

HALIFAX, NOVA SCOTIA--(Marketwired - Dec 13, 2016) - [Ucore Rare Metals Inc.](#) (TSX VENTURE:UCU)(OTCQX:UURAF) ("Ucore" or the "Company") is pleased to comment on the incoming U.S. presidential administration concerning trade policy and the implications for an independent domestic strategic metals industry.

"China continues to control more than 90 percent of the global mining and production of rare earth containing ore and exhibits near complete control over each subsequent stage of the supply chain," said Jim McKenzie, President and CEO of Ucore. "Dependence on foreign sources of rare earths leaves the Department of Defense vulnerable to supply interruptions and without a fall-back for critical materials production should conflicts arise between the super powers, an issue addressed in a recent article in the Asia Times¹. President-elect Donald Trump has been outspoken through his campaign regarding the protection of American workers and industry from damaging and unfair foreign trade practices. His proposed policies coincide well with our vision of creating a self-contained strategic metals hub on US soil, independent of international political disruption. The movement toward US self-reliance, especially in areas of the highest military and industrial vulnerability, speaks well to our plan to develop our recently announced Strategic Metals Complex."

¹Reference Link: <http://www.atimes.com/article/china-holds-trump-card-rare-earths-trade/>

According to President-Elect Trump, the trade disparity that exists between the U.S. and China has undercut U.S. exports and constrained American manufacturing. In order to ensure fair and transparent trade, Trump has proposed plans to levy tariffs against unfair Chinese imports up to 45 percent. If enacted, a large tariff will have significant implications for the American rare earths market leading to increased urgency of investment in U.S. strategic materials. Moreover, a tariff on strategic materials would drive downstream manufacturing, stimulating domestic job creation, and secure the supply chain for materials crucial to the proper function of numerous defense end-items, thus alleviating a dangerous risk currently posed to U.S. national security. The Department of Defense has indicated that the lack of substitutability for rare earths in defense applications will necessitate their increasing use on a go forward basis. A secure supply chain of rare earths is an essential component of a robust national security policy, given the increasing reliance on materials such as dysprosium, terbium, praseodymium and neodymium for the proper function of defense end-items such as precision-guided munitions, lasers, satellite communications, and military equipment and vehicles.

The proposed trade policies additionally speak well to innovation and a transition to more environmentally friendly technologies for the separation of rare earths. China relies on antiquated separation and extraction techniques with low selectivity for individual rare earths and necessitates the use of many separation stages and corrosive chemicals resulting in the generation of vast amounts of highly toxic, organic waste. These processes have enabled China to artificially suppress rare earth prices and force competition from the marketplace at the cost of extensive environmental degradation and human health and safety. In turn, processes such as solvent extraction are expensive, both in terms of environmental cost and capital outlay, and highly problematic in terms of permitting in US jurisdictions.

Additionally, much of the Chinese rare earth market remains opaque, leaving it vulnerable to an influx of low-cost black market materials that drive down prices and threaten to disrupt American access to strategic materials. The proposed tariff on China would hold the country accountable ensuring internationally recognized regulations are adhered to, and will go a long way toward enhancing America's leverage in international negotiations pertaining to security and defense. America needs an independent and robust strategic materials market and Ucore is proud to provide a domestic platform for such, utilizing world class molecular recognition technologies already proven over decades of development.

"Ucore looks forward to cooperating with the Trump Administration's efforts to return the U.S. strategic materials market to self-sufficiency," said McKenzie. "What's more, we look forward to continued collaboration with legislators in their efforts to break the United States of critical material dependencies."

Background

Ucore Rare Metals is a development-phase company focused on rare metals resources, extraction and beneficiation technologies with near term potential for production, growth and scalability. On March 3, 2015, Ucore announced the right to acquire a controlling ownership interest in the exclusive rights to IBC SuperLig® technology for rare earths and multi-metallic tailings processing applications in North America and associated world markets. The Company has a 100% ownership stake in the Bokan project. On March 31, 2014, Ucore announced the unanimous support of the Alaska State Legislature for the investment of up to USD \$145 Million in the Bokan project at the discretion of the Alaska Import Development and Export Agency ("AIDEA").

For further information, please visit <http://www.ucore.com>.

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