

## **Rare Element Resources Provides Construction Progress Update on Rare Earth Demonstration Plant in Wyoming**

Rare Element Resources Ltd. (the “Company” or “RER”) (OTCQB: REEMF) is pleased to provide a progress update on its rare earth recovery and separation demonstration plant currently being constructed in Upton, including with respect to the progression of site preparations and arrival of the operating equipment preassembled on skids.

Under the direction of general contractor, Loenbro, out of Gillette, the brownfield site upgrades have either been completed or have progressed to near completion. Site utility system upgrades, including electric, water, sewer, and site earth work, have been completed. Exterior catchment and sediment control systems have been installed, and the fire suppression system is in place. Most exterior upgrades to the expansion of the building that will house the plant have been completed. Modular office trailers and a rock crusher for processing the feed sample were delivered to the site and are being installed. The Company is proceeding with longer-lead time purchases to support operations, including by securing an operations contractor and purchasing chemicals and other consumables.

An off-site integrator has been constructing segments of the production line on skids. This was done to shorten the time to operations and allow for extensive off-site testing prior to on-site assembly. Each skid will arrive fully operational to be integrated with the others. This modular design has the additional advantage of allowing individual skids to be repurposed for future commercial operations. The first pre-assembled skid arrived on site in early May 2024, with the remainder to be delivered this summer.

As part of the Department of Energy (“DOE”) cost-share agreement for the plant construction and operations, the project team, led by General Atomics (“GA”), submitted to the DOE an updated construction and operations budget for its approval. DOE approval is anticipated by September 1, 2024, the project-established date for the operating-phase commencement, which includes an operating period of up to 12 months. Updated estimates were included in the budget to address increased costs due to inflationary pressures on labor, equipment and consumables, as well as incorporating the optimized plant engineering and design parameters. On the project team’s behalf, GA submitted a total project budget of approximately \$53.6 million, which is approximately 21% higher than the original budget of approximately \$44 million. The increase is roughly equal to the inflationary index over the duration of the project to date. The DOE has been asked to support the growth of budgeted costs on the same 50% cost-share basis as previously agreed. The Company is prepared to cover the cost increases for the updated project budget to ensure the plant can operate for a sufficient amount of time to gather information necessary for a commercialization decision. The funding for this revised budget and contingency for additional necessary budget adjustments that are not covered by the DOE would come from the proceeds generated by the Company’s rights offering completed in March 2024.

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