Rare Earth Metals Releases Resource Estimate for Lavergne-Springer REE Zone

10.05.2012 | Marketwired

- Indicated Mineral Resource: 4.2 million tonnes averaging 1.14% TREO
- Additional Inferred Mineral Resource: 12.7 million tonnes averaging 1.17% TREO
- The majority of the Indicated and Inferred Resources are within 250 metres of surface
- Significant potential for further expansion of the resources
- Preliminary mineralogy indicates the REEs are hosted in one predominate REE carbonate mineral-Synchysite

THUNDER BAY, ONTARIO -- (Marketwire) -- 05/10/12 -- Rare Earth Metals Inc. ("Rare Earth Metals", "RA" or the "Company") (TSX VENTURE: RA) (OTCQX: RAREF) (PINKSHEETS: RAREF) is pleased to announce an initial NI 43-101 compliant independent resource estimate for the Lavergne - Springer REE Deposit. The property is located in Springer Township in northwestern Ontario, immediately north of the Town of Sturgeon Falls and 80 km east of Sudbury, Ontario. The resource estimate was prepared by Tetra Tech Wardrop (Tetra Tech) of Toronto, Ontario. RA owns a 100% interest in the Mineral Rights to the 128 hectare patent, covering the prospect, subject to staged payments of $217,000 over three years; the owners will retain a 1% NSR (Net Smelter Royalty) and the Company will have the right to purchase half of this for $1,000,000. RA owns 100% of the Surface Rights to the eastern half of the Patent (64 hectares) which hosts the deposit.

Highlights:

- 4.167 million tonnes grading at 1.14 % total rare earth oxide (TREO), at a 0. 9% TREO cut-off grade in the indicated category.

- 12.732 million tonnes grading at 1.17 % TREO, at a 0. 9% TREO cut-off grade in the inferred category.

- Neodymium content is 17% of the TREO in the indicated category and 15.6% in the inferred category.

- The resource calculation is based on 5,619 m of drilling in 20 holes, and 3,087 assay samples covering approximately 800 metres of strike length to an average depth 250 metres.

- Resource areas remain open along multiple directions and to depth.

- Additional drilling is recommended for the next phase of exploration to add to the confidence level of the inferred and indicated reserves and to build on the reserve base.

A representative sample of the ore is currently being collected and will be shipped to Xstrata Process Support (XPS) of Falconbridge, Ontario to undergo metallurgical testing. Specifically, a flotation method will be examined as a potential recovery method. The duration of the test work is approximately 15 weeks from the project start date. Previous testwork undertaken by Tony Mariano to concentrate the synchysite mineralization on a bench scale were successful through the use of magnetic and gravity techniques (press release dated Jan. 12, 2012).

Commented Mr. Michael Stares, President and CEO, "We are extremely pleased with the resource estimate which will help us establish a base case for evaluating the economics of this property. The wide zones of near surface mineralization, apparently simple carbonate mineralogy, and excellent infrastructure could all help in moving this project forward".

Mineral resources were modeled by Tetra Tech and reported at a number of different Total Rare Earth Oxide (TREO) cut-off grades, with a base-case resource estimated using a TREO cut-off of 0.9%. At this cut-off, Lavergne - Springer hosts an Indicated Mineral Resource of 4.2 million tonnes grading 1.14% TREO and an Inferred Mineral Resource of 12.7 million tonnes grading 1.17% TREO. A breakdown of the various resource calculations and the individual REO associated with each is presented in the following tables:

Resource Estimate Summary for the Lavergne - Springer Deposit

INDICATED

	TREO% Cut-off	Tonnage ('000 t)	LREO (%)	HREO (%)	TREO (%)	THO2 (%)	HREO: TREO
LAVERGNE-SPRINGER	1.3%	759	1.363	0.080	1.443	0.018	6%
	1.2%	1,384	1.280	0.074	1.353	0.017	5%
	1.1%	2,124	1.209	0.072	1.281	0.017	6%
	1.0%	3,028	1.143	0.069	1.212	0.016	6%
	0.9%	4,167	1.073	0.066	1.139	0.016	6%
	0.8%	6,022	0.987	0.062	1.049	0.015	6%
	0.7%	8,249	0.910	0.058	0.967	0.014	6%
	0.6%	10,719	0.840	0.054	0.894	0.013	6%

INFERRED

	TREO% Cut-off	Tonnage ('000 t)	LREO (%)	HREO (%)	TREO (%)	THO2 (%)	HREO: TREO
LAVERGNE-SPRINGER	1.3%	2,805	1.482	0.053	1.535	0.010	3%
	1.2%	4,405	1.378	0.053	1.431	0.010	4%
	1.1%	6,531	1.285	0.053	1.337	0.011	4%
	1.0%	9,433	1.196	0.052	1.249	0.011	4%
	0.9%	12,732	1.119	0.051	1.170	0.011	4%
	0.8%	18,274	1.024	0.048	1.072	0.010	5%
	0.7%	25,917	0.931	0.045	0.976	0.009	5%
	0.6%	38,876	0.825	0.041	0.866	0.008	5%

Resource Estimate including all REOs for the Lavergne - Springer Deposit

INDICATED

TREO%	Tonnage	LA2O3	CE2O3	PR2O3	ND2O3	SM2O3	EU2O3	GD2O3	TB2O3	DY2O3
Cut-off	('000 t)									
1.3%	759	0.375	0.657	0.069	0.234	0.028	0.006	0.016	0.002	0.008
1.2%	1,384	0.349	0.616	0.065	0.223	0.027	0.006	0.015	0.002	0.007
1.1%	2,124	0.325	0.581	0.062	0.215	0.027	0.006	0.015	0.002	0.007
1.0%	3,028	0.306	0.549	0.058	0.204	0.026	0.006	0.014	0.002	0.007
0.9%	4,167	0.285	0.515	0.055	0.194	0.025	0.006	0.014	0.001	0.007
0.8%	6,022	0.258	0.473	0.051	0.181	0.024	0.005	0.013	0.001	0.006
0.7%	8,249	0.236	0.435	0.047	0.169	0.023	0.005	0.012	0.001	0.006
0.6%	10,719	0.216	0.401	0.044	0.158	0.021	0.005	0.012	0.001	0.005

TREO%	Tonnage	HO2O3	ER2O3	TM2O3	YB2O3	LU2O3	Y2O3	LREO	HREO	TREO
Cut-off	('000 t)									
1.3%	759	0.001	0.003	0.000	0.002	0.000	0.042	1.363	0.080	1.443
1.2%	1,384	0.001	0.003	0.000	0.002	0.000	0.037	1.280	0.074	1.353
1.1%	2,124	0.001	0.003	0.000	0.002	0.000	0.037	1.209	0.072	1.281
1.0%	3,028	0.001	0.003	0.000	0.002	0.000	0.035	1.143	0.069	1.212
0.9%	4,167	0.001	0.002	0.000	0.002	0.000	0.033	1.073	0.066	1.139
0.8%	6,022	0.001	0.002	0.000	0.002	0.000	0.030	0.987	0.062	1.049
0.7%	8,249	0.001	0.002	0.000	0.002	0.000	0.028	0.910	0.058	0.967
0.6%	10,719	0.001	0.002	0.000	0.001	0.000	0.026	0.840	0.054	0.894

INFERRED

TREO%	Tonnage	LA2O3	CE2O3	PR2O3	ND2O3	SM2O3	EU2O3	GD2O3	TB2O3	DY2O3
Cut-off	('000 t)									
1.3%	2,805	0.440	0.722	0.070	0.226	0.025	0.005	0.013	0.001	0.005
1.2%	4,405	0.406	0.671	0.066	0.212	0.023	0.005	0.013	0.001	0.005
1.1%	6,531	0.374	0.624	0.062	0.202	0.023	0.005	0.012	0.001	0.005
1.0%	9,433	0.345	0.581	0.058	0.191	0.022	0.005	0.012	0.001	0.005
0.9%	12,732	0.319	0.543	0.055	0.182	0.021	0.005	0.012	0.001	0.005
0.8%	18,274	0.288	0.496	0.050	0.170	0.020	0.005	0.011	0.001	0.005
0.7%	25,917	0.259	0.450	0.046	0.156	0.019	0.004	0.010	0.001	0.004
0.6%	38,876	0.228	0.399	0.041	0.140	0.018	0.004	0.010	0.001	0.004

TREO%	Tonnage	HO2O3	ER2O3	TM2O3	YB2O3	LU2O3	Y2O3	LREO	HREO	TREO
Cut-off	('000 t)									
1.3%	2,805	0.001	0.002	0.000	0.001	0.000	0.024	1.482	0.053	1.535
1.2%	4,405	0.001	0.002	0.000	0.001	0.000	0.024	1.378	0.053	1.431
1.1%	6,531	0.001	0.002	0.000	0.001	0.000	0.024	1.285	0.053	1.337
1.0%	9,433	0.001	0.002	0.000	0.001	0.000	0.025	1.196	0.052	1.249
0.9%	12,732	0.001	0.002	0.000	0.001	0.000	0.024	1.119	0.051	1.170
0.8%	18,274	0.001	0.002	0.000	0.001	0.000	0.023	1.024	0.048	1.072
0.7%	25,917	0.001	0.002	0.000	0.001	0.000	0.021	0.931	0.045	0.976
0.6%	38,876	0.001	0.001	0.000	0.001	0.000	0.019	0.825	0.041	0.866

Notes:
- Light Rare Earth Oxides (LREO) includes: La2O3,Ce2O3, Pr2O3, Nd2O3, Sm2O3.

- Heavy Rare Earth Oxides (HREO) includes: Eu2O3, Gd2O3, Tb2O3, Tb2O3, Dy2O3, Ho2O3, Er2O3, Tm2O3, Yb2O3, Lu2O3, Y2O3.

- Total Rare Earth Oxides (TREO) includes: La2O3,Ce2O3, Pr2O3, Nd2O3, Sm2O3, Eu2O3, Gd2O3, Tb2O3, Tb2O3, Dy2O3, Ho2O3, Er2O3, Tm2O3, Yb2O3, Lu2O3, Y2O3.

- The resource estimate has been classified as an Indicated and an Inferred Resource based on the number of drill holes, drill hole spacing and sample population used in the interpolation of the blocks.

- The effective date of the Resource Estimate is 4 May, 2012.

The Resource Estimate is based on:

- A database of 22 drill holes totalling 6,080 m of diamond drilling, of which 20 drill holes intersect the Lavergne -Springer deposit.

- Samples were composited on 3 m lengths.

- Specific gravity was interpolated by inverse distance squared method based on 432 specific gravity records.

- Geological model is constrained by 0.31 TREO% gradeshell.

- Block model was estimated by Ordinary Kriging interpolation method on blocks 20m x 20m x 12m.

- No recoveries have been applied to the interpolated estimates.

The "qualified person" as such term is defined in NI 43-101, who prepared the mineral resource estimates disclosed in this press release, is Mr. Paul Daigle, P.Geo. Mr. Daigle is an employee of Tetra Tech, and registered with the Association of Professional Geoscientists of Ontario. Mr. Daigle has reviewed and approved the sections of this press release relating to the resource estimates.

Reg Felix, P.Geo., is a qualified person as defined in National Instrument 43-101, and has reviewed and approved the background information described in this release.

About Rare Earth Metals Inc.

Rare Earth Metals is a well-funded company with a focus on exploring for Rare Earth Element deposits. The Company's shares are listed on the TSX-V exchange under the symbol RA and the OTCQX exchange under the symbol RAREF. The Company presently has three advanced projects in Ontario and Newfoundland and Labrador, exhibiting multi element potential (REEs, Niobium, Beryllium, Zirconium and Iron Ore). These include the 100% owned Clay-Howells Iron-REE deposit (8.5 Million Tonnes Averaging 0.73% TREO with 44.15% Fe2O3) in north western Ontario, the Two Tom REE-Niobium-Beryllium deposit (40.6 Million Tonnes Averaging 1.18% TREO with 0.26% Nb2O5 and 0.18% BeO) at the Red Wine Property in west central Labrador and the Lavergne-Springer REE deposit, located 80 km east of Sudbury, ON. Additionally, Rare Earth Metals has acquired a highly prospective flake graphite property with grades up to 6.17% C-Graphite on its Manitouwadge Graphite property in the Thunder Bay Mining Division and is making preparations to further evaluate its HREE (heavy rare earth element) Dory Pond Prospect at the Red Wine Property, Labrador, where an intersection of 1.55% TREO over 21 meters with an HREO/TREO ratio of 42.1% was realized.

Additional information concerning the Company is contained in documents filed by the Company with securities regulators, available under the Company's profile at www.sedar.com. For more information please visit the Rare Earth Metals website at www.rareearthmetals.ca.

ON BEHALF OF THE BOARD OF DIRECTORS OF RARE EARTH METALS INC.:

Michael Stares
President and CEO

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