



Strategic Capital Raising to Fidelity International Limited

The Board of **American Rare Earths** (the "Company") (ASX: ARR; OTCQB: ARRNF; FSE: 1BHA) is pleased to announce a binding commitment for the Placement of 38.8 million shares to Fidelity International (**Fidelity**).

Highlights

- Capital raising of approximately \$6.1M.
- Fidelity to hold an equity interest of approximately 9.9%.
- 41.1M Placement shares will be issued at \$0.148 per share.
- Management participation for Placement of 2.3M shares.
- Use funds to advance drilling programs, metallurgical test work and development at the La Paz and Halleck Creek Projects.

American Rare Earths Managing Director and Chief Executive Officer, Chris Gibbs, says

"Our vision is to build the next major Rare Earth and Critical Minerals Company and play a key role securing supply for the United States of America. We are delighted to have the confidence of a high-quality, long term institutional investor such as Fidelity to support our growth plans. Fidelity is a well-known investment partner in our industry and such a large initial stake demonstrates their commitment that we have the right team and world class assets to deliver results".

"The opportunity to bring Fidelity onto the register means we can accelerate the planned scope of works for both the La Paz and Halleck Creek REE Projects."

Terms of the Placement

Total funds raised of approximately \$6.1M (before expenses). Placement shares totalling approximately 41.1M will be issued at \$0.148 per share. The placement price represents a 4.5% discount to the last trading price of \$0.155 prior to the Placement and a 9.6% discount to the 5-day VWAP.



Shares allocated to Fidelity will settle on 9 December 2021, whilst the participation from the Managing Director for a placement of two million shares at \$0.148 will be subject to shareholder approval.

Taylor Collison Limited acted as Placement Agent to the Placement. A 6% fee on funds raised plus 1,000,000 options exercisable at \$0.20 expiring in two years. The Placement will be completed under the Company's capacity pursuant to ASX Listing Rules 7.1 and 7.1A.

Use of Funds

With a portfolio of rare earths assets, the Company is anticipating a high tempo of activity in the coming 18 months and beyond. The key focus is completing the metallurgical test work, drilling the new ore body in the SW area, resource expansion drilling and preparing the Preliminary Economic Assessment (PEA) for the La Paz Project. In addition, funds will be used to complete the maiden drill program to identify a JORC Resource and conduct metallurgical test work for the Halleck Creek Project.

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

Chris Gibbs

Managing Director and Chief Executive Officer

About American Rare Earths

American Rare Earths Limited (ASX: ARR, OTCQB: ARRNF, FSE: 1BHA) 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 China's market dominance of a global rare earth market expected to balloon to US\$20 billion by the mid-2020s. 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 also potentially the largest, rare-earth deposit in the USA and benefits from containing exceptionally low penalty elements such as radioactive thorium and uranium. ARR plans to deliver its first Preliminary Economic Assessment for La Paz by the end of 2022 and is working with leading USA research institutions La Paz's mineral profile incorporated into emerging US advanced rare earth processing technologies. ARR acquired a second USA REE asset in the Searchlight Rare Earths Project in the first half of 2021. ARR acquired a third USA REE asset, the Halleck Creek Project in Wyoming, in June 2021

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