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Highlights

- Project hosts a large range of critical Rare Earth Elements, Lithium, High-Tech metals, Uranium and Beryllium.
- Among the lowest-cost Rare Earth projects in the world.
- Round Top contains critical elements required by the United States; both for national defense and industry.
- Excellent location in a mining friendly jurisdiction (Texas, USA) with rail, roads and power near by.
- Significant resource – first pit planned for 20 years represents only around a quarter of the initial resource.
- Simple geology – Rhyolites with relatively consistent minerals grade.
- Simple mining – open pit, with a down-hill loaded haul.
- Simple processing – heap leach.
- Scoping study and preliminary economic assessment (PEA) complete.
- Initial study indicated +60% IRR based on 2013 minerals pricing assumptions and discounted to 50%.
- **NPV of $1.4 Billion***. Existing PEA forecasting circa **$US250 million pre-tax free cash per annum** on estimated <$US300 million start-up capital.

*2013 PEA did not include Lithium, Beryllium and Scandium. These elements will be included in the updated Feasibility Study.
The U.S. is currently **100% reliant on imports for all 17 Rare Earth Elements (REE’s)**

78% of the US’s REEs imports came from China, which hosts over 90% of the world’s defined REEs

The **Round Top Deposit hosts 15 of the 17 Rare Earth Elements**, plus other high-value tech minerals (including Uranium and Lithium) and is well located to serve the US internal demand.

**Round Top contains all of the rare earth minerals necessary for the production of rare earth magnets as defined by the recently signed FY19 National Defense Authorization Act (NDAA)**

Section 871 of the NDAA, signed into law on August 13th 2018, specifically requires that all rare earth magnets and tungsten be melted or produced in nations other than China, Russia, Iran and North Korea.

**Round Top contains 13 of the 35 minerals deemed “critical” by the Department of the Interior** in its final report dated May 18, 2018.

Round Top could potentially **supply virtually all of the rare earth magnet raw material needs for Department of Defense contractors**

**Two U.S. Government grants;** Department of Defense and Department of Energy (DoE). Successful demonstration project for the U.S. Defense Logistics Agency (DLA) focused on the high-purity processing of specific high-value rare earths – included in the new Critical Minerals List.
Round Top Mountain

1,250 feet high by 1 mile in diameter

Above ground and almost all evenly-mineralized heavy rare earth material
Location – Texas, USA

• Round Top Mountain - 1250ft high, 1 Mile in diameter

• Located in East Texas, USA

• Approximately 80 miles from El Paso

• Close to rail, roads, gas and power

• Mining (including Uranium) in a friendly state

• Less cumbersome environmental permitting

• Land free of significant vegetation
Excellent Above-Ground Exposure & Location Support Strong Economics

- Deposit is mostly above ground, allowing simple “open pit” mining
- Licensing path through state not federal government
- Close (3 miles) to US I-10
- Close by Southern Pacific, Missouri Pacific Railroads
- Texas General Land Office property surrounds site – a supportive neighbor/landlord
- Low population density
- Electricity nearby
Location & Deposit Benefits

- **Ease of Access to Infrastructure** (Electricity, Highway, Natural Gas, Rail, Water)

- **Friendly Resource Development / Environmental Jurisdiction**

  - Located Entirely on **State Land** (No BLM, No Forest Service)

- Extensive Management Experience (Project Development, Hydro-Metallurgy, Mine Production/Operation)

- **Large, Porphyry-Style REE Deposit** (Massive Tonnage/Economies of Scale, Rich in CREE/HREE)

- Favourable Mineralization (Yttriofluorite & Yttrocerite, Evenly Disseminated, Minimal Stripping Required)
REE’s & Lithium Are Commonly Used In

- **Vibrator & Speaker (magnets)**
  - Neodymium
  - Praseodymium
  - Terbium
  - Dysprosium

- **Color Screen**
  - Europium
  - Yttrium
  - Terbium
  - Lanthanum
  - Dysprosium
  - Praseodymium
  - Gadolinium

- **LED Screen**
  - Europium
  - Yttrium
  - Cerium

- **Component Sensors**
  - Yttrium

- **Circuit Board Electronics**
  - Neodymium
  - Praseodymium
  - Dysprosium
  - Lanthanum
  - Gadolinium

- **Fuel Additives (Hybrid)**
  - Lanthanum
  - Cerium

- **Glass & Mirror Polishing**
  - Cerium

- **Headlight Glass & Electric Motors**
  - Neodymium

- **Battery**
  - Lithium

- **Glass Polishing**
  - Cerium
  - Lanthanum
  - Praseodymium

- **Component Sensors**
  - Yttrium

- **Circuit Board Electronics**
  - Neodymium
  - Praseodymium
  - Dysprosium
  - Lanthanum
  - Gadolinium

- **Main Engine**
  - Neodymium
  - Praseodymium
  - Dysprosium
  - Lanthanum
  - Terbium

- **Catalytic Converter**
  - Cerium
  - Zirconium
  - Lanthanum

- **Battery**
  - Lithium

- **Glass Polishing**
  - Cerium
  - Lanthanum
  - Praseodymium

- **Main Engine**
  - Neodymium
  - Praseodymium
  - Dysprosium
  - Lanthanum
  - Terbium

- **Catalytic Converter**
  - Cerium
  - Zirconium
  - Lanthanum

- **Battery**
  - Lithium
REE's Are Commonly Used In

**LED Screen**
- Europium
- Yttrium
- Cerium

**Head Up Display**
- Europium
- Yttrium
- Cerium

**Electric Motors**
- Praseodymium
- Neodymium
- Dyprosium
- Terbium
- Samarium

**Targeting Lasers, Optics**
- Europium
- Yttrium
- Cerium
- Holmium
- Erbium

**Main Engine**
- Neodymium
- Praseodymium
- Dyprosium
- Terbium

**Catalytic Converter**
- Cerium
- Zirconium
- Lanthanum

**Circuit Board Electronics**
- Neodymium
- Praseodymium
- Dyprosium
- Lanthanum
- Gadolinium

**LED Screen**
- Europium
- Yttrium
- Cerium

**LED Screen**
- Europium
- Yttrium
- Cerium

**Electric Motors**
- Neodymium
- Praseodymium
- Dyprosium
- Terbium
- Samarium

**Main Engine**
- Neodymium
- Praseodymium
- Dyprosium
- Terbium

**Catalytic Converter**
- Cerium
- Zirconium
- Lanthanum

**Glass Polishing**
- Cerium
- Lanthanum
- Praseodymium

**Circuit Board Electronics**
- Neodymium
- Praseodymium
- Dyprosium
- Lanthanum
- Gadolinium
The Lithium (Li) Hydroxide resource* at Round Top is 2,903,600,895 kg, and accounts for 31% of projected revenues ($128 million annual revenue)

At full production, Round Top potentially produces approximately 12,300 tons annually of lithium Hydroxide with an estimated 137 year mine life at the projected production rate of 20,000 tonnes per day

USA Rare Earth will have exposure to the ever-expanding Electric Vehicle (EV) thematic

Lithium demand forecast to grow at a 14% CAGR through 2025

EV driven lithium demand forecast to grow at a 28% CAGR over the same period

Market expected to be 154m tonnes short of lithium carbonate in 2025

Other markets for Round Top’s Li include; energy storage, glass/ceramics and grease/lubricants

Lithium Market Commentary;
- EV and Hybrid Electric demand is ever-increasing and expanding at a rapid rate in the USA
- Current supplies from main producing countries is falling short of market demand
- Lithium contract prices continue to remain strong
- Positive strategic transactions between lithium producers and companies requiring lithium ongoing

*Li is non 43-101 compliant. 2013 PEA did not include Lithium, Beryllium and Scandium. These elements will be included in the updated Feasibility Study
Contained Minerals

- The project hosts **25 significant minerals**

- **Heavy Rare Earths elements (HREE), including:**
  * Terbium, Dysprosium
  * Holmium, Erbium
  * Thulium, Ytterbium
  * Lutetium and Yttrium

- **Light Rare Earths elements (LHREE), including:**
  * Lanthanum, Cerium
  * Praseodymium Samarium, Europium and Gadolinium

- **Other Critical elements include:**
  * Lithium
  * Uranium
  * Beryllium

Forecast Markets*

- Rare Earths Elements are considered nationally strategic to the USA

- Currently there is only one Rare Earths mine in the USA (Mountain Pass, California), which is now Chinese owned and not operational

- Heavy Rare earths have a wide range of uses, including **cell phones, electric cars, satellites, aircraft engines, glass, lights and lasers**

- Light Rare Earth Elements have a wide range of applications, including **batteries, catalytic converters and magnets**

- Lithium is becoming more significant for its use in **batteries** used in **Electric vehicles** and other applications, but is also used in medicines and as an alloying agent to make metals lighter

- Uranium is used to **generate electricity** in large power stations, on **military ships and submarines** and **depleted Uranium is used in armour and weapons** due to its density

- Beryllium is used as an alloying agent and in **aerospace**

*See Appendix for more on Defense Applications*
Robust Economics

- Based on 2013 Preliminary Economic Assessment (PEA)
- Prices based on 2013 values and discounted by 50% for conservatism
- The Lithium Hydroxide resource* at Round Top is 2,903,600,895 kg**
- 2013 PEA did not include Lithium, Beryllium and Scandium**

*Li is non 43-101 compliant. Will be updated in Q1 2019 PEA
**Expected revenues for these elements are on slide 16 & 17, and based on work done since initial PEA and will be included in updated PEA

Indicative Summary Base On 2013 PEA

- Initial Capex (Among the lowest worldwide) $293 Million
- NPV (10% Pre-Tax) (based upon 2013 spot REE pricing) $1.43 Billion
- IRR (Pre-tax) 67%
- Payback Period 1.5 Years
- Initial Life of Mine 20 Years
- Life of Mine Gross Revenue $7.9 Billion
- Life of Mine Op-Ex $2.2 Billion
- Production Profile Diversified Mix of HREOs & CREOs

*Represents only 18% of mining the measure, indicated and inferred resources
**See cautionary Notes to Investors
## Net Operating Margin (2013 PEA)

<table>
<thead>
<tr>
<th>Description</th>
<th>$/Mined Ton</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Revenue</strong></td>
<td>$73.36</td>
</tr>
<tr>
<td>Total Direct Cash Operating Costs*</td>
<td>($15.15)</td>
</tr>
<tr>
<td>Royalty</td>
<td>($3.34)</td>
</tr>
<tr>
<td><strong>Total Cash Costs</strong></td>
<td>($18.49)</td>
</tr>
<tr>
<td>Net Operating Margin</td>
<td>$35.42</td>
</tr>
<tr>
<td>Margin (%)</td>
<td>66%</td>
</tr>
</tbody>
</table>
**Low Capex Mine Plan***

- Among the lowest Capex rare earth mines in the world
- Mine plan includes full separation plant to produce saleable rare earth oxides

<table>
<thead>
<tr>
<th>Description</th>
<th>Summary</th>
<th>Amount ($millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Equipment</td>
<td>Trucks, loaders, drills</td>
<td>$7.6</td>
</tr>
<tr>
<td>Mine Development</td>
<td>Roads and site work</td>
<td>4.4</td>
</tr>
<tr>
<td>Leaching Plant</td>
<td>Crushing, leach pads, acid</td>
<td>77.9</td>
</tr>
<tr>
<td>Leach Solution Processing</td>
<td>Purification equipment</td>
<td>39.4</td>
</tr>
<tr>
<td>Separation Plant</td>
<td>Oxide production</td>
<td>137.4</td>
</tr>
<tr>
<td>Pre-Production Capex</td>
<td>Admin and reclamation</td>
<td>26.3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>Includes 25% contingency</td>
<td><strong>$293.0</strong></td>
</tr>
</tbody>
</table>

*See Cautionary Note to Investors
Subsequent to the publication of the 2013 PEA, market conditions have changed, which will be updated in a new PEA:

- Lithium prices have increased.
- The inclusion of Lithium, Beryllium and Scandium and other by-product elements that were recovered in the column leach tests dramatically improves the potential economics of the operation.
- Multiple products produced from Round Top decreases market risk.
- Based on observed recoveries, potential annual production of these various high value Tech elements are:

<table>
<thead>
<tr>
<th>Mineral</th>
<th>Annual Production</th>
<th>Price Tonne*</th>
<th>Potential Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lithium Hydroxide</td>
<td>10,702 tonnes**</td>
<td>$ 12,000</td>
<td>$ 128,424,000</td>
</tr>
<tr>
<td>Hafnium Oxide</td>
<td>36 tonnes</td>
<td>$ 937,000</td>
<td>$ 34,060,593</td>
</tr>
<tr>
<td>Beryllium Oxide</td>
<td>65 tonnes</td>
<td>$ 220,000</td>
<td>$ 14,435,826</td>
</tr>
<tr>
<td>Gallium Oxide</td>
<td>49 tonnes</td>
<td>$ 150,000</td>
<td>$ 7,350,000</td>
</tr>
<tr>
<td>Zirconium Oxide</td>
<td>590 tonnes</td>
<td>$ 8,260</td>
<td>$ 4,873,400</td>
</tr>
</tbody>
</table>

* Prices are not quotes and are from various unofficial sources and should be used as a guide

** Based on the observed 2012 RDI column recovery of 58% using 7.5% acid, subsequent tests using 12% acid have recorded 70% recovery or 12,917 tonnes of Lithium Hydroxide.
Factoring in the potential of the various industrial and fertilizer products can account for over $100 million annual revenue:

- Including the revenue from these by-products more than compensates for the decreased revenue owing to post 2013 PEA decline in Rare Earth Prices.
- Based on observed recoveries, potential annual production of these various low unit value industrial and fertilizer sulfates are:

<table>
<thead>
<tr>
<th>Mineral</th>
<th>Annual Production</th>
<th>Usage</th>
<th>Price Tonne*</th>
<th>Potential Annual Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aluminium Sulfate</td>
<td>224,013 tonnes***</td>
<td>Water treatment</td>
<td>$ 360.00</td>
<td>$ 44,354,500</td>
</tr>
<tr>
<td>Iron Sulfate</td>
<td>71,781 tonnes</td>
<td>Fertilizer</td>
<td>$ 137.50</td>
<td>$ 5,453,838</td>
</tr>
<tr>
<td>Magnesium Sulfate</td>
<td>43,805 tonnes</td>
<td>Fertilizer</td>
<td>$ 309.38</td>
<td>$ 7,453,838</td>
</tr>
<tr>
<td>Manganese Sulfate</td>
<td>4,769 tonnes</td>
<td>Fertilizer</td>
<td>$ 742.50</td>
<td>$ 1,947,709</td>
</tr>
<tr>
<td>Potassium Sulfate</td>
<td>45,358 tonnes</td>
<td>Fertilizer</td>
<td>$ 591.25</td>
<td>$ 14,749,990</td>
</tr>
<tr>
<td>Sodium Sulfate</td>
<td>59,532 tonnes</td>
<td>Chemical</td>
<td>$ 275.00</td>
<td>$ 9,004,252</td>
</tr>
</tbody>
</table>

\* Industrial Minerals prices are transaction based and are not published. Cited prices are not direct quotes and are FOB China prices from public sources. These prices should be used as a guide.

\** Revenue is based on prices discounted 50% delivered by rail to Gulf Coast Chemical Co. buyers.

\*** Aluminum Sulfate handled in liquid form and it will be possible to ship it in tank cars.
The chemical breakdown of the Rare Earth and Lithium minerals by dilute sulfuric acid is the determining economic factor:

- The common Rare Earth and hardrock Lithium minerals are difficult to process and require aggressive and expensive procedures to dissolve the elements into a solution that can be further processed.

- The minerals hosting the Rare Earth elements in the Round Top rhyolite are the fluorides yttrofluorite and yttrocerite both of which are highly soluble in dilute sulfuric acid at ambient temperature.

- The minerals are finely disseminated throughout the porous and permeable rhyolite. Observed recoveries of total Rare Earth elements are 80%.

- The leaching characteristics are very favorable because the rhyolite rock itself does not breakdown upon leaching and there is no clay present, observed slump in the leach column is 0.18%. Plugging and channelling in the heap are not expected to be a problem and agglomeration should not be necessary.

- The rock, when crushed, produces a relatively small percent of fine material.

- Observed Lithium recovery using 7.5% acid is 58% (used in current economic projections) but subsequent leach tests have shown recoveries of plus 70% using stronger acid.
Revenue Breakdown -- Dominated by HREEs and CREOs

Round Top Mountain Projected Output of Separated REO % of Production & Revenue

- LREEs are 23.9% of projected production but only 3.4% of revenue (mostly La & Ce)

*2013 PEA did not include Lithium, Beryllium and Scandium. Li accounts for 36% of the revenue based on updated work done since the 2013 PEA. (See slide 16) . Updated Feasibility Study to be completed in Q1 2019
Economically Robust Deposit – Large-scale, low-cost heap leachable Deposit

- The average in-situ-grade of porphyry copper deposits world-wide is ~ 0.45% Cu. At a copper price of $3.00/lb, the in-situ value of this ore is approximately $29.70 per tonne. Recovered value is less.

- The average in-situ-grade of gold deposits world-wide is ~ 1.06 g/t. At current gold prices, the in-situ value per tonne is approximately $40.

- The observed, recoverable value of Round Top rhyolite is ~ $73.36 per tonne. When compared to other metal deposits in its class, Round Top is an exceptionally high-grade deposit.

- Projected operating costs based on the existing PEA are $15.16 per tonne.

- The old adage, “grade is king”, is often valid for the typical high-cost, non-Chinese rare earth deposits. Round Top is an economically robust, large-scale, low-cost heap leachable deposit.
Round Top’s REEs Expected to Remain in Critical Demand and Short Supply

**Short Term (0-5 years)**

- **1 (low)**
  - Samarium
- **2**
  - Lithium
  - Cobalt
  - Praseodymium
- **3**
  - Gallium
  - Cerium
  - Lanthanum
  - Tellurium
- **4 (high)**
  - Europium
  - Yttrium
  - Neodymium
  - Terbium
  - Dysprosium

**Medium Term (5-15 years)**

- **1 (low)**
  - Samarium
- **2**
  - Cerium
  - Cobalt
  - Lanthanum
  - Praseodymium
- **3**
  - Gallium
  - Indium
  - Lithium
  - Tellurium
- **4 (high)**
  - Neodymium
  - Dysprosium

**Importance to clean energy**
PEA resource model* contains an indicated and measured resource of **529 million metric tons of rock containing 307 million kilograms of REO**; and an **inferred resource of 377 million metric tons of rock containing 218 million kilograms of REOs** with Significant exploration upside on project

```
<table>
<thead>
<tr>
<th>Element Symbol</th>
<th>Conversion Factor</th>
<th>Tonnage (x 1000)</th>
<th>Measured</th>
<th>Indicated</th>
<th>Measured + Indicated</th>
<th>Inferred</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(x 1000)</td>
<td>gpt</td>
<td>oxide (kg)</td>
<td>gpt</td>
<td>oxide (kg)</td>
</tr>
<tr>
<td>Lanthanum</td>
<td>La₂O₁₃</td>
<td>19.9</td>
<td>20.1</td>
<td>6,370,672</td>
<td>20.0</td>
<td>11,260,192</td>
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<tr>
<td>Cerium</td>
<td>Ce₂O₃</td>
<td>78.7</td>
<td>79.8</td>
<td>25,260,171</td>
<td>79.3</td>
<td>44,572,385</td>
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<tr>
<td>Praseodymium</td>
<td>Pr₂O₃</td>
<td>10.32</td>
<td>10.4</td>
<td>3,284,242</td>
<td>10.37</td>
<td>5,819,507</td>
</tr>
<tr>
<td>Neodymium</td>
<td>Nd₂O₃</td>
<td>28.2</td>
<td>28.482</td>
<td>8,978,075</td>
<td>28.360</td>
<td>15,869,864</td>
</tr>
<tr>
<td>Samarium</td>
<td>Sm₂O₃</td>
<td>10.23</td>
<td>10.32</td>
<td>3,234,098</td>
<td>10.28</td>
<td>5,719,305</td>
</tr>
</tbody>
</table>

Total LREO: 36,109,055 (Total LREO: 47,132,258) Total LREO: 83,241,313 (Total LREO: 98,824,319) 

<table>
<thead>
<tr>
<th>Element Symbol</th>
<th>Conversion Factor</th>
<th>Tonnage (x 1000)</th>
<th>Measured</th>
<th>Indicated</th>
<th>Measured + Indicated</th>
<th>Inferred</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>(x 1000)</td>
<td>gpt</td>
<td>oxide (kg)</td>
<td>gpt</td>
<td>oxide (kg)</td>
</tr>
<tr>
<td>Eu</td>
<td>EuO₄</td>
<td>0.13</td>
<td>0.14</td>
<td>43,809</td>
<td>0.14</td>
<td>75,345</td>
</tr>
<tr>
<td>Gadolinium</td>
<td>Gd₂O₃</td>
<td>10.19</td>
<td>10.27</td>
<td>3,199,001</td>
<td>10.24</td>
<td>5,659,606</td>
</tr>
<tr>
<td>Terbium</td>
<td>Tb₂O₃</td>
<td>3.52</td>
<td>3.54</td>
<td>1,101,143</td>
<td>3.53</td>
<td>1,949,947</td>
</tr>
<tr>
<td>Dysprosium</td>
<td>Dy₂O₃</td>
<td>30.93</td>
<td>30.96</td>
<td>9,602,727</td>
<td>30.95</td>
<td>17,038,722</td>
</tr>
<tr>
<td>Holmium</td>
<td>Ho₂O₃</td>
<td>7.84</td>
<td>7.87</td>
<td>2,436,324</td>
<td>7.86</td>
<td>4,317,807</td>
</tr>
<tr>
<td>Erbium</td>
<td>Er₂O₃</td>
<td>32.63</td>
<td>32.55</td>
<td>10,058,945</td>
<td>32.58</td>
<td>17,875,987</td>
</tr>
<tr>
<td>Thulium</td>
<td>Tm₂O₃</td>
<td>7.13</td>
<td>7.14</td>
<td>2,203,777</td>
<td>7.14</td>
<td>3,909,792</td>
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<tr>
<td>Ytterbium</td>
<td>Yb₂O₃</td>
<td>56.99</td>
<td>56.91</td>
<td>19,530,950</td>
<td>56.94</td>
<td>34,692,980</td>
</tr>
<tr>
<td>Lutetium</td>
<td>Lu₂O₃</td>
<td>8.89</td>
<td>8.89</td>
<td>2,731,906</td>
<td>8.89</td>
<td>4,849,729</td>
</tr>
<tr>
<td>Yttrium</td>
<td>Y₂O₃</td>
<td>219.2</td>
<td>219.5</td>
<td>75,330,231</td>
<td>219.4</td>
<td>133,647,779</td>
</tr>
</tbody>
</table>

Total HREO: 97,779,881 (Total HREO: 126,238,813) Total HREO: 224,018,694 (Total HREO: 158,352,045) 

| Niobium        | Nb₂O₅             | 383.29           | 381.12   | 147,338,029 | 382.07   | 262,207,477 |
| Hafnium        | HfO₂              | 86.7             | 86.3     | 27,504,284  | 86.5     | 48,924,931  |
| Tantalum       | Ta₂O₅             | 67.3             | 67.1     | 22,143,130  | 67.2     | 39,360,051  |
| Tin            | Sn₂O₅             | 138              | 139      | 47,692,157  | 139      | 84,397,999  |
| Uranium        | U₂O₅             | 45.43            | 45.03    | 43,350,091  | 45.20    | 55,737,361  |
| Thorium        | ThO₂              | 179.13           | 178.29   | 54,827,234  | 178.66   | 97,530,551  |

Total HREO: 133,888,936 (Total HREO: 173,371,071) Total HREO: 307,260,007 (Total HREO: 218,176,364) 

* Does not include Lithium. See slide 16 for expected Lithium resource and annual production figures based on work done since initial PEA.
Magnetic Materials Dominate Rare Earth Usage and Play into Round Top’s Heavy Rare Earth Strengths
Large Deposit Creates a Long-Life Heavy Rare Earth Project

<table>
<thead>
<tr>
<th>Mineral Resource</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measured</td>
<td>133,888,936 kg REOs</td>
</tr>
<tr>
<td>Indicated</td>
<td>173,371,071 kg REOs</td>
</tr>
<tr>
<td>Inferred</td>
<td>218,176,364 kg REOs</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>525,436,371 kg REOs</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Estimate/Production</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heavy Rare Earth (HREE) Estimate (72%)</td>
<td>378,314,187 kg REOs</td>
</tr>
<tr>
<td>China HREE Annual Production</td>
<td>20,000,000-25,000,000 kg REOs</td>
</tr>
</tbody>
</table>

* PEA Gustavson Associates, anticipated 12/13; REOs = Rare Earth Oxides
See Cautionary Note to Investors
Simple Geology

- The Round Top Project consists of a Tertiary rhyolite intrusion that is enriched in both heavy and light rare earth elements (REEs) and other incompatible elements such as Li, Be, F, U, Th, Nb, Ta and Hf.
- The stratigraphy is relatively simple, with Tertiary rhyolite laccoliths cutting Tertiary diorite dikes and intruding Cretaceous marine sedimentary rocks.
- The project is located in the Trans-Pecos region, and has been structurally affected by Laramide thrusting and folding, subduction magmatism, and Basin and Range crustal extension.
- The main structures on the property are landslide and slump faulting, and north-northwest-trending normal faults.
Mining
- Simple open pit
- No overburden
- Gravity assisted
- Limited equipment required due to moderate production volumes

Processing
- Crushing
- Leach pads
- Solvent extraction

Process development work completed in 2016 shows that the separation and purification of REE from the primary leach solution (PLS) by ion exchange and ion chromatography is straightforward.
Unique Extractable Mineralogy Leads To Potential Low Cost Heap Leach Processing

- **Yttriofluorite**: The mineral fluorite, with yttrium and heavy rare earths substituting for some calcium atoms

- **Unique**: We found no other deposit in the world in which yttriofluorite is the major rare earth ore mineral

- **Potential-low cost extraction**
  * Dilute sulfuric acid dissolves yttriofluorite at room temperature

- Bulk rock is 90-95% quartz & feldspars that don’t dissolve
Evenness of Ore Grade Leads To Potential Low Cost Processing

- Top pay mineral yttrofluorite estimated to be distributed evenly in deposit
- Rock properties homogeneous (physical, mechanical, chemical)

Why is an even ore grade important?
- Even ore grade means reduced risk of surprises
- Economics easy to predict due to consistency
- Ore grade & mine feedstock constant over life of mine
- Mining process optimized just once
- REE separation chemistry can be optimized

Yttrium Concentrations Frequency in over 3100 Drill Samples
Continuous Ion Exchange/Chromatography

- Creates fully marketable, separated, high purity REE
- Long, well-established track record
- Reduced capital cost & simplified system
- Reduced operating costs
- Flexibility in targeting specific HREEs
- Uses commercially available resins
- Potentially streamlined permitting process
- Used in the Department of Defense DLA Contract
### US$3 million - $5 million Capital Raise

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Round Top Property Costs</strong> (2019 -- inc. leases, water, surface, prospection permits)</td>
<td>$600,000</td>
</tr>
<tr>
<td><strong>Updated Feasibility Study Costs</strong></td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>Leach Optimization – RDI</strong> (inc. Uranium, Beryllium, Alluvial Tin, Niobium and Tantalum)</td>
<td>$800,000</td>
</tr>
<tr>
<td><strong>Legal and Accounting</strong> (inc. listing costs)</td>
<td>$300,000</td>
</tr>
<tr>
<td><strong>Salaries</strong> (inc. geologists, engineers, support staff &amp; tech consultants)</td>
<td>$600,000</td>
</tr>
<tr>
<td><strong>G&amp;A</strong></td>
<td>$200,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>US$3 million</strong></td>
</tr>
</tbody>
</table>

* A detailed breakdown of Use of Proceeds is available
Investment Opportunity

- USA Rare Earth has exercised an option to purchase 70% of the Round Top Rare Earth project through a non-onerous staged earn-in

- USA Rare Earth can increase ownership to 80% with a one-off payment of $US3 million post DFS

- USA Rare Earth has first right of refusal to purchase remaining 20%

- Significant work already completed, including resource generation, test-work and a Preliminary Economic Assessment / Scoping Study – demonstrating the existence of a large, internationally significant Rare Earths, Lithium and Uranium deposit in Texas, USA with very favourable economics

- Updated PEA Q1 2019 – will include the Lithium, Beryllium, Scandium and Uranium, which was not previously included in the existing PEA

- TSX or ASX Listing Q2/3 2019
• Finalise Pre-IPO capital raise ahead of TSX listing (Q1/2 2019)

• Update Feasibility Study (Q1 2019)

• Complete metallurgic studies and pilot studies to optimise process flow design

• Identify off-take partners

• Determine minerals pricing structure and marketing plan

• Decide on which of the 25 minerals contained in the deposit should be developed as products, based on off-take certainty and economics

• Finalise Definitive Feasibility Study and project licensing

• Construct and operate project
APPENDIX

Rare Earths in Defense Applications
Background: Rare Earths in Defense Applications

*Open Source Evidence*

From the just-published White House Defense Industrial Base Report:

“Rare earths are critical elements used across many of the major weapons systems the U.S. relies on for national security, including lasers, radar, sonar, night vision systems, missile guidance, jet engines, and even alloys for armored vehicles. A 2016 study by the Department of Commerce’s Bureau of Industry and Security reported that 66% of respondents, the majority of whom are vendors to DoD, indicated they imported rare earth or related materials.”

“China has strategically flooded the global market with rare earths at subsidized prices, driven out competitors, and deterred new market entrants. When China needs to flex its soft power muscles by embargoing rare earths, it does not hesitate, as Japan learned in a 2010 maritime dispute.”
REEs Targeted for the National Defense Stockpile

In 2014, the U.S. National Defense Stockpile was directed to acquire its first new stockpile materials in 25 years — Dysprosium and Yttrium, both HREEs.

The National Defense Stockpile Requirements Report recommends stockpile purchases of 12 additional materials. Three are Rare Earths.

Europium has now been added as a Stockpile targeted material; 4 additional REEs are being considered for Stockpile list.

Rare Earths: Essential to Every Major Warfighting Capability

The U.S. Congressional Research Service reports that 10 of the 17* Rare Earths (including lasers, the total rises to 14 of the 17 Rare Earths) are used in five functional areas that collectively encompass every major warfighting capability used to project power via ground, sea, air and space:
Rare Earths in Defense Applications Continued…

1. Guidance & Control Systems

REEs used:
Nd, Pr, Sm, Dy, Tb

Guidance and control systems, actuators

2. Electronic Warfare

REEs used:
*Withheld in CRS Report
Solid state lasers: Er, Nd, Y, Ho
Combined-Fiber Lasers: Er, Yb, Tm

Jamming, Rail Gun, Area Denial, Directed Energy Weapons

3. Targeting & Weapons Platforms

REEs used:
Y, Eu, Tb

4. Electric Motors

REEs used:
Nd, Pr, Sm, Dy, Tb

Zumwalt DDG 1000, Joint Strike Fighter, M1A1 Abrams Tank

5. Battlefield Communications

REEs used:
La, Lu, Nd, Y, Eu

Radiation Detection, Sonar, Radar
Scandium: Rarest of the Rares

With an estimated total annual production of as little as 10 tons – and an opaque market of Chinese and a smaller subset of Russian producers – Scandium is the rarest of the rare earths, and also the highest-priced, at as much as $2,000 USD/kg.

Scandium’s properties, however, have long been the envy of materials scientists. During the Cold War, the USSR used a scandium alloy in their MIG-series fighters; without an adequate Scandium supply, the U.S. and its allies used a titanium alloy, known to be technically inferior.

Today, Scandium figures in the evolving energy storage systems market – with several Australian mining companies developing projects. Scandium – for instance, in the form of Scalmalloy (Scandium/Aluminum/Magnesium) – is a promising material in 3D industrial printing.

Here is a video of a radically light-weighted motorcycle chassis – 13 pounds – produced with Scalmalloy: https://www.youtube.com/watch?v=Fad7zXGR85c

The applications for light-weighting in defense applications would be extensive – if, and it is a big if, sufficient Scandium could be brought into the non-Chinese market.

Adding Scandium to the defense applications list puts the total number of relevant REEs for defense at 15 of 17 (only Cerium, the most abundant REE, and Prometheus, which is not naturally-occurring and must be synthesized, are not on the list).

“Single Point of Failure:” Production Delays Due to Lack of REE

A 2008 study commissioned by the US DoD identifies 5 specific Rare Earths whose short supply had caused a “weapons system production delay.”