

American Rare Earths Limited (ASX:ARR, OTCQB:ARRNF, FSE:1BHA) (the Company), advises changes to the remuneration Package of Managing Directors Mr Chris Gibbs.

Following a review by the Remuneration and Nomination Committee, the Board advises that Mr Gibbs' remuneration package has been updated to add both short term and long-term performance targets to his employment contract. This update reflects the ability of Chris to manage and deliver meaningful value to shareholders. The amendments to Chris's remuneration package are subject to shareholder approval in line with ASX requirements at the next Annual General Meeting currently planned to occur in November 2022.

The updated remuneration package is in line with comparable roles and is aligned to long term shareholder interests. The structure includes deferred components to ensure retention which is in the best interests of the ARR group.

Chairman, Mr Creagh O'Connor commented:

"Since joining the Company in November 2021, Chris has demonstrated outstanding leadership and performance in his role as Managing Director. This update to his remuneration package reflects this performance and incentivized Chris to continue with his work to take the company to new heights over the next 3 years"

In accordance with ASX Listing Rule 3.16.4, the new terms of Mr Gibbs remuneration package are as follows:

Title :	CEO and Managing Director
Effective Date:	17 August 2022
Base Remuneration (unchanged):	A\$350,000 (inclusive of statutory superannuation)
Incentives :	<p>Mr Gibbs is eligible to participate in the Company's Option Share Trust Plan.</p> <p><u>Short term incentive</u></p> <p>Subject to shareholder approval at the next AGM, the granting of 5,000,000 3-year options priced at A\$0.40 each. The options vest if targets are met within 12 months and are conditional on Mr Gibbs remaining with the Company.</p>

	<p><u>Long term incentive</u></p> <p>Subject to shareholder approval at the next AGM, the granting of 5,000,000 3-year options priced at A\$0.47 each. If LTI targets are met during the next 3 years, the options vest, with an expiry 3 years after award. They are conditional on Mr Gibbs remaining with the Company.</p> <p><u>Performance bonus</u></p> <p>May be paid at sole discretion of the Board.</p>
Term: (unchanged)	No Fixed Term. Ongoing until terminated by either party in accordance with the Employment Agreement.
Notice period (unchanged) :	<p>The Executive may terminate employment by giving the Company 90 days written notice.</p> <p>The Company may terminate the employment without cause and pay one year's salary.</p>

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

Creagh O'Connor AM

Chairman

**About American Rare Earths:**

American Rare Earths Limited (ASX: ARR, OTCQB: ARRNF, FSE: 1BHA) is an Australian company listed on the ASX with assets in the growing rare earth metals sector of the United States of America, emerging as an alternative international supply chain to China's market dominance of a global rare earth market expected to expand to US\$20 billion by the mid-2020s. The Company's mission is to supply Critical Materials for Renewable Energy, Green Tech, Electric Vehicles, National Security, and a Carbon-Reduced Future.

Western Rare Earths (WRE) is the wholly owned US subsidiary of the Company. ARR owns 100% of the world-class La Paz Rare Earth Project, located 170km northwest of Phoenix, Arizona. As a large tonnage, bulk deposit, La Paz is potentially the largest rare-earth deposit in the USA and benefits from containing exceptionally low penalty elements such as radioactive thorium and uranium. Approximately 742 - 928 million tonnes of Rare Earths mineralised rocks are identified as an exploration target in the La Paz Rare Earths Project's Southwest area with an average TREO Grade of 350 - 400ppm and Scandium Oxide grade of 20 - 24.5ppm. The new exploration Target is additive to the La Paz Rare Earth project recently upgraded 170MT Resource. (ASX Announcement, 29 September 2021). During the period from February to April 2022, the Company drilled nine holes for 821 metres and collected 677 samples in the La Paz southwest area. The assay results from the first 332 samples demonstrate rock type associated with higher rare earth grades. The enhanced grades and thickness of the mineralised zone have accelerated exploration planning. The Company is working on establishing a JORC resource for the southwest area (ASX Announcement, 14 June 2022). Preliminary metallurgical test work demonstrates that La Paz ore can be effectively concentrated using conventional magnetic separation, selective grinding, and direct flotation. Under the guidance of Wood Australia, advanced metallurgy and mineral processing test work is near completion with Nagrom Laboratories in Perth Western Australia (ASX Announcement, 7 April 2022).

In the first half of 2021, ARR acquired the USA REE asset, the Halleck Creek Project in Wyoming. Since acquiring the asset, the Company has increased the land holding to over 6,000+ acres. Approximately 308 to 385 million tonnes of rare earths mineralised rocks were identified as an exploration target for the Halleck Creek project area with an average Total Rare Earth Oxide (TREO) grade of 2,330 - 2,912 ppm. Initial surface sampling of the Overton Mountain area conducted in 2018 revealed average TREO values of 3,297 ppm, average Heavy Rare Earth Oxide (HREO) values of 244 ppm, and average Magnetic Rare Earth Oxide (MREO) values of 816 ppm. (ASX Announcement, 26 April 2022). The maiden exploration drilling program was completed in April 2022. The Company is updating the existing exploration target and developing a more comprehensive drilling program to define a high tonnage maiden JORC resource.

La Paz and Halleck Creek's mineral profiles are incorporated into emerging US advanced rare earth processing technologies in collaboration with US national laboratories, major universities and the US DOE innovation hub, the Critical Materials Institute.