30 January 2026

AR3 raises ~$6 Million to progress Koppamurra Rare Earths Project

Australian Rare Earths Limited (ASX: AR3 or the **Company)** is pleased to advise that it has received firm commitments to raise approximately **$6 million** (before costs) via a share placement (**Placement**) to institutional, sophisticated and professional investors.

Highlights:

- **Strong investor support:** The Placement was strongly supported by both new and existing institutional and professional investors.
- **Strategically aligned funding**: Approximately $6 million of funding secured with the issue of ~32.6 million new fully paid ordinary shares at $0.185 per share (**Offer Price**), representing an 11.9% discount to the last closing price of $0.21 per share on 28 January 2026.
- **Execution focused:** Funding will provide significant runway to execute upon near-term objectives including the completion of the Koppamurra Rare Earths Project's (**Koppamurra**) pre-feasibility study, operation of the Koppamurra pilot plant, submission of a mining lease application and continued exploration activities.
- **Strengthened Balance Sheet:** Placement proceeds, together with existing cash and AR3's $3.25 million government grant to be received upon completion of grant milestones, provides balance sheet strength to deliver on significant project objectives.
- Engage with this announcement at the AR3 ***investor hub.***

AR3 Managing Director and CEO, Travis Beinke, said:

"AR3 has delivered strong progress over the past 12 months, and this $6 million placement provides a robust runway to execute our near-term milestones. The level of investor support reflects growing confidence in our strategy and the increasing demand for heavy rare earths critical to the global energy transition.

"With this additional funding we are well-positioned to focus on delivering on our key milestones. Our recent technical breakthrough in January 2026, which successfully established a pathway to producing a 98.6% pure Mixed Rare Earth Oxide (MREO) through a low-risk oxalate precipitation process, reinforces the strength of our strategy. In parallel, being selected as the Australian Nuclear Science and Technology's (ANSTO) first customer for its new pilot-scale rare earth processing facility in Sydney, places the Company in a strong position to materially advance the Koppamurra Project through 2026. We are in the vanguard of new, diversified non-China supply options for light and heavy rare earths feedstocks and this placement allows us to maintain momentum as we move into our next phase of execution.

"While there is more work ahead, we remain confident in our ability to deliver on our milestones and create long-term value for our stakeholders."

Details of the Placement

The Company will issue approximately 32.6 million new fully paid ordinary shares (**New Shares**) at the Offer Price of $0.185 per share to raise $6 million (before costs). The New Shares were issued out of the Company's existing capacity (7.1 10,356,878 and 7.1a 22,237,727). The Placement price represents a 11.9% discount to the last close price of $0.21 per share on 28 January 2026. The Placement included a one (1) for two (2) free-attaching option (unlisted) exercisable at a strike price of $0.2775 per share (27.75 cents), a 50% premium to the Offer Price, and will expire three years from the date of issue (**Options**).

New Shares issued under the Placement will be issued under the placement capacity available to the Company under Listing Rule 7.1 and 7.1A. The Options will be issued subject to shareholder approval at a forthcoming Extraordinary General Meeting (**EGM**) expected to be convened in the first half of 2026.

Funds raised in the placement are proposed to be used as follows:

- Completion of the Koppamurra Pre-Feasibility Study
- Operation of Koppamurra's pilot plant at ANSTO's new facility
- Advancement of regulatory approvals including submission of Koppamurra mining lease application
- Continued exploration activities at AR3's South Australian Uranium and North Queensland Rare Earth Projects
- General working capital and transaction costs

Canaccord Genuity (Australia) Limited acted as Sole Lead Manager and Bookrunner to the Placement. Evolution Capital Pty Ltd acted as Co-Lead Manager. The Lead Manager was paid fees equal to 6.0% of proceeds and will be issued 2,000,000 options on the same terms as the Placement participants, subject to shareholder approval at forthcoming EGM. An Appendix 3B containing further details of the Placement will be released to ASX in conjunction with, and at or about the same time as, this announcement.

Indicative Timetable

Key Event	Date
Trading Halt	29 January 2026
Announcement & Trading Resumes	30 January 2026
Issue of Placement securities	5 February 2026
Quotation of shares under the Placement	6 February 2026

The announcement has been authorised for release by the Board of Australian Rare Earths Limited.

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Engage and Contribute at the AR3 investor hub: https://investorhub.ar3.com.au/

About Australian Rare Earths Limited

Australian Rare Earths (AR3) is an emerging diversified critical minerals company, strategically positioned to meet the growing global demand for uranium and rare earth elements:

- *AR3's Koppamurra Rare Earths Project in South Australia and Victoria is a significant deposit of light and heavy rare earths, which has secured important Australian government support through a $5 million grant to accelerate development. With support from global advanced industrial materials manufacturer, Neo Performance Materials, AR3 is progressing toward a Pre-Feasibility Study and a demonstration facility, solidifying its role in diversifying global rare earth supply chains for the clean energy transition.*
- *AR3's large ~8,000 km^2 Overland Uranium Project in South Australia shows strong uranium discovery potential, with initial drilling identifying opportunities for substantial near-surface and deeper deposits.*

With strategic projects and strong government support, AR3 is poised to benefit from significant growth in the critical minerals market.