



Canada Rare Earth
Corporation

RARE EARTHS – CRITICAL TO A CLEAN GREEN FUTURE



CANADA RARE EARTH CORP.

IN THE BUSINESS OF RARE EARTHS

Corporate Overview

February 2020



FORWARD LOOKING STATEMENTS

Information set forth in this presentation may contain forward-looking statements. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address a company's expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. By their nature, forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: the risks associated with outstanding litigation, in any; risks associated with project development; the need for additional financing; operation risks associated with mineral processing; fluctuations in commodity process; title matters; environmental liability claims, and insurance; reliance on key personnel; the potential for conflicts of interest among certain officers, directors, or promoters with certain other projects; the absence of dividends; competition; dilution; the volatility of our common share price and volume; and tax consequences to Shareholders. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and Canada Rare Earth Corp. undertakes no obligation to update forward-looking statements if these beliefs, estimates, and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

This presentation has been prepared by Canada Rare Earth Corp. and does not represent a recommendation to buy or sell its securities. Investors should always consult their investment advisors prior to making any investment decision.



To become
THE TRUSTED SUPPLIER
of the complete range of commercially traded
rare earth products outside of China

The Challenge / The Opportunity:

China dominates the rare earth industry and is aggressively capturing more of the \$1 Trillion application market causing **supply anxiety** for rare earth users outside of China.

Target customer group:

Major international manufacturing companies and their supply networks outside of China.



Current Supply Solutions and Issues/Risks:

Current solution to “Challenge”	Issues & Risks
Purchase from suppliers in China	Uncertain, tenuous supply, potentially subject to “trade wars” & tariffs
Establish manufacturing in China	Requires the transfer of IP to China Increases value-add delivered by China in China
Engineer away from using rare earths	Largely difficult, impossible or uneconomical to do Typically results in loss of performance or efficiency
Purchase from refineries outside China	Few significant refineries operating outside China Limited production volumes and product variety Major player, Lynas, is facing permitting risks “Planned” processing facilities do not involve know-how or teams with experience, except Canada Rare Earth
Focus on upstream asset not on mid stream refining capability	Doesn’t solve the angst for non-China based industry

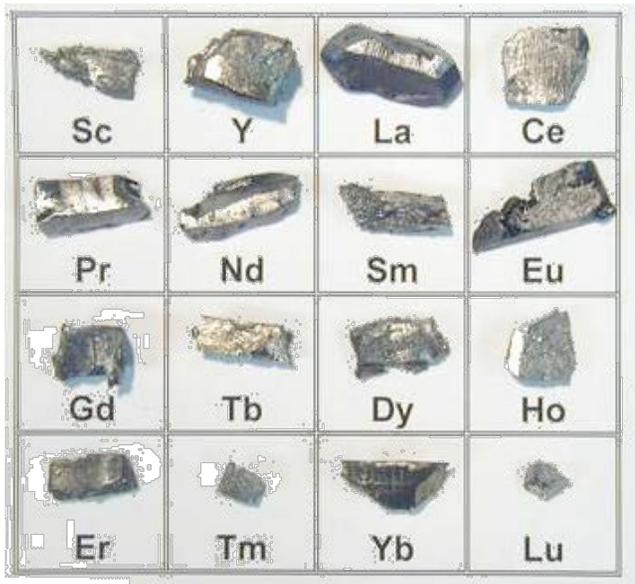
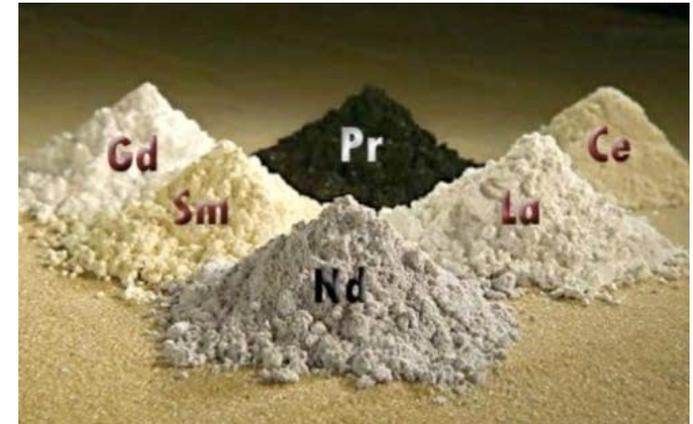


<i>Market Size Today</i>	150,000 mt/yr of oxides with a selling price of US\$4 billion
<i>Next 3 to 5 years Growth</i>	200,000 to 250,000 mt/yr with a selling price of US\$6 billion to US\$7 billion
<i>Non-China Portion of Market</i>	Approximately 15% of global supply and demand is outside China. Equates to roughly \$600 million today and growing to close to US\$ 1 billion Demand % will increase with assured supply
<i>Growth trends and speed</i>	Rare earths enhance technological advances. The base market will continue and can expand exponentially with certainty of supply
<i>Uncertain Supply</i>	A cluster of producers in one region dominate global supply causing angst for major, international customers
<i>Oxides Market Location</i>	Currently the majority of consumption is within China because of greater certainty of supply Canada Rare Earth sells internationally to the pent-up demand in Europe, Asia and North America
<i>Concentrates Market Location</i>	Currently, Canada Rare Earth sells to our client base in China We will also deliver to our refineries in SE Asia, S. America and N. America as they become operational



RARE EARTHS ARE....

- 17 elements used for improved performance and quality
- Found combined together in mineral deposits
- Rare earths are of little industrial value unless separated in oxides, metals, or compounds



hydrogen 1 H 1.0079																	helium 2 He 4.0026							
lithium 3 Li 6.941	beryllium 4 Be 9.0122															boron 5 B 10.811	carbon 6 C 12.011	nitrogen 7 N 14.007	oxygen 8 O 15.999	fluorine 9 F 18.998	neon 10 Ne 20.180			
sodium 11 Na 22.990	magnesium 12 Mg 24.305															aluminum 13 Al 26.982	silicon 14 Si 28.086	phosphorus 15 P 30.974	sulfur 16 S 32.065	chlorine 17 Cl 35.453	argon 18 Ar 39.948			
potassium 19 K 39.098	calcium 20 Ca 40.078	scandium 21 Sc 44.956	titanium 22 Ti 47.867	vanadium 23 V 50.942	chromium 24 Cr 51.996	manganese 25 Mn 54.938	iron 26 Fe 55.845	cobalt 27 Co 58.933	nickel 28 Ni 58.693	copper 29 Cu 63.546	zinc 30 Zn 65.38	gallium 31 Ga 69.723	germanium 32 Ge 72.64	arsenic 33 As 74.922	selenium 34 Se 78.96	bromine 35 Br 79.904	krypton 36 Kr 83.796							
rubidium 37 Rb 85.468	strontium 38 Sr 87.62	yttrium 39 Y 88.906	zirconium 40 Zr 91.224	niobium 41 Nb 92.906	molybdenum 42 Mo 95.96	technetium 43 Tc [98]	ruthenium 44 Ru 101.07	rhodium 45 Rh 102.91	palladium 46 Pd 106.42	silver 47 Ag 107.87	cadmium 48 Cd 112.41	indium 49 In 114.82	tin 50 Sn 118.71	antimony 51 Sb 121.76	tellurium 52 Te 127.60	iodine 53 I 126.90	xenon 54 Xe 131.29							
cesium 55 Cs 132.91	barium 56 Ba 137.33																	thallium 81 Tl 204.38	lead 82 Pb 207.2	bismuth 83 Bi 208.98	polonium 84 Po [209]	astatine 85 At [210]	radon 86 Rn [222]	
francium 87 Fr [223]	radium 88 Ra [226]																	mercury 80 Hg 200.59						
		rutherfordium 104 Rf [261]		dubnium 105 Db [262]		seaborgium 106 Sg [266]		bohrium 107 Bh [264]		hassium 108 Hs [277]		meitnerium 109 Mt [268]		darmstadtium 110 Ds [271]		roentgenium 111 Rg [272]								

- Other rare metals
- Light rare earth elements
- Heavy rare earth elements

lanthanum 57 La 138.91	cerium 58 Ce 140.12	praseodymium 59 Pr 140.91	neodymium 60 Nd 144.24	promethium 61 Pm [145]	samarium 62 Sm 150.36	europium 63 Eu 151.96	gadolinium 64 Gd 157.25	terbium 65 Tb 158.93	dysprosium 66 Dy 162.50	holmium 67 Ho 164.93	erbium 68 Er 167.26	thulium 69 Tm 168.93	ytterbium 70 Yb 173.05	lutetium 71 Lu 174.97
actinium 89 Ac [227]	thorium 90 Th 232.04	protactinium 91 Pa 231.04	uranium 92 U 238.03	neptunium 93 Np [237]	plutonium 94 Pu [244]	americium 95 Am [243]	curium 96 Cm [247]	berkelium 97 Bk [247]	californium 98 Cf [251]	einsteinium 99 Es [252]	fermium 100 Fm [257]	mendelevium 101 Md [258]	nobelium 102 No [259]	lawrencium 103 Lr [262]



RARE EARTH APPLICATIONS

- Rare earths are used in a countless list of applications
- Unique properties make them invaluable for improved performance, efficiency and quality of the end products
- New applications are being developed in rapid succession



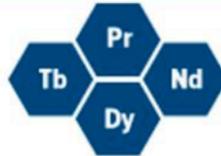


USES AND PROPERTIES OF RARE EARTH ELEMENTS

Sc Scandium	Nd Neodymium	Gd Gadolinium	Er Erbium
Y Yttrium	Pm Promethium	Tb Terbium	Tm Thulium
La Lanthanum	Sm Samarium	Dy Dysprosium	Yb Ytterbium
Ce Cerium	Eu Europium	Ho Holmium	Lu Lutetium
Pr Praseodymium			



Wind Turbines



Cordless Power Tools



Earphones, Speakers



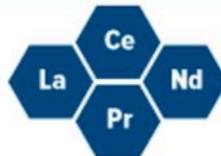
Energy Efficient Light Bulbs



LCD and Plasma Screens



Hybrid Vehicles, Magnets



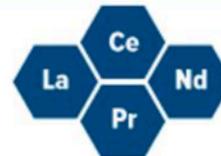
Catalytic Converters, Cameras



Rechargeable Batteries



Missile Guidance, Other Defense



Smartphone, CD/DVD, iPod



Source: Stratfor, U.S. Global Investors



ECONOMIC BENEFIT POTENTIAL

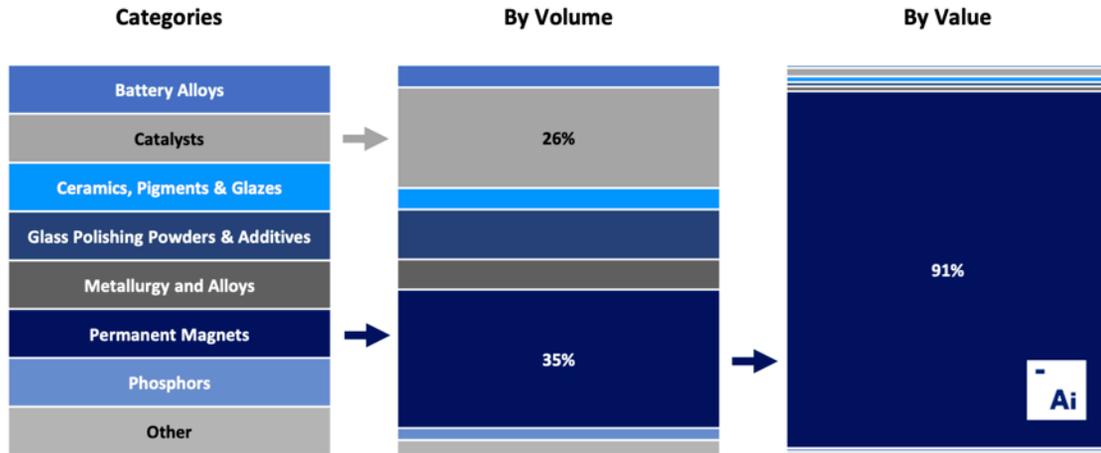
From a report by the American Chemistry Council in April 2014:

“each job in the rare earth industry generates an additional 5.0 jobs elsewhere in the North American economy”

“the industry generates a total of \$1.9 billion in economic output in North America”

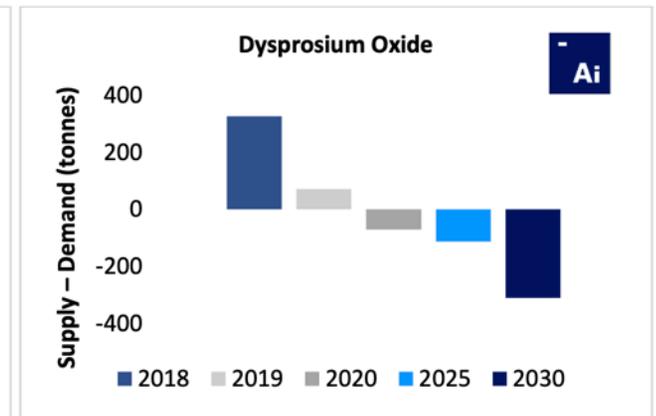
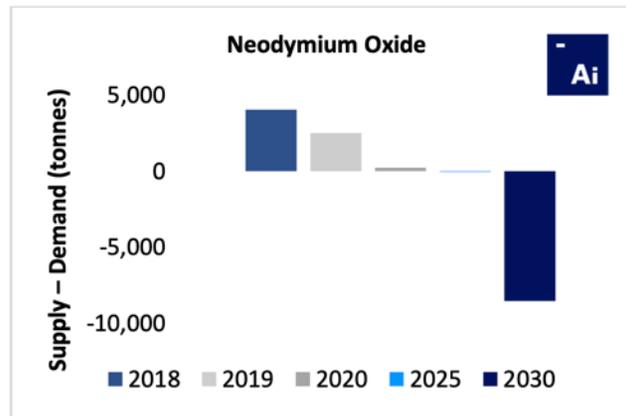
“The rare earth industry is supportive of \$329.6 billion in economic output in “downstream” end-market products and technologies that employ 618,800 workers (with a combined payroll of \$37.6 billion) in the United States and Canada”

Raw Materials	Basic Rare Earth Products	Engineered Rare Earth Materials	Components & Systems	End Market Products & Technologies
Monazite Bastnäsite Ionic Clays	Separated Rare Earth Oxides Oxylates Chlorides & Nitrates Rare Earth Mixed Oxides Rare Earth Metals	Rare Earth Alloys Magnets &	Batteries Controls Drives	Health Care Technologies Hybrid, Electric, PHEV's & Other Vehicles HVAC and Home
		Magnetic Powders Catalysts	Fabricated Metal Products	Appliance Systems Consumer Electronics
		Metallurgical Additives Polishing Powders Phosphors	Lasers Motors & Generators	Energy Efficient Lighting Communications & Electronics
		Glass Additives	Sensors	Audio Equipment Defense
		Ceramics Water Purification	Transducers Other	Technologies Other Electronics Advanced Optics & Other Glass Products
		Chemicals	Systems & Components	Oil Refining Electric Power



Permanent magnet applications such as in electric vehicles and clean energy are the dominant demand drivers

Supply will struggle to keep up with the rapidly rising demand for critical magnet elements such as Neodymium (Nd), Praseodymium (Pr),Terbium (Tb) and Dysprosium (Dy)



Source: Adamas Intelligence



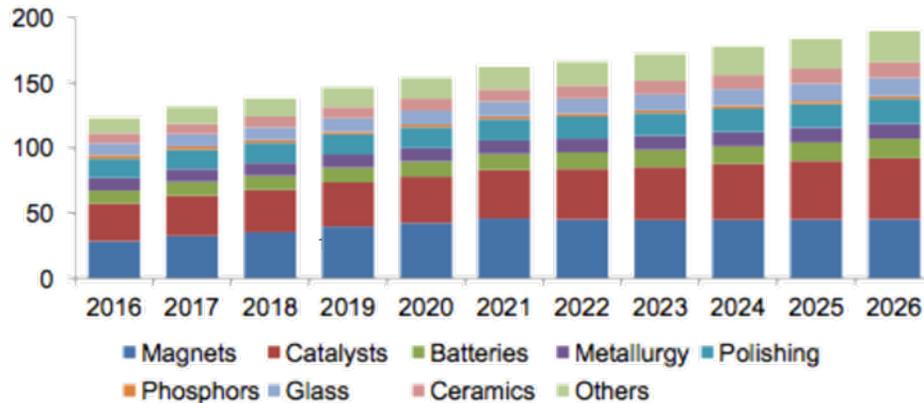
FUTURE OF RARE EARTH MARKET

Demand growth for rare earths is strong and increasing

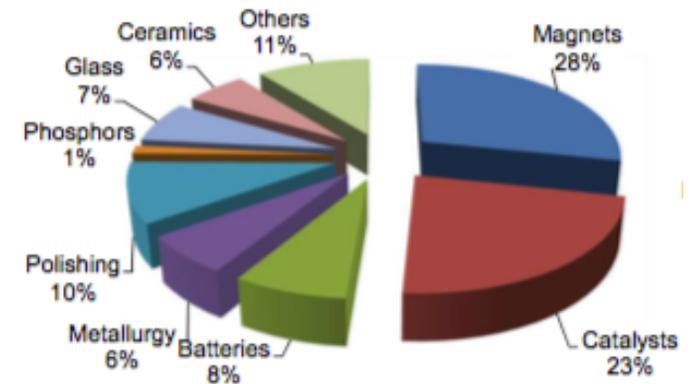
Applications will continue rapid development especially as a dependable, cost effective, high quality¹ supply is established outside of China

- NdFeB magnet growth will shape the industry over the next five years, resulting in an increasing deficit of neodymium and rising prices for this element
- In the longer-term, prices may fall as NdFeB consumers move to alternative technologies
- Rare earth demand forecast to grow at 6%py 2016 to 2021 (based on growth in magnets and catalysts)
- Rare earth demand forecast to grow by 3%py 2021 to 2026 (as demand for magnets slows and substitution begins)
- Phosphors market continues to contract

Rare earth demand by application, 2016 to 2026 (t REO)

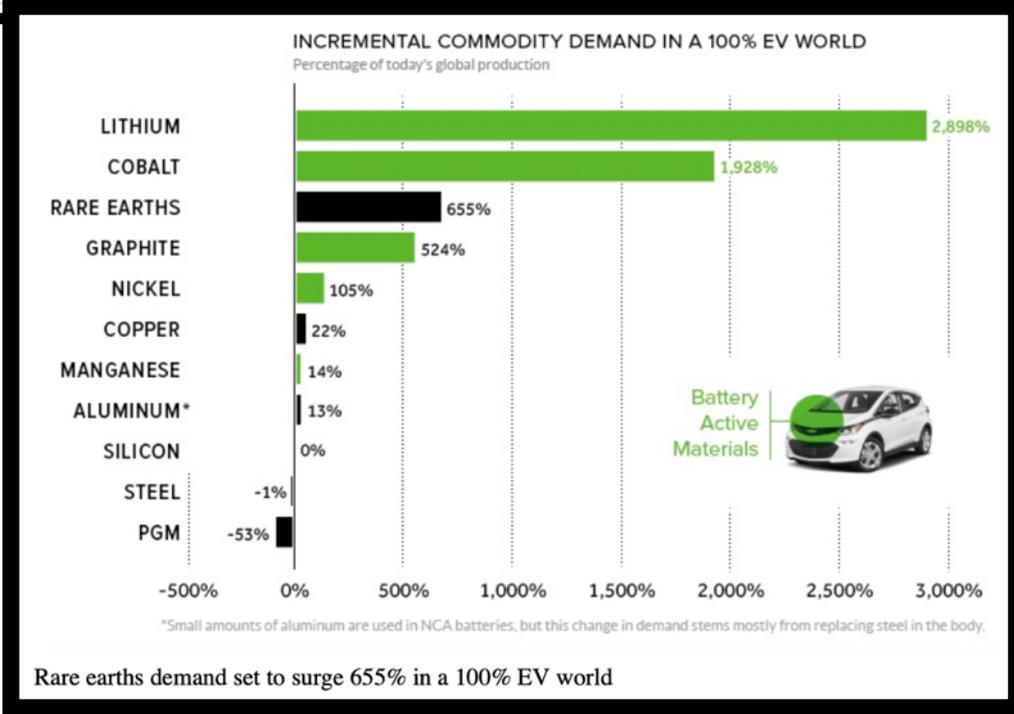
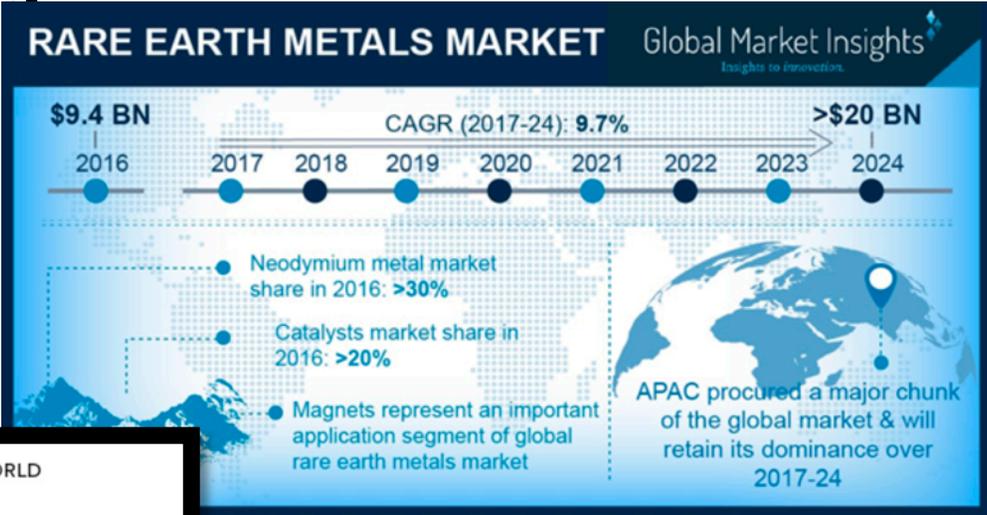
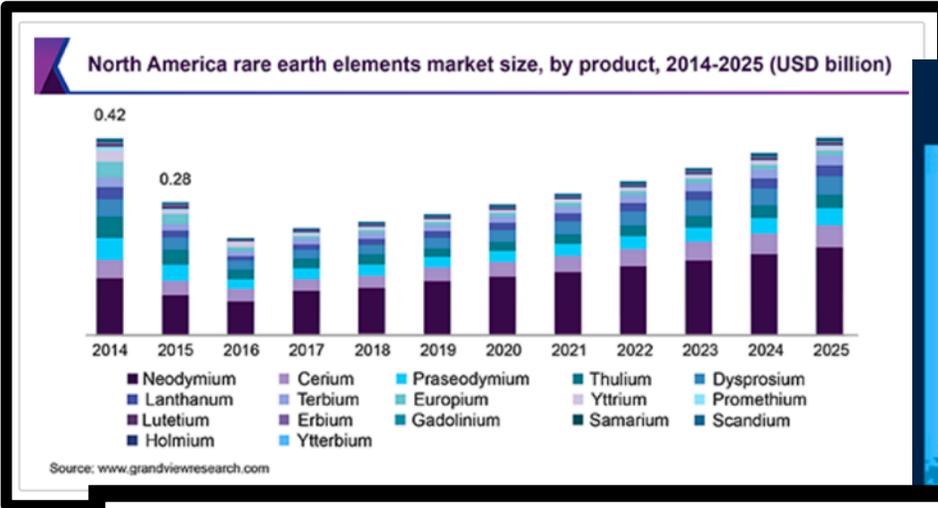


Rare earth demand by application, 2021 (163kt REO)



Source: Roskill

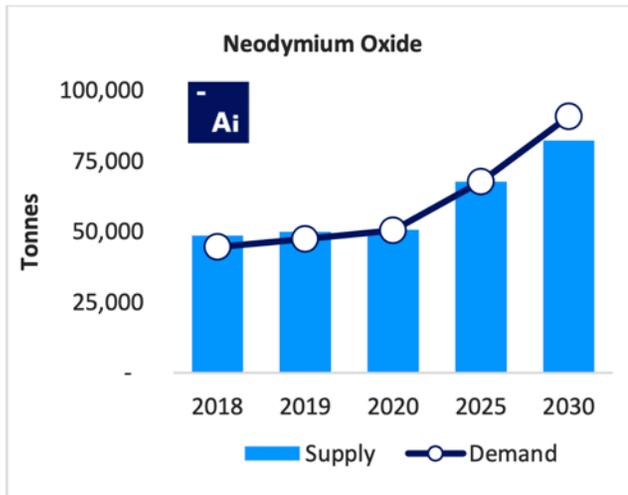
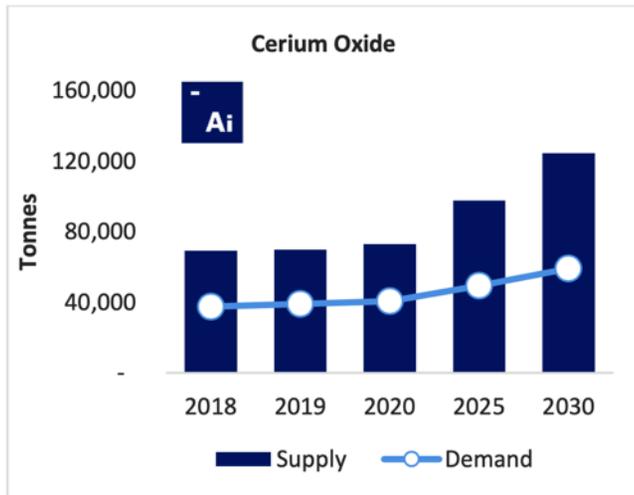
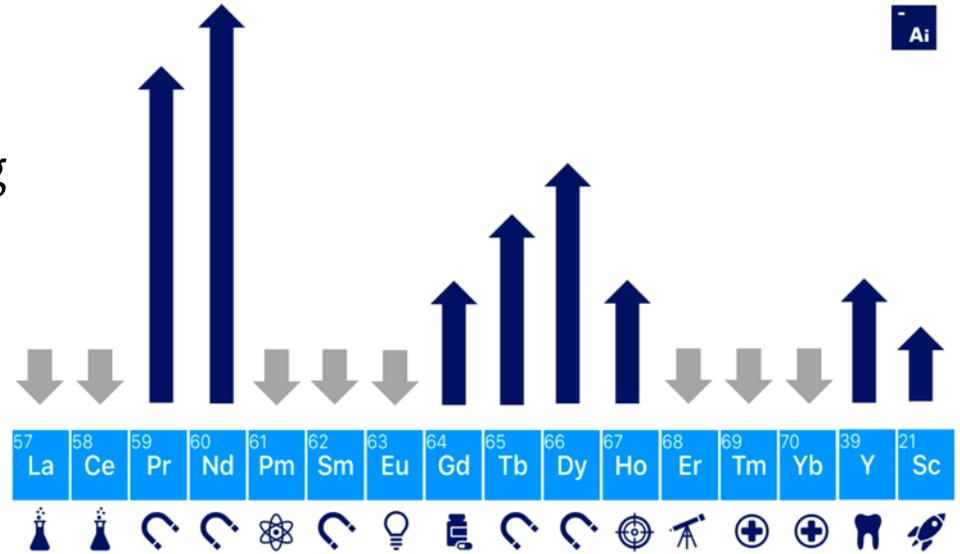






BURDEN OF EXCESS SUPPLY ON PRICES OF KEY ELEMENTS

In order to meet the growing demand for key elements such as Nd, Pr, Dy, and Tb prices are required to carry costs of producing the full set of elements causing excess supply for plentiful elements such as Ce and La.



Source: Adamas Intelligence



THE MARKET DILEMMA

Supply

Explore, Mine, Concentrate



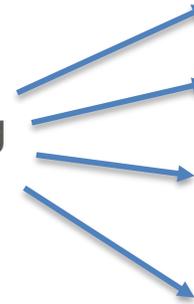
Separation & Refining



Demand

Oxides, Metals and Alloys

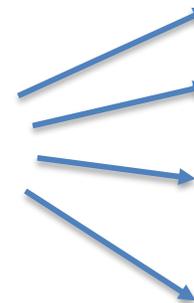
Hundreds of companies exploring have 4 choices



- Sell to China
- Engage “major” engineering firm
- Deploy “new” unproven technologies
- Access proven technology and capabilities with Canada Rare Earth ✓

China dominates
Rest of world will separate primarily light rare earths
Canada Rare Earth refineries will produce all the **full range** of critical rare earths

Major customers have 4 choices



- Buy from China
- Manufacture in China
- Engineer away from rare earths
- Purchase rare earths from refineries outside of China ✓



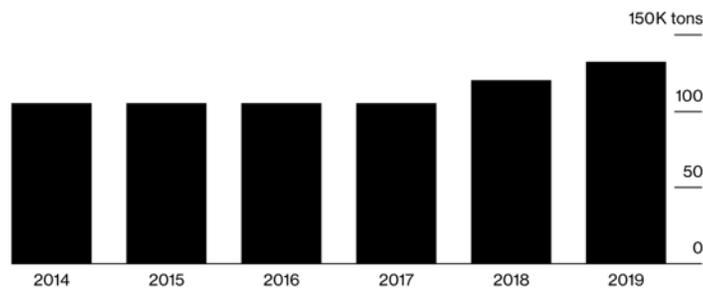
COMMENTS FROM THE MARKET

China said this month it's raising its annual mining quota for rare-earths to 132,000 tons, 10% above last year's record high. It's a move likely to weigh on global prices, dealing a blow to rivals including the U.S. and Australia, countries that agreed just last week to jointly accelerate new projects in a push to diversify the supply chain.

If you're reading this story on a smartphone, you probably have China to thank for it. The Asian nation generates about 70% of mined rare earths and controls 90% of a \$4 billion global market for materials used in magnets and motors that power phones, wind turbines, electric vehicles and military hardware.

Rising Production

China's boosting annual rare-earth mining quotas



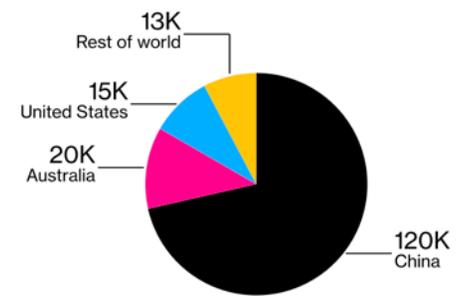
Source: Citigroup Inc., Ministry of Industry and Information Technology

Multinationals as varied as Boeing, Honeywell, Sherwin-Williams, Bayer, ExxonMobil, Stanley Black & Decker and Qualcomm all have financial interests in the availability of REEs. The iPhone in your pocket would be inoperable without 16 of the 17 rare earth metals. Each F-35 fighter jet is estimated to contain about half a ton of the elements. To improve motor efficiency, Tesla's 2019 Model S and Model X are installed with a permanent magnet motor that uses rare earth neodymium-iron-boron magnets.

China's dominance poses a considerable economic and national security risk to the U.S., one that's become all the more apparent in the months since trade relations between Beijing and Washington turned sour. "Control of the rare earth supply gives Beijing both economic and military advantages over the U.S.," writes Michael Silver, CEO of American Elements, in a [Wall Street Journal op-ed](#).

Chinese Dominance

Global mined rare-earths production in 2018



BloombergNEF, USGS



Customers Need

- Secure, dependable, timely source of rare earth products
- Fair and predictable material costs
- Flexible supply chain with minimized risks due to geopolitical landscape

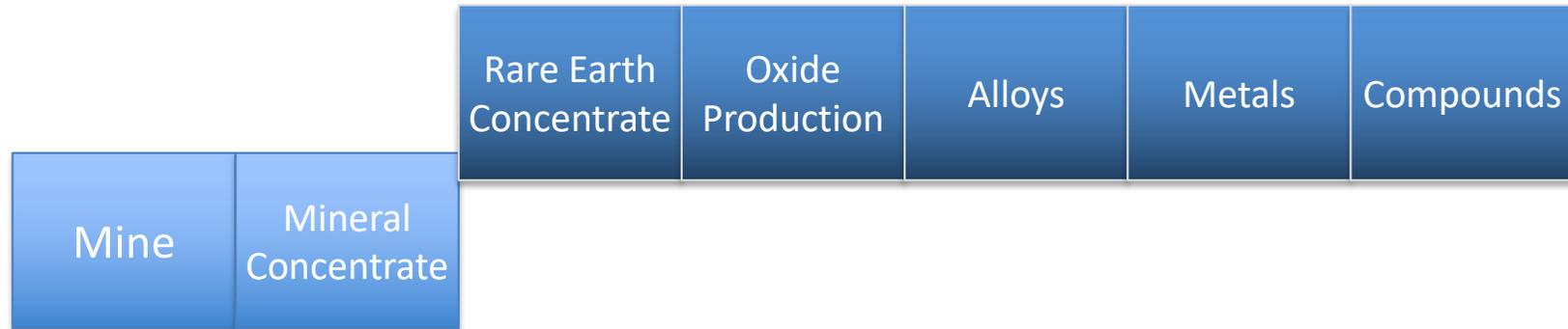
Risks in Current Supply Sources

- Overwhelming majority of supply and processing is provided by a single country



Rare Earths Are Not Rare... Processing is

The “disconnect”



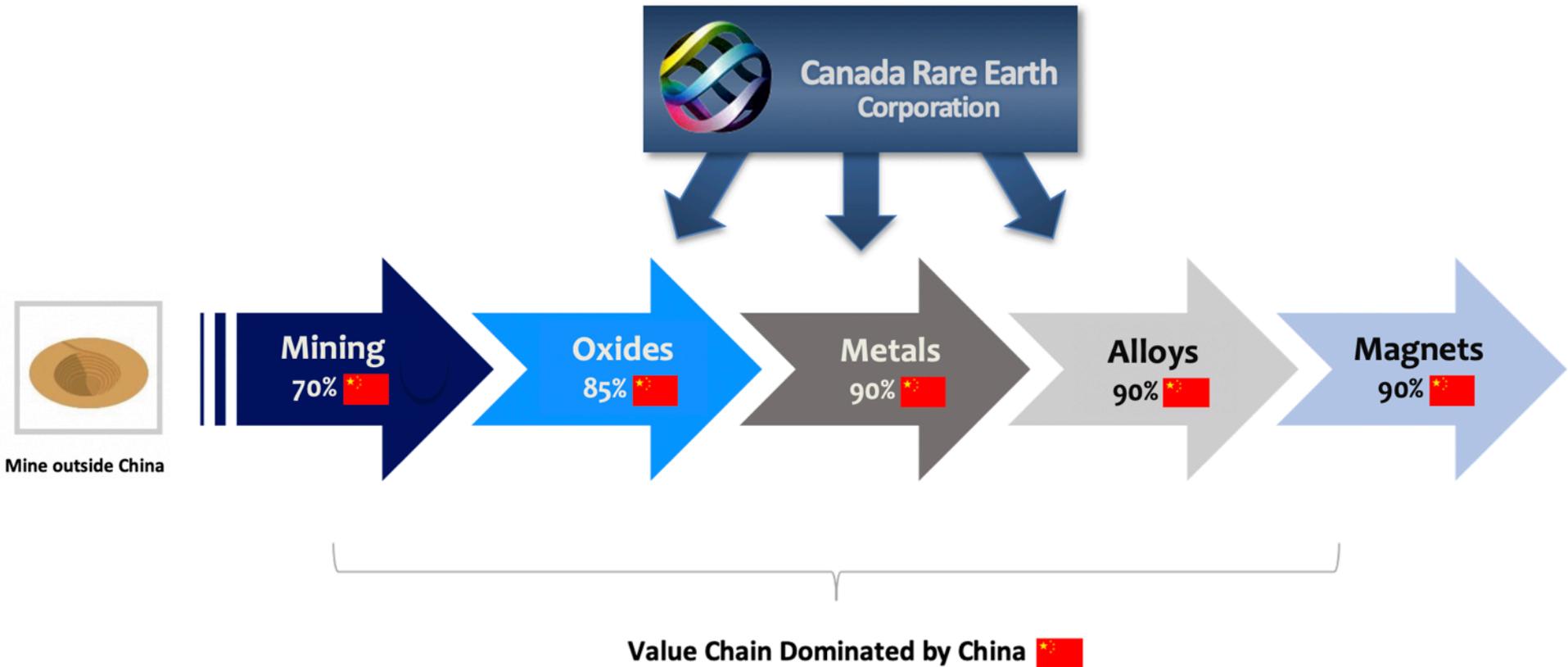
China dominates with 6 state-owned rare earth companies that operate 30+ refineries

Source: Adamas Intelligence

In conclusion, until the rest of the world starts investing in the critical downstream linkages that take rare earth mine outputs and upgrade them into market-desired materials, such as NdFeB magnets, **end-users outside of China will remain reliant on (and vulnerable to) China’s monopoly into the foreseeable future** – irrespective of how many new mines are brought online elsewhere.



Canada Rare Earth provides capabilities that are rare outside China and bridges the “disconnect”





Concentrate Feedstock

Mineral sands
Tailings
Traders and brokers



Canada Rare Earth Refineries

Globally strategic sites
Full spectrum of critical elements (heavies and lights)
Custom design to meet market & customer specifications
Modular expansion



Strategic customers
Long-term contracts
50-70% output

Spot market
Trading
Stockpiles



Canada Rare Earth is focusing business where our strengths and unique value proposition give us an advantage in the rare earth industry outside of China:

- Our strategy is built on our unique access to **proven, in-production rare earth processing technologies** and key individuals with long successful careers in developing and operating rare earth facilities
- We are leveraging our strengths to connect with the best sources of concentrates and suitable customers
- Generating sales & gross profits – **we are in business**



Canada Rare Earth and its partners, have unparalleled experience and skills in the rare earth industry:

- 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

The foundation for Canada Rare Earth to fulfill its vertical integration strategy includes:

- Establish network of full spectrum rare earth refineries for supply of Canada Rare Earth products to key international customers
- Identifying and securing optimal sources of rare earth concentrate
- Customer engagement and sales support



- Canada Rare Earth and its affiliates focus on monazite as a source of rare earths
 - Long standing proven source of rare earths
 - Developed, proven and in production technology for concentrating and separating the full range of critical elements
- Canada Rare Earth sources its rare earth minerals primarily from the tailings of other mining operations
 - Use of tailings as feedstock means mining is not required, reducing the environmental damage and risks to production
 - Processing of tailings often assists in cleaning up of previous mine sites and extraction of valuable minerals from material previously considered "waste"
 - The costs of processing tailings vs the costs of mine development deliver an operational cost reduction for Canada Rare Earth operations
- Typical sources include:
 - Heavy Mineral Sands operations where monazite is a component of the tailings
 - Tin mine tailings



	Now	Future
Buying and Selling Concentrate	Delivering to existing operating refineries in China	Expand shipment volumes to supply refineries in Asia, South East Asia, North America, & South America
Selling Rare Earth Products (oxides, metals, compounds, etc.)	Sourcing from Asian and Chinese refineries to supply ROW	Canada Rare Earth and affiliate refineries outside of China to expanded customer base in ROW
Developing Refineries Outside of China	Development of Canada Rare Earth South American rare earth refinery Permitting of Laos refinery and exercise option to buy control	Development of additional refineries in South East Asia, North America, & other strategic locations



Mineral Resources/ Concentrate Sources	Concentrate Pretreatment (Hydrometallurgy)	Rare Earth Separation Facilities	Rare Earth Downstream Processing
<ul style="list-style-type: none"> Africa South America Australia South East Asia India North America 	Hunan China	Ganzhou Zhanhai	China
		Hunan China	
	Laos	Laos	Laos
	Southeast Asia	Southeast Asia	Southeast Asia
	South America	South America	South America
	Middle East	Middle East	Middle East

End Customers



Prospective



In Place



SOUTH AMERICAN TAILINGS PROJECT

In December, the Company purchased 590 hectares of tailings produced from 25+ years of mining and leased 9,960-hectares for 26 years:

- The tailings contain recoverable quantities of rare earths, cassiterite, ilmenite, and zircon
- CREC may utilize existing permits and licenses necessary to process the tailings
- CREC has the right of first refusal to purchase the mining rights related to the 9,960 hectares
- Mixed concentrate will be initial the product with plans for separated products in the future
- Sales for a minimum of 48,000 mt of concentrate per year have been identified
- Initial Phase production output of 4,000 mt per month with ability to add further modules to increase production accordingly.

Project timeline

December 2019	Commercial deal closed
February 2020	Process flow finalized Processing equipment purchased
September 2020	Processing equipment installed Commissioning started
December 2020	Full phase 1 production



- Canada Rare Earth has initiated a project to build and operate a rare earth processing facility in South America in line with the Company's strategy to establish non-China based sources of refined production ready rare earth products including oxides and metals for customers who need to de-risk supply of critical rare earth materials especially Nd and Pr
- The refinery will process South American rare earth mineral concentrates through to saleable oxide and metals
 - Products will include the complete range of commercially traded rare earths including Nd, Pr and heavy elements
 - Planned production capacity of 3,000 mt of oxides or equivalent mix of oxides and metals per year.
 - The refinery will use available, existing proprietary processing technology
 - CREC to deploy rapid design and construction timeframe by leveraging existing designs that are proven and in production
- Study to select optimal location for a Canada Rare Earth South American refinery has commenced and by mid 2020 the Company intends on selecting a site and starting the permitting process



- Lao Xiangjiang Rare Earth Corporation was formed by Canada Rare Earth's partners to extend their rare earth refining capabilities outside of China to supply demand for high quality refined rare earth products
- Located in an industrial development area outside of Vientiane, the capital of Lao People's Democratic Republic
- Investment approved summer of 2011 by Lao Government
- Construction completed late 2012
- Current status - operation startup pending final operating permit from Lao government
- Canada Rare Earth has agreed to purchase 60+% of the shares of the Laos Refinery on issuance of the operating permit





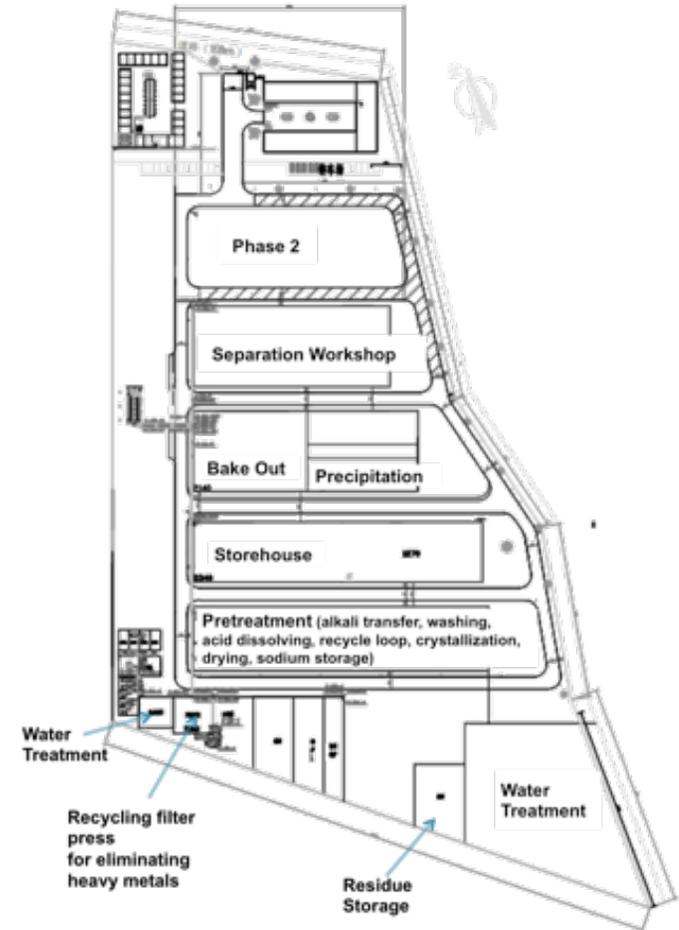
- Capability – both heavy and light refined rare earth oxide products
- Quality levels – up to 99.99% purity (higher purity possible with additional investment)
- Output capacity – 3,000 metric tons per year
- Expansion capacity – facility can be expanded to produce 6,000 mt annually
- Feedstock – pre-treated (Th & U removed) concentrates or monazite
- Products:
 - neodymium oxide,
 - dysprosium oxide,
 - praseodymium oxide,
 - lanthanum oxide,
 - cerium oxide,
 - neodymium-praseodymium oxide,
 - terbium dioxide,
 - erbium oxide,
 - gadolinium oxide, and
 - holmium oxide.
 - additional custom products can be produced depending on customer specifications and requests





LAOS REFINERY FACILITY

- Site covers over 70,000 square meters
- Factory floor area is roughly 28,000 square meters
- Factory staffing of 180 employees including 27 foreigners and 153 local workers
- Major operations and equipment:
 - acid dissolving tank,
 - extraction tanks,
 - settling tank,
 - baking kilns,
 - steam boilers and
 - waste water treatment facilities.
- Refinery land is owned through lease with local partner (normal practice in Laos)
- Electrical supply from Laos grid is in place with generator backup
- Water supply in place and 100% recycling of process water designed and built in
- Paved road access to within 500 meters of facility presently, plans for paving when facility in operation





Management and Board of Directors

Tracy A. Moore	CEO & Director	Corporate finance in 20 countries
Peter Shearing	COO & Director	Broad international experience in electronics and high-tech manufacturing
Chris F. Goodman	Leader of South American Operations & Director	Commodity trading and international business development
Salil Dhaumya	CFO	Extensive experience in the resource sector
Gordon J. Fretwell	Legal Counsel, Corporate Secretary, & Director	Multiple clients and directorships in the exploration and mining and resource industries
Mark Peters	Director	International tax structuring and financial reporting
Bill Purcell	Director	Downstream oil industry

Advisory Board

Roger Li	Chairman - Extensive network of relationships in rare earth market, inside and outside of China
Mike Phillipoff	Large-scale project management
Bob Schafer	Global exploration/mining experience
John Treleaven	Domestic and foreign government relations, former Ambassador of Canada
Wencai Zhu	Multiple rare earth processing patents and publications, General Manager of a major refinery in China



	Directors, Sr. Management, Advisors & Strategic Partners	Other	Basic and Fully Diluted
Shares	61,650,000 (32%)	131,366,000	193,016,000
Options	17,950,000	-	17,950,000
Warrants	9,000,000	-	9,000,000
Total	88,600,000 (40%)	131,366,000	219,966,000

Trading Prices: 10¢ - 4¢ 52 Week high/low

Market Capitalization \$10,615,000

Exercise of Options
and Warrants \$1,800,000



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TSX:LL

Legal Counsel
Gordon J. Fretwell

Auditors
DeVisser Gray LLP