Bear Lodge
Critical Rare Earth Project
Development

Developing the Next World-Class Rare Earth District

22nd Annual Mine Design, Operations & Closure Conference
May 1, 2014
Disclosure

The information contained herein, while obtained from sources which we believe are reliable, is not guaranteed as to its accuracy or completeness. The company is an exploration company and its mineral project has yet to be proven to be economic. Some references to geologic and technical information contained herein are historical or have been generated by external consultants who may or may not be Qualified Persons under NI 43-101 and are therefore not in accordance with the requirements under NI 43-101 or have to be prepared in accordance with a preliminary or final feasibility study. The content of this presentation is for information purposes only and does not constitute an offer to sell or a solicitation to purchase any securities referred to herein.

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Bear Lodge Project Overview:
Wyoming – Significant Advantage

- Ranked 1 of top 5 mining jurisdictions by Canada’s Fraser Institute for 2013
- Communities and state support natural resource development
  - 86% local support for project based on 2013 polling
  - Multiple letters of support from local counties and municipalities
Bull Hill Mine
Exploration History

- Midcontinental (1950 – 1954)
- Duval (1970-1985)
- FMC (1981-1986)
- Western Nuclear (1981-1984)
- Newmont (1986-1987)
- INCO – ACNC (1988)
- COCA (1990-1991)
- Phelps Dodge (1994-1996)
- Newmont (2004-2010)
- Rare Element Resources (1997-present)
Bear Lodge REE District/Zonation of LREE and HREE

**HREE-enrichment**
REE carbonate-dominant

**HREE-enrichment**
REE phosphate-dominant

Carbon

Whitetail Ridge

Bull Hill

Taylor

LREE-enrichment
REE carbonate-dominant
<table>
<thead>
<tr>
<th>Area</th>
<th>REE Mineralogy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bull Hill Resource Area</td>
<td>bastnasite group minerals; monazite; cerianite; REE-MnOx</td>
</tr>
<tr>
<td>Whitetail Ridge Resource Area</td>
<td>bastnasite group minerals (Y, Th); monazite (Nd, Sr, Th); cerianite; REE-MnOx</td>
</tr>
</tbody>
</table>
**Long-Life Resource with High-Grade Core**

### Measured and Indicated Resource (@ 1.5% cutoff grade)

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Tons (Millions)</th>
<th>Grade TREO %</th>
<th>Contained TREO lbs (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bull Hill</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Measured</td>
<td>1.96</td>
<td>3.91</td>
<td>153</td>
</tr>
<tr>
<td>Indicated</td>
<td>10.60</td>
<td>3.22</td>
<td>681</td>
</tr>
<tr>
<td>Whitetail</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measured</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Indicated</td>
<td>4.20</td>
<td>2.49</td>
<td>209</td>
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<tr>
<td>Total</td>
<td>16.76</td>
<td>3.11</td>
<td>1,043</td>
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### High-Grade Core Projected to Support Phased Development

### Measured and Indicated Resource – High Grade Subset (@ 3.0% cutoff grade)

<table>
<thead>
<tr>
<th>Deposit</th>
<th>Tons (Millions)</th>
<th>Grade TREO %</th>
<th>Contained TREO lbs (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Grade Measured &amp; Indicated</td>
<td>6.4</td>
<td>4.67</td>
<td>593</td>
</tr>
</tbody>
</table>
Hydromet Plant / TSF
General Layout
Recent USFS Permitting History

- Paso Rico – 2004 and 2005
  - CE’s for rare earth explorations

- Newmont Mining Corporation - 2006 and 2009
  - CE for gold and silver exploration
  - EA for expanded joint exploration activities

- Rare Element Resources - 2010
RER – EIS Objectives

- Develop a complete, thorough, and defensible analysis of the environmental impacts associated with the proposed development of the Bear Lodge Project
- Follow MOU conditions
- Maintain objective “third-party” process
- Establish routine communication on EIS issues and progress
- Provide information as requested by USFS
- Review and comment on draft documents
- Participate in public meetings
Bearlodge Project PLAN of OPERATIONS

- May 2012 – first submitted
- May 2013 – USFS accepted the Plan
- February 2014 – modification of Plan for scoping
- March 28, 2014 – Notice of Intent was published
USFS Project Management

- Project Manager – hired January 2014

- Third Party NEPA Contractor – hired January 2014

- Cooperating Agencies
  - State of Wyoming
  - Crook County
  - Crook County Natural Resource Conservation District
  - USACOE
Additional Permits and Authorizations

- Federal
  - US Corps of Engineers
  - Alcohol, Tobacco, and Firearms
  - Nuclear Regulatory Commission
- State
  - Wyoming Department of Environmental Quality
    - Land Division
    - Water Division
  - State Engineer’s Office
- County
  - Crook County
EIS Timeline

April 2014 — Scoping

June 2014 — Alternative Development

October 2014 — Impact Analysis

Spring 2015 — Draft EIS

Spring 2015 — Public Comment

Summer 2015 — Response to Comments/Final EIS

Fall 2015 — Draft ROD

Winter 2016 — Objection Period

Spring 2016 — Final ROD

We Are Here
Bear Lodge Project Overview:
Development Schedule

- Pilot Plant Testing & Trade-off Studies
- NEPA Permitting Process / EIS Drafting
- State, Federal & Local Permitting
- Feasibility Study
- Detailed Engineering
- Mine/Plant Construction
- ROD
- Commissioning & Ramp up
- Long Mine Life w/ Excellent Regional Exploration Upside

Timeline:
- 3Q13: Pilot Plant Testing
- 4Q13: NEPA Permitting Process / EIS Drafting
- 1Q14: State, Federal & Local Permitting
- 2Q14: Feasibility Study
- 3Q14: Detailed Engineering
- 4Q14: Mine/Plant Construction
- 1Q15: ROD
- 2Q15: Commissioning & Ramp up
- 3Q15: Long Mine Life w/ Excellent Regional Exploration Upside
- 4Q15: 40+ Years
- 1Q16: 2017
Questions?