

Form 62-103F1

**REQUIRED DISCLOSURE UNDER THE EARLY WARNING REQUIREMENTS**

**State if the report is filed to amend information disclosed in an earlier report. Indicate the date of the report that is being amended.**

This report updates information from a previous report dated December 14, 2018 that was filed by the acquirer and which appears on the SEDAR profile of Ucore Rare Metals Inc. (the “**issuer**”) on December 14, 2018.

**ITEM 1 – SECURITY AND REPORTING ISSUER**

**1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.**

Orca Holdings, LLC (“**Orca**”) has exercised its basic subscription privileges (as such term is defined in applicable Canadian securities laws) in connection with the rights offering (the “**Rights Offering**”) of the issuer announced by the issuer on September 10, 2019. As a result, the acquiror subscribed for and acquired 10,000,000 common shares of the issuer (“**Shares**”) at a price per Share of CAD\$0.10, for aggregate gross proceeds of CAD\$1.0 million (the “**Orca Subscription**”). Orca is wholly-owned by Randy Johnson (“**Mr. Johnson**”) and collectively with Orca, the “**acquiror**”), serving as a holding company for Mr. Johnson’s securities holdings.

Under the Orca Subscription, the acquiror acquired 10,000,000 Shares pursuant to the basic subscription privilege of the Rights Offering.

The issuer’s head office is located at 210 Waterfront Drive, Suite 106, Bedford, Nova Scotia, B4A 0H3.

**1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.**

Not applicable.

**ITEM 2 – IDENTITY OF THE ACQUIROR**

**2.1 State the name and address of the acquiror.**

Randy Johnson  
c/o P.O. Box 8158  
5216 Borch Street North  
Ketchikan, Alaska, USA 99901

Orca is wholly-owned by Mr. Johnson, serving as a holding company for Mr. Johnson’s securities holdings.

**2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.**

The Orca Subscription closed on October 25, 2019. Please see item 1.1 above for a description of the transaction.

**2.3 State the names of any joint actors.**

Orca, at the same address as referred to in Item 2.1. Mr. Johnson of Ketchikan, AK is a controlling shareholder of Orca.

**ITEM 3 – INTEREST IN SECURITIES OF THE REPORTING ISSUER**

**3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror's securityholding percentage in the class of securities.**

Immediately prior to the closing of the Rights Offering, the acquiror directly or indirectly held beneficial ownership of, and control and direction over, a total of 41,224,067 Shares, 2,733,333 common share purchase warrants of the issuer ("**Warrants**") and 5,250,000 options of the issuer ("**Options**"), representing approximately 14.50% of the issued and outstanding Shares (on a non-diluted basis) or approximately 16.84% upon exercise of the Warrants and the Options (assuming the exercise of all of the Warrants and the Options beneficially owned by the acquiror, and that no other securities, including those convertible into, or exercisable for, the issuer's securities, are issued, converted or exercised).

In connection with the Rights Offering, the issuer issued 10,000,000 Shares to the acquiror pursuant to the basic subscription privilege of the Rights Offering.

Accordingly, immediately following the closing of the Rights Offering, the acquiror directly or indirectly holds beneficial ownership of, and control and direction over, a total of 51,224,067 Shares, 2,733,333 Warrants and 5,250,000 Options, representing approximately 14.03% of the issued and outstanding Shares (on a non-diluted basis) or approximately 15.87% upon exercise of the Warrants and the Options (assuming the exercise of all of the Warrants and the Options beneficially owned by the acquiror, and that no other securities, including those convertible into, or exercisable for, the issuer's securities, are issued, converted or exercised).

**3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.**

The acquiror acquired ownership of, and control and direction over, the securities that triggered the requirement to file this report.

**3.3 If the transaction involved a securities lending arrangement, state that fact.**

Not applicable.

**3.4 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.**

Please see item 3.1 above.

**3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which**

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**

Please see item 3.1 above.

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Please see items 1.1 and 3.1 above.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Please see items 1.1 and 3.1 above.

**3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.**

On March 30, 2019, the issuer entered into a secured loan agreement with Orca in the amount of USD\$2,725,000. Proceeds were used to repurchase the Pilot Plant, defer accrued interest and interest payable between April 1, 2019 and June 30, 2019, defer payment under a consulting agreement with Orca, and provide the issuer with cash. It is a secured loan due on March 31, 2021.

On August 23, 2019 the issuer secured a bridge loan in the amount of USD\$300,000 from Orca. The bridge loan will bear interest at a rate of 12.5% and is repayable on October 31, 2020 or on such a date as the issuer is able to repay the loan and continue to meet certain minimum cash levels. The loan is secured by a first charge on the issuer's assets.

**3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.**

**State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.**

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

#### **ITEM 4 – CONSIDERATION PAID**

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

The acquisition of the Shares pursuant to the Orca Subscription was at a price per Share of CAD\$0.10, for aggregate gross proceeds of CAD\$1.0 million.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

Please see item 4.1 above.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable.

#### **ITEM 5 – PURPOSE OF THE TRANSACTION**

**State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer.**

The securities referred to above are held for investment purposes. The acquiror elected to exercise a portion of its basic subscription privileges under the Rights Offering in order to progressively expand its ownership position in the issuer.

**Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:**

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders;
- (k) an action similar to any of those enumerated above.

The acquiror and/or one or more joint actors may, depending on market and other conditions, increase or decrease its beneficial ownership of Shares or other securities of the issuer whether in the open market, by privately negotiated agreement or otherwise.

Except as described herein, while the acquiror has no current plans or intentions that relate to or would result in the items listed in (a) through (k) above, depending on various factors including, without limitation, the issuer's financial position, the price levels of the Shares, conditions in the securities markets and general economic and industry conditions, the issuer's business or financial condition and other factors and conditions the acquiror deems appropriate, the acquiror and/or one or more joint actors may develop such plans in future.

#### **ITEM 6 – AGREEMENTS, ARRANGEMENTS, COMMITMENTS OR UNDERSTANDINGS WITH RESPECT TO SECURITIES OF THE REPORTING ISSUER**

**Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.**

Not applicable.

#### **ITEM 7– CHANGE IN MATERIAL FACT**

**If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.**

Not applicable.

**ITEM 8 – EXEMPTION**

**If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.**

Not applicable.

**ITEM 9 – CERTIFICATION**

The acquiror must certify that the information is true and complete in every respect. In the case of an agent, the certification is based on the agent’s best knowledge, information and belief but the acquiror is still responsible for ensuring that the information filed by the agent is true and complete.

This report must be signed by each person on whose behalf the report is filed or his authorized representative.

It is an offence to submit information that, in a material respect and at the time and in the light of the circumstances in which it is submitted, is misleading or untrue.

**Certificate**

The certificate must state the following:

I, as the acquiror, certify, or I, as the agent filing the report on behalf of an acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

**Date:** November 7, 2019

**ORCA HOLDINGS, LLC**

***“Randy Johnson” (signed)***

Per: \_\_\_\_\_

Name: Randy Johnson  
*Authorized Signatory*