SIERRA BLANCA, TX--(Marketwired - July 05, 2016) - Texas Mineral Resources Corp. (OTCQX: TMRC)

- U.S. Department of Energy data suggests potentially significant amounts of scandium and rare earth byproducts are present
- Both coal ash and in-situcoal overburden have been outlined as potential resources
- Preliminary internal economic analysis of a coal ash project suggests modest CAPEX requirements along with profitability
- TMRC to establish Scandium America Corp subsidiary upon signing definitive agreement

Texas Mineral Resources Corp. (TMRC), an exploration company targeting the heavy rare earths and a variety of other high-value elements and industrial minerals, is pleased to announce that it has signed a memorandum of understanding (MOU) with a well-established privately-held Pennsylvania coal company. The MOU gives TMRC a six-month period of time to further evaluate the potential to finance, recover and produce scandium and other rare earth byproducts from their properties.

The National Energy Technology Laboratory of the Department of Energy has recently conducted studies at the properties that are the subject of this MOU, suggesting the existence of potentially valuable rare earth and scandium mineralization in coal ash being deposited at several locations on the property and in the *in-situ* coal bed overburden at different sites on company property.

Tonnages of the ash repositories are well documented. The area chosen for initial study, because of its favorable location, contains 3.7 million short tons of coal ash. A total of three ash repositories and an as yet undetermined number of *in-situ* overburden deposits lend themselves to simultaneous development. The property is fully permitted for mining and processing of coal. Only the additional permitting for scandium and rare earth processing would be needed.

With respect to the coal ash deposit, preliminary internal economic analysis, done by TMRC, of a modest startup operation processing 300 tons of coal ash per day suggests that it would require an estimated CAPEX of approximately $17 million, inclusive of a 25% contingency. Assuming a recoverable grade of 45 ppm (parts per million) scandium content, potential estimated production of scandium oxide would approximate 7,500 kilograms per year. Using a current scandium oxide market price of $2,000/kg could potentially result in pre-tax cash flow of approximately $10.3 million, after operating costs and royalty payments to the coal company. These assumptions assume that only the recovered scandium would be sold, attributing no value to the rare earth and other elements and minerals that could be recovered.

Additionally, the coal company has a large database of drill hole and outcrop sampling that indicates potential for extensive rare earth and scandium value in the rocks overlying the unmined coal. Research conducted on overburden from other properties in the region and published by a group from Pennsylvania State University*, suggests that the rock (overburden) can be successfully leached with several different organic solvents with encouraging recoveries. The drill and outcrop data suggest that the *in-situ* overburden rock contains higher scandium values than the coal ash, thus offsetting the potentially higher costs of mining, crushing and grinding it.

"While our Round Top deposit remains the flagship property of the company, we are very pleased to be able to start parallel examination of a series of deposits, potentially profitable at current scandium prices, that offer the possibility of being brought to production more rapidly and at a fraction of the cost of Round Top. A significant portion of the process development work we plan to undertake for the coal related deposits will be applicable to feasibility work required by Round Top," Dan Gorski, CEO, added.

Anthony Marchese, Chairman, further commented: "Worldwide scandium production is limited and industry demand is growing. Domestic manufacturers need a large and reliable source of scandium oxide. We believe joining forces with a well-established Pennsylvania coal company for the potential recovery of scandium and other valuable rare earth minerals is a perfect complement to our Round Top heavy rare earth project. The potential benefits of such a project will be felt in the surrounding coal community as well as by TMRC shareholders. In recognition of the potential significance of a long-term domestic source of scandium oxide we plan to establish a new subsidiary titled Scandium America Corp upon the signing of a definitive agreement with the domestic coal company, at which time further details of the Agreement will be released."

*Separation of Rare Earth Elements From Coal and Coal Products, Final Report, Prepared for Leonardo Technologies Inc., Pittsburgh, PA., by Nari Soundarrajan, Nuerxida Pulati, Mark Klima, Mku Ityokumbul, and Sarma V. Pisupati, EMS Energy Institute and John and Willie Leone Family Department of Energy and Mineral Engineering, The Pennsylvania State University, 5/7/2015.

Background on Scandium

Global scandium production is estimated to be between 8,000 to 15,000 kilograms annually. Most of today's production tends to come as a byproduct of the leaching activity associated with production of other metals, minerals or rare earths. The United States is 100% import-dependent for scandium. According to the USGS (U.S. Geological Survey), scandium-bearing minerals have not been mined nor recovered from mine tailings since 1990. Principal sources of scandium today include China, Kazakhstan, Russia and the Ukraine. Freedom House, a U.S. based non partisan organization that conducts research and advocacy on democracy, political freedom and human rights, currently ranks the first three sources as "Not Free" and the last as "Partially Free".

Principal uses of scandium today are for the production of solid oxide fuel cells, lasers, switches and mercury vapor high intensity lamps. Future significant growth is forecast in the metallurgical market as high-strength alloys of aluminum. When used in

combination with other common aluminum alloys scandium can produce lighter, stronger, more corrosion resistant, heat tolerant and weldable aluminum products. It is believed that use of aluminum/scandium alloys can reduce aircraft weight by 15-20%. Likewise, automotive applications are large potential markets. One industry source estimates that if only a tiny fraction (0.1%) of the annual aluminum market absorbed scandium in alloy at a 0.5% level, it would represent a potential 317,000 kilograms of scandium demand.

About Texas Mineral Resources Corp.

Texas Mineral Resources Corp.'s primary focus is exploring and, if warranted, developing its Round Top heavy rare earth and industrial minerals project located in Hudspeth County, Texas, 85 miles east of El Paso. The Company's common stock trades on the OTCQX U.S. tier under the symbol "TMRC."

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Securities Act of 1933, as amended, and U.S. Securities Exchange Act of 1934, as amended, including, but not limited to, statements regarding potential significant amounts of scandium and rare earth byproducts at the projects under the MOU, preliminary internal analysis of the economics of the project including potential processing rate, recovery rate, production rates, CAPEX estimates and estimates of pre-tax cash flow from the coal ash, potential synergies with the Company's Round Top project, satisfactory completion of due diligence and execution of a definitive agreement over the projects covered by the MOU, the potential significance of the project as a domestic source of scandium and other similar statements. When used in this press release, the words "potential," "indicate," "expect," "intend," "hopes," "believe," "may," "will," "if, "anticipate," and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, among others, risks related to the development of the coal ash and coal overburden projects, completion of more thorough economic analysis and feasibility studies, initial economics not accurately accounting for potential costs of mining, up-scaling of preliminary testing, risks related to changes in future operating costs and working capital balance, risks related to mining results not matching preliminary tests and risks related to the ability of TMRC to raise adequate working capital and continue as a going concern, as well as those factors discussed under the heading "Risk Factors" in the Company's latest annual report on Form 10-K, as filed on November 30, 2015, and other documents filed with the U.S. Securities and Exchange Commission. Except as required by law, the Company assumes no obligation to publicly update any forward-looking statements.

Cautionary Note to Investors

The economic analysis in this press release is based on an internal analysis of the Company. The projects discussed do not contain any mineral reserves under SEC Industry Guide 7 and the projects are exploratory in nature. While we believe our internal analysis is detailed enough to provide a reasonable basis for the statements made in this press release, the analysis is preliminary in nature and is subject to risks and uncertainties, including actual costs of mining being higher than estimated, actual recovery rates being lower than estimated, CAPEX and OPEX costs being different than initially estimated, changes in costs of materials and labor, changes in the market for scandium, all of which could result in lower production and reduced cash flow. The internal analysis was subject to many assumptions including assumptions regarding processing rate, recovery rates, the market price of scandium, and estimates of CAPEX costs and OPEX costs. The internal analysis is not a feasibility study and investors should not assume that the project is legally or economically mineable on the basis of the preliminary analysis.

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