Canada Rare Earth - In the Business of Rare Earths - March 2020 Corporate Update

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Vancouver, March 2, 2020 - Canada Rare Earth Corp. (TSXV: LL) ("Canada Rare Earth" or the "Company") is developing an international supply chain business based on existing, developing and planned processing facilities and our commodity-trading platform.

The Company is pleased to confirm significant advances in the development of our vertically and horizontally integrated business which focuses on rare earths and complementary products associated with our rare earth feedstock such as cassiterite, zircon, ilmenite and rutile.

We encourage stakeholders and interested parties to read our updated power point presentation found on our website at:
http://www.canadarareearth.com/upload/documents/crec-investor-presentation-february-28th001.pdf

In summary:

Unique Strategic Differentiation

We continue to proactively develop our business with four cornerstones:

- developing, acquiring and utilizing value-add processing facilities utilizing proven rare earth processing technology and experience;
- sourcing feedstock and saleable products;
- selling products to an existing and expanding customer base; and
- arranging financing to support our development and operational activities.

Processing and Adding Value

Rare earth concentrates must be separated into the individual elements in order for the rare earths to be of commercial value to manufacturers. We have a long standing and secure relationship with a group having more than twenty-five years of engineering experience directly related to rare earth refinery design, construction, and importantly to operations.

We continue to work diligently on obtaining the final operating permit for a refinery built and ready for operations (the "Laos Refinery"). The Laos Refinery is designed to produce 3,000 metric tons/year of the complete range of rare earth oxides (approximately 2% of the global market) and with expansion capability to 6,000 metric tons/year. Once Canada Rare Earth is successful in obtaining the final permit, we intend to exercise our right to purchase a majority interest in the Laos Refinery.

We are also proactively focusing efforts to establish a rare earth refinery in South America based on our familiarity with feedstock sources in relatively close proximity.

From time to time we receive enquiries to join others in establishing refineries in such areas as South East Asia, Africa and the Middle East.

Sourcing Raw Materials

Our business model involves recycling or repurposing tailings from past mining activities and from heavy mineral sands. With our strategy we are not committed to any one source of feedstock and therefore have greater flexibility and negotiating position in securing longer term, consistent sources without the capital costs, risks, and issues associated with mining.

Our sourcing strategy focuses on (i) tailings generated by mining activities which are typically easier to process, less costly to process and faster to commence production compared to mining, and (ii) heavy mineral sand deposits which are easier and less expensive to process in comparison to hard rock and even alluvial mining. Heavy mineral sands typically contain multiple saleable products such as cassiterite, zircon and ilmenite in addition to rare earths.

In December, we along with two partners completed the purchase of a substantial amount of tailings, accumulated over 25 years of mining situated on 590 hectares of land in South America. Together, we are seeking one or more operators to process the tailings into a mixed heavy sand concentrate. Simultaneously we have arranged for a buyer of a minimum of 48,000 metric tons per year of concentrate. However, as of this date, there is no decision to commence production of these tailings as a number of factors need to be resolved including securing an operator and the prospective operator studying the tailings and being satisfied with the economic and technical viability. Accordingly, this initiative is subject to increased uncertainty including economic and technical risks of failure associated with a production decision if such decision is ultimately made..

We are also studying a number of other properties with similar characteristics in relatively close proximity to the purchased tailings as well as in in Southeast Asia, Africa and North America.

Selling Raw Materials and Value-added Products

Over the past few years we generated $3 million of revenues from selling rare earth concentrates and to a lesser degree rare earth oxides and alloys. We are fortunate in that we have a customer base that is ready, willing and able to purchase many times more concentrate than we historically and currently provide.

Financing

We have managed our business affairs and development initiatives through proceeds and associated gross profits from the sale of products, selling a resource property, entering into a joint venture arrangement for one or more refinery projects, through a partnership type arrangement for the South American tailings project (involving financiers and operators), through a convertible loan (now converted into our shares), and occasionally from loans provided by management personnel and third parties for trade finance.

We fully expect to face much greater financing requirements in the near future particularly if the Laos Refinery becomes available and as we develop the South American refinery. The requirements are estimated to be in the order of US$200 million to US$300 million in total for purchase, development and working capital.

Our plan is to finance each refinery, and other major initiatives, through special purpose vehicles, to avoid or minimize dilution to existing Canada Rare Earth shareholders.

Goals for 2020

Our main goals for 2020 include:

1. South American refinery - finalizing the site selection, obtaining expressions of interest for financing, developing the environmental and social permitting plan for the refinery, obtaining preliminary design specifications;
2. South American tailings property - commencing operations and completing first sales;
3. Concentrate - increasing the number of suppliers and increasing the product flow to our customer base;
4. Laos Refinery - completing the permitting process, arranging financing and completing the purchase of a majority equity position; and
5. Third refinery - selecting one more refinery initiative and commencing planning and financing

On behalf of the Board

Tracy A. Moore, CEO and Peter Shearing, COO

ABOUT CANADA RARE EARTH CORP.

Canada Rare Earth is developing an international supply network business based on existing, developing and planned processing facilities and our commodity-trading platform. We are generating revenues and gross profits as we develop our network based on the rare earth industry and with increasing attention directed to valuable by-products. Our business involves sourcing, adding value and selling rare earths and other mineral products in all stages and forms utilizing proprietary, affiliated and third-party sources and facilities.

Neither 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. 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.

We seek Safe Harbor.

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