USA Rare Earth Applauds President Biden's Executive Order to Secure America's Critical Supply Chains for Rare Earth Elements and Electric Vehicle Batteries

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Biden Administration to Undertake Swift Reviews of Key U.S. Supply Chain Vulnerabilities, Including Critical Minerals

USA Rare Earth's Round Top Deposit Hosts Materials Essential to Rare Earth Permanent Magnets, EV and Li-Ion Batteries, and Advanced Semi-Conductor Chips

New York, NY, Feb. 24, 2021 (GLOBE NEWSWIRE) -- via NewMediaWire -- USA Rare Earth LLC, the funding and development partner of the Round Top Heavy Rare Earth, lithium and Critical Minerals Project in Hudspeth County, West Texas, together with Texas Mineral Resources Corp. (OTCQB: TMRC), today applauded President Biden's Executive Order on Securing America's Critical Supply Chains. The Executive Order requires swift new government assessments of key U.S. supply chains across the healthcare, technology and transportation sectors, including for semiconductor materials, critical minerals, rare earth elements, and electric vehicle batteries.

"The assessments over the next 100 days will reiterate the importance of U.S. national assets like our Round Top heavy rare earth and lithium project in providing the technology metals needed for the next century of U.S. innovation and infrastructure," said Pini Althaus, Chief Executive Officer of USA Rare Earth. "We applaud President Biden's urgency to assess and build additional U.S. capacity across the transportation, energy and defense industrial base. Rare earths and critical minerals, including lithium, are essential to modern technology and require a robust, resilient strategy for U.S. advanced manufacturing and national security. Round Top touches three of the four vital products leading the EO today, including for semiconductors and electric vehicle batteries."

During the signing ceremony today, President Biden discussed the manufacturing base and mentioned, "key minerals and materials, like rare earths, that are used to make everything from harder steel to airplanes." The Executive Order requires an immediate 100-day review of U.S. supply chains for four key products, including APIs for pharmaceuticals, rare earth elements, semiconductors and advanced packaging, and large capacity batteries. Multiple federal agencies will develop comprehensive supply chain assessments of goods and materials critical to national and economic security and for which shortages or global competition affect supply. USA Rare Earth's Round Top deposit hosts the full range of rare earths and lithium for large capacity batteries and electric vehicle batteries, and also U.S. Government-listed Critical Minerals zirconium, hafnium and gallium, which are required for next-generation semiconductor manufacturing.

The reports will provide the White House with policy options for the national defense stockpile and will build on recent government efforts led by a September 2020 executive order which addressed threats to the U.S. supply chain for critical minerals and rare earth elements. Subsequent government assessments within one year of Biden's executive order will also examine the resiliency of essential materials to the defense and transportation industrial base, including gaps in domestic manufacturing capabilities and supply chains with a single point of failure, as well as opportunities to collaborate production with allied nations.

"The Biden Administration is right to examine the criticality of numerous U.S. materials and electronic goods that are vulnerable to global disruption on a daily basis, including rare earth elements," said Pini Althaus. "There is already surging demand for lithium and EV battery materials, and U.S. manufacturers will need new sustainable supply to meet near term goals this decade. We welcome President Biden's leadership as we work to restore a full mine-to-magnet, mine-to-market U.S. supply chain."

Currently, the U.S. lacks a commercial-scale capability to process rare earth permanent magnets used in the automotive, aerospace, defense and electronics industries. In 2020, USA Rare Earth opened the first rare earth and critical minerals processing facility in the U.S. and also acquired the neodymium iron boron (NdFeB) permanent magnet manufacturing equipment formerly operated by Hitachi Metals America in North Carolina. The Company is presently completing plans to re-site and recommission the equipment; once operational, the facility will produce approximately 17% of the (2019) U.S. permanent magnet demand. The permanent magnets will also be used for electric vehicle motors. At present, no other NdFeB permanent magnet manufacturing plant is operational in the Americas.

About USA Rare Earth, LLC

USA Rare Earth, LLC is earning and acquiring an 80% operating joint venture 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). Round Top hosts a wide range of critical heavy rare earth elements, high-tech metals, including lithium, zirconium, hafnium and beryllium, and, based on 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. USA Rare Earth has also opened a rare earth and critical minerals processing facility in Wheat Ridge, Colorado and in April 2020 USA Rare Earth acquired the neodymium iron boron (NdFeB) permanent magnet manufacturing equipment formerly owned and operated in North Carolina by Hitachi Metals America, Ltd. For more information about USA Rare Earth, visit www.usare.com

Company Contact:

USA Rare Earth LLC
Pini Althaus, Chief Executive Officer
Email: pini@usare.com

Twitter: @USARareEarth

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