



American Rare Earths Ltd

(ASX:ARR)

An Australian exploration company focused on the discovery & development of Rare Earths and Critical mineral resources in North America

Commodity Exposure

Rare Earth Elements, in USA and Heavy Mineral Sands and Cobalt in Australia

Directors & Management

Creagh O'Connor

Non-Executive Chairman

Keith Middleton

Managing Director

Geoff Hill

Non-Executive Director

Vice Chairman

Denis Geldard

Non-Executive Director

Jim Guilinger

Chief Technical Advisor

Wayne Kernaghan

Company Secretary

Capital Structure

Ordinary Shares on Issue 328.5M

American Rare Earths Ltd

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22 December 2020

Second United States Rare Earths project: Update

Key points:

- Partial completion executed, with revised completion date of 30 June 2021 (was 31-12-2020) for complete acquisition by American Rare Earths, of Zenith Minerals Limited's 100% owned Laramie rare earth elements project in Wyoming, USA
- The Wyoming acquisition reflects ARR's long-term strategy for its US holding company Western Rare Earths Inc (WRE) to build market leadership in the sector, taking advantage of the USA declaration of critical metals as being strategic to that country's economic future
- Amended Wyoming project acquisition and condition precedent terms include non-material payment, project ownership and tenement grant adjustments agreed with Zenith
- Amended agreement necessitated by delays by US authorities in transferring titles to mineral leases
- The Laramie project complements ARR's substantial flagship and 100%-owned La Paz rare earth project in Arizona, USA for which a major field program has been announced for 1H 2021
- Announcement of Board and executive changes for US subsidiary

American Rare Earths Limited (ASX: ARR) ("the Company") today announces amendments to its share purchase agreement with Zenith Minerals Limited "Zenith") (ASX: ZNC), for ARR to acquire 100% of Zenith's rare earth elements project in Wyoming, USA. The Laramie project is held by Zenith's wholly owned Australian subsidiary, Wyoming Rare Pty Ltd ("Wyoming Rare").

The acquisition amendments, fully consented to by both parties, have been necessitated as the granting, by regulatory authorities, of Wyoming Lands Trust state mineral leases for rare earth minerals, is still awaited. The total project purchase price of 2.5 million ARR ordinary shares (price A\$0.02 each) plus A\$50,000 cash, remains unchanged.

Half of that consideration, 1.25 million ordinary ARR shares, and \$25,000 cash, will be issued by ARR on the signing of the amended agreement. The remaining share transfer and cash obligations will be fulfilled on receipt of approval from regulators, to transfer to ARR on or before 30 June 2021, the awaited rare earths mineral leases.

The purchase includes ARR acquiring all data, including samples and maps, associated with the Laramie REE Project, and exploration permits (which are precursors in Wyoming to granting of mineral leases).

The issue (in total) of 2.5 million ordinary fully paid shares as consideration by the Company to Zenith was approved by ARR's shareholders at the Annual General Meeting held on 11 November 2020. Wyoming is home to several major mining operations and is historically known to host rare earths. The Laramie project area has excellent road and rail infrastructure, and its project area shows some similarities that can complement ARR's La Paz Rare Earths Project.

Appointment of Directors

American Rare Earths also announced today the appointment of existing ARR Directors, Messrs Keith Middleton and Francis Creagh O'Conner, as Directors of Wyoming Rare Pty Ltd. Messrs Michael Clifford, Stanley Macdonald and Julian Goldsworthy will step down as Directors of Wyoming Rare. The Wyoming Rare subsidiary is being transferred to ARR's 100% owned USA subsidiary Western Rare Earths, WRE

Mr Wayne Kernaghan is to assume the role of Company Secretary of Wyoming Rare with Mr Chen Ong stepping down from that role.

This announcement has been authorised for release by the Board of Directors of American Rare Earths Limited.

*Keith Middleton
Managing Director*

About American Rare Earths

American Rare Earths (ASX: ARR) is the only Australian company listed on the ASX with assets in the growing rare earth metals sector of the United States of America, itself emerging as an alternative international supply chain to counter China's market dominance of a global rare earth market expected to balloon to US\$20 billion by the mid-2020s. ARR wholly owns the world-class La Paz rare earth project, 170km northwest of Phoenix, Arizona. The project's highly shallow 2012 JORC resource (128.2Mt @ 373.4ppm (0.037%) Total Rare Earth Elements), is less than 30m below surface and is contained within just 525 acres of ARR's total La Paz footprint of 5,143 acres. This points to potential resource upside. As a large tonnage, bulk deposit, La Paz is also potentially the largest rare earth deposit in the USA and benefits from containing very low penalty elements such as radioactive thorium and uranium. ARR plans to deliver late in 2021, its first Preliminary Economic Assessment for La Paz and is working with leading USA research institutions to have La Paz's mineral profile incorporated into emerging US advanced rare earth processing technologies. ARR is also acquiring a second USA rare earth asset, the Laramie project in Wyoming. Transaction completion is due by mid-2021.