



Rare Element Resources

Corporate Overview



Targeting RARE-EARTH ELEMENTS & GOLD

at Bear Lodge, Wyoming

Company Highlights



Exploring the **Bear Lodge Property**, which potentially hosts:

- **One of the largest deposits of disseminated rare-earth elements (REEs)** in North America⁽¹⁾, with high-grade zones – “Bear Lodge Project”
 - NI 43-101 inferred REE resource: 9.8 M tons @ 4.1% REO⁽²⁾
 - Carbonatite deposit; similar to Bayan Obo and Mountain Pass
 - Resource estimation in spring 2010
 - Scoping Study in summer 2010
- **Cripple Creek-style gold** targeted by Newmont in a Gold venture – “Sundance Project”
 - Excellent potential in multiple targets for **near-surface low-grade** gold deposits & possibility for **deeper high-grade** gold
 - Gold targets surround rare-earth deposit area

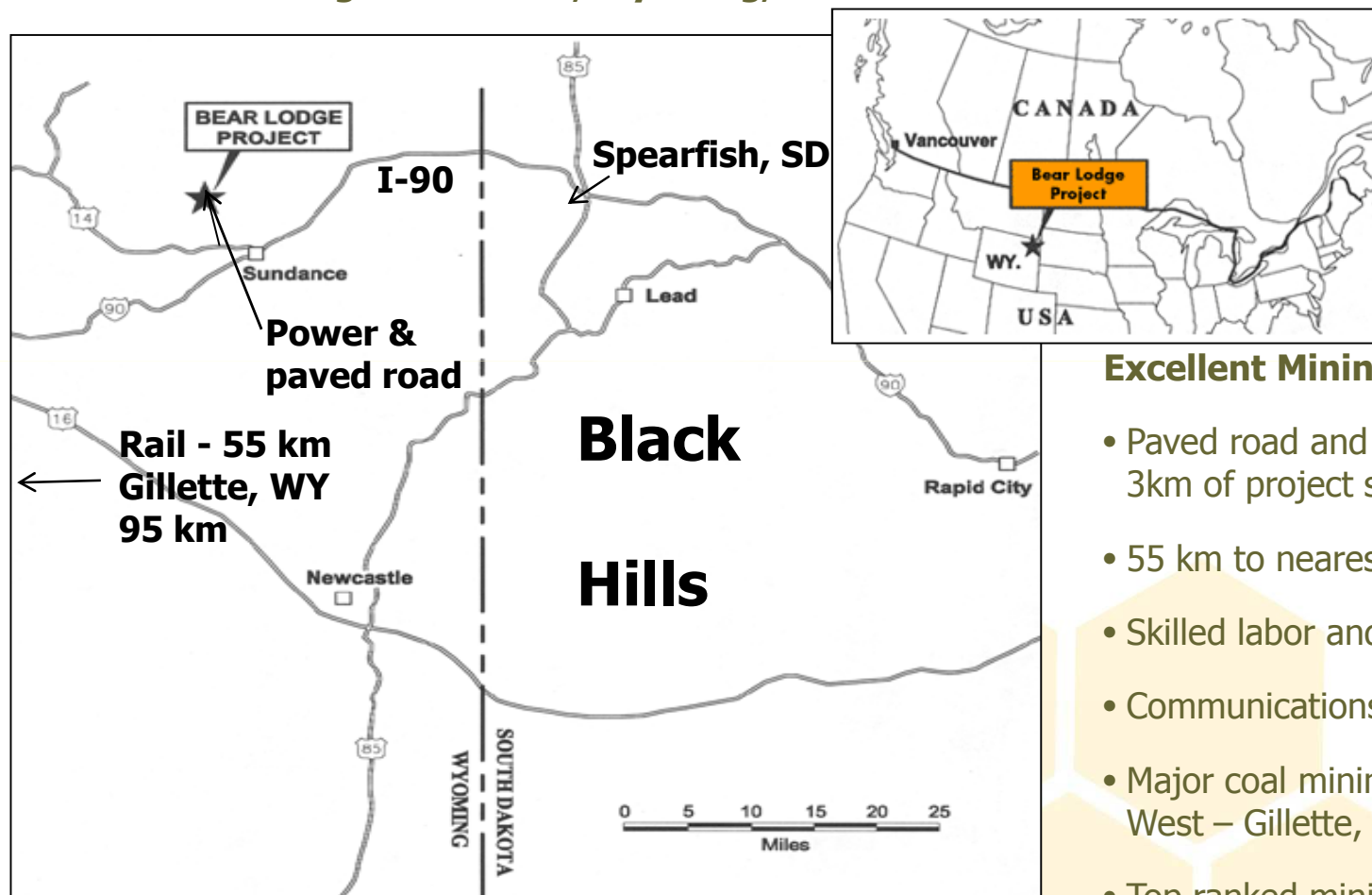
(1) US Geological Survey (Staatz, Professional Paper #1049-D, 1983)

(2) 1.5% REO cut-off-grade; prepared by Ore Reserves Engineering, April 2009

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Bear Lodge Location and Infrastructure

Bear Lodge Mountains, Wyoming, USA



Excellent Mining Infrastructure

- Paved road and power lines within 3km of project site
- 55 km to nearest railhead
- Skilled labor and water available
- Communications network nearby
- Major coal mining center 95 km West – Gillette, WY
- Top ranked mining jurisdiction⁽¹⁾

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(1) Wyoming ranked as one of the top worldwide locations favorable for mining by the Fraser Institute

Bear Lodge Rare-Earths Overview



- **100% interest** in the REE mineralization in Bear Lodge Mountains
- NI 43-101 inferred mineral resource of **9.8 M tons @ 4.1% REO⁽¹⁾** based on 26 drill holes drilled by Rare Element, Hecla, Molycorp, and Duval
- Currently exploring for oxidized REE mineralization within the Bull Hill area carbonatites; inferred **oxide resource of 4.6 M tons @ 4.3% REO**
- Metallurgical testing of known REE resource with significant success on the near-surface oxide mineralization
- Preliminary mine, plant, and geotechnical engineering studies for a preliminary engineering-economic assessment (Scoping Study)

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Rare Earth Drilling



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Typical Distribution of REE



Rare-Earth Element	Oxide Sample ⁽¹⁾	Unoxidized Sample ⁽¹⁾
Lanthanum	29.3%	32.5%
Cerium	45.0%	46.4%
Praseodymium	4.8%	4.3%
Neodymium	16.8%	13.7%
Samarium	2.0%	1.4%
Europium	0.4%	0.3%
Gadolinium	0.8%	0.6%
Terbium	0.1%	0.0%
Dysprosium	0.2%	0.2%
Yttrium	0.5%	0.5%
Total	99.9%	99.9%

(1) From two composite metallurgical samples

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Metallurgical Test Results

(Oxide Mineralization)



Scrubbing Comparison Showing Recovery, Grade & Wt-%

Project 6115-A: Scrubbing Characteristics Affecting the -500 mesh Fraction

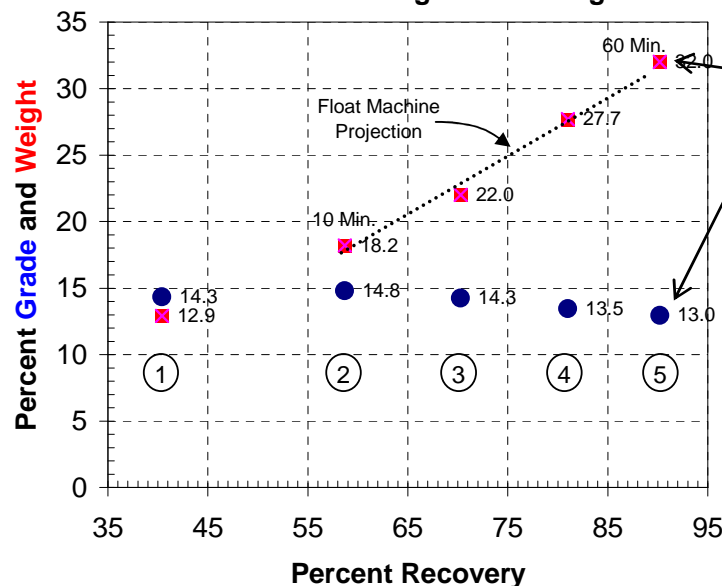
	①	②	③	④	⑤
	No Scrubbing	10 min Flotation Machine	60 min. Gentle Scrub	60 min Attrition Impeller	60 min Flotation Machine
Assay Grade (%)	14.33	14.80	14.25	13.46	12.95
Recovery (%)	40.4	58.7	70.3	81.0	90.2
Weight (%)	12.9	18.2	22.0	27.7	32.0

Crushing (-1/4")

↓
Scrubbing

↓
Screening (-500m)

Effect of Scrubbing Methods and Time on -500 mesh Product
Grade and Weight Plotted Against Recovery



**Pre-concentrate of oxide
90% Recovery & 13% REO
in 32 Wt-%**

● Grade vs. Recovery
■ Weight vs. Recovery

(after Mountain States R & D, 2009)

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Milestones



Completed:

- 2004-2008 – Drilled 12 core holes in REE minz; in addition to 14 historic holes
- March 2009 – Estimated NI 43-101 inferred resource
- July & September 2009 – Favorable metallurgical test results
- August – December 2009 – Drilled 20 core holes in REE mineralization
- October 2009 – Began a Scoping Study, a preliminary engineering-economic assessment

Upcoming:

- Spring 2010 – Anticipated update - resource estimate
- Summer 2010 – Projected completion of Scoping Study on oxide portion of resources with top quality consultants; begin development drilling for reserves
- Q3 2010 – If Scoping Study is sufficiently positive, plan to initiate mine permitting and a Prefeasibility Study

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