

Canada Rare Earth Integrates Rare Earth Refineries with Rare Earth Properties: A Corporate Update

04.12.2014 | [Marketwired](#)

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Dec 3, 2014) - [Canada Rare Earth Corp.](#) ("Canada Rare Earth" or the "Company") (TSX VENTURE:LL) is pleased to confirm significant progress towards our goal of establishing a vertically integrated rare earth business based on our unique ability to access full spectrum rare earth refineries.

Rare earths must be separated by refineries into their individual elements in order to be of commercial value to international manufacturers. A problem confronting the rare earth industry outside of China is the inability to access cost effective, reliable and proven refinery technology.

Accordingly, our emphasis is to access and establish separation refineries outside of China, utilizing proven technology and experience of an existing refinery operator to process the entire spectrum of commercially traded rare earth elements, particularly heavy elements. Access to an operator that has the required technology and experience is our key differentiation factor in the global market.

The Company has established a business relationship with CEC Rare Earth Corporation ("REC", a private British Columbia corporation that is an affiliate of CREC) and an Asian based group of companies (the "Asian Group") (together the "Venture Partners"). The Asian Group owns one fully operational refinery (the "Operational Refinery") and owns another in Laos that is fully constructed but which is not yet operational (the "Constructed Refinery") as permitting is pending.

Canada Rare Earth has been retained to provide corporate finance, strategic and business planning services to the Asian Group for the Constructed Refinery. In consideration Canada Rare Earth receives a monthly retainer and will be entitled to success fees for securing industry related strategic investors, customers for separated oxides and for securing source(s) of rare earth concentrate with preference for those with heavy and critical rare earth elements. The Company additionally has the option to purchase up to 20% of the equity of the refinery on the same terms and conditions as incoming strategic investors for a period of 12 months after the closing(s) of an investment by a strategic investor so long as the Asian Group's shareholder interest does not fall below a 40% equity position.

The Constructed Refinery is designed to process monazite and can be readily adapted to separate and process xenotime concentrate.

Rare earth concentrates are already produced outside of China, and new supplies are becoming available. However, refining capacity is limited outside of China, and every deposit is chemically and mineralogically unique, thus requiring specific technical capabilities to perform effective and efficient separation to exacting commercial specifications.

The Venture Partners have more than ten years of engineering experience directly related to rare earth refinery design, construction and importantly to operations. In particular, the Asian Group has been instrumentally involved with the design and construction of more than ten rare earth refineries. REC is controlled by one of our directors and the Asian Group is controlled by a relative of one of our directors. The Venture Partners and the Company are evaluating a number of rare earth refinery initiatives with the goal of pursuing one or more projects. In this regard, the Company will initiate projects each of which will be subject to a written agreement addressing a number of important factors including ownership interests, permitting, transfer of legal rights, operations, management and financing. Similarly, REC may initiate projects and invite Canada Rare Earth to participate as a principal.

Four key inter-related aspects are essential to advance Canada Rare Earth's strategy:

- sourcing long term supply of rare earth concentrate through supply contracts and/or ownership. This includes assessing mining and concentration plans and conducting due diligence when dealing with operating properties and negotiating supply contracts when working with traders;
- arranging pre-treatment and separation facilities to separate the rare earth concentrate into individual oxides either through existing or prospective Venture Partners' refineries;
- seeking long term sales contracts for a majority of the separated oxides; and
- securing debt and equity financing at the project level.

A summary of our progress within each of these four strategic aspects follows. Details of legal agreements and business arrangements can be reviewed in news releases dated November 5, 2014; November 3, 2014; September 29, 2014; September 22, 2014; and September 11, 2014.

Sourcing Rare Earth Concentrate:

The Venture Partners have identified a number of sources of rare earth concentrate which are immediately available, some of which the Asian Group has utilized over the past ten years. Canada Rare Earth and REC have been looking for additional sources of rare earth concentrates that contain relatively higher percentages of heavy rare earth elements than are recovered from current sources and, to that end, the Company and REC have had discussions with several companies in the rare earth sector. In particular, Canada Rare Earth has completed a joint venture agreement to control a rare earth property in Brazil, known as the Mata Azul property, which covers over 97 square kilometers. This property hosts rare earth minerals, monazite and xenotime, at the surface. The Mata Azul property has been subject to several exploration programs and analysis of mineral concentrates derived therefrom is ongoing. However, a geologic and resource evaluation compliant with Canada's N.I. 43-101 regulations has not been prepared.

Pursuant to the Mata Azul joint venture agreement, Canada Rare Earth will initially hold an 80% interest and local owners of Mata Azul will initially hold 20% of the issued capital of a newly formed company (the "Joint Venture Company"). The Joint Venture Company will have until November, 2015 to raise US\$5 million of equity capital in order for the Joint Venture Company to acquire all of the rare earth and other mineral rights owned by Mata Azul for nominal consideration of \$1. In addition, the Company has agreed to distribute 50% of dividends in excess of US\$2 million each year to Mata Azul up to a specified maximum. Canada Rare Earth has also granted a total of 35% interest in its 80% interest (28% net interest in the project, leaving the Company holding 52% equity interest) to REC and another company for past and future services including arranging financing.

Pre-treatment and Separation Facilities:

The Venture Partners, and in particular the Asian Group, design, build, own and operate rare earth pre-treatment and separation refinery facilities and have confirmed that, through REC, they will provide Canada Rare Earth access to technical know-how and experience with the goal of establishing one or more full scale, full spectrum processing and refining facilities. The capability to deliver the critical and central process of rare earth separation completes an important aspect of the production cycle required for the production of the highly desired rare earth commercial end products.

We are working with the Venture Partners to evaluate potential sites for refineries. The selection of suitable sites depends on a number of factors including the local government's policies and attitude towards mining and processing minerals, local partners, capital cost expenditures and operations, logistics, scalability of the proposed operations, and financial modeling of each prospective facility. Work completed to date has produced a short list of prospective refinery sites.

We believe that Brazil has significant potential as a country in which to establish rare earth mining, concentrating and refining. Accordingly, Canada Rare Earth is evaluating various properties in Brazil as potential candidates for sourcing rare earths and the siting of a pre-treatment and separation refinery.

We are also considering alternative sites in Southeast Asia and the Caribbean.

The Company currently does not have the financial resources necessary to build any of the contemplated

refineries. The intention is to raise sufficient funds at the project level, in order to minimize (direct) dilution to our shareholders. There can be no assurance that funds will be available on acceptable terms or at all.

Long Term Sales Contracts:

Should Canada Rare Earth identify a technically and economically viable source of monazite and xenotime concentrate, the Asian Group and REC have confirmed that the Asian Group's two refineries will purchase monazite and xenotime concentrate sourced by Canada Rare Earth based upon normal market contract pricing and terms. The Operational Refinery has operated for more than ten years and is prepared to take delivery immediately. The Constructed Refinery is prepared to take delivery if, as and when it becomes operational.

Canada Rare Earth has been in discussions with approximately 30 of the largest international manufacturers which incorporate rare earth oxides into their products. While we have not entered into any contracts, many of these companies have expressed interest to secure an alternate stable supply of separated rare earths at stable prices.

Financing:

The projects we are planning and the facilities built by our Venture Partners are capital intensive and require working capital. Our goal is to raise the debt and equity financings at the project level based on: (i) secure source(s) of concentrate; (ii) extensive technological and operational know-how; and (iii) entering into long term sales contracts.

Near term value generation and recognition initiatives are focused on:

- assisting the Asian Group with its Constructed Refinery by securing one or more strategic investors. With success, the Company will generate cash fees in addition to our monthly retainer, and will have an opportunity to purchase an equity position in the refinery on preferred terms;
- raising \$5 million of equity at the joint venture level to enable us to acquire the Mata Azul property for nominal consideration and generally advancing exploration of the property;
- supporting corporate initiatives by raising funds at the project level and thereby minimizing dilution to the shareholders of the Company; and
- enhancing the profile of Canada Rare Earth in the public market.

Tracy A. Moore, CEO and President stated, "Certain initiatives have taken longer than planned although the directors of Canada Rare Earth believe we have made solid progress and established a platform from which we can pursue our corporate goal of providing a stable supply of rare earth oxides at stable prices to the international manufacturing community."

ABOUT CANADA RARE EARTH CORP:

[Canada Rare Earth Corp.](#) is developing a vertically integrated business within the global rare earth industry by focusing on establishing rare earth separation refineries. This initiative is undertaken in conjunction with CEC Rare Earth Corporation ("REC") which has access to personnel experienced with designing, building and operating rare earth separation refineries. REC is related to the Company through common directors and common shareholders. The Company has retained REC to provide services specifically related to the rare earth industry. The contract can be terminated on three months written notice. Additionally, the Company has several exploration properties exhibiting multi element potential including rare earths. Information concerning the Company is contained in documents filed by the Company with securities regulators, available under the Company's profile at www.sedar.com. For more information, please visit the [Canada Rare Earth Corp.](http://www.canadarareearth.com) web site at www.canadarareearth.com.

ON BEHALF OF THE BOARD OF DIRECTORS OF [Canada Rare Earth Corp.](#):

Tracy A. Moore, CEO & President

"Neither the 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." The information contained herein contains "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation: risks related to failure to obtain adequate financing on a timely basis and on acceptable terms; risks related to the outcome of legal proceedings; political and regulatory risks associated with mining, exploration and operations; risks related to the maintenance of stock exchange listings; risks related to environmental regulation and liability; the potential for delays in exploration or development activities or the completion of feasibility studies; the uncertainty of profitability; risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits; risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses; results of prefeasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; risks related to the price fluctuation of rare earths and other commodities; and other risks and uncertainties related to the Company's prospects, properties and business detailed elsewhere in the Company's disclosure record. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Investors are cautioned against attributing undue certainty to forward-looking statements. These forward looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from the Company's expectations or projections

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

Contact

[Canada Rare Earth Corp.](#)

Tracy A. Moore
CEO & President
(604) 638-8886

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/187799--Canada-Rare-Earth-Integrates-Rare-Earth-Refineries-with-Rare-Earth-Properties--A-Corporate-Update.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).