



June 22, 2020

Michael Cunningham
Senior Environmental Protection Specialist

Dear Michael,

USA Rare Earth, LLC [USARE] is aware of your concern as noted in your communications on February 4, 2020 (letter) and June 17, 2020 (email) "Wheat Ridge pilot plant." Our June 11, 2020 press release did not clearly describe the activity in Wheat Ridge, conflating the laboratory in Wheat Ridge, that is developing state-of-the-art rare earth processing technology, with longer-term plans to build a pilot or demonstration plant at our Round Top Mountain site in Hudspeth County, West Texas.

The facility in Wheat Ridge is a ~3,500 ft² commercial space containing a process testing laboratory, offices, and support facilities. The primary objective of the facility is to develop and confirm processing options for the recovery and purification of rare earth elements [REE].

Colorado Division of Reclamation, Mining and Safety Title 34, Article 32 Mineral Resources, Section 3334-32-103 Definitions, paragraph 8, Mining Operations states: *"The term 'mining operation' does not include: ...the extraction of geothermal resources; smelting, refining, cleaning, preparation, transportation, and other off-site operations not conducted on affected land;..."*

The actual pilot plant will be located and operated in West Texas at the mine site once the extraction processes have been developed. Those operations will be conducted in accordance with Texas Commission on Environmental Quality and appropriate Federal regulations.

USARE trusts that this response adequately addresses your concerns regarding "mining operation" in Colorado relative to our Wheat Ridge facility. USARE is committed to creating a resilient domestic rare earth elements supply chain critical to maintaining US economic and defense security.

USARE is requesting that the Colorado Division of Reclamation, Mining and Safety remove the "mining operation" identification and permit ID number M-2020-011 of the Wheat Ridge facility.

Sincerely,

Pini Althaus
Chief Executive Officer

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