

10-Q 1 texasrare10q053111.htm

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

100 F Street NE
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 2011

OR

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 0-53482

Texas Rare Earth Resources Corp.
(Exact name of registrant as specified in its charter)

Nevada, United States
87-0294969

(State or other jurisdiction of incorporation or organization) (IRS Employer Identification Number)

304 Inverness Way South, Suite 365, Englewood, Colorado 80112
(Address of principal executive offices)

(303) 597-8737
(Issuer's telephone number)

3 Riverway, Suite 1800, Houston, Texas 77056
(Former Address of principal executive offices)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of July 5, 2011, the registrant had 34,455,009 shares of common stock, par value \$0.01 per share, outstanding.

	<u>Page</u>
Part I	
Item 1 Financial Statements	3
Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations	12
Item 3 Quantitative and Qualitative Disclosures About Market Risk	16
Item 4 Controls and Procedures	16
Part II	
Item 1 Legal Proceedings	16
Item 2 Unregistered Sales of Equity Securities and Use of Proceeds	17
Item 3 Defaults upon Senior Securities	17
Item 4 (Removed and Reserved)	17
Item 5 Other Information	17
Item 6 Exhibits	18
Signatures	19

Texas Rare Earth Resources Corp
(Formerly Standard Silver Corporation)
BALANCE SHEETS

	<u>May 31,</u> <u>2011</u>	<u>August 31,</u> <u>2010</u>
	(Unaudited)	
ASSETS		
CURRENT ASSETS		
Cash & cash equivalents	\$ 9,845,128	\$ 74,434
Prepaid expenses and other current assets	<u>50,872</u>	<u>-</u>
Total current assets	9,896,000	74,434
Property, plant and equipment, net	125,711	26,559
Mineral properties	130,076	44,539
Deposits	<u>6,876</u>	<u>-</u>
TOTAL ASSETS	<u>\$10,158,663</u>	<u>\$ 145,532</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 201,713	\$ 20,624
Notes and interest payable to related parties	-	90,448
Total current liabilities	201,713	111,072
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stock, par value \$0.001; 10,000,000 shares authorized, no shares issued and outstanding as of May 31, 2011 and August 31, 2010	-	-
Common stock, par value \$0.01; 100,000,000 shares authorized, 27,636,260 and 23,670,260 issued and outstanding as of May 31, 2011 and August 31, 2010, respectively	276,363	236,703
Additional paid-in capital	15,451,466	1,220,391
Accumulated deficit	<u>(5,770,879)</u>	<u>(1,422,634)</u>
Total shareholders' equity	<u>9,956,950</u>	<u>34,460</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$10,158,663</u>	<u>\$ 145,532</u>

The accompanying notes are an integral part of these financial statements.

TEXAS RARE EARTH RESOURCES CORP
(Formerly Standard Silver Corporation)
UNAUDITED STATEMENTS OF OPERATIONS

	<u>Nine Months ended May</u>		<u>Three Months ended May</u>	
	<u>31,</u>		<u>31,</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
OPERATING EXPENSES				
Exploration costs	\$ 365,237	\$ 78,711	\$ 246,419	\$ 48,711
General & administrative expenses	<u>3,991,311</u>	<u>360,446</u>	<u>2,571,134</u>	<u>12,514</u>
Total operating expenses	<u>4,356,548</u>	<u>439,157</u>	<u>2,817,553</u>	<u>61,225</u>
LOSS FROM OPERATIONS	<u>(4,356,548)</u>	<u>(439,157)</u>	<u>(2,817,553)</u>	<u>(61,225)</u>
OTHER (INCOME) EXPENSE				
Interest and other income	(9,479)	(389)	(6,140)	(323)
Interest expense	<u>1,176</u>	<u>8,892</u>	<u>-</u>	<u>4,860</u>
Total other (income) expense	<u>(8,303)</u>	<u>8,503</u>	<u>(6,140)</u>	<u>4,537</u>
NET LOSS	<u>\$ (4,348,245)</u>	<u>\$ (447,660)</u>	<u>\$ (2,811,413)</u>	<u>\$ (65,762)</u>
Net loss per share:				
Basic and diluted net loss per share	<u>\$ (0.17)</u>	<u>\$ (0.02)</u>	<u>\$ (0.10)</u>	<u>\$ (0.00)</u>
Weighted average shares outstanding:				
Basic and diluted	<u>25,858,428</u>	<u>23,308,593</u>	<u>27,589,237</u>	<u>23,420,260</u>

The accompanying notes are an integral part of these financial statements.

TEXAS RARE EARTH RESOURCES CORP
(Formerly Standard Silver Corporation)
UNAUDITED STATEMENTS OF CASH FLOWS

	Nine Months Ended May	
	31,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (4,348,245)	\$ (447,660)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation expense	6,348	2,612
Stock issued for services	1,118,221	13,500
Stock based compensation	2,320,651	249,000
Changes in current assets and liabilities:		
Prepaid expenses	(38,548)	-
Accounts payable and accrued expenses	163,641	(3,236)
Net cash used in operating activities	(777,932)	(185,784)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in mineral properties	(85,536)	(5,558)
Purchase of fixed assets	(105,501)	(30,536)
Net cash used in investing activities	(191,037)	(36,094)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from sale of common stock	10,812,663	452,500
Repayment of notes payable to related parties	(73,000)	-
Net cash provided by financing activities	10,739,663	452,500
NET CHANGE IN CASH	9,770,694	230,622
CASH, BEGINNING OF PERIOD	74,434	-
CASH, END OF PERIOD	\$ 9,845,128	\$ 230,622
SUPPLEMENTAL INFORMATION		
Interest paid	\$ 18,846	\$ -
Taxes paid	\$ -	\$ -
Issuance of 131,250 shares of common stock for cash previously received	\$ 1,313	\$ -
Issuance of 61,000 shares of common stock for services previously recorded	\$ 610	\$ -
Issuance of 300,000 shares of common stock for director compensation previously recorded	\$ 3,000	\$ -

The accompanying notes are an integral part of these financial statements.

Texas Rare Earth Resources Corp
(formerly Standard Silver Corporation)
Notes to Interim Financial Statements
May 31, 2011
(Unaudited)

NOTE 1 – SUMMARY OF ACCOUNTING POLICIES

The accompanying unaudited interim financial statements of Texas Rare Earth Resources Corp. (the "Company") (formerly Standard Silver Corporation) have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's Form 10-K, dated August 31, 2010, as filed with the SEC. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosures contained in the audited financial statements for the most recent fiscal year August 31, 2010 as reported in Form 10-K, have been omitted.

NOTE 2 – RELATED PARTY TRANSACTIONS

The Company had periodically received cash advances from the Company's officers and relatives of the Company's officers to fund operations. The advances accrued interest at rates ranging from five percent (5%) to six percent (6%) per annum. In December 2010, the notes payable principal balance of \$73,000 plus accrued interest for these advances was paid in full.

NOTE 3 – INVESTMENTS

In August 2010, we entered into a mining lease with the Texas General Land Office covering Sections 7 and 18 of Township 7, Block 71 and Section 12 of Block 72, covering approximately 860 acres at Round Top Mountain in Hudspeth County, Texas. The mining lease issued by the Texas General Land Office gives us the right to explore, produce, develop, mine, extract, mill, remove, and market beryllium, uranium, rare earth elements, all other base and precious metals, industrial minerals and construction materials and all other minerals excluding oil, gas, coal, lignite, sulfur, salt, and potash. The term of the lease is twenty years so long as minerals are produced in paying quantities.

Under the lease, we will pay the State of Texas a lease bonus of \$197,800, \$35,000 of which was paid upon the execution of the lease, \$65,000 which was paid in April 2011 when we submitted our initial plan of operations to conduct exploration, and \$97,800 which will be due when we submit a supplemental plan of operations to conduct mining. Upon the sale of minerals removed from Round Top, we will pay the State of Texas a \$500,000 minimum advance royalty. Thereafter, we will pay the State of Texas a production royalty equal to eight percent (8%) of the market value of uranium and other fissionable materials removed and sold from Round Top and six and one quarter percent (6 ¼%) of the market value of all other minerals removed and sold from Round Top.

If production of paying quantities of minerals has not been obtained on or before August 17, 2011, we may pay the State of Texas a delay rental to extend the term of the lease in an amount equal to \$44,718. Thereafter, assuming production of paying quantities has not been obtained, we may pay additional delay rental fees to extend the term of the lease for successive one (1) year periods pursuant to the following schedule:

	Per Acre Amount	Total Amount
August 17, 2012 – 2014	\$ 50	\$ 44,718
August 17, 2015 – 2019	\$ 75	\$ 67,077
August 17, 2019 – 2024	\$ 150	\$ 134,155
August 17, 2025 – 2029	\$ 200	\$ 178,873

NOTE 4 – CAPITAL STOCK

The Company's authorized capital stock consists of 100,000,000 shares of common stock, with a par value of \$0.01 per share, and 10,000,000 preferred shares with a par value of \$0.001 per share.

All shares of common stock have equal voting rights and, when validly issued and outstanding, are entitled to one non-cumulative vote per share in all matters to be voted upon by shareholders. The shares of common stock have no preemptive, subscription, conversion or redemption rights and may be issued only as fully paid and non-assessable shares. Holders of the common stock are entitled to equal ratable rights to dividends and distributions with respect to the common stock, as may be declared by the Board of Directors out of funds legally available. In the event of a liquidation, dissolution or winding up of the affairs of the Company, the holders of common stock are entitled to share ratably in all assets remaining available for distribution to them after payment or provision for all liabilities and any preferential liquidation rights of any preferred stock then outstanding.

The Company received cash proceeds from the sale of its common stock and the exercise of Class A Warrants and Class B Warrants to purchase common stock during the nine months ended May 31, 2011 as follows:

Description	Shares of Common Stock Issued	Cash Proceeds Received
2009-2010 Private Placement (issuances occurred in quarter ended November 30, 2010) ⁽¹⁾	1,132,500	\$453,000
Exercise of Class A & B Warrants issued in connection with 2009 – 2010 Private Placement (issuances occurred in quarter ended February 28, 2011) ⁽¹⁾	656,250	382,813
January 2011 Private Placement (issuance occurred in quarter ended February 28, 2011) ⁽²⁾	1,600,000	4,000,000
Exercise of options issued in January 2011 Private Placement (cash received and stock issued in quarter ended May 31, 2011) ⁽²⁾	40,000	100,000
Exercise of options issued in January 2011 Private Placement (cash received in quarter ended May 31, 2011 and stock issued subsequent to quarter ended May 31, 2011) ⁽²⁾	-	6,300,000
Net offering costs	-	(383,150)
Total shares of common stock issued and net cash proceeds received from sale of common stock and from the exercise of Class A & B Warrants during the nine months ended May 31, 2011 ⁽³⁾	3,428,750	\$10,852,663

⁽¹⁾ See "2009-2010 Private Placement" below.

⁽²⁾ See "January 2011 Private Placement" below.

⁽³⁾ Does not include an aggregate of 406,000 shares of common stock issued for services rendered during the nine months ended May 31, 2011. See "Other Equity Issues" below.

2009 – 2010 Private Placement

Between October 2009 and November 2010, the Company raised cash proceeds of \$905,500 through the issuance of 2,263,750 shares of common stock and the issuance of Class A Warrants to purchase 2,263,750 shares of common stock and Class B Warrants to purchase 1,131,875 shares of common stock. Of the \$905,500 cash proceeds raised for this private placement, \$452,500 was raised prior to September 1, 2010 and \$453,000, representing the sale of 1,132,500 shares of common stock, was raised in September through November 2010. The final closing of this private placement was January 10, 2011.

During the nine months ended May 31, 2011, the Company issued 131,250 shares to two investors in connection with our 2009 – 2010 Private Placement that were paid for in a prior period.

In January 2011, Class A Warrants to purchase 62,500 shares of the Company's common stock and Class B warrants to purchase 31,250 shares of the Company's common stock were exercised by an investor, resulting in \$31,250 of proceeds being raised by the Company for the Class A warrants and \$23,438 of proceeds being raised by the Company for the Class B Warrants. Total proceeds to the Company as a result of the Class A and Class B Warrant exercise was \$54,688. In February 2011, Class A Warrants to purchase 375,000 shares of the Company's common stock and Class B Warrants to purchase 187,500 shares of the Company's common stock were exercised by an investor, resulting in \$187,500 of proceeds being raised by the Company for the Class A Warrants and \$140,625 of proceeds being raised by the Company for the Class B Warrants. Total proceeds to the Company as a result of the Class A and Class B Warrant exercise was \$328,125. The shares of common stock issued upon exercise of the Class A and Class B Warrants by these two investors was 437,500 and 218,750, respectively (a total of 656,250 shares of common stock), resulting in \$382,813 of total cash proceeds to the Company.

January 2011 Private Placement

Between January and February 2011, we entered into a series of transactions with accredited investors pursuant to which we sold an aggregate of 1,600,000 shares of our common stock and five year warrants to purchase up to 1,600,000 shares of common stock, exercisable at \$2.50 per share, for gross proceeds of \$4,000,000. The Company has determined these warrants to have an approximate relative fair value of \$950,000. The Company paid cash commissions of \$318,000 and issued five year warrants to purchase up to 305,000 shares of its common stock at an exercise price of \$2.50 per share in connection with the sale of its securities in the January 2011 Private Placement. The Company has determined these warrants to have an approximate fair value of \$900,000. The Black-Scholes pricing model was used to estimate the fair value of the 1,600,000 and 305,000 warrants issued during the period, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 404%, and an expected life of 5 years. The Company paid \$65,150 in legal fees associated with the issuance of the shares associated with the January 2011 Private Placement.

In May 2011, an investor participating in the January 2011 Private Placement exercised his option and was issued 40,000 shares of common stock and a five-year warrant to purchase up to 40,000 shares of common stock, exercisable at \$2.50 per share, resulting in aggregate gross proceeds to the Company of \$100,000. In connection with the option exercise, the Company paid a sales commission of \$1,000 in cash and issued a five-year warrant to purchase up to 8,000 shares of common stock at an exercise price of \$2.50 per share.

In May 2011, certain investors participating in the January 2011 Private Placement exercised their options to purchase 2,520,000 shares of common stock resulting in gross proceeds to the Company in the amount of \$6,300,000 funded in May 2011. These 2,520,000 shares were issued in June 2011, subsequent to the quarter ended May 31, 2011. These investors were also issued five-year warrants to purchase up to 2,520,000 shares of common stock, exercisable at \$2.50 per share. In June 2011, and in connection with these option exercises, the Company paid a sales commission of \$672,000 in cash and issued a five-year warrant to purchase up to 512,000 shares of common stock at an exercise price of \$2.50 per share.

Other Equity Issues

In September 2010, the Company issued 300,000 common shares to a director for compensation recorded in the prior year at a fair value on the date of grant of \$249,000.

During the quarter ended November 30, 2010, the Company issued 61,000 shares of common stock to two external consultants as payment for services performed in a prior period.

In November 2010, the Company entered into a non-exclusive investment banking agreement with Sunrise Securities Corp. ("Sunrise") pursuant to which it agreed to pay a sales commission with respect to certain financings effected, or alternative transactions entered into, by the Company through introductions by Sunrise. The Company agreed to pay Sunrise a monthly fee of 5,000 shares of restricted common stock beginning in November 2010. The Company has issued 45,000 shares totaling \$67,350 of expense from November through May related to this fee.

In November 2010, the Company also entered into a 24 month institutional public relations retainer agreement with Sunrise Financial Group, Inc., ("SFG"), an affiliate of Sunrise, pursuant to which it agreed to issue SFG five-year options to purchase 250,000 shares at \$1.60 per share and 250,000 shares at \$5.00 per share, with certain demand registration rights. The Black-Scholes pricing model was used to estimate the fair value of the 500,000 options, assuming a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 425%, and an expected life of 5 years. The Company has determined these options to have an approximate fair value of \$960,000, which was recognized as an immediate expense during the nine months ended May 31, 2011 in accordance with FASB ASC 505-50-25.

In January 2011, we entered into a finders agreement with Aspenwood Capital ("Aspenwood") under which Aspenwood would introduce potential investors to the Company. The Company agreed to pay up to a 10% cash fee and to issue a five year warrant to purchase up to 10% of the number of shares sold to investors introduced to the Company by Aspenwood at an exercise price equal to 100% of the equity purchase price. The warrant may be exercised on a cashless basis at any time subsequent to August 31, 2011 in the event the Company does not maintain an effective registration statement on file with the SEC. The Company has paid \$25,000 under this agreement as of June 30, 2011.

NOTE 4 – CAPITAL STOCK (Continued)

In February 2011, the Company entered into a Director's agreement with General Gregory Martin pursuant to which the Company issued to General Martin 5-year options to purchase 60,000 shares of the Company's common stock at \$2.50 per share as compensation for serving as a member of the Company's board of directors. The Black-Scholes pricing model was used to estimate the fair value of the 60,000 options issued during the period to this director, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 421%, and an expected life of 5 years. The Company has determined these options to have an approximate fair value of \$150,000. General Martin's award immediately vests on the grant date and were awarded for services as a nonemployee director acting in his role as a member of the board of directors. Therefore, the Company has recorded the entire amount of this award on the grant date as an immediate expense for the nine month period ending May 31, 2011 in accordance with FASB ASC 718.

In March 2011, the Company granted to Wm Chris Mathers, its chief financial officer, as a part of his employment arrangement, a five year option to purchase up to 400,000 shares of our common stock at an exercise price of \$2.50 per share. These options vest 1/36 each month provided he is employed by the Company on the vesting dates. The Black-Scholes pricing model was used to estimate the fair value of the 400,000 options issued during the period, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 376%, and an expected life of 5 years. The Company has determined these options to have an approximate fair value of \$1,000,000. Since Mr. Mathers' award vests over a 36 month period, the Company is expensing approximately \$28,000 monthly for this award over the 36 month vesting period in accordance with FASB ASC 718.

In March 2011, the Company entered into a Director's agreement with Graham Karklin pursuant to which the Company issued to Mr. Karklin a 5-year option to purchase 60,000 shares of the Company's common stock at \$2.50 per share as compensation for serving as a member of the Company's board of directors. The Black-Scholes pricing model was used to estimate the fair value of the 60,000 options issued during the period to this director, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 325%, and an expected life of 5 years. The Company has determined these options to have an approximate fair value of \$150,000. Mr. Karklin's award immediately vests on the grant date and were awarded for services as a nonemployee director acting in his role as a member of the board of directors. Therefore, the Company has recorded the entire amount of this award on the grant date as an immediate expense for the nine month period ending May 31, 2011 in accordance with FASB ASC 718.

In March 2011, the Company issued Anthony Marchese a 5-year option to purchase 150,000 shares of the Company's common stock at \$2.50 per share as compensation for serving as a member of the Company's board of directors. The Black-Scholes pricing model was used to estimate the fair value of the 150,000 options issued during the period to this director, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 323%, and an expected life of 5 years. The Company has determined these options to have an approximate fair value of \$375,000. Mr. Marchese's award immediately vests on the grant date and were awarded for services as a nonemployee director acting in his role as a member of the board of directors. Therefore, the Company has recorded the entire amount of this award on the grant date as an immediate expense for the nine month period ending May 31, 2011 in accordance with FASB ASC 718.

In April 2011, the Company issued Cecil Wall a 5-year option to purchase 90,000 shares of the Company's common stock at \$4.70 per share as compensation for serving as a member of the Company's board of directors. The Black-Scholes pricing model was used to estimate the fair value of the 90,000 options issued during the period to this director, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 325%, and an expected life of 5 years. The Company has determined these options to have an approximate fair value of \$423,000. The Company has recorded the entire amount of this award on the grant date as an immediate expense for the nine month period ending May 31, 2011 in accordance with FASB ASC 718.

In April 2011, the Company entered into a Director's agreement with Jim Graham pursuant to which the Company issued to Mr. Graham a 5-year option to purchase 60,000 shares of the Company's common stock at \$4.00 per share as compensation for serving as a member of the Company's board of directors. The Black-Scholes pricing model was used to estimate the fair value of the 60,000 options issued during the period to this director, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 322%, and an expected life of 5 years. The Company has determined these options to have an approximate fair value of \$240,000. Mr. Graham's award immediately vests on the grant date and were awarded for services as a nonemployee director acting in his role as a member of the board of directors. Therefore, the Company has recorded the entire amount of this award on the grant date as an immediate expense for the nine month period ending May 31, 2011 in accordance with FASB ASC 718.

In May 2011, the Company issued Anthony Marchese a 5-year option to purchase 175,000 shares of the Company's common stock at \$4.15 per share as compensation for his appointment as non-executive Chairman of the

Company's board of directors. The Black-Scholes pricing model was used to estimate the fair value of the 175,000 options issued during the period to this director, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 324%, and an expected life of 5 years. The Company has determined these options to have an approximate fair value of \$726,000. Mr. Marchese's award immediately vests on the grant date and were awarded for services as a nonemployee director acting in his role as a member of the board of directors. Therefore, the Company has recorded the entire amount of this award on the grant date as an immediate expense for the nine month period ending May 31, 2011 in accordance with FASB ASC 718.

In May 2011, the Company granted to K. Marc LeVier, its chief executive officer, as a part of his employment arrangement, a five year option to purchase up to 2,500,000 shares of our common stock at an exercise price of \$2.50 per share. These options vest 1/36 each month provided he is employed by the Company on the vesting dates. The Black-Scholes pricing model was used to estimate the fair value of the 2,500,000 options issued during the period, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 376%, and an expected life of 5 years. The Company has determined these options to have an approximate fair value of \$6,250,000. Since Mr. LeVier's award vests over a 36 month period, the Company is expensing approximately \$174,000 monthly for this award over the 36 month vesting period in accordance with FASB ASC 718.

In May 2011, the Company entered into an agreement with an investor relations firm that the Company subsequently terminated in July 2011. In connection with the agreement, the investor relations firm had received \$15,575 cash and a warrant to purchase 200,000 shares of the Company's common stock at an exercise price of \$3.75 per share vesting over twelve months. Upon termination of the agreement, the investor relations firm agreed to accept a vested warrant to purchase only 33,334 shares of the Company's common stock at an exercise price of \$3.75 per share and no future cash payments. The remaining 166,666 warrants were cancelled in conjunction with the termination of the agreement. The Black-Scholes pricing model was used to estimate the fair value of the 33,334 options, assuming a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 125%, and an expected life of 90 days. The Company has determined these options to have an approximate fair value of \$91,000, which was recognized as an immediate expense during the nine months ended May 31, 2011 in accordance with FASB ASC 505-50-25.

NOTE 5 – CONTINGENCIES AND COMMITMENTS

Registration Rights

In connection with the May and June option exercises associated with the January 2011 Private Placement, the Company entered into certain registration rights agreements. Key provisions of these registration rights are as follows:

- 40,000 shares of the Company's common stock issued in May 2011 under the January 2011 Private Placement are subject to registration rights. Proceeds of \$100,000 were received in May 2011 for these shares;
- 2,520,000 shares of the Company's common stock issued in June 2011 under the January 2011 Private Placement are subject to registration rights. Proceeds of \$6,300,000 were received in May 2011 for these shares;
- 3,680,000 shares of the Company's common stock issued in June under the January 2011 Private Placement are subject to registration rights. Proceeds of \$9,200,000 were received in June 2011 for these shares.
- Term – The Company is required to file a registration statement covering the resale of the shares of common stock and shares of common stock underlying the warrants by July 27, 2011, and the registration is required to be deemed effective by the SEC on or before the 150 th calendar day after the filing of such registration statement.
- Events requiring transfer of consideration – Failure of the Company to file a registration statement by July 27, 2011 and/or the registration statement not deemed effective by the SEC on or before the 150th calendar day after the filing of such registration statement.
- Settlement alternatives – There are no alternative settlement arrangements.
- Maximum potential amount of consideration – In the event that transfer of consideration is required under the registration rights agreement, the Company is obligated to issue, as liquidated damages, a number of shares of common stock equal to ten percent of the shares of common stock purchased by the respective investors and issued upon the exercise of the warrants for a 30-day period or pro-rated for a period less than one month. However, in no event shall that amount exceed five times the first month's liquidated damages amount.
- Liability – Management estimates that transfer of consideration will not be required. Accordingly, the Company has not accrued a liability related to the registration rights agreements.

NOTE 6 – SUBSEQUENT EVENTS

In June 2011, certain investors participating in the January 2011 Private Placement exercised their options and

were issued an aggregate of 3,680,000 shares of common stock and five-year warrants to purchase up to 3,680,000 shares of common stock, exercisable at \$2.50 per share, resulting in aggregate gross proceeds to the Company of \$9,200,000. In connection with the option exercises, the Company paid sales commissions of \$200,000 in cash and issued five-year warrants to purchase up to 157,360 shares of common stock at an exercise price of \$2.50 per share. As a result of the options exercised in May 2011, as fully described in Note 4, and in June 2011 by the investors described in this paragraph, our cash balance was approximately \$17,700,000 as of June 30, 2011.

-10-

NOTE 6 – SUBSEQUENT EVENTS (CONTINUED)

In June 2011, SFG exercised a warrant to purchase 250,000 shares on a cashless basis resulting in the issuance of 175,000 shares of common stock.

In June 2011, certain investors exercised Class A Warrants to purchase 302,500 shares of common stock for cash proceeds of \$151,250 and Class B Warrants to purchase 141,250 shares of common stock for cash proceeds of \$105,938.

On June 27, 2011, the Company's registration statement registering the resale of 8,908,125 shares of its common stock, which consists of (i) 4,738,750 shares of common stock, (ii) an aggregate of 1,336,250 shares of common stock issuable upon exercise of Class A Warrants, (iii) an aggregate of 678,125 shares of common stock issuable upon exercise of Class B Warrants, (iv) an aggregate of 250,000 shares of common stock issuable upon the exercise of options exercisable at \$5.00 per share, and (v) 1,905,000 shares of common stock issuable upon the exercise of warrants exercisable at \$2.50 per share issued in the January 2011 private placement, was deemed effective by the SEC.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Cautionary statement regarding forward-looking statements

In this Quarterly Report on Form 10-Q/A, unless the context requires otherwise, references to "Texas Rare Earth Resources Corp," "we," "our" or "us" refer to Texas Rare Earth Resources Corp.

This Quarterly Report on Form 10-Q/A contains forward-looking statements that represent our beliefs, projections and predictions about future events or our future performance. You can identify forward-looking statements by terminology such as "may," "will," "would," "could," "should," "expect," "intend," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" or the negative of these terms or other similar expressions or phrases. These forward-looking statements are necessarily subjective and involve known and unknown risks, uncertainties and other important factors that could cause our actual results, performance or achievements or industry results to differ materially from any future results, performance or achievement described in or implied by such statements. Factors that may cause actual results to differ materially from expected results described in forward-looking statements include, but are not limited to: our ability to secure sufficient capital to implement our business plans; our ability to maintain appropriate relations with unions and employees; environmental laws, regulations and permits affecting our business, directly and indirectly, including, among others, those relating to mine reclamation and restoration, climate change, emissions to the air and water and human exposure to hazardous substances used, released or disposed of by us and uncertainties associated with unanticipated geological conditions related to mining.

Any forward-looking statement you read in this Quarterly Report on Form 10-Q reflects our current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to our operations, operating results, growth strategy and liquidity. You should not place undue reliance on these forward-looking statements because such statements speak only as to the date when made. We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future, except as otherwise required by applicable law.

The following discussion and analysis should be read in conjunction with our unaudited condensed consolidated financial statements and related notes included herein.

This Quarterly Report on Form 10-Q may also contain statistical data and estimates we obtained from industry publications and reports generated by third parties. Although we believe that the publications and reports are reliable, we have not independently verified their data.

Overview and Organizational History

We were incorporated in the State of Nevada in 1970 as Standard Silver Corporation. In July, 2004, our Articles of Incorporation were amended and restated to increase the number of shares of common stock to 25,000,000, and in March 2007, we effected a 1-for-2 reverse stock split. In September, 2008 we amended and restated our Articles of Incorporation to allow the increase of the number of shares of common stock from 25,000,000 to 100,000,000, and to authorize an additional 10,000,000 shares of preferred stock, to be issued at management's discretion. In September 2010, we amended our Amended and Restated Articles of Incorporation to change our name from Standard Silver Corporation to Texas Rare Earth Resources Corp.

We are a mining company engaged in the business of the acquisition and development of mineral properties. We currently hold a twenty year lease, executed in August 2010, to explore and develop an 860 acre rare earth uranium-beryllium prospect located in Hudspeth County, Texas known as "Round Top" and prospecting permits covering an adjacent 9,345 acres. We also hold prospecting permits on certain other mineral properties located in Texas and New Mexico. We are currently not evaluating any additional prospects, and intend to focus the primarily on the development of our Round Top rare earth prospect. We currently have limited operations and have not established that our Round Top property contains any proven reserves or probable reserves. The strategic necessity of developing rare earth resources, the compelling fundamentals of uranium and the future potential for beryllium in the nuclear fuel cycle all present what we believe to be excellent opportunities for us.

We intend to (i) conduct a geologic, and radiometric study of the surface of the rhyolite to define areas where beryllium, rare earth minerals and thorium are concentrated in fractures, breccias or magmatic segregations, and to understand the distribution of uranium in this rock (ii) conduct radiation and geologic mapping underground to better define the distribution and habit of occurrence of the uranium, (iii) re-log drill samples that are stored on the property with emphasis on uranium and rare metal distribution (iv) conduct a sampling and laboratory examination program to determine the precise mineralogy of the rare elements in the rhyolite and (v) use these results to develop a drill program to test higher grade rare earth targets deeper in the rhyolite.

We currently do not have any producing properties and consequently, we have no current operating income or cash flow and have not generated any revenues. Further exploration will be required before a final evaluation as to the economic and practical feasibility of any of the properties is determined. We plan to raise additional capital to exploit current projects, including Round Top, and to acquire, evaluate, and develop new properties.

Our common stock is currently listed for quotation in the Pink Sheets OTCQB, a centralized quotation service maintained by OTC Markets Inc. that collects and publishes market maker quotes for over-the-counter securities (PK:TRER).

Between 2003 and 2007, our operations were minimal. In 2007 we acquired (i) interests in two mineral properties, the Old Hadley and the Macho Mines, located in southwestern New Mexico, (ii) a 28.5% interest in La Cañada Mining and Exploration LLC ("La Cañada"), (iii) the King Mine located in Boise County, Idaho, and (iv) rights to lease the Round Top Beryllium Deposit ("Round Top Deposit") located in Hudspeth County, Texas. In June 2008, the Old Hadley and Round Top Deposit mines were assigned to La Cañada in exchange for La Cañada's commitment to finance and develop the assigned properties. In September 2008, La Cañada assigned these two mines back to us. In October 2009, La Cañada redeemed our 28.5% interest. In January 2009, the Company relinquished all of its rights to the King Mine.

Results of Operations

General & Revenue

We had no operating revenues during the nine months ("nine month period") and three months ("three month period") ended May 31, 2011 and 2010. We are not currently profitable. As a result of ongoing operating losses, we had an accumulated deficit of \$5,770,879 as of May 31, 2011.

Operating expenses and resulting losses from Operations.

We incurred exploration costs for the nine month period ended May 31, 2011 and 2010 in the amount of approximately \$365,000 and \$79,000, respectively, and approximately \$246,000 and \$49,000 for the three month period ended May 31, 2011 and 2010, respectively. These expenditures were primarily related to outside geological consulting and sampling services relating to our Round Top project.

Our general and administrative ("G&A") expenses for the nine month period ended May 31, 2011 and 2010 were approximately \$3,991,000 and \$360,000, respectively. Our G&A expenses for the nine month period ended May 31, 2011 included approximately \$1,238,000 for public relations fees, of which approximately \$1,118,000 of this amount was stock compensation for services; approximately \$177,000 for fees paid to auditors and other professionals associated with the audits and reviews of our financial statements and a registration statement; and \$80,000 for other outside professional services. For the nine month period ended May 31, 2011, we incurred G&A expenses of approximately \$2,064,000 for stock based compensation to directors and \$257,000 for stock based compensation to employees. The remainder of our G&A expenses for the nine month period ended May 31, 2011 were working capital and corporate expenditures necessary to our operations. Our G&A expenses for the nine month period ended May 31, 2010 were primarily related to the audits of our financial statements and approximately \$263,000 in stock-based compensation to a director and fees to other professional consultants.

Our G&A expenses for the three month period ended May 31, 2011 and 2010 were approximately \$2,571,000 and \$12,500, respectively. Our G&A expenses for the three month period ended May 31, 2011 included approximately \$187,000 for public relations fees, of which approximately \$120,000 of this amount was stock compensation for services; approximately \$72,000 to include fees paid to auditors and other professionals associated with the audits and reviews of our financial statements and a registration statement and other outside professional services. For the three month period ended May 31, 2011, we incurred G&A expenses of approximately \$1,914,000 for stock based compensation to directors and \$257,000 for stock based compensation to employees. The remainder of our G&A expenses for the three month period ended May 31, 2011 were working capital and corporate expenditures. Our G&A expenses for the three month period ended May

31, 2010 were primarily related to expenses necessary to conduct our corporate operations.

We accrued interest expense on related party notes payable in the amount of \$1,200 and \$9,000 for the nine month period ended May 31, 2011 and 2010, respectively. In December 2010, the notes payable principal balance of \$73,000, and accrued interest for the advances to certain officers, were paid in full.

Our net loss for the nine-month period ended May 31, 2011 and 2010 was approximately \$4,348,000 and \$448,000, respectively. Our net loss for the three-month period ended May 31, 2011 and 2010 was approximately \$2,811,000 and \$66,000, respectively.

Liquidity and Capital Resources

As of May 31, 2011, we had a working capital surplus of approximately \$9,694,000, resulting primarily from our January 2011 Private Placement and associated options exercised by these investors in May 2011. In May 2011 we received proceeds of \$100,000 and issued 40,000 shares of common stock; also in May 2011 we received additional proceeds of \$6,300,000 and issued the associated 2,520,000 shares of common stock in June 2011. In June 2011, subsequent to the end of our May 31, 2011 quarter, we received proceeds of \$9,200,000 and issued 3,680,000 shares of common stock. As of June 30, 2011, we had approximately \$17,700,000 in cash and cash equivalents. Our shareholder's equity as of June 30, 2011 was approximately \$17,900,000.

During the nine month period ending May 31, 2011, we invested \$85,000 in mineral properties, including \$65,000 paid in April with the submission of our Initial Plan of Operations to the State of Texas. During the nine months ended May 31, 2011, we purchased approximately \$50,000 of equipment for our Round Top property and approximately \$55,000 for office equipment and mining software.

Over the next twelve to eighteen months we plan to conduct significant geological studies, sampling and drilling at our Round Top property. The timing of these expenditures is dependent upon a number of factors, including the availability of drilling contractors. We estimate these expenditures will total approximately \$2,200,000 for exploration costs, \$150,000 relating to the approval of our initial plan of operations and permitting fees, \$170,000 in capital expenditures, and approximately \$1,325,000 in general and administrative expenditures.

Our exploration costs are estimated to be approximately \$2,200,000, and our timeline includes (i) conducting and interpreting an airborne geophysical survey planned for the third quarter of this fiscal year, (ii) drilling approximately 12,000 feet and the collection of approximately 5,000 samples that will be ongoing through January 2012, (iii) metallurgical analysis of these samples that will take place during this timeframe, (iv) onsite contract geological services that will be ongoing through February 2012, and (v) ongoing other expenditures over the next twelve months that are necessary to accomplish our exploration efforts. There is no assurance that we will be able to complete these activities in the timeframe set forth above, or at all. Our airborne geophysical survey was completed in June 2011 and we are awaiting its interpretation.

We estimate that we will incur approximately \$150,000 in expenditures to file our initial plan of operations with the State of Texas and to acquire necessary permits. Our initial plan of operations was approved in April 2011 and triggered an additional one time property cost of \$65,000. We will be required to pay a \$45,000 lease payment to the State of Texas in August 2011 for our Round Top project. We estimate that in July 2011 we will be required to pay a \$20,000 permitting and compliance fee to the Texas Railroad Commission, and in September and October 2011, we will be required to pay approximately \$20,000 for prospecting permits to the State of Texas for our Round Top project. The estimated timeframe for these payments, including the amounts, may change.

Our capital expenditures for the next twelve months are estimated to be \$170,000, which will include the following: (i) in July and August 2011, we intend to spend approximately \$75,000 to purchase transportation equipment and to construct a field office; (ii) in September 2011 we intend to purchase ventilation equipment for our Round Top project for approximately \$10,000, and (iii) approximately \$75,000 for additional office and field equipment necessary to carry out our operations. The remaining \$10,000 will be spent on other miscellaneous equipment necessary for us to conduct our exploration. The estimated timeframe for these payments, including the amounts, may change.

We have estimated that our general and administrative expenditures, which will be spent ratably over the next twelve months, to total approximately \$1,325,000. Payroll, payroll taxes, benefits and associated travel for four employees is estimated to be \$520,000 over this period of time. We estimate that we will incur professional fees of approximately \$120,000 over the next twelve months. These fees will be primarily associated with the audit and reviews of our financial statements and Exchange Act filings, which will occur after each quarter end and after our fiscal year end. We estimate that we will incur approximately \$600,000 for professional fees associated with the assistance of the management and supervision of our field operations. The remainder of our general and administrative expenditures totaling \$85,000 will be spent on items necessary for us to conduct our general business affairs. Our exploration activities will be carried out by our geologic staff and such qualified outside contractors as is necessary. We have an office/lab trailer at the site. We will expand these facilities as the project develops. We believe that we have sufficient capital to fund operations and exploration activity on our Round Top prospect through the end of calendar year 2012. We will, however, need to raise additional funding subsequent to

calendar year 2011 to continue our exploration and development activities.

As of the date hereof, the Company is not able to quantify the amount of capital needed to fund its working capital needs after calendar 2011, nor is it able to quantify the amount of capital needed to develop the Round Top project. The amount of capital will be dependent upon the Company's business strategy to exploit the Round Top project. The Company intends to raise additional working capital through best efforts debt or equity financing, as we have no firm commitments for equity capital investments to any established credit facility. No assurance can be given that additional financing will be available, on terms acceptable to the Company. The Company's viability is contingent upon its ability to receive external financing. Failure to obtain sufficient working capital may result in management resorting to the sale of assets or otherwise curtailing operations.

Off-Balance Sheet Arrangements

In May 2011, we executed a 36 month lease for office space in Englewood, Colorado that we occupied in June 2011. As an inducement to execute the lease we received rent abatement through August 2011. The Company is responsible for its share of property tax, maintenance, utility costs and other operating expenses of the office building in excess of these expenses over the base year. The lease expires at the end of May 2014.

Future minimum payments under the office lease described above are as follows:

September 1, 2011 through August 31, 2012	\$ 66,063
September 1, 2012 through August 31, 2013	55,971
September 1, 2013 through May 31, 2014	42,390
	<u>\$ 164,424</u>

In May 2011, we executed an 18 month lease for office space in Sierra Blanca, Texas that we occupied in June 2011. The Company is also responsible for payment of its utilities. The lease expires on December 15, 2012 with an option to renew for an additional 18 months.

Future minimum payments under the office lease described above are as follows:

September 1, 2011 through August 31, 2012	\$ 19,200
September 1, 2012 through December 15, 2012	5,600
	<u>\$ 24,800</u>

In June 2011, we executed a 24 month lease for an office-warehouse space in El Paso, Texas that we will occupy in July 2011. The Company is responsible for its share of property tax and insurance in excess of these expenses over the base year and all utility costs. The lease expires at the end of June 2013 with an option to extend the lease for an additional 18 months thereafter.

Future minimum payments under the office-warehouse lease described above are as follows:

September 1, 2011 through August 31, 2012	\$ 60,000
September 1, 2012 through June 30, 2013	50,000
	<u>\$ 110,000</u>

Recent Financings

Between October 2009 and November 2010, the Company raised \$905,500 through the issuance of 2,263,750 shares of common stock and the issuance of Class A Warrants to purchase 2,263,750 shares of common stock and Class B Warrants to purchase 1,131,875 shares of common stock. Between November 2010 and January 2011, Class A Warrants to purchase 437,500 shares were exercised, and Class B Warrants to purchase 218,750 shares were exercised, resulting in \$382,813 of proceeds being raised by the Company. The final closing of this private placement was January 10, 2011.

Between January and February 2011, we entered into a series of transactions with accredited investors pursuant to which we sold an aggregate of 1,600,000 shares of our common stock and five year warrants to purchase up to 1,600,000 shares of common stock, exercisable at \$2.50 per share, for gross proceeds of \$4,000,000. As additional consideration for the purchase of the shares and warrants, the Company issued to the investors an option for 120 days from the date of investment to purchase up to 6,400,000 shares of common stock at \$2.50 per share with 100% warrant coverage through the issuance of warrants to purchase up to 6,400,000 shares of common stock at an exercise price of \$2.50 per share.

During May and June 2011, the Company issued a total of 6,240,000 shares of its common stock in connection

with the January and February 2011 financing and warrants to purchase up to 6,240,000 shares of the Company's common stock. As a result of the issuance of 6,240,000 shares of common stock, the Company realized gross proceeds in the amount of \$15,600,000.

In June 2011, certain investors exercised 302,500 of their \$0.50 Class A Warrants and 141,250 of their \$0.75 Class B Warrants associated with the Company's 2009 Private Placement, for total proceeds to the Company of \$257,188. Proceeds from the Class A Warrants exercised were \$151,250 and proceeds from the Class B warrants exercised were \$105,938.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As smaller reporting company, as defined by Rule 229.10(f)(1), we are not required to provide the information required by this Item.

Item 4. Controls and Procedures**(A) Evaluation of Disclosure Controls and Procedures**

The Company maintains disclosure controls and procedures designed to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized, accumulated and communicated to the Company's management, including its Chief Executive Officer ("CEO") and the Company's Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, the Company's management carried out an evaluation, under the supervision and with the participation of the Company's CEO and CFO, of the effectiveness of the design and operation of the Company's system of disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on the material weaknesses described herein, the Company's CEO and CFO has concluded that the Company's disclosure controls and procedures were not effective, as of the date of that evaluation, for the purposes of recording, processing, summarizing and timely reporting of material information required to be disclosed in reports filed by the Company under the Exchange Act.

Because of its size, the Company did not have the resources necessary to hire full-time accounting personnel. On December 1, 2010, the Company hired a full-time CFO and employs the services of a contract bookkeeper. Because of the structure of our staff, we have a failure to maintain effective controls over the selection, application and monitoring of our accounting policies to assure that certain complex equity transactions are accounted for in accordance with generally accepted accounting principles.

Material Weaknesses Identified

We had significant deficiencies constituting material weaknesses as defined by the standards of the Public Company Accounting Oversight Board.

The material weaknesses identified were the lack of segregation of duties necessary to maintain proper checks and balances between functions and the lack of procedures to properly account for non-routine transactions.

The absence of qualified full time accounting personnel was a contributing factor to the problems identified. The specific circumstances giving rise to the weaknesses include utilizing the services of contract accountants on a part time basis in the absence of internal accounting personnel.

(B) Changes in Internal Controls over Financial Reporting

In connection with the evaluation of the Company's internal controls during the Company's last fiscal quarter covered by this report required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, the Company's CEO and CFO has determined that there were no changes to the Company's internal controls over financial reporting that have materially affected, or are reasonably likely to materially effect, the Company's internal controls over financial reporting.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

None.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table describes all securities we issued during the period covered by this report without registering the securities under the Securities Act.

Date	Description	Number	Purchaser	Proceeds (\$)	Consideration	Exemption (A)
May 2011	Common Stock	40,000	Private Placement Investor	\$100,000	Cash	4(2)
May 2011	Common Stock	15,000	Sunrise Securities Corp	-	Services rendered	4(2)
May 2011	Warrants	33,334	First Canadian Capital Corp	-	Services rendered	4(2)
May/June 2011	Common Stock	2,520,000	Private Placement Investors	\$6,300,000 (B)	Cash	4(2)
June 2011	Common Stock	3,680,000	Private Placement Investors	\$9,200,000 (C)	Cash	4(2)
June 2011	Common Stock	175,000 (D)	Sunrise Securities Corp	-	(D)	4(2)
June 2011	Common Stock	302,500	Private Placement Investors	\$257,188	Cash	4(2)
June 2011	Warrants	1,192,000	Brokers	-	Services rendered/commissions	4(2)

(A) With respect to sales designated by "Sec. 4(2)," these shares were issued pursuant to the exemption from registration contained in to Section 4(2) of the Securities Act of 1933 as privately negotiated, isolated, non-recurring transactions not involving any public offer or solicitation. Each purchaser represented that such purchaser's intention to acquire the shares for investment only and not with a view toward distribution. We requested our stock transfer agent to affix appropriate legends to the stock certificate issued to each purchaser and the transfer agent affixed the appropriate legends. Each purchaser was given adequate access to sufficient information about us to make an informed investment decision. Except as otherwise set forth in this Quarterly Report on Form 10-Q/A, none of the securities were sold through an underwriter and accordingly, there were no underwriting discounts or commissions involved.

(B) These funds were received in May 2011 with shares being issued in June 2011.

(C) These funds were received and shares were issued in June 2011.

(D) These shares were issued as a result of a cashless exercise of an outstanding option issued in a prior period.

Item 3. Defaults upon Senior Securities

Not applicable.

Item 4. (Removed and Reserved)**Item 5. Other Information**

None.

Item 6. Exhibits

The following exhibits are attached hereto or are incorporated by reference:

Exhibit Number Description

3.1	Amended and Restated Bylaws (filed as Exhibit 3.1 to the Form 10 filed with the SEC on October 10, 2008)
3.2	Amended and Restated Articles of Incorporation (filed as Exhibit 3.2 to the Form 10 filed with the SEC on October 10, 2008)
3.3	Amendment to Articles of Incorporation (filed as Exhibit 3.3 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
4.1	Form of Common Stock Certificate (filed as Exhibit 4.1 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.1(1)*	Amended and Restated 2008 Stock Option Plan
10.2	Lease (filed as Exhibit 10.2 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.3	Form of Class A Warrant (filed as Exhibit 10.3 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.4	Form of Class B Warrant (filed as Exhibit 10.4 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.5	Form of Registration Rights Agreement (filed as Exhibit 10.5 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.6*	Director's Agreement (filed as Exhibit 10.6 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.7	Form of Subscription Agreement for January 2011 Investment (filed as Exhibit 10.7 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.8	Form of Warrant for January 2011 Investment (filed as Exhibit 10.8 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.9	Form of Registration Rights Agreement for January 2011 Investment (filed as Exhibit 10.9 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.10	Shareholders' Agreement (filed as Exhibit 10.10 to the Form 10-K for the fiscal year ended August 31, 2008 filed with the SEC on February 8, 2011)
10.11*	Director's Agreement for General Martin (filed as Exhibit 10.1 to the Form 8-K filed with the SEC on February 23, 2011) Form of Registration Rights Agreement for May and June 2011 Investment
10.12(1)	Denver Colorado Facilities Lease
10.13(1)	
14.1(1)	Code of Ethics
31.1(1)	Certification of Chief Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)
31.2(1)	Certification of Chief Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)
32.1(1)	Certification of Chief Executive Officer Pursuant to Section 18 U.S.C. Section 1350, adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2(1)	Certification of Chief Financial Officer Pursuant to Section 18 U.S.C. Section 1350, adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* Management contract or compensatory plan or arrangement.

(1) Filed as an exhibit to the Form 10-Q for the quarter ended May 31, 2011.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TEXAS RARE EARTH RESOURCES CORP.

Date: July 15, 2011

/s/ K. Marc LeVier

K. Marc LeVier, duly authorized officer
and Principal Executive Officer

Date: July 15, 2011

/s/ Wm. Chris Mathers

Wm. Chris Mathers, Principal Financial Officer

