

VANCOUVER, BC--(Marketwired - October 25, 2016) - [Canada Rare Earth Corp.](#) ("Canada Rare Earth" or the "Company") (TSX VENTURE: LL) is pleased to announce that it has entered into contracts to purchase and sell rare earth concentrate and oxides.

Over recent weeks, Canada Rare Earth has arranged four transactions for the purchase and sale of 33 metric tons of rare earth concentrate and oxide products. The transactions involve three suppliers and four customers situated in five countries on four continents: Europe, North America, South America and Southeast Asia.

One of the transactions involves the first shipment of 27 metric tons towards the 16,500 metric ton hedged three-year contract announced on September 8, 2016. Canada Rare Earth is confident with this ongoing multi-year arrangement based on the agreed upon commercial terms and the focus of the counterparty to develop multiple sources of concentrates to meet its obligations.

Two of the transactions involve high purity oxides which are products being sold under the distribution agreement announced on October 26, 2015 for specialty rare earth products including high purity rare earth products which are required for a variety of industry sectors including high performance product lines. Examples of products incorporating the high purity oxides include electronics and magnets, and in particular: high-end electronics, lighting, ceramics, glass, catalytic cracking for oil processing, automotive catalytic convertors, magnets and electric motors, and atomic energy applications.

The fourth transaction involves the purchase of material from a rare earth separation facility that does not have the technology required to separate the more complicated heavy rare earth elements.

Tracy A. Moore, Chief Executive Officer of Canada Rare Earth commented, "The four transactions are each a significant corporate milestone and are each perfectly reflective of our goal of establishing an international vertically integrated business within the global rare earth industry. The transactions demonstrate a solid and tangible step forming the beginning of Canada Rare Earth's commercial involvement in supplying rare earth products to industry consumers."

Mr. Moore continued, "We are proud of the fact that we have, over the past several years, established ourselves as a recognized industry participant with in-depth knowledge and significant contacts and customer base."

Peter Shearing, Chief Operating Officer of Canada Rare Earth added, "We have been placing greater emphasize on the trading of rare earths in various forms and are very pleased to enter into these transactions between three capable suppliers and four customers with distinct preferences and needs."

On May 9, 2016 the Company announced the agreement, subject to certain conditions, to purchase 60% of the issued and outstanding shares of a company that owns a full capability rare earth refinery and, as part of the consideration for the agreement, the Company agreed to grant a warrant to purchase up to 40 million shares of the company for \$0.25 per share. Subsequently the parties mutually agreed, for no consideration, to cancel the obligation to issue the warrants. A news release is expected within two weeks to provide an update on the rare earth refinery purchase initiative.

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.

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

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