



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 Gulinger

Chief Technical Advisor

Wayne Kernaghan

Company Secretary

Capital Structure

Ordinary Shares on Issue 328.5M

American Rare Earths Ltd

ARBN 003 453 503

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19 January 2021

Investment in Cobalt Blue Holdings Limited

American Rare Earths Limited (ASX: ARR) ("the Company") today announces an update on its investment in Cobalt Blue Holdings Limited ("COB").

Key points:

- Sold 8,000,000 shares in COB for proceeds of \$2,468,822.
- Converted its \$1m three-year Convertible Note (CN) at a deemed price of \$0.20 into 5m shares in COB.
- Post conversion, will hold 6,000,448 shares in COB valued at \$2,640,197 based on the closing price of COB on 18 January 2021.
- Interest of \$60,328 on the CN up until its conversion has been received.
- Continues to hold a \$3m five year Promissory Note ("PN"), interest free for years 1, 2 and 3, with interest of 6% per annum for years 4 and 5 payable in arrears. The PN which is now in year 2 is secured over the title to the tenements.
- Continues to hold exploration, base and precious metal rights on an agreed sub tenement as defined in the agreement with a 2% Net Smelter Royalty on all Cobalt from the Broken Hill (Thackaringa) Cobalt Project.
- Current cash position is \$5m following the sale of the shares in COB.

The proceeds from the sale of the COB shares places the company in a strong financial position.

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.