

OTCQB TMRC



TEXAS  
MINERAL  
RESOURCES  
CORP.

INVESTOR PRESENTATION NOVEMBER 2020

# Legal Disclaimers

## Forward-Looking Statements

This presentation 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. The estimated resources at the Round Top project, potential recoverability of resources, estimated homogeneous distribution of minerals in rhyolite, the economic assessments in the August 2019 updated Preliminary Economic Assessment, including the estimated Initial Capex, NPV, payback period, initial Life of Mine, Life of Mine gross revenue, Life of Mine OpEx, production profile, projected revenue sources and projected operating expenditures, the potential lithium, beryllium, uranium, and thorium mineralization at the property, anticipated inclusion of non-REEs, uranium, lithium and beryllium in future economic analyses, possible whole rock recoveries, anticipated climate, labor and regulation at the Round Top project, potential market, demand and values for REEs, including ytterbium, dysprosium, terbium, erbium, holmium, thulium, lutetium and thorium, and the likely business friendly environment in Texas are 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, uncertainty of mineralized material and mineral resource estimates, risks related to projected and estimated economics not reflecting actual economic results due to the uncertainty of mining processes, potential non-uniform sections of mineralized material, potential mining hazards and accidents, changes in equipment and labor costs, changes in projected REE prices and demand, competition in the REE industry, risks related to project development determinations, the inherently hazardous nature of mining-related activities, potential effects on the Company's operations of environmental regulations, risks due to legal proceedings, liquidity risks and risks related to uncertainty of being able to raise capital on favorable terms or at all, 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, 2019 and other documents filed with the U.S. Securities and Exchange Commission. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Except as required by law, the Company assumes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise.

# Legal Disclaimers

## 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 presentation 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 presentation 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 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.

**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 presentation 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://www.sec.gov/edgar.shtml>. **U.S. Investors are cautioned not to assume that any defined resource will ever be converted into SEC Industry Guide 7 compliant reserves.**

This presentation contains statements regarding a historical beryllium resource and potential mineralization of thorium that have not been reviewed by an independent third-party consultant. Such statements are not compliant with NI 43-101 and do not represent SEC Industry Guide 7 compliant reserve estimates or economic recoveries. The estimates of management as presented in this presentation is preliminary in nature and may not occur as anticipated or estimated, if at all. While management believes these statements have a reasonable technical basis, they are based on estimates of management which may not occur as anticipated. The estimated beryllium resource is based on a historical internal feasibility study by Cypress Sierra Blanca, Inc. and does not represent an Industry Guide 7 compliant reserve. Actual beryllium mineralization may not be economically recoverable. Estimates of thorium are based on management’s assessment of limited, historical drill hole data and may not be indicative of mineralization throughout the project area. Such mineralization estimates may not occur in the amounts estimated and does not represent an Industry Guide 7 compliant reserve. Investors are cautioned not to assume that these mineralization estimates will ever be realized as anticipated or sufficiently documented in a definitive feasibility study. **U.S. Investors are cautioned not to assume that any mineralization estimate will ever be converted into SEC Guide 7 compliant reserves.**

# Mission Statement

Texas Mineral Resources believes it is imperative to establish the U.S. as the leader in technology, production and refining of the strategically vital rare earth elements, technology metals, and industrial minerals which are the foundation of much of our defense and technological infrastructure. Our Round Top deposit is uniquely situated to fill this vital national need.

We plan to produce a full range of high purity minerals that have vital strategic applications. We plan to create shareholder value and community prosperity through the development of quality products at low cost while remaining committed to the principles of sustainable practices, ethical relationships and integrity in all aspects of our business.



# Diverse Independent Governance and Large Stakeholders

Board of Directors	Background
<b>Anthony Marchese*</b> , Chairman	Capital Markets
<b>Dan Gorski</b> , CEO	Mining Industry
<b>Peter Denetclaw</b>	Mining Industry (NTEC)
<b>Clark Moseley</b>	Mining Industry (NTEC)
<b>Dr. Nick Pingitore*</b>	UTEP-Geoscience /Chemistry
<b>Cecil Wall*</b>	Mining Industry

Advisory Board	
Name	Background
<b>Lou Barletta</b>	Former Congressman
<b>Dr. Philip Goodell</b>	UTEP (Professor)
<b>Dr. Charles “Chip” Groat</b>	Former Director of U.S. Geological Survey
<b>James Hedrick</b>	U.S. Geological Survey Commissioner
<b>Jack Lifton</b>	Rare Earth Consultant
<b>Daniel McGroarty</b>	U.S. Gov’t Affairs
<b>Robert Wingo</b>	El Paso Entrepreneur

Shareholder	Ownership
Management/Board	25%
Navajo Transitional Energy Company (NTEC)	17%

# Select Financial Highlights

Fiscal Year End	August 31st
Symbol	OTCQB: TMRC
Stock Price (11-06-20)	\$1.33
Shares Outstanding (08-01-20)	70.4 million
Float (08-31-19)	40.3 million
Market Cap.	\$93.6 million
Avg. Daily Volume (30-day)	221,000

# Funding & Development Agreement with USA Rare Earth LLC



USA | Rare Earth

- Development partner will earn up to 70% interest with a \$10 million investment applied to bankable feasibility study
- Can thereafter earn up to additional 10% with \$3 million cash payment to TMRC
- **METALLURGICAL PILOT PLANT OPENED IN APRIL 2020 IN COLORADO**

# Navajo Transitional Energy Company Strategic Investment



- NTEC purchases 5.1mm shares at a price of \$0.36 per share in August 2019: ~\$2mm capital infusion
- NTEC separately in August 2019 buys 5.0mm shares from a former institutional shareholder
- TMRC expands board from 5 to 7 members and grants NTEC 2 board seats

# Updated Preliminary Economic Assessment (PEA) August 2019 Highlights\*\*

Initial CapEx	\$350 million
NPV (10% Pre-Tax) (based upon current spot Mineral pricing)	\$1.56 billion
IRR (Pre-Tax)	70%
Payback Period	1.4 years
Initial Life of Mine	20 years*
Average Annual Revenue	\$396 million
Production Profile	Diversified mix of Rare Earths, Technology Metals and Industrial Minerals

# Round Top Project, TX, USA



# Round Top Mountain

1,250 feet high by 1 mile in diameter

Above ground and almost all evenly-mineralized material means virtually no waste

# Round Top: A Unique Deposit

## Diversity of Revenue Streams

- Not reliant of any single class of materials

## Heavy (vs. Light) Rare Earth Composition

- >70% of total RE resource amount and >90% of forecasted annual RE revenue

## Profitability at Conservative Pricing Assumptions

- Spot pricing assumption versus historical / prospective future
- 25% contingency to Capital Costs and 20% to Operating Costs

## Favorable Location

- State property location: Within 3 miles of U.S. Interstate Highway & major railroad. 85 miles SE of El Paso, Texas

## Demonstrated Processing

- CIX/CIC technology has produced 99.999% purity heavy rare earths for Department of Defense (“DoD”)

# Round Top: A 3-Pronged Deposit Diversifies Risk

1. Rare Earth Minerals



2. Technology Metals



3. Industrial Minerals



# Round Top is Enriched with 13 of the 35 Minerals Deemed Critical to National Security

## FEDERAL REGISTER

The Daily Journal of the United States Government



PD Presidential Document

### Final List of Critical Minerals 2018

...

- Rare Earths
- Lithium
- Beryllium
- Scandium
- Uranium
- Cesium
- Gallium
- Hafnium
- Magnesium
- Manganese
- Rubidium
- Strontium
- Zirconium



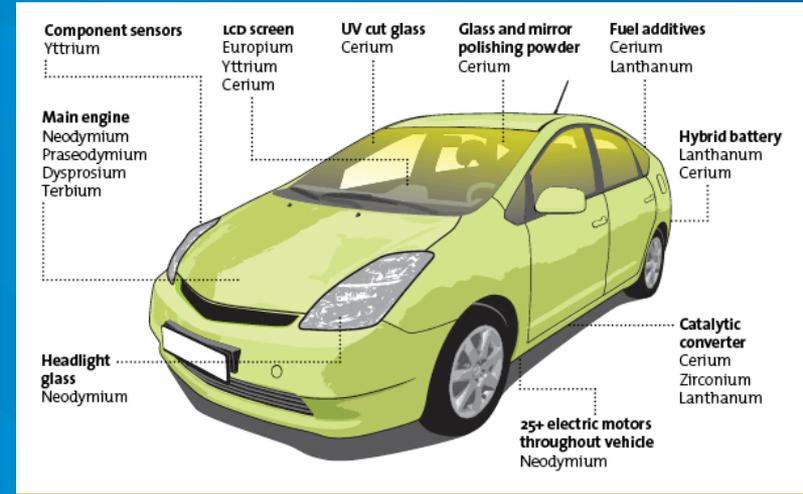
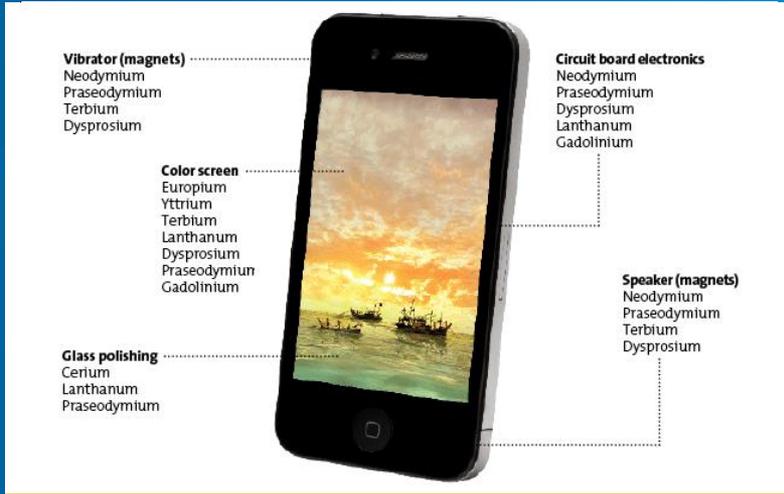
OFFICE *of the* UNITED STATES TRADE REPRESENTATIVE  
EXECUTIVE OFFICE OF THE PRESIDENT

# U.S. Government Involvement/Recognition

1. Defense Logistics Agency (“DLA”) Contract
  - Branch of Department of Defense (“DoD”)
  - Produced 3 Rare Earth Oxides to 99.999% purity at bench scale from Round Top deposit
2. Two Department of Energy (“DoE”) Contracts
  - Awarded for REE Extraction from coal as a part of a team including Penn State University and Inventure Renewables
  - Second award for REE Extraction from coal as part of a team including Penn State University
3. White House Council on Environmental Quality (“CEQ”)
  - Round Top recommended to FPISC as a “High Priority Infrastructure Project”



# Elements of the Round Top Deposit Used Across Vital Applications: Defense, Consumer Technology & Green Energy



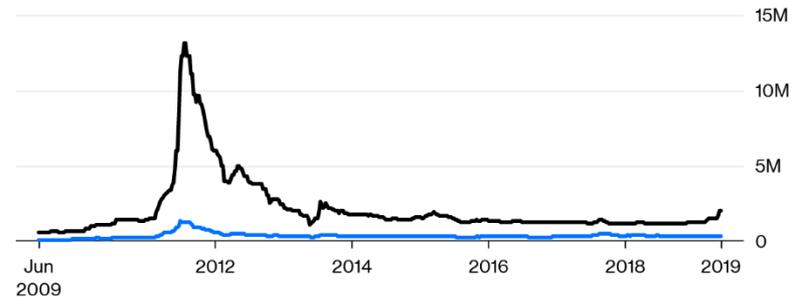
# Rare Earths Increasingly a Global Strategic Concern



## You Ain't Seen Nothing Yet

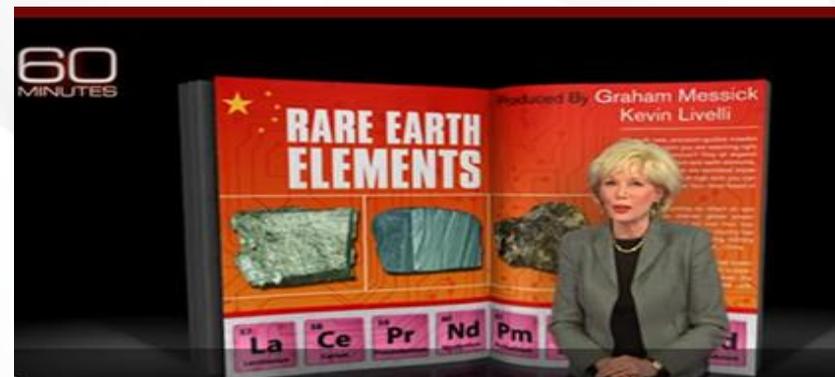
The current spike in rare earths prices barely registers next to the 2011 disruption

▬ Praseodymium-Neodymium    ▬ Dysprosium

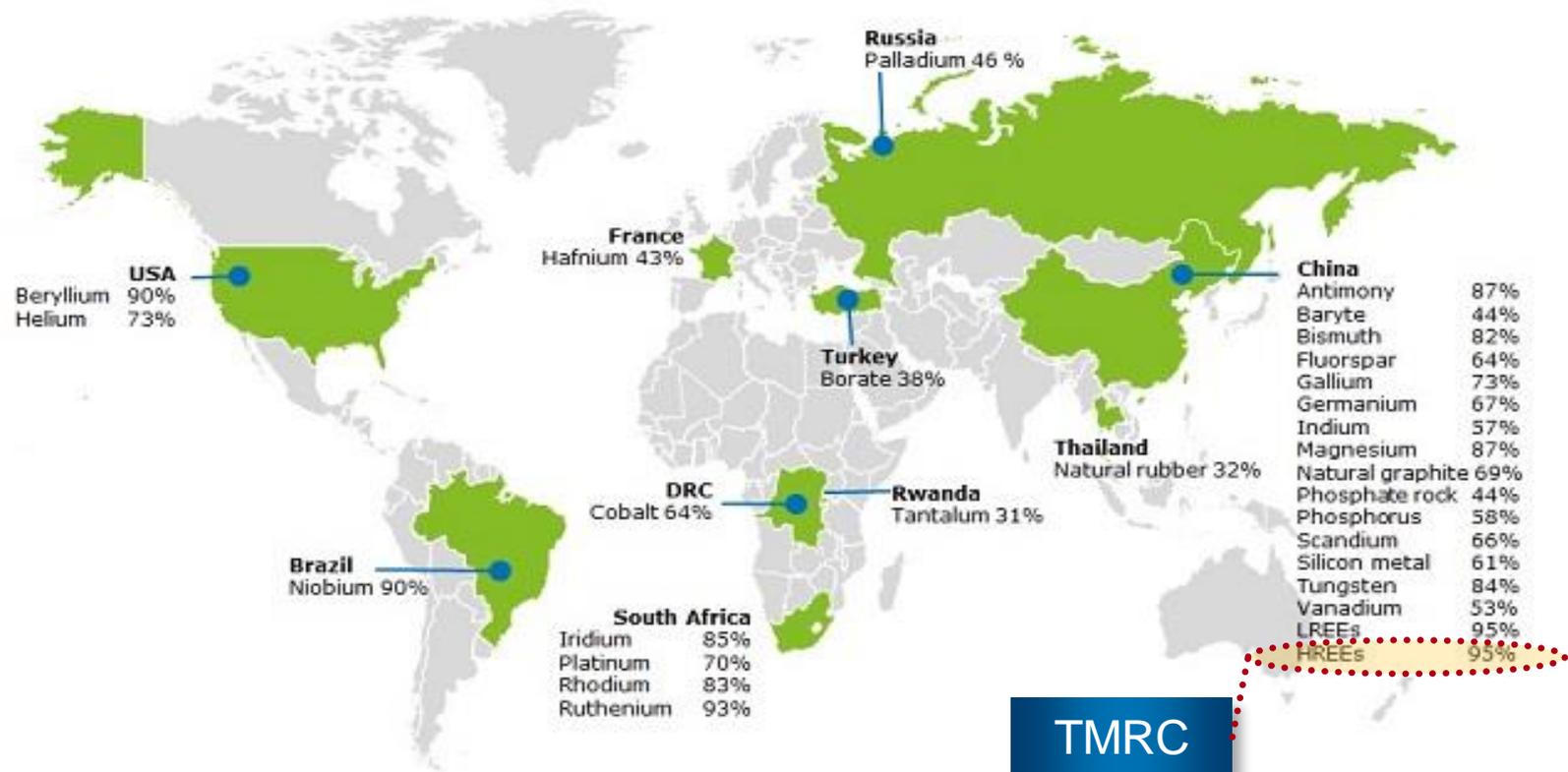


Source: Shanghai SteelHome E-Commerce, Bloomberg

**Bloomberg**Opinion



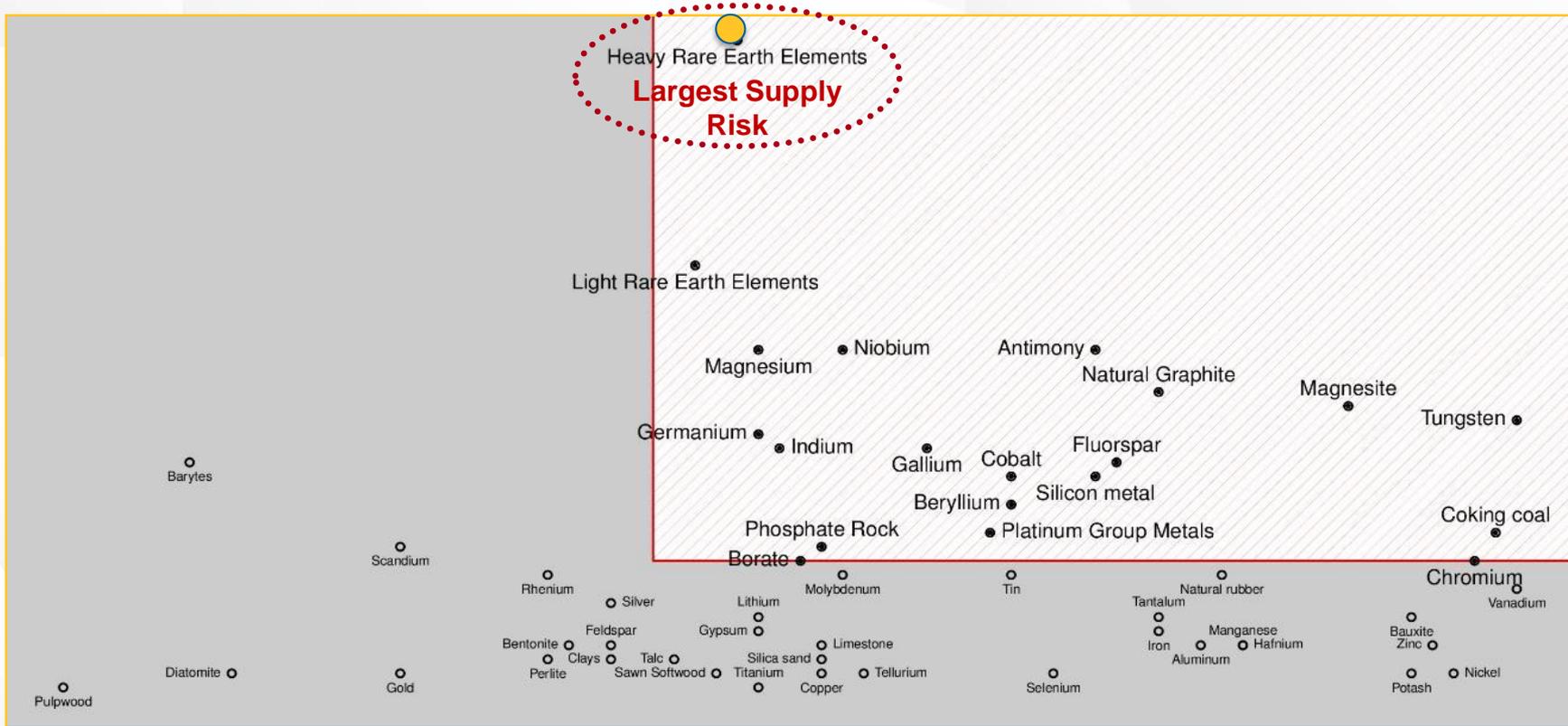
# China Monopolizes Global Rare Earth Oxide Mine Processing and Production



**TMRC**

# Report on Critical Materials for the EU: A Global Risk

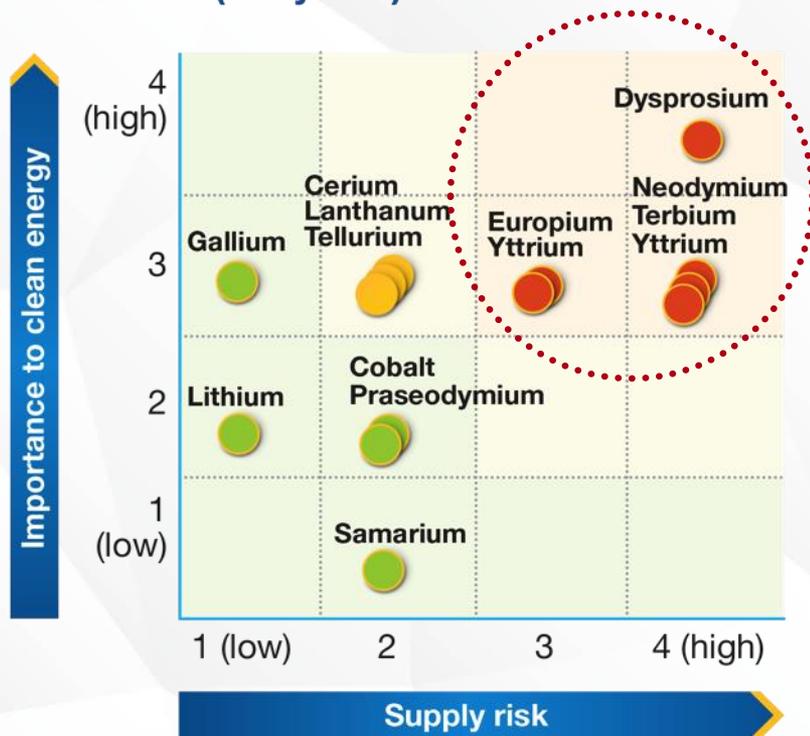
Supply risk



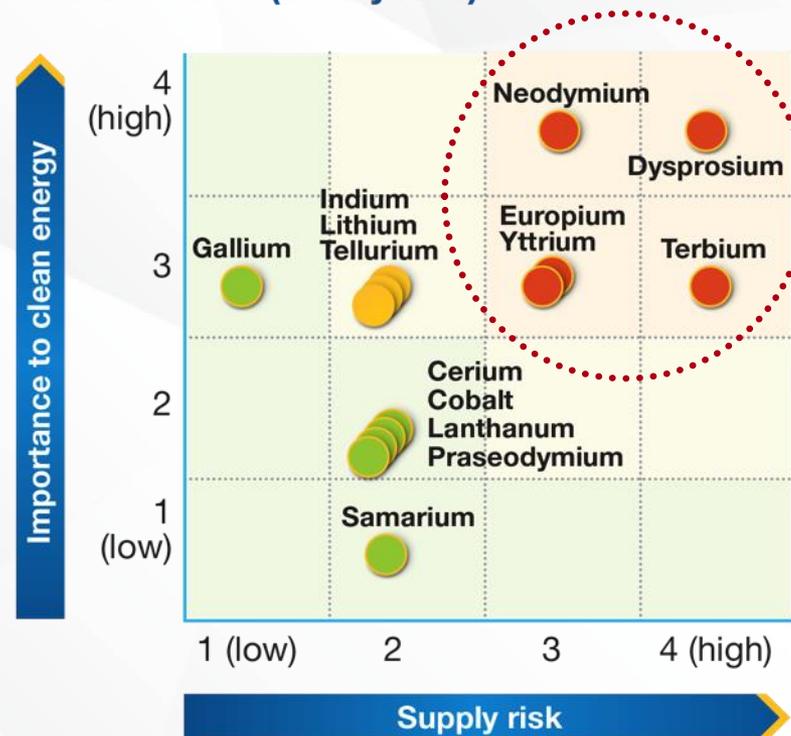
Economic importance

# TMRC's REEs Projected to Remain in Critical Demand and Short Supply

## Short Term (0-5 years)

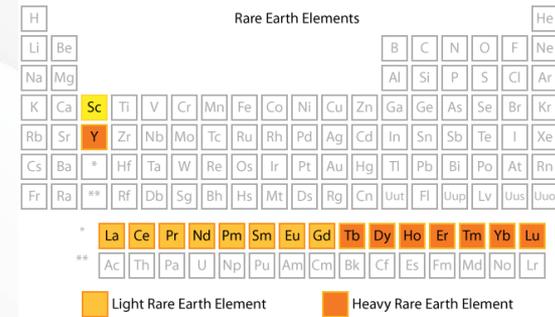


## Medium Term (5-15 years)



# Round Top Contains a Favorable REE Composition

Symbol	Name	Heavy/ Light?	Selected Uses	Contained at Round Top?
<b>Sc</b>	<b>Scandium</b>	<b>H</b>	<b>Aerospace Components, Lighting</b>	✓
<b>Y</b>	<b>Yttrium</b>	<b>H</b>	<b>Computer Monitors, Phone Screens, Camera Lenses, Energy-Efficient Lighting, Lasers</b>	✓
La	Lanthanum	L		✓
Ce	Cerium	L		✓
<b>Pr</b>	<b>Praseodymium</b>	<b>L</b>	<b>Principal Magnet Metal used in Motors, Generators, Wind Turbines and Electric Vehicles</b>	✓
<b>Nd</b>	<b>Neodymium</b>	<b>L</b>	<b>Principal Magnet Metal – also Laser Range-Finders, Guidance Systems, Communications</b>	✓
<b>Sm</b>	<b>Samarium</b>	<b>L</b>	<b>Optical Lasers, Infrared-Absorbing Glass, Nuclear Reactors</b>	✓
Gd	Gadolinium	H		✓
<b>Tb</b>	<b>Terbium</b>	<b>H</b>	<b>High-Temperature Magnets, X-Rays, Lasers</b>	✓
<b>Dy</b>	<b>Dysprosium</b>	<b>H</b>	<b>High-Temperature Magnets</b>	✓
Ho	Holmium	H		✓
Er	Erbium	H		✓
Tm	Thulium	H		✓
Yb	Ytterbium	H		✓
<b>Lu</b>	<b>Lutetium</b>	<b>H</b>	<b>Petrochemical Industry, PET Scan Equipment, Cancer Treatment</b>	✓



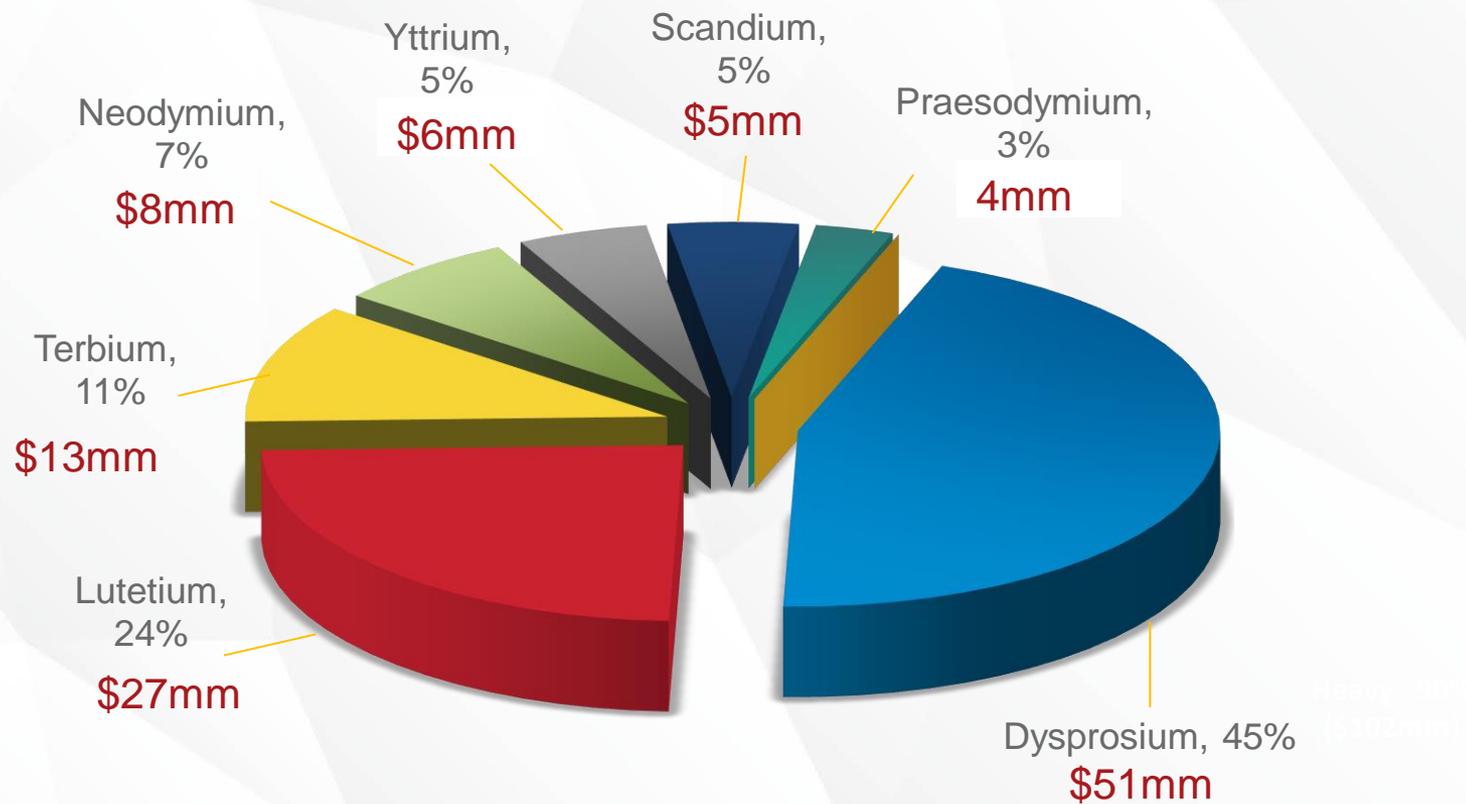
## Annual Potential REE Revenue Composition



**Bolded text describes ONLY prospective economically marketable rare earths based on current market conditions**

# REE Projected Annual Revenue Breakdown

**\$113mm Potential Total REE Annual Revenue**



# Excellent above-ground exposure & location support robust economics

- Deposit is mostly above ground, allowing simple “open pit” mining
- Licensing path through state (vs. federal) government
- Close (3 miles) to US I-10
- Close by Union Pacific Railroad
- Texas General Land Office property surrounds site – a supportive neighbor/landlord
- Low population density
- Electricity and water nearby



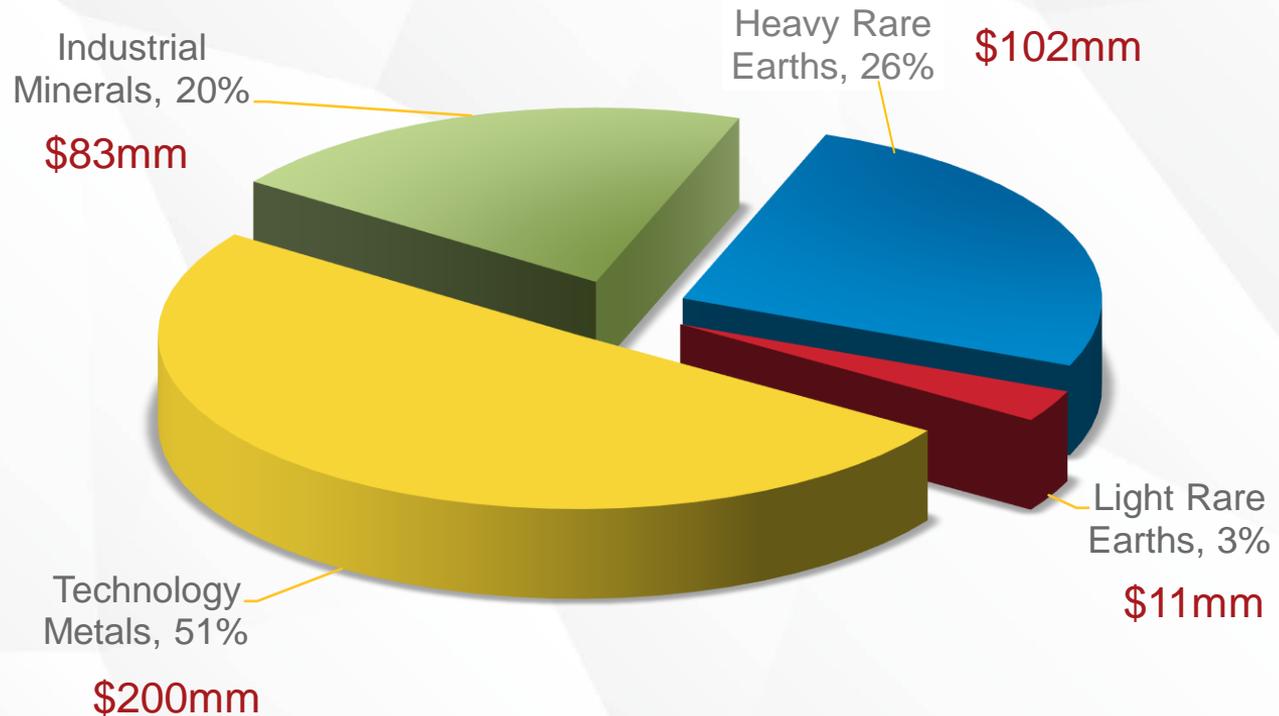
# Continuous Ion Exchange/Chromatography

1. Produced Highly Purified REE Oxides from Round Top Deposit
2. Long, Well Established Track Record
3. Reduced Capital Cost & Simplified System
4. Reduced Operating Costs
5. Flexibility in targeting specific HREEs
6. Uses commercially available resins
7. Used in the TMRC Department of Defense DLA Contract and DoE Contract



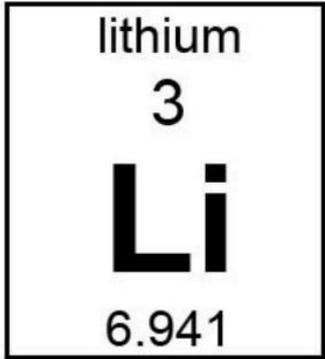
# Projected Total Annual Revenue Breakdown

**\$396mm Potential Total Annual Revenue**

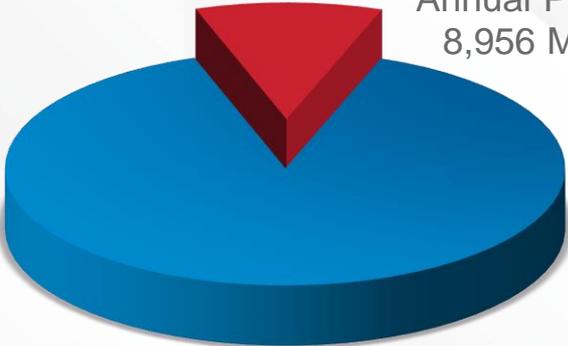


# Lithium Content

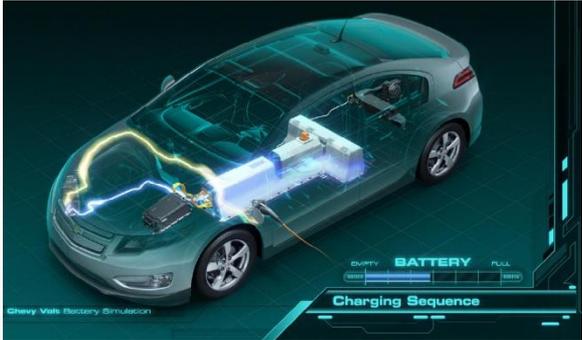
Potential Annual Recovery (Metric Tonnes-MT)	Price per MT	Potential Annual Revenue
8,956	\$13,750	\$123 million



TMRC Potential Annual Production, 8,956 MT / 11%



Global 2018 Production, 85,000 MT\*



\* Source: InvestingNews

# Substantial Potential Revenue from Industrial Minerals

Mineral	Potential Annual Recovery (Metric Tonnes)	Current Price/Tonne	Potential Annual Revenue (\$mm)
Aluminum Sulfate	202,253 MT	\$210	\$41.5
Iron Sulfate	72,000 MT	\$100	\$7.2
Magnesium Sulfate	12,779 MT	\$130	\$1.7
Manganese Sulfate	4,966 MT	\$1,190	\$5.9
Potassium Sulfate	50,267 MT	\$430	\$20.6
Sodium Sulfate	30,416 MT	\$200	\$6.1

# Key Investment Considerations

- Management and board has significant equity participation
- World demand for HREEs, CREOs, and Lithium expected to continue to rise
- Department of Defense DLA and DoE Contracts
- Recommended designation as “High-Priority Infrastructure Project” by White House CEQ
- Focused on shareholder value
- Outstanding project economics
  - Low project CapEx due to heap leaching, unique metallurgy and infrastructure
  - Robust project NPV and IRR at current spot prices
  - Economic viability does not depend on any single commodity or commodity group
- Actively considering other domestic high potential mining projects

# Contact Information

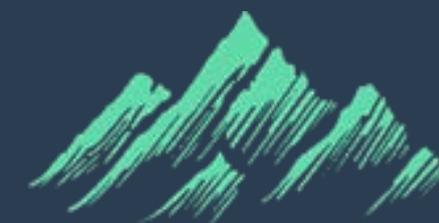
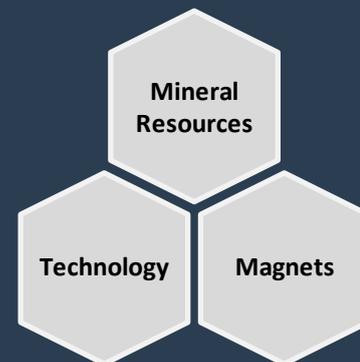
- [www.tmrcorp.com](http://www.tmrcorp.com)
- **Anthony Marchese, Chairman**
  - [amarchese@tmrcorp.com](mailto:amarchese@tmrcorp.com)
  - 908-451-4234



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# Corporate Overview

## Q4 2020



**USA** | Rare Earth

The only company providing complete critical minerals supply chain control for manufacturing and defense.

## I. INTRODUCTION TO USA RARE EARTH, LLC





Pini Althaus, Chief Executive Officer

As an Executive Officer in the Mining & Resource sector since 2002, Pini has successfully identified and acquired several significant mining projects in the United States, Canada, Australia, China and Latin America. His responsibilities have included executive duties, as well as operational ones. Including; fund-raising, liaising with Government officials, shareholder and investor, the implementation and upkeep of Social Economics Programs with the Indigenous groups in surrounding areas and compliance with securities regulations.



Douglas Newby, Chief Financial Officer

Douglas has more than 35 years of experience in mine evaluation, finance and corporate management. Most recently he was CFO of PolyMet Mining Corp., a Canadian company developing a large copper-nickel project in Minnesota, where he secured more than \$300 million in financing, established and maintained a strategic relationship with Glencore plc. He was responsible for maintaining compliance with securities regulations. He has extensive experience around the world including South America, Africa, Australasia, and Europe as well as the U.S. and Canada.



Dan Gorski, Director of Operations

Dan was responsible for securing the Round Top deposit from the Texas General Land Office, and has conducted work on the project since 2007, spending ~\$20m to drill it out and secure the publication of the 2013 PEA. He received an MA in Geology from the University of Texas, Austin, in 1970, and his storied career in the Mining Industry dates back to that time.



Peter Critikos, Director of Engineering and Development

Peter has more than 30 years of experience as an accomplished mining and mechanical engineer, with progressive project management and project development expertise in the mining and energy sectors. Peter has performed front-end studies, FEED, detailed engineering design, construction and commissioning of greenfield and brownfield projects. His responsibilities have included project management, engineering design and construction, multidiscipline engineering team & craft supervision, procurement & logistics guidance, contractor & vendor engagement, inspections and evaluations. Peter has successful experience in logistically, socially and politically complex environments in the Americas, Africa, Middle East, FSU, and Europe.



Mike Vaisey, Chief Technology Advisor

Mike is an experienced mining and chemical industry executive and Chemical Engineer, with 30 years operating and project development experience across mining and refining operations, project development, operational leadership, research and technology. He has occupied numerous positions with Lynas Corporation, including Chief Technology Officer, leading the technical development of the Mt Weld Rare Earths Project that reached full production rates in March 2017.



Dan McGroarty, Head of Government & Regulatory Affairs

An expert on critical minerals and well-known writer on geopolitics and resources. Dan has consulted to the Institute for Defense Analyses, which supports the Department of Defense's National Stockpile reporting and heads the non-partisan American Resources Policy Network. Prior to establishing his private sector advisory practice, Dan served as Special Assistant to the President and as presidential appointee to two Secretaries of Defense. He was one of three resource professionals interviewed in 60 Minutes' "Modern Life's Devices Under China's Grip," and has provided testimony on critical minerals issues in the U.S. Senate and House of Representatives.



Richard Shaw, Director, Processing and Steering Committee

Richard Shaw has a proven track record in the development and commercial implementation of ion exchange processes, which are now well established and utilized in more than 50 countries in many different applications. Richard has worked extensively in the pharmaceutical, nuclear, chemical and metals processing industries and brings an unparalleled diversity of experience to the team. Among many assignments for major companies such as BHP, Anglo American, Barrick Gold, Newmont/Goldcorp and Freeport-McMoRan.

# BOARD OF DIRECTORS AND TECHNICAL ADVISORS

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## General Paul J. Kern – Board of Directors

US Army (Ret.) formerly Commanding General, Army Materiel Command responsible for global supply for the DoD, is a member of Defense Science Board and Senior Counselor with The Cohen Group.

## Benjamin Moreland – Board of Directors

Chairman of the Board of Clear Channel Outdoor Holdings and former CEO and current member of the Board of Directors of Crown Castle International Corp., the nation's largest provider of wireless infrastructure.

## Steve Constantides – Technical Advisor

Former Director of Technology at Arnold Magnetic Technologies where he was responsible for process and product development, manufacturing and applications engineering and project management. Constantides started his career as a materials scientist with Corning.

## Dr. Peter L. Rozelle – Technical Advisor

Former Program Manager for the Rare Earths, Turbines, and Gasification R&D Programs for the Office of Fossil Energy, DoE. Rozelle is currently an Advisor on Mineral Resources to the Penn State University College of Earth and Mineral Sciences. Prior to joining DOE, he worked in the mining, metallurgical and power sectors.

# COMPANY FACILITIES

Round Top Mountain Development, LLC  
(80% ownership) <sup>(1)</sup>



Round Top Mountain, Texas

Round Top Solar Plant  
(100% ownership once completed)



[Round Top Renewable Energy Plan](#)

USA Rare Earth Technologies, LLC  
(100% ownership)

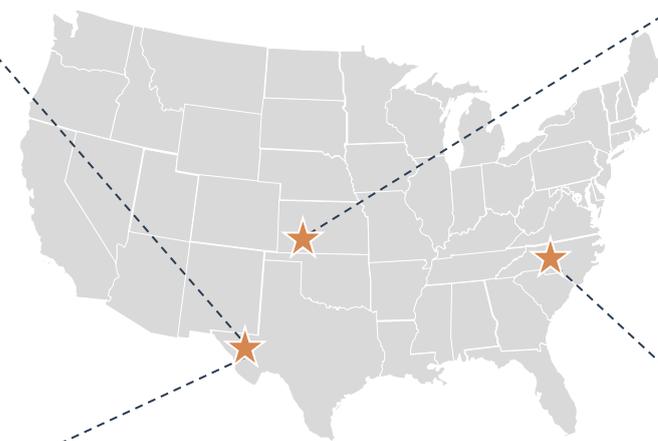


Processing Facility, Colorado

USA Rare Earth Magnets, LLC  
(100% ownership)



Neo Magnet Manufacturing Facility,  
Location TBD



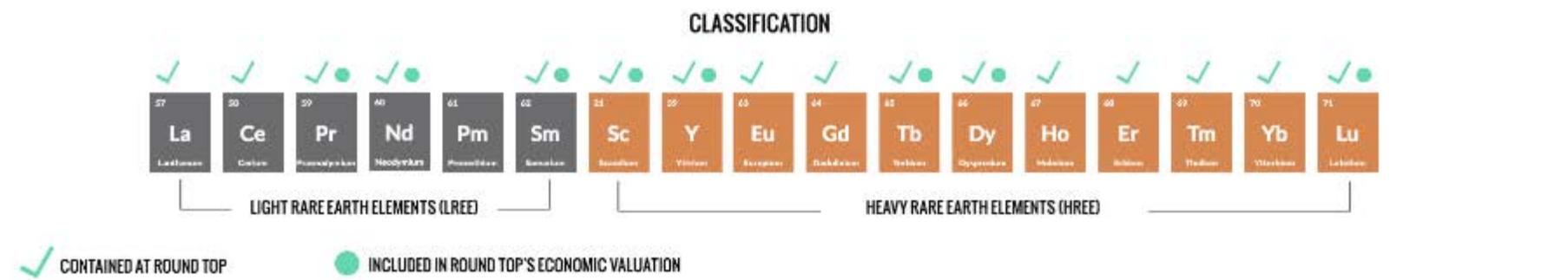
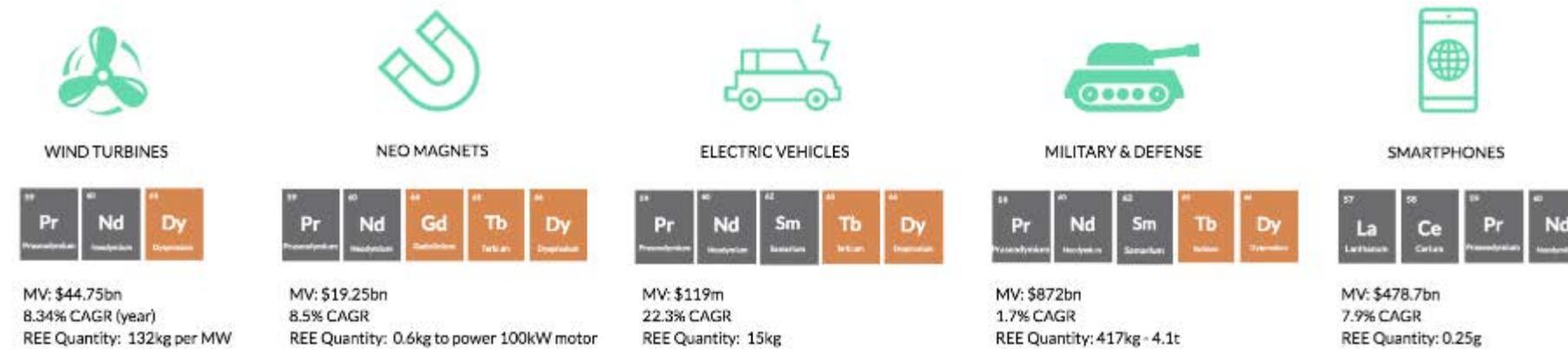
(1) USARE has the right to earn 70% of Round Top by investing \$10 mm into the project and has the right to acquire an additional 10%, increasing its ownership to 80%, at any time prior to 180 days of completing the Definitive Feasibility Study. Upon closing of this capital raise, USARE will be the 80% owner of the Round Top project.

USA Rare Earth - Path to Operations

		Past				Future												
		2020				2021				2022				2023				2024 and beyond
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
<b>Neo Magnets</b>	months																	
Select Location / Tax Incentives	4 - 5 ✓					█												
Permitting / Retrofitting	9					█												
Commissioning	3 - 6									█								
Commercial Operations	20-plus years									★				█				
Expansion	+ 12 months													█				
<b>Critical Minerals Processing</b>																		
Pilot facility - Colorado	12 ✓	█																
Demonstration plant - Texas	6					█												
Third-party Feedstock	continues					█				█				█				
<b>Round Top Mtn</b>																		
<b>Pre-Construction</b>																		
Bulk Sample (including planning/permitting)	6 ✓	█																
Base Line, Geotech, Hydrological	12 ✓	█																
Regulatory Review / Permitting	12 ✓	█				█												
Pre Feasibility Study	6					█												
Definitive Feasibility Study	6									█								
<b>Construction Contractors</b>																		
Selection Process	9 ✓	█				█												
Negotiate Contract	3									█								
Project Implementation Plan	6									█								
<b>Construction</b>																		
Construction	12									█				█				
Commissioning	3													█				
Commercial production	20-plus years													★				█

# USARE SERVES HUGE GROWTH MARKETS

Round Top's mineral deposit contains 16 of the 17 rare earth elements. The deposit is weighted to heavy REEs that sell for \$100s/kg compared with \$10s or less per kg for light REEs.



Source: Core Consultants Research

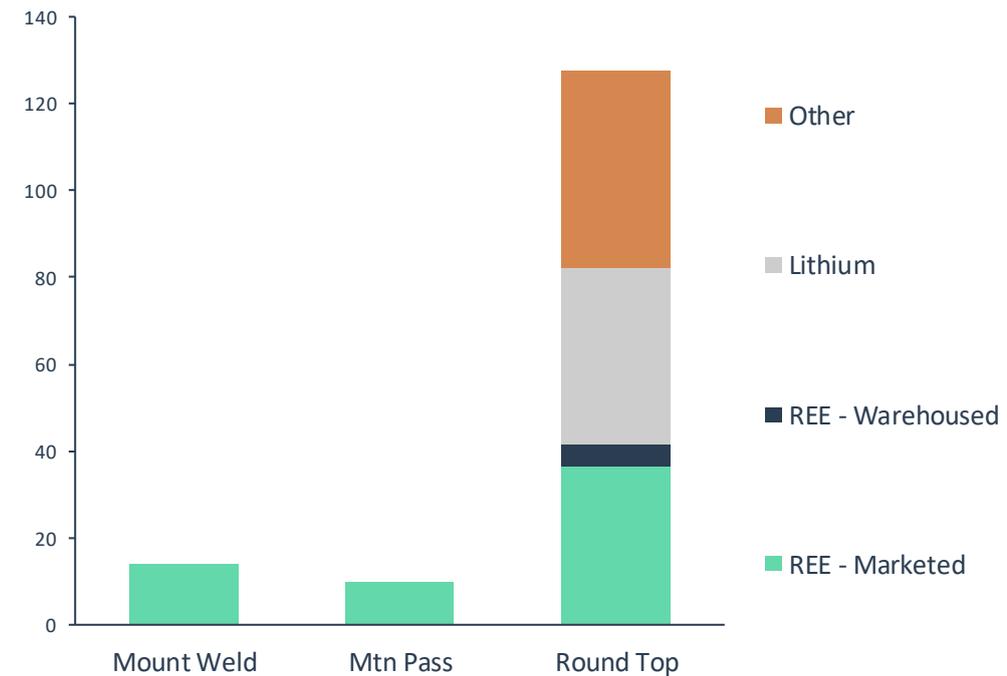
# ROUND TOP ADVANTAGE IN RARE EARTHS

Round top – valuable heavy REEs plus broad diversification sets round top apart from projects such as Mount Weld and Mountain Pass

- Round Top is rich in valuable heavy REEs
  - Marketed REEs (basket price) = \$36.53/kg
  - Warehoused REEs = \$4.97/kg REE Eq.
  - Lithium = \$40.86/kg REE Eq.
  - Other Products = \$45.15/kg REE Eq.Round Top Total = \$127.52/kg REE Eq.

- Compared with Marketed REEs prices:
  - Mount Weld = \$13.76/kg REE Eq.
  - Mountain Pass = \$9.75/kg REE Eq.

REE-Equivalent Basket Price (\$/kg)



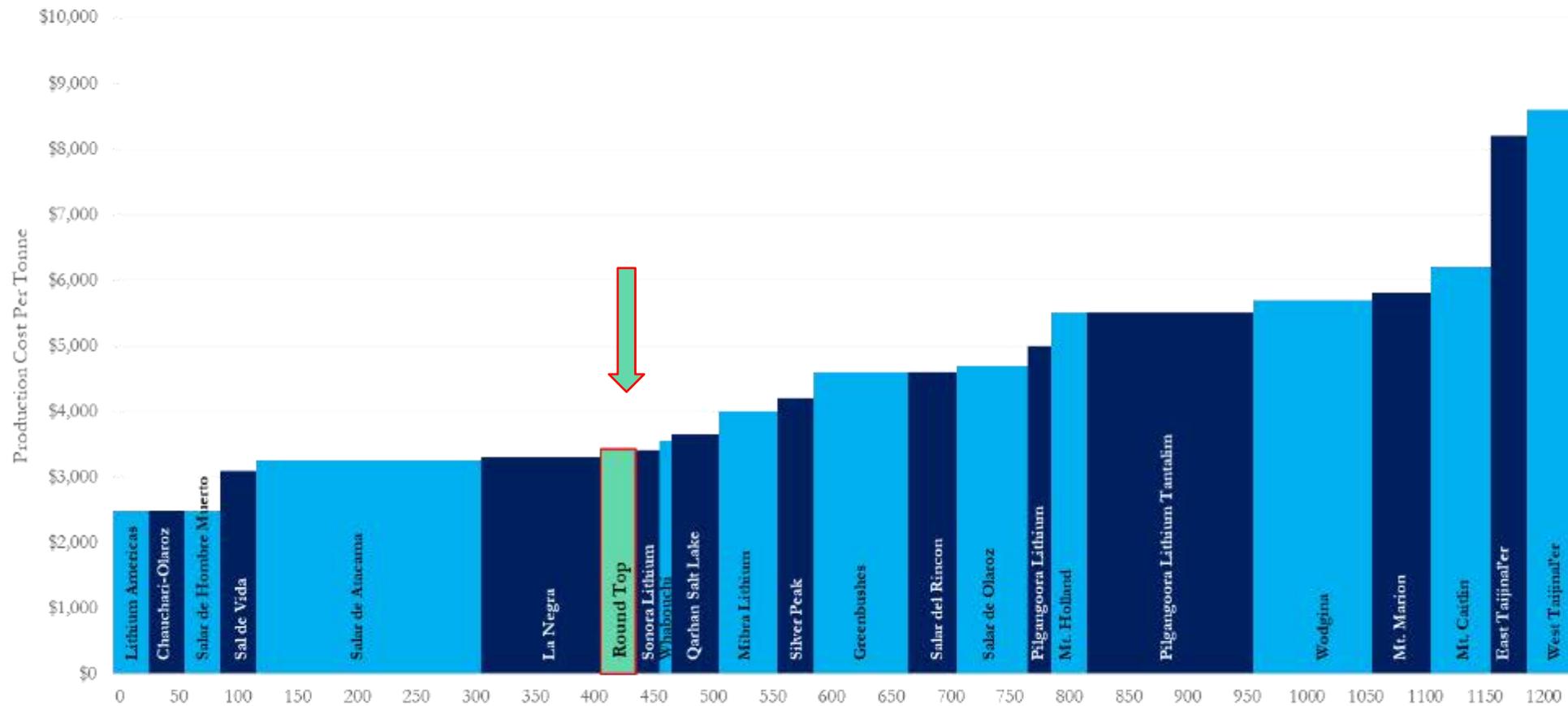
Source: Core Consultants and Company Analysis

# ROUND TOP ADVANTAGE IN LITHIUM



Round Top Is Projected To Be One Of The Most Cost Competitive Producers In The World

- While Round Top is a hard rock mine, the lithium recovery process is comparable to a low-cost brine process using ion exchange / chromatography (CIX/CIC) and membrane technologies.



Source: Goldman Sachs (October 2019) Morgan Stanley (November 2019)