

Ucore Announces Further Amendments and Extension of Certain Debt Arrangements

written by Raj Shah | June 7, 2024

June 7, 2024 ([Source](#)) – [Ucore Rare Metals Inc.](#) (TSXV: [UCU](#)) (OTCQX: UURAF) (“**Ucore**” or the “**Company**”) is pleased to announce amendments to, and the extension of, certain debt agreements with Orca Holdings, LLC (“**Orca**”).

Immediately following specified amendments and extensions to debt arrangements between the parties, which are described in Ucore’s press release dated December 22, 2023, the Company was party to two short-term secured lines of credit from Orca in the maximum principal amount of USD\$2.0 million (the “**2022 Line of Credit**”) and USD\$2.2 million (the “**2023 Line of Credit**”), respectively. In consideration for extending these loans to January 31, 2026, the Company issued a total of 4.4 million warrants to Orca, with each warrant entitling Orca to acquire one common share in the capital of Ucore (a “**Common Share**”) at an exercise price of \$0.89. These warrants were set to expire on January 31, 2026.

Ucore and Orca subsequently agreed to increase the credit limit under the 2023 Line of Credit to USD\$3.2 million, and amend the interest payment terms of both lines of credit, as more particularly described in Ucore’s press release dated April 26, 2024. In connection with these amendments, the Company agreed to issue 1.3 million additional warrants to Orca, with each warrant entitling Orca to acquire one Common Share at an exercise price of \$0.75 per share until January 31, 2026.

The parties have since agreed to further increase the credit

limit under the 2023 Line of Credit to USD\$5.2 million, and further extend the maturity dates of both lines of credit to October 1, 2026. All of the warrants that were previously issued or issuable in connection with the 2022 Line of Credit and the 2023 Line of Credit are deemed to have expired or become non-issuable (as applicable) concurrently with the effective date of the new amendments and extensions to the lines of credit. As consideration for these changes, the Company has agreed to issue a total of 7.7 million new Common Share purchase warrants to Orca, with 4.4 million of these warrants having an exercise price of CAD\$0.89 per share and the remainder of these warrants having an exercise price of CAD\$0.75 per share. All of the new warrants described in this press release will expire and terminate on October 1, 2026, and will contain a condition precedent to their exercise such that no warrants shall be exercisable if such exercise would cause Orca's ownership of Ucore, as calculated on a partially diluted basis, to exceed 19.99% of the aggregate of the issued and outstanding Common Shares, unless Ucore obtains prior shareholder approval in accordance with the applicable requirements of the TSX Venture Exchange (the "TSXV"). The issuance of these warrants is subject to the prior review and acceptance of the TSXV.

Orca is wholly-owned by Mr. Randy Johnson, a member of Ucore's Board of Directors. The above-described transactions with Orca are considered to be related party transactions within the meaning of Multilateral Instrument 61-01 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The transactions are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 since neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves interested parties, exceeds 25% of the Company's market capitalization.

No new insiders and no control persons will be created in connection with the closing of the transactions contemplated by this press release.

The above-described transactions were reviewed and unanimously approved by the Company's Board of Directors. No special committee was created to negotiate, review and approve the Amending Agreements. Rather, the agreements were negotiated by the Company, with Mr. Johnson declaring his conflict and abstaining from the Board of Directors' deliberations. No commissions or similar fees were paid to any person with respect to the latest amendments to the 2022 Line of Credit and the 2023 Line of Credit. The Company will file a material change report less than 21 days before the expected date of the closing of the transactions since the terms of the amendments to the debt agreements were not agreed upon in principle until recently.

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."

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

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, 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 any disclosure in the press release above about the debt extensions and amendments involving Orca and the issuance of the new warrants to Orca, the Company has assumed that the agreements and the terms of the loan bonus warrants will be accepted by the TSXV. For risks and uncertainties regarding the Company and its business generally, see the risk disclosure in the Company's MD&A for Q1 2024 (filed on SEDAR+ on May 28, 2024) (www.SEDARPLUS.ca), as well as the risks described below.

Regarding the disclosure above in the "About Ucore Rare Metals Inc." section, 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 Complexes ("SMCs"). Ucore has also assumed that sufficient external funding will be found to complete the Demo Plant commissioning and demonstration

schedule and also later prepare a new National Instrument 43-101 ("NI 43-101") technical report that demonstrates that the Bokan Mountain Rare Earth Element 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 SMCs and their 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 SMCs; Ucore not being able to raise sufficient funds to fund the specific design and construction of the SMCs 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 Louisiana or Alaska and/or in the support expressed by the Alaska Industrial Development and Export Authority ("AIDEA") regarding the development of Bokan; 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.

CONTACTS

Mr. Peter Manuel, Ucore Vice President and Chief Financial

Officer, is responsible for the content of this news release and may be contacted at 1.902.482.5214.

SOURCE Ucore Rare Metals Inc.

For further information: Mark MacDonald, Vice President, Investor Relations, Ucore Rare Metals Inc., 1.902.482.5214, mark@ucore.com