

# TECHNICAL COMMITTEE CHARTER

## I. ROLE AND OBJECTIVES

The Technical Committee (the "**Committee**") is a committee of the Board of Directors (the "**Board**") of American Rare Earths Limited (the "**Company**") to which the Board has delegated certain oversight responsibilities in respect of technical matters relating to its mineral properties and projects.

The objectives of the Committee are to assist the Board in fulfilling its oversight responsibilities in respect of monitoring and reviewing any matters of significance affecting mineral resources and reserves, exploration, project development, capital execution, mining operations, technical risk, and other activities in respect of the exploration, permitting, construction, development and operation of its mineral properties and projects.

## II. ORGANIZATION

1. Members of the Committee shall be appointed by the Board.
2. The Committee must be composed of not less than three (3) members of the Board. If practicable, all the Committee members shall be "independent" as such term is defined in applicable securities legislation, but provided that at all times at least two (2) members must be independent.
3. At least two Committee members shall have a general familiarity with the technical aspects of the mining industry.
4. The Board shall designate a Chairperson from among the members of the Committee. The Chairperson shall have leadership experience and a background in engineering, geology, exploration, mining, mineral processing, metallurgy, capital project management, or operations management.
5. The Board shall fill any vacancy if and when the Committee has less than three (3) members and may remove members by resolution at any time.

## III. RESPONSIBILITIES AND DUTIES

The Committee shall have the following responsibilities.

### ***Information Receipt:***

The Committee shall:

- (a) receive informational updates from management (on a regular basis, as well as when requested by the Committee) regarding any technical aspect of the Company's exploration, development, permitting, construction and operational activities at its mineral properties and projects;
- (b) require management to ensure that processes and procedures are in place such that management and the Committee are provided with the same material technical

information from any joint venture of the Company as is available from any other mineral properties and projects which are not subject to joint venture or otherwise controlled by the Company;

***Technical Review and Assessment:***

The Committee shall:

- (a) review the annual budget of the Company as it relates to planned exploration and development of the Company's mineral properties and projects;
- (b) review and assess the Company's systems and processes for identifying and reviewing technical risks and the technical controls in place at the Company's mineral properties and projects, including quality assurance/quality control measures;
- (c) review and assess measures taken to mitigate geological, mining, metallurgical, operational and other technical-related risks;
- (d) periodically assess the capability of the Company, either through management, other Company personnel, or contractors, to oversee and address technical matters arising from the Company's exploration, development, permitting, construction and operational activities;
- (e) review the Company's strategies for the execution of exploration, development, construction, and operational programs, including, five and/or ten-year budget forecasts to support strategies;
- (f) review the Company's annual development, operating and production plans, as may be the case, together with operating reports, for all proposed and existing operating mines;
- (g) review and assess measures taken to mitigate operational and technical related risks with tailings, purge solutions or any large storage impoundments;
- (h) Review all resource and reserve estimates for the Company's material mineral properties, the procedures in place for the disclosure of resource and reserve information and the compliance of such disclosure with regulatory requirements;
- (i) Review all preliminary economic assessments, pre-feasibility studies, feasibility studies performed on the Company's material mineral properties, and report to the Board;
- (j) Review all proposed capital expenditures in excess of the Chief Executive Officer's delegated approval authority, and report to the Board;
- (k) review and assess measures taken to mitigate risks associated with nuclear reactive materials;
- (l) review and assess the acquisition or disposal of mineral properties and projects as may be required; and
- (m) Site visits: Annually visit at least one of the Company's main properties, meet with local management and receive a review of operational/exploration performance.

***Recommendations and Implementation***

The Committee may:

- (a) make recommendations, in the Committee's discretion, to management or to the Board with respect to any matter the subject of the Committee's review under this Charter and may require management to implement such recommendations;
- (b) make recommendations and require management to take such steps as the Committee may recommend to promote and safeguard the Company's mineral properties and/or projects, to mitigate technical risks, and/or to improve operational performance;
- (c) require management to provide to any other committee or the Board, such information

- related to technical matters as the Committee shall identify;
- (d) oversee the implementation of any technical recommendations relating to the exploration, development, capital deployment, and operation of the Company's mineral properties and projects;
  - (e) require management to report to the Committee on the implementation of any prior made recommendation of the Committee; and
  - (f) require management to report on implementation of best practices and trends in innovation.

**IV. The Committee shall perform such other functions as are required by law and the Company's Constitution, as well as any additional functions mandated by the Board.**  
**REPORTING REQUIREMENTS**

The Committee shall report regularly to the Board on the activities, proceedings, and deliberations of the Committee at such times and in such manner as the Board may require and, in the Committee's discretion, make recommendations to the Board for consideration.

**V. MEETINGS**

The Chairperson shall appoint a secretary (the "**Secretary**") who shall provide a written record of the events and decisions of all meetings in the form of minutes. The Secretary may be the Company's Corporate Secretary or another person who does not have to be a member of the Committee or a director. The Secretary can be changed by a simple notice from the Chairperson. Minutes of the Committee shall be kept by the Company's Corporate Secretary.

No business shall be transacted by the Committee unless a quorum of the Committee is present or the business is transacted by resolution in writing signed by all members of the Committee. A majority of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.

The Committee shall meet as often as it deems necessary to fulfill its responsibilities but not less frequently than two times per year.

The time at which, and the place where the meetings of the Committee shall be held, and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the Constitution of the Company or otherwise determined by resolution of the Board.

Meetings may be held in person, by teleconference or videoconference.

Any decision made by the Committee shall be determined by a majority vote of the members of the Committee present. A member shall be deemed to have consented to any resolution passed or action taken at a meeting of the Committee unless the member dissents.

The Committee may invite, from time to time, such persons as it may see fit to attend its meetings and to take part in discussion and consideration of the affairs of the Committee.

The Chairperson shall preside at all meetings of the Committee at which he or she is present and shall develop the agenda for each Committee meeting. The agenda for each meeting of the Committee shall be delivered to each member of the Committee within a reasonable period

of time prior to any meeting of the Committee, together with such other materials as the Chairperson determines necessary.

Upon request, and in advance of regular meetings of the Committee, management shall distribute to the Members, as well as to others, as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with all materials requested by the Committee and any appropriate briefing materials.

## **VI. ACCESS TO INFORMATION WITHIN THE COMPANY**

The Board authorizes the Committee, within the scope of its responsibilities, to:

- (a) have direct access to anyone within the organization;
- (b) require any information needed from any employee;
- (c) access the books and records of the Company necessary for the execution of the Committee's obligations; and
- (d) ensure the attendance of the Chief Executive Officer and other officers, employees, and/or advisors of the Company to Committee meetings as judged appropriate by the Committee.

## **VII. ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS**

The Committee shall have the authority to select, engage and remunerate independent engineering or consulting firms, independent legal counsel and other advisers to assist in performing its duties, as deemed necessary from time to time. The Company shall provide appropriate funding to compensate any advisors that the Committee chooses to engage.

In discharging its duties under this Charter, the Committee may investigate any matter brought to its attention and shall have access to all books, records, facilities, and personnel, may conduct meetings or interview any officer or employee, the Company's legal counsel, internal or external auditors and consultants, and may invite any such persons to attend any part of any meeting of the Committee with or without the presence of management.

## **VIII. ANNUAL REVIEW AND ASSESSMENT**

The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

The Committee shall review its own performance annually.

## **IX. REMUNERATION**

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.