

**ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY**

**RESOLUTION NO. G21-02**

**RESOLUTION OF THE ALASKA INDUSTRIAL  
DEVELOPMENT AND EXPORT AUTHORITY  
AUTHORIZING A COST REIMBURSEMENT  
AGREEMENT WITH UCORE FOR DEVELOPMENT  
ACTIVITIES RELATED TO THE DEVELOPMENT  
AND OPERATION OF THE ALASKA STRATEGIC  
METALS COMPLEX**

**WHEREAS**, the Alaska Industrial Development and Export Authority (the “Authority”) under AS 44.88.172 may provide financing to development projects in Alaska.

**WHEREAS**, UCore Rare Metals (U.S.), Inc. (“UCore”) has requested that the Alaska Industrial Development and Export Authority (the “Authority”) consider financing, under AS 44.88.172, a project known as the Alaska Strategic Metals Complex (“Alaska SMC”). The Alaska SMC effort is to set up a rare earth oxide production facility that would be based in Alaska. At present, there is limited rare earth element (“REE”) processing in the United States. The Alaska SMC project is designed to develop a commercially viable REE separation facility permitting a secure long-term domestic feedstock supply of rare earth oxides which is an important strategic goal for the U.S. government and the State of Alaska.

**WHEREAS**, UCore owns the mineral deposits at a mine site known as Bokan-Dotson Ridge Heavy Rare Earth Elements (REE) Project, (Bokan Mountain, Dotson Zone) located on Prince of Wales Island in southeast Alaska. Bokan Mountain hosts a National Instrument 43-101 (NI 43-101) defined compliant Indicated Mineral Resource of 4.79 million tonnes (5.28 million tons) grading 0.602% total rare earth oxides (TREO), and Inferred Mineral Resource\* of 1.04 million tonnes (1.16 million tons) grading .603% TREO — comprised of approximately 40% NI 43-101 defined heavy REEs. With its unique HREE geological endowment, Bokan Mountain is

considered to be one of the highest grade heavy REE projects on U.S. soil.

**WHEREAS**, the development of the Alaska SMC project would contribute to the eventual development of the Bokan Mountain Project;

**WHEREAS**, the Alaska SMC project and related Bokan Mountain Project would further the Authority's statutory purpose of promoting, developing, and advancing the general prosperity and economic welfare of the people of Alaska, to relieve problems of unemployment, and to create additional employment;

**WHEREAS**, the Alaska SMC project and Bokan Mountain Project would foster the expansion of exports of goods and raw materials of the state, and promote and advance export trade activities in the state;

**WHEREAS**, a determination to invest in the Alaska SMC project would further the policy of the state, as declared in AS 48.88.010, to develop Alaska's natural resources;

**WHEREAS**, under AS 44.88.173, the Authority, before approving a development project, must prepare and approve a finance plan for it;

**WHEREAS**, the Authority needs to undertake certain due diligence actions and activities (the "Development Activities") before completing the financial plan for the Alaska SMC and before approving the Authority's investment in it;

**WHEREAS**, the Authority, working in conjunction with UCore, shall have the authority to determine the scope of the Development Activities and the amount of and purpose for expenditures on the Development Activities, and to select, contract with, and direct the engineers, attorneys, consultants and other professionals assisting with the Development Activities; and,

**WHEREAS**, staff of the Authority recommends entering into a cost reimbursement agreement with UCore for a total amount not to exceed \$100,000 under which UCore would

reimburse the Authority for the expenses it incurs with respect to the Development Activities under the terms of the cost reimbursement agreement.

**NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:**

Section 1. Staff of the Authority is authorized to undertake the Development Activities with respect to the Alaska SMC in such a manner as the judgment of the Executive Director is appropriate.

Section 2. The Executive Director is authorized to enter into a cost reimbursement agreement with UCore on terms and conditions that the Executive Director deems appropriate. The cost reimbursement agreement will provide that UCore shall reimburse the Authority for its due diligence expenses with respect to the Development Activities, in a total amount not to exceed \$100,000.

Section 3. Subject to the execution of an agreed to Cost Reimbursement Agreement with UCore, the Authority may expend up to \$100,000 from the Economic Development Account of the Revolving Fund to pay for due diligence, including legal fees, related to the Development Activities.

Dated at Anchorage, Alaska, this 13<sup>th</sup> day of January 2021.

ALASKA INDUSTRIAL DEVELOPMENT  
AND EXPORT AUTHORITY

  
Chair

