	**-**
P Zink[4]	**-**	-	**-**
J Mansanti[5]	**-**	-	**-**
D Swartz[6] CEO	**-**	-	**-**
Total	**83,573,392**	**(1,800,000)**	**81,773,392**

	Held at 30 June 2022	Other Changes During the Year	Held at 30 June 2023
2023			
Directors and Key Management			
FC O'Connor	**-**	-	**-**
G Hill	**78,897,392**	876,000	**79,773,392**
C Gibbs	**1,500,000**	2,000,000	**3,500,000**
C McAllister[7]	**-**	-	**-**
M Sanderson	**-**	-	**-**
S Gustafson	**-**	-	**-**
R Hudson[8]	**-**	300,000	**300,000**
D Geldard[9]	**4,818,475**	(4,818,475) [9]	**-**
Total	**85,215,867**	**(1,642,475)**	**83,573,392**

[1] Held directly and in-direct

[2] F C O'Connor retired on 16 November 2023

[3] K Traub was appointed on 18 August 2023 and retired on 20 June 2024

[4] P Zink was appointed on 21 August 2023 and retired on 30 June 2024

[5] J Mansanti was appointed on 21 August 2023

[6] D Swartz was appointed CEO on 1 August 2023

[7] C McAllister retired on 29 June 2023

[8] R Hudson was appointed on 8 February 2022

[9] D Geldard retired 31 August 2022

No shares were granted as remuneration during the year ending 30 June 2024.

Compensation options: Granted and vested during the year

There was a total of 11,500,000 options issued as remuneration during 2024. The balances and movements of the options held by the Directors and key management personnel are:

					Number of Options				
2024	**Vested**	**Quoted**	**Expiry Date**	**Exercise Price**	**Opening 1 July 2023**	**Issued**	**Expired**	**Exercised**	**Closing 30 June 2024**
FC O'Connor (Resigned 16 November 2023)	Yes	No	30/11/2026	$0.10	3,000,000	-	-	-	3,000,000
			16/11/2026	$0.22	-	2,000,000	-	-	2,000,000
GG Hill	Yes	No	30/11/2024	$0.20	2,000,000	-	-	-	2,000,000
C Gibbs	Partial	No	6/12/2024	$0.20	1,500,000	-	-	-	1,500,000
			7/12/2025	$0.40	5,000,000				5,000,000
			7/12/2027	$0.47	5,000,000				5,000,000
M Sanderson	Yes	No	8/11/2024	$0.20	2,000,000	-	-	-	2,000,000
S Gustafson	Yes	No	8/11/2024	$0.20	2,000,000	-	-	-	2,000,000
R Hudson	Yes	No	5/12/2025	$0.40	2,000,000	-	-	-	2,000,000
D Swartz	Partial	No	1/8/2026	$0.22	-	5,000,000	-	-	5,000,000
K Traub	Yes	No	17/8/2026	$0.22	-	1,500,000	-	-	1,500,000
P Zink	Yes	No	17/8/2026	$0.22	-	1,500,000	-	-	1,500,000
J Mansanti	Yes	No	17/8/2026	$0.22	-	1,500,000	-	-	1,500,000
					22,500,000	**11,500,000**	**-**	**-**	**34,000,000**

2023	**Vested**	**Quoted**	**Expiry Date**	**Exercise Price**	**Opening 1 July 2022**	**Issued**	**Expired**	**Exercised**	**Closing 30 June 2023**
FC O'Connor	Yes	No	30/11/2026	$0.10	3,000,000	-	-	-	3,000,000
GG Hill	Yes	No	30/11/2024	$0.20	2,000,000	-	-	-	2,000,000
C Gibbs	Partial	No	6/12/2024	$0.20	1,500,000		-	-	1,500,000
			7/12/2025	$0.40	-	5,000,000			5,000,000
			7/12/2027	$0.47	-	5,000,000			5,000,000
C McAllister (Resigned 29 June 2023)	Yes	No	30/11/2024	$0.20	2,000,000	-	-	-	2,000,000
M Sanderson	Yes	No	8/11/2024	$0.20	2,000,000	-	-	-	2,000,000
S Gustafson	Yes	No	8/11/2024	$0.20	2,000,000	-	-	-	2,000,000
R Hudson	Yes	No	5/12/2025	$0.40	-	2,000,000	-	-	2,000,000
D Geldard (Resigned 31 August 2022)	Yes	No	30/11/2024	$0.20	2,000,000	-	-	-	2,000,000
					14,500,000	**12,000,000**	**-**	**-**	**26,500,000**

Loans to Key Management Personnel

There were no loans to key management personnel during the year.

Transactions with Related Entities

Amounts charged to a director related entity for share of office rental and use of office facilities during the year was $36,203 (2023: $39,343).

Purchase of Financial Assets acquired on behalf of the Company was $259,258 (2023: $nil).

End of remuneration report – Audited.

Signed in accordance with a resolution of the directors

Richard Hudson
Chairman
26 September 2024

Chris Gibbs
Director
26 September 2024

HALL CHADWICK
Chartered Accountants & Business Advisors

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

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

In accordance with s 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 audit of the financial report of American Rare Earths Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

Hall Chadwick

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

DREW TOWNSEND
Partner
Dated: 26 September 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated 2024 A$	2023 A$
Continuing operations			
Administrative, exploration and other expenses	3	**(6,038,193)**	(4,124,771)
Other income / (loss)	2	**(219,294)**	(721,789)
Income tax expenses	4	**-**	-
(Loss) for the year		**(6,257,487)**	(4,846,560)
Other comprehensive income			
Items that may be reclassified to profit or loss			
Foreign currency translation differences		**98,281**	125,176
Total other comprehensive income		**98,281**	125,176
Total (losses) / comprehensive income to members of the parent entity		**(6,159,206)**	(4,721,384)

Losses/earnings per Share		**Cents per share**	Cents per share
Continued operations:			
Basic (loss)/earning	22	**(1.35)**	(1.11)
Diluted (loss)/earning	22	**(1.35)**	(1.11)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	Consolidated 2024 A$	2023 A$
ASSETS			
Current assets			
Cash and cash equivalents		**16,299,550**	12,485,220
Other receivables	5	**26,833**	76,269
Prepayments		**22,537**	75,628
Financial assets	10	**3,223,734**	-
Total current assets		**19,572,654**	12,637,117
Non-current assets			
Property, plant and equipment	6	**132,422**	89,008
Right-of-use assets	7	**335,453**	109,043
Exploration and evaluation assets	8	**12,773,702**	8,682,600
Security deposits	9	**300,163**	240,683
Financial assets	10	**905,339**	4,156,206
Total non-current assets		**14,447,079**	13,277,540
Total assets		**34,019,733**	25,914,657
LIABILITIES			
Current liabilities			
Trade and other payables	11	**592,950**	525,224
Provisions		**26,605**	74,430
Lease liabilities	12	**170,390**	63,854
Total current liabilities		**789,945**	663,508
Non-current liabilities			
Lease liabilities	12	**171,667**	52,301
Total non-current liabilities		**171,667**	52,301
Total liabilities		**961,612**	715,809
Net assets		**33,058,121**	25,198,848
EQUITY			
Share capital	13	**46,687,101**	34,010,645
Options reserves	14	**3,381,350**	2,265,650
Foreign currency reserve		**204,779**	106,498
Accumulated Losses		**(17,215,109)**	(11,183,945)
Total equity		**33,058,121**	25,198,848

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

	Share capital	Options reserve	Consolidated Accumulated losses	Foreign currency translation	Total equity
2024	**A$ (Note 13)**	**A$ (Note 14)**	**A$**	**A$**	**A$**
Equity at beginning of year	**34,010,645**	**2,265,650**	**(11,183,945)**	**106,498**	**25,198,848**
Loss for the year	**-**	**-**	**(6,257,487)**	**-**	**(6,257,487)**
Share based payments	**-**	**928,539**	**-**	**-**	**928,539**
Share issue net of costs	**12,160,045**	**-**	**-**	**-**	**12,160,045**
Options issued to consultant	**-**	**529,956**	**-**	**-**	**529,956**
Share issues on exercising options	**516,411**	**(116,472)**	**-**	**-**	**399,939**
Options cancelled	**-**	**(226,323)**	**226,323**	**-**	**-**
Exchange difference arising on foreign operations	**-**	**-**	**-**	**98,281**	**98,281**
Movement in equity for the year	**12,676,456**	**1,115,700**	**(6,031,164)**	**98,281**	**7,859,273**
Equity at end of year	**46,687,101**	**3,381,350**	**(17,215,109)**	**204,779**	**33,058,121**
2023					
Equity at beginning of year	20,828,812	1,550,811	(6,359,850)	(18,678)	16,001,095
Loss for the year	-	-	(4,846,560)	-	(4,846,560)
Share based payments	-	520,729	-	-	520,729
Share issue net of costs	13,181,833	(175,225)	-	-	13,006,608
Options issued to consultant	-	391,800	-	-	391,800
Options cancelled	-	(22,465)	22,465	-	-
Exchange difference arising on foreign operations	-	-	-	125,176	125,176
Movement in equity for the year	13,181,833	714,839	(4,824,095)	125,176	9,197,753
Equity at end of year	34,010,645	2,265,650	(11,183,945)	106,498	25,198,848

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated 2024 A$	2023 A$
Cash flows from operating activities			
Interest received		**480,825**	398,146
Other amounts received		**163,574**	-
Interest paid on lease liabilities		**(25,384)**	(9,556)
Payments to suppliers and employees		**(4,753,880)**	(3,579,170)
Net cash (applied to) operating activities	19	**(4,134,865)**	(3,190,580)
Cash flows from investing activities			
Exploration and evaluation expenditure		**(3,994,082)**	(3,595,671)
Payment for plant, property and equipment		**(55,704)**	(80,256)
Purchase of investments		**(1,087,823)**	(232,000)
Proceeds from investments		**180,000**	-
Proceeds from sale of financial assets		**1,499**	-
Security deposits paid		**(59,480)**	(170,956)
Net cash (applied to) investing activities		**(5,015,590)**	(4,078,883)
Cash flows from financing activities			
Issue of shares		**13,900,000**	14,362,375
Share issue costs		**(810,060)**	(963,967)
Repayment of lease liabilities		**(125,155)**	(57,206)
Net cash provided from financing activities		**12,964,785**	13,341,202
Net increase in cash and cash equivalents held		**3,814,330**	6,071,739
Effects of exchange rate changes		**-**	73,939
Cash and cash equivalents at the beginning of the year		**12,485,220**	6,339,542
Cash and cash equivalents at the end of the year		**16,299,550**	12,485,220
Cash comprises:			
Cash at bank		**16,299,550**	12,485,220

The accompanying notes form part of these consolidated financial statements.

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Statement 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 group consists of American Rare Earths Limited and its 100% owned subsidiaries (the "Group") as at 30 June 2024. A list of the subsidiaries is provided in Note 22. These financial statements comprise the consolidated financial statement of the Group. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation.

The Company and its subsidiaries are engaged in minerals exploration.

The Directors authorised these financial statements for issue on 26 September 2024.

Statement of compliance: These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and other applicable financial reporting standards, as appropriate for-profit oriented entities.

Measurement base: The accounting principles adopted are those recognised as appropriate for the measurement and reporting of financial performance and financial position on the historical cost basis modified by the revaluation of certain assets. The accruals basis of accounting has been used unless otherwise stated and the financial statements have been prepared on a going concern basis.

Reporting currency: The functional and presentation currency is Australian dollars (A$).

Material accounting policies: The following accounting policies which materially affect the measurement of profit and financial position have been applied:

Going Concern

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

The Group had a net loss of A$6,257,487 and had operating cash outflows of A$4,134,865 for the year ended 30 June 2024. As at 30 June 2024, the Group has cash and cash equivalents of A$16,299,550, net current assets of A$18,782,709, financial assets of A$4,129,073 and net assets of A$33,058,121.

Management believes that current cash levels are sufficient to fund ongoing administration and budgeted exploration. In the event additional exploration activities are undertaken, there may be a requirement to raise capital.

Directors believe that the going concern basis of preparation is appropriate due to the following reasons:

- The Group has cash and financial assets of A$20,428,623 in total and;
- The current cash levels are sufficient to fund ongoing administration and budgeted exploration activities.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

Material accounting policies

The following accounting policies which materially affect the measurement of profit and financial position have been applied:

(a) Current versus non-current classification: The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading; and
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; and
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

(b) Fair value measurement: The Group measures financial instruments such as derivatives and non-financial assets at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized using the fair value hierarchy, described as follows based on the lowest level input that is significant to the fair value measure as a whole:

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable and
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

(c) Revenue recognition: The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

(d) Research and development tax incentive: incentive is recognised where there is reasonable assurance that the incentive will be received, and all attached conditions will be complied with. When the incentive relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the incentive relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

(e) Foreign currencies: The functional and presentation currency is Australian dollars. Monetary assets and liabilities in foreign currencies are translated into Australian currency at the closing rates of exchange.

Transactions in foreign currencies are converted into Australian currency at the rate of exchange ruling at the date of receipt or payment.

All exchange variations are included in the statement of comprehensive income.

(f) Income tax: The income tax benefit (expense) for the year comprises current income tax benefit (expense) and deferred tax benefit (expense). Current income tax benefit (expense) credited (charged) to profit or loss is the tax receivable (payable) on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority. Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the years, as well as unused tax losses.

The credit (charge) for current income tax benefit (expense) is based on the profit (loss) for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted, or are substantially enacted, by the reporting date.

Deferred tax is accounted for using the balance sheet method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(g) Financial instruments:

Financial instruments recognised in the consolidated statement of financial position include cash at bank, receivables, payables and borrowings. Receivables and payables are initially recorded at fair value and subsequently amortised using the effective interest method. Borrowings are initially recorded at fair value net of transaction costs and subsequently at amortised cost using the effective interest method. Borrowing costs are recognized as an expense in the period incurred.

The Company's promissory note receivable is measured at fair value using market rates for comparable transactions. Judgment is required in determining market and comparable lending or discount rates.

A fair value measurement of an asset using a present value technique captures an estimate of future cash flows, expectations about possible variations in the amount and timing of the cash flows, the time value of money (risk-free rate), a risk premium, and other factors that market participants would take into account in the circumstances.

The Company has no off-balance sheet financial instruments.

The consolidated entity has adopted IFRS 9 to classify and measure financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). Impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

(h) Prospecting costs: Acquisition, exploration and development expenditure on exploration and mining tenements is initially recorded at cost. Exploration and evaluation costs are capitalised as deferred expenditure.

In the event where exploration demonstrates a tenement is no longer prospective for economically recoverable reserves, or the exploration licence is relinquished, the value or cost of the tenement is immediately recognised as an expense in the statement of comprehensive income.

Prospecting costs are expected to be recovered from future mining revenues. The recoverability of the exploration and evaluation asset is contingent upon future events, such as technical success and commercial development, sale of the area of interest, the results of further exploration, agreements entered into with other parties, and also upon meeting commitments under the terms of the tenement licences.

(i) Mining tenements: When a tenement is assessed as capable of sustaining commercial mining operations, capitalised exploration and evaluation expenditure is reclassified as assets under construction and is disclosed as a component of property, plant and equipment. All subsequent development expenditure, net of any proceeds from ore sales during the development stage, is capitalised and classified as assets under construction. On completion of development, the value or cost of accumulated exploration and development costs will be reclassified as other mineral assets and amortised on the basis of units of production over the expected productive life of the mine.

Provision is made for any estimated future rehabilitation and reinstatement costs following mining. These costs will be amortised over the life of the mine.

(j) Impairment of non-financial assets:

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or CGU's (cash generating unit's) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transaction can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

(k) Cash and cash equivalent: cash and cash equivalent in the statement of financial position comprise cash at banks and on hand and at call deposits, which are subject to an insignificant risk of changes in value.

(l) Segment information: Operating segments are reported if:

- Revenue is 10% or more of combined operating segment revenues;
- The absolute value of profit or loss is greater than 10% of the combined reported profits or losses of all operating segments, whichever is greater;
- Assets are 10% or more of combined assets of all operating segments; or
- Information about the segment would be useful to users of the financial statements.

(m) Share capital: Ordinary shares and options are classified as equity. Direct costs of issuing shares and options are deducted from the proceeds of the issue.

(n) Property, plant, and equipment: The Group has one class of property, plant and equipment – Computer and office equipment. All property, plant and equipment is initially recorded at cost.

When an item of property, plant and equipment is disposed of, any gain or loss is recognised in profit or loss and is calculated as the difference between the sale price and the carrying value of the item. Depreciation is provided for on a straight-line basis on all plant and equipment at depreciation rates calculated to allocate the assets' cost or valuation less estimated residual value over their estimated useful lives.

Leased assets are depreciated over the shorter of the unexpired period of the lease and the estimated useful life of the assets.

Major depreciation periods are:

Computer and office equipment – 4 to 5 years

(o) Cashflows: For the purpose of the statement of cash flows, cash includes cash on hand and deposits held on term deposit or at call with banks.

(p) Goods and service tax: All amounts are shown exclusive of Goods and Service Tax (GST), except for receivables and payables that are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as part of the receivables or payables balance in the statement of financial position.

(q) Lease liabilities: A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are re-measured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is re-measured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(r) (Losses) / Earnings per share: The Company presents basic and diluted (losses) earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shareholders outstanding, adjusted for shares held for the effects of all dilutive potential ordinary shares which comprise share options.

(s) Consolidation: The consolidated financial statements incorporate the financial statements of the Company and all subsidiaries over which the Company has the power to control the financial reporting and operating policies. The purchase method is used to prepare the consolidated financial statements, which involves adding together like terms of assets, liabilities, income and expenses on a line-by-line basis. All significant intercompany transactions are eliminated on consolidation. In the Company's separate financial statements, the investment in subsidiaries is stated at cost less any impairment losses.

(t) Restoration and rehabilitation provisions: For any close-down restoration and environmental clean-up costs from exploration programs, a provision will be made in the accounting period when the related disturbance occurs, based on the net present value of estimated future costs.

(u) Provision for employee entitlements: Provision is made in the accounts for obligations in respect of annual leave entitlements not taken by employees at balance sheet date.

(v) Share-based payments: The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost is recognised in employee benefits expense, together with a corresponding increase in equity over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant assumptions and estimates is provided in the relevant accounting policy or will be provided in the relevant Note.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Subsequent actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Judgement and estimation uncertainty

The effect of judgement is greatest in the assessment of impairment to capitalised exploration expenditure. Directors have reviewed facts and circumstances surrounding the capitalised exploration expenditure and have impaired those assets which no longer have any value.

New and amended standards and interpretations:

The Group has adopted all the new or amended Accounting Standards and Interpretations under the International Financial Reporting Standards ("IFRS") that are mandatory for the current reporting period.

2. Other Income / (Loss)

Other Income / (Loss)	Consolidated 2024 A$	2023 A$
Interest received	**480,825**	409,555
Other income	**175,044**	66,604
Profit on disposal of financial assets	**743**	-
Fair value adjustments on equity instruments	**(934,200)**	(1,329,959)
Fair value gain on derivatives	**-**	58,072
Realised gain on foreign exchange	**58,294**	73,939
Total Other Income / (Loss)	**(219,294)**	(721,789)

3. Administrative, exploration and other expenses

	Consolidated 2024 A$	2023 A$
Auditors' remuneration	**(51,500)**	(152,130)
Accounting, company secretarial and legal	**(568,903)**	(193,805)
Consulting fees	**(434,958)**	(341,181)
Directors' fees	**(451,056)**	(353,106)
Share based payment expenses	**(928,539)**	(520,729)
Depreciation	**(136,937)**	(89,673)
Salaries and related expenses	**(1,548,636)**	(1,055,030)
Listing and registry	**(186,652)**	(179,431)
Marketing and promotion	**(207,653)**	(130,932)
Other administrative and exploration expenses	**(1,136,229)**	(819,368)
Investor relations	**(361,746)**	(279,830)
Interest paid on lease liabilities	**(25,384)**	(9,556)
Total administrative and exploration expenses	**(6,038,193)**	(4,124,771)

4. Taxation

	Consolidated 2024 A$	2023 A$
(Loss) for the year before income tax	**(6,257,487)**	(4,846,560)
Prima facie income tax benefit/(expense) at 30% (2023: 25%)	**1,877,246**	1,211,640
Subtract effect of permanent differences	**(1,248,845)**	(508,761)
	628,401	702,879
Temporary differences	**(92,176)**	(207,753)
Income tax benefit/(expense)	**536,225**	495,126
Prior year tax under-provided	**-**	-
Income tax benefit recognised /(not recognised)	**(536,225)**	(495,126)
Income tax expense recognised	**-**	-

Deferred tax and income tax benefits are not recognised unless future taxable income is probable.

The Company has established that the business operations and the central management and control are currently in Australia. It follows that in accordance with the double tax agreement between Australia and New Zealand, the Company is treated as a resident of Australia.

Losses accrued in Australia will be available to offset future taxable income only if:

(a) The Company derives future assessable income of a nature and amount sufficient to offset the losses.

(b) The Company continues to comply with the conditions for deductibility imposed by the Law; and

(c) There are no changes in the legislation that would adversely affect the deductibility of the losses.

From 1 July 2014, the Company is part of a consolidated tax group. Carried forward losses of the Group are A$8,350,289 (2023: A$6,562,870).

5. Receivables

	Consolidated 2024 A$	2023 A$
GST refundable	**25,823**	44,731
Other receivables:		
- miscellaneous receivables	**1,010**	31,538
	26,833	76,269

The Company has assessed historical, current, and future looking information on factors that may affect the ability for receivables to be settled. All receivable assets are within the contracted terms, and any financial consequences from a default is deemed immaterial. As such no loss allowance is recognised.

6. Property, Plant and Equipment

	Consolidated 2024 A$	2023 A$
Computers and office equipment		
Opening balance	**89,008**	36,115
Additions	**55,704**	80,256
Depreciation	**(12,290)**	(27,363)
Total computer and office equipment	**132,422**	89,008

7. Right-of-use assets: office leases and motor vehicle

	Consolidated 2024 A$	2023 A$
Opening balance	**109,043**	171,353
Additions	**351,057**	-
Depreciation	**(124,647)**	(62,310)
Total right-of-use assets	**335,453**	109,043
Additional information on right-of-use assets:		
Office lease		
(i) Depreciation charge	**(124,647)**	(62,310)
(ii) Income on sub-leasing	**34,757**	33,381
(iii) Total cash outflow on lease	**(125,155)**	(57,206)
(iv) Interest paid on lease liabilities	**(25,384)**	(9,556)

8. Exploration and evaluation assets

	Consolidated 2024 A$	2023 A$
Prospecting costs and mining tenements		
Balance at the beginning of the year	**8,682,600**	4,897,590
Exploration and evaluation expenses	**3,994,082**	3,595,671
Exchange difference	**97,020**	189,339
Balance at year end	**12,773,702**	8,682,600

Prospecting expenditure including exploration and evaluation expenditure is recorded as a non-current asset and carried at historic cost less any adjustment for impairment.

The ultimate recovery of the carrying amount in the exploration and evaluation expenditure is dependent on the establishment of economic operations or the realisation of the Group's economic interest in the relevant mining tenements.

In accordance with IFRS 6, management has verified that there are no facts and circumstances that may suggest that the carrying value of the exploration and evaluation asset may exceed its recoverable amount.

9. Security deposits

	Consolidated 2024 A$	2023 A$
Security deposits for tenements	**300,163**	240,683

10. Financial assets

	Consolidated 2024 A$	2023 A$
Current		
5-year promissory note at fair value	**3,223,734**	-
Non-currrent		
Shares in listed entities at fair value	**905,339**	1,165,999
5-year promissory note at fair value	**-**	2,990,207
	905,339	4,156,206

The 5-year promissory note has a face value of A$3,000,000 maturing on 17 January 2025. Interest totalling A$359,652 is also payable at maturity accruing at a rate of 6% per annum commencing from 17 January 2023. The note was measured at fair value using a present value technique capturing an estimate of future cash flows (including accrued interest), expectations about possible variations in the amount and timing of the cash flows, the time value of money (risk-free rate), a risk premium, and other factors that market participants would take into account in the circumstances. The discount amount remaining as at 30 June 2024 is A$135,918 (2023: A$369,445).

11. Trade and other payables

	Consolidated 2024 A$	2023 A$
Trade payables	**196,432**	410,992
Other payables and accrued expenses	**396,518**	114,232
	592,950	525,224

12. Lease liabilities

	Consolidated 2024 A$	2023 A$
Current liabilities	**170,390**	63,854
Non-current liabilities	**171,667**	52,301
Total Lease liabilities	**342,057**	116,155

Sydney office lease renewed 1 April 2022 for 36 months at A$7,000 per month indexed annually at 3.25%. Denver office lease initiated 31 August 2023 for 38 months with rent incentive for first two months and fixed at 1.89% per annum. Motor vehicle lease was initiated 30 May 2024 for 5 years at 5.85% per annum with first payment due July 2024.

13. Issued share capital

	Consolidated 2024 A$	2023 A$
493,423,299 ordinary shares (2023: 446,423,299)	**46,687,101**	34,010,645

Movement in share capital	**No. of shares**	**A$**
Share capital at 30 June 2022	395,704,936	20,828,812
Movements during the year ended 30 June 2023:		
Shares issued from placement 23 August 2022	48,275,863	14,000,000
Shares issued from placement 8 December 2022	2,000,000	296,000
Shares issued on exercising options	442,500	241,600
Shares issue costs	-	(1,355,767)
Share capital at 30 June 2023	446,423,299	34,010,645
Movements during the year ended 30 June 2024:		
Shares issued from placement 23 February 2024	45,000,000	13,500,000
Shares issued on exercising options	2,000,000	516,411
Shares issue costs	-	(1,339,955)
Share capital at 30 June 2024	**493,423,299**	**46,687,101**

14. Options reserve

	Consolidated	
	2024	2023
	A$	A$
57,100,000 options (2023: 42,494,223)	**3,381,350**	2,265,650

Movement in options	**No of options**	**A$**
Options at 30 June 2022	22,936,723	1,550,811
Movements during the year ending 30 June 2023:		
Options issued from placement 6 December 2022	6,000,000	391,800
Options issued from share-based payments 6 to 8 December 2022	19,250,000	520,729
Options cancelled during the year[1]	(5,250,000)	(22,465)
Options exercised	(442,500)	(175,225)
Options at 30 June 2023	42,494,223	2,265,650
Movements during the year ending 30 June 2024:		
Options issued from share-based payments 18-21 August 2023	**14,500,000**	928,539
Options cancelled during the year[1]	**(3,894,223)**	(226,323)
Options issued from placement 23 February 2024	**6,000,000**	529,956
Options exercised	**(2,000,000)**	(116,472)
Options at 30 June 2024	**57,100,000**	3,381,350

Details of outstanding options at 30 June 2024 are:

	Expiry Date	Exercise Price	No. of options
Unquoted			
	8 November 2024	$0.20	4,000,000
	30 November 2024	$0.20	6,000,000
	6 December 2024	$0.20	1,000,000
	31 December 2024	$0.20	1,100,000
	5 December 2025	$0.40	2,000,000
	5 December 2025	$0.435	6,000,000
	7 December 2025	$0.40	5,000,000
	18 December 2025	$0.40	2,000,000
	1 August 2026	$0.22	8,000,000
	17 August 2026	$0.22	4,500,000
	16 November 2026	$0.22	2,000,000
	30 November 2026	$0.10	3,000,000
	6 December 2026	$0.20	500,000
	7 December 2027	$0.47	5,000,000
	18 December 2027	$0.47	1,000,000
	23 February 2027	$0.45	6,000,000
			57,100,000

[1] Upon expiry or cancellation of options, the balance of the share-based payments reserve relating to those options is transferred to accumulated losses.

Terms and Conditions

Holders of ordinary shares are entitled to receive dividends, as declared from time to time, and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are entitled to any proceeds of liquidation. Ordinary shares have no par value and the Company has an unlimited amount of authorised capital.

Capital Management

Management controls the capital of the Company in order to provide capital growth to shareholders and ensure the Company can fund its operations and continue as a going concern. The Company's capital includes ordinary share capital, reserves and accumulated losses as disclosed in the Statement of Financial Position. There are no externally imposed capital requirements. Management effectively manages the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and the market. These responses include the management of share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

15. Accumulated losses

	Consolidated	
	2024	2023
	A$	A$
Balance at the beginning of the year	**(11,183,945)**	(6,359,850)
(Loss) for the year	**(6,257,487)**	(4,846,560)
Transfer from option reserve [1]	**226,323**	22,465
Balance at the end of the year	**(17,215,109)**	(11,183,945)

[1] Upon expiry or cancellation of options, the balance of the share-based payments reserve relating to those options is transferred to accumulated losses.

16. Related parties

Refer to Note 17 and the remuneration report contained in the director's report for details of remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2024.

Amounts due to directors related entities as at balance date was A$ Nil (2023: A$ Nil)

No related party debts were written off during the year.

Amounts charged to a director related entity for share of office rental and use of office facilities during the year $36,203 (2023: $39,343).

Entity relating to	**2024 A$**	2023 A$
GG Hill	**36,203**	39,343
Purchase of Financial Assets acquired on behalf of the Company:		
GG Hill	**259,258**	-

Amounts due from directors related entities as at balance date was A$ Nil (2023: A$ Nil).

17. Key management personnel

	Consolidated	
	2023 A$	2023 A$
Short-term benefits	**1,187,158**	809,359
Post-employment benefits	**4,513**	29,823
Share based payments	**467,506**	405,333
	1,659,177	**1,244,515**

Remuneration of employees: The number of employees who are not Directors and whose remuneration and benefits exceeded A$100,000 during the financial year, was 4 (2023: 1).

18. Share-based payments

At the Company's Annual General Meeting held on 16 November 2023, it was approved to issue:

2,000,000 options at a strike price of $0.22 to Director FC O'Connor as remuneration for no cash consideration. The options were issued on 16 November 2023;

1,500,000 options at a strike price of $0.22 were issued to Mr K Traub as remuneration for no cash consideration. The options were issued on 18 August 2023;

1,500,000 options at a strike price of $0.22 to Director P Zinc as remuneration for no cash consideration. The options were issued on 21 August 2023;

1,500,000 options at an issue price of $0.22 to Director J Mansanti as remuneration for no cash consideration. The options were issued on 21 August 2023;

8,000,000 options at a strike price of $0.22 were issued to US domiciled executives of the Company. The vesting of the options is subject to continued employment in addition to performance hurdles where appropriate. The options were issued on 16 November 2023.

3,894,223 options were cancelled due to conditions not being satisfied in respect to continued employment.

A summary of the movements of all Company options issued as equity-settled share-based payments and related weighted average exercise price (WAEP) is as follows:

	Consolidated			
	Number of options 2024	**WAEP A$ 2024**	**Number of options** 2023	**WAEP A$** 2023
Options outstanding as at 1st July	**32,600,000**	**0.30**	18,600,000	0.18
Lapsed/Cancelled	**-**	**-**	(5,250,000)	0.39
Exercised	**(2,000,000)**	**0.22**	-	-
Granted	**14,500,000**	**0.22**	19,250,000	0.43
Options outstanding as at 30 June	**45,100,000**	**0.28**	32,600,000	0.30

Of these outstanding options, 32,433,334 options are vested and exercisable.

The weighted average contractual life of options outstanding at year-end was 1.85 years (2023: 2.47 years). Share based payments that were included in the statement of comprehensive income was $928,539 (2023: $520,729).

19. Reconciliation of operating cash flow & net income

	Consolidated	
	2024 A$	2023 A$
(Loss) after tax	**(6,257,487)**	(4,846,560)
Non-cash items:		
Depreciation	**136,937**	89,673
Fair value gain on derivatives	**-**	(58,072)
Share based payments	**928,539**	520,729
Loss on revaluation of financial assets	**934,200**	1,329,959
Profit on sale of financial assets	**(743)**	-
Net exchange differences	**1,261**	(80,030)
Add / (less) movement in working capital:		
other receivable	**49,436**	(7,160)
prepayments	**53,091**	13,843
payables and accruals	**19,901**	(152,962)
Net cash flows applied to operating activities	**(4,134,865)**	(3,190,580)

20. Financial instruments

Credit Risk: Financial instruments, which potentially subject the Group to credit risk, principally consist of bank balances and receivables. Maximum exposure to credit risk at balance date is represented by the carrying value of the financial instruments. No collateral is held on these assets, and none are considered overdue or impaired. All bank deposits were held with an authorised bank in Australia and United States with at least an A credit rating and represent 100% of cash.

Currency Risk: The Group has little direct exposure to foreign currency exchange risk as the majority of cash held is denominated in Australian currencies. On balance date, the Group had cash balances made up of Australian and United States Dollars as follows:

Currency	**2024**	2023
	$	$
AUD	**16,124,392**	5,756,217
USD	**175,158**	6,729,003
	16,299,550	12,485,220

At 30 June, if the USD:AUD exchange rate had moved as illustrated in the table below with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	**Post Tax Profit Higher/(Lower)**		**Equity Higher/(Lower)**	
	30 June 2024	30 June 2023	**30 June 2024**	30 June 2023
	$	$	**$**	$
Group				
+10.00%	**19,462**	611,728	**19,462**	611,728
- 10.00%	**(15,924)**	(611,728)	**(15,924)**	(611,728)

Liquidity Risk: Management supervises liquidity by budgeting and by carefully monitoring cash inflows from receivables and controlling cash outflows on payables from existing cash resources. The Group relies on new equity to fund exploration expenditure.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will affect the Group's income or the value of its instruments which arises on floating rate instruments. The Group's exposure to market interest rates relates primarily to cash and cash equivalents.

At reporting date, the Group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2024	2023
	$	$
Financial Assets:		
Cash assets	**16,299,550**	12,485,220
	16,299,550	12,485,220

Interest rates over the 12-month period were analysed and a sensitivity analysis determined to show the effect on profit and equity after tax if the interest rates at the reporting date had been 1.0% higher or lower, with all other variables held constant. This level of sensitivity was considered reasonable given the current level of both short-term and long-term Australian interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 30 June, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	**Post Tax Profit Higher/(Lower)**		**Equity Higher/(Lower)**	
	30 June 24	30 June 23	**30 June 24**	30 June 23
	$	$	**$**	$
Group				
+1.00%	**1,769**	139,408	**1,769**	139,408
- 1.00%	**(1,735)**	(139,408)	**(1,735)**	(139,408)

Fair Values: Estimated fair values of financial instruments are considered to be the same as carrying values.

21. 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 revenue.

During the year to 30 June 2024, CODM has identified the Company as having two reportable segments, being the geographic location of assets in 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 Year Ended June 2024			
Other Income / (Loss)			
Interest received	**16,680**	**464,145**	**480,825**
Other income	**140,285**	**93,796**	**234,081**
Revaluation of financial assets	**-**	**(934,200)**	**(934,200)**
	156,965	**(376,259)**	**(219,294)**
Expenses			
General operating expenses	**(3,358,870)**	**(2,653,939)**	**(6,012,809)**
Interest paid on lease liabilities	**(19,606)**	**(5,778)**	**(25,384)**
(Loss) for the year	**(3,221,511)**	**(3,035,976)**	**(6,257,487)**

	USA A$	Australia A$	Total A$
Consolidated Year Ended June 2023			
Other Income / (Loss)			
Interest received	279	409,276	409,555
Other income	19,832	178,783	198,615
Revaluation of financial assets	-	(1,329,959)	(1,329,959)
	20,111	(741,900)	(721,789)
Expenses			
General operating expenses	(1,498,755)	(2,616,460)	(4,115,215)
Interest paid on lease liabilities	-	(9,556)	(9,556)
(Loss) for the year	(1,478,644)	(3,367,916)	(4,846,560)

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

	USA A$	Australia A$	Total A$
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	**13,390,243**	**20,629,490**	**34,019,733**
Current liabilities	**630,261**	**159,684**	**789,945**
Non-current liabilities	**171,667**	**-**	**171,667**
Total liabilities	**801,928**	**159,684**	**961,612**
Net segment assets	**12,588,315**	**20,469,806**	**33,058,121**

Segment information (continued)

	USA A$	Australia A$	Total A$
Consolidated June 2023			
Current assets	203,046	12,434,071	12,637,117
Non- current assets	8,805,577	4,471,963	13,277,540
Total assets	9,008,623	16,906,034	25,914,657
Current liabilities	57,522	605,986	663,508
Non-current liabilities	-	52,301	52,301
Total liabilities	57,522	658,287	715,809
Net segment assets	8,951,101	16,247,747	25,198,848

22. Earnings per Share

	Consolidated	
	2024 A$	**2023 A$**
(Loss) from continued operations	**(6,257,487)**	(4,846,560)
Weighted average number of shares on issue	**462,182,203**	437,230,041
Basic (loss) per share	**(1.35) cents**	(1.11) cents
Diluted average shares on issue	**514,117,157**	472,432,486
Diluted (loss) per share	**(1.35) cents**	(1.11) cents

Earnings per share is based on the average weighted number of ordinary shares on issue during the year and on the operating deficit after tax attributable to shareholders. Movement in the number of shares on issue is shown in Note 13.

23. Commitments

Expenditure requirements for tenements

The Company had no expenditure requirements for tenements as at 30 June 2024 (2023: A$ Nil).

24. Interests in subsidiaries

Name of Entity	Equity Held 2024	2023	Country of Incorporation	Reporting date	Activity
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	General Management

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

25. Contingencies

The Company did not have any contingencies at the balance date 30 June 2024 (2023: A$ nil).

26. Parent entity information

The parent entity within the Group is American Rare Earths Limited. The ultimate parent entity in Australia is American Rare Earths Limited.

	2024 A$	2023 A$
Current assets	**37,709,136**	23,862,975
Non-current assets	**1,689,107**	5,006,254
Total assets	**39,398,243**	28,869,229
Current liabilities	**1,509,633**	1,911,709
Non-current liabilities	**-**	52,301
Total liabilities	**1,509,633**	1,964,010
Net assets	**37,888,610**	26,905,219
Equity		
Share capital	**46,687,101**	34,010,645
Options Reserve	**3,381,350**	2,265,650
Accumulated Losses	**(12,179,841)**	(9,371,076)
Total equity	**37,888,610**	26,905,219
(Loss) for the year	**(3,035,088)**	(3,367,916)
Total (loss) for the year	**(3,035,088)**	(3,367,916)

(a) Guarantees entered into by the parent entity

The parent entity has not provided any financial guarantees as at 30 June 2024 (2023: A$ Nil)

(b) Contractual commitments for acquisition of property, plant and equipment

As at 30 June 2024, the parent entity did not have any contractual commitments for the acquisition of property, plant or equipment.

27. Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in financial years subsequent to 30 June 2024 other than:

As announced by the company on 15 July 2024, the 2024 drilling campaign commenced at Cowboy State Mine Area for a total of 2,670m including 11 core holes and 12 reverse circulation holes. The campaign will upgrade resources and provide additional material for planning towards prefeasibility analysis.

As announced by the company on 7 August 2024, mapping and sampling across unsampled areas at the new Bluegrass Resource Area were completed and the results continue to demonstrate the upside potential of the Halleck Creek district.

As announced by the company on 12 August 2024, 100% owned subsidiary, Wyoming Rare USA Inc., will be dedicated to develop the Halleck Creek Project. This subsidiary will allow for US based investments and partnerships.

As announced by the company on 19 August 2024, the 2024 drilling campaign in Cowboy State Mine Area has been completed with positive results.

As announced by the company on 3 September 2024, assay results for 756 samples from the first 11 core and reverse circulation holes were received following completion of the 2024 drilling campaign. Assays showed elevated rare earth mineralisation from surface to depths of at least 300m and the deposit remains open at depth.

CONSOLIDATED ENTITY DISCLOSURE STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

Name of Entity	Entity Type	Place Formed/Country of Incorporation	Ownership Interest %	Tax Residency
American Rare Earths Limited	Body Corporate	Australia		Australia
Controlled entities (wholly owned) of American Rare earths Limited				
Broken Hill Uranium Pty Ltd	Body Corporate	Australia	100%	Australia
Broken Hill Chemical Pty Ltd	Body Corporate	Australia	100%	Australia
Broken Hill Minerals Pty Ltd	Body Corporate	Australia	100%	Australia
Murray Basin Minerals Pty Ltd	Body Corporate	Australia	100%	Australia
Wyoming Rare Pty Ltd	Body Corporate	Australia	100%	Australia
Western Rare Earth LLC	Body Corporate	USA	100%	USA
La Paz Rare Earth LLC	Body Corporate	USA	100%	USA
Wyoming Rare (USA) Inc.	Body Corporate	USA	100%	USA
ARE Management LLC	Body Corporate	USA	100%	USA

American Rare Earths Limited (the ‘head entity’) and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out in the financial statements to 30 June 2024:
   (a) Comply with the *Corporations Act 2001 (Cth)*, the Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (b) Comply with International Financial Reporting Standards issued by the International Accounting Standards Board; and

   (c) Give a true and fair view of the Group's financial position as at 30 June 2024 and its performance and cash flows for the period ended on that date; and
2. The Consolidated Entity Disclosure is true and correct.

3. 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

For and on behalf of the Board.

Richard Hudson

Chairman

26 September 2024

Chris Gibbs

Director

26 September 2024

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

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

Report on the Financial Report

Opinion

We have audited the 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 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information, consolidated entity disclosure statement and the director's declaration.

In our opinion the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit 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 Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2024. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Capitalised exploration and evaluation assets *Refer to Note 9 "Exploration and evaluation assets" and Note 1(a) "Significant accounting policies"*	
As at 30 June 2024 the group's statement of financial position includes capitalised exploration and evaluation assets amounting to $12,773,702 This is a key audit matter due to significant management judgement applied in determining whether capitalised exploration and evaluation expenditure meets the requirements of AASB 6 "Exploration for and Evaluation of Mineral Resources".	Our audit procedures included, amongst others: • Evaluating the nature of the type of the exploration and evaluation expenditure that was capitalised to verify such expenditure had met the capitalisation criteria as prescribed in AASB 6. • Assessing the renewal of exploration licences to confirm exploration licences are current. • Verifying a sample of additions of capitalised exploration and evaluation expenditure incurred during the year to supporting documentation. • Conducting a review for any impairment indicators to assess the carrying value of capitalised exploration expenditure. • Reviewing the adequacy of disclosure in relation to the carrying value of capitalised exploration and evaluation assets.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

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

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

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of American Rare Earths Limited for the year ended 30 June 2024 complies with s 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Hall Chadwick

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

DREW TOWNSEND
Partner
Dated: 26 September 2024

ADDITIONAL INFORMATION

Distribution of Equity Securities

SIZE OF HOLDING	Ordinary shares	
	Number of Holders	Number of Shares
1 – 1,000	161	21,126
1,001 - 5,000	992	3,077,935
5,001 – 10,000	807	6,676,190
10,001 to 100,000	1,712	63,176,910
100,001 and over	451	421,471,138
Totals	**4,123**	**494,423,299**

There were 336 holders of less than a marketable parcel of ordinary shares (26.5 cents each share).

Voting Rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hand.

Substantial Shareholders

The company has two Substantial Shareholders as at 9 September 2024.

Name	%	No of shares
Hill Family Group Pty Ltd	12.74	56,891,000
FIL Limited	8.69	38,800,000

20 Largest Shareholders 9 September 2024

Rank	Name	Units	% of units
1	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	68,680,848	13.89
2	HILL FAMILY GROUP PTY LTD	56,871,000	11.50
3	CITICORP NOMINEES PTY LIMITED	42,488,804	8.59
4	USA CONTROL ACCOUNT\C	29,251,558	5.92
5	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	17,545,871	3.55
6	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	8,792,562	1.78
7	IPS NOMINEES LIMITED <IPS NOMINEES A/C>	7,432,100	1.50
8	BNP PARIBAS NOMS PTY LTD	7,102,622	1.44
9	JURRAH INVESTMENTS PTY LTD <RM DAVIS FAMILY A/C>	4,204,328	0.85
10	MR ROBERT BRUCE WOODLAND + MRS ERIKA WOODLAND <R WOODLAND EXHIBIT S/F A/C>	4,100,000	0.83
11	COONAN FAMILY SUPERANNUATION FUND PTY LTD <COONAN FAMILY S/F A/C>	4,000,000	0.81
12	AIKEN & ASSOCIATES LIMITED	3,703,979	0.75
13	ODYLS PTY LTD <THE ODYLS A/C>	3,334,167	0.67
14	ACM GROUP PTY LIMITED	3,319,946	0.67
15	MRS DEBORAH ELIZABETH O'SULLIVAN + MR GAVIN ANDREW O'SULLIVAN	2,895,696	0.59
16	MS PHAIK CHIN LIM	2,586,334	0.52
17	INTERNATIONAL PACIFIC CAPITAL LIMITED	2,518,474	0.51
18	WINKARA PTY LTD	2,499,914	0.51
19	HONG KONG NOMINEES LIMITED	2,400,000	0.49
20	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,324,444	0.47

Unquoted Options
At 9 September 2024 there were 56,100,000 unquoted options.

Exercise Price	Grant Date	Vesting Date	Expiry Date	Number
$0.20	07 Dec 2021	Various	06 Dec 2024	1,000,000
$0.20	06 Dec 2021	Various	06 Dec 2026	500,000
$0.20	09 Nov 2021	09 Nov 2021	08 Nov 2024	4,000,000
$0.10	01 Dec 2021	01 Dec 2021	30 Nov 2026	2,000,000
$0.20	01 Dec 2021	01 Dec 2021	30 Nov 2024	6,000,000
$0.20	31 Dec 2021	Various	31 Dec 2024	1,100,000
$0.435	06 Dec 2022	06 Dec 2022	05 Dec 2025	6,000,000
$0.40	06 Dec 2022	06 Dec 2022	05 Dec 2025	2,000,000
$0.40	08 Dec 2022	01 Oct 2023	07 Dec 2025	5,000,000
$0.47	08 Dec 2022	Various	07 Dec 2027	5,000,000
$0.40	19 Dec 2022	Various	18 Dec 2025	2,000,000
$0.47	19 Dec 2022	Various	18 Dec 2027	1,000,000
$0.22	17 Aug 2023	17 Aug 2023	17 Aug 2026	4,500,000
$0.22	16 Nov 2026	16 Nov 2026	16 Nov 2026	2,000,000
$0.22	16 Nov 2026	16 Nov 2026	01 Aug 2026	8,000,000
$0.45	29 Feb 2024	29 Feb 2024	28 Feb 2027	6,000,000

Each option provides the right for the option holder to be issued one fully paid share by the Company, upon payment of the exercise price of each option.