



## Press Release

### **Namibia Rare Earths Inc. Completes Acquisition of Critical Metal Properties and Closes Private Placement - Cobalt is First Priority**

- **Closes transaction with Gecko Namibia (Pty) Ltd. to acquire a majority interest in seven projects with concurrent \$550,000 private placement**
- **Diversifies Namibia Rare Earths Inc.'s single commodity focus from heavy rare earths on the Lofdal project into a broader portfolio of critical metals crucial for the electric vehicle industry including cobalt, lithium, graphite, tantalum, niobium, and gold**
- **First priority given to cobalt exploration program at Kunene in northern Namibia**
- **Shares to recommence trading on the TSXV**

Halifax, Nova Scotia February 21, 2018 – Namibia Rare Earths Inc. (“Namibia Rare Earths” or the “Company”) (TSXV:NRE) today announced it had completed the acquisition of a portfolio of critical metal properties (the “Properties”) from Gecko Namibia (Pty) Ltd. (“Gecko Namibia”) in consideration for the issuance of 64,000,000 common shares of Namibia Rare Earths (“Property Acquisition”). The Company also announced that it had closed a \$550,000 private placement (“Private Placement”). Both of these transactions were announced in the Company’s press release of November 10, 2017. The shares of the Company are expected to recommence trading on the TSXV today.

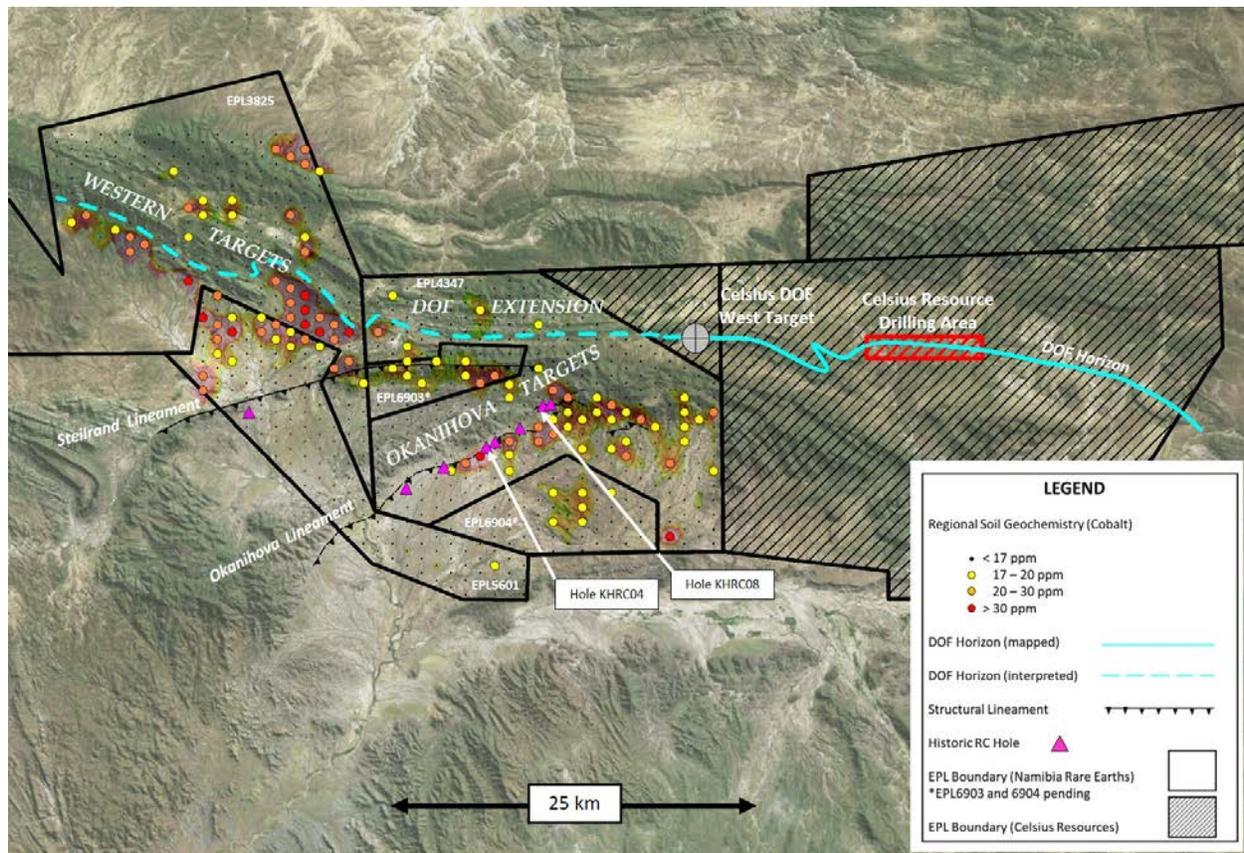
This transaction provides Namibia Rare Earths with a highly prospective, diversified portfolio of critical metals and at the same time has secured a highly experienced strategic partner. Gecko Namibia and its subsidiaries are substantial participants in the Namibian resource sector with a proven track record in the mining industry. The portfolio of properties acquired from Gecko Namibia will expand the Company’s commodity base from solely **heavy rare earths** to a variety of highly critical commodities including **cobalt, copper, zinc, lithium, graphite, tantalum, niobium, nickel, and gold** (Figure 3). Ground holdings in Namibia will increase from 221 km<sup>2</sup> (Lofdal) to over 6,850 km<sup>2</sup>.

Proceeds from the Private Placement will fund the initial exploration program on the Kunene Cobalt-Copper Project in northern Namibia which is contiguous with a significant new discovery of stratabound cobalt mineralization that is being drilled off by Celsius Resources (Figure 1). Namibia Rare Earths’ exploration program on its properties will focus on confirming cobalt mineralization in areas of demonstrated potential from historic regional soil geochemical surveys to develop drill targets for subsequent follow-up. The Company has immediate access to over 12,000 soil samples collected from previous work over 2,142

km<sup>2</sup> which will be systematically analysed for cobalt. Provision has also been made for a rock sampling program on the Warmbad Lithium Project in southern Namibia.

***Kunene Cobalt-Copper Project - Cobalt Anomalies Already Identified from Regional Soil Geochemistry and Drill Holes***

The Kunene project area is contiguous with ground being actively explored for cobalt by ASX-listed Celsius Resources (Figure 1). The recognition of stratabound cobalt mineralization associated with low grade copper and zinc mineralization in black shales in the Kunene region by Gecko Exploration has formed the cornerstone of Celsius Resources' current drilling program at Opuwo. Celsius is undertaking a 15,000 m drilling program to develop a JORC compliant mineral resource to support their stated "Initial Exploration Target of between 33 and 41 million tonnes, grading approximately 0.13% - 0.17% cobalt and 0.45% - 0.65% copper" (Celsius press release dated May 18, 2017)<sup>1</sup>.



**Figure 1 – Kunene Co-Cu Project Area Showing Principal Targets Associated with DOF Horizon, Structural Lineaments and Regional Soil Geochemical Anomalies (Cobalt)**

<sup>1</sup> It is noted that the potential quantity and grade is conceptual in nature, and that there has been insufficient exploration to estimate a Mineral Resource, and it is uncertain if further exploration will result in the estimation of a Mineral Resource.”

Fieldwork at Kunene will comprise focused geological mapping, rock sampling and detailed soil sampling over areas already identified with cobalt potential from historic work (Figure 1). The historic database was collected during a previous exploration period with First Quantum Minerals which was focused on the discovery of large-scale, orogenic copper deposits and failed to undertake systematic analyses for cobalt in associated black shales.

### **First Targets on Kunene**

The regional soil database covered the entire area of interest (2,142 km<sup>2</sup>) but at a very wide sampling grid with ICP analysis at 1 km line spacing and 1 km sampling intervals. This sampling density has identified significant, large scale geochemical anomalies but more detailed sampling is required to determine the source and to define drill targets. Additional soil sampling was carried out on the regional grid with every second line sampled at 100 m intervals but analyses were performed with handheld XRFs which did not collect reliable data on cobalt. This archive of over 12,000 soil samples will be utilized for selected ICP analyses for cobalt and other pathfinder elements to define specific targets within the regional anomalies. NRE has already submitted 3,850 of these archived samples for cobalt analysis and allowance has been made for the collection of an additional 500 infill soil samples over selected drill target areas.

1. ***DOF Extension and Western Targets*** - Cobalt mineralization on the Celsius ground is hosted by the Dolostone Ore Formation ("DOF") which has been mapped over a strike length of more than 30 km up to the boundary of EPL4347 which is held by NRE. One of the priority targets for NRE is the potential extension of this horizon for an additional 40 km to the west across EPL4347 and EPL3825. The target area on EPL4347 is completely covered by alluvium and the extension is inferred from the airborne magnetic and hyperspectral surveys. The DOF horizon is well defined from drilling by Celsius and ranges from 3-10 m in thickness making it a difficult target to see on the wide-spaced regional geochemical sampling grid. There are also large-scale cobalt anomalies of 2-6 km in basement rocks on NRE's ground immediately south of the interpreted extension of the DOF (Western Targets, Figure 1).
2. ***Steilrand and Okanihova Lineaments*** - First Quantum Minerals focused their exploration efforts on orogenic copper mineralisation south of the DOF Horizon. The central part of EPL 4347 is characterized by extensive hydrothermal alteration known as the Steilrand-Okanihova hydrothermal system where orogenic copper mineralisation occurs along major faults. Black shale horizons within this area are similar to the DOF but were never systematically analysed for cobalt unless there was significant visible copper mineralization.

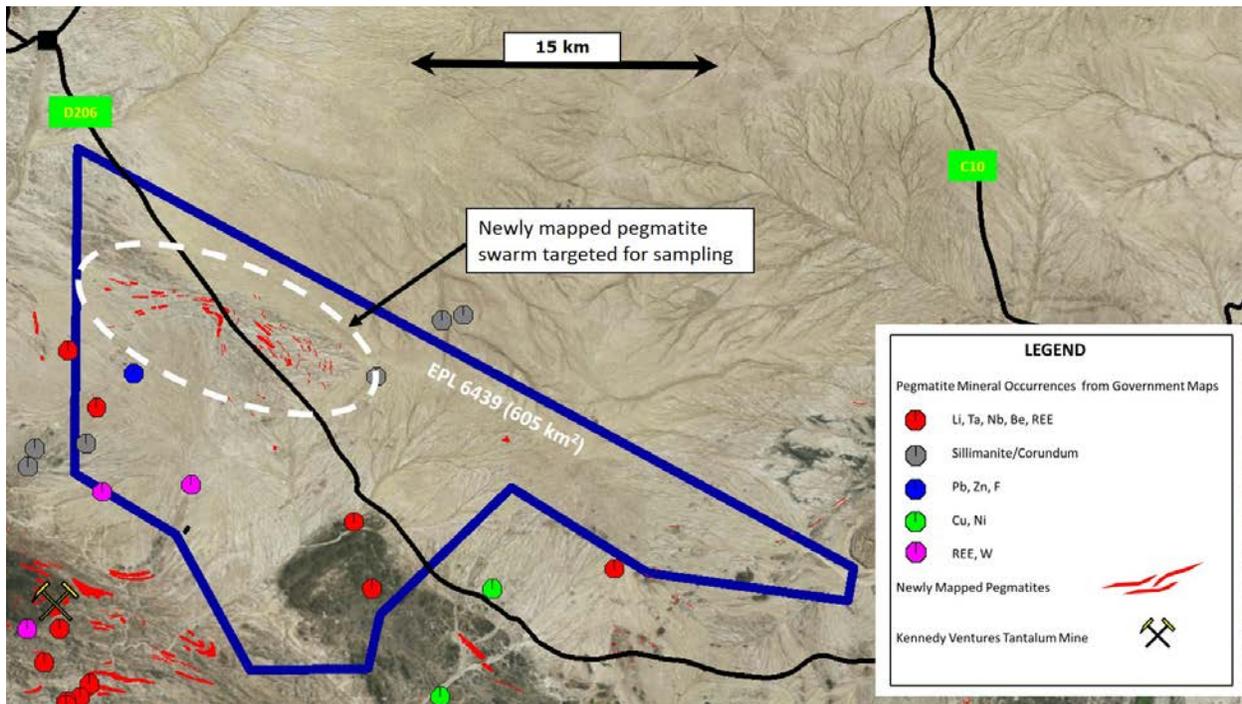
Re-analysis of 37 archived samples has confirmed DOF style mineralization in one of the reverse circulation ("RC") holes along the Okanihova lineament. Borehole KHRC04 (Figure 1) showed increasing cobalt values up to 700 ppm Co with potassium depletion (indicating hydrothermal alteration) in black shales over 5 meters at the bottom of the hole. Anomalous zones of cobalt mineralization (120-450 ppm Co) were also confirmed in a second hole (KHRC08) drilled 8 km northeast of KHRC04.

Gecko has made provision for availability of a diamond drill rig to test the up-dip extension of the anomalous cobalt and copper intercepts in KHRC04 to provide geological and structural information on the nature of the mineralization. Geological

mapping and rock sampling along these structures will be undertaken, and archived soil samples have been submitted for cobalt analysis from this area.

### **Warmbad Lithium Project - New Pegmatite Occurrences Mapped near Tantalite Valley Mine**

The Warmbad project comprises 605 km<sup>2</sup> (EPL6439) and hosts numerous pegmatite occurrences with documented Li, Ta, Nb, Be and REE mineralization (Figure 2). Pegmatites in the Tantalite Valley District have been mined since about 1946 for beryl, columbite-tantalite, lithium and bismuth minerals. Mineralization from historic records of pegmatite occurrences in the area are reported as lepidolite, spodumene, amblygonite, rubellite and tantalite.

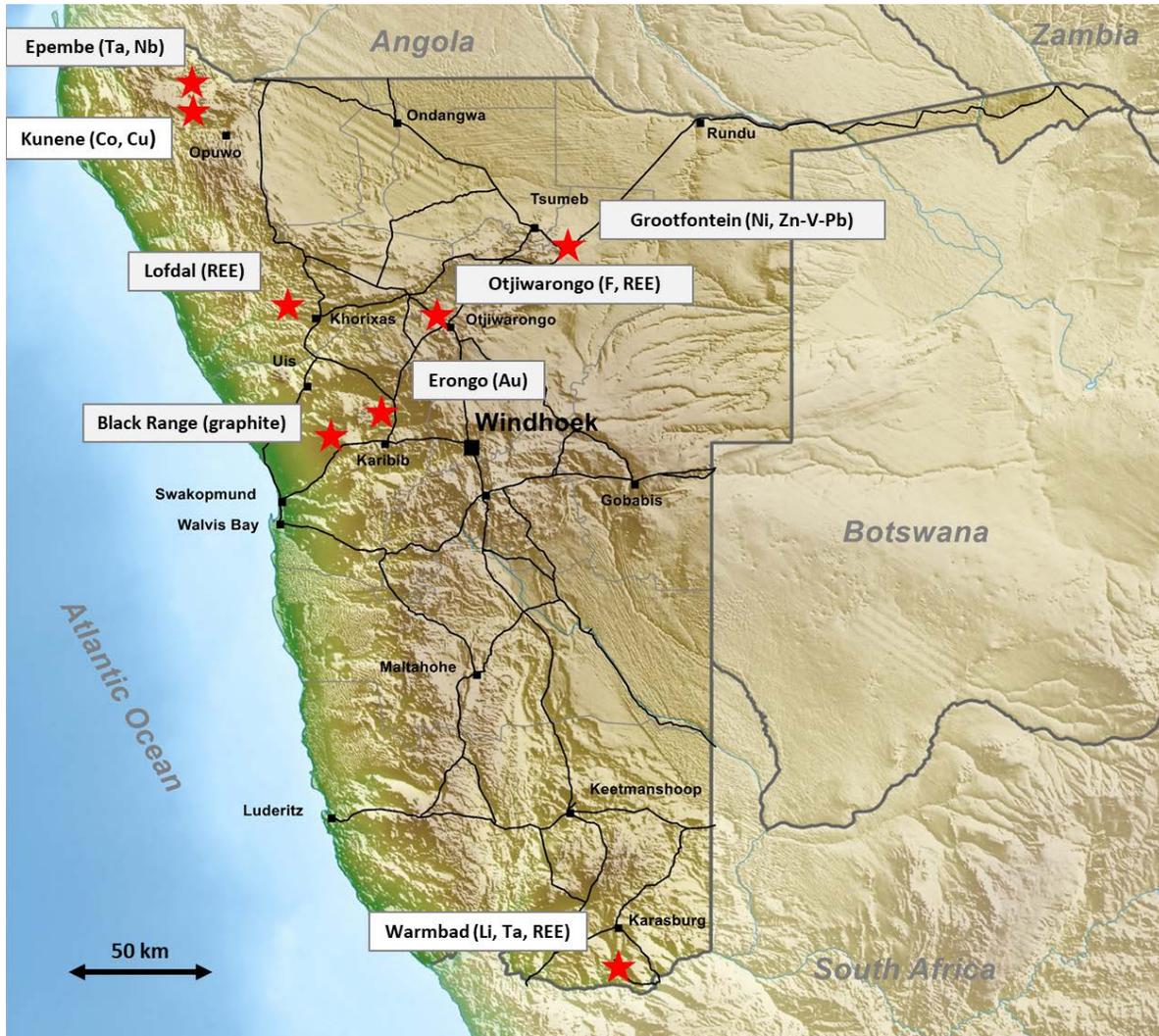


**Figure 2 – Mineral Occurrences and Pegmatites Showing Newly Mapped Pegmatite Swarm on Warmbad Exclusive Prospecting Licence**

The area has recently been mapped in detail by the Geological Survey of Namibia and the Council of Geosciences (South Africa) which has provided significantly updated geological information. A key result of the government mapping campaign is the delineation of previously unknown extensive pegmatite swarms of up to 13 km strike length. None of these pegmatites have ever been sampled and have obvious potential for Li, Ta and REE mineralization given their proximity to documented mineral occurrences of the Geological Survey of Namibia. NRE field teams will be assisted by geologists from the Geological Survey of Namibia to locate outcrops and undertake reconnaissance sampling. Detailed follow-up of mineralized areas will identify drill targets for lithium, tantalum and/or rare earths as applicable.

### **Property Acquisition and Private Placement**

Namibia Rare Earths has acquired Gecko Namibia's 95% interest in a portfolio of exploration properties consisting of 14 exploration prospecting licences ("EPLs") four of which are pending, one mineral deposit retention licence ("MDRL") and Gecko Namibia's rights under an option agreement to acquire a 60% interest in a further exploration prospecting licence which interest may, subject to the terms of the option agreement, be increased to 80%.



**Figure 3 – Namibia Rare Earths' Critical Metals Project Portfolio**

One of the fundamental strategic advantages in the partnership with Gecko Namibia is the flexibility the diversified portfolio provides in making targeted investments based on commodity market conditions. Each project brings a focused value proposition and can be advanced in a strategic manner based on available resources, investor interest and merit. A balanced approach can be taken to levels of investment in early stage versus advanced metallurgical studies and economic assessment as warranted. The immediate focus will be on the cobalt opportunity within the project portfolio.

In conjunction with the Property Acquisition, Gecko Namibia and Gerald J. McConnell, Chair of the Board of Namibia Rare Earths, have each completed a private placement with the Company in the amount of \$275,000 at \$0.05 per share for total gross proceeds to the Company of \$550,000 ("Private Placement"). A total of 11,000,000 common shares of Namibia Rare Earths were issued pursuant to the Private Placement. The common shares of the Company issued pursuant to the Private Placement are subject to a four-month hold period expiring June 22, 2018.

Upon completing the Property Acquisition and Private Placement, Gecko Namibia now owns 69,500,000 common shares representing 43.80% of the outstanding common shares of the Company.

Namibia Rare Earths and its insiders are at arm's length with Gecko Namibia and there were no finder's fees payable in connection with the Property Acquisition or the Private Placement.

Following the closing of the Acquisition, Glenn Williams and Doug Jackson resigned as members of the Board of Namibia Rare Earths and Pine van Wyk and Steve Kapp were appointed to the five-member board with Gerald McConnell remaining as Chair. Pine van Wyk was also appointed Chief Executive Officer of Namibia Rare Earths based in Namibia and Donald Burton remains as President.

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 focused on the accelerated development of the Lofdal Rare Earths Project and on building a critical metals portfolio in Namibia. The common shares of Namibia Rare Earths Inc. trade on the TSX Venture Exchange under the symbol "NRE".

**Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.**

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