ASX: AR3 | MARKET ANNOUNCEMENT

ASX Release: 20 November 2026

AR3 awarded $350,000 PACE Grant to drill Overland Rare Earths & Niobium Carbonatite

South Australian Government to co-fund the first diamond drill program of the emerging ~5km rare earths and niobium carbonatite system at Overland

Highlights

- **$350,000 PACE grant awarded:** Australian Rare Earths Limited has been awarded $350,000 in South Australian Government Plan for Accelerating Exploration (PACE) funding to accelerate exploration through deep diamond drilling at the Overland Project.
- **Co-funding for 50% of the program:** The $350,000 grant will fund 50% of the proposed $700,000 exploration program, providing significant funding to advance exploration at the emerging rare earths and niobium carbonatite-related system at Overland.
- **~2,000m diamond drilling program:** The PACE-supported program comprises four diamond drill holes of approximately 500 metres each, totalling approximately 2,000 metres, together with downhole geophysics, laboratory assays and targeted petrography and Scanning Electron Microscope (SEM) studies.
- **Builds on an emerging ~5km carbonatite system:** The program builds directly on AR3's recent confirmation of an interpreted carbonatite system extending over approximately 5 kilometres, from the original discovery at OV167 to the substantial carbonatitic intersection at OV176. This funding will enable AR3 to drill the largest of the magnetic anomaly features identified at Overland, a compelling target located south of drilling undertaken so far
- **Engage with this announcement via AR3 Investor Hub here.**

$350,000 PACE Grant Awarded for Australian Rare Earths

Australian Rare Earths Limited (ASX: AR3) ("AR3" or "the Company") is pleased to advise that it has been awarded a $350,000 grant from the South Australian Government under the Plan for Accelerating Exploration ("PACE") Minerals program.

The grant represents the full amount sought by AR3 and will contribute 50% of the proposed $700,000 Overland Carbonatite Diamond Drilling Program. Specific details and conditions of the grant will be released to market once the formal grant agreements are executed. For shareholders, this means the first diamond drilling program at Overland can proceed with half of its cost met by non-dilutive State Government funding.

The successful application provides substantial funding for the next phase of exploration at Overland and follows AR3's recent drilling results confirming an interpreted rare earths and niobium carbonatite-related system over approximately 5 kilometres (refer AR3 ASX Announcement dated 18 November 2026).

Key results from drilling at Overland to date include:

- At OV167, drilling intersected 19 metres of anomalous REE-Nb mineralisation to end of hole, including 7m @ 0.56% TREO and 0.27% Nb_2O_5 from 86m, with subsequent mineralogical work identifying pyrochlore.

Approximately 5 km south, OV176 intersected over 130 metres of anomalous rare earth and niobium mineralisation within highly altered rocks, with the hole terminating in mineralisation (AR3 release 18 Nov 2026). The PACE-supported program will undertake the first diamond drilling program of the emerging system and is designed to determine its geometry, depth extent, intrusive architecture and controls on rare earth and niobium mineralisation.

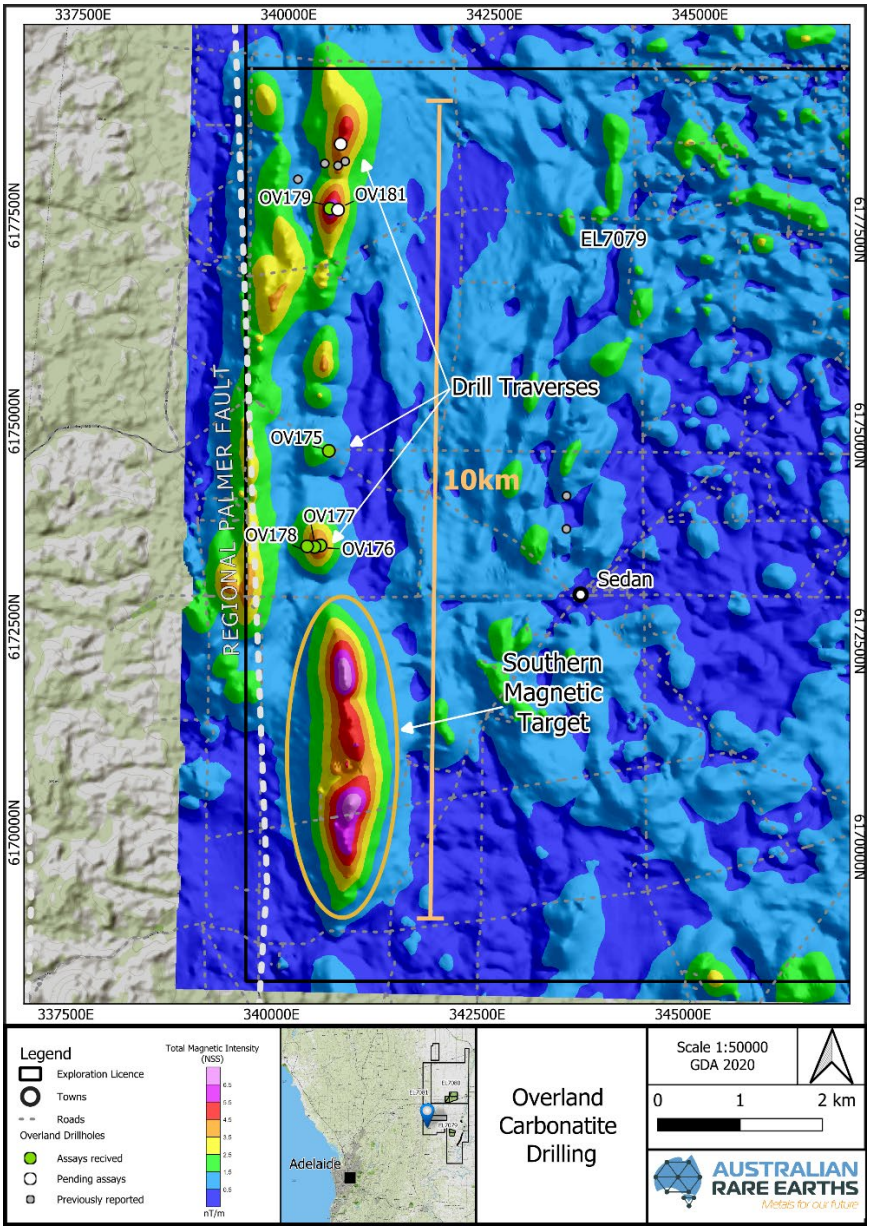


Figure 1: *Total Magnetic Intensity (TMI) image of the Overland Project showing the location of a large, high-intensity magnetic feature, extending approximately 4 km along strike, is evident to the south of the current drilling area and represents a significant exploration target for future investigation (AR3 ASX release 18 Nov 2026).*

The proposed program comprises four diamond holes of approximately 500 metres each, totalling approximately 2,000 metres of drilling. Diamond drilling will be supported by downhole geophysical surveys, with targeted petrographic and SEM studies.

The resulting geological, geophysical, geochemical and mineralogical datasets are expected to substantially improve AR3's geological model and provide the technical foundation for subsequent exploration targeting across the broader Overland system.

Importantly, the 5 km extent defined to date may represent only a portion of the broader Overland mineralised system. The large southern magnetic target (refer AR3 ASX Announcement dated 18 November 2026) remains untested and presents a compelling opportunity for further exploration to assess this magnetic feature and understand the relationship to the mineralisation identified to the north.

Carbonatites are relatively rare in Australia but are globally recognised as important primary sources of rare earth elements and niobium. Chandler et al. (2025)[1] identified only 16 known carbonatite occurrences in Australia, collectively associated with approximately 7.2 million tonnes of contained rare earth oxides and 2.7 million tonnes of Nb_2O_5.

With rare earth and niobium mineralisation already identified within the Overland system, PACE-funded drilling of the substantial southern magnetic anomaly will test whether the emerging 5 km mineralised corridor extends into a broader carbonatite system.

Management Comment

Australian Rare Earths Managing Director Travis Beinke said:

> *"Securing the SA Government's $350,000 PACE grant is a strong outcome for AR3."*
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> *"Our recent drilling has transformed Overland from an intriguing discovery at OV167 into an interpreted rare earths and niobium carbonatite system extending over approximately five kilometres. Despite that emerging scale, our drilling to date has largely been relatively shallow and the system remains essentially untested at depth."*
>
> *"The PACE-supported diamond drilling program gives us the opportunity to change that, and will allow us to obtain continuous core through priority basement targets and directly test the geometry, architecture and mineralisation of the system."*
>
> *"Importantly, the South Australian Government will contribute $350,000 towards this $700,000 program. We see that support as recognition of the geoscientific significance and exploration potential of what is emerging at Overland."*

PACE Minerals

PACE Minerals is the South Australian Government's mineral exploration co-funding initiative administered through the Department for Energy and Mining.

The South Australian Government is investing $12.4 million over four years in the renewed initiative to support exploration and accelerate the discovery of new mineral resources across South Australia.

Importantly, the renewed PACE initiative builds on the legacy of the original PACE program and continues a co-investment model that has contributed to some of South Australia's most significant mineral discoveries.

Working alongside the Geological Survey of South Australia, PACE Minerals supports industry in overcoming exploration challenges including remoteness, geological uncertainty and the difficulty of exploring beneath cover and at depth.

The stated objectives of PACE Minerals include:

- **accelerating mineral discovery;**
- facilitating the application of innovative exploration technology;
- increasing greenfield exploration, collaboration and activity;
- generating new geoscientific datasets; and
- attracting new investment into South Australia's mineral resources sector.

[1] Chandler, R., González-Álvarez, I., Mavrogenes, J. and Blais, L. (2025) 'A review of Australian carbonatites and associated REE-Nb mineralisation', *Journal of Geochemical Exploration*, 107870. doi:10.1016/j.gexplo.2025.107870.

The Overland diamond drilling program is strongly aligned with the objectives of PACE Minerals. In particular, the program will test an emerging carbonatite-system that will materially improve understanding of this previously under-explored basement and under cover geology.

Next Steps

- Execute formal agreements between the Company and the South Australian Government.
- Undertake the PACE co-funded diamond drilling program at Overland (four holes for approximately 2,000 metres). Planned for early 2027.
- Test the large southern magnetic target for a further centre of carbonatite-related activity beyond the current drill-defined corridor.
- Complete downhole geophysical surveys, laboratory assays and targeted petrographic and SEM studies, and update AR3's three-dimensional geological model.
- Provide further updates to the market as results become available.

The announcement has been authorised for release by the Board of Australian Rare Earths Limited.

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Cautionary Statement and Disclaimers

The information in this announcement is in summary form and does not purport to be complete nor does it contain all the information in relation to the Company. It should be read in conjunction with the Company's other periodic and continuous disclosure announcements lodged with the ASX at www.asx.com.au.

The Company does not purport to give financial or investment advice. No account has been taken of the objectives, financial situation or needs of any recipient of this document. The opinions and recommendations in this presentation are not intended to represent recommendations of uncertainties, to particular persons. This presentation does not constitute financial product advice.

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All references to $ in this announcement are to Australian dollars unless stated otherwise.

Forward Looking Statements

Some of the statements contained in this announcement are forward-looking statements. Forward looking statements include but are not limited to, statements concerning estimates of expected costs, statements relating to the advancement of the Company's investments and other statements which are not historical facts. Although the Company believes that its expectations reflected in the forward-looking statements are reasonable, such statements involve risk and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. Various factors could cause actual results to differ from these forward-looking statements include the potential that the Company's projects may experience technical, geological, metallurgical and mechanical problems, changes in product prices and other risks not anticipated by the Company or disclosed in the Company's published material.

Competent Person's Statement

The information in this report that relates to Exploration Results is based on, and fairly represents, information and supporting documentation compiled by Mr Chris Cockburn, who is a Member of the Australian Institute of Geoscientists (AIG). Mr Cockburn is an employee of Australian Rare Earths Limited and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Cockburn consents to the inclusion in this report of the matters based on his information in the form and context in which they appear.

Listing Rule 5.23 Disclosure

The Exploration Results referred to in this announcement were first reported in the Company's ASX announcements dated 15 September 2026, and on 18 November 2026. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements, and that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcements.

References

Chandler, R., González-Álvarez, I., Mavrogenes, J. and Blais, L. (2025) 'A review of Australian carbonatites and associated REE-Nb mineralisation', *Journal of Geochemical Exploration*, 107870. doi:10.1016/j.gexplo.2025.107870.