HALIFAX, NOVA SCOTIA--(Marketwired - Jun 12, 2015) - Ucore Rare Metals Inc. (TSX VENTURE:UCU)(OTCQX:UURAF) ("Ucore" or the "Company") is pleased to announce that the Company has received the first scheduled payment in the amount of USD$1.0 million and the final approval of the TSX Venture Exchange with respect to its previously announced royalty agreement (the "Agreement") (see Ucore's press release dated May 20, 2015).

The Agreement, with a high net worth US-based investor (the "Investor"), calls for payments totalling USD$4.0 million (approximately CAD$4.9 million) to Ucore in consideration for a royalty (the "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$1.0 million down payment, with the balance payable within 120 days of signing the Agreement. The first payment in the amount of USD$1.0 million has been received by the Company.

In consideration of the foregoing, the Investor will receive a royalty from the production of Ucore's early stage MRT installations, as previously disclosed and mentioned above.

The Investor has the option to increase the amount of the Investment by up to USD$1.0 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 the Royalty. Each USD$500,000 additional investment will result in an increase in the Royalty by a factor of 0.25%.

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 ("Common Shares") at any time during the period commencing upon the date the full USD$4.0 million is provided to Ucore and ending three years thereafter. 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 Common Shares, less a 20% discount; (ii) the market price of Common Shares on the day immediately prior to the conversion date, less a 20% discount; or (iii) CAD$0.25 per Common Share.

Background

It is expected by the parties that the products created and services provided in connection with 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.

Contact

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