

[Rare Element Resources Ltd.](#) (the "Company") (NYSE MKT: REE), a publicly traded, strategic materials company focused on delivering rare earth products for technology and defense applications by advancing the Bear Lodge Critical Rare Earth Project located in northeast Wyoming, announced today that it has received the draft Environmental Impact Statement (EIS) from the U.S. Forest Service (USFS) for the Bear Lodge Rare Earth Project. The draft EIS is a key milestone in the permitting process for the project, as it defines the potential operating conditions and identifies the environmental impacts of the project. The draft EIS seeks to balance the interests of various stakeholders in the federal lands on which the world-class rare earth deposit is located and set the bounds for a mineral resource project that can operate economically, while adhering to the highest environmental standards. Public meetings and a 45-day comment period follow the publication of the Notice in the Federal Register, which occurred on January 15, 2016.

"The draft EIS is the culmination of a great deal of hard work by our company; the third-party contractor, Tetra Tech; and the USFS, who oversees our permitting process under the National Environmental Protection Act (NEPA)," stated Randy Scott, CEO of the Company. "It is a major milestone in the project's development and once again signals how far we have been able to advance the Bear Lodge Project. Our team has done an outstanding job with over five years of data collection and studies leading up to the draft's release by the USFS. Once the comment period is concluded, we will further evaluate the EIS and permitting timeline."

Jaye Pickarts, Chief Operating Officer of the Company, added: "As those close to the U.S. permitting process know, the publication of a draft EIS is a major accomplishment for a resource project on public lands. We will work diligently to provide meaningful comments to the USFS as they continue to work toward a final EIS. Our goal is clear, to develop a project that is a sustainable, profitable and reliable source of critical rare earth materials for the U.S. while adding jobs and revenue to the Wyoming economy. We look forward to working with all stakeholders in a timely, transparent and efficient permitting process."

Copies of the draft EIS are available on the Company website at www.rareelementresources.com and from the USFS.

Rare Element Resources Ltd. is a publicly traded, strategic materials company focused on delivering rare earth products for technology and defense applications by advancing the Bear Lodge Critical Rare Earth Project in northeast Wyoming. Bear Lodge is a significant mineralized district containing many of the less common, more valuable, critical rare earths that are essential for electronics, fiber optics, laser systems for health and defense, as well as many evolving green technologies, like hybrid cars, solar panels and wind turbines. Permitting and feasibility work on the Project continues to advance. The Company is an affiliate member of the U.S. Department of Energy's Critical Materials Institute, a combined government and private sector organization committed to eliminating supply chain issues for rare earths and other critical elements.

Please contact Paul Zink at 720-278-2460, or pzink@rareelementresources.com, for additional information.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of securities legislation in the United States and Canada. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements. Forward-looking statements are usually identified by our use of certain terminology, including "will," "believes," "may," "expects," "should," "seeks," "anticipates," "plans," "has potential to," or "intends," or by discussions of strategy or intentions. Such forward-looking statements include statements regarding the Company's ability for advancement toward the final environmental impact statement (EIS) and expected timing for a final EIS and other federal, state and local permitting and licensing. Factors that could cause actual results to differ materially include, but are not limited to, regulatory matters; the future price of our common shares, which will be dependent on such matters as the progress of our Bear Lodge Project, fluctuations in demand for, and price of, rare earth products, and the success of process technology under testing; timing of any unexpected events at the Bear Lodge property; delay or failure to receive government approvals and permits; changes in U.S. securities markets; ability to raise capital in support of the business objectives and general economic conditions. There can be no assurance that future developments affecting the Company will be those anticipated by management. Please refer to the discussion of these and other uncertainties and risk factors set out in our filings made from time to time with the United States Securities and Exchange Commission and the Canadian regulators, including, without limitation, our reports on Form 10-K and Form 10-Q. We expect that the above estimates will change as new information is received and that actual results will vary from these estimates, possibly by material amounts. While we may elect to update our forward-looking information at any time, we do not undertake to update at any particular time or in response to any particular event. Investors and others should not assume that any forecasts in this press release represent management's estimate as of any date other than the date of this press release.

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