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TSX.V: LL

February 12, 2019

Canada Rare Earth Enters into Binding LOI to Purchase Property in South America

Canada Rare Earth Corp. (“Canada Rare Earth” or the “Company”) (TSX.V: LL) is pleased to announce that it has entered into a binding letter of intent (“LOI”) to acquire a property in South America that is a source of mineral sands containing saleable minerals including rare earths.

The property encompasses over 75 million metric tons of tailings which have been produced by an existing mining operation and which will be reprocessed to extract saleable minerals including rare earth elements; land on which the tailings are situated; and sufficient land to reprocess the tailings and to construct a 20,000 square foot building.

Consideration includes US\$12 million payable over a ten-year period with a US\$600,000 deposit at the time of closing the transaction. Consideration also includes providing technological advice to the vendor to upgrade existing mining operations.

Canada Rare Earth is arranging financing at a subsidiary company level, on a non-recourse basis, for the purchase of the property, for equipment to process the tailings, for construction of the building, and for working capital.

Closing of the transaction is scheduled for April 2, 2019 subject to a number of factors including the completion of due diligence to the satisfaction of Canada Rare Earth, preparing definitive agreements, and implicitly on raising financing on acceptable terms.

There can be no assurance that the results of due diligence will be positive, that reprocessing the tailings will be profitable, or that the financing can be arranged on acceptable terms.

On behalf of the Board

Tracy A. Moore, CEO and Peter Shearing, COO

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. Forward-looking statements in this release are made pursuant to the ‘safe harbour’ provisions of the Private Securities Litigation Reform act of 1995. Investors are cautioned that such forward-looking statements involve risks and uncertainties.

For more information on the Company, interested parties should review the Company's filings that are available at www.sedar.com.

FOR FURTHER INFORMATION PLEASE CONTACT:



**Canada Rare Earth
Corporation**

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