

Ucore

UCORE RARE METALS INC.

Management's Discussion and Analysis for the six-month period ended June 30, 2026

This Management's Discussion and Analysis of Ucore Rare Metals Inc. ("Ucore" or the "Company"), prepared as of August 26, 2026, provides an analysis of the Company's financial results for the six-month period ended June 30, 2026. The following information should be read in conjunction with the unaudited condensed interim consolidated financial statements and notes thereto for the three-month and six-month periods ended June 30, 2026 which are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards") applicable to the preparation of the interim financial statements, including IAS 34 *Interim Financial Reporting*. All amounts are expressed in Canadian dollars unless otherwise noted.

Forward-Looking Statements

This management's discussion and analysis ("MD&A") includes "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of applicable Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, without limitation, "believes", "assumes", "anticipates", "budget", "intends", "projections", "plans" and/or the negatives thereof or other variations of such words and phrases (or comparable terminology), or by statements that certain actions, events or results "may", "will", "could" or "would". Certain statements, beliefs and opinions in this MD&A (including those contained in graphs, tables and charts), which reflect the Company's or, as appropriate, the Company's directors' and/or management's, current expectations and projections about future events, constitute forward-looking information. 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, events or developments that the Company expects, are forward looking statements. Such forward-looking statements include, without limitation, statements regarding the development, engineering, construction, commissioning and commercial operation of the Company's SMCs, the commercial deployment of RapidSX™ technology, anticipated project timelines, throughput capacity, product mix, capital expenditures, operating characteristics, feedstock sourcing, customer qualification, government funding and financing activities. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such forward-looking statements are not guarantees of future performance or results. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any estimated future results, performance or achievements expressed or implied by those forward-looking statements.

In regard to the Company's plans and objectives, the Company has assumed that through its subsidiary, Innovation Metals Corp. ("IMC"), it will be able to develop its RapidSX™ technology and demonstrate its commercial viability. The Company also assumes that the Company will be able to procure or retain additional partners and/or suppliers for the Company's expected Louisiana Strategic Metals Complex ("SMC") and other future SMCs. The Company has also assumed that sufficient external funding will be found to: (i) fund IMC's continued commercial development and demonstration of RapidSX™; (ii) fund the continued development of specific engineering and other required plans for the Company's prospective SMCs; (iii) fund the construction of the Louisiana SMC (the "LSMC"); and (iv) fund the work necessary for the creation of a new National Instrument 43-101 technical report that demonstrates that the Company's Bokan Project is feasible and economically viable for the production of both rare earth element and co-product mineral materials and metals and the then prevailing market prices based upon assumed customer off-take agreements. The Company has also assumed that sufficient external funding will be found to provide continuing working capital for the Company and, if required, repay any outstanding debt that is owed by the Company when it becomes due. Additional assumptions include the successful completion of engineering and project planning activities, the availability of qualified feedstocks, the receipt of required permits and approvals, and the successful scale-up of RapidSX™ technology from demonstration to commercial operations.

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™; the Company not being able to procure additional key partners or suppliers for the Company's proposed LSMC; the Company not being able to raise sufficient funds to fund the specific design and construction of the LSMC; engineering design changes; inaccuracies in capital expenditure or operating cost estimates; construction, procurement, commissioning or scale-up delays; failure to achieve anticipated throughput, operating efficiencies or reliability improvements; adverse capital-market conditions; adverse industry events; unexpected due diligence findings; the emergence of alternative superior metallurgy and metal-separation technologies; the inability of the Company and/or IMC to retain its key staff members; a change in the legislation in Louisiana and/or in the support expressed by the State of Louisiana regarding the development of the LSMC; the availability and procurement of any required interim and/or long-term financing, from internal and/or external sources, that may be required; the inability to access sufficient capital on favourable terms; marketing costs; foreign exchange and interest rate fluctuations; additional trade-related measures imposed by the United States or Canada, including increased tariffs, restrictions on cross-border supply chains or additional regulatory barriers; variability in feedstock supply, quality or pricing; failure to obtain required permits, approvals or regulatory authorizations; failure to secure customer qualification or commercial offtake arrangements; fluctuations in rare earth oxide demand and pricing; and general economic, market or business conditions. For additional information, see "Risks and Uncertainties" herein.

Forward-looking information relating to project design, throughput capacity, operating efficiencies and capital expenditure estimates is based on engineering studies completed to date and remains subject to refinement through further engineering, procurement and project development activities. Statements regarding anticipated operating efficiencies, cost reductions, reliability and commercial performance are based on current engineering assumptions and preliminary analyses and remain subject to validation through commissioning and commercial operations.

Notwithstanding the foregoing, readers are cautioned that the list of risks set forth herein and, in the Company's other disclosure documents is not exhaustive. Except as required by law, the Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, events or otherwise. It is not the intention to provide a complete or comprehensive analysis of the Company's financial or business prospects. The information contained in these materials should be considered in the context of the circumstances prevailing at the time and has not been, and will not be, updated to reflect material developments which may occur after the date these materials were prepared. Accordingly, you should not place undue reliance on any forward-looking statements or information. Where any opinion or belief is expressed in this MD&A, it is based on the assumptions and limitations mentioned herein and is an expression of present opinion or belief only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information. The Company disclaims and excludes all liability (to the extent permitted by law) for losses, claims, damages, demands, costs and expenses of whatever nature arising in any way out of or in connection with the information in this MD&A, its accuracy, completeness or by reason of reliance by any person on any of it.

Overview

The Company is focused on critical metals separation technologies with potential for scalable production and growth. The Company's vision and plan is to become an advanced technology company that provides separation products and services to the critical metals industry. Through strategic partnerships, this plan includes developing a vertically integrated North American rare earth element ("REE") supply chain, disrupting the People's Republic of China's control of this supply chain, establishing long-term feedstock supply relationships, developing a heavy and light rare-earth processing facility in the US State of Louisiana, developing subsequent strategic metals complexes ("SMCs") in the United States and Canada, establishing long-term relationships with metal/alloy and magnet makers, and the longer-term development of the Company's heavy-rare-earth-element mineral-resource property at Bokan Mountain on Prince of Wales Island, Alaska (a NI-43-101 technical report was filed on SEDAR+ on April 30, 2026).¹

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 REEs and other technology metals, via an accelerated form of solvent extraction. IMC is currently commercializing this approach for REEs, to help enable mining, metal-recycling and other companies to compete in today's global marketplace.

The Company completed its formal commissioning program of the RapidSX™ REE Demonstration Plant at its Commercialization and Demonstration Facility ("CDF") in Kingston, Ontario, in Q4-2023 and is now in the process of demonstration testing of its RapidSX™ separation technology with a variety of prospective feedstocks. These demonstrations are prerequisite and corequisite activities to: (i) the physical creation of the Company's planned Louisiana SMC ("LSMC"); and (ii) the Company participating in associated joint venture opportunities related to the use of its RapidSX™ process.

The Company has commenced development of its first planned SMC in Louisiana, which is intended to serve as a commercial-scale rare earth separation and processing facility utilizing the Company's RapidSX™ technology. The LSMC is expected to process mixed rare earth feedstocks into separated rare earth oxides for supply to North American and allied downstream customers.

Additionally, the Company has an effective 100% ownership stake in the Bokan-Dotson Ridge Rare Earth Project. On March 31, 2014, the Company 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 US\$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").

The Company's full corporate structure, including its subsidiaries, is provided in Appendix "A".

IMC & RapidSX™

IMC is the Company's wholly-owned Canadian subsidiary company that is developing RapidSX™ technology for the commercial separation and purification of critical metals – starting with REEs. RapidSX™ is an accelerated solvent-extraction-based separation technology, developed and successfully piloted by IMC in the late 2010s. Amongst other test work, RapidSX™ has proven effective at the pilot scale in separating both heavy REE ("HREE") and light REE ("LREE") chemical concentrate feedstocks to commercially-pure individual REEs with much higher process efficiency relative to conventional solvent extraction technology. The Company and IMC have created a RapidSX™ Commercialization and Demonstration Facility to demonstrate the commercial efficacy of the technology for the separation and purification of REEs (the "RapidSX™ Program") in Kingston, Ontario, for the processing of mixed-rare earth oxide and carbonate chemical concentrates into separated REEs.

¹ See the Company's Summary and Technical Report on the Bokan Mountain Property that was filed on SEDAR+ on April 30, 2026 as a technical report in compliance with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") and Subpart 1300 of Regulation S-K ("S-K 1300").

The RapidSX™ Program	
Description of the project, including the Company's short and long-term plans for the project and the status of the project relative to those plans:	In 2023, the Company completed the formal commissioning program of its 52-Stage RapidSX™ REE Commercial Demonstration Plant ("Demo Plant") within the Company's Commercialization and Demonstration Facility ("CDF") in Kingston, ON. With commissioning complete, the Company shifted its focus in 2024 to include demonstrating the commercial efficacy of the RapidSX™ technology platform for the separation and purification of REEs utilizing the Demo Plant in a head-to-head comparison with a Conventional Solvent Extraction ("CSX") Pilot Circuit. This past and current work includes the completion of the Demo Plant commissioning trials over hundreds of runtime hours followed by thousands of runtime hours in demonstration trials mode. The primary objective of the trials is to produce consistent REE sub-groups and products² (from multiple feedstocks) at specifications sufficient to assess the efficiencies and benefits of the RapidSX™ technology versus the results of the concurrent trials taking place on the traditional CSX Pilot Circuit. This includes a commercial-scale techno-economic assessment ("TEA") of the RapidSX™ separation and purification process, including information on capital and operating costs. Concurrently, but slightly lagging the RapidSX™ Program, the Company is incorporating the RapidSX™ technology platform into the specific engineering and design packages for its first commercial-scale SMC planned for Louisiana. The RapidSX™ Program is being led by the Company's CEO and Chairman, Pat Ryan, P.Eng., and the Company's Vice-President and Chief Operating Officer, Mike Schrider, P.E., in conjunction with Dr. Boyd Davis and Mr. Alain Roy, principals of Kingston Process Metallurgy Inc. ("KPM"), supported by additional technical expertise that Ucore and IMC have engaged for the RapidSX™ Program. KPM is Ucore's and IMC's research, development, and commercialization partner and will be supporting all aspects of the technical work to finalize the commercialization program required to scale up the RapidSX™ technology for commercial deployment into the SMCs. The Company had originally planned to construct an 18-stage RapidSX™ REE demo plant for the separation of HREEs from LREEs. However, in early 2022, the Company received very positive results from the independent RapidSX™ technology evaluation, including the conclusion that a RapidSX™ production plant can potentially have one-third the footprint of a CSX production plant with the same throughput. The Company then expanded the design and construction of the Demo Plant to the now single machine 52-stage³ design for the separation of many different feedstocks to virtually any one particular target REE element or group. On August 5, 2026, the Company announced the successful completion of its RSX-1 scale-up testing and optimization program for the commercial-scale RapidSX™ computerized and motionless mixing contactor assemblies to be deployed at the LSMC. The RSX-1 program, a 12-month campaign partially funded under the Company's U.S. Department of Defense Government Funding Award – Phase 2 (as further described below), evaluated mixing, phase continuity, hydraulic stability, pressure behavior, phase disengagement and visible entrainment across contactor diameters, accumulating over 400 completed tests. Mass-transfer performance was benchmarked against a conventional solvent extraction baseline, confirming that the RapidSX™ contactors achieved the required extent of mass transfer at each tested size. The single machine 52-stage RapidSX™ Demo Plant is designed and constructed to process: 1. Many different feedstock sources, including all planned LREE and HREE chemical concentrates for the LSMC; 2. Tens of tonnes of mixed rare earth concentrates on a per-annum basis, including products for prospective metal/alloy makers and original equipment manufacturer ("OEM") qualifications; and

² NdPr, Pr, Nd, Sm, Gd, Tb, Dy, and Y rare earth compounds and elements.

³ Comprising all of the unit operations of solvent extraction chemistry - extract, scrub, strip, wash and saponification.

	3. All RapidSX™ splits required to produce individual praseodymium (Pr), neodymium (Nd), samarium (Sm), gadolinium (Gd), terbium (Tb), dysprosium (Dy) and / or yttrium (Y) - including the NdPr compound. The short-term (12 months) objectives of the current RapidSX™ Program include the continuation of: 1. Continued validation of the RapidSX™ applied chemistry at commercial demonstration-scale under semi-continuous conditions through the robust processing features of the Demo Plant; 2. Continued validation of the physical design of the RapidSX™ platform at commercial demonstration-scale over thousands of Demo Plant runtime hours; 3. Continually enhancing the program of continuous improvement to ensure that the Company is incorporating the knowledge and experience gained through operating the Demo Plant; 4. Validation of the specific process flowsheets/programming developed for a particular REE feedstock, including multiple US-friendly sourced commercial REE feedstocks currently under consideration; 5. Continued generation of REE product qualification samples for prospective customers for independent evaluation; 6. Finalizing the RapidSX™ scale-up design and RapidSX™ technology platform Factory Acceptance Testing at the CDF: Q2-2025 through H2-2026 (RSX-1 scale-up verification completed August 2026; RSX-2 and RSX-3 Factory Acceptance Testing planned for August through September 2026); 7. Creation of design and construction inputs required for the design of a commercial-scale RapidSX™ HREE and LREE separation facility i.e., "copy and paste with enhancements" all knowledge gained and lessons learned to the LSMC; and 8. Continuous development of a detailed TEA assessment of RapidSX™ based separation, as part of the commercialization process. The long-term (12-36 months) objectives of the current RapidSX™ Program include: 1. Demonstrate the successful process qualification of any feedstock destined for an SMC at the Demo Plant over hundreds of runtime hours for each planned RapidSX™ production circuit. Transfer the knowledge gained to the full-scale SMC design, construction, commissioning, qualifications, and operating processes; 2. Utilize the Demo Plant for SMC operator training; and 3. Concurrently with the Demo Plant qualification process of REE feedstocks, focus the attention of RapidSX™ technology development to other critical metals.
The expected timeline of the project, including the Company's progress compared to the timeline:	Since the Company completed its acquisition of IMC in May 2020, a significant amount of work has been planned and/or performed to advance the RapidSX™ Program, including: Technical: 1. Engaging KPM as IMC's long-term research, development, and commercialization partner: Q2-2020;

	2. Continuous development of the CDF in Kingston, ON: Q2-2020 through at least Q4-2027; 3. Completing the RapidSX™ initial technical-validation and optimization program on the constructed research & development apparatus (the "Research Rig"): Q2-2020 to Q3-2022; 4. KPM's participation with AIDEA in the execution of Dr. Ahmad Ghahreman's independent assessment of the RapidSX™ technology platform: Q3-2021 to Q2-2022; 5. Designing, constructing, operating and continuously improving the 52-Stage RapidSX™ REE Commercial Demonstration Plant ("Demo Plant") within the CDF: Q2-2022 through at least Q4-2027; 6. Designing, constructing, and operating the 52-stage CSX mixer settler pilot-scale circuit (the "CSX Pilot Circuit"): Q2-2022 through at least H2-2026 (extended from Q4-2025); 7. Demo Plant commissioning trials: Q1-2023 to Q4-2023; 8. Conducting the formal techno-economic assessment program for the commercial deployment of the RapidSX™ technology platform: Q2-2023 through at least H2-2026 (extended from H1-2026); 9. Expanding the focus of the RapidSX™ technology platform to other critical metals: Q2-2026 through at least Q4-2027; 10. Commencement of the "copy and paste with enhancements" technology template to transfer the engineering, construction, commissioning, and product qualification data from the Demo Plant to the full-scale LSMC: Q2-2022 through Q4-2027 (extended from Q4-2025); 11. Demo Plant product qualification trials: Q4-2023 through at least Q4-2027; and 12. SMC personnel training at the Demo Plant: Q1-2026 (extended from Q4-2025) through at least Q4-2027. Business: 1. Working directly with US-registered lobbyist J.A. Green & Company and US municipal, state, and federal government entities to advance various initiatives related to the Demo Plant and the future SMCs; 2. Working directly with Canadian municipal, provincial, and federal government entities and/or representatives to advance various initiatives related to the Demo Plant and future potential SMCs; and 3. Significant business developments with multiple upstream and downstream prospective partners, suppliers and customers toward the establishment of a North American REE supply chain, focusing on Ucore's and IMC's role with mid-stream processing and RapidSX™: Q2-2020 to current.
The expenditures made on the project to date and during the period:	During the six-month period ended June 30, 2026, the Company incurred net research and development expenditures of approximately \$6.51 million compared to approximately \$2.45 million for the six-month period ended June 30, 2025. Research and development expenditures relate to amortization, consulting and professional services, facility and equipment expenditures, laboratory and analytical expenses, labour, process feedstock and reagents, supplies, consumables and materials, and other expenses to further advance the Company's RapidSX™ technology and are recorded net of any recoveries from government assistance and tax credits. A breakdown of material components of the

	Company's research and development expenditures by period is presented below in the Research and Development Expenditures section.
Previously issued forward-looking information about the project that is hereby being updated and a discussion of the events and circumstances that occurred during the period that caused the actual results to differ from the previously disclosed forward-looking information:	The Company has completed all project milestones (including all HREE objectives) under the initial OT Agreement with the Department of Defense demonstration trials as further described in the U.S. Department of Defense Government Funding Award section below. It was anticipated that project costs to complete the project would have been \$9.75 million as previously disclosed. The project has now been completed at a total gross cost of approximately \$10.5 million. The increase relative to the previously disclosed estimate primarily reflects higher input and operating costs, adjustments to project scheduling, and incremental work required to complete certain aspects of the program. The total net cost to the Company (after the US government funding) was approximately \$4.89 million.
The anticipated timing and costs to take the project to the next stage of the project plan:	The Company's next project relates to its \$4.28 million contribution agreement with the Government of Canada, as further described in the Government of Canada Contribution Section below. The project supports the demonstration of the Company's RapidSX™ rare earth element separation technology for light and mid-REEs. The total project budget is approximately \$8.3 million, of which up to \$4,275,848 is eligible for reimbursement. As at June 30, 2026, the Company had incurred \$3,955,209 in reimbursable eligible expenditures, with \$320,639 remaining available to be claimed. The project is to be completed by March 31, 2027.
The license(s) and regulatory approval(s) that the Company must obtain related to the project and the next milestone:	No required licenses or regulatory approvals are associated with the RapidSX™ technology development platform. Any licenses, permits, or approvals that are related to the operation of the CDF are the responsibility of KPM (the landlord and the Company's research, development, and commercialization partner).

United States Patent Application

During the year ended December 31, 2023, IMC filed a United States provisional patent application for its RapidSX™ technology. In February 2024, IMC submitted the subsequent application for an international Patent Cooperation Treaty (PCT) filing. In August of 2025, IMC began the National Phase Jurisdiction entry filings in dozens of countries. The process remains "patent pending" and is ongoing.

The SMC Business Model

Since the Company's May 8, 2020, acquisition of IMC and its proprietary RapidSX™ metals separation technology, the Company has focused on a definitive commercialization pathway to achieve a secure, economic, REE supply chain in North America – starting with securing mid-stream REE processing. As critical as the establishment of a complete North American REE supply chain is, it should be achieved in the shortest time frame possible and ideally with the lowest possible capital and operating costs. The Company's business plan is focused entirely on near-term North American REE independence, by establishing mid-stream REE processing and production capacity to cost-effectively transform US-friendly-sourced REE feedstocks into made in North America finished rare earth oxides "REOs".

On October 6, 2020, the Company introduced its ALASKA2023 business plan centered around the construction of an Alaska SMC founded on the RapidSX™ separation technology platform. In early 2022, it became apparent that additional SMCs are required to truly establish an independent North American REE supply chain and that given the projected rate of automotive electrification, the first SMC should be established in a "brownfield" facility surrounded by significant business infrastructure. Therefore, the Company expanded its SMC business model to now include additional SMCs and has strategically selected Alexandria, Louisiana, for the location of its first SMC. Alaska and/or Canada (Ontario, Saskatchewan and/or Nova Scotia) are the prospective locations for additional SMCs.

The LSMC Program	
Description of the project, including the Company's short and long-term plans for the project and the status of the project relative to those plans:	On October 17, 2022, the Company announced that it had entered into a mutual commitment with the US State of Louisiana toward the establishment of the Company's first SMC REE separation facility - the LSMC. Since the spring of 2022, the Company had been engaged with the state and numerous local economic development agencies and communities as it worked through the down-selection process from twenty potential existing brownfield facilities across the state to the selected Alexandria facility based on the following criteria: 1. Commercial considerations; 2. Engineering fitness and expansion capabilities; 3. Environmental assessment and permitting; 4. Community integration; and 5. Government incentives (as further described below) On April 6, 2023, the Company announced that the State of Louisiana had increased its incentive offer to \$20+ million and the Company had selected an 80,800-square-foot brownfield facility within the England Airpark in Alexandria, LA, as the location for its planned LSMC REE separation and oxide production facility. The England Airpark is the former England Air Force Base and, since 1992, has been run by the England Authority. The mission of the England Authority is to create jobs for central Louisiana. On January 4, 2024, the Company announced that it has entered into a lease with the England Economic and Industrial Development District ("EEIDD") at its England Airpark complex for a multi-decade lease arrangement to ensure the long-term viability of the LSMC and continued employment opportunities for the residents of Rapides and the surrounding parishes. Simultaneously, the Company subleased the facility through January 2025. The facility is an 80,800-square-foot brownfield facility on a 10.7-plus-acre industrial parcel for the development of the Company's first commercial REE processing facility. Additionally, the EEIDD has committed to providing US\$360,000 reduced lease rate over 24 months to reduce the Company's initial lease obligations to the England Authority. This rate reduction has commenced upon the expiration of the sub-lease in Q1 of 2025. The communities of central Louisiana have an available workforce of over 114,000 persons within an hour's drive of the LSMC. The LSMC is being developed around the Company's proprietary RapidSX™ technology platform, representing North America's first REE processing center based on 21st century separation technology. It is expected to receive REE feedstock from several US-friendly nations and it is expected to produce the individual REOs required for fabricating rare earth permanent magnets used in electric motors and generators, thus forming a significant part of North America's developing independent REE supply chain. The LSMC Program is being led by the Company's CEO and Chairman, Pat Ryan, P.Eng., and the Company's Vice-President and Chief Operating Officer, Mike Schrider, P.E., and is highly integrated with the RapidSX™ Program. This includes KPM, Mech-Chem, Orbital Engineering, Inc., and other technical consultants and the Company's internal resources. The Company is now engaging with architects, engineers and contractors familiar with executing projects in Alexandria, Louisiana, and with the CDF, joint product qualification and verification trials of feedstocks are underway for the LSMC. The Company will "copy and paste with enhancements" all knowledge gained from the RapidSX™ Program at the CDF to the LSMC. The Louisiana SMC is expected to consist of an initial ~600 tonnes per annum ("tpa") TREO Machine A plus three RapidSX™ Production Lines, each capable of processing up to ~3,000 tpa of TREO. Subject to available financing, the short-term (12 months) objectives of the current LSMC Program include: 1. Secure US-friendly feedstock sources for early production opportunities; 2. Secure financing, including pre-purchase and supply offtake agreements with OEM-automotive companies and similar downstream users of REOs; 3. Finalizing the Machine A and Production Line 1 contract design engineering and estimating packages;

	4. Commence the Machine A and Production Line 1 detail design engineering and estimating packages; 5. Order and receive long lead materials and equipment for Machine A and Production Line 1; 6. Establish the required personnel and business infrastructure in Louisiana, taking advantage of LED's FastStart assistance benefits program; 7. Secure permitting required to initiate construction (air) and commence production (water and solid discharges, building, etc.); 8. Commence Machine A construction and testing activities; 9. Finalize Production Line 1 engineering activities, and 10. Initiate Production Line 1 construction. Subject to available financing, the long-term (12-60 months) objectives of the current LSMC Program include: 1. Complete Machine A construction, testing, commissioning and demonstration activities; 2. Finalize Production Line 1 procurement, construction, commissioning, and OEM product qualifications; 3. Initiate Production Line 1 production; 4. Finalize Production Line 2 engineering, procurement, construction, commissioning, and OEM product qualifications; 5. Initiate Production Line 2 production; 6. Finalize Production Line 3 engineering, procurement, construction, commissioning, and OEM product qualifications; 7. Initiate Production Line 3 production; 8. Secure final required permits; 9. Secure additional feedstock sources; and 10. Secure partner relationships for REOs, metal/alloy and magnet production opportunities.
The expected timeline of the project, including the Company's progress compared to the timeline:	Establishment of Machine A at the LSMC facility in H1-2027, with early production readiness in 2027 (subject to the availability of commercial feedstock), is the objective of the Company as the first step of the Company's SMC business model – this entails: Technical: 1. Finalizing the RapidSX™ scale-up design and RapidSX™ technology platform Factory Acceptance Testing (FAT) at the CDF: Q2-2025 through H2-2026 (RSX-1 equipment scale-up verification program completed in August 2026; Enhanced Machine A specific equipment and operational configurations selected; RSX-2 and RSX-3 FAT planned for August through September 2026); 2. Finalize the Machine A engineering design package: Q2-2025 through H2-2026; 3. Permitting, procurement, construction, testing, and commissioning (Machine A only): Q2-2025 to H1-2027; 4. Commencement of product qualification trials⁴ (Machine A only): H1-2027; and 5. Establish early production readiness (Machine A only): 2027. Business: 1. Secure a second US-friendly feedstock for Machine A operations: H2-2025 to H2-2026; 2. Establish an Alexandria corporate infrastructure⁵ and workforce for Machine A operation: Q2-2025 to H1-2027 (extended from H2-2026); 3. Working directly with US-registered lobbyist J.A. Green & Company and US municipal, state, and federal government entities and representatives to advance various initiatives; and 4. Significant business developments with multiple upstream and downstream prospective partners toward the establishment of a North American REE supply chain, starting with mid-stream processing and RapidSX™: Q2-2020 to current.
The expenditures made on the project	During the six-month period ended June 30, 2026, the Company capitalized expenditures of \$4,514,455 (December 31, 2025 - \$784,564) relating to engineering and construction of the LSMC.

⁴ Enhanced by identical feedstock qualification trials and knowledge transfer at/from the Kingston CDF.

⁵ The Company has established the Louisiana domiciled and wholly owned business entity, Ucore North America, LLC, as the entity to develop and operate the LSMC.

to date and during the period:											
Previously issued forward-looking information about the project that is hereby being updated and a discussion of the events and circumstances that occurred during the period that caused the actual results to differ from the previously disclosed forward-looking information:	As previously disclosed, due to slowed re-scaled automotive OEM electric vehicle roll-out schedules, global economic concerns, and a dramatically changing worldwide rare earth industry, the Company's pre-purchase and supply financing and project execution timelines continue to face delays. In addition, lessons learned with the Demo Plant and improvements to design and construction details for the LSMC, as well as inflation, anticipated feedstock costs, and under-estimated costs have resulted in an update to the total capital expenditure ("CAPEX") of Machine A, Production Line 1 (previously referred to as Stage 1 of the LSMC) from US\$65 million to US\$135 million, excluding commissioning feedstock of US\$30 million (which is not CAPEX and can become saleable goods). Based on the CAPEX and Capacity Engineering Report dated May 27, 2026 (see below), the engineered capital cost estimate for the enhanced Machine A and Production Line 1 is as follows: <table border="1"> <thead> <tr> <th>Item</th><th>Engineered Capital Cost Estimate</th></tr> </thead> <tbody> <tr> <td>Enhanced Machine A</td><td>US\$60M</td></tr> <tr> <td>Production Line 1</td><td>US\$44M</td></tr> <tr> <td>Oxide Production and Packaging</td><td>US\$31M</td></tr> <tr> <td>Machine A and Production Line 1 – Cumulative Cost</td><td>US\$135M</td></tr> </tbody> </table> The Company has extended the timelines for certain project activities. These changes were primarily influenced by prevailing market conditions and the Company's ability to secure necessary feedstock, capital and financing. As a result, the previously disclosed forward-looking information about the project and related timelines has been updated to reflect these adjustments. For more information, see the Company's press release dated May 28, 2026.	Item	Engineered Capital Cost Estimate	Enhanced Machine A	US\$60M	Production Line 1	US\$44M	Oxide Production and Packaging	US\$31M	Machine A and Production Line 1 – Cumulative Cost	US\$135M
Item	Engineered Capital Cost Estimate										
Enhanced Machine A	US\$60M										
Production Line 1	US\$44M										
Oxide Production and Packaging	US\$31M										
Machine A and Production Line 1 – Cumulative Cost	US\$135M										
The anticipated timing and costs to take the project to the next stage of the project plan:	The next stage of the project plan for the LSMC is the continued engineering and then construction of the enhanced Machine A as described in the Company's press release dated May 28, 2026. On May 27, 2026 the Company received the results of a CAPEX and Capacity Engineering Report from Orbital Engineering Inc. Expected Capital Cost of Machine A is US\$60 million.										
The license(s) and regulatory approval(s) that the Company must obtain related to the project and the next milestone:	The Company has conducted preliminary meetings with the State of Louisiana's Department of Environmental Quality regarding its prospective air, water and solid discharge permits and has received an expedited permitting pathway in its offer from LED. Additionally, the England Authority is responsible for all other required building permits. The next permitting milestone (to commence facility construction) is the submission of a "minor air" permit application to the Department of Environmental Quality (the "DEQ") upon substantial completion of the process engineering design package.										
Description of the risks associated with not obtaining the required license(s) and regulatory approval(s):	The above-noted permits are required to operate the LSMC. With the declared expedited permitting support of LED and the England Authority as the local permitting authority, the Company has selected a project location that mitigates the permitting risk of the LSMC Project. However, any delay in receiving a required permit will likely delay the LSMC from going into operation.										

Orbital Engineering, Inc. – SMC Engineering

Orbital Engineering, Inc. ("Orbital") has provided engineering services in support of the Company's LSMC, including engineering design, capacity planning, capital cost estimation, and commercial deployment planning. Working alongside the Company's engineering team and other consultants, Orbital has supported the transition of the RapidSX™ technology platform from the CDF in Kingston, Ontario, toward commercial-scale deployment at the LSMC.

On May 27, 2026, Orbital completed a CAPEX and Capacity Engineering Report for the LSMC that incorporated operational data and engineering advancements derived from the Company's demonstration and scale-up activities. The report outlined an optimized commercial configuration consisting of an initial RapidSX™ Machine A and three RapidSX™ production lines, targeting an overall throughput capacity of approximately 9,600 tpa of TREO. The optimized configuration reduced the number of planned production lines from four to three while maintaining targeted

throughput and improving anticipated operating efficiencies through reduced process complexity, fewer maintenance points, and enhanced reliability. The report also supported the expansion of Machine A's design to enable the direct production of a broader suite of separated rare earth products, including NdPr, Pr, Nd, Sm, Gd, Tb, Dy, and potentially Y, and will serve as the basis for the phased development and expansion of the LSMC.

Mech-Chem Associates, Inc. – SMC Engineering

The Company continues its engagement with Mech-Chem Associates, Inc. ("Mech-Chem") to develop the specific process engineering requirements for stages of the planned SMCs, in conjunction with other consultants and the Company's and IMC's engineering personnel. Additionally, Mech-Chem has incorporated its developed pre-and post-RapidSX™ process engineering into the design of the Demo Plant to ensure a truly seamless ramp-up to the SMC's full-scale engineering package. The Company has constructed the Demo Plant within a 5,000-square-foot building at KPM's facilities in Kingston, ON. This concept of building a REE-processing plant within an existing building is the go-forward engineering and construction template for the process that the Company will replicate to create the full-scale LSMC.

Letter of Intent from Louisiana Economic Development ("LED")

As the result of a larger than originally anticipated facility selection, the Company is targeting the expansion of its maximum production rate from 5,000 to 10,000 (recently refined to 9,600) tpa of TREO throughput. In turn, the Company has received and accepted an amended non-binding letter of intent from LED. This letter of intent added a potential US\$900,000 grant for infrastructure costs in consideration of the Company's updated 10,000-tonne-per-annum facility (at Stage 3) with a projected minimum of at least US\$75 million capital expenditure investment and 100 family wage paying jobs for the fully completed LSMC - bringing the total potential value of state grants, tax incentives, payroll rebates, and customized employment recruitment and training to US\$15 million. Moreover, LED estimates the project will result in 298 new indirect jobs, for a total of 398 new jobs in central Louisiana.

The financial, economic and tax incentive offers described in the letter of intent are estimates based on the Company's commitment to and fulfillment of its capital investment schedules for the LSMC. This includes a total capital investment by the Company for the LSMC of at least US\$75 million by December 31, 2027. The Company and the State of Louisiana recently eliminated the original jobs and payroll requirement per updated guidance from Louisiana, in combination with current project timelines.

Louisiana's industrial tax exemption program can offer up to a 10-year tax exemption to the Company. LED estimates that the exemption may result in up to US\$8.2 million in tax savings for the Company. The state's industrial tax exemption program is administered by the Louisiana Board of Commerce and Industry and requires approvals from parish and municipal governing bodies, as well as the parish school board. The Company has received the final approved Contract for Exemption of Ad Valorem Taxes from the State of Louisiana.

Louisiana's quality jobs program provides a 4% or 6% payroll rebate on the gross annual payroll for qualifying new jobs for up to 10 years. The program also refunds state sales/use tax paid on construction materials purchased during construction or a 1.5% project facility expense rebate on certain capital expenditures. LED estimates that the value of this program could be up to US\$4.5 million for the Company. The quality jobs program is administered by and will be subject to a contract to be finalized between the Company and the Louisiana Board of Commerce and Industry. The overall benefits of this program will be retained.

Louisiana's research and development tax credit program encourages businesses to establish or continue qualified research and development activities within the state. The benefit is primarily tied to nationwide employment and ranges from 5% to 30% on increases in qualified expenses. Company eligibility for the program is subject to the statute and rules applicable to the program. The letter of intent contemplates the Company's participation in the program; however, the value of the benefits from the program will be determined later and will be dependent upon the actual qualified expenses that the Company incurs.

Louisiana's small business loan and guarantee program facilitates capital accessibility for small businesses by providing loan guarantees to banks and other small business lenders. The program is administered by the LED. The letter of intent contemplates the Company's participation in the program; however, the value of the benefits from the program will be determined during future negotiations between the Company and LED.

The program provides a performance-based grant to be used for reimbursement of Company expenditures for infrastructure costs. This will be administered pursuant to a co-operative endeavour agreement and requires Company compliance with and adherence to the capital investment and employment and payroll commitments. LED estimates the grant, based upon the needs of the facility, as well as the investment, employment and payroll projections, could be for up to US\$900,000, payable at US\$400,000 upon the facility being placed into operation/production with more than US\$45-million in capital expenditures and 45 full-time employees on payroll

and US\$300,000 after US\$55-million in capital expenditures and 80 full-time employees on payroll, and US\$200,000 after US\$75-million in capital expenditures and 100 full-time employees.

The LED FastStart program offers substantial LED investment in customized employment recruitment and training during the Company's period of employment ramp-up. LED estimates that FastStart may provide a benefit to the Company of up to US\$1.4 million. This program is underway.

The Company's final board of directors' approval is contingent on receiving the offered Louisiana incentive packages.

Other Prospective SMC Business Model Partners

The Company has entered into various confidential discussions with several international companies, ranging from early-stage conversations to executed non-binding letter of intent ("LOIs") and memorandum of understanding ("MOUs"). These discussions are progressing towards pre-purchase and supply agreements for LSMC REO products and include due diligence activities such as reviewing the LSMC development plans. Additionally, discussions are ongoing with potential offtake partners for REOs and/or metal alloys.

On April 20, 2022, the Company provided information on the execution of a MOU with thyssenkrupp Materials Trading GmbH ("thyssenkrupp"). The MOU contemplates thyssenkrupp initially supplying a minimum of 1,000 tpa of mixed rare earth carbonate for processing at the Company's LSMC. The parties have agreed to work toward a 10-year binding contract for the continued and increasing supply of mixed rare earth carbonates for processing, including the consideration of various marketing strategies.

On January 9, 2024, the Company announced that it has established a non-binding MOU with Defense Metals Corp. ("Defense Metals") to explore collaborative opportunities in advancing North American REE supply chain initiatives. As part of this collaboration, Defense Metals sent a mixed rare earth carbonate sample to the Company's RapidSX™ Demo Plant. The sample was generated during 2023 hydrometallurgical piloting test work performed on concentrate produced by earlier flotation pilot plant testing of a 26-tonne bulk sample from Defense Metals' Wicheeda property in British Columbia.

On July 25, 2024, the Company announced that it has entered into a non-binding MOU with Cyclic Materials Inc. ("Cyclic") for the future supply of recycled mixed rare earth oxides ("rMREO"). The Company and Cyclic will work together towards determining the potential of a long-term supply agreement, starting with Cyclic supplying trial quantities of rMREO to the Company's RapidSX™ Demo Plant. The ultimate objective of the MOU is to qualify Cyclic's product in the Company's process and ensure the Company's developing North American commercial REO production output includes North American recycled content from Cyclic, as Cyclic's capacities scale.

On August 21, 2024, the Company announced that it has entered into a MOU with Meteoric Resources NL ("Meteoric") for the supply of 3,000 metric tonnes of TREO from Meteoric's forthcoming Caldeira rare earth ionic clay project in the Minas Gerais state of Brazil to the Company's LSMC.

Key provisions of the MOU:

- During the term of the MOU, the parties will work toward establishing a binding definitive agreement for the supply of mixed rare earth carbonate from Caldeira to the LSMC.
- Once the parties are in production, they envision that the Company will purchase a minimum quantity of 3,000 Mt of TREO annually from Caldeira. This could represent over 900 Mt of NdPr, approximately 6 Mt of Tb and 24 Mt of Dy.
- Both parties will support each other in the pursuit of financing and business development for their respective projects.

On September 4, 2024, ABx Group Ltd. ("ABx") and the Company executed an MOU that describes the collaborative pathway ABx and the Company will advance to:

- A binding offtake agreement for the supply of a mixed rare earth carbonate by ABx to the Company; and
- An opportunity for the Company to invest in the ABx rare earth project in Tasmania.

ABx is an Australian public company headquartered in South Melbourne, Victoria, which has established an ionic adsorption clay REE resource in northern Tasmania. The grades of the two key heavy rare earths, dysprosium and terbium, are the highest of any clay-hosted rare earth resource in Australia and comparable with the highest in the world. Metallurgical testing by the Australian Nuclear Science and Technology Organisation ("ANSTO") has

confirmed that samples from the resource have the highest ionic proportion of any clay-hosted rare earth resource in Australia.

Key features of the MOU:

- ABx and the Company will work toward an arrangement for the preferred annual volume of intermediate rare earth product, which is envisaged to be an MREC, to be supplied by ABx to the Company:
 - The intent is for the Company to obtain first right of refusal for 50% of ABx's annual volume for a minimum period of five years, subject to the agreement of commercial terms.
- The parties will explore potential investment by the Company into the ABx rare earth project, as well as project finance opportunities for ABx and the Company's projects, which may involve joint approaches to the companies active in the rare earth value chain, governments, institutional funds and private investors.
- ABx and the Company will collaborate to develop and optimize:
 - A comprehensive product flow sheet considering where best to implement collective project efficiencies; and
 - A total project development strategy, including laboratory, pilot and demonstration plant testing.
- ABx and the Company will share information on global rare earth markets, particularly for the permanent magnet rare earths, with the objective of identifying opportunities for and mitigating risks to ABx and the Company's projects.

On August 27, 2025, the Company announced the execution of a non-binding LOI with Critical Metals Corp. ("CMC") for a long-term offtake agreement to secure HREE feedstock from CMC's Tanbreez project in southern Greenland. Under the terms of the proposed arrangement, CMC intends to supply the Company with a REE product from Tanbreez over an initial 10-year term. This material will be used as feedstock for the Company's SMC.

The LOI sets out the parties' intentions to negotiate and execute a definitive offtake agreement. Terms of the LOI include the delivery of a mixed rare earth carbonate or oxide, with specifications to be agreed to, over a multiyear term commencing on the later of July 1, 2027, or commercial production. The execution of a definitive offtake agreement remains subject to customary conditions, including completion of due diligence, finalization of commercial terms and necessary approvals.

On September 16, 2025, the Company announced the signing of a strategic technology collaboration agreement with Metallium Limited ("Metallium"). The binding agreement is for a term of 12 months from the date of signing, September 13, 2025. Each party will enter into good faith discussions to explore the potential of a future commercial arrangement for future collaboration. Each party shall retain all rights to their technology and binding non-disclosure agreements are in place between the parties. There are no commercial arrangements by way of fees or consideration associated with this collaboration agreement. The primary objectives are:

- The formation of a strategic partnership with Metallium which will add to potential feedstock sources for the Company's prospective SMC in Alexandria, Louisiana.
- Metallium's Flash Joule Heating process provides an alternative to traditional sulfate leaching approaches to generating mixed rare earth products which will be suitable for refining using the Company's RapidSX™ technology.
- A staged program is being developed combining Metallium's front-end upgrading capability with the Company's downstream RapidSX™ separation capacity, reflecting the complementary roles of each technology within the integrated flowsheet.

On October 31, 2025, the Company announced that it has entered into a non-binding Heads of Agreement ("HoA") with Wyloo Gascoyne Pty Ltd ("Wyloo") and Hastings Technology Metals Ltd ("Hastings") to:

- Establish a long-term supply pathway for Yangibana rare earth concentrate; and
- Evaluate hydrometallurgical processing options in the United States, with the Company's prospective LSMC as the priority location.

The HoA links Australian feedstock from the Yangibana Rare Earths and Niobium Project with US mid-stream processing and separation at the Company's prospective LSMC, aligning with the Company's objective to establish a North American, ex-China rare earth supply chain and leverage the critical materials frameworks amid unprecedented policy convergence with allied jurisdictions, notably the United States, Canada, and Australia.

On November 3, 2025, the Company announced the signing of a non-binding MOU with Vacuumschmelze GmbH & Co. KG ("VAC") and eVAC Magnetics LLC ("eVAC") to develop a collaborative supply agreement for high-purity REOs.

- eVAC Magnetics has completed construction of a rare earth permanent magnet manufacturing facility in Sumter County, South Carolina with support from the US DoD and a \$111.9 million Qualifying Advanced Energy Project Tax Credit.
- VAC also produces magnets at its facilities in Europe requiring rare earth oxides for product lines including neodymium-iron-boron ("NdFeB") and samarium-cobalt ("SmCo") permanent magnets.
- The MOU provides a means for eVAC and VAC to align with the Company for the supply of high-purity rare earth oxides which will be coordinated with the Company's staged growth refining plans in Louisiana, USA and Ontario, Canada.

On June 23, 2026, Energy Fuels Inc. announced an agreement to acquire VAC. The acquisition is expected to close in early 2027. It is not yet known how the closing of this transaction will affect the MOU.

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 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.

The Bokan Project in Alaska, USA	
Description of the project, including the Company's short and long-term plans for the project and the status of the project relative to those plans:	The Company'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 April 14, 2026, the Company announced the completion of an upgraded mineral resource estimate ("MRE") for the Bokan Dotson-Ridge rare earth element project in Southeast Alaska, together with the associated technical report (the "2026 Technical Report"). The 2026 Technical Report was prepared in accordance with NI 43-101 and S-K 1300, with an effective date of April 9, 2026. A copy of the 2026 Technical Report was filed on SEDAR+ on April 30, 2026. The updated MRE, assuming a 0.4% TREO cut-off grade, includes measured mineral resources of 801,600 tonnes grading 0.60% TREO, indicated mineral resources of 3,369,800 tonnes grading 0.58% TREO, and inferred mineral resources of 980,300 tonnes grading 0.57% TREO. The MRE was completed by Aurora Geosciences (Alaska) Ltd. based on a database comprising 97 diamond drill holes totaling approximately 20,000 metres and 85 surface channels totaling approximately 280 metres. The Company also reported that the Bokan deposit demonstrates a significant proportion of heavy rare earth oxides ("HREO"), representing approximately 35% to 40% of the TREO across the deposit, and that the mineral resource remains open at depth and along strike. In the past, the Company'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. In recent years, more of the Company's time and expenses have been focused on developing the downstream metallurgy component of its business plan, which involves the development of the Company's RapidSX™ metals separation, processing and metal purification technology 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, the Company's mineral exploration and development expenses at the Bokan Project have been modest in the past few years.

The expected timeline of the project, including the Company's progress compared to the timeline:	The Company expects that the prospective development profile of the Bokan Project is best implemented in the latter half of this decade after the LSMC and a North American centric REE supply chain is fully established.
The expenditures made on the project to date and during the period:	During the six-month period ended June 30, 2026, the Company incurred expenditures of \$21,170 for the preparation of updated technical reports and other consulting services, compared to \$nil in comparable prior period. During the six-month period ended June 30, 2026, the Company incurred environmental and permitting expenditures of \$11,357 which include the general carrying costs of the property, compared to \$13,895 in the comparable prior period. In total, during the six-month period ended June 30, 2026, the Company incurred \$32,527 in expenditures on the Bokan Project, compared to \$13,895 in the comparable prior period. The Company capitalizes its mineral exploration and evaluation ("E&E") expenditures. A detailed schedule of the Company's deferred E&E costs for the six-month period ended June 30, 2026, and June 30, 2025, is included in Appendix "B" of this MD&A.
The anticipated timing and costs to take the project to the next stage of the project plan:	Following completion of the updated MRE and associated 2026 Technical Report for the Bokan Project, the Company anticipates that the next stage of advancement for the Bokan Project will include the preparation of an updated Preliminary Economic Assessment ("PEA") reflecting the current MRE and the anticipated development of an independent North American REE supply chain, including potential integration opportunities associated with the Company's LSMC. The Company currently estimates the cost of preparing the updated PEA to be between approximately \$150,000 and \$300,000. Subject to the results of the updated PEA, market conditions, financing availability and ongoing strategic development initiatives, the Company may subsequently evaluate advancing the Bokan Project toward a Pre-Feasibility Study ("PFS").
The license(s) and regulatory approval(s) that the Company must obtain related to the project and the next milestone:	None required to prepare an updated PEA.
Previously issued forward-looking information about the project that is hereby being updated and a discussion of the events and circumstances that occurred during the period that caused the actual results to differ from the previously disclosed forward-looking information:	There were no material updates or changes to previously disclosed forward-looking information during the period.

Qualified Persons

The technical disclosures in this section of this MD&A regarding the Bokan Project 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

Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources associated with the Bokan Project will be converted into mineral reserves or that any future economic studies will demonstrate the economic or technical viability of the project.

General Business Information

IMC Former Employee Litigation

On December 14, 2022, a former employee of the Company's wholly owned subsidiary IMC filed a civil claim against IMC and the Company for wrongful dismissal and breach of contract. The claim is derived from an employment relationship between the former employee and IMC and the subsequent termination of this relationship. The former employee is seeking \$650,000, plus interest and costs. The Company believes that the action is without merit and intends to fully defend its interests and take all other legal actions available to it. The parties have agreed to settle the claim through arbitration, which remains ongoing. While arbitration was initially expected to conclude in Q1 2025, the process has been extended, and a revised timeline has not yet been established. The outcome of this claim cannot be determined at this time, and no provision has been recorded in the unaudited condensed interim consolidated financial statements for the three-month and six-month periods ended June 30, 2026.

Change of Auditor

KPMG LLP, the Company's former auditor, resigned as auditor of the Company effective August 8, 2025. The former auditor did not express any modified opinions in the former auditor's reports on the consolidated financial statements of the Company and there were also no reportable events as such term is defined in National Instrument 51-102. On September 23, 2025, the Board of Directors appointed PricewaterhouseCoopers LLP ("PwC") as the Company's auditor to hold office until the next annual meeting of shareholders. At the Company's annual meeting of shareholders held on June 12, 2026, PwC was appointed as the Company's auditor to hold office until the close of the next annual meeting of shareholders.

Planning and Production Oversight Committee

In June 2026, the Board of Directors established a Planning and Production Oversight Committee (the "Committee") to provide focused Board-level oversight of the engineering, planning, budgeting, construction, commissioning and production activities associated with the LSMC and other future SMCs and similar projects. The Committee is comprised of directors Steven Meister and Randy Johnson.

The Committee's mandate includes overseeing project engineering, design, planning, construction, commissioning and production readiness, as well as monitoring project budgets, capital expenditures, timelines, risks and material variances. The Committee will also engage regularly with management and project leadership and report to the Board regarding project progress, risks, recommendations and other matters requiring Board attention. The establishment of the Committee is intended to enhance Board-level oversight as the Company advances the development and commercialization of its LSMC and related projects.

Government of Canada Contribution Agreement

On November 20, 2023, the Company announced it had executed a \$4.28 million contribution agreement with the Government of Canada to demonstrate its RapidSX™ rare earth element separation technology capabilities. The formal announcement of financing was announced through Natural Resources Canada's ("NRCan") Critical Minerals Research, Development and Demonstration ("CMRDD") program on February 5, 2024. The funding to be received by the Company will be used to demonstrate the commercial efficacy of the Company's RapidSX™ technology specifically for light REEs.

Total eligible expenditures to be reimbursed further to the funding are budgeted at \$4,275,848 out of the total project budget of \$8,308,441. The project is to be completed by March 31, 2027, following extensions from the original completion date of March 31, 2025, and the subsequent revised completion date of March 31, 2026, and the eligible expenditures period runs from September 22, 2023, to March 31, 2027. As at June 30, 2026, the Company incurred

reimbursable eligible expenditures of \$3,955,209 out of the total \$4,275,848 available under the contribution agreement and \$320,639 remains available to be claimed for future eligible expenditures.

This funding will assist the Company with qualifying specific critical REOs and magnet materials (Sm and NdPr) with automotive, wind energy and consumer original equipment manufacturers. This funding and its focus on the light and mid-REE magnet materials complement the Company's U.S. Department of Defense Government Funding Award, which focuses on producing the heavy REE magnet materials, terbium (Tb) and dysprosium (Dy) as further described below.

U.S. Department of Defense Government Funding Award - Phase 1

On June 2, 2023, the Company, through its wholly owned subsidiary, IMC, was awarded a firm fixed-price US\$4-million other transaction agreement ("Phase 1 - OT Agreement" or "Phase 1 - Award") by the United States Army Contracting Command-Orlando ("ACC-ORL" or "US DoD" ("Department of Defense")) to conduct a REE separation technology capabilities prototype project at the Company's RapidSX™ CDF, utilizing its 52-stage RapidSX™ Demo Plant for the separation of mixed heavy REE concentrate feedstocks.

The objectives of the project were to demonstrate to the US DoD:

1. The capability to commercially source a sustainable domestic (that is, United States and Canada) processing facility for converting heavy and light REE feedstock sources to salable individual rare earth products.
2. A new innovative separation process that increases the ability to create domestic REE processing plants.

The initial OT Agreement allowed the Company to operate the RapidSX™ demonstration plant for extended periods of nearly continuous operation, with the goal of demonstrating the following attributes to the US DoD:

1. Rare earth separation processing capability at a rate more efficient than conventional solvent extraction;
2. Separation technology applicability to both light and heavy REEs with the same equipment;
3. A continuous process working facility capable of processing tonnes of feedstock; and
4. An increase in the Company's RapidSX™ technology readiness level ("TRL").

Background information about the Phase 1 - Award process:

On November 10, 2022, the US DoD issued a request for solutions ("RFS") seeking vendors and suppliers of innovative REE projects that can promote the adoption of REE recovery and separation technologies that incorporate advanced processing capabilities with the ability to meet the US DoD's requirements.

On January 17, 2023, the Company, through IMC, submitted a solution to the US DoD in response to the RFS, based on the execution of its separation technology development program in Kingston, ON, and its commercial deployment advancements in Louisiana. The Company's solution described the proposed project and the use of its proprietary RapidSX™ separation technology at the CDF utilizing the Demo Plant.

On June 2, 2023, the OT Agreement was finalized and awarded to the Company, through IMC, by ACC-ORL. Pursuant to the terms of the OT Agreement, the Company was required to pursue and complete the project in stages and provide regular reporting and information to ACC-ORL. The payment milestones are divided into fixed tranches and tied to the successful completion of each stage.

On December 13, 2024, the Company announced that the US DoD approved modifications to the Company's existing Phase 1 - OT Agreement and a corresponding payment of US\$1.8 million for the completion of certain milestones under the Phase 1 - Award. The modifications amended the existing agreement to more closely align payment milestones to the commercial objectives of the project, including:

- Significant business progress toward the establishment of a Western supply chain;
- Over 2,600 hours of demo plant operation in a simulated commercial environment processing tonnes of mixed rare earth elements; and

- Thousands of hours of conventional solvent extraction pilot operation for direct comparative analysis.

On April 7, 2026, the Company announced that the US DoD had accepted the Company's final reporting under the Phase 1 - OT Agreement, including a Final Demonstration Report (the "Report") and Final Techno-Economic Assessment ("TEA") collectively (the "Reports"), thereby concluding the successful completion of the Phase 1 – OT Agreement and triggering the final Phase 1 – OT Agreement payment milestone. The Reports summarized the results of more than 5,700 operating hours and seven demonstration campaigns conducted at the Company's CDF over a two-year period, including both heavy and light REE separations.

The following excerpt summarizes the Key Performance Metrics outlined in the Reports:

Metric	Performance
REE Separation Processing Efficiency	
Extraction Rate	On average, 5.4x less mixing time than CSX is needed to achieve target extraction levels.
Settling Rate	On average, 1.8x less settling time than CSX is needed for phase disengagement.
Recovery	Virtually identical; better than or similar to CSX in 13 out of 14 comparisons.
Purity	Virtually identical; better than or similar to CSX in 11 out of 14 comparisons.
Separation Flexibility	Able to reconfigure SX circuit stages within hours, allowing separation of different REEs to different target purities using the same equipment.
On-time Flexibility	Able to start and stop the system without loss of production equilibrium. RapidSX™ can immediately restart following planned or unplanned shutdowns.
Other Demo Plant Performance Data	
Operating Hours	5,726 hours
Tonnage Processed	1.76 metric tonnes REO equivalent
Separations Applied	7 separations completed: 5 heavy REE and 2 light REE
Footprint	Up to 60% smaller for a process with equal throughput
Economics	
CAPEX	34% reduction in CAPEX
OPEX	Similar: US\$2.2/kg of REO feedstock for RapidSX™, a slight decrease from CSX (US\$2.3/kg)

The Reports, which were based on millions of data points generated over a two-year sequence of demonstration campaigns, indicated that REE product recovery and purity achieved using RapidSX™ were consistently equal to or better than CSX. The Company noted that this result was expected, as RapidSX™ and CSX utilize the same underlying solvent extraction chemistry. The primary advantage demonstrated by RapidSX™ was the more efficient application of this chemistry, resulting in faster separation steps and a smaller physical equipment footprint relative to conventional systems. The Company believes these efficiencies have the potential to provide meaningful cost and ESG benefits in a commercial REE separation facility.

Seven demonstration campaigns were completed as follows, all starting with nearly two tonnes of a heavy mixed rare earth oxide feed source containing both heavy and light REEs:

Separation Number	REEs Separated	Classification	Operating Hours	Start Date	End Date
SX-1	TbDy TbDyHoY	Heavy REE	540	Dec 18, 2023	Apr 5, 2024
SX-2	Dy Ho	Heavy REE	3,480	Apr 30, 2024	Mar 12, 2025
SX-3	Gd Tb	Heavy REE	303	Mar 28, 2025	May 6, 2025
SX-4	Tb Dy	Heavy REE	656	May 7, 2025	Jun 16, 2025
SX-5	Nd Sm	Light REE	361	Jun 17, 2025	Sep 11, 2025
SX-6	Ce Pr	Light REE	214	Oct 28, 2025	Nov 21, 2025
SX-7	Sm SmEuGd Gd	Heavy REE	172	Dec 18, 2025	Jan 24, 2026
Total			5,726	Dec 18, 2023	Jan 24, 2026

Product Purity and Recovery

The success of each separation campaign was evaluated by comparing the purity and recovery achieved by RapidSX™ against a CSX baseline. Purity and recovery are key metrics used to assess separation efficiency, with

purity representing the proportion of target REEs relative to total REEs and recovery measured based on losses to the opposite side of the separation split.

Operational Flexibility & Lower Capital Intensity

The Reports highlight the ability to stop and restart the system without loss of equilibrium, as well as the ability to reconfigure circuit stages within hours to suit different separations and product objectives. This kind of flexibility is especially important in a commercial refinery, where feed variability, and meeting customer specifications in an evolving Western market, all benefit from a platform that is more agile. The Reports also support the view that RapidSX™ can apply the proven chemistry of solvent extraction in a smaller and more modular equipment arrangement than conventional mixer-settler systems. Lower SX-area capital intensity can improve project economics, support a staged buildout strategy, and allow capital to be deployed more intelligently as the LSMC expands.

Knowledge Transfer and Copy-and-Paste Deployment

The Reports emphasize that continuous improvement, plant learnings, operating protocols, controls development, and sampling discipline are designed to reduce risk for direct knowledge transfer from the CDF to the LSMC. The planned coordinated commissioning will shorten the learning curve, strengthen startup discipline, and improve the likelihood of a smoother transition into commercial production.

U.S. Department of Defense Government Funding Award - Phase 2

On May 14, 2025, the Company announced that it had reached an agreement with the DoD regarding amending the Phase 1 - OT Agreement whereby an additional fixed amount of US\$18.4 million will be provided to the Company. On June 2, 2025, the Company announced the execution of the amended Phase 1 - OT Agreement (the "Phase 2 - OT Agreement") bringing the total US DoD funding to US\$22.4 million.

The purpose of the additional US\$18.4 million award from the US DoD is to facilitate the construction of the Company's first commercial RapidSX™ machine and supporting infrastructure. Specifically, the additional requirements of the project and the Company's objectives pursuant to the Phase 2 - OT Agreement are to:

- Complete detailed design, engineering, construction, and confirmation testing of commercial-scale RapidSX™ columns at the Company's CDF;
- Complete initial design and engineering plans for the LSMC;
- Submit the required permit applications for the initial single machine demonstration trials with respect to the LSMC;
- Construct the requisite RapidSX™ supporting infrastructure for the single machine trials, which will initially be scaled to service three RapidSX™ machines within the LSMC (with additional capacity for further machines within the 80,800-square-foot facility); and
- Construct one commercial-scale RapidSX™ machine within the LSMC, including commissioning, demonstration and achieving "early production" readiness of salable individual REE products from the LSMC in H1-2027.

The Phase 2 - OT Agreement contains 20 project milestones. To date, the Company has completed 5 of the 20 project milestones under the Phase 2 - OT Agreement and has claimed \$2,589,981 (US\$1,899,867). The Company continues to advance work on the remaining milestones and as at the date of this MD&A, US\$16,500,133 remains available to be claimed upon achievement of future milestones.

Government of Canada Funding for a Samarium and Gadolinium Facility

On October 31, 2025, the Company announced that it has been conditionally approved for a Government of Canada contribution of up to \$36.3 million for the "Pathway to Samarium and Gadolinium Security" project. This includes the conditional approval of a contribution of up to \$26.3 million from NRCan through the Global Partnerships Initiative Program and up to \$10 million from FedDev Ontario, to demonstrate and scale-up a first-of-its-kind commercial processing facility in Kingston, Ontario, dedicated to the refining of the critical rare earth elements samarium and gadolinium. If approved, this funding will address a critical gap in the North American defense and technology supply

chains. As of the date of this MD&A, the Company does not have a definitive agreement with the Government of Canada for this funding. Definitive agreements for the up to \$26.3 million from NRCan and the up to \$10 million from FedDev Ontario are expected to be negotiated and finalized in the coming months.

Financing Transactions

2026 Bought Deal Public Offering

On August 13, 2026, the Company closed a bought deal public offering (the “Offering”) for aggregate gross proceeds of \$69,004,600, including the exercise in full of the over-allotment option for gross proceeds of \$9,000,600. Pursuant to the Offering, the Company sold a total of 24,644,500 common shares of the Company at a price of \$2.80 per common share, including 3,214,500 common shares sold pursuant to the exercise of the over-allotment option. Red Cloud Securities Inc. acted as sole bookrunner and co-lead underwriter, and B. Riley Securities, Inc. acted as co-lead underwriter (collectively, the “Underwriters”).

The Company intends to use the net proceeds from the Offering to fund the development of the LSMC, and for working capital and general corporate purposes, as further described in the Prospectus Supplement (as defined below).

The common shares were offered for sale in the provinces of Alberta, British Columbia, Manitoba, Ontario and Saskatchewan pursuant to a prospectus supplement dated August 10, 2026 (the “Prospectus Supplement”), which supplements the Company’s (final) short form base shelf prospectus dated June 30, 2026 (the “Base Shelf Prospectus”, and collectively with the Prospectus Supplement, the “Prospectus”). Portions of the Offering were also sold in jurisdictions outside of Canada on a private placement or equivalent basis. The Prospectus was filed in each of the provinces and territories of Canada. Investors should read the Prospectus and other documents that the Company has filed for more complete information about the Company and the Offering. Copies of these documents are available under the Company’s profile on SEDAR+ at www.sedarplus.ca.

As consideration for their services in connection with the Offering, the Underwriters received an aggregate cash fee of \$4,125,276, which is equal to a cash fee of 6.0% of the gross proceeds of the Offering (other than in respect of the gross proceeds from the sale of common shares to purchasers under a President’s List, which such gross proceeds were subject to a cash fee of 3.0% of such gross proceeds).

Research and Development Expenditures

During the six-month period ended June 30, 2026, the Company incurred \$6,510,675 (June 30, 2025 - \$2,454,189) in net research and development expenditures. The increase in net research and development expenditures was primarily attributable to increased activity at the Company’s CDF to advance the commercial-scale deployment of RapidSX™, including scale-up testing, engineering, process development and feedstock qualification activities. This resulted in higher labour, supplies, consumables and materials, consulting and professional services, and process feedstock and reagent expenditures. The following is a breakdown of the material components of the Company’s research and development expenditures:

	For the six-month period ended June 30, 2026 \$	For the six-month period ended June 30, 2025 \$
Depreciation	890,700	890,700
Consulting and professional services	1,640,132	391,899
Facility and utility expenses	162,416	54,600
Laboratory and analytical expenses	89,617	11,563
Labour	4,808,079	2,344,028
Other operating expenses	235,032	80,264
Process feedstock and reagents	654,698	86,739
Share-based payments	139,422	19,889
Supplies, consumables, and materials	2,322,944	261,686
Waste management disposal	226,508	70,507
Total research and development expenditures	11,169,548	4,211,875
NRC-CMRDD program funding	(2,021,889)	(189,497)
Government tax credits and recoveries	(80,000)	(120,000)
US DoD funding	(2,556,984)	(1,448,189)
Total research and development expenditures, net	6,510,675	2,454,189

Selected Annual Information

The following annual information is prepared in accordance with IFRS Accounting Standards. Amounts are reported in thousands of Canadian dollars, except for per share amounts.

	For the year ended December 31, 2025 \$	For the year ended December 31, 2024 \$	For the year ended December 31, 2023 \$
Net loss	39,265	13,470	7,605
Loss per share – basic and diluted	0.46	0.22	0.13
Total assets	83,583	62,055	60,621

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 prospective LSMC, 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 LSMC becomes designed, constructed and then eventually operational to the extent that it generates net profits; (iii) the Company engages in other joint ventures related to its RapidSX™ technology; and/or (iv) the Company profitably sells one or more of its core assets.

During the six-month period ended June 30, 2026, the Company incurred a net loss of approximately \$12.84 million compared to a net loss of \$8.76 million for the six-month period ended June 30, 2025, an increase of approximately \$4.08 million. Operating expenses totalling approximately \$12.25 million were recognized during the six-month period ended June 30, 2026 compared to approximately \$5.65 million during the six-month period ended June 30, 2025. The increase in operating expenses was primarily driven by higher research and development expenditures associated with increased activity at the Company's CDF, as outlined in the *Research and Development Expenditures* section above. Further variances between the periods are discussed below.

The Company recorded a non-cash amortization expense of approximately \$469,000 during the six-month period ended June 30, 2026, which is consistent with the comparable prior period amount of \$471,000 and is largely attributable to the amortization of the Company's intellectual property.

For the six-month period ended June 30, 2026, the Company recorded salaries and management fees of approximately \$823,000 compared to approximately \$701,000 in the comparable prior period. The increase was primarily attributable to higher salary and management fees resulting from annual compensation adjustments in the fourth quarter of the prior year.

Professional services expenditures totaled approximately \$1.06 million for the six-month period ended June 30, 2026, compared to approximately \$568,000 in the comparable prior period. The increase reflects higher legal, tax, and audit costs and increased use of external professional advisors in connection with advancing the Company's strategic initiatives.

During the six-month period ended June 30, 2026, the Company incurred net research and development expenditures of approximately \$6.51 million compared to approximately \$2.45 million for the six-month period ended June 30, 2025. Research and development expenditures relate to expenditures incurred to further the advancement of the Company's wholly owned subsidiary's RapidSX™ technology. The increase of approximately \$4.06 million in the current period was primarily driven by higher research and development expenditures associated with increased activity at the Company's CDF. A breakdown of material components of the Company's research and development expenditures period over period is presented above in the *Research and Development Expenditures* section.

Investor relations and marketing expenditures were approximately \$181,000 for the six-month period ended June 30, 2026, compared to approximately \$436,000 for the six-month period ended June 30, 2025. Further details pertaining to the Company's investor relations and marketing activities are presented below in the *Investor Relations, Marketing and Other* section.

The Company recorded office and premises expenditures of approximately \$219,000 for the six-month period ended June 30, 2026, compared to approximately \$152,000 for the six-month period ended June 30, 2025. The increase was primarily attributable to higher general office expenses associated with increased corporate and project development activities throughout the current period.

The Company recorded non-cash share-based payment expense of approximately \$2.62 million reflecting the estimated value of stock options and restricted share units recognized over their respective vesting periods during the six-month period ended June 30, 2026, compared to approximately \$585,000 in the comparable prior period. Differences period-over-period are largely attributable to size and timing of the options and restricted share units granted.

The Company recorded travel expenditures of approximately \$231,000 for the six-month period ended June 30, 2026, compared to \$208,000 in the comparable prior period. Travel expenditures were primarily attributable to travel to the Company's CDF in Kingston, ON, and the Company's LSMC in Alexandria, LA, as well as attendance at various industry conferences.

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 six-month period ended June 30, 2026, the Company recorded interest income of approximately \$259,000, compared to approximately \$3,000 in the comparable prior period. Interest income represents earnings on cash and cash equivalents.
- During the six-month period ended June 30, 2026, the Company recorded interest and accretion expense of approximately \$868,000 compared to approximately \$1.52 million for the six-month period ended June 30, 2025. Interest and accretion expenditures decreased by approximately \$648,000 compared to the prior period, primarily due to the conversion of the Company's convertible debentures and the repayment of the 2022 Facility in the fourth quarter of 2025. Current-period interest and accretion expenditures were primarily related to loans payable and lease liabilities.
- The 2020 and 2024 Convertible Debentures contained multiple embedded derivatives which were revalued, resulting in a non-cash loss on the fair value adjustment of approximately \$1.95 million for the six-month period ended June 30, 2025. No comparable expense was recorded during the six-month period ended June 30, 2026, as all outstanding 2020 and 2024 convertible debentures were converted during the fourth quarter of 2025.
- The Company recorded a foreign exchange gain of approximately \$21,000 during the six-month period ended June 30, 2026, compared to a gain of approximately \$388,000 for the six-month period ended June 30, 2025. 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	06/30/26 \$	03/31/26 \$	12/31/25 \$	09/30/25 \$	06/30/25 \$	03/31/25 \$	12/31/24 \$	09/30/24 \$
Net loss	7,679	5,161	7,817	22,690	3,634	5,124	2,024	2,724 ⁽¹⁾
Net loss per share – basic and diluted	0.07	0.05	0.07	0.25	0.05	0.08	0.03	0.04
Total Assets	83,340	85,068	83,583	76,023	70,665	60,724	62,055	58,088

⁽¹⁾ The Company has restated the net loss to reflect year-end December 31, 2024, adjusting journal entries that were reflected in the December 31, 2024 annual consolidated financial statements and further described in note 3 of the unaudited condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2025.

Liquidity and Capital Resources

As at June 30, 2026, the Company had positive working capital of approximately \$9.59 million with an unrestricted cash balance of approximately \$19.88 million. As at June 30, 2026, the Company had current assets of approximately \$23.75 million and current liabilities of approximately \$14.16 million resulting in a current ratio of 1.68.

During the six-month period ended June 30, 2026, the Company used approximately \$6.5 million in cash to fund operating activities, primarily related to research and development at the Company's RapidSX™ CDF.

During the six-month period ended June 30, 2026, the Company received proceeds of \$4,423,684 from the exercise of stock options and warrants.

On August 13, 2026, the Company closed a bought deal public offering (the "Offering") for aggregate gross proceeds of \$69,004,600, including the exercise in full of the over-allotment option for gross proceeds of \$9,000,600. Pursuant to the Offering, the Company sold a total of 24,644,500 common shares of the Company at a price of \$2.80 per common share, including 3,214,500 common shares sold pursuant to the exercise of the over-allotment option.

Subsequent to June 30, 2026, the Company received proceeds of \$683,615 from the exercise of stock options and warrants.

The Company is reliant on equity or other forms of financing to fund the advancement of its RapidSX™ Program, the development of its SMC in Louisiana, the advancement of the Bokan Project, and other corporate objectives. Management concluded that the Company has sufficient liquidity to meet its obligations for the next twelve months, considering the Company's planned capital expenditures and exploration activities. The Company has the ability to scale back its capital expenditures and exploration activities, and will do so as necessary, based on cash availability. The Company will also need to raise further financing within the next two years to execute its strategic plan and meet its objectives. Management is actively evaluating potential sources of additional financing, 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.

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, Marketing, and Other

During the three-month period ended June 30, 2026, and up until the date of this MD&A, the Company used advertising and promotion services offered by Google and Facebook to raise public awareness of the Company's website and corporate videos and to bring awareness to the Company's business initiatives. The Company's corporate videos are approved by the Company's management prior to public distribution.

Off-Balance Sheet Arrangements

As at June 30, 2026, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instrument obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Critical Judgements and Estimates

The preparation of financial statements in conformity with IFRS Accounting Standards 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 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.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual development and exploration programs, involves significant judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

Recoverability of resource properties and related exploration costs

At the end of the reporting period, the Company assessed its resource properties and related exploration costs to determine whether any indication of impairment exists. Judgement is required in determining whether indicators of impairment exist, including factors such as expiration of rights to explore with no right or expectation of renewal, substantive expenditure on further exploration and evaluation in the specific area is neither budgeted nor planned or the entity has decided to discontinue such activities in the specific area, no commercially viable quantities are discovered and exploration and evaluation activities will be discontinued, or sufficient data exists to indicate that the carrying amount of the resource properties and related exploration costs are unlikely to be recovered in full from successful development or by sale.

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. The fair value of resource properties and related exploration costs 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.

Changes in Accounting Standards including Initial Adoption

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments which amend IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures (the "Amendments"). The narrow scope amendments clarify classification guidance for financial assets with environmental, social and corporate governance features; and clarify the date on which a financial asset or financial liability is derecognized, including those through electronic payment systems. The Amendments aim to address diversity in practice by specifying that receivables and payables settled electronically should only be derecognized when a corporation has transferred control of the cash and no longer retains settlement-related risks, which may occur later than the point when a payment is initiated. An entity may elect an accounting policy option to derecognize a financial liability settled through an electronic payment system prior to the settlement date when those specific criteria are met. This election does not apply to payments made by cheque, which continue to be derecognized only upon settlement. The Amendments became effective for annual reporting periods beginning on or after January 1, 2026.

The Company adopted the Amendments effective January 1, 2026, with no material impact on the Company's unaudited condensed interim consolidated financial statements. The Company elected the accounting policy option to derecognize financial liabilities settled through electronic payment systems prior to the settlement date when the specific criteria described above are met. The Amendments were applied prospectively, and comparative information was not restated.

Other accounting standards issued but not yet effective

The Company is in the process of determining how the following new and amended standard could impact its financial statements.

IFRS 18 *Presentation and Disclosure in Financial Statements* is a new standard that will provide new presentation and disclosure requirements and replace IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces changes to the structure of the income statement; provides required disclosures in financial statements for certain profit or

loss performance measures that are reported outside an entity's financial statements; and provides enhanced principles on aggregation and disaggregation in financial statements. Many other existing principles in IAS 1 have been maintained. IFRS 18 is effective for years beginning on or after January 1, 2027, with earlier application permitted.

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. The Company has defined key management personnel as senior executive officers, as well as the Board of Directors. The total remuneration of key management personnel and the Board of Directors was as follows:

	For the six-month period ended June 30, 2026 \$	For the six-month period ended June 30, 2025 \$
Directors' fees	123,500	109,500
Share-based payments to directors	675,557	15,047
Key management short-term benefits	448,448	346,018
Share-based payments to key management	764,149	148,464
	2,011,654	619,029

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

Other related party transactions

The Company paid legal fees to Miller Thomson LLP of \$424,572 during the six-month period ended June 30, 2026, compared to \$377,458 for the six-month period ended June 30, 2025. 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.

The Company has loans payable to Orca, and during the six-month period ended June 30, 2026, and the year ended December 31, 2025, the Company repaid principal and interest and incurred interest charges as further described in note 6 of the Company's unaudited condensed interim consolidated financial statements for the six-month period ended June 30, 2026.

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). Orca Holdings, LLC (which is wholly owned by Mr. Randy Johnson, a director of the Company since October 6, 2020) filed its latest early warning report on SEDAR+ on December 5, 2025 (www.sedarplus.ca).

Outstanding Share Data

The Company's outstanding share capital is detailed in note 7 of the Company's unaudited condensed interim consolidated financial statements for the three-month and six-month periods ended June 30, 2026. The following is the Company's issued and outstanding share data as of August 26, 2026.

Securities	Number	Weighted average exercise price \$	Weighted average remaining life (years)
Common shares	141,802,086	n/a	n/a
Warrants ⁽¹⁾	11,133,789	0.88	0.22
Stock options ⁽²⁾	7,313,334	2.66	3.22
Deferred share units	25,710	n/a	n/a
Restricted share units	640,000	n/a	n/a

⁽¹⁾ Subsequent to June 30, 2026, the Company received proceeds of \$591,615 from the exercise of 473,292 warrants.

⁽²⁾ Subsequent to June 30, 2026, the Company received proceeds of \$92,000 from the exercise of 65,000 stock options.

Subsequent to June 30, 2026, 2,625 compensation options expired unexercised.

Risks and Uncertainties

In conducting its business, the principal risks and uncertainties faced by the Company relate to:

- the development of the Company's prospective LSMC including the commercial deployment of the Company's innovative RapidSX™ mineral processing and purification technology capable of efficiently processing and purifying one or more feedstocks of mixed rare earth chemical concentrates;
- the ability of the Company to generate positive cash flow 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;
- the availability of upstream REE feedstock, and in quantities and at prices that will allow for the Company to develop and then commercially operate its planned SMCs in order to refine the REEs and then sell and deliver them profitably to the Company's downstream customers;
- exploration and development success of the Company's mineral property (the Bokan Project);
- 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 Company's dependence on key management and technical personnel, including the risk that the loss of such individuals could adversely impact the Company's ability to execute its strategy, develop its technologies, and advance its projects;
- the ability of the Company to develop and/or protect its intellectual property; and
- general economic, business and capital market sentiment and conditions.

Near-Term Execution Risks

Within the next two years, the Company's development and growth depends on its ability to: (i) successfully trial the Demo Plant at the CDF in Kingston, Ontario; (ii) secure one or more reliable sources of REE feedstock at prices that are acceptable and attractive to the Company; (iii) secure one or more REE-product customers that are willing and able to purchase REE products from the Company at prices that are expected to be profitable for the Company; and then (iv) obtain the financing required to develop, construct and commission the LSMC, which is planned to be the Company's first commercially operated rare earth processing facility.

Market Demand and End-Use Risks

The success of the Company's business in the long run will depend, in part, on the growth of existing and emerging uses for rare earth products and other critical materials that are suitable for processing using RapidSX™. Demand for the REE products that the Company is planning on eventually producing and selling from the Company's planned SMCs may be impacted by demand for downstream products incorporating rare earths, including hybrid and electric vehicles, wind turbines, robotics, medical equipment, military equipment and other high-growth, advanced motion technologies, as well as demand in the general automotive and electronic industries. Lack of growth in these markets may adversely affect the demand for the Company's expected products. In contrast, extended periods of high commodity prices may create economic dislocations that may be destabilizing to rare earth oxides supply and demand and ultimately to the broader markets. Periods of high rare earth oxide market prices generally are expected to be beneficial to the Company's financial performance. However, strong rare earth oxide prices also create economic pressure to identify or create alternate technologies that ultimately could depress future long-term demand for rare earth oxides and products, and at the same time may incentivize development of competing rare earth processing technologies and also rare earth mining properties.

The Company's strategy is to eventually produce rare earth products from the Company's planned SMCs that are expected to be used by the Company's customers in their manufacturing or assembly of hybrid and electric vehicles, wind turbines, robotics, medical equipment, military equipment and other technologically advanced products. The success of the Company's eventual business will depend on the continued growth of these end markets and the successful commercialization of rare earth products, including NdPr, in such markets. If the market for these critical existing and emerging technologies does not grow as the Company expects, grows more slowly than is expected, or if the expected demand for the Company's future products in these markets decreases, then the Company's business, prospects, financial condition and operating results will be harmed. In addition, the market for these technologies, particularly in the automotive industry, tends to be cyclical, which exposes the Company to increased

volatility, and it is uncertain as to how such macroeconomic factors will impact the Company's business. Any unexpected costs or delays in the commercialization of separated REE products or rare earth magnets, or less than expected demand for the critical existing and emerging technologies that use rare earth products, could have a material adverse effect on the Company's financial condition or results of operations.

Geopolitical Risks

Changes in the People's Republic of China's political environment and policies, including changes in export policy or the interpretation of China's export policy and policy on rare earths production or the import of rare earth feedstock, may adversely affect the Company's business prospects, viability, financial condition and the results of operations. In addition, the Company's operations and financial performance may be adversely affected by other geopolitical developments and global economic conditions beyond its control. These include, but are not limited to, armed conflicts, trade tensions, economic sanctions, and changes in international relations. These events could contribute to volatility in commodity prices, disruptions to global supply chains and shipping routes, and increased inflationary pressures.

Capital and Project Development Risks

The production of rare earth products is a capital-intensive business and will require the commitment of substantial resources and if the Company does not have sufficient resources to provide for such production, it could have a material adverse effect on the Company's financial condition or results of operations. The development, construction and commissioning of the LSMC will require the commitment of substantial resources and capital expenditures. The Company's estimated expenses may increase as a result of further engineering, procurement and project development activities, the addition of consultants, personnel and equipment associated with the Company's efforts are added, and as a result of inflationary pressures in Canada and the United States. The progress of the LSMC, the amounts and timing of expenditures and the success of the project will depend in part on the following: (a) the successful development and installation of the RapidSX™ equipment in the LSMC facility; (b) the ability of the new equipment to separate REO as designed and engineered; (c) the Company's ability to timely procure new equipment and materials, certain of which may involve long lead-times, or to repair existing equipment at the Demo Plant; (d) the ability of service providers or vendors to meet contractually-negotiated delivery or completion deadlines or meet performance specifications or guarantees; (e) maintaining, and procuring, as required, any applicable federal, state and local permits; (f) the handling of project change orders, due to engineering, process, health and safety, or other considerations; (g) negotiating contracts for equipment, equipment assembly and installation, labor and work related to commissioning the LSMC; (h) impact of planned and unplanned shut-downs and delays in the Company's development plans; (i) impact of stoppages or delays on construction projects; (j) the avoidance or absence of disputes with contractors or other third parties; (k) negotiating sales and offtake contracts for the Company's planned production; (l) the execution of any joint venture agreements or similar arrangements with strategic partners; (m) the impact of COVID-19 or similar pandemics on the Company's business, the Company's strategic partners' or suppliers' businesses, logistics or the global economy; and (n) other factors, many of which are beyond our control.

Technology-Specific Risks

IMC's RapidSX™ mineral processing and purification technology is being demonstrated at the Company's commercialization and demonstration facility, located in Kingston, Ontario. However, it has yet to be proven at a commercial scale in a large REE purification and processing facility. The Company 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 or any other potential REE feedstock. 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, 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 technologies will not get developed that will result in the Company's existing intellectual property becoming obsolete or less competitive.
- The Company may not be able to adequately protect the Company's and IMC's intellectual property rights. If the Company fails to adequately enforce or defend these intellectual property rights, then the Company's

business may be harmed. If the Company infringes, or is accused of infringing, the intellectual property rights of third parties, it may increase the Company's costs or prevent the Company from being able to commercialize RapidSX™ or any other new products or processes.

- The specialized scientific nature of RapidSX™ means that the Company's success depends in a large part on the ability to recruit and 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 recruited and retained. The loss of one or more key individuals, particularly those with specialized knowledge of RapidSX™ or the Company's strategic relationships, could have a material adverse effect on the Company's ability to advance its technology, execute its business plan, or maintain its competitive position.

The LSMC discussed in this MD&A is preliminary, conceptual and aspirational in nature as at the date hereof. The continued development of the SMC 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 does not currently have any contractually committed customers for the planned output and delivery of REEs from the Company's prospective LSMC. Although the Company is in periodic discussions with potential customers regarding potential prepayment offtake agreements (whereby the customer would prepay for a portion of the expected output from the LSMC and would pay for remaining ordered portions upon delivery), there is no assurance that the parties will be able to reach an agreement or that the Company will be able to produce and deliver the required REE products in accordance with the customer's required specifications and timing requirements. The Company's Demo Plant and then the LSMC will need to process REE to exacting specifications in order to provide future customers with a consistently high-quality product. An inability to process REOs that meet individual customer specifications may have a material adverse effect on the Company's financial condition or results of operations.

The Company may not be able to convert the current commercial discussions with OEM-automotive and similar REE-product customers into contracts, which will have a material adverse effect on the Company's financial position and results of operations.

Resource and Technical Risks

The Company's MRE (which was filed on SEDAR+ on April 30, 2026) includes indicated and inferred mineral resources. Mineral resources that are not mineral reserves do not have demonstrated economic viability, and there is no certainty that all or any part of the mineral resources will be converted into mineral reserves or that the Bokan Project will achieve commercial production.

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 in the risk of loss of ownership. The Company may incur significant costs related to defending the title to the Company's properties.

Exploration and Acquisition Risks

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 unprofitable. 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 mining and mineral processing businesses are subject to extensive and costly environmental requirements; current and future laws, regulations and permits impose significant costs, liabilities or obligations or could limit or prevent the Company's ability to develop or operate the LSMC or the development and operations of the Bokan Project. Moreover, environmental legislation and regulation are evolving in a manner that may impose stricter standards and enforcement, increased fines and penalties for non-compliance, cessation of operations, more stringent environmental assessments, and a heightened degree of responsibility for companies and their officers, directors and employees.

Financing and Dilution Risks

The Company does not generate any revenue and does not have sufficient funds to put any of its resource interests (including the LSMC) 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 favorable 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. Debt financing, if available, may involve restrictive covenants, security over the Company's assets, and increased fixed payment obligations. If the Company is unable to obtain adequate financing on a timely basis, it may be required to delay, scale back, or eliminate certain of its development programs or forgo potential opportunities, any of which could have a material adverse effect on its business and financial condition.

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.

Government Funding Risks

There is no assurance that the Company will continue to qualify and receive any additional direct funding from any US Government (federal, state or municipal) or any Canadian Government (federal, provincial or municipal). There is no assurance that the State of Louisiana will provide any funding related to the LSMC, as contemplated in the Letter of Intent dated October 14, 2022.

It is unknown whether the trade disputes between the Canadian Government and the US Government will have any effect on the Company's ability to procure additional government funding in the future. See "Canada-USA Trade Relations and Potential Impact of Tariffs" below.

Information Technology and Cybersecurity Risks

The Company depends upon information technology systems in the conduct of its business. The Company's information technology systems are at risk of disruption, damage or failure from a variety of sources, including, without limitation, computer viruses, security breaches, cyber-attacks, natural disasters and defects in design. Cybersecurity incidents, in particular, are evolving and include, but are not limited to, malicious software, attempts to gain unauthorized access to data and other electronic security breaches that could lead to disruptions in systems, unauthorized release of confidential or otherwise protected information or the corruption of data. Various measures have been implemented to manage the Company's risks related to information technology systems and network disruptions. However, given the unpredictability of the timing, nature and scope of information technology disruptions, the Company could potentially be subject to downtimes, operational delays, the compromising of confidential or otherwise protected information, destruction or corruption of data, security breaches, other manipulation or improper use of the Company's systems and networks or financial losses from remedial actions, any of which could have a material adverse effect on the Company's business, operating results and financial condition.

Insurance and General Business Risks

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.

Financial Instrument Risks

The Company's financial instruments consist of cash, restricted cash, short-term deposits, trade and other receivables, lease liabilities, accounts payable and accrued liabilities, and loans payable. 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.

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 LSMC 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.

Canada-USA Trade Relations and Potential Impact of Tariffs

On March 4, 2025, the United States imposed 25% tariffs on most Canadian exports and 10% tariffs on certain Canadian energy products. On March 6, 2025, the United States announced adjustments to these measures so that CUSMA-compliant goods remained exempt, while a 25% tariff applied to goods that did not qualify under CUSMA rules of origin and a 10% tariff applied to certain energy products and potash that did not qualify under CUSMA. In response, the Government of Canada imposed 25% tariffs on \$30 billion of goods imported from the United States. On March 13, 2025, Canada imposed further 25% countermeasures on \$29.8 billion of US steel, aluminum and other goods, and on April 9, 2025, imposed countermeasures on certain US-made vehicles. Subsequently, Canada announced temporary remission measures to support Canadian industry. Canada also implemented tariff-rate quotas on certain steel products in June 2025 and rescinded the Digital Services Tax later that month to advance broader trade negotiations with the US. In August 2025, Canada announced the removal of counter-tariffs on most US goods September 1, 2025, while maintaining counter-tariffs on autos, steel and aluminum; related remission processes continue to apply.

Canada continues to apply tariff measures on US autos, steel and aluminum, subject to applicable remission measures. Canada also maintains tariff-rate quotas on certain steel imports from non-CUSMA partners. Canada and the US have engaged in trade discussions, including discussions regarding modernization of CUSMA. On July 20, 2026, the United States announced additional 50% tariffs under Section 338 of the Tariff Act of 1930 on certain Canadian goods in response to U.S. concerns regarding Canada's treatment of U.S. alcoholic beverages, dairy products and motor vehicles. The tariffs apply to covered goods irrespective of whether they qualify for preferential treatment under CUSMA, subject to specified exclusions. Although initially scheduled to take effect on August 19, 2026, their implementation was temporarily suspended for three days and the tariffs became effective on August 22, 2026.

Canada subsequently suspended its bilateral trade negotiations with the US. On August 25, 2026, Canada announced that, effective September 8, 2026, it will impose additional counter-tariffs of 15%, 25% and 50% on \$27.6 billion of US imports, with the rate applicable to each product matching the corresponding US rate. Canada's existing counter-tariffs, including those applicable to US automobiles, remain in effect, and Canada's tariff remission framework continues to apply.

The full scope, impact and duration of such measures remain uncertain. Additionally, there is a possibility that the trade dispute could escalate further, which may increase costs for Canadian exporters and may substantially impact the trade relationship between the US and Canada. Additional measures imposed could include, among others, increased tariffs on Canadian automobile exports, restrictions on cross-border supply chains or additional regulatory barriers that could impact the Company's ability to access international markets and conduct business efficiently. The impact of the Tariffs on the Company's business, results of operations and financial condition is unknown and may be material and adverse. For example, the Tariffs, as well as any other measures or tariffs that may be imposed in the future, may lead to increased costs for raw materials (such as feedstock), components and equipment, and could impact existing operations of the Company.

Supply Chain Risk

On January 1, 2024, an Act to enact the Fighting Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff ("Supply Chains Act") came into force in Canada. Starting in May 2024, the Supply Chains Act introduced a public reporting requirement that was applied to many governmental institutions and private sector businesses, including the Company. While there are no identified instances of the Company using forced labour or child labour in its supply chain, there is a risk that the Company's supply chain may have actual or alleged forced or child labour. Should such an instance arise, the Company would be required to take measures to address such a claim or risk of a claim, including disrupting its supply chain operations in pursuit of such a remedy, which could result in operational, financial, business or reputational harm. The recent Tariffs and retaliatory measures between Canada and the US may result in additional sanctions or other international actions, any of which may have a destabilizing effect on commodity prices and, more broadly, supply chains and global economies.

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.

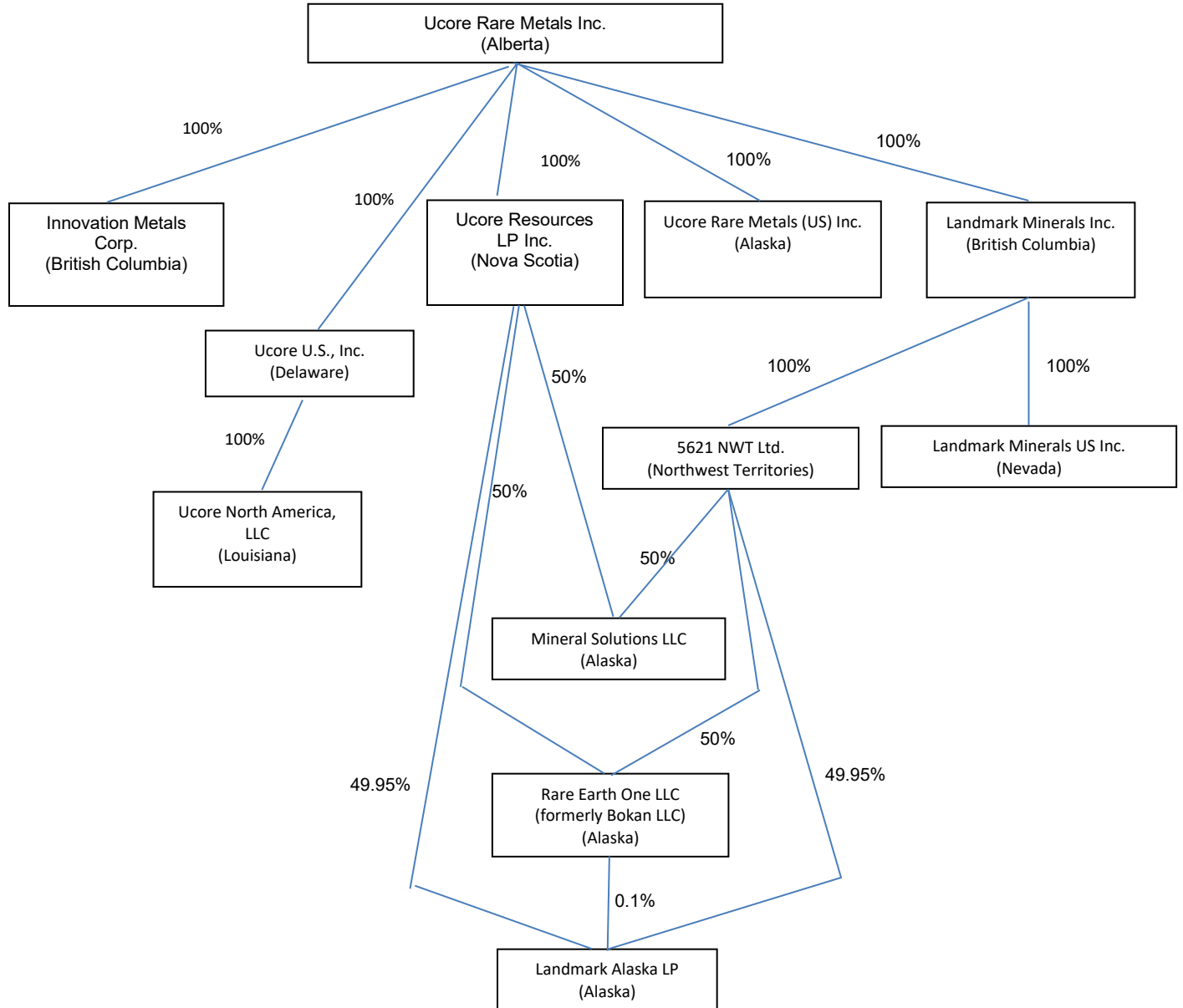
TSX Venture Exchange listed companies are not required to provide representations in their annual and interim filings relating to the establishment and maintenance of DC&P and ICFR, as defined in National Instrument 52-109. In particular, the CEO and CFO certifying officers do not make any representations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

Other Information

Additional information regarding the Company is available on SEDAR+ at www.sedarplus.ca and on the Company's website at www.ucore.com.

Appendix “A”

Ucore Rare Metals Inc. Corporate Organizational Chart as at August 26, 2026



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

For the six-month period ended June 30, 2026

Details of Resource Properties and Related Deferred Costs

	Bokan Mountain/ Dotson Ridge
Mineral Properties	
Balance, beginning of the period	\$ 4,944,882
Expenditures during the period	-
Translation adjustment	117,512
Balance, end of the period	<u>5,062,394</u>
Deferred Exploration expenditures:	
Environmental and permitting	11,357
Consulting and reports	21,170
	<u>32,527</u>
Balance, beginning of the period	35,565,958
	<u>35,598,485</u>
Translation adjustment	828,905
Balance, end of the period	<u>36,427,390</u>
Mineral properties and deferred exploration expenditures, end of the period	<u><u>\$ 41,489,784</u></u>

For the six-month period ended June 30, 2025

Details of Resource Properties and Related Deferred Costs

	Bokan Mountain/ Dotson Ridge
Mineral Properties	
Balance, beginning of the period	\$ 5,096,231
Expenditures during the period	-
Translation adjustment	(164,386)
Balance, end of the period	<u>4,931,845</u>
Deferred Exploration expenditures:	
Environmental and permitting	13,895
	<u>13,895</u>
Balance, beginning of the period	36,399,279
	<u>36,413,174</u>
Translation adjustment	(1,159,558)
Balance, end of the period	<u>35,253,616</u>
Mineral properties and deferred exploration expenditures, end of the period	<u><u>\$ 40,185,461</u></u>