USA Rare Earth Commends Bipartisan Bill Introduced in the U.S. House of Representatives to Encourage Domestic Rare Earth Production

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CEO: "Growing Bipartisan Consensus that U.S. Dependence of Foreign-Sourced Rare Earths Poses Serious Risk to U.S. Economy and National Security"

USA Rare Earth's Round Top Project & Mine-to-Magnet Strategy Aligns with Bipartisan Consensus

New York, NY, Sept. 01, 2020 (GLOBE NEWSWIRE) -- via NEWMEDIAWIRE -- USA Rare Earth, LLC, the funding and development partner of the Round Top Heavy Rare Earth and Critical Minerals Project in West Texas together with Texas Mineral Resources Corp. (OTCQB: TMRC), commends the introduction of the RARE Act - Reclaiming American Rare Earths Act -- a bipartisan bill introduced in the U.S. House of Representatives today by Congressmen Lance Gooden (R-TX) and Vicente Gonzalez (D-TX). The House bill is patterned after the ORE Act, introduced in May 2020 by Senator Ted Cruz (R-TX). Both Senate and House bills create a comprehensive tax incentive program to encourage investment in U.S.-based rare earth and critical mineral production, from mining, reclamation and recycling through processing and advanced materials production, along with a grant program for demonstration projects developing primary mining projects for the rare earths and critical minerals, as well as "secondary recovery" projects, recovering the materials from legacy mine waste and eWaste. Full text of the Gooden press release can be found here - https://gooden.house.gov/RAREAct. A copy of the RARE Act bill can be found here - https://www.dropbox.com/sh/pf1ssjoc2puwgoc/AABe3YiByosgJ0Uw5oC6aScua?dl=0

The Gooden-Gonzalez bill was introduced with bipartisan support led by the Texas house delegation, including Congressman Henry Cuellar (D-TX), Congressmen Will Hurd (R-TX), Roger Williams (R-TX), Pete Olson (R-TX) and Bill Flores (R-TX). Additional cosponsors are expected as the bill is formally filed.

"Ending our dependence on China starts today," said Congressman Gonzalez. "The RARE Act will allow the United States to develop a reliable domestic supply of critical minerals and rare earth elements and eliminate this pressure point that could have lasting impacts on our national security and most importantly, our way of life."

"A reliable supply of these materials is essential to American economic and security interests. We shouldn't have to rely on the Chinese Communist Party for our critical military and communications technology," said Congressman Gooden. "Our future technological capacity will depend on our ability to cultivate an economic environment that is favorable to robust domestic production of these resources. By decreasing our dependence on China, the RARE Act would strengthen our national security, spur American innovation, grow our economy, and ensure the United States has the resource independence required to cement our leadership in technologies that define the 21st century."

"Currently, China produces over 80 percent of the world's rare earth minerals, used in everything from cell phones to advanced weapon systems, which is why the U.S. must increase our domestic production and loosen our dependence on buying them from China," said Congressman Will Hurd, whose TX-23 District is home to the Round Top deposit. "The RARE Act is a major step towards re-establishing a U.S. critical minerals supply chain, which will in turn stimulate economic activity in Texas and around the nation, ensure we are prepared for future technologies, and reduce threats to our national security."

Senator Cruz commented: "Our dependence on China for access to rare earth elements is deeply troubling and endangers our ability as a nation to manufacture defense technologies and support our military. We must take an 'all of the above' approach to ensuring the entire supply chain for rare earth elements and critical minerals is located in the United States ."

The RARE Act, like Senator Cruz's ORE Act, identifies a list of Critical Minerals including lithium, cobalt, graphite and manganese as well as all 17 of the Rare Earths. The introduction of the RARE Act follows the recent launch of The House Critical Materials Caucus announced on July 24, 2020, with Congressmen Eric Swalwell (D-CA) and Guy Reschenthaler (R-PA) as co-chairs.

Bi-Partisan Consensus

"At a time when political partisanship touches nearly every public issue, what we see in the Gooden-Gonzales bill -- and in the recent formation of the House Critical Materials Caucus -- is the growing bipartisan consensus that U.S. dependence on foreign-sourced rare earths and other critical minerals poses serious risk to the U.S. economy and national security. Rare earths and critical minerals are the backbone of any economy reliant on manufacturing; be it defense applications, medical equipment, electric vehicles, consumer electronics, and renewable energy. Billions of dollars' worth of rare earths translates into trillions of dollars of

finished goods and hundreds of thousands of jobs. China has understood this for a long time, and as a result have solidified their stranglehold of the critical minerals supply chain," said Pini Althaus, CEO of USA Rare Earth.

"On this issue of national importance, it's significant that Texas leads the way. Our Round Top deposit contains $22 billion of materials, including a significant amount of rare earths, lithium and tech metals. The Gooden-Gonzales bill will facilitate projects like Round Top and other domestic projects in ensuring US independence from China, and strengthen our economy and national security," noted Mr. Althaus.

USA Rare Earth's Round Top Heavy Rare Earth & Critical Minerals Project, located in Sierra Blanca, Texas, anchors the Company's mine-to-magnet rare earth supply chain solution. In June 2020, USA Rare Earth opened its rare earth and critical minerals pilot development plant in Wheat Ridge, Colorado, where it is optimizing recoveries of specific rare earths as well as non-REE Critical Minerals, including lithium. In April 2020, USA Rare Earth purchased the neo magnet manufacturing plant formerly owned by Hitachi in North Carolina. The Company is reviewing site options in order to recommission the permanent magnet manufacturing facility.

While the magnet plant will ultimately be fed by rare earth feedstock originating at our Round Top Mine, USA Rare Earth is in the process of re-commissioning its magnet facility sooner, using recycled rare earth materials.

USA Rare Earth announced on July 16, 2020 that it is working with GeoMega Resources of Canada to integrate material recycling into the magnet production process, and subsequently pledged in to power its Round Top operations with 100% renewable energy.

Previously, the White House CEQ approved and advanced Texas governor Greg Abbott's request to designate the Round Top project as a *"High Priority Infrastructure Project"* as part of Executive Order 13766, signed by President Trump on January 24, 2017. The Order was focused on projects that are deemed a *"high priority to the nation"*.

Heavy Rare Earths and 5G Networks

On May 13, 2020, the U.S. Government extended its ban on companies working with or relying on equipment manufactured by Huawei through May 2021. The UK followed suit on July 14, 2020 and other countries have implemented the same policy. Building out a U.S. 5G network will require reliable access to the specific Heavy Rare Earths used as fiber laser dopants, including erbium, thulium and ytterbium. Heavy Rare Earths account for more than 70% of the Round Top rare earth deposit, including the largest concentrations of erbium, thulium and ytterbium outside of south China.

Currently, according to the annual USGS Mineral Commodity Summary, the U.S. produces no rare earth oxides, while China is the world's leading producer. In July 2019, President Trump issued a series of Presidential Determinations under the Defense Production Act's Title III provision, designating all aspects of the rare earth supply chain as essential to the national economy and national security.

Rare earths are essential elements in every advanced weapons platform and every defense domain, from guidance and control, precision targeting, and directed energy weapons to communications and power provision. https://fas.org/sgp/crs/natsec/R41744.pdf

About USA Rare Earth, LLC

USA Rare Earth, LLC has an option to earn and acquire an 80% interest in, and is the operator of, the Round Top Heavy Rare Earth and Critical Minerals Project located in Hudspeth County, West Texas from Texas Mineral Resources Corp. (TMRC: OTCQB).

As much as 60% of revenues are expected to be from lithium for electric vehicle batteries and power storage systems, and neo magnet rare earths used in electric motors, wind turbines and a wide range of consumer goods.

The Preliminary Economic Assessment (dated August 16, 2019) projects a pre tax net present value using a 10% discount rate of $1.56 billion based on a 20-year mine plan that is only 13% of the identified measured, indicated and inferred resources. The PEA estimates an internal rate of return of 70% and average annual net revenues of $395 million a year after average royalties of $26 million a year payable to the State of Texas. Based on the cost estimates set forth in the PEA, Round Top would be one of the lowest-cost rare earth producers, and one of the lowest cost lithium producers in the world. The Round Top Deposit hosts 16 of the 17 rare earth elements, plus other high-value tech minerals (including lithium) and is well located to serve the US internal demand. In excess of 60% of materials at Round Top will be used directly in green or renewable energy technologies. Round Top contains 13 of the 35 minerals deemed "critical" by the Department of the Interior and contains critical elements required by the United States, both for national defense and industry. For more information about USA Rare Earth, visit www.usarareearth.com.

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