



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

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15 October 2020

La Paz Rare Earth Project and upcoming Drilling Programme

Highlights

- US management to focus on commercialising the La Paz asset
- Drilling programme will commence in November 2020
- Executive Order by US President supports project potential

American Rare Earths (ASX: ARR) wholly-owned U.S. subsidiary, Western Rare Earths, CEO Marty Weems joined Steve Darling from Proactive for a video interview to share details about the La Paz Rare Earth Project, the plan for an upcoming drilling campaign and his post-election outlook. Marty also addressed the recent Executive Order President Trump signed, declaring a national emergency relative to supply chain risk for several critical minerals, including REEs.

Marty explained that Western Rare Earths is managing the La Paz Rare Earth project and will soon take on progressing ARR's acquisition of a sister REE project in Wyoming after its anticipated deal closing in late 2020. Steve Darling asked about the history of this project which goes back 10 years with ARR Director, Mr. Denis Geldard and a NI 43-101 compliant technical report from 2011 that was updated earlier in 2020. This recent update is currently being reviewed to reflect recent activities that can be published in a JORC 2012 compliant format.

Steve Darling asked Marty to speak about the upcoming works program. The team is planning 6 core drill holes, the first in almost a decade, to double the previous drilling depth. A service agreement has been executed with the driller, Timberline, and they are expected to start work in late November as rigs come available.

The big news to discuss was the recent Executive Order (EO) by the American President, Donald Trump. This is the second^{1,2} Rare Earths targeted EO from the Trump administration. While successors can undo Executive Orders, it is a rare occurrence. The new EO made quite a splash as it states that the country's "undue reliance on critical minerals, in processed or unprocessed form, from foreign adversaries constitutes an unusual and extraordinary threat, which has its source in substantial part outside the United States, to the national security, foreign policy, and economy of the United States."

Trump is not alone in his concern for domestic REE production as the Pentagon³, Senate Democrats⁴, a Republican sponsored Senate bill⁵, a House of Representatives bill⁶, and a Bipartisan House of Representatives caucus⁷ all call out the need for a domestic supply of the minerals targeted by Western Rare Earths. Finally, Presidential contender and former VP, Joe Biden, has a \$2T USD green energy infrastructure plan⁸ that would require significant Rare Earths to execute. Thus, Marty tells Steve that he sees favourable tail winds regardless of the outcome of the November elections. This is due to Trump's focus on defence industry supply chain and Biden's plan for a carbon reduced future in which electric vehicles, off-shore wind and solid oxide fuel cells drive demand for REEs and Scandium.

See the full interview here. <https://youtu.be/Cc8Rs549gBU>

References:

- 1) Federal Strategy to Ensure Secure and Reliable Supplies of Critical Minerals
<https://www.whitehouse.gov/presidential-actions/presidential-executive-order-federal-strategy-ensure-secure-reliable-supplies-critical-minerals/>
- 2) White House Executive Order: Critical Minerals Oct 2020
<https://www.whitehouse.gov/presidential-actions/executive-order-addressing-threat-domestic-supply-chain-reliance-critical-minerals-foreign-adversaries/>
- 3) Pentagon Legislation proposal on Rare Earths
<https://www.defensenews.com/congress/2020/05/18/pentagon-legislation-aims-to-end-dependence-on-china-for-rare-earth-minerals/>
- 4) Senate Democrats' on Climate Crisis
https://www.schatz.senate.gov/imo/media/doc/SCCC_Climate_Crisis_Report.pdf
- 5) American Mineral Security Act
<https://www.congress.gov/bill/116th-congress/senate-bill/1317/text>
- 6) American Critical Mineral Exploration and Innovation Act of 2020
<https://waltz.house.gov/news/documentsingle.aspx?DocumentID=371>
- 7) U.S. House of Rep. launches bipartisan caucus to boost strategic minerals production
<https://www.reuters.com/article/us-usa-mining-washington/u-s-house-launches-caucus-to-boost-strategic-minerals-production-idUSKCN24P1SK>
- 8) Biden: \$2T Clean Energy Spending Plan
<https://www.bloomberg.com/news/articles/2020-07-14/biden-to-call-for-2-trillion-in-clean-energy-spending>

This ASX announcement is approved and authorised by the Chairman.



F Creagh O'Connor AM

Non-Executive Chairman