

9 April 2025

AR3 extends Entitlement Offer as China's Heavy Rare Earth export controls highlight Koppamurra's strategic importance

Australian Rare Earths Limited (ASX: AR3) advises its shareholders of an extension to the closing date of its previously announced pro-rata non-renounceable entitlement offer (the "Offer").

The Offer will now close at 5:00pm (ACST) on Monday, 28 April 2025.

The extension of the Offer Period will provide time for shareholders to consider and capitalise upon the reports that China will introduce controls on the export of its heavy rare earth materials, coming as it does on top of a period of high volatility in global financial markets after the recent US tariff announcements.

The imposition of Chinese export controls for heavy rare earths is a significant event in global rare earths markets. AR3's Koppamurra ionic clay-hosted rare earths deposit, which contains all four of the rare earth elements found in high-performance and higher operating temperature permanent rare earth magnets, is being advanced toward production with the support of a \$5 million grant from the Australian Government via its International Partnerships in Critical Minerals Program (refer ASX announcement dated 6 December 2024), for completion of a Pre-Feasibility Study (PFS) as well as building and operating a demonstration plant during 2025 and 2026.

While the market's understanding of the implications of China's export controls will take some time to mature, what is clear is that ionic clay-hosted deposits, particularly those like Koppamurra which are amenable to development via a progressive and rapid rehabilitation heap leach approach, will benefit from a potential time-to-market competitive edge to be in the vanguard of new non-China supply, by virtue of relatively lower capex, simpler flowsheet and lower technical risk.

In a world that may soon be actively seeking new diversified sources of upstream supply, a mixed rare earth carbonate relatively enriched in heavy rare earths, as could be produced at Koppamurra, is expected to attract increasing interest.

Australian Rare Earths would like to thank those shareholders who have already participated in the Entitlement Offer so far for their support. The Company reminds all remaining eligible shareholders who are considering participating in this Entitlement Offer that the Offer Period will now close Monday 28 April 2025 that they will also receive priority to apply for top-up shares above their pro-rata entitlement, with any remaining entitlements able to be placed by the Company as indicated in the Offer Documents.

To recap, the Offer provides eligible shareholders the opportunity to subscribe for 1 new Share for every 3 Shares held on the record date at an issue price of \$0.068 per Share. Participants will also receive 1 free attaching unlisted option for every 2 new Shares subscribed for, with each option having an exercise price of \$0.10 and expiring on 30 March 2029 (unless accelerated). As noted, the Offer also includes a top up facility for eligible shareholders who take up their full entitlement to apply for additional new shares.

The Offer Booklet, containing further details of the Offer and how to participate, is available on the ASX website and the Company's website: <https://ar3.com.au/investment-offer/61>.

AR3 Managing Director and CEO, Travis Beinke, said:

"Given the recent market volatility stemming from international tariffs and to give time for shareholders to respond and capitalise on the growing market awareness of the strategic significance of new alternative rare earth supply as a result of the recent export controls from China, we have decided to extend the closing date of our Entitlement Offer to Monday, 28 April 2025.

This extension allows our eligible shareholders more time to consider participating in this important opportunity to support Australian Rare Earths as we continue both our active uranium exploration program at the Overland Project and advance our strategically valuable Koppamurra Rare Earths Development Project with co-funding from the Australian Government."

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

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

About Australian Rare Earths Limited

Australian Rare Earths (AR3) is emerging as a key player in the critical minerals sector, strategically positioned to meet the growing global demand for uranium and rare earth elements. The Company's vast 4,000 km² Overland Uranium Project in South Australia shows significant uranium discovery potential, with initial drilling underway since late 2024 and early 2025, signalling opportunities for substantial near-surface and deeper deposits.

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