

## **AMERICAN RARE EARTHS LIMITED**

### **CODE OF CONDUCT**

It is the Company's objective to appropriately balance, protect and enhance the interests of its key stakeholders. Proper behaviour by the Company's directors, officers, employees and those the Company contracts to do work for it is essential in achieving this objective.

This Code of Conduct:

- sets out the standards of behaviour to apply to every aspect of the Company's dealings and relationships both inside and outside of the Company;
- refers to policies, practices and procedures adopted by the Company to assist and guide the Company and its people to meet those standards;
- applies to the directors, officers and employees and where relevant and to the degree to which it is able, the contractors of ARR.

Meeting the standards means that each person who this Code applies to will take responsibility for conducting themselves in accordance with this Code in the context of their role in the Company.

#### **Standards of Behaviour**

The following standards of behaviour apply:

- Comply with the laws that govern the Company and its operations.
- Act honestly and with integrity and fairness in all dealings with others and each other.
- Avoid or manage conflicts of interest.
- Use Company assets properly and efficiently for the Company's benefit.
- Contribute to the well-being of the Company's key stakeholders.
- Seek to be an exemplary corporate citizen.

#### **Comply with the Laws that Govern the Company and its Operations**

This means:

- The Company aims to act in each place it operates, in a manner which complies with both the letter and the spirit of the law.
- Directors, officers, employees and contractors need to be familiar with the duties and responsibilities applying to them under the laws relevant to the Company and in the context of their role in the Company.
- Directors, officers, employees and contractors are encouraged to:
  - (a) ask for clarification and assistance about the application and interpretation of any law;
  - (b) regularly update their knowledge of the law as it applies to their role with the Company and undertake relevant training or professional development as necessary.

#### **Act Honestly and with Integrity and Fairness in all Dealings with Others and Each Other**

This means:

- A conflict of interest arises when a person is tempted to prefer their own interests or the interests of others (such as relatives or friends) instead of the interests of the Company. In other words, a conflict of interest may occur where loyalties are divided.
- Directors, officers and employees should be familiar with the Company's policy dealing with actual conflicts of interest and potential or perceived conflicts of interest.

#### **Use Company Assets Properly and Efficiently for the Company's Benefit**

This means:

- The Company's assets (such as information, equipment or funds) must be used properly and efficiently for the Company's benefit to achieve its objectives and not for the advantage of others or to cause loss to the Company. There are policies that relate to use of Company assets.
- Directors, officers and employees will use their time effectively and efficiently in the context of their role in the Company.
- All directors, officers, employees and contractors are subject to confidentiality arrangements aimed to protect the non-public information owned or used by the

Company. The Company also has policies to protect data in the Company's computer system.

- Directors, officers and employees should be familiar with the Company's Share Trading Policy which ensures that sensitive Company information is not used inappropriately in dealing with Company shares and options.

### **Contribute to the Well Being of its Key Stakeholders**

This means:

- The Company aims to foster a climate which governs innovation and diligence amongst its people by:
  - (a) encouraging participation in professional development to benefit the Company and the individual and to enable its people to better fulfil their roles in the Company. The Company has policies to support this commitment;
  - (b) adopting principles aimed to attract, retain and reward employees who assist the Company to achieve its objectives;
  - (c) encouraging personal development of its people for the benefit of the Company.
- The Company aims to be an employer of choice and to provide a family friendly work environment.
- The Company has policies and practices in place to provide and maintain a healthy and safe workplace.
- The Company will seek to deliver shareholder value and wealth.
- The Company has adopted strategies to keep shareholders and other key stakeholders informed about the Company and its key developments. The Company has a policy to reflect this commitment.

### **Seek to be an Exemplary Corporate Citizen**

This means:

- The Company will look for ways to support the communities in which it operates.
- The Company is committed to conducting its operations in an environmentally responsible manner and has a policy to support this.
- The Company is committed to constructive relations with indigenous communities.

### **American Rare Earths Policies**

The Company has implemented policies and procedures. Copies can be found on the Company's computer network or can be obtained from the Company Secretary. Directors, officers and employees are expected to be familiar with current policies and procedures and to comply with them at all times.

There is a program to review and update policies and procedures. Any changes to the policies and procedures will be advised when they occur.

### **Compliance with this Code**

Compliance with this Code requires genuine commitment and the co-operation of every person. This includes a responsibility on each person to report any breach or possible breach of this Code that a person becomes aware of. The type of breach or possible breach may range from dishonest behaviour, fraud, a breach of a law, improper conduct or an un-safe work practice.

A possible breach or breach of this Code should be reported to the Company Secretary, Managing Director or Chairman. There are laws to ensure that a person who makes a report will not be personally disadvantaged. The Company will endeavour to protect the privacy of the person making the report and keep the information reported in confidence so far as the issue reported allows. A person may choose to make a report anonymously.

Reports will be investigated. All directors, officers and employees are expected to assist in any investigation. The type of action taken in relation to any breach will be determined by the

nature of the breach. Action could include counselling, disciplinary action, and where appropriate, termination of employment. In cases of misconduct or a breach that involves criminal activity a report will be made to the relevant authority.

If there are any questions or issues regarding this code or the Company's policies and procedures, the Company Secretary should be contacted.

**Review**

The Board will review this code of conduct at least once a year.