

30 April 2025

Successful \$3.6M Entitlement Offer: Strong backing from existing and new investors

Highlights:

- **Full \$3.6m raised with strong support from existing base:** AR3 has successfully raised the full \$3.6m sought, with \$3.35 million (93%) raised through acceptances by existing AR3 shareholders, and firm commitments received to place the balance with sophisticated and professional investors.
- **Directors subscribe in full:** As signaled at the outset of the offer, all Directors took up their full entitlement under the offer, demonstrating strong alignment to shareholders and confidence in the Company's outlook.
- **Validation amidst critical minerals momentum:** Strong investor uptake underscores AR3's strategic positioning amidst geopolitical shifts in the rare earths market.
- **Capital injection enables key project development plans:** With funds secured, AR3 is well placed advance its key projects, including uranium exploration at Overland and testwork and pre-feasibility studies at the Koppamurra Rare Earth Project.
- Engage with this announcement at the AR3 [investor hub](#).

AR3 Chairman, Angus Barker, said:

"The Board's desire to prioritise our existing shareholders and provide them the first opportunity to consider investing additional funds for the Company's development via a rights issue has been clearly validated. The take up rate was exceptional amidst general market turmoil. We sincerely thank our shareholders for their strong show of support."

I am also delighted to welcome to our register the two new, high-quality shareholders who have taken up the small shortfall.

Recent geopolitical developments, including China's export restrictions on magnets containing the key heavy rare earth elements Dysprosium and Terbium, and the Australian Government's welcome announcement of a Critical Minerals Strategic Reserve and potential national offtake agreements to incentivise new Rare Earth projects, has highlighted the strategic importance of rare earth projects like Koppamurra to provide new sources of global supply to Australia's friends and allies.

This favourable environment, coupled with the inherent time-to-market edge and relatively lower capex advantages of our ionic clay-hosted deposit at Koppamurra, together with early drilling success at our Overland Uranium Project, positions AR3 to capitalise on the growing demand for diverse, resilient and sustainable energy transition minerals. The strong support for AR3's rights issue is clear recognition of the Company's potential."

Australian Rare Earths Limited (ASX: AR3) is pleased to announce the successful completion of its non-renounceable rights issue which closed on 28 April 2025. Strong uptake by existing shareholders successfully raised \$3.35 million of the \$3.6 million offered. Top-up applications by existing shareholders have been accepted in full. The Company's Directors fully took up their pro-rata entitlements in the rights issue, demonstrating their strong alignment with shareholders and their confidence in the future success of AR3.

In accordance with the terms of the offer, the Company has also successfully placed the \$254,000 of shortfall shares (unbrokered) with professional and sophisticated investors.

The final allocations are set out below:

	Funds Raised	Shares	Options*
Shareholder Acceptances	\$3,349,851	49,262,343	24,631,171
Shortfall	\$254,000	3,735,295	1,867,648
Total	\$3,603,851	52,997,638	26,498,819

*The Company will issue 1 free attaching unlisted option for every 2 shares subscribed for, with each option having an exercise price of \$0.10 and expiring on 30 March 2029 (unless accelerated in accordance with the terms of the offer).

The funds raised will be deployed to accelerate the development of AR3's uranium and rare earth element projects. This includes advancing exploration activities at the highly prospective Overland Uranium Project in South Australia and progressing the Koppamurra rare earth development project, which recently received a \$5 million grant under the Australian Government's Critical Minerals Development Program.

The allotment of new shares is scheduled for 1 May 2025, with trading in the new shares expected to commence on 2 May 2025.

The rights offer benefited from positive tailwinds provided by recent geopolitical events, including export controls from China on Dysprosium and Terbium and the announcement by Australian Prime Minister Albanese and Resources Minister King of a Critical Minerals Strategic Reserve and potential national offtake agreements. These developments attracted the attention of investors who understood the potential of AR3's Koppamurra project as a timely future source of both light and heavy rare earths.

The Board of Directors thanks all shareholders for their continued support and welcomes new investors who participated in the offer.

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

For further information please contact:

Australian Rare Earths Limited

Travis Beinke

Managing Director and CEO

T: 1 300 646 100

Media Enquiries

Jessica Fertig

Tau Media

E: info@taumedia.com.au

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

About Australian Rare Earths Limited

Australian Rare Earths (AR3) is an emerging diversified critical minerals company, strategically positioned to meet the growing global demand for uranium and rare earth elements. The Company's vast 4,800 km² Overland Uranium Project in South Australia shows strong uranium discovery potential, with initial drilling identifying opportunities for substantial near-surface and deeper deposits.

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