

HALIFAX, NOVA SCOTIA--(Marketwired - May 20, 2015) - [Ucore Rare Metals Inc.](#) (TSX VENTURE:UCU)(OTCQX:UURAF) ("Ucore" or the "Company") today announced that the Company has entered into an agreement (the "Agreement") with a high net worth US-based investor (the "Investor") through which the Investor will pay USD\$4.0 million (approximately CAD\$4.9 Million) to Ucore in consideration for a royalty on the sale of products and services related to the processing of rare earth elements and other specialty metals and critical materials utilizing SuperLig® Molecular Recognition Technology ("MRT").

Under the terms of the Agreement, the Investor will make a USD\$4 Million payment to Ucore, with a USD\$1 Million down payment on or before May 26, 2015, with the balance payable within 120 days thereafter (collectively, the "Investment").

In consideration of the foregoing, the Investor will receive a royalty from the production of Ucore's early stage MRT installations (the "Royalty"). The Royalty will be comprised of two components: (i) a Gross Royalty equal to 5% of gross sales from the Company's first MRT installation or installations, payable until the recapture of the Investment; and (ii) a Net Smelter Royalty ("NSR") equal to 2% of the net sales from the Company's first Tier I production client. A Tier I production client is considered to be one with an estimated gross revenue volume to Ucore exceeding CAD\$50 Million per annum, with net sales figures to be calculated by Ucore on an annual basis during the production term, in accordance with IFRS accounting procedures.

"We're excited to announce this royalty financing arrangement," said Jim McKenzie, President & CEO of Ucore. "The investment is favorable for Ucore since there is no debt burden, and is prospectively non-dilutive, given that shares will not be issued by Ucore upon closing. What's more, the transaction is a vote of confidence from a major investor in the remarkable growth potential of MRT, as well as an endorsement and financing milestone for Ucore, as it transitions towards near term revenue status and vertical integration."

The Investor has the option to increase the amount of the Investment by up to USD\$ 1 Million in exchange for a larger Royalty. If, prior to August 13, 2015, the Investor provides written notice to Ucore that it would like to increase the Investment, it can do so in tranches of USD\$500,000 in exchange for a pro-rata increase in its royalty. Each USD\$500,000 additional investment will result in an increase in the NSR by a factor of 0.25%.

Pursuant to the Agreement and subject to any required regulatory, stock exchange or shareholder approvals, the Investor has the right to convert the total amount of the Investment (minus any Royalty amounts already then paid by Ucore) into common shares of Ucore. If the Investor elects to convert such amount, then Ucore's Royalty obligations shall cease and the conversion amount shall be converted into common shares at the greater of: (i) the 30 day volume weighted average share price of Ucore's common shares, less a 20% discount; or (ii) the market price of Ucore's common shares on the day immediately prior to the conversion date, less a 20% discount; or (iii) \$0.25 per common share.

The Agreement and the closing of the transaction remain subject to and conditional upon the acceptance and approval of the TSX Venture Exchange.

Background

It is expected by the parties that the products created and services provided related to generating the revenues and net profits that will be the subject of the Royalty will be furnished under the terms of the anticipated joint venture announced on March 3, 2015 (the "Joint Venture") between Ucore and IBC Advanced Technologies Inc. of American Fork, Utah ("IBC"). Under the terms of the Joint Venture, Ucore will retain a controlling interest (60%) while IBC will retain a 40% beneficial interest in the exclusive rights to IBC's SuperLig® MRT platform for rare earth separation and recycling applications, as well as tailings processing applications. With MRT installations around the world, IBC is the leading purveyor of MRT processing to the mining industry.

[Ucore Rare Metals Inc.](#) is a development-phase mining company focused on establishing rare metal resources and beneficiation technologies with near term potential for production, growth and scalability. With multiple projects across North America, Ucore's primary focus is the 100% owned Bokan-Dotson Ridge REE property in Alaska. The Bokan-Dotson Ridge REE project is located 60 km southwest of Ketchikan, Alaska and 140 km northwest of Prince Rupert, British Columbia and has direct ocean access to the western seaboard and the Pacific Rim, a significant advantage in developing near term production facilities and limiting the capital costs associated with mine construction.

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.

MRT is at advanced testing stages and has yet to be proven, at a commercial scale, for the separation of rare earth elements. The Company has not yet released an economic assessment on the use of MRT for the separation of rare earth elements and does not yet have any specific contracts for the processing of rare earths using MRT.

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.

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