

# AUSTRALIAN RARE EARTHS LIMITED

ACN 632 645 302

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## NOTICE OF GENERAL MEETING EXPLANATORY MEMORANDUM

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### **Date of Meeting**

Thursday, 22 June 2023

### **Time of Meeting**

1:00pm (Adelaide time)

### **Place of Meeting**

Offices of Grant Thornton Australia Limited  
Level 3, 170 Frome Street  
Adelaide, South Australia

**This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisors prior to voting.**

**Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary, Mr Noel Whitcher, on 1300 646 100.**

Shareholders who are unable to attend the General Meeting are encouraged to lodge their proxy forms online at [www.investorvote.com.au](http://www.investorvote.com.au), or by mail, in accordance with instructions contained on the proxy form and within this Notice of Meeting.

# Australian Rare Earths Limited

## NOTICE OF GENERAL MEETING

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Notice is hereby given that the General Meeting of Shareholders of Australian Rare Earths Limited (ACN 632 645 302) (**Company**) will be held at the Offices of Grant Thornton Australia Limited Level 3, 170 Frome Street, Adelaide, South Australia on Thursday, 22 June 2023 at 1:00pm (Adelaide time). The business to be considered at the Meeting is set out below.

### COVID and attendance at the Meeting

The Board is acutely aware of the on-going uncertain nature of circumstances resulting from COVID-19 and the impact it may have on physical meetings. The Board has made the decision that it will hold a physical Meeting with the appropriate social gathering and physical distancing measures in place to comply with any State and Federal Governments' advice for physical gatherings applicable at that time.

If it becomes necessary or appropriate to make alternative arrangements to those set out in this Notice, the Company will notify Shareholders accordingly via the Company's website at [www.ar3.com.au](http://www.ar3.com.au) and the ASX announcements platform.

The Directors strongly encourage all Shareholders to lodge proxy forms prior to the Meeting. Shareholders can lodge their proxies online at [www.investorvote.com.au](http://www.investorvote.com.au) or otherwise returning a completed proxy form. Instructions on how to complete a proxy form are set out in the Explanatory Memorandum. Proxy forms must be received by no later than 1:00 pm (Adelaide time) on Tuesday, 20 June 2023.

If you have elected to receive notices from the Company electronically, then your personalised proxy form will be emailed to you. For other Shareholders, a copy of your personalised proxy form will be sent to you by mail.

The Company advises that a poll will be conducted for voting on all Resolutions being considered at the Meeting.

Shareholders who are unable to attend the Meeting are encouraged to lodge their proxy forms online at [www.investorvote.com.au](http://www.investorvote.com.au), or by mail, in accordance with instructions contained on the proxy form and within this Notice of Meeting.

### Questions

Shareholders will have an opportunity to ask questions about the items of business during the Meeting.

Shareholders are encouraged to submit any written questions ahead of the Meeting.

Written questions must be received by the Company no later than 5:00 pm (Adelaide time) on Tuesday, 20 June 2023. You can send any written questions to:

Mail: 'Australian Rare Earths Limited GM' at Level 10, 111 Gawler Place, Adelaide, SA, 5000

Email: [hello@ar3.com.au](mailto:hello@ar3.com.au)

The Chair, with the assistance of other Directors where appropriate, will endeavour to address as many of the relevant raised questions as possible during Meeting. However, there may not be sufficient time available at the Meeting to address all of the questions raised. Please note that individual responses will not be sent to Shareholders.

### Other Company documents and how to update your communication preferences

In order to receive shareholder communications from the Company electronically, instead of by post, go to [www.investorcentre.com.au](http://www.investorcentre.com.au) to register your details and update your communication preferences.

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Meeting.

The Explanatory Memorandum and proxy form comprise part of this Notice of Meeting. Shareholders are urged to vote by completing and lodging their proxies online at [www.investorvote.com.au](http://www.investorvote.com.au) or otherwise returning a completed proxy form by no later than 1:00 pm (Adelaide time) on Tuesday, 20 June 2023.

Terms and abbreviations used in the Notice of Meeting and Explanatory Memorandum are defined in the Glossary of the Explanatory Memorandum.

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## AGENDA

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The Explanatory Memorandum that accompanies and forms a part of this Notice of General Meeting describes the matters to be considered at the Meeting.

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### ORDINARY BUSINESS

#### RESOLUTION 1 – RATIFICATION OF PLACEMENT SHARES ISSUED ON 1 MAY 2023

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*‘That, for the purposes of ASX Listing Rule 7.4 and all other purposes, Shareholders ratify the issue and allotment of 23,595,441 Placement Shares on the terms and to the parties set out in the accompanying Explanatory Memorandum.’*

#### RESOLUTION 2 – RATIFICATION OF PLACEMENT OPTIONS ISSUED ON 10 MAY 2023

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*‘That, for the purposes of ASX Listing Rule 7.4 and all other purposes, Shareholders ratify the issue and allotment of 7,865,182 Placement Options on the terms and to the parties set out in the accompanying Explanatory Memorandum.’*

#### RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO ANGUS BARKER

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*‘That, for the purposes of ASX Listing Rule 10.11 and all other purposes, Shareholders approve the issue and allotment of 500,000 Placement Shares and 166,667 Placement Options to Angus Barker (or his nominee) on the terms and conditions set out in the accompanying Explanatory Memorandum.’*

#### RESOLUTION 4 – APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO BRYN JONES

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*‘That, for the purposes of ASX Listing Rule 10.11 and all other purposes, Shareholders approve the issue and allotment of 222,223 Placement Shares and 74,074 Placement Options to Bryn Jones (or his nominee) on the terms and conditions set out in the accompanying Explanatory Memorandum.’*

#### RESOLUTION 5 – APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO RICK POBJOY

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*‘That, for the purposes of ASX Listing Rule 10.11 and all other purposes, Shareholders approve the issue and allotment of 50,000 Placement Shares and 16,667 Placement Options to Rick Pobjoy (or his nominee) on the terms and conditions set out in the accompanying Explanatory Memorandum.’*

#### RESOLUTION 6 – APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO DUDLEY KINGSNORTH

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*‘That, for the purposes of ASX Listing Rule 10.11 and all other purposes, Shareholders approve the issue and allotment of 50,000 Placement Shares and 16,667 Placement Options to Dudley Kingsnorth (or his nominee) on the terms and conditions set out in the accompanying Explanatory Memorandum.’*

#### RESOLUTION 7 – APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO PAULINE CARR

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*‘That, for the purposes of ASX Listing Rule 10.11 and all other purposes, Shareholders approve the issue and allotment of 44,445 Placement Shares and 14,815 Placement Options to Pauline Carr (or her nominee) on the terms and conditions set out in the accompanying Explanatory Memorandum.’*

## Notice of General Meeting – 22 June 2023

### RESOLUTION 8 – APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO NOEL WHITCHER

To consider and, if thought fit, pass the following Resolution as an Ordinary Resolution:

*'That, for the purposes of ASX Listing Rule 7.1 and all other purposes, Shareholders approve the issue and allotment of 27,224 Placement Shares and 9,075 Placement Options to Noel Whitcher (or his nominee) on the terms and conditions set out in the accompanying Explanatory Memorandum.'*

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### VOTING PROHIBITIONS

#### RESOLUTIONS 1 AND 2

The Company will disregard any votes cast in favour of Resolutions 1 and 2 respectively by, or on behalf of, any person who participated in the issue of Placement Shares (Resolution 1), any person who participated in the issue of Placement Options (Resolution 2) and any associates of such person. However, this does not apply to a vote cast in favour of a resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### RESOLUTION 3

The Company will disregard any votes cast in favour of Resolution 3 by or on behalf of Mr Angus Barker (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), and associates of those persons.

However, this does not apply to a vote cast in favour of Resolution 3 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

#### RESOLUTION 4

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Mr Bryn Jones (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), and associates of those persons.

However, this does not apply to a vote cast in favour of Resolution 4 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or

## Notice of General Meeting – 22 June 2023

- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### RESOLUTION 5

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of Mr Rick Pobjoy (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), and associates of those persons.

However, this does not apply to a vote cast in favour of Resolution 5 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### RESOLUTION 6

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Professor Dudley Kingsnorth (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), and associates of those persons.

However, this does not apply to a vote cast in favour of Resolution 6 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### RESOLUTION 7

The Company will disregard any votes cast in favour of Resolution 7 by or on behalf of Ms Pauline Carr (or her nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), and associates of those persons.

## Notice of General Meeting – 22 June 2023

However, this does not apply to a vote cast in favour of Resolution 7 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### RESOLUTION 8

The Company will disregard any votes cast in favour of Resolution 8 by or on behalf of Mr Noel Whitcher (or his nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), and associates of those persons.

However, this does not apply to a vote cast in favour of Resolution 8 by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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## VOTING, PROXIES AND QUESTIONS

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### VOTING BY PROXY

Shareholders are encouraged to lodge proxy forms prior to the Meeting in accordance with the instructions contained on the proxy form and within this Notice of Meeting as detailed below.

#### Appointment of proxies and corporate representatives

A Shareholder entitled to attend and vote is entitled to appoint up to two proxies. A proxy need not be a Shareholder and may be either an individual or a body corporate.

If a Shareholder is a corporation, it can attend and vote at the meeting by appointing an individual person to act as its corporate representative or by appointing a proxy to attend and vote on its behalf. A Shareholder that is a body corporate, or a proxy who is a body corporate, will need to ensure that it appoints an individual as its corporate representative to exercise its powers at the Meeting and provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the meeting. The appointment must comply with the requirements of section 250D of the Corporations Act.

Where a Shareholder wishes to appoint two proxies, they can do so online at [www.investorvote.com.au](http://www.investorvote.com.au). A Shareholder appointing two proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies but fails to specify the proportion or number of votes that each may exercise, each proxy appointed may exercise half the Shareholder's votes. Fractions of votes are to be disregarded.

## Notice of General Meeting – 22 June 2023

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, if it does:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed);
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands;
- if the proxy is the Chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the Chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Section 250BC of the Corporations Act provides that if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's members;
- the appointed proxy is not the chair of the meeting;
- at the meeting, a poll is duly demanded, or is otherwise required under section 250JA of the Corporations Act, on the question that the resolution is passed; and
- either if a record of attendance is made for the meeting, the proxy is not recorded as attending the meeting or the proxy does not vote on the resolution,

the Chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

Subject to the voting restrictions set out below, if you do not direct your proxy to vote by marking the relevant box on the proxy form, your proxy may vote as they choose on that item of business.

The Chair intends to vote all available proxies in accordance with the Board recommendations set out in the Explanatory Memorandum accompanying this Notice.

To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 1:00 pm (Adelaide time) on Tuesday, 20 June 2023.

### Voting by Attorney

A Shareholder entitled to attend and vote may appoint an attorney to act on his or her behalf at the Meeting. An attorney may, but need not, be a Shareholder of the Company.

An attorney may not vote at the Meeting unless the instrument appointing the attorney, and the authority under which the instrument is signed or a certified copy of the authority, are received by the Company in the same manner, and by the same time, as outlined above for proxy forms.

### Proxy Lodgement

Proxies are able to be lodged by the following means:

- |                   |   |
|-------------------|---|
| Online:           | Enter the control number, SRN/HIN and postcode shown on the first page of your proxy form at <b><a href="http://www.investorvote.com.au">www.investorvote.com.au</a></b>  |
| Mail:             | Australian Rare Earth Limited C/- Computershare Investor Services Pty Limited GPO Box 242 Melbourne VIC 3001 Australia; or  |
| Fax:              | Australian Rare Earths Limited C/- Computershare Investor Services Pty Limited (within Australia) 1800 783 447 (outside Australia) +61 3 9473 2555.   |
| Custodian Voting: | Custodian Voting is available for Intermediary Online subscribers only (Custodians) by visiting <b><a href="http://www.intermediaryonline.com">www.intermediaryonline.com</a></b> to submit your voting intentions. |

## **Notice of General Meeting – 22 June 2023**

To be valid, the proxy form, and any authority under which the form is signed, must be received by the Company or the Company's Share Registry prior to 1:00 pm (Adelaide time) on Tuesday, 20 June 2023. Any proxy forms received after that time will not be valid for the Meeting.

### **ENTITLEMENT TO VOTE**

For the purpose of determining the voting entitlements at the meeting, the Board has determined that, in accordance with the Company's Constitution and the Corporations Act, the shares in the Company will be taken to be held by the registered holders of those shares at 7:00 pm (Adelaide time) on Tuesday, 20 June 2023. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

By order of the Board

A handwritten signature in blue ink, appearing to read 'Noel Whitcher', with a long horizontal flourish extending to the right.

**Noel Whitcher**  
**Company Secretary**

Adelaide, 16 May 2023



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# EXPLANATORY MEMORANDUM

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## Introduction

This Explanatory Memorandum forms part of the Notice of Meeting and has been prepared to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the General Meeting of Shareholders to be held at the Offices of Grant Thornton Australia Limited Level 3, 170 Frome Street, Adelaide, South Australia on Thursday, 22 June 2023 at 1:00pm (Adelaide time).

This Explanatory Memorandum should be read in full and in conjunction with the accompanying Notice of General Meeting before making any decision in relation to the resolutions, and is a brief explanation of Resolutions 1 to 8 in the Notice of General Meeting and why the Company is seeking Shareholder approval.

Terms defined in the Notice of Meeting have the same meaning in this Explanatory Memorandum.

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## RESOLUTIONS 1 AND 2 - RATIFICATION OF PLACEMENT SHARES ISSUED ON 1 MAY 2023 AND PLACEMENT OPTIONS ISSUED ON 10 MAY 2023

On 21 April 2022, the Company announced that it had received firm commitments to place 23,595,441 Shares at an issue price of \$0.45 (45 cents) per Share (**Placement Shares**) to institutional and sophisticated investors to raise \$10,617,948.45 (before costs), together with one (1) free-attaching unlisted option exercisable at \$0.57 (57 cents) and expiring on 9 May 2025 (**Placement Options**) for every three (3) Placement Shares subscribed for (together the **Placement**).

The funds raised from the Placement will be used for further resource definition drilling, metallurgical test work, community, and stakeholder engagement as well as evaluation of downstream processing options for Koppamurra, and for general working capital purposes.

Placement Shares were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1 (10,627,778 Shares) and 10% placement capacity under ASX Listing Rule 7.1A (12,967,663 Shares).

Placement Options were issued under the Company's 15% placement capacity under ASX Listing Rule 7.1 (7,865,182 Options).

### ASX Listing Rules and Reasons for Seeking Shareholder Approval

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of shareholders over any 12 month period to 15% of the fully paid Shares it had on issue at the start of that period.

Under ASX Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase the 15% limit under ASX Listing Rule 7.1 by an extra 10% to 25% (**ASX Listing Rule 7.1A Mandate**). Shareholders approved this additional capacity at the Company's last annual general meeting on 24 November 2022.

ASX Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A (as the case may be) and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A (as the case may be).

The issue of 23,595,441 Placement Shares (the subject of Resolution 1) and 7,865,182 Placement Options (the subject of Resolution 2) does not fall within any of the exceptions in ASX Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit under ASX Listing Rule 7.1 and the 10% limit under ASX Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under:

- (a) ASX Listing Rule 7.1 for the 12 month period following the issue of the Placement Shares (in respect of the 10,627,778 Placement Shares issued using the Company's annual 15% placement capacity under ASX Listing Rule 7.1) and Placement Options; and
- (b) ASX Listing Rule 7.1A for the period ending on the earliest of:
  - the date that is 12 months after the Company's last annual general meeting at which the ASX Listing Rule 7.1A Mandate was approved;
  - the time and date of the Company's next annual general meeting; and
  - the time and date on which Shareholders approve a transaction under ASX Listing Rule 11.1.2 (for a significant change to the nature or scale of the Company's activities) or ASX Listing Rule 11.2 (for the disposal of the Company's main undertaking),

## Explanatory Memorandum

### (ASX Listing Rule 7.1A Mandate Expiry Date).

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1.

To this end, Resolution 1 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the ratification of the issue and allotment of 10,627,778 Placement Shares which were issued pursuant to the 15% capacity under ASX Listing Rule 7.1 and further 12,967,663 Placement Shares which were issued pursuant to the 10% capacity under ASX Listing Rule 7.1A. Resolution 2 seeks Shareholder approval pursuant to ASX Listing Rule 7.4 for the ratification of the issue and allotment of 7,865,182 Placement Options, which were issued pursuant to the Company's 15% capacity under ASX Listing Rule 7.1.

If Resolution 1 is passed, the issue of the:

- (a) 10,627,778 Placement Shares issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares; and
- (b) 12,967,663 Placement Shares issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A will be excluded in calculating the Company's additional 10% limit in ASX Listing Rule 7.1A, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval for the period ending on the ASX Listing Rule 7.1A Mandate Expiry Date.

If Resolution 1 is not passed, the issue of the:

- (a) 10,627,778 Placement Shares issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares; and
- (b) 12,967,663 Placement Shares issued pursuant to the Company's placement capacity under ASX Listing Rule 7.1A will be included in calculating the Company's additional 10% limit in ASX Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval for the period ending on the ASX Listing Rule 7.1A Mandate Expiry Date.

If Resolution 2 is passed, the issue of the 7,865,182 Placement Options issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 will be excluded in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively increasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Options.

If Resolution 2 is not passed, the issue of the 7,865,182 Placement Options issued pursuant to the Company's 15% placement capacity under ASX Listing Rule 7.1 will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Options.

### Key Information

ASX Listing Rule 7.5 requires the following information about the issue of Placement Shares and Placement Options to be provided to Shareholders in respect of Resolutions 1 and 2:

<i>Number of securities issued:</i>	<ul style="list-style-type: none"><li>a) 23,595,441 Placement Shares (Resolution 1), comprising of:<ul style="list-style-type: none"><li>• 10,627,778 Shares issued pursuant to ASX Listing Rule 7.1 (15% capacity); and</li><li>• 12,967,663 Shares issued pursuant to ASX Listing Rule 7.1A (10% capacity)</li></ul></li><li>a) 7,865,182 Placement Options (Resolution 2)</li></ul>
<i>Date of issue:</i>	<ul style="list-style-type: none"><li>a) Placement Shares were issued on 1 May 2023.</li><li>b) Placement Options were issued on 10 May 2023.</li></ul>
<i>Issue price:</i>	<ul style="list-style-type: none"><li>a) \$0.45 (44 cents) per Placement Share, raising a total of \$10,617,948.45 (before costs).</li><li>b) Placement Options were issued for nil consideration.</li></ul>
<i>Terms:</i>	<ul style="list-style-type: none"><li>a) Placement Shares are fully paid ordinary shares in the Company and were issued on the same terms as the Company's existing Shares.</li></ul>

## Explanatory Memorandum

	<p>b) Placement Options have an exercise price of \$0.57 (57 cents) each and expire on 9 May 2025 and are subject to the terms and conditions set out in Annexure A.</p> <p>Any Shares issued on the exercise of the Placement Options will rank equally with existing Shares.</p>
<i>Names of allottees:</i>	<p>Placement Shares and Placement Options were issued to professional and sophisticated investors (within the meaning of sections 708(8) – (11) of the Corporations Act) who are clients of the Lead Managers. The recipients were identified through a bookbuild process, which involved the Lead Managers seeking expressions of interest to participate in the Placement.</p> <p>In accordance with paragraph 7.4 of ASX Guidance Note 21, the Company confirms that no recipients were:</p> <p>a) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisors of the Company or any associate of any of those parties; and</p> <p>b) who were issued more than 1% of the issued capital of the Company.</p>
<i>Use of funds:</i>	<p>a) The funds raised from the issue of Placement Shares will be used for further resource definition drilling, metallurgical test work, community, and stakeholder engagement as well as evaluation of downstream processing options for Koppamurra, and for general working capital purposes.</p> <p>b) No funds were raised from the issue of Placement Options. It is anticipated that any funds raised from the exercise of Placement Options (if this occurs) will be used for general working capital.</p> <p>There is no guarantee that any Placement Options will be exercised at all.</p>
<i>Agreement:</i>	The Placement Shares and Placement Options were not issued under an agreement.
<i>Voting exclusion statement:</i>	A voting exclusion statement is included in this notice of meeting.

### Board Recommendation

The Board recommends that shareholders vote **IN FAVOUR** of Resolutions 1 and 2.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolutions 1 and 2.

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## RESOLUTIONS 3 TO 7 – APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO DIRECTORS

### Key Information

On 21 April 2023, the Company announced a placement of approximately 24.6 million Shares (**Placement Shares**) at \$0.45 per Share to raise approximately \$11.1 million (**Placement**). Placement participants will receive a free attaching unlisted option on a 1:3 basis (**Placement Options**). The Company issued 23,595,441 Placement Shares and 7,865,182 Placement Options to non-related sophisticated investors on 1 May 2023 and 10 May 2023 respectively.

The Directors have agreed to subscribe for 866,668 Placement Shares (**Related Party Shares**), subject to obtaining Shareholder approval. The Directors will receive 288,890 Placement Options (**Related Party Options**), subject to obtaining Shareholder approval.

The number of Related Party Shares and Related Party Options to be issued to each Director, subject to obtaining Shareholder approval, is set out below:

## Explanatory Memorandum

Director	Number of Placement Shares to be issued	Price per Placement Share	Funds to be received by the Company for Placement Shares	Number of Placement Options to be issued
Angus Barker	500,000	\$0.45	\$225,000	166,667
Bryn Jones	222,223	\$0.45	\$100,000.35	74,074
Rick Pobjoy	50,000	\$0.45	\$22,500	16,667
Dudley Kingsnorth	50,000	\$0.45	\$22,500	16,667
Pauline Carr	44,445	\$0.45	20,000.25	14,815
	<b>866,668</b>		<b>\$390,000.60</b>	<b>288,890</b>

### Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The issue of the Related Party Shares and Related Party Options constitutes the giving of a financial benefit, and each of the Directors to whom the Related Party Shares and Related Party Options are proposed to be issued is a related party of the Company by virtue of being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party Shares and Related Party Options because the proposed issue of Related Party Shares and Related Party Options is on the same terms and conditions as Placement Shares and Placement Options that were issued to non-related sophisticated investors in the Placement, and can therefore be considered to be on an arm's length basis.

### ASX Listing Rule 10.11

ASX Listing Rule 10.11 provides that unless one of the exceptions in ASX Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the six months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the six months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in ASX Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in ASX Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The issue of the Related Party Shares and Related Party Options falls within ASX Listing Rule 10.11.1 and does not fall within any of the exceptions in ASX Listing Rule 10.12. It therefore requires the approval of Shareholders under ASX Listing Rule 10.11.

Resolutions 3 to 7 seek the required Shareholder approval to the issue of the Related Party Shares and Related Party Options under and for the purposes of ASX Listing Rule 10.11.

If any of Resolutions 3 to 7 is passed, the Company will be able to proceed with the issue of the Related Party Shares and Related Party Options the subject of that resolution.

## Explanatory Memorandum

If any of Resolutions 3 to 7 is not passed, the Company will not be able to proceed with the issue of the Related Party Shares and Related Party Options the subject of that resolution.

### Technical information required by ASX Listing Rule 10.13

Pursuant to and in accordance with the requirements of ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Related Party Shares and Related Party Options pursuant to Resolutions 3 to 7:

- (a) The Related Party Shares and Related Party Options will be issued to Messrs Barker, Jones and Pobjoy, Professor Kingsnorth and Ms Carr, or their respective nominees.
- (b) Each of Messrs Barker, Jones and Pobjoy, Professor Kingsnorth and Ms Carr is a director of the Company and therefore a related party under ASX Listing Rule 10.11.1.
- (c) The number of fully paid ordinary shares and unquoted options to be issued is as follows:
  - Mr Barker: 500,000 shares and 166,667 options;
  - Mr Jones: 222,223 shares and 74,074 options;
  - Mr Pobjoy: 50,000 shares and 16,667 options;
  - Professor Kingsnorth: 50,000 shares and 16,667 options; and
  - Ms Carr: 44,445 shares and 14,815 options;
- (d) The terms and conditions of the Related Party Options are set out in Annexure A.
- (e) The Related Party Shares and Related Party Options will be issued no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (f) The Related Party Shares will be issued at an issue price of \$0.45 each and will raise \$390,000.60.

The Related Party Options will not be issued for cash consideration.
- (g) The purpose of the issue is to issue shares and options to the Directors, who wish to participate in the Placement. The purpose of the issue is not to remunerate or incentivise the Directors.

Funds raised from the issue of the Related Party Shares will be utilised for further resource definition drilling, metallurgical test work, community and stakeholder engagement and further evaluation of downstream processing options at the world-class Koppamurra ionic clay-hosted rare earth deposit, in addition to providing general working capital.
- (h) The Related Party Shares and Related Party Options are not being issued under an agreement.

### Board Recommendation

The Directors (with Mr Barker abstaining) recommend that Shareholders vote in favour of Resolution 3.

The Directors (with Mr Jones abstaining) recommend that Shareholders vote in favour of Resolution 4

The Directors (with Mr Pobjoy abstaining) recommend that Shareholders vote in favour of Resolution 5.

The Directors (with Professor Kingsnorth abstaining) recommend that Shareholders vote in favour of Resolution 6.

The Directors (with Ms Carr abstaining) recommend that Shareholders vote in favour of Resolution 7.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of each of Resolutions 3 to 7.

### RESOLUTION 8 – APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO NOEL WHITCHER

#### Key Information

The Company's Company Secretary, Mr Noel Whitcher, has agreed to subscribe for 27,224 Placement Shares, subject to obtaining Shareholder approval. Mr Whitcher will receive 9,075 Placement Options, subject to obtaining Shareholder approval.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

## Explanatory Memorandum

The issue of the Placement Shares and Placement Options to Mr Whitcher (**Issue**) does not fall within any of these exceptions.

Resolution 8 seeks shareholder approval to the Issue under and for the purposes of ASX Listing Rule 7.1 in order that the Issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 8 is passed, the Company will be able to proceed with the Issue and use funds raised for the purposes referred to below. In addition, the Issue will be excluded from the calculation of the number of Equity Securities that the Company can issue without shareholder approval under ASX Listing Rule 7.1.

If Resolution 8 is not passed, the Company will still be able to proceed with the Issue and use funds raised for the purposes referred to below, but the Issue will be included in the calculation of the number of Equity Securities that the Company can issue without shareholder approval under ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the issue date.

### Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with the requirements of ASX Listing Rule 7.3, the following information is provided in relation to the proposed issue of Placement Shares and Placement Options pursuant to Resolution 8:

- (a) The Placement Shares and Placement Options will be issued to Mr Whitcher or his nominee.
- (b) 27,244 fully paid ordinary shares and 9,075 unquoted options will be issued.
- (c) The terms and conditions of the Placement Options are set out in Annexure A.
- (d) The Placement Shares and Placement Options will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).
- (e) The Placement Shares will be issued at an issue price of \$0.45 each and will raise \$12,250.80.  
The Placement Options will not be issued for cash consideration.
- (i) The purpose of the issue is to issue shares and options to Mr Whitcher, who wishes to participate in the Placement.  
Funds raised from the issue of the Placement Shares will be utilised for further resource definition drilling, metallurgical test work, community and stakeholder engagement and further evaluation of downstream processing options at the world-class Koppamurra ionic clay-hosted rare earth deposit, in addition to providing general working capital.
- (j) The Placement Shares and Placement Options are not being issued under an agreement.
- (k) The Placement Shares and Placement Options are not being issued under, or to fund, a reverse takeover.

The Board recommends that shareholders vote **IN FAVOUR** of Resolution 8.

The Chairman of the Meeting intends to vote all undirected proxies **IN FAVOUR** of Resolution 8.

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## GLOSSARY

In the Explanatory Memorandum and Notice of General Meeting:

**Associate** has the meaning given to that term in the Corporations Act.

**ASX** means ASX Limited (ABN 98 008 624 691).

**ASX Listing Rules** means the listing rules of ASX.

**Board** means the board of Directors.

**Chair** means the Chair of the Meeting.

**Company** means Australian Rare Earths Limited (ACN 632 645 302).

**Corporations Act** means the *Corporations Act 2001* (Cth), as amended.

**Director** means a director of the Company.

**Equity Securities** has the meaning in the ASX Listing Rules.

**Explanatory Memorandum** means the Explanatory Memorandum accompanying the Notice of Meeting.

## Explanatory Memorandum

**General Meeting or Meeting** means the general meeting of Shareholders to be held at the Offices of Grant Thornton Australia Limited Level 3, 170 Frome Street, Adelaide, South Australia on Thursday, 22 June 2023 at 1:00pm (Adelaide time).

**KMP or Key Management Personnel** has the same meaning as in the accounting standards issued by the Australian Accounting Standards Board and means those persons having authority and responsibility for planning, directing and controlling the activities of the Company, or if the Company is part of a consolidated entity, of the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the Company, or if the Company is part of a consolidated entity, of an entity within the consolidated group.

**Lead Managers** means the following parties: Canaccord Genuity (Australia) Limited and Sprott Capital Partners.

**Meeting** means the meeting of shareholders convened by the Notice.

**Notice of Meeting or Notice** means this Notice of this General Meeting.

**Option** means an unlisted option to subscribe for a Share.

**Option Holder** means the holder of an Option.

**Ordinary Resolution** means a resolution passed by more than 50% of the votes at a general meeting of Shareholders.

**Placement** the issue of 23,595,441 Shares to institutional and professional investors at an issue price of \$0.45 (45cents) per Share, together with one free attaching Placement Option for every three Placement Shares subscribed for, as announced by the Company to ASX on 21 April 2023.

**Placement Option** means an Option to subscribe for a Share in the Company on the terms and conditions detailed in Annexure A.

**Placement Shares** means 23,595,441 Shares issued on 1 May 2023, at an issue price of \$0.45 (45 cents) per Share, pursuant to the Placement.

**Resolution** means a resolution referred to in this Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder or Member** means each person registered as a holder of a Share.

## Explanatory Memorandum

### ANNEXURE A – TERMS AND CONDITIONS OF PLACEMENT OPTIONS

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1. Each Placement Option will entitle the holder ('**Option Holder**') to subscribe for one fully paid ordinary share in the Company ('**Share**') (subject to possible adjustments referred to in paragraphs 11, 12 and 13).
2. Each Placement Option is exercisable from the time the Company issues the Placement Option until 5:00 pm Adelaide, South Australia time on 9 May 2025 ('**Expiry Date**') (inclusive of both dates). Placement Options not exercised before the Expiry Date will lapse.
3. The exercise price of each Placement Option is \$0.57 (57 cents) ('**Exercise Price**').
4. Placement Options are exercisable by notice in writing to the Company, delivered to the registered address of the Company and accompanied by the full payment of the Exercise Price in cleared funds.
5. The Placement Options held by each Option Holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
6. Shares issued pursuant to the exercise of any of the Placement Options will rank in all respects on equal terms with the existing Shares in the Company.
7. The Company will apply for official quotation by ASX of the shares issued upon exercise of Placement Options within 5 business days of the allotment of Shares.
8. The Placement Options will not be quoted on ASX.
9. The legal or a beneficial interest in a Placement Option may not be sold, transferred, or otherwise disposed of, within the first twelve months from the date of issue, without the prior written consent of the Board.
10. There are no participating rights or entitlements inherent in the Placement Options and Option Holders will not be entitled to participate in new issues of capital offered to Company shareholders during the currency of the Placement Options without exercising the Placement Options.
11. If there is a bonus issue to the holders of Shares:
  - (a) the number of Shares over which the Placement Option is exercisable will be increased by the number of Shares which the holder of the Placement Option would have received if the Placement Option had been exercised before the record date for the bonus issue; and
  - (b) no change will be made to the Exercise Price.
12. If the Company makes a rights issue (other than a bonus issue), the Exercise Price of Placement Options on issue will be reduced in accordance with the following formula:

$$\text{New Placement Option Exercise Price} = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

O = the old Exercise Price of the Placement Option;

E = the number of underlying Shares into which one Placement Option is exercisable;

P = the volume weighted average price per Share recorded on the stock market of ASX during the 5 trading days immediately preceding the ex-rights date or ex-entitlements date;

S = the subscription price for a Share under the pro rata issue;

D = the dividend due but not yet paid on existing underlying Shares (except those to be issued under the pro rata issue); and

N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.

13. If, prior to the Expiry Date the issued capital of the Company is reorganised, the rights of the Option Holder may be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.





# AUSTRALIAN RARE EARTHS

Australian Rare Earths Limited  
ACN 632 645 302

## Need assistance?



**Phone:**

1300 850 505 (within Australia)  
+61 3 9415 4000 (outside Australia)



**Online:**

[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:00pm (Adelaide time)** on **Tuesday, 20 June 2023**.

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### PARTICIPATING IN THE MEETING

#### Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at [www.investorcentre.com/au](http://www.investorcentre.com/au) and select "Printable Forms".

## Lodge your Proxy Form:

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

**Control Number: 182669**

**SRN/HIN:**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.

# Proxy Form

Please mark ☒ to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of Australian Rare Earths Limited hereby appoint

☐ the Chairman of the Meeting OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Australian Rare Earths Limited to be held at the Offices of Grant Thornton Australia Limited, Level 3, 170 Frome Street, Adelaide, South Australia 5000 on Thursday 22 June 2023 at 1:00pm (Adelaide time) and at any adjournment or postponement of that Meeting.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
1	RATIFICATION OF PLACEMENT SHARES ISSUED ON 1 MAY 2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	RATIFICATION OF PLACEMENT OPTIONS ISSUED ON 10 MAY 2023	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO ANGUS BARKER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO BRYN JONES	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO RICK POBJOY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO DUDLEY KINGSNORTH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO PAULINE CARR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	APPROVAL TO ISSUE PLACEMENT SHARES AND PLACEMENT OPTIONS TO NOEL WHITCHER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

Contact  
Daytime  
Telephone

Date / /