

APPENDIX I

OPERATING COST SUMMARY

Client: Ucore Rare Metals
 Project Name: Bokan Mountain PEA
 Project Number: 1196000100
 Date: 5-Dec-12

1/2/2013

Daily tonnes processed 1,500 t/d
 Mill Availability 92.0% %
 Annual operating days 360 days
 Annual mine production 540,000 t/y
 Annual throughput (Leaching) 135,000 t/y
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PROCESS OPERATING COST SUMMARY

DESCRIPTION	MANPOWER	ANNUAL COST (\$)	UNIT COST (\$ /tonne mined)
PROCESS OPERATING COSTS		Full production	
<i>Tonnes mined</i>		540,000	
1- HUMAN POWER			
OPERATIONS STAFF	5	\$ 525,960	\$ 0.97
OPERATIONS LABOUR	19	\$ 1,761,545	\$ 3.26
MAINTENANCE LABOUR	9	\$ 944,273	\$ 1.75
MET LAB & QUALITY CONTROL	6	\$ 477,802	\$ 0.88
TAILINGS MANAGEMENT MANPOWER	Temporary facility		
SUB-TOTAL STAFF	39	\$ 3,709,580	\$ 6.87
2 - PLANT SUPPLIES			
OPERATING SUPPLIES		\$ 13,696,827	\$ 25.36
MAINTENANCE SUPPLIES		\$ 725,000	\$ 1.34
SOLID PHASE EXTRACTION		\$ 2,673,000	\$ 4.95
SUB-TOTAL SUPPLIES		\$ 17,094,827	\$ 31.66
TOTAL PROCESS OPERATING COSTS	39	\$ 20,804,407	\$ 38.53
G&A STAFF	12	\$ 1,302,075	\$ 2.41
G&A EXPENSES		\$ 6,020,775	\$ 11.15
TOTAL G & A COSTS	12	\$ 7,322,850	\$ 13.56
TOTAL PROCESS + G&A OPERATING COSTS	51	\$ 28,127,257	\$ 52.09
POWER SUPPLY		\$ 6,358,902	\$ 11.78