

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

March 1, 2017

Item 3 News Release

The news release dated March 1, 2017 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

March 2, 2017

Canada Rare Earth Reports First Profitable Quarter

March 1, 2017, Vancouver, BC – Canada Rare Earth Corp. (TSX.V: LL) ("Canada Rare Earth" or the "Company") reports financial results for the three and nine months ended December 31, 2016.

This release should be read with the Company's Financial Statements and Management Discussion & Analysis ("MD&A"), available at www.canadarareearth.com and filed on www.sedar.com. Except where otherwise noted, all currency amounts are stated in Canadian dollars.

Tracy A. Moore, President and CEO of Canada Rare Earth, commented, "The increasing emphasis we are placing on trading activities is generating positive financial results. We are very pleased to announce that Canada Rare Earth generated net income of \$12,211 for the three months ended December 31, 2016, an improvement of \$265,504 over the comparative period.

The positive financial results are a result of generating \$107,010 of revenues through two sales transactions and one business development activity. The size of the transactions is not necessarily indicative of future transactions or of the magnitude of profitability. We are considering each of the three transactions and business development activities, two transactions completed in the prior quarter, and one additional transaction (currently in progress) to be establishing the international logistical foundation for larger and more frequent transactions."

Peter Shearing, COO of Canada Rare Earth added, "During the December 31, 2016 quarter and in the early part of 2017 rare earth prices have stabilized and we are seeing encouraging signs of price increases. Increases in rare earth prices will affect our trading activities in a positive manner but more importantly, higher prices will have a much greater positive impact on the projected financial results for the rare earth processing facilities that we have in various states of progress. Similarly, higher rare earth prices will also improve the financial returns for the Laos refinery that was the subject of our news release dated February 22, 2017. The positive momentum is very exciting and we are expecting a very successful year ahead."

A summary of the financial results for the three and nine months ended December 31, 2016 with comparative figures for the prior fiscal periods is as follows:

	Three months ended		Nine months ended	
	December 31		December 31	
	2016	2015	2016	2015
Sales	\$107,010	\$-	\$109,771	\$92,363
Cost of sales	35,244	-	37,566	-
Gross profit	71,766	-	72,205	92,363
Expenses:				
Cash	95,338	214,224	300,558	551,131
Non-cash	10,102	51,577	50,019	155,096
Sub-total	105,440	265,801	350,577	706,227
Loss before other items	(33,674)	(265,801)	(278,372)	(613,864)
Other income (expenses)	45,885	12,508	64,761	(1,070,983)
Net income (loss) for the period	\$12,211	\$(253,293)	\$(213,611)	\$(1,684,847)

	As on December 31, 2016	As on December 31, 2015
Net working capital	\$83,378	\$324,391

On behalf of the Board

Tracy A. Moore, CEO and Peter Shearing, COO

ABOUT CANADA RARE EARTH CORP.

Canada Rare Earth is developing an international integrated business within the global rare earth industry. Our 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.

"Neither the 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." The information contained herein contains "forward-looking statements" within the meaning of applicable securities legislation. Forward-looking statements relate to information that is based on assumptions of management, forecasts of future results, and estimates of amounts not yet determinable. Any statements that express predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual events or results to differ from those reflected in the forward-looking statements. Investors are cautioned against attributing undue certainty to forward-looking statements. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances. Actual events or results could differ materially from the Company's expectations or projections.

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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