



ARES
STRATEGIC MINING



THE LOST SHEEP FLUOSPAR MINE

*High-Grade Mine Domestically
Supplying the US Market*



FLUORINE **FORUM** 2021

Wednesday 20 October 2021

ONLINE



Investor Presentation ♦ October 2021



Cautionary Statements

Important Information

This presentation contains forward looking statements that are based on management's expectations and assumptions. They include statements preceded by the words 'believe', 'estimate', 'expect', 'intend', 'will', and similar expressions, and estimates of future production, costs and dates of construction completion, costs of capital projects and commencement of operations. Actual results may differ materially from expectations. Among the important factors that could cause actual results to differ materially are the following:

Natural resource exploration and, ultimately, the development of deposits are activities subject to significant risks. The probability of success for any given exploration program cannot be predicted with any degree of certainty. It is impossible to know whether the current exploration programs of the Corporation will ultimately result in a profitable, commercial mining operation.

The ultimate economic value of a discovery and the decision to bring the project into production are based on a number of factors including the attributes of the deposit (such as its size and the quantity and quality of the ore), market conditions, mining costs, availability of financing, confirmation of land title, environmental considerations and mining permits. At any point in time throughout this exploration and evaluation process, results and external conditions can adversely affect its progress and outcome.

Investment in an exploration venture is highly speculative. Although there are examples showing that the returns on such investment can be proportionate to the investment risk, there is no guarantee that any current or future activities of the Corporation will ultimately lead to similar returns for its shareholders.

Production may vary from estimates for particular properties and/ or the Company as a whole because of changes in reserves, variation in ore mined from estimated grade and metallurgical characteristics, unexpected ground conditions, mining dilution, labour actions, and government restrictions. Cash costs may vary due to changes from reserve and production estimates, unexpected estimates based on total costs and reserve estimates, change based on actual amounts of unamortized capital and changes in reserves. Capital cost estimates are based on operating experience, expected production, estimates by and contract terms with third-party suppliers, expected legal requirements, feasibility reports by Company personnel and others and other factors.

Factors involved in estimated time for completion of projects include the Company's experience completing capital projects, estimates by and contract terms with contractors, engineers, suppliers and others involved in design and construction of projects, and estimated time for the government to process applications, issue permits and take other actions. Changes in any factor may cause costs and time for completion to vary significantly from estimate. There is a greater likelihood of variation for properties and facilities not yet in production due to lack of actual experience.

Work performed on the properties described in this presentation has been insufficient to classify resource estimates as current resources. Historical and estimated resource tonnages and grades have not been verified by a Qualified Person under NI 43-101 requirements. The Company, therefore, is not treating historical and estimated resource numbers as verified estimates and investors are cautioned not to rely upon these estimations.

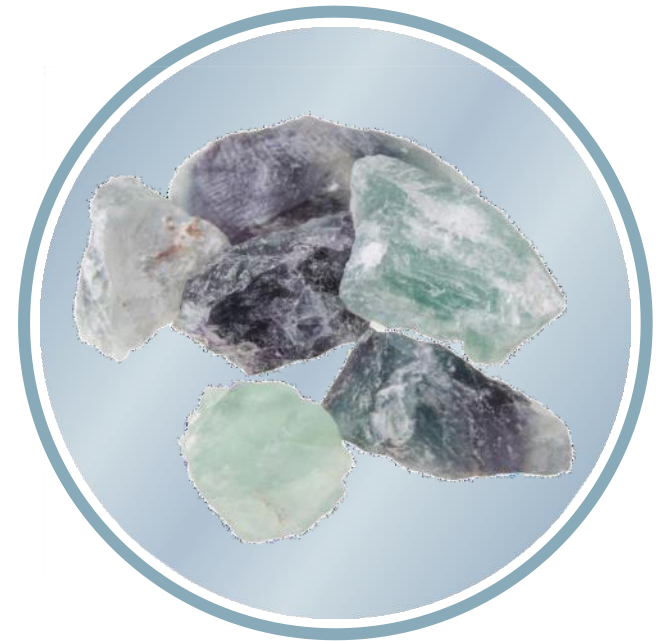
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Fluorspar: A Critical Mineral

In Summary

- USA classified fluorspar as both a strategic and critical metal
 - Ares' acquired claims will be fast tracked through the mining permitting process
- USA reliant on imports with no domestic mine production
 - Aluminum and steel producers, refrigeration manufactures, and cement producers, import all fluorspar from Mexico and Vietnam
 - Aluminum producers require 60 lbs of high-grade fluorspar per ton of aluminum
 - Steel mills require 10-20 lbs of fluorspar per ton of steel
 - Lost Sheep can produce fluorspar at a lower cost than any imported fluorspar
- China has turned from a net exporter to a net importer due to surging demand
- Global Fluorspar market size was over US\$2 billion in 2016 and will exhibit growth by a CAGR of over 4% up to 2024
 - Global Revenues to exceed US\$4 billion by 2024



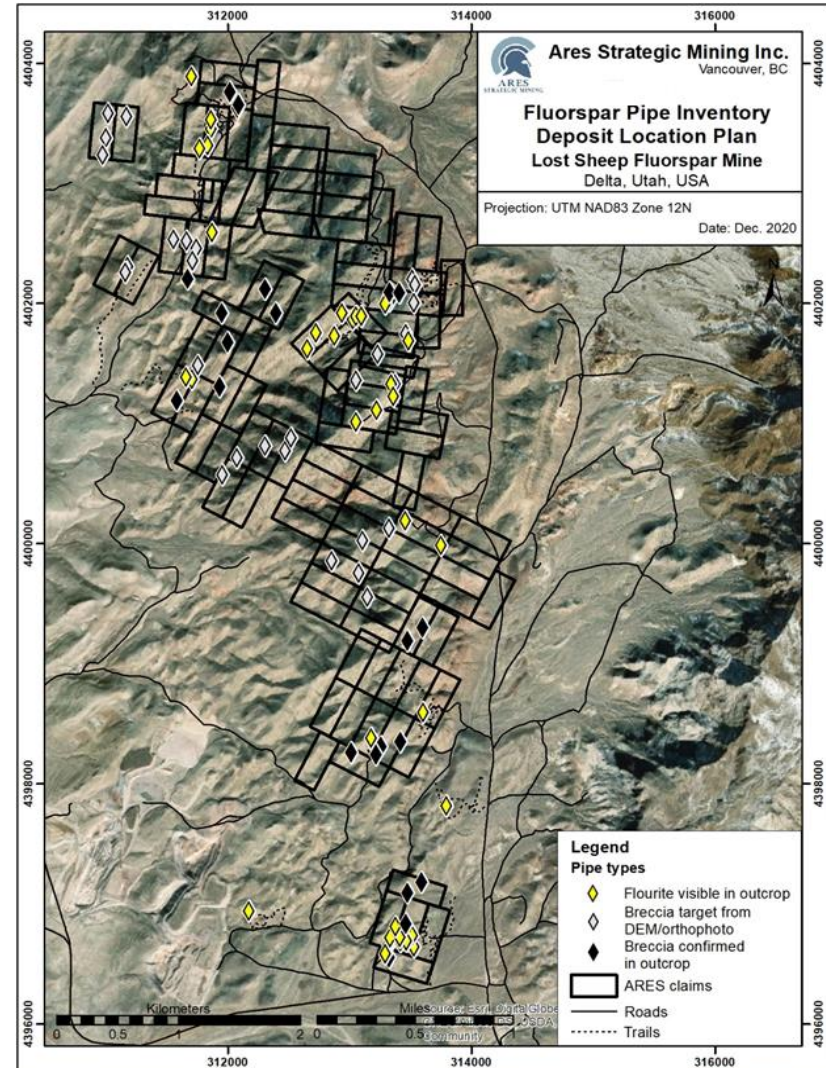
Source: Global Market Insights



Consolidating the Spor Mountain District

Highest Naturally Occurring Fluorspar Grades in North America

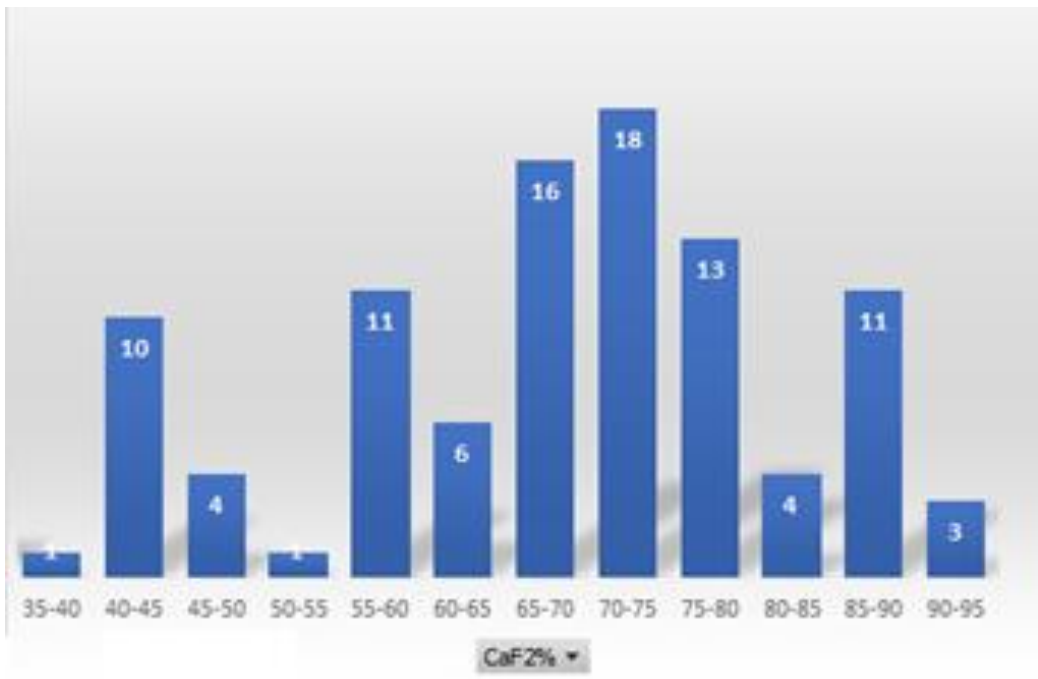
- Technical studies confirming grades at Lost Sheep average ~75%
 - Higher than grades from Mexico and Vietnam
 - Typical grades at other global operations range from 5% - 30%
 - Potential for direct ship metspar at Lost Sheep, with no further processing
- Consolidated 2,100 acre land package covering the entire Spor Mountain District
 - Uniformly high grades observed throughout the entire mountain range
- No fluorspar deposits of comparable size and grade have been identified in North America
- Near-term production potential on fully permitted land at the Lost Sheep Mine
 - Additional satellite mines can be permitted in ~6 weeks





Drilling and Grades

Highest Naturally Occurring Fluorspar Grades in North America

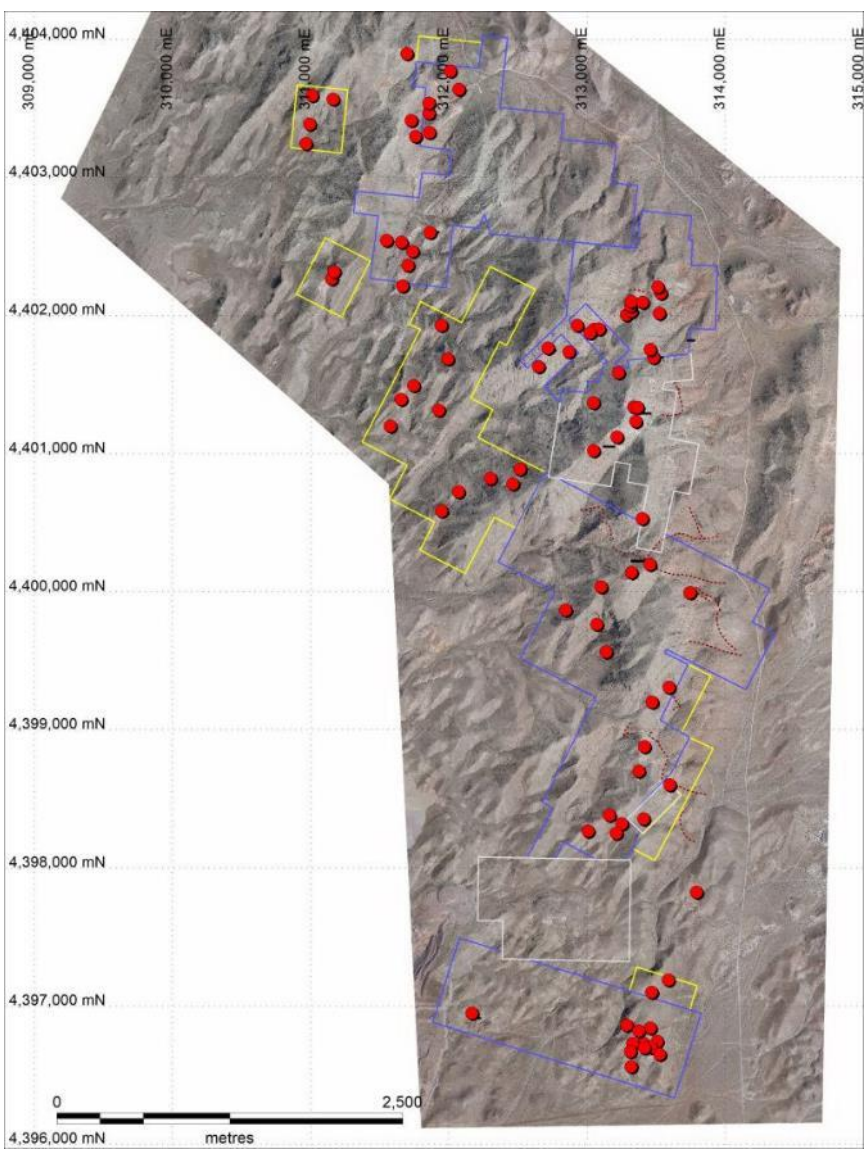


- Histogram of the assayed drill results shows averages from all cut off grades at 70% - 75% CaF2.

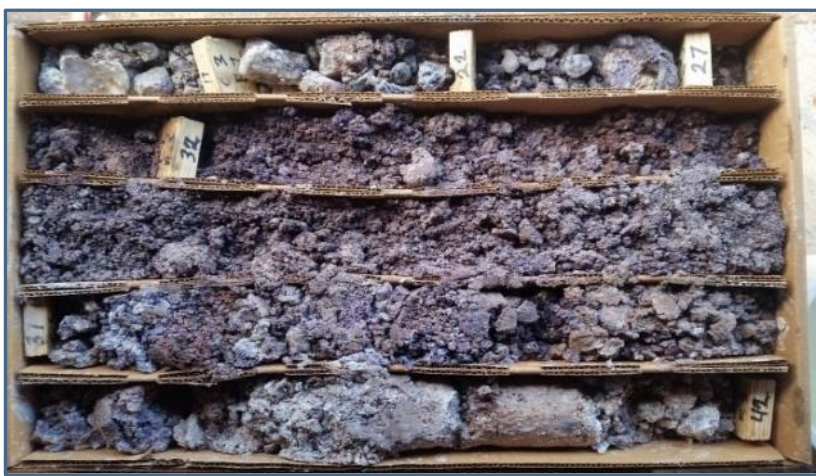
- 2 Drill programs conducted on permitted mining area to delineate fluorspar deposits.



District Scale Potential



- Over 100 pipe locations identified.
- Fluorspar mines/pipes exposed in south slopes of the Spor Mountain (normal fault planes).
- Pipes formed prior to faulting, therefore, they are offset and lower portions exposed in fault planes.
- Top part of the pipes can be found applying simple geometry in the hanging wall blocks.





Geophysics



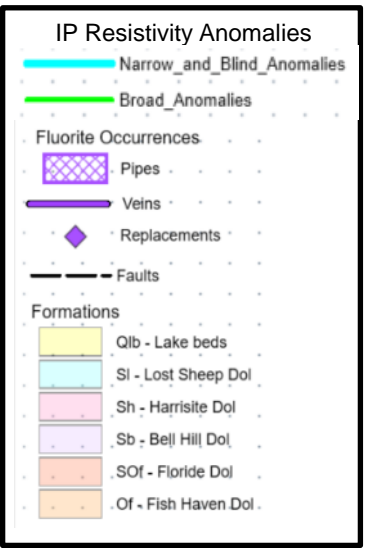
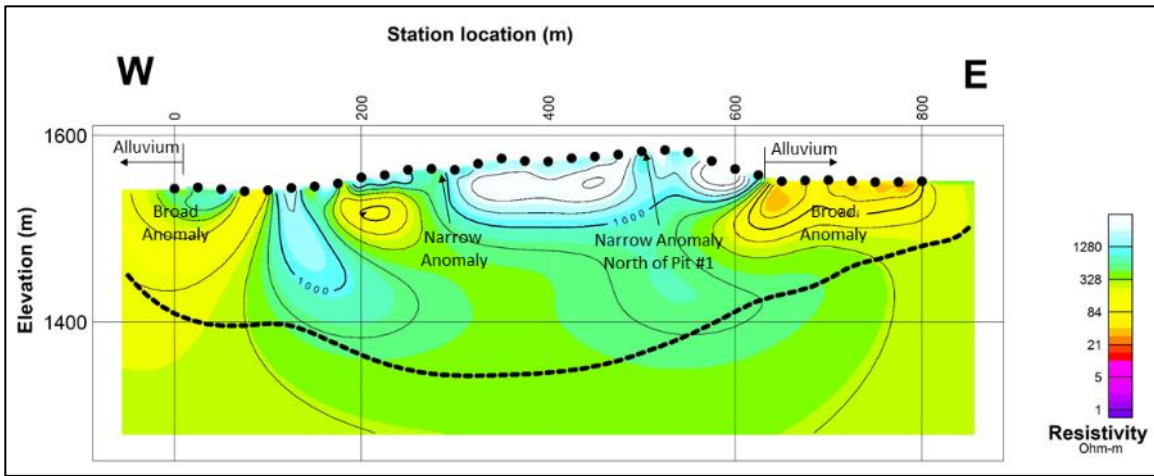
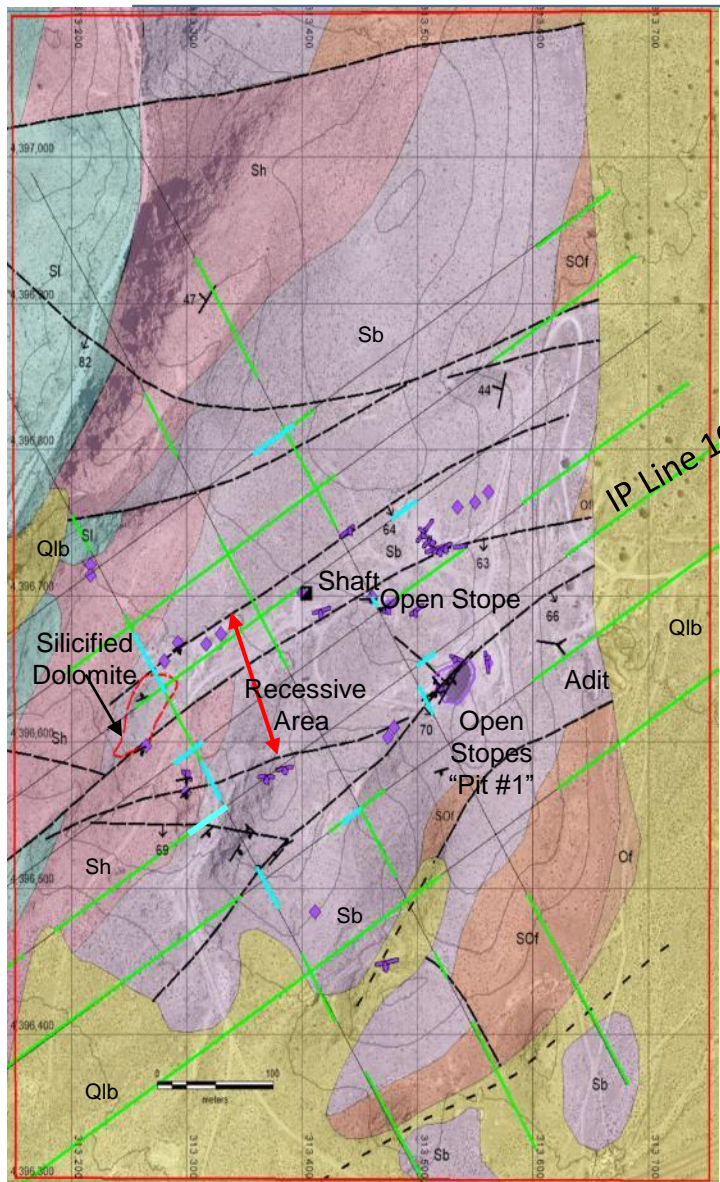
- Pipes are part of an interconnected network of fluorspar
- Over time Ares will compile underground map of pipes across whole Spor Mountain.
- More underground fluorspar will be present than can be observed in the 100 pipes at surface.

1. Method: DCIP
2. Dipole Size: 25 meters
3. Number of Dipoles: 16 Channels
4. Current Extensions: 400m
5. Line Length: 400m
6. Line Spacing: 50m-100m (Varies)
7. Number of Lines: 30 (Subject to Change)



Geophysics

Bell Hill Results 2021 IP Geophysical Survey

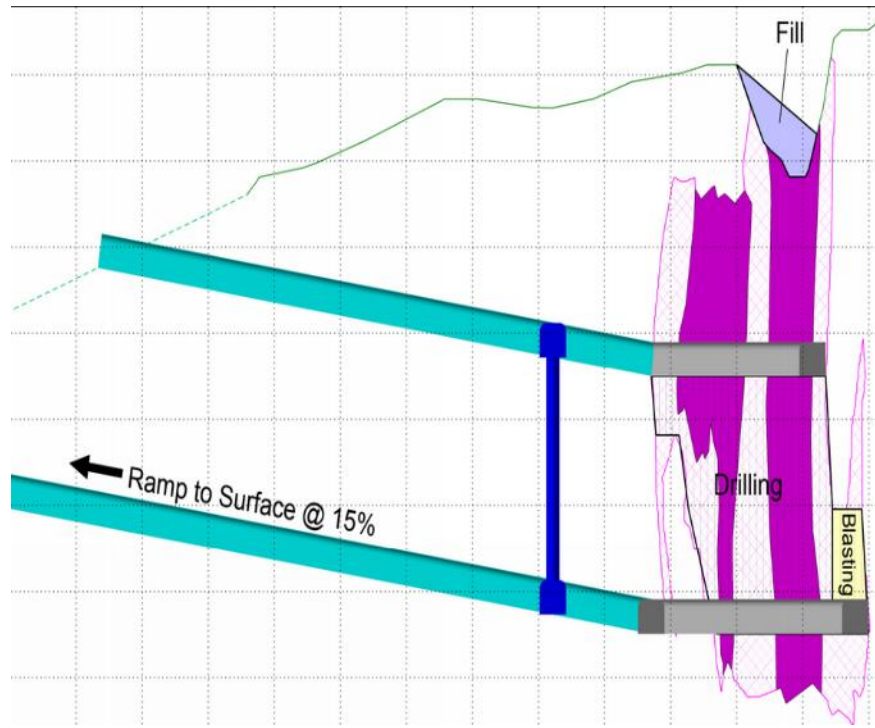


- IP-Resistivity highlights faults, fault intersections and fluorite veins
- Narrow anomalies pinpoint potential structures
- Broad anomalies are associated with decarbonated dolomite and alluvial cover
- IP was used to target drill holes
- Advantages to IP:
 - Appears to identify faults and fluorite veins
- Disadvantages to IP:
 - Need to be directly over the feature
 - Too costly for large areal surveys



Mining Operation

The underground mine operating plan will employ sublevel longhole methods as the main mining method. Initial underground mining will be undertaken by a mining contractor, with the Company assuming to takeover mining work once the operation and processing is developed and optimized.



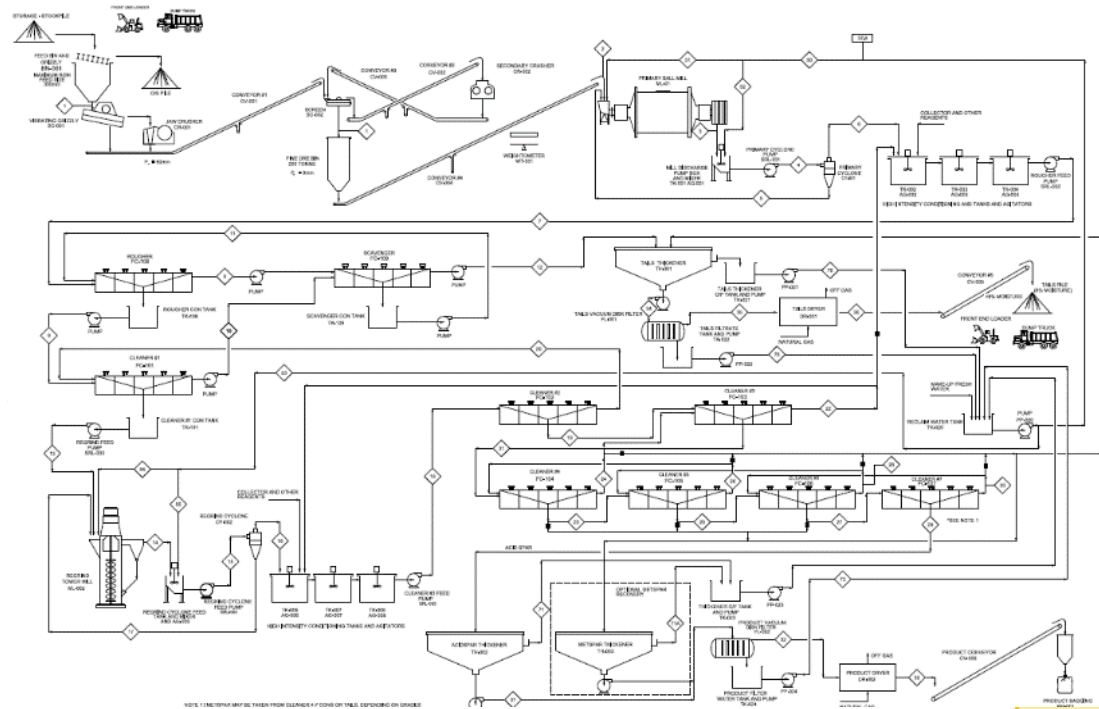


Metallurgy and Flotation Plant

Recent Acidspars Products

	SiO2 %	Al2O3 %	Fe2O3 %	MgO %	CaO %	Na2O %	K2O %	TiO2 %	P2O5 %	MnO %	CaF2
1	1.02	0.16	0.02	0.18	70.1	0.04 < 0.01	< 0.01			0.02 < 0.01	97.5
2	0.97	0.14	0.02	0.19	70.1	0.04 < 0.01	< 0.01			0.02 < 0.01	97.2
3	1.00	0.14	0.03	0.19	68.2	0.04 < 0.01	< 0.01			0.02 < 0.01	97.1
4	0.78	0.08	0.02	0.14	70.07		< 0.01	< 0.01		0.02 < 0.01	97.7

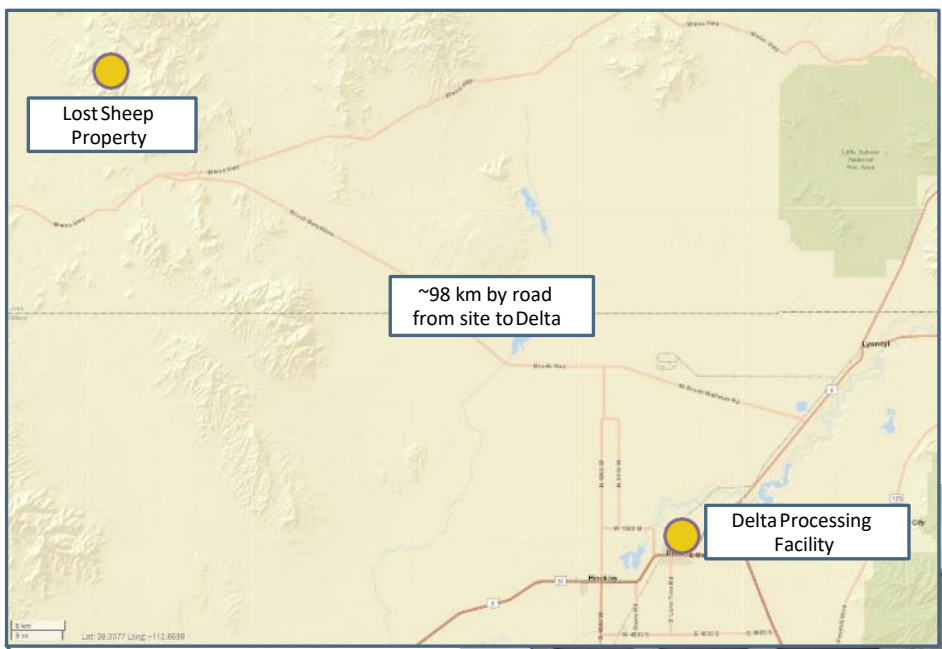
- Company has achieved 99.9% CaF2 grades
- 93% CaF2 product with 92% recovery.
- High-grade metspar and acidspars products all meet high industry standards.
- Plant designed according to metallurgy work, and RFP written.



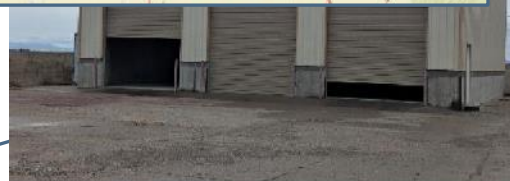
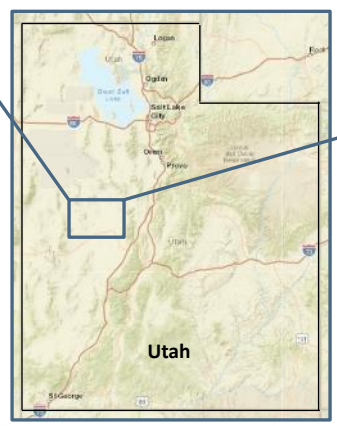


Project Location and Infrastructure

Built for Operations



- ✓ 72km northwest of Delta, Utah
- ✓ Excellent access & infrastructure
- ✓ Paved highway to site and extensive network of access roads on site
- ✓ Railway for delivery attached to the Delta processing facility
- ✓ Local population available for labour





Near-Term Expansion Potential

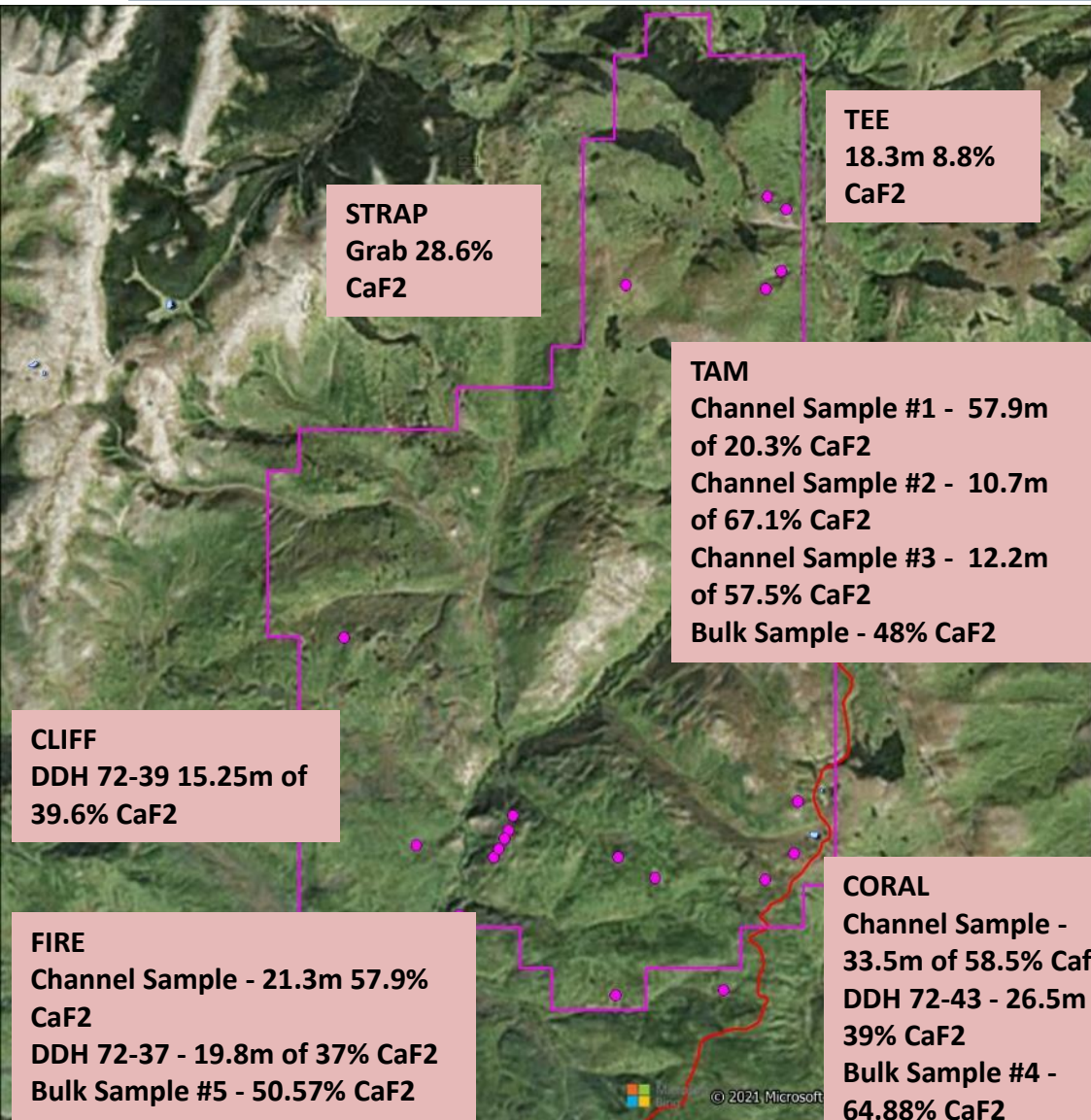
Acidspar Operation

- Potential to expand operation to produce acidspar within months of re-starting metspar operation
 - Minimal expansion capital required, estimated at ~US\$8M
 - Expansion includes the installation of a flotation circuit at the processing facility
 - Expansion allows Ares to increase production and purity of material from metspar (<97%) to acidspar (+97%)
- Expands production to +5,000 tonnes of acidspar per month
 - Acidspar is currently priced at US\$550/t
 - Expansion increases revenue and margin
 - Potential to optimize operations to produce both metspar and acidspar at optimized economic rates
- Further expansion potential to +10,000 tonnes per month thereafter





Future Second Operation



- 4,800 ha district sized property
- 100% Owned Mineral Claims
- 200km northwest of Fort Nelson, on the Alaska Highway





Historic Fluorspar Resource

TAM showing

Source: Federal Minfile 094M9 FSP 1

National Mineral Inventory; Energy, Mines and Resources Canada

http://www.em.gov.bc.ca/dl/PropertyFile/NMI/094M9_Fsp1.pdf

Quote: *“Work on the Tam showing in 1971 included geological mapping, trenching, stripping, and 1,891 feet of diamond drilling in 14 holes on Tam 2, 4, and West 55, 57. This drilling indicated a potential of over 500,000 tons averaging 36.7% CaF₂. (Ref. Jorex Limited, Filing Statement, May 1972).”*

Metric: **454,000 tonnes of 36.7% CaF₂**

Original Date: 1972

Comment: The original filing statement cannot be found, but the nature of the estimate seems reasonable based on other detailed descriptions of the showing. The “indicated potential” should not be confused with the indicated resource classification terminology, and it is more akin to the current “exploration potential”.

Liard Fluorspar Property, 1975

Source: Forecast of Development in the Mineral Sector of the Northeast Region of BC By Wright Engineers Ltd. and H.N. Halvorson Consultants Ltd.

<http://www.em.gov.bc.ca/DL/COALReports/530a.pdf>

Quote: *“The orebody consists of a series of pods which would be mined by open pit methods. Reserves of 3,500,000 tons of ore grading 32% CaF₂ are estimated.”*

Metric: **3.2 million tonnes of 32% CaF₂**

Original Date: 1975

Liard Fluorspar Property, 1981

Source: Conwest Exploration Company Limited; Annual Report, December 31, 1981

Federal Corporate Files

Quote: *“Exploration during the early 1970’s established geological reserves of about 2.6 million tons of fluorspar mineralization averaging 30% fluorite in several deposits”*

Metric: **2.4 million tonnes of 30% CaF₂**

Original Date: 1981

Summary of Historic Resource Estimates in Relation to Current Fluorspar Property

Original Resource Estimate	Year	Included Showings	Current property
3.5 million tons of 32% CaF ₂	1975	GEM	NO
		TAM	YES
		TEE	YES
		CORAL	YES
		FIRE?	YES
		CLIFF?	YES
2.6 million tons of 30% CaF ₂	1981	GEM	NO
		TAM	YES
		TEE	YES
		CORAL	YES
		Others?	YES

Table 5. Summary of Metallurgical Results, Lakefield Research, 1971, distillation method

Ore Description	Sample Type	Showing	Head Assay % CaF ₂	Concentrate % CaF ₂	% Recovery CaF ₂
Bulk Composite No. 1	Outcrop pit	TAM	60.50	94.0	89.5
Bulk Composite No. 2	Outcrop pit	TAM	49.78	93.7	90.4
Bulk Composite No. 3	Outcrop pit	TAM	36.12	94.3	89.6
Bulk Composite No. 4	Outcrop pit	CORAL	64.88	93.8	95.3
Bulk Composite No. 5	Outcrop pit	FIRE	42.94	94.2	87.6
Tam Prospect No. 1	Channel composite	TAM	17.56	89.3	33.2
Tam Prospect No. 2	Channel composite	TAM	63.44	93.7	95.4
Tam Prospect No. 3	Channel composite	TAM	59.05	94.9	74.9
Coral Prospect No.1	Channel composite	CORAL	53.68	95.5	55.8
Fire Prospect	Channel composite	FIRE	50.75	93.5	89.9
Drill Core LBM Composite	Drill Hole composite	TAM	33.50	93.6	83.5
Drill Core SBM Composite	Drill Hole composite	TAM	30.73	93.5	79.6

* There is no information as to the methods used, key assumptions, parameters and category of the estimate as current mineral resources or reserves; and Prima Fluorspar and Camisha are not treating the estimates as “reserves” due to the economic studies applied at that time. Based on an evaluation of the drill-spacing and the nature of the deposit, the confidence level of the historic resource estimate would likely be in the inferred category by today’s NI 43-101 standards.



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