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TSX.V: LL

Canada Rare Earth Issues Shares for Debt

February 22, 2022

VANCOUVER, BRITISH COLUMBIA - Canada Rare Earth Corp. ("**Canada Rare Earth**" or the "**Company**") (TSX.V: LL) announces that it has received approval from the TSX Venture Exchange to issue 1,956,998 shares at an average of $0.722 per share, to settle $141,388.69 of debt to various creditors and management (the "Debt Settlement").

Three insiders of the Company participated in the Debt Settlement and are to be issued 1,854,872 shares at an average of $0.725 per share in consideration of settling $134,500: Tracy A. Moore, CEO - $80,000; Peter Shearing, COO - $50,000, and Anthony Wong, CFO - $4,500 (together the "Insider Settlement").

The Insider Settlement is a "related party transaction" as such term is defined under Multilateral Instrument 61- 101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Company is relying on exemptions from the formal valuation and minority approval requirements set out in MI 61-101. The Company is exempt from the formal valuation requirement of MI 61-101 under sections 5.5(a) and (b) of MI 61-101 in respect of the transaction as the fair market value of the transaction, insofar as it involves the interested party, is not more than 25% of the Company's market capitalization. Additionally, the Company is exempt from minority shareholder approval under sections 5.7(1)(a) and (b) of MI 61-101 as, in addition to the foregoing, (i) neither the fair market value of the shares nor the consideration received in respect thereof from interested parties exceeds $2,500,000, (ii) the Company has one or more independent directors who are not employees of the Company, and (iii) all of the independent directors have approved the transaction.

All securities issued pursuant to the Debt Settlement are subject to a 4-month hold.

ABOUT CANADA RARE EARTH CORP.

Canada Rare Earth Corp. is developing an 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.

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

Tracy A. Moore, CEO Peter Shearing , COO

"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."

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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