Ucore Executes US$18.4M Award with U.S. DoD for Rare Earth Processing

written by Raj Shah | June 2, 2025

June 2, 2025 (Source) – Ucore Rare Metals Inc. (TSXV: UCU) (OTCQX: UURAF) ("**Ucore**" or the "**Company**") is pleased to announce that the Company has executed the definitive contract for its largest financing agreement to date, the US$18.4 million follow-on first-stage production award from the U.S. Department of Defense ("**DoD**") that was previously announced on May 14, 2025. This award brings total funding under the Company's existing Other Transaction Agreement ("**OT Agreement**") with U.S. Army Contracting Command-Orlando ("**ACC-ORL**") to US$22.4 million (approximately CA$30.7 million). The funding awards that the Company receives from the DoD pursuant to the OT Agreement are non-repayable by the Company.

The purpose of the additional US$18.4 million award (the"**Award**") from the DoD is to facilitate the construction of the Company's first commercial RapidSX™ machine and supporting infrastructure at its Strategic Metals Complex ("**SMC**") in Alexandria, Louisiana. Specifically, the additional requirements of the project and the Company's objectives pursuant to the amended OT Agreement are to:

- complete detailed design, engineering, construction, and confirmation testing of commercial-scale RapidSX™ columns at the Company's Commercialization and Demonstration Facility in Kingston, Ontario (the "**CDF**");
- complete detailed design and engineering plans for the SMC in Alexandria, Louisiana;

- submit all required permit applications with respect to the SMC;
- construct the requisite RapidSX™ supporting infrastructure, which will initially be scaled to service three RapidSX™ machines within the SMC (with still capacity for additional machines within the 80,800 square foot facility); and
- construct one commercial-scale RapidSX™ machine within the SMC, including commissioning, demonstration, and achieving 'Early Production' readiness of salable individual rare-earth element ("**REE**") products from the SMC in Louisiana in H2-2026.

White House Executive Actions

The Award is captured under the Industrial Base and Sustainability ("**IBAS**") program, and although consistent with recent Executive Orders issued by the US Administration, it falls outside this special scope. In particular, the Company awaits further support opportunities which could result from the April 15th Executive Order, which encompasses a Section 232 investigation headed by the Department of Commerce to identify critical mineral shortfalls and projects that will restore domestic capability. The Company applauds this recent executive action and awaits the results of reviews and further recommendations initiated by these recent orders.

Groundbreaking Ceremony

On May 29, 2025, the Company held a Groundbreaking Ceremony at the SMC in Alexandria, Louisiana. The ceremony was attended by numerous local, state, federal, and US DoD representatives. The Company wishes to thank those who attended and looks forward to updating all constituents and stakeholders as efforts to establish domestic heavy rare earth refining capabilities

continue.



Figure 1 – Groundbreaking Ceremony (from left to right) – Jeff Robichaux, **Ratcliff Construction**; Donna Howe, **Speaker Johnson's Office**; Ramona Martin, **Representative Letlow's Office**; Tommie Seaton, **Senator Cassidy's Office**; Lafe Jones, **Louisiana Central**; Peter Manuel, Pat Ryan, and Mike Schrider, **Ucore**; Brandy Ledet and Rachel Shields, **LED**; David Broussard and Ralph Hennessy, **England Airpark**; Mayor Jacques Roy, **City of Alexandria**; Jay Scott, **Rapides Parish Police Jury**; Mike Palko and Bryan Mitsdarffer, **US DoD**

To view an enhanced version of this graphic, please visit: https://images.newsfilecorp.com/files/1119/254161_f0e72ffe948328e3_001full.jpg

"We are most appreciative of the ongoing support we have received from the US Department of Defense," said Pat Ryan, Chairman and CEO of Ucore. "We further reiterate our support for the Executive Actions executed by the Administration and await the results of this ongoing work. Our groundbreaking ceremony at the SMC was a pivotal moment for the Company as we move toward

our goal of commencing with domestic commercial production of separated and salable rare earth oxides in 2026. We thank everyone who participated in this important event and look forward to continuing our work with all of the many participants in this important project."

Initial OT Agreement

The initial agreement between the Company and the DoD was announced by the Company on June 6, 2023. That initial agreement in 2023 was a US$4 million award from the DoD in the form of a firm-fixed-price OT Agreement between the ACC-ORL and the Company. A copy of the initial OT Agreement was filed under Ucore's profile on SEDAR+ on June 12, 2023. The primary objective of the initial OT Agreement was to demonstrate that the Company's RapidSX™ technology capabilities, demonstrated, quantified, and qualified through the project, will enable industry to gain advancement and efficiency in REE separation processing methods. As was announced in the Company's press release dated June 6, 2023, upon the successful completion of the objectives of the OT Agreement, a follow-on or amended OT Agreement may be issued by the DoD to further support Ucore's REE separation capabilities in North America, led by the Company's flagship SMC planned to be located in Alexandria, Louisiana.

Amended OT Agreement

On May 14, 2025, the Company announced that it had reached an agreement with the DoD regarding amending the OT Agreement whereby an additional fixed amount of US$18.4 million will be provided to the Company to facilitate the construction of a production-ready commercial RapidSX™ machine and supporting infrastructure at the SMC in Alexandria, Louisiana. This agreement is a definitive amendment to the OT Agreement and was

signed by both the Company and ACC-ORL on May 22, 2025. A copy of the definitive amendment to the OT Agreement will be available under Ucore's profile on SEDAR+.

Other Government Support

As announced by the Company on November 20, 2023, Ucore has also secured a CA$4.28 million funding agreement from the Government of Canada to demonstrate the commercial efficacy of the RapidSX™ technology. This funding supports the production of high-purity REEs from Canadian and U.S. feedstock sources. In addition to U.S. and Canadian federal government support, the Company has executed a non-binding Letter of Intent with Louisiana Economic Development ("**LED**") with respect to State grants, tax incentives, payroll rebates, and other incentives with an estimated value of US$15 million. The Company has also been awarded CA$500,000 in partnership with Ontario's Critical Minerals Innovation Fund. The non-dilutive funding contribution is for the advancement of the Continuous Improvement Process at the CDF.

Louisiana SMC

It is planned that the Company's 80,800-square-foot SMC facility will eventually be in full commercial production, processing and refining individual rare earth oxides from rare earth concentrates sourced from U.S.-friendly countries around the world. The raw materials will arrive at the port of New Orleans and will then be shipped in one-ton supersacks to the SMC, which is located within the England Air Park (a designated Foreign Trade Zone) in Alexandria, Louisiana. Ucore will then refine the concentrates using its patent-pending RapidSX™ process and extract the various individual rare earth oxides. Foreign Trade Zones are designated geographic areas where commercial merchandise, both domestic and foreign, is treated as if it were

located outside the U.S. for commerce and customs purposes. This structure can potentially provide tariff and tax relief, helping American businesses remain competitive in the import of foreign inputs and exports of finished products.

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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 development of a heavy and light rare-earth processing facility in the US State of Louisiana, subsequent SMCs 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 ("**Bokan**").

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 the disclosure in the press release above about the amended OT Agreement and the expected successful progress of the project and the resulting milestone payments from the DoD, the Company has assumed that the project (including each of its milestones and the Company's objectives in this regard) will be completed in a satisfactory manner and in a reasonable period of time within approximately the next two years. Regarding the disclosure in the press release above about the other forms of government support for Ucore, the Company has assumed that the applicable projects (including each of the associated milestones) will be completed satisfactorily and in accordance with the respective agreements or letters of intent (as applicable) for such government support. For additional risks and uncertainties regarding the Company, its business activities, its ability to qualify for and receive any additional funding from any U.S. or Canadian government, the CDF and the aforementioned projects (generally), see the risk disclosure in the Company's MD&A for Q1 2025 (filed on SEDAR+ on May 9, 2025) (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 SMCs. Ucore has also assumed that*

sufficient external funding will be found to continue and complete the ongoing research and development work required at the CDF and also later prepare a new National Instrument 43-101 technical report that demonstrates that 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 and eventual commissioning and operations. 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

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