Announcement Summary

Entity name

AUSTRALIAN RARE EARTHS LIMITED

Date of this announcement

Tuesday June 27, 2023

The +securities the subject of this notification are:

☑ Other

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 option exercisable at $0.57c expiring 9 May 2025	297,965	27/06/2023

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

27/6/2023

Part 2 - Issue details

2.1 The +securities the subject of this notification are:
☑ Other

Please specify

As per 3B issued to Market 21 April 2023

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

New +securities

ASX +security code	+Security description
New class - code to be confirmed	Unlisted option exercisable at $0.57c expiring 9 May 2025

+Security type

Options

ISIN code

Date the +securities the subject of this notification were issued

27/6/2023

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

☑ Yes

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 Details

+Security currency	Exercise price	Expiry date
AUD - Australian Dollar	AUD 0.57000000	9/5/2025

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

Other

Description

Ordinary fully paid shares

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

Unlisted option exercisable at $0.57c expiring 9 May 2025

Please provide any further information needed to understand the circumstances in which you are notifying the issue of these +securities to ASX, including why the issue of the +securities has not been previously announced to the market in an Appendix 3B

Unlisted option exercisable at $0.57c expiring 9 May 2025, as per 3B announcement 21 April 2023 and Shareholder approval 22 June 2023

Issue details

Number of +securities

297,965

Were the +securities issued for a cash consideration?

☑ No

Please describe the consideration being provided for the +securities

Issued as free attaching option to placement

Purpose of the issue

To raise additional working capital

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	118,975,402

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	9,058,697
AR3AM : OPTION EXPIRING 02-DEC-2025 EX $0.50	1,750,000
AR3AN : OPTION EXPIRING 02-DEC-2026 EX $0.50	1,550,000
AR3AO : OPTION EXPIRING 28-FEB-2026 EX $0.47	500,000
AR3AL : OPTION EXPIRING 04-JUL-2025 EX $0.5743	500,000
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
AR3AP : OPTION EXPIRING 09-MAY-2025 EX $0.57	7,865,182
New class - code to be confirmed : Unlisted option exercisable at $0.57c expiring 9 May 2025	297,965

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?

☑ No

5.2 Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?

☑ Yes

5.2a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

22/6/2023