

RARE ELEMENT RESOURCES LTD
Form 8-K
July 11, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **July 8, 2016**

RARE ELEMENT RESOURCES LTD.

(Exact name of registrant as specified in its charter)

British Columbia, Canada

(State or other jurisdiction of
incorporation or organization)

001-34852
(Commission

File Number)

Not Applicable

(IRS Employer Identification
No.)

P.O. Box 271049

Littleton, Colorado

(Address of principal executive offices)

80122

(Zip Code)

Registrant's telephone number, including area code: **(720) 278-2460**

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 5.02

Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(e)

Entrance into Material Compensatory Contract or Arrangement.

On July 8, 2016, Rare Element Resources Ltd. (the Registrant) entered into a Third Amendment to Severance Compensation Agreement with Randall J. Scott, the Registrant's President and Chief Executive Officer (the Third Amendment), that amends Mr. Scott's existing Severance Compensation Agreement, dated as of April 23, 2013, as amended on January 11, 2016, and March 18, 2016. The Registrant believes that the Third Amendment is fair and appropriate (i) to conserve the Registrant's cash holdings during the current care and maintenance program for its Bear Lodge Rare Earth Element Project, and (ii) to ensure Mr. Scott's continued employment, attention and dedication.

Pursuant to the Third Amendment, Mr. Scott's monthly base salary was reduced from \$21,000 to \$12,000 per month, and any potential severance compensation payable to Mr. Scott under the Severance Compensation Agreement as a result of a qualifying termination (as defined below) prior to a change in control (as defined in the Severance Compensation Agreement) will be reduced by the amount of salary paid to Mr. Scott during his employment with Rare Element Resources, Inc., a Wyoming corporation and wholly owned subsidiary of the Registrant (the Company), in the 12 months ending December 31, 2016. However, this potential decrease in severance compensation would not reduce any severance compensation payable as a result of a qualifying termination on or after a change in control. All other terms of the Severance Compensation Agreement remain unaltered by the Third Amendment.

Under the Severance Compensation Agreement with Mr. Scott, a qualifying termination includes a separation from service from the Company that is (i) initiated by the Company for any reason other than cause (which includes, among other things, conviction of a felony, theft, a material act of dishonesty or fraud, intentional or reckless conduct or gross negligence materially harmful to the Company, willful failure to follow lawful instructions of the person or body to which Mr. Scott reports, or gross negligence or willful misconduct in the performance of Mr. Scott's assigned duties), death or disability, or (ii) initiated by Mr. Scott for good reason due to certain reasons, including a material change in title or duties, a material reduction in compensation or a material geographic relocation, in each case which the Company has failed to cure.

The description of the Third Amendment is merely a summary and is qualified in its entirety by reference to the Third Amendment to Severance Compensation Agreement attached as Exhibit 10.1 hereto, which is incorporated herein by reference.

Item 9.01

Financial Statements and Exhibits.

(d)

Exhibits.

Exhibit

| No. | Description |
|------------|--|
| 10.1 | <u>Third Amendment to Severance Compensation Agreement with Randall J. Scott, dated as of July 8, 2016</u> |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 11, 2016

RARE ELEMENT RESOURCES LTD.

By: /s/ Randall J. Scott

Name:

Randall J. Scott

Title:

President and Chief Executive Officer

EXHIBIT INDEX

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