



**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)

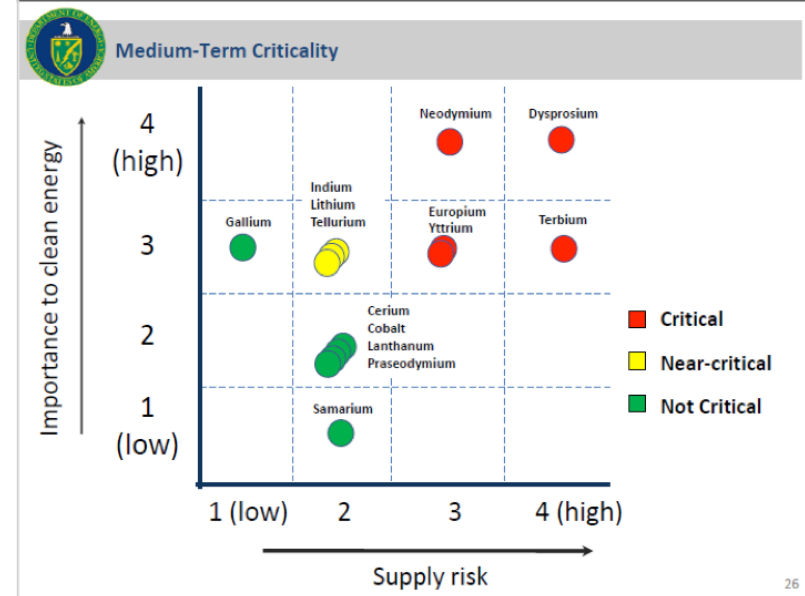
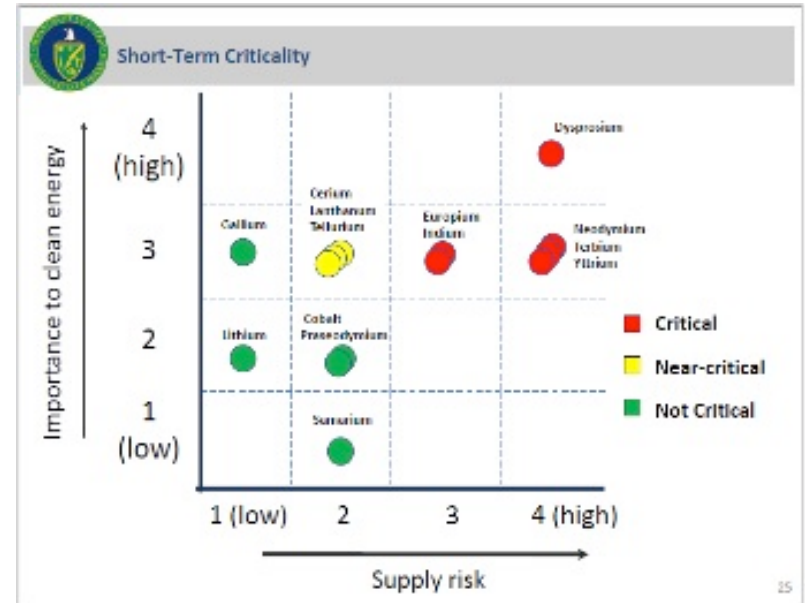
Neodymium (Nd)

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

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



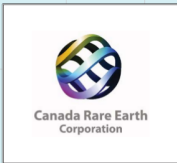
CEC Rare Earth Corp Affiliate Refinery

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

Canada Rare Earth Corp

Vancouver Office

Tracy A. Moore, President and CEO

Email: tmoore@canadarareearthcorp.com

Telephone: (+1) 604-638-8886

Ontario Office

Michael Stares, Director

Email: mstares@canadarareearthcorp.com

Telephone: (+1) 807-623-6840



Thank You!