

**AMENDED AND RESTATED LINE OF CREDIT AND SECURITY AGREEMENT**

**THIS AMENDED AND RESTATED LINE OF CREDIT AND SECURITY AGREEMENT dated this 22nd day of December, 2023 (as further amended, supplemented, restated, replaced or otherwise modified from time to time, this “Loan Agreement”)**

**BETWEEN:**

**ORCA HOLDINGS, LLC**, of 5216 Borch St. N., Ketchikan, AK, 99901, USA  
(the “**Lender**”)

**OF THE FIRST PART**

**-AND-**

**UCORE RARE METALS INC.**, of 210 Waterfront Drive, Suite 106, Bedford, NS, B4A 0H3  
(the “**Borrower**”)

**OF THE SECOND PART**

**-AND-**

**INNOVATION METALS CORP.**, of 210 Waterfront Drive, Suite 106, Bedford, NS, B4A 0H3  
(the “**Guarantor**”)

**OF THE THIRD PART**

**WHEREAS** the Borrower and the Lender are parties to a line of credit agreement dated May 9, 2023 (as amended, restated, assigned, supplemented, replaced or otherwise modified prior to the date hereof, the “**Existing Loan Agreement**”), pursuant to which the Lender agreed to make a certain line of credit available to the Borrower (the “**Loan**”) in the maximum principal amount of USD\$1,000,000 in accordance with the terms and subject to the other conditions set forth therein;

**AND WHEREAS** as of the date hereof, the current principal amount outstanding under the Loan is currently set to mature on December 31, 2023 (the “**Current Maturity Date**”);

**AND WHEREAS** the parties wish to amend and restate the terms and conditions of the Existing Loan Agreement, including, without limitation, extending the Current Maturity Date to January 31, 2026 and to increase the maximum principal amount of the Loan to USD\$2,200,000 (the “**Credit Limit**”);

**AND WHEREAS** as a result of the extension of the Current Maturity Date, the Warrants (as defined in the Existing Loan Agreement) previously issued pursuant to the Existing Loan Agreement will expire on the Current Maturity Date;

**AND WHEREAS** the parties agree that, as consideration for the extension of the Current Maturity Date, the Borrower will issue to the Lender a total of 2,900,000 warrants to purchase common shares in the issued and outstanding capital of the Borrower at an exercise price of CAD\$0.89 per common share, with the term of such warrants to expire on January 31, 2026;

**AND WHEREAS** the Guarantor has agreed to guarantee the obligations of the Borrower to the Lender hereunder and to grant in favour of the Lender a continuing collateral security interest over substantially all of this current and after-acquired personal property as security for the guaranteed obligations.

**IN CONSIDERATION OF** the mutual covenants and agreements contained herein (the receipt and sufficiency of which are hereby mutually acknowledged by the parties), the parties covenant and agree as follows:

**Confirmation of Principal Amount**

1. The Borrower hereby acknowledges and confirms that as of the date hereof, the principal amount outstanding under the Loan is USD\$2,200,000.

**Line of Credit**

2. Subject to the terms and conditions set forth herein, the Lender hereby agrees to increase the maximum principal amount of the Loan to the Credit Limit for the period commencing as of the date hereof (the “**Effective Date**”) and ending on January 31, 2026 (the “**Maturity Date**”). Notwithstanding the foregoing or any other provision of this Loan Agreement, the parties acknowledge and agree that the Loan is uncommitted in nature and any advance under the Loan (each, an “**Advance**”) shall in each case be subject to the Lender’s sole and absolute discretion in accordance with the provisions of Sections 8, 9 and 10 hereunder. All Advances shall immediately form part of the principal amount of the Loan. Subject to the terms and conditions set forth herein, prior to the Maturity Date, the Borrower may borrow, repay and reborrow under the Loan on a revolving basis. Notwithstanding the foregoing or any other provision of this Loan Agreement, at no time shall the principal amount outstanding under the Loan exceed the Credit Limit.
3. All amounts outstanding under this Loan Agreement shall be due and payable in accordance with Section 12 hereof and the availability of the Loan shall terminate on the Maturity Date.

4. The Lender shall maintain accounts and records evidencing all amounts advanced and repaid under the Loan, which accounts and records shall constitute, in the absence of manifest error, prima facie evidence thereof.

### **Interest**

5. The outstanding principal amount of each Advance shall bear interest at an interest rate of ten percent (10%) per annum. Interest on each Advance shall accrue interest from the date that the applicable Advance is received by the Borrower until such time as the aggregate amount of such Advance and all accrued but unpaid interest thereon has been repaid to the Lender in full by the Borrower. All payments of interest shall be paid to the Lender in accordance with the terms of Section 12 hereof.
6. Notwithstanding any other provision of this Loan Agreement, in no event will any interest or rates referred to herein exceed the maximum interest rate permitted by applicable law. If such maximum interest rate would be exceeded by the terms hereof, the rates of interest payable hereunder will be reduced to the extent necessary so that such rates (together with any fees or other amounts which are construed by a court of competent jurisdiction to be interest or in the nature of interest) equal the maximum interest rate permitted by applicable law, and any overpayment of interest received by the Lender before such rates are so construed will be applied, forthwith after determination of such overpayment, to pay all then outstanding interest, and thereafter to pay any principal amount then outstanding under the Loan.
7. For the purposes of the *Interest Act* (Canada) and disclosure under such statute, whenever interest to be paid under this Loan Agreement is to be calculated on the basis of any period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by such other period of time.

### **Advance Requests**

8. Subject to the terms and conditions set forth herein, at any time prior to the Maturity Date the Borrower may make a request to the Lender for an Advance (each, an “**Advance Request**”). Each Advance Request shall be made in writing and delivered to the Lender via email to the Lender’s representatives, Randy Johnson ( [REDACTED] ) and Tom Craig ( [REDACTED] ) no less than ten (10) business days prior to the date on which the Borrower requests such Advance to be made by the Lender (each, a “**Borrowing Request**”). Each Borrowing Request shall set forth the amount of the requested Advance

and the date upon which the Borrower desires such Advance to be made by the Lender. Upon receipt of a Borrowing Request, the Lender shall in ease case have the right in its sole and absolute discretion to either approve or decline the Advance Request and shall thereafter notify the Borrower as to whether the Advance Request has been approved or declined. In the event the Lender approves an Advance Request as set forth in the relevant Borrowing Request, the details set forth in such Borrowing Request shall then be confirmed via a telephone or Zoom call between the representatives of the Borrower and the Lender. An Advance shall only be paid or delivered to the Borrower once the Lender has satisfied itself that such Advance Request has been confirmed via a telephone or Zoom call between representatives of the parties. Each Advance shall be in multiples of USD\$100,000 and be sent directly to the Borrower's bank account. No Advances shall be paid or delivered by the Lender to any third party.

9. In the event the Lender does not respond to a Borrowing Request within ten (10) business days following the Borrower's delivering of same, the Lender shall be deemed for all purposes of this Loan Agreement to have declined to make such Advance Request.
10. For the avoidance of doubt, no provision of this Loan Agreement shall be construed as placing any positive obligation on the Lender to make an Advance hereunder.

#### **Loan Origination Fee**

11. The Borrower shall pay to Lender on or before June 30, 2024 a loan origination fee equal to USD\$33,000, representing 1.5% of the Credit Limit (the "**Loan Origination Fee**"). The Loan Origination Fee shall be fully earned and non-refundable.

#### **Repayment**

12. Subject to the terms and conditions set forth herein, on the Maturity Date the Loan shall terminate and the Borrower shall repay to the Lender the balance of all obligations in connection with the Loan, including, without limitation, the outstanding principal amount thereunder, together with all other interest, fees and charges, in full. Any amounts then undrawn under the Loan shall automatically be cancelled as of the Maturity Date.

### **Consideration Warrants**

13. As additional consideration for the Lender (subject to the approval of the TSX Venture Exchange and compliance with all applicable securities laws and regulatory policies and regulations), the Borrower shall issue to the Lender 2,900,000 non-transferrable common share purchase warrants (each a “**Consideration Warrant**”). Each Consideration Warrant shall be exercisable into one common share in the issued and outstanding capital of the Borrower. The exercise price of each Consideration Warrant shall be CAD\$0.89 per common share in the issued and outstanding capital of the Borrower. Each Consideration Warrant (and underlying common share) shall be subject to a restricted period such that the Lender must not trade the security before the date that is four (4) months and a day after the Effective Date. The Consideration Warrants shall expire and terminate on the Maturity Date.
14. The Consideration Warrants shall contain a condition precedent to their exercise such that no Consideration Warrants shall be exercisable if such exercise would cause the Lender’s ownership of the Borrower, as calculated on a partially diluted basis, to exceed 19.99% of the aggregate amount of the issued and outstanding shares in the capital of the Borrower.

### **Guarantee**

15. The Guarantor (together with the Borrower, collectively, the “**Obligors**” and each individually, an “**Obligor**”) unconditionally and irrevocably guarantees to the Lender payment in full and performance in full by the Borrower of all of the obligations hereunder as they become due from time to time in accordance with the provisions hereof, including, without limitation, the obligations in respect of the Loan (including, without limitation, all principal amounts outstanding and all accrued interest thereon) and any other amounts from time to time owing to the Lender hereunder (the “**Guarantee**”). This Guarantee is an unconditional, irrevocable and continuing guarantee in respect of all of the obligations hereunder. This Guarantee is effective irrespective of whether or not the guaranteed obligations are genuine, valid or enforceable. No circumstance, act or omission, even if known by an Obligor, which might otherwise limit, lessen or release the guaranteed obligations or discharge this Guarantee (except for payment of the guaranteed obligations in full) shall release or discharge, or wholly or partly exonerate the Guarantor from, any guaranteed obligations or prejudice the rights of the Lender under in connection with the Guarantee. The Lender may at any time vary, compromise, exchange, renew, discharge, release or abandon any of the guaranteed obligations or any other right it may have in connection therewith without thereby lessening, limiting or releasing any of the other obligation owing by an Obligor in favour of the Lender.

16. The Lender shall not be bound to seek or exhaust its recourse against the Borrower or any other person nor to enforce, marshal or value any security before being entitled to payment under the Guarantee. The Guarantor renounces the benefits of discussion and division, if applicable.
17. The Guarantor shall immediately upon demand of the Lender (which may only be made after an Event of Default (as defined herein) occurs and for so long as it is continuing) pay to the Lender at any office of the Lender as notified in writing by the Lender, all amounts then due and payable under any provision of the Guarantee in the case of a demand. The Guarantor's obligations shall continue unaffected by any change in the name of an Obligor, or by any change whatever in the objects, capital structure or constitution of an Obligor, or by an Obligor being amalgamated or merged with another person, becoming subject to a statutory arrangement or any other similar or comparable proceeding or continuing under the laws of another jurisdiction.

#### **Conditions Precedent**

18. This Loan Agreement shall become effective upon the Lender having received each of the following conditions precedent:
  - a) a duly executed copy of this Loan Agreement executed by the Borrower, the Guarantor and the Lender; and
  - b) a duly executed copy of an intellectual property security agreement executed by the Guarantor and the Lender.

#### **Default**

19. Notwithstanding anything to the contrary in this Loan Agreement or in any other agreement between the parties, the occurrence by an Obligor of one or more of the following events shall constitute a default under this Loan Agreement:
  - a) materially defaults in the performance of any obligation under this Loan Agreement; or
  - b) breaches any representation, warranty or covenant expressly stated herein.

If any such default continues for a period of thirty (30) days after the Lender has provided written notice of such default to the Borrower (an “**Event of Default**”), then the Lender may declare the aggregate principal amount of the Loan then outstanding, all accrued interest but unpaid interest and any other fees or charges due and payable under this Loan Agreement, immediately due and payable. Upon the occurrence of any Event of Default by an Obligor that is continuing, the Lender shall be entitled to the award of actual, reasonable attorney fees incurred in the collection of the outstanding balance of principal and interest owed to Lender, and such other incidental costs incurred by the Lender in the collection process. Each Obligor expressly acknowledges and agrees that upon any default hereunder, each Obligor waives, releases and discharges all rights of set-off or reimbursement against any amounts then due and payable by any Obligor to the Lender hereunder.

### **Grant of Security**

20. As security for the payment and performance of all obligations owed by the Obligors to the Lender pursuant to this Loan Agreement, each Obligor hereby mortgages, charges, assigns, transfers and pledges to the Lender as a fixed and specific mortgage and charge, and grants to the Lender a security interest in, to and under all of such Obligor’s personal property, wherever located and whether now owned or hereafter acquired or arising, including, but not limited to, the personal property and assets of such Obligor set forth on Schedule “B” hereto (collectively, the “**Collateral**”); provided however that those assets identified in Schedule “A” hereto shall not form part of the Collateral at any time.

### **Attachment**

21. Each Obligor agrees that the Lender has given value and that the liens created by this Loan Agreement are intended to attach (a) with respect to Collateral that is now in existence, upon execution of this Loan Agreement, and (b) with respect to Collateral that comes into existence in the future as after-acquired property without the obligation of recording subsequent financing or similar type documents to perfect the rights of Lender to the senior position Lender has been granted to the Collateral, as provided herein, upon the Borrower acquiring rights in the Collateral or the power to transfer rights in the Collateral to the Lender. In each case, the parties do not intend to postpone the attachment of any lien created by this Loan Agreement.

## **Representations and Warranties**

22. Each Obligor represents and warrants to Lender that, to the knowledge of such Obligor, the Collateral is unencumbered by any liens, security interest or creditor's claims of any kind (other than any Permitted Liens (as defined below)), and that upon perfection of the security interest granted in favour of the Lender over and against the Collateral described herein, the security interest of the Lender in and against the Collateral will be a first ranking priority lien, senior to any rights of claims of any third-party creditor, lienholder or claimant.

**"Permitted Liens"** mean (a) the security interests granted to the Lender, (b) purchase-money security interests (including capital leases) in respect of equipment granted by an Obligor, (c) liens arising by statute in connection with worker's compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or other similar charges, provided that in each case that the obligation is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and reserves satisfactory to the Lender have been established therefor or (d) any other liens consented to in writing from time to time by the Lender in its discretion.

23. Each Obligor represents and warrants to and in favour of the Lender that all of the information disclosed under Schedule "A" hereto is true, accurate and complete as of the date hereof, acknowledging that the Lender is relying on same as a condition of entering into this Loan Agreement and in making the Loan available to the Borrower hereunder.

## **Covenants**

24. So long as this Loan Agreement is in force and except as otherwise permitted by the prior written consent of the Lender, each Obligor hereby covenants and agrees that it will:

- a) Make due and timely payment of all of its obligations required to be paid by it hereunder.
- b) Use reasonable efforts to provide the Lender with such other documents, consents, acknowledgments, filings and agreements as are reasonably necessary to implement the terms of this Loan Agreement and to create, attach, perfect and otherwise maintain the security interest against such Obligor in favour of the Lender hereunder from time to time.
- c) Carry on and conduct its business and operations in a proper, efficient and

businesslike manner, in accordance with good business practice.

- d) Promptly provide the Lender with all information reasonably requested by the Lender from time to time concerning its financial condition and the Collateral.
- e) Pay or discharge, or cause to be paid or discharged, before the same shall become delinquent all taxes imposed upon it or upon its income or profits or in respect of its business or the Collateral and file all tax returns in respect thereof.
- f) Promptly notify the Lender of any circumstance which might with the passage of time constitute an Event of Default.
- g) Make payment in full to the Lender of the Loan Origination Fee on or before June 30, 2024 (or such other date that the Lender may agree to in writing).
- h) As it relates to the Collateral, each Obligor shall:
  - i. maintain, preserve, protect and keep the Collateral in good repair and working and saleable condition, ordinary wear and tear and insured loss or damage excepted;
  - ii. prevent any Collateral from becoming an accession to any personal property not subject to the security interest granted in favour of the Lender, or becoming affixed to any real property unless the affixing constitutes a leasehold improvement in the ordinary course of business; and
  - iii. keep all of the Collateral free and clear of all encumbrances, liens, security interest or creditor's claims of any kind (other than Permitted Liens), such that the security interest over and against the Collateral granted in favour of the Lender will continue to be a senior lien, in first position to any rights of claims of third-party creditor, lienholder or claimant.

### **No Default**

25. Each Obligor hereby confirms that as of the date hereof, there is no default, pending default or Event of Default that has occurred and is continuing, or that would arise immediately after giving effect to or as a result of this Loan Agreement.

**Governing Law**

26. This Loan Agreement will be construed in accordance with and governed by the laws of the State of Alaska, USA.

**Costs**

27. All costs, expenses and expenditures including, without limitation, the complete legal costs incurred by enforcing this Loan Agreement as a result of any default by an Obligor, will be added to the principal amount then outstanding and will be paid by the Obligors to the Lender in accordance with the provisions of Section 12 hereof.

**Binding Effect**

28. This Loan Agreement will pass to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Lender and each Obligor.

**Confirmation**

29. Each Obligor hereby acknowledges, confirms and agrees that all mortgages, debentures, security agreements, assignments, guarantees, subordinations and all other documents and all filings and registrations with respect thereto issued or made by the undersigned to or in favour of the Lender, as the same may have been or may be renewed, affirmed, ratified, amended or replaced from time to time, continue in full force and effect as continuing security for its obligations under the Loan Agreement as renewed and amended hereby and each such document is a legal and binding obligation of the undersigned enforceable against it in accordance with its terms.

**Amendments**

30. This Loan Agreement may only be amended or modified by a written instrument executed by the Lender and each Obligor.

**Severability**

31. The clauses and paragraphs contained in this Loan Agreement are intended to be read and construed independently of each other. If any term, covenant, condition or provision of this Loan Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, it is the parties' intent that such provision be reduced in scope by the court

only to the extent deemed necessary by that court to render the provision reasonable and enforceable and the remainder of the provisions of this Loan Agreement will in no way be affected, impaired or invalidated as a result.

**Time of the Essence**

32. Time shall in all respects be of the essence of this Loan Agreement.

**Assignment**

33. No Obligor may assign or otherwise transfer any of its rights and obligations under this Loan Agreement without the prior written consent of the Lender.

**General Provisions**

34. Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Loan Agreement. Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

**Entire Agreement**

35. This Loan Agreement constitutes the entire agreement among the parties and there are no further items or provisions, either oral or otherwise.

**Amendment and Restatement**

36. This Loan Agreement is and shall for all purposes be deemed to be an amendment and restatement of Existing Loan Agreement. While this Loan Agreement shall supersede the Existing Loan Agreement upon return of a fully executed copy to the Lender, this Loan Agreement merely amends and restates the Existing Loan Agreement and does not constitute or result in a novation or rescission of the obligations, debts, liabilities, covenants or agreements contained in the Existing Loan Agreement, or any other document, agreement or instrument issued in connection with the Existing Loan Agreement.

**Counterparts**

37. This Loan Agreement may be executed in any number of counterparts and by different parties in separate counterparts, and by electronic signature each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. The words “execution”, “signed”, “signature” and words of

like import in this Loan Agreement shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provide for in any applicable law.

*[Signature page follows]*

**IN WITNESS WHEREOF**, the parties have duly affixed their signatures as of the date first written above.

**ORCA HOLDINGS, LLC**

Per: “Randy Johnson” (signed)

Name: Randy Johnson

Title: President

**UCORE RARE METALS INC.**

Per: “Peter Manuel” (signed)

Name: Peter Manuel

Title: Vice-President, Chief Financial  
Officer & Corporate Secretary

**INNOVATION METALS CORP.**

Per: “Peter Manuel” (signed)

Name: Peter Manuel

Title: Chief Financial Officer

## Schedule “A”

### Assets of the Borrower Not Included in the Collateral

- Restricted cash

#### Notes:

- “Restricted cash” is disclosed as a separate line item on the Borrower’s balance sheet as filed on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).
- Restricted cash consists of US dollar reclamation bonds required by government agencies to ensure proper decommissioning of structures built at the Borrower’s Bokan mineral resource property. These bonds accrue interest at a fixed rate that is updated annually. Funds can be released only with government approval.
- As at Q3-2023 (September 30, 2023), the Borrower had restricted cash in the aggregate amount of USD\$44,400.00.

**Schedule “B”  
Disclosure Schedules**

**Location of Assets:**

<b>Name of Obligor</b>	<b>Form of Formation</b>	<b>Jurisdiction</b>	<b>Chief Executive Office</b>	<b>Registered Office</b>	<b>Places of Business</b>	<b>Locations of Records</b>
<b>Ucore Rare Metals Inc.</b>	Limited Liability Business Corporation	Alberta, Canada	106-210 Waterfront Drive, Bedford, Nova Scotia B4A 4E5 Canada	600-1741 Lower Water Street, Halifax, Nova Scotia B3J 0J2 Canada	Halifax, Nova Scotia  Kingston, Ontario  Ketchikan, Alaska	106-210 Waterfront Drive, Bedford, Nova Scotia B4A 4E5 Canada
<b>Innovation Metals Corp.</b>	Limited Liability Business Corporation	British Columbia, Canada	106-210 Waterfront Drive, Bedford, Nova Scotia B4A 4E5 Canada	700 West Georgia Street, Suite 2200 Vancouver, British Columbia V7Y 1K8	Halifax, Nova Scotia  Kingston, Ontario  Ketchikan, Alaska	Business records: 106-210 Waterfront Drive, Bedford, Nova Scotia B4A 4E5 Canada  Minute books: 700 West Georgia Street, Suite 2200 Vancouver, British Columbia V7Y 1K8

**Intellectual Property:**

**Owner:** Innovation Metals Corp.

<b>Title</b>	<b>Jurisdiction</b>	<b>Application No./ Publication No.</b>	<b>Application Date./ Publication Date</b>	<b>Registration No.</b>	<b>Registration Date</b>	<b>Status</b>
Solvent Extraction Method and System	US	Provisional Patent Application No. 63/448060	February 24, 2023	Pending	Pending	Pending

**Trade-marks (owned or licensed)**

Trademark: RapidSX

Certificate of Registration No. [REDACTED]

Issue Date: [REDACTED]

Jurisdiction: United States

Trademark: RapidSX

Application No. [REDACTED]

Filed Date: [REDACTED]

Jurisdiction: Canada

**Copyrights (owned or licensed)**

None

**Other Intellectual Property**

RapidSX<sup>TM</sup> intellectual know-how and trade secrets.