Canada Rare Earth
Corporation

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TSX.V: LL

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Canada Rare Earth Reinvigorates a South American Rare Earth Mine and Processing Opportunity

Canada Rare Earth Corp. ("Canada Rare Earth" or the "Company") (TSX.V: LL) is pleased to announce that it has re-established discussions and momentum with the owners (the "Owners") of an advanced prospective rare earth property situated in South America (the "Property").

The recent dialogue has resulted in an agreement outlined in a non-binding letter of intent (the "2019 LOI") which is significantly different from the original letter of intent announced on October 17, 2017 (the "2017 LOI"). The 2019 LOI is simpler in many regards. For example, under the 2019 LOI Canada Rare Earth will purchase the rare earth concentrate for either sale or further processing onsite, whereas the 2017 LOI provided for more of a joint venture collaboration with joint management and cross ownership of the prospective mine and processing facilities.

The 2019 LOI and the 2017 LOI are consistent in that:

1. The Owners will prepare and transport a 50-ton bulk sample to a port designated by Canada Rare Earth in Asia;
2. Canada Rare Earth will arrange for the importation of the sample, transportation within country to three testing and/or commercial processing facilities; and
3. Canada Rare Earth will select the optimal process best suited to the Owners' ore.

Final process selection and implementation are subject to testing results and subject to agreement by the Owners.

Prior discussions were suspended in 2018 allowing the Owners time to review development plans and the global rare earth market. Tracy A. Moore, Chief Executive Officer of Canada Rare Earth, explained "we have maintained regular contact with the Owners and are pleased that we can proceed with this interesting prospect."

The Owners will additionally be responsible for permitting of the mining operations and guiding Canada Rare Earth through the permitting processes required to design, build, and operate concentrate enhancement facilities.

On behalf of the Board

Tracy A. Moore, CEO and Peter Shearing, COO

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‘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:

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