



## Press Release

### **Namibia Rare Earths Initiates Environmental Impact Study for Lofdal Heavy Rare Earth Project**

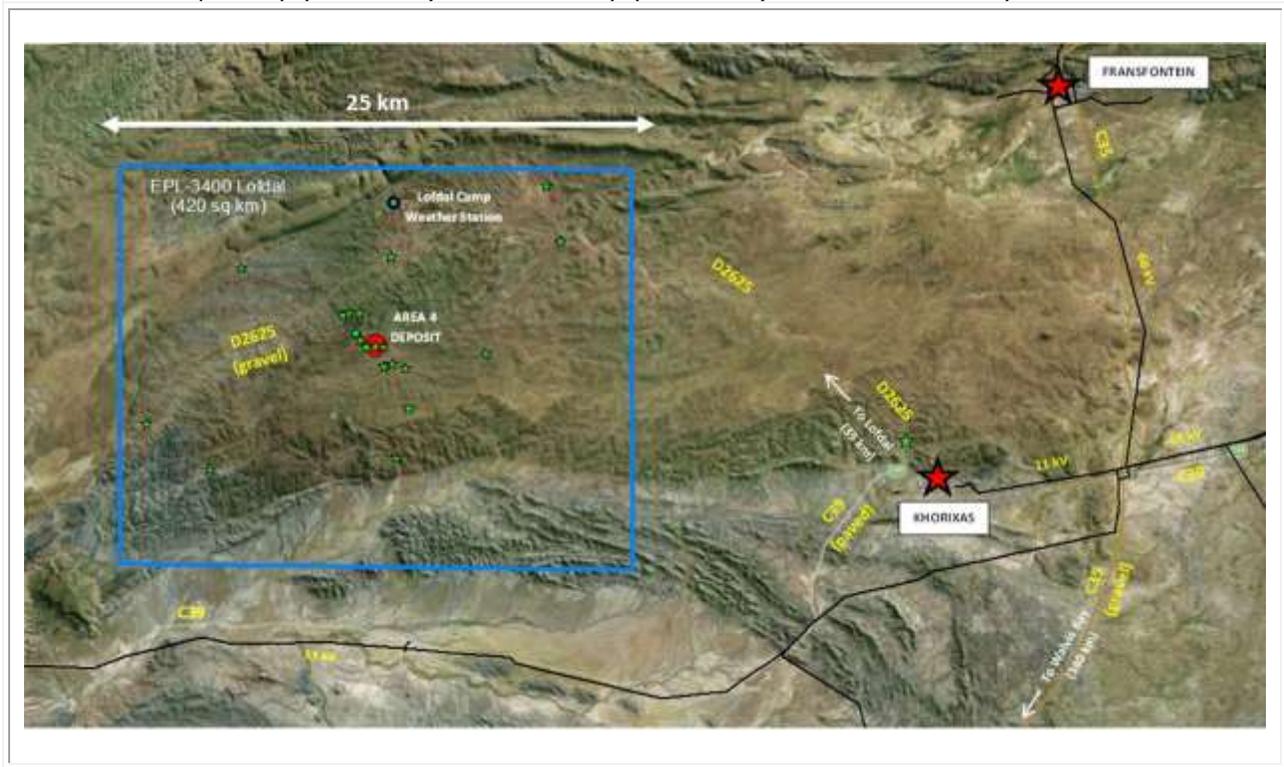
**Halifax, Nova Scotia July 13, 2015** - Namibia Rare Earths Inc. ("Namibia Rare Earths" or the "Company") (TSX:NRE) (OTCQX:NMREF) is pleased to provide the following update on the Lofdal Heavy Rare Earth Project in Namibia. Following the release of the Preliminary Economic Assessment ("PEA") on November 14, 2014 the Company has focused its operations in Namibia on baseline environmental monitoring in support of the planned Environmental Impact Assessment, continuing metallurgical studies to improve concentrate grades and recoveries, and modest geological field programs to support future drilling to increase mineral resources. From a corporate perspective, the Company continues to evaluate qualified technical or financial partners to advance development of Lofdal through to feasibility and mine development. Management and the Board are cognizant of difficult market conditions and have undertaken steps to minimize administrative costs and overhead to ensure funding to support the approved project activities over the next 12-24 months.

#### ***Environmental Impact Assessment***

The Company has selected SLR Environmental Consulting (Namibia) (Pty) Limited ("SLR Namibia") as the lead consulting group for completion of the Environmental Impact Assessment ("EIA") by the third quarter 2016. The EIA will be submitted to the Ministry of Environment and Tourism in support of an application to the Ministry of Mines and Energy for a Mining Licence in 2016. SLR is an international environmental consultancy with an expanding network of offices in Europe, North America, Asia-Pacific and Africa with 1,100 employees. SLR Namibia has been associated with significant mine development projects in Namibia including Swakop Uranium (Husab uranium mine), Paladin Energy (Langer Heinrich uranium mine) and B2 Gold (Otjikoto gold mine).

Initial baseline environmental reports have already been completed for archaeological, invertebrate, vertebrate and vegetation studies by independent Namibian experts. Baseline monitoring equipment and programs for the collection of all required meteorological and radiometric data have been implemented (Figure 1). A groundwater monitoring program has also been initiated comprising regular sampling of existing farm wells and from planned monitoring holes which will be completed by the end of the July. The EIA will utilize and update these reports and will include a radiological impact assessment to ensure compliance with all relevant regulations and to develop an appropriate Environmental Management Plan ("EMP") for the proposed mine development at Lofdal.

**Figure 1** – Environmental monitoring stations and infrastructure for the Lofdal Heavy Rare Earth Project. Radiometric stations indicated as green stars; weather and particle size monitoring stations indicated as blue circle; national power line and voltage capacities indicated as black lines; national primary (“C” series) and secondary (“D” series) roads identified in yellow.



### **Metallurgical Studies**

The PEA provided an economic assessment of the project based on the beneficiation of the Lofdal run-of-mine feed to 20% TREO mineral concentrate grade with an overall recovery of 64%. Beneficiation comprised upfront coarse crush and sorting with x-ray transmission sorters followed by fine grinding to magnetic separation, flotation and gangue acid leaching. This mineral concentrate would then be subjected to “cracking” in a hydrometallurgical plant to remove thorium and uranium to provide an acceptable mixed rare earth oxide product for separation. On-going testwork at Mintek in South Africa and at Nagrom in Australia has indicated the sensitivity of the flow sheet to increased levels of ankerite (iron carbonate) with calcite which can diminish the effectiveness of the magnetic separation stage. Additional sample has been provided to Nagrom to produce sufficient magnetic concentrate which will be utilized to optimize flotation to maintain the target 20% TREO grade in the presence of ankerite-rich ore. The objective is to develop a robust flow sheet that can mitigate fluctuations in ankerite/calcite ratios in the gangue. The test work will focus on the selective flotation of xenotime in the presence of carbonates and will be conducted by Kwan Wong a post-graduate of the University of Melbourne in primary metallurgy and mineral processing and principal of KYSPLYmet Mineral Processing Consultants. During his career of over 50 years as a practising metallurgist, Dr. Wong has worked in CSIRO, Mt Gunson Mines and Amdel. He was the Managing Director/Consulting Metallurgist of Optimet Laboratories which was acquired by AMMTEC. Dr. Wong has extended his specialization to non-metallic and industrial minerals, particularly rare earth oxide ores, and over the past twenty years has worked on eight rare earth oxide ore development projects covering Australian and overseas deposits.

The PEA also recommended that a larger bulk sample be collected to provide a more representative sample. A 7.8 tonne sample has been collected from a series of thirteen trenches covering the 600 meter strike length of the 43-101 Area 4 resource. This sample will be utilized for future metallurgical studies including both XRT and XRF sorting. Recent test work on Lofdal samples provided to RADOS in South Africa has confirmed the potential of XRF sorting to effectively upgrade run of mine at a cut-off of 0.2% TREO. This offers the potential to consider primary XRF sorting or to use XRF sorting as a scavenger following XRT sorting which has demonstrated a potential for 90% recovery of the rare earths.

### **Geological Field Programs**

The PEA has proposed development of Lofdal as a 2,500 tpd mining operation which with the current available 43-101 mineral resources (Table 1) would provide a 7.25 year life of mine ("LOM"). This current mineral resource is contained in an open pit with a 600 meter strike length to a maximum vertical depth of 200 meters. One of the fundamental objectives in the development of Lofdal is to increase the mineral resource base to provide sufficient mineable reserves to support a minimum 15 year LOM. This will require additional drilling and the geological field programs have therefore been focused on delineating those areas with the potential to provide those additional resources.

**Table 1 – Mineral Resources<sup>1</sup> for the Area 4 Deposit**  
within the >0.1% TREO Envelope with effective date 31 July 2012

<b>Indicated Mineral Resource</b>						
<b>Cut-Off %TREO</b>	<b>Tonnes million</b>	<b>LREO %</b>	<b>HREO %</b>	<b>TREO %</b>	<b>REO Tonnes</b>	<b>HREO Proportion</b>
0.1	2.88	0.08	0.24	0.32	9,234	76.3%
0.2	1.62	0.09	0.37	0.45	7,358	80.9%
0.3	0.90	0.09	0.53	0.62	5,594	85.6%
0.4	0.58	0.09	0.69	0.78	4,477	88.3%
0.5	0.39	0.09	0.84	0.93	3,673	90.3%
0.6	0.28	0.09	1.00	1.09	3,039	91.8%
0.7	0.20	0.08	1.18	1.26	2,524	93.5%

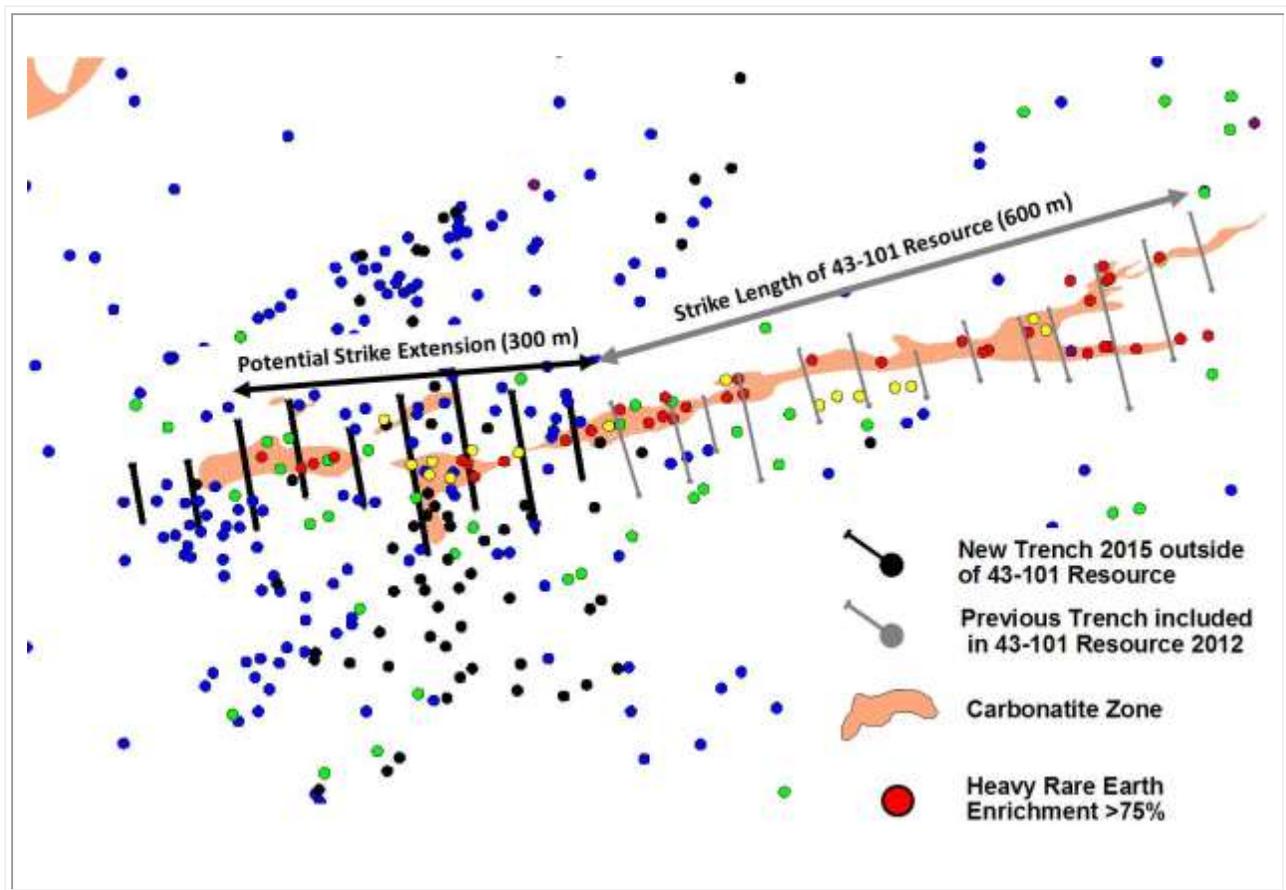
  

<b>Inferred Mineral Resource</b>						
<b>Cut-Off %TREO</b>	<b>Tonnes million</b>	<b>LREO %</b>	<b>HREO %</b>	<b>TREO %</b>	<b>REO Tonnes</b>	<b>HREO Proportion</b>
0.1	3.28	0.07	0.20	0.27	8,973	74.7%
0.2	1.80	0.08	0.30	0.37	6,748	79.3%
0.3	0.75	0.08	0.47	0.56	4,180	85.1%
0.4	0.42	0.08	0.64	0.72	3,071	88.8%
0.5	0.27	0.08	0.81	0.89	2,377	90.9%
0.6	0.21	0.08	0.91	0.99	2,049	92.1%
0.7	0.16	0.07	1.03	1.10	1,717	93.5%

<sup>1</sup> Mineral resources which are not mineral reserves do not have demonstrated economic viability

At Area 4 the potential to expand resources at depth has already been demonstrated by previous exploration drilling which has intersected the mineralized structure to a vertical of over 300 meters. Geological mapping, rock sampling and surveys of nine new trenches with handheld XRF and radiometric instruments has demonstrated the potential to expand the strike length of Area 4 mineral resource an additional 200-300 meters to the west (Figure 2). Channel samples are currently being taken from the trenches to confirm grades and widths of the potential strike extension. A drilling program can then be developed to expand the resource at depth and along strike to the west with sufficient drill density to upgrade the mineral resource into the measured and indicated categories for purposes of conversion to mineral reserves for a Prefeasibility Study.

**Figure 2** – Recent trenching with rock sampling results showing potential 300 meter strike extension of Area 4 deposit to the west. Rock samples colour coded for heavy rare earth enrichment with samples >75% enrichment (red circles) indicating potential xenotime mineralization in Main Zone.



### **Corporate Update**

The corporate objective remains to bring in a qualified technical or financial partner to participate in the development of Lofdal in exchange for the provision of funding for prefeasibility and feasibility level studies, which would include the above mentioned drilling program to develop a minimum 15 year LOM project. The Company has signed a number of confidentiality agreements with interested parties to further this objective. Market conditions for the resource sector in general, and rare earths in particular remain difficult.

In order to safeguard the project in the interim, significant cost saving measures have been implemented on both an administrative and operational level to allow the critical path objectives of the EIA and metallurgical test work programs to progress.

Donald M. Burton, P.Geo. and President of Namibia Rare Earths Inc., 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 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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