51-102F3 Material Change Report [F]

Item 1 Name and Address of Company

Canada Rare Earth Corp.
15th Floor, 1040 West Georgia Street
Vancouver, BC V6E 4H1

Item 2 Date of Material Change

April 7, 2016

Item 3 News Release

The news release dated April 7, 2016 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

April 19, 2016

April 7, 2016

CANADA RARE EARTH ISSUES OPTIONS TO NEW DIRECTOR

Vancouver, British Columbia - Canada Rare Earth Corp. ("**Canada Rare Earth**" or the "**Company**") (TSX.V: LL) announces that, subject to regulatory approval, it has granted 300,000 stock options to a director of the Company. These options will be exercisable at $0.10 for a period of five (5) years from the date of granting.

On behalf of the Board
Gordon Fretwell, Director and Corporate Secretary

ABOUT CANADA RARE EARTH CORP.

Canada Rare Earth Corp. is developing an international vertically and horizontally integrated business within the global rare earth industry. Our key focus is to generate revenues and positive cash flow from a variety of profit centers 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.

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

FOR FURTHER INFORMATION PLEASE CONTACT:

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