

6 August 2025

Mr Alan Zhou
Senior Advisor, Listings Compliance 20
Bridge St
Sydney, NSW, 2000

Dear Mr Zhou,

Australian Rare Earths Limited ('AR3'): Cleansing Notice Timing

In reference to your letter received 1 August 2025 Australian Rare Earths (ASX: AR3) make the following comments:

- 1. Does AR3 consider the information disclosed in the Announcement and in particular,**
 - 1.1 that AR3 has produced approximately 34kg of a Mixed Rare Earth Oxide intermediary product from 1,800 litres of Pregnant Leach Solution, produced from ~3 tonne heap leach test work, which may have potential for scalable, cost-effective production;**
 - 1.2 that test work undertaken by AR3 achieved a 99% recovery of MRE through the precipitation of a MREO by applying a batch continuous operation, using a cost-effective reagent, magnesium oxide,**

or any part thereof to be information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of either:

 - 1.3 the assets and liabilities, financial position and performance, profits and losses and prospects of AR3; or**
 - 1.4 the rights and liabilities attaching to the relevant securities?**

No

- 2. If the answer to either limb of question 1 is "no", please advise the basis for that view.**

The announcement being referred to entitled "*Koppamurra metallurgical test work progressing well*" (**Announcement**) was an interim progress update on substantively previously disclosed scope of works being undertaken. Notably, this scope of works was announced to the market on 17 July 2025, and 26 June 2025.

While the early test work results are encouraging, and should be viewed favourably by the market, hence the Company marking the Announcement price sensitive. The Company considers them indicative only, and not definitive. Accordingly, in the Company's view, the information does not materially affect its financial position, performance or prospects, nor is it of a kind that investors or their professional advisers would reasonably require for the purpose of making an informed assessment of either the Company's financial position, performance and prospects or the rights and liabilities attaching to its securities

The Company expects to make further progress updates periodically as the test work continues and results are confirmed. The Company will continually assess the materiality of these announcements in determining market sensitivity.

- 3. Does AR3 consider the Announcement to include information for which it is reasonable for investors and their professional advisers to expect to find in a disclosure document?**

No

- 4. If the answer to question 3 is “no”, please advise the basis for that view.**

The Announcement provides an interim update on metallurgical test work forming part of a broader testing program that has already been disclosed to the market (most recently on 26 June and 17 July 2025). The results released on 29 July 2025 remain preliminary and were not finalised at the time the Cleansing Notice was issued on 28 July 2025.

The Company does not consider the information in the Announcement to be of the type that investors or their professional advisers would reasonably expect to find in a disclosure document for the purposes of section 708A(7) of the Corporations Act. While the early test work results are encouraging, they are not definitive and do not, in the Company’s view, materially affect the Company’s financial position, performance or prospects such that inclusion in a disclosure document would be required.

- 5. If the answer to question 3 is “yes”, please detail the information.**

Not Applicable

- 6. If the answer to either limb in question 1 is “yes”, when did AR3 first become aware of the relevant information in the Announcement? In answering this question, please specify the date and time when AR3 first became aware of the relevant information, and in particular,**

6.1 that AR3 has produced approximately 34kg of a Mixed Rare Earth Oxide intermediary product from 1,800 litres of Pregnant Leach Solution, produced from ~3 tonne heap leach test work, which may have potential for scalable, cost-effective production;

6.2 that test work undertaken by AR3 achieved a 99% recovery of MRE through the precipitation of a MREO by applying a batch continuous operation, using a cost-effective reagent, magnesium oxide, or any part thereof.

Not Applicable

- 7. If AR3 first became aware of the relevant information before lodging the Cleansing Notice on MAP, was AR3 relying on the provisions of Listing Rule 3.1A not to release the information before AR3 lodged the Announcement on MAP?**

Not Applicable. The Cleansing Notice was released prior to the Company being in receipt of the finalised technical material contained in the release. As JORC tables were incomplete the Company was not in a position to obtain Competent Persons sign off.

- 8. If AR3 first became aware of the information prior to the lodging of the Cleansing Notice on MAP, please explain why the information was not set out in the Cleansing Notice pursuant to the Act?**

Not Applicable

9. ***Please confirm that AR3 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.***

Confirmed

10. ***Please confirm that AR3's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board.***

This letter has been authorised for release by the Board of Australian Rare Earths Limited.

A handwritten signature in black ink, appearing to read 'Noel Whitcher', with a long horizontal flourish extending to the right.

Mr Noel Whitcher
Company Secretary



1 August 2025

Reference: 111231

Mr Noel Whitcher
Company Secretary & CFO
Australian Rare Earths Limited
Level 10, 111 Gawler Place
Adelaide, SA 5000

By email only.

Dear Mr Whitcher

Australian Rare Earths Limited ('AR3'): Cleansing Notice Timing

ASX refers to the following:

- A. AR3's announcement entitled 'Cleansing Notice – Exercise of \$0.10c Options' released on the ASX Market Announcements Platform ('MAP') at 10:33 AM on 28 July 2025 (the 'Cleansing Notice'), disclosing amongst other things:

As at the date of this notice, there is no information that is 'excluded information' within the meaning of sections 708A(7) and 708A(8) of the Act

- B. AR3's announcement titled "Koppamurra metallurgical test work progressing well" (the 'Announcement') released on MAP at 9:45 AM on 29 July 2025, marked as 'Market Sensitive', disclosing the following:

- 1.1 that AR3 has produced approximately 34kg of a Mixed Rare Earth Oxide intermediary product from 1,800 liters of Pregnant Leach Solution, produced from ~3 tonne heap leach test work, which may have potential for scalable, cost-effective production; and
- 1.2 that test work undertaken by AR3 achieved a 99% recovery of MRE through the precipitation of a MREO by applying a batch continuous operation, using a cost-effective reagent, magnesium oxide.

- C. Section 708A(7) of the Corporations Act 2001 (Cth) (the 'Act') which states:

For the purposes of subsection (6), excluded information is information:

- (a) that has been excluded from a continuous disclosure notice in accordance with the listing rules of the relevant market operator to whom that notice is required to be given; and*
- (b) that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of:*
 - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the body; or*
 - (ii) the rights and liabilities attaching to the relevant securities.*

- D. The definition of 'aware' in Chapter 19 of the Listing Rules. This definition states that:

an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B 'When does an entity become aware of information?'.

- E. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

3.1A *Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*

3.1A.1 *One or more of the following 5 situations applies:*

- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.*

Request for information

Having regard to the above, ASX asks AR3 to respond separately to each of the following questions.

1. Does AR3 consider the information disclosed in the Announcement and in particular,
 - 1.1 that AR3 has produced approximately 34kg of a Mixed Rare Earth Oxide intermediary product from 1,800 liters of Pregnant Leach Solution, produced from ~3 tonne heap leach test work, which may have potential for scalable, cost-effective production;
 - 1.2 that test work undertaken by AR3 achieved a 99% recovery of MRE through the precipitation of a MREO by applying a batch continuous operation, using a cost-effective reagent, magnesium oxide, or any part thereof to be information that investors and their professional advisers would reasonably require for the purpose of making an informed assessment of either:
 - 1.3 the assets and liabilities, financial position and performance, profits and losses and prospects of AR3; or
 - 1.4 the rights and liabilities attaching to the relevant securities?
2. If the answer to either limb of question 1 is “no”, please advise the basis for that view.
3. Does AR3 consider the Announcement to include information for which it is reasonable for investors and their professional advisers to expect to find in a disclosure document?
4. If the answer to question 3 is “no”, please advise the basis for that view.
5. If the answer to question 3 is “yes”, please detail the information.
6. If the answer to either limb in question 1 is “yes”, when did AR3 first become aware of the relevant information in the Announcement? In answering this question, please specify the date and time when AR3 first became aware of the relevant information, and in particular,

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- 6.1 that AR3 has produced approximately 34kg of a Mixed Rare Earth Oxide intermediary product from 1,800 liters of Pregnant Leach Solution, produced from ~3 tonne heap leach test work, which may have potential for scalable, cost-effective production;
 - 6.2 that test work undertaken by AR3 achieved a 99% recovery of MRE through the precipitation of a MREO by applying a batch continuous operation, using a cost-effective reagent, magnesium oxide, or any part thereof.
 7. If AR3 first became aware of the relevant information before lodging the Cleansing Notice on MAP, was AR3 relying on the provisions of Listing Rule 3.1A not to release the information before AR3 lodged the Announcement on MAP?
 8. If AR3 first became aware of the information prior to the lodging of the Cleansing Notice on MAP, please explain why the information was not set out in the Cleansing Notice pursuant to the Act?
 9. Please confirm that AR3 is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 10. Please confirm that AR3's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of AR3 with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **11:00 AM AEST Wednesday, 6 August 2025**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, AR3's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require AR3 to request a trading halt immediately if trading in AR3's securities is not already halted or suspended.

Your response should be sent by e-mail to **ListingsComplianceSydney@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in AR3's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to AR3's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that AR3's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours faithfully

ASX Compliance