

Brown Mark Thomas
 Form 4
 January 06, 2012

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
 Brown Mark Thomas

2. Issuer Name and Ticker or Trading Symbol
 RARE ELEMENT RESOURCES LTD [REE]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 01/04/2012

Director 10% Owner
 Officer (give title below) Other (specify below)

C/O RARE ELEMENT RESOURCES LTD., 325 HOWE STREET, SUITE 410

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

VANCOUVER, A1 V6C 1Z7

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price \$
Common Stock	01/04/2012		M		50,000	A	0.55 <u>(1)</u>
Common Stock					4,000	I	Spouse
Common Stock					940,645	I	Pacific Opportunity Capital Ltd. <u>(3)</u>

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Common Stock	440,000	I	Registered Retirement Savings Plan
Common Stock	45,000	I	Spartacus Management Inc. ⁽⁴⁾

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)		
						Date Exercisable	Expiration Date	Title	Amount or Number of Shares
						Code	V (A) (D)		
Employee Stock Option (Right to Buy)	\$ 0.55 ⁽¹⁾	01/04/2012		M	50,000	01/10/2007 ⁽²⁾ 01/20/2012	Common Stock	50,000	

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

Brown Mark Thomas
C/O RARE ELEMENT RESOURCES LTD.
325 HOWE STREET, SUITE 410
VANCOUVER, A1 V6C 1Z7

X

Signatures

/s/ Mark T. 01/04/2012
Brown

 **Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Amount expressed in Canadian Dollars.

Options vested as follows: 20% of the options vested 4 months from 1/10/07 ("Grant Date"); 20% of the options vested 8 months from

(2) Grant Date; 20% of the options vested 12 months from Grant Date; 20% of options vested 15 months from Grant Date; 20% of the options vested 18 months from Grant Date.

(3) Pacific Opportunity Capital Ltd. is a private company controlled by the reporting person.

(4) Spartacus Management Inc. is a private company wholly-owned by the reporting person.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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