

25 March 2025

ASX Market Announcements Office
20 Bridge Street
Sydney NSW 2000

Notice under section 708AA(2)(f) of the Corporations Act 2001 (Cth)

Australian Rare Earths Limited ACN 632 645 302 (**Company**) has today announced that it is undertaking a non-renounceable pro-rata entitlement offer of new fully paid ordinary shares in the Company (**New Shares**) to raise gross proceeds of up to approximately A\$3.6 million (before costs) (**Offer**).

Under the Offer, eligible shareholders will be invited to subscribe for 1 New Share for every 3 existing fully paid ordinary shares in the Company held at the record date, 7.00pm (ACDT) on 28 March 2025, at an issue price of A\$0.068 per New Share. Participants will also receive 1 free attaching unlisted option for every 2 New Shares subscribed for, with an exercise price of \$0.10 expiring 30 March 2029 (unless accelerated).

The Offer will not be underwritten.

Further details regarding the Offer are detailed in the ASX announcement accompanying this notice.

The Company hereby notifies ASX under paragraph 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Corporations Act**), as modified by the Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73 (**ASIC Instruments**) that:

- (a) the Company will offer the New Shares under the Offer without disclosure to investors under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by the ASIC Instruments;
- (c) as at the date of this notice, the Company has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act, as they apply to the Company; and
 - (ii) sections 674 and 674A of the Corporations Act;
- (d) as at the date of this notice, there is no excluded information as defined in section 708AA(8) and section 708AA(9) of the Corporations Act which is required to be disclosed by the Company;

- (e) the potential effect which the issue of New Shares pursuant to the Offer will have on the control of the Company is as follows:
 - (i) if all eligible shareholders take up their entitlements under the Offer, the New Shares issued under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from ineligible shareholders being unable to participate in the Offer; and
 - (ii) in the more likely event that there is a shortfall in the Offer, eligible shareholders who do not subscribe for their full entitlement of New Shares under the Offer will be diluted relative to those shareholders who subscribe for some or all of their entitlement and will be diluted by any take up of the shortfall.

The Board of Australian Rare Earths authorised this announcement to be given to ASX.

Noel Whitcher
Company Secretary

For further information please contact:

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