Announcement Summary

Entity name

AUSTRALIAN RARE EARTHS LIMITED

Date of this announcement

Friday July 08, 2022

The +securities the subject of this notification are:

☑ +Other securities issued under an +employee incentive scheme that are not intended to be quoted on ASX

Total number of +securities to be issued/transferred

ASX +security code	Security description	Total number of +securities to be issued/transferred	Issue date
New class - code to be confirmed	Unlisted options, exercisable at $0.5743 each and expiring on 4 July 2025	500,000	08/07/2022

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of entity

AUSTRALIAN RARE EARTHS LIMITED

We (the entity named above) give notice of the issue, conversion or payment up of the following unquoted +securities.

1.2 Registered number type

ACN

Registration number

632645302

1.3 ASX issuer code

AR3

1.4 The announcement is

☑ New announcement

1.5 Date of this announcement

8/7/2022

Part 2 - Issue details

2.1 The +securities the subject of this notification are:

☑ +Other securities issued under an +employee incentive scheme that are not intended to be quoted on ASX

2.2a This notification is given in relation to an issue of +securities in a class which is not quoted on ASX and which:

☑ does not have an existing ASX security code ("new class")

Part 3C - number and type of +securities the subject of this notification (new class) where issue has not previously been notified to ASX in an Appendix 3B

ASX +security code

New class - code to be confirmed

+Security description

Unlisted options, exercisable at $0.5743 each and expiring on 4 July 2025

+Security type

Options

ISIN code

Date the +securities the subject of this notification were issued

8/7/2022

Will all the +securities issued in this class rank equally in all respects from their issue date?

☑ Yes

Were any of the +securities issued to +key management personnel (KMP) or an +associate?

☑ No

Have you received confirmation from ASX that the terms of the +securities are appropriate and equitable under listing rule 6.1?

☑ No

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities being issued.

Options issued on the same terms as those detailed in Appendix A of the Notice of Annual General Meeting dated 25 October 2021 https://www.asx.com.au/asxpdf/20211025/pdf/45228gv6kmmf6r.pdf.

Options Details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.57430000

Expiry date

4/7/2025

Details of the existing class of +security that will be issued upon exercise or conversion of this new class of company option

Other

Description

Each option is exercisable into one fully paid ordinary share in the Company (ASX: AR3)

Please provide a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms

Employee Share Option Plan lodged with ASX on 29 June 2021 as part of the Company's Admission to the Official List of ASX. https://www.asx.com.au/asxpdf/20210629/pdf/44xsjnb8xl3lh9.pdf

Any other information the entity wishes to provide about the +securities the subject of this notification

Options will vest as follows:
a) 1/3rd vest on 4 July 2022;
b) 1/3rd vest on 4 July 2023; and
c) 1/3rd vest on 4 July 2024

Issue details

Number of +securities

500,000

Part 4 - +Securities on issue

Following the issue, conversion or payment up of the +securities the subject of this application, the +securities of the entity will comprise:
(A discrepancy in these figures compared to your own may be due to a matter of timing if there is more than one application for quotation/issuance currently with ASX for processing.)

4.1 Quoted +Securities (Total number of each +class of +securities quoted)

ASX +security code and description	Total number of +securities on issue
AR3 : ORDINARY FULLY PAID	95,201,552

4.2 Unquoted +Securities (Total number of each +class of +securities issued but not quoted on ASX)

ASX +security code and description	Total number of +securities on issue
AR3AK : OPTION EXPIRING 13-DEC-2023 EX $0.57	9,237,106
AR3AI : OPTION EXPIRING 29-JUN-2024 EX $0.45	430,000
AR3AB : ORDINARY FULLY PAID RESTRICTED	34,296,668
AR3AE : OPTION EXPIRING 01-DEC-2024 EX $1.44	1,600,000
AR3AJ : OPTION EXPIRING 09-MAY-2025 EX $1.02	1,000,000
AR3AC : OPTION EXPIRING 29-JUN-2024 RESTRICTED	6,167,200
AR3AD : OPTION EXPIRING 25-JAN-2025 RESTRICTED	6,000,000
AR3AF : OPTION EXPIRING 29-JUL-2025 EX $0.60	2,000,000
AR3AG : OPTION EXPIRING 01-DEC-2024 EX $1.46	2,000,000
AR3AH : OPTION EXPIRING 01-DEC-2025 EX $1.95	2,000,000
New class - code to be confirmed : Unlisted options, exercisable at $0.5743 each and expiring on 4 July 2025	500,000

Part 5 - Other Listing Rule requirements

5.1 Were the +securities issued under an exception in Listing Rule 7.2 and therefore the issue did not need any security holder approval under Listing Rule 7.1?

☑ Yes

5.1a Select the number of the applicable exception in Listing Rule 7.2

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