

25 March 2025

Non-renounceable Rights Issue to accelerate AR3's uranium and rare earths projects

Highlights:

- **Rights Issue:** AR3 today launches a capital raise to accelerate development of its uranium and rare earth projects via a 1 for 3 non-renounceable rights issue at an issue price of \$0.068 per share to existing shareholders to raise up to \$3.6 million.
- **Free Option:** Eligible shareholders entitled to 1 free attaching unlisted option for every 2 Shares subscribed for, with an exercise price of \$0.10 expiring 30 March 2029 (unless accelerated).
- **Offer Price:** Represents a discount of 17.1% to the last closing price of \$0.082 and 20.0% to the 30-day VWAP.
- **Uranium exploration:** AR3 will apply the funds to continue an active program of exploration drilling through 2025 at its Overland Uranium Project, where early exploration results have demonstrated strong potential for uranium discoveries¹.
- **Progressing Koppamurra rare earths project development:** AR3 will also apply the funds to progress Australia's most advanced ionic-clay hosted rare earths project, Koppamurra, towards Pre-Feasibility Studies and beyond, with the support of a funding co-contribution via the Australian Government grant announced in December 2024².
- Engage with this announcement at the AR3 [investor hub](#).

Australian Rare Earths Limited (ASX: AR3) is pleased to invite shareholders to invest in a non-renounceable rights issue, providing an opportunity for investors to participate in our growth story at a pivotal time. Over the past two years, AR3 has strategically expanded its portfolio and achieved significant milestones, as we seek to become a diversified supplier of critical minerals for the global clean energy transition.

¹ See ASX 19 March 2025 "AR3 confirms near surface Uranium discovery at Overland" and 21 January 2025 "Overland Progress Update"

² See ASX 6 December 2024 "AR3 awarded \$5m Federal Government grant for Koppamurra Project"

Why Invest in AR3?

AR3 has transformed itself from a single-project company to a diversified critical minerals developer and explorer with attractive growth prospects and government recognition. Our key investment points include:

Early success in a frontier uranium play: Our Overland Uranium Project covers approximately 4,000 km² of tenements highly prospective for uranium in South Australia - one of only two jurisdictions in Australia to allow uranium mining. Drilling in late 2024 and early 2025 at the Overland Project has already demonstrated its potential for both near surface, calcrete-hosted uranium and deeper, ISR-amenable deposits, emphasising the value of the Company's vast 4,000km² exploration land package in a frontier uranium play. We have an active follow-up drilling program planned for this year.

Rare earths project advancing with Government recognition and support: AR3 has been awarded a \$5 million grant from the Australian Government's International Partnerships in Critical Minerals Program, highlighting the strategic importance of our Koppamurra Rare Earth Project. Our grant application was supported by longstanding AR3 cornerstone shareholder and global advanced industrial materials manufacturer, Neo Performance Materials, which has over 30 years of international rare earth magnetics experience. With this grant, and our existing cash reserves, Koppamurra is now largely funded to deliver a Pre-Feasibility Study and build and operate a demonstration facility during the later part of 2025 and 2026.

As we progress Koppamurra over 2025/26, every dollar AR3 invests can unlock more – multiplied by grant co-funding from the Australian Government for the Pre-Feasibility Studies and planned Demonstration Facility, and further boosted by cash rebates from the Research and Development Tax Incentive (RDTI) on eligible activities.

Advancing Koppamurra will help create new and diversified rare earth supply chains vital to the world's clean energy transition.

Positioned for the future: Our two commodity focus areas capitalise on a growing uranium market underpinned by new reactor builds and restarts, and a global rare earth market eager for new secure and reliable supply options.

Invitation to Participate

We invite our current shareholders to continue your support in this exciting phase of AR3's development. This rights issue will enable us to accelerate our uranium exploration at the Overland Project while we progress our Koppamurra rare earths project with the benefit of Australian Government support.

The Offer

The Company offers eligible shareholders the opportunity to participate in a pro-rata non-renounceable entitlement issue of up to approximately 52,996,576 fully paid ordinary shares (Shares) at an issue price of \$0.068 per Share, on the basis of 1 new Share for every 3 Shares held on the record date, to raise up to approximately \$3.6 million before expenses. The Company will also issue up to approximately 26,498,288 options, on the basis of 1 free attaching unlisted

option for every 2 shares subscribed for, with each option having an exercise price of \$0.10 and expiring on 30 March 2029 (unless accelerated) (**Option**) (**Offer**).

If the Shares of the Company close at or above \$0.15 for twenty (20) consecutive trading days on the ASX, then the Company may, in its absolute discretion, elect to accelerate the expiry date of the Options by issuing a news release announcing the accelerated Option term, pursuant to which the Options will expire on the 30th calendar day after the date of such news release.

A full explanation of the rights attaching to the shares and options will be set out in the Offer Booklet detailing the terms of the offer.

The rights issue price represents a discount of:

- 17.1% to the Company's last closing price of \$0.082 on the ASX; and
- 20.0% to the Company's 30-day VWAP of \$0.085

Funds raised under the Offer will be used:

- to fund uranium exploration at Overland and potentially elsewhere;
- to progress the development of the Company's flagship Australian rare earths project at Koppamurra through the next study phase;
- in support of business development activities and the potential acquisition of possible new projects (if identified);
- for general corporate activity and general working capital; and
- for expenses associated with the Offer.

The Rights Issue is open to registered holder of Shares at 5pm (Adelaide time) on the Record Date with a registered address in Australia (and its external territories), New Zealand or Canada.

Any entitlement not taken up (**Shortfall Shares**) will be offered under a top-up facility, allowing eligible shareholders who have fully subscribed to their entitlement under the Offer (excluding Listing Rule 10.11) to apply for additional Shares. If demand for additional Shares exceeds the available Shortfall Shares, the Company may scale back allocations in its complete discretion (in accordance with the Corporations Act, the ASX Listing Rules and any other applicable laws and regulations).

New Shares issued under the Offer will rank equally in all respects with existing Shares on issue.

Information about how eligible shareholders can accept their entitlement will be set out in the offer booklet, and letter to eligible shareholders. Eligible shareholders should consider the offer booklet in deciding whether to subscribe for Shares under the Rights Issue.

The Offer is not underwritten.

The Directors intend to participate in the Offer and take up their entitlements in full.

Key Dates

Activity	Date
Announcement of issue	25 March 2025
ASX Lodgements	25 March 2025
Ex Date	27 March 2025
Record date	28 March 2025
Offer Opens	31 March 2025
Latest date to extend	9 April 2025
Closing date	14 April 2025
Settlement	15 April 2025
Announcement of results	17 April 2025
Lodge 2A (new shares trade)	22 April 2025

This timetable is indicative only and may change. AR3 reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws.

AR3 Managing Director and CEO, Travis Beinke, said:

"This rights issue comes at an important moment in AR3's journey. We've made significant strides in transforming AR3 into a diversified critical minerals company, and this rights issue will allow us to accelerate both the development of our Koppamurra Rare Earth Project and exploration at our exciting Overland Uranium Project.

Early results from exploration drilling at our Overland Uranium Project highlight the potential for a significant uranium discovery. It's a compelling uranium exploration opportunity in a frontier uranium play. Through this rights issue, we're providing our shareholders an opportunity to see new funds applied in a potential high-impact exploration program.

Meanwhile, funds raised will also enable us to continue to progress work at our Koppamurra rare earths project – one of the most advanced ionic-clay hosted projects in Australia, and one recognised with strong Australian Government support, evidenced by the recent \$5 million grant. This rights issue will help us to remain well-funded as we advance this project towards a Pre-Feasibility Study and establish a demonstration facility as we position Koppamurra as a project with a potential time-to-market edge in delivering new, diversified sources of supply, in particular for heavy rare earths, to the global rare earth supply chain.

We thank our shareholders for their continued support and look forward to sharing our continued success with you."

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

For further information please contact:

Australian Rare Earths Limited

Travis Beinke
Managing Director and CEO
T: 1 300 646 100

Media Enquiries

Jessica Fertig
Tau Media
E: info@taumedia.com.au

Engage and Contribute at the AR3 investor hub: <https://investorhub.ar3.com.au/>

About Australian Rare Earths Limited

Australian Rare Earths (AR3) is an emerging diversified critical minerals company, strategically positioned to meet the growing global demand for uranium and rare earth elements. The Company's vast 4,000 km² Overland Uranium Project in South Australia shows strong uranium discovery potential, with initial drilling identifying opportunities for substantial near-surface and deeper deposits.

Simultaneously, AR3's Koppamurra Rare Earths Project in South Australia and Victoria has secured important government support through a \$5 million grant to accelerate development. With support from global advanced industrial materials manufacturer, Neo Performance Materials, AR3 is progressing toward a Pre-Feasibility Study and a demonstration facility, solidifying its role in diversifying global rare earth supply chains for the clean energy transition. With strategic projects and strong government support, AR3 is poised for significant growth in the critical minerals market.