

51-102F3 Material Change Report [F]

Item 1 Name and Address of Company

Canada Rare Earth Corp.
700, 1199 West Hastings Street
Vancouver, BC V6E 3T5

Item 2 Date of Material Change

October 1, 2015

Item 3 News Release

The news release dated October 1, 2015 was disseminated through Canada Stockwatch and Market News under section 7.1 of National Instrument 51-102.

Item 4 Summary of Material Change

Please refer to attached news release.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please refer to attached news release.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Tracy Moore, CEO, Canada Rare Earth Corp.

Item 9 Date of Report

October 1, 2015

October 7, 2015

Peter Shearing Appointed Chief Operating Officer of Canada Rare Earth Corp.

VANCOUVER, BRITISH COLUMBIA - Canada Rare Earth Corp. ("**Canada Rare Earth**" or the "**Company**") (TSX.V: LL) is pleased to announce the appointment of Peter Shearing as Chief Operating Officer of Canada Rare Earth.

Tracy A. Moore remarked, "Peter has a significant background in operations and engineering in North America, Europe, and Asia and has been a director of Canada Rare Earth since 2012. He is a director and the CEO of CEC Rare Earth Corp. ("**REC**") whose assets Canada Rare Earth recently acquired under a previously announced transaction. The addition of the REC assets has significantly bolstered the Company's strengths in the rare earth industry and we are pleased that Peter has decided to join the management team in our drive to establish a vertically integrated rare earth business including the design, build and operation of rare earth separation refineries."

Peter Shearing's background is summarized as follows: Peter has widespread international business experience in high tech and contract electronics manufacturing. He has held numerous senior executive positions in operational, technical and customer facing roles in companies such as Nortel and Breconridge Manufacturing. He served as an engineering officer in the Canadian Army, filling leadership and technical roles for over a decade. He continues to contribute technical and design leadership as Vice President of EchoTrack Inc., a privately held environmental monitoring technology company serving various industries including wind energy development. He earned his bachelor's degree of engineering from the University of Western Ontario and his master's degree of Engineering from the Royal Military College. Previously he conducted his work in the rare earth sector through REC as CEO and director.

Peter's role going forward will be integral to the execution of Canada Rare Earth's business plan including the development of the recently acquired REC assets and their integration with other aspects of the Company's business.

ON BEHALF OF THE BOARD OF DIRECTORS OF CANADA RARE EARTH CORP:

Tracy A. Moore, CEO & President

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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