



Bear Lodge Critical Rare Earth Project

USNRC Meeting



September 19, 2013

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- ◆ **Introductions**
- ◆ **Recent Project Achievements**
- ◆ **License Application Progress**
- ◆ **Clarification of NEPA, license exemption and application requirements**

Rare Element Resources Inc.
Is a Wyoming Corporation with
100% interest in the
Bear Lodge Property



Management

- Randall J. Scott: President & CEO
- Jaye T. Pickarts, PE: COO
- David P. Suleski, CPA: CFO
- James G. Clark, PhD: VP Exploration
- George G. Byers, MA: VP Government Relations
- Kelli Kast, General Counsel, CAO

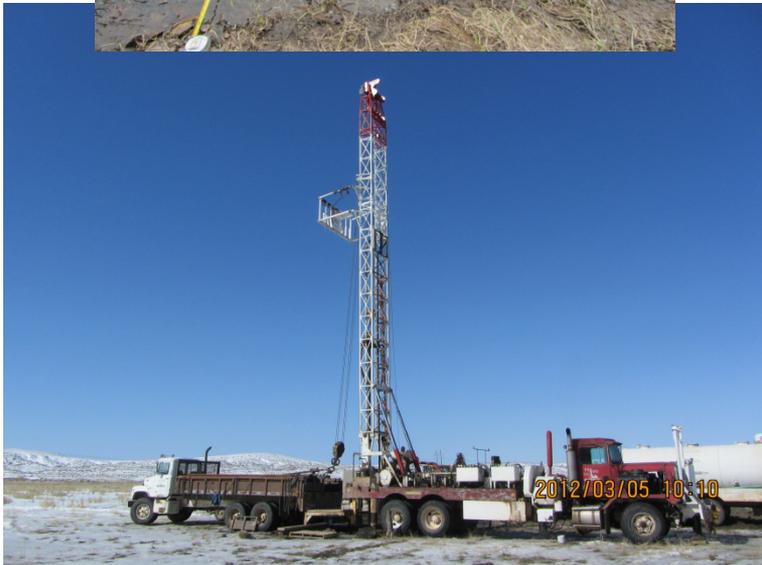
Bear Lodge Project Recap

- ◆ Second highest grade deposit in North America
- ◆ Good distribution of the Critical Rare Earth Minerals
- ◆ Highest Europium deposit in the world
- ◆ One of 4 best non-Chinese deposits in world
- ◆ Favorable Metallurgy
- ◆ Dependable Infrastructure
- ◆ Skilled Workforce



- ◆ Increased Measured & Indicated (M&I) resource by 65%
 - Identified high-grade subset
- ◆ Confirmed heavy rare earth-enriched zoning
- ◆ 3rd party labs confirmed benefits of patent-pending metallurgical process
- ◆ Began 2013 drilling – 10,000 ft program
 - Upgrade inferred resource at Whitetail

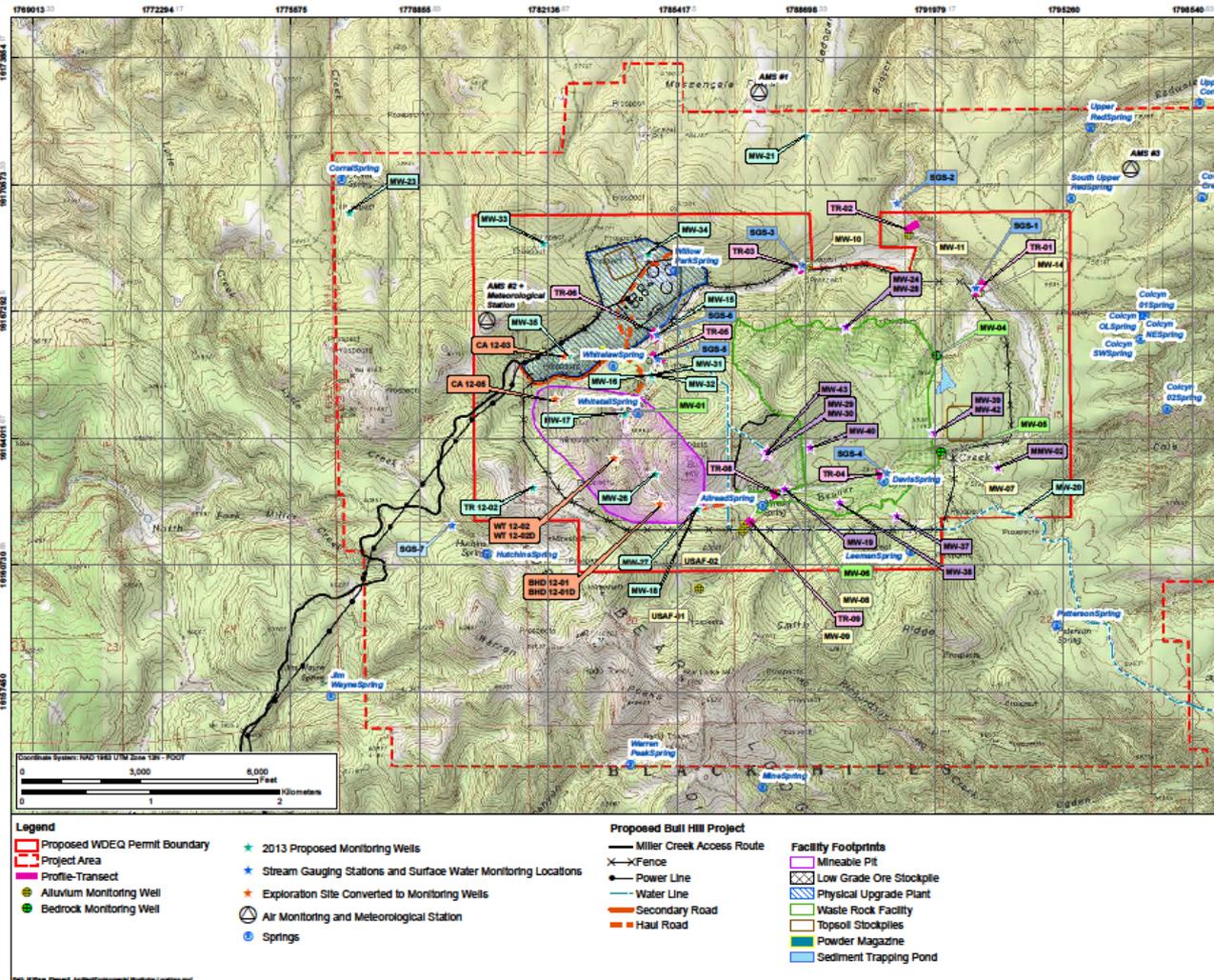




- ◆ Plan of Operations Accepted by USFS
- ◆ Feasibility Study Ongoing
- ◆ Pilot Plant Startup in August
- ◆ MOU with USFS for EIS preparation in progress
- ◆ On-going environmental baseline data collection at Bull Hill and Upton
- ◆ Development drilling ongoing
- ◆ TCP survey collaboration with Tribes in progress

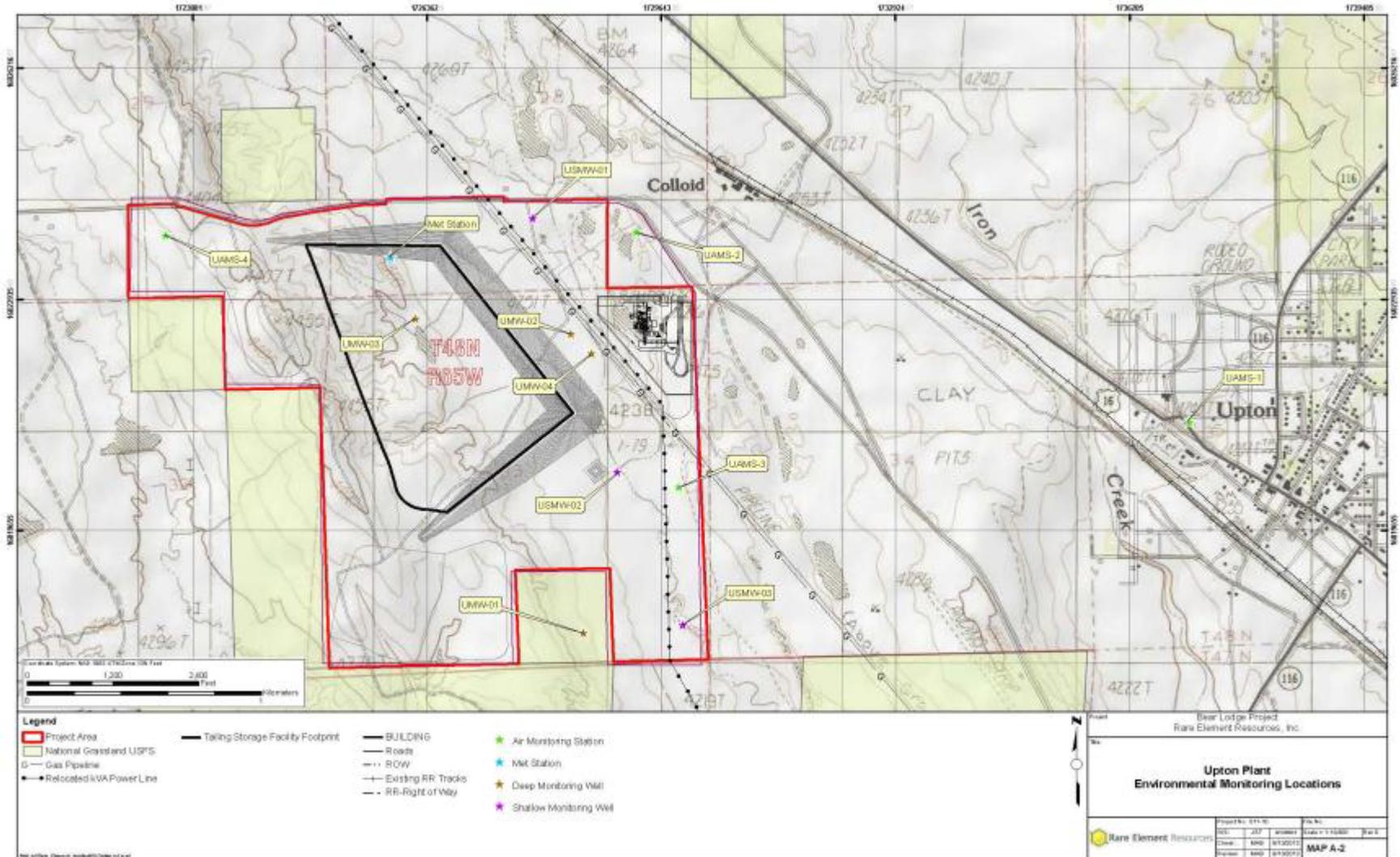
- ◆ Conventional truck and excavator open pit mining
- ◆ Overburden to waste rock disposal facility (U+Th <0.005%)
- ◆ High grade oxide, OxCa and stockwork ores (U+Th <0.05%)
- ◆ Staged Primary Crushing
- ◆ Secondary Roll Crushing
- ◆ Screening, Magnetic and Gravity Separation
- ◆ Coarse reject to waste rock disposal facility (U+Th <0.01%)
- ◆ Dewatering
- ◆ Pre-concentrate product (U+Th >0.25%) to Upton Hydromet Plant

Bull Hill Mine Updated Environmental Monitoring



- ◆ Pre-concentrate product from PUG plant (U+Th <0.25%)
- ◆ Leach reactors (20% HCl at 190 degrees F) to dissolve REE's
- ◆ Precipitation/roasting to produce a >93% mixed REO powder product (U+Th <0.01%)
- ◆ 40 kg/day thorium oxide waste (98% Th) to offsite disposal facility
- ◆ Two-stage scrubbing for chlorine gas recovery
- ◆ HCL regeneration
- ◆ Leach residue and acid regeneration solids to TSF disposal (U+Th <0.01%)

Hydromet Plant/TSF Updated Environmental Monitoring



- ◆ EIS schedule: 4th Quarter 2013 – 4th Quarter 2015
- ◆ USNRC source materials possession license application 4th Quarter 2013
- ◆ WDEQ-LQD mine permit application 1st Quarter 2014
- ◆ WDEQ-ISD permit application 1st Quarter 2014
- ◆ WDEQ Permits Issued 1st Quarter 2015
- ◆ USFS Record of Decision 4th Quarter 2015
- ◆ USNRC License Issued 4th Quarter 2015
- ◆ Construction during 2015/2016
- ◆ Startup late 2016

License Application Progress per NUREG-1556 (Vol. 12)

Section	Subject	Section in NUREG 1556 Vol. 12	Percent Complete	Action Item
1-4	Applicant Name and Contact information	8.1 thru 8.4	100	–
5	Description of Radioactive Material	8.5	25	Financial assurance requires a Decommissioning Funding Plan
6	Purpose for which licensed material will be used	8.6	100	
7	Training and Experience of Individuals Responsible for Radiation Safety	8.7	90	Need to identify at least one authorized user (by name or function?)
8	Radiation protection training	8.8	100	-
9	Facilities and equipment	8.9	0	Provide description of facilities and equipment that meet the recommendations in Section 8.9 of NUREG-1556, Vol. 12
10	Radiation Safety Program	8.10	80	Provide a description of the instruments used to quantitatively measure the radioactivity in the products and process, and the procedures followed to ensure accuracy of those measurements.

License Application Progress per NUREG-1556 (Vol. 12) Cont.

Section	Subject	Section in NUREG 1556 Vol. 12	Percent Complete	Action Item
11	Waste Management	8.11	0	Define process and associated wastes. Apply for authorization for on-site tailings storage under 10 CFR 40.13.
	License Fees	NRC Form 313	0	Will complete as final step of application
	Certification	NRC Form 313	0	Company representative signing NRC Form 313 is the certification.

- ◆ **License Exemption Clarification**
 - 10 CFR 40.13(c)(1) (vi) regarding U+Th in products <0.25%
 - 10 CFR 40.13 for U+Th source material <0.05%
- ◆ **NEPA Issues**
 - Bull Hill Mine and Upton Plant NEPA Clarification
 - Cooperating Agency with USFS (July 31 meeting)
- ◆ **License Application Clarification**
 - NRC staff comments dated 9/13/2013
 - Environmental Reports
 - Estimated staff effort/schedule for review/approval process
 - Pre-license audit