

## Appointment of Managing Director

Australian Rare Earths Limited ([ASX: AR3](#)) ('AR3' or the **Company**) is pleased to announce the appointment of Mr Don Hyma as Managing Director of the Company, effective immediately.

Mr Hyma is a proven and highly-credentialed executive, who brings more than 30 years of global mining and resources experience across a diverse range of commodities including copper, nickel and iron ore.

Mr Hyma has a deep understanding of the resources industry, having worked as Director Projects for Fortescue Metals Group Ltd, Technical Director at Mitsui & Co Ltd, General Manager and Vice President Projects for Rio Tinto Ltd and also held senior management roles for Falconbridge Ltd (now Glencore).

The Company assessed a number of excellent candidates, reflecting the high level of interest in the opportunities that AR3 offers as a future supplier of the critical materials required for a carbon neutral global economy.

The Board had a clear vision on the attributes and qualities of the incoming Managing Director and Mr Hyma's mining and project development experience, capital project management abilities, vision and drive to succeed met these expectations. The Company is pleased to attract someone of Mr Hyma's calibre and have every confidence in his ability to progress the flagship Koppamurra Project through the development stages and into production.

Commenting on the appointment of Mr Hyma as Managing Director, Non-Executive Chairman Professor Dudley Kingsnorth said, *"We are delighted to appoint Don as Managing Director and welcome him to the Company."*

*"Our flagship Koppamurra Project is a unique asset with significant growth upside, located in a strategic Tier 1 mining jurisdiction; as a result, we received a strong level of interest in the role. Ultimately, Don's excellent domestic and international mining experience, capital project management abilities and development of projects from conception to production made him the clear choice. At this critical time in the development of Koppamurra we are confident that he is the right person to lead the Company through our well-defined growth strategy."*

*"As part of the Don's selection and appointment he spent four days in South Australia which enabled him and the directors to recognise that we have a common approach to the development of Koppamurra. Importantly, Don will be relocating from Perth to Adelaide; a critical move to ensure Koppamurra is successfully advanced and developed with regular reference to the local communities."*

Incoming AR3 Managing Director, Don Hyma said *"I am excited to join Australian Rare Earths Limited as Managing Director."*

*"I was fortunate to recently spend time in South Australia with the team, where I was also able to walk the ground at Koppamurra and meet the exploration team. Following that trip, it is clear to me that this is a*

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### FOR FURTHER INFORMATION PLEASE CONTACT:

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**Professor Dudley Kingsnorth** – Non-Executive Chairman**Rick Pobjoy** – Executive (technical) Director**Bryn Jones** – Non-Executive Director**Damien Connor** – CFO/Company Secretary

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*significant project and I'm eager to continue building the great platform established since the Company's listing in July.*

*"I look forward to moving across to South Australia and working closely with our great team on such an important and strategic project. The Company's approach to working closely with the local community and Government is one that I share and key to my acceptance of the appointment. AR3 is well positioned to develop Koppamurra to be able to meet the growing demand for rare earth elements that are critical as the world transitions to clean technology and renewable energy."*

Mr Hyma has completed a Bachelor of Mining Engineering, a Master of Engineering in Mining Processing, and an International Executive Management Diploma from INSEAD.

Mr Hyma previously served as a Non-Executive Director for Sunstone Metals, a gold-copper exploration company and currently sits on the Advisory Board for Caravel Minerals, a copper exploration and development company.

A summary of the material terms of Mr Hyma's employment contract are set out in Appendix A to this announcement.

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

**For further information please contact:**

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**About Australian Rare Earths Limited**

Australian Rare Earths (AR3) is committed to the timely exploration and development of its 100% owned, flagship Koppamurra Project, located in South Australia and Victoria. Koppamurra is a prospective ionic clay hosted rare earth element (REE) deposit; uniquely rich in the REEs required in the manufacture of rare earth permanent magnets which are essential components in energy efficient motors.

The Company is focused on executing a growth strategy that will ensure AR3 is in a position to become an independent and sustainable source of HREEs, playing a pivotal role in the global transition to renewable sources of energy such as wind power and in decarbonising the world's energy landscape, through the adoption of electric vehicle transportation.

## APPENDIX A - MATERIAL TERMS OF EMPLOYMENT AGREEMENT

Element	Employment term
Contract Duration	Commencing on 5 October 2021, subject to termination with or without cause.
Notice period for termination by AR3	1 months
Notice Period for termination by Don	3 months
Base Salary	\$360,000 per annum (exclusive of statutory superannuation).
Sign-on Shares	Up to \$300,000 worth of fully paid ordinary shares in the Company. (Subject to customary conditions precedent, including relocation from Perth to Adelaide and shareholder approval).
Short term incentive (STI) -STI Options (1 year performance period, subject to satisfaction of KPIs related to exploration and resource development, Safety and corporate activities).	Up to 100% of Base Salary (pro-rate from the commencement date of employment to 30 June 2022), to be paid in STI Options subject to satisfaction of KPIs for the performance period ending 30 June 2022 and shareholder approval.  STI Options will have an exercise price of zero and expire 3 years from the date of issue.
Long Term incentive (LTI) - LTI Incentive Options	4,000,000 unlisted options (Options), in aggregate, subject to shareholder approval, comprising: <ul style="list-style-type: none"> <li>2,000,000 Options exercisable at a price that is 150% of the VWAP of the Company's Shares, for the 5 trading days immediately prior to the offer date of the Options. Each Option will vest 12 months from the employment commencement date and expire 3 years from the date of issue; and</li> <li>2,000,000 Options exercisable at a price that is 200% of the VWAP of the Company's Shares, for the 5 trading days immediately prior to the Offer Date. Each Option will vest 24 months from the employment commencement date and expire 4 years from the date of issue;</li> </ul>
Long Term incentive (LTI) - LTI ZEPO Options (respective 1 year performance periods, subject to satisfaction of KPIs related company performance including relative performance against the ASX Small Ordinaries Resources Index (AXSRD)).	Up to 1,000,000 unlisted options, in aggregate, subject to satisfaction of particular Service and Performance conditions for the respective performance periods as follows: <ul style="list-style-type: none"> <li>500,000 Options will be assessed for vesting for the performance period 1 January 2022 to 31 December 2022 ('Tranche 1'); and</li> <li>500,000 Options will be assessed for vesting for the performance period 1 January 2023 to 31 December 2023 ('Tranche 2')</li> </ul> LTI ZEPO Options will have an exercise price of zero and expire 3 years from the date of issue.
Other provisions	Executive Services Agreement (Employment Agreement) contains provisions regarding duties, leave entitlements, confidentiality, intellectual property, restrictions and ancillary clauses.