



NEWS NUGGETS

Compiled by Shane Lasley

Ucore has option to acquire IBC, own REE separation technology

Ucore Rare Metals Inc. March 13 reported that it has secured an option to acquire the outstanding shares of IBC Advanced Technologies, a company that has been instrumental in designing and developing a rare earth separation process for Ucore. Ucore paid US\$650,000 to enter the two-year option. Under the terms of the agreement, Ucore will have the right to purchase the outstanding shares of IBC for US\$10 million cash and 10 million Ucore units, which includes one Ucore share and half of a purchase warrant. The agreement also includes performance incentives for key IBC personnel. "This option to purchase agreement is a major milestone for Ucore," said Ucore President and CEO Jim McKenzie. "IBC is already a world leader in molecular recognition technology for the mining industry, with an existing customer base spanning several continents and including majors such as Asarco Grupo Mexico (USA), Impala Platinum of South Africa, Tanaka Kikinzoku K.K. of Japan, Sino Platinum of China and LS Nikko of Korea. Remarkably, this initiative places us in a position to assume and accelerate a business platform that IBC has established over almost 30 years in business." A 2015 licensing agreement between Ucore and IBC calls for the creation of a joint venture that would have the exclusive rights to IBC's Superlig molecular recognition technology for rare earth separation, certain recycling applications, and tailings processing. To complete the license agreement, Ucore agreed to pay IBC US\$2.9 million and has paid US\$1.9 million so far. Completion of the licensing agreement is a requisite for Ucore to complete the option to buy IBC.

Pebble Partnership begins to assemble mine permit team

Northern Dynasty Minerals Ltd. March 8 said Pebble Limited Partnership has selected HDR Alaska, Inc. to serve as lead regulatory and permitting consultant for the world-class Pebble copper-gold-molybdenum project in Southwest Alaska. HDR will assist in preparing the documentation Pebble Partnership will need to initiate federal and state permitting by the end of the year, in anticipation of a successful outcome of the company's strategy to address the U.S. Environmental Protection Agency's pre-emptive regulatory action that placed cumbersome restrictions on Pebble prior to the project entering the permitting process. HDR has provided environmental and technical consulting services to Northern Dynasty and the Pebble Partnership since 2004, with a specific focus on wetlands, water, aquatic habitat and fish studies. Much of this work was represented in the US\$150 million, 27,000-page Pebble Environmental Baseline Document published in 2012. In its current role, HDR will continue select environmental baseline field studies and analyses at the Pebble project, as well as provide strategic regulatory guidance to the Pebble Partnership as it finalizes the engineering design, environmental planning and documentation required to file permit applications with the US Army Corps of Engineers. "HDR is one of the many respected Alaska-based consulting firms that have provided professional services to the Pebble project for well over a decade, so they're already intimately familiar with the unique challenges and opportunities presented by our project," said Pebble Partnership CEO Tom Collier. "As a firm, HDR not only has an enviable track record for helping permit some of Alaska's most prominent mines, energy and infrastructure development projects, their senior personnel are also former federal and state regulators, with a deep understanding of regulatory processes and requirements for permitting success in Alaska and the United

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MINING POLICY

Strategic Metals Act

Bill aims to bolster strategic metals in U.S., keep out of foreign hands

By SHANE LASLEY

Mining News

A Swiss investment fund with ties to Russia-born billionaire Vladimir Iorich has put in a bid to buy the shuttered Mountain Pass rare earth element mine in California, raising red flags for U.S. lawmakers concerned about the United States' dependence on foreign countries for REEs and other metals necessary to maintain the U.S. military's high-tech arsenal.

To help promote domestic production of these strategic metals and block foreign firms from buying rare earth mines on U.S. soil, Rep. Duncan Hunter, R-California, introduced the Materials Essential to American Leadership and Security, or Metals, Act to the House on March 7.

"The U.S. must no longer be wholly dependent on foreign sources of strategic and critical materials," explained Duncan. "The risk of this dependence on national security is too great and it urgently demands that we re-establish our depleted domestic industrial base."

If passed, this legislation could be advantageous for Ucore Rare Metals, which has a rare earth element project in Southeast Alaska and is developing a system to recover strategic metals from other domestic sources.

"The act promotes the development of a domestic industrial base for the production of strategic and critical materials, and is in direct keeping with our present objective of establishing a U.S.-based strategic metals complex," Ucore President and CEO Jim McKenzie said in a statement of support for the Metals Act.

Blocking foreign buyers

Like previous strategic metals bills introduced into Congress over the past decade, the Metals Act recognizes that "China dominates the supply chain for the production of rare earth elements, controlling more than 90 percent of the world's production and that they have used this dominance geopolitically in the past by selectively enacting a de facto embargo on the export of rare earth elements."

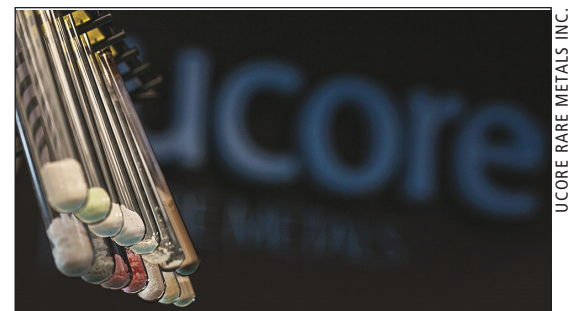
The 2009 re-opening of the Mountain Pass Mine in the Mojave Desert of eastern California was hailed as a critical first step in breaking the United States' dependence on foreign sources of the rare earths used in many high-tech consumer goods and military devises.

Due to a drastic drop in rare earth prices, however, this mine was short-lived. By the end of 2015, Molycorp, the company that was operating the mine, filed for bankruptcy and put the REE operation on care and maintenance.

As a result of the bankruptcy and restructuring of Molycorp, the Mountain Pass Mine and associated land and equipment is slated to put on the auctioning block this month.

In February, the Wall Street Journal reported that a Swiss investment fund connected to Iorich, who amassed billions investing in Russia mining ventures, has made a bid to buy Mountain Pass.

The article went on to say that any new owner-



UCORE RARE METALS INC.

Ucore Rare Metals and IBC Advanced Technologies have developed a technology for separating the tightly interlocked rare earth elements that is more economical and environmentally sound than the methods that are currently being used.

ship of Mountain Pass would likely need the approval of the Committee on Foreign Investment in the U.S., a body which reviews transactions that could have an effect on U.S. national security.

Wording in Hunter's Metals Act would prohibit the Committee on Foreign Investment from allowing the sale of Mountain Pass, or any other rare earths mine in the United States to Iorich.

Bridging the valley of death

The meat of the Metals Act is the creation of a working capital fund that "would allow domestic companies to access the capital they need to bridge the 'Valley of Death' and develop new, advanced, green technologies for the production of strategic and critical materials," according to Hunter.

This valley of death referenced by the California congressman has been especially perilous for companies trying to develop rare earth mines in the U.S., or anywhere outside of China.

This is because the Middle Kingdom has been able to leverage a nearly four-decade monopoly on these metals to hold prices low enough that companies outside its borders could not compete, especially in countries with stronger environmental laws and the higher production costs that go with them.

For a few years, starting in about 2008, China severely restricted its REE exports, pushing the prices of these various high-tech metals skyward. This triggered a rush for non-Sino supplies of the metals and resulted in the re-opening of Mountain Pass. A combination of the global economic slump in 2009 and China dumping cheaper rare earths back into the global marketplace, the prices plummeted nearly as fast as they climbed, making numerous feasible REE projects outside of the Middle Kingdom once again uneconomic.

Levels playing field

The Metals Act is designed to level this playing field for U.S. companies hoping to produce these metals in the United States through the creation of the "Strategic Materials Investment Fund," which would provide five-year, interest-free loans to companies that succeed in developing new production or manufacturing techniques for strategic and critical materials.

"The bill supports the U.S. domestic industrial base by aiding domestic investment opportunities

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