USA Rare Earth to Produce Nearly Half of New U.S. Government Critical Minerals List

Dec 10, 2021

Company's Round Top Project Contains 22 of the 50 Critical Minerals Included in Draft List Recently Released by the U.S. Geological Survey

TAMPA, FL, Dec. 10, 2021 (GLOBE NEWSWIRE) -- via NewMediaWire -- USA Rare Earth LLC, the operator and owner of 80% of the Round Top ("Round Top") Heavy Rare Earth, Lithium and Critical Minerals Project in Hudspeth County, Texas, together with its joint venture partner Texas Mineral Resources Corp (OTCQB: TMRC), commends the U.S. Geological Survey (USGS) for its revised list of 50 minerals deemed critical to U.S. national security and the economy.

"USA Rare Earth will bring into domestic production nearly half of the critical minerals identified by the USGS, including gallium, which tops the new Critical Minerals List. The list establishes that Round Top is a national strategic asset for supply chains essential to the U.S. economy," said Thayer Smith, President of USA Rare Earth. "We commend the USGS for its robust evaluation of these important mineral commodities and for identifying the material constraints for American technology and national defense."

In February 2021, the USGS identified Round Top as the largest gallium deposit in the United States. Gallium is a critical semiconductor chip material, for which there are currently no U.S. producers. The USGS also deemed 16 rare earths as critical, including neodymium, dysprosium, praseodymium, and terbium, which are used in the manufacturing of rare earth permanent magnets, and which will be produced by USA Rare Earth.

The company is creating a new fully domestic mine-to-magnet supply chain that will provide rare earth magnets and materials needed to ensure compliance with recent presidential executive orders. Rare earth magnets are necessary for defense, medical, green energy, and electric vehicle production. Currently, US companies get the vast majority of their rare earth materials and magnets from China.

In November, the USGS released a draft of the 50 mineral commodities proposed for inclusion in the 2021 Critical Minerals List. This is the first update since the Department of Interior identified 35 critical minerals in 2018. By federal statute, the Critical Minerals List is updated every three years.

USA Rare Earth is developing the Round Top project in Sierra Blanca, Texas, which is anticipated to become operational in 2023. Round Top is a uniquely enriched polymetallic deposit weighted toward heavy rare earths and contains 16 of the 17 rare earth elements, as well as lithium, gallium and other U.S.-listed critical minerals. At the planned initial production rate, Round Top has sufficient identified resources to operate for more than 100 years.

"USA Rare Earth is developing a fully domestic mine-to-magnet supply chain, while the lithium at Round Top will also support the manufacture of battery electric vehicles. These are two essential components to the future of electric transportation," said Thayer Smith. "Our project is a geologically unique and diverse deposit that will help bolster U.S. critical minerals production."

About USA Rare Earth, LLC

USA Rare Earth, LLC owns an 80% operating joint venture interest in the Round Top Heavy Rare Earth and Critical Minerals Project located in Hudspeth County, West Texas. Round Top hosts a wide range of critical heavy rare earth elements, high-tech metals, including lithium, gallium, zirconium, hafnium and beryllium. The Preliminary Economic Assessment (PEA, 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), including 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. Round Top is well located to serve the US internal demand. In excess of 60% of materials at Round Top are expected to be used directly in green or renewable energy technologies. In 2020 USA Rare Earth 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 system formerly owned and operated in North Carolina by Hitachi Metals America, Ltd.

For more information about USA Rare Earth, visit www.usare.com.

For media inquiries, please contact David Jacobson (djacobson@rubensteinpr.com; 212-805-3081).