

# U.S. Rare Earths approved to start rare earths production immediately!

As of today, U.S. Rare Earths, Inc. ('USRE', OTCBB: UREE )  can start mining and producing rare earths at its Last Chance Project in the Lemhi Pass region of Idaho and Montana. USRE announced that it has received approval to re-open its historic tunnel work, speeding up the production process by at least three years, which is literally at least two years ahead of the closest competitor. USRE had expected to start processing by 2017 but thanks to the permission to revisit the existing adits (extending underground more than 400 meters, which have already proven to contain mineralized veins of critical rare earths), it can proceed much earlier; it can proceed now!

USRE said this accelerated development will enable it to save some USD\$ 6 million in CAPEX while having being approved to handle 2,500 tons of metallurgical sampling starting now; it also has the rights to apply for the removal of an additional 7,500 tons of material for metallurgical sampling under Montana state exploration guidelines. The horizontal adits, tunnels, lead underground and giving access to subsurface mineral deposits, intersecting the Last Chance Vein. The historical record shows that these have known and high rare earth mineralization occurrences. Moreover, as a result of USRE having been approved by the U.S. Forest Service to access an REE stockpile located on its Last Chance prospect last August, the Company can get a head start on processing with zero CAPEX and OPEX costs.

The stockpile lends itself to prompt metallurgical sampling and USRE suggests the "stockpile contains at least 10 to 12 tons of highly concentrated rare earths enriched material".

This would make USRE “the first company to proceed with rare earth underground exploration and sampling in the continental United States” at far lower cost than anyone could have envisaged. “U.S. Rare Earths is very excited with the achievement of this milestone with the prospect of being the first underground mine since the 1960’s in the US to remove rare earth material,” said Kevin Cassidy, CEO of U.S. Rare Earths.

USRE has the luxury of being able to concentrate on the processing and metallurgy, rather than the exploration thanks to its readily available stockpile. Idaho Energy and Resources Co. extracted the material as part of rare earths exploration and its published data suggests that the stockpile presents a high percentage of heavy and critical rare earth elements. The rare-earth deposits were first explored by the U.S. Geological Survey as well as the Idaho Bureau of Mines and Geology and IERCO among others. USRE can rely on a very experienced management and exploration team with many and successful years of experience in the sector and their determination to create an wholly American complete supply-chain solution, which will include a separation mill for the critical and heavy rare earth elements in the continental United States.

Rare earths and other minerals are essential to the American defense industry and their supply, most of which comes from China, is wrought with uncertainties due to opaque political regulations and an ongoing reform of the mining industry system. Japan, for example, was deprived of rare earth elements in its maritime dispute with China in 2010, and has since feared further disruptions, leading to plans to source these important minerals elsewhere. The United States wish to prevent this risk, given the dire consequences that could result from the sudden imposition of crackdown The Armed Services Committee of the House representatives has issued various reports since last year, presenting the risks of rare earth shortages in severe terms and scenarios. One of these is

a Chinese embargo on exports of key rare earth elements and notes that in the current situation the United States would be paralyzed. The current and deepening dispute between NATO and Russia, evoking the gloomy relations of the Cold War, has added more tension to relations between NATO and China. Advocates of increased American self-reliance in the supply of critical materials suggest that it is not always safe to rely on our neighbors for the supply. Currently, the world rare earths market has become extremely asymmetric because China provides more than 90% of these minerals. Japan has already decided to secure a minimum of 60% of its rare earths supply from countries other than China within the next four years. Possible sources include India and Australia; however, it can now consider the United States as well, given USRE's accelerated development.