USA Rare Earth Completes $50 Million Series C Funding Round and Exercises Option to Acquire 80% of Round Top Mountain Heavy Rare Earth / Lithium / Critical Mineral Project in Texas

written by Raj Shah | May 21, 2021

May 20, 2021 (Source) – **Funded for Completion of Round Top Definitive Feasibility Study and Recommissioning of Rare Earth Permanent Magnet Plant**

USA Rare Earth LLC and Texas Mineral Resources Corp. (OTCQB: TMRC) are pleased to announce that USA Rare Earth has exercised its option to acquire 80% of the Round Top Heavy Rare Earth, Lithium and Critical Minerals Project in Hudspeth County, Texas, under the terms of the 2019 Amended and Restated Option Agreement as amended and approved by TMRC shareholders.

USA Rare Earth recently completed a Series C Funding round of $50 million and is now funded through the completion of the Definitive Feasibility Study (DFS), which includes the Pre-Feasibility Study (PFS), the Pilot Plant and a Demonstration Plant to be built at the Round Top site later this year which will include test heap leach pads and continuous ion exchange (CIX) processing. The Demonstration Plant will support the DFS and permitting as well as producing representative materials for evaluation by prospective customers. The Round Top joint

venture has received construction stormwater permits from the Texas Commission on Environmental Quality (TCEQ) and has commenced a 20,000 tonne bulk sample to support the feasibility studies and the Demonstration Plant.

The Company's wholly-owned subsidiary, USA Rare Earth Magnets, is also fully funded to recommission the sintered rare earth permanent magnet manufacturing system that it acquired last year, which was formerly owned and operated by Hitachi Metals America, Ltd in North Carolina.

"Being funded for completion of the Round Top DFS is an important milestone for USA Rare Earth, the Project and the United States," said Pini Althaus, CEO of USA Rare Earth. "The Demonstration Plant will inform our detailed engineering plans and provide representative product samples to support offtake agreements with customers. This will enable us to expedite bringing Round Top into production and provide the necessary materials for EV's and advanced manufacturing, including the essential materials for chipsets, semiconductors and 5G, all of which are hosted at Round Top and are the focus of President Biden's recent executive order."

"We are also nearing a decision on the site for our sintered rare earth permanent magnet plant, which we expect to be in production in the second half of 2022," Mr. Althaus continued. "We are well positioned to reestablish a fully-integrated, environmentally-friendly and US-based mine-to-magnet and mine-to-battery supply chain."

The Company will continue to explore additional financing as required with its advisors, Goldman Sachs and Bank of Montreal.

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. 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), 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

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