ABx Group and Ucore Rare Metals Sign MoU for Australia-USA Rare Earths Supply Chain

written by Raj Shah | September 4, 2024
September 04, 2024 (Source) – **Key Objectives:**

- **Work to establish a binding offtake agreement for the supply of mixed rare earth carbonates from Australia to the USA through enhanced collaboration**
- **Establish an investment pathway for Ucore into ABx**
- **Bolster relationships between the United States and Australia as both countries strive to enhance critical minerals and clean energy projects**

ABx Group (**ASX: ABX**) ("**ABx**") and Ucore Rare Metals Inc. (**TSXV: UCU**) (**OTCQX: UURAF**) ("**Ucore**") are pleased to announce the September 3, 2024, execution of a Memorandum of Understanding ("**MOU**") that describes the collaborative pathway ABx and Ucore will embark on to advance to:

- a binding offtake agreement for the supply of a mixed rare earth carbonate ("**MREC**") by ABx to Ucore, and;
- an opportunity for Ucore to invest in the **ABx rare earths project** in Tasmania.

ABx is an Australian public company headquartered in South Melbourne, Victoria, that has established an ionic adsorption clay rare earth element ("**REE**") resource in northern Tasmania. The grades of the two key heavy rare earths, dysprosium and terbium, are the highest of any clay-hosted rare earths resource

in Australia and comparable to the highest in the world. Metallurgical testing by the Australian Nuclear Science and Technology Organisation ("**ANSTO**") has confirmed that samples from the resource have the highest ionic proportion of any clay-hosted rare earths resource in Australia.

Ucore is a Canadian public company headquartered in Halifax, Nova Scotia, with a patent-pending rare earth separation technology, **RapidSX™**. Ucore is currently undertaking heavy and light rare earth element separation at demonstration scale at its RapidSX™ Commercialization and Demonstration Facility ("**CDF**") in Kingston, Ontario. Participants include the US Department of Defense and the Canadian Government as Ucore implements its technology transfer plan from demonstration scale to commercial scale at its developing Louisiana Strategic Metals Complex ("**SMC**") in Alexandria, Louisiana, USA.

Key Features of the MOU:

- ABx and Ucore will work toward an arrangement for the preferred annual volume of intermediate rare earth product, which is envisaged to be a MREC, to be supplied by ABx to Ucore.
    - The intent is for Ucore to obtain 'first right of refusal' for 50% of ABx annual volume for a minimum period of five years, subject to the agreement of commercial terms.

- The parties will explore potential investment by Ucore into the ABx rare earth project as well as project finance opportunities for the ABx and Ucore projects, which may involve joint approaches to companies active in the rare earth value chain, governments, institutional funds, and private investors.

- ABx and Ucore will collaborate to develop and optimise:
    - a comprehensive product flowsheet considering where best to implement collective project efficiencies; and
    - a total project development strategy, including laboratory, pilot, and demonstration plant testing.

- ABx and Ucore will share information on global rare earth markets, particularly for the permanent magnet rare earths, with the objective of identifying opportunities for and mitigating risks to the ABx and Ucore projects.

Pat Ryan, P.Eng., Chairman and Chief Executive Officer of Ucore, stated:

"Ucore is excited to engage with ABx as we continue our efforts to establish a Western supply chain comprising diverse global projects. The prospect of securing a stable supply of MREC with high heavy rare earth content from Australia is very appealing to Ucore. This partnership builds on our commitment to establish relationships within the Australian private sector and between US and Australian government agencies as we work to establish rare earth manufacturing in the United States and across the West."

Mark Cooksey, Managing Director and Chief Executive Officer of ABx, stated:

"ABx is delighted to be partnering with Ucore, who are rapidly progressing towards commercial rare earth separation and form a critical element in the establishment of a North American rare earths supply chain. Ucore's progress and strategic importance is evidenced by their demonstration plant in Canada and significant financial support from both the Canadian and US governments.

“This agreement is further validation of the prospects for the ABx rare earth project in northern Tasmania. We are passionate about bringing our project into production as soon as possible to supply the rare earth elements required for the energy transition.”

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About Ucore Rare Metals Inc.

Ucore is focused on rare- and critical-metal resources, extraction, beneficiation, and separation technologies with the potential for production, growth, and scalability. 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, this plan includes disrupting the People’s Republic of China’s control of the North American REE supply chain through the near-term establishment of a heavy and light rare-earth processing facility in the U.S. State of Louisiana, subsequent Strategic Metal Complexes in Canada and Alaska and the longer-term development of Ucore’s 100% controlled Bokan-Dotson Ridge Rare Heavy REE Project on Prince of Wales Island in Southeast Alaska, USA.

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.”

CONTACTS

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About ABx Group Limited

ABx Group Limited (ABx) is a uniquely positioned Australian company delivering materials for a cleaner future.

The two areas of focus are:

- Creation of an ionic adsorption clay rare earth project in northern Tasmania
- Establishment of a plant to produce hydrogen fluoride and aluminium fluoride from recycled industrial waste, to replace imports (ALCORE)

There is also a niche business of mining and enhancing bauxite resources for cement, aluminium and fertiliser production.

ABx endorses best practices on agricultural land and strives to leave land and environment better than we find it. We only operate where welcomed.

This announcement is approved for release by the ABx board of directors.

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Forward-Looking Statements and Cautionary Notes

This announcement includes certain statements that may be deemed “forward-looking statements” by either ABx or Ucore (the “Companies”). All statements in this announcement (other than statements of historical facts) that address future business development and/or acquisition activities (including any related commercial production activities), timelines, events or developments that the Companies expect, are forward looking statements. Although the Companies believe 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.

For additional risks and uncertainties regarding Ucore, its CDF, its planned commercial activities, and its ongoing Programs (generally), see the risk disclosure in Ucore’s MD&A for Q1-2024 (filed on SEDAR on August 27, 2024) (www.sedarplus.ca).

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