

Canada Rare Earth Enters into Memorandum of Understanding for Financing and Strategic Arrangement with Talaxis



January 25, 2018 (Source) – Canada Rare Earth Corp. (“Canada Rare Earth” or the “Company”) (TSX VENTURE: LL) is pleased to announce the formation of a strategic business and financing arrangement with Talaxis Limited (“Talaxis”).

Tracy A. Moore, Chief Executive Officer of Canada Rare Earth explained: “We are very pleased to announce the close collaboration with Talaxis. Over the past year Canada Rare Earth has experienced excellent organic growth. With support of Talaxis’s personnel, experience, systems, infrastructure and financing we expect to accelerate our development significantly and at an even faster pace. We expect that the arrangement with Talaxis will allow Canada Rare Earth to focus on what we do best: developing new sources of raw products, developing midstream processing facilities and customer relations. Talaxis is a perfect ally for us.”

Peter Shearing, Chief Operating Officer of Canada Rare Earth commented: “By joining forces with Talaxis the Company will immediately acquire access to a global trading and distribution network which would otherwise have taken years to establish and provides the Company with the benefits associated with an international group with a long and recognized history as a commodities trader. As a result, we can accelerate our business momentum towards achieving our strategic goal of being one of the leading integrated rare

earth providers.”

Daniel Mamadou, Executive Director of Talaxis said: “Our focus is the development of an integrated supply chain of technology metals including rare earths, and part of our growth strategy includes teaming up with partners, whose platforms can be leveraged by taking advantage of our global logistics and marketing network. We value CREC’s technical expertise, its access to refining capacity and most importantly its commitment to this industry. Canada Rare Earth will play an important role in the growth of Talaxis.”

Key Aspects of the Business and Financing Relationship

Canada Rare Earth and Talaxis have signed a Memorandum of Understanding (“MOU”) that sets out the proposed principles of a working relationship leading to cooperation in the development of supply chains in the rare earth industry. The terms and conditions are to be negotiated and included in subsequent definitive agreements which will detail arrangements regarding sourcing, processing and delivering rare earths, refinery facilities, financing capital expenditures and trade finance support. The MOU also includes provisions for the parties to negotiate terms upon which Talaxis may participate in the capital structure of CREC using hybrid capital solutions that include debt, equity stake and warrants.

The MOU also contains provisions for the parties to negotiate arrangements with respect to mid-stream processing, sourcing of rare earth concentrates, trading, logistics, representation and participation in respective technical and advisory boards.

Canada Rare Earth will be Talaxis’s preferred strategic partner with respect to midstream rare earth processing capabilities including but not limited to developing, acquiring, designing, building, managing and operating rare earth enhancement, separation and metal making facilities.

About Canada Rare Earth Corp.

Canada Rare Earth is developing an international integrated business within the global rare earth industry. Our immediate key focus is to generate revenues and positive cash flow from a variety of profit centres in the rare earth production and sales chain by sourcing, adding value and selling rare earths in all stages and forms. We are in the process of establishing our own mining, concentrating and refinery capabilities in addition to working with affiliated and third party organizations.

About Talaxis Limited

Talaxis, currently a company wholly owned by Noble Group, is involved in the investment and development of resources which are critical to green technology supply chains, including cobalt, lithium, and rare earths. Talaxis is also involved in the research and development of industrial applications related to energy solutions providers and permanent magnets consumers. Noble Group (SES: CGP) manages a portfolio of global supply chains covering a range of industrial and energy products. Noble facilitates the marketing, processing, financing and transportation of essential raw materials. For more information please visit www.thisisnoble.com.

On behalf of the Board

Tracy A. Moore, CEO and Peter Shearing, COO

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For more information on the Company, interested parties should review the Company's filings that are available at www.sedar.com.