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USA | Rare Earth

Texas Mineral Resources and JV Partner USA Rare Earth Advance Round Top Rare Earth Project

SIERRA BLANCA, TX—(Marketwired- June 4, 2019) – Texas Mineral Resources Corp. (OTCQB: TMRC)

- **Updated and expanded 2013 Preliminary Economic Assessment (“PEA”) to be released in July 2019**
- **Round Top project approved and advanced by the White House Council on Environmental Quality (“CEQ”) as a “High Priority Infrastructure Project” and is now awaiting final approval by the Federal Permitting Improvement Steering Council (“FPISC”)**
- **Round Top Deposit contains defense-critical rare earths needed for U.S. national defense stockpile and for U.S. industrial manufacturing**
- **Expanded PEA will add resource updates on eight additional “Critical Minerals” beyond rare earths**

Texas Mineral Resources Corp. (TMRC), an exploration company targeting the heavy rare earths and a variety of other high-value elements and industrial minerals, together with its joint venture partner, USA Rare Earth, LLC is pleased to announce plans to release an updated and expanded PEA in July 2019.

The expanded 2019 PEA will include an updated resource estimate, adding Lithium, Hafnium, Beryllium, Scandium and Gallium oxides, as well as industrial minerals such as the sulfates of Aluminum, Iron, Magnesium, Potassium and Sodium. Eight of these additional minerals are on the U.S. Government “Critical Minerals List”, finalized in February 2018.

There will also be an expansion of the ion exchange processing techniques to be used at Round Top, and updated current market mineral pricing will be incorporated into the economic model. TMRC management and USA Rare Earth will hold a joint conference call upon release of the PEA.

Highlights of the 2013 Round Top PEA include:

- **Mine Life:** 20 years, based on mining only 18% of the existing Measured, Indicated and Inferred Mineral Resource Estimate. Realistic mine life in excess of 100 years.
- **Net Present Value (NPV):** \$1.47 billion at a pre-tax 10% discount rate, based on 20-year mine life
- **Internal Rate of Return (IRR):** 69%
- **Payback Period:** 1.5 years

- **Capital Cost:** \$292.7 million, including a complete on-site rare earth oxide (REO) separation plant, and a contingency provision in the amount of \$58.5 million. Among the lowest capital outlays in the world rare earth mining sector
- **Mining Rate:** 20,000 tonnes per day (TPD)
- **Approximate Weighted Average Total Rare Earth Recoveries:** 71.5%
- **Production of REOs at site:** Deployment of proven technology to generate high purity individual rare earth oxides at the site
- **REO Production:** Averaging 3,325 tonnes per year (“TPY”) total, including approximately 2,569 TPY of HREE+ Y. Full production includes 198 TPY of dysprosium oxide and 1,645 TPY of yttrium oxide
- **Heap Leach Processing Technology:** Proven conventional technology utilizing leach pads built to Texas Environmental Standards
- **Direct Employment:** Approximately 325 employees
- **Ease of Shipping Access:** Only 3 miles north of Interstate Highway 10 and within 3 miles of a major railroad. El Paso airport is 85 miles northwest
- **Near Term, High Value Production:** Relatively high percentage (70%) of REOs strategically critical to the U.S. defense, clean energy, aerospace, supercomputing and transportation sectors: including dysprosium (Dy) and yttrium (Y)
- **Located on State Property:** 6.25% Net Smelter Royalty (“NSR”) owed to Texas General Land Office (“GLO”)

“For less than the cost of a single Navy F-35C fighter jet, the Round Top mine could be brought into production,” said Dan Gorski, CEO of TMRC and Director of Operations of USA Rare Earth. “With the range of critical rare earths present at Round Top and the addition of resources for six U.S.-Government-listed Critical Minerals, this single project could meet the Department of Defense’s rare earth needs and offer a strategic reserve of key critical minerals as well. Round Top, unlike other projects that have unfavorable economics and have previously struggled, has a low CapEx and OpEx as a result of the ability to heap-leach the rock, high REO recoveries and existing major infrastructure in place.”

“Rare Earths are the building blocks of metals used in multiple essential applications – and access to them will determine the U.S.’s ability to build and sustain the advanced manufacturing capacities needed for economic competitiveness and military strength,” said Pini Althaus, CEO of USA Rare Earth. “Whatever the outcome of the trade negotiations with China, the United States’ need for rare earths will only grow. We are very encouraged by steps the U.S. Government is taking to support domestic rare earth projects.”

TMRC is also pleased to announce that the White House CEQ has approved and advanced Texas governor Greg Abbott’s request to designate the Round Top project as a “High Priority Infrastructure Project”. Final approval is pending with the FPISC. By way of background, Executive Order 13766, signed by President Trump on January 24, 2017, established a new system by which to fast-track the construction of infrastructure projects. The Order directed executive agencies to expedite environmental reviews and approvals for all infrastructure projects that are deemed a “high priority to the nation” and should be granted preference in the licensing process. Governors of States and executive agency heads may request that the Chairman of the White House CEQ approve infrastructure projects that meet certain criteria. Once approved by the CEQ, projects are then advanced to the FPISC for final approval.

“Irrespective of the outcome, the current trade dispute between the United States and China should serve as a wake-up call to the United States for the urgent need to create a domestic rare earth supply chain,” commented Anthony Marchese, chairman. “The United States can no longer sit idly by and watch adversarial foreign governments pour massive amounts of capital into a supply chain whose output is embedded in virtually every product purchased by the DoD. The free market cannot solve problems where major industry participants are not willing to adhere to free market principles. Such remains the case in the rare earth supply chain. Suggestions that encourage domestic sourcing, such as “Buy America” clauses in federal contracts, are a step in the right direction. The Round Top project further positions Texas as a potential center of a revived U.S. rare earth supply chain.”

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Securities Act of 1933, as amended, and U.S. Securities Exchange Act of 1934, as amended, including, but not limited to, statements recovery rates of “critical materials” from the Round Top leach solution being indicative of production potential, potential development and production of “critical materials” at Round Top, potential production rates and mining costs, potential revenue streams from such production, anticipated production methods and results, anticipated mine life at Round Top, potential production of “critical material” de-risking project economics, Round Top being a stable, long-term supply of “critical materials”, projected increased demand in the “critical materials” market and other similar statements. When used in this press release, the words "potential," "indicate," "expect," "intend," "hopes," "believe," "may," "will," "if," "anticipate," and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, among others, risks related to the development of the Round Top project, up-scaling of extraction testing, risks related to changes in future operating costs and working capital balance, risks related to mining results not matching preliminary tests and risks related to the ability of TMRC to raise adequate working capital and continue as a going concern, as well as those factors discussed under the heading "Risk Factors" in the Company's latest annual report on Form 10-K, as filed on November 30, 2018 and other documents filed with the U.S. Securities and Exchange Commission. Except as required by law, the Company assumes no obligation to publicly update any forward-looking statements.

The United States Securities and Exchange Commission ("SEC") limits disclosure for U.S. reporting purposes to mineral deposits that a company can economically and legally extract or produce. This press release uses certain terms that comply with reporting standards in Canada and certain estimates are made in accordance with Canadian National Instrument NI 43-101 ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves, adopted by the CIM Council, as amended (the "CIM Standards"). NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosures an issuer makes of scientific and technical information concerning mineral projects. This press release uses the terms "resource," "measured and indicated mineral resource," and "inferred

mineral resource." We advise U.S. investors that while these terms are defined in accordance with NI 43-101 such terms are not recognized under the SEC's Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Mineral resources in these categories have a great amount of uncertainty as to their economic and legal feasibility. "Inferred resources" have a great amount of uncertainty as to their existence and, under Canadian regulations, cannot form the basis of a pre-feasibility or feasibility study, except in limited circumstances. The SEC normally only permits issuers to report mineralization that does not constitute SEC Industry Guide 7 compliant "reserves" as in-place tonnage and grade without reference to unit measures. Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and all necessary permits and government approvals must be filed with the appropriate governmental authority. **The PEA is not a definitive feasibility study and our Round Top project currently does not contain any known proven or probable ore reserves under SEC Industry Guide 7 reporting standards. The results of the PEA disclosed in this press release are preliminary in nature and include inferred mineral resources that are considered speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves and there is no certainty that the results of the PEA will be realized. U.S. investors are urged to consider closely the disclosure in our latest reports and registration statements filed with the SEC. You can review and obtain copies of these filings at <http://sec.gov/edgar.shtml>. U.S. Investors are cautioned not to assume that any defined resource will ever be converted into SEC Industry 7 compliant reserves.**

About Texas Mineral Resources Corp.

Texas Mineral Resources Corp.'s focus is exploring and, if warranted, developing its Round Top heavy rare earth and industrial minerals project located in Hudspeth County, Texas, 85 miles east of El Paso. Additionally, the Company plans on developing alternative sources of strategic minerals through the processing of coal waste and other related materials. The Company's common stock trades on the OTCQB U.S. tier under the symbol "TMRC."

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About USA Rare Earth, LLC

USA Rare Earth, LLC, a privately-owned Delaware company, has an Option to earn up to an 80% interest in the Round Top rare earth and industrial mineral project located in Hudspeth County, Texas. Round Top hosts a large range of critical Rare Earth Elements, Lithium, High-Tech metals, Uranium and Beryllium and is among the lowest-cost Rare Earth projects in the world.

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