

25 August 2022

Completion of Institutional Placement

American Rare Earths Limited (“**American Rare Earths**” or the “**Company**”) (**ASX: ARR; OTCQB: ARRF; FSE: 1BHA**) is pleased to announce that it has now completed a single tranche placement of 48,275,863 million new fully paid ordinary shares (“**New Shares**”) at an issue price of A\$0.29 raising A\$14.0 million (“**Placement**”).

Highlights

- Placement to global institutional, professional, and sophisticated investors
- Placement provides American Rare Earths with a balance sheet that is well capitalised to accelerate exploration activities at its North American Projects.

The strongly supported Placement was supported by new and existing institutional, professional, and sophisticated investors. Bids were received exceeding the Placement target requiring significant scale back of applications to accommodate all parties.

American Rare Earths Managing Director, Chris Gibbs, says:

"We are delighted with the interest shown by new and existing investors under this placement and see it as a real demonstration of confidence and support for our vision to build the next major Rare Earth and Critical Minerals Company and play a key role securing supply for the United States of America."

"Our Company welcomes the new Institutional, professional and sophisticated investors who join the Company under this placement and look forward to an exciting long-term future together as our projects continue to grow and develop"

"American Rare Earths is also very appreciative of the level of continued support it receives from existing shareholders who have again shown their belief in the vision and strategy of the company, by participating in this Placement."

A revised Top 20 Shareholder list is included at appendix 1.

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

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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.

Appendix 1 - ARR Top 20 Shareholders – 25 August 2022

RANK	HOLDER	UNITS	% UNITS
1	HILL FAMILY GROUP PTY LTD	56,871,000	12.80
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	38,509,358	8.67
3	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	12,943,297	2.91
4	BNP PARIBAS NOMS PTY LTD <DRP>	12,149,296	2.73
5	IPS NOMINEES LIMITED	7,432,100	1.67
6	CITICORP NOMINEES PTY LIMITED	6,950,126	1.56
7	UBS NOMINEES PTY LTD	5,517,242	1.24
8	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	4,790,928	1.08
9	WILLYAMA ASSET MANAGEMENT PTY LTD <SD INVESTMENT A/C>	4,486,500	1.01
10	MS PHAIK CHIN LIM	4,383,334	0.99
11	AIKEN & ASSOCIATES LIMITED	4,288,979	0.97
12	R E G INVESTMENTS PTY LTD	4,106,250	0.92
13	WINKARA PTY LTD	3,818,475	0.86
14	CS FOURTH NOMINEES PTY LIMITED <SETTLEMENT A/C>	3,620,691	0.81
15	MR JOHN WARDMAN	3,500,000	0.79
16	COONAN FAMILY SUPERANNUATION FUND PTY LTD <COONAN FAMILY S/F A/C>	3,400,000	0.77
17	ACM GROUP PTY LIMITED	3,319,946	0.75
18	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	3,077,587	0.69
19	HONG KONG NOMINEES LIMITED	3,000,000	0.68
20	MR KAIDE WANG	3,000,000	0.68
		189,165,109	42.58