Ares Strategic Mining Locates the Germanium and Gallium Minerals at the Centre of the US-China Trade Dispute at its Utah Fluorspar Project

- Ares tests previous assays from its Utah fluorspar project and finds the rare earth minerals: germanium and gallium.
- China is restricting exports of two niche metals — germanium and gallium — that are key to manufacture electronics and semiconductors, as the tech battle with the U.S. and Europe heats up.
- China produces 60% of the world's germanium and 80% of gallium, according to the Critical Raw Materials Alliance.

Vancouver, B.C., August 3rd, 2023 — Ares Strategic Mining Inc. ("Ares" or the "Company") (CSE: ARS) (OTC:ARSMF) (FRA: N8I1), is pleased to announce the Company has detected germanium and gallium in its fluorspar, following assaying conducted by SGS. Both minerals play a crucial role in developing and sustaining the tech industry. China was the principal source of the United States' germanium and gallium, but both minerals have now been restricted from export.

Ares located germanium and gallium in its fluorspar located at the Spor Mountain at its Utah fluorspar project. The company is concentrating its efforts currently on building processing facilities to achieve production at its operation but plans to further explore the Rare Earth discovery when it conducts further drilling. The minerals were located through an RC drilling program, and further work using core drilling with be used to develop a better understanding of the rare earths located at the Spor Mountain project.

China is restricting exports of two niche metals that are key to manufacture electronics and semiconductors, as the tech battle with the U.S. and Europe heats up. Germanium and gallium are the two metals in the spotlight. China and the U.S. have been locked in a technology trade

war that has been escalating since 2019. The U.S. has used trade blacklists and sweeping export restrictions to cut China off from key technology components and semiconductors or chips, and China has responded with restricting exports of germanium and gallium.

About Gallium

Gallium is found in trace amounts in zinc ores and in bauxite, and gallium metal is produced when processing bauxite to make aluminium. Around 80% is produced in China, according to the CRMA. Gallium is used to make gallium arsenide for use in electronics. China exported 94 metric tons of gallium in 2022, up 25% on the prior year, according to Chinese customs. U.S. imports of gallium metal and gallium arsenide (GaAs) wafers in 2022 were worth about $3 million and $200 million, respectively, according to USGS.

About Germanium

Germanium ores are rare and most germanium is a by-product of zinc production and from coal fly ash. China produces around 60% of the world's germanium, according to European industry association Critical Raw Materials Alliance (CRMA), with the rest coming from Canada, Finland, Russia and the United States. China exported 43.7 metric tons of unwrought and wrought germanium last year, according to Chinese customs. Roughly $39 million worth of germanium was consumed last year, up 10% from 2021, according to the U.S. Geological Survey (USGS).

James Walker, CEO and President of the Company, said, “It’s an extremely interesting find to locate both germanium and gallium at our fluorspar project, right at the time when the trade war is promising to interfere with the supply of minerals vital to the production of microchips and electronics needed to sustain the tech industry. We are currently building our production facility in Utah, and upgrades could be incorporated into the operation to retrieve the minerals, provided further investigation justifies the expanded recovery operation. As we continue our construction work, we will investigate this discovery, examining the possibility of commercialization.”

In 2018 the U.S. government classified fluorspar as a Critical Mineral, “deemed critical to U.S. national security and the economy.” Fluorspar remains the only non-metallic Critical Mineral, which is 100% imported in the entire country. Fluorspar’s classification as a Critical Mineral in the United States translates to a faster permitting period, enabling mining operations to initiate more quickly than operations for conventional minerals.

Lost Sheep Fluorspar Project – Delta, Utah

- 100% owned – 5,982 acres – 353 Claims.
- Located in the Spor Mountain area, Juab County, Utah, approximately 214 km south-west of Salt Lake City.
- Fully Permitted – including mining permits.
- NI 43-101 Technical Report identified extensive high-grade fluorspar with low levels of impurities.
- Mining plan approved by BLM[1]

First approved by Rex Rowley – Area Manager, Bureau of Land Management – 24th August 1992.

Renewed by Mike Gates – Minerals Program Manager, Bureau of Land Management – 12th December 2016.

ON BEHALF OF THE BOARD OF DIRECTORS OF
ARES STRATEGIC MINING INC.
James Walker
Chief Executive Officer and President
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DISCLOSURE AND FORWARD-LOOKING STATEMENTS:

Companies typically rely on comprehensive feasibility reports on mineral reserve estimates to reduce the risks and uncertainties associated with a production decision. Historically, situations where the issuer decides to put a mineral project into production without first establishing mineral reserves supported by a technical report and completing a feasibility study have a higher risk of economic or technical failure, though some industrial mineral ventures are relatively simple operations with low levels of investment and risk, where the operating entity has determined that a formal prefeasibility or feasibility study in conformance with NI 43-101 and 43-101 CP is not required for a production decision. Based on historical engineering work, geological reports, historical production data and current engineering work completed or in the process by Ares, the Company intends to move forward with the development of its Utah asset.

Certain information in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact included in this news release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include the failure to satisfy the conditions of the relevant securities exchange(s) and other risks detailed from time to time in the filings made by the Company with securities regulations. The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company disclaims any intention or obligation to update or revise such information, except as required by applicable law.