

10 October 2025

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the AGM of Shareholders of American Rare Earths Limited ABN 83 003 453 503 will be held at Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000, on Thursday 13 November 2025 commencing at 10.00AM (AEDT).

1. ITEMS OF GENERAL BUSINESS

1.1. 2025 Annual Report

To receive and consider the Company’s annual financial report (including the financial statements for the year), Directors’ report and Auditor’s report for the year ended 30 June 2025 which accompany this notice.

Note: Except as set out in Resolution 1, there is no requirement for Shareholders to approve these reports. Accordingly, no resolution will be put to Shareholders on this item of business. At the AGM, Shareholders will be given an opportunity to raise questions of Directors and the Company's Auditor about the annual financial report.

1.2. Resolution 1: Approval of Remuneration Report

To consider and if thought fit, pass the following resolution, as a non-binding ordinary resolution:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopt the Remuneration Report for the year ended 30 June 2025.”

Voting Exclusion Statement for Resolution 1

The Company will disregard any votes cast on Resolution 1 (in any capacity) by or on behalf of:

- a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report; and
- a Closely Related Party of such a member.

However, the Company need not disregard a vote if it is cast by a person (including the Key Management Personnel or their Closely Related Parties) as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form or it is cast by a person chairing the Meeting as proxy for a person who is entitled to vote, where the Proxy Form does not specify the way the proxy is to vote on this resolution but expressly authorises the person chairing the meeting to exercise the proxy even if this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Any undirected proxies held by Directors or other Key Management Personnel or their Closely Related Parties for the purposes of Resolution 1 (excluding the Chair) will not be voted on Resolution 1. Accordingly, if you intend to appoint a member of Key Management Personnel as your proxy, please ensure that you direct them how to vote. If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 1. By marking the Chair’s box on the Proxy Form, you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy. The Chair will vote undirected proxies in favour of Resolution 1.

Notes on Resolution 1:

- Resolution 1 is advisory only and does not bind the Company or the Directors.
- The Directors will consider the outcome of the vote and comments made by Members on the Remuneration Report at the AGM when reviewing the Company’s remuneration policies.
- The Chair intends to vote all undirected proxies in favour of Resolution 1.
- If 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, Members will be required to vote at the second of those AGMs on a resolution (a “spill resolution”) that another meeting will be held within 90 days, at which all of Directors must go up for re-election.

Further information regarding the Remuneration Report appears in the attached Explanatory Memorandum.

1.3. Resolution 2: Re - Election of Director – Melissa (Mel) Sanderson

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That Melissa Sanderson, being a Director of the Company who retires by rotation in accordance with clause 14.2 of the Company’s Constitution, being eligible and offering herself for re-election, is re-elected a Director of the Company.”

There are no voting exclusions on this resolution. The Chair of the AGM intends to vote all available proxies in favour of Resolution 2.

1.4. Resolution 3: Election of Director – Brian Arkell

To consider and if thought fit, pass the following resolution, as an ordinary resolution:

“That Brian Arkell, being a Director of the Company who retires in accordance with clause 14.4 of the Company’s Constitution, being eligible and offering himself for election, is elected a Director of the Company.”

There are no voting exclusions on this resolution. The Chair of the AGM intends to vote all available proxies in favour of Resolution 3.

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1.5. Resolution 4: Ratification of prior issue of placement shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the issue of 46,875,000 Shares to various Professional Investors and Sophisticated Investors for the purposes and on the terms and conditions set out in the Explanatory Memorandum.”

The Chair of the AGM intends to vote all available proxies in favour of Resolution 4.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 4 by any persons that participated in the issue or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

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1.6. Resolution 5: Issue of Options or Performance Rights under the Option Share Trust Plan to Brian Arkell

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the passing of Resolution 5, for the purposes of Listing Rule 10.14, and for all other purposes, approval is given for the Company to issue a total of 250,000 Options (and the underlying Shares upon exercise of those Options) or the number of Performance Rights (and the underlying Shares upon vesting of those Performance Rights) determined by the value of 250,000 Options divided by the 5 day VWAP of the Shares at the date of issue to Brian Arkell (or his nominee) under the Option Share Trust Plan, at the election of Brian Arkell on the terms and conditions set out in the Explanatory Memorandum.”

If you intend to appoint the Chair of the meeting as your proxy, you can direct him to vote by marking the box for Resolution 5. By marking the Chair’s box on the Proxy Form, you acknowledge that the Chair of the meeting will vote in favour of this item of business as your proxy. The Chair of the AGM intends to vote all available proxies in favour of Resolution 5.

Voting exclusion statement:

The Company will disregard any votes cast in favour of Resolution 5 by any person referred to in Listing Rule 10.14.1, 10.4.2 and 10.14.3 who is eligible to participate in the Option Share Trust Plan in question (including Brian Arkell) or an associate of those persons (**Excluded Party**).

However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting prohibition statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this resolution if:

- the proxy is either:
- a member of the Key Management Personnel; or
- a Closely Related Party of such a member; and
- the appointment does not specify the way the proxy is to vote on this resolution.

Provided the Chair is not an Excluded Party, the above prohibition does not apply if:

- the proxy is the Chair; and
- the appointment expressly authorises the Chair to exercise the proxy even though this resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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1.8 Resolution 6: Approval of additional 10% placement facility

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

“That, for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of AGM.”

The Chair of the AGM intends to vote all available proxies in favour of Resolution 6.

Voting Exclusion Statement for Resolution 6

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity) or an associate of those persons. However, this does not apply to a vote cast in favour of the resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chair to vote on the resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Important note: The proposed allottees of any Equity Securities under the Additional 10% Placement facility are not yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

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2. GENERAL INFORMATION

2.1 Eligibility to Vote

For the purpose of determining a person's entitlement to vote at the AGM, Shares will be taken to be held by persons who are registered as Shareholders as at 7:00pm (AEDT) on Tuesday 11 November 2025. Accordingly, transactions registered after that time will be disregarded in determining Shareholders entitled to attend and vote at the AGM.

2.2 Proxies

A Proxy Form is attached. You may exercise your right to vote at the AGM either by being present in person or by appointing a proxy to attend and vote in your place. You may appoint either an individual or a body corporate as your proxy. A proxy need not be a member of the Company. A Proxy Form must be signed by the Shareholders or the Shareholder's attorney. Proxies given by corporations must be signed either under seal or in accordance with the Constitution of the Company. The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of the power of attorney or authority) must be received not later than 48 hours before the time for holding the AGM.

To lodge your proxy, please follow the directions below or on your personalised Proxy Form:

Online: www.investorvote.com.au

Or for Intermediary Online subscribers only (Custodians) www.intermediaryonline.com

By post: Computershare Investor Services Pty Ltd
GPO Box 242
Melbourne VIC 3001

To be received no later than 10.00AM (AEDT) on Tuesday 11 November 2025.

By order of the Board
American Rare Earths Limited



Wayne Kernaghan
Company Secretary

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EXPLANATORY MEMORANDUM

This Explanatory Statement forms part of the Notice of AGM Shareholders to be held at Hall Chadwick, Level 40, 2 Park Street Sydney NSW 2000 on Thursday 13 November 2025 commencing 10.00AM (AEDT).

The Notice of AGM and this Explanatory Memorandum should be read carefully and in their entirety.

1. ORDINARY BUSINESS

1.1 2025 Annual Report

The Company's annual financial report (including the financial statements), the Directors' report and Auditor's report will be laid before the AGM.

This item provides an opportunity for Shareholders at the AGM to ask questions and comment on those reports (including financial statements).

- (a) You have a right to receive from the Company, free of charge, a copy of the Company's 2025 Annual Report if you make a request to the Company to receive a copy; and
- (b) You may obtain a copy of the 2025 Annual Report by electronic means from www.americanree.com and
- (c) The Company has not prepared, in relation to the same accounting period as the 2025 Annual Report, a concise annual report.

No resolution is required to be passed on this matter

1.2 Resolution 1: Approval of Remuneration Report

Section 250R(2) of the Corporations Act requires that at a listed company's AGM, a resolution that the remuneration report be adopted must be put to Shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company. The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ended 30 June 2025. A reasonable opportunity will be provided for discussion of the remuneration report at the AGM.

In accordance with Section 250SA of the Corporations Act, Shareholders will be provided with a reasonable opportunity to ask questions concerning, or make comments on, the remuneration report at the AGM.

The Corporations Act requires the Company to put a resolution to Shareholders that, in accordance with Division 9 of Part 2G.2 of the Corporations Act, if twenty five (25%) per cent or more of votes that are cast are voted against the adoption of the remuneration report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

Directors' recommendations and interests

Noting that each Director has a personal interest in their own remuneration from the Company (as such interests are described in the remuneration report) and, as described in the voting exclusions on this resolution (set out in the Notice of AGM), that each Director (or any Closely Related Party of a Director) is excluded from voting their shares on this resolution, the Directors unanimously recommend that Shareholders vote in favour of Resolution 1 to adopt the remuneration report.

1.3 Resolution 2: Re-election of Director - Melissa (Mel) Sanderson

Clause 14.2 of the Constitution provides that any Director, who is not the Managing Director, who holds office for a continuous period in excess of three years or until the third annual general meeting following the Director's appointment or election, whichever is the longer, must submit for re-election.

As Melissa Sanderson was first appointed to the Board on 12 November 2021 and elected a director by shareholders on 8 November 2022 she must retire at the conclusion of the AGM. Being eligible, she offers herself for re-election.

Ms Sanderson's international career has spanned diplomacy and mining for 30+ years. Mel is adept at cross-cultural communication and brings leadership experience in inclusivity and diversity issues. At global mining leader Freeport-McMoRan, Mel sited, staffed, and ran a corporate office focused on government and public relations, as well as social responsibility programs. She served the nation as a senior diplomat in the U.S. Department of State.

Ms Sanderson is a member of the Remuneration and Nomination Committee.

The Company confirms that it has conducted appropriate checks into Ms Sanderson's background and experience.

The Board (with Ms Sanderson abstaining) unanimously recommends that Shareholders vote in favour of the re-election of Ms Sanderson.

1.4 Resolution 3 Election of Director – Brian Arkell

Clause 14.4 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Arkell was appointed to the Board on 30 April 2025. Accordingly, being eligible, he offers himself for re-election at the AGM. Mr Arkell is an independent director.

The Company confirms that it has conducted appropriate checks into Mr Arkell's background and experience.

The Board (with Mr Arkell abstaining) unanimously recommends that Shareholders vote in favour of the re-election of Mr Arkell.

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1.5 Resolution 4 - Ratification of a prior issue of Shares.

Resolution 4 relates to the ratification of a prior issue of Shares.

On 24 July 2025 the Company announced the placement of 46,875,000 Shares at \$0.32 each to raise approximately \$15m (before expenses) to Sophisticated and Professional Investors to fund exploration expenses and development at Halleck Creek and working capital.

On 31 July 2025 the Company issued 46,875,000 fully paid ordinary Shares under the placement. This issuance of Shares was made in compliance with ASX Listing Rules 7.1 at the time the issuance occurred.

Approval for the purposes of Listing Rule 7.4 is sought

Broadly speaking, and subject to a number of exceptions set out in Listing Rule 7.2, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of its Shareholders over any 12-month period to 15% of the fully paid ordinary securities it had on issue at the start of that period (**15% Placement Capacity**).

The issue of the Shares does not fit within any of the exceptions to Listing Rule 7.1 and was issued under the Company's 15% Placement Capacity, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the issue date.

Listing Rule 7.4 allows the Shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the Company's 15% Placement Capacity.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval under Listing Rule 7.1. Accordingly, Shareholder approval is sought to approve the issue of the Shares under and for the purposes of Listing Rule 7.4.

If Resolution 4 is passed, the security issues will be excluded in calculating the Company's 15% Placement Capacity, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

If Resolution 4 is not passed, the security issues will be included in calculating the Company's 15% Placement Capacity, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the issue date.

The Shares issued pursuant to the placement rank equally in all respects with all existing Shares previously issued by the Company.

Technical Information required under Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 4:

Rule 7.5.1: Names of person who participated:

Sophisticated Investors and Professional Investors as identified and approached at random by Bell Potter Securities Limited and BMO Capital Markets Limited as Joint Lead Managers in conjunction with the Company. None of the recipients are related parties, members of key personnel, substantial holders of the Company (or their associates);

Rule 7.5.2: Number of securities to be issued:

46,875,000 fully paid ordinary Shares under Listing Rule 7.1

Rule 7.5.3: If the securities are not fully paid securities, a summary of the material terms of the securities:

Not applicable

Rule 7.5.4: Date or dates on when securities will be issued:

46,875,000 fully paid Shares were issued on 31 July 2025

Rule 7.5.5: Price securities will be issued.:

46,875,000 fully paid Shares were issued at \$0.32 per Share

Rule 7.5.6: Purpose of the issue:

The funds raised will be utilised for exploration and development at Halleck Creek and working capital.

Rule 7.5.7: If securities were or will be issued under an agreement, a summary of any other material terms of the agreement:

Not applicable.

Rule 7.5.7: A voting exclusion statement:

A Voting Exclusion Statement is included in the Notice.

Recommendation

The Board unanimously recommends that Shareholders approve Resolution 4.

1.6 Resolutions 5: Issue of Options or Performance Rights under the Option Share Trust Plan to Mr Arkell

General

The Company has agreed, to issue securities to the following Director under the Plan which was approved by shareholders on 28 November 2024. A copy of the plan can be found on our website www.americanree.com The Director may elect to receive either Options or Performance Rights to the value of the Options.

Director	Number of securities	Vesting	Exercise Price	Expiry Date
Brian Arkell	250,000 Options	On issue	25% premium to 5 day VWAP at date of issue	30 November 2028
	OR The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue	On issue		30 November 2028

Listing Rule 10.14

Listing Rule 10.14 provides that an entity must not permit any of the following persons to acquire Equity Securities under an employee incentive scheme without the approval of the holders of its ordinary securities.

10.14.1 a Director of the entity;

10.14.2 an associate of a Director of the entity ; or

10.14.3 a person whose relationship with an entity or a person referred to in Listing Rules 10.14.1 to 10.14.2 is such that, in ASX's opinion, the acquisition should be approved by security holders.

The issue of Options or Performance Rights to a Director falls within Listing Rule 10.14.1 and therefore requires the approval of Shareholders under Listing Rule 10.14.

Resolution 5 seeks the required Shareholder approval for the issue of the Options or Performance Rights under and for the purposes of Listing Rule 10.14.

Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits a public company from giving a “financial benefit” to a “related party” (which includes Directors and associates) of the public company unless either:

- i. the giving of the financial benefits falls within one of the nominated exceptions to the provisions; or
- ii. prior Shareholder approval is obtained to the giving of the financial benefits and the benefit must be given within 15 months following such approval.

The granting of Options or Performance Rights to a Director of the Company constitutes the provision of a financial benefit to a related parties of the Company within the meaning of Chapter 2E of the Corporations Act. The Directors consider that the issue of the Options or Performance Rights to the Director constitutes reasonable remuneration given the circumstances of the Company, market levels of remuneration for people in similar positions, and that the Options or Performance Rights are a necessary part of incentive and remuneration package for each Director. Accordingly, the proposed issues of Options or Performance Rights to the Director falls within the "reasonable remuneration" exception set out in section 211 of the Corporations Act so that Shareholder approval is not required for the purposes of Chapter 2E of the Corporations Act.

Information required by Listing Rule 14.1A

The Company may issue Options or Performance Rights under the Plan (approved 28 November 2024) within three years after the date of the AGM (or such later date permitted by an ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Options or Performance Rights (because approval is being obtained under Listing Rule 10.14), the issue of the Options or Performance Rights will not use up any of the Company’s 15% annual placement capacity.

If Resolution 5 is not passed, the Company will not be able to proceed with the issue of the Options or Performance Rights to the Director under the Plan.

Information required by Listing Rule 10.15

Name	Brian Arkell
Position	Director
Maximum number of securities to be issued under the Plan within 1 month after AGM	250,000 Options OR The number of Performance Rights determined by the value of the Options divided by the 5 day VWAP of the Shares at date of issue
Option Terms	Schedule 1
Performance Rights Terms	No vesting conditions
Remuneration	\$53,846
Valuation of Options	\$37,204

- (a) the Options or the Performance Rights will be issued no later than 1 month after the AGM.
- (b) the Company will not make any loan to in relation to the issue or exercise of the Options or the Performance Rights.

- (c) The Options (and Performance Rights) have a nil issue price. The funds raised on the exercise of the options will be used for exploration and working capital purposes.
- (d) details of any Options or the Performance Rights issued under the Plan will be published in the Company's annual report relating to the period in which they were issued along with a statement that approval for the issue was obtained under Listing Rule 10.14;
- (e) any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options or the Performance Rights under the Plan after the resolution is approved and who are not named in the Notice of the AGM, will not participate until approval is obtained under that Rule;
- (f) a voting exclusion statement is included in the Notice.

1.7 Resolution 6 - Approval of additional 10% placement facility

Background

Listing Rule 7.1A enables an eligible entity to issue Equity Securities totalling up to 10% of its issued ordinary share capital through placements over a 12-month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company's market capitalisation is currently approximately \$207.9 million. The Company is an eligible entity as at the date of this Notice of AGM and is expected to be an eligible entity as at the date of the AGM.

Resolution 6 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the AGM. The effect of Resolution 6 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below (refer to section (c) under the Listing Rule 7.3A Requirements heading in this Explanatory Memorandum).

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the AGM (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to section (b) under the Regulatory Requirements heading of this Explanatory Memorandum below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of the Notice of AGM, the Company has on issue one class of quoted Equity Securities, namely Shares.

Listing Rule 7.3A Requirements

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

a. Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be a cash consideration per Equity Security of not less than 75% of the volume weighted average price of Equity Securities in the same class

calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- i. The date on which the price at which the Equity Securities are to be issued is agreed by the Company and the recipient of the Equity Securities; or
- ii. If the Equity Securities are not issued within 10 Trading Days of the date in paragraph (i) above the date on which the Equity Securities are issued.

b. Dilution

As at the date of this Notice of AGM (1 October 2025), the Company had 562,048,299 Shares on issue. If Shareholders approve Resolution 6, the Company will have the capacity to issue approximately 56,204,829 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

$$(A \times D) - E$$

where:

A has the same meaning as in Rule 7.1;

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the relevant period where the issue or agreement has not been subsequently approved by holders of its ordinary securities under rule 7.4; and

“relevant period” has the same meaning as in rule 7.1.

If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders’ voting power in the Company will be diluted as shown in the table below to the extent Shareholders do not receive any Shares under such issues. There is a risk that:

- i. the market price for the Company’s Equity Securities may be significantly lower on the date of the issue of the Equity Securities than the date of the AGM; and
- ii. the Equity Securities may be issued at a price that is at a discount to the market price for the Company’s Equity Securities on the issue date.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable “A” calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice of AGM.

The table (over page) also shows:

- i. two examples where variable “A” has increased by 50% and 100%. Variable “A” is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rate entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders’ meeting; and
- ii. two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.185 50% decrease in Issue Price	\$0.37 Issue Price	\$0.555 50% increase in Issue Price
Current Variable A 562,048,299 Shares	Shares issued	56,204,829 New Shares	56,204,829 New Shares	56,204,829 New Shares
	Funds raised	\$10,397,893	\$20,795,786	\$31,193,680
50% increase in current Variable A 843,072,448 Shares	Shares issued	84,307,244 New Shares	84,307,244 New Shares	84,307,244 New Shares
	Funds raised	\$15,596,840	\$31,193,680	\$46,790,520
100% increase in current Variable A 1,124,096,598 Shares	Shares issued	112,409,659 New Shares	112,409,659 New Shares	112,409,659 New Shares
	Funds raised	\$20,795,786	\$41,591,573	\$62,387,360

The table has been prepared on the following assumptions:

1. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
2. No Options are exercised into Shares before the date of the issue of the Equity Securities. The Company currently has 49,750,000 unquoted Options on issue.
3. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
4. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
5. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% Placement capacity under Listing Rule 7.1.
6. The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
7. The issue price is \$0.37, being the closing price of the Shares on ASX on 29 September 2025.

c. Issue Period

If Shareholders approve Resolution 6, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the AGM until the earlier of the following to occur:

- i. The date that is 12 months after the date of the AGM at which the approval is obtained;
- ii. The time and date of the Company's next AGM; and

- iii. The time and date of the approval by holders of the eligible entity's ordinary securities of a transaction under Listing Rule 11.1.2 or Rule 11.2, after which date, an approval under Listing Rule 7.1A ceases to be valid.

(the Additional 10% Placement Period).

The Company will only issue and allot Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

d. Purpose of Issues

The Company will seek to issue the Equity Securities for cash consideration. In such circumstances, the Company intends to use the funds raised on continued exploration expenditure and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

e. Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- i. the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- ii. the effect of the issue of the Equity Securities on the control of the Company;
- iii. the financial situation and solvency of the Company; and
- iv. advice from corporate, financial, and broking advisers (if applicable).

No issue will be made to any related party.

f. Previous issues

The Company has previously obtained Shareholder approval under Listing Rule 7.1A on 28 November 2024.

In accordance with listing rule 7.3A.6(a) and listing rule 7.3A.6(b) details of the total number of Equity Securities issued in the past 12 months preceding the date of the meeting and the percentage those issues represent of the total number of Equity Securities on issue at the commencement of the 12-month period are as follows:

Equity Securities issued in prior 12-month period	No securities issued during the year
Percentage previous issues represent of total number of Equity Securities on issue at commencement of 12-month period	Not applicable

g. Voting exclusion statement

A voting exclusion statement for Resolution 6 is included in the Notice of AGM preceding this Explanatory Memorandum.

At the date of the Notice of AGM, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances, for a person's vote to be excluded it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice of AGM.

Board Recommendation

The Board believes that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further securities representing up to 10% of the Company's share capital during the next 12 months after the AGM. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 6.

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2 INTERPRETATION

For the purposes of interpreting the Explanatory Memorandum and the Notice:

- a) the singular includes the plural and vice versa;
- b) words importing any gender include the other genders;
- c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define, limit or affect the meaning or interpretation of the Explanatory Memorandum and the Notice;
- e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- f) reference to **cents**, **\$**, **A\$**, **Australian Dollars** or **dollars** is a reference to the lawful currency for the time being and from time to time of the Commonwealth of Australia.

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3 GLOSSARY

In this Notice and the Explanatory Statement:

2025 Annual Report means the Company's Directors' Report, Financial Report and Auditor's Report in respect to the financial year ended 30 June 2025.

AGM means the Company's annual general meeting to commence 10.00AM (AEDT) on Thursday 13 November 2025 and notified to the Company's Shareholders by this Notice.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Auditor means Hall Chadwick.

Auditor's Report means the Auditor's report on the Financial Report.

Board means the Board of Directors.

Chair means the person appointed to chair the AGM convened by this Notice.

Closely Related Party of a member of the Key Management Personnel means

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the *Corporations Regulations 2001* (Cth).

Company means American Rare Earths Limited (ABN 83 003 453 503).

Companies Act means the Companies Act 2001, as amended from time to time.

Constitution means the constitution of the Company, as amended from time to time.

Director means a director of the Company.

Directors' Report means the annual Directors' Report.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the explanatory statement attached to the Notice.

Group means the Company and each body corporate that is a subsidiary of the Company by virtue of Division 6 of the Corporations Act.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Listing Rules means the official listing rules issued and enforced by the ASX, as amended from time to time.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of annual general meeting.

Option means an option to have Shares issued.

Professional Investor has the meaning given in Section 708(ii) of the Corporations Act.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Sophisticated Investor has the meaning Shareholders given in section 707(8) of the Corporations Act.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

VWAP means arithmetic average of the daily volume weighted average price of the ordinary shares in the Company traded on the ASX.

Schedule 1 – Terms and Conditions of the Options or Performance Rights to be issued under Resolution 5

The Options will be issued on the following terms:

- (a) the Options may be exercised at any time before expiry if they vested;
- (b) the Options vested on issue;
- (c) the Options will expire on the earlier of the date which is one month after the Director to whom the Options are issued ceases to be a Director of the Company (or such longer period as determined by the Board of Directors) and 3 years after the date of issue (“the Expiry Date”);
- (d) all or any of the Options are exercisable, by notice in writing to the Company, at any time up until the Expiry Date;
- (e) the holder of Options cannot participate in any new issue of Equity Securities without a prior exercise of Options;
- (f) Shares issued on the exercise of Options will rank pari passu with the then existing issued ordinary shares of the Company;
- (g) if there is a reorganisation of capital of the Company, the exercise price of the Options or the number of Shares over which the Options can be exercised will be reorganised in accordance with the relevant provisions of the ASX Listing Rules in force at the time of the exercise of Options;
- (h) except as provided in paragraph (f), neither the exercise price of the Options nor the number of Shares over which the Options can be exercised will be changed to take account of pro rata Share issues (other than bonus Share issues);
- (i) in respect of a bonus Share issue, the Option holders may only participate if the Options are exercised before the record date for the bonus Share issue. In the event of a bonus Share issue, the number of Shares over which an Option is exercisable will be increased by the number of Shares which the holder of the Option would have received if the Option had been exercised before the record date for the bonus Share issue;
- (j) the Options may only be transferred with Board approval; and
- (k) the Options will not be quoted on the ASX.

Valuation of the Options – Black & Scholes

- (1) The Options have been valued by reference to the Black Scholes Options pricing model, based on the following assumptions:

Call Option Valuation	Input
Share price at 29 September 2025	\$0.375
Exercise Price	\$0.4698
Risk Free Rate	3.5%
Volatility (Annualised)	65.72%
Time (years) to expiry	3 years
Value per Option	\$0.1488
Number of Options	250,000
Total value	\$37,204

- (2) It should be noted that no discount has been applied to the valuation for non-negotiability of the Options as they are not listed and have a value of \$37,204.

Performance Rights

The number of Performance Rights will be determined by the value of the Options divided by the 5 day VWAP of the Shares at the date of issue.

Example:

Value of Options	\$37,204
5 day VWAP at date of issue	\$0.375
Number of performance rights to be issued	99,210 (\$37,204 /0.375)

The Performance Rights otherwise have the same terms as the Options.



ABN 83 003 453 503

Need assistance?



Phone:

1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:

www.investorcentre.com/contact

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MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

American Rare Earths Limited Annual General Meeting

The American Rare Earths Limited Annual General Meeting will be held on Thursday, 13 November 2025 at 10:00am (AEDT). You are encouraged to participate in the meeting using the following options:



MAKE YOUR VOTE COUNT

To lodge a proxy, access the Notice of Meeting and other meeting documentation visit www.investorvote.com.au and use the below information:



Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

For your proxy appointment to be effective it must be received by 10:00am (AEDT) on Tuesday, 11 November 2025.



ATTENDING THE MEETING IN PERSON

The meeting will be held at: Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

For personal use only



ABN 83 003 453 503

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123 SAMPLE STREET
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SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEDT) on Tuesday, 11 November 2025.**

For personal use only

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate securityholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

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Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



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IND

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of American Rare Earths Limited hereby appoint

☐ the Chairman of the Meeting

OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of American Rare Earths Limited to be held at Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 on Thursday, 13 November 2025 at 10:00am (AEDT) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 5 by marking the appropriate box in step 2.

Step 2 Items of Business

PLEASE NOTE: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Resolution 1	Approval of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – Melissa Sanderson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Election of Director – Brian Arkell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Ratification of prior issue of placement shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	: Issue of Options or Performance Rights under the Option Share Trust Plan to Brian Arkell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of additional 10% placement facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

Step 3 Signature of Securityholder(s) This section must be completed.

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/

/

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

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