



UCORE RARE METALS INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

This Management's Discussion and Analysis of Ucore Rare Metals Inc. ("Ucore" or the "Company"), prepared as of November 25, 2021, provides analysis of the Company's financial results for the period ended September 30, 2021. 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, 2021 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 and 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; 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 an effective 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 (the “Bokan 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 (“Alaska SMC”) 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”), a private company focused on the research and development of technologies including 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 (“SMC”); and (iii) the creation of any definitive feasibility study related to the Bokan Project.

IMC & RapidSX™

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 (“REOs”) with significant efficiencies relative to existing commercial technologies. The Company and IMC have commenced a testing program (“Study”) for the processing of a concentrate of mixed-REEs into separated REOs utilizing IMC's RapidSX™ REE separation technology. IMC's test work (currently underway) is based on a U.S. allied-sourced, mixed rare earth element concentrate feedstock source 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 bench- and pilot-scale test programs and subject to the specific results of the Study, the RapidSX™ rare earth

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”).

element separation technology, a derivative of solvent extraction (“SX”) technology, offers a more efficient technological pathway for utilization in the Company’s planned Alaska SMC. In this case, upon the conclusion of this Study, the Company expects to incorporate the RapidSX technology platform into the specific engineering and design package for the Alaska SMC. Additionally, the Company expects to incorporate to RapidSX™ into the first phase of the Bokan Project Pre-Feasibility Study (“PFS”) and/or Feasibility Study (“FS”) contemplated for 2022/2023.

On June 30, 2021, the Company provided an update 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 Metallurgy 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.

As announced on October 1, 2020, the Company completed its acquisition of IMC and a significant amount of work had 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 Metallurgy 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™ commercialization and development facility (“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 plant (“Demo Plant”) for both HREE and

LREE separation. The Demo Plant is expected to commence in late H1 2022, with a comprehensive, independent techno-economic study and the design of a commercial-scale REE separation facility, both planned for completion in H1 2022. 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 (completed in Q4 2020 and 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. (The optimized, tool gives 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 (H1 2022)

- 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 (including prospective feedstocks for the Alaska SMC) 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 evaluation of RapidSX™-based separation, as part of the commercialization process.

IMC is evaluating and testing 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. As reported on June 30, 2021, following the operations to validate the flowsheets and hardware configurations, a

comprehensive independent 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 H1 2022. 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.

Alaska 2023 Plan

On October 6, 2020, the Company introduced its Alaska 2023 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 ("REOs").

As the Company approached 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 AIDEA to release financing associated with the Company's Alaska 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;
- Support the completion of the commercialization of IMC's RapidSX™ technology and launch the associated IMC licensing model;
- Construct the potentially first commercial-scale RapidSX™-based LREE separation and purification plant (developed with engineering modules in common with the Alaska SMC) in the continental United States and/or Canada. To be built, commissioned and in operation in approximately 2024 in collaboration with the Company's evolving team of industry partners;
- Finalize a PFS and/or FS, 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 Southeast Alaska as the first physical component of the Bokan Project. The Company's preliminary estimates indicate that the Alaska SMC may be substantially completed by Q4 2023 and commissioned and in operation by Q2 2024 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.

AIDEA Financing

On January 21, 2021, the Company provided a further update with respect to the ongoing developments with AIDEA. The board of directors of AIDEA unanimously passed a resolution authorizing the formalization of the preliminary due diligence process that the Company has been conducting with AIDEA staff since October 2020.

The Company had then approached AIDEA regarding a prospective investment for the development and commercial-scale operation of the Company's Alaska SMC, planned to be built in Ketchikan, Alaska, as the first development component of the Company's 100% owned Bokan Project. A completely separate AIDEA initiative from the Alaska State Legislatures authorization of US \$145 million in AIDEA issued bond financing for the Bokan-Dotson Ridge Rare Earth Element Project.

On January 13, 2021, senior management from the Company and IMC presented an overview of the project to the AIDEA board, outlining the development and operation of the Alaska SMC and the Company's long term plans in Alaska. The Company's currently wholly owned subsidiary, Alaska SMC LLC ("ASMC"), will manage the construction and operation of the Alaska SMC, in addition to serving as the prospective investment entity for AIDEA. The resolution passed by AIDEA authorizing a cost reimbursement agreement with the Company for due diligence activities related to the development and operation of the Alaska strategic metals complex was unanimously approved by AIDEA's board. The due diligence efforts are substantially completed and the next steps are to formalize the due diligence results with an AIDEA-retained independent consultant and to share these results with AIDEA in Q4 2021.

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 financing towards the construction of the Alaska SMC processing plant.

Prospective Partners

On October 7, 2021, the company provided information on the execution of a Memorandum of Agreement ("MOA"), setting forth certain nonbinding understandings and binding agreements between Ucore and Southeast Conference for the evaluation and potential establishment of a Natural Resource Development Complex (the "Complex"). The Complex will include land and a building (the "Facility") suitable to house Ucore's REE separation and purification plant (the "Plant", the "Alaska Strategic Metals Complex" or the "Alaska SMC") for the production of REOs. The site selection for the Facility shall be based on the explicit goal of expanding the Complex with other related and non-related Southeast Alaska economic development opportunities.

On October 19, 2021, the company provided information on the execution of a Memorandum of Understanding ("MOU") setting forth certain nonbinding understandings and binding agreements between Ucore and Vital Metals Limited ("Vital Metals" or "Vital"). The MOU is the first step towards the establishment of a long-term supply agreement for the delivery of mixed rare earth chemical concentrate ("MREC") from Vital Metals' Nechalacho project to Ucore's planned Alaska SMC in Ketchikan, Alaska. The MREC will be shipped from Vital's Saskatoon, Saskatchewan, Rare Earth Extraction Plant which is expected to enter into production in 2022.

Realignment

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. Mr. Johnson is also currently the Company's largest shareholder.

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.

On October 7, 2020 the Company noted that the investment agreement announced on October 10, 2019, between 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 October 6, 2020. 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 had shipped more than 1.5 tonnes of REE feedstock material produced from the Company's Bokan Project in Alaska, United States, to the IMC RapidSX™ CDF in Kingston, Ontario, Canada. The Bokan Project REE feedstock was shipped from SGS Canada Inc.'s facilities in Lakefield, Ontario, Canada.

The ultimate Bokan Project HREE feedstock material is expected to be used to produce a purified REE concentrate that will then be transformed into high-purity REOs through the RapidSX™ separation technology to demonstrate the potential suitability of the Bokan Project material for producing commercial-quality REOs. IMC will focus on separating the highest-value REEs from the Bokan Project 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 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 NI 43-101 guidelines and has reviewed and approved the scientific and technical disclosure in the October 14, 2020 announcement.

Share Consolidation

On October 20, 2020, the Company announced a consolidation of its outstanding common shares on the basis of one post-consolidation share for every 10 pre-consolidation shares outstanding. The outstanding shares of the Company was reduced from 410,499,826 to approximately 41,049,982 on a non-diluted basis. The percentage of the Company owned by each shareholder did not change. The Company's name and ticker symbols 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 impacted 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 were automatically proportionally adjusted based on the one-for-10 consolidation ratio.

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

The Company held a special meeting of the Company's shareholders on December 3, 2020 to obtain approval for the share consolidation. The record date for the meeting was November 2, 2020. A management information circular for the special meeting was filed by the Company on SEDAR on November 6, 2020.

On December 3, 2020, the Company announced the voting results of the Company's special meeting of shareholders of which a total of 80,188,966 shares were voted at the meeting either in person or by proxy, with a total of 76,866,649 shares, or 96% of total votes, being in favour of the share consolidation. The Company's common shares began trading on a post-consolidation basis at the open of the markets on December 11, 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, 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 of 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.

2021 General Business Information

On May 12, 2021, the Company provided an update on the Company's three year business model which includes, transformative technology, near-term processing, and long-term resource security. A summary of each item is discussed below:

Transformative technology

Since May 2020, the Company has fully financed \$2.9-million of additional cash investment into IMC to advance the RapidSX™ technology for commercial deployment, including two recent advances of \$1-million completed on April 26, 2021, and September 29, 2021 to:

1. Further progress the design of the RapidSX™ commercial development platform, REE flow sheets and applications engineering, as well as mathematical modelling, to facilitate the design and engineering for commercialization of the RapidSX™ technology. Ucore-centric commercialization paths include the Alaska SMC heavy REO production facility and a potential SMC facility in the lower 48 and/or Canada focused on LREEs.
2. Conduct technology testing agreements (TTAs) on mixed rare earth concentrates from two commercial rare earth sources. On May 4, 2021, Ucore announced a TTA between IMC and a leading United States-allied-sourced REE producer. A second TTA with a leading U.S.-allied-sourced, advanced-stage REE development company has also been executed. The goal of these TTAs is to demonstrate the

effectiveness and suitability of RapidSX™ technology for client-specific MREC, coupled with the potential incorporation of RapidSX™ into each of their business models through licensing agreements.

3. Through a prospective financial partner, support an independent evaluation of RapidSX™ technology for the separation of REEs scheduled for completion in Q4 2021.

Near-term mid-stream and downstream processing

Completion of the Alaska SMC REO production facility by 2023 remains the target of the Company as the first step of the Company's Alaska 2023 Plan, to secure a domestic REE supply chain for North America. While financing due diligence discussions with AIDEA are proceeding as planned, the Company has allocated \$750,000 to further continuing specific business development activities and initial SMC engineering to ensure that the project timelines are attained. This includes securing long-term supply agreements for U.S.-allied feedstock(s) and finalizing a facility location within the Ketchikan Gateway Borough to enable engineering commencement by Q1 2022, following IMC's testing and optimization program. Additionally, a very similar yet distinct engineering effort will commence on a similar timeline for the development of a lower 48 and/or Canadian SMC focused on REO production from LREEs.

In parallel to these technical activities, the Company is routinely engaged with Alaska Governor Mike Dunleavy's Alaska Development Team, which has led to mutual discussions regarding near and long-term REOs and metals/alloys supply for original equipment manufacturers involved in the electrification of the world and, specifically, the transformation to electric vehicles.

Long-term resource security

1. Although not expressed as a specific recommendation in the Company's PEA, on November 17, 2021 the Company announced completion of a permitting review by the US Forest Service of an approximately \$400,000 work program at the Bokan Project location scheduled for the summer of 2022. The purpose of the work program is to upgrade a significant percentage of the currently "Indicated" HREE mineral resource to "Measured" HREE mineral resource. Secondly, the Company will obtain approximately 50 tonnes of additional mineralized material to facilitate process finalization pilot-scale testing of its metallurgical recovery methods. Both of these activities are to ready the Company to conduct a prefeasibility study ("PFS") and/or a feasibility study ("FS") in the near future as the REO market continues to indicate a steady increase in response to the advent of the global adoption of electric vehicles and the associated increase in demand for REEs.
2. In April 2021, the Company completed the shipment of nearly 500 kilograms of sorted Bokan Project mineralized material to commence the approximately \$130,000 second phase of mill flow sheet development testing at SGS Canada -- Lakefield. The goal of this testing program is to finalize the design of the Bokan Project mill flow sheet based on laboratory-scale results, which will include the recovery of REEs and the co-production of beryllium, zirconium, niobium and hafnium from the Bokan Project -- testing is still underway. The third phase of the program (to be undertaken as part of a PFS or FS) will be to conduct pilot-scale testing of the developed mill flow sheet utilizing mineralized material from the summer 2021/22 program, and ultimately concluding with separation and purification testing at IMC's RapidSX™ CDF in Kingston, Ont.

2021 Financing Transactions

On February 9, 2021, the Company announced the closing of a non-brokered private placement consisting of an aggregate of 6.7 million units at a subscription price of \$1.00 per unit for aggregate gross proceeds to the Company of \$6.7 million.

Each unit consisted of one common share of the Company and one-half of one common share purchase warrant. Each warrant entitles the holder thereof to acquire one additional common share at a price of \$1.50 per share

for a period of 36 months from the date of issuance, provided that, if, over a period of 10 consecutive trading days between the date that is four months and a day from the date of issuance of the warrants and the date that the warrants would otherwise expire, the closing price of the common shares on the TSX Venture Exchange is equal to or greater than \$1.75, then the Company may, at its option, elect to accelerate the expiry of the warrants by providing notice to the holders thereof within 10 calendar days following the end of such 10-consecutive-trading-day period, in which case the warrants will expire 30 calendar days following the end of such 10-consecutive-trading-day period.

The Company intends to use the net proceeds from the private placement to: (i) further accelerate the development of IMC's commercialization program for its RapidSX™ separation technology; (ii) continue the development of the Company's plans for its intended Alaska strategic metal complex; and (iii) for general corporate and working capital purposes, all of which are expected to advance the Company's business plans and capabilities toward its goal of earning revenue from licensing, product sales, tolling and production activities.

No cash commission fee expenses were incurred by the Company pursuant to the private placement. Finders' fees totalling an aggregate of 306,060 compensation options were issued to certain arm's-length finders in connection with the private placement. Each finder warrant will expire 36 months from the date of issue, subject to the Company's exercise of the acceleration provision with respect to the warrants issued pursuant to the private placement and will entitle the holder thereof to purchase one unit at a price of \$1.00 per finder unit at any time up until the finder warrant expiry date. For clarity, if the Company elects to accelerate the expiry of the warrants pursuant to the acceleration provision, then the finder warrant expiry date shall similarly be accelerated such that the warrants and the finder warrants will expire on the same date.

Pursuant to the private placement, Concept Capital Management Ltd. (a greater-than-10% shareholder of the Company) subscribed for a total of 1.25 million units for aggregate gross proceeds to the Company of \$1.25-million, which is considered a related party transaction within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). Full details of these transactions are available on SEDI as well as in the early warning report filed on the Company's SEDAR profile on February 9, 2021. The private placement is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the private placement nor the consideration paid exceeds 25 per cent of the Company's market capitalization. No new insiders or control persons were created in connection with the closing of the private placement. Due to the offering being oversubscribed, no officers or directors of the Company participated as investors in the February 2021 financing.

Assuming that all of the warrants from the private placement become exercised, the average issuance price of the common shares issuable pursuant to the private placement will be \$1.17 per common share, which the Company believes compares favourably with the net proceeds that may have been received in an alternative brokered offering of common shares involving full commission fees and related transaction costs. The private placement was unanimously approved by all of the directors of the Company. The number of common shares potentially issuable to insiders of the Company pursuant to the private placement (including any common shares issuable upon the exercise of the warrants and the finder units) represents not more than 10 per cent of the Company's currently issued and outstanding common shares on a non-diluted basis.

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. Management of the Company is of the opinion that the productivity of the Company and its ability to pursue its business plans, objectives and operations have not been adversely impacted by the COVID-19 pandemic. Even

prior to the COVID-19 pandemic, the Company's employees and consultants had work-from-home, online and telephone access to the Company's systems, databases, electronic records, communication tools and colleagues. Regarding the Company's mineral properties, no planned onsite work has not occurred or been delayed as a result of COVID-19 pandemic. Regarding IMC's access to its RapidSX™ equipment, facilities and activities located at Kingston Process Metallurgy Inc. in Kingston, ON, there have been no delays or access issues that have arisen to date as a result of the COVID-19 pandemic. Proper COVID-19 protocols (mask wearing, social distancing and cleaning) are in place at the facilities in Kingston, ON. The Company has not received any direct financial government assistance related to the COVID-19 pandemic. The Company has benefited from reduced travel and hotel expenses during the COVID-19 pandemic as the Company's staff and business counterparties have generally been able to transition to online meetings (via Zoom or MS Teams) in place of the traditional in-person meetings that had typically occurred in the past. To date, the Company has experienced no significant disruptions to its day-day operations resulting from health and safety measures or government-imposed closures.

The COVID-19 pandemic has brought increased attention and awareness to many governments and large industrial users of critical metals (such as rare earth elements, nickel, cobalt, lithium and other technology metals) regarding the vulnerability of their supply chains to overseas, single source or non-domestic allied suppliers.³ The Company believes and welcomes this increased awareness and attention to such topics by the Company's future prospective customers and potential supply-chain joint venture partners and the Company does not believe that the COVID-19 pandemic has resulted in net increased challenges for the Company in the pursuit of its business plans or objectives as a result of the COVID-19 pandemic.

Settlement of IBC Litigation

On February 19, 2021, the Company, its named individual officers (collectively, "Ucore" or "Party") and IBC Advanced Technologies, Inc., its named individual officers, and all IBC shareholders that are party to the Option to Purchase Agreement (collectively, "IBC" or "Party") announced:

That the Parties have reached a settlement agreement (the "Agreement") regarding all litigation activities between the Parties and any other associated individuals.

The specific terms of the Agreement are confidential. The terms include IBC purchasing the MRT pilot plant from Ucore for US \$1.175 million (C \$1.5 million) pursuant to a series of payments. Additionally, the Agreement includes the termination of the Option to Purchase Agreement and any other existing agreements between the Parties, and an agreement by all Parties to dismiss all lawsuits with prejudice and to mutually release and waive all claims. Per the terms of the Agreement, there will be no further announcements or release of Agreement details by either Party.

On February 26, 2021, the US District Court, District of Utah dismissed with prejudice the consolidated matter of *IBC Advanced Technologies et al v. Ucore Rare Metals et al.*

On February 26, 2021, the Supreme Court of Nova Scotia:

- Dismissed with prejudice the matter of UCORE RARE METALS INC., a body corporate and IBC ADVANCED TECHNOLOGIES, INC., a body corporate, STEVEN R. IZATT, PAUL J. TALBOT, DR. REED M. IZATT, LIISA MARIANNE SILANDER-IZATT, DR. JERALD S. BRADSHAW in his capacity as trustee of the DR. JERALD S. BRADSHAW TRUST, DR. REED M. IZATT in his capacity as trustee of the REED M. AND HELEN F. IZATT FOUNDATION, DR. RONALD L. BRUENING, STEVEN R. IZATT in his capacity as trustee

³ Similarly, recent increased attention regarding the risks of climate change have been welcomed by the Company's management since these risks are associated with a perceived increase in the importance of "green" initiatives and "technology" metals which the Company believes is supportive of its business plans and is important to the Company's future prospective customers and potential supply-chain joint venture partners.

of IBC ADVANCED TECHNOLOGIES INC. 401(K) PROFIT SHARING TRUST, and DR. REED M. IZATT in his capacity as trustee of the REED M. IZATT TRUST

- Vacated the Injunction Order issued on December 18, 2019.
- Dismissed the matter of UCORE RARE METALS INC., a body corporate and IBC ADVANCED TECHNOLOGIES, INC., a body corporate and STEVEN R. IZATT

On March 2, 2021, the Utah Court of Appeals dismissed with prejudice the matter of *IBC Advanced Technologies Inc. and Steven R. Izatt vs. Ucore Rare Metals Inc., Jim McKenzie, Mark MacDonald, and Randy MacGillivray*.

Resource Property Interests

In the past, Ucore's primary focus was the exploration and development of the Bokan Project 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 period ended September 30, 2021 and September 30, 2020 is included in Appendix "B" 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 utilizes 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 consolidated 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. The staked claims, together with the exclusive option agreements, have the effect of providing the Company with an effective 100% control of the Bokan Mountain mineral property.

Ucore's Bokan 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 PEA completed by Tetra Tech of Vancouver, BC, regarding the Dotson Ridge Zone of the Company's Bokan Project 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-month period ended September 30, 2021, the Company's expenditures on metallurgy work totalled approximately \$67,000 (2020 - \$74,000) and an additional approximately \$130,000 (2020 - \$118,000) was spent on environmental and permitting work which includes the general carrying cost of the property. In total, during the nine-month period ended September 30, 2021, the Company incurred expenditures totalling approximately \$197,000 (2020 - \$192,000) on the Bokan Project. See Appendix "B" 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, 2020 \$	For the year ended December 31, 2019 \$	For the year ended December 31, 2018 \$
Net loss	5,526	10,810	4,766
Loss per share – basic and diluted	0.14	0.36	0.17
Total assets	46,696	40,529	46,051

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 evaluation and intended development of the Company's Alaska 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 Alaska SMC becomes designed, constructed and then eventually operational to the extent that it generates net profits; (iii) the Company's IMC subsidiary generates revenues from sales, licencing, fees and/or royalties that can be earned from its RapidSX™ technology; or (iv) the Company profitably sells one or more of its core assets.

During the nine-month period ended September 30, 2021, the Company incurred a net loss of approximately \$4.13 million compared to a net loss of \$3.76 million for the nine-month period ended September 30, 2020, a increase of approximately \$363,000. Operating expenses totalling approximately \$4.20 million were recognized during the nine-month period ended September 30, 2021 compared to \$3.15 million during the nine-month period ended September 30, 2020. The increase in operating expenses is a largely a result of increased expenditures for research and development expenditures and salaries for personnel. Further variances between the periods are discussed below.

The Company recorded non-cash amortization expenses of approximately \$83,000 during the nine-month period ended September 30, 2021, which is consistent with the prior period amount of approximately \$69,000 as the Company did not have any significant asset acquisitions or dispositions during the period.

The Company recorded salaries and consultant expenditures of approximately \$1.70 million for the nine-month period ended September 30, 2021 compared to approximately \$1.21 million for the comparable period in 2020. The increase in the current period relates to the additions to the Company's management team as a result of the acquisition of IMC. The current period also includes approximately \$51,000, for one time consulting services provided in the advancement of the Alaska SMC.

In the nine-month period and as a result of the acquisition of IMC, the Company incurred research and development expenditures of approximately \$1.10 million which relates to third party consulting, analysis, and research facility expenditures incurred to further the advancement of the Company's wholly owned subsidiary's RapidSX™ technology.

Professional services expenditures were approximately \$508,000 for the nine-month period ended September 30, 2021, a decrease of approximately \$414,000 from the comparable period in 2020. Professional services expenditures are mainly as a result of the past legal proceedings between the Company and IBC Advanced Technologies, Inc. (see "Settlement of IBC Litigation" above).

Investor relations and marketing was approximately \$205,000 for the nine-month period ended September 30, 2021 a decrease of approximately \$83,000 from the comparable period in 2020. The decrease is a result of one-time costs in the comparable period in 2020 for IR and marketing services.

The Company recorded office and premises expenditures of approximately \$250,000 for the nine-month period ended September 30, 2021 compared to approximately \$182,000 for the comparable period in 2020. The increase in the current period of \$68,000 relates to additional office and premises expenditures as a result of the acquisition of IMC.

The Company recorded non-cash stock-based compensation expense of approximately \$255,000 attributable to the estimated value of stock options earned and vested during the nine-month period ended September 30, 2021. In the comparable period in 2020, the Company recorded an expense of approximately \$364,000 resulting in a difference of approximately \$109,000. The difference period over period is largely attributable to size and timing of the options granted in each period.

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

- During the nine-month period ended September 30, 2021, the Company recorded interest income of approximately \$8,000 (2020 - \$17,000) as a result of cash held in a high interest savings account.
- During the nine-month period ended September 30, 2021, the Company recorded interest and accretion expense of approximately \$357,000 which is an increase of approximately \$297,000 from the prior period. The increase in the interest and accretion expense in the current period is as a result of the convertible debentures which were issued in the second quarter of the prior year.
- During the year ended December 31, 2020, the Company issued 2,800 convertible debentures at a price of \$1,000 per debenture for aggregate gross proceeds of \$2.8 million. Each debenture is convertible into one common share and one half common share purchase warrant of the Company. In addition, the Company issued 50 commitment warrants per convertible debenture. On initial recognition the Company recorded a loss of approximately \$676,000. During the nine-month period ended September 30, 2021 1,545 convertible debentures were converted resulting in a loss on settlement of convertible debentures of approximately \$534,000. Furthermore, the convertible debentures contain multiple embedded derivatives which have been revalued as at September 30, 2021 resulting in a loss on the fair value adjustment of approximately \$553,000 (2020 - \$278,000).
- On February 19, 2021, the Company and its named individual officers and IBC Advanced Technologies Inc., its named individual officers and all IBC shareholders that are party to the Option to Purchase Agreement, reached a settlement agreement regarding all litigation activities between the parties and any other associated individuals. The terms include IBC purchasing the MRT pilot plant from the Company for \$1,491,545 (\$1,175,000 USD) pursuant to a series of payments. The Company recorded a gain on the sale of the pilot plant of \$1,491,545. Additionally, the agreement includes the termination of the option to purchase agreement and any other existing agreements between the parties, and an agreement by all parties to dismiss all lawsuits with prejudice and to mutually release and waive all claims. During the period ended September 30, 2021, the Company received two payments towards the sale of the MRT pilot plant in the amount of \$1,269,400 (\$1,000,000 USD). As at September 30, 2021 \$222,145 (\$175,000 USD) remains outstanding and is recognized as a receivable by the Company on its balance sheet.

- The Company recorded a foreign exchange gain of approximately \$19,000 during the nine-month period ended September 30, 2021 versus a gain of approximately \$65,000 in the comparable period in 2020. 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	9/30/21 \$	6/30/21 \$	3/31/21 \$	12/31/20 \$	9/30/20 \$	6/30/20 \$	3/31/20 \$	12/31/19 \$
Net loss	1,889	1,210	1,027	1,159	810	1,672	1,280	8,617
Loss per share – basic and diluted	0.04	0.03	0.02	0.03	0.02	0.04	0.04	0.28
Total Assets	50,934	51,331	53,363	46,696	46,668	49,883	41,626	40,529

During the third quarter of 2021, the Company incurred a net loss of approximately \$1.89 million compared to a net loss of approximately \$810,000 for the comparable prior period. The increase in net loss is mainly attributable to the increase in research and development and salaries and consultant expenditures. The increase was partially offset by a decrease in professional services expenditures in the current period of approximately \$142,000 as a result of the IBC litigation settlement. The Company also realized a foreign exchange loss of approximately \$23,000 compared to a gain of approximately \$54,000 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 2021, the Company incurred a net loss of approximately \$1.21 million compared to a net loss of approximately \$1.67 million for the comparable period in 2020. The decrease of approximately \$462,000 in net loss during the second quarter of 2021 is largely attributable to the loss on initial recognition of convertible debentures recorded in the second quarter of 2020. The Company also had a reduction in professional services expenditures of \$119,000 as a result of less legal activity in the current period due to the IBC settlement which occurred in Q1 of 2021. The Company also had an approximately \$135,000 reduction in IR and marketing expenditures in Q2 of 2021 compared to Q2 of 2020 due to the Company incurring one time IR and marketing expenditures in Q2 of 2020. Salaries and consultant expenditures increased by approximately \$308,000 in the current quarter as a result of the acquisition of IMC. In addition, in the current period the Company incurred approximately \$102,000 in research and development expenditures associated with the development of IMC's RapidSX™ technology.

In the first quarter of 2021, the Company incurred a net loss of approximately \$1.03 million compared to a net loss of \$1.28 million for the comparable period in 2020 resulting in a decrease of approximately \$254,000. In Q1 of 2021, there was a decrease in share-based payments as a result of the timing and amount of prior period stock option grants. Professional services expenditures also decreased during Q1 2021 due to a decrease in legal fee activity surrounding the IBC legal proceedings as the matter was settled during the period. As part of the settlement, the Company sold the pilot plant for \$1.49 million. In Q1 of 2021, the Company recognized loss on the settlement of convertible debentures of approximately \$534,000 and a fair value adjustment loss of approximately \$623,000 relating to the convertible debentures that were issued in Q2 of 2020. The Company

also incurred research and development expenditures of approximately \$315,000 relating to the development of its RapidSX™ separation technology in Q1 of 2021.

During the fourth quarter of 2020, the Company incurred a net loss of approximately \$1.16 million compared to a net loss of \$8.62 million for the comparable prior period. The decrease 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.

Liquidity and Capital Resources

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards applicable to a going concern, which assumes the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern, as described in the following paragraphs.

The Company has no sources of revenue, experienced significant losses and negative cash flows from operations in previous years and has a deficit. Management estimates current working capital may not be sufficient to fund all of the Company's planned expenditures through the next 12 months. The ability of the Company to continue as a going concern, realize its assets and discharge its liabilities in the normal course of business and continue with, or expand upon its exploration programs is contingent upon securing financing or monetizing assets. The timing and availability of additional financing will be determined largely by market conditions and the results of the Company's ongoing exploration programs. There is no certainty that the Company will be able to raise funds as they are required in the future.

The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis was not appropriate for the consolidated financial statements, then adjustments would be necessary to the carrying value of assets and liabilities, the reported revenues and expenses, and the statement of financial position classifications used.

As at September 30, 2021, the Company had working capital of approximately \$3.22 million with an unrestricted cash balance of approximately \$4.66 million. In addition, the Company had approximately \$56,000 of restricted cash which is not accessible without government approval.

The Company's operations used approximately \$3.64 million of cash for the nine-month period ended September 30, 2021. Net cash expenditures on resource properties and related deferred costs totalled approximately \$221,000 during the period, largely driven by expenditures on metallurgy and general carrying costs of the property. This was primarily funded from working capital.

On February 9, 2021, the Company closed a non-brokered private placement consisting of an aggregate of 6.7 million units at a subscription price of \$1.00 per unit for aggregate gross proceeds to the Company of \$6.7 million. See "2021 Financing Transactions" above for additional information.

During the nine-month period ended September 30, 2021, the Company received \$83,998 (2020 - \$Nil) from the issuance of common shares on the exercise of in-the-money warrants.

During the nine-month period ended September 30, 2021, and up the date of this report the Company received conversion notices of \$1,255,000 for the Company's previously issued convertible debentures. In connection with the conversions the Company issued 1,287,483 common shares of the Company. The face value of the convertible debentures outstanding as at September 30, 2021 is \$1,545,000 (2020 - \$2,800,000).

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. 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.

Market Maker

In regard to market making services related to the Company's common shares, the Company currently retains the services of Venture Liquidity Providers Inc. ("VLP") to provide assistance in maintaining an orderly trading market for the common shares of the Company on the TSX Venture Exchange. These market making services are undertaken by VLP through a registered investment dealer, W.D. Latimer Co. Ltd., in compliance with the policies of the TSX Venture Exchange and other applicable legislation. The Company continues to pay VLP \$5,000 per month as was described in the Company's press release dated January 15, 2016 when VLP was first retained by the Company.

Investor Relations

In regard to investor relations activities, the Company currently retains Stormcrow Capital Ltd. ("Stormcrow") to provide investment research coverage about the Company. Please see the Company's press release dated March 9, 2021. To date, Stormcrow has provided and publicly disseminated two investment research reports about the Company, these are dated March 8, 2021 and May 19, 2021 and they are available on Stormcrow's website. The Company considers the research coverage provided by Stormcrow to be independent because the Company has paid Stormcrow a fixed and flat fee of \$90,000 to provide this coverage for a one-year term and this fee is not contingent on the opinions expressed by Stormcrow.

The Company has also entered into agreements with third parties to provide marketing, investor relations and consulting services to the Company for the purposes of raising awareness about the Company and the significance of the Company's planned SMC as the first step of the Alaska 2023 Plan to establish a complete, secure, domestic REE supply chain in the United States. The Company has engaged Stockhouse Publishing Ltd. ("Stockhouse") for a 12-month period at a cost of \$7,500 per month. Stockhouse will provide the Company with a variety of digital marketing, investor relations and capital markets awareness services, as well as consulting services. Additionally, the Company has engaged Mountain Capital Corp. for the provision of digital marketing, investor relations and capital markets awareness services for a six-month period at a cost of \$13,333 per month. The strategic timing of these engagements and the related on-line awareness campaign is important as the Company expects to complete very deliberate phases of its business plans and various short-term objectives during the period from Q2 2021 to Q2 2022.

Off-Balance Sheet Arrangements

As at September 30, 2021, 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 consolidated financial statements in conformity with IFRS requires management to make estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. These estimates are based on historical experience, current and future economic conditions, and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The determination of estimates requires the exercise of judgment based on various assumptions and other factors such as historical experience and current and expected economic conditions. Actual results could differ from those estimates. Further information on management's judgments, estimates and assumptions and how they impact accounting policies are described below and also in the relevant notes to the consolidated financial statements.

Recoverability of exploration and evaluation assets

At the end of each reporting period, the Company assesses its exploration and evaluation assets to determine whether any indication of impairment exists. Judgement is required in determining whether indicators of impairment exist, including factors such as the period for which the Company has the right to explore, expected renewal of exploration rights, whether substantive expenditures on further exploration and evaluation of resource properties are budgeted and results of exploration and evaluation activities on the exploration and evaluation assets.

Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the greater of the fair value less cost of disposal and value in use. The impairment analysis requires the use of estimates and assumptions, such as long-term commodity prices, discount rates, future capital expenditures, exploration potential and operating costs. Fair value of exploration and evaluation assets is generally determined as the present value of estimated future cash flows arising from the continued use of the assets, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participation may take into account. Cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk to the asset. If the Company does not have sufficient information about a particular mineral resource property to meaningfully estimate future cash flows, the fair value is estimated by management through comparison to similar market assets and, where available, industry benchmarks.

Asset acquisitions

Determining whether an acquisition is a business combination or an asset acquisition requires judgment. Key factors in this determination include assessing inputs, processes, and outputs, as well as the application of the concentration test. 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.

Share-based compensation

Equity-settled share-based compensation issued to employees are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. Fair value is measured using the Black-Scholes pricing model and requires the exercise of judgment in relation to variables such as expected volatilities and expected lives based on information available at the time the fair value is measured.

Convertible debentures

In 2020, the Company issued convertible debentures with an embedded derivative conversion option, allowing the holder to convert any or all amounts outstanding to units, consisting of common shares and share purchase

warrants of the Company. The terms of the debentures also allow the Company to convert any or all amounts outstanding to common shares under certain conditions and to extend the maturity date by one year.

Other derivative financial instruments

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 Company records the fair value of derivative assets using valuation models where the fair value cannot be determined in active markets. The inputs used in the fair value models contain inherent uncertainties, estimates and use of judgment as certain valuation inputs are unobservable.

The identification of convertible note components 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.

Provision for site restoration

Management's assessment that there are currently no provisions required for site restoration is based on facts and circumstances that existed during the year.

Changes in Accounting Policies including Initial Adoption

New accounting standards not yet adopted

The IASB issued the following standards that have not been applied in preparing the interim consolidated financial statements as their effective date falls within annual periods beginning subsequent to the current reporting period.

IAS 1 – Presentation of Financial Statements

On January 23, 2020, the IASB issued an amendment to IAS 1 Presentation of Financial Statements providing a more general approach to the classification of liabilities. The amendment clarifies that the classification of liabilities as current or noncurrent depends on the rights existing at the end of the reporting period as opposed to the expectations of exercising the right for settlement of the liability. The amendments further clarify that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty. The amendments are effective for annual periods beginning on or after January 1, 2023 and are to be applied retrospectively, with early adoption permitted. The Company is currently assessing the financial impact of the amendments and expects to apply the amendments at the effective date.

IAS 16 – Property, Plant and Equipment

On May 14, 2020, the IASB issued an amendment to IAS 16 Property, Plant and Equipment to prohibit deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The proceeds from selling such items, and the cost of producing those items are to be recognized in profit and loss. The amendments are effective for annual periods beginning on or after January 1, 2022 with early adoption permitted. The amendment is to be applied retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the earliest period presented in the financial statements in the year in which the amendments are first applied. The Company is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

IAS 37 – Provisions, Contingent Liabilities and Contingent Assets

On May 14, 2020, the IASB issued an amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets to specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to the contract can either be incremental costs of fulfilling the contract or an allocation of other costs that relate directly to fulfilling contracts. The amendments are effective for contracts for which the Company has not yet fulfilled all its obligations on or after January 1, 2022 with early adoption permitted. The Company is currently assessing the financial impact of the amendment and expects to apply the amendment at the effective date.

Related Party Transactions

Related parties consist of key management personnel, directors, and entities that are associated with the Company as well as significant shareholders including Orca Holdings, LLC (“Orca”), which is owned and controlled by Randy Johnson (a resident of Alaska and a member of the Company’s Board of Directors since October 2020). The Company has defined key management personnel as senior executive officers, as well as members of the Board of Directors.

Remuneration

The total remuneration of key management personnel and the Board of Directors was as follows:

	Nine month period ended	
	September 30, 2021	September 30, 2020
Director’s fees	\$ 152,250	\$ 122,250
Special and independent committee fees	-	235,000
Share-based payments to directors	5,947	35,235
Key management short-term benefits	359,298	599,504
Share-based payments to key management	14,913	140,421
	<u>\$ 532,408</u>	<u>\$ 1,132,410</u>

Key management short-term benefits include all salary, bonuses, and health/dental benefits earned by officers during the period.

Other related party transactions

During the nine-month period ended September 30, 2021, the Company paid \$209,130 (2020 - \$574,065) in legal fees 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.

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 hundred thousand 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 \$1.20 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 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 was not a member of the Board at the time of the transaction and he did not participate in any Board meetings regarding these transactions.

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 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.

On February 9, 2021, the Company announced the closing of a non-brokered private placement consisting of an aggregate of 6.7 million units at a subscription price of \$1.00 per unit for aggregate gross proceeds to the Company of \$6.7 million. See "Q1 2021 Financings" above. As part of this offering, Concept Capital Management Ltd. (a greater-than-10% shareholder of the Company) subscribed for a total of 1.25 million units for aggregate gross proceeds to the Company of \$1.25-million, which is considered a related party transaction within the meaning of MI 61-101. Details of this transaction are available on SEDI as well as in the Early Warning Report filed on SEDAR on February 9, 2021. This private placement was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as neither the fair market value of the subject matter of the private placement nor the consideration paid exceeds 25 per cent of the Company's market capitalization. No new insiders or control persons were created in connection with the closing of the private placement. Due to this offering being oversubscribed, no officers or directors of the Company participated as investors in this February 2021 financing.

All related party transactions were valued and recorded by the Company at the stated amount agreed to between the parties. To the Company's knowledge, the Company's reporting insiders have reported their transactions on the System for Electronic Disclosure by Insiders, known as SEDI (www.SEDI.ca).

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	49,084,130	n/a	n/a
Warrants	5,029,806	1.50	1.80
Stock options under plans approved by shareholders	2,329,000	1.81	2.79
Deferred share units under plans approved by shareholders	55,710	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 SMC and the procurement of one or more business partners and/or suppliers to either: (i) 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; or (ii) design and provide an innovative SX mineral processing and purification technology (such as RapidSX™) 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 ability of the prospective Alaska SMC to generate positive cashflow from its expected future business operations;
- commodity prices and the demand for 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. 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

IMC's RapidSX™ mineral processing and purification technology is only at advanced testing and optimizations 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 Project 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.

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.

The COVID-19 pandemic has resulted in the Company and its staff members having more work-from-home and online remote working situations and meetings. This transition has caused the Company to be more aware of cybersecurity risks and information technology risks which may be heightened as a result of these circumstances. The Company's management assess this risk and take measures to minimize it, such as using and updating to current versions of software, employing online communications with encryption protection and maintaining backup soft copies of with the Company's required books and records.

Climate Change

Recent increased attention regarding the risks of climate change may result in an increase in the stigmatization of the Company's industry (mineral resource development and mineral extraction/separation technologies). This may result in reduced interest or investment participation by capital market participants and the Company, thereby making it more difficult for the Company to raise funding on terms that are acceptable to the Company. In addition, increased concerns about climate change and any negative sentiments about the Company's industry and sector may adversely affect the timing or ability to receive any required environmental permits that may eventually be required prior to the potential Alaska SMC facility going into production, the Bokan property becoming built into an operating mine, and/or influencing IMC's future expected customers and their ability to build and operate their mines and generate feedstock for eventual processing in a potential RapidSX™ separation facility.

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.

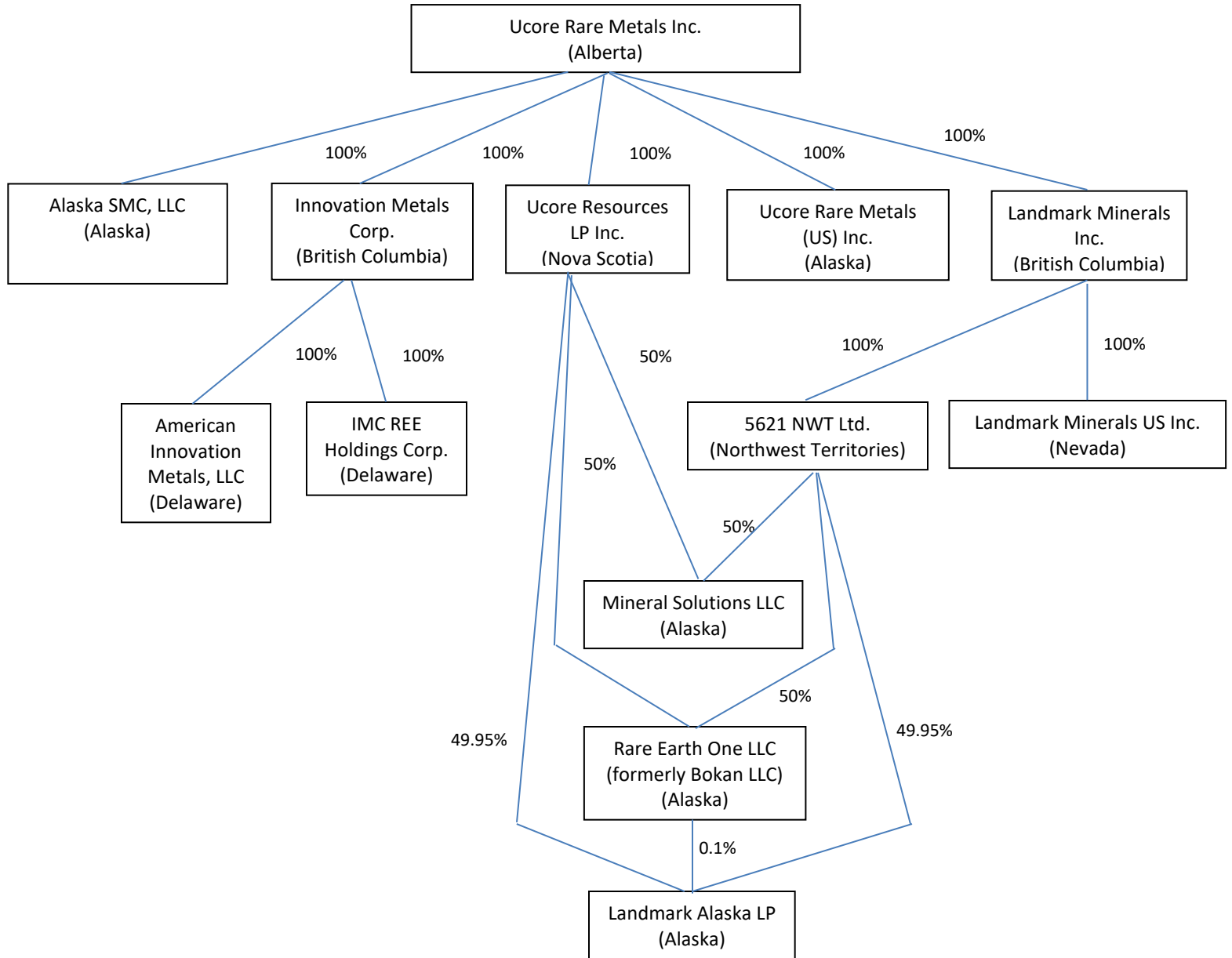
TSX Venture Exchange listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in Multinational Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations 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 25, 2021



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.

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

For the nine-month period ended September 30, 2021

Details of Resource Properties and Related Deferred Costs

	Bokan Mountain/ Dotson Ridge
Mineral Properties	
Balance, beginning of period	\$ 4,725,425
Expenditures during the period	-
Change in foreign exchange rates	11,149
Balance, end of period	<u>4,736,574</u>
Deferred Exploration expenditures:	
Geology	-
Environmental & permitting	130,226
Metallurgy	67,228
	<u>197,454</u>
Balance, beginning of period	<u>32,112,603</u>
	32,310,057
Change in foreign exchange rates	78,642
Balance, end of period	<u>32,388,699</u>
Mineral properties and deferred exploration expenditures, end of period	<u>\$ 37,125,273</u>

For the nine-month 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	<u>4,886,700</u>
Deferred Exploration expenditures:	
Geology	-
Environmental & permitting	117,713
Metallurgy	73,977
	<u>191,690</u>
Balance, beginning of year	<u>32,267,769</u>
	32,459,459
Change in foreign exchange rates	734,324
Balance, end of period	<u>33,193,783</u>
Mineral properties and deferred exploration expenditures, end of period	<u>\$ 38,080,483</u>