

Disclosure of our Conflict of Interest: (1) Yours truly owns 888,982 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. PROXY VOTE

TMRC \$1.90, no rating, financial models or future earnings estimates
FY end August 31 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020E
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

- We voted “no” against each proxy resolution due August 6, 2020.
- The November 27, 2019 Exhibit 10.17, the July 1st and 16th SEC filings disclosed a material change releasing the JV partner from completing a bankable feasibility study to earn 70% and postponing that requirement to earning the 80% stake. This was “new news” in that the TMRC November 30, 2018 press release announcing a JV require the partner to earn-in to 70% after “...\$10 million funding leads to a bankable feasibility study...” No subsequent press release described that USA Rare Earths was excused or freed from the requirement to deliver a bankable feasibility study. Page 6 of the 2019 10K filed 11-29-19 repeats the requirement to fund “up to \$10 million to produce a bankable feasibility study.” Page 10 of the TMRC presentation slide deck dated December 2019 posted on the TMRC website August 2, 2020 continues to state “to produce a bankable feasibility study.”
http://www.tmrccorp.com/_resources/presentations/corporate_presentation-20191226.pdf
- Thus, the August 6, 2020 vote requires the shareholders to approve the release from the “bankable feasibility study” requirement only disclosed previously only in the November 27, 2019 exhibit 10.17 where other narratives continue to state the 70% earn-in requires \$10 mm outlays plus a bankable feasibility study. We were surprised.
- We estimate the bankable feasibility study may need up to \$50 mm and that TMRC’s 30% matching funding above \$10 mm may be up to \$12 mm.
- We disagree totally with the rationale for the JV with 80% earn-in for US \$13 mm, where we attribute the TMRC difficulties in raising funds to the elderly

- CEO, no COO and no organization. We believe TMRC should have implemented a succession with new CEO and COO < 60 years old.
- At 5-31-20 TMRC had 72.4 mm primary shares outstanding, and subsequently about 12 mm options and warrants were exercised to create 84.4 mm. Without allowing for new options and warrants, we estimate the option for USA Rare Earths to earn 80% creates the equivalent of 422 mm shares.
 - Thus, the recent June 4th share price peak at \$2.65 assigned a \$1.45 billion valuation to Round Top including \$350 mm in estimated cap ex and \$1.1 billion for equity at 422 mm shares times \$2.65 each. We estimate such a valuation anticipates about a \$10 to \$15/tonne pretax profit to earn \$50 to \$75 mm net income at 20,000 mtpd perhaps in five years.
 - The August 2019 third Preliminary Economic Assessment estimated a \$1.56 billion pretax NPV at a 10% discount rate for Round Top.

RELEASE FROM REQUIREMENT TO PROVIDE BANKABLE FEASIBILITY STUDY TO EARN 70% STAKE

We had not read exhibit 10.17 filed 11-27-19 to the August 31, 2019 SEC form 10K filed 11-29-19. In our opinion, burying such an important detail in an exhibit is “misleading” or “sort of a fast one.”

We relied on the completeness of the TMRC press releases, the narrative prose in its 10K or other filings and the “presentation slides” that TMRC posts on its website up to this day as we reference on page one of this report. Thus, we were disappointed to read in the proxy filing for the August 6, 2020 vote that the “bankable feasibility study” requirement was not applicable to earning a 70% working interest. USA Rare Earth must now spend an additional \$3 mm and deliver bankable feasibility study to earn an additional 10% to increase from 70% to 80%.

We estimate that about ½ of the first \$10 mm that USA Rare Earth spends may not be directly tied to feasibility study testing. Instead, it will include Dan Gorski’s \$10,000 per month TMRC salary, GLO lease rentals, USA Rare Earth payroll, USA Rare Earth administrative expenses and USA Rare Earth corporate “burn rate.”

Further, we estimate that up to \$50 mm may be required to obtain all of the bankable feasibility study results. There are some uncertainties as to the amount of metallurgical testing needed to obtain targeted recovery rates.

FLAWED RATIONALE FOR 2019 OPTION AGREEMENT REPRESENTS GROSS NEGLIGENCE

We disagree with the rationale for entering the 2019 option agreement as stated on page 7 of the July 16, 2019 proxy. It states that the 2019 option agreement was that the company had “been unable to raise sufficient capital” and the JV “was in the best interests of the company.”

We resigned from the board in May 2013 rather than pursue equity financings, we filed a dissident 13D in June 2013 and we wrote to the entire board of directors circa 2015 that the company was “investment proof” or not eligible for investors with fiduciary duty to their clients. The CEO was elderly presently near age 82, there was no chief operating officer and there were no full-time employees having closed the Colorado offices and dismissed employees in Summer 2012. We concluded that it was better to sell the company, as we stated internally while we were a board member and in our June 2013 SEC filing, and that the age of the CEO and lack of in-house support made the company unable to raise funds effectively.

In our opinion, the board either should have sold the TMRC or installed both a CEO and a COO under age 60. We are impressed with the USA Rare Earths team, which has been able to assemble managers and make some progress.

DILUTION

TMRC had 22 mm shares prior to our first investment into the company in October 2010. The increase to 84.7 mm shares disclosed in the May 31st 10Q, combined with the option for USA Rare Earths to earn 80%, creates almost twentyfold dilution multiplying 84.7 mm times five.

VALUATION

After producing at its specifications and meeting recovery rates, we estimate Round Top should earn enough money to justify a multi-billion valuation. Gustavson estimates \$54 per tonne of Round Top revenues in the third PEA August 2019, even though it discounts either the recoveries or selling prices of 15 elements. We estimate the project requires \$10 to \$15/tonne of pretax profits to earn \$50 to \$75 mm in net income to justify the \$2.65 per share June 2020 recent peak TMRC share price equivalent to \$1.45 billion enterprise value from \$1.1 billion in equity and \$0.35 billion in cap ex.

Thus, the recent peak June 2020 valuation closely resembled the \$1.56 billion pretax NPV that Gustavson estimated at a 10% discount rate in the August 2019 PEA.

Further, it is possible for the project to command a premium price-earnings valuation due to the one billion tonne resources above the contact of the sediments and volcanics at Round Top, which could support upwards of 125 years of output or else higher production rates after markets are developed for some of its products. Further, exploration potential exists beneath the volcanics for uranium, beryllium or rare earths in Round Top. Further, Little Round Top and Little Blanca, 2 others among the four mountains, should indicate similar mineralization. The fourth and largest mountain, Sierra Blanca, appears to have about two-thirds of the grades of Round Top.

RECOVERY RATES, PURITY OR SELLING PRICE UNKNOWN

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 quantities 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

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 Gustavson 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, 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.

FUNDING OF TMRC

The mid-2019 equity raise and the exercise of options and warrants in 2020 improved TMRC's finances. It had \$1.4 mm in cash at May 31 prior to exercise of 12 mm more shares to bring in more funds. The 2019 financial statements no longer carry a "going concern" qualified opinion.

IF THE USA RARE EARTH JV DOES NOT ADVANCE

We believe the best structure for the Round Top project would be if the USA Rare Earth management team replaced the TMRC management, which would have made TMRC financeable to advance the project on its own. If the TMRC shareholders do not approve the August 6, 2020 proxy, the two entities simply could merge to give USA Rare Earths consideration for the past year's work and to install more management into TMRC.

We expect the project to advance regardless of the August 6, 2020 proxy vote.

BUSINESS RISKS

Texas Mineral Resource Corporation has no revenue history, and has over \$36 mm of accumulated losses since inception. It and its partner needs to raise approximately \$350 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 doubled 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 on a "test tube" basis,

then build a pilot scale “test heap” and recovery and then the targeted 20,000 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.

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. **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.

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 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) is organized as an investment advisor in the State of New Jersey and regulated by the NJ Bureau of Securities. We publish about 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 typically each month visiting companies. 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 30 paid clients in the U.S., Canada, Switzerland and U.K. 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 DISCLOSURES

“John Tumazos Very Independent Research, LLC” (JTVIR) is a Delaware Corporation formed 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.

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, International Paper, Graphic Packaging, Domtar, Norbord, South32, Alcoa, Teck, U.S. Steel, Glencore, First Quantum, Grupo Mexico, Southern Copper, HudBay Minerals, Worthington Industries, Pan American Silver, Centerra Gold, Paramount Gold Nevada, Vale, Fortescue Metals, Allegheny Technologies, Pan American Silver Escobal mine contingent value right, Osisko Gold Royalties, Premier Gold, Kirkland Lake Gold, Appia Energy, Texas Minerals Resources Corp., Galway Gold, or Galway Metals neither JTVIR, its members or its 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 elected to become a paid subscriber to my research, where 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 directorships 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.

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, Duluth Metals, Xstrata, MeadWestvaco, Smurfit-Stone Container (new) were dropped after full coverage initiation due to takeover.

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, South32, Teck, Agnico-Eagle Mines, Mercator Minerals, Skye Resources, General Moly, Inc., Thompson Creek Metals, Duluth Metals, Polymet Mining, Greystar Resources, Vale, GlencoreXstrata, Glencore, Xstraa, Anglo American, Packaging Corp. of America, Norbord, Rock Tenn, 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.

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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 have accepted compensation from Texas Rare Earth Resources 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.

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

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, Paramount Gold and Silver, 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.

POTENTIAL MONEY MANAGEMENT ACTIVITIES

We manage my own money and one client account. Our trades conform to our published research and follow publication by a minimum of two business days. 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 2,500 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 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.