NAMIBIA
RARE EARTHS INC.

Press Release

LOFDAL PRODUCES HEAVY RARE EARTH CONCENTRATE FOR NAMIBIA RARE EARTHS INC.

- **Mintek confirms amenability of Lofdal (Area 4 deposit) to produce xenotime mineral concentrates with removal of thorium**
- **Un-optimized concentrate grades of 8-10% TREO with 94-96% heavy rare earth enrichment**
- **Tomra Sorting confirms efficiency of XRT sorting which can potentially double grade of run-of-mine (50% mass reduction)**
- **Beneficiation flow sheet considered simple utilizing sequential magnetic separation of xenotime**
- **Recommended optimizations will target increased overall recovery and concentrate grades**

Halifax, Nova Scotia April 3, 2013 - Namibia Rare Earths Inc. ("Namibia Rare Earths" or the "Company") (TSX:NRE) (OTCQX:NMREF) is pleased to report that it has received a preliminary metallurgical report from Mintek confirming that a xenotime concentrate can be produced from the fine grained mineralization at the Lofdal Rare Earth Project in northwestern Namibia, and that thorium can be removed from concentrates on site. A concentrate grade of 8.39% TREO with 96.1% heavy rare earth enrichment was produced from a representative sample of the high grade mineralization with a head grade of 1.37% TREO and achieved an overall recovery of 64.7%. Concentrates were also produced from sorted product and from fines (Table 1). The report provides a number of recommendations to optimize grades and recoveries.

Table 1 - Summary of Concentrate Grades and Recoveries from Lofdal High Grade Sample (Hole 4084)

Test Material	Head Grade (% TREO)	Heavy Enrichment (%)	Concentrate Grade (% TREO)	Heavy Enrichment (%)	Recovery (%)
Whole Ore	1.37	93.3	8.39	96.1	64.7
Fines (unsorted <10 mm)*	1.36	91.3	7.76	94.4	68.3
Sorted Product (>10 mm)*	2.97	95.3	10.19	96.4	77.9

* Based on WHIMS feed

Sample preparation of metallurgical samples is provided by Mintek (South Africa) and final analytical work is provided by Activation Laboratories Ltd. (Ancaster, Ontario) employing ICP-MS techniques suitable for rare earth element analyses and following strict internal QAQC procedures inserting standards and duplicates.

Don Burton, President of Namibia Rare Earths stated,

"These preliminary results from Mintek indicate that we will be able to produce valuable concentrates from Lofdal that are extremely enriched in heavy rare earths, most notably in dysprosium, yttrium, terbium and europium. We have also determined that the removal of thorium can be achieved at site using conventional leaching techniques. The work by Tomra Sorting Solutions confirms the potential to significantly reduce the volume of run-of-mine material that must go to the mill for grinding, thereby increasing the grade of the mill feed and reducing operating costs. Tomra concludes that with optimization, we can expect to effectively double the grade of the feed going to the mill and eliminate 50% of the mined material as waste.

This initial study has examined a variety of beneficiation options and concluded that the primary ore minerals (predominantly xenotime) can be concentrated using simple mechanical techniques through initial XRT sorting down to -10 mm size, followed by grinding and successive magnetic separations. The fines generated by crushing can be sent directly to the grinding mill and concentrated by magnetic separation. Continuing optimization of sorting and magnetic separation procedures will seek to further reduce mass and increase concentrate grades. Conceptually we are seeing a very simple beneficiation process with a final leaching stage to remove the thorium. The mitigation of water usage and chemical consumption is obviously a significant consideration in this sub aerial climate. This has been an extremely positive first step in demonstrating the amenability of the Area 4 deposit to extraction. Once Mintek has established final optimizations, the beneficiation tests will be undertaken on the low grade sample, after which leaching and rare earth extraction options will be addressed."

Beneficiation of Xenotime Concentrate

The Mintek preliminary testwork has focused on beneficiation of xenotime concentrates from the high grade HQ core sample. The primary objectives were to determine the most efficient process flow sheet for beneficiation of the fine grained mineralization from Lofdal with acceptable recoveries, and to confirm the removal of thorium using conventional technologies. Modal analyses have determined that xenotime represents approximately 92% of the rare earth-bearing minerals and grinding testwork has determined that approximately 80% of the xenotime occurs as grains finer than 38 microns (µm). The optimum grind was therefore determined to be -38 µm(P_{80} 38 µm).

Options for beneficiation included gravity separation, magnetic separation and flotation. Flotation did not provide significant selectivity between xenotime and calcite and is not considered to be a viable option for first stage concentrating; however, there may be a role for flotation on an upgraded product. Gravity provided encouraging results on the coarser fractions, however magnetic separation proved to be much more efficient and responsive to the finer grind necessary to ensure liberation of the xenotime. Xenotime is a paramagnetic mineral whereas the main gangue minerals (albite and calcite) are diamagnetic. A sequential treatment of the -38 µm products through a series of laboratory scale Wet High

Intensity Magnetic Separators ("WHIMS") has therefore been recommended as the primary processing option to produce the xenotime mineral concentrate. Now that the primary processing option has been selected, subsequent focus will be placed on optimizing recoveries from the sequential WHIMS stages.

Thorium Removal

The mitigation of thorium levels in mineral concentrates from Lofdal will be essential in order to provide acceptable products for export to an appropriate separation facility. A major undertaking in these initial metallurgical studies was to demonstrate a viable processing option for the removal of thorium at site. Mintek has confirmed that the Lofdal sorter product is amenable to conventional technologies for thorium removal.

Sorting Testwork to Upgrade Run-of-Mine

The report also provides results from run-of-mine sorting testwork by Tomra Sorting Solutions GmbH of Germany (formerly Commodas Ultrasort) on representative high grade and low grade samples which have the potential to reduce volumes and increase head grade. Sorting testwork using x-ray transmission sensors was performed on 347 kg of HQ drill core from the two samples which upgraded the high grade material from 1.50% TREO to 2.86% TREO with a 57% mass reduction and upgraded the low grade material from 0.27% TREO to 0.50% TREO with a 75% mass reduction (Table 2 and Table 3).

Table 2 - Summary of XRT Sorting Test on High Grade Sample (Hole 4084)

	Grade (% TREO)	Weight (kg)	Mass Distribution (%)	Mass Pull from Sorting (%)	REO Recovery from Sorting (%)
Head Feed	1.51	253.77	100.0	na	na
Sorted Product	2.86	81.66	32.2	43.2	79.3
Sorted Waste	0.57	107.13	42.2	56.7	na
Unsorted Fines	1.38	64.98	25.6	na	na

Table 3 - Summary of XRT Sorting Test on Low Grade Sample (Hole 4085)

	Grade (% TREO)	Weight (kg)	Mass Distribution from Sorting (%)	Mass Pull from Sorting (%)	REO Recovery from Sorting (%)
Head Feed	0.26	252.48	100.0	na	na
Sorted Product	0.50	39.68	15.7	25.0	48.0
Sorted Waste	0.18	118.90	47.1	75.0	na
Unsorted Fines	0.25	93.90	37.2	na	na

Tomra have reviewed the sorting testwork following receipt of all analytical results and believe that an overall recovery of 90% is achievable with a 50% mass pull. Optimization on the high grade sorting will focus on reducing the grade of the sorted waste and, for the low grade material, focus will be on reducing the volume of material reporting to the sorted waste. There is potential for the application of other sorting sensor technologies on the Lofdal ores including radiometric and XRF sorters to further optimize results.

Recommended Areas for Optimization and Next Steps

Mintek has provided a number of areas on which to focus to improve final concentrate grades and recoveries:

- Optimize crushing to minimize production of fines to increase efficiency of sorting
- Consider optimum grind to P_{90} 38 µm (currently at P_{80} 38 µm)
- Addition of a scavenger WHIMS stage
- Increase magnetic intensity on final WHIMS stage
- Conduct parallel tests using vertical pulsed WHIMS (newest technology)
- Consider a regrind to attain full liberation
- Flotation on concentrate products

Once optimizations are achieved a parallel program will be undertaken on the low grade material from hole 4085. Mintek has been asked to provide a program and schedule to complete this next phase of metallurgical test work. Concentrates will then be available for further downstream metallurgical work on separation.

Donald M. Burton, P.Geo. and President of Namibia Rare Earths is the Company's Qualified Person and has reviewed and approved this press release.

About Namibia Rare Earths Inc.

Namibia Rare Earths Inc. is developing a portfolio of mineral exploration projects in Namibia and is currently focused on the accelerated development of the Lofdal Rare Earths Project. The Company completed a CDN$28.75 million initial public offering and Toronto Stock Exchange listing in April, 2011 and is well funded to carry out its development program. The common shares of Namibia Rare Earths Inc. trade on the Toronto Stock Exchange under the symbol "NRE" and in the United States on the OTCQX International under the symbol "NMREF".

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