

American Rare Earths Ltd

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American Rare Earths enhances US strategy with purchase of Wyoming REE project

American Rare Earths Ltd (ASX:ARR) is enhancing its US rare earth elements (REE) strategy after executing a share purchase agreement with Zenith Minerals Limited (ASX:ZNC) for the acquisition of a project in Wyoming.

The agreement will see ARR purchase Zenith's subsidiary Wyoming Rare Pty Ltd, which holds the Laramie REE Project.

This acquisition provides American Rare Earths with the opportunity to define a very large-scale exploration target once initial follow-up work is completed.

Portfolio broadened

Chairman Creagh O'Connor said the acquisition broadened ARR's portfolio of US targets for an attractive price.

He said: "Acquisition of the Laramie REE Project continues the company's strategic focus on American rare earths and should complement our La Paz Rare Earths Project in Arizona.

"Wyoming is home to several major mining operations and is historically known to host rare earths.

"The project area has excellent road and rail infrastructure and shows some similarities to La Paz."

Agreed purchase price is 2.5 million of ARR's ordinary fully paid shares at A\$0.02 each plus A\$50,000 cash.

The share purchase agreement encompasses ARR acquiring all data, including samples and maps, associated with the Laramie REE Project and exploration permits which are precursors to mineral leases.

American Rare Earths shares have been as much as 8% higher today to A\$0.027.

Encouraging sampling results

Initial rock grab sampling and mapping by Zenith in three key areas 2 to 3 kilometres apart in 2019 returned up to 0.6% total rare earth oxides (TREO).

Zenith's follow-up sampling, which included nine systematic rock chip sample traverses, returned consistent, strong REE mineralisation along their entire lengths.

Results included 80 metres at 0.40% TREO, 60 metres at 0.39% TREO, 60 metres at 0.37% TREO, 137 metres at 0.37% TREO and 332 metres at 0.26% TREO.

Next steps

Price: 0.13

Market Cap: \$37.82 m

1 Year Share Price Graph



Share Information

Code: ARR

Listing: ASX

52 week High Low
0.235 0.017

Sector: Rare earths & specialist minerals

Website: www.bhpl.net.au

Company Synopsis:

American Rare Earths Ltd (ASX:ARR) (formerly Broken Hill Prospecting Ltd) (ASX:BPL) is focussed on the La Paz Rare Earth Project in Arizona, U. S.

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O'Connor said: "ARR's next steps include further mapping, surface sampling and geophysical surveying to establish the overall extent of the mineralisation and target highest grade areas for drill testing, along with further mineralogical and beneficiation studies.

"ARR will build on the work done by Zenith. We have an alternative pool of technical experts, whose experience will be beneficial as we also progress our La Paz Rare Earth project in Arizona."

Agreement terms

Completion of the agreement is subject to the grant of one or more Wyoming Lands Trust state mineral leases for rare earth minerals subject of the current Wyoming Lands Trust state exploration permits.

Until this condition is satisfied, ARR will retain an exclusive right to acquire 100% of Wyoming Rare's issued capital for an initial 3-month exclusive period by a non-refundable payment of A\$10,000 to Zenith.

Should ARR wish to extend the exclusivity period it may do so at its sole election through the further payments of a non-refundable A\$10,000 to Zenith per additional 3-month period, up to a maximum of five 3-month periods in total.

Completion of the share purchase agreement, including the condition, must be satisfied by December 31, 2020.

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