

# Alaska Governor formally signs SB99 into law as Ucore secures the path to production

Ucore Rare Metals Inc. ('Ucore', TSXV: UCU | OTCQX: UURAF) announced that the Alaska's Governor Sean Parnell formally signed Senate Bill 99 (SB99), which the State legislature passed unanimously last March. Senator



Lesil McGuire (AK-R) introduced SB99, which was then amended to authorize the Alaska Industrial Development and Export Authority (AIDEA) to issue bonds to finance up to USD\$ 145 million for Ucore's Bokan-Dotson Ridge rare earth element project.

The fact that several State and Ketchikan County (where Ucore is developing its mine) officials attended the signing ceremony – along with Ucore managers such as COO Ken Collison – shows the extent to which the whole State of Alaska considers Ucore's project and rare earths as essential components of the State's economic future. Indeed, Governor Parnell said that SB 99 "will go a long way toward creating new opportunities for Alaskans and growing Southeast Alaska's economy as a whole." Ucore's importance appeal can also be surmised by the fact that InvestorIntel noticed that a recent video interview with Jim McKenzie, Ucore's President and CEO, was the most [popular](#) item on the website, even beating out the

always in demand rare earth market analysis reports from Jack Lifton.

Senator McGuire described Ucore's importance to the State and to the United States, in general, in the context of the need to reduce reliance on foreign sources for critical minerals, suggesting that Ucore is a major step in this direction. Given that in rare earth projects, the risk now is largely financial, SB 99 and the related bonds have essentially de-risked the project, because it has effectively dropped the total CAPEX of the project to about USD\$ 220 million, well below the industry average of USD\$ 1 billion (or more) allowing Ucore to complete its feasibility study this year.

Ucore boasts one the largest NI 43-101 compliant Heavy rare earth (HREE include dysprosium, terbium, and yttrium) mines in North America. The Bokan project has direct access to the Pacific Ocean – which helps in easing the completion of production facilities and reducing CAPEX. The Bokan project's advantage is its claimed 40% (by weight) heavy rare earth (HREE) concentration. In order to ensure long term community and political support for the project (as well as removing several risks to investors) Ucore has chosen to adopt an environmentally sustainable and Ucore exclusive 'Solid Phase Separation' (SPE) process, which is far more efficient and cheaper at removing impurities than the solvent exchange method typically used in China. SPE is unique to Ucore.

In many ways, Ucore is presenting itself as the alternative HREE supplier that can help the United States break its reliance on Chinese rare earths. The drive to reduce that reliance has received added momentum from the growing uncertainty of Chinese rare earths legislation in the wake of the World Trade Organization (WTO) ruling against China's rare earth trade restrictions. China is considering alternative schemes to achieve the effects of its quantitative export restrictions, including changes in taxation, which should lead to rising prices for rare earths. The taxes will be applied to

reflect the scarcity of resources and the environmental costs incurred to obtain them.

China also plans to adopt a system of environmental certificates to better control the rare earth industry. China produces more than 90 percent of the world's rare earths, which are widely used in the high-tech sector, for example in defense technology and renewable energy. The prices of rare metals have been falling since 2012. It has been frustrating but now it may be the time to buy, because their prices will inevitably rise. The potential demand is huge: these minor metals allow for miniaturization, weight reduction, and improved performance of computers, smartphones and tablets – among many other products – that the world now finds indispensable and Ucore is securely on the path to production.