

**CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER
OF
TEXAS RARE EARTH RESOURCES CORP.**

**(as adopted by the Corporate Governance and Nominating Committee and Board of Directors on
September 16, 2011)**

I. Committee Purpose

Texas Rare Earth Resources Corp. (the “Company”) is a publicly-held company and operates in a highly competitive and regulated environment. The Company’s business involves an environment that is highly regulated at both the federal and state levels in the United States. To assist the Board of Directors of the Company (the “Board”) in its responsibilities relating to reviewing the Company’s operational compliance with applicable legal requirements and sound ethical standards, the Board has created a Corporate Governance and Nominating Committee (the “Committee”).

II. Committee Membership

The Committee shall be comprised of three or more directors. The initial members of the Committee shall be appointed by the Board. Candidates to fill subsequent vacancies in the Committee shall be appointed by the Board based on nominations by the Committee. Members shall serve at the pleasure of the Board and for such term or terms as the Board may determine. Except to the extent that may be permitted under Section 804 of the NYSE Amex Company Guide, each member of the Committee shall satisfy the definition of “independent” under the listing standards of the NYSE Amex, and all other applicable securities laws, rules or requirements of the stock exchanges upon which the Company’s securities are listed. The members of the Committee will serve until their successors are duly appointed and qualified.

III. Committee Responsibilities

The Committee shall undertake the following responsibilities and duties:

Development of Guidelines and Procedures

- Oversee the development, issuance, distribution and review of appropriate ethics and legal compliance guidelines and procedures.
- Oversee the development and implementation of guidelines and procedures to ensure satisfactory relationships with the Company’s principal regulatory authorities.
- Oversee the development and implementation of employee communication and training on ethics and compliance issues.

Ensure Adequate Guidance, Reporting and Investigation Processes

- Monitor and review periodically the systems that management has established to implement the Company’s ethics and compliance guidelines.

- Ensure that the Company maintains clear channels of communication.
- Oversee receiving periodic reports regarding investigations of compliance violations.
- Assist management in the preparation of the disclosure in the Company's annual proxy statement regarding the operations of the Committee.
- Ensure that business units have processes in place for receiving and investigating reports of compliance violations, and advising the Committee of these reports.
- Review legal compliance matters, including corporate securities trading policies with the Company's general counsel.
- Review current and/or pending litigation and regulatory proceedings bearing on corporate governance in which the Company is a party.

Monitor Compliance with Compliance Guidelines and Ethics Policies

- Ensure that appropriate internal and/or external audits and surveys are conducted to verify adherence to the Company's compliance guidelines and procedures.
- Commission special audits as necessary to verify adherence to the Company's compliance guidelines and procedures.
- Review significant cases of employee conflicts of interest and related-party transactions, misconduct or fraud.
- Monitor audits and examinations by governmental or other regulatory agencies.

Evaluation and Recommendation of Board Membership

- Make recommendations to the Board from time to time concerning the number and accountability of Board committees, committee assignments and committee membership rotation practices. Establish and articulate qualifications, desired background and selection criteria for members of the Board in accordance with relevant law and U.S. Securities and Exchange Commission requirements.
- Identify individuals believed to be qualified to become Board members, and to select, or recommend to the Board, the nominees to stand for election as directors at the annual meeting of stockholders or, if applicable, at a special meeting of stockholders. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by stockholders. In selecting or recommending candidates, the Committee shall take into consideration the criteria approved by the Board and such other factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The Committee shall consider all candidates recommended by the Company's stockholders in accordance with the procedures set forth in the Company's annual proxy statement.

- The Committee may retain any reputable search firm to be used to identify director candidates. The Committee has the sole authority to retain and terminate search firms and approve the search firm's fees and other retention terms.

Governance and Evaluation

- On an annual basis, solicit input from the full Board and conduct a review of the effectiveness of the operation of the Board, Board committees and individual Board members, including reviewing and monitoring compliance with governance and operating practices and the corporate governance principles.
- Guide the directors in the evaluation of corporate governance as and when appropriate.
- Develop and recommend to the Board a set of corporate governance principles applicable to the Company and review these principles at least annually.
- Report to the Board summarizing the Committee's actions and any significant issues considered by the Committee.
- Perform such other functions as assigned by law, the Company's articles of incorporation or bylaws, or the Board.

III. Committee Structure and Operations

The Committee shall designate one member of the Committee as its chairperson. In the event of a tie vote on any issue, the chairperson's vote shall decide the issue. The Committee shall meet in person or telephonically at least twice a year, and perhaps more frequently, in conjunction with regularly scheduled meetings of the Board at regularly scheduled times and places determined by the Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its chairperson. A majority of the Committee members currently holding office constitutes a quorum for the transaction of business. The committee shall take action by the affirmative vote of the Committee members present at a duly held meeting.

IV. Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee, although the Board shall have the sole authority to amend this charter. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

V. Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate. The Company

shall provide for appropriate funding as determined by the Committee, for payment of compensation to any special counsel, other experts or consultants employed by the Committee.

The Committee may also request any officer or employee of the Company or the Company's special counsel or consultants to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee may, in its discretion, form and delegate authority to subcommittees when appropriate.

VI. Public Disclosure and Website Publication

This Charter shall be included on the Company's website. The Company's annual report to stockholders will state that this charter is available on the Company's website and will be available upon request to the Company's Corporate Secretary.