Canada Rare Earth Corp. Announces Financial Advisor and Notes Offering

08.05.2025 | Newsfile

Vancouver, May 8, 2025 - Canada Rare Earth Corp. (TSXV: LL) ("CREC" or the "Company") is pleased to announce that it has appointed SCP Resource Finance LP ("SCP") as its financial advisor.

The Company is also pleased to announce that it has engaged with SCP to lead an offering of notes (the "Notes") for gross proceeds of up to US$3,000,000. The key terms of the Notes are:

- Notes will be issued at a discount of 5.0% of the face amount and will mature 24 months after issuance ("Maturity").
- Notes will pay a coupon of 15.0% per annum, payable semi-annually, beginning 6 months after issue.
- Notes are unsecured.
- Notes are not convertible into securities of the Company.
- Notes are redeemable by the Company at any time after issuance. A minimum of one year of interest payments will be payable to noteholders on any redemption prior to Maturity.
- Subscribers to the Notes will, subject to TSX Venture Exchange approval, receive a total of up to 25 million bonus warrants, allocated on a pro-rata basis (each, a "Warrant"). Each Warrant will entitle the holder to acquire one common share at a price of C$0.05 and will expire 365 days after issuance if not exercised. The Warrants are non-transferrable.
- The net proceeds of the offering will be used by the Company for general and corporate working capital purposes.
- The Company will service and repay the Notes from revenue generated by its rare earth concentrates and oxides sourcing and trading operations, and/or future financings.
- SCP will be paid a commission of 4% of gross proceeds, in cash.
- All Notes subscribers will be arm's length parties to the Company.

Regarding the Transaction announced by the Company on January 7, 2025, Canada Rare Earth continues to engage in discussions regarding funding and off-take agreements. The Company expects to provide further details on the transaction in due course.

About Canada Rare Earth Corp.

Canada Rare Earth operates a rapidly expanding global essential minerals business, built on over a decade of success in the rare earth minerals and products sector. Our strategy focuses on leveraging near-term positive cash flow opportunities to support our growth. This includes acquiring and developing proprietary projects, resources, and processing facilities.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as 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, interested parties can review the Company's filings available at www.sedarplus.ca.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Peter Shearing	Don Anderson
Chief Executive Officer	Chief Investment Officer
pshearing@canadarareearth.com	danderson@canadarareearth.com

Telephone: (604) 638-8886
Website: www.canadarareearth.com

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/251393