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

October 16, 2020

Item 3 News Release

The news release dated October 16, 2020 was disseminated through Canada Stockwatch 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 21, 2020

October 16, 2020

Canada Rare Earth to Issue Shares for Consideration of $181,545

Vancouver, British Columbia: Canada Rare Earth Corp. ("Canada Rare Earth" or the "Company") (TSX.V: LL) announces that for consideration of $181,545 the Company will be issuing 3,550,898 common shares (the "Shares").

The TSX Exchange approved the issuance of (i) 3,167,565 Shares at a deemed price of $0.051 per Share to an insider of the Company to settle a loan in the amount of $161,545 and (ii) the issuance of 83,333 Shares at a deemed price of $.06 per Share to settle a debt of $5,000. These Shares will be issued subject to a four-month hold period.

Additionally, options to purchase 300,000 Shares at $0.05 per Share were exercised with consideration of $15,000.

The Company also announces that, subject to regulatory approval, options to purchase 4,400,000 Shares will be issued to various directors, officers, and consultants. Such options will vest over 18 months and are exercisable at $0.07per Share for a period of 5 years from the date of issue.

About Canada Rare Earth Corp.

Canada Rare Earth is developing an international supply network based on proprietary, affiliated and third-party mineral sources and existing, developing and planned processing facilities. We are generating revenues and gross profits from the sale of rare earths and connected mineral products.

On behalf of the Board

Tracy A. Moore, CEO and Peter Shearing, COO

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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