



UCORE TO ACQUIRE INNOVATION METALS AND RapidSX™ REE SEPARATION TECHNOLOGY

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- Ucore Rare Metals Inc. to Acquire 100% Ownership of Innovation Metals Corp. and RapidSX™
- Innovation Metals developed its RapidSX™ Technology for the separation of critical metals, including rare earth elements, lithium, nickel and cobalt
- Dr. Gareth Hatch, CEO of Innovation Metals, to join Ucore as Chief Technology Officer
- Ucore Rare Metals Announces C\$2.8 Million Concurrent Financing

HALIFAX — April 27, 2020 — Ucore Rare Metals Inc. (“Ucore” or the “Company”) (TSXV:UCU) (OTCQX:UURAF) is pleased to announce that it has executed a binding Share Purchase Agreement (the “**Purchase Agreement**”) with **Innovation Metals Corp.** (“IMC”) and its shareholders, dated April 25, 2020, whereby Ucore will acquire 100% of the issued and outstanding shares of IMC (the “**Acquisition**”). IMC is a privately held Canadian company that has developed **RapidSX™** technology for the separation and purification of critical metals including rare earth elements (“**REEs**”), lithium (“**Li**”), nickel (“**Ni**”) and cobalt (“**Co**”). RapidSX™ is an accelerated solvent-extraction-based separation technology, developed and successfully piloted by IMC. Amongst other test work, RapidSX™ has proven highly effective at the pilot scale in separating both heavy REE (“**HREE**”) and light REE (“**LREE**”) feedstocks to commercial-grade rare-earth oxides (“**REO**”) with expected significant technical and economic efficiencies relative to existing technologies.

The Company further announces that it has received subscription agreements pursuant to a concurrent C\$2.8 million convertible debenture financing (the “**Financing**”). The Financing is integral to the acquisition as the proceeds from the Financing will be used to progress the development and deployment of the RapidSX™ technology and the related further advancement of the Company’s M³ Plan of Action.

Acquisition of Innovation Metals Corp.

Under the terms of the Purchase Agreement, Ucore has agreed to acquire 100% of the issued and outstanding shares of IMC for an aggregate purchase price of C\$5,801,000 (the “**Acquisition Consideration**”). The Acquisition Consideration will be made up of 45,383,412 common shares of the Company (the “**Acquisition Shares**”) and C\$1,000 in cash. In accordance with the Purchase Agreement, the Acquisition Shares were deemed to have a value of C\$0.1278 per common share, which is equal to the 5-day volume weighted average price (VWAP) of the Company’s common shares on the TSX Venture Exchange (“**TSXV**”) as at the close of trading on April 24, 2020 with no discount being applied. Additionally, upon the closing of the Acquisition, Ucore will provide IMC with a C\$500,000 non-interest-bearing intercompany loan for the immediate continued development of RapidSX™. IMC is expected to have no other liabilities upon the closing of the Acquisition.

Developed over several years, initially at the lab-scale level and then more recently with pilot facility column testing, RapidSX™ combines the time-proven chemistry of solvent extraction (“**SX**”) technology (the REE industry’s current standard bulk commercial separation technology) with a new column-based platform, which significantly accelerates separation performance, resulting in smaller process-plant size and lower expected capital and operating costs. IMC has also turned its present-day attention to utilizing RapidSX™ with other feedstocks, including nickel and cobalt from Ni-Co concentrates and lithium from Li brines.

Ucore Chairman, **Pat Ryan**, commented: “*Ucore’s acquisition of IMC represents a significant opportunity for Ucore, its shareholders and all stakeholders, while accelerating our M³ Plan of Action. After significant study, the most convincing element of our analysis was understanding that RapidSX™ is not a ‘new’ technology but rather an important improvement on well-established, understood and industry-expected SX separation technology. We firmly believe that the RapidSX™ technology holds considerable merit for Ucore’s own prospective Alaska Strategic Metals Complex [the “**Alaska SMC**”] as discussed in our M³ Plan of Action as well as industry-wide commercialization in particular due to the scalable and modular nature of RapidSX™.*”

As announced on [September 10, 2019](#) (refer to the Company’s disclosure ‘[Ucore Announces M³ Plan of Action for Independent U.S. HREE Supply Chain](#)’) Ucore’s **M³ Plan of Action** is a comprehensive, near-term strategy predicated on building an economically robust, 100% Made-in-USA HREE and LREE supply-chain solution to address US critical metals independence which is needed to mitigate current concerns about the extreme concentration of the REE supply chain in China with scalable, secure, complete and, as importantly, cost-competitive HREE and LREE downstream transformation capacity.

“*The further development of RapidSX™ to the point of commercial readiness will allow the Ucore-IMC team to support all efforts by the US government and its allies to prospectively achieve this nationally secure pathway to independence*”, stated **Mike Schrider**, P.E., Chief Operating Officer of Ucore.

Dr. Gareth Hatch Joins as Chief Technology Officer

Following the closing of the Acquisition, Dr. Gareth Hatch (the Chairman and CEO of IMC) will join Ucore's management team and will become Ucore's Chief Technology Officer. Dr. Hatch will also continue to serve as IMC's chief executive. Dr. Hatch began his career at US-based Dexter Magnetic Technologies, Inc., where he was Director of Technology and led the company's applications engineering and quality-management teams. He is Advisory Board Chair for the Belgium-based Rare Earth Industry Association ("**REIA**"), a member of the NATO Science and Technology Organization strategy team on REEs, and is a member of the Canadian ISO TC/298 Mirror Committee on standards for REEs. Dr. Hatch holds a B.Eng (Honours) degree in materials science & technology and a Ph.D. in metallurgy & materials, both from the University of Birmingham, with research focused on REE permanent-magnet alloys. He is a Fellow of the Royal Society of Arts, Manufacture and Commerce ("**RSA**"), a Fellow of the Institute of Materials, Minerals & Mining ("**IOM3**"), a Fellow of the Institution of Engineering & Technology ("**IET**") a Senior Member of the Institute of Electrical and Electronic Engineers ("**IEEE**"), and is a Chartered Engineer (C.Eng.). A named inventor on five US patents based on a variety of magnetic devices, Dr. Hatch is also an advisor to private companies in the REE permanent-magnet supply chain.

IMC CEO, **Dr. Gareth Hatch**, stated: *"As a co-founder of Innovation Metals, I can proudly say on behalf of IMC and all of its stakeholders, this transaction with Ucore represents a significant opportunity to accelerate the advancement of RapidSX™. I look forward to working closely with the rest of the Ucore team. More than ever, we are committed and determined to fulfill our collective mission of establishing an alternative supply chain for REEs, and now also for lithium, nickel, cobalt, and other critical materials."*

Additional Information

The Acquisition was structured as a take-over bid transaction whereby Ucore made an offer to IMC's shareholders to purchase all of the issued and outstanding shares of IMC in consideration for the Acquisition Consideration. In accordance with section 4.3 of National Instrument 62-104 - *Take-Over Bids and Issuer Bids*, the offer was an exempt take-over bid and neither Ucore nor IMC were required to file circulars. As an exempt take-over bid, the distribution of the Acquisition Shares will be exempt from prospectus requirements in accordance with section 2.16 of National Instrument 45-106 - *Prospectus Exemptions* and any subsequent first trades will be subject to the "seasoning period" restrictions found in National Instrument 45-102 - *Resale of Securities* ("**NI 45-12**"). In addition, IMC's shareholders have agreed to the following contractual minimum hold periods in accordance with the Purchase Agreement:

- 10% of the Acquisition Shares issued to each Seller shall be freely tradeable on the closing date;
- an additional 10% of the Acquisition Shares issued to each Seller shall be freely tradeable the on the 1-month anniversary of the closing date;
- an additional 15% of the Acquisition Shares issued to each Seller shall be freely tradeable on the 2-month anniversary of the closing date;

- an additional 25% of the Acquisition Shares issued to each Seller shall be freely tradeable on the 3-month anniversary of the closing date; and
- the remaining 40% of the Acquisition Shares issued to each Seller shall be freely tradeable on the 6-month anniversary of the closing date.

The Acquisition is expected to close on or before May 8, 2020, and is subject to customary closing conditions, including the receipt of all necessary regulatory approvals, including the approval of the TSXV. Management and the Board of Directors of both Ucore and IMC unanimously support the Acquisition.

The Acquisition is an independent and arm's-length transaction. No member of IMC's Board of Directors and none of IMC's shareholders are related parties to Ucore. No new 10% shareholder of Ucore will be created as a result of the Acquisition. No finder's fees or commissions will be paid in connection with the Acquisition, which does not constitute a Change of Business or Reverse Takeover, as those terms are defined in the TSXV Corporate Finance Manual.

Independent Valuation

In regard to the Acquisition, [Farber Corporate Finance Inc.](#) ("**Farber**") acted as an independent financial advisor to Ucore and provided Ucore with a formal valuation report regarding IMC. For its services, Farber received a flat fee from Ucore that was paid in cash. The fee that was paid to Farber was not contingent on Farber's opinion and no portion of it was contingent upon the execution of the Purchase Agreement or the closing of the Acquisition.

Convertible Debenture Financing

In regard to the Financing, the Company is also pleased to announce that it has received commitments from lead orders for a concurrent C\$2.8 million convertible debenture financing (the "**Convertible Debentures**"). The Company intends to use the net proceeds of the Financing for post-closing developments related to RapidSX™ after the Company completes the Acquisition. Intended short term action items include:

- 1) integration of IMC and RapidSX™ into Ucore's various M3 Plan of Action initiatives;
- 2) commencement of RapidSX™ bench-scale test work involving one or more specifically selected US-allied rare-earth and critical-mineral feedstocks (not necessarily from the Company's Bokan-Dotson Ridge Rare Earth Project) followed by pilot-scale tests which are expected to demonstrate capital expenditure ("**Capex**") and operating expense ("**Opex**") efficiencies for Ucore's prospective Alaska SMC and/or other potential customers; and
- 3) development efforts towards the RapidSX™ Commercial Demonstration Plant (note: a RapidSX™ pilot-scale facility already exists in Mississauga, Ontario, Canada).

The Company expects to issue 2,800 Convertible Debentures at a price of C\$1,000 per Convertible Debenture. The Convertible Debentures will bear interest at a rate of 7.5%, payable semi-annually on the last day of May and November of each year, commencing on November 30, 2020. The Convertible Debentures will have a three-year term (the “**Term**”), with the principal amount being due to be repaid in full by the Company on May 31, 2023 (the “**Maturity Date**”). During the third year of the Term, the Company shall have the option to extend the Term by up to one additional year. If extended, then the Company shall pay a cash extension fee to the holders (the “**Holders**”) in the amount of six month’s interest. The Convertible Debentures are unsecured.

In addition to annual interest at a rate of 7.5%, the Company will also pay to the initial Holder a one-time commitment fee comprised of 500 commitment warrants (“**Commitment Warrants**”) per Convertible Debenture. Each Commitment Warrant shall entitle its holder to acquire one common share of the Company (a “**Common Share**”) at an exercise price of C\$0.18 per Common Share for a period of 24 months.

At any time during the Term, the Holder may elect to convert the outstanding net principal amount, or any portion thereof, into units (“**Units**”) at a conversion price of C\$0.12 per Unit (the “**Conversion Price**”). Each Unit shall consist of one Common Share and one-half of a warrant (“**Warrant**”). Each whole Warrant shall entitle the Holder to acquire a Common Share at an exercise price of C\$0.18 for a period ending on the Maturity Date.

The outstanding principal amount of each Convertible Debenture will automatically be converted into Units at the Conversion Price (C\$0.12) if the Common Shares trade at a closing price of C\$0.22 or more on the TSXV for 20 consecutive trading days.

The issuance of the Convertible Debentures, the Commitment Warrants and, if applicable, the Units and any underlying Common Shares and Warrants shall be completed on a private placement and prospectus exempt basis, as applicable, such that the issuances shall be exempt from any applicable prospectus and securities registration requirements. No finder’s fees or commissions will be paid related to the Financing.

Pursuant to NI 45-102, the Convertible Debentures, the Commitment Warrants and any underlying Units, Common Shares or Warrants to be issued upon conversion or exchange of these securities will be subject to a four-month hold period commencing on the closing date. Additional hold periods and/or trading or resale restrictions may also apply in the United States.

Two insiders of the Company will be submitting subscription agreements in regard to the Financing and, as such, the issuance of the Debentures to such insiders will be a “related-party transaction” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). However, the issuance will be exempt from the valuation requirement of MI 61-101 by virtue of the exemption contained in Section 5.5(a) of MI 61-101 and from the minority shareholder approval requirement of MI 61-101 by virtue of the exemption contained in Section 5.7(1)(a) of MI 61-101, as the fair market value of the Convertible Debentures do not exceed 25% of the Company’s market capitalization. The terms of the

Financing were reviewed and unanimously approved by Ucore's Special Committee and Ucore's Board of Directors. The two insiders of the Company participating in the Financing are insiders due to their holdings of Common Shares, and neither of them are members of Ucore's Board of Directors. No new insider (10%) and no new control person (20%) of Ucore will be created as a result of the Financing.

In addition to the approval of the TSXV, the closing of the Financing and issuance of the Convertible Debentures are conditional on the closing of the Acquisition.

Ucore currently has 365,116,414 Common Shares issued and outstanding. Pursuant to the terms of the Purchase Agreement, 45,383,412 Common Shares are expected to be issued as Acquisition Shares pursuant to the Acquisition. If the Financing is fully subscribed and closes, then 2,800 Convertible Debentures will be issued along with 1,400,000 Commitment Warrants. If all of the Convertible Debentures are converted into Units (made up of Common Shares and Warrants), and if all of the Warrants and Commitment Warrants are exercised (resulting in additional cash proceeds of C\$2.35 million), then 35,000,000 Common Shares are potentially issuable pursuant to the Financing.

More Information about Innovation Metals: The Hexagon-IMC REE Joint Venture

On October 10, 2019, IMC and Australian-based Hexagon Energy Materials Limited ("**Hexagon**") (formerly Hexagon Resources Limited) announced an investment agreement (the "**Investment Agreement**") pursuant to which Hexagon acquired a one-year option to acquire a 49% equity ownership in an incorporated joint venture with IMC (the "**Hexagon-IMC REE Joint Venture**") to be called American Innovation Metals Inc. ("**AIM**") for the commercial development of the RapidSX™ REE technology. In order to exercise its option, Hexagon is required to pay IMC a total of US\$2,000,000 in cash, in addition to US\$4,000,000 in deferred compensation payable through Hexagon's share of future distributable cash flows from AIM.

The IMC-Ucore team continues to look forward to Hexagon exercising the Hexagon-IMC REE Joint Venture option. In accordance with the Purchase Agreement between Ucore and IMC, all of Hexagon's commercial rights and obligations have been fully maintained in accordance with the terms of the Investment Agreement between Hexagon and IMC.

About Ucore Rare Metals Inc.

Ucore is focused on rare and critical metals resources, extraction and beneficiation technologies with potential for production, growth, and scalability. The Company has a 100% ownership stake in the Bokan-Dotson Ridge Rare Earth Project. Ucore's vision and plan is to transition to become a leading advanced technology company that provides mineral separation products and services to the mining and mineral extraction industry. This vision includes the development of the Alaska SMC in Southeast Alaska and the development of the Company's rare earth minerals property located at Bokan Mountain in Alaska.

For further information, please contact: Mr. Jim McKenzie, President & CEO of Ucore Rare Metals Inc. at: +1 (902) 482-5214 or visit www.ucore.com.

About Innovation Metals Corp.

IMC is a private Canada-based company and developer of the proprietary RapidSX™ process, for the low-cost separation and purification of REEs, Ni, Co, Li and other technology metals, via an accelerated form of solvent extraction. IMC is commercializing this approach for a number of metals, to help enable mining and metal-recycling companies to compete in today's global marketplace.

For more information, please visit www.innovationmetals.com.

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 business development and/or acquisition activities (including any related required financings), timelines, litigation outcomes, 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 or results and actual results or developments may differ materially from those in forward-looking statements. Regarding Ucore's planned Acquisition of IMC, the Company has assumed that the agreed upon transaction, as described in the Purchase Agreement, will close without undue delay or complication. IMC shareholders representing over 90% of IMC's outstanding common shares have agreed to the Acquisition. IMC's shareholders have been notified that any shares of IMC that are not tendered to the Company's offer pursuant to the Purchase Agreement are expected to be acquired from them by the Company pursuant to the compulsory acquisition provisions of the Business Corporations Act (British Columbia), such that IMC is expected to become a wholly-owned subsidiary of the Company. The Company has assumed that it will be able to obtain the TSXV's final acceptance of the Acquisition. The Company has assumed that no adverse material changes will arise with either IMC or Ucore prior to the anticipated closing of the Acquisition. Ucore has also assumed that all of the representations and warranties made in the Purchase Agreement are accurate and will continue to be accurate and correct in the future. The Company has also assumed that no incurable defects exist in the performance of IMC's RapidSX™ technology or in regard to IMC's intellectual property ownership interests in RapidSX™, and that if any material defects or issues are present that, they can be remedied in a timely manner. Ucore has also assumed that the Financing will become fully subscribed and will close and that all inquiries and requests of the TSXV will be satisfied in a timely manner such that the TSXV's approval will be obtained without delay. The Company has also assumed that Hexagon will exercise its option in accordance with the terms of the Investment Agreement prior to the expiry date of that agreement. In regard to Ucore's M³ Plan of Action and the disclosure in the "About Ucore" section above, the Company has assumed that it will be able to procure or retain additional partners and/or suppliers, in addition to Innovation Metals Corp., as suppliers for Ucore's expected future Alaska SMC. Ucore has also assumed that sufficient external funding will be found to prepare a new NI 43-101 technical report that

demonstrates that the Bokan Project is feasible and economically viable for the production of both REE and co-product mineral materials and metals and the then prevailing market prices based upon assumed customer off-take agreements. Ucore has also assumed that sufficient external funding will be found to develop the specific engineering plans for the Alaska SMC and its construction. Factors that could cause actual results to differ materially from those in forward-looking statements include, without limitation: the planned Acquisition of IMC failing to close; the Financing not becoming fully subscribed and it failing to close; 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 Alaska SMC; Ucore not being able to raise sufficient funds to fund the specific design and construction of the Alaska SMC; adverse capital market conditions; unexpected due diligence findings; unexpected or adverse outcomes in the currently outstanding litigation matters between Ucore and IBC Advanced Technologies, Inc.; the emergence of alternative superior metallurgy and metal separation technologies; the inability of Ucore and/or IMC to retain its key staff members; unexpected transaction costs or other deal completion setbacks; a change in the legislation in Alaska and/or in the support expressed by 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 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.

The Acquisition Shares, Convertible Debentures, Units, Common Shares and Warrants (including Common Shares issuable upon exercise of the Warrants) have not been, nor will they be, registered under the United States Securities Act of 1933, as amended and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.