

[Rare Element Resources Ltd.](#) (the Company) (NYSE MKT: REE and TSX: RES), a mineral resource company advancing plans to develop the Bear Lodge Critical Rare Earth Project located in northeast Wyoming, announced today that it has closed its \$3.4 million offering of common shares and warrants in a registered direct offering in the United States that resulted in net proceeds, after expenses, of approximately \$3.2 million. For further details about the offering, please see the Company's press release dated April 24, 2015. All references to \$ are to United States dollars.

Rich in critical rare earths and well-located in northeast Wyoming, we believe the Bear Lodge Project is in an exceptional position to help serve as a cornerstone for the re-establishment of a North American rare earth supply chain, said Paul H. Zink, Senior Vice President and Chief Financial Officer. This financing will help us continue our work on permitting and certain engineering and optimization studies necessary to support our feasibility study as well as continue our test work on elemental separation, which offers the opportunity to move up the value chain.

As previously disclosed, the Company sold, to a single institutional investor, 5,230,770 units at \$0.65 per unit for gross proceeds of \$3.4 million. Each unit consisted of one common share and one warrant, good for three years, to purchase 0.5 of a common share at a purchase price of \$0.85 per share.

H.C. Wainwright & Co., LLC acted as exclusive placement agent in connection with the offering.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities of the Company in this offering. There shall not be any offer, solicitation of an offer to buy, or sale of securities in any state or jurisdiction in which such an offering, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction. Any offering in the United States will be made only by means of a prospectus, including a prospectus supplement, forming a part of the effective registration statement.

[Rare Element Resources Ltd.](#) is a publicly traded mineral resource company focused on exploration and development of rare-earth element deposits, specifically those with significant distribution of critical rare earths. The Company is advancing plans to develop the Bear Lodge Project, located 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 continue to advance. The Company is a 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.

For additional information, please visit the Company's website at www.rareelementresources.com or contact Robbin Lee at 720-278-2462 or rlee@rareelementresources.com.

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 completion of the offering and the use of proceeds and benefits of this offering. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors which may cause our actual results or achievements to be materially different from any future results or achievements expressed or implied by such forward-looking statements. 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, success of process technology under testing, and any overhang resulting from the issuances in this offering; timing of any unexpected events at the Bear Lodge property; delay or failure to receive government approvals and permits; changes in U.S. and Canadian securities markets; 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 SEC 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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