

# Ucore Enters US Coal Region Strategic Metals JV With Kentucky River Properties LLC

written by Raj Shah | March 7, 2018

✘ March 7, 2018 ([Source](#)) – Ucore Rare Metals, Inc. (TSXV:UCU) (OTCQX:UURAF) (“Ucore” or the “Company”) is pleased to announce that the Company has entered into an MOU to form a joint venture (the “JV”) with **Kentucky River Properties LLC** of Hazard, Kentucky, USA (“KRP”), for the purposes of accessing and processing rare earth elements (“REE”) and strategic metals from the **Appalachian Coal Region** (“ACR”).

KRP was formed in 1915, and is a major owner of coal bearing properties in the Appalachian Coal Basin and the Illinois Coal Basin of the United States. The company’s land holdings comprise a broad portfolio of producing coal mines, and undeveloped coal seams. The company has mineral holdings in three States (Kentucky, Indiana, and Illinois), with nearly 400,000 acres of mineral properties. For more information, see “**About KRP**”, below.

The majority of KRP’s holdings reside within the ACR, considered by the **USDOE** to be one of the most prospective undeveloped REE enriched regions in the United States <sup>1</sup>. Recent studies by the **USDOE National Energy Technology Lab** (“NETL”) have discovered REE concentrations of 300+ ppm from representative samples, considered a material threshold of REE concentration necessary for the profitable and economic development of a domestic rare earth resource.<sup>2</sup> NETL has since initiated a number of research initiatives to accelerate the development of REE resources in the ACR under the **Rare Earth Elements Program** (“REEP”). In 2017,

Ucore garnered a USD \$1M grant for REE beneficiation research under REEP (see Ucore Press Release dated June 12, 2017). For more information, see **“About REE in the US Coal Region”**, below.

“Rare Earth Elements are vital to the development and manufacturing of high-tech devices such as computers, cell phones, and our national defense systems,” said **U.S. Secretary of Energy Rick Perry**.<sup>3</sup> “The current difficulties and high expenses associated with REE extraction has left the U.S. dependent on foreign REE imports. Supporting innovative research and development to establish efficient, cost-effective REE extraction methods is critical to our country’s energy and national security.”

“Kentucky River Properties has long operated under the primary mission of delivering responsible and sustainable development to the US coal sector,” said **Stephen G. Barker, President, CEO, and General Counsel of KRP**. “With this in mind, the company has embraced green technologies wherever possible as a means of developing our extensive land portfolios. KRP’s efforts to explore solar energy and high efficiency biomass cultivation are examples of our company’s diversification initiatives in the energy sector. Ucore’s platform for the recovery of REE minerals critically important to US clean energy technologies is consistent with and builds upon our long-term vision.”

“We’re excited to be partnering with KRP, a company with an important ongoing role in the economic success of the American coal sector,” said **Jim McKenzie, President and CEO of Ucore**. “The significant magnitude of KRP’s land holdings and critical metals content spanning their coal mines, is the domestic REE resource that the US has been actively seeking in recent years.

The USD0E has already invested heavily in the study of this significant REE mineralization, setting out the ACR as an American asset prospectively capable of liberating the US from

dependence on China for critical REE. We look forward to developing this remarkable feedstock and furnishing it to American growth industries in a timely and efficient manner.”

Under the JV, KRP and Ucore will form a US based Limited Liability Company (LLC). KRP will make its properties containing REE and strategic metals feedstock available to the joint enterprise, consultative services and data management regarding the resource, as well as access to a number of potential sites for the construction a regional REE and strategic metals refinery (“**Strategic Metals Complex**” or “**SMC**”). Ucore will provide REE and strategic metals processing and refining technologies, plant engineering, design, construction and maintenance services, in addition to downstream offtake relationships for the purchase of high purity output products (REE oxides, chlorides, metals and alloys) by the US military, automotive, alternate energy and high technology sectors.

The site for the SMC, as well as the principal site management personnel have yet to be selected, and will be dependent upon factors such as proximity to critical concentrations of target minerals, logistical considerations including permitting metrics, access to industrial facilities, transportation corridors, available workforce, as well as taxation and locational incentives. The JV is currently reviewing multiple locations for the centralized REE processing facilities from competing alternatives in Kentucky, Indiana, and Illinois.

### **About REE in the US Coal Region**

<sup>1</sup> The US Coal Region has been a primary driver of the US economy for more than a century. The National Energy Technology Lab is actively pursuing the means to convert this enormous existing infrastructure into a domestic rare earth production sector. “Coal and coal by-products represents a vast untouched

resource,” said NETL Research Engineer Dr. Evan Granite. The United States consumes around 16–17 thousand tons of rare earths each year, and this demand could be completely satisfied by extracting rare earths from domestic coal and coal by-products. A typical coal sample contains 62 parts per million (ppm) of total rare earth elements on a whole sample basis. With more than 275 billion tons of coal reserves in the U.S., 17 million tons of rare earth elements are present within the coal.

[www.netl.doe.gov/research/coal/rare-earth-elements](http://www.netl.doe.gov/research/coal/rare-earth-elements)

[www.rdmag.com/article/2017/09/national-lab-works-extract-rare-earth-elements-coal](http://www.rdmag.com/article/2017/09/national-lab-works-extract-rare-earth-elements-coal)

<http://acclive.com/2017/11/17/the-future-of-rare-earth-elements-may-lie-with-coal/>

<sup>2</sup> Recent studies have indicated significant REE concentrations in samples originating from within the Illinois, Northern Appalachian, Central Appalachian and Rocky Mountain Coal Basins, as well as the Pennsylvania Anthracite region. These highly concentrated samples are greater than 300 parts per million (ppm).

[www.energy.gov/articles/high-concentrations-rare-earth-elements-found-american-coal-basins](http://www.energy.gov/articles/high-concentrations-rare-earth-elements-found-american-coal-basins)

<sup>3</sup> U.S. Secretary of Energy Rick Perry, introduction to High Concentrations of Rare Earth Elements Found in American Coal Basins, USD0E, November 29, 2017

[http://bit.ly/USD0E\\_SenatorPerryQuotation](http://bit.ly/USD0E_SenatorPerryQuotation)

### **About Kentucky River Properties LLC**

Kentucky River Properties owns significant coal bearing

properties in the Central Appalachian and Illinois Coal Basins in the United States. Formed in 1915, the company was created by a merger of multiple early coal and land holding companies (Haley Coal Company, Slemp Coal Company, Henry Coal & Coke Company, Letcher Coal & Coke Company, and Kentucky River Consolidated Coal Company, among others). During a century of resource acquisitions and development, KRP has amassed coal-bearing land holdings of approximately 272,000 acres in the Central Appalachians alone, comprising dozens of active and former producing coal mines in that region. More recent acquisitions in Western Kentucky, Illinois, and Indiana, have added approximately 95,000 mineral-bearing acres to the KRP land portfolio, in addition to more than 400 million tons of recoverable coal. For more information on KRP, please visit: [www.krpkky.com](http://www.krpkky.com)

## **About Ucore**

Ucore Rare Metals is a development-phase company focused on rare metals resources, extraction and beneficiation technologies. The Company has a 100% ownership stake in the Bokan project in South East Alaska. On March 31, 2014, Ucore announced the unanimous support of the Alaska State Legislature for the investment of up to USD \$145 Million in the Bokan project at the discretion of the Alaska Import Development and Export Agency ("AIDEA"). On January 30, 2018, the Company announced the selection of a location for a Strategic Metals Complex in Ketchikan, AK, a site which features an industrial base, deep water port, and proximity to the Bokan HREE project. The Alaska based SMC will be utilized for the processing of REE feedstock originating from international locations, and will share technology platforms and protocols wherever possible with the US Coal Region ACR contemplated herein.

## **Cautionary Notes**

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 exploration drilling, exploration activities, research and development timelines, and events or developments that the Company expects, 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 and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include exploitation and exploration successes or setbacks, research and develop successes or setbacks, continued availability of financing, and general economic, market or business conditions.

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