

**Report Pursuant to  
Section 102.1 of the *Securities Act* (Ontario) and  
Similar Provisions of other Provincial Securities Legislation**

**1. The name and address of the Offeror**

Orca Holdings, LLC (“**Offeror**”)  
Post Office Box 8158  
5216 Borch Street North  
Ketchikan, AK 99901  
United States

**2. The designation and number or principal amount of securities and the Offeror’s security holding percentage in the class of securities of which the Offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file a news release, and whether it was ownership or control that was acquired in those circumstances**

The Offeror has acquired a Royalty containing a convertible interest in up to approximately 16,739,474 Common Shares of Ucore Rare Metals Inc. (“Ucore”). The ultimate number of Common Shares which could be converted will be dependent upon the prevailing USD\$ / CAD\$ exchange rate at the time of conversion and the Common Share price of Ucore. The estimated 16,739,474, Common Shares referenced herein is based on the July 8, 2015 USD\$ / CAD\$ exchange rate of 1.2722 and the Ucore Common Share closing market price on July 8, 2015 of \$0.38.

**3. The designation and number or principal amount of securities and the Offeror’s security holding percentage in the class of securities immediately after the occurrence giving rise to the obligation to file a news release**

After giving effect to the transaction described herein, the Offeror owns and exercises control over 9,742,105 common shares of Ucore, representing approximately 4.9% of the outstanding common shares of Ucore. The Offeror also owns and exercises control over 9,742,105 Common Share Purchase Warrants as at July 9, 2015 which, together with its common shareholdings, and the convertible interest noted in 2, above, represent 16.17% of the issued and outstanding Common Shares of the Company on a partially diluted basis assuming conversion of the above noted convertible instrument.

**4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph (3) over which:**

- (a) the Offeror, either alone or together with any joint actors, has ownership and control**

Randy Johnson, the controlling shareholder of Orca Holdings LLC owns 250,000 common stock options of Ucore which, together with the holdings of Orca noted in 3, above, represents 16.26% of the issued and outstanding Common Shares of

the Company on a partially diluted basis assuming the conversion of the Offeror's convertible instrument and the exercise of Mr. Johnson's stock options.

- (b) the Offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the Offeror or any joint actor**

Not applicable.

- (c) the Offeror, either alone or together with any joint actors, has exclusive or shareholder control but does not have ownership**

Not applicable.

**5. The name of the market in which the transaction that gave rise to the news release took place.**

Primary market, through direct negotiation with Ucore.

**6. The value, in Canadian dollars, of any consideration offered per security if the Offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release**

Using the July 8, 2015 United States / Canadian exchange rate, being CAD\$1.2722 for each USD\$1.00, the Offeror paid CAD\$5,088,800 for the Royalty.

**7. The purpose of the Offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer**

The Royalty and, if the aforementioned conversion right is exercised by the Offeror pursuant to the terms and conditions of the Agreement (as defined below), the common shares of Ucore, are being acquired by the Offeror for investment purposes. The Offeror may, depending on market and any other relevant factor or condition, increase or decrease its beneficial ownership, control or direction over, or exercise its current rights to acquire, common shares or other securities of Ucore through market transactions, private agreements or otherwise.

**8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the Offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities**

The Offeror and Ucore entered into a royalty agreement (the "**Agreement**") through which the Offeror will pay an aggregate of USD\$4.0 million to Ucore for the Royalty. Pursuant to the terms of the Agreement, if, prior to August 13, 2015, the Offeror provides written notice to Ucore that it would like to increase its investment, it can do so in tranches of USD\$500,000 in exchange for a pro-rata increase in the Royalty. Each USD\$500,000 additional investment will result in an increase in the Royalty by a factor of 0.25%. The Offeror also has the right to convert the total amount of the investment (minus any Royalty amounts already then paid by Ucore) into common shares of Ucore. If the Offeror elects to convert such amount, then Ucore's Royalty obligations

shall cease and the conversion amount shall be converted into common shares of Ucore at the greater of: (i) the 30 day volume weighted average share price of common shares, less a 20% discount; (ii) the market price of common shares on the day immediately prior to the conversion date, less a 20% discount; or (iii) CAD\$0.25 per common share.

**9. The names of any joint actors in connection with the required disclosure**

The Offeror is controlled by Randy Johnson, of Ketchikan, AK.

**10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value, in Canadian dollars, of the consideration paid by the Offeror**

Using today's United States / Canadian exchange rate, being CAD\$1.2722 for each USD\$1.00, the Offeror paid CAD\$5,088,800 for the Royalty.

**11. If applicable, a description of any change in material fact set out in a previous report by the entity under the early warning requirements of Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities**

Not applicable

**12. If applicable, a description of the exemption from securities legislation being relied on by the Offeror and the facts supporting that reliance**

The Offeror is relying on the accredited investor exemption under section 2.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, based on the fact that the Offeror is an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000.

**13. The filing of this report is not an admission that an entity named in the report owns or controls any described securities or is a joint actor with another named entity.**

**DATED** this 10<sup>th</sup> day of July, 2015.

ORCA HOLDINGS LLC.

Per: Signed "Randy Johnson"  
Name: Randy Johnson  
Title: President and Chief Executive Officer

# **Orca Holdings LLC acquires convertible interest in Ucore Rare Metals Inc.**

**July 10, 2015 - HALIFAX, NOVA SCOTIA** – Orca Holdings LLC, (the "Offeror") announces that it has acquired a convertible interest in up to approximately 16,739,474 common shares of Ucore Rare Metals Inc. ("Ucore"). The ultimate number of common shares which could be converted will be dependent upon the prevailing USD\$ / CAD\$ exchange rate at the time of conversion and the common share price of Ucore. The estimated 16,739,474 common shares referenced herein is based on a USD\$ / CAD\$ exchange rate of 1.2722 and the Ucore common share price as of market close on July 8, 2015, being \$0.38.

The Offeror owns a total of 9,742,105 common shares, representing 4.93% of the 197,576,472 issued and outstanding common shares of Ucore as at July 10, 2015. In addition, the Offeror owns 9,742,105 common share purchase warrants of Ucore, and the above noted convertible interest in up to approximately 16,739,474 common shares. Mr. Randy Johnson, of Ketchikan, Alaska and controlling shareholder of the Offeror, owns and controls 250,000 stock options of Ucore. In total, the Offeror's common shares, common share purchase warrants, convertible interest and Mr. Johnson's stock options represent approximately 16.26% of the outstanding common shares of Ucore on a partially diluted basis assuming the exercise of the Common Share purchase options, warrants, and the exercise of the above noted convertible interest.

The convertible interest, common shares and common share purchase warrants of Ucore were acquired by the Offeror for investment purposes. The Offeror may, depending on market and any other relevant factor or condition, increase or decrease its beneficial ownership, control or direction over, or exercise its current rights to acquire common shares or other securities of Ucore through market transactions, private agreements or otherwise.

This news release is being issued as required by National Instrument 62-103 – The Early Warning System and Related Take-Over Bid and Insider Reporting Issues in connection with the filing of an Early Warning Report dated November 4, 2010. The Early Warning Report respecting this acquisition has been filed on the System for Electronic Document Analysis and Review ("Sedar").

(signed) "Randy Johnson"  
**ORCA HOLDINGS LLC.**

