John Tumazos Advisory and Compensated Research, LLC 7/14/2023
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*Disclosure of our Conflict of Interest*: (1) Yours truly owns 705,443 shares of TMRC down from 1.89 mm that we had held unchanged from 2013 to Summer 2019. (2) On February 1 and 15, 2011 and June 10, 2011 TRER disclosed warrant financings, where we introduced investors contributing $16.5 of the $19.6 million raised at our November 9, 2010 mining conference in New York. It paid us 1%, or $165,000, plus 149,000 warrants at $2.50. (3) In July 2012 yours truly participated in a dissident shareholder group to remove the prior board of directors after it published the June 15, 2012 NI 43-101 for a $2.13 billion project. Four of those directors resigned rather than face the shareholder vote. Between August 2012 and May 2013 yours truly was non-executive chairman of the board of Texas Rare Earth Resources later renamed TMRC. (4) In June 2013 after leaving the board yours truly filed a dissident SEC form 13D indicating I believed the company should be sold owing to the size and metallurgical complexity of the Round Top project.*

TEXAS MINERAL RESOURCES CORP. NEGOTIATES ALTERNATIVE OF 80% PARTNER USA RARE EARTHS FUNDING ITS 20% OF CAP EX

TMRC $1.07, no rating, financial models or future earnings estimates

| FY end August 31 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Loss** per share | $0.02 | $0.25 | $0.40 | $0.10 | $0.08 | $0.05 | $0.03 | $0.05 | $0.02 | $0.05 | $0.02 |

| FY end August 31 | 2021 | 2022 | 2023E |
|---|---|---|---|
| **Loss** per share | +$0.03profit | $0.04 | $0.03 |

- On June 27th USA Rare Earths agreed to provide the alternative of funding TMRC's 20% of the capital investment to start up the Round Top 40,000 mtpd up from 20,000 mtpd mine, which may be in the ranges of a $100 to $150 mm sum.
- The June 27th press release described a formula, which the stock market does not appear to understand. In effect, TMRC virtually converted 15% of the 20% "carried interest" without having to provide capital at all.
- In the Table 1 below we compare the June 27th JV amendment to conventionally issuing stock at different TMRC share prices and cap ex obligations, where we estimate **TMRC may sell 0.5% to 4% of its 20% working interest to drop to a 16% to 19.5% working interest** between $100 to $150 mm in fundings at $0.50 to $2.50 per share TMRC share prices.
- In August 2020 TMRC modified the JV, giving USA Rare Earth a huge break, permitting TMRC to earn 80% working interest merely in funding $10 mm waiving the prior agreement for USA Rare Earth to provide a bankable definitive feasibility study that still has not been delivered 3 years later. This made it much easier for USA Rare Earths to raise money.
- In effect, USA Rare Earths **"returned the favor" in the June 27th** modification, virtually waiving the TMRC requirement to fund its 20% of cap ex. The working interest dilution formula is unusually favorable to TMRC, where we summarize that TMRC almost has a "carried interest."
- USA Rare Earths is behind schedule to deliver a prefeasibility study in October 2022, which should arrive in weeks or months. We expect it will plan to produce

10 to 20 salable products, and either stockpile or "sell concentrates to another refiner" for 10 to 20 products. Our impression is that "high specific gravity" items like U, Th and the 7 "heavy REE" Y, Dy, Ho, Er, Tm, Yb and Lu will recover most easily.

- The increase to a 40,000 from 20,000 mtpd heap leach plant slightly increases cap ex requirements, lowers unit costs with economies of scale and will make the sale of the 5 "very rare" heavy rare earths Ho, Er, Tm, Yb and Lu a little more difficult as those end user markets need to be developed.
- We expect USA Rare Earth will begin planning a "test heap" in semi-commercial size of at least 10,000 tonnes for calendar 2024 after it publishes its next technical study in a few weeks or months.
- On December 1, 2022 USA Rare Earth named Thomas Schneberger CEO, whose 30 year career included a long tenure at FMC Corp. where his unit had an IPO as Livent now merging with Allkem to be the #5 lithium miner globally. He most recently was president of Ecovyst. In the 1990s working at DLJ we represented FMC Gold in two transactions, and had great respect for FMC Corp. parent.
- Further, Schneberger is a traditional manager and scientist, where the USA Rare Earth founders were entrepreneurs from Australia with university degrees in Rabbinical Studies. Schneberger is better experienced to "build the factory."
- It is only natural that Schneberger took a few months studying and confirming the Round Top metallurgy to recover its many products, and did not give public speeches before he was fully familiar and confident in the subject matter. This is constructive. Further, third party technical consultants are notoriously slow and tardy in completing technical reports. However, investors may have been a little nervous at almost a one year schedule delay.
- We look forward to the updated technical study, even though with inflation cap ex may have risen. In this context the June 27th amendments are even more valuable to TMRC.
- The upgrade to 40,000 from 20,000 mtpd sulfuric acid heap leaching will mine and process 14.6 up from 7.3 mmt.
- The May 2012 technical study defined almost 1 billion tonnes of resources in the volcanic ash above the sediments at Round Top. Further, there are epithermal veins in the sediments beneath, which are visible with up to 1% U in the 887 foot tunnel 10x10 feet driven in 1988 by Cyprus Minerals for a bulk sample for a beryllium mine feasibility study. Further, limited drilling in the 1980s by Cabot and Cyprus identified higher grades on the smaller nearby mountain Little Round Top, similar grades at the similar sized nearby mountain Little Blanca and about 70% as much grades on the much largest nearby mountain Sierra Blanca. *For these reasons we view the 40,000 mtpd project as having between a ¾ century and 5 century potential mine life.*

TMRC NOW HAS NO FUNDING OVERHANG

The June 27th press release language was necessarily "bland," where securities attorneys and regulatory agencies review press releases. The TMRC JV amendment is unusually favorable to TMRC, and we believe investors cannot comprehend how good it is. We repeat the June 27th press release key sentences herein:

"…USA Rare Earth and TMRC have agreed to modify the existing Round Top Mountain Development ("Round Top") operating agreement ("Operating Agreement") to allow, at TMRC's option, the right to meet potential future cash calls by reducing its Round Top project equity according to a preset formula.

TMRC will have the sole right, but not the obligation, to allow USA Rare Earth to fund its cash call and then reduce its Round Top project equity by a percentage, according to the following formula: TMRC's cash call that is funded by USA Rare Earth divided by TMRC's market capitalization at the time of the cash call multiplied by TMRC's Round Top then current equity interest. For example, a $1 million TMRC cash call funded by USA Rare Earth (assuming today's $70mm market cap) would result in a reduction in the TMRC Round Top 20% membership interest to approximately 19.71% (1mm ÷ 70mm equals 1.428%, multiplied by the current membership interest of 20%, to result in adjusted ownership of 19.71%)." http://www.tmrcorp.com/news/press_releases/index.php?content_id=258

**Table 1: Comparison of TMRC issuing common stock versus June 27th alternative**

| | High Cap Ex | Lower Cap Ex |
|---|---|---|
| Total Project Cap Ex | $750 | $500 mm |
| TMRC 20% share | $150 | $100 mm |
| Shares Issued if a stock offering to finance | | |
| Share Price $0.50 | 300 | 200 mm shares |
| Share Price $1.00 | 150 | 100 |
| Share Price $1.50 | 100 | 67.5 |
| Share Price $2.00 | 75 | 50 |
| Share Price $2.50 | 60 | 40 |
| Working Interest given up in June 27th alternative | | |
| Share Price $0.50 | 4% (/75) | 3% working interest 1% reduction |
| Share Price $1.00 | 2% (/75) | 1.3% |
| Share Price $1.50 | 1.3% (/75) | 1% |
| Share Price $2.00 | 1% (/75) | 0.67% |
| Share Price $2.50 | 0.8% (/75) | 0.55% |

**Source: John Tumazos Very Independent Research, LLC estimates**

NO ATTEMPT TO PREDICT NPV OF TMRC'S 15% TO 20% STAKE IN ROUND TOP PRO FORMA NEXT TECHNICAL STUDY

There are many key parameters to consider in an NPV model of the Round Top project for TMRC, which will be more clear AFTER both USA Rare Earth publishes its next technical study and AFTER USA Rare Earth completes a 10,000 to 50,000 tonne test heap leach, where we believe after a "test heap" USA Rare Earth will have a definitive feasibility study that is bankable, financeable or sufficient to sell the Round Top project to a major chemical or resources company or pursue an IPO. A few key variables to TMRC include:

- Whether TMRC retains 15% or 19% working interest
- TMRC likely will have no "depreciation" as it did not provide capital

- The permitting approval process, where a local neighbor has been vocal to the press opposing the project. The General Land Office is the landlord, and also the "piggy bank" to fund all of Texas, where federal jurisdiction is limited.
- The start date of production
- The length of the commissioning process to produce mine concentrates, refine products, develop third party refiners for some of the products and develop customers for some of the rare elements not available commercially in the US.
- The total cap ex
- The operating expenses
- The estimated product prices for an array of up to 30 products
- The recovery rates
- The volumes to be sold

The August 2019 third Preliminary Economic Assessment estimated a $1.56 billion pretax NPV at a 10% discount rate for Round Top.

RECOVERY RATES, PURITY OR SELLING PRICE UNKNOWNS

Table 17-4 on page 111 of the August 2019 third Preliminary Economic Assessment states recovery rates attributed to Dr. Deepak Malhotra's RDi Associates in Colorado. It estimates 12 rare earths, 6 sulfates and 6 other minerals.
http://tmrcorp.com/_resources/reports/TMRC-NI43-101-PEA-2019-16-August-2019.pdf

It omits 5 minerals contained in Round Top, including Holmium,.Erbium, Lanthanum Cerium and Thorium. It includes Europium, which is not so important.

Seven of the elements have estimated recovery rates of 3% to 9%, which are unusually low. This may indicate great difficulty in the recoveries, but leaves much room for improvement. These are Zirconium, Hafnium, Beryllium, Gallium, Aluminum Sulfate, Potassium Sulfate and Sodium Sulfate.

Gustavson Associates, the PEA author, assigned no economic value to Lanthanum, Cerium, Gadolinium, Holmium, Erbium, Thulium and Ytterbium, These 7 rare earth products include 4 of the 7 ultra rare heavy rare earths Gustavson also estimated an eighth product, thorium, would be warehouses.

In general, we expected high recovery rates for "high specific gravity elements" such as uranium and the heavy rare earth elements, and lower recovery rates for "light or low" specific gravity elements such as lithium or beryllium. Some of the values in Table 17-4 surprised us.

For example, we expected a 75% to 90% recovery for uranium that was assigned 29%. It estimated 58% for lithium, which was higher than we expected.

TIME FRAME TO OPTIMIZE RECOVERIES AND DEVELOP MARKETS

It is unclear how much time will be needed to prove, document and obtain desirable recovery rates. It is unclear how quickly markets may develop for some of the 8 elements for which Gustavson estimates marketing uncertainty, and treated as "warehoused." It is possible that national security concerns and the need to generate cash flow may encourage a rapid construction and attempted startup.

Thus, it is plausible that commercial production will be attempted after bulk metallurgical in a rush, and that metallurgical analysis may attempt to improve recoveries afterwards. It is possible that the Wheat Ridge, CO pilot plant produces salable quantifies of some of the elements, but it is uncertain whether it will obtain "five nines" purities of 99.999% to command premium or full price realizations.

It will be desirable for TMRC to supply large test quantities of new supplies of heavy rare earths to potential customers to test, experiment and develop markets. Some scientists believe such products will be in large demand if supplies existed, especially for lasers or magnets. It is unclear how prices may evolve, but we expect they could be volatile in any direction.

RATES OF RETURN

Rates of return may rise or fall with future product prices. The doubling of scale to 40,000 from 20,000 mtpd reduces unit costs, but less than proportionately increases up front cap ex. Cap ex and op ex may increase 25% to 75% with inflations or flow sheet changes since the 2019 third PEA.

There are large potentials for pretax IRR's to increase > 70% if recovery rates improve for some of the seven elements for which 3% to 9% recovery rates have been estimated or for some of the eight elements for which Gustsvson estimated they would be "warehoused" and not sold. Literally ½ of the products have significant potential to add to revenues.

Clearly many risks exist, including project completion for US $350 mm that could easily by $500 to $750 mm or even larger, meeting recovery rates, purity levels and selling prices. If Round Top achieves purities of 97% rather than 99.999%, for example, they may need to resell intermediate products or concentrates to another company to improve, for example, at some discount. In this sense the definitions of "production" or "purity" have some wiggle room, but leave large uncertainties as to selling prices.

BUSINESS RISKS

Texas Mineral Resource Corporation has no revenue history, and has over $40 mm of accumulated losses since inception. It and its partner needs to raise over $500 mm to build its commercial plant, or obtain government loans or joint venture funding. Dilution is a risk, where the TMRC shares outstanding have about tripled since 2010. Environmental permitting will involve requirements to handle U and Th, and for permanent disposal of Thorium if no commercial uses have been invented by the time Round Top operates.

Aside from Uranium and Aluminum Sulfate (alum), most of the roughly 30 products TMRC hopes to sell from Round Top are very small markets. Most of the detailed design, chemical engineering and lab testing to separate the 30 products individually has not been completed. It may be necessary to validate recoveries with a pilot scale "test heap" and recovery and then the targeted 40,000 mtpd commercial scale project. It is easier to recover "high specific gravity" elements and requires greater efforts to recover "light" or "low specific gravity elements." The final recovery processes and industrial marketing of upwards of 30 products may require the skills of a large materials science company like Dow, DuPont or others.

TMRC has exploration programs for silver in New Mexico, and may undertake new exploration programs outside of Round Top in Hudspeth County, TX. These 100% owned projects will require funding, where geophysical surveys, drill holes, metallurgical studies and engineering for new exploration or development projects will cost money. This can be no assurances of any exploration project's successes, but it is 100% certain they will require funds.

DISCLOSURES

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June 27, 2011 as CRD # 157,606. On December 8, 2022 the State of Florida Office of Financial Regulation approved the application of JTACR CRD # 157,606 to operate in the State of Florida.

**Under no circumstances** will JTACR be commissioned by a mining or other publicly traded company simply to write a "paid" research report. Its purpose is to remedy a "blackout" within John Tumazos Very Independent Research, LLC to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any "compensation" or potential compensation biases research reports, however small, and outside counsel advises us that we should not write about a company as "John Tumazos Very Independent Research, LLC" if compensated or seeking compensation

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com.

We are strict in disclosing our past advisory to Galway Resources in 2008 to 2011, as securities laws require disclosures of relationships back only three years. We sold our Galway Resources shares in its December 2012 takeover, but retain our spinoff Galway Metals and Galway Gold shares and have bought much more of each.

McEwen Mining, Paramount Gold and Silver, Galway Resources and Texas Rare Earth Resources and their spinoff companies Paramount Gold Nevada, Galway Gold and Galway Metals have published favorable results from mineral properties, and their shares appreciated significantly after we received compensation. The purpose of JTACR is to remedy a "regulatory blackout," where we cannot publish research as "independent" under JTVIR after accepting compensation. The creation of JTACR remedies such a "regulatory gag," while openly communicating that we were compensated. It is possible that some institutional investors may consider it to be a "feather in the cap" of a small company that it engaged us to advise them in a transaction owing to our experience.

After receiving compensation from Paramount Gold and Silver in June 2010 for a fairness opinion in its acquisition of X-Cal Resources or Galway Resources, Tara Gold Resources, Appia Energy, Focus Gold, Texas Rare Earth Resources in 2010 or potentially other companies in the future, John Tumazos Very Independent Research, LLC (JTVIR) refrains from publishing research reports on such companies.

We define "compensation" as any consideration that creates direct pretax income for any of our businesses, research or advisory or any of our employees personally. However, we do permit companies to defray expenses, and large companies' policies vary. Rio Tinto or Teck have invoiced us for charter aircraft. In contrast, we have accepted free air travel to mine sites from Vale within Brazil, Canada or Mozambique, from Agnico-Eagle to Finland, Chihuahua or Nunavut, Stonegate Agricom to Idaho, Fortescue Metals to its mines, HudBay Mineral to Manitoba, Peru or Michigan, Goldcorp, Brigus and VG Gold each to Timmons, Augen Gold to Swayze, Paramount Gold and Silver to Chihuahua, Goldcorp to Zacatecas, and many others. We do not define as "compensation" if Barrick Gold, Duluth Metals, Wits Gold or some other company picks up a group client lunch tab or buys us lunch alone. We do not define as "compensation" if a company charters an airplane to facilitate a research visit to a mine location without convenient commercial air service. We routinely invoice companies participating in our investor conferences $1,000 to $2,000 each to cover their pro rata expenses of the conference on a "Dutch Treat" basis, where we send each company a full expense accounting of our conferences as well.

The nature of the advisory services we have provided for compensation include (1) fairness opinions to the boards of directors of Paramount Gold and Silver, Tara Gold Resources, Tara Minerals Corp., and Augen Gold, (2) introductions to capital raising for Texas Rare Earth Resources and Appia Energy and (3) advisory on joint venture, strategy or capital raising for Galway Resources Victorio tungsten-molybdenum property. We also represented private landowners who sold mineralized claims to FCX or MUX. We have also delivered written critiques of NI 43-101 technical studies for McEwen Mining and for Sprott Resource Holdings.

We will distribute JTACR reports to JTVIR paid subscribers free, the particular mining companies may distribute JTACR reports from time-to-time and eventually we may sell JTACR to its own subscribers for $5,000 annually after building up a coverage list.

We will monitor the financial returns of JTACR investment recommendations over time, and compare them to JTVIR returns. We expect that JTACR recommendations will provide much more volatile returns than the larger, more established companies JTVIR covers as large as BHP Billiton, Vale or Rio Tinto. Under previous employment at Donaldson, Lufkin & Jenrette, John Tumazos participated in the sole managed IPOs of Huntco in 1993 and Reliance Steel & Aluminum in September 1994 at $3.225. Huntco subsequently went bankrupt after speculating on inventory and operating at low utilization rates. Reliance Steel & Aluminum, however, appreciated 16-fold to $51.32 as of May 20, 2011. It is inevitable that some companies will make better decisions than others.

CERTIFICATION OF OUR RESEARCH OPINIONS

I, John Tumazos, certify that the opinions written in all research reports are my own. I believe what we write, and from time to time I may buy or sell the shares we recommend after a 48 hour delay after publishing our reports following the advice we give. Further, I personally proofread and "click the pdf button" on virtually every report we publish except sometimes when I am abroad.

Our team or employees is encouraged to disagree with me at any time. We have active and vigorous internal debates concerning appropriate discount rates or long-term terminal growth rates to use in net present value valuations or other analytical issues. My team realizes that customers want to pay for my 30+ years of experience, but I encourage them to disagree, correct or provoke debate to improve our work.

DEFINITION OF A RESEARCH OPINION

We have target prices, investment ratings, earnings estimates and financial models for 47 companies upon which we maintain regular research coverage.

The legal or regulatory definition of research, however, is more broad. Regulators consider any written or editorial commentary about a stock or publicly traded company to be "research." However, a "recommendation" or "opinion" is not rendered unless there is a price target and specific buy or sell recommendation.

From time-to-time we visit very large, important global companies outside our research coverage. Our objective may be to be well informed about industry events, predict future mine output or "supply" in a particular market or to begin to learn about a complex company to begin future full research. We may need to learn and become familiar to provide inputs to our financial models. In May 2008 we published a partial report on Xstrata after visiting two of its mines in South America. In November 2008 we published a partial report summarizing our visits to the London headquarters of Xstrata and Anglo-American outside our coverage as well as Rio Tinto and Antofagasta PLC within our full coverage. In August 2009 we published two research reports on Severstal after visiting its Columbus, MS newest steel plant a second time. These "partial" reports contained no price target, investment rating, earnings estimates or financial models. Instead, they provided detailed descriptions of the important locations we visited or meetings in headquarters.

We provide research about commodities markets in general, "seminar highlights" on up to another 75 or more companies we host annually at our conferences outside our regular full research coverage and "partial reports." We have no price target, written investment opinion, earnings estimates or financial models (production, incomes statement, cash flow or balance sheet simulations) of such companies outside our coverage that speak at our March or November conferences. Any viewpoint we have without complete financial models or careful financial analysis is "winging it."

Our intent is in writing Seminar Highlights is to provide a one page written summary of each seminar participant company's presentation. We provide live open, public, unrestricted webcasts of each such corporate presentation at our conferences as a courtesy to each participating company, and archive each webcast under the "conferences" tab of www.veryindependentresearch.com.

Our clients should not automatically consider our invitation of a company to speak at our future conferences as a "Buy Recommendation" or complete endorsement. We may not have visited the mines or assets of some of these companies. Occasionally we invite a company to speak to learn more about them as a stage in our learning process.

ORGANIZATION OF JTVIR

John Tumazos Very Independent Research, LLC (JTVIR) organized as a registered investment advisor in the State of New Jersey in 2007 moved to Florida in 2022. We are regulated by the FL Bureau of Securities as of June 2022 after 15 years of operations in the State of New Jersey. We published up to 20 research reports each month covering about 40 to 50 stocks in the metals commodities markets, forest products, aluminum, steel, gold, copper and other mining sectors. We travel abroad or domestically visiting companies, although virtual meetings have become more common after pandemic. We host Conferences each year in which companies make presentations, which are archived for roughly one year at www.veryindependentresearch.com under the "conferences" tab.

Currently we have over 20 paid clients in the U.S., Canada, and U.K, but none in FL. Three of our clients have engaged us to write "custom studies" on pre-production mining stocks without any U.S. or global research coverage, including Skye Resources (an 11 bil lb nickel resource in Guatemala), Mercator Minerals (a copper-moly restart in Arizona) and JSW Steel's 70%-owned Minera Santa Fe (48 sq km undrilled magnetic anomaly and associated iron ore properties in 3rd Region of Chile).

JTVIR DISCLOSLURES

"John Tumazos Very Independent Research, LLC" (JTVIR) is a Florida Corporation as of 2022 after prior formation as a Delaware Corporation July 6, 2007 with registration effective on August 27, 2007 as an investment advisor in the state of New Jersey owing to our place of business in New Jersey, where we moved to Florida in July 2022.

JTVIR is not a broker-dealer, and conducts no trades. Its primary business is to provide "unbundled" metals, paper and fertilizer industry securities and market research to institutions or corporations in a zero commission, electronic execution, electronic dissemination, unbundled format for a specified annual fee structure.

Our investment rating system for securities recommendations is Overweight, Neutral Weight or Underweight. Overweight or Underweight recommendations are estimated to vary from the relative performance of the S&P 500 by more than 10% annually, and the intended time horizon is up to 24 months. Our securities research is intended for institutional investors that might buy up to 10% of a given company, and as such focuses more towards longer-term dynamics impacting the net present value of future cash flows rather than "day trading" sorts of near-term issues.

Except for WestRock, Packaging Corp., South32, Glencore, Grupo Mexico, Worthington Industries, Century Aluminum, Alcoa, Alumina Limited, Norsk Hydro, Rio Tinto, BHP, Anglo American, Norilsk Nickel, Polymetal Int'l, Solitario Zinc, Agnico-Eagle Mines, Pan American Silver, Paramount Gold Nevada, Fortescue Metals, Akora Resources Ltd, Alamos Gold, Victoria Gold, Fresnillo Silver, SilverCrest Metals, Pan American Silver Escobal mine contingent value right, Wesdome Mines, Novo Resources, McEwen Mining, Cerrado Gold, Sandstorm Gold Royalties, EMX Royalties, Osisko Gold Royalties, Osisko Mining, Rupert Resources, Voyager Metals, Texas Minerals Resources Corp., North Peak Resources, Galway Gold, and Galway Metals, neither JTVIR, its members or is employees own or have a financial interest in any securities discussed in this report or any reports we have published recently. Our policy is full disclosure.

As of mid-2018, my son Charles Tumazos took full control of accounts in his name after age 30. He controls his accounts and makes his own decisions. Going forward, we will disclose John Tumazos' personal holdings and exclude "family accounts." Our positions will be a little smaller.

Our policy permits personal trading in the metals or paper industries. Our policy is that any personal trading must be consistent with our recommendation, made two business days or more AFTER a recommendation or change in recommendation and held for a minimum of 30 days or one month. We believe it is virtuous for a securities analyst to "put his or her money where his mouth is" to invest consistent with the recommendation to clients after such recommendation has been made, and we disagree with some restrictions made upon broker-dealer employees after 2000 era scandals.

However, our policy permits up to one directorship and up to five consulting projects, advisory assignments or financial advice to corporations. Our policy is full disclosure of any advisory relationship or conflict going back three years.

We have enjoyed over 25 corporate advisory relationships since our formation in 2007 often in "pre-revenue" earlier stage resources, which are organized in a separate LLC "John Tumazos Very Independent Opinions, LLC." In 2021 current relationships include North Peak Resources, Granada Gold Mines and Akora Resources Ltd. Past relationships include capital introductions for Galway Metals, Appia Energy, Akora Resources and Texas Minerals Resource Corp. Past Relationships include "fairness opinion" valuations for Augen Gold, Paramount Gold and Silver, Tara Gold, Tara Resources, Belvedere Resources and Lemhi Gold Trust. Past relationships include strategic advisories to Galway Resources, Granada Gold and Platinum Group Metals. Past relationships include formal written critiques of NI 43-101 technical studies for McEwen Mining and Sprott Resource Holdings. Past relationships include asset sales for Romios Gold, Morenci 8 LLC, Minex' Black Horse property in Ely, NV and a Mexican silver deposit.

Numerous prior investment banking relationships existed prior to three years history to the pre-1997 time frame under the employment of Donaldson, Lufkin and Jenrette or Oppenheimer & Co., Inc. Some of these we can recollect included 14 different gold mine valuations or sales for Barrick Gold, LAC Minerals (later acquired by Barrick), Addington Resources (gold assets in Montana acquired by Canyon Resources), Westworld Industries (Bolivian assets acquired by Battle Mountain Gold later acquired by Newmont Mining), Coeur d'Alene Mines, Crown Resources (acquired by Kinross Gold), Freeport-McMoRan Gold (acquired by Minorco later AngloGold later Queenstake Resources), FMC Gold (later renamed Meridian Gold) and others. Sole managed initial public offerings included Reliance Steel & Aluminum and Huntco. Lead-managed initial public offerings included American Steel & Wire (later acquired by Birmingham Steel) and lead-managed underwritings included Quanex. Co-managed underwritings included the IPO of Century Aluminum and Grupo Imsa and offerings for AK Steel, Kaiser Aluminum, Agnico-Eagle Mines, Cameco and others. Asset sales or purchase advisories, fairness opinion or trusteeships were done for Thypin Steel (sold to Ryerson Tull), Cyclops Corp. (sold to Armco later sold to AK Steel), Allegheny Corp., Bethlehem Steel, the U.S. Dept. of Justice pursuant to the June 1984 merger of LTV and Republic Steel to sell the Gadsden, AL integrated flat-rolled mill, Cobre Copper, and others. Some examples we can recall of incomplete transactions for which a prospectus was either drafted or partly drafted indicating much work included stock underwritings not completed for Wheeling-Pittsburgh Steel, Steel Dynamics, Atlas Corp., Webco, Sharon Steel, IPSCO, Co-Steel Inc., and others.

**ANALYST UNIVERSE COVERAGE**:

John C. Tumazos, CFA as of June 2007: Rio Tinto, Louisiana-Pacific, Nucor Corp., Newmont Mining, U.S. Steel, International Paper, BHP Billiton, MeadWestvaco Corp., Antofagasta PLC, Allegheny Technologies, Alcoa Inc., Inco Limited, Bowater, Temple-Inland, Barrick Gold, Abitibi-Consolidated, Weyerhaeuser Co., Alcan Inc., Smurfit-Stone Container, Plum Creek Timber, Worthington Industries, Goldcorp Inc., AngloGold Ashanti, Freeport-McMoRan Copper & Gold, and FNX Mining. Dynatec, Alcan and Bowater are companies not continued in the research coverage of JTVIR, LLC that was previously included in the prior June 6, 2007 Prudential Equities Group universe owing to takeovers. Smurfit-Stone Container and

AbitibiBowater were dropped from JTVIR research coverage after they entered bankruptcy. Skye Resources, FNX Mining, QuadraFNX Mining, Thompson Creek Metals, Duluth Metals, Xstrata, MeadWestvaco, Smurfit-Stone Container (new), Goldcorp, Detour Gold, Norbord were dropped after full coverage initiation due to takeover. We later dropped Greystar Resources/ Eco-Oro, General Moly and PolyMet Mining from coverage as their project delays extended beyond one decade.

Subsequently, since September 2007 JTVIR, LLC has initiated regular coverage of new companies not previously covered in the former universe at the former Prudential Equities Group. These new companies include CF Industries, Mosaic, Franco-Nevada, Silver Wheaton, Royal Gold, Osisko Gold Royalties, Sandstorm Gold, Detour Gold, South32, Teck, Agnico-Eagle Mines, Mercator Minerals, Skye Resources, General Moly, Inc., Thompson Creek Metals, Duluth Metals, Polymet Mining, Greystar Resources, Vale, GlencoreXstrata, Glencore, Xstrata, Anglo American, Packaging Corp. of America, Norbord/West Fraster, Rock Tenn/WestRock, HudBay Minerals, Alumina Ltd., Fortescue Metals, and Century Aluminum.

In accordance with applicable rules and regulations, we note above parenthetically that our stock ratings of “Overweight,” “Neutral Weight,” and “Underweight” most closely correspond with the more traditional ratings of “Buy,” “Hold,” and “Sell,” respectively; however, please note that their meanings are not the same. (See the definitions above.) We believe that an investor’s decision to buy or sell a security should always take into account, among other things, that the investor’s particular investment objectives and experience, risk tolerance, and financial circumstances. Rather than being based on an expected deviation from a given benchmark (as buy, hold and sell recommendations often are), our stock ratings are determined on a relative basis (see the foregoing definitions).

There is no intention to “balance” the number of Overweight or Underweight ratings, as instances of broad over- or under-performance among basic industrials may occur. JTVIR makes each investment judgment in a “bottoms up” manner based on the assets of each individual company.

**Price Target – Methods/Risks**

The methods used to determine the price target generally are based on future earning estimates, product performance expectations, cash flow methodology, historical and/or relative valuation multiples. The risks associated with achieving the price target generally include customer spending, industry competition and overall market conditions.

Additional risk factors as they pertain to the analyst's specific investment thesis can be found within the report.



Information contained herein is based on data obtained from recognized statistical services, issuer reports or communications, or other sources, believed to be reliable. Any statements nonfactual in nature constitute only current opinions, which are subject to change.

There are risks inherent in international investments, which may make such investments unsuitable for certain clients. These include, for example, economic, political, currency exchange rate fluctuations, and limited availability of information on international securities. John Tumazos Very Independent Research, LLC, and its affiliates, make no representation that the companies which issue securities that are the subject of their research reports are in compliance with certain informational reporting requirements imposed by the Securities Exchange Act of 1934.

Additional information on the securities discussed herein is available upon request. The applicable disclosures can be obtained by writing to: John Tumazos Very Independent Research, LLC, 11 Yellow Brook Road, Holmdel, NJ 07733 Attn: John C. Tumazos.

BOARD OF TRER AUGUST 6, 2012 TO MAY 27, 2013

On August 6, 2012 we joined the board of Texas Rare Earth Resources, and were elected Non-Executive Chairman. We made an early stage investment in the company after it obtained its core property in the fourth-quarter of 2010, and we and other activist shareholders believed there was room for improvement in its business plan and performance in 2012. We did not expect our participation in TRER to be indefinite, and believed that it will seek a larger mining company to help it complete its projects.

On May 27, 2013 we resigned from the Board of Texas Rare Earth Resources. We were pleased that metallurgical research into sulphuric acid heap leach processes made advances, which determined an alternative process requiring 10% to 20% of the cap ex proposed in the prior June 15, 2012 NI 43-101 study. The 2010 identification and possession of the property and the 2013 metallurgical advances added value, and we thought a larger organization would better develop the production plant.

We declined all other invitation to join Boards of Directors. We do not want distractions or other activities to weaken JTVIR, LLC. Further, we have a "team psychology" and a large commitment to one another within JTVIR, LLC.

JTVIO

John Tumazos Very Independent Opinions, LLC (JTVIO) is a separate company providing various services "other than" investment research sold to institutions in JTVIR. Counsel advised any other activities be organized separately. Such other activities have involved < 5% of our time. Since 2008 we have done such advisories for 18 companies, or 1 or 2 assignments per year typically.

In general, we may provide investment banking or advisory services mostly to sub-$100 mm mining companies that have defined a "deposit," but need more capital after a discovery for infill drilling, bulk metallurgical testing, definitive feasibility study or the capital outlays to build a mine. JTVIO envisions merger advisory, "second opinion" critiques of investment banking advice, strategic consulting, valuation opinions, fairness opinions, mine technical services such as "Third Party Reviews" of technical studies or other corporate services. The "research coverage" of JTVIR largely involves very large companies with completed steel, aluminum, forest products or mine plants with market capitalizations usually between $1 and $250 billion. Historic companies often over one century old, such as Alcoa or U.S. Steel or BHP Billiton, will use top ten commercial or investment banks for advisory services and we make no attempt to be engaged by them owing to their long historic relationships.

We prefer to advise companies without revenues, which large investment banks like Goldman Sachs, JP Morgan, Morgan Stanley or BMO often avoid. Such mining companies without revenues are not as competitively over-banked, and many of the geologists are quite gifted and have extremely promising projects.

We undertook some platinum market studies for Platinum Group Metals in the past year.

We critiqued the NI 43-101 Preliminary Economic Assessment or Feasibility Study for publicly traded Toronto producing companies for copper projects in Argentina and Chle.

We have accepted compensation from Texas Rare Earth Resources, Akora Resources, Galway Metals and Appia Energy, a private concern, related to introducing investors to them.

In August 2011 we advised the Board of Directors of Augen Gold that a hostile tender offer from Trelawney Mining. On October 9, 2010 we were engaged by Tara Gold Resources to evaluate the fairness of their September 13, 2010 proposed merger to amalgamate with Tara Minerals, which it terminated on March 7, 2011. We delivered a "structure opinion" to Tara Gold Resources and Tara Minerals on May 20, 2011 that the cancellation of the announced September 13, 2011 merger was "fair." On June 24, 2010 we delivered a Fairness Opinion to the board of directors of Paramount Gold and Silver for compensation in their acquisition of X-Cal Resources, Ltd concerning the Sleeper gold mine near Winnemucca, NV formerly operated in 1986-1996 by Amax Gold and having past output of 1.66 mm oz gold and 2.3 mm oz silver plus 26,000 oz of placer gold almost one century ago. We provided a valuation opinion in 2016 for Belvedere Gold for a gold exploration property in Finland. We provided a valuation opinion for an SEC filing for a trust for a gold deposit in Lemhi County, Idaho in September 2017. We attempted to market and valued a 350,000 oz heap leach gold deposit in Ely County, NV in 2017-18.

In January 2020 we advised a partnership of landowners as a 1/7th co-owner in the sale of 82 acres adjoining the northwest of the FCX Morenci open pit, called "American Mountain," to Freeport-McMoRan Inc. In 2017-18 we advised some partners on the royalty of the San Juan open pit of FCX's Safford mine, who failed to pay us.

On October 6, 2010 we were engaged by Dorado Ocean Resources Limited, a privately held company. That assignment has concluded without success or compensation.

Since 2016 we have provided strategic advice to Granada Gold Mine.

On June 3, 2008 Galway Resources engaged JTVIO to commercialize its Victorio, New Mexico molybdenum-tungsten deposit containing over 200 mm pounds of each mineral in situ, which is JTVIO's first activity (see www.galwayresources.com June 3, 2008 press release). We have received compensation from Galway Resources.

These past engagements pose no "conflict of interest" with JTVIR research coverage as long as JTVIR does not cover or write on Paramount Gold and Silver, Galway Resources, or other sub-$250 mm market cap emerging companies. However, subsequently Galway Resources has documented gold occurrences on Galway grounds and begun drilling. After our November 6-12, 2009 trip to the California gold district of Colombia, we published research reports on Greystar Resources and NOT Galway Resources to avoid conflicted research. We omitted Galway Resources from our "Conference Highlights" report even though it spoke at our November 19, 2009 conference in a similar vein to avoid conflicted research.

JTACR

John Tumazos Advisory and Compensated Research, LLC (JTACR) is a separate investment advisor registered with the State of New Jersey Bureau of Securities on June 27, 2011 as CRD # 157,606. **Under no circumstances will JTACR be commissioned by a mining or other publicly traded company simply to write a "paid" research report.** Its purpose is to include research reports after separate compensation has been received for an advisory service such as a fairness opinion, mergers & acquisitions advice, introductions of investors in a capital raising or other advisory services. Regulators presume that any "compensation" or potential compensation biases research reports, however small, and outside counsel advises us that we should not write about a company as "John Tumazos Very Independent Research, LLC" if compensated or seeking compensation.

We have created a separate web site, www.advisoryandcompensatedresearch.com to support JTACR. It is separate from our normal research investment advisor site, www.veryindependentresearch.com. Since the second half of 2011 JTACR has published research reports on Texas Rare Earth Resources, Texas Mineral Resource Corp., Akora Resources Ltd., Paramount Gold and Silver, Paramount Gold Nevada, Galway Resources, Galway Gold, Galway Metals and Platinum Group Metals. These represent < 10% of our company research and < 5% of our written research report output.

MONEY MANAGEMENT ACTIVITIES

We manage my own money and several client accounts. Our trades conform to our published research and follow publication by a minimum of two business days with a 30 day minimum holding period for personal trades. Client recommendations have first priority.

In November 2011 we accepted our first customer money management account, and we are beginning to set up an account and legal agreement to manage money for him. We are in the process of completing such paperwork.

Money Management for clients could be another line of business. "Mine Development Fund" is a "current" project to establish a small fund to invest in post-discovery, large resource companies (over $2 billion in situ mineral value already defined) requiring financing to "build the mine" and grow. The target market cap of the companies in which it would invest would be $0.1 to $10 billion. Our detailed studies of emerging mines may prove synergistic across several applications. We have also considered creating sector ETFs, but determined there is more value-added in fund management.

Our published over 3,000 research reports to Since July 7, 2007 has concentrated on the metals commodities themselves, steel, aluminum, forest products and larger capitalization mines like Rio Tinto, BHP, Freeport-McMoRan Copper, Barrick Gold, etc. Only 7%-10% of our written research involves the "sub-$2 billion mine" size range that would be the focus of either JTVIO or Mine Development Fund. Thus, compliance issues or conflicts of interest would occur in a smaller subset of JTVIR coverage as JTVIR coverage involves larger caps, "established processing companies" or commodities. JTVIO or the buy-side investing may focus on much smaller companies

POTENTIAL MINE SERVICES ACTIVITIES

We delivered a written critique for two NI 43-101 compliant studies of copper deposits in Argentina and Chile for publicly traded companies based in Toronto. One was a second preliminary economic assessment for a deposit with approximately 30 billion pounds of copper and 5 mm oz of gold. The other was a definitive feasibility study to expand a small open pit and underground copper mine with an established production history.

As a substantial user of mine feasibility study reports or other technical reports prepared at early stages after first discovery, sometimes we are very dissatisfied. We may from time-to-time provide "Third Party Review," critique such mine scoping study or prefeasibility study reports. We do not seek to "second guess" scientific issues of mine engineering or metallurgy. However, we may differ with the mathematics of reserve determination, capital cost estimates, "simultaneity" of price and cost assumptions, various business planning issues, the opportunity to "phase" or subcontract to reduce initial capital costs or other financial issues. The "custom studies" we have provided to several buy-side JTVIR customers may resemble "Mine Services" future products presented as "Third Party Review" of mine technical studies.

CONFERENCES

Since 2008 we have hosted investor conferences as "John Tumazos Very Independent Research, LLC" similar to our having hosted investor conferences or individual meetings since 1982 under the auspices of Oppenheimer & Co., Inc, DLJ, Bernstein or Prudential Financial in earlier employment. We have hosted a number of very large companies, including Vale, Teck, Barrick Gold, Agnico Eagle Mines, Yamana Gold, Pan American Silver, HudBay Minerals, Century Aluminum or others. We have found that some of our friends at large companies did not accept our invitations since 2008, however, such as BHP, Rio Tinto, Alcoa, U.S. Steel, Freeport-McMoRan Inc. or others.

Beginning in 2008 we began to invite companies with a "resource deposit" scrutinizing their NI 43-101 or JORC compliant resource statements, preliminary economic assessments (PEA), prefeasibility study or feasibility study documentation. Our two principal criteria are (1) a documented mineral resource > US $3 billion and (2) a "business plan" or coherent strategy to make money. However, we make exceptions for (1) the next project or spinoff of a successful geology group after they have sold a discovery for an epic large sum, (2) a project adjoining a fertile known property, (3) a restart of a historic mineral district of the 19$^{th}$ or 20$^{th}$ century, or (4) occasionally a photograph or other evidence of a bulk mineral occurrence. We reject geology theories or early stage ideas in most cases.

We manage our conferences to "maximize information content" or learnings focusing on mineral properties that interest us. We manage our conferences for the (1) benefit of the investors that pay us for advice, (2) for the benefit of the speaking companies many of whom are our friends, (3) to learn and invest ourselves and (4) to advertise our small enterprise to win future research, money management or corporate advisory customers. We screen the companies we host, but our hosting a meeting or virtual meeting for a company **<u>does not constitute a buy or sell recommendation</u>**. Very often we may find a company or project "interesting," and are just learning more about it or getting to know it as a stage in our learning process. We are blessed that many famous geologists from around the world speak at our programs or listen to the webcasts we host.

Since 2008 we operated our conferences on a "Dutch Treat" basis, asking the companies to pay their portion of the catering, hall rental, webcasting and various other hard expenses plus a month of my payroll or overtime bonus to our team. Since we moved to the suburban Greek Orthodox church hall in Holmdel, NJ or in 2020-21 in a virtual meeting format our costs fell and the size and popularity of our programs has increased. While it was not our strategy to run our conferences as a primary business, they have grown and become profitable. While it is not our intent to be an "investor relations" company, our meetings have become immensely popular both with the companies we host and the investor audience. It appears both the companies we host and the audiences appreciate our detailed questions about resource estimation, gold mine geostatistics, geology, costs, feasibility study details, mine engineering, end markets or other opportunities.

Since 2008 we have hosted 112 companies bought out for U.S. $103 billion combined at our conferences. These included 68 gold deposits or miners, 12 silver, PGM or royalty precious metals companies, 5 hard rock energy and 27 companies in other minerals or formats such as copper, zinc, nickel, moly, a phosphate deposit or a national steel distributor. The majority of these have been in Canada, the U.S. or Mexico, but there have been a few across Latin America, Africa, or elsewhere around the world. Ontario, Quebec, British Columbia, Alberta, and Nevada are notable areas where we have found many successful investments. Our screening strategy of a focus large undeveloped deposits has been useful to identify the companies large mines buy out if they need new deposits to grow or replace depletion. Our focus on geology and willingness to ignore low market capitalization, ignore the absence of revenues and willingness to ignore $0.2 to $5+ billion initial capital needs has been effective. The future acquirers fund the constructions.

Our policy has been to host open public webcasts for many reasons including to learn from the presentations, to serve our investor clients, the benefit of the speaking companies, to help make our small business better known or to comply with SEC Regulation FD for fair disclosure. We seek to grow all of our efforts or businesses by "word of mouth" or good reputation. We have learned that companies that resist an open public webcast may be "toxic," or suffer some labor relations, environmental or other defect. Recent rebounds in metals prices or stocks have made our webcast followings larger growing from about 1,000 in 2018 from 40 nations to 1,700 in 2019 from 49 nations to 2,600 in 2020 from 63 nations where we exclude employees of the participating companies or in 2020 we excluded 1,030 listeners to Northern Dynasty some of whom were environmental opponents or job seekers rather than investors. In 2021 our roster of speakers grew to 77 companies from 46 in 2020, although the listeners fell with gold prices towards 1,800 from 59 nations.

In 2021 we organized our virtual conferences into February, April, June, August, October and December two day sessions with up to eight companies per day at 75 minute intervals, which is a "capacity" for up to 96 companies where we expect we will schedule perhaps over 80 of the time slots. Some companies have asked us to host multiple meetings for them in 2021, but we want to host DIFFERENT companies to learn about more investment ideas. But this illustrates a larger "pent up interest" in such activities.

For 2021 we host our video conferences for free for companies > US $3 billion market value, which we regard and execute "just like a research interview." We should embrace such opportunities as research analysts to learn and be better investors. For smaller companies we charge US $2,700 for repeat companies and $3,500 for first-time companies as we spend much time learning about them to vet them. We deliberately charge < ½ as much as investor relations firms that often charge US $6,000 for a meeting, an annual contract or ask for warrants or options too. We want to pick good companies and for the good companies to find us or call us preferentially.

## RADIO SHOWS AND OTHER MEDIA

We have declined invitations to host or participate in regular radio shows, as we have too many responsibilities to cover 42 large capitalization stocks, keep updated financial models with at least 5 spreadsheets for each large cap company, keep up with supply-demand models in important commodities, host up to 77 mostly smaller companies at our conferences, manage portfolios or undertake corporate advisory projects.

Since 2017 representatives of WABC radio approached us to help introduce companies to them to present in radio shows. They attended our conferences to identify subject matter for John Batchelor or Larry Kudlow's business shows. They offered me appearances or advertising time, but we had reservations about "mass market inquiries" from individual unable to buy our services. WABC never paid us or proposed to pay us. Our impression is that Bloomberg, WABC or other media companies have a large access to unpaid speakers seeking exposure.

In 2021 VoiceAmerica Business channel approached us to have radio shows. Our friend, Jay Taylor, writes a newsletter and it turns out since 2009 he has had a radio show on VoiceAmerica Business for whom he gave a good reference. We liked this format, but simply are spread too thin to undertake such a task presently.