

RARA TERRA ANNOUNCES FILING OF FILING STATEMENT AND TECHNICAL REPORT FOR PROPOSED QUALIFYING TRANSACTION

Also Announces Entry into Las Chacras Acquisition Agreement

Trading Symbol: RTX.P - (TSX.V)

VANCOUVER, April 7 /CNW/ - Rara Terra Capital Corp. ("**Rara Terra**" or the "**Company**") is pleased to provide this update regarding its proposed qualifying transaction pursuant to which American Manganese Inc. ("**AMY**") (TSX-V: AMY) has agreed to grant the Company an option to acquire 60% of its right, title and interest in the Lonnie property (the "**Lonnie Property**"), a niobium and rare earth property located in the Omineca Mining Division of British Columbia (the "**Qualifying Transaction**"). The Qualifying Transaction was previously announced in press releases dated December 1, 2010 and February 10, 2011.

Rara Terra has now received conditional acceptance for the Qualifying Transaction from the TSX Venture Exchange (the "**Exchange**"), and a filing statement (the "**Filing Statement**") dated March 31, 2011 regarding the Qualifying Transaction has been filed on SEDAR (www.sedar.com). Rara Terra has also filed on SEDAR a National Instrument 43-101 ("**NI 43-101**") compliant technical report with respect to the Lonnie Property entitled, "Mineral Resource Evaluation Report on the Lonnie Rare Earth Elements Property", written by Norm Tribe, P. Eng., and dated March 10, 2011 (the "**Technical Report**"). Mr. Tribe is a "qualified person" as defined in NI 43-101 and is independent of Rara Terra and AMY. Excerpts from the Technical Report are included in the Filing Statement.

Closing of the Qualifying Transaction is subject to certain conditions, including the final acceptance of the Exchange. The closing is expected to take place on or about April 29, 2011 or such other date as may be determined by the Company. Trading in the shares of the Resulting Issuer (as defined in Exchange Policy 1.1) is expected to commence two business days after the closing under the new name "Rara Terra Minerals Corp.". The trading symbol of the Company will be "RTX".

Entry into Las Chacras Agreement

Rara Terra also announces that it has entered into a definitive agreement dated March 25, 2011 with Golden Santa Cruz, S.A. ("**GSC**") pursuant to which the Company will acquire the Las Chacras property (the "**Las Chacras Property**"), located in the Sierra Pampeanas range in the Province of San Luis, Argentina, from GSC (the "**Las Chacras Transaction**"). Terms of the Las Chacras Transaction were previously disclosed by press release dated February 10, 2011. The closing of the Las Chacras Transaction is expected to occur subsequent to the closing of the Qualifying Transaction. The Company does not have an NI 43-101 compliant technical report with respect to the Las Chacras Property, nor can the Company provide geological information with respect to the Las Chacras Property at this time. The Company has not completed its due diligence with respect to the Las Chacras Property and approval of the Las Chacras Transaction is subject to, among other things, completion of same, the approval of the Exchange and receipt of the approval of disinterested shareholders of the Company.

Completion of the Qualifying Transaction is subject to a number of conditions, including but not limited to, Exchange acceptance. There can be no assurance that the Qualifying Transaction will be completed as proposed or at all.

The TSX Venture Exchange has in no way passed upon the merits of the proposed Qualifying Transaction and has neither approved nor disapproved the contents of this news release. Neither 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.

ON BEHALF OF THE BOARD

RARA TERRA CAPITAL CORP.

Per "Alexander Helmel"
Alexander Helmel President,
Chief Executive Officer and Director

Disclaimer for Forward-Looking Information

Statements in this press release regarding the Company which are not historical facts are "forward-looking statements" that involve risks and uncertainties, such as the statement that the closing of the Qualifying Transaction is expected to take place on or about May 15, 2011 and statements with respect to the proposed Las Chacras Transaction. Such information can generally be identified by the use of forwarding-looking wording such as "may", "will", "expect", "estimate", "anticipate", "intend", "believe" and "continue" or the negative thereof or similar variations. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties, such as the risk that the closing of the Qualifying Transaction or the Las Chacras Transaction may not occur for any reason. Actual results could differ materially from those currently anticipated in such statements due to factors including, but not limited to, the Exchange failing to grant final acceptance for the Qualifying Transaction or the Las Chacras Transaction for unforeseen reasons. Except as required by law, the Company does not intend to update any changes to such statements.

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