UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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 November 30, 2013
OR
☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number: 000-53482

TEXAS RARE EARTH RESOURCES CORP
(Exact Name of Registrant as Specified in its Charter)

Delaware	**87-0294969**
(State of other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
539 West El Paso Street **Sierra Blanca, Texas**	**79851**
(Address of Principal Executive Offices)	(Zip Code)

(915) 369-2133
(Registrant's Telephone Number, including Area Code)

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 of 1934 during the past 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 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 definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☐
Non-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 ☒

Number of shares of issuer's common stock outstanding at January 10, 2014: 37,036,916

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Texas Rare Earth Resources Corp
BALANCE SHEETS
(Unaudited)

ASSETS	November 30, 2013	August 31, 2013
CURRENT ASSETS		
Cash and cash equivalents	$ 1,735,206	$ 2,374,017
Prepaid expenses and other current assets	74,322	61,828
Total current assets	1,809,528	2,435,845
Property and equipment, net	129,012	148,217
Mineral properties	1,718,286	1,718,286
Deposits	51,207	111,250
TOTAL ASSETS	$ 3,708,033	$ 4,413,598
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 110,915	$ 228,834
Current portion of notes payable	29,007	29,007
Total current liabilities	139,922	257,841
Notes payable - net of current portion and discount	290,845	290,845
Total liabilities	430,767	548,686
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Preferred stock, par value $0.001; 10,000,000 shares authorized, no shares issued and outstanding as of November 30, 2013 and August 31, 2013, respectively	-	-
Common stock, par value $0.01; 100,000,000 shares authorized, 37,036,916 shares issued and outstanding as of November 30, 2013 and August 31, 2013, respectively	370,370	370,370
Additional paid-in capital	30,119,894	30,001,752
Accumulated deficit	(27,212,998)	(26,507,210)
Total shareholders' equity	3,277,266	3,864,912
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 3,708,033	$ 4,413,598

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

TEXAS RARE EARTH RESOURCES CORP
UNAUDITED STATEMENTS OF OPERATIONS

	Three Months Ended November 30,	
	2013	**2012**
OPERATING EXPENSES		
Exploration costs	$ 140,456	$ 200,886
General and administrative expenses	563,302	576,591
Total operating expenses	703,758	777,477
LOSS FROM OPERATIONS	(703,758)	(777,477)
OTHER INCOME (EXPENSE)		
Interest and other income	1,970	3,368
Interest and other expense	(4,000)	(8,910)
Total other income (expense)	(2,030)	(5,542)
NET LOSS	$ (705,788)	$ (783,019)
Net loss per share:		
Basic and diluted net loss per share	$ (0.02)	$ (0.02)
Weighted average shares outstanding:		
Basic and diluted	37,036,916	36,550,009

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

TEXAS RARE EARTH RESOURCES CORP
UNAUDITED STATEMENTS OF CASH FLOWS

	Three Months Ended November 30,	
	2013	**2012**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (705,788)	$ (783,019)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation expense	19,205	20,546
Loss on disposition of fixed assets	-	8,773
Stock-based compensation	118,142	143,484
Changes in operating assets and liabilities:		
Prepaid expenses and other assets	47,549	18,400
Accounts payable and accrued expenses	(117,919)	(92,663)
Net cash used in operating activities	(638,811)	(684,479)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in mineral properties	-	(10,000)
Purchase of fixed assets	-	-
Proceeds from sale of fixed assets	-	3,205
Net cash used in investing activities	-	(6,795)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(638,811)	(691,274)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	2,374,017	6,517,935
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,735,206	$ 5,826,661
SUPPLEMENTAL INFORMATION		
Interest paid	$ -	$ 137
Taxes paid	$ -	$ -

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

Texas Rare Earth Resources Corp
Notes to Interim Financial Statements
November 30, 2013
(Unaudited)

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited interim financial statements of Texas Rare Earth Resources Corp. ("we", "us", "our", the "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 our annual report on Form 10-K, for the year ended August 31, 2013, dated November 26, 2013 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 ended August 31, 2013 as reported in our annual report on Form 10-K, have been omitted.

NOTE 2 – MINERAL PROPERTIES

September 2011 Lease

On September 2, 2011, we entered into a new 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 nineteen (19) years so long as minerals are produced in paying quantities.

Under the lease, we will pay the State of Texas a lease bonus of $142,518; $44,718 of which was paid upon the execution of the lease, 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 1/4%) of the market value of all other minerals removed and sold from Round Top.

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
September 2, 2013 – 2014	$ 50	$ 44,718
September 2, 2015 – 2019	$ 75	$ 67,077
September 2, 2020 – 2024	$ 150	$ 134,155
September 2, 2025 – 2029	$ 200	$ 178,873

In August 2013, we paid a delay rental to the State of Texas upon execution of the lease in the amount of $44,718.

November 2011 Lease

On November 1, 2011, we entered into a mining lease with the State of Texas covering 90 acres, more or less, of land that we purchased in September 2011 near our Round Top site. The term of the lease is nineteen (19) years. The deed was recorded with Hudspeth County on September 16, 2011. Under the lease, we paid the State of Texas a lease bonus of $20,700 which was paid upon the execution of the lease. Upon the sale of minerals removed from Round Top, we will pay the State of Texas a $50,000 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 1/4%) of the market value of all other minerals sold from Round Top.

If production of paying quantities of minerals has not been obtained on or before November 1, 2012, we may pay the State of Texas a delay rental to extend the term of the lease in an amount equal to $4,500. 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
November 1, 2013-2014	$ 50	$ 4,500
November 1, 2015 – 2019	$ 75	$ 6,750
November 1, 2020 – 2024	$ 150	$ 13,500
November 1, 2025 – 2029	$ 200	$ 18,000

In August 2013, we paid a delay rental to the State of Texas of $4,500.

On March 6, 2013, we entered into a lease assignment (the “Lease Assignment Agreement”) with Southwest Range & Wildlife Foundation, Inc., a Texas non-profit corporation (the “Foundation”), pursuant to which the Foundation agreed to assign to us a surface lease identified with the State of Texas as Surface Lease SL20040002 (the “West Lease”), which covers 54,990.11 acres in Hudspeth County, Texas. In exchange for the West Lease, we agreed to: (i) pay the Foundation $500,000 in cash; (ii) issue 1,063,830 of our common shares, par value $0.01 (the “Common Shares”); and (iii) make ten (10) payments to the Foundation of $45,000 each. The first payment was made in June 2013, and the nine (9) subsequent payments due on or before June 1 of each of the following years, such payments to be used by the Foundation to support conservation efforts within the Rio Grande Basin. The Lease Assignment Agreement contains standard representations, warranties and covenants. The closing of the transaction contemplated by the Lease Assignment Agreement was completed on March 8, 2013.

NOTE 3 – NOTE PAYABLE

In relation to the Foundation lease discussed in Note 2 the Company recorded a note payable for an amount for the initial $45,000 due upon signing of lease and the nine (9) future payments due of $45,000 which has been recorded at its present value discounted with an imputed interest rate of 5% for a total note payable of $364,852. At November 30, 2013 the current portion due is $29,007 and long-term portion due is $290,845. The total note payable due at November 30, 2013 is $319,852. The Company has also accrued interest expense of $20,000 as of period end which is included in accrued liabilities.

Future maturities

Year		Principle amount due
2014		$29,007
2015		30,458
2016		31,981
2017		33,580
2018		35,259
2019 thereafter		159,567
	Total	$319,852

NOTE 4 – SHAREHOLDERS’ EQUITY

Capital Stock

Our 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 pre-emptive, 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 our Board of Directors (our “Board”) out of funds legally available. In the event of a liquidation, dissolution or winding up of the affairs of the Corporation, 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.

During the three months ended November 30, 2013, we expensed approximately $118,000 for stock based compensation to our directors and consultants for stock options previously issued.

On September 1, 2013, the Board of Directors approved and granted a total of 60,000 options to consultants. The options are exercisable at $0.30 per share for a period of five years. All options vest 1/6 at the end of each month of consulting services. With respect to these options, the Black-Scholes pricing model was used to estimate the fair value of the 60,000 options issued during the period to these consultants, using the assumptions of a risk free interest rate of 1.62%, dividend yield of 0%, volatility of 303%, and an expected life of 5 years. These options are valued at approximately $16,000 and are being expensed over the vesting period of 6 months in the amount of approximately $2,700 per month.

On October 1, 2013, we appointed Mr. Jack Lifton to serve as a member of the our Board. In connection with the appointment of Mr. Jack Lifton to our Board on October 1, 2013, Mr. Lifton was granted 100,000 options to purchase shares of our common stock, vesting immediately with a term of 5 years and at an exercise price of $0.50. With respect to these options, the Black-Scholes pricing model was used to estimate the fair value of the 100,000 options issued during the period to this director, using the assumptions of a risk free interest rate of 1.42%, dividend yield of 0%, volatility of 302%, and an expected life of 5 years. These options were immediately expensed during the current period in the amount of approximately $47,000. In addition, Mr. Lifton, as a non-executive director, will receive $10,000 annually, $1,000 for in person board meetings, $500 for telephonic board meetings and $500 for committee meetings (both in person and telephonic) pursuant to our director compensation program.

We currently have 37,036,916 shares of our common stock outstanding.

On November 25, 2013, the Board of Directors approved and granted a total of 10,000 options to consultants. The options are exercisable at $0.50 per share for a period of five years. All options vest immediately. With respect to these options, the Black-Scholes pricing model was used to estimate the fair value of the 10,000 options issued during the period to these consultants, using the assumptions of a risk free interest rate of 1.37%, dividend yield of 0%, volatility of 298%, and an expected life of 5 years. These options are being expensed immediately in the amount of approximately $5,000.

NOTE 5 – SUBSEQUENT EVENTS

On December 8, 2013, our Board approved and granted 240,000 options to Mr. Marchese, 160,000 options to Dr. Pingitore, and 60,000 options each to Mr. Gorski, Dr. Wolfe, Mr. Lifton, Dr. Goodell, Ms. Lynch and Mr. Wall. All options to these members are exercisable at $0.50 per share for a period of ten years, vesting immediately. With respect to these options, the Black-Scholes pricing model was used to estimate the fair value of the 760,000 options issued during the period to these directors, using the assumptions of a risk free interest rate of 1.1%, dividend yield of 0%, volatility of 938%, and an expected life of 10 years. These options will be expensed during the fiscal quarter ending February 28, 2014. Total value to be expensed is approximately $380,000.

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

In this Quarterly Report on Form 10-Q, unless the context requires otherwise, references to "Texas Rare Earth Resources Corp," "the Corporation" "we," "our" or "us" refer to Texas Rare Earth Resources Corp. *You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and related notes appearing elsewhere in this quarterly report. 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.*

Forward-Looking Statements

This Quarterly Report on Form 10-Q and the exhibits attached hereto contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). Such forward-looking statements concern our anticipated results and developments in our operations in future periods, planned exploration and development of our properties, plans related to our business and other matters that may occur in the future. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements. Forward-looking statements in this Quarterly Report on Form 10-Q, include, but are not limited to:

- the progress, potential and uncertainties of our 2013-2014 rare-earth exploration plans at our Round Top project in Hudspeth County, Texas (the "Round Top Project");
- timing for a completed feasibility study for our Round Top Project;
- the success of getting the necessary permits for future drill programs and future project development;
- expectations regarding our ability to raise capital and to continue our exploration plans on our properties;
- plans regarding anticipated expenditures at the Round Top Project; and
- plans outlined under the section heading "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations – Plan of Operation".

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation:

- risks associated with our history of losses and need for additional financing;
- risks associated with our limited operating history;
- risks associated with our properties all being in the exploration stage;
- risks associated with our lack of history in producing metals from our properties;
- risks associated with our need for additional financing to develop a producing mine, if warranted;
- risks associated with our exploration activities not being commercially successful;
- risks associated with increased costs affecting our financial condition;
- risks associated with a shortage of equipment and supplies adversely affecting our ability to operate;
- risks associated with mining and mineral exploration being inherently dangerous;
- risks associated with mineralization estimates;
- risks associated with changes in mineralization estimates affecting the economic viability of our properties;
- risks associated with uninsured risks;
- risks associated with mineral operations being subject to market forces beyond our control;
- risks associated with fluctuations in commodity prices;
- risks associated with permitting, licenses and approval processes;
- risks associated with the governmental and environmental regulations;
- risks associated with future legislation regarding the mining industry and climate change;
- risks associated with potential environmental lawsuits;
- risks associated with our land reclamation requirements;
- risks associated with rare earth and beryllium mining presenting potential health risks;
- risks related to title in our properties
- risks related to competition in the mining and rare earth elements industries;
- risks related to economic conditions;
- risks related to our ability to manage growth;
- risks related to the potential difficulty of attracting and retaining qualified personnel;
- risks related to our dependence on key personnel;
- risks related to our United States Securities and Exchange Commission (the "SEC") filing history; and
- risks related to our securities.

This list is not exhaustive of the factors that may affect our forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the section heading "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations" of this Quarterly Report and "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended August 31, 2013, filed with the SEC on November 26, 2013. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected. We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Except as required by law, we disclaim any obligation subsequently to revise any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. **We qualify all the forward-looking statements contained in this Quarterly Report by the foregoing cautionary statements**.

Overview and Organizational History

We are a mining company engaged in the business of the acquisition, exploration and, if warranted, development of mineral properties. We currently hold two nineteen year leases, executed in September 2011 and November 2011, to explore and develop a 950 acre rare earths project located in Hudspeth County, Texas known as the Round Top Project and prospecting permits covering an adjacent 9,345 acres. Our principal focus will be on developing a metallurgical process to concentrate or otherwise extract the metals from the Round Top rhyolite, although we will continue to examine other opportunities in the region as they develop. We currently have limited operations and have not established that any of our projects or properties contain any Proven or Probable Reserves under SEC Industry Guide 7. Our operations are exploratory in nature.

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 our properties is determined.

On December 23, 2013, we furnished with the SEC on a Current Report on Form 8-K a revised version of the June 2012 Preliminary Economic Assessment (the "PEA")based on a 20,000 tonne per day heap leach operation using a conventional element separation plant. The mineralized material estimate was recalculated to include uranium, niobium, tantalum and tin. The revised PEA assesses the potential economic viability of the simplified and "scaled down" operation which we believe is a much better fit with the present rare earth market. The PEA was furnished to, not filed with, the SEC on Form 8-K to satisfy our "public disclosure" obligations under Regulation FD. The PEA is mentioned here for informational purposes only and is not incorporated herein reference

Cautionary Note to Investors: The mineral estimates in the PEA have been prepared in accordance with the requirements of the securities laws in effect in Canada, which differ from the requirements of United States securities laws. The terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with Canadian National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") and the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") - *CIM Definition Standards on Mineral Resources and Mineral Reserves*, adopted by the CIM Council, as amended. These definitions differ from the definitions in SEC Industry Guide 7 under the United States Securities Act of 1933, as amended (the "Securities Act"). Under SEC Industry Guide 7 standards, a "final" or "bankable" feasibility study is required to report reserves, the three-year historical average price is used in any reserve or cash flow analysis to designate reserves and the primary environmental analysis or report must be filed with the appropriate governmental authority. In addition, the terms "mineral resource", "measured mineral resource", "indicated mineral resource" and "inferred mineral resource" are defined in and required to be disclosed by NI 43-101; however, these terms are not defined terms under SEC Industry Guide 7 and are normally not permitted to be used in reports and registration statements filed with the SEC. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves. "Inferred mineral resources" have a great amount of uncertainty as to their existence, and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or pre-feasibility studies, except in rare cases. Investors are cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable. Disclosure of "contained ounces" in a resource is permitted disclosure under Canadian regulations; however, the SEC normally only permits issuers to report mineralization that does not constitute "reserves" by SEC Industry Guide 7 standards as in place tonnage and grade without reference to unit measures. Accordingly, information in the Preliminary Economic Assessment contains descriptions of our mineral deposits that may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder. Our project as described in the PEA currently does not contain any known proven or probable ore reserves under SEC Guide 7 reporting standards. U.S. investors are urged to consider closely the disclosure in the Registrant's latest reports and registration statements filed with the SEC. **U.S. Investors are cautioned not to assume that any defined resources in these categories will ever be converted into SEC Guide 7 compliant reserves.**

Our current management and Board are stockholder-centric, and receive either no cash compensation or much less than previous management. See our most recent proxy statement on Schedule 14A as filed with the SEC on December 30, 2013, for more information regarding the compensation of officers and directors. We will require definitive scientific documentation, rigorous economic studies, consideration of a wide range of alternatives and meticulous oversight of any cash outlays of stockholder funds.

Current Plan of Operations

Continued Development

The Company intends to continue to move the Round Top project toward a completed feasibility study. Work will include but not be limited to:

#1 Optimize the recoveries of the REO from the heap leach process.

#2 Evaluate potential of recovery of the non-REE elements being recovered in the leach process, including uranium, beryllium, lithium and potassium.

#3 As soon as practicably possible, initiate the permitting process, water development, geotechnical evaluation of plant and leach fields and evaluating infrastructural needs.

We believe the Round Top Project offers the highest rates of return from extraction and production of separated heavy REE oxides, The current economic model calls for the sale at a discount of a mixed concentrate of the light REE's. The sale of the light REE's as a concentrate has been proposed because revenue from the light REE's represents a relatively small percentage of potential revenue and we desire to minimize capital costs. Should the economic outlook for these light REE's change at some time in the future we will re-evaluate the possibility of producing them as a separated product.

These considerations incorporate the twin goals of minimizing risk and improving returns. We believe that the highest standards of environmental protection minimize risks, most importantly as lengthy environmental permit delays prevent job creation, delay royalty and tax revenues to the benefit of the State of Texas and delay other benefits.

No future economic analysis will be reliable unless metallurgical recovery rates and the process flow chart have been documented to rigorous standards. For this reason our greatest efforts in the past year and the next year will be toward metallurgical process development. Our process design considerations involve many factors, and we will not rush any evaluation until we develop a high level of confidence that our scientists have unlocked the full values.

Exploration Potential Of The Round Top Property

Although we have no plans in the next 24 months to conduct more physical exploration, we do believe, as stated in our 2010 presentations, that there are untested exploration targets present. They are:

1. Uranium-beryllium mineralization at the lower contact of the rhyolite and the underlying sedimentary rock. This class of mineralization was the target of the successful exploration program conducted in the late 1980's by Cabot Corporation and Cyprus Exploration. It appears to be structurally controlled and associated with a later phase of hydrothermal or gas phase deposition that occurred sometime after the emplacement of the rhyolite. This fluorite-beryllium replacement mineralization in what is termed the West Side Fault under the north side of Round Top was the topic of a 1988 in-house feasibility study by Cyprus Minerals to historical standards (not NI 43-101 compliant under today’s Canadian regulations, not a Guide 7 compliant feasibility study) to produce beryllium. This zone is the location of the intact decline and lateral mine workings developed by Cyprus Minerals in 1988-89. Sampling and analysis by TRER indicates the presence of uranium mineralization occurring adjacent to and likely associated with these beryllium bearing structures. This "Contact Zone" mineralization is not restricted to Round Top and is present under the Sierra Blanca rhyolite and there is some evidence in drill holes on Little Blanca that this style of mineralization may also be present there.

2. Uranium-beryllium-rare earth and other rare metals hosted as structurally controlled fluorite replacements in the limestones at depth below the known deposits. Geologic and geochemical conditions are thought to be condusive for the emplacement of replacement type deposits within the same fault zones that hosted the known beryllium-uranium deposits at depth where favorable host limestones are present. We believe that careful compilation and analysis of existing surface geologic mapping and of the drill data may better define these targets.

We believe that using the existing data we can improve our understanding of the exploration potential of the area without resorting to such expensive techniques as drilling.

Our headquarters are located at 539 El Paso, Sierra Blanca, Texas 79851. Effective August 31, 2012, our offices at 304 Inverness Way South, Suite 365, Englewood, Colorado have been closed and our El Paso warehouse located at 11459 Pellicano Dr., El Paso, Texas was closed in June 2013. On January 1, 2013, we moved our accounting functions to our former office in Tyler, Texas under the supervision of our CFO, G. W. McDonald.

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 affected 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.

On August 24, 2012, we changed our state of incorporation from the State of Nevada to the State of Delaware (the "Reincorporation") pursuant to a plan of conversion dated August 24, 2012. The Reincorporation was previously submitted to a vote of, and approved by, our stockholders at a special meeting of the stockholders held on April 25, 2012.

Recent Corporate Developments

The following significant corporate developments occurred during our three months ended November 30, 2013 and the subsequent period through the filing of this Quarterly Report:

S-8 Registration Statement

On September 23, 2013, we filed a Post-Effective Amendment No. 1 (the "Post-Effective Amendment") to our Registration Statement on Form S-8 to deregister 5,000,000 shares of common stock of the Company, $0.01 par value, originally registered by us pursuant to our Registration Statement on Form S-8 filed with the SEC on November 2, 2011 (the " 2011 Form S-8"), for issuance upon exercise of stock options granted under the Company's 2008 Amended and Restated Stock Option Plan (the "Option Plan"). A total of 5,000,000 common shares were initially registered for issuance under the 2011 Form S-8. As of September 23, 2013, 5,000,000 common shares remained available for issuance under the 2011 Form S-8.

Contemporaneously with the filing of this Post-Effective Amendment, we filed a Registration Statement on Form S-8 to re-register the common shares being deregistered pursuant to our Post-Effective Amendment and to register additional common shares issuable upon the exercise of stock options granted under the Option Plan pursuant to an amendment to the Option Plan approved by our stockholders on Febuary 15, 2012.

Mr. Goodell's Resignation

On December 20, 2013, Mr. Philip Goodell informed our Board of Directors that he would not be standing for re-election to our Board at the next annual meeting of stockholders. Mr. Goodell will continue to serve as a director until the next annual meeting of stockholders, currently scheduled for February 19, 2014. At that time Mr. Goodell will be appointed to our advisory board. Mr. Goodell did not determine to not stand for re-election as a result of any disagreement with the Board regarding its operations, policies or practices.

Liquidity and Capital Resources

As of November 30, 2013, we had a working capital surplus of approximately $1.67 million. We will need to raise additional funding to implement our business strategy. Our management believes that based on our current working capital, we will be able to continue operations through the end of calendar year 2014 without raising additional capital. During our fiscal year ending August 31, 2014, we plan to spend approximately $682,000 for metallurgical testing and flow sheer development, additional geologic and resource modeling and compliance costs associated with state governmental agencies and appropriate staff and consulting expenses. The timing of these expenditures is dependent upon a number of factors, including the availability of third party contractors.

We estimate that general and administrative expenses during fiscal year ending August 31, 2014 will be approximately $1.5 million to include payroll, investor relations, professional services, travel, and other expenses necessary to conduct our operations.

We have reduced our staff, closed the Denver office and plan to reduce all other costs possible in order to accomplish our objectives without the necessity of raising additional capital. During our fiscal 2013 year-end we entered into an agreement with our Denver landlord to terminate our lease early. The plan called for two payments of $15,201. Our first payment was made on August 31, 2013 and the second payment was made in December, 2013. The early termination of this lease resulted in a total savings to us of $18,350.

We currently do not have sufficient funds to fully complete exploration and development work on any of our properties, which means that we will be required to raise additional capital, enter into joint venture relationships, or find alternative means to finance our properties in order to place them into commercial production, or evaluate the possibility of selling one or more of our projects or the Corporation in its entirety. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration and, if warranted, development or production on one or more of our properties and any properties we may acquire in the future or even a loss of property interests. This includes our leases over claims covering the principal deposits on our properties, which may expire unless we expend minimum levels of expenditures over the terms of such leases. We cannot be certain that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favorable or acceptable to us. Our ability to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions as well as our business performance.

If we cannot attract investment capital on favorable terms, we will evaluate other potential sources of financing that may include:

(1) Early exercise of warrants by stockholders;

(2) Joint Venture or sale of the “Contact Zone” enriched in beryllium and uranium that was the earlier subject of Cyprus Minerals 1988 historical definitive feasibility study; and

(5) Actively seeking joint-ventures, strategic partnerships, or off-takes regarding the Round Top Project or the outright sale of the Company.

Results of Operations

Three months ended November 30, 2013 and November 30, 2012

General & Revenue

We had no operating revenues during the three months ended November 30, 2013 and November 30, 2012. We are not currently profitable. As a result of ongoing operating losses, we had an accumulated deficit of approximately $27.2 million as of November 30, 2013.

Operating expenses and resulting losses from Operations.

We incurred exploration costs for the three months ended November 30, 2013 and November 30, 2012, in the amount of approximately $140,000 and $201,000, respectively. Expenditures for the three months ended November 30, 2013 and November 30, 2012 were primarily for metallurgical testing and related laboratory fees for our Round Top project.

Our general and administrative expenses for the three months ended November 30, 2013 and November 30, 2012, respectively, were approximately $563,000 and $577,000. For the three months ended November 30, 2013, this amount included approximately $118,000 in stock-based compensation to directors and consultants. The remaining expenditures totaling approximately $445,000 were primarily for payroll and related taxes and benefits, professional fees and other general and administrative expenses necessary for our operations.

For the three months ended November 30, 2012, our general and administrative expenses included approximately $143,000 in stock based compensation to one director and one executive officer. The remaining expenditures totaling approximately $434,000 were primarily for payroll and related taxes and benefits, professional fees and other general and administrative expenses necessary for our operations.

We had losses from operations for the three months ended November 30, 2013 and November 30, 2012 totaling approximately $704,000 and $777,000, respectively, and net losses for the three months ended November 30, 2013 and November 30, 2012 totaling approximately $706,000 and $783,000, respectively.

Off-Balance Sheet Arrangements

We do not have any off balance sheet arrangements that are reasonably likely to have a current or future effect on our financial condition, revenues, results of operations, liquidity or capital resources.

Critical Accounting Estimates

Management’s discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with GAAP. Preparation of financial statements requires management to make assumptions, estimates and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses, and the related disclosures of contingencies. Management bases its estimates on various assumptions and historical experience, which are believed to be reasonable; however, due to the inherent nature of estimates, actual results may differ significantly due to changed conditions or assumptions. On a regular basis, management reviews the accounting policies, assumptions, estimates and judgments to ensure that our financial statements are fairly presented in accordance with GAAP. However, because future events and their effects cannot be determined with certainty, actual results could differ from our assumptions and estimates, and such differences could be material. Management believes that the following critical accounting estimates and judgments have a significant impact on our financial statements; Valuation of options granted to Directors, Officers and consultants using the Black-Scholes model.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

At the end of the period covered by this Quarterly Report on Form 10-Q, an evaluation was carried out under the supervision of and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operations of our disclosure controls and procedures (as defined in Rule 13a – 15(e) and Rule 15d – 15(e) under the Exchange Act). Based on that evaluation the CEO and CFO have concluded that as of the end of the period covered by this Quarterly Report, our disclosure controls and procedures were effective in ensuring that: (i) information required to be disclosed by us in our reports that we file or submit to the SEC under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in applicable rules and forms and (ii) material information required to be disclosed in our reports filed under the Exchange Act is accumulated and communicated to our management, including our CEO and CFO, as appropriate, to allow for accurate and timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There were no changes to our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially effect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There have been no material changes from the risk factors as previously disclosed in our Form 10-K for the year ended August 31, 2013 as filed with the SEC on November 26, 2013.

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

Except as provided below, all unregistered sales of equity securities during the quarter were previously disclosed in our current reports on Form 8-K.

The following table describes all securities we issued during the period covered by this report without registering the securities under the Securities Act of 1933, as amended (the "Securities Act").

Date	Description	Number (A)	Purchaser	Proceeds ($)	Consideration	Exemption (B)
September 1, 2013	Common Stock Purchase Options	60,000	Private Placement Investor	$Nil	Consulting Services	Sec. 4(a)(2)

(A) Common Stock Purchase Options were issued pursuant to a consulting agreement, pursuant to which the Company will grant 10,000 options at the end of each month during the term of the agreement, which has an initial term of six months. Options vest in 10,000 increments upon issuance at the end of each month. Each option is exercisable for a 5 year term at an exercise price of $0.30. The options were issued outside of the Company's 2008 Stock Incentive Plan.

(B) With respect to sales designated by "Sec. 4(a)(2)," these shares were issued pursuant to the exemption from registration contained in to Section 4(a)(2) of the Securities Act 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. None of the securities were sold through an underwriter and accordingly, there were no underwriting discounts or commissions involved.

We did not repurchase any of our securities during the quarter covered by this report.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Pursuant to Section 1503(a) of the recently enacted Dodd-Frank Wall Street Reform and Consumer Protection Act (The "Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the SEC information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities. During the quarter ended November 30, 2013, our U.S. exploration properties were not subject to regulation by the Federal Mine Safety and Health Administration under the *Federal Mine Safety and Health Act of 1977*.

Item 5. Other Information

None.

Item 6. Exhibits

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

Exhibit Number	Description
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.
101.INS(1)	XBRL Instance Document
101.SCH(1)	XBRL Taxonomy Extension — Schema
101.CAL(1)	XBRL Taxonomy Extension — Calculations
101.DEF(1)	XBRL Taxonomy Extension — Definitions
101.LAB(1)	XBRL Taxonomy Extension — Labels
101.PRE(1)	XBRL Taxonomy Extension — Presentations

(1) Submitted Electronically Herewith.

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: January 13, 2014

/s/ *Daniel E. Gorski*
Daniel E. Gorski, duly authorized officer
Chief Executive Officer and Principal Executive Officer

Date: January 13, 2014

/s/ *G. Mike McDonald*
G. Mike McDonald, Chief Financial Officer and Principal Financial and Accounting Officer

Exhibit 31.1. Certification by Chief Executive Officer

I, Daniel E. Gorski, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Texas Rare Earth Resources Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 13, 2014

/s/ *Daniel E. Gorski*
Daniel E. Gorski, Chief Executive Officer, Principal Executive Officer

Exhibit 31.2. Certification by Chief Financial Officer

I, G. Mike McDonald, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Texas Rare Earth Resources Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 13, 2014

/s/ *G. Mike McDonald*
G. Mike McDonald, Chief Financial Officer, Principal Financial and Accounting Officer

Exhibit 32.1. Section 1350 Certification by Chief Executive Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Texas Rare Earth Resources Corp. (the "Company") on Form 10-Q for the quarter ending November 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel E. Gorski, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ *Daniel E. Gorski*
Daniel E. Gorski, Chief Executive Officer

January 13, 2014

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code) and is not being filed as part of the Report or as a separate disclosure document.

Exhibit 32.2. Section 1350 Certification by Chief Financial Officer

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Texas Rare Earth Resources Corp. (the “Company”) on Form 10-Q for the quarter ending November 30, 2013, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, G. Mike McDonald, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge and belief: (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ *G. Mike McDonald*
G. Mike McDonald, Chief Financial Officer

January 13, 2014

The foregoing certification is being furnished solely pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Section 1350 of Chapter 63 of Title 18 of the United States Code) and is not being filed as part of the Report or as a separate disclosure document.