

RARE ELEMENT RESOURCES LTD
Form SC 13D
October 19, 2017

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO § 240.13d-1(a) AND AMENDMENTS THERETO FILED PURSUANT TO
§ 240.13d-2(a)

UNDER THE SECURITIES AND EXCHANGE ACT OF 1934

(Amendment No. ____)*

Rare Element Resources Ltd.
(Name of Issuer)

Common Stock
(Title of Class of Securities)

75381M102
(CUSIP Number)

Kenneth J. Mushinski
Synchron
3550 General Atomics Court
San Diego, CA 92121-1122
(858) 455-3000

copies to:

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Pillsbury Winthrop Shaw Pittman LLP
1540 Broadway
New York, NY 10036-4039
(212) 858-1235

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

October 2, 2017
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§ 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box .

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See § 240.13d-7 for other parties to whom copies are to be sent.

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*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The Information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)

(a)

(b)

SOURCE OF FUNDS

CHECK BOX IF DISCLOSURE OF LEGAL
PROCEEDINGS IS REQUIRED PURSUANT
TO ITEM 2(E) OR 2(F)

CITIZENSHIP OR PLACE OF ORGANIZATION

California

SOLE VOTING POWER

7

50,825,000 Common Shares (See Item 5)

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

8

SHARED VOTING POWER

0

9

SOLE DISPOSITIVE POWER

50,825,000 Common Shares (See Item 5)

SHARED DISPOSITIVE POWER

10

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

50,825,000 Common Shares (See Item 5)

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY
AMOUNT IN ROW (11)

49.0% of Common Shares (See Item 5)

14 TYPE OF REPORTING PERSON

CO

NAMES OF REPORTING PERSONS

1

General Atomic Technologies Corporation

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)

2

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

WC

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(E) OR 2(F)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Wyoming

SOLE VOTING POWER

7

50,825,000 Common Shares (See Item 5)

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8

0

SOLE DISPOSITIVE POWER

9

50,825,000 Common Shares (See Item 5)

SHARED DISPOSITIVE POWER

10

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

50,825,000 Common Shares (See Item 5)

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY
AMOUNT IN ROW (11)

49.0% of Common Shares (See Item 5)

14 TYPE OF REPORTING PERSON

CO

NAMES OF REPORTING PERSONS

1

Tenaya Corporation

CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)

2

(b)

SEC USE ONLY

3

SOURCE OF FUNDS

4

WC

CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEM 2(E) OR 2(F)

5

CITIZENSHIP OR PLACE OF ORGANIZATION

6

Delaware

SOLE VOTING POWER

7

50,825,000 Common Shares (See Item 5)

NUMBER OF
SHARES
BENEFICIALLY
OWNED BY
EACH
REPORTING
PERSON WITH

SHARED VOTING POWER

8

0

SOLE DISPOSITIVE POWER

9

50,825,000 Common Shares (See Item 5)

SHARED DISPOSITIVE POWER

10

0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

11

50,825,000 Common Shares (See Item 5)

12

CHECK BOX IF THE AGGREGATE
AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES

13 PERCENT OF CLASS REPRESENTED BY
AMOUNT IN ROW (11)

49.0% of Common Shares (See Item 5)

14 TYPE OF REPORTING PERSON

CO

Item 1. Security and Issuer.

The class of equity securities to which this Schedule 13D relates is the Common Shares, no par value, of Rare Element Resources Ltd., a British Columbia corporation (the “Issuer”). The Issuer’s principal executive offices are P.O. Box 271049, Littleton, Colorado 80127.

Item 2. Identity and Background.

(a)-(c) The persons filing this Schedule 13D are Synchron, a California corporation (“Synchron”), General Atomic Technologies Corporation, a Wyoming corporation and parent company of Synchron (“GATC”) and Tenaya Corporation, a Delaware corporation and parent company of GATC (“Tenaya”, and together with Synchron and GATC, the “Reporting Persons”). Synchron is a privately-owned company for diversified businesses in technology and other industries and its principal office and business is located at 3550 General Atomics Court, San Diego, California 92121-1122. GATC is a privately-owned holding company for diversified businesses in technology and other industries and its principal office and business is located at 3550 General Atomics Court, San Diego, California 92121-1122. Tenaya is a privately-owned holding company for diversified businesses in technology and other industries and its principal office and business is located at P.O. Box 910304, San Diego, California, 92191-0304.

(d)-(e) During the last five years, none of the Reporting Persons has been (A) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (B) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) N/A

Item 3. Source and Amount of Funds or Other Consideration.

On October 2, 2017, the Issuer and Synchron executed an investment agreement (the “Investment Agreement”) providing for the purchase of Common Shares of the Issuer. Pursuant to the Investment Agreement, Synchron acquired (x) the right to designate two directors to fill vacancies on the Board of Directors of the Issuer and (y) 26,650,000 Common Shares of the Issuer (the “Acquired Shares”), which constitutes approximately 33.5% of the fully-diluted Common Shares issued and outstanding, for \$4,752,000 in cash, including a \$500,000 preliminary payment made on August 18, 2017 pursuant to a term sheet executed between the Issuer and an affiliate of Synchron (the “Purchase Price”). The Issuer has also granted Synchron an option (the “Option”) to purchase an additional 24,175,000 Common Shares of the Issuer (the “Option Shares”), which, together with the Acquired Shares, would constitute approximately 49.0% of the fully diluted Common Shares issued and outstanding. The Option is exercisable until October 2, 2021, following the purchase of the Acquired Shares, and the total exercise price of the Option will be \$5,040,000 in cash. The Issuer and Synchron also executed an intellectual property rights agreement, pursuant to which the Issuer has granted Synchron certain rights to the Issuer’s intellectual property relating to rare earth processing and separation. Synchron acquired the Common Shares for investment purposes.

The source of the Purchase Price was available cash and cash equivalents of Synchron.

Item 4. Purpose of the Transaction.

See Item 3.

Item 5. Interest in Securities of the Issuer.

(a)-(b) Synchron is the beneficial owner of 50,825,000 Common Shares of the Issuer, including 26,650,000 Acquired Shares (which were issued in connection with this transaction) and the right to acquire 24,175,000 Option Shares, approximately 49.0% of the Common Shares of the Issuer outstanding as of the filing of its Quarterly Report on Form 10-Q for the period ended June 30, 2017 (assuming, for the purpose of computing this percentage, that the Option Shares are deemed to be outstanding in accordance with Rule 13d-3 pursuant to the Securities Exchange Act of 1934, as amended). Synchron has the sole voting and dispositive power over the Acquired Shares and, upon acquisition, will have the sole voting and dispositive power over the Option Shares.

Because each of General Atomic Technologies Corporation and Tenaya Corporation may be deemed to control Synchron, each of General Atomic Technologies Corporation and Tenaya Corporation may be deemed to beneficially own, and to have the power to vote or direct the vote, or dispose or direct the disposition of, all of the Common Shares beneficially owned by Synchron.

The filing of this Schedule 13D should not be construed as an admission that any Reporting Person is the beneficial owner of any of the shares of Common Shares that such Reporting Person may be deemed to beneficially own.

(c) Other than the transactions described Item 3 above, the Reporting Persons have not been involved in any transactions involving the securities of the Issuer in the last 60 days.

(d) Except as otherwise indicated above, no other persons are known that have the right to receive or the power to direct the receipt of dividends from, or the proceeds of sale of, such securities.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.

Pursuant to Rule 13d-1(k) promulgated under the Exchange Act, the Reporting Persons have entered into an agreement with respect to the joint filing of this statement, and any amendment or amendments hereto.

By virtue of the relationships between and among the Reporting Persons, as described in Item 2, the Reporting Persons may be deemed to be a "group" under the Federal securities laws.

Except as described or referred to above, there are no contracts, arrangements, understandings or relationships among the Reporting Persons, or between such persons and any other person with respect to any securities of the Issuer, including but not limited to transfer or voting of any securities of the Issuer, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies.

Item 7. Material to be Filed as Exhibits.

Exhibit 1. Joint Filing Agreement between Synchron, General Atomic Technologies Corporation and Tenaya Corporation.

Exhibit 2. Investment Agreement by and between Rare Element Resources Ltd. and Synchron, dated October 2, 2017.

Exhibit 3. Common Share Purchase Option granted by Rare Element Resources Ltd. to Synchron.

Exhibit 4. Intellectual Property Rights Agreement entered into by and between Rare Element Resources Ltd and Synchron, dated October 2, 2017.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: October 18, 2017

SYNCHRON

By: /s/ Kenneth J. Mushinski
Name: Kenneth J. Mushinski
Title: President

GENERAL ATOMIC
TECHNOLOGIES CORPORATION

By: /s/ James N. Blue
Name: James N. Blue
Title: Director, Chairman and President

TENAYA CORPORATION

By: /s/ James N. Blue
Name: James N. Blue
Title: Chairman, Director and President
