Ucore and Vital Metals Execute Feedstock Supply MOU for the Alaska SMC

Highlights

- **Ucore is developing the Alaska SMC for the processing of rare earth elements in Southeast Alaska**
- **Vital Metals is producing rare earth concentrate from its Nechalacho rare earth project in NWT, Canada**
- **Vital Metals is constructing a Rare Earth Extraction Plant to produce a mixed rare earth chemical concentrate in Saskatoon, Saskatchewan from the Nechalacho deposit**
- **The Alaska SMC is planned to commence production of up to 2000 tonnes per annum (tpa) of individual rare earth oxides from US-allied feedstock by H1-2024**
- **Vital Metals is expected to commence the supply of a minimum of 500 tpa of a cerium depleted concentrate to Ucore in 2024; expandable to over 2,500 tpa by 2026**

HALIFAX, NOVA SCOTIA — October 19, 2021 — Ucore Rare Metals Inc. ("**Ucore**" or the "**Company**") (TSXV:UCU) (OTCQX:UURAF) is pleased to announce the execution of a **MEMORANDUM OF UNDERSTANDING** ("**MOU**") setting forth certain nonbinding understandings and binding agreements between Ucore and **Vital Metals Limited** (ASX:VML) ("**Vital Metals**" or "**Vital**") (collectively the "**Parties**"). The MOU is the first step towards the establishment of a long-term supply agreement for the delivery of mixed rare earth chemical concentrate ("**MREC**") from Vital Metals' Nechalacho project to Ucore's planned Alaska Strategic Metals Complex ("**Alasks SMC**") in Ketchikan, Alaska. The MREC will be shipped from Vital's Saskatoon, Saskatchewan, Rare Earth Extraction Plant which is expected to enter into production in 2022.

Vital Metals is Canada's first – and North America's second – rare earths producer, with production underway at their Nechalacho mine in the Northwest Territories, Canada. Vital aims to produce a minimum 5,000 tonnes of contained rare earth oxides ("**REO**") at Nechalacho by 2025. Mining at Nechalacho's North T Zone is underway as part of Vital Metals' Stage 1 production strategy. They are now crushing and sorting ore before it is sent to their Saskatoon cracking and leaching facility (the Rare Earth Extraction Plant) later in 2021. Vital has commenced drilling to define a mine plan for Stage 2 at Nechalacho as it works to develop a larger scale, longer life rare earths project.

Vital aims to become the lowest cost producer of mixed rare earth oxide outside of China by developing one of the highest grade rare earth deposits in the world and the only rare earth project capable of beneficiation solely by ore sorting. Vital Metals other projects include the high-grade Wigu Hill rare earth resource in Tanzania and the recently acquired Kipawa and Zeus heavy rare earth projects in Quebec, Canada.

Ucore is developing the Alaska SMC as the first planned component of the Bokan-Dotson Ridge Rare Earth Element Project ("**Bokan**"). The SMC will be initially designed to process up to 2,000 tonnes per annum (tpa) of US-allied MREC into individual rare earth oxides, expandable to over 5,000 tpa by 2026. The Alaska SMC will be based on the RapidSX™ rare earth element separation technology platform, developed by Ucore's wholly owned subsidiary, Innovation Metals Corp. ("**IMC**"). There is currently no commercial rare earth separation taking place in North America and Ucore and Vital Metals envision the Nechalacho mine to Saskatoon to Ketchikan supply route as the first major step in the establishment of an independent North American supply chain.

The MOU outlines the intent for Vital to ship Ucore a minimum of 500 tpa of a cerium depleted MREC commencing in 2024, expanding to over 2,500 tpa as Ucore expands its capabilities by 2026. The parties envision shipping the MREC via rail service from Saskatoon to Prince Rupert, British Columbia, followed by a short marine transit of approximately 90 nautical miles to Ketchikan and the Alaska SMC.

"*Vital Metals is the first rare earth producer in Canada and Ucore is racing to construct the first modern rare earth processing plant in the United States*," said **Mike Schrider**, P.E., Ucore Vice President and COO. "*The combination of our efforts clearly work together towards the collective goal of establishing an ex-China rare earth supply chain to ensure that Western world manufacturers have access to North American produced and sourced rare earth oxides. This partnership with Vital Metals signifies another critically important moment for the development of the Alaska SMC as we continue to cultivate collaborative relationships with potential upstream and downstream partners in the growing North American rare earth supply chain.*"

Vital Metals' Managing Director **Geoff Atkins** noted that the MOU with Ucore was an important step in Vital positioning itself as a key supplier of rare earth feedstock in the North American critical minerals supply chain.

"*This agreement is an important and exciting entrance into the North American downstream rare earth supply chain. To reach this agreement to ensure Ucore's Alaska SMC has a guaranteed supply of rare earth feedstock to service the North American market is an important milestone in the delivering Vital's business plan. This agreement will help position Vital as a critical supplier of rare earth feedstock into the North American market. We are continuing to grow our operations in Canada and are well-placed to supply both North America and Europe with the complete suite of rare earths*," **Mr. Atkins** said.

"*We look forward to further developing our relationship with Ucore with a view to finalising a definitive off-take agreement and the commencement of supply of feedstock for the Alaska SMC.*"

Terms of the MOU

The main terms of the non-binding MOU are as follows:

- Vital will sell to Ucore a minimum of 500t REO (ex-cerium)/year by H1 2024.
- Vital will expand its operations to supply to Ucore a minimum of 50% of Ucore's proposed 5,000t TREO/yr RE separation plant by 2026.

- Customer acceptance protocols will include the supply of a sample (1-2kg) this quarter with a 1t sample supplied in H2 2022.
- The MOU is subject to the completion of due diligence by each party.
- The parties will negotiate one or more formal agreements ("**Definitive Agreements**") which will include such covenants, conditions, indemnities, representations and warranties as are customary for this type of transaction.
- The rights and obligations of the parties under the MOU expire upon the execution of Definitive Agreements. Either party may terminate the MOU after seven months from the date of execution.

Ucore's development plan for the Alaska SMC calls for substantial completion of construction by the end of 2023, followed by commissioning, product qualification testing with Vital Metals' and other US-allied feedstock, and production of individual REOs in H1 of 2024. On October 7, 2021, Ucore announced the execution of a Memorandum of Agreement with Alaska's Southeast Conference for the funding of the Alaska SMC.

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About Ucore Rare Metals Inc.

Ucore is focused on rare- and critical-metals resources, extraction, beneficiation, and separation technologies with potential for production, growth, and scalability. Ucore has a 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, Ucore's vision includes disrupting the People's Republic of China's ("**PRC**") control of the US REE supply chain through the development of a heavy rare-earth processing facility — the Alaska Strategic Metals Complex in Southeast Alaska and the long-term development of Ucore's heavy rare-earth element mineral resource property located 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".

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

Forward-Looking Statements

This press release includes certain statements that may be deemed "forward-looking statements" regarding, among other things, the Company's ALASKA2023 Business Plan as well as the upcoming prospective financing activities involving the Company and AIDEA. 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, 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. In regard to the disclosure in the "About Ucore Rare Metals Inc." section above, the Company has assumed that it will be able to procure or retain additional partners and/or suppliers, in addition to IMC, as suppliers for Ucore's expected future Alaska Strategic Metals Complex ("**Alaska SMC**"). Ucore has also assumed that sufficient external funding will be found to 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 off-take agreements. Ucore has also assumed that sufficient external funding will be secured 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: Innovation Metals Corp. ("**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 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 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) accepts responsibility for the adequacy or accuracy of this release.

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