Announcement Summary

Entity name

AMERICAN RARE EARTHS LIMITED

Announcement Type

New announcement

Date of this announcement

Thursday August 6, 2020

The Proposed issue is:

☑ A placement or other type of issue

Total number of +securities proposed to be issued for a placement or other type of issue

ASX +security code	+Security description	Maximum Number of +securities to be issued
ARR	ORDINARY FULLY PAID	2,500,000

Proposed +issue date

Monday November 30, 2020

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

AMERICAN RARE EARTHS LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

1.2 Registered Number Type

ABN

Registration Number

83003453503

1.3 ASX issuer code

ARR

1.4 The announcement is
☑ New announcement

1.5 Date of this announcement

Thursday August 6, 2020

1.6 The Proposed issue is:
☑ A placement or other type of issue

Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 - Are any of the following approvals required for the placement or other type of issue?
- **+Security holder approval**
- **Court approval**
- **Lodgement of court order with +ASIC**
- **ACCC approval**
- **FIRB approval**
- **Another approval/condition external to the entity**

☑ No

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?
☑ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?
☑ No

Details of +securities proposed to be issued

ASX +security code and description

ARR : ORDINARY FULLY PAID

Number of +securities proposed to be issued

2,500,000

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?
☑ No

Please describe the consideration being provided for the +securities

The agreed purchase price is 2,500,000 of ARR¿s ordinary fully paid shares (price AUD 0.02 each) plus AUD 50,000 cash. Zenith will sell to the Company, or its nominee, 100% issued capital of Zenith¿s wholly owned Australian subsidiary Wyoming Rare Pty Ltd.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

0.020000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?
☑ Yes

Part 7C - Timetable

7C.1 Proposed +issue date

Monday November 30, 2020

Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?
☑ Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

Wednesday November 11, 2020

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?
☑ No

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?
☑ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?
☑ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?
☑ No

7E.2 Is the proposed issue to be underwritten?
☑ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue

Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Zenith will sell to the Company, or its nominee, 100% issued capital of Zenith wholly owned Australian subsidiary Wyoming Rare Pty Ltd.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?
☑ No

7F.2 Any other information the entity wishes to provide about the proposed issue