



TMRC Secures Development and Funding Partner for Round Top Rare Earth Project

- **Partner will earn 70% interest in Round Top rare earth project once \$10 million funding leads to a bankable feasibility study and can thereafter earn an additional 10% with a \$3 million cash payment to TMRC**
- **2013 PEA (Preliminary Economic Assessment) estimates \$1.47 billion NPV (Net Present Value) to Round Top project**
- **Successful Defense Logistics Agency (DLA) contract previously demonstrated the ability to process Round Top Rare Earth Elements to high-purity**
- **Updated PEA scheduled for completion in Q1 2019 to include lithium, uranium, beryllium and other critical and industrial elements not included in the 2013 PEA**
- **American Mineral Reclamation subsidiary and Department of Energy (DoE) Rare Earths-from-Coal project remain independent of Round Top project**

SIERRA BLANCA, TX— (Marketwired- November 20, 2018) – Texas Mineral Resources Corp. (OTCQB: TMRC), an exploration company targeting high value tech metals including rare earths and a large volume of a variety of other high-value elements and industrial minerals, is pleased to announce that it has reached a development and funding agreement for its flagship Round Top project with Morzev Pty Ltd., DBA USA Rare Earth (“USA Rare Earth”), a privately-held U.S. and Australian-based investment group.

Under the terms of the Agreement, USA Rare Earth is required to expend up to \$10 million via two tranches: the first \$2.5 million to finish the optimization of the separation and purification processes relating to the various elements contained in the deposit. Upon successful conclusion, USA Rare Earth is then required to expend up to an additional \$7.5 million to produce a bankable feasibility study. A bankable feasibility study is defined as a comprehensive study of sufficient detail and accuracy to be used for a positive decision and financing purposes, where cost estimates are equal to plus or minus 20% accuracy or better. Only upon successful conclusion of a bankable feasibility study is USA Rare Earth entitled to a 70% interest in the Round Top project. Furthermore, USA Rare Earth has an option to purchase an additional 10% interest in the Round Top project for a cash payment of \$3 million to TMRC.

USA Rare Earth is a U.S. and Australian-based investment group with extensive mining experience and a significant track record of discovering and operating world-class assets. USA Rare Earth is in the process of appointing a lead banker and will be pursuing a TSX Canadian listing in the near future.

Cove Capital Pty Ltd. acted as the exclusive investment banker in the transaction.

“This is a transformative transaction for TMRC,” commented Anthony Marchese, chairman. “Round Top is a world-class rare earth deposit located just outside El Paso with favorable existing infrastructure and a one hundred-year mine life that has the potential to supply the United States with a significant

amount of its rare earth needs in addition to a variety of other strategic materials. USA Rare Earth offers TMRC and its shareholders the potential to realize significant value from one of the world's premier and lowest cost rare earth projects. Under the terms of the partnership, USA Rare Earth is highly incentivized to fund and complete a bankable feasibility study as quickly as possible so that it may vest its interest in the Round Top project. TMRC shareholders also have the ability to realize value from its American Mineral Reclamation subsidiary, which is not part of the USA Rare Earth partnership and is currently a recipient of a DoE grant in the area of profitable reclamation of rare earth elements from pre-combustion coal."

Highlights of the 2013 Round Top PEA Include:

- **Net Present Value (NPV):** \$1.47 billion at a pre-tax 10% discount rate
- **Mine Life:** 20 years, based on mining only 18% of the existing Measured, Indicated and Inferred Mineral Resource Estimate
- **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 Oxide 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:** 125-175 employees
- **Ease of Shipping Access:** Only three 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:** Relative high percentage (70%) of rare earth oxides 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)

Round Top's Critical Minerals and Metals

At full production, the Round Top project would potentially produce commercial quantities of the following twelve "critical minerals" as recently defined by the U.S. Department of the Interior:

- Rare Earths
- Lithium
- Beryllium
- Scandium
- Uranium
- Gallium
- Hafnium

- Magnesium
- Manganese
- Strontium
- Zirconium
- Aluminum

TMRC's DoD and DoE Grants

It should be noted that in the past three years, TMRC has been part of teams selected for two U.S. Government grants, one from the Department of Defense (DoD) and the other from the Department of Energy (DoE). TMRC's successful demonstration project for the DoD (via the U.S. Defense Logistics Agency) (BAA-DLASM-2015-01) focused on the ultra-high purity processing of specific high-value rare earths extracted from Round Top rock, which were recently defined and included in the new Critical Minerals list published by the Department of the Interior. Additionally, TMRC is currently part of a team working on a DoE grant to profitably extract rare earth elements (REEs) in an environmentally friendly manner from pre-combustion coal byproducts in Pennsylvania (FOA- 0001627).

Round Top's Importance to End-Users

REEs are used to manufacture mobile phones, electric cars, satellites, lasers, lights, and high tech alloys for everything from aircraft and missiles to mountain bike frames and wind turbines. Additionally, they are used in magnets, including those used in missile guidance systems, catalytic converters and a wide range of other applications.

China controls and monopolizes in excess of 97% of REEs required for manufacturing of critical products in military equipment and defense, industrials and every-day use. The U.S. Government and industry require REEs and presently rely on China for supply. According to recently published government reports, it is a matter of national security and an urgent need for the U.S. to develop its own rare earth production pipeline.

"No other U.S. deposit can match the Round Top rare earth project in terms of its range of critical minerals and metals, coupled with a U.S.-based processing capability -- and in terms of processing, our successful Defense Logistics Agency project demonstrates our ability to process individual rare earths to high purity," said Dan Gorski, TMRC CEO. "Whether the goal is restoring U.S. manufacturing capability, developing energy, or restoring key elements of the U.S. Defense Industrial Base, Round Top is a robust, long-lived resource that can anchor a U.S.-based advanced materials supply chain."

TMRC plans to conduct a conference call in mid-December to discuss the transaction in greater detail.

About Texas Mineral Resources Corp.

Texas Mineral Resources Corp.'s primary focus is exploring and, if warranted, developing its Round Top rare earth and industrial minerals project located in Hudspeth County, Texas, 85 miles east of El Paso. The Company's common stock trades on the OTCQB U.S. tier under the symbol "TMRC."

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Cautionary Note to Investors

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.**

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, 2017, 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.