



Canada Rare Earth
Corporation

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TSX.V: LL

Canada Rare Earth Obtains Rights to Acquire a Permitted Rare Earth Refinery

Vancouver, BC, January 7, 2025 - Canada Rare Earth Corp. ("Canada Rare Earth" or the "**Company**") (TSX.V: LL) is pleased to announce it has entered into a Memorandum of Understanding with a private Laos-based company that gives Canada Rare Earth the right to purchase 70% of a recently fully permitted rare earth refinery (the "**Refinery**") designed and built to process rare earth concentrates and produce the entire suite of commercially traded rare earth oxides, including both light and heavy rare earth elements (the "**Acquisition**").

The Refinery has a rare earth oxide production capacity of 3,000 tonnes per year (tpy) and was constructed twelve years ago. The refinery has not operated since being built due to a historical Lao PDR policy change affecting rare earth processing. These policies are now reversed and the government is strongly supporting the startup and operation of the Refinery. The government is encouraging in-country processing of locally produced rare earth concentrates to increase economic benefits from the numerous new ion adsorption clay rare earth mines located in Northern Laos. These new sources of rare earth concentrates have greatly enhanced the operating situation for the Laos Refinery by reducing the risk of consistent concentrate supply. The Refinery will be ready for commissioning after some relatively modest refurbishments, expected to be complete in Q4 2025.

The economic benefits to Laos of in-country beneficiation versus the exportation of raw materials are evident to the Lao government and that understanding, combined with an updated Environmental Impact Assessment at the Refinery, have contributed to the issuance of all required licenses and permits required for the Refinery's operation.

Canada Rare Earth has entered into discussions with numerous interested parties for offtake and potential investment at the project level. These discussions are expected to result in pre-payments and associated credit facilities to support the operation of the Refinery based on preferred terms for a secure annual supply of key rare earth oxides such as Nd, Pr, Dy, and Tb.

Peter Shearing, Chief Executive Officer of Canada Rare Earth, commented, "*Selecting the right offtake partner and project funders & lenders are critical decisions and must ensure the alignment of both parties' objectives for the relationship to be both a commercial and strategic success. We are approaching this carefully and selectively to ensure the Refinery delivers the most value to the rare earth market, consumers, and our shareholders.*"

Rare Earth Mine Development Project

Canada Rare Earth is also pleased to announce it has entered into an Memorandum of Understanding which gives the Company the right to enter into a 70/30 Joint Venture with a private Laos-based company to co-develop an advanced-exploration stage, ion adsorption clay rare earth (IAC-RE) mining project in Laos (the "Mine JV").

Trading Halt and Change of Business

The TSX Venture Exchange (the "TSX.V") has reviewed both proposed transactions referred to in this news release (the Acquisition and the Mine JV) and has determined that they constitute a Change of Business under TSX.V policy 5.2, "Changes of Business and Reverse Takeovers" (the "Policy"). Until the TSX.V has approved the Change of Business and the associated transactions, the Company's shares are subject to a trading halt. The process to comply with the Change of Business is expected to take 12 to 16 weeks and is subject to various conditions including execution of a definitive agreement for the Acquisition and the approval by the TSX.V of a comprehensive disclosure document as required by the Policy. Information detailing the terms of the acquisition of both the Refinery and the mining project will be released in due course.

Don Anderson, Chief Investment Officer of Canada Rare Earth, said, "*With this acquisition, the Company will join a small group of companies that produce separated rare earths and an even smaller group that produce the full suite of*



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separated rare earth oxides. These are crucial ingredients for high-performance rare earth permanent magnets used in electric motors for applications such as electric vehicles, advanced air mobility, and robotics. As indicated by various industry analysts, demand for rare earth NdFeB permanent magnets is expected to have a compound annual growth rate exceeding 8% from 2024 to 2040.”

Peter Shearing added *“The Company’s acquisition of the Laos Refinery has been a strategic objective since its construction. When these transactions are complete, Canada Rare Earth will have an integrated supply chain from mining through to rare earth oxide production and Company will have successfully executed its vertical integration strategy which we have been pursuing over ten years. I want to thank our shareholders and all stakeholders for their patience. This is indeed a transformational transaction for Canada Rare Earth.”*

Reappointment of CFO

Canada Rare Earth is also pleased to announce the reappointment of Michael Lee as Chief Financial Officer (CFO) and to welcome Mr. Lee back to the management team. Mr. Lee was previously the Company’s CFO from September 2020 to August 2021.

“We are thrilled to welcome Michael Lee back to the Company,” remarked Peter Shearing, CEO of Canada Rare Earth. *“Michael is highly experienced in financial management, has a very good understanding of our business and is known to our Board and management team. He is precisely the CFO that the Company needs to be successful.”*

Mr. Lee has over twenty-five years of experience working with publicly listed companies, from multi-mine operating companies to grassroots mineral exploration. Mr. Lee has more than ten years of working experience with the highly-regarded Hunter Dickinson Group and has held Chief Financial Officer positions for a number of their publicly-listed portfolio companies. His career foundation was built as a consultant and auditor at Ernst & Young and Deloitte.

Mr. Lee replaces Janet Meiklejohn, who resigned from her position as CFO in 2024.

About Rare Earths

Rare Earth Elements (REEs) are a group of chemically similar metals essential to modern technology and green energy. In their various forms (metals, alloys, oxides, etc.), rare earths are critical for devices like smartphones, electric vehicles (EVs), wind turbines, and military equipment due to their unique magnetic, optical, and conductive properties. REEs are also used in medical technologies such as MRIs and laser scalpels. Among these, Neodymium (Nd), Dysprosium (Dy), Praseodymium (Pr), and Terbium (Tb) are particularly indispensable for high-performance magnets, such as NdFeB (Neodymium Iron Boron) magnets, which power motors in EVs, wind turbines, drones, and robotics. (<http://www.canadarareearth.com/rare-earth-overview>)

Although REEs are not rare in the Earth's crust, finding deposits concentrated enough for economical mining is uncommon. The real challenge lies in separating and refining REEs into their most common usable forms, known as rare earth oxides (REOs) or rare earth metals (REMs). A small number of countries currently dominate the rare earth market, with one nation controlling a majority of global production and refining capacity. This concentration of supply creates a pressing need for alternative production and refining facilities to ensure the stability of global supply chains.



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Establishing an independent full-capability rare earth production stream is immensely valuable for diversifying supply chains, stabilizing global markets, and reducing reliance on concentrated production hubs. With demand for NdFeB magnets expected to grow at 8.7% annually from 2024 to 2040 (Adamas Intelligence), rare earths will play an increasingly vital role in green energy and high-tech industries (<https://www.adamasintel.com/rare-earths/>).

About Canada Rare Earth Corp.

Canada Rare Earth Corp. operates a rapidly growing global essential minerals business built from over a decade of success in rare earth minerals and products. Our strategy leverages near-term positive cash flow opportunities supporting our business growth, including acquiring and developing proprietary projects, resources and processing capabilities and facilities.

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. This news release contains forward-looking statements and forward-looking information within the meaning of Canadian securities legislation (collectively, "forward-looking statements") that relate to the Company's current expectations and views of future events. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this news release should not be unduly relied upon. These statements speak only as of the date of this news release. Forward-looking statements are based on a number of assumptions and are subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results and events to differ materially from those that are disclosed in or implied by such forward-looking statements. Readers should refer to the risks discussed in the Company's continuous disclosure filings with the Canadian Securities Administrators, available on the SEDAR+ website at www.sedarplus.ca.

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