



American Rare Earths Ltd

(ASX:ARR)

An Australian exploration company
focused on the discovery & development
of strategic technology mineral resources

Commodity Exposure

Rare Earth Elements, Heavy Mineral Sands,
Cobalt, Base & Precious Metals, Industrial
Metals

Directors & Management

Creagh O'Connor

Non-Executive Chairman

Keith Middleton

Executive Director

Geoff Hill

Non-Executive Director

Denis Geldard

Non-Executive Director

James Guilinger

Chief Technical Advisor

Wayne Kernaghan

Company Secretary

Capital Structure

Ordinary Shares on Issue (30/09/20) 291M

Market Cap (undiluted at 3.5cps) \$10.2M

American Rare Earths Ltd

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6 October 2020

US President's Executive Order: Critical Minerals Supply Emergency

Highlights

- This announcement is critically important to the development of the US domestic rare earth supply chain and highlights the strategic value of our two American projects to the US government
- Our US based board and management are well-positioned to take advantage of the strategic initiatives being offered by the US government
- The Executive Order stated the "importance of cooperation on supply chain issues with international partners and allies"
- The intent is to immediately strengthen domestic mining and processing capabilities for defence and radiation hardened electronics usage
- We believe that the latest presidential decree underpins the attraction and potential value of our projects as the only Australian listed company with strategic rare earth assets in Arizona and Wyoming

A new US Presidential Executive Order came out on Wednesday, September 30. The second since 2018 intended to stimulate domestic production and processing of identified Critical Materials; inclusive of Rare Earths and Scandium. The US President declared it a national emergency that the US needs to increase its related mining and processing capacity. The United States has no domestic production for 14 of the critical minerals. The Executive Order stated the "importance of cooperation on supply chain issues with international partners and allies"

The two prevailing political parties in the US share consensus that China plays too large a role in US supply chains. This includes source material used to manufacture green technology such as electric vehicles, offshore wind turbines and solid oxide fuel cells all precious to the left side of the aisle; as well as weapons and other Defence Department items that motivate the political right wing.

The intent is to strengthen US domestic mining and processing capabilities immediately. This is congruent with the ARR strategy which has its US team securing R&D relationships on cutting edge and very promising new processing technology. Leading American universities will soon be testing ARR project feedstock in processes shown to harvest much higher percentages of the elements than previous processes. Success could mean producing significantly more oxide material than previously expected. The US Department of Energy grants could help fund the University R&D, saving ARR substantial costs.

The US President is not a solo performer in the critical material's geopolitical drama. In the US, Senate Democrats have published a pro domestic REE mining policy position in their strategy to address the climate crisis. The US House of Representatives has a bipartisan caucus with similar support for REE mining and House Democrats have a policy manifesto in support as well.

There are complimentary bills currently moving through US Congress; The Onshoring Rare Earths Act and the Reclaiming American Rare Earths Act. Both bills contain key elements that help accelerate ARR projects in the USA. Specifically, these bills create comprehensive tax incentives and grant programs to encourage investment in and development of US based rare earth and critical mineral mining, processing and production.

The US Government is creating a significant market push. The path to commercialise opportunities for ARR in Rare Earths and Scandium is becoming well paved. Our US leadership team is more enthusiastic than ever.

This ASX announcement is approved and authorised by the Chairman.

A handwritten signature in blue ink, appearing to read 'F Creagh O'Connor', is displayed on a light blue background.

F Creagh O'Connor AM

Non-Executive Chairman