Ucore Closes Private Placement Financing for $4.59 Million

written by Raj Shah | December 23, 2022

December 23, 2022 (Source) – **Ucore Rare Metals Inc. (TSXV: UCU) (OTCQX: UURAF) ("Ucore"** or the **"Company")** is pleased to announce that further to its previous announcements, the Company has closed its non-brokered private placement (the "**Private Placement**") consisting of a total of 7,055,795 units (the "**Units**") at a subscription price of $0.65 per Unit, for aggregate gross proceeds to the Company of $ $4,586,266.75.

Each Unit consisted of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant entitles the holder to purchase one Common Share at a price of $0.85 for a 24-month term.

Proceeds from the Offering are expected to be used towards: the commissioning of the Company's planned RapidSX™demonstration plant; the processing of initial feedstock through the Company's demonstration plant; the finalization of offtake and feedstock agreements; engineering work for the Company's proposed Strategic Metals Complex in Louisiana, USA; for the partial settlement of short-term debt; and for general working capital purposes.

Pursuant to National Instrument 45-102 – *Resale of Securities*, the Common Shares, Warrants, Finders Warrants and any underlying Common Shares to be issued upon exercise of the Warrants or Finders Warrants will be subject to a four-month hold period commencing on the closing date of the Offering (December 22, 2022). Additional hold periods and/or trading or resale restrictions may also apply in the United States.

Pursuant to the Private Placement, Orca Holdings, LLC (a company owned and controlled by Randy Johnson, a director of the Company) subscribed for a 1,785,000 Units for aggregate gross proceeds of $1,160,250 which is considered to be 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 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 were created in connection with the closing of the Private Placement.

Prior to the Private Placement, Ucore had 49,084,130 Common Shares that were issued and outstanding. Mr. Johnson, directly or indirectly, held beneficial ownership of, and control and direction over, a total of 5,092,406 Common Shares, 3,000,000 warrants, and 265,000 stock options of Ucore, representing approximately 10.37% of the issued and outstanding Common Shares (on a non-diluted basis) or approximately 15.96% upon the exercise of the warrants and the stock options (on a partially diluted basis). Following today's closing of the Private Placement, Ucore has 56,139,925 Common Shares that are issued and outstanding. Following the closing of the Private Placement, Mr. Johnson, directly or indirectly, holds beneficial ownership of, and control and direction over, a total of 6,877,406 Common Shares, 4,785,000 warrants, and 265,000 stock options of the Company, representing approximately 12.25% of the issued and outstanding Common Shares (on a non-diluted basis) or approximately 19.49% upon the exercise of the warrants and the stock options (on a partially diluted basis). The figures in this paragraph assume that the TSXV approves the warrant

issuances mentioned in Ucore's press release dated December 19, 2022 regarding the extensions of the maturity dates for the line of credit and the term loan that Orca has provided to Ucore).

The Private Placement was reviewed and unanimously approved by the Company's Board of Directors. This news release and the related material change report are being issued and filed on SEDAR less than 21 days before the expected closing of the transaction since the decision to pursue the transaction on the terms described in the Company's Press Release dated December 6, 2022 was less than 21 days before the expected date of the closing; and, in addition, recent general capital market volatility made the Company uncertain about the expected closing until the formal subscription agreements were received.

The following arms-length finders received cash commissions totaling $24,115 and an aggregate of 370,140 finders warrants ("**Finders Warrants**"); Canaccord Genuity Corp., PI Financial Corp., GloRes Securities Inc., John Wilson, and Mezzo Consulting Services S.A. Each Finders Warrant will entitle the holder thereof to purchase one Common Share of the Company at a price of $0.65 per Common Share for a period of 24 months after the Closing of the Private Placement.

The issuance of the securities offered pursuant to the Offering was completed on a private placement and prospectus-exempt basis, as applicable, such that the distributions will be exempt from any applicable prospectus and securities registration requirements.

For further information about the Company, please visit www.ucore.com and also review the Company's disclosure available on www.SEDAR.com.

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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 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, this plan includes; disrupting the People's Republic of China's control of the US REE supply chain through the near-term development of a heavy and light rare-earth processing facility in the US State of Louisiana, subsequent SMCs in Alaska and Canada and the longer-term development of Ucore's heavy-rare-earth-element mineral-resource property 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."

About RapidSX™ Technology

Innovation Metals Corp. ("**IMC**") developed the RapidSX™ separation technology platform 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, 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 main body of the press release above, the Company has assumed that the proceeds from the Offering will be used towards: the commissioning of the Company’s planned RapidSXTM demonstration plant; the processing of initial feedstock through the Company’s demonstration plant; the finalization of offtake and feedstock agreements; engineering work for the Company’s proposed Strategic Metals Complex in Louisiana, USA; for the partial settlement of short-term debt; and for general working capital purposes. This represents the Company’s current plan and its budget. The Company has also assumed that it will be able to receive the approval of the TSXV for the granting of the new warrants to Orca pursuant to the terms of the Line of Credit Amending

Agreement and the Term Loan Amending Agreement as described in Ucore's press release dated December 19, 2022.

Regarding the disclosure in the press release above, including in the "About Ucore Rare Metals Inc." and the "About RapidSX™ Technology" sections, 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 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 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 and/or the Alaska 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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