



UCORE RARE METALS INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

This Management's Discussion and Analysis of Ucore Rare Metals Inc. ("Ucore" or the "Company"), prepared as of November 30, 2020, provides analysis of the Company's financial results for the fiscal quarter ended September 30, 2020. The following information should be read in conjunction with the condensed interim consolidated financial statements and notes thereto for the fiscal quarter ended September 30, 2020 which are prepared in accordance with International Financial Reporting Standards. All amounts are expressed in Canadian dollars unless otherwise noted.

Forward Looking Statements

This discussion and analysis includes certain statements that may be deemed "forward-looking statements". All statements in this document (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. In regard to Ucore's plans and objectives, the Company has assumed that its subsidiary, Innovation Metals Corp. ("IMC"), will be able to develop its RapidSX™ technology and demonstrate its commercial viability to a number of customers who will license the technology from IMC for a fee. The Company also assumes that the Company will be able to procure or retain additional partners and/or suppliers, in addition to IMC, as suppliers for Ucore's expected future Alaska SMC. Ucore has also assumed that sufficient external funding will be found to: (i) fund IMC's continued development of RapidSX™; (ii) fund the continued development of specific engineering and other required plans for the Company's prospective Alaska Strategic Metals Complex; and (iii) fund the work necessary for the creation of a new National Instrument 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 provide sufficient continuing working capital for the Company and, if required, repay any outstanding debt that is owed by the Company when it becomes due. Factors that could cause actual results to differ materially from those in forward-looking statements include, without limitation: the Company failing to raise maintain sufficient funds to pursue its objectives and continue as a going concern; RapidSX™ failing to demonstrate commercial viability in large commercial-scale applications; IMC failing to protect its intellectual property rights in RapidSX™; Ucore not being able to procure additional key partners or suppliers 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 and/or IMC to retain its key staff members; 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. For additional information, see "Risks and Uncertainties" herein.

Overview

Ucore Rare Metals Inc. (“Ucore” or the “Company”) is a company focused on rare and critical metals resources, extraction and beneficiation technologies with near term potential for production, growth, and scalability. The Company has a 100% ownership stake in the Bokan-Dotson Ridge Rare Earth Project. On March 31, 2014, Ucore announced the unanimous support of the Alaska State Legislature for Senate Bill 99 (2014), which authorized the Alaska Industrial Development and Export Authority (“AIDEA”) to issue up to USD\$145 million in bonds for the infrastructure and construction costs of the Bokan-Dotson Ridge Rare Earth Project. This financing by AIDEA is conditional upon, among other things, the Company delivering a positive definitive feasibility study for the Bokan-Dotson Ridge Rare Earth Project.¹

Ucore's vision and plan is to become vertically integrated and become a leading advanced technology company that provides mineral separation products and services to the mining and mineral extraction industry. This vision includes the eventual development of the Company's future prospective Alaska Strategic Metals Complex in Southeast Alaska and then the eventual development of the Company's rare earth minerals property located at Bokan Mountain in Alaska (an NI-43-101 technical report was filed on SEDAR on March 14, 2013).²

On May 8, 2020, the Company acquired Innovation Metals Corp. (“IMC”), the developer of IMC's proprietary RapidSX™ process for the low-cost separation and purification of rare earth elements (“REEs”), nickel (“Ni”), cobalt (“Co”), lithium (“Li”) and other technology metals, via an accelerated form of solvent extraction. IMC is commercializing this approach for a number of metals, to help enable mining and metal-recycling companies to compete in today's global marketplace. Unlike Ucore's other subsidiaries, IMC is operated as a separate and distinct business entity from Ucore. A diagram of Ucore's corporate organization structure is found at Appendix “A” of this MD&A.

In the short term, the Company is focussed on supporting IMC's continuing development and commercialization of RapidSX™ for the low-cost separation and purification of REEs. The upcoming expected completion of IMC's RapidSX™ commercial demonstration plant and the related testing of RapidSX™ with a variety of prospective customers' feedstocks are the prerequisite activities to be completed prior to: (i) IMC's licensing the use of its RapidSX™ process to any of IMC's feedstock customers for their commercially operated REE-processing facilities; (ii) the prospective physical creation of the Company's future Alaska Strategic Metals Complex; and (iii) the creation of any definitive feasibility study related to the Bokan-Dotson Ridge Rare Earth Project.

2020 General Business Information

On February 14, 2020, the Company announced it had entered into a technical services agreement with IMC for RapidSX™ rare earth element separation technology testing. IMC is a privately held Canadian company that has developed RapidSX™ technology for the separation and purification of critical metals including REEs, lithium, nickel and cobalt. RapidSX™ is an accelerated solvent-extraction-based separation technology, developed and successfully piloted by IMC. Amongst other test work, RapidSX™ has proven effective at the pilot scale in separating both heavy REE (“HREE”) and light REE (“LREE”) feedstocks to commercial-grade rare-earth oxides (“REO”) with significant efficiencies relative to existing commercial technologies. In accordance with the terms of the agreement, the Company and IMC will commence a testing program (“Study”) for the processing of a concentrate of mixed-REEs into separated REOs utilizing IMC's RapidSX™ REE separation technology. Under the terms of the technical service agreement, IMC's bench-scale test work will be based on a mixed rare earth element concentrate produced from the Company's Bokan Project, and/or other commercially available, U.S. allied-sourced, mixed rare earth element concentrate feedstock sources currently under nearer-term consideration by the Company. The Study will assess yield potential for targeted rare earth element compounds

¹ See section below entitled “Background Info. - The difference between a Preliminary Economic Assessment (PEA), a Prefeasibility Study (PFS) and a Feasibility Study (FS)”.

² See the Company's Preliminary Economic Assessment (PEA) that was filed on SEDAR on March 14, 2013 as a technical report in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”).

and will include preliminary technical and economic estimates of the separation and purification process, including capital and operating costs. Based on IMC's prior test programs and subject to the specific results of the Study, the RapidSX™ rare earth element separation technology, a derivative of solvent extraction ("SX") technology, may offer a more efficient technological pathway for utilization in the Company's planned Alaska SMC. In this case, upon the conclusion of this preliminary Study, the Company expects to incorporate this technology into its plans for the prospective Alaska SMC and to conduct a more robust technical and economic evaluation of RapidSX™ for incorporation into the expected first phase of the Bokan Project Feasibility Study during 2021.

On April 27, 2020, the Company announced that it had executed a binding Share Purchase Agreement with IMC and its shareholders, dated April 25, 2020, whereby Ucore would acquire 100% of the issued and outstanding shares of IMC (the "IMC Acquisition") for an aggregate purchase price of \$5,801,000 (the "Acquisition Consideration"). The Acquisition Consideration was made up of 45,383,412 common shares of the Company and \$1,000 in cash. In accordance with the Share Purchase Agreement, the Company's common shares that were issued as part of the Acquisition Consideration were deemed to have a value of \$0.1278 per common share, which was equal to the 5-day volume weighted average price (VWAP) of the common shares on the TSX Venture Exchange as at the close of trading on April 24, 2020 with no discount being applied. Additionally, upon the closing of the IMC Acquisition, Ucore provided IMC with a \$500,000 non-interest-bearing intercompany loan for the immediate continued development of RapidSX™.

On May 8, 2020, the Company had received the approval of the TSX Venture Exchange and completed the closing of Company's acquisition of IMC.

On May 11, 2020, and in connection with the acquisition of IMC, Dr. Gareth Hatch joined the Company as its new Chief Technology Officer. The Company's Board of Directors also approved adding Dr. Hatch as a member of the Company's board of directors.

On June 15, 2020, the Company announced that Mr. Jim McKenzie had transitioned from his role as president, chief executive officer and a director of Ucore to become a strategic adviser to Ucore's chairman, Pat Ryan. With this transition, Mr. Ryan was also appointed as Ucore's Interim Chief Executive Officer. The Company's board of directors is leading the search for a new full-time CEO, which is now not expected to be announced until at least mid to late 2021.

On June 17, 2020, the Company announced the appointment of Dr. Kurt Forrester as vice president of metallurgy. Mr. Forrester is a chartered chemical engineer and chartered professional metallurgist. Mr. Forrester will use his experience and expertise to assist in the commercialization of IMC's RapidSX separation technology platform for REEs, Li, Ni, Co, et al.; which will assist the Company with the development of its Alaska SMC and, in parallel, progress through the feasibility study for the Bokan-Dotson Ridge rare earth element project.

On June 17, 2020, the Company announced the appointment of Mr. Tyler Dinwoodie as president of the Company. Mr. Dinwoodie is a senior corporate strategic adviser and marketing professional with an extensive background in market and industry analysis for the global critical-minerals/critical-materials sectors, Mr. Dinwoodie specializes in Li-ion battery materials (Li, Ni, graphite, Co) and REEs -- with a particular focus on North American security of supply and downstream transformational installed capacity.

On June 23, 2020, the Company announced that its wholly owned subsidiary, IMC, has executed a binding agreement with Kingston Process Metallurgy Inc. (KPM) to serve as IMC's long-term laboratory partner for the commercialization of the RapidSX technology. IMC's proprietary RapidSX technology is being developed for the cost-effective, bulk/commercial separation and purification of REEs - including both HREEs and LREEs - for the production of REOs, in addition to other critical metals, such as lithium ("Li"), nickel ("Ni"), and cobalt ("Co") for lithium-ion ("Li-ion") battery materials. Ucore is also pleased to announce that IMC has secured the premises for the RapidSX Commercialization and Development Facility ("CDF") in Kingston, Ontario, Canada.

On October 1, 2020, the Company provided an overview of IMC's RapidSX™ technology development for near-term commercial heavy and light rare earth element separation in the United States. A summary of the RapidSX™ REE development program is provided below:

The RapidSX™ commercialization program, currently under way, is being led by IMC's Chief Executive Officer and Chairman, Dr. Gareth Hatch, and IMC's Chief Operating Officer, Dr. Kurt Forrester, in conjunction with Dr. Boyd Davis and Mr. Alain Roy, principals of Kingston Process Metallurgy Inc., supported by additional technical expertise that IMC engaged for the program. As announced on June 23, 2020, Kingston Process is IMC's laboratory partner and will be supporting all aspects of IMC's technical work to commence the optimization and commercialization program to scale up the RapidSX™ technology.

Additionally, the critical data derived from the RapidSX™ development program will be incorporated into the continuing planning for the Company's Alaska strategic metals complex (Alaska SMC) in southeast Alaska.

In the first four months since the Company completed its acquisition of IMC, a significant amount of work has been undertaken to advance the RapidSX™ technology, including:

- Engaging Kingston Process Metallurgy Inc. as IMC's long-term laboratory partner;
- Technical onboarding of Dr. Forrester and Kingston Process with respect to the fundamentals of the RapidSX™ technology, and past work;
- Initiating the RapidSX™ technical-validation and optimization program;
- Relocating the entirety of IMC's laboratory and all RapidSX™ equipment to IMC's RapidSX™ CDF, including IMC's existing pilot-scale RapidSX™ circuit;
- Numerous continuing meetings with multiple potential RapidSX™ REE end-users and REE business partners;
- Providing continuing REE expert advisory services to a leading United States department of defence contractor in support of its U.S. REE business initiatives;
- Working directly with J.A. Green & Company to support the Company's and IMC's proposals to the U.S. federal government (Ucore's efforts in Washington, D.C., are spearheaded by government-relations firm J.A. Green & Company, led by well-known strategic-materials advocate Jeff Green. Dr. Hatch is an advisor to J.A. Green & Company and has been working with Mr. Green for more than 10 years);
- Working directly with the Canadian Rare Earth Elements Network (CREEN) regarding advancing various initiatives under way with the Canadian federal government;
- Advancing multiple Company and IMC U.S.-based REE supply-chain business-development proposals with multiple potential partners concurrently.

The RapidSX™ project team continues to be focused on a comprehensive technical program to finalize the design, construction and configuration of the RapidSX™ demonstration-scale pilot plant for both HREE and LREE separation. Expected to be completed in Q2 2021, the program is taking a systems-engineering approach -- focused on platform engineering (hardware), applications engineering (separation chemistry), and computational process simulation -- and will be completed in two phases, which are:

Phase 1) Laboratory-scale program (Q4 2020 to Q1 2021)

- Quantitative characterization and design optimization of physical RapidSX™ hardware, independent of the chemistry of the separation applications that will utilize the technology, using a new multicolumn RapidSX™ research platform built for this specific purpose;
- Use of the new research platform to quantitatively characterize process kinetics, equilibrium isotherms and other parameters for various REE feedstocks;
- Development, utilization and optimization of a state-of-the-art process simulation tool, combining empirical results from the research platform, with the thermodynamic and other mathematical equations required to effectively model applications using the RapidSX™ technology. (Once optimized, the tool will give IMC the ability to rapidly test and to simulate large numbers of different test conditions, to determine the optimum flowsheet parameters and equipment configurations for particular REE and other feeds, at various scales.)

Phase 2) Demonstration-scale program (Q1 to Q2 2021)

- Finalization of the demonstration plant design and configuration, based on the results of the laboratory-scale development program, including the process simulation tool;
- Construction and commissioning of the demonstration plant at the CDF;
- Initial testing of separation flowsheets for specific REE feedstocks using the demonstration plant, to produce commercial evaluation and qualification samples for partners, potential REE end-users and licensees.

The objectives of the current RapidSX™ development program include:

1. Validation of previous RapidSX™ REE technical work;
2. Optimization and validation of the physical design of the RapidSX™ platform at demonstration scale;
3. Validation of the specific process flowsheets developed for particular REEs, including multiple U.S.-allied-sourced commercial REE feedstocks currently under consideration;
4. Initial generation of REO qualification samples for potential customers and licensees for evaluation;
5. Creation of inputs required for the design of commercial-scale RapidSX™ HREE and LREE separation facilities;
6. Initiation of a detailed techno-economic assessment of RapidSX™-based separation, as part of the commercialization process.

IMC will evaluate and test multiple specific LREE and HREE commercially available, U.S.-allied-sourced feedstocks to develop a comprehensive dataset that will demonstrate the versatility of the RapidSX™ technology for REE separation, and the robustness of the mathematical process model used to accelerate optimization. Commissioning of the demonstration plant is targeted for Q2 2021. Following the operations to validate the flowsheets and hardware configurations, a comprehensive techno-economic study will be conducted and the design of a commercial-scale REE separation facility will be finalized and is presently targeted for completion in Q4 2021. It is at this point that IMC expects that RapidSX™ will be ready for commercial adoption and implementation by IMC's customers via revenue-producing licensing agreements.

On October 6, 2020 the Company introduced its Alaska2023 plan (the “Plan”). A summary of the Plan is summarized as follows:

Since the Company's May 8, 2020, acquisition of IMC and its proprietary RapidSX™ metals separation technology, the Company has created a definitive commercialization pathway to achieve a secure, economic, REE supply chain in the United States. As critical as the establishment of a complete United States REE supply chain is, it must be achieved in the shortest time frame possible and with the lowest possible capital and operating costs. The Company's business plan is focused entirely on near-term United States REE independence, by establishing downstream REE manufacturing and production capacity to cost-effectively transform United States-allied-sourced REE feedstocks into 100-per-cent-made-in-United States finished REE oxides (REO).

As the Company approaches 2021, the Company-specific required actions have matured and in response, the Company has developed very explicit goals that are embodied in the Alaska portion of the Company's business plan -- a three-year program that is based upon the following objectives:

- Enhance the Company's relationship with the Alaska Industrial Development and Export Authority (AIDEA) to release financing associated with the Company's Alaska strategic metals complex (SMC) and the Bokan Project;
- Continue the Company's working relationship with the Alaska congressional delegation in pursuit of United States government support for the Company's Alaska business development initiatives;
- Formalize the Company's partnerships with the communities of southeastern Alaska as the Company develops the Alaska SMC and progress the development of the Bokan project;
- Through the Company's wholly owned subsidiary, IMC, complete the commercialization of the RapidSX™ technology and launch the associated IMC licensing model;
- Construct the potentially first commercial-scale RapidSX™-based light REE (LREE) separation and purification plant (developed with engineering modules in common with the Alaska SMC) in the continental United States to be built, commissioned and in operation within two years (by Q4 2022) in collaboration with the Company's evolving team of industry partners;
- Finalize a feasibility study, detailed mine engineering and initiate mine permitting for the Bokan Project; and
- Construct the Alaska SMC, a commercial-scale RapidSX™ HREE and LREE separation and purification plant in southeastern Alaska as the first physical component of the Bokan project. The Company's preliminary estimates indicate that the Alaska SMC may be commissioned and in operation within three years (by Q4 2023) and with a budgeted cost of less than \$35-million (U.S.). It will be designed to initially process United States-allied sourced feedstock(s) and then ultimately feedstock from the Bokan Project itself.

Realigning the Company's team for success:

Immediately upon acquiring IMC, the Company brought IMC's Chief Executive Officer, Dr. Gareth Hatch, Chartered Engineer, onboard as the Company's Chief Technology Officer and as a Company director. Ty Dinwoodie was also brought onboard as the Company's President, along with Dr. Kurt Forrester, Chartered Engineer, as the Company's vice-president of metallurgy. Over the subsequent five months of assimilation, it became apparent that IMC should operate more autonomously within the Company group structure (while adhering to the Company's guiding principles and objectives). Therefore, the Company's board of directors made the following changes to more efficiently serve the objectives of both the Company and IMC, effective October 1, 2020:

1. Dr. Hatch will work solely as IMC's Chairman and Chief Executive Officer.
2. Randy Johnson, a long-term Ucore business adviser, was appointed as a Director of the Company to fill Dr. Hatch's previous position. Mr. Johnson is the president of Tyler Rental Inc., an Alaska-based enterprise with over 100 employees, which he founded as a start-up in 1989 and subsequently grew to a multistate enterprise.
3. Mr. Dinwoodie will work solely as IMC's President and as a Director of IMC.
4. Dr. Forrester will work solely as IMC's Chief Operating Officer and Vice-President of Metallurgy.

Appendix "A" hereto includes a diagram of the Company and IMC's organizational and personnel structure as at the date hereof.

On October 7, 2020 the Company noted that the investment agreement announced on Oct. 10, 2019, between the Company's wholly owned subsidiary, IMC, and Hexagon Energy Materials Ltd. had been terminated.

The investment agreement provided Hexagon with a 12-month option to acquire 49 per cent of American Innovation Metals LLC, a prospective joint venture company that, on exercise of the option, would have had the exclusive rights to commercialize IMC's RapidSX™ technology for rare earth elements separation. The investment agreement required Hexagon to make an initial payment to IMC of \$2-million (U.S.) on or before Oct. 10, 2020, plus an additional \$4-million (U.S.) in deferred consideration. As Hexagon was not able to secure an investor to provide the initial finances to enable Hexagon to exercise the option, Hexagon provided notice to IMC that it had withdrawn from the investment agreement on Oct. 6, 2020.

In recent months, as travel restrictions hampered travel to and from Australia, the uncertainty regarding Hexagon's ability to exercise the option, per the terms of the investment agreement, became challenging for IMC and, ultimately, the Company. With the investment agreement now terminated, IMC can proceed with the commercialization of RapidSX™, and both IMC and the Company can now advance with various end-user candidates and counterparties with clarity, conviction and certainty.

A copy of the investment agreement between IMC and Hexagon was filed on SEDAR by Ucore on June 9, 2020. Ucore wishes Hexagon well with its future endeavours.

On October 14, 2020 the Company announced that it has shipped more than 1.5 tonnes of rare earth element (REE) feedstock material produced from the Company's Bokan-Dotson Ridge heavy rare earth project in Alaska, United States, to the IMC RapidSX™ commercialization and development facility in Kingston, Ontario, Canada. The Bokan REE feedstock was shipped from SGS Canada Inc.'s facilities in Lakefield, Ontario, Canada.

The Bokan heavy REE (HREE) feedstock material is expected to be used to produce a purified REE concentrate that will then be transformed into high-purity REE oxides (REOs) through the RapidSX™ separation technology to demonstrate the potential suitability of the Bokan material for producing commercial-quality REOs. IMC will focus on separating the highest-value REEs from the Bokan feed, specifically, terbium and dysprosium, in addition to neodymium and praseodymium. The Company believes that its Bokan Project has a unique geological endowment that potentially positions it as a predominant U.S. source for HREEs -- in particular, dysprosium and terbium -- which, together with the light REEs (LREEs) praseodymium and neodymium, are non-substitutable critical inputs for the production of REE permanent magnets (REPMs). Essential in maximizing the efficiencies and capabilities of electricity in modern technologies, REPMs convert electrical energy into mechanical motion in electric vehicle motors and high-efficiency turbines and generators require REPMs to achieve the opposite -- to convert mechanical motion into electrical energy. Dr. Gareth Hatch, CEng, FRSA, FIMMM, FIET, Chief Executive Officer and Chairman of IMC, is a qualified person as defined by National Instrument 43-101 guidelines and has reviewed and approved the scientific and technical disclosure in the October 14, 2020 announcement.

On October 20, 2020 the Company announced that it intends to affect a consolidation of its outstanding common shares on the basis of one post consolidation share for every 10 pre-consolidation shares outstanding. Based on the number of shares currently outstanding as at November 30, 2020, the outstanding shares of the Company will be reduced from 410,499,826 to approximately 41,049,982 on a non-diluted basis. The percentage of the Company owned by each shareholder will not change. The Company's name and ticker symbols will remain unchanged.

The decision to effect the consolidation was taken by the Company's Board of Directors after careful consideration of a number of factors, including the potential broadening of United States-based investor interest in the Company. A reduced number of shares outstanding will make the Company's shares more attractive to certain investors and potential strategic partners who find shares valued above certain minimum prices to be preferable from an investment perspective. In addition, the Company's Board of Directors is of the opinion that the reduced number of shares may better position the Company for a potential future listing on a senior U.S. stock exchange where the Company's technology assets and related scientific, technological and engineering capabilities may be further appreciated.

The consolidation will impact all of the Company's shareholders equally, including holders of outstanding securities convertible or exercisable for shares that are outstanding on the effective date of the consolidation, except for minor changes or adjustments resulting from the treatment of fractional shares. On the effective date of the consolidation, the exercise prices and number of shares issuable on the exercise of any warrants, options or other convertible securities of the company will be automatically proportionally adjusted based on the one-for-10 consolidation ratio.

No fractional shares will be issued as a result of the consolidation. All fractions of post consolidation shares will be rounded down to the nearest whole number. The exact number of shares outstanding after the consolidation will vary based on the elimination of fractional shares.

The consolidation will be contingent upon the prior approval of the Company's shareholders and the TSX Venture Exchange. The Company will be holding a special meeting of the Company's shareholders on December 3, 2020 to obtain approval for the consolidation. The record date for the meeting was November 2, 2020. If approved by the Company's shareholders and the TSX Venture Exchange, the consolidation is expected to be implemented in late December, 2020. A management information circular for the upcoming special meeting was filed by the Company on SEDAR on November 6, 2020.

Until a decision is made to proceed with the commercial development of one of its mineral properties and such a project becomes operational and revenue generating, or revenue is generated and earned directly or indirectly through IMC or the Company's prospective acquisition of IBC, the annual level of future mineral exploration and development expenditures and/or REE processing R&D by the Company is fully dependent on the Company's ability to either raise additional capital through the sale of shares, securities or a form or alternative financing in order to continue to fund the Company's business activities including its mineral exploration programs and metallurgy or separation technology development efforts.

2020 Financing Transactions

On February 10, 2020, the Company announced that it had received a letter from the Alaska Industrial Development and Export Authority ("AIDEA") dated December 18, 2019. AIDEA is the development finance arm of the State of Alaska. In its letter, AIDEA stated, among other things:

"According to media reports, the U.S. Army recently sent out memos to a select group of companies that are advancing potential U.S.-based rare earth processing plants requesting information on the costs to develop separation facilities that can produce heavy rare earths. The Army is considering funding up to two-thirds of the costs

required to establish at least one domestic facility which can separate these heavy rare earths into the individual metals needed for military hardware.

"AIDEA understands Ucore was one of the recipients of the U.S. Army memorandum and therefore the authority wanted to express its continued interest in providing financing for Ucore's Bokan project and its proposed development of a REEs processing plant located in Alaska.

"In 2014, the Alaska Legislature, in Senate Bill 99, authorized AIDEA, at its discretion, to issue up to \$145 million dollars in AIDEA bonds to finance the infrastructure and construction costs of the Bokan-Dotson Ridge rare earth element project, which is owned by Ucore.

"In addition to the bonds authorized by the Alaska State Legislature, AIDEA also has the ability to provide financing to Ucore by issuing conduit bonds to potentially support financing the construction of a processing plant. Conduit bonds are issued on the basis of the revenue produced by a financed project. AIDEA has issued conduit bonds for a variety of projects, and can issue this type of bond based on the approval of its Board.

"We would be glad to provide the U.S. Army with any additional information it may need about AIDEA finance programs which could apply to Ucore."

As of the date of this MD&A, the Company and its advisors are in discussions with AIDEA; however, no agreement has been reached with AIDEA regarding issuing conduit bonds to potentially support financing the construction of a processing plant, such as the prospective Alaska SMC.

On May 29, 2020, the Company announced the closing of its previously announced convertible debenture financing. The convertible debenture financing was completed in two tranches closing on May 21, 2020 and May 29, 2020. In total the Company issued 2,800 convertible debentures at a price of \$1,000 per debenture for aggregate gross proceeds of \$2.8 million.

The convertible debentures bear interest at a rate of 7.5 per cent, payable semi-annually on the last day of May and November of each year, commencing on Nov. 30, 2020, and have a three-year term, with the principal amount being due to be repaid in full by the company on May 31, 2023.

In addition to annual interest at a rate of 7.5 per cent, the company paid to each initial holder of convertible debentures a one-time commitment fee comprising 500 commitment warrants per convertible debenture. Each commitment warrant entitles its holder to acquire one common share of the company at an exercise price of 18 cents per common share for a period of 24 months.

At any time during the term, a holder of convertible debentures may elect to convert the outstanding net principal amount, or any portion thereof, into units at a conversion price of 12 cents per unit. Each unit shall consist of one common share and one-half of a warrant, with each whole warrant entitling the holder to acquire a common share at an exercise price of 18 cents for a period ending on the maturity date.

The outstanding principal amount of each convertible debenture will automatically be converted into units at the conversion price (12 cents) if the common shares trade at a closing price of 22 cents or more on the TSX Venture Exchange for 20 consecutive trading days. During the third year of the term, the Company shall have the option to extend the term by up to one additional year. If extended, then the company shall pay a cash extension fee to the holders of convertible debentures in the amount of six months of interest.

COVID-19

The Company and its business are not immune from the economic and other implications related to the COVID-19 pandemic. The Company 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 all but essential 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 its goals as described herein. So far, as at the date hereof, the Company is proud to report that none of its employees have been laid off, furloughed or terminated as a result of COVID-19.

IBC Litigation

On November 6, 2018, IBC Advanced Technologies, Inc. ("IBC") issued a press release announcing the resignation of Mr. Steven R. Izatt, IBC's President and CEO, and Dr. Reed M. Izatt from the Advisory Board of the Company. "IBC has assessed that its goals are no longer aligned with those of Ucore," stated Mr. Izatt. "Although we have enjoyed our association with the Ucore team over the past several years, it has become increasingly apparent that Ucore and IBC are on divergent paths and our continuation in an advisory role would no longer be beneficial." This announcement effectively curtailed the efforts between Ucore and IBC to collaborate with certain research and development projects and with co-developing a joint venture enterprise in accordance with a research agreement between the parties dated April 29, 2014 (as amended) (the "Research Agreement"). On November 6, 2018, IBC announced that it would not comply any further with its obligations under the Research Agreement and expressly repudiated that agreement.

On November 7, 2018, the Company announced its intention to exercise its option to purchase IBC in accordance with the terms previously agreed to by Ucore, IBC, and majority shareholders of IBC, embodied in the Option to Purchase Agreement dated March 14, 2015, as amended on March 17, 2015 and June 1, 2016 (the "OTP Agreement"). Pursuant to the terms of the OTP Agreement, the Company was required to deliver a Notice of Commencement ("NOC") to IBC by March 16, 2019 in order to initiate proceedings to complete the acquisition of IBC.³ Consideration paid for the OTP Agreement totaled USD\$650,000, comprised of USD\$300,000 pursuant to the OTP Agreement dated March 14, 2015, plus an additional USD\$350,000 pursuant to an agreement to extend the term of the OTP Agreement dated June 1, 2016. In total, the consideration equates to approximately CAD\$850,000.

The Company retained the services of the international law firm of Dorsey & Whitney LLP as Ucore's U.S. legal counsel (with offices in Utah and Alaska) to facilitate the intended exercise of the Company's option to purchase IBC. Ucore believes that during the years in which IBC and Ucore have been working together, the business potential of IBC in the metals extraction and purification industry has increased immensely. In addition, the financial opportunities and business potential that have emerged in the metals extraction and purification industry generally (especially in regard to technology metals such as lithium, cobalt, tungsten, and many more) have made it compelling for the Company to exercise its option to acquire IBC.

Ucore and IBC exchanged detailed listings about concerns and sensitivities regarding the agreements between them, including concerns related to potential breaches of the understandings therein, the mechanics and deliverables of the due diligence process inherent in the acquisition, as well as expectations regarding the transfer of the ownership of IBC. IBC has stated that it believes that the parties are on divergent paths and has demanded that the Company waive its rights under the agreements or otherwise terminate the agreements. Subsequent to this, IBC attempted to assert that the agreements had already been terminated.

Following these discussions, on December 11, 2018, Ucore announced that it had retained the services of the law firm of Cox & Palmer as the Company's Canadian legal counsel to respond to certain erroneous public assertions

³ The Company delivered the NOC to IBC on February 14, 2019.

made by IBC and Mr. Steven Izatt on November 26, 2018, regarding the Company's Option to Purchase IBC, and had commenced with a related court application⁴.

On January 4, 2019, the Company was served with a complaint, filed by IBC in the Third District Court, Salt Lake Division, Salt Lake County, State of Utah ("Utah State Court"), against the Company and key executives⁴.

The Company does not intend to terminate the OTP Agreement and is seeking specific performance of the OTP and/or an award of damages through the court system. The Company further intends to enforce arbitration proceedings (if the court grants specific performance of the OTP) if deemed necessary in its discretion.

On February 19, 2019, IBC delivered to Ucore a "Notice of Termination of the Option Agreement". IBC alleged that it had the right to terminate the agreement because Ucore has breached the terms of the OTP Agreement. The Company does not believe that it has breached the terms of the OTP Agreement and does not consider it to be terminated⁵.

Additionally, on February 19, 2019, IBC filed a second lawsuit regarding contractual claims related to the OTP and Research Agreement which is now in Utah Federal Court⁶.

The Company has decided to focus on the OTP Agreement and, as a result of IBC's breaches and actions, the Company formally confirmed the termination of the Research Agreement on October 30, 2019.

Legal Proceedings – Summary

In summary, as of November 30, 2020, there were five distinct ongoing civil litigation matters between IBC (some which include Steven R. Izatt) and Ucore (and/or several of its executives). These matters are:

1. A matter initiated in December 2018 pursuant to an application (now an action) by Ucore in Halifax, Nova Scotia, Canada. Ucore's lead legal counsel for this matter is Cox & Palmer in Halifax, NS.
2. A matter, the First Utah Complaint, initiated in January 2019 pursuant to a complaint by IBC in Salt Lake City, Utah, USA. Ucore's lead legal counsel for this matter is Dorsey & Whitney LLP in Salt Lake City, Utah.
3. A matter, the Second Utah Complaint, initiated in February 2019 pursuant to a complaint by IBC in Salt Lake City, Utah, USA. Ucore's lead legal counsel for this matter is Dorsey & Whitney LLP in Salt Lake City, Utah.
4. A matter, the Third Utah Complaint, initiated in October 2019 pursuant to a complaint by IBC in Salt Lake City, Utah, USA. Ucore's lead legal counsel for this matter is Dorsey & Whitney LLP in Salt Lake City, Utah.
5. A matter, the Fourth Utah Complaint, initiated in January 2020 pursuant to a complaint by IBC Shareholders in Salt Lake City, Utah, USA. Ucore's lead legal counsel for this matter is Dorsey & Whitney LLP in Salt Lake City, Utah.

On March 30, 2020, IBC filed a motion to consolidate the Second Utah Complaint, the Third Utah Complaint and the Fourth Utah Complaint. On April 13, 2020, Ucore filed a memorandum in support of consolidation. On August 5, 2020, the U.S. District Court, District of Utah granted the order to consolidate the three complaints. As a consequence of this order to consolidate the cases the Second, Third, and Fourth Utah Complaint are now

⁴ Additional details regarding the civil claims involving IBC can be seen in Appendix "B" of this MD&A.

⁵ On February 27, 2019, Ucore obtained an interim injunction to preserve the status quo between the parties regarding the OTP agreement. This order was superseded by an interlocutory injunction (serving the same purpose) on December 4, 2019.

⁶ Additional details regarding the civil claims involving IBC can be seen in Appendix "B" of this MD&A.

consolidated in one proceeding before Judge Nielson in the U.S. District Court for the State of Utah. The cases will proceed under the same deadlines and under one case number.

Ucore plans on pursuing its claims against IBC, including the specific performance of various contractual obligations and/or recovering damages, while at the same time vigorously defending the Company and its executives against IBC's unfounded claims.

Additional details regarding the civil claims involving IBC can be seen in Appendix "B" of this MD&A.

Rare Earth Processing

As mentioned above, on February 14, 2020 the Company announced it had entered into a technical services agreement with Innovation Metals Corp. ("IMC") for RapidSX™ rare earth element separation technology testing. At that time, IMC was a privately held Canadian company that had developed RapidSX™ technology for the separation and purification of critical metals including rare earth elements ("REE"), lithium, nickel and cobalt. RapidSX™ is an accelerated solvent-extraction-based separation technology, developed and successfully piloted by IMC. Amongst other test work, RapidSX™ has proven effective at the pilot scale in separating both heavy REE ("HREE") and light REE ("LREE") feedstocks to commercial-grade rare-earth oxides ("REO") with significant efficiencies relative to existing commercial technologies. In accordance with the terms of the agreement, the Company and IMC will commence a testing program ("Study") for the processing of mixed rare-earth element concentrated into separated rare earth element oxides utilizing IMC's RapidSX™ rare earth element separation technology. Under the terms of the technical service agreement, IMC's bench-scale test work will be based on a mixed rare earth element concentrate produced from the Company's Bokan Project, and/or other commercially available, U.S. allied-sourced, mixed rare earth element concentrate feedstock sources currently under nearer-term consideration by the Company. The Study will assess yield potential for targeted rare earth element compounds and will include preliminary technical and economic estimates of the separation and purification process, including capital and operating costs. Based on IMC's prior test programs and subject to the specific results of the Study, the RapidSX™ rare earth element separation technology, a derivative of solvent extraction ("SX") technology, may offer a more efficient technological pathway for utilization in the Company's planned Alaska SMC. In this case, upon the conclusion of this preliminary Study, the Company expects to incorporate this technology into its plans for the Alaska SMC and to conduct a more robust technical and economic evaluation of RapidSX™ for incorporation into the expected first phase of the Bokan Project Feasibility Study during 2021.

On April 27, 2020, the Company announced that it has executed a binding Share Purchase Agreement with IMC and its shareholders, dated April 25, 2020, whereby Ucore will acquire 100% of the issued and outstanding shares of IMC. On May 8, 2020, the Company had received the approval of the TSX Venture Exchange and completed the closing of Company's acquisition of IMC.

On May 11, 2020, and in connection with the acquisition of IMC, Dr. Gareth Hatch joined the Company as its new Chief Technology Officer as well as a director of the Company. On June 17, 2020, the Company announced the appointment of Dr. Kurt Forrester as vice president of metallurgy. Mr. Forrester is a chartered chemical engineer and chartered professional metallurgist. Mr. Forrester will use his experience and expertise to assist in the commercialization of IMC's RapidSX separation technology platform for REEs, Li, Ni, Co, etc.

By October 2020, it was agreed that IMC should operate autonomously within the Company group structure. Therefore, the Company's board of directors approved the following changes to more efficiently serve the objectives of both the Company and IMC, effective October 1, 2020:

1. Dr. Hatch will work solely as IMC's Chairman and Chief Executive Officer.
2. Randy Johnson, a long-term Ucore business adviser, was appointed as a Director of the Company to fill Dr. Hatch's previous position.
3. Mr. Dinwoodie will work solely as IMC's President and as an Executive Director of IMC.

4. Dr. Forrester will work solely as IMC's Chief Operating Officer and Vice-President of Metallurgy.

Appendix "A" hereto includes a diagram of the Company and IMC's organizational and personnel structure as at the date hereof.

Resource Property Interests

In the past, Ucore's primary focus was the exploration and development of the Bokan-Dotson Ridge REE property in Alaska, where the Company has incurred the majority of its mineral exploration expenditures for the past several years. In recent years, more of the Company's time and expenses have been focused on developing the downstream metallurgy component of its plan, which involves the development of mineral separation, processing and metal purification technologies that can be utilized in its downstream business objectives. The Company sees the metallurgy component as one of its priorities since it is a potential bottleneck to implementing the full commercial production of the upstream Bokan Project. Accordingly, Ucore's mineral exploration and development expenses at the Bokan Project have been modest in the past two years.

The Company capitalizes its mineral exploration and evaluation ("E&E") expenditures. A detailed schedule of the Company's deferred E&E costs for the nine-month periods ended September 30, 2020 and September 30, 2019 is included in Appendix "C" of this MD&A.

Background Info. - The difference between a Preliminary Economic Assessment (PEA), a Prefeasibility Study (PFS) and a Feasibility Study (FS)

The development of a new mine typically involves moving through three stages of economic review along with the creation of written studies at each stage. These reflect different confidence levels of evaluating a mining project. The confidence levels relate to geological knowledge about the mineral deposit as well as the economic estimates such as capital and operating costs that are required to profitably develop and mine the deposit. After the initial discovery, a mineral deposit is usually delineated by exploration drilling to provide an understanding of its geometry, resources, tonnes, grades and recoveries. The first study is a conceptual PEA, also called a "scoping study", to define the scope of the project, including preliminary engineering alternatives for developing the mine and processing the ore, broad estimates of capital and operating costs, and other economic parameters.

A PEA tries to answer the question, "How best can this deposit be exploited to maximize its economic returns?" Unlike more advanced studies, a PEA can use "inferred" mineral resources for its operational and financial modeling so long as one has a reasonable expectation the outcome will be a profitable mine. A PEA is normally followed by a PFS and, if financing with debt, a (bankable) FS. A PEA rarely forms the basis for a production decision because of the higher degree of unknown risks and costs and timelines. In fact, the economic analyses that are found in typical PEAs are so speculative that it is a requirement (pursuant to NI 43-101) that if a company discloses the results of a PEA that is based upon any inferred mineral resources, then the company must state with equal prominence that "the PEA is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized."

A PFS is a more advanced study that uses only mineral "reserves" as well as "measured" and "indicated" mineral "resources". A PFS involves more detailed engineering in order to optimize the alternatives for developing the mine and processing the ore. It also uses tighter estimates of capital and operating costs and other economic parameters by comparing them to recent examples. A PFS is usually followed by a FS, but if financing with equity, sometimes a PFS be used as the basis for a production decision if the economics are particularly robust or the costing is at a FS level.

An FS is the most advanced study. An FS often only utilises mineral "reserves" and involves definitive engineering and detailed costing based on actual tendered bids (where possible) instead of just cost estimates. An FS is considered essential in order to finance very large, very complex, capital intensive, lower return mining projects, or if financing with traditional bank loans, in which case it is often called a bankable feasibility study (BFS).

The economic analyses that are contained in a PEA, PFS or FS are intended to be utilized to determine the preferred method of commercializing the mine and to estimate its potential future economic performance as a business asset. Any valuation contained in a PEA, PFS or FS is not typically intended to be a valuation of the asset itself either from a financial accounting perspective or from the perspective of being necessarily representative of the "fair market value" of the asset. The economic analyses and any valuation contained in a PEA, PFS or FS are intended to assist the company with capital budgeting and business planning decisions. Ucore does not value its Bokan Mountain mineral property based on the results of its PEA. Ucore's balance sheet reflects a more conservative figure for the value of Bokan Mountain, being generally only the capitalized sum that Ucore has actually spent in cash acquiring, drilling, and developing the property. In accordance with GAAP and IFRS, Bokan Mountain (just like other assets) is reflected and carried on Ucore's balance sheet at an amount equal to the lower of its cost or market value. The value of Bokan Mountain (just like other assets) is tested for impairment (i.e. write-downs) on a regular basis, including annually when Ucore's financial statements are audited by Ucore's independent auditor, KPMG LLP.

Background Info. – Understanding Mineral "Resources" and Mineral "Reserves"

A mineral "resource" is a concentration or occurrence of natural, solid, inorganic, or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics, and continuity of a mineral resource are known, estimated, or interpreted from specific geological evidence and knowledge.

Mineral resources are sub-divided, in order of increasing geological confidence, into the following categories: (i) "inferred"; (ii) "indicated"; and (iii) "measured". Note that the confidence level in "inferred" mineral resources is typically insufficient to allow the application of technical and economic parameters or to enable an evaluation of economic viability.

Mineral "reserves" are the portion of mineral resources that are economically feasible to produce and sell. Specifically, a mineral reserve is the economically mineable part of "measured" or "indicated" mineral resources demonstrated by at least a PFS or FS (but not a PEA). In order to classify a mineral resource as a reserve, the PFS or FS must include adequate detailed information on mining, processing, metallurgical, economic, and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified.

Mineral reserves are sub-divided in order of increasing confidence into: (i) "probable" mineral reserves; and (ii) "proven" mineral reserves.

Bokan-Dotson Ridge, Alaska

In 2006, the Company acquired the right to the Bokan Mountain mineral property through five separate option agreements to acquire a 100% interest in a parcel of unpatented mineral claims from underlying owners and through staking a 100% interest in an additional parcel of prospective ground. The option agreements provide for the Company to acquire a 100% interest in the optioned claims in exchange for total remaining payments of only US\$90,000. The five vendors will retain Net Smelter Royalties ("NSR") ranging from 2% to 4% on their specific claims. The Company has the right to purchase between 33% and 100% of the NSR for cash payments of US\$500,000 to US\$1,000,000 per vendor.

Ucore's Bokan Mountain Project is located on Prince of Wales Island, Alaska, approximately 60 km southwest of Ketchikan, Alaska and 140 km northwest of Prince Rupert, British Columbia, with direct ocean access to the western seaboard and the Pacific Rim. The project is situated in the Tongass National Forest, within an area set aside for natural resource development.

On November 28, 2012, the Company reported the results of a Preliminary Economic Assessment ("PEA") completed by Tetra Tech of Vancouver, BC, regarding the Dotson Ridge Zone of the Company's Bokan Mountain heavy rare earth property in Southeast Alaska. A copy of this PEA (a NI 43-101 technical report) was filed on SEDAR on March 14, 2013.

On October 15, 2019, the Company issued a press release describing an updated mineral resource estimate for the Bokan Project including the identification of the tonnes and the corresponding grades of additional critical-metal co-product mineral resources. At a total rare earth oxide (“TREO”) cut-off grade of 0.40 percent, an additional 38.5 thousand tonnes of the critical and strategic metals, including niobium (Nb), zirconium (Zr) beryllium (Be), hafnium (Hf), titanium (Ti) and vanadium (V) were added to the mineral resource estimate at Bokan. The October 2019 study did not increase the overall tonnage of the deposit relative to the Company’s May 2015 mineral resource update; it only quantified the occurrence of co-product metals within the mineral resource established in 2015. The Company does not consider the co-product resources to be a “material change” to the Company.

Qualified Persons

The technical disclosures in this section of this MD&A were written by the Company’s management based upon information provided to the Company and approved by James Robinson, P. Geo., an independent geologist with Aurora Geosciences.

Cautionary Notes

Please note that Ucore’s PEA is preliminary in nature, that it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Mineral Exploration and Evaluation (“E&E”) expenditures at Bokan

During the nine months ended September 30, 2020, the Company’s expenditures on metallurgy work totalled approximately \$74,000 (2019 - \$13,000). Approximately an additional 118,000 (2019 - \$142,000) was spent on environmental and permitting work during the period which includes the general carrying cost of the property. In total, during the period ended September 30, 2020, the Company incurred expenditures totalling approximately \$192,000 (2019 - \$155,000) on the project. See Appendix “C” of this MD&A.

Selected Annual Information

The following annual information is prepared in accordance with International Financial Reporting Standards. Amounts are reported in thousands of Canadian dollars, except for per share amounts.

	For the year ended December 31, 2019 \$	For the year ended December 31, 2018 \$	For the year ended December 31, 2017 \$
Net loss	10,810	4,766	4,883
Loss per share – basic and diluted	0.04	0.02	0.02
Total assets	40,529	46,051	45,776

Results of Operations

The Company has no operating revenues. The Company is dependent on equity or other external financings to fund the Company's mineral exploration and evaluation operations, to fund the Company's prospective acquisition of IBC under the OTP Agreement (and fund the current litigation matters involving IBC), to fund the Company's evaluation and intended development of the Company's Alaska Strategic Metals Complex (SMC), to fund the company's pursuit and development of the Company's consolidated business plans (including the expected continued development of IMC's RapidSX™), and also to fund all of the Company's general, administrative, interest and other costs. As a result, the Company expects to incur operating losses until such time as either: (i) an economic mineral resource is identified, developed and put into profitable commercial production on one or more of the Company's mineral properties; (ii) the Company completes the purchase of IBC and the entity generate profits; (iii) the Alaska SMC becomes designed, constructed and then eventually operational to the extent that it generates net profits; (iv) the Company's IMC subsidiary generates revenues from sales, licencing, fees and/or royalties that can be earned from its RapidSX™ technology; or (v) the Company profitably sells one or more of its core assets.

During the nine-month period ended September 30, 2020, the Company incurred a net loss of approximately \$4.37 million compared to a net loss of \$2.32 million for the nine-month period ended September 30, 2019, an increase of approximately \$2.05 million. Operating expenses totalling approximately \$4.23 million were recognized during the nine-month period ended September 30, 2020 compared to \$2.03 million during the nine-month period ended September 30, 2019. The increase in operating expenses is a result of increased expenditures for professional services, salaries and consultants, amortisation and share based payments. The Company also incurred one time transaction costs associated with the acquisition of IMC. The reasons for each of these variances are discussed below.

The Company recorded non-cash amortization expenses of approximately \$654,000 during the nine-month period ended September 30, 2020, which is an increase of approximately \$588,000 from the comparable prior period. The increase is as a result of the amortization on the intellectual property associated with the acquisition of IMC of approximately \$585,000.

The Company recorded salaries and consultant expenditures of approximately \$1.21 million for the nine-month period ended September 30, 2020, which is an increase of approximately \$514,000 from the prior period. The increase is largely attributable to special and independent committee fees paid during the nine-month period ended September 30, 2020 which were not paid in the comparable prior period. The remaining difference is as a result of the additions to the Company and IMC's management team as discussed above.

Professional services expenditures were approximately \$922,000 for the nine-month period ended September 30, 2020, an increase of approximately \$123,000 from the prior nine-month period. The increase is as a result of the ongoing expenditures relating to the legal proceedings as noted in the IBC litigation section above.

Investor relations and marketing increased by approximately \$223,000 for the nine-month period ended September 30, 2020. The increase is largely as a result of one-time costs in the current period for IR and marketing services.

The Company recorded non-cash stock-based compensation expense of approximately \$364,000 attributable to the estimated value of stock options and deferred share units earned and vested during the period. In the prior nine-month period, the Company recorded an expense of approximately \$30,000 resulting in a difference of approximately \$334,000. The difference period over period is largely attributable to size and timing of the options granted in each period.

The Company recorded transaction costs of approximately \$498,767 which are directly attributable to the Company's acquisition of IMC. These transaction costs include Canadian legal fees, US legal fees, stock exchange fees related to the listing of the additional 45,383,412 common shares of the Company, and financial advisory fees related to an independent formal valuation of IMC. These transaction expenses have not been capitalized; rather, they were expensed in the period they were incurred.

During the nine-month period ended September 30, 2020, the Company recorded an amortization expense of approximately \$46,000 related to Company's option to acquire IBC, which had been recorded in the financial statements as a derivative asset.

When looking at the Company's income statement, the difference between the operating expenses and the net loss is the result of the following items:

- During the period ended September 30, 2020, the Company recorded interest income of approximately \$17,000 as a result of cash held in a high interest savings account.
- During the period ended September 30, 2020, the Company recorded interest expense of \$215,000 which is a decrease of \$269,000 from the prior period. The decrease in the interest expense in the current period is as a result of a debt repayment which occurred in the fourth quarter of the prior year.
- As at September 30, 2019, the Company determined that the Company's barge (a floating hotel, workshop, office and kitchen) located near the Bokan Project had become obsolete resulting in an impairment charge on resource property assets of approximately \$111,000.
- On March 30, 2019, the Company entered into a secured loan agreement with Orca Holdings, LLC. Pursuant to the terms of the secured loan agreement, interest is to be paid monthly and the principal repaid in full on March 31, 2021. The loan had an interest at a rate of 12.5% annually for the 9 months commencing July 1, 2019 and then a rate of 15% annually for the 12 months commencing April 1, 2020. The Company used an effective interest rate of 15%. The financing benefits have been recorded as a loan discount of approximately \$195,000. On November 6, 2019 the Company amended the secured loan agreement as further described in the 2019 financing transaction section above.
- The Company recorded a foreign exchange gain of approximately \$65,000 during the period versus a gain of approximately \$102,000 in the prior period. As the Company continues to deal in both the Canadian and United States currencies, the Company may continue to incur foreign exchange gains and losses arising from changes in the value of the United States dollar relative to the Canadian dollar.

Summary of Quarterly Financial Results

Expressed in thousands of dollars, except per share amounts	9/30/20 \$	6/30/20 \$	3/31/20 \$	12/31/19 \$	9/30/19 \$	6/30/19 \$	3/31/19 \$	12/31/18 \$
Net loss	1,278	1,808	1,280	8,617	814	553	826	1,293
Loss per share – basic and diluted	0.00	0.00	0.00	0.04	0.00	0.00	0.00	0.02
Total Assets	46,668	51,170	41,626	40,529	45,291	44,886	45,604	46,051

During the third quarter of 2020, the Company incurred a net loss of approximately \$1.28 million compared to a net loss of \$814,000 for the comparable prior period. The increase in net loss is mainly attributable to the increase in amortisation, salaries and consultant and share based payments. The increase was partially offset by a decrease in the accretion expense in the current period of approximately \$43,000 as a result of the loan with Orca Holdings, LLC. There was an increase in share-based payments of approximately \$137,000 as result of the timing and quantity of options granted in the prior period. As a result of the acquisition of IMC the Company recorded additional amortisation of approximately \$369,000 during the current period compared to the comparable prior period. The Company also realized a foreign exchange gain of approximately \$54,000 compared to a loss of approximately \$40,000 in the comparable prior period. The foreign exchange gains and losses largely relate to the loan payable which is adjusted for effects of foreign exchange due to changes in the value of the United States dollar relative to the Canadian dollar.

During the second quarter of 2020, the Company incurred a net loss of approximately \$1.81 million compared to a net loss of approximately \$535,000 for the comparable prior period. The increase of approximately \$1.26 million in net loss during the second quarter of 2020 is largely attributable to an increase in share-based payments as a result of the timing and quantity of options granted in the prior period and an increase in salaries and consultants expense as the Company's has added additional management members to its team. The Company also incurred on time IR and marketing expenditures in the current quarter resulting in an increase of approximately \$201,000 from the comparable prior quarter. In addition, the Company incurred approximately \$499,000 in transaction costs associated with the acquisition of IMC in the current quarter. Further details of the variances between the second quarter of 2020 and 2019 are discussed above in Results of Operations.

In the first quarter of 2020, the Company incurred a net loss of approximately \$1.28 million compared to a net loss of \$826,000 for the comparable prior period. The increase of approximately \$454,000 is largely attributable to an increase in share-based payments as a result of the timing and amount of prior period stock option grants. Professional services expenditures also increased during the current period due to increased legal fee activity surrounding the acquisition of IMC and the IBC legal proceedings as discussed in the IBC litigation section above. In addition, during the comparable prior period the Company recognized a discount on loan payable reducing the net loss by approximately \$195,000.

During the fourth quarter of 2019, the Company incurred a net loss of approximately \$8.62 million compared to a net loss of \$1.29 million for the comparable prior period. The increase in the net loss is largely attributable to the impairment charges of approximately \$7.03 million which were recorded in the fourth quarter of 2019. As a result of the loan which was renegotiated in the fourth quarter of 2019 the Company recorded a one-time loss on loan payable of approximately \$150,000. Investor relations and marketing increased in the fourth quarter of 2019 compared to the comparable prior period as a result of increased investor relation and marketing efforts relating to the rights offering which was completed in October 2019. As the Company continues to pursue and

expand its legal proceedings with IBC, the Company recognized an increase in professional service expenditures of approximately \$85,000 in the fourth quarter of 2019 compared to 2018. The Company's loan liabilities and finance lease obligation in 2018 are payable in United States dollars. The Company recognized a resulting foreign exchange loss of approximately \$12,000 in the fourth quarter, which is a decrease of approximately \$176,000 over the comparable prior quarter.

Liquidity and Capital Resources

At September 30, 2020, the Company had working capital of approximately \$2,208,000 with an unrestricted cash balance of approximately \$1,972,000. In addition, the Company had approximately \$62,000 of restricted cash which is not accessible without government approval.

The Company's operations used approximately \$3,404,000 of cash for the nine-month period ended September 30, 2020. Net cash expenditures on resource properties and related deferred costs totalled approximately \$158,000 during the period, largely driven by expenditures on metallurgy and general carrying costs of the property. This was primarily funded from working capital.

On April 2, 2019, the Company announced that it has entered into a secured loan agreement with Orca Holdings, LLC. The loan was in the amount of \$3.6 million and the proceeds were used for general working capital purposes, and to set-off or dismiss any short-term amounts owing to Orca Holdings, LLC. The short-term obligations include payments on the sale leaseback, and subsequent repurchase of the Company's Pilot Plant. The loan had a termination date of March 31, 2021. Payments which would have otherwise come due under the lease agreement between April 1, 2019 and June 30, 2019 were added to the principal amount of the loan. The loan had an interest at a rate of 12.5% annually for the first 9 months commencing July 1, 2019 and then at a rate of 15% annually for the 12 months commencing April 1, 2020. In addition to the aforementioned loan, on August 23, 2019 the Company secured a separate bridge loan in the amount of \$397,500 (\$300,000 USD) from Orca Holdings, LLC which had an interest of 12.5%. On November 6, 2019, the Company repaid in full the principal and interest outstanding on the bridge loan with Orca. In addition, on November 27, 2019, the Company announced that it has repaid \$2,500,000 in principal and accrued interest owing, extended the maturity date of the loan until November 30, 2021, and renegotiated a reduced interest rate of 9%. Furthermore, the Company issued five million bonus warrants to Orca in consideration for reducing the interest rate and extending the term of the loan. Each warrant will entitle Orca to acquire one common share of the Company at an exercise price of \$0.12 during the term ending on November 30, 2021.

The remaining loan from Orca Holdings, LLC is secured by a first charge on the Company's assets. The transactions are considered related party transactions within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions.

On October 30, 2019, the Company announced the closing of its rights offering. At closing, the Company issued 80,986,555 common shares of the Company at \$0.10 (the "Subscription Price") resulting in total gross proceeds of \$8,098,656. Of the shares issued, 28,184,191 Common Shares were issued to persons who are insiders of the Company, as a group, and 38,368,464 Common Shares were issued to all other persons. A total of 14,433,900 Common Shares were issued pursuant to the additional subscription privilege of the rights offering. Of these, 809,259 Common Shares were issued to persons who were insiders of the Company, as a group, and 13,624,641 Common Shares were issued to all other persons.

On May 29, 2020, the Company closed an unsecured convertible debenture financing for total gross proceeds of \$2.8 million. The Company issued 2,800 debentures with face value of \$1,000 each, bearing interest at a rate of 7.5% per annum. Each debenture holder was paid a one-time commitment fee comprised of 500 commitment warrants per convertible debenture. Each commitment warrant gives the holder the right to acquire one common share of the Company with each whole warrant giving the holder the right to acquire one common share of the Company at a strike price of \$0.18 per common share for a period of 24 months.

The debentures carry a term of three years and the Company has the option to extend the term by up to one year by making a cash payment to the debenture holders equal to six months interest. At any time prior to maturity, the debentures can be converted to units at a conversion price of \$0.12 per unit. Each unit consists of one common share of the Company plus one half common share purchase warrant, with each whole warrant giving the holder the right to acquire one common share of the Company at a strike price of \$0.18. The common share purchase warrants to be issued upon the conversion of the debt will expire on the maturity date of the convertible debentures.

In the event that the Company's common shares trade at a closing price of \$0.22 or more on the TSX Venture Exchange for 20 consecutive trading days, the outstanding principal amount of each convertible debenture will automatically be converted to into units at a conversion price of \$0.12 per unit.

The Company is reliant on equity or other types of financing for its current short term and long-term working capital requirements and to fund its exploration programs and business development activities. During the year ended December 31, 2019, the Company received approximately \$245,000 from the issuance of common shares on the exercise of in-the-money options and warrants. The Company's ability to continue as a going concern is dependent upon the ability of the Company to obtain necessary financing or other satisfactory arrangements to fund its operating expenses and interest expense until development financing is obtained to allow the Company to be self-sufficient. The Company's ability to continue its development activities is dependent on management's ability to secure additional financing in the future, which may be completed by way of traditional equity financings or in a number of alternative ways including, but not limited to, a combination of: new strategic partnerships; joint venture arrangements; project-level or subsidiary-level third-party financings; royalty or streaming financing; the sale of core and/or non-core assets; and other capital market alternatives. Management is pursuing additional financial sources, and while the Company's management has been successful in obtaining financing for the Company in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Company or that they will be available on terms which are acceptable to the Company.

Off-Balance Sheet Arrangements

At September 30, 2020, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Critical Accounting Estimates

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and notes. Critical accounting estimates used in the preparation of the consolidated financial statements include the Company's estimate of recoverable value of its mineral properties and related deferred expenditures, derivative financial instruments, non-cash stock-based compensation and deferred income tax assets and liabilities.

The Company's recoverability of the recorded value of its resource properties and associated deferred expenses is based on market conditions for minerals, underlying mineral resources associated with the properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company operates in an industry that is subject to a number of risk factors, including legal and political risks, the existence of economically recoverable reserves, and the ability of the Company to obtain necessary financing to complete the development and future profitable production or the proceeds of disposition thereof.

The factors affecting non-cash stock-based compensation include estimates of when stock options might be exercised and the stock price volatility. The timing for exercise of options is out of the Company's control and will depend on a variety of factors including the market value of the Company's shares and the financial objectives of the stock-based instrument holders.

Deferred income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values. Deferred income tax assets also result from unused losses carried forward and other deductions. The valuation of deferred income tax assets is adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount.

Determining whether an acquisition is a business combination or an asset acquisition. Judgment is also required to assess whether contingent consideration should be classified as equity or a liability. Measuring the fair value of equity instruments issued as consideration for a business combination, and in allocating the fair value of consideration paid to the assets acquired and liabilities assumed.

The Company measures all assets acquired and liabilities assumed at their acquisition-date fair values. Noncontrolling interests in the acquiree are measured on the basis of the non-controlling interests' proportionate share of this equity in the acquiree's identifiable net assets. The excess of the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree over the net assets of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as a liability is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in net income (loss).

The determination of categories of financial assets and liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

The identification of convertible note component is based on interpretations of the substance of the contractual arrangement and therefore requires judgement from management. the separation of components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of fair value of the liability is also based on several assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

Changes in Accounting Policies including Initial Adoption

As a result of the acquisition of IMC the Company adopted the following accounting policies for the period ended September 30, 2020:

(a) Goodwill

Goodwill represents the excess of the consideration transferred over the Company's interest in the fair value of the net identifiable assets, including intangible assets, and liabilities of the acquiree at the date of acquisition. At the date of acquisition, goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. A CGU is the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is tested at least annually for impairment at the CGU level and is carried at cost less accumulated impairment losses.

(b) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The Company measures goodwill as the fair value of the consideration transferred less the recognized amount of the identifiable assets and liabilities assumed, all measured at the acquisition date. Transactions costs, other than those associated with the issue of equity instruments, incurred in connection with a business combination are expensed as incurred.

(c) Financial instruments – recognition and measurement

(i) Compound financial instruments

Compound financial instruments issued by the Company comprise convertible debentures that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Share purchase warrants issued in conjunction with a convertible debt are allocated a proportion value of the equity component and included within reserves.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

The remaining accounting policies applied in the condensed interim consolidated financial statements are the same as those applied in the Company's consolidated financial statements as at and for the year ended December 31, 2019.

Related Party Transactions

During the nine-month period ended September 30, 2020, the Company paid \$649,065 (2019 - \$88,644) in legal fees and disbursements to Miller Thomson LLP. Mr. Geoff Clarke, a director of the Company, is a partner of that law firm. Payments made by the Company to Miller Thomson LLP are for the various legal services provided to the Company by several lawyers and law clerks at the firm, which includes lawyers and law clerks in multiple provinces and offices across Canada. These payments by the Company to Miller Thomson LLP include the Company's payment of director fees related to Mr. Clarke. Mr. Clarke does not receive any direct compensation from the Company.

On April 2, 2019, the Company announced that it has entered into a secured loan agreement with Orca Holdings, LLC (owned by Mr. Randy Johnson). Mr. Johnson, directly and indirectly, holds greater than 10% of the Company's outstanding common shares (but less than 20%). The loan is in the amount of \$3.6 million and the proceeds were used for general working capital purposes, and to set-off or dismiss any short-term amounts owing to Orca Holdings, LLC. The short-term obligations include payments on the sale leaseback, and subsequent repurchase of the Company's Pilot Plant. The loan had termination date of March 31, 2021. Payments which would have otherwise come due under the lease agreement between April 1, 2019 and June 30, 2019 were added to the principal amount of the loan. The loan had an interest at a rate of 12.5% annually for the first 9 months commencing July 1, 2019 and then at a rate of 15% annually for the 12 months commencing April 1, 2020. In addition to the aforementioned loan, on August 23, 2019 the Company secured a separate bridge loan in the amount of \$397,500 (\$300,000 USD) from Orca Holdings, LLC which had an interest of 12.5%. On November 6, 2019, the Company repaid in full the principal and interest outstanding on the bridge loan with Orca Holdings, LLC. In addition, on November 27, 2019, the Company announced that it has repaid \$2,500,000 in principal owing, extended the maturity date of the loan until November 30, 2021, and renegotiated a reduced interest rate of 9%. Furthermore, in consideration for agreeing to these more favourable terms for the Company, subject to the TSX Venture Exchange's approval, the Company will issue five million bonus warrants to Orca Holdings, LLC. Each warrant will entitle Orca Holdings, LLC to acquire one common share of the Company at an exercise price of \$0.12 during the term ending on November 30, 2021.

The remaining loan is secured by a first charge on the Company’s assets. The transactions are considered related party transactions within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”).

The secured loan transactions between Ucore and Orca Holdings, LLC are exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 since neither the fair market value of the subject matter of the transaction, nor the considered received or payable, exceed 25% of the Company's market capitalization. No new insiders and no control persons were created in connection with the closing of the transactions. The Company’s board of directors (the “Board”) believes that the secured loans have reasonable commercial terms that are not less advantageous to the Company as compared to if the loan were obtained from a person dealing at arm’s length with the Company. No commission fees, referral fees or bonuses were payable in regard to these transactions. In addition, no specific restrictive operating or financial ratio covenants exist in regard to the secured loans that could trigger a default or would otherwise affect the operations of the Company. No new special committee of the Board was created to separately review and consider the proposed transactions since Mr. Johnson is not a member of the Board and he did not participate in any Board meetings regarding these transactions.

On October 25, 2019, the Company closed a rights offering and issued 80,986,555 Common Shares of the Company at \$0.10 resulting in total gross proceeds of \$8,098,656. Of the shares issued 28,184,191 Common Shares were issued to persons who are insiders of the Company, as a group, and 38,368,464 Common Shares were issued to all other persons. A total of 14,433,900 Common Shares were issued pursuant to the additional subscription privilege of the rights offering. Of these, 809,259, Common Shares were issued to persons who were insiders of the Company, as a group, and 13,624,641 Common Shares were issued to all other persons.

On May 29, 2020, the Company closed its final tranche of its non-brokered private placement of unsecured convertible debentures and issued 2,800 convertible debentures at a price of \$1,000 per debenture for total gross proceeds of \$2,800,000 as further described above. Of the convertible debentures issued 635 convertible debentures for aggregate gross proceeds to the Company of \$635,000, were issued to person who are insiders of the Company.

All related party transactions were valued and recorded by the Company at the stated amount agreed to between the parties.

Outstanding Share Data

The following is the Company’s issued and outstanding share data as of the date of this MD&A report.

Securities	Number	Weighted average exercise price \$	Weighted average remaining life (years)
Common shares	410,499,826	n/a	n/a
Warrants	14,121,298	0.19	0.84
Stock options under plans approved by shareholders	18,750,000	0.22	2.57
Deferred share units under plans approved by shareholders	557,100	n/a	n/a

Risks and Uncertainties

In conducting its business, the principal risks and uncertainties faced by the Company relate to:

- exploration and development success of the Company's mineral properties;
- the development of the Company's prospective Alaska Strategic Metals Complex and the procurement of one or more business partners and/or suppliers to design and provide a traditional solvent extraction (SX) mineral processing and purification technology capable of efficiently processing and purifying one or more feedstocks of mixed rare earth mineral concentrates and/or any related critical material co-products;
- the ability of IMC to generate positive cashflow from its business operations;
- the successful acquisition of IBC Advanced Technologies, Inc. (pursuant to the disputed OTP Agreement) and the ability of IBC to thereafter generate positive cashflow from its business operations;
- the outcome of the Company's current civil litigation matters involving IBC Advanced Technologies, Inc.;
- commodity prices and the demand for rare earth elements (REEs) and other critical materials that underlay the business objectives of the Company;
- capital adequacy, liquidity and cash management along with the ability to obtain additional financing in both the short and long terms;
- counter-party risk and issues related to any significant non-compliance by the parties to the Company's material contracts;
- the ability of the Company to develop and/or protect its intellectual property; and
- general economic, business and capital market sentiment and conditions.

The Company's PEA (discussed in the overview section of this MD&A) is preliminary in nature. The PEA includes indicated and inferred mineral resources only, which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. There is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. See the "Background Info." sections above.

Most mineral exploration projects do not result in the discovery or development of commercially or profitably mineable ore deposits. No assurance can be given that any particular level of recovery of ore reserves or resources will be realized or produced from the Company's Bokan Project. Estimates of reserves and resources, mineral deposits and production costs can also be affected by such factors as: property title and tenement defects; environmental permitting; mining regulations and regulatory requirements; first nations rights or entitlements; wildlife concerns; weather and environmental factors; unforeseen technical difficulties; unusual or unexpected geological formations; work interruptions, strikes and/or protests. Material changes in ore reserves and resources, grades, stripping ratios, recovery rates or expected vs. realized selling prices of the underlying commodities may also significantly affect the economic viability of any project. Certain of the Company's mineral properties may be subject to defects in title not yet known to the Company resulting the risk of loss of ownership. The Company may incur significant costs related to defending the title to the Company's properties.

The Company's future viability may depend, in part, on its ability to identify and acquire new or additional mineral rights and/or business opportunities, and on the ability to finance and develop those opportunities. Mineral exploration and development is highly speculative in nature, expensive and is frequently non-productive or profitable. Substantial expenditures are required to:

- locate and establish ore reserves and resources through drilling and metallurgical and other testing techniques;
- determine metal content and metallurgical recovery processes to extract metal from the ore; and
- permit, construct, renovate and/or expand mining and processing facilities.

In addition, the prices of metals fluctuate widely and are affected by many factors outside of the Company's control. The relative prices of metals and future expectations for such prices have a significant impact on the market sentiment for investment in mining and mineral exploration companies.

The Company will be reliant on equity or other types of external financing for its current, short-term and long-term working capital requirements and to fund its exploration programs. The Company does not generate any revenue and does not have sufficient funds to put any of its resource's interests (including the Alaska SMC) into production from its own financial resources. The Company also does not currently have sufficient funds to acquire IBC pursuant to the OTP Agreement. There is no assurance that a future significant financing will be available to the Company, or that it will be available on acceptable terms. If an equity or convertible securities financing is undertaken and completed by the Company, the Company's current stockholders will suffer immediate dilution to their equity and voting interests as a result of such a financing. If additional capital is not available in sufficient amounts or on a timely basis, the Company will experience liquidity problems, and the Company could face the need to significantly curtail current operations, change our planned business strategies and pursue other remedial measures. Any curtailment of business operations would have a material negative effect on operating results, the value of the Company's outstanding common shares and the Company's ability to continue as a going concern.

The Company has no history of paying dividends on its common shares, and the Company does not anticipate paying any dividends in the foreseeable future.

There is no assurance that the Company will receive any direct funding from the US Government related to the IBAS program.

There is no assurance that AIDEA will provide any funding related to the Alaska SMC, as contemplated in the letter from AIDEA dated December 18, 2019

Innovation Metals Corp.'s ("IMC's") RapidSX™ mineral processing and purification technology is only at advanced testing stages utilizing a pilot facility that is located in Kingston, Ontario, Canada and has yet to be proven at a commercial scale in a large REE purification and processing facility. Ucore has not yet prepared or released an economic assessment or feasibility study that utilizes RapidSX™ for the separation and production of REEs from the Bokan Property. The following risks are specific to IMC and RapidSX™:

- The commercial effectiveness of RapidSX™ is subject to uncertainty and risk, and may be affected by many factors, some of which are beyond the Company's control, including the emergence of newer, more competitive technologies and processes, the cost of building and operating a commercial-scale RapidSX™ facility, regulatory and environmental requirements, unknown profitability performance and financial metrics, the existence, knowledge and cooperation of key individuals of IMC, and the ability to attract customers and sources of feedstock.
- The long-term success of the Company's acquisition of IMC will depend upon, among other things, the ability to protect the key intellectual property including any relevant patents, trade secrets, trademarks, and copyright materials and property. There is no assurance that these will remain protected. There is also no assurance that alternate or competing technology will not get developed that will result in existing intellectual property becoming obsolete or less competitive.
- The specialized scientific nature of RapidSX™ means that the acquisition's success depends in a large part on the ability to retain key management, engineering, scientific, and operating personnel. Recruiting in these fields can be highly competitive and there is no assurance that key employees will be able to be retained.

Although an MRT Pilot Plant for REEs has been produced by IBC for Ucore, IBC's MRT for REEs is only at advanced testing stages and has yet to be proven at a commercial scale in a large REE purification and processing facility. The Company has not yet prepared or released an economic assessment or feasibility study that utilizes MRT for the separation and production of REEs from the Bokan Property. The following risks are specific to MRT REE purification:

- The MRT process is still subject to a high level of uncertainty and risk, and may be affected by many factors, some of which are beyond the Company's control, including the emergence of newer, more competitive technologies and processes, the cost of building and operating MRT facilities, regulatory and environmental requirements, unknown profitability performance and financial metrics, the existence, knowledge and cooperation of key individuals of IBC, and the ability to attract customers and sources of feedstock.
- The Company's announcement on February 14, 2019 indicating that it has issued the Notice of Commencement to purchase IBC and there remains a USD \$1 million dollar payment to IBC ("the Legacy Payment") which must be paid concurrent with the funds required to complete the OTP Agreement, and there remains a risk that the Company will be unable to raise sufficient funds required to make the Legacy Payment.
- Although MRT is a previously commercialized technology in some fields, using MRT to separate REEs and certain other elements to be targeted by the Company will be new commercial applications. To date, the Company has hired IBC to complete lab bench and certain pilot scale testing of the MRT process in relation to REEs. There can be no assurance that MRT will be able to separate these elements at large commercial levels on a profitable basis. In addition, there is inherent variability and uncertainty related to the ability to procure similar-source feed-stocks so that substantial additional research and development and also re-tooling is not required between materials arriving at a commercial facility, such as the prospective Alaska SMC, from different mineral projects.
- The success of the OTP Agreement will depend upon, among other things, the ability to protect the key intellectual property including relevant patents, trade secrets, trademarks, and copyright materials and property. There is no assurance that these will remain protected. There is also no assurance that alternate or competing technology will not get developed that will result in existing intellectual property becoming obsolete or less competitive.
- The specialized scientific nature of MRT means that the prospective acquisition's success depends in a large part on the ability to attract and retain key management, engineering, scientific, and operating personnel. Recruiting in these fields can be highly competitive and there is no assurance that key employees will be able to be retained.
- Steve Izatt and Reed Izatt of IBC both resigned from the Company's Advisory board on November 6, 2018. IBC stated in a press release on that date that IBC's goals are no longer aligned with those of Ucore and that it has become increasingly apparent to IBC that Ucore and IBC are on divergent paths. IBC and the Company have exchanged detailed listings about concerns and sensitivities regarding the agreements between them, including concerns related to possible contraventions of the understandings and terms therein, the mechanics and deliverables of the due diligence process inherent in the acquisition, as well as expectations regarding the transfer of the ownership of IBC. IBC has demanded that the Company waive its rights under the Agreements or otherwise terminate the agreements in order to begin with new negotiations related to new mutually acceptable terms. As a result of several breaches by IBC the Company has terminated the Research Agreement. The OTP Agreement between the Company and IBC has an arbitration clause which may provide and allow for an orderly and structured forum to resolve the aforementioned differences. The Company is hopeful that a structured approach to good-faith negotiations, whether that being formal mediation, arbitration or otherwise, will expedite a satisfactory resolution between the parties that will allow for development of the opportunities that both parties envisioned at the onset of engaging in the various agreements amongst these parties. However, there is no assurance that a settlement will be reached between the parties. Significant risk and uncertainty exist in regard to: the performance of these agreements and compliance thereto by the parties of these agreements; the ability to enforce these agreements in a timely and cost-effective manner; arbitration or other legal proceedings with or involving IBC; and/or the ability to renegotiate these agreements on terms that would be acceptable to the parties, without the intervention of a duly appointed arbitrator or other applicable jurisdictional entity.

The Company is also involved in several civil litigation cases with IBC. There are currently matters underway in Nova Scotia and additional matters underway in Salt Lake City, Utah. The duration and the outcome of these disputes are uncertain. The Company's liability insurance may cover some of the Company's costs of pursuing and defending these matters; however, such insurance may not cover all of these expenses and the coverage may not be sufficient to cover any damages amounts that the Company may be liable for.

The Alaska SMC discussed in this MD&A is preliminary, conceptual and aspirational in nature as at the date hereof. It is not yet a physical plant or facility and its development will require funding and the support of business partners, customers and the State government in order to be designed, developed, constructed and become operational, none of which is assured.

The Company's business activities are inherently risky and the Company is exposed to business and financial risks as well as liability. Many of these risks are non-insurable. For the insurable risks, if the Company is unable to maintain adequate insurance, or liabilities exceed the limits of the Company's insurance policies, the Company may be unable to continue operations. Because of the unique difficulties and uncertainties inherent in new mineral exploration ventures as well as new scientific and technological business ventures, the Company's activities face a high risk of business failure. Due to the Company's limited capital, this risk poses a significant threat as compared to larger companies in our business sector.

The Company's financial instruments consist of cash, restricted cash, short-term deposits, marketable securities, trade and other receivables, and accounts payable and accrued liabilities. Management does not believe these financial instruments expose the Company to any significant interest, currency or credit risks arising from these financial instruments. The fair market values of these financial instruments approximate their carrying values, unless otherwise noted.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time. As of the date of this MD&A, the Company has not suffered any significant setbacks to its operations as a direct result of COVID-19 and no staff members have been laid off or furloughed. However, the pandemic may impair the Company's ability to pursue business opportunities with various other parties that have not been so fortunate.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that material information is gathered and reported to senior management to permit timely decisions regarding public disclosure. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

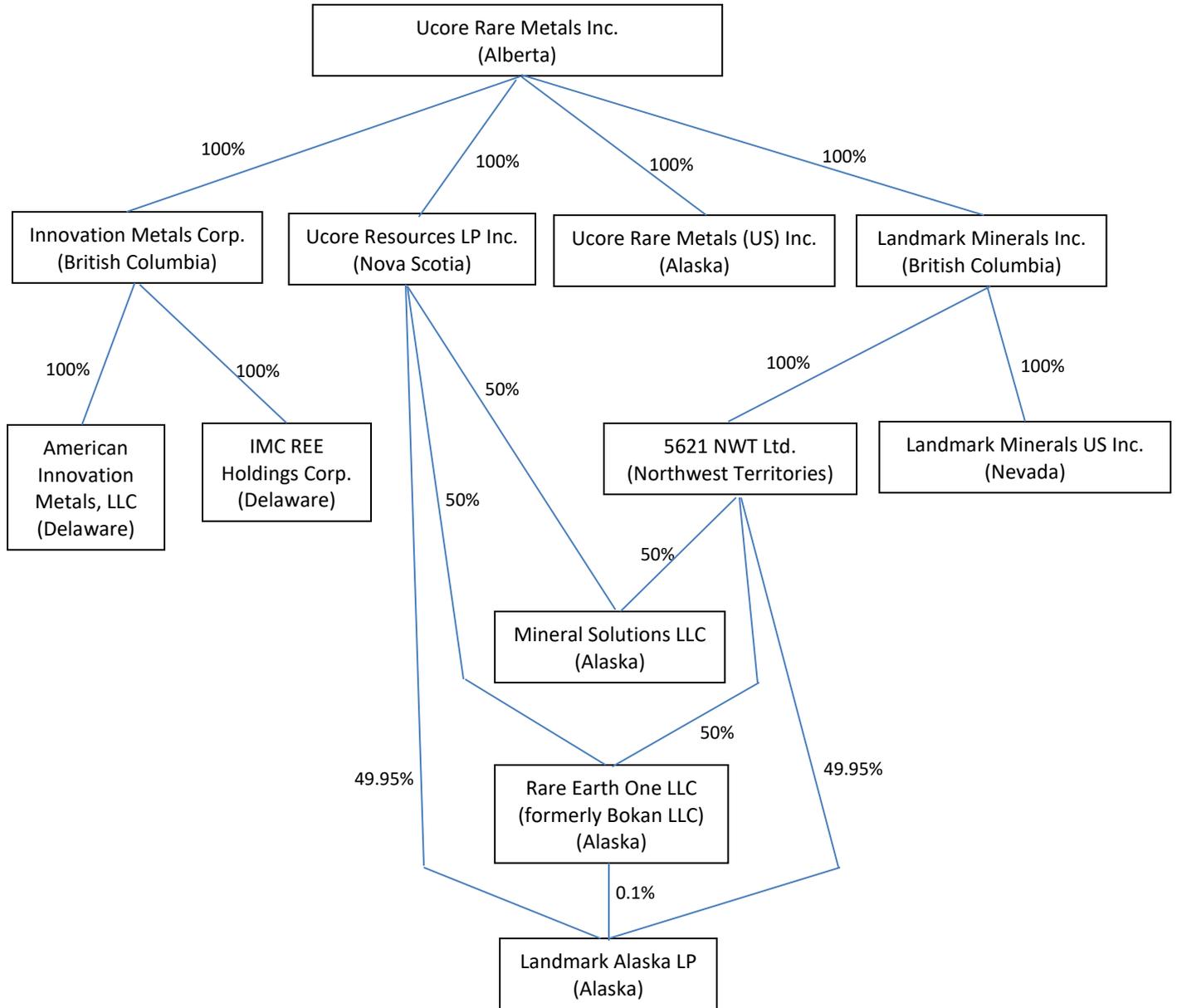
TSX Venture Exchange listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) processes to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with the issuer's GAAP.

Other Information

Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.ucore.com.

Appendix "A"

Ucore Rare Metals Inc. Corporate Organizational Chart as at November 30, 2020



With the exception of Innovation Metals Corp., for the purpose of operational endeavours all of the subsidiaries of Ucore Rare Metals Inc. operate pursuant to management services provided by Ucore Rare Metals Inc. as part of the Ucore Group of Companies.

Ucore Rare Metals Inc.

(Alberta)

Head office: Halifax, NS, Canada

Board of Directors:

- Pat Ryan, Chair
- Randy Johnson
- Dr. Jarda Dostal
- Steven Meister
- Geoff Clarke

Officers/Staff:

- Pat Ryan, Interim CEO*
- Peter Manual, CFO*
- Mike Schrider, COO
- Mark MacDonald, VP*
- Tyler Dilney, Controller*
- Byron Fillmore, Marketing/Media*

* denotes part-time

Innovation Metals Corp.

(British Columbia)

Head office: Toronto, ON, Canada

Board of Directors:

- Dr. Gareth Hatch, Chair
- Pat Ryan
- Ty Dinwoodie

Sr. Officers/Staff:

- Dr. Gareth Hatch, CEO
- Ty Dinwoodie, President
- Dr. Kurt Forrester, COO & VP, Metallurgy*
- CFO [expected]*

Technical Advisory Board of Experts

- [expected to be implemented by IMC]*

* denotes part-time

Appendix “B”

The Company’s Civil Litigation with IBC Advanced Technologies, Inc.

Legal Proceedings – Details

Original Nova Scotia Complaint

On December 11, 2018, the Company filed a complaint against IBC Advanced Technologies, Inc. and Steven R. Izatt (collectively “IBC”, in the proper context) in the Supreme Court of Nova Scotia (the “NSSC”), seeking damages for defamation, injurious falsehood and unlawful interference with the Company’s economic relations (the “Original Claims”). The Original Claims arise primarily from a press release in which IBC (falsely) stated that the parties had terminated the Option Agreement.

On January 15, 2019, the parties appeared before the NSSC for a Motion for Directions. IBC did not raise any jurisdictional issues. The parties agreed that IBC would file its Notice of Contest and any Respondents’ Claim by February 5, 2019 and that Ucore would file its Notice of Contest to Respondents’ Claim by February 19, 2019.

IBC then sought, and obtained, a consent order extending the deadline to file its pleadings to February 22, 2019, (the “Consent Order”).

On February 14, 2019, Ucore triggered the purchase process under the Option Agreement by issuing the NOC.

On February 19, 2019, IBC purported to terminate the Option Agreement.

By February 22, 2019, IBC had not complied with the Consent Order to file its pleadings and indicated it would not do so as it would require additional time to draft its pleadings.

On February 25, 2019, the Company sought an emergency interim injunction *inter alia* enjoining IBC from “taking any steps, or conducting any business, or transacting with any third parties in such a manner as to prevent or preclude (or effectively prevent or preclude) Ucore from fully or effectively exercising its asserted and disputed rights under the Option Agreement.” IBC ultimately consented and the Order was issued on February 27, 2019, subject to an interlocutory injunction hearing scheduled for March 20, 2019. Until that hearing, the NSSC ordered that:

- 1) Pending the hearing of an interlocutory injunction, IBC shall be enjoined from:
 - a) taking any further steps to issue additional notices to terminate the Option Agreement or taking steps in reliance upon (or further to) the Notice of Termination;
 - b) taking any steps, or conducting any business, or transacting with any third parties in such a manner as to prevent or preclude (or effectively prevent or preclude) Ucore from fully or effectively exercising its asserted and disputed rights under the Option Agreement.
- 2) Nothing in this Order prohibits IBC from carrying on and marketing its business in the ordinary course of business, so long as such is in compliance with the terms of the Option Agreement.
- 3) Pending the hearing of the interlocutory injunction, Ucore shall similarly be enjoined from enforcing its asserted and disputed rights under the Option Agreement, and that any such rights shall be suspended on the understanding that the Ucore’s rights under the Option Agreement shall be preserved during such time as this injunction remains in place.

On March 6, 2019, the Company filed its motion materials for the interlocutory injunction and moved to amend its pleadings to include additional claims in response to IBC's purported termination of the OTP Agreement (the "Amended Claims").

On March 13, 2019, IBC wrote to the NSSC stating that it did not oppose the interlocutory injunction and that it did not oppose issuance of the Amended Claims.

On March 18, 2019, IBC changed its legal counsel in Nova Scotia, and then IBC sought to adjourn the interlocutory injunction because IBC had reversed its position and now intended to contest it.

On March 20, 2019, IBC and its new counsel sought and received an adjournment of the interlocutory injunction. The interlocutory injunction hearing date was eventually scheduled to April 30, 2019.

On March 25, 2019, the Company's motion to amend the Original Claims was verbally approved by the NSSC. IBC did not consent but did not oppose. IBC indicated that they were contesting jurisdiction in the Court – but only in relation to the "contractual" Amended Claims; not the defamation Original Claims.

The Order granting the March 25, 2019, verbal approval to file the Amended Claims was issued following a further Motion for Directions on April 1, 2019. Ucore also moved at that time to convert the proceedings to an action, and to refer the matter to case management. Both of these requests were granted in two separate orders issued on April 18, 2019. The Amended Claims were officially filed by the NSSC on April 2, 2019.

IBC's jurisdictional challenge was heard on April 23, 2019. As indicated, IBC did not contest the NSSC's jurisdiction over the Original Claims; IBC only contested jurisdiction over the Amended Claims. In a decision from the bench, the NSSC found that the NSSC had jurisdiction over the Amended Claims and that it was the most convenient forum. This Order was issued April 24, 2019, and written reasons were provided on April 26, 2019. Additionally, the Company was awarded court costs to be paid by IBC, and IBC was instructed to file its defence by May 17, 2019.

On April 24, 2019, IBC sought leave to appeal the NSSC's April 23, 2019, jurisdictional decision.

On April 26, 2019, in seeking a stay of proceedings pending appeal, IBC wrote to the Nova Scotia Court of Appeal (the "NSCA") and voluntarily agreed to file their complete pleadings within 10 calendar days of the NSCA releasing its decision. There were no caveats or exceptions to that agreement. On that basis, the Company consented to stay the NSSC proceedings pending the outcome of the hearing at the NSCA.

The NSCA heard the appeal on an expedited basis on June 19, 2019, and reserved its decision.

On September 10, 2019, through the case management process, the parties agreed to an interlocutory injunction hearing date of December 4, 2019, subject to a timely decision of IBC's appeal by the NSCA.

On October 9, 2019, the NSCA rendered its decision and found in Ucore's favour. In the result, the NSCA held that the NSSC has jurisdiction over the Amended Claims and that it is the most convenient forum. The result of this decision was that IBC's defence and counterclaims (if any) were due in the NSSC by October 21, 2019.

On October 10, 2019, IBC began a series of efforts seeking leave to file an appeal with the Supreme Court of Canada and seeking a corresponding stay of the NSSC proceedings. These efforts started with a request for an emergency hearing before the NSCA.

On October 11, 2019, the NSCA denied IBC's request for an emergency hearing.

On October 16, 2019, IBC filed with the Supreme Court of Canada ("SCC"):

- (a) Notice of Application for Leave to Appeal (incomplete); and

- (b) Motion record for a Stay pursuant to section 65.1 of the *Supreme Court Act* and Rule 62 of the *Rules of the Supreme Court of Canada*.

On October 18, 2019, the SCC issued an order dismissing IBC's request for stay of the NSSC proceedings.

On October 21, 2019, IBC filed its defence in the NSSC in response to both the Original and Amended Claims. IBC did not file any counterclaims; therefore, this filing marked the commencement of the disclosure of documentation period leading to examinations for discovery.

On December 4, 2019, the Interlocutory Injunction hearing took place in the NSSC. A decision was issued from the bench and followed by a written order issued on December 18, 2019, stating:

- 1) Pending further Court Order or the hearing of this Action on the merits, IBC and Steven R. Izatt are enjoined from:
 - a) Taking any further steps to issue additional notices to terminate the March 14, 2015 Option Agreement, as amended, or taking steps in reliance upon (or further to) the February 19, 2019 Notice of Termination; and
 - b) Taking any steps, or conducting any business, or transacting with any third parties in such a manner as to prevent or preclude (or effectively prevent or preclude) the Plaintiff from fully or effectively exercising its asserted and disputed rights under the March 14, 2019 Option Agreement, as amended.
- 2) Nothing in this Order prohibits IBC Advanced Technologies, Inc. ("IBC"), from carrying on and marketing its business in the ordinary course of business, so long as such does not conflict with the terms of the Option Agreement and more specifically, IBC is permitted to carry on business in the Rare Metals, Tailings Remediation and Catalytic Converter Recycling Sectors and sections 3 and 9 of Schedule E to the April 29, 2014, Research Projects, Pilot Plant, Separation Plant and Prospective Joint Operating Enterprise Agreement, as amended, do not prohibit or limit IBC's activities in any way.
- 3) Pending further Court Order or the hearing of this Action on the merits, Ucore shall similarly be enjoined from enforcing its asserted and disputed rights under the Option Agreement, and any such rights shall be suspended on the understanding that Ucore's rights under the Option Agreement shall be preserved during such time as this interlocutory injunction remains in place.
- 4) The costs of this motion shall be \$2,000, payable in the cause.

On December 9, 2019, IBC filed its completed materials on a motion to the SCC seeking leave to appeal the NSCA's jurisdictional decision regarding the amended pleadings only. Ucore filed its materials in opposition on January 20, 2020.

On March 27, 2020, Ucore sought permission of the NSSC to bring a motion to hold IBC in civil contempt of the interlocutory injunction order, in response to relief sought by IBC on a summary judgment motion filed in Utah (see below). On March 31, 2020, the NSSC stated that in light of the advice it received "from public health that holding proceedings (including by telephone or video) poses an unnecessary personal risk to staff who are required to come into the courthouse to record the proceedings" it would not schedule a hearing at the time. The Court was clear that it was not addressing the "merits or scope of remedies" and invited Ucore to "revisit its request" for a hearing "when the Utah court schedules a hearing" on IBC's concurrent motion for summary judgment in that jurisdiction.

On April 16, 2020, the SCC issued a judgment that the application for leave to appeal from the jurisdictional judgment of the NSCA, 2019 NSCA 80, dated October 9, 2019, was dismissed with costs.

On July 20, 2020, Ucore formally moved for an order in the NSSC holding IBC in contempt of the interlocutory injunction order and punishing them for the contempt (the “Contempt Motion”). At the same time, Ucore also filed a motion to amend the pleadings to add the IBC selling shareholders who are also signatories to the OTP Agreement as parties to this complaint. The basis for Ucore’s motion for contempt was, again, the relief sought in a motion that IBC filed on March 6, 2020, in the U.S. Federal Court, District of Utah. IBC’s motion for partial summary judgment sought declarations that the OTP Agreement was void and/or terminated. Ucore believed that the relief IBC sought in the motion for partial summary judgment violated the protections and directions afforded by the NSSC in the interlocutory injunction order.

During a hearing on August 19, 2020, both Ucore and IBC presented oral arguments, after which the NSSC reserved its decision. In a September 1, 2020, written decision the NSSC granted Ucore’s Motion to Amend the Pleadings to now include the signatory shareholders to the Option Agreement but dismissed Ucore’s motion that IBC be found guilty of civil contempt. The NSSC did not find that the high bar for contempt was met stating: *“Considering all of the circumstances I am not persuaded beyond a reasonable doubt that the wording of the Interlocutory Injunction clearly and unequivocally enjoined IBC and Izatt from filing the summary judgement motion in Utah.”* Ucore was awarded court costs for its successful Motion to Amend the Pleadings and IBC was awarded court costs for their defence of the Contempt Motion.

First Utah Complaint

On January 4, 2019, the Company was served with a complaint, filed by IBC in the Third District Court, Salt Lake Division, Salt Lake County, State of Utah (“Utah State Court”), against the Company, Jim McKenzie, Mark MacDonald, Randy MacGillivray, and John Does I and II, seeking damages of no less than USD\$20 million.

The First Utah Complaint alleged misappropriation of trade secrets; trademark infringement; unfair competition; defamation; false light; tortious interference with economic relations; and unjust enrichment.

On February 27, 2019, the Company moved to dismiss the First Utah Complaint for want of jurisdiction.

On May 9, 2019, IBC sought a temporary restraining order (“TRO”) and a preliminary injunction against the Company. The TRO sought to bar the Company and the individual defendants from using, displaying or imitating IBC’s trademarks; misappropriating IBC’s trade secrets; making inaccurate or misleading statements about Mr. Izatt, IBC, IBC’s trade secrets, and IBC’s trademarks; sharing confidential or other proprietary information; and referring to Mr. Izatt as the Company’s “Qualified Person” or otherwise relying on Mr. Izatt’s name in the discussion of the scientific or technical content disclosed in the Company’s financial disclosures. It also sought to require the Company to issue a press release publishing the content of the Utah State Court’s order.

On May 23, 2019, the Company’s motion to dismiss the First Utah Complaint was heard in the Utah State Court and the Judge issued an oral decision, that same day, granting the Company’s motion to dismiss. As a result, IBC’s TRO motion was denied as moot.

On June 25, 2019, IBC filed a motion for leave to amend the First Utah Complaint. IBC also provided a draft of the proposed amended complaint, which sought to:

- (a) Add Peter Manuel (the Company’s VP & CFO) and Michael Schrider (the Company’s COO) as defendants;
- (b) Bring new claims of fraud, breach of contract, negligent misrepresentation, and civil conspiracy; and
- (c) Expand the existing claims to include “aiding and abetting”.

On September 22, 2019, IBC filed a Renewed Motion for Preliminary Injunction seeking to bar the Company and the individual defendants from misappropriating IBC’s trade secrets; disclosing trade secrets or other proprietary information; displaying IBC’s trademarks, from making misleading statements regarding IBC, Mr. Izatt, the Company’s relationship with IBC, IBC’s trade secrets, and IBC’s trademarks; competing directly or indirectly with

IBC in the rare metals, tailings remediation, and catalytic converter recycling sectors; and using Mr. Izatt's name and credentials in management discussion and analysis reports. It also sought an order requiring the Company to return all of IBC's confidential information and to publish the contents of the Utah State Court's order in a press release.

On September 23, 2019, the Utah State Court issued written reasons and an Order denying IBC's motion for leave to amend the First Utah Complaint and affirming the earlier oral decision to dismiss the First Utah Complaint for want of jurisdiction. The Order also rendered IBC's Renewed Motion for Preliminary Injunction moot; thus, the Utah State Court declined to consider it.

On October 18, 2019, IBC filed a notice of appeal from the Order issued on September 23, 2019.

On November 8, 2019, IBC filed a Docketing Statement in The Utah Court of Appeals.

As of November 30, 2020, through mutual agreement, the schedule for submission of briefs is currently undefined. 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 Utah State Court and will start over from the beginning of the case.

Second Utah Complaint

On February 19, 2019, IBC filed a second complaint in Utah State Court, against the Company, Jim McKenzie and Peter Manuel, seeking relief in excess of USD\$40 million.

The Second Utah Complaint alleges breach of contract; breach of implied covenant of good faith and fair dealing; negligent misrepresentation; fraudulent concealment or fraudulent nondisclosure; breach of fiduciary duty; unjust enrichment; and fraudulent inducement.

On April 3, 2019, the Company removed the Second Utah Complaint to the U.S. District Court, District of Utah ("Federal Court").

On April 10, 2019, the Company filed a motion to dismiss or, in the alternative, to stay the Second Utah Complaint in order to respect international comity with litigation the Company had previously commenced in Nova Scotia on December 11, 2018, (amended April 2, 2019) in the NSSC.

On September 19, 2019, the Company's motion to dismiss was heard in Federal Court and a decision was reserved.

On October 21, 2019, IBC moved to amend the Second Utah Complaint to:

- (a) Remove Mr. McKenzie and Mr. Manuel as defendants;
- (b) Add Christopher Campbell, one of the Company's shareholders, as a defendant; and
- (c) Add 15 new causes of action, including several which overlapped with the First Utah Complaint: misappropriation of trade secrets, trademark violations, unfair competition, defamation, tortious interference with economic relations, and conspiracy.

On October 22, 2019, IBC moved for a preliminary injunction in the Second Utah Complaint. This request for injunction sought to enjoin the Company from misappropriating IBC's trade secrets; disclosing IBC's trade secrets; using and displaying IBC's trademarks; making inaccurate or misleading statements about IBC, Mr. Izatt, or their trade secrets and trademarks; competing directly or indirectly with IBC in the rare metals, tailings remediation, and catalytic converter recycling sectors; and using Mr. Izatt's name and credentials in MD&A reports. It also

sought an order requiring the Company to return all of IBC's confidential information and to publish the contents of the Federal Court's order in a press release.

On October 25, 2019, the Federal Court denied the Company's motion to dismiss or, in the alternative, to stay the Second Utah Complaint.

On October 30, 2019, the Company moved to strike IBC's motion for a preliminary injunction, on the basis that it was predicated on claims for which IBC had not yet received leave to file and against a party (Mr. Campbell) whom IBC had not yet received leave to join.

On October 31, 2019, the parties appeared before the Judge for a status conference. The Court informed the parties it would not consider the motion for preliminary injunction until after the motion to amend is heard. The Court further extended the Company's time to respond to the motion for preliminary injunction until fourteen days after resolution of the motion to amend.

On November 6, 2019, the Company filed its opposition to IBC's motion for leave to file the amended complaint.

On November 11, 2019, IBC filed its reply in support of IBC's motion for leave to file the amended complaint.

On December 23, 2019, the Federal Court denied IBC's motion for leave to amend the Second Utah Complaint. This decision was rendered by the Federal Court's Magistrate Judge. IBC filed objections to the Magistrate's ruling and Ucore has formally opposed IBC's objections.

On March 6, 2020, IBC filed a motion for summary judgement on the OTP Agreement in the Federal Court. IBC's motion sought declarations that the OTP Agreement is void or otherwise of no force or effect, which relief was not previously sought by IBC in either their original or proposed amended complaint in this case. IBC also filed a motion for a preliminary injunction arising out of the proposed amended complaint.

On April 17, 2020, Ucore filed its memorandum in opposition to IBC's motion for partial summary judgement and a Rule 56(d) motion for discovery.

On May 1, 2020, IBC filed its reply memorandum in support of motion for summary judgement and opposing Ucore's Rule 56(d).

On May 8, 2020, the Company filed objections to evidence regarding IBC's May 1, 2020 reply memorandum.

On May 15, 2020, IBC filed its memorandum in opposition to Ucore's Rule 56(d) motion for discovery and its response to Ucore's objections to evidence.

During an August 5, 2019, hearing, the Federal Court:

1. Overruled IBC's objections to the Magistrates ruling on the original vs. amended pleadings. The case will now proceed based on the original pleadings.
2. Denied (without prejudice) IBC's motion for a preliminary injunction (related to the amended pleadings).
3. Denied as moot Ucore's motion to strike IBC's motion for a preliminary injunction (related to the amended pleadings).
4. Granted IBC's motion (consented to by Ucore) to consolidate the Second, Third and Fourth Utah complaints (as defined above).
5. After hearing testimony from Ucore and IBC, issued an oral decision:

- a. Granting Ucore's Rule 56(d) motion and denying (without prejudice) IBC's motion for partial summary judgment.

On August 19, 2020, Ucore filed its Answer, Counterclaims, Affirmative Defenses, and Jury Demand against IBC and Steven R. Izatt seeking relief in excess of USD \$36 million. Ucore alleges breach of contract, breach of the covenant of good faith and fair dealing, defamation, false light, unjust enrichment, fraud, and negligent misrepresentation. Additionally, Ucore seeks declaratory relief. On September 25, 2020, IBC filed a motion to dismiss Ucore's counterclaims; specifically requesting that Ucore's claims for declaratory judgment, unjust enrichment, fraud, and negligent misrepresentation be dismissed and that all Ucore claims against Mr. Steven R. Izatt be dismissed in their entirety. As of November 30, 2020, the motion is fully briefed and awaits a decision or a hearing date by the Federal Court.

On August 28, 2020, Ucore filed a motion for partial summary judgment on the pleadings. Ucore asked that the Federal Court dismiss IBC's fifth cause of action for breach of fiduciary duty and also seeks dismissal of that portion of IBC's first cause of action in which IBC contends that Ucore breached a confidentiality agreement between the parties. As of November 30, 2020, the motion is fully briefed and awaits a decision or a hearing date by the Federal Court.

On October 26, 2020, IBC filed an Offer of Judgment purportedly to the provisions of Rule 68 of the Federal Rules of Civil Procedure seeking to settle the entire litigation matter with Ucore. It is the opinion of Ucore's legal counsel that 1) the plaintiff, IBC, did not serve and offer of judgment under Rule 68, a Rule 68 offer of judgment only applies to offers made by defendants; 2) because it is not an offer of judgment under Rule 68, IBC is not entitled to recover costs incurred after they filed their offer; 3) even if it was a Rule 68 offer of judgment because there are no statutory claims in IBC vs. Ucore, it would have no effect on either party's potential liability for attorney's fees.

As of November 30, 2020, the disclosure and discovery process is underway.

Third Utah Complaint

On October 18, 2019, IBC filed a third complaint in Utah State Court. This complaint was brought against Ucore's COO, Michael Schrider, and an unrelated Delaware company, 6th Wave Innovations Corp. ("6th Wave"), seeking relief in excess of USD \$20 million. At the same time, IBC also brought a motion to seeking expedited discovery.

The Third Utah Complaint alleges misappropriation of trade secrets under the Utah Uniform Trade Secrets Act; common law fraud; negligent misrepresentation; breach of contract; unjust enrichment; and conspiracy.

Also, on October 18, 2019, IBC sought (and obtained on an ex parte basis) a TRO in the Third Utah Complaint. That TRO sought to enjoin Mr. Schrider and 6th Wave from misappropriating IBC's confidential information and trade secrets; from disclosing IBC's confidential information and trade secrets; and from conducting business with any person or entity who utilizes or attempts to utilize IBC's confidential information and trade secrets. The TRO also sought an order requiring Mr. Schrider and 6th Wave to return any trade secrets or confidential information in their possession or that they shared with third parties.

On October 22, 2019, IBC filed a renewed motion for a preliminary injunction.

On October 23, 2019, Mr. Schrider filed a motion to dissolve the TRO on the basis that it was improperly obtained and served (and also on the basis that it was neither necessary nor urgent).

On October 24, 2019, IBC filed its opposition to the motion to dissolve the TRO.

On October 28, 2019, while the TRO hearing was ongoing, 6th Wave removed the Third Utah Complaint to Federal Court. The TRO expired at 4:23 p.m. M.D.T. that day.

Despite the TRO's expiry on October 28, 2019, IBC filed a motion to hold Mr. Schrider in contempt of that TRO on October 30, 2019.

On November 4, 2019, Mr. Schrider filed a motion to dismiss IBC's complaint.

On November 5, 2019, a preliminary injunction hearing was set for December 16, 2019.

On November 18, 2019, Mr. Schrider filed (i) Opposition to the Motion for TRO and Preliminary Injunction; (ii) Opposition to Motion for Expedited Discovery; and (iii) Opposition to Motion for Order to Show Cause re Contempt.

On November 18, 2019, IBC filed its First Amended Complaint to attempt to correct the deficiencies noted in Mr. Schrider's motion to dismiss. The amended Third Utah Complaint now alleges misappropriation of trade secrets under the Utah Uniform Trade Secrets Act; and breach of contract, and seeks relief in excess of USD \$20 million.

On November 25, 2019, IBC filed its reply memorandum to the Company's (1) Opposition to the Motion for TRO and Preliminary Injunction; (2) Opposition to Motion for Expedited Discovery; and (3) Opposition to Motion for Order to Show Cause re Contempt.

On November 26, 2019, Mr. Schrider filed a motion to dismiss IBC's amended complaint.

During a December 16, 2019, Federal 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 Federal Court after hearing testimony from Mr. Steven Izatt, Mr. Schrider, and others, issued an oral decision denying 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 6th Wave, 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.

On August 10, 2020, Mr. Schrider filed a motion compelling IBC to comply with Federal Court Rule 26's initial disclosure requirements and to provide a calculation of the damages purportedly caused by Mr. Schrider. IBC had until August 17, 2020, to reply to this motion. As of November 30, 2020, IBC has not replied and Mr. Schrider is awaiting the Federal Court's ruling on this motion.

As of November 30, 2020, the pleadings are closed and the Disclosure and Discovery process is now underway.

Fourth Utah Complaint

On January 6, 2020, certain IBC shareholders (all the signatories to the Option Agreement except for IBC and Steven R. Izatt - (the "IBC Selling Shareholders") filed a complaint in the United States District Court, District of Utah – Central Division, against the Company, seeking a declaratory judgment decreeing, inter alia, the OTP Agreement null and void; relief for compensatory and consequential damages; exemplary and punitive damages; reasonable attorney's fees and cost; and such other and further relief as the Court may deem just and proper. In addition to a declaratory judgment, the Fourth Utah Complaint alleges breach of contract; breach of implied covenant of good faith and fair dealing; and fraudulent inducement.

As of April 6, 2020, the IBC Selling Shareholders had not taken steps to serve this complaint on Ucore.

On April 7, 2020, the IBC Selling Shareholders filed an ex parte motion in Federal Court seeking relief of the Hague Convention service requirements and requested to serve Ucore via email.

On April 20, 2020, the Federal Court ordered that service of Ucore Rare Metals Inc. may be effected in this matter by an email of the summons.

On April 21, 2020, per the Utah Federal Court order, Ucore was purported to be served with the Fourth Utah Complaint via email, although Ucore disputes that e-mail service was valid.

On May 12, 2020, Ucore filed a motion to dismiss the Fourth Utah Complaint. On June 9, 2020, the IBC Selling Shareholders filed their opposition to Ucore's motion to dismiss. On June 26, 2020, Ucore filed its reply memorandum in support of its motion to dismiss.

As of November 30, 2020, the motion is fully briefed and awaits a decision or a hearing date by the Federal Court.

Appendix “C”
Ucore’s Mineral Exploration and Evaluation (“E&E”) Expenditures

For the period ended September 30, 2020

Details of Resource Properties and Related Deferred Costs

	Bokan Mountain/ Dotson Ridge
Mineral Properties	
Balance, beginning of period	\$ 4,782,598
Expenditures during the period	-
Change in foreign exchange rates	104,102
Balance, end of period	4,886,700
Deferred Exploration expenditures:	
Geology	-
Environmental & permitting	117,713
Metallurgy	73,977
	191,690
Balance, beginning of period	32,267,769
	32,459,459
Change in foreign exchange rates	734,324
Balance, end of period	33,193,783
Mineral properties and deferred exploration expenditures, end of period	\$ 38,080,483

For the period ended September 30, 2019

Details of Resource Properties and Related Deferred Costs

	Bokan Mountain/ Dotson Ridge
Mineral Properties	
Balance, beginning of period	\$ 4,926,169
Expenditures during the period	-
Change in foreign exchange rates	(70,034)
Balance, end of period	4,856,135
Deferred Exploration expenditures:	
Geology	-
Environmental & permitting	141,584
Impairment of resource property assets	(111,339)
Metallurgy	12,656
	42,901
Balance, beginning of period	33,201,024
	33,243,925
Change in foreign exchange rates	(494,013)
Balance, end of period	32,749,912
Mineral properties and deferred exploration expenditures, end of period	\$ 37,606,047