

VANCOUVER, BRITISH COLUMBIA--(Marketwired - May 9, 2016) - [Canada Rare Earth Corp.](#) ("Canada Rare Earth" or the "Company") (TSX VENTURE:LL) is pleased to announce that it has entered into an agreement (the "Agreement") to purchase 60% of the issued and outstanding shares (the "Shares") of a company based in Laos ("LaosCo"). LaosCo owns a full capability rare earth refinery (the "Refinery") that is designed to process monazite rare earth concentrate and separate the concentrate into the entire spectrum of commercially traded rare earths including light and heavy elements. LaosCo's future development plans entail extending capabilities to include rare earth metal making.

The configuration of the Refinery is based on years of design, construction and operating experience in separating rare earth concentrates into individual rare earth oxides to at least 99.99% purity. The engineering team that designed and built the Refinery has built 10 similar refineries that each produce over 3,000 tpa of rare earths including heavy and light elements.

As a part of the transaction the Refinery will become a core element in the Company's operations. Canada Rare Earth will market internationally and sell products directly to customers globally.

Once the purchase of the Shares closes (the "Closing"), shareholders of LaosCo will be responsible for contributing their respective pro-rata share of working capital requirements. Additionally, shareholders will be responsible for their pro-rata share of future, agreed upon capital expenditures (such as for extending the Refinery's capabilities to rare earth metal making utilizing the oxide production).

The Agreement is subject to certain terms and conditions including: receiving an operating permit within 6 months of the date of the Agreement; and paying a specified purchase price for the Shares within 12 months of the date of the Agreement. There can be no assurance that either or both of the operating permit or the necessary funding for the purchase of the Shares will be achieved within the specified time frames. For proprietary business and competitive pricing reasons and while fund raising for this initiative, the Agreement precludes the parties from disclosing the purchase price of the Shares until the acquisition of the Shares has closed.

As additional consideration, subject to Closing on the acquisition of the Shares and subject to regulatory approval, Canada Rare Earth will grant a warrant to the owner of LaosCo to purchase up to 40 million shares of the Company, at an exercise price of C\$0.25 per share, exercisable within 30 days of the Closing.

On behalf of the Board

Tracy A. Moore, CEO and Peter Shearing, COO

#### ABOUT CANADA RARE EARTH CORP.

[Canada Rare Earth Corp.](#) is developing an international vertically and horizontally integrated business within the global rare earth industry. Our key focus is to generate revenues and positive cash flow from a variety of profit centers in the rare earth production and sales chain by sourcing, adding value and selling rare earths in all stages and forms. We are in the process of establishing our own mining, concentrating and refinery capabilities in addition to working with affiliated and third party organizations.

*"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 that could cause actual events or results to differ from those reflected in the 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.*

In addition to risks associated with forward looking statements there are risks associated with the proposed acquisition of the Shares including risks relating to the ability of the Company to raise sufficient funds required to purchase the Shares. Further, there can be no certainty that the required permits will be obtained to enable the Refinery to commence operations as well as risks associated with carrying on business and owning assets in Laos, a non-Western country.

For more information on the Company, interested parties should review the Company's filings that are available at [www.sedar.com](http://www.sedar.com).

## Contact

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