



**Canada Rare Earth  
Corporation**



**Integrating the Process  
To Build the Future**



**Supply • Separation Refining • Demand**

canadarareearth.com  
TSX.V: LL



## Forward-looking statements

During the course of this presentations, Canada Rare Earth Corp may make forward-looking statements with regard to the company's projects, resources, business plans, business strategy, products, partners, and market position which could be construed as forward-looking. Forward-looking statements are subject to risk and uncertainties that could cause results to be materially different from expectations.

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## Vertical Integration





## Rare Earths

- **The secret ingredients of everything**
  - Are NOT uncommon in mineral form
  - Rare Earths separation capability is rare outside of China
- **Is this a supply issue? demand issue? or ...?**



## Supply Push

### Rare earths are not rare

### They are everywhere, but.....

- Need to find economic concentrations
- Not valuable unless separated into individual elements
- Industries need refined individual rare earths not concentrate or ore
- Over 200 companies exploring 700+ locations
- Only some will be successful in establishing a viable mine
- Mining operations will produce rare earth concentrate but....
  - Who will buy the concentrate? On what terms?
  - Who can **separate the concentrate**?
  - Who will finance the mine(s) without knowing who will buy & separate the concentrate?



# Supply Push



**World Wide Deposit activity**  
(Selected RE mines/deposits 2011)



## Rare Earths

### Not all are equal

### Need to understand

- Hosting mineralogy
- Mining economics
- Composition of the individual REEs
- Not just lights vs heavies but **critical rare earths**



# Focus on the Critical REEs

## Heavies (HREEs)

Dysprosium (Dy)

Terbium (Tb)

Europium (Eu)

Yttrium (Y)

Lutetium (Lu)

Gadolinium (Gd)

Holmium (Ho)

Erbium (Er)

Thulium (Tm)

Ytterbium (Yb)

## Lights (LREEs)

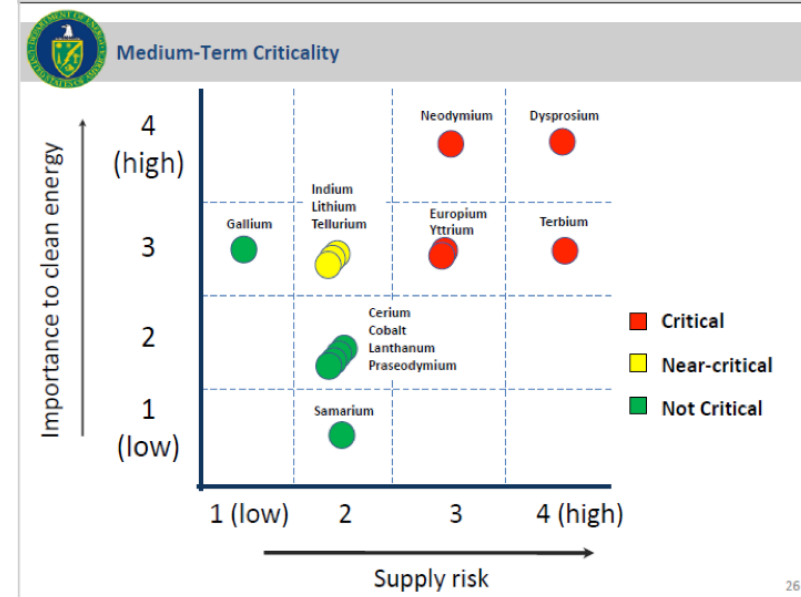
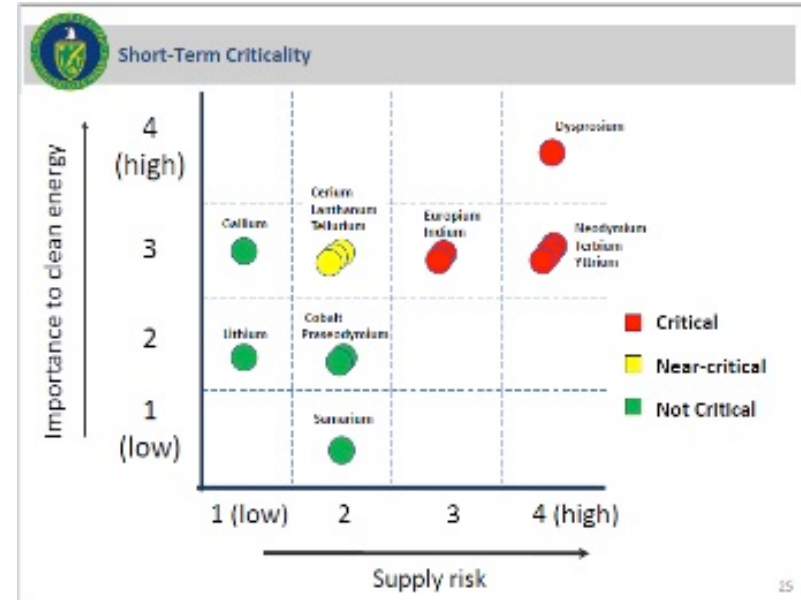
Neodymium (Nd)

Praseodymium (Pr)

Cerium (Ce)

Lanthanum (La)

Samarium (Sm)







## Vertical Integration





## Market Pull

- 200+ major international manufacturing companies and their networks require approx. 120,000 MT of separated REOs annually
- **4 choices**
  - Continue to export from China
  - Manufacture in China
  - Engineer away from REEs
  - Purchase from refinery situated outside China



## Refineries Outside of China

No new separation facilities operating outside of China in past 10+ years

- **Molycorp**

- Minimal heavies in ore (approx. 0.5%)
- Not producing separated heavies

- **Lynas**

- Little heavies in ore (approx. 2.8%)
- Not producing separated heavies



## CREC Resources

Red Wine  
Clay-Howells  
Coldwell

## Concentrate

Monazite  
Mineral Sands  
Partner RE  
Mines

## Alternative Sources

Light Refinery  
Recycling  
Spot Market

## Factors:

- Skewed to Critical REEs
- Timing
- Consistency
- Long Term Engagement

## 5 CREC Refineries

- Globally strategic sites
- Full Spectrum of Critical Elements (HREEs & LREEs)
- Custom designed to meet customer spec and concentrate attributes
- Modular Development

## CREC Sales

- Strategic customers
- Long term contracts
- 50-70% of output

## Other Channels

- Spot Market
- Trading



## Canada Rare Earth Vertical Integration Team

### Tracy A. Moore

- Corporate finance
- Business development

### Roger Li

- Rare Earth Industry leader
- Direct relationships across industry



### Bill Purcell

- Downstream operations
- REE Concentrate Sourcing



### Peter Shearing

- Technical
- Environmental
- Customer Engagement



### Michael Stares

- Exploration
- Property selection

## Advisors

Bob Schafer - exploration/mining

Mike Phillipoff - large scale project management

Frank Judge - strategy, marketing, distribution, finance

John Treleaven – domestic and foreign government relations



## Strategic Relationship with CEC Rare Earth Corp

The CEC Rare Earth Corp team has unparalleled experience and skills in the rare earth industry

- Very successful track record of designing, building and operating rare earth separation plants inside and outside of China
- Proven capability and technology for the separation of ALL critical rare earth products

Provides the foundation for Canada Rare Earth Corp to fulfill its vertical integration strategy specifically including:

- Identifying and securing optimal sources of rare earth concentrate
- Design, build and operation of Canada Rare Earth Full Spectrum refineries
- Customer engagement and sales support
- Opportunity for access and supply from CEC Rare Earth Affiliate Refineries



## CEC Rare Earth Corp Affiliate Refinery

### Ready for startup

- Mechanically complete
- Outside of China
- 3,000 MT Critical Rare Earth Products



Critical & Near Critical Rare Earth Element Processing Capabilities			
Element	 CEC RARE EARTH CORP.	China	Others
Dysprosium	✓	✓	?
Neodymium	✓	✓	✓
Terbium	✓	✓	?
Europium	✓	✓	?
Yttrium	✓	✓	?
Praseodymium	✓	✓	✓
Lanthanum	✓	✓	✓
Cerium	✓	✓	✓







## Canada Rare Earth Corp Action Plan

Simultaneously:

### **Rare earth concentrate:**

- Secure long term supply with a predomination of critical rare earth elements

### **Separation:**

- Custom design refinery then build and operate

### **Long term sales:**

- Presell 50-70%

### **Financing:**

- Arrange at refinery project level based on long term purchases & sales and the effectiveness, efficiency, and profitability of the refinery
- Secure financing to advance our own rare earth properties



## For more information please contact

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**Thank You!**