



NEWS RELEASE
RARE ELEMENT RESOURCES LTD.

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Rare Element Resources Progresses Rare Earth Processing and Separation Demonstration Project in Wyoming

DOE supported project to produce critical elements for high-strength permanent magnets

September 26 2022 – Littleton, Colorado – Rare Element Resources Ltd. (the “Company” or “RER”) (OTCQB: REEMF) is pleased to provide an update on the progress of its planned rare earth processing and separation demonstration project in Upton, Wyoming. The project, led by General Atomics, an affiliate of the Company’s largest shareholder Synchron, has just completed the 60% plant design milestone and is now advancing toward final detailed engineering due for completion later this year. Early expenditures for acquisition of long lead-time equipment and services are being made to minimize the effect of inflation and supply chain bottlenecks, and permitting and licensing activities are also underway. These activities are taking place while the previously leased plant location in Upton, Wyoming is being prepared for construction by the site owner.

Randall Scott, President and CEO of the Company, stated, “We are very pleased that our rare earth demonstration plant project is progressing toward planned construction next summer. Permitting and licensing are now underway with several permits already received and others under agency review. The General Atomics-led team recently completed a key design milestone with the Department of Energy (“DOE”), which is funding approximately one-half of the \$44 million project budget. We understand the importance of this project for the establishment of a domestic rare earth supply, which is of vital important to our nation.”

Mr. Scott added, “We continue to work diligently with the State of Wyoming, the University of Wyoming, and the Town of Upton to ensure our demonstration project becomes a cornerstone for the rare earth industry in Wyoming and America, while providing a venue for worker training in rare earth processing and separation.”

The demonstration plant will utilize the Company’s proprietary processing and separation technology, which is a closed-cycle process with fewer steps, resulting in expected attendant environmental benefits and lower costs compared with current technologies. The plant is expected to produce a commercial-grade neodymium/praseodymium (Nd/Pr) rare earth high-purity oxide that is used in producing high-strength permanent magnets. These high-strength permanent magnets are a key component in the manufacture of electric vehicles and wind turbines, among other technology uses. The demonstration plant will process already stockpiled sample material from the Company’s Bear Lodge Project located in northeastern Wyoming.

The Company anticipates that the demonstration plant's design will be complete by the end of 2022, followed by the completion of permitting activities in the second quarter of 2023 and the completion of the plant's construction within a period of 12 months thereafter. Operations to process and separate the rare earth elements from the stockpiled sample will follow for an additional 8-to-12-month period. The total estimated timeline for the project is approximately 40 months, which began in October 2021.

Synchron and General Atomics are privately held companies engaged in the development and production of advanced technology products and systems for the energy and defense sectors. General Atomics is an affiliate of Synchron, the Company's majority shareholder.

Rare Element Resources Ltd. is a publicly traded, strategic materials company focused on delivering rare earth products for technology, energy and defense applications by advancing the Bear Lodge Critical Rare Earth Project 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 high-strength permanent magnets, electronics, fiber optics, laser systems for medical technology and defense, as well as technologies like electric vehicles, solar panels and wind turbines.

Contact

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Forward-Looking Statements

This news release contains forward-looking statements within the meaning of securities legislation in the United States and forward-looking information within the meaning of securities legislation in Canada (collectively, "forward-looking statements"). 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" (including negative and grammatical variations thereof), or by discussions of strategy or intentions. Such forward-looking statements include statements regarding the rare earth processing and separation demonstration plant, the estimated costs of the plant, the plans and timing for the funding, design, permitting, licensing, construction, and operation of the plant, and the expected production from the plant, including anticipated cost and environmental benefits from incorporation of the Company's proprietary technology. Factors that could cause actual results to differ materially include, but are not limited to, the ability to obtain demonstration plant licensing and permits, inflation and supply chain issues, successful further permitting activities for the Bear Lodge Project, the availability of sufficient capital for the future development and operations of the Company, and other matters discussed under the caption "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, and our other periodic and current reports filed with the SEC and available on www.sec.gov and with the Canadian securities commissions available on www.sedar.com. 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. Any forward-looking statement made by us in this news release is based only on information currently available to us and speaks only as of the date on which it is made. While we may elect to update our forward-looking statements at any time, we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.