



## Press Release

### **GEOPHYSICAL SURVEYS AT LOFDAL IDENTIFY ADDITIONAL DRILL TARGETS FOR NAMIBIA RARE EARTHS**

**Halifax, Nova Scotia August 17, 2011** - Namibia Rare Earths Inc. ("Namibia Rare Earths" or the "Company") (TSX:NRE) reported today that results from the first induced polarization ("IP") survey completed on the Lofdal Rare Earth Project in Namibia have delineated significant, new drill targets believed to be associated with heavy rare earth ("HREE") enriched mineralization<sup>1</sup> intersected by diamond drilling (see Company press release dated August 3, 2011).

The IP survey was carried out to determine if alteration and sulphide mineralization associated with rare earth ("REE") mineralization could be mapped using this geophysical method and whether this method could provide a tool to identify higher grade portions of the mineralizing system. Results to date have confirmed the validity of the method in two targets already drilled and have provided three additional targets not previously recognized from surface mapping in Area 5. Follow-up detailed IP surveys will be undertaken in Area 5 to determine the depth extent of the anomalies in Area 5, and the method may be used on a property-wide scale.

Don Burton, President stated, *"The potential significance of these geophysical anomalies cannot be overstated. Our exploration efforts to date at Lofdal have been driven largely by surface indications of mineralization - outcrop sampling, geological mapping and radiometric surveys. Drilling in Area 5 provided us with the first clue that REE mineralization may be associated with low but detectable concentrations of sulphides. IP provides us with a deep-looking geophysical technique that may be able to pinpoint discrete zones of stronger sulphide concentrations in the subsurface and, by inference, zones of higher REE mineralization. It is especially noteworthy that these anomalies have a clear spatial relationship with drilled areas known to have exceptional HREE enrichment."*

#### **Significance of the Geophysical Survey Results**

The Lofdal Rare Earth Project is located in northwestern Namibia, 450 kilometers from the capital of Windhoek (Figure 1). The test IP survey was carried out in the gradient array with a theoretical depth penetration of 150 vertical meters and has outlined five discrete chargeability anomalies associated with the 1.6 kilometer long structure that is being drill tested in Area 5 (Figure 2). Four of the anomalies are directly associated with the mapped

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<sup>1</sup> As per industry norms heavy rare earths ("HREE") and their oxide equivalents ("HREO") comprise europium (Eu), gadolinium (Gd), terbium (Tb), dysprosium (Dy), holmium (Ho), erbium (Er), thulium (Tm), ytterbium (Yb), lutetium (Lu) and yttrium (Y). Light rare earths ("LREE") and their oxide equivalents ("LREO") comprise lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd) and samarium (Sm). Total rare earths ("TREE") and their oxide equivalent ("TREO") comprise HREE+LREE (HREO+LREO). "Heavy rare earth enrichment" is the ratio of HREE:TREE or HREO:TREO expressed as a percentage.

geological structure and coincident radiometric anomaly where exceptional HREE enrichment was sampled at surface and has been confirmed by drilling (see August 3, 2011 press release). Significant aspects of these geophysical anomalies are summarized as follows:

- Alteration and radiometrics provide widespread and continuous surficial anomalies **along the entire mineralized structure. IP provides more discrete "deposit-like" targets** with potential depth extent. IP anomalies 1 to 4 are coincident with the main northeast structural trend; IP anomaly 5 is not and will be ground truthed.
- The first two anomalies occur within a 550 meter long trend of high chargeability which is open along strike to the northeast. The first anomaly has a strike length of 200 meters and is a new target that has not been drill tested.
- The second anomaly has a strike length of 100 meters and is coincident with drill holes previously reported which intersected up to 0.64% TREO over 5.16 meters with 92.4% HREE enrichment.
- The third chargeability anomaly which has not been drill tested, has a strike length of 200 meters and occurs 100 meters to the south of drill holes 5-012 (0.34% TREO over 15.00 meters with 80.0% HREE enrichment) and 5-013 (0.34% TREO over 7.82 meters with 80.8% HREE enrichment).
- The fourth chargeability anomaly is coincident with a drill tested target where the first hole (5-014) reported 0.26% TREO over 5.00 meters with 60.7% HREE enrichment. Results from five additional holes on this target are pending.
- The fifth chargeability anomaly has a strike length of 200 meters, is not associated with the main structure and has not been drill tested. A single rock sample from outcrop in the vicinity of the anomaly returned 3.10% TREE with HREE enrichment of 98.4%. The anomaly will be further investigated in the field.

Gradient array IP provides two dimensional imaging of the chargeability and resistivity characteristics of the bedrock but does not provide estimates on the depth or attitude of the anomaly source. Selected lines will be surveyed using a pole-dipole ("PDP") array to determine the depth potential and dip direction of the individual anomalies. The PDP survey will be designed to attain a theoretical depth penetration of up to 200 vertical meters. The IP surveys are being carried out by Remote Exploration Services (Pty) Ltd. of South Africa and final interpretations are pending.

### ***Program Objectives***

The Lofdal Carbonatite Complex is an untested district scale opportunity covering over 200 km<sup>2</sup> with the potential for the discovery of several rare earth deposits, some of which may have exceptional HREE enrichment. Rare earth mineralization at Lofdal is hosted in carbonatite dykes/structures and plugs, with the dykes and hydrothermally altered wall rocks typically grading between 0.5 - 3% TREO. Dyke thicknesses and associated alteration are variable from less than one meter to 15 meters at surface and can be traced in some cases, up to three kilometers in strike length. Targeted grades at Lofdal are in the range of 0.5-3.0% TREO with HREE enrichment of 75-90%. The objective of the first 7,500 meter drilling phase (which will run to the end of September 2011) is to identify those areas with grade characteristics that warrant additional drilling as potential resource areas. The second phase of drilling (15,000 meters) will focus on those areas to provide sufficient data to develop a 43-101 compliant mineral resource estimate together with sufficient mineralogical and preliminary metallurgical work to provide an indication of the potential recoveries.

## ***Drilling Progress***

The Company press release of August 3, 2011 reported results from drilling on the first 10 holes in Area 4 and the first 14 holes in Area 5. Highlights previously reported from Area 4 included:

- 0.49% TREO over 9.00 meters with 75.5% HREE enrichment (including 1.05% TREO over 2.89 meters with 88.6% HREE enrichment)
- 0.40% TREO over 4.28 meters with 85.8% HREE enrichment (including 0.98% TREO over 0.49 meters with 97.8% HREE enrichment)
- 0.34% TREO over 12.85 meters with 81.0% HREE enrichment (including 1.30% TREO over 0.96 meters with 96.9% HREE enrichment)
- 0.34% TREO over 11.00 meters with 81.7% HREE enrichment (including 1.38% TREO over 1.00 meters with 97.0% HREE enrichment)

Highlights previously reported from Area 5 included:

- 0.64% TREO over 5.12 meters with 92.4% HREE enrichment (including 1.29% TREO over 0.90 meters with 93.8% HREE enrichment)
- 0.35% TREO over 5.15 meters with 62.8% HREE enrichment (including 0.70% TREO over 1.20 meters with 91.6% HREE enrichment)
- 0.34% TREO over 7.82 meters with 80.8% HREE enrichment (including 0.60% TREO over 2.11 meters with 91.9% HREE enrichment)
- 0.30% TREO over 15.00 meters with 80.0% HREE enrichment (including 1.28% TREO over 1.00 meter with 94.5% HREE enrichment)

Intercept widths are reported as down the hole widths and are not necessarily true widths. Interpreted dips of the mineralized zones vary from 45 to 80 degrees and all holes were drilled at -55 degrees. For a complete listing of analytical results please refer to Table 2 of the August 3, 2011 press release.

An additional 10 holes have been completed in Area 4 for a total of 1,355 meters; 15 holes in Area 5 for a total of 2,645 meters; and 4 holes in Area 8 (Emanya) for a total of 537 meters. Results from these additional 29 holes are pending and it is anticipated that further results will be reported in early September.

One rig has been deployed to Area 2 to carry out deeper drilling on the 2B zone and will then move back to Area 4 to carry out deeper drilling and infill drilling on zones 4A, 4B and 4C which are now believed to be connected over a strike length of 325 meters. The second rig will be drilling deeper holes on 5A, explore strike extensions of 5A and 5B, and test the new geophysical anomalies as more detailed information becomes available from the PDP survey lines.

## ***Program Management***

Geological management of the Lofdal drilling program is being undertaken by Remote Exploration Services Namibia (Pty) Ltd. (corporate offices South Africa) which has established a complete field camp at Lofdal including full core logging and sampling facilities with a dedicated geological team on each drill. Drilling is being carried out by JGM Drilling and Exploration of Windhoek, Namibia which is operating two diamond drill rigs.

Sample preparation and analytical work for the drilling program is being provided by Activation Laboratories Ltd. (Windhoek, Namibia and Ancaster, Ontario) employing ICP-MS techniques suitable for rare earth element analyses and following strict internal QAQC procedures inserting blanks, standards and duplicates.

Dr. Scott Swinden of Swinden Geoscience Consultants Ltd. is an independent geological advisor to Namibia Rare Earths. Dr. Swinden was the principal author of the 43-101 Technical Report dated April 4, 2011 titled "*Amended 43-101 Technical Report on the Rare Earth Element Occurrences in the Lofdal Carbonatite Complex, Kunene Region, Khorixas District, Namibia*" (available on SEDAR). Donald M. Burton, P.Geo. and President of Namibia Rare Earths is the Company's Qualified Person responsible for exploration in Namibia and he 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".

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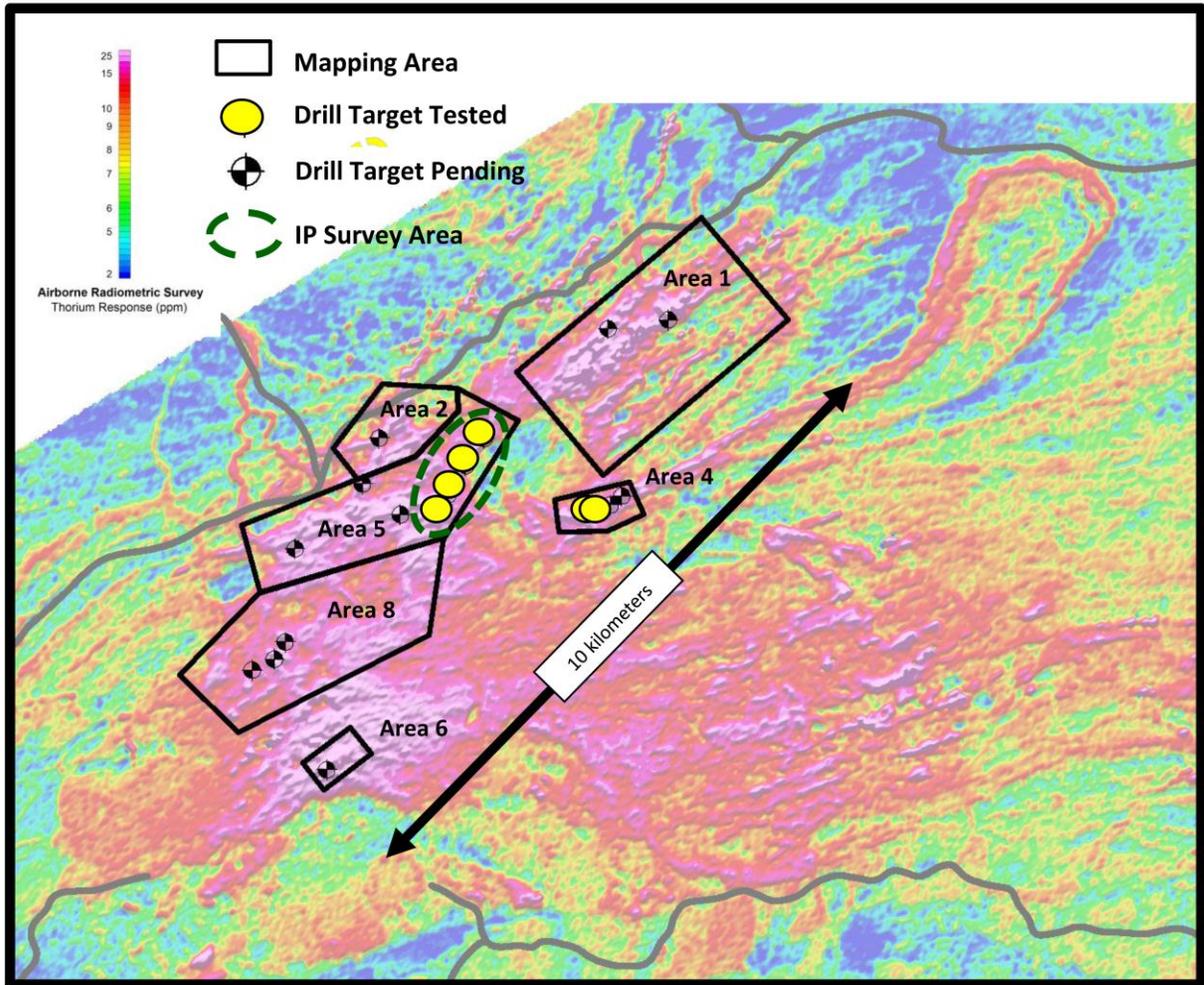
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# Namibia Rare Earths Inc.

## Press Release of August 17, 2011 – Figure 1



### Phase I Drill Targets and Location of IP Survey in the Lofdal Carbonatite Complex

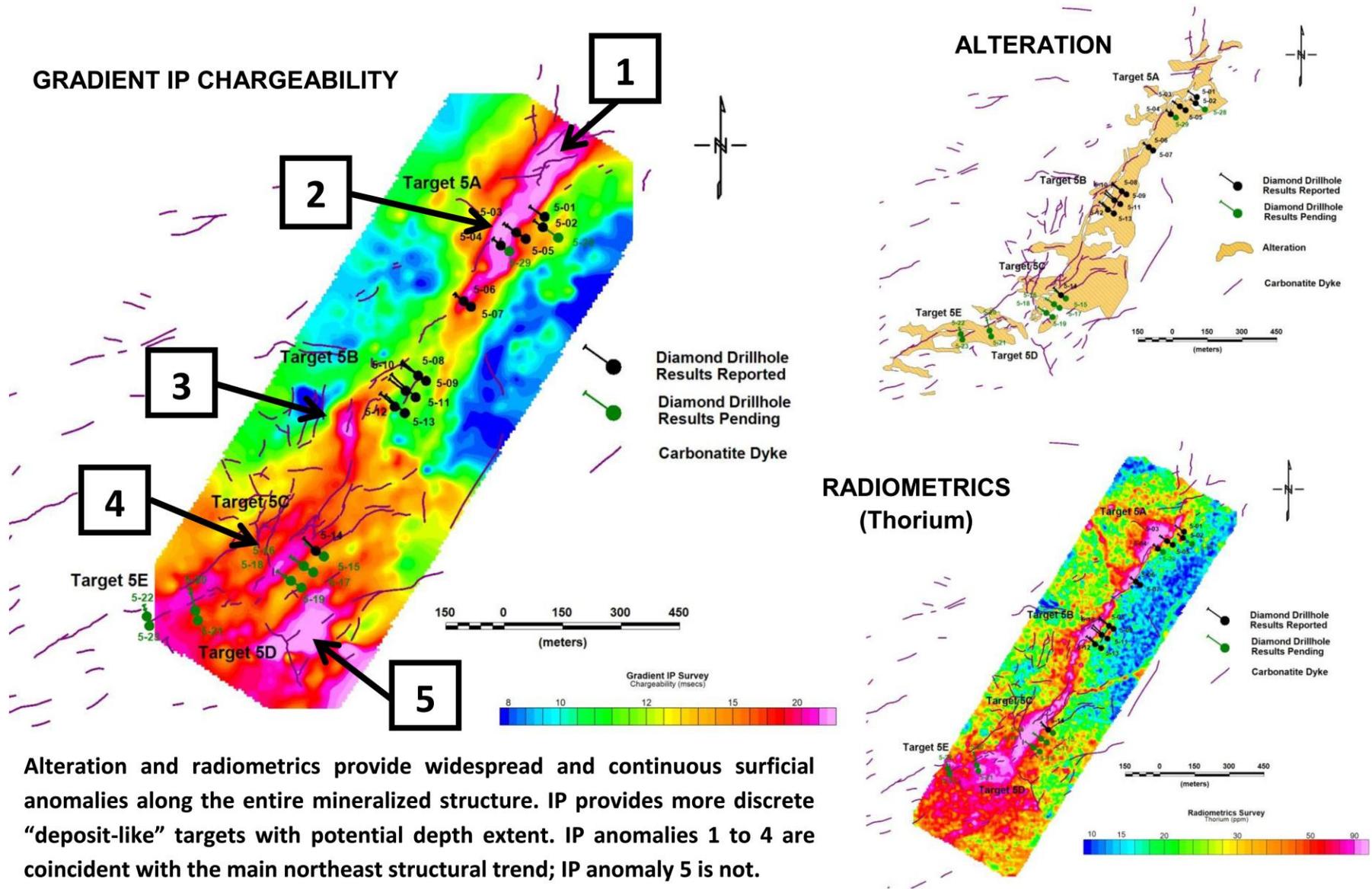
Airborne radiometric image showing 200 km<sup>2</sup> extent of the Lofdal Carbonatite Complex, mapped areas and priority drill targets for 7,500 m diamond drilling program using two rigs from June – September 2011. IP survey area circled in green.



# NAMIBIA RARE EARTHS INC.

## Press Release of August 17, 2011 – Figure 2

### IP Chargeability Anomalies, Surface Alteration and Radiometrics in Area 5



Alteration and radiometrics provide widespread and continuous surficial anomalies along the entire mineralized structure. IP provides more discrete “deposit-like” targets with potential depth extent. IP anomalies 1 to 4 are coincident with the main northeast structural trend; IP anomaly 5 is not.