

# Important Updates for Ucore Shareholders

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Halifax, March 31, 2020 - [Ucore Rare Metals Inc.](#) (TSXV: UCU) (OTCQX: UURAF) ("Ucore" or the "Company") is pleased to provide updates on matters of significance to its shareholders, specifically: (1) commentary regarding the novel coronavirus (or "COVID-19") and the world's need for diversified supply chains; and (2) updated information concerning the Company's legal proceedings pertaining to its prospective acquisition and integration of IBC Advanced Technologies, Inc. ("IBC").

## 1. COVID-19: Company Update & Commentary On Globalization

Ucore has implemented a number of measures regarding the COVID-19 pandemic. These include social distancing, work-from-home provisions, limits on the number of employees permitted to meet in person, cleaning and upkeep protocols, as well as an effective ban on corporate travel. These measures are to protect its employees, business associates and neighbours as the Company continues to conduct its day-to-day business affairs in pursuit of the MINE-to-METAL-to-MARKET Plan of Action (the "M<sup>3</sup> Plan of Action", or the "Plan").

"The current crisis underscores the extremely vulnerable nature of critical materials supply chains in the U.S.," said Pat Ryan, Chairman of Ucore. "Globalization and single-source foreign dependencies are not mitigating this risk - they are enhancing it <sup>[i]</sup>. Most urgent among these vulnerabilities are materials needed for widespread emergency health care and disaster relief, as well as unforeseen events affecting military and homeland security, including climate change, trade wars and foreign protectionist strategies. Ucore's M<sup>3</sup> Plan of Action responds to this, with a highly-attainable, globally competitive and nationally secure path to U.S. critical metals independence."

"The Trump Administration has been highly proactive in the use of Executive Powers to address both the COVID-19 Pandemic and the Critical Materials Crisis," said Jim McKenzie, President & CEO of Ucore. "While these crises are vastly different in their importance, both are serious situations requiring immediate intervention in the domestic supply-chains, and both have triggered Presidential Determinations based on the Defense Production Act. The Ucore REE Consortium was organized further to our plan to facilitate near term production of critical metals indispensable to the U.S. Department of Defense. The recent unprecedented financial stimuli offered by the U.S. Federal Government are highly encouraging to us, and fit well with the M<sup>3</sup> Plan of Action."

## 1. Update on Prospective IBC Acquisition Legal Proceedings

"Ucore is confident in its legal position regarding the prospective acquisition and integration of IBC, and plans to continue to patiently execute the Company's legal strategy," said Ucore COO, Mike Schrider. "Nonetheless, the M<sup>3</sup> Plan of Action sets the course for our future in the mining and metal technology sectors either with or without IBC. In turn, we've successfully compartmentalized the IBC proceedings to a project within the Company as we advance our Plan, and look forward to the opportunity of yielding a healthy ROI in exchange for our investment in that venture."

The Company provides the following general updates regarding each currently active <sup>[ii]</sup> legal action 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")

Following a successful December 4, 2019 Court hearing granting an Interlocutory Injunction in Ucore's favour, this case is now in the Disclosure process <sup>[iii]</sup>. The Disclosure process involves the exchange of

relevant documents between the parties, and is followed by the Discovery process which involves possible written discovery, examinations for discovery, and discovery motions; all leading towards trial preparation and the eventual trial.

On December 9, 2019, IBC formally filed its materials on a motion to the Supreme Court of Canada ("SCC") seeking leave to appeal the Nova Scotia Court of Appeal's jurisdictional decision regarding the amended pleadings only. Ucore filed its materials in opposition on January 20, 2020. IBC's application for leave to appeal has now been forwarded to a panel of the SCC, in the normal course, which will determine whether IBC will be permitted to pursue the appeal. Due to the October 18, 2019, SCC denial of IBC's request to stay the proceedings, the current schedule of case events is not impacted by this SCC activity.

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

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 stayed pending the District Court's determination of the Magistrate's ruling (see next section). 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)

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

On December 23, 2019, the Court denied IBC's motion for leave to amend IBC's complaint. This decision was rendered by the Court's Magistrate Judge. IBC filed objections to the Magistrate's ruling and Ucore has formally opposed IBC's objections. These filings are awaiting a decision by the Court's District Judge.

If the Court affirms the Magistrate's ruling, then Ucore will have 10 days from the date of the Court's ruling to answer the original complaint and assert Ucore's counterclaims. If the Court rejects the Magistrate's ruling, then the Amended Complaint will be filed by IBC and Ucore will still have 10 days from the date of the Court's ruling to answer the Amended Complaint, assert Ucore's counterclaims, and to oppose the previously filed preliminary injunction motion (filed with the Amended Complaint).

The Disclosure and Discovery process will also begin after Ucore answers the applicable complaint. Additionally, Ucore also has until April 10, 2020, to respond to IBC's Motion for a Partial Summary Judgment, which was filed in March 2020. IBC's Motion for a Partial Summary Judgment seeks to declare Ucore's Option to Purchase IBC void or otherwise of no force or effect, which relief was not previously sought by IBC in either their original or amended complaint in this case.

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

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

During a December 16, 2019, Court hearing, IBC sought a preliminary injunction against Mr. Michael Schrider (Ucore's COO) and another party on the false and unfounded allegation of misappropriation of IBC's trade secrets. The Court after hearing testimony from Mr. Steven Izatt, Mr. Schrider, and others, denied IBC's motion for a preliminary injunction, found that there was no threat of misappropriation, and refused to grant IBC any of the relief it sought.

Furthermore, the Court dismissed IBC's entire claim against the other named co-defendant, finding that IBC's claim did not meet the threshold requirement of plausibility. The Court did not grant Mr. Schrider's motion to dismiss. Mr. Schrider's motion to dismiss did not, however, ask the Court to consider the merits of IBC's

claims against him because it was not the correct time, under the applicable rules, to make a motion on the merits. Mr. Schrider intends to make such a motion at the appropriate time.

Mr. Schrider filed his Answer, Affirmative Defenses, and Jury Demand on December 30, 2019. The pleadings are closed and the Disclosure and Discovery process is now underway.

Decisions of the SCC's applications for leave may be accessed from its website, as they are posted at [https://decisions.scc-csc.ca/scc-csc/scc-l-csc-a/en/nav\\_date.do](https://decisions.scc-csc.ca/scc-csc/scc-l-csc-a/en/nav_date.do). Decisions of the NSSC and NSCA 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 Business Development at (902) 482-5214 or [info@ucore.com](mailto:info@ucore.com).

## About Ucore

Ucore Rare Metals is a company focused on rare and critical metals resources, extraction and beneficiation 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 prospective Alaska Strategic Metals Complex ("SMC") in Southeast Alaska and the development of the Company's rare earth minerals property located at Bokan Mountain in Alaska.

## 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 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. Regarding Ucore's M<sup>3</sup> 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 geometallurgy partners and/or suppliers, including a solvent extraction ("SX") partner or SX supplier 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 NI 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: Ucore not being able to procure an SX partner or supplier 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 to retain its key staff members; unexpected transaction costs or other deal completion setbacks; 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 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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[i] An example of this near single source dependency can be found in the rare earth element sector, see U.S. Government Accountability Office, Report to Congressional Committees, GAO-16-161, February 2016, Rare Earth Materials Developing a Comprehensive Approach Could Help DOD Better Manage National Security Risks in the Supply Chain.

[ii] Ucore's legal teams have also taken similar safety precautions regarding the COVID-19 outbreak and remain diligent in their execution of the litigation process.

[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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