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TSX.V: LL

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Canada Rare Earth Focusing on Six Potential Locations for a Rare Earth Refinery

Canada Rare Earth Corp. (“Canada Rare Earth” or the “Company”) (TSX.V: LL) is pleased to announce the commissioning of a study to select the optimal location for the Company’s proposed South American rare earth refinery (the “Study”).

Canada Rare Earth has investigated various locations across nine countries over the last few years and has narrowed the scope to 6 regions within South America. The Study will consider refinery permitting, logistics and government support such as grants, tax deferrals and loans in determining the two best regions in which to situate a full spectrum refinery capable of producing:

- (i) a saleable rare earth concentrate, and
- (ii) the complete range of commercially traded rare earths including Nd, Pr and heavy elements.

Rare earths are critical inputs to electric and hybrid vehicles, wind turbines, electronics, imaging systems and strategic defence systems including jet fighters, satellites, submarines, destroyers and missiles.

The Study is being undertaken by a qualified person who completed a Ph.D. in Mineral Economics from the Colorado School of Mines, was head of the Mining Engineering Department of a Brazilian university and for 8 years was responsible for the mining and ore treatment of the largest heavy mineral sand operation in South America.

The CREC South American refinery initiative builds on the Company’s recent announcements (December 19, 2019 and January 22, 2020) of the purchase of significant mineral sand tailings (the “Tailings”) including access to existing permits and licenses necessary to process the Tailings.

Management intends to utilize available, existing proprietary processing technology for the production of rare earth products including both heavy and light elements. Once the site has been selected the Company is striving for a rapid design and construction timeframe by leveraging existing designs that are proven and in production. By utilizing existing and proven technology, the Company is confident that it has a lower risk path to successful production especially compared to other rare earth processing projects dependent on process development of, as of yet, unproven technologies. The Company has not, as of this date, made a production decision as the initiative is subject to a number of factors including permitting and finance.

Chris Goodman, head of Canada Rare Earth’s South American operations, stated, *“many western governments and businesses are looking to Canadian and American based organizations to provide alternatives to foreign-sources of rare earths. Our company is focused on becoming the leading western supplier of rare earth products including concentrate, oxides and metals. Wherever possible we strive to source our feedstock from tailings to minimize the requirement for new mining operations whilst we work to extract value from past mining activities.”*

Peter Shearing, Chief Operating Officer of Canada Rare Earth commented, *“We are very excited to be progressing with our strategy to provide a western supply of rare earth products for companies wanting to balance their*



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Corporation**

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critical materials supply chain. Our South American initiative is accelerating, and we are confident in our capability to bring the new supply to market. We are placing a high priority on South America to deliver on our strategy while concurrently moving forward with the permitting of the completed rare earth refinery in Laos.”

Tracy A. Moore, Chief Executive Officer of Canada Rare Earth, explained, *“We are looking at tailings as an important component of the proprietary concentrate sources we are securing for our integrated rare earth and complementary products supply chain. Through concentrate enhancement and processing our business will add value to the products thereby enhancing value to our shareholders and stakeholders.”*

On behalf of the Board

Tracy A. Moore, CEO and Peter Shearing, COO

ABOUT CANADA RARE EARTH CORP.

Canada Rare Earth is developing an international supply network business based on our commodity-trading platform and existing, developing and planned processing facilities. We are generating revenues and gross profits as we develop our network based on the rare earth industry and with increasing attention directed to valuable by-products. Our business involves sourcing, adding value and selling rare earths and other mineral products in all stages and forms utilizing proprietary, affiliated and third-party sources and facilities.

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.

We seek Safe Harbor.

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