

Ares Strategic Mining Completes Conceptual Mine Planning

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- Independent analysis concludes the project is highly financially attractive based on existing parameters.
- Ares completes operation roadmap, from mining to finished product, identifying all required equipment and personnel.
- Optimized mining methods designed to reduce total OPEX.
- Low CAPEX requirements for a mining operation.
- Significant expansion plans built into the Company's operation.
- Large inventory of targets identified.

Vancouver, March 8th, 2021 - [Ares Strategic Mining Inc.](#) ("Ares" or the "Company") (TSXV:ARS) (OTC:ARSMF) (FRA:N8I1), is pleased to announce, the Company has completed its conceptual mine and operating plan, incorporating: mining and processing engineering, logistics, metallurgy, plant designs, site layouts, labor and contractor considerations, haulage, reclamation, CAPEX AND OPEX, permitting, mining techniques, drilling and geophysics, production expansion plans, financial projections, market analysis, mineralogy, land acquisitions, and production products.

Project conceptual Capital and Operating cost analyses were generated based on economic and marketing parameters. The Project analysis results determined the project is financially attractive based on the project's CAPEX and OPEX, fluorspar pricing, operating parameters, market factors, and assumptions. A summary of the conceptual project production is presented in Figure 1.

----- | Lost Sheep Pro

Figure 1 - Conceptual Production Schedule

The 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.

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Figure 2 - Adit Designs for Deeper Deposits

Fluorspar material mined from the pipes will be transported from the mine site by conventional highway haulage trucks to the processing facility located at the city of Delta, where process water and other utilities are readily available. The process plant design capacity is 500 tpd. The process plant will produce two products: a medium-purity 90% grade fluorite (CaF₂) met-spar product for pyro-metallurgical applications, and a high-purity 97% grade fluorite (CaF₂) acid-spar product for acid process applications and the aluminum industry. Process plant fluorspar recovery is scheduled to be minimum of 80%. The process plant will consist of:

1. 1) A crushing circuit consists of jaw and cone crushing processes, following by a ball mill grinding circuit
2. 2) Multi-stage high-intensity conditioning
3. 3) Rougher and cleaner flotation circuits with a regrind circuit to increase Fluorspar recovery

The met-spar products will be dewatered and dried for packaging to meet consumers requirements. The final fluorspar products will be shipped to the consumers by either rail or truck from the Delta process plant. The tailings will be thickened, filtered, and dried for transportation back to the mine site to be deposited in the mined-out fluorspar pipes to mitigate tailings surface storage.

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Figure 3 - Processing Plant Facility

Metallurgical test work was undertaken to determine the optimum process plant flowsheet and to produce met-spar and acid-spar specific products. Concentrate multi element analysis determined the concentrate produced was very clean and free of deleterious contaminants.

Ares' fluorspar operation is expected to directly employ 58 people, not including contractors. All projected costs incorporate labour and employee costs as determined by industry standards and averages.

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Figure 4 - Industrial Site Processing Operation

Ongoing exploration costs are estimated at \$US750K/yr to replace the mined Fluorspar. Over 100 targets have been identified at surface (see Figure 5), with the Bell Hill Claims at the south of the Spor Mountain currently identified as the likely candidate for the Company's second mining operation site. Exploration on the Bell Hill claims is scheduled to begin in April 2021. The Company has already obtained exploration permits.

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Figure 5 - Fluorspar Pipe Inventory

A sustaining CAPEX cost allowance has been included in the cashflow to cover the ongoing project improvements and to reduce the operating costs. Expected CAPEX is demonstrated in Figure 6. The operating cost estimate for the mining operation is presented in Figure 7.

----- |Lost Sheep CAPEX Summary

Figure 6 - CAPEX Costs

----- |Operating Cost Estimate

Figure 7 - OPEX Costs

Operating costs were developed based on:

- - Estimated labour requirements for an effective plant operation;
 - Power and fuel from equipment power rating and estimated machinery usage;
 - Reagent consumption rates;
 - Wear, maintenance, and other consumables; and
 - Support equipment usage values.

Labour rates for the facility were taken from similar industry sector plants in North America, with burden rates based on communications with a recruitment firm in Colorado. Electrical power rates, fuel costs and water rates were supplied by the specific utility provider for each service. Crushing and grinding consumables are based on the work-index of the feed material. Reagent consumptions are calculated directly from the best laboratory results, with unit costs provided by chemical suppliers. Natural gas consumption is computed from the drying requirements for both tails and product. Maintenance and other consumables are scaled from process plant equipment costs and maintenance labour, respectively. Support equipment requirements and annualized costs are best estimates based on facilities of this size and scope. Mining costs were developed on known industry standards for underground contractors providing similar commercial services.

Expansion

If exploration drilling proves successful, it would be possible to expand the process plant capacity. A secondary production circuit, which would be a mirror image of the primary production circuit, can be installed, resulting in a 100% fluorspar production increase. Financial analysis indicates that if the expansion is scheduled in production year five, the resultant Project revenue is expected to increase from US\$40M/yr to US\$80M/yr from year five thereafter. For a 10-year LOM, the after-tax IRR is estimated to increase to 104% and the after tax NPV at an 8% discount rate is estimated to increase to US\$85M. The Company is also currently negotiating for 60 acres of industrial land in Utah for its expansion projects.

James Walker, President and CEO stated: "Completing the conceptual mine plan is the largest step the Company has taken towards its production goals. We now have a roadmap considering every crucial component necessary to expand the existing mine into one of the world's notable global fluorspar producers, as well as the only producer in the United States. In tandem with these plans the Company will launch its metallurgical lumps operation to achieve early operation and revenue. The Company has enormous support from both government - due to its Critical Mineral status - and private financial institutions, as well as huge interest in its products from industry, both domestic and international."

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.

Raul Sanabria, P.Geo., is a qualified person as defined by NI 43-101 and has reviewed and approved the technical contents of this news release. Mr. Sanabria is not independent to the Company as he is a Director and shareholder.

Disclosure: Companies typically rely on comprehensive feasibility reports on mineral reserve estimates to reduce the risks and uncertainties associated with a production decision. 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. The Company has not completed a feasibility study on, nor has the Company completed a mineral reserve or resource estimate at the Lost Sheep Mine and as such the financial and technical viability of the project is at higher risk than if this work had been completed. 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 this asset. The Company further cautions that it is not basing any production decision on a feasibility study of mineral reserves demonstrating economic and technical viability, and therefore there is a much greater risk of failure associated with its production decision. In addition, readers are cautioned that inferred mineral resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as mineral reserves. The development of a mining operation typically involves large capital expenditures and a high degree of risk and uncertainty. To reduce this risk and uncertainty, the issuer typically makes its production decision based on a comprehensive feasibility study of established mineral reserves. The Company has decided to proceed without established mineral reserves, basing decision on past production and internal projections.

Lost Sheep Fluorspar Project - Delta, Utah

- - 100% owned - 2,100 acres - 108 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 BLM1

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

Renewed by Paul B. Baker - 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

For further information, please contact Mark Bolin by phone at 604-781-0535 or by email at mbolin@aresmining.com

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