

28 October 2024

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the AGM of Shareholders of American Rare Earths Limited ABN 83 003 453 503 will be held at Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000, on Thursday 28 November 2024 commencing at 10.00AM (AEDT).

1. ITEMS OF GENERAL BUSINESS

1.1. 2024 Annual Report

To receive and consider the Company's annual financial report (including the financial statements for the year), Directors' report and Auditor's report for the year ended 30 June 2024 which accompany this notice.

Note: Except as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no resolution will be put to Shareholders on this item of business. At the AGM, Shareholders will be given an opportunity to raise questions of Directors and the Company's Auditor about the annual financial report.

1.2. Resolution 1: Approval of Remuneration Report

To consider and if thought fit, pass the following resolution, as a non-binding ordinary resolution:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopt the Remuneration Report for the year ended 30 June 2024."

Voting Prohibition Statement for Resolution 1

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of:

- a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report; and
- a Closely Related Party of such a member.

However, the Company need not disregard a vote if it is cast by a person (including the Key Management Personnel or their Closely Related Parties) as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form or it is cast by a person chairing the Meeting as proxy for a person who is entitled to vote, where the Proxy Form does not specify the way the proxy is to vote on this resolution but expressly authorises the person chairing the meeting to exercise the proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Any undirected proxies held by Directors or other Key Management Personnel or their Closely Related Parties for the purposes of Resolution 1 (excluding the Chair) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chair's box on the Proxy Form, you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy. The Chair will vote undirected proxies in favour of Resolution 1.

Notes on Resolution 1:

- Resolution 1 is advisory only and does not bind the Company or the Directors.
- The Directors will consider the outcome of the vote and comments made by Members on the Remuneration Report at the AGM when reviewing the Company's remuneration policies.
- The Chair intends to vote all undirected proxies in favour of Resolution 1.
- If 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting will be held within 90 days, at which all of Directors must go up for re-election. At the Company's 2023 AGM, more than 25% of the votes were cast against the adoption of the 2023 remuneration report.

Further information regarding the Remuneration Report appears in the attached Explanatory Memorandum.

1.3. Resolution 2: Re - Election of Director – Richard Hudson

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That Richard Hudson, being a Director of the Company who retires by rotation in accordance with clause 14.2 of the Company’s Constitution, being eligible and offering himself for re-election, is re-elected a Director of the Company.”

There are no voting exclusions on this resolution. The Chair of the AGM intends to vote all available proxies in favour of Resolution 2.

1.4. Resolution 3: Election of Director – Hugh Keller

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That Hugh Keller, being a Director of the Company who retires in accordance with clause 14.4 of the Company’s Constitution, being eligible and offering himself for election, is elected a Director of the Company.”

There are no voting exclusions on this resolution. The Chair of the AGM intends to vote all available proxies in favour of Resolution 3.

1.5. Resolution 4: Issue of Options – Richard Hudson

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That in accordance with Listing Rule 10.11 and for all other purposes, the Company be authorised to issue to Richard Hudson, a Director of the Company or his nominee, 2,000,000 Options to subscribe for fully paid ordinary shares in the Company on the terms set out in the Explanatory Memorandum accompanying this Notice of General Meeting and the issue to Mr Hudson or his nominee of fully paid ordinary shares in the capital of the Company upon the full or partial exercise of such Options, is hereby approved.”

If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 4. By marking the Chair’s box on the Proxy Form, you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy. The Chair of the AGM intends to vote all available proxies in favour of Resolution 4.

Voting exclusion statement for Resolution 4

The Company will disregard any votes cast in favour of Resolution 4 by or on behalf of Richard Hudson (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) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the 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 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:
 - (i) 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 this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Further, in accordance with the Corporations Act, a vote must not be cast on this resolution (and will be taken not to have been cast if cast contrary to this restriction) by a person appointed as proxy if the proxy is a member of the Key Management Personnel, or any Closely Related Party of such a member, unless: (a) the proxy appointment specifies how the proxy is to vote on this resolution; or (b) the person is the Chair of the meeting at which the resolution is voted on and the proxy appointment expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

1.6. Resolution 5: Ratification of prior issue of placement shares

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 for all other purposes, the Shareholders ratify the issue of 45,000,000 Shares to various Professional Investors and Sophisticated Investors for the purposes and on the terms and conditions set out in the Explanatory Memorandum.”

The Chair of the AGM intends to vote all available proxies in favour of Resolution 5.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 5 by any persons that participated in the issue or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the 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 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:
 - (i) 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 this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

1.7. Resolution 6: Approval of the Option Share Trust Plan

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.2 (exception 13(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme entitled ‘Option Share Trust Plan’ and for the issue of securities under the Option Share Trust Plan on the terms and conditions summarised in the Explanatory Memorandum.”

The Chair of the AGM intends to vote all available proxies in favour of Resolution 6.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 6 by any persons who are eligible to participate in the Option Share Trust Plan or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the 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 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:
 - (i) 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 this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:

- a member of the Key Management Personnel; or
- a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

However, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

Note: Given the Directors are eligible to participate in the Option Share Trust Plan, the Directors will not be voting on this resolution.

1.8. Resolution 7: Issue of Options or Performance Rights under the Option Share Trust Plan to Richard Hudson

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue a total of 1,000,000 Options (and the underlying Shares upon exercise of those Options) or the number of Performance Rights (and the underlying Shares upon vesting of those Performance Rights) determined by the value of 1,000,000 Options divided by the 5 day VWAP of the Shares at the date of issue to Richard Hudson (or his nominee) under the Option Share Trust Plan, at the election of Richard Hudson on the terms and conditions set out in the Explanatory Memorandum.”

If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 7. By marking the Chair’s box on the Proxy Form, you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy. The Chair of the AGM intends to vote all available proxies in favour of Resolution 7.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 7 by any person referred to in Listing Rule 10.14.1, 10.4.2 and 10.14.3 who is eligible to participate in the Option Share Trust Plan in question (including Richard Hudson) or an associate of those persons (**Excluded Party**).

However, this does not apply to a vote cast in favour of the 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 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:
 - (i) 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 this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
 - a member of the Key Management Personnel; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not an Excluded Party, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

1.9. Resolution 8: Issue of Options or Performance Rights under the Option Share Trust Plan to Sten Gustafson

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a total of 1,000,000 Options (and the underlying Shares upon exercise of those Options) or the number of Performance Rights (and the underlying Shares upon vesting of those Performance Rights) determined by the value of 1,000,000 Options divided by the 5 day VWAP of the Shares at the date of issue to Sten Gustafson (or his nominee) under the Option Share Trust Plan, at the election of Sten Gustafson on the terms and conditions set out in the Explanatory Memorandum.”

If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 8. By marking the Chair's box on the Proxy Form, you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy. The Chair of the AGM intends to vote all available proxies in favour of Resolution 8.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 8 by any person referred to in Listing Rule 10.14.1, 10.4.2 and 10.14.3 who is eligible to participate in the Option Share Trust Plan in question (including Sten Gustafson) or an associate of those persons (**Excluded Party**).

However, this does not apply to a vote cast in favour of the 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 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:
 - (i) 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 this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
 - a member of the Key Management Personnel; or
 - a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not an Excluded Party, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

1.10. Resolution 9: Issue of Options or Performance Rights under the Option Share Trust Plan to Melissa Sanderson

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a total of 1,000,000 Options (and the underlying Shares upon exercise of those Options) or the number of Performance Rights (and the underlying Shares upon vesting of those Performance Rights) determined by the value of 1,000,000 Options divided by the 5 day VWAP of the Shares at the date of issue to Melissa Sanderson (or her nominee) under the Option Share Trust Plan, at the election of Ms Melissa Sanderson on the terms and conditions set out in the Explanatory Memorandum.”

If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 9. By marking the Chair’s box on the Proxy Form, you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy. The Chair of the AGM intends to vote all available proxies in favour of Resolution 9.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 9 by any person referred to in Listing Rule 10.14.1, 10.4.2 and 10.14.3 who is eligible to participate in the Option Share Trust Plan in question (including Melissa Sanderson) or an associate of those persons (**Excluded Party**).

However, this does not apply to a vote cast in favour of the 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 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:
 - (i) 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 this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
- a member of the Key Management Personnel; or
- a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not an Excluded Party, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

1.11. Resolution 10: Issue of Options or Performance Rights under the Option Share Trust Plan to Hugh Keller

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That, subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a total of 1,000,000 Options (and the underlying Shares upon exercise of those Options) or the number of Performance Rights (and the underlying Shares upon vesting of those Performance Rights) determined by the value of 1,000,000 Options divided by the 5 day VWAP of the Shares at the date of issue to Hugh Keller (or his nominee) under the Option Share Trust Plan, at the election of Hugh Keller on the terms and conditions set out in the Explanatory Memorandum.”

If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 10. By marking the Chair's box on the Proxy Form, you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy. The Chair of the AGM intends to vote all available proxies in favour of Resolution 10.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 10 by any person referred to in Listing Rule 10.14.1, 10.14.2 and 10.14.3 who is eligible to participate in the Option Share Trust Plan in question (including Hugh Keller) or an associate of those persons (**Excluded Party**).

However, this does not apply to a vote cast in favour of the 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 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:
 - (i) 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 this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
- a member of the Key Management Personnel; or
- a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not an Excluded Party, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

1.12. Resolution 11: Issue of Options or Performance Rights under the Option Share Trust Plan to Chris Gibbs

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That subject to the passing of Resolution 6, for the purposes of Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue a total of 2,000,000 Options (and the underlying Shares upon exercise of those Options) or the number of Performance Rights (and the underlying Shares upon vesting of those Performance Rights) determined by the value of 2,000,000 Options divided by the 5 day VWAP of the Shares at the date of issue to Chris Gibbs (or his nominee) under the Option Share Trust Plan, at the election of Chris Gibbs on the terms and conditions set out in the Explanatory Memorandum.”

If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 11. By marking the Chair’s box on the Proxy Form, you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy. The Chair of the AGM intends to vote all available proxies in favour of Resolution 11.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 11 by any person referred to in Listing Rule 10.14.1, 10.4.2 and 10.14.3 who is eligible to participate in the Option Share Trust Plan in question (including Chris Gibbs) or an associate of those persons (**Excluded Party**).

However, this does not apply to a vote cast in favour of the 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 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:
 - (i) 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 this resolution; and
 - (ii) The holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
- a member of the Key Management Personnel; or
- a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not an Excluded Party, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

1.13. Resolution 12: Approval to amend terms of existing Options held by Ken Traub

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That for the purposes of Listing Rule 6.23.4 and for all other purposes, shareholders approve the proposed amendment to the terms and conditions of the Traub Options to allow the cashless exercise of such Traub Options on the terms and conditions in the Explanatory Memorandum.”

The Directors of the Company make no recommendation in respect to this resolution as it relates to a former Director.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 12 by or on behalf of Ken Traub (or his nominee) who holds the Traub Options or an associate of those persons.

However, this does not apply to a vote cast in favour of the 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 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:
 - (i) 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 this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

1.14 Resolution 13: Approval of additional 10% placement facility

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

"That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of AGM."

The Chair of the AGM intends to vote all available proxies in favour of Resolution 13.

Voting Exclusion Statement for Resolution 13

The Company will disregard any votes cast in favour of Resolution 13 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the 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:
 - (i) 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
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Important note: The proposed allottees of any Equity Securities under the Additional 10% Placement facility are not yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

1.15 Resolution 14 – Conditional Spill Resolution

The following resolution is conditional on at least 25% of the votes cast on Resolution 1 in this Notice of Meeting being AGAINST the adoption of the Remuneration Report.

To consider and, if thought fit, to pass, the following resolution as an ordinary resolution:

“That, for the purposes of section 250V(1) of the Corporations Act and for all other purposes, approval is given for:

- (a) The Company to hold another meeting of Shareholders within 90 days of the date of this Meeting (Spill Meeting); and
- (b) All Directors (excluding the Managing Director), who were Directors at the time the Board resolution to make the 2024 Directors Report was passed and who remain directors at the time of the Spill Meeting, cease to hold office immediately before the end of the Spill Meeting (Vacating Directors); and
- (c) Resolutions to appoint persons to offices that will be vacated pursuant to (b) to be put to vote at the Spill Meeting.”

Voting Prohibition Statement for Resolution 14

The Company will disregard any votes cast on Resolution 14 (in any capacity) by or on behalf of:

- a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report; and
- a Closely Related Party of such a member.

However, the Company need not disregard a vote if it is cast by a person (including the Key Management Personnel or their Closely Related Parties) as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form or it is cast by a person chairing the Meeting as proxy for a person who is entitled to vote, where the Proxy Form does not specify the way the proxy is to vote on this resolution but expressly authorises the person chairing the meeting to exercise the proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Any undirected proxies held by Directors or other Key Management Personnel or their Closely Related Parties for the purposes of Resolution 14 (excluding the Chair) will not be voted on Resolution 14. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 14. By marking the Chair’s box on the Proxy Form, you acknowledge that the Chair of the meeting will vote on this item of business as your proxy. The Chair will vote undirected proxies against Resolution 14.

2. GENERAL INFORMATION

2.1 Eligibility to Vote

For the purpose of determining a person’s entitlement to vote at the AGM, Shares will be taken to be held by persons who are registered as Shareholders as at 7:00pm (AEDT) on Tuesday 26 November 2024. Accordingly, transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the AGM.

2.2 Proxies

A Proxy Form is attached. You may exercise your right to vote at the AGM either by being present in person or by appointing a proxy to attend and vote in your place. You may appoint either an individual or a body corporate as your proxy. A proxy need not be a member of the Company. A Proxy Form must be signed by the Shareholders or the Shareholder’s attorney. Proxies given by corporations must be signed either under seal or in accordance with the Constitution of the Company. The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of the power of attorney or authority) must be received not later than 48 hours before the time for holding the AGM.

American Rare Earths Limited Notice of Annual General Meeting Thursday 28 November 2024

To lodge your proxy, please follow the directions below or on your personalised Proxy Form:

Online: www.investorvote.com.au
Or for Intermediary Online subscribers only (Custodians) www.intermediaryonline.com

By post: Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne VIC 3001

By facsimile: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

To be received no later than 10.00AM (AEDT) on Tuesday 26 November 2024.

By order of the Board
American Rare Earths Limited



Wayne Kernaghan
Company Secretary

EXPLANATORY MEMORANDUM

This Explanatory Statement forms part of the Notice of AGM Shareholders to be held at Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000 on Thursday 28 November 2024 commencing 10.00AM (AEDT).

The Notice of AGM and this Explanatory Memorandum should be read carefully and in their entirety.

1. ORDINARY BUSINESS

1.1 2024 Annual Report

The Company's annual financial report (including the financial statements), the Directors' report and Auditor's report will be laid before the AGM.

This item provides an opportunity for Shareholders at the AGM to ask questions and comment on those reports (including financial statements).

- (a) You have a right to receive from the Company, free of charge, a copy of the Company's 2024 Annual Report if you make a request to the Company to receive a copy; and
- (b) You may obtain a copy of the 2024 Annual Report by electronic means from <https://americanrareearths.com.au> and
- (c) The Company has not prepared, in relation to the same accounting period as the 2024 Annual Report, a concise annual report.

No resolution is required to be passed on this matter

1.2 Resolution 1: Approval of Remuneration Report

Section 250R(2) of the Corporations Act requires that at a listed company's AGM, a resolution that the remuneration report be adopted must be put to Shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company. The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ended 30 June 2024. A reasonable opportunity will be provided for discussion of the remuneration report at the AGM.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the AGM.

The Corporations Act requires the Company to put a resolution to Shareholders that, in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

At the Company's 2023 AGM, more than 25% of the votes were cast against the adoption of the 2023 remuneration report. Accordingly, if 25% or more of the votes are cast against the adoption of the 2024 remuneration report, the Shareholders will vote on the spill resolution.

Directors' recommendations and interests

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the remuneration report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1 to adopt the remuneration report.

The Chair of the AGM intends to vote undirected proxies in favour of Resolution 1.

1.3 Resolution 2: Re-election of Director Richard Hudson

Clause 14.2 of the Constitution provides that any Director, who is not the Managing Director, who holds office for a continuous period in excess of three years or until the third annual general meeting following the Director's appointment or election, whichever is the longer, must submit for re-election.

As Richard Hudson was appointed to the Board in February 2022, he must retire at the conclusion of the AGM. Being eligible, he offers himself for re-election.

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

Mr Hudson is Chairman of the Company and Remuneration and Nomination Committee and a member of the Audit and Risk Committee. Mr Hudson is an Independent Director.

The Company confirms that it has conducted appropriate checks into Mr Hudson's background and experience.

Directors' recommendation

The Board (with Mr Hudson abstaining) unanimously recommends that Shareholders vote in favour of the re-election of Mr Hudson.

The Chair of the AGM intends to vote undirected proxies in favour of Resolution 2.

1.4 Resolution 3 Election of Director – Hugh Keller

Clause 14.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Keller was appointed to the Board on 1 October 2024. Accordingly, being eligible, he offers himself for re-election at the AGM. Mr Keller is an independent director.

The Company confirms that it has conducted appropriate checks into Mr Keller's background and experience.

Directors' recommendation

The Board (with Mr Keller abstaining) unanimously recommends that Shareholders vote in favour of the re-election of Mr Keller.

The Chair of the AGM intends to vote undirected proxies in favour of Resolution 3.

1.5 Resolution 4 - Issue of Options to Richard Hudson

General

As announced on 24 June 2024 it is proposed that the Company issue to Mr Hudson, a Director of the Company or his nominee a total of 2,000,000 Options to subscribe for fully paid ordinary Shares in the capital of the Company at an exercise price of \$0.25 with an expiry date of three years from date of issue. The exercise price of \$0.25 was at a premium to the 10 VWAP of \$0.2347 when announced.

Shareholder approval is being sought for the issue of these Options and the issue of Shares upon exercise of the Options in accordance with the requirements of the ASX Listing Rules and Chapter 2E of the Corporations Act 2001.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act 2001 prohibits a public company from giving a "financial benefit" to a "related party" (which includes Directors and associates) of the public company unless either:

- i. the giving of the financial benefits falls within one of the nominated exceptions to the provisions; or
- ii. prior Shareholder approval is obtained to the giving of the financial benefits and the benefit must be given within 15 months following such approval.

The granting of Options to Mr Hudson a Director of the Company constitutes the provision of a financial benefit to a related party of the Company within the meaning of Chapter 2E. The Directors (other than Mr Hudson as he has a material personal interest in Resolution 4) consider that the issue of the Options constitutes reasonable remuneration given the circumstances of the Company and the position held by Mr Hudson. Accordingly, the proposed issue of Options to Mr Hudson falls within the "reasonable remuneration" exception set out in section 211 of the Corporations Act so that shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act.

Listing Rule 10.11

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

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 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 give them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by Shareholders. Unless it obtains the approval of its Shareholders.

The issue of Options falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. The Company therefore requires the approval of Shareholders under Listing Rule 10.11 for the issue of the Options to Mr Hudson.

ASX Listing Rule 7.2 (Exception 14) provides that, if an issue of securities is approved for the purposes of ASX Listing Rule 10.11, ASX Listing Rule 7.1 does not apply. Accordingly, the Company is not required to seek approval of the issue of the Shares under ASX Listing Rule 7.1.

Resolution 4 seeks the required Shareholder approval for the issue of the Options under and for the purposes of Listing Rule 10.11.

Information required by Listing Rule 14.1A

If Resolution 4 is passed, the Company will be able to proceed with the issue of the Options to Mr Hudson or his nominee within one month after the date of the AGM (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options (because approval is being obtained under Listing Rule 10.11), the issue of the Options will not use up any of the Company's 15% annual placement capacity.

If Resolution 4 is not passed, the Company will not be able to proceed with the issue of the Options. The Company does not intend to provide any additional rewards or incentives in any other forms to Mr Hudson if the resolution is not passed.

Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13 the following information is provided in relation to Resolution 4:

- (a) the Options will be issued to Mr Hudson (or his nominee), who falls within the category set out in Listing Rule 10.11.1 as Richard Hudson is a related party of the Company by virtue of being a Director;
- (b) the maximum number of securities to be issued under Resolution 4 is 2,000,000 Options to Richard Hudson (or his nominee);
- (c) the terms and conditions of the Options are set out in schedule 1;
- (d) the Options will be issued no later than 1 month after the AGM (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules).
- (e) the issue price of the Options will be nil. The Company will not receive any other consideration in respect of the issue of the Options (other than in respect of funds received on exercise of the Options at an exercise price of \$0.25 per Option). The funds raised on the exercise of the options will be used for exploration and working capital purposes;
- (f) the purpose of the issue of the Options is to provide a component in the remuneration package for Mr Hudson to remunerate him as a Director and to provide cost effective remuneration to Mr Hudson, enabling the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to Mr Hudson;
- (g) the Options are unquoted Options. The Company has agreed to issue Options to the related party subject to Shareholder approval for the following reasons:
 - (i) the Options are unquoted; therefore, the issue of the Options has no immediate dilutionary impact on Shareholders;
 - (ii) it is considered that there are no significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options on the terms proposed.
- (h) the number of Options to be issued to Mr Hudson has been determined based upon a consideration of:
 - (i) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
 - (ii) the remuneration of the related party; and
 - (iii) incentives to attract and ensure continuity of service of the related party who has appropriate knowledge and expertise, while maintaining the Company's cash reserves.

The Company does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Options upon the terms proposed;
- (i) The Options have been valued by reference to the Black Scholes Options pricing model, based on the following assumptions:

Option Valuation	Input
Share price at 1 October 2024	\$0.29
Exercise Price	\$0.25
Risk Free Rate	4.35%

Volatility (Annualised)	108.30%
Time (years) to expiry	3 years
Value per Option	\$0.2026
Number of Options	2,000,000
Total value	\$405,268

It should be noted that no discount has been applied to the valuation for non-negotiability of the Options as they are not listed and cannot be transferred except with the Board's prior approval.

Based on the above assumptions it is considered that the total value of the 2,000,000 Options is \$405,268.

- (j) The Options are not being issued under an agreement
- (k) The current capital structure of the Company is as follows:

Capital	Number
Ordinary Shares	494,423,299
Unlisted Options (20.0 cents exercisable on or before 8/11/24)	4,000,000
Unlisted Options (20.0 cents exercisable on or before 30/11/2024)	6,000,000
Unlisted Options (20.0 cents exercisable on or before 6/12/2024)	1,000,000
Unlisted Options (20.0 cents exercisable on or before 31/12/2024)	1,100,000
Unlisted Options (40.0 cents exercisable on or before 5/12/2025)	2,000,000
Unlisted Options (43.5 cents exercisable on or before 5/12/2025)	6,000,000
Unlisted Options (40.0 cents exercisable on or before 7/12/2025)	5,000,000
Unlisted Options (40.0 cents exercisable on or before 18/12/2025)	2,000,000
Unlisted Options (22.0 cents exercisable on or before 1/8/2026)	8,000,000
Unlisted Options (22.0 cents exercisable on or before 17/08/2026)	4,500,000
Unlisted Options (10.0 cents exercisable on or before 30/11/26)	2,000,000
Unlisted Options (20.0 cents exercisable on or before 6/12/26)	500,000
Unlisted Options (22.0 cents exercisable on or before 16/11/26)	2,000,000
Unlisted Options (45.0 cents exercisable on or before 29/2/27)	6,000,000
Unlisted Options (47.0 cents exercisable on or before 7/12/27)	5,000,000
Unlisted Options (47.0 cents exercisable on or before 18/12/27)	1,000,000
Total Unlisted Options (Exercisable between \$0.10 and \$0.47) with expiry dates of between (8/11/24 to 18/12/27)	56,100,000

If Shareholder approval is obtained for all resolutions contained in the Notice of AGM and all Shares and Options are issued as contemplated by the Notice of AGM, the issued capital of the Company will be as follows:

Capital	Number
Ordinary Shares	494,423,299
Total Unlisted Options (Exercisable between \$0.10 and \$0.47) with expiry dates of between (8/11/24 to 18/12/27)	56,100,000
Unlisted Options (25.0 cents exercisable on or before 30/11/2027)	2,000,000
Unlisted Options (38.0 cents exercisable on or before 30/11/2027)	4,000,000
Unlisted Options (20.0 cents exercisable on or before 30/11/2027)	2,000,000
Total Options on issue	64,100,000
Total Ordinary Shares if all Options on issue are exercised	558,523,299

If the share price is higher than the exercise price at the time the Options are exercised, there will be a perceived cost to the Company, as the Company may have been able to issue the Shares at a higher price.

- (l) If Mr Hudson exercises the Options, there will be a dilutionary effect of 0.004% on existing Shareholders. Mr Hudson will hold 0.40% of the issued share capital of the Company should he exercise these Options and no other Options on issue are exercised.
- (m) The highest, lowest and last trading prices of the Shares on ASX over the previous 12 months are \$0.445 (on 19 February 2024), \$0.12 (on 6 October 2023) and \$0.29 (on 30 September 2024) respectively.
- (n) Mr Hudson currently receives Directors' fees of \$75,000 per annum.

These Options are intended to provide an incentive to Mr Hudson, as a Director, to work towards improving the performance of the Company and its share price, which will benefit all the Shareholders.

Therefore, Resolution 4 seeks the approval of Shareholders to satisfy the requirement for shareholder approval under Listing Rule 10.11

Mr Hudson does not make a recommendation to Shareholders in relation to the resolution as he has a personal interest in the outcome of the resolution, being a related party who will receive a financial benefit if the resolution is passed.

Directors' recommendation

The other Directors recommend that the Shareholders vote to approve Resolution 4 on the basis that the number of Options proposed to be issued to Mr Hudson are consistent with market remuneration in companies of a similar size and nature, and are in the best interests of the Company, taking into account all of the effects and the opportunity cost to the Company, including the dilutionary effect referred to above.

The Chair of the AGM intends to vote undirected proxies in favour of Resolution 4.

1.6 Resolution 5 - Ratification of a prior issue of Shares.

Resolution 5 relates to the ratification of a prior issue of Shares.

On 23 February 2024 the Company announced the placement of 45,000,000 Shares at \$0.30 each to raise approximately \$13.5m (before expenses) to Sophisticated and Professional Investors to fund exploration expenses and development at Halleck Creek and working capital.

On 29 February 2024 the Company issued 45,000,000 fully paid ordinary Shares under the placement. This issuance of Shares was made in compliance with ASX Listing Rules 7.1 at the time the issuance occurred.

Approval for the purposes of Listing Rule 7.4 is sought

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 7.2, 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 securities it had on issue at the start of that period (**15% Placement Capacity**).

The issue of the Shares does not fit within any of the exceptions to Listing Rule 7.1 and was issued under the Company's 15% Placement Capacity, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue date.

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 Listing Rule 7.1 and so does not reduce the Company's 15% Placement Capacity.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, Shareholder approval is sought to approve the issue of the Shares under and for the purposes of Listing Rule 7.4.

If Resolution 5 is passed, the security issues will be excluded in calculating the Company's 15% Placement Capacity, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 5 is not passed, the security issues will be included in calculating the Company's 15% Placement Capacity, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

The Shares issued pursuant to the placement rank equally in all respects with all existing Shares previously issued by the Company.

Technical Information required under Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 5:

Rule 7.5.1: Names of person who participated:

Sophisticated Investors and Professional Investors as identified and approached at random by Canaccord Genuity in conjunction with the Company. None of the recipients are related parties, members of key personnel, substantial holders of the Company (or their associates);

Rule 7.5.2: Number of securities to be issued:

45,000,000 fully paid ordinary Shares under Listing Rule 7.1

Rule 7.5.3: If the securities are not fully paid securities, a summary of the material terms of the securities:
Not applicable

Rule 7.5.4: Date or dates on when securities will be issued:

45,000,000 fully paid Shares were issued on 29 February 2024

Rule 7.5.5: Price securities will be issued.:

45,000,000 fully paid Shares were issued at \$0.30 per Share

Rule 7.5.6: Purpose of the issue:

The funds raised will be utilised for exploration and development at Halleck Creek and working capital.

Rule 7.5.7: If securities were or will be issued under an agreement, a summary of any other material terms of the agreement:

Not applicable.

Rule 7.5.7: A voting exclusion statement:

A Voting Exclusion Statement is included in the Notice.

Directors' recommendation

The Board unanimously recommends that Shareholders approve Resolution 5.

The Chair of the AGM intends to vote undirected proxies in favour of Resolution 5.

1.7 Resolution 6: Approval for an Option Share Trust Plan

General

Resolution 6 seeks Shareholder approval for the adoption of the Option Share Trust Plan ("Plan") in accordance with ASX Listing Rule 7.2 (Exception 13) and to enable Options, and Shares upon exercise of those Options to be issued under the Plan to eligible Directors and employees ("Incentive Securities") to be exempted from ASX Listing Rule 7.1 for a period of 3 years from the date on which Resolution 6 is passed.

The date of the last approval under ASX Listing Rule 7.2 (Exception 13) with respect to the Plan is 9 November 2021. Since the last approval, the Company has amended the Plan to facilitate the issue of performance rights (i.e. rights to acquire Shares in the Company). Other than minor amendments, in particular inserting:

- a definition of 'Performance Right' (in clause 1.1); and
- a new interpretation provision such that any reference to 'Option' shall include a reference to 'Performance Right' (in clause 1.2),

the Plan is otherwise consistent with the Plan last adopted on 9 November 2021.

The Plan provides employees of the Company with the opportunity to share in the growth in value of the Company and to encourage them to improve the performance of the Company and its return to Shareholders. The Plan intends to assist the Company to attract and retain key employees and to build a culture of ownership across all employees in the Company. **ASX Listing Rule 7.2 (Exception 13)**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period (15% Placement Capacity) without Shareholder approval.

ASX Listing Rule 7.2 (Exception 13) operates as one of the exceptions to ASX Listing Rule 7.1. The effect of Shareholder approval under ASX Listing Rule 7.2 (Exception 13) is that any issues of securities under the Plan are treated as having been made with the approval of Shareholders for the purposes of ASX Listing Rule 7.1. Approval under ASX Listing Rule 7.2 (Exception 13) lasts for a period of three years.

If Resolution 6 is not passed, any issue of securities under the Option Share Trust Plan will be included in calculating the Company's 15% Placement Capacity in Listing Rule 7.1, effectively decreasing the number of securities the Company can issue over any 12-month period without the approval of Shareholders.

ASX Listing Rule 7.2 (Exception 13(b)) requires certain information to accompany a Notice of AGM in relation to approval sought under ASX Listing Rule 7.1 (Exception 13). This information is set out below:

A summary of the terms of the Plan is set out in Schedule 4.

The number of securities issued under the Plan since the date of the last approval under ASX Listing Rule 7.1 (Exception 13) is 14,850,000.

The maximum number of Incentive Securities proposed to be issued under the Plan following Shareholder approval is 24,721,164.

A voting exclusion statement in respect of Resolution 6 is contained in the Notice of AGM.

Directors' recommendation

The Directors (given they are eligible to participate in the Plan) abstain from providing a recommendation on Resolution 6.

The Chair of the AGM intends to vote undirected proxies in favour of Resolution 6.

1.8 Resolutions 7 to 11 Inclusive: Issue of Options or Performance Rights under the Option Share Trust Plan to Directors

General

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Plan (refer to Resolution 6) to issue securities to the following Directors under the Plan. The Directors may elect to receive either Options or Performance Rights to the value of the Options.

Director	Number of securities	Vesting	Exercise Price	Expiry Date
Richard Hudson	1,000,000 Options OR	1/3 on issue 1/3 on 30 November 2025 1/3 on 30 November 2026	25% premium to 5 day VWAP at date of issue	30 November 2027
	The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue	1/3 on 30 November 2025 1/3 on 30 November 2026 1/3 on 30 November 2027		30 November 2027
Sten Gustafson	1,000,000 Options OR	1/3 on issue 1/3 on 30 November 2025 1/3 on 30 November 2026	25% premium to 5 day VWAP at date of issue	30 November 2027
	The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue	1/3 on issue 1/3 on 30 November 2026 1/3 on 30 November 2027		30 November 2027
Melissa Sanderson	1,000,000 Options OR	1/3 on issue 1/3 on 30 November 2025 1/3 on 30 November 2026	25% premium to 5 day VWAP at date of issue	30 November 2027
	The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue	1/3 on 30 November 2025 1/3 on 30 November 2026 1/3 on 30 November 2027		30 November 2027
Hugh Keller	1,000,000 Options OR	1/3 on issue 1/3 on 30 November 2025 1/3 on 30 November 2026	25% premium to 5 day VWAP at date of issue	30 November 2027

	The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue	1/3 on 30 November 2025 1/3 on 30 November 2026 1/3 on 30 November 2027		30 November 2027
Chris Gibbs	2,000,000 Options	Subject to KPI and STI Targets	25% premium to 5 day VWAP at date of issue	30 November 2027
	OR The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue			

Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of the holders of its ordinary securities.

10.14.1 a Director of the entity;

10.14.2 an associate of a Director of the entity ; or

10.14.3 a person whose relationship with an entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Options or Performance Rights to a Director falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolutions 7 to 11 seeks the required Shareholder approval for the issue of the Options or Performance Rights under and for the purposes of Listing Rule 10.14.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a "financial benefit" to a "related party" (which includes Directors and associates) of the public company unless either:

- i. the giving of the financial benefits falls within one of the nominated exceptions to the provisions; or
- ii. prior Shareholder approval is obtained to the giving of the financial benefits and the benefit must be given within 15 months following such approval.

The granting of Options or Performance Rights to Directors of the Company constitutes the provision of a financial benefit to a related parties of the Company within the meaning of Chapter 2E of the Corporations Act. Each Director considers that the issue of the Options or Performance Rights to each other Director constitutes reasonable remuneration given the circumstances of the Company, market levels of remuneration for people in similar positions, and that the Options or Performance Rights are a necessary part of incentive and remuneration package for each Director. Accordingly, each of the proposed issues of Options or Performance Rights to the Directors falls within the "reasonable remuneration" exception set out in section 211 of the Corporations Act so that Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act.

Information required by Listing Rule 14.1A

If Resolutions 7 to 11 are passed, the Company may issue Options or Performance Rights under the Plan within three years after the date of the AGM (or such later date permitted by an ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options or Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Options or Performance Rights will not use up any of the Company's 15% annual placement capacity.

If Resolutions 7 to 11 are not passed, the Company will not be able to proceed with the issue of the Options or Performance Rights to the Directors under the Plan.

Information required by Listing Rule 10.15

Name	Richard Hudson	Sten Gustafson	Melissa Sanderson	Hugh Keller	Chris Gibbs
Position	Director	Director	Director	Director	Director
Maximum number of securities to be issued under the Plan within 1 month after AGM	1,000,000 Options OR The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue	1,000,000 Options OR The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue	1,000,000 Options OR The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue	1,000,000 Options OR The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue	2,000,000 Options OR The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue
Option Terms	Schedule 2	Schedule 2	Schedule 2	Schedule 2	Schedule 3
Performance Rights Terms	Vesting Conditions: 1/3 on 30 November 2025 1/3 on 30 November 2026 1/3 on 30 November 2027	Vesting Conditions: 1/3 on 30 November 2025 1/3 on 30 November 2026 1/3 on 30 November 2027	Vesting Conditions: 1/3 on 30 November 2025 1/3 on 30 November 2026 1/3 on 30 November 2027	Vesting Conditions: 1/3 on 30 November 2025 1/3 on 30 November 2026 1/3 on 30 November 2027	Vesting Conditions: 1/3 on 30 November 2025 1/3 on 30 November 2026 1/3 on 30 November 2027
Remuneration	\$75,000	\$60,000	\$175,000	\$50,000	\$380,000
Valuation of Options	\$180,000	\$180,000	\$180,000	\$180,000	\$360,000

- (a) the Options or the Performance Rights will be issued no later than 1 month after the AGM.
- (b) the Company will not make any loan to in relation to the issue or exercise of the Options or the Performance Rights.
- (c) The Options (and Performance Rights) have a nil issue price. The funds raised on the exercise of the options will be

used for exploration and working capital purposes.

- (d) The rules of the Plan are set out in Schedule 4.
- (c) details of any Options or the Performance Rights issued under the Plan will be published in the Company's annual report relating to the period in which they were issued along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (d) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options or the Performance Rights under the Plan after the resolution is approved and who are not named in the Notice of the AGM, will not participate until approval is obtained under that Rule;
- (e) a voting exclusion statement is included in the Notice.

Directors' recommendation

The Directors (given they are eligible to participate in the Plan) abstain from providing a recommendation on Resolutions 7 to 11.

The Chair of the AGM intends to vote undirected proxies in favour of Resolutions 7 to 11.

1.9 Resolution 12- Approval to amend terms of existing Options held by Ken Traub.

Background

The Company has issued 1,500,000 Options on 17 August 2023 with an exercise price of \$0.22 and expiring on 17 August 2026 held by former Director Ken Traub (Traub Options) the terms of which contemplate exercise in a traditional manner, being the payment of the exercise price in cash with receipt of one new Share per Traub Option exercised. The Company issued the Options pursuant to its capacity under Listing Rule 7.1 and relied on Listing Rule 10.12 exception 12 to issue the Options without obtaining shareholder approval.

The Company is proposing to vary the terms of the Traub Options on issue, which remain unexercised (as at the date of this Notice) to include a cashless exercise mechanism (Cashless Exercise Facility) to provide Ken Traub the choice to use the Cashless Exercise Facility. To amend the terms of the Traub Options to include this Cashless Exercise Facility, the Company is required to obtain Shareholder approval under Listing Rule 6.23.4.

The Cashless Exercise Facility will enable Ken Traub to set-off the exercise cost of his Traub Options against the number of Shares which they are entitled to receive upon the exercise of his Traub Options. The Traub Options may still be exercised in the traditional manner. Accordingly, as a matter of completeness, the Company is seeking Shareholder approval to amend the terms of the Traub Options in accordance with Listing Rule 6.23.4.

If Ken Traub elects to use the Cashless Exercise Facility, he will only be entitled to that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the exercise price otherwise payable for Traub Options and the market value of the Shares at the time of exercise. The market value will be based on the 5-day VWAP of the Company's Shares prior to the notice of exercise being given by Ken Traub, unless otherwise specified in an invitation.

Effect of Proposed Amendment to Traub's Option Terms

The proposed Cashless Exercise Facility will only affect the manner in which the Traub Options are exercised. It will not change the entitlements of Ken Traub.

The benefit in offering a cashless exercise alternative limits dilution to existing Shareholders as fewer Shares are issued under the Cashless Exercise Facility. On the other hand, no cash would be received by the Company where the Cashless Exercise Facility is used for the exercise of the Traub Options.

Listing Rule 6.23.4

Shareholder approval is being sought to approve the amendment to the terms and conditions of the Traub Option which are on issue as at the date of this Notice in accordance with the requirements of Listing Rule 6.23.4.

Listing Rule 6.23.4 provides a change to the terms of the Traub Options, which is not prohibited under Listing Rule

6.23.3, can only be made if Shareholders approve the change. The proposed amendments to the terms and conditions of the Traub Options would not have the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities received on exercise, which are prohibited by Listing Rule 6.23.3.

If Resolution 12 is passed the Company will be able to proceed with the amendments to the terms and conditions of the Traub Options.

If Resolution 12 is not passed, the Company will not be able to proceed with the amendments to the terms and conditions of the Traub Options and Ken Traub will be required to make payment of the full exercise price in cash to exercise the Traub Options.

Directors' Recommendation

The Directors do not make any recommendation in respect to Resolution 12.

The Chair of the AGM intends to vote undirected proxies in favour of Resolution 12.

1.10 Resolution 13 - Approval of additional 10% placement facility

Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities totalling up to 10% of its issued ordinary share capital through placements over a 12-month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company's market capitalisation is currently approximately \$143.3 million. The Company is an eligible entity as at the date of this Notice of AGM and is expected to be an eligible entity as at the date of the AGM.

Resolution 13 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the AGM. The effect of Resolution 13 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below (refer to section (c) under the Listing Rule 7.3A Requirements heading in this Explanatory Memorandum).

Resolution 13 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the AGM (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section (b) under the Regulatory Requirements heading of this Explanatory Memorandum below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of the Notice of AGM, the Company has on issue one class of quoted Equity Securities, namely Shares.

Listing Rule 7.3A Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

a. Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average price of Equity Securities in the same class calculated over the 15

Trading Days on which trades in that class were recorded immediately before:

- i. The date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- ii. If the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above the date on which the Equity Securities are issued.

b. Dilution

As at the date of this Notice of AGM, the Company has 494,423,299 Shares on issue. If Shareholders approve Resolution 13, the Company will have the capacity to issue approximately 49,442,330 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

$$(A \times D) - E$$

where:

A has the same meaning as in Rule 7.1;

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by holders of its ordinary securities under rule 7.4; and

“relevant period” has the same meaning as in rule 7.1.

If Resolution 13 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders’ voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not receive any Shares under such issues. There is a risk that:

- i. the market price for the Company’s Equity Securities may be significantly lower on the date of the issue of the Equity Securities than the date of the AGM; and
- ii. the Equity Securities may be issued at a price that is at a discount to the market price for the Company’s Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable “A” calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice of AGM.

The table (over page) also shows:

- i. two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rate entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- ii. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.145 50% decrease in Issue Price	\$0.29 Issue Price	\$0.435 50% increase in Issue Price
Current Variable A 494,423,299 Shares	Shares issued	49,442,329 New Shares	49,442,329 New Shares	49,442,329 New Shares
	Funds raised	\$7,169,137	\$14,338,275	\$21,507,413
50% increase in current Variable A 741,634,948 Shares	Shares issued	74,163,494 New Shares	74,163,494 New Shares	74,163,494 New Shares
	Funds raised	\$10,753,706	\$21,507,413	\$32,261,119
100% increase in current Variable A 988,846,598 Shares	Shares issued	98,884,659 New Shares	98,884,659 New Shares	98,884,659 New Shares
	Funds raised	\$14,338,275	\$28,676,551	\$43,014,826

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
2. No Options are exercised into Shares before the date of the issue of the Equity Securities. The Company currently has 56,100,000 unquoted Options on issue.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% Placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
7. The issue price is \$0.295, being the closing price of the Shares on ASX on 30 September 2024.

c. Issue Period

If Shareholders approve Resolution 13, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the AGM until the earlier of the following to occur:

- i. The date that is 12 months after the date of the AGM at which the approval is obtained;
- ii. The time and date of the Company's next AGM; and
- iii. The time and date of the approval by holders of the eligible entity's ordinary securities of a transaction under Listing Rule 11.1.2 or Rule 11.2, after which date, an approval under Listing Rule 7.1A ceases to be valid.

(the Additional 10% Placement Period).

The Company will only issue and allot Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

d. Purpose of Issues

The Company will seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised on continued exploration expenditure and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

e. Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- i. the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- ii. the effect of the issue of the Equity Securities on the control of the Company;
- iii. the financial situation and solvency of the Company; and
- iv. advice from corporate, financial, and broking advisers (if applicable).

No issue will be made to any related party.

f. Previous issues

The Company has previously obtained Shareholder approval under Listing Rule 7.1A on 16 November 2023.

In accordance with listing rule 7.3A.6(a) and listing rule 7.3A.6(b) details of the total number of Equity Securities issued in the past 12 months preceding the date of the meeting and the percentage those issues represent of the total number of Equity Securities on issue at the commencement of the 12-month period are as follows:

Equity Securities issued in prior 12-month period	-
Percentage previous issues represent of total number of Equity Securities on issue at commencement of 12-month period	-

g. Voting exclusion statement

A voting exclusion statement for Resolution 13 is included in the Notice of AGM preceding this Explanatory Memorandum.

At the date of the Notice of AGM, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances, for a person's vote to be excluded it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of AGM.

Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months after the AGM. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 13.

The Chair of the AGM intends to vote undirected proxies in favour of Resolution 13.

1.11 Resolution 14 – Conditional Spill Resolution

This resolution is a conditional resolution. It will be put to the Annual General Meeting irrespective of whether the Company receives a Second Strike however the result of the vote will be of no force and effect and will not be disclosed if the Company does not receive a Second Strike.

This resolution will be considered an ordinary resolution, which means that, to be passed, the resolution requires the approval of a simple majority of the votes cast by or on behalf of shareholders entitled to vote on the resolution.

If the resolution is passed, the Company will be required to hold another meeting of Shareholders within 90 days of the date of this Meeting (Spill Meeting) and the Vacating Directors will cease to hold office immediately before the end of the Spill Meeting. The business of the Spill Meeting will be to put to vote resolutions to appoint persons to offices vacated by the Vacating Directors.

The Directors who were Directors when the resolution to make the Directors Report for 2024 was passed, other than the Managing Director, are namely Mr Hudson, Mr Gustafson, Ms Sanderson and Mr Keller. Accordingly, these Directors will be the Vacating Directors. The Vacating Directors may submit themselves for re-election at the Spill Meeting.

Shareholders should be aware that the convening of a Spill Meeting will result in the Company incurring additional expense in conducting a meeting (including legal, printing, mail out and registry costs) as well as potential disruption to its focus on core business operations as a result of management distraction, the time involved in organising such a meeting and diversion of resources.

Shareholders should note that there are no voting exclusions applicable to resolutions appointing Directors at any subsequent meeting of Shareholders. This would mean there is no barrier to existing major Shareholders of the Company, if they chose to do so, to exercise their voting rights to reappoint Vacating Directors of the Company without any changes to the composition of the Board.

In the event a Spill Meeting is required a separate notice of meeting will be distributed to Shareholders with details about those persons that will seek election as directors of the Company at the Spill Meeting.

In the Board's view it would be inappropriate to remove all non-executive Directors in the circumstances. However, the Board recognises that Shareholders can remove a Director by a majority Shareholder vote at any time for any reasons.

As a public company is required to have a minimum of 3 directors, the Corporations Act includes a mechanism to ensure that the Company will have at least 3 directors (including the managing director, if any) after the Spill Meeting. If at the Spill Meeting, there are not 3 Directors on the Board, the persons taken to be appointed are those with the highest percentage of votes favouring their appointment cast at a Spill Meeting on the Resolution for their appointment (even if less than half of the votes cast on the Resolution were in favour of their appointment).

Board Recommendation

The Directors unanimously recommend that Shareholders **vote AGAINST** Resolution 14.

The Chair intends to vote all undirected proxies **AGAINST** Resolution 14.

2 INTERPRETATION

For the purposes of interpreting the Explanatory Memorandum and the Notice:

- a) the singular includes the plural and vice versa;
- b) words importing any gender include the other genders;
- c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define, limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice;
- e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- f) reference to **cents**, **\$**, **A\$**, **Australian Dollars** or **dollars** is a reference to the lawful currency for the time being and from time to time of the Commonwealth of Australia.

3 GLOSSARY

In this Notice and the Explanatory Statement:

2024 Annual Report means the Company's Directors' Report, Financial Report and Auditor's Report in respect to the financial year ended 30 June 2024.

AGM means the Company's annual general meeting to commence 10.00AM (AEDT) on Thursday 28 November 2024 and notified to the Company's Shareholders by this Notice.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor means Hall Chadwick.

Auditor's Report means the Auditor's report on the Financial Report.

Board means the Board of Directors.

Chair means the person appointed to chair the AGM convened by this Notice.

Closely Related Party of a member of the Key Management Personnel means

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means American Rare Earths Limited (ABN 83 003 453 503).

Companies Act means the Companies Act 2001, as amended from time to time.

Constitution means the constitution of the Company, as amended from time to time.

Director means a director of the Company.

Directors' Report means the annual Directors' Report.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement attached to the Notice.

Group means the Company and each body corporate that is a subsidiary of the Company by virtue of Division 6 of the Corporations Act.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the official listing rules issued and enforced by the ASX, as amended from time to time.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of annual general meeting.

Option means an option to have Shares issued.

Professional Investor has the meaning given in Section 708(ii) of the Corporations Act.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

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

Shareholder means a shareholder of the Company.

Sophisticated Investor has the meaning Shareholders given in section 707(8) of the Corporations Act.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Traub Options means 1,500,000 unlisted options exercisable at \$0.22 with an expiry date of 17 August 2026.

VWAP means arithmetic average of the daily volume weighted average price of the ordinary shares in the Company traded on the ASX.

Schedule 1 – Terms and Conditions of the Options to be issued under Resolution 4

The Options will be issued on the following terms:

- (a) the Options may be exercised at any time before expiry;
- (b) the exercise price of each Option is \$0.25;
- (c) the Options will expire on the date 3 years after the date of issue (“the Expiry Date”);
- (d) all or any of the Options are exercisable, by notice in writing to the Company, at any time up until the Expiry Date;
- (e) the holder of Options cannot participate in any new issue of Equity Securities without a prior exercise of the Options;
- (f) Shares issued on the exercise of Options will rank pari passu with the then existing issued ordinary shares of the Company;
- (g) if there is a reorganisation of capital of the Company, the exercise price of the Options or the number of Shares over which the Options can be exercised will be reorganised in accordance with the relevant provisions of the ASX Listing Rules in force at the time of the exercise of Options;
- (h) except as provided in paragraph (f), neither the exercise price of the Options nor the number of Shares over which the Options can be exercised will be changed to take account of pro rata Share issues (other than bonus Share issues);
- (i) in respect of a bonus Share issue, the Option holders may only participate if the Options are exercised before the record date for the bonus Share issue. In the event of a bonus Share issue, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus Share issue;
- (j) the Options may only be transferred with Board approval; and
- (k) the Options will not be quoted on the ASX.

Schedule 2 – Terms and Conditions of the Options or Performance Rights to be issued under Resolutions 7 to 10 (inclusive)

The Options will be issued on the following terms:

- (a) the Options may be exercised at any time before expiry if they vested;
- (b) the Options vested 1/3 on issue, 1/3 on 30 November 2025 and 1/3 on 30 November 2026;
- (c) the Options will expire on the earlier of the date which is one month after the Director to whom the Options are issued ceases to be a Director of the Company (or such longer period as determined by the Board of Directors) and 3 years after the date of issue (“the Expiry Date”);
- (d) all or any of the Options are exercisable, by notice in writing to the Company, at any time up until the Expiry Date;
- (e) the holder of Options cannot participate in any new issue of Equity Securities without a prior exercise of Options;
- (f) Shares issued on the exercise of Options will rank pari passu with the then existing issued ordinary shares of the Company;
- (g) if there is a reorganisation of capital of the Company, the exercise price of the Options or the number of Shares over which the Options can be exercised will be reorganised in accordance with the relevant provisions of the ASX Listing Rules in force at the time of the exercise of Options;
- (h) except as provided in paragraph (f), neither the exercise price of the Options nor the number of Shares over which the Options can be exercised will be changed to take account of pro rata Share issues (other than bonus Share issues);
- (i) in respect of a bonus Share issue, the Option holders may only participate if the Options are exercised before the record date for the bonus Share issue. In the event of a bonus Share issue, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus Share issue;
- (j) the Options may only be transferred with Board approval; and
- (k) the Options will not be quoted on the ASX.

Valuation of the Options – Black & Scholes

- (1) The Options have been valued by reference to the Black Scholes Options pricing model, based on the following assumptions:

Call Option Valuation	Input
Share price at 30 September 2024	\$0.29
Exercise Price	\$0.38
Risk Free Rate	4.35%
Volatility (Annualised)	108%
Time (years) to expiry	3 years
Value per Option	\$0.18
Number of Options	1,000,000
Total value	\$180,000

- (2) It should be noted that no discount has been applied to the valuation for non-negotiability of the Options as they are not listed and have a value of \$180,000.

Performance Rights

The number of Performance Rights will be determined by the value of the Options divided by the 5 day VWAP of the Shares at the date of issue.

Example:

Value of Options	\$180,000
5 day VWAP at date of issue	\$0.30
Number of performance rights to be issued	600,000 (\$180,000 /0.30)

The Performance Rights otherwise have the same terms as the Options.

Schedule 3 – Terms and Conditions of the Options or Performance Rights to be issued under Resolution 11

Short Term Incentive (STI)

- (i) 2,000,000 Options to be issued following Shareholder approval vesting in equal portion annually for the exercise period of three years with the first 50% of the options vesting on the first anniversary and the second 50% vesting on the second anniversary.
- (ii) KPI and STI targets must be fully achieved for full entitlement to the Options.
- (iii) If only some of the KPI and STI's are achieved then only a proportion of the entitlement will vest.
- (iv) On achievement of 100% of the KPI and STI targets being achieved then 1,000,000 Options will vest on over the first and second anniversary dates.
- (v) The strike price of the Options will be \$0.38.
- (vi) Any Options not exercised by the third anniversary will lapse.
- (vii) The Options have been valued by reference to the Black Scholes Options pricing model, based on the following assumptions:

Call Option Valuation	Input
Share price at 30 September 2024	\$0.29
Exercise Price	\$0.38
Risk Free Rate	4.35%
Volatility (Annualised)	108%
Time (years) to expiry	3 years
Value per Option	\$0.18
Number of Options	2,000,000
Total value	\$360,000

- (viii) It should be noted that no discount has been applied to the valuation for non-negotiability of the Options as they are not listed and have a value of \$360,000.

Performance Rights

The number of Performance Rights will be determined by the value of the Options divided by the 5 day VWAP of the Shares at the date of issue.

Example:

Value of Options	\$360,000
5 day VWAP at date of issue	\$0.30
Number of performance rights to be issued	1,200,000 (\$360,000 /0.30)

The Performance Rights otherwise have the same terms as the Options.

Schedule 4: Resolution 6 – Summary of Option Share Trust Plan

Eligible Participants

The eligible participants under the Option Share Trust Plan are a Director (whether executive or non-executive) of any Group Company, a Company Secretary of any Group Company; a full or part time employee of any Group Company; a Casual employee or Eligible Contractor of a Group Company; or a prospective participant, being a person to whom the offer is made but who can only accept the Offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant under Rules above, who is declared by the Board to be eligible to receive grants under the Plan.

What securities can be issued under the Plan

Options, Performance Rights and Shares. Under the terms of the Plan, a reference to Options includes Performance Rights.

Limits on number of Options

An offer of Options may only be made under the Option Share Trust Plan if the number of Shares that may be issued on exercise of those Options plus the number of Shares which would be issued if each outstanding Option was exercised plus the number of Shares issued during the previous three years pursuant to the Option Share Trust Plan does not exceed 5% of the total number of issued Shares as at the time of the issue of the Options.

Individual limits

The Option Share Trust Plan does not set out a maximum number of Options that may be issued to any one person.

Consideration payable

The Options will be issued for no cash consideration.

Offer and Performance Conditions

The Options issued under the Plan may be subject to conditions, determined by the Board from time to time in its discretion set out in a written offer (Offer) made by the Board to an eligible participant which is subject to acceptance within a specified time by the eligible participant. In exercising its discretion, the Board may have regard to the following (without limitation):

- The eligible participants length of service within the Group;
- The contribution made by the eligible participant to the Group;
- The potential contribution of the eligible participant to the Group; and
- Any other matter the Board considers relevant.

Expiry Date and Lapse

The Options will have an expiry date, determined by the Board in its absolute discretion and specified in the Offer. The Board may not extend an expiry date without Shareholder approval.

An Option does not automatically lapse if the holder of the Option ceases to be an eligible participant under the Plan unless the Board determines otherwise in its absolute discretion.

Forfeiture

The Board may forfeit Options if, in the reasonable opinion of the Board, the holder of the Options has acted dishonestly or in breach of duty or, without limitation, in any way the Board considers detrimental to the interests of the Company or any of its subsidiaries (the onus of disproving which is upon the holder of the Options).

Assignment

Options may not be transferred or otherwise dealt with by the holder except with the prior approval of the Board.

Takeover bid or change of control

All Options approved for issue, that have not vested, automatically vest if an arrangement or reconstruction pursuant to Part 5.1 of the Corporations Act is effected.

Alteration in share capital

The provisions of Listing Rule 7.22 apply to any reorganisation of Options as provided in that Listing Rule.

Pro rata issue of Shares

A holder of Options may only participate in a pro rata offer of new securities in the Company to existing Shareholders if, prior to the record date, the Options have been duly exercised. No adjustment to the number of Options held, nor adjustment to any performance condition which is based, in whole or in part, upon the Company's share price, shall occur as a result of the Company undertaking a rights issue.

Bonus issue

A holder of Options may only participate in a bonus issue of Shares undertaken by the Company if the Options have been duly exercised before the record date for the bonus issue.

The number of Shares to result from an exercise of an Option is increased to the number of Shares which the holder of the Options would have received had the Options been exercised before the record date for the bonus issue.

Termination, suspension or amendment

The Board may terminate, suspend or amend the Option Share Trust Plan at any time subject to any resolution of the Company required by the Listing Rules.

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ARR

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

American Rare Earths Limited Annual General Meeting

The American Rare Earths Limited Annual General Meeting will be held on Thursday, 28 November 2024 at 10:00am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 10:00am (AEDT) on Tuesday, 26 November 2024.



ATTENDING THE MEETING IN PERSON

The meeting will be held at:
Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000

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.



ABN 83 003 453 503

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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



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



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEDT) on Tuesday, 26 November 2024.**

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 and select "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at 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: 999999

SRN/HIN: 1999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to 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.

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FLAT 123
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SAMPLEVILLE VIC 3030

☐ **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.



I 9999999999 I ND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of American 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 Annual General Meeting of American Rare Earths Limited to be held at Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 on Thursday, 28 November 2024 at 10:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4, 6, 7, 8, 9, 10, 11 and 14 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 4, 6, 7, 8, 9, 10, 11 and 14 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 4, 6, 7, 8, 9, 10, 11 and 14 by marking the appropriate box in step 2.

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.

The Chairman of the Meeting intends to vote all available proxies in FAVOUR the following Items of business

		For	Against	Abstain
1	Approval of Remuneration Report	☐	☐	☐
2	Re-election of Director – Richard Hudson	☐	☐	☐
3	Election of Director – Hugh Keller	☐	☐	☐
4	Issue of options – Richard Hudson	☐	☐	☐
5	Ratification of prior issue of placement shares	☐	☐	☐
6	Approval of the Option Share Trust Plan	☐	☐	☐
7	Issue of Options or Performance Rights under the Option Share Trust Plan to Richard Hudson	☐	☐	☐
8	Issue of Options or Performance Rights under the Option Share Trust Plan to Sten Gustafson	☐	☐	☐

		For	Against	Abstain
9	Issue of Options or Performance Rights under the Option Share Trust Plan to Melissa Sanderson	☐	☐	☐
10	Issue of Options or Performance Rights under the Option Share Trust Plan to Hugh Keller	☐	☐	☐
11	Issue of Options or Performance Rights under the Option Share Trust Plan to Chris Gibbs	☐	☐	☐
12	Approval to amend terms of existing options held by Ken Traub	☐	☐	☐
13	Approval of additional 10% placement capacity	☐	☐	☐
The Chairman of the Meeting intends to vote all available proxies AGAINST the following item of business				
14	Conditional Spill Resolution	☐	☐	☐

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business with the exception of Resolution 14 where the Chairman of the Meeting intends to vote against. 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.

Step 3 Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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