BELL POTTER

Speculative

See key risks on page 21 and early stage company risk warning on page 24.
Speculative securities may not be suitable for retail clients

17 December 2025

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American Rare Earths Ltd (ARR)

Initiation of coverage

Recommendation
Buy (Initiation)
Price
$0.335
Valuation
$0.65 (unchanged)
Risk
Speculative

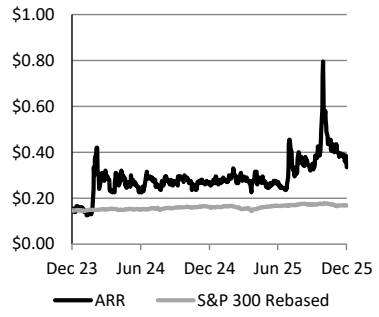
Sector
Materials

Expected Return	
Capital growth	94%
Dividend yield	0%
Total expected return	94%
Company Data & Ratios	
Enterprise value	$171m
Market cap	$192m
Issued capital	574m
Free float	91%
Avg. daily val. (52wk)	$766k
12 month price range	$0.225-$0.854

Price Performance

	(1m)	(3m)	(12m)
Price (A$)	0.43	0.32	0.27
Absolute (%)	-21.2	4.7	24.1
Rel market (%)	-19.3	7.1	20.6

Absolute Price



SOURCE: IRESS

The All American hero

We initiate on ARR with a Buy (Speculative) recommendation and a $0.65/sh valuation. Our valuation is derived from a Notional Development Scenario (NDS) on the Cowboy State Mine (CSM), part of the Halleck Creek rare earth project in Wyoming, (MRE 2.6Bt at 3,292ppm TREO for contained 8.65Mt REO). Halleck Creek is one of the largest and most advanced rare earth projects in the US, with a theoretical mine-life in excess of 100 years. The CSM forms phase-1 of the project, located on State Land in Wyoming, expediting the pathway to permitting. On our estimates, CSM has the potential to supply a meaningful (>30%) of US Dysprosium & Terbium (DyTb) requirements in-line with US magnet production capacity expansion timeline. The project has already received funding LOI's from US EXIM for up to US$456m, highlighting the strategic importance of the project.

Nuts and bolts

Our unrisked $NPV_{10\%}$ of A$302m assumes; a capital cost of US$456m; production commencement in 2031; a 20-year LOM and; front end throughput of 3Mtpa. Average annual production of ~1,850 NdPr and ~66t DyTb. We model an alternate 6Mtpa throughput given the expansive resource, at a capital cost of US$732m, which effectively doubles our production estimates and project economics (unrisked $NPV_{10\%}$ A$876m). We apply a 30% risk discount to our NPV to account for the stage of the project. Critical near-term catalysts include 1) Pilot plant construction and operation (BPe 2HCY26), 2) completion of a pre-feasibility study (PFS) (BPe 2HCY26) and 3) Application for mining permits (BPe 2HCY26).

Investment thesis – Buy (Speculative) $0.65/sh valuation

We initiate with a Buy (Spec) recommendation and $0.65/sh valuation. ARR is uniquely positioned to capitalize on the US' Strategic focus to reduce reliance on a China dominated rare earth supply chain. The Cowboy State Mine offers a long-term solution within the US to decouple from external sources of rare earths, particularly heavy rare earths DyTb.

Earnings Forecast

Year end 30 June	2025a	2026e	2027e	2028e
Sales (A$m)	-	-	-	-
EBITDA (A$m)	(6.47)	(6.00)	(6.00)	(6.00)
NPAT (reported) (A$m)	(6.61)	(5.28)	(5.33)	(4.79)
NPAT (adjusted) (A$m)	(6.6)	(5.3)	(5.3)	(4.8)
EPS (adjusted) (¢ps)	(1.3)	(0.9)	(0.9)	(0.8)
EPS growth (%)	-8%	-27%	-7%	-10%
PER (x)	-26.7 x	-36.4 x	-39.2 x	-43.6 x
FCF Yield (%)	-1%	-3%	-3%	-2%
EV/EBITDA (x)	-28.2 x	-29.4 x	-27.7 x	-29.0 x
Dividend (¢ps)	0%	0%	0%	0%
Yield (%)	0%	0%	0%	0%
Franking (%)	0%	0%	0%	0%
ROE (%)	-22%	-14%	-10%	-10%

SOURCE: BELL POTTER SECURITIES ESTIMATES

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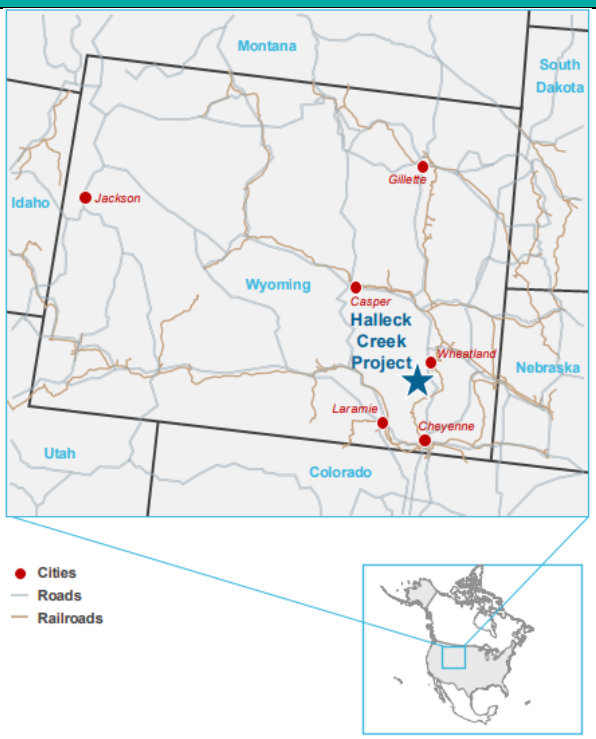
Company overview

American Rare Earths (ARR)

American Rare Earths (ARR) holds a 100% interest in the subsidiary Wyoming Rare USA (WRI), which owns the Halleck Creek project in Wyoming, America. The Cowboy State Mine (CSM) forms Phase 1 of the development at Halleck Creek. CSM is located on State of Wyoming land, which carries advantages from expedited permitting process (~2-3 years vs +10 years on Federal Land). The Current Mineral Resource Estimate (MRE) for CSM is 547Mt at 3,344ppm Total Rare Earth Oxides (TREO) for contained metal of 1,831kt. Allanite is the primary rare earth host mineral in the Halleck Creek project and is considered to be uncommon. The benefits of allanite vs traditional hard-rock monazite and bastnaesite comes down to the bonding of the rare earth elements. Via a process of metamictisation, the rare earth mineral has been subjected to decay of uranium and thorium over billions of years, which has broken down the mineral lattice. This effectively removes the need for cracking and leaching, one of the more capital and operating cost intensive elements of hard-rock (bastnaesite and monazite) rare earth processing. ARR has demonstrated that via simple comminution and beneficiation, they can upgrade the ore prior to leaching by around 10x, bringing the leached grade in-line with peers (LOM avg ~4% TREO).

Figure 1 - Asset overview



SOURCE: COMPANY DATA

Investment thesis

Investment thesis:

We initiate on ARR with a Buy (Spec.) recommendation and a $0.65/sh valuation. Our investment thesis is predicated on our underlying notional development scenario for the Cowboy State Mine (CSM), which forms part of the Halleck Creek Rare Earth project. We believe over time, ARR will look to unlock shareholder value via the progressive de-risking of the project. Specifically, our thesis is supported by:

1. **The all American dream –** The CSM offers a long-term solution to the US permanent magnet capacity requirements, supplementing existing sources of supply like MP Materials (MP.NAS, not covered) Mountain Pass mine, which doesn't have critical heavy rare earths, Dysprosium and Terbium (DyTb). The ability to majority supply US magnet facilities with domestically sourced material we believe will be an attractive attribute from a Governmental funding perspective, with ARR already receiving a letter of intent from US EXIM for the full capital cost of the project (US$456m).
2. **Nuts and bolts -** We model two notional development scenarios for CSM both based on a 20 year mine-life, with construction commencing in Sep-28 and first production in Mar-31. The differentiating factor between the two scenarios is the milling throughput being 3Mtpa and 6Mtpa under each scenario. Key highlights include: 1) Capex est – US$455m and US$732m 2) LOM Opex US$40/kg TREO; 3) achieved NdPr price $US95/kg; 5) $NPV_{10\%}$ A$302m unrisked, and $NPV_{10\%}$ A$876m unrisked. We apply a 30% risk discount to account for the project's status.
3. **Geologically differentiated –** The rare earths at CSM are hosted in allanite, an uncommon mineral which creates an overhanging risk for the project from a capital markets perspective. However, with the current test work conducted to date we believe ARR have developed an effective processing pathway which lowers capital and operating costs, and execution risk. This creates an opportunity which isn't easily observable when ranking projects purely based on head-grade. We believe ARR's upcoming pilot plant (BPe 2HCY26) will alleviate most of the risks hanging over the project, thus creating a clear, near-term catalyst to warrant a re-rate.
4. **Strategic positioning –** We estimate the US will require 37kt of permanent rare earth magnets within the next decade. This will be supported by stated domestic magnet capacity ranging between 15.7kt-25ktpa. The underlying demand from these scenarios are as follows: NdPr 5.2kt-9.1ktpa, DyTb 0.4ktpa-0.7ktpa. The clear bottleneck which we believe the CSM can address is the shortage in DyTb from a domestic source. On our estimates, we believe the CSM could supply between 17%-34% of base case US DyTb requirements.
5. **Large resource opens opportunities for increased dominance –** Halleck Creek has a current Mineral Resource Estimate of 2.6bt at 3,292ppm TREO for 8.6Mt contained rare earth oxides. This makes it one of the largest undeveloped rare earth deposits globally, and the largest in the US. Assuming a 3Mtpa throughput rate and a 70% conversion to reserve, the estimated mine life is in excess of 100 years. This, in our opinion, will be attractive to the US Government if they seek to support long-life domestic production which can tip the balance of the global rare earth dominance away from China.

Cowboy State Mine

Cowboy State Mine - Notional Development Scenario

Our valuation for ARR Is based on our Notional Development Scenario (NDS) for the Cowboy State Mine. The CSM consists of an 547Mt Mineral Resource Estimate (71% Indicated, 29% Inferred), grading at 3,344ppm TREO, with 945ppm Magnet Rare Earth Oxides. Our NDS assumes ore mining and processing of 62.2Mt on 3Mtpa over 20 years, which consumes only 16% of Indicated Resources. Mining is anticipated to be conducted via conventional open pit (two designated pits), drill and blast with a low-strip ratio (0.38x) driven by mineralisation from surface. We then assume onsite concentration to upgrade the ore, prior to trucking ~39km to Wheatland for further leaching, impurity removal and separation.

Key Takeaways: We estimate a permitting timeframe of ~2.5 years, with construction commencing in CY29 and taking approximately 2 years. We assume a further ~12 month ramp up period, to reach nameplate ROM throughput of 3Mtpa. We have assessed an alternate scenario, assuming a 6Mtpa run rate and provided the comparison in the table below. Key production and processing assumptions have also been provided for operating years 1-10 (with LOM totals and averages) in Table.2.

Table 1 - Cowboy State Mine - Notional Development Scenario (NDS)

NDS summary	Unit	3Mtpa rate	6Mtpa rate
Construction start	Q	1Q29E	1Q29E
Construction time	Months	30	30
Capital cost	US$m	$456	$732
Plant capacity	Mtpa	3.0	6.0
Life of mine	Years	20	20
Average head grade	TREO ppm	4,253	4,253
Average milled grade	TREO ppm	41,682	41,682
NdPr Enrichment	%	23%	23%
DyTb Enrichment	%	1.4%	1.4%
Average Annual production (steady state)	kt REO	2,352	4,705
Average Annual NdPr production (steady state)	kt	1,902	3,804
Average Annual DyTb production (steady state)	kt	67	135
Weighted average basket price	US$/kg TREO	$93	$93
Total Revenue	A$m	$6,553	$13,105
Average Revenue	A$m	$328	$655
C1	US$/kg TREO	$40	$40
Total EBITDA	A$m	$3,476	$6,929
Average EBITDA	A$m	$174	$346
NPV10% unrisked	A$m	$302	$905
Risk discount	%	30%	30%
NPV10% risked	A$m	$212	$633

SOURCE: BELL POTTER SECURITIES ESTIMATES

Table 2 - Cowboy State Mine - Production assumptions @ 3Mtpa

NDS - 3Mtpa run rate		Year - 1	Year - 2	Year - 3	Year - 4	Year - 5	Year - 6	Year - 7	Year - 8	Year - 9	Year - 10	LOM - Sum	LOM - Avg
Ore mined	Mtpa	1.1	2.6	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	58	2.9
Strip ratio	x	3.0x	3.0x	0.7x	0.4x	0.2x	0.1x	0.1x	0.1x	1.6x	0.9x		0.6x
Grade mined (TREO)	ppm	4,645	4,695	4,562	4,607	4,692	4,848	4,786	3,944	3,678	3,909		4,254
Contained metal	kt	5,226	12,268	13,886	13,754	13,949	14,310	14,451	13,095	11,433	11,381	245,368	12,268
Beneficiation Feed mass	Mt	1.1	2.6	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	58	2.9
Mass yield	%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%		14%
TREO recovery	%	78%	78%	78%	78%	78%	78%	78%	78%	78%	78%		78%
TREO contained	t	4,097	9,618	10,886	10,783	10,936	11,219	11,330	10,266	8,963	8,922	192,368	9,618
TREO grade	ppm	45,521	45,766	45,359	44,928	45,565	46,746	47,207	42,777	37,348	37,176		41,784
Enrichment factor	x	9.8x	9.7x	9.9x	9.8x	9.7x	9.6x	9.9x	10.8x	10.2x	9.5x		9.8x
Leach recovery	%	82%	82%	82%	82%	82%	82%	82%	82%	82%	82%		82%
NdPr	t	674	1,700	2,076	2,130	2,180	2,246	2,294	2,053	1,705	1,635	36,999	1,850
Tb	t	7	16	16	15	16	16	17	15	13	12	276	14
Dy	t	17	45	56	58	61	65	67	60	48	43	1,036	52
SEG	t	190	419	443	428	431	437	438	399	356	350	7,489	374

SOURCE: BELL POTTER SECURITIES ESTIMATES

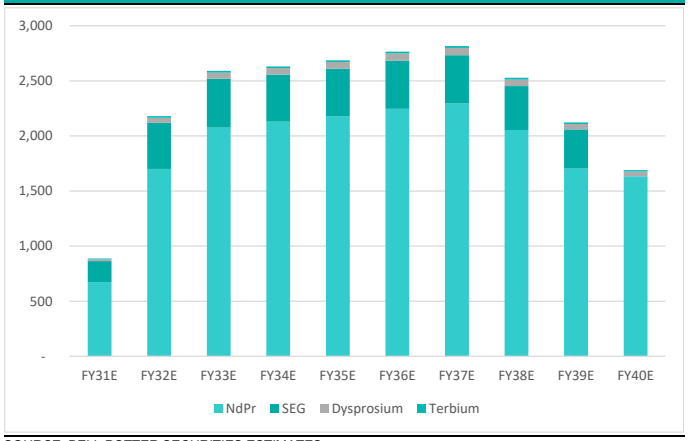
Over the LOM at a 3Mtpa throughput rate, we assume average annual production of NdPr of 1,850tpa, 52tpa Dy, 14tpa Tb and 374tpa SEG. The DyTb would alone satisfy ~17% of US base case requirements for heavy rare earth elements used in its stated Permanent Magnet facilities (assuming 15.7ktpa capacity and 2.5% DyTb doping rates). Under the 6Mtpa scenario, the volumes of finished product are effectively doubled. Under such a scenario the CSM would supply ~34% of US requirements under the above assumptions. Further optimisation work being undertaken on lifting recoveries for DyTb would add to the strategic importance of the project in our opinion.

Figure 2 - CSM production assumptions vs US requirements

CSM - 3Mtpa scenario	tpa	% of US demand - Base	% of US demand - Upside
NdPr	1,850	36%	20%
DyTb	66	17%	10%
CSM - 6Mtpa scenario	tpa	% of US demand - Base	% of US demand - Upside
NdPr	3,700	71%	41%
DyTb	132	34%	19%

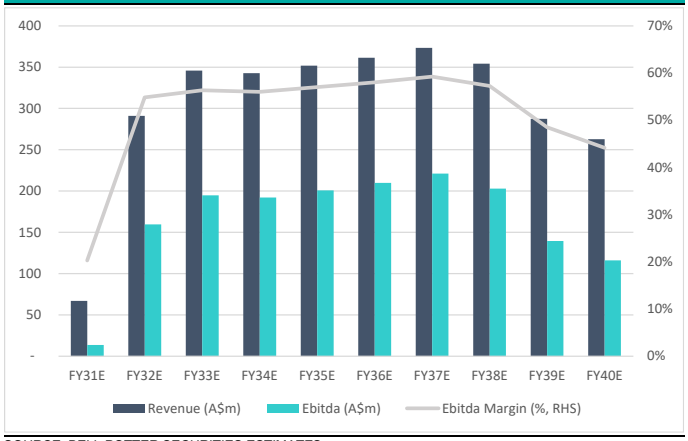
SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 3 - Production volumes (3Mtpa)



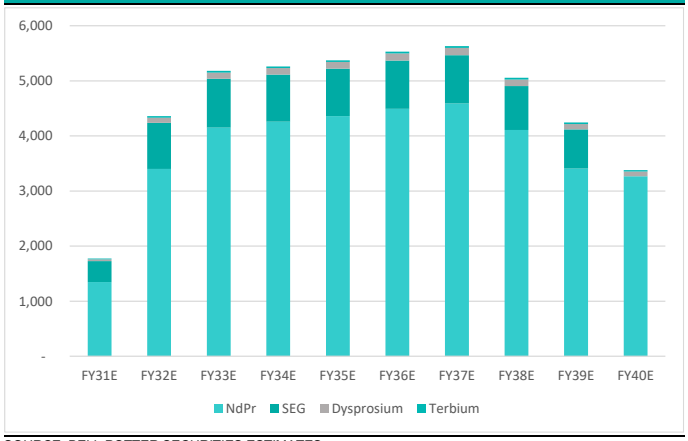
SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 4 – Revenue driven by NdPr & DyTb



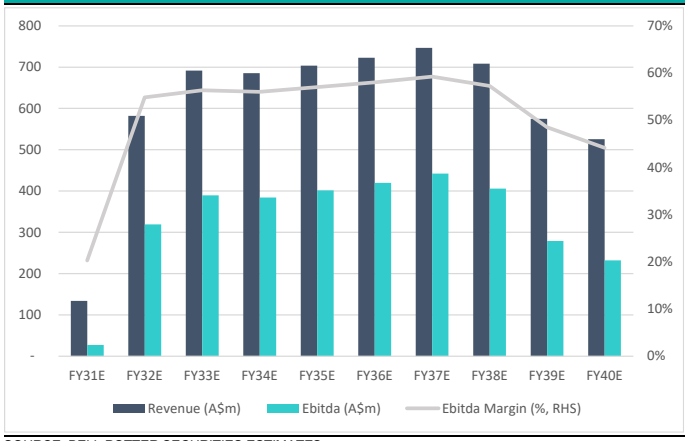
SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 5 - Production volumes (6Mtpa)



SOURCE: BELL POTTER SECURITIES ESTIMATES

Figure 6 – EBITDA (A$m), Revenue (A$m) & Margins (%)



SOURCE: BELL POTTER SECURITIES ESTIMATES

Key milestones/ catalysts

We see the following key milestones and catalysts for the business:

1) Pilot plant – BPe 2HCY26.
2) PFS - BPe 2HCY26.
3) Permitting submission - BPe 2HCY26.

Valuation

Valuation overview

We initiate on ARR with a Buy (Spec) recommendation and a $0.65/sh valuation. We value ARR on our assumed NDS for the Cowboy State Mine over a 20 year mine life, which incorporates a 70/30 split between our modelled 3Mtpa (base case) and 6Mtpa (bull case) scenario. Under both scenarios, the project mines <50% of the Indicated Mineral Resource, allowing for significant upside potential beyond modelled production. We have assumed a notional Exploration valuation to capture this at A$75m. We have netted off corporate overheads and adjusted our valuation for the current net-cash position. Our valuation is rounded to the nearest 5c.

Table 3 - ARR Sum of the parts valuation

Shares on issue	**m**	**574**
Options in the money	m	18
Diluted shares on issue	**m**	**592**
SOTP break down	A$m	$/sh
Cowboy State Mine - NPV10%, 30% risked	$338	$0.59
Exploration	$75	$0.13
Corporate overheads	-$48	$(0.08)
Net Cash/ Debt	$21	$0.04
Subtotal	$386	$0.67
Options in the Money	$5	$0.01
Diluted valuation	$391	$0.66

SOURCE: BELL POTTER SECURITIES ESTIMATES

American Rare Earths

Company overview

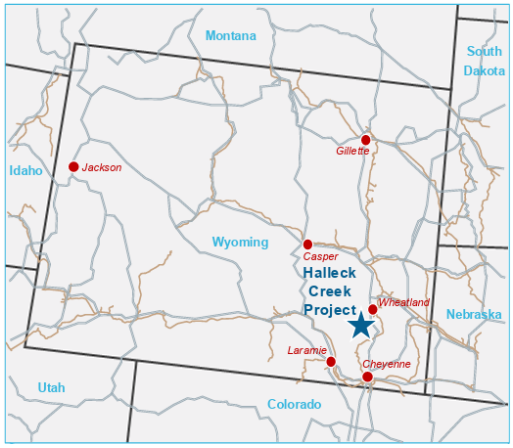
ARR is an exploration and development company listed on the ASX. The company has several exploration and development assets, the most advanced of which is the Halleck Creek Project. Non-core assets include La Paz, Beaver Creek and Searchlight.

Halleck Creek Project

Project location & infrastructure

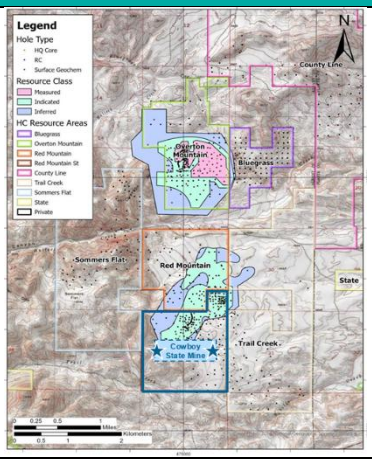
The project is in the Central Laramie Mountains, approximately 70km northeast of Laramie, Wyoming and approximately 30km southwest of Wheatland, Wyoming. Wheatland (population ~3,500) is linked to the project via bitumen roads up to the access point of the site, with a rail line going through town. A 46kV substation is located approximately 3.7km from the western side of the tenement package.

Figure 7 – Project location in reference to Wyoming cities



SOURCE: COMPANY DATA

Figure 8 – Halleck Creek project overview



SOURCE: COMPANY DATA

Project History

Exploration in the 1950's for Uranium identified thorium (Th) anomalies in pegmatite bodies throughout the Laramie Range, however exploration on the ground didn't commence until 2010. In 2010, Blackfire Minerals acquired the ground which hosts the Halleck Creek Project on the basis of REE anomalies identified in a PhD thesis on Red Mountain. In 2011, Blackfire Minerals dropped the leases, the project was then picked up by Zenith who collected 87 samples across the project which showed broad areas of REE mineralization. In June 2021, ARR acquired the state mineral leases and 5 federal lode claims. From 2021 through 2024 ARR acquired an additional 359 federal lode claims bringing the total mineral holdings to 3,281 hectares.

Geology:

The Halleck Creek Project and CSM sits in the Red Mountain pluton, a magmatic allanite-hosted rare earth deposit. Many allanite deposits are associated with elevated levels of uranium and thorium, however the Red Mountain pluton has unusually low concentration of radioactive elements.

Allanite – Allanite is a relatively uncommon mineral, enriched in rare earth elements, often occurring in granites and pegmatites. The appearance is blackish brown and is often associated with silicate and feldspar minerals. As allanite orebodies are uncommon, little is known about the potential recovery and processing success of these styles of deposits. What is known is that these forms of minerals typically experience high degrees of metamictization, which is the breaking down of a mineral's crystal structure. It is believed that this has occurred over millions of years via exposure to elevated levels of uranium and thorium. Processing of allanite ore is not as well studied as other rare earth minerals. Studies currently look at the use of dense media separation (DMS) due to the high specific gravity of the allanite as a means of concentration prior to magnetic separation and leaching. Source: https://www.sciencedirect.com/science/article/pii/S2950555024000144#sec0040

Figure 9 - Allanite from CSM

SOURCE: BELL POTTER SECURITIES

Figure 10 – Red Mountain Pluton

SOURCE: BELL POTTER SECURITIES

Mineral Resource and Ore Reserve

The current MRE for the Halleck Creek Project is 2.6B tonnes, at a TREO grade of 3,292ppm for contained metal of 8.6Mt. Within this MRE, the Cowboy State Mine has a MRE of 547Mt (71.5% Indicated) at 3,344ppm TREO for contained metal of 1.8Mt. The NdPr and DyTb enrichment hasn't been explicitly broken down, however from our production model we estimate NdPr to account for ~23% and DyTb to account for 1.4% of TREO. Between March 2022 and October 2024 ARR completed four exploration drilling campaigns at Halleck Creek. 28 HQ diamond core and 70 RC holes were drilled over 12,490m.

Figure 11 - Mineral Resource Estimate (MRE)

	Mineral Resource Estimate			Grade			Contained		
Cowboy State Mine	Tonnes (mt)	Grade TREO (ppm)	Metal (kt)	LREO (ppm)	HREO (ppm)	MREO (ppm)	LREO (kt)	HREO (kt)	MREO (kt)
Indicated	391	3,295	1,290	2,904	392	929	1,137	153	364
Inferred	156	3,468	541	3,047	421	984	476	66	154
Total	**547**	**3,344**	**1,831**	**2,945**	**400**	**945**	**1,612**	**219**	**517**

Halleck Creek project	Tonnes (mt)	Grade TREO (ppm)	Metal (kt)	LREO (ppm)	HREO (ppm)	MREO (ppm)	LREO (kt)	HREO (kt)	MREO (kt)
Measured	207	3,720	769	3,352	370.00	904	693	76	187
Indicated	1,273	3,271	4,163	2,900	360.00	852	3,691	458	1,084
Inferred	1,147	3,239	3,716	2,878	361.00	837	3,302	414	960
Total	**2,626**	**3,292**	**8,647**	**9,130**	**8.83**	**2,593**	**7,685**	**9.03**	**2,231**

SOURCE: COMPANY DATA

Process flowsheet:

The proposed flowsheet involves four distinct stages, 1) Comminution 2) Beneficiation 3) Leaching and 4) Impurity Removal, separation and finishing. Wood (Australia) oversaw the preliminary testwork conducted by ARR, with Tetra Tech overseeing the more recent testwork. The proposed flowsheet has changed since the publishing of the updated scoping study (Feb-2025), below is an explanation of the current design:

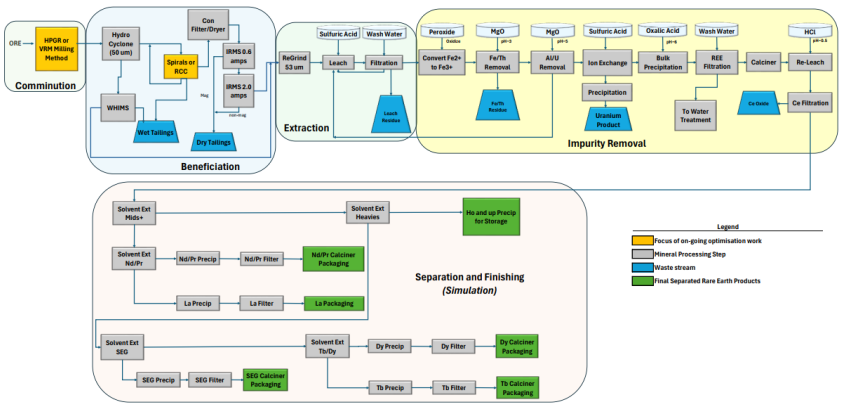
1) **Comminution –** material is milled either by a high-pressure grinding roll (HPGR) or vertical roll mill (VRM). ARR are currently optimising the comminution stage of the flowsheet to lower the portion of fines generated and increase front-end recoveries.

2) **Beneficiation –** Rare earth minerals such as allanite have paramagnetic properties which may be utilized in achieving a high mass rejection of non-magnetics. ARR conducted test work on spirals and reflux classifier concentrator (RCC) in combination with induced roll magnetic separators (IRMS) (see announcement 10th November 2025). In Feb-2025, ARR achieved a 10x upgrade (6.5% mass yield) via the use of spirals and IRMS. In Nov-2025, RCC was tested with slightly better results prior to IRMS processing (which is yet to be conducted). We have taken a conservative approach in our modelling, assuming a mass yield of 8% which equates to a grade uplift factor of 9.8x over LOM.

3) **Leaching & extraction –** SGS Canada built on work previously conducted by Nagrom, which proposed a Sulphuric Acid tank leach technology for processing Halleck Creek beneficiated ore. Under the scoping study, WHIMS material was tested on a 6hr reaction time and 250kg/t acid dosage rate was used. The current process utilises a longer (8hr) reaction time and a 400kg/t acid dosage rate with the combination of Spiral/IRMS beneficiated material. The key advantages of the longer residency time and acid dosage was the significant reduction in impurities, which is thought to lower reagent consumption in the impurity removal phase.

4) **Impurity removal & separation –** The final phase of processing consists of impurity removal and separation. Impurity removal is focused on deleterious elements such as iron, aluminium and silica, which has historically been a major hurdle for the project and allanite ore bodies. The process involves adding reagents to the leach liquor to neutralize and precipitate the impurities. Magnesium oxide and magnesium carbonate provided the best results as neutralizing agents over a two-stage process, with removal of 99.8% Fe, 89% Si, 92.9% Th and 99.4% Ti with HREE losses of 0.8% and LREE losses of 0.6% under primary neutralization. A secondary neutralization stage removed ~96.3% of Al. Following impurity removal, a mixed rare earth oxalate is precipitated, calcined and re-leached (to remove Ce) prior to solvent extraction for individual elements.

Figure 12 - Process flowsheet

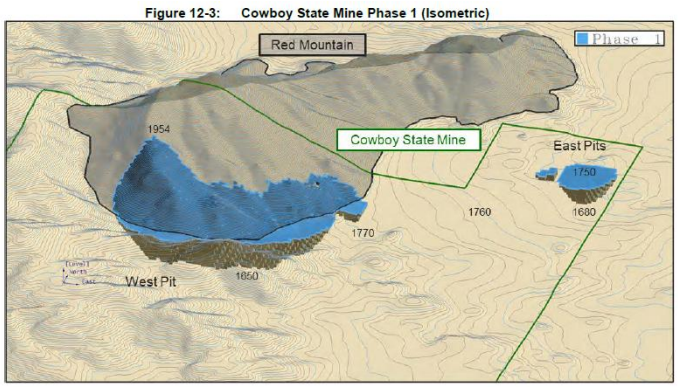


SOURCE: COMPANY DATA

Mining methodology

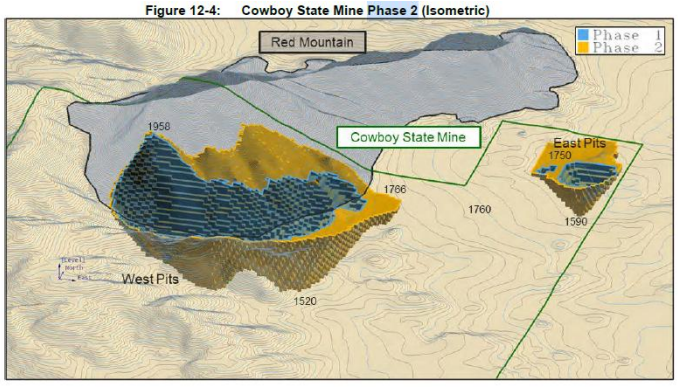
ARR propose a simple open pit drill and blast mining operation. At this stage, ARR intend to use a mining contractor for the operation, which will include fleet management and operation. Capex for the mining operation is anticipated to be US$6.5m, which includes, roads, office, and utility connection. The LOM strip ratio is considerably low at 0.38x, with Total Material Movement averaging 4.5Mtpa (BPe). Material will be processed on site through to a beneficiated concentrate (see process flowsheet above). The concentrate will be trucked ~39km to Wheatland for leaching, impurity removal, separation and product finishing. ARR estimated a mining cost of US$3.95/t ore in its 2025 scoping study (updated).

Figure 13 - CSM Mine Phase 1



SOURCE: COMPANY DATA

Figure 14 - CSM Mine Phase 2



SOURCE: COMPANY DATA

Permitting

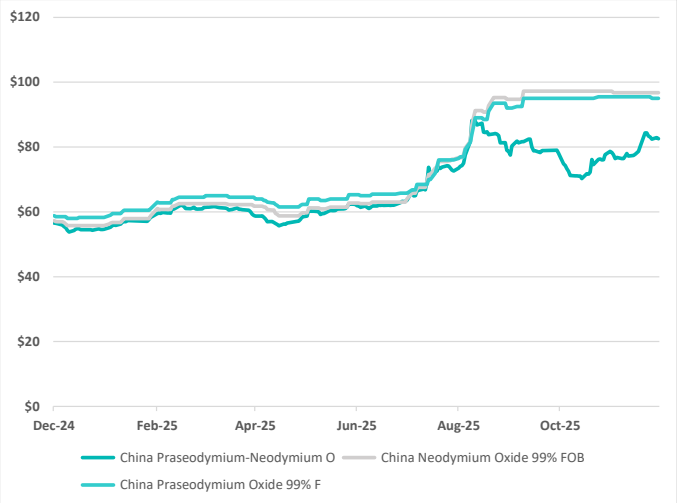
The Halleck Creek project tenements sit on both The State of Wyoming and Federal Land. For the purposes of our valuation and development scenario we have focused solely on the land covered by the State of Wyoming, which is the Cowboy State Mine (CSM). This is because, the permitting pathway within State jurisdiction is a defined process, with recent examples (eg CK gold – EIA permit lodged in September 2022, final permit received in June 2024). The process commences with environmental baseline studies (~24-48m) which forms part of an application for Permit to Mine submitted to the Wyoming Department of Environmental Quality (WDEQ). These baseline assessments cover climate and air quality, surface hydrology, groundwater, etc. On submission of the application, the State must make a determination within 18-24 months. ARR have satisfied all environmental baseline data collection, except for 12 months of groundwater monitoring, which was commenced in May 2025. We anticipate lodgement of the application in June 2026 upon completion of the ground water monitoring.

Market overview

Overview

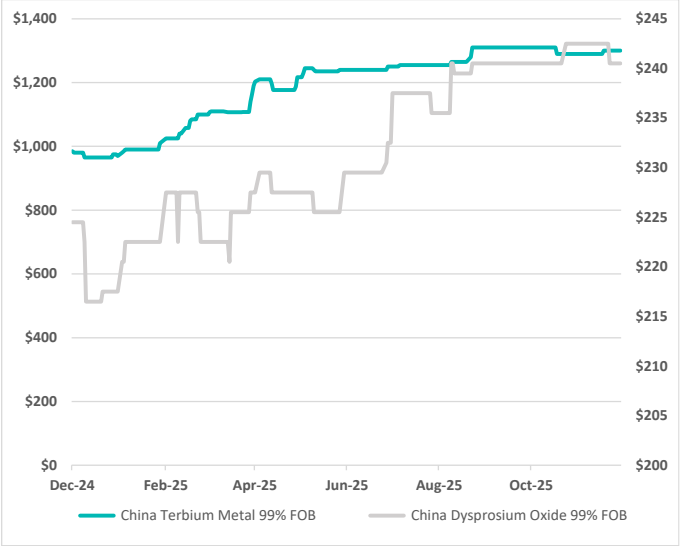
We estimate the current demand for NdPr at 69kt, expanding to 113kt by 2030 (a CAGR of 10% to 2030). Our supply scenario assumes a stable increase in Chinese mining and separation capacity, as well as a more aggressive increase in ex-China mining and separation capacity. The ex-China expansion will need to be underpinned by robust demand, which we have seen more recently from the US, with pricing support mechanisms to incentivise a non-China supply chain. Looking across the value chain for rare earths, we believe the bottleneck will shift over time from oxides and mid-stream products down to alloying and sintering. The Western supply chain remains susceptible to supply risks from China (much like was witnessed in 2010), however that concentration is slowly being reduced. The caveat to stated capacity expansions and aspirations will be the technical knowledge required to run such complex plants at scale. In time this will be addressed, however it is sure to create near-term pricing and supply disruptions.

Figure 15 - NdPr holding steady



SOURCE: BLOOMBERG

Figure 16 - DyTb 2 year price chart



SOURCE: BLOOMBERG

USA – Short ore

The stated magnet capacity in the US is between 15.7ktpa and 27.5ktpa. According to the Department of Energy (2024), US permanent rare earth magnet demand is forecast to be 37ktpa by 2030. Based on this, the US will be able to supply, via internal production, between 42% and 74% of requirements of permanent rare earth magnets in the next decade (dependent upon the ability to scale production seamlessly). NdPr oxide requirements will range between 5.2ktpa – 9.1ktpa we estimate.

As for rare earth oxide supply, we assume that production from MP Materials will remain in the US, following the break in relations with Shenghe. Currently, the majority of production from Lynas Rare Earths (LYC, Sell $9.60/sh) goes to Japan. We suspect that additional capacity expansions from LYC and others will target the US. Whilst this paints a picture of a potential oversupply in light rare earths (NdPr), we make the caveat that US permanent magnet manufacturers will still need to source heavy rare earths Dysprosium (Dy) and Terbium (Tb). The Mountain Pass mine is highly enriched in NdPr however has very little DyTb. We believe the shortfall in US demand will be in these elements.

Figure 17 – North American Magnet Capacity, Rare Earth oxide requirements and oxide producer capacity expansions

Company & Facility	Capacity base (tpa)	Capacity expanded (tpa)	Capital cost estimate (US$m)	Support
Mp Materials - Fort Worth, Texas	1,000	1,000	$700	48c Tax credits
Mp Materials - TBD	10,000	10,000	>$2bn	DoD funding support + $400m in Equity
Noveon Magnetics - San Marcos, Texas	2,000	10,000	$150M+ raised	DoD funding support
USA Rare Earths - Stillwater, Oklahoma	1,200	5,000	$100M+	State incentives
e-VAC - Sumter, South Carolina		-	$500M+; $335M financing	48c Tax credits + DoD support
Niron - Sartell, Minnesota	1,500	1,500	N/A	State incentives
Total	**15,700**	**27,500**		

Magnet doping	US Requirements - Base (tpa)	Expanded (tpa)
NdPr - 33%	5,181	9,075
DyTb - 2.5%	393	688
Fe - 63%	9,891	17,325
B - 1%	157	275

Ex-China production	Current (tpa)	Consensus/ Forecast 2030 (tpa)	Status
Lynas Rare Earths (LYC)	6,600	12,000	In production
MP Materials (MP)	2,300	6,300	In production
Energy Fuels (EFR)	-	6,000	Construction
Iluka Resources (ILU)	-	5,500	Construction

SOURCE: COMPANY DATA AND BELL POTTER SECURITIES ESTIMATES

Figure 18 - Rare Earth & Permanent Magnet comparison deck

Ticker	Company	Last price (LC)	Market Cap A$m	EV/EBITDA +1Yr	P/E +1Yr	Resource (Mt)	% TREO	Contained (kt)	Project/ Location	Status/ Last milestone
Producers										
600111.SHG	CHINA NTHN RARE EARTH (GP) HI-TECH	$ 44.83	$ 34,904	36.1 x	65.5 x	-	0.0%	-	Baotou province	Producing
LYC	Lynas Rare Earths Limited	$ 12.40	$ 12,571	26.1 x	39.3 x	106.6	4.1%	4,391.9	Mt Weld	Producing
MP.NYS	MP Materials Corp. Common Stock	$ 53.42	$ 14,926	N/A	N/A	28.5	6.2%	1,764.5	Mountain Pass	Producing
Magnet makers										
300748.SHE	JL Mag Rare-Earth Co Ltd	$ 32.60	$ 8,034	44.0 x	65.3 x				Baotou/ Jiangxi province	Producing
NEO.TSX	Neo Performance Materials Inc.	$ 16.12	$ 743	7.6 x	26.5 x				North America/ Europe	Producing
Developers/ Explorers										
ILU	Iluka Resources Limited	$ 5.35	$ 2,316	9.6 x	34.6 x	1.2	18.8%	216.2	Eneabba	Construction
ARU	Arafura Rare Earths Ltd	$ 0.22	$ 978	0.0 x	0.0 x	56.0	2.6%	1,456.0	Nolans Bore	DFS
MEI	Meteoric Resources NL	$ 0.15	$ 383	0.0 x	0.0 x	1,108.0	0.2%	2,673.6	Caldeira	PFS
BRE	Brazilian Rare Earths Limited	$ 4.11	$ 467	0.0 x	0.0 x	510.0	0.2%	771.6	Rocha De Rocha	Exploration
NTU	Northern Minerals Limited	$ 0.03	$ 267	0.0 x	0.0 x	10.8	0.8%	82.2	Halls Creek	DFS
ARR	American Rare Earths Limited	$ 0.34	$ 204	0.0 x	0.0 x	2,630.0	0.3%	7,890.0	Halleck Creek	Scoping Study
DRE	Dreadnought Resources Ltd	$ 0.03	$ 147	0.0 x	0.0 x	30.0	1.0%	311.8	Yin	Exploration
ASM	Australian Strategic Materials Limited	$ 0.59	$ 150	0.0 x	0.0 x	75.2	0.7%	556.3	Dubbo	DFS
VMM	Viridis Mining and Minerals Limited	$ 0.97	$ 116	0.0 x	0.0 x	493.0	0.3%	1,236.4	Colossus	PFS
HAS	Hastings Technology Metals Ltd	$ 0.47	$ 106	0.0 x	0.0 x	29.9	0.9%	278.3	Yangibana	DFS
IXR	Ionic Rare Earths Limited	$ 0.36	$ 83	0.0 x	0.0 x	617.0	0.1%	388.7	Makutu	PFS
AR3	Australian Rare Earths Limited	$ 0.19	$ 40	0.0 x	0.0 x	236.0	0.1%	176.5	Koppamurra	Exploration
REE	Rarex Limited	$ 0.02	$ 23	0.0 x	0.0 x	524.0	0.3%	1,624.4	Cummins Range	Exploration
RSM	Resouro Strategic Metals Inc.	$ 0.00	$ 25	0.0 x	0.0 x	1,700.0	0.4%	6,630.0	Tiros	Exploration

SOURCE: BLOOMBERG, BELL POTTER SECURITIES ESTIMATES

Figure 19 - Bell Potter - Rare Earth supply & Demand model

Bell Potter - Rare Earth S&D model									
Global passenger vehicle market		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
ICE vehicle sales	m units	81	82	74	73	70	65	60	54
Growth rate	*%*	*12.0%*	*1.3%*	*-10.3%*	*-1.2%*	*-4.3%*	*-6.4%*	*-7.7%*	*-9.5%*
EV market penetration	%	12%	15%	19%	24%	30%	36%	43%	50%
EV sales	**m units**	**14**	**17**	**22**	**27**	**33**	**40**	**47**	**54**
NdFeb kg per EV	kg	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
NdFeb Demand	kt	34	42	54	68	83	100	117	136
NdPr / NdFeB	%	33%	33%	33%	33%	33%	33%	33%	33%
NdPr demand	**kt**	**11**	**14**	**18**	**22**	**28**	**33**	**39**	**45**
Dy + Tb / NdFeB	%	2%	2%	2%	2%	2%	2%	2%	2%
Dy + Tb demand	**kt**	**0.7**	**0.8**	**1.1**	**1.4**	**1.7**	**2.0**	**2.3**	**2.7**
Wind turbine market									
GWh installed capacity	GWh	992	1,080	2,891	3,180	3,498	3,848	4,232	4,656
Offshore wind turbine capacity	GWh	77	89	105	126	155	191	235	289
Offshore incremental capacity	GWh	12	12	16	21	29	36	44	54
Annual growth rate	%	18%	15%	18%	20%	23%	23%	23%	23%
NdFeB kg per 3MW DD turbine	kg	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
NdPr / NdFeB	%	33%	33%	33%	33%	33%	33%	33%	33%
NdPr demand	**kt**	**2.6**	**2.6**	**3.5**	**4.6**	**6.4**	**7.9**	**9.7**	**12.0**
Dy + Tb / NdFeB	%	2%	2%	2%	2%	2%	2%	2%	2%
Dy + Tb demand	**kt**	**0.2**	**0.2**	**0.2**	**0.3**	**0.4**	**0.5**	**0.6**	**0.7**
Traditional market									
Consumer electronics - NdFeB	kt	32	33	34	35	36	38	39	40
Speakers - NdFeB	kt	8	9	9	9	9	10	10	10
ICE Vehicles - NdFeB	kt	23	23	23	23	23	22	22	22
Other e-mobility - NdFeB	kt	9	10	10	11	12	13	14	15
Airconditioning - NdFeB	kt	7	8	8	9	10	10	11	12
Other - NdFeB	kt	5	6	6	7	7	8	8	9
Total	**kt**	**85**	**88**	**91**	**94**	**97**	**100**	**104**	**107**
Growth rate	*%*	*3%*	*3%*	*3%*	*3%*	*3%*	*3%*	*4%*	*4%*
NdPr / NdFeB	%	33%	33%	33%	33%	33%	33%	33%	33%
Dy + Tb / NdFeB	%	2%	2%	2%	2%	2%	2%	2%	2%
NdPr demand	**kt**	**28**	**29**	**30**	**31**	**32**	**33**	**34**	**35**
Dy + Tb demand	**kt**	**1**	**1**	**1**	**1**	**1**	**2**	**2**	**2**
Non NdFeB magnet demand	**kt**	**17**	**17**	**18**	**18**	**19**	**20**	**20**	**21**
Annual growth assumption	%	3%	3%	3%	3%	3%	3%	3%	3%
NdPr demand	**kt**	**59**	**63**	**69**	**76**	**85**	**93**	**103**	**113**
Dy + Tb demand	**kt**	**2**	**2**	**3**	**3**	**4**	**4**	**4**	**5**
Supply (current)									
China									
China TREO Mining	kt	255	270	297	327	359	395	435	478
China Smelting & Refining	kt	230	254	279	307	338	372	409	450
Increase in production quota	%	*21%*	*6%*	*10%*	*10%*	*10%*	*10%*	*10%*	*10%*
Assumed NdPr enrichment	%	20%	20%	20%	20%	20%	20%	20%	20%
Indicative NdPr production	kt	46	51	56	61	68	74	82	90
Chinese share of production	%	78%	81%	81%	80%	80%	80%	79%	80%
Others									
Lynas*	kt	6.0	6.2	7.4	9.5	11.2	12.4	12.4	12.4
MP Materials**	kt	1.3	3.7	5.6	6.3	6.5	6.6	7.1	6.9
Others	kt	-	0.9	1.0	1.3	1.5	1.5	1.5	1.5
Total	**kt**	**53**	**62**	**70**	**79**	**87**	**95**	**103**	**111**
S/D balance	kt	-6	-1	1	2	2	1	0	-2
Bell Potter NdPr price	US$/kg	$ 75	$ 55	$ 63	$ 93	$ 113	$ 105	$ 95	$ 95
% change YoY	%	-41%	-27%	16%	46%	22%	-7%	-10%	0%

SOURCE: BELL POTTER SECURITIES ESTIMATES

Financials

Financials

ARR is a prospective rare earths developer, still in the early development stage. As such, the business does not generate income internally and relies on the support from equity financing in order to fund its operations. Due to this, ARR is classed as a Speculative investment under Bell Potter Securities recommendation structure.

Cash flow summary

Historical annual and semi-annual cash flows for ARR are provided below:

Table 4 - Cash flow summary

Cashflow summary A$ million	1H24A	2H24A	FY24A	1H25A	2H25A	FY25A
Receipts from customers	-	-	-	-	-	-
Payments to suppliers & employees	(2.94)	(1.81)	(4.75)	(3.88)	(1.22)	(5.09)
Other	0.30	0.32	0.62	0.27	0.40	0.67
Net cash flow from operations	**(2.64)**	**(1.49)**	**(4.13)**	**(3.61)**	**(0.81)**	**(4.42)**
Payments for property, plant & equipment	(0.05)	(0.01)	(0.06)	(0.06)	0.04	(0.01)
Payments for Mineral Exploration	(2.39)	(1.61)	(3.99)	(2.64)	(3.52)	(6.16)
Other	(1.12)	0.15	(0.97)	(0.62)	(0.18)	(0.81)
Net cash flow from investing	**(3.55)**	**(1.46)**	**(5.02)**	**(3.32)**	**(3.65)**	**(6.98)**
Interest and finance costs	-	-	-	-	-	-
Increase/ (decrease) in borrowings	-	-	-	-	-	-
Proceeds from share issues	-	13.09	13.09	2.50	0.22	2.72
Other	(0.05)	(0.07)	(0.13)	(0.13)	(0.14)	(0.27)
Net cash flows from financing	**(0.05)**	**13.02**	**12.96**	**2.37**	**2.08**	**4.45**
Net increase (decrease) in cash	(6.25)	10.06	3.81	(4.56)	(2.39)	(6.95)
Cash at beginning	12.49	6.24	12.49	16.30	11.74	16.30
Cash at end	6.24	16.30	16.30	11.74	9.35	9.35

SOURCE: COMPANY DATA

Capital structure

ARR has 574 million fully paid ordinary shares on issue and 38 million options and performance rights. The table below summarises ARR's capital structure.

Table 5 - Capital structure

Shares on issue	m	574
Escrowed shares / other	m	-
Total shares on issue	**m**	**574**
Share price	$/sh	0.34
Market capitalisation	$m	192
Net cash	$m	-21
Enterprise value (undiluted)	**$m**	**171**
Options outstanding	m	38
Options in the money	m	18
Issued shares (diluted for options)	m	592
Market capitalisation (diluted)	**$m**	**198**
Net cash + options	$m	-16
Enterprise value (diluted)	**$m**	**182**

SOURCE: COMPANY DATA AND IRESS

Share registry

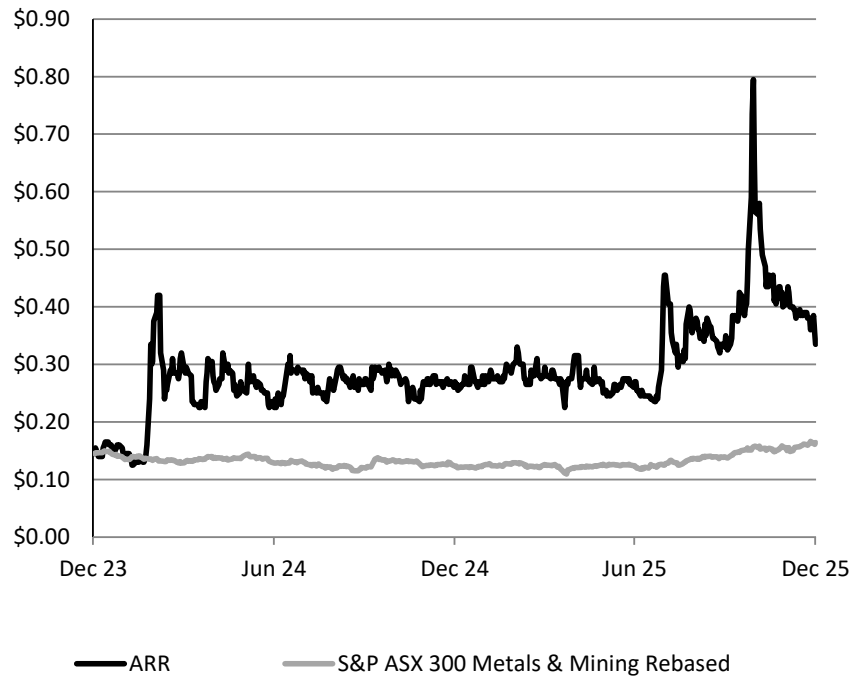
Table 6 - Major shareholders

Major shareholders	Shares (m)	%
Fidelity International Ltd	44.75	8%
BNY Asset Management	41.14	7%
Geoffrey Hill	39.51	7%
So Co Limited	34.37	6%
Total	**159.77**	**28%**

SOURCE: BLOOMBERG

Stock price performance

Figure 20 - ARR share price Vs ASX Metals and Mining Index Rebased (XMM)



SOURCE: IRESS

Board & management

Table 7 - Board & Management	
Richard Hudson	**Chairman**
Sten L Gustafson	Non-Executive Director/ Deputy Chairman
Melissa 'Mel' Sanderson	Non-Executive Director
Jason Beckton	Non-Executive Director
Brian Arkell	Non-Executive Director
Joe Evers	Interim CEO/ President of Wyoming Rare
Megan McPherson	CFO
Dwight Kinnes	CTO
Wayne Kernaghan	Corporate Secretary
Tommy von Finkenstein	Director, Corporate Strategy

SOURCE: COMPANY DATA

Mark Wall – CEO

Mark Wall is a seasoned mining executive and Chief Executive Officer with more than 25 years of global experience leading complex mining businesses from exploration through development, operations, and closure. As CEO of American Rare Earths, he brings a strong track record in operational turnarounds, capital allocation, and stakeholder engagement across multiple continents and listing jurisdictions. Mark has a track record of driving performance and safety simultaneously—he has led operations to record throughput and cash flow while delivering substantial improvements in safety performance and risk management. He has repeatedly executed large-scale financings and strategic transactions, demonstrating deep capability in balance sheet restructuring, project funding, and value-focused M&A.

Megan McPherson – CFO

Megan is a seasoned finance and governance professional with over 23 years of experience, including senior leadership roles at several ASX-listed mining companies. She most recently served as CFO and later Company Secretary at Group 6 Metals Limited. As CFO and a core member of the executive team, Megan will lead ARR's financial operations, including capital management, treasury, compliance, investor relations, and risk oversight. She holds a Bachelor of Commerce from the University of Wollongong and is a member of Chartered Accountants Australia and New Zealand (CA ANZ).

Dwight Kinnes – Chief Technical Officer

Dwight is a Certified Professional Geologist and JORC Competent Person (coal) with over 35 years in the mining industry. A third generation Coloradoan, Dwight obtained a Bachelor of Science in Geology from Colorado State University. He specialised in the geological modelling of complex coal deposits in British Columbia, Venezuela and Indonesia. Prior to joining American Rare Earths, he was the President of Highland GeoComputing LLC for 17 years, providing geological field services, geological modelling services, GIS services, and database management services to the mining industry.

Joe Evers – President of Wyoming Rare (USA) Inc

Prior to joining Wyoming Rare (USA), Inc., Joe served in various leadership roles in the energy and mining industry. Most recently, Joe served as General Counsel of American Rare Earths Ltd. Prior to that, Joe was corporate counsel at an international mining company and held positions of increasing responsibility in the land and policy departments at a publicly traded oil and gas company. Originally hailing from Sheridan, Wyoming, Evers received a bachelor's degree and JD/MA in Environment & Natural Resources from the University of Wyoming. He maintains strong ties to his alma mater where he serves as the

Chair of the Advisory Board at the Haub School of Environment & Natural Resources, President-Elect of the Alumni Association, and is a member of the Advisory Board at the College of Law. Joe was instrumental in securing a US$7.1 million grant from the State of Wyoming with support from partners Wyoming Energy Authority and the University of Wyoming Energy Resources Council.

Tommy von Finckenstein – Director of Corporate Strategy

Experience in the mining financial services industry, both in investment banking and equity research. Tommy earned a B. Eng in Mine Engineering from McGill University.

Richard Hudson – Chairman

Richard is experienced in strong corporate governance and internal controls, resolving shareholder disputes, and advising on business sales, acquisitions and mergers. He is currently Chairman of a private Contract Research Organisation in Animal Health in Australia and New Zealand and the Company Secretary of a group of Emergency Veterinary Practices operating throughout Australia. He also was the Chairman for many years of a manufacturing business operating in the marine industry in Australia, New Zealand and Asia.

Sten Gustafson – Non-Executive Director / Deputy Chairman

Sten is the Chief Executive Officer and a Director of Pyrophyte Acquisition Corp. (NYSE: PHYT), a special purpose acquisition company (SPAC) focused on companies that provide products, services, equipment and technologies that support a variety of energy transition solutions. Sten 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, Sten has advised on more than 100 corporate transactions worldwide for over US$100b of transaction value.

Melissa 'Mel' Sanderson – Non-Executive Director

Mel's International career has spanned diplomacy and mining for more than 30 years. Mel is adept at cross-cultural communication and brings exceptional 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 and social responsibility programs. She has also served as a senior diplomat in the US Department of State.

Jason Beckton – Non-Executive Director

Mr. Beckton is a professional geologist and Member of the Australian Institute of Geoscientists with more than 30 years' experience in exploration, project development, production, and management across Australia and internationally. He holds a Bachelor of Science (Hons) from the University of Melbourne and a Master of Economic Geology from the University of Tasmania.

Brian Arkell – Non-Executive Director

Mr. Brian Arkell brings over 35 years of global experience in mineral exploration, mine development, and operations, with a proven track record advancing world-class gold and copper-gold projects across the Americas and Southeast Asia. His career highlights include key roles in the development of the Yanacocha (Peru), Batu Hijau (Indonesia), Merian (Suriname), and Magino (Canada) mines. From 2018 to 2023, he served as Vice President of Exploration and Mine Technical Services at Argonaut Gold, managing exploration, mine planning, geology, and corporate reserves across five producing mines and multiple development assets. He has also held senior positions as CEO of Caza Gold, SVP at Rio Novo Gold, and spent over 20 years with Newmont Mining, where he rose to Director of Geology and Exploration for South America.

Mr. Arkell holds a B.S. in Geology and Engineering from the University of Maryland and an M.S. in Geology from the New Mexico Institute of Mining and Technology. He is a Registered Member of the SME, a Fellow of both AusIMM and the Society of Economic Geologists, and is recognised as a Qualified Person (NI 43-101) and Competent Person (JORC).

Investment Risks

Risks to resources sector equities include, but are not limited to:

- **Commodity price and exchange rate fluctuations**. The future earnings and valuations of exploration, development and operating resources companies are subject to fluctuations in underlying commodity prices and foreign currency exchange rates.
- **Infrastructure access.** Bulk commodity producers are particularly reliant upon access to transport infrastructure. Access to infrastructure is often subject to contractual agreements, permits, and capacity allocations. Agreements are typically long-term in nature (+10 years). Infrastructure can be subject to outages as a result of weather events or the actions of third party providers.
- **Operating and capital cost fluctuations.** Markets for exploration, development and mining inputs can fluctuate widely and cause significant differences between planned and actual operating and capital costs. Key operating costs are linked to energy and labour markets.
- **Resource growth and mine life extensions.** Future earnings forecasts and valuations may rely upon resource and reserve growth to extend mine lives.
- **Sovereign risks.** Mining companies' assets can be located in countries other than Australia and are subject to the sovereign risks of that country.
- **Regulatory changes risks.** Changes to the regulation of infrastructure and taxation (among other things) can impact the earnings and valuation of mining companies.
- **Environmental risks.** Resources companies are exposed to risks associated with environmental degradation as a result of their exploration and mining processes. Fossil fuel producers (coal) may be particularly exposed to the environmental risks of end markets including the electricity generation and steel production industries.
- **Operating and development risks.** Mining companies' assets are subject to risks associated with their operation and development. Risks for each company can be heightened depending on method of operation (e.g. underground versus open pit mining) or whether it is a single operation company. Development assets can be subject to approvals timelines or weather events, causing delays to commissioning and commercial production.
- **Occupational health and safety risks.** Mining companies are particularly exposed to OH&S risks given the physical nature and human resource intensity of operating assets.
- **Funding and capital management risks.** Funding and capital management risks can include access to debt and equity finance, maintaining covenants on debt finance, managing dividend payments, and managing debt repayments.
- **Merger/acquisition risks.** Risks associated with value transferred during merger and acquisition activity.
- **Pandemic risks:** Mining companies rely on freedom of movement of workforces, functioning transport routes, reliable logistics services including road, rail, aviation and ports in order to maintain operations and get their products to market. They also rely on liquid, functioning markets to sell their products. Measures that could be put in place to combat a pandemic could pose risks to these conditions.
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American Rare Earths Ltd

as at 17 December 2025

Recommendation	Buy, Speculative
Price	$0.335
Valuation	$0.65

Table 8 - Financial summary

ASSUMPTIONS

Year Ending June	Unit	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E
COMMODITY PRICE							
NdPr price	US$/kg	44	72	134	93	61	57
Dysprosium	US$/kg	223	286	389	327	316	233
Terbium	US$/kg	356	892	1,790	2,124	1,220	990
AUD/USD	A$/US$	0.66	0.65	0.66	0.68	0.70	0.70
PRODUCTION & COST							
NdPr	tpa	-	-	-	-	-	-
DyTb	tpa	-	-	-	-	-	-
C1 Cost	US$/kg	-	-	-	-	-	-
Achieved price	US$/kg	-	-	-	-	-	-

PROFIT AND LOSS

Year Ending June	Unit	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E
Revenue	A$m	0.0	0.0	0.0	0.0	0.0	0.0
Expense	A$m	(6.2)	(6.5)	(6.0)	(6.0)	(6.0)	(6.0)
EBITDA	**A$m**	(6.2)	(6.5)	(6.0)	(6.0)	(6.0)	(6.0)
Depreciation	A$m	(0.1)	(0.1)	0.0	0.0	0.0	0.0
EBIT	A$m	(6.3)	(6.6)	(6.0)	(6.0)	(6.0)	(6.0)
Net interest expense	A$m	0.0	0.0	0.7	0.7	1.2	0.7
Unrealised gains (Impairments)	A$m	0.0	0.0	0.0	0.0	0.0	0.0
Other	A$m	0.0	0.0	0.0	0.0	0.0	0.0
PBT	**A$m**	(6.3)	(6.6)	(5.3)	(5.3)	(4.8)	(5.3)
Tax expense	A$m	0.0	0.0	0.0	0.0	0.0	0.0
NPAT (reported)	**A$m**	(6.3)	(6.6)	(5.3)	(5.3)	(4.8)	(5.3)
NPAT (underlying)	A$m	(6.3)	(6.6)	(5.3)	(5.3)	(4.8)	(5.3)

CASH FLOW

Year Ending June	Unit	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E
OPERATING CASHFLOW							
Receipts	A$m	0.0	0.0	0.2	0.0	0.0	0.0
Payments	A$m	(4.8)	(5.1)	(6.1)	(6.0)	(6.0)	(6.0)
Tax	A$m	0.0	0.0	0.0	0.0	0.0	0.0
Net interest	A$m	0.5	0.7	0.4	0.7	0.5	(1.4)
Other	A$m	0.2	0.0	0.0	0.0	0.0	0.0
Operating cash flow	**A$m**	(4.1)	(4.4)	(5.1)	(5.3)	(4.8)	(5.3)
INVESTING CASHFLOW							
Property, plant and equipment	A$m	(0.1)	(0.0)	0.0	0.0	0.0	(65.1)
Mine development/ Exploration	A$m	(4.0)	(6.2)	(3.0)	(3.0)	(3.0)	(3.0)
Other	A$m	(1.0)	(0.8)	0.0	0.0	0.0	0.0
Investing cash flow	**A$m**	(5.0)	(7.0)	(3.0)	(3.0)	(3.0)	(68.1)
Free Cash Flow	**A$m**	(4.2)	(4.4)	(5.1)	(5.3)	(4.8)	(70.5)
FINANCING CASHFLOW							
Share issues/(buy-backs)	A$m	13.1	2.7	0.0	0.0	0.0	0.0
Debt proceeds/ (repayments)	A$m	0.0	2.0	0.0	0.0	0.0	500.0
Dividends	A$m	(0.1)	(0.3)	(0.8)	0.0	0.0	0.0
Other	A$m	0.0	0.0	15.0	19.0	0.0	0.0
Financing cash flow	**A$m**	13.0	4.5	14.3	19.0	0.0	500.0
Change in cash	A$m	3.8	(6.9)	6.2	10.7	(7.8)	426.5

BALANCE SHEET

Year Ending June	Unit	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E
ASSETS							
Cash & short term investments	A$m	16.3	9.4	15.5	26.2	18.4	444.9
Inventory	A$m	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	A$m	0.0	0.2	0.0	0.0	0.0	0.0
Property, plant & equipment	A$m	0.1	0.1	0.1	0.1	0.1	65.3
Mine development expenditure	A$m	0.0	0.0	0.0	0.0	0.0	0.0
Exploration & evaluation	A$m	12.8	18.8	21.8	24.8	27.8	30.8
Other	A$m	4.8	2.8	2.8	2.8	2.8	2.8
Total assets	**A$m**	**20.2**	**11.6**	**17.5**	**28.2**	**20.4**	**446.9**
LIABILITIES							
Accounts payable	A$m	0.6	1.0	0.9	0.9	0.9	0.9
Borrowings	A$m	0.2	0.2	0.2	0.2	0.2	500.2
Other	A$m	1.7	1.8	1.8	1.8	1.8	1.8
Total liabilities	**A$m**	**1.0**	**1.2**	**1.2**	**1.2**	**1.2**	**501.2**
Net Assets	**A$m**	**33**	**30**	**39**	**53**	**48**	**43**
SHAREHOLDER'S EQUITY							
Share capital	A$m	46.7	50.3	64.6	83.6	83.6	83.6
Reserves	A$m	3.6	3.4	3.4	3.4	3.4	3.4
Retained earnings	A$m	(17.2)	(23.7)	(29.0)	(34.3)	(39.1)	(44.4)
Total equity	**A$m**	**33**	**30**	**39**	**53**	**48**	**43**
Weighted average shares	m	462	526	573	623	623	623

FINANCIAL RATIOS

Year Ending June	Unit	FY24A	FY25A	FY26E	FY27E	FY28E	FY29E
VALUATION							
NPAT	A$m	(6)	(7)	(5)	(5)	(5)	(5)
Reported EPS	Ac/sh	(1.4)	(1.3)	(0.9)	(0.9)	(0.8)	(0.9)
Adjusted EPS	Ac/sh	(1.4)	(1.3)	(0.9)	(0.9)	(0.8)	(0.9)
EPS growth	%	0%	-8%	-27%	-7%	-10%	12%
PER	x	-24.5 x	-26.7 x	-36.4 x	-39.2 x	-43.6 x	-39.1 x
DPS	Ac/sh	0%	0%	0%	0%	0%	0%
Franking	%	0%	0%	0%	0%	0%	0%
Yield	%	0%	0%	0%	0%	0%	0%
FCF/share	Ac/sh	(0)	(0)	(0)	(0)	(0)	1
P/FCFPS	x	-36.9 x	-72.4 x	-37.7 x	-39.2 x	-43.6 x	0.5 x
EV/EBITDA	x	-28.5 x	-28.2 x	-29.4 x	-27.7 x	-29.0 x	-41.2 x
EBITDA margin	%	0%	0%	0%	0%	0%	0%
EBIT margin	%	0%	0%	0%	0%	0%	0%
Return on assets	%	-19%	-21%	-13%	-10%	-10%	-1%
Return on equity	%	-19%	-22%	-14%	-10%	-10%	-13%
LIQUIDITY & LEVERAGE							
Net debt (cash)	$m	16	9	16	26	18	(55)
ND / E	%	49%	31%	40%	50%	38%	-129%
ND / (ND + E)	%	33%	24%	28%	33%	28%	443%
EBITDA / Interest	x	0.0 x	0.0 x	-8.3 x	-8.9 x	-4.9 x	-9.1 x

ORE RESERVES AND MINERAL RESOURCES

Halleck Creek Project (100%)	Mt	TREO (ppm)	kt
Mineral Resources			
Measured	207	3,720	769
Indicated	1,273	3,271	4,163
Inferred	1,147	3,239	3,716
Total	**2,626**	**3,292**	**8,647**
Ore Reserves			
Proven			
Probable			
Total			

DCF VALUATION

Ordinary shares (m)	574
Options in the money (m)	18
Diluted m	**592**

	Current		+ 12 months		+ 24 months	
Sum-of-the-parts valuation	**$m**	**$/sh**	**$m**	**$/sh**	**$m**	**$/sh**
Cowboy State Mine - NPV10%, 30% risked	170	0.30	212	0.37	559	0.97
Exploration	75	0.13	75	0.13	75	0.13
Corporate overheads	(48)	(0.08)	(48)	(0.08)	(48)	(0.08)
Net Cash/ Debt	21	0.04	21	0.04	21	0.04
Subtotal	218	0.38	260	0.45	218	0.38
Assumed capital raise (A$0m and new shares #0m)	-	592	-	592	-	-
Options in the money	5	0.01	5	0.01	5	0.01
Diluted valuation	223	0.38	265	0.45	223	0.39

CAPITAL STRUCTURE

Shares on issue	m	574
Escrow shares / other	m	-
Total shares on issue	**m**	574
Share price	**A$/sh**	**0.34**
Market capitalisation	A$m	192
Net debt/ (cash)	A$m	(21)
Enterprise value (undiluted)	**A$m**	**171**
Options outstanding (m)	m	38
Options in the money (m)	m	18
Issued shares (diluted for options)	m	592
Market capitalisation (diluted)	m	198
Net cash + options	A$m	(16)
Enterprise value (diluted)	**A$m**	**182**

MAJOR SHAREHOLDERS

Shareholder	%	m
Fidelity International Ltd	8%	44.7
BNY Asset Management	7%	41.1
Geoffrey Hill	7%	39.5
So Co Limited	6%	34.4
	28%	**159.8**

SOURCE: BELL POTTER SECURITIES ESTIMATES

Recommendation structure

Buy: Expect >15% total return on a 12 month view. For stocks regarded as 'Speculative' a return of >30% is expected.

Hold: Expect total return between -5% and 15% on a 12 month view

Sell: Expect <-5% total return on a 12 month view

Speculative Investments are either start-up enterprises with nil or only prospective operations or recently commenced operations with only forecast cash flows, or companies that have commenced operations or have been in operation for some time but have only forecast cash flows and/or a stressed balance sheet.

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Disclosure: Bell Potter Securities acted as Joint Lead manager to ARR's Jul-25 $15m placement and received fees for that service.

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