

Ucore Secures Line of Credit Financing, Maintains Its Fast Track Plan for RapidSX Commercial Deployment

written by Raj Shah | July 21, 2022

- **Orca Holdings, LLC provides a Line of Credit Facility in the amount of USD\$2 million**
- **The primary use of funds is for the continued construction of Ucore's rare earth element Commercial Demonstration Plant and its planned Q4-2022 commissioning**

July 21, 2022 ([Source](#)) – [Ucore Rare Metals Inc. \(TSXV: UCU\) \(OTCQX: UURAF\)](#) (“**Ucore**” or the “**Company**”) is pleased to announce the receipt of financing by way of a secured line of credit facility in the amount of up to USD\$2 million (the “**Line of Credit**”). Proceeds from the Line of Credit will primarily be used to continue the development of the Company's RapidSX™ Rare Earth Element (“**REE**”) Commercial Demonstration Plant (“**Demo Plant**”), currently scheduled for commissioning in Q4 of 2022, as detailed in [the Company's July 12, 2022 news release](#).

The Line of Credit has been extended by **Orca Holdings, LLC** (“**Orca**”). In consideration for granting the Line of Credit and subject to the approval of the TSX Venture Exchange, two million warrants (“**Warrants**”) will be issued to Orca, with each Warrant entitling Orca to acquire one common share of the Company at an exercise price of CAD\$0.75 during a one-year term ending on July 20, 2023. On July 21, 2022, the Company applied to the TSXV for the exchange's approval of the issuance of the Warrants.

“Ucore is committed to its REE commercialization pathway and is very appreciative of Orca’s continued financial support as we rapidly approach the commercial demonstration of our RapidSX™ technology through the Demo Plant,” stated Pat Ryan, P.Eng., Ucore Chairman and CEO. “As noted in January 2022, Ucore is already working towards developing the funding required to build its first Strategic Metals Complex (SMC) primarily through non-dilutive funding sources. These include debt financing opportunities through government-supported loan programs and prospective advance payment & supply offtake agreements with Western electric vehicle manufacturers and other downstream customers of the SMCs.”

Drawdowns on the Line of Credit will be available in multiples of USD\$100,000 and carry interest at a rate of 9% per annum. All amounts owing under the Line of Credit will be repayable by maturity, which is six months from the execution date (January 20, 2023), unless such repayment is accelerated due to the Company’s completion of additional financing on terms acceptable to the Company and the investor(s). The Line of Credit is secured by a General Security Agreement over the assets of the Company.

Orca is wholly owned by Mr. Randy Johnson, a member of Ucore’s Board of Directors. The transaction is considered a related party transaction within the meaning of Multilateral Instrument 61-01 *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the transaction, nor the consideration paid, exceeds 25% of the value of the subject matter of the transaction, nor the consideration paid, exceeds 25% of the Company’s market capitalization. No new insiders and no control persons were created in connection with the closing of the transaction. The

transaction was reviewed and unanimously approved by the Company's Board of Directors. No special committee was created to negotiate, review and approve the Line of Credit agreement; rather, the agreement was negotiated by the Company with Mr. Johnson declaring his conflict and abstaining from the Board of Directors' deliberations. No cash consideration was paid pursuant to the extension of the Line of Credit, and no commissions or similar fees were paid to any person. This news release and the related material change report are being issued and filed on SEDAR less than 21 days before the date of the Line of Credit agreement and the expected closing of the issuance of the Warrants and the drawdown of the initial tranche from the Line of Credit since the Company was considering and reviewing financing alternates and the Company eventually selected the least dilutive and most current-shareholder-friendly financing transaction from the alternatives available, which was the Line of Credit, the terms of which were not settled and confirmed by Orca until July 20, 2022.

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About Ucore Rare Metals Inc.

Ucore is focused on rare- and critical-metals resources, extraction, beneficiation, and separation technologies with the potential for production, growth, and scalability. Ucore has an effective 100% ownership stake in the Bokan-Dotson Ridge Rare Earth Element Project in Southeast Alaska, USA. Ucore's vision and plan is to become a leading advanced technology company, providing best-in-class metal separation products and services to the mining and mineral extraction industry.

Through strategic partnerships, Ucore's vision includes disrupting the People's Republic of China's control of the US REE supply chain through the near-term development of heavy and

light rare-earth processing facilities – including the Alaska Strategic Metals Complex in Southeast Alaska and the long-term development of Ucore's heavy-rare-earth-element mineral-resource property located at Bokan Mountain on Prince of Wales Island, Alaska.

Ucore is listed on the TSXV under the trading symbol "[UCU](#)" and in the United States on the OTC Markets' OTCQX® Best Market under the ticker symbol "[UURAF](#)."

For further information, please visit www.ucore.com.

About the RapidSX™ Technology

IMC developed the RapidSX separation technology with early-stage assistance from the United States Department of Defense ("**US DoD**"), later resulting in the production of commercial-grade, separated rare-earth oxides at the pilot scale. RapidSX combines the time-proven chemistry of conventional solvent extraction ("**SX**") with a new column-based platform, which significantly reduces time to completion and plant footprint, as well as potentially lowering capital and operating costs. SX is the international rare-earth-element ("**REE**") industry's standard commercial separation technology and is currently used by 100% of all REE producers worldwide for bulk commercial separation of both heavy and light REEs. Utilizing similar chemistry to conventional SX, RapidSX is not a "new" technology but represents a significant improvement on the well-established, well-understood, proven conventional SX separation technology preferred by REE producers.

Forward-Looking Statements

This press release includes certain statements that may be deemed "forward-looking statements." All statements in this release (other than statements of historical facts) that address

future business development, technological development and/or acquisition activities (including any related required financings), timelines, events, approvals or developments that the Company is pursuing, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance or results, and actual results or developments may differ materially from those in forward-looking statements.

Regarding the disclosure in the "About Ucore Rare Metals Inc." section above, the Company has assumed that it will be able to procure or retain additional partners and/or suppliers, in addition to Innovation Metals Corp. ("IMC"), as suppliers for Ucore's expected future Strategic Metals Complex ("SMC"). Ucore has also assumed that sufficient external funding will be found to prepare a new National Instrument 43-101 ("NI 43-101") technical report that demonstrates that the Bokan Mountain Rare Earth Elements project ("Bokan") is feasible and economically viable for the production of both REE and co-product metals and the then prevailing market prices based upon assumed customer offtake agreements. Ucore has also assumed that sufficient external funding will be secured to continue the development of the specific engineering plans for the SMC and its construction. Factors that could cause actual results to differ materially from those in forward-looking statements include, without limitation: IMC failing to protect its intellectual property rights in RapidSX™; RapidSX™ failing to demonstrate commercial viability in large commercial-scale applications; Ucore not being able to procure additional key partners or suppliers for the SMC; Ucore not being able to raise sufficient funds to fund the specific design and construction of the SMC and/or the continued development of RapidSX; adverse capital-market conditions; unexpected due-diligence findings; the emergence of

alternative superior metallurgy and metal-separation technologies; the inability of Ucore and/or IMC to retain its key staff members; a change in the legislation in Alaska and/or in the support expressed by the Alaska Industrial Development and Export Authority ("AIDEA") regarding the development of Bokan and/or the SMC; the availability and procurement of any required interim and/or long-term financing that may be required; and general economic, market or business conditions.

Neither the TSXV nor its Regulation Services Provider (as that term is defined by the TSXV) accept responsibility for the adequacy or accuracy of this release.

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