



TSX-V: RES
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Rare Element Reports Encouraging Rare-Earths Metallurgical Test Results

Vancouver B.C. - Rare Element Resources Ltd. (TSX-V: RES) is pleased to report encouraging rare-earth-element (REE) metallurgical test results on oxide samples from the Company's 100% owned Bear Lodge property located in Wyoming, USA. These initial metallurgical tests on near-surface oxide material, which was collected from three holes of the 2008 core drilling program, consisted of crushing to -1/4-inch, simple screening, and gentle scrubbing, with the finer fractions enriched in REE. The tests at various sieve sizes resulted in a range of recoveries and concentrate grades, from 70% recovery with a grade 14.25% rare-earth oxide (-500 mesh), to 90% recovery with a concentrate grade of 9.2% REO (-100 mesh). A grade of 14.25% is better than a three-fold concentration of the rare-earth elements.

Metallurgical testwork is continuing at Mountain State Research & Development International of Vail, Arizona. More work is planned to continue upgrading the concentrates by selective froth flotation and other hydrometallurgical methods. Table 1 provides the detailed sieve analyses of the various size fractions derived from an initial composite sample averaging 4.4% REO.

The three holes that provided samples for compositing and the testing were drilled to provide representative samples across the full width of the Bull Hill Southwest deposit, where an NI 43-101-compliant inferred resource has been estimated at 9.8 million tons averaging 4.07% rare-earth oxide (REO) using a 1.5% REO cutoff grade. The REE mineralization encountered in the three drill holes is primarily near-surface oxidized equivalents ("FMR") of carbonatite dikes that intrude a body of heterolithic intrusive breccia forming the Bull Hill area of the Bear Lodge alkaline-igneous complex. The oxide zone of mineralization extends from surface to depths of 300 to 500 feet, and consists of a resource of 4.5 million tons averaging 4.3% REO. Excellent exploration potential provides encouragement that the oxide zone can be expanded considerably by step-out drilling.

"We are delighted with the results of our initial metallurgical testing of the oxide material, and plan to continue to work toward a feasible method of concentrating the rare-earth-bearing minerals and recovering the rare earth metals," states President Don Ranta. "The oxide mineralization occurs at the surface and should be readily available by mining at relatively low cost. Also the location of the Bear

Lodge project area is highly favorable with all critical infrastructure, such as roads, power, water, housing, rail transport, etc. and labor supply nearby. Based on the favorable metallurgical test results, our exploration efforts will be focused on both expanding the oxide zone resource and a search for a large REE-mineralized carbonatite plug at depth. We recognize the similarities of the Bear Lodge REE-bearing carbonatites with the large Mountain Pass rare-earths deposit in California and will be exploring for an analogous large system. ”

Rare-earth assay values are reported by convention as the combined oxide equivalents (REO) of the fifteen elements in the lanthanide series. The oxide equivalents are approximately 15.6% higher than the combined metal assay values. The Bear Lodge project contains primarily the “light” REE (lanthanum, cerium, praseodymium, neodymium, and samarium, but also with minor europium, gadolinium, and yttrium).

Rare Element Resources Ltd (TSX-V:RES) is a publicly traded mineral-resource company focused on gold and the rare-earth elements. In addition to the REE exploration and evaluation efforts, the Company and Newmont have entered into the Sundance gold-exploration joint venture on the Company’s Wyoming property. Newmont has the right to earn a 65% working interest in Rare Element Resources’ property, excluding any rights to the rare-earth elements and uranium but including rights to gold and other metals, by performing US\$5 million in property work expenditures over a five-year period. Newmont also has the right to earn an additional 15% working interest by completing a positive project feasibility study. Permits have been received allowing the 2009 drilling to begin.

ON BEHALF OF THE BOARD

Donald E. Ranta, PhD, PGeo, President & CEO

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Donald E. Ranta, PhD, PGeo, serves the Board of Directors of the Company as an internal, technically Qualified Person. Technical information in this news release has been reviewed by Dr. Ranta and has been prepared in accordance with Canadian regulatory requirements that are set out in National Instrument 43-101. This news release was prepared by Company management, who take full responsibility for content. Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Table 1. Average Grade (4.2% REO) Composite - Head Sieve Analysis - Gentle Scrub

Average Grade Composite Head Sample - Gently Scrubbed 1 Hour: Sieve Assay Metallurgical Balance

Sample Name	Sample Log №	Weight		Assay (%)							
		(gm)	(%)	Ce ₂ O ₃	La ₂ O ₃	Nd ₂ O ₃	Pr ₂ O ₃	Sm ₂ O ₃	Y ₂ O ₃	REO	
Avg. Grade Comp. #2 Scrub	+1/4"	984	5.2	0.53	0.451	0.304	0.172	0.055	0.046	0.009	1.03
Avg. Grade Comp. #2 Scrub	+10m.	985	311.2	31.44	0.329	0.215	0.129	0.045	0.035	0.006	0.75
Avg. Grade Comp. #2 Scrub	+35m.	986	228.6	23.10	0.520	0.310	0.179	0.061	0.045	0.009	1.12
Avg. Grade Comp. #2 Scrub	+100m.	987	106.7	10.78	0.960	0.560	0.320	0.101	0.073	0.014	2.01
Avg. Grade Comp. #2 Scrub	+200m.	988	42.6	4.30	1.610	0.960	0.560	0.176	0.120	0.022	3.43
Avg. Grade Comp. #2 Scrub	+325m.	989	36.9	3.73	2.160	1.410	0.810	0.253	0.164	0.032	4.80
Avg. Grade Comp. #2 Scrub	+500m.	990	40.9	4.13	3.580	1.850	1.010	0.300	0.197	0.040	6.94
Avg. Grade Comp. #2 Scrub	-500m.	991	217.6	21.99	7.480	4.400	1.380	0.600	0.393	0.063	14.25
A. G. Comp. #2 Scrub Calc Head			989.7	100.00	2.272	1.339	0.517	0.201	0.135	0.023	4.464
A. G. Comp. #2 Assay Head		949			2.115	1.285	0.670	0.200	0.140	0.024	4.410

Sample Name		Content						
		Ce ₂ O ₃	La ₂ O ₃	Nd ₂ O ₃	Pr ₂ O ₃	Sm ₂ O ₃	Y ₂ O ₃	REO
Avg. Grade Comp. #2 Scrub	+1/4"	0.0024	0.0016	0.0009	0.0003	0.0002	0.0000	0.0054
Avg. Grade Comp. #2 Scrub	+10m.	0.1035	0.0676	0.0406	0.0141	0.0110	0.0019	0.2368
Avg. Grade Comp. #2 Scrub	+35m.	0.1201	0.0716	0.0413	0.0141	0.0104	0.0021	0.2575
Avg. Grade Comp. #2 Scrub	+100m.	0.1035	0.0604	0.0345	0.0109	0.0079	0.0015	0.2171
Avg. Grade Comp. #2 Scrub	+200m.	0.0693	0.0413	0.0241	0.0076	0.0052	0.0009	0.1475
Avg. Grade Comp. #2 Scrub	+325m.	0.0805	0.0526	0.0302	0.0094	0.0061	0.0012	0.1789
Avg. Grade Comp. #2 Scrub	+500m.	0.1479	0.0765	0.0417	0.0124	0.0081	0.0017	0.2867
Avg. Grade Comp. #2 Scrub	-500m.	1.6446	0.9674	0.3034	0.1319	0.0864	0.0139	3.1337
A. G. Comp. #2 Scrub Calc Head		2.272	1.339	0.517	0.201	0.135	0.023	4.464

Sample Name		Distribution (%)						REO		Weight	
		Ce ₂ O ₃	La ₂ O ₃	Nd ₂ O ₃	Pr ₂ O ₃	Sm ₂ O ₃	Y ₂ O ₃	(%)	(Cum. %)	(%)	(Cum. %)
Avg. Grade Comp. #2 Scrub	+1/4"	0.10	0.12	0.17	0.14	0.18	0.20	0.12	0.12	0.53	0.53
Avg. Grade Comp. #2 Scrub	+10m.	4.55	5.05	7.85	7.05	8.13	8.14	5.30	5.43	31.44	31.97
Avg. Grade Comp. #2 Scrub	+35m.	5.29	5.35	8.00	7.02	7.68	8.97	5.77	11.20	23.10	55.07
Avg. Grade Comp. #2 Scrub	+100m.	4.56	4.51	6.68	5.42	5.82	6.52	4.86	16.06	10.78	65.85
Avg. Grade Comp. #2 Scrub	+200m.	3.05	3.09	4.66	3.77	3.82	4.09	3.30	19.36	4.30	70.15
Avg. Grade Comp. #2 Scrub	+325m.	3.54	3.93	5.84	4.70	4.52	5.15	4.01	23.37	3.73	73.88
Avg. Grade Comp. #2 Scrub	+500m.	6.51	5.71	8.08	6.18	6.02	7.14	6.42	29.79	4.13	78.01
Avg. Grade Comp. #2 Scrub	-500m.	72.39	72.25	58.71	65.72	63.84	59.79	70.21	100.00	21.99	100.00
A. G. Comp. #2 Scrub Calc Head		100.00	100.00	100.00	100.00	100.00	100.00	100.00		100.00	