

Canada Rare Earth Receives a US\$500,000 Fee for Optioning Certain of its Rights to Acquire a Completed Refinery

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VANCOUVER, British Columbia, March 13, 2018 (GLOBE NEWSWIRE) -- [Canada Rare Earth Corp.](#) ("Canada Rare Earth" or the "Company") (TSX.V:LL) is pleased to announce entering into an agreement with an arm's length party interested in acquiring a 50% equity position in a completed rare earth refinery and in other refineries that may become available to the Company (the "Rights Agreement").

Canada Rare Earth's Option

Canada Rare Earth has the option to acquire and become the legal, registered and beneficial owner, directly or indirectly, of a 60% undivided interest in a substantially completed rare earth refinery (the "Refinery") situated in Southeast Asia as most recently disclosed in the news release dated September 6, 2017 (the "CREC Option"). Canada Rare Earth has been working to obtain final permits allowing the Refinery to commence operations. If and when the permits are issued Canada Rare Earth will have six months to exercise the CREC Option. Such permits have as yet not been issued.

The Rights Agreement

Pursuant to the Rights Agreement, the third party paid a non-refundable fee of US\$500,000 for the right to purchase a 50% interest in the Refinery subject to the Company exercising the CREC Option. The price and terms would cover all of Canada Rare Earth's financial requirements to exercise the CREC Option including the exercise price and the pro rata contribution to working capital. The end result would be Canada Rare Earth positioned, for no participation cost, with a 10% carried interest in a world-class, fully permitted rare earth refinery built by a proven and capable owner/operator.

Canada Rare Earth will retain the rights to provide concentrate to the Refinery to the full extent of the Refinery's requirements and to sell products produced by the Refinery to the full extent of production. At this time, the Company has focused on permitting the Refinery and has not entered into agreements to supply concentrate to the refinery or sell products produced by the Refinery.

Other Related Matters

Canada Rare Earth, the third party and the current owner of the Refinery will immediately proceed to prepare a definitive agreement and a shareholders' agreement covering their respective rights and obligations as co-owners of the Refinery and shall use their best efforts to finalize such agreement within 60 days of receipt of the operating permits. In the interim, the third party will continue with its due diligence procedures.

In the event the third party successfully exercises its right to acquire a 50% interest in the Refinery the third party will be granted a similar exclusive right for the next refinery available to CREC and if that right is successfully exercised then a similar follow on option would also be granted for subsequent refineries. There is no assurance that other refineries will become available to the Company.

In the event the Refinery is not permitted by August 31, 2018 then CREC shall grant the third party a similar option for the next available refinery optioned to CREC.

All costs and expenses (including, without limitation, the fees and disbursements of legal counsel, technical

experts and due diligence) incurred in connection with this Agreement herein contemplated shall be paid and borne by the party incurring such costs and expenses.

Tracy A. Moore, CEO of Canada Rare Earth remarked: "Entering into this Rights Agreement provides some independent assurance that we are nearing the issuance of the operating permits. The successful permitting of and an ownership position in the Refinery is a fundamental step in our strategic plan to establish an independent rare earth supply network. Once permitted and operating, the Refinery will provide the full spectrum of rare earth products to companies looking to balance their primary source of rare earth products with an independent second source."

Peter Shearing, COO of Canada Rare Earth explained: "The Refinery is based on the design of other successful operating facilities of the current owner and is therefore capable of separating concentrate into the entire spectrum of commercially traded, light, heavy and critical rare earth elements to high levels of purity. The Refinery is intended to become a core aspect in the Canada Rare Earth's vertical integration strategy and operations. Significant and sincere interest has been generated from prospective purchasers for the Refinery's products."

On behalf of the Board

Tracy A. Moore, CEO and Peter Shearing, COO

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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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