



# Rare Element Resources

January 21, 2016

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").

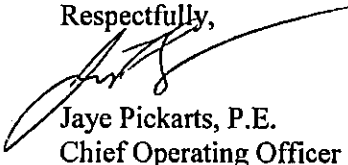
The Company is currently facing very difficult capital markets as well as a decline in rare earth prices, which, coupled with the high estimated licensing costs and ongoing delays in the overall NEPA and licensing processes, have resulted in our Board of Directors' decision to suspend all permitting 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