

FORM 603
Corporations Act 2001
Section 671B

NOTICE OF INITIAL SUBSTANTIAL HOLDER

To: Company Name/Scheme AR3 - Australian Rare Earths Limited

ACN/ARSN 632 645 302

1. Details of Substantial Holder(1)

Name Acorn Capital Limited

ACN/ARSN (if applicable) 082 694 531

The holder became a substantial holder on 2/07/2021

2. Details of Voting Power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of Securities (4)	Number of Securities	Person's Votes (5)	Voting Power (6)
Ordinary	6,600,751	15,267,419	13.79%

3. Details of Relevant Interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of Relevant Interest	Nature of Relevant Interest (7)	Class and Number of Securities
Acorn Capital Ltd	In its capacity as investment manager for various superannuation funds, institutional investor portfolios and unit trusts has the power to exercise , or control of, a right attached to the securities and has the power to dispose of, or control the exercise of a power to dispose of, the securities.	15,267,419

4. Details of Present Registered Holders

The persons registered as holders of the securities referred to in Paragraph 3 above are as follows:

Holder of Relevant Interest	Registered Holder of Securities	Person Entitled to be Registered as Holder (8)	Class and Number of Securities
Acorn Capital Ltd	BNP Paribas Securities Services Australia	BNP Paribas Securities Services Australia	15,267,419

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of Relevant Interest	Date of Acquisition	Consideration (9)	Class and Number of Securities
See Annexure A			

6. Associates

The reasons the persons named in Paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Name of Association

7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
All Relevant Holders	C/O Acorn Capital Limited, Level 4, 2 Russell Street, Melbourne Victoria 3000

Print Name PAUL PALUMBO

Capacity Portfolio Manager

Sign Here

Date 5/07/2021

Annexure A

<u>Date Of Change</u>	<u>Entity</u>	<u>Type of Transaction</u>	<u>Consideration</u>	<u>Quantity</u>
08/06/2021	Acorn Capital Ltd	Purchase	\$999,999.90	3,333,333
01/07/2021	Acorn Capital Ltd	Purchase	\$822,966.11	1,580,461
02/07/2021	Acorn Capital Ltd	Purchase	\$362,401.19	603,625