

January 21, 2016

Chairman Stephen G. Burns
Commissioner Kristine L. Svinicki
Commissioner William C. Ostendorff
Commissioner Jeff Baran

In the matter of
RARE ELEMENT RESOURCES, INC.
(Bear Lodge Project)
Docket No. 40-38367

Dear Chairman and Commissioners,

In the attached letter, dated January 21, 2016, Rare Element Resources, Inc. (RER) requested that the NRC Staff temporarily suspend further review of the license application for the Bear Lodge Project submitted to NRC on May 4, 2015. Rare Element Resources is requesting that the adjudicatory proceeding likewise be suspended until such time as the licensing process is restarted. Continuing with the hearing process at this time would result in a costly and unnecessary use of the participants' and the NRC's resources.

RER will inform the parties of any changes in the status of the licensing review for the Bear Lodge project so that the hearing process can be restarted in a timely manner.

Respectfully submitted,

/s/ signed electronically by
Tyson R. Smith
Winston & Strawn LLP
101 California St.
San Francisco, CA 94111

COUNSEL FOR RARE ELEMENT
RESOURCES, INC.

Dated at San Francisco, California
this 21st day of January 2016

UNITED STATES OF AMERICA
NUCLEAR REGULATORY COMMISSION

BEFORE THE COMMISSION

In the Matter of:)
RARE ELEMENT RESOURCES, INC) Docket No. 40-38367
(Bear Lodge Project))

CERTIFICATE OF SERVICE

I hereby certify that copies of “Rare Element Resources’ Letter to Commission” in the above captioned proceeding have been served via the Electronic Information Exchange this 21st day of January 2016.

Respectfully submitted,

/s/ signed electronically by
Tyson R. Smith
Winston & Strawn LLP
101 California St.
San Francisco, CA 94111

COUNSEL FOR RARE ELEMENT
RESOURCES, INC.



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Andrew Persinko, Deputy Director
U.S. Nuclear Regulatory Commission
Division of Decommissioning, Uranium Recovery, & Waste Programs
Office of Nuclear Material Safety and Safeguards
Mail Stop T-8F5
11545 Rockville Pike
Two White Flint North
Rockville, MD 20852-2738

**Re: Rare Element Resources, Bear Lodge Project; License Application Review Suspension
Notification: Docket No. 040-38367**

Dear Mr. Persinko:

Rare Element Resources, Inc. ("RER" or the "Company") hereby notifies the Nuclear Regulatory Commission ("NRC") of our decision to temporarily suspend further review of the Source Material Possession License Application for the Bear Lodge Project submitted to NRC on May 4, 2015 (the "License Application").

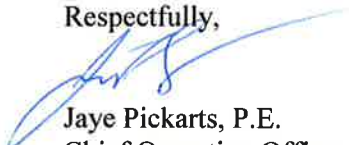
The Company is currently facing very difficult capital markets as well as a decline in rare earth prices, which, coupled with the high estimated licensing costs and ongoing delays in the overall NEPA and licensing processes, have resulted in our Board of Directors' decision to suspend all permitting and licensing efforts until such time as the Company can support the costs. The suspension is anticipated to last for approximately 12 months.

Per our communication with NRC staff, Tamara Bloomer, we have been informed that the License Application has been accepted as complete for initiation of the technical review as of November 16, 2015.

Effective immediately, RER respectfully requests that NRC temporarily suspend work on the RER License Application including all staff time on technical review and document preparation related to publication in the Federal Register. During the suspension, RER also requests that the License Application and docket number remain active and that RER not be requested by NRC to withdraw the License Application.

We appreciate the time and efforts of NRC staff to-date on the License Application and we intend to keep the NRC fully informed of any changes to the anticipated suspension schedule. Please contact me if you should have any questions or need additional information.

Respectfully,



Jaye Pickarts, P.E.
Chief Operating Officer