

# Utah Court Denies IBC's Attempt to Void the Option to Purchase Agreement with Ucore Rare Metals Inc.

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Halifax, August 6, 2020 - [Ucore Rare Metals Inc.](#) (TSXV: UCU) (OTCQX: UURAF) ("Ucore" or the "Company") is pleased to provide an update on the lawsuit that was initiated on February 19, 2019, (the "Second Utah Complaint") by IBC Advanced Technologies, Inc. and Steven R. Izatt (collectively the "Plaintiffs" or "IBC") against Ucore and certain executives of the Company.

Under the Second Utah Complaint, on March 6, 2020, IBC filed a Motion for Partial Summary Judgment ("MPSJ") seeking an outright judgment by the U.S. District Court, District of Utah (the "Federal Court") declaring: 1) the Option to Purchase Agreement <sup>[i]</sup> (the "OTP") void for vagueness, 2) the OTP terminated due to Ucore's default and failure to rectify, 3) that Ucore breached either the OTP or the Research Agreement <sup>[ii]</sup>, or both, by violating its Confidentiality Provision and Exclusivity Provision, and 4) that attorney's fees were properly incurred due to Ucore's breaches.

During a hearing on August 5, 2020, when oral arguments were presented, the Federal Court orally denied IBC's Motion for Partial Summary Judgment in its entirety. Other significant decisions by the Federal Court during this hearing were:

1. IBC's Objection to the Magistrate Judge's Order Denying IBC's Motion for Leave to File Amended Complaint (regarding the Second Utah Complaint) was denied.
  1. Therefore, IBC's Motion for Preliminary Injunction against Ucore, regarding the proposed amended claims, was also denied.
2. The granting of a motion put forth by IBC to consolidate the three active Federal Court cases (the Second, Third, and Fourth Utah Complaints - as defined below) and was consented to by Ucore and Michael Schrider (Ucore Vice-President & COO).

"Although our court schedules in both Utah and Nova Scotia have been impacted by the COVID-19 pandemic, Ucore is very pleased with the outcomes to date within the courts," stated Pat Ryan, P.Eng., Ucore Chairman & Interim-CEO. "We understand that further delays may occur given these uncertain times. However, with every court appearance, we take one more step to resolving this dispute with IBC and to ultimately capturing the value of our significant investment in their technology for rare earth elements - once legally liberated. A technology that we believe ideally complements our current pathway of developing a near-term U.S. commercial rare earth separation facility."

Ucore offers the following updates regarding all active legal actions stemming from the proposed acquisition of IBC:

Ucore v. IBC (filed by Ucore on December 11, 2018, amended on April 2, 2019)

Court: The Supreme Court of Nova Scotia ("NSSC")

On July 20, 2020, Ucore filed a Notice of Motion for Contempt Order against IBC. Ucore alleges that IBC's MPSJ in the Utah Court (seeking to nullify the OTP) violates the NSSC's December 4, 2019, Interlocutory Injunction preserving the OTP pending trial in Nova Scotia. At the same time, Ucore also filed a Motion to Permit Further Amendments to the Pleadings, for the purpose of adding the IBC shareholders who are also signatories to the OTP to this complaint, further to IBC's requests to the Court that they be added.

IBC has opposed both motions and a hearing is scheduled on August 19 and 21, 2020, before the NSSC. Otherwise, this case is in the Disclosure process <sup>[iii]</sup>.

IBC v. Ucore, et al. (filed by IBC on January 4, 2019, dismissed on September 19, 2019)

"First Utah Complaint"

Court: Third District Court, Salt Lake Division, Salt Lake County, State of Utah

This case was formally dismissed by the Court for lack of jurisdiction on September 19, 2019. IBC submitted a Notice of Appeal on October 18, 2019. Further submissions by IBC and Ucore to the Utah Court of Appeals are pending. After the briefs are complete, the Court of Appeals will schedule an oral argument. After the oral argument, the Court of Appeals will issue a written opinion. If Ucore prevails on appeal, this case is over. If IBC prevails on appeal, the case will be remanded back to the Court and will start over from the beginning of the case.

IBC v. Ucore, et al. (filed by IBC on February 19, 2019)

"Second Utah Complaint"

Court: U.S. District Court, District of Utah

Due to the August 5, 2020, hearing decision to deny IBC leave to amend this complaint, Ucore now has 10 days to answer the original complaint and assert its counterclaims.

The Disclosure and Discovery process will begin after Ucore answers the complaint.

IBC v. Schrider (filed by IBC on October 18, 2019, amended on November 18, 2019)

"Third Utah Complaint"

Court: U.S. District Court, District of Utah

The pleadings are closed and the Disclosure and Discovery process is underway.

Paul J. Talbot, Dr. Reed M. Izatt, Liisa Marianne Silander-Izatt, Dr. Jerald S. Bradshaw, Jerald S. Bradshaw Trust a/k/a JKB Trust, Reed M. and Helen F. Izatt Foundation, Dr. Ronald L. Bruening, and Reed M. Izatt Trust v. Ucore (filed on January 6, 2020 and purportedly served on April 21, 2020)

"Fourth Utah Complaint"

Court: U.S. District Court, District of Utah

The named Plaintiffs (the "Selling Shareholders") are all IBC shareholders and signatories to the OTP. They consist of all of the shareholders who signed the OTP, except for Steven R. Izatt. The Selling Shareholders filed a complaint against the Company, seeking, among other things, a declaration that the OTP is null and void; compensatory and consequential damages; exemplary and punitive damages; and reasonable attorney's fees and costs.

In addition to declaratory judgment, the complaint alleges breach of contract; breach of implied covenant of good faith and fair dealing; and fraudulent inducement. On April 21, 2020, per the Utah Federal Court order, Ucore was purported to be served with the complaint via email; Ucore disputes that e-mail service was valid. On May 12, 2020, Ucore filed a motion to dismiss the complaint which the Selling Shareholders have opposed. The motion is fully briefed and awaiting a decision by the Federal Court - this is the only

outstanding decision in the Federal Court.

Decisions of the NSSC may be accessed from its websites, as they are posted at <https://decisions.courts.ns.ca/nsc/en/nav.do>. More information on the Nova Scotia proceedings can be obtained in person at the Law Courts, 1815 Upper Water Street, Halifax, Nova Scotia. More information on the Nova Scotia and other proceedings, generally, can be obtained under the Company's profile on SEDAR ([www.sedar.com](http://www.sedar.com)) or by contacting Mark MacDonald, Vice President of Investor Relations at (902) 482-5214 or [info@ucore.com](mailto:info@ucore.com).

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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. 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 Strategic Metals Complex (the "Alaska SMC") in Southeast Alaska and the development of the Company's rare earth minerals property located at Bokan Mountain in Alaska.

Ucore is listed on the TSX Venture Exchange 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](http://www.ucore.com) or contact Mark MacDonald, Vice President of Investor Relations at 902.482.5214.

#### 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 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 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. ("IMC"), as suppliers for Ucore's expected future Alaska SMC. Ucore has also assumed that sufficient external funding will be found to prepare a new National Instrument 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: 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; 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 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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<sup>[1]</sup> On March 14, 2015, Ucore and IBC entered into an agreement granting Ucore the option to purchase IBC (i.e. the OTP). The OTP, among other things, granted Ucore the exclusive right and option to purchase IBC upon commencement (at Ucore's discretion) of a mutually-agreed process.

[ii] On April 29, 2014, Ucore formalized its relationship with IBC when the parties signed an agreement for research projects, a pilot plant, an Alaska separation plant, and a prospective joint operating enterprise (collectively, the "Research Agreement").

[iii] There is a difference in legal terminology between American and Canadian proceedings. The process of exchanging relevant documents is called "disclosure" in Canada, and "disclosure and discovery" in the U.S. The process of examining relevant witnesses is called "discovery" in Canada, and "depositions" in the U.S.

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