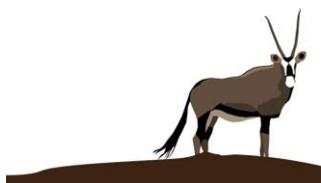


NAMIBIA
RARE EARTHS INC.



Joint Press Release

Namibia Rare Earths and Epangelo Mining Sign Agreement for Exploration and Development of Nuclear Fuels on Lofdal

Halifax, Nova Scotia September 26, 2011 - Namibia Rare Earths Inc. ("Namibia Rare Earths" or the "Company") (TSX:NRE) and Epangelo Mining Company (Pty) Limited ("Epangelo") are pleased to announce that they have entered into a memorandum of understanding ("MOU") which provides the framework for Namibia Rare Earths to investigate uranium occurrences discovered on its Lofdal rare earth project in Namibia.

The Government of Namibia, through the Minister of Mines and Energy, recently announced an initiative to develop a mining regime which will allow the country of Namibia to more fully benefit from the mineral resources located within Namibia, and to utilize Epangelo as the private corporate vehicle to implement this new strategy. The MOU represents the first agreement to be negotiated between Epangelo and a private sector mineral development company under the new strategy.

The MOU provides that, upon removal of the current nuclear fuel moratorium, Epangelo will assist the Company in obtaining an Exclusive Prospecting License to permit the Company to explore any discoveries related to nuclear fuels which the Company has identified on its Lofdal rare earth project (Exclusive Prospecting License 3400). Epangelo and the Company have agreed that, in the event an economically recoverable nuclear fuels resource is identified on Lofdal, the Company and Epangelo will work cooperatively to obtain a nuclear fuels Mining License which will be held by a newly formed mining company to be owned 90% by Namibia Rare Earths and 10% by Epangelo. Epangelo will not be required to contribute to any costs associated with the exploration or development of a nuclear fuels deposit on Lofdal. Epangelo will however have the option, exercisable on commencement of commercial production, to acquire an additional 10% interest in the mining company by paying to Namibia Rare Earths an amount equal to 10% of all costs associated with exploration and development of the nuclear fuels deposit. Such amount will be funded from dividends which Epangelo would otherwise be entitled to receive by virtue of its 20% interest in the mining company. All costs after commencement of commercial production will be funded by the parties based on their percentage ownership of the mining company.

Gerald McConnell, Chief Executive Officer of Namibia Rare Earths stated:

We are delighted to be the first private sector company to enter into an agreement with Epangelo. Based on our 15 years of experience working in Africa, we believe that this agreement represents an equitable framework which provides Epangelo with a direct

participation in the benefits derived from any development of a nuclear fuels deposit on Lofdal consistent with the Government's policy to develop a mining regime which will allow Namibia to more fully benefit from the mineral resources located in that country. It allows the Company to continue on its own with its current exploration for rare earths on Lofdal and, at the same time, investigate the incidental finds of nuclear fuels which we have brought to the attention of the Ministry of Mines and Energy.

Eliphas Hawala, Managing Director of Epangelo Mining stated:

This MOU represents a significant step forward for Epangelo as a newly established company. We intend to use the principle framework of this agreement as a future template for engagement with other strategic partners, particularly in relation to exploration and mining of nuclear fuels. Our specific focus in the coming months is to create the legal and technical conditions necessary for us to carry out exploration of nuclear fuels on the Lofdal Project and, subsequently, to start mining nuclear fuels in the Kunene Region of Namibia. This will assist Namibia to address its social challenges, such as youth unemployment and finding new sources of revenue generation for the State.

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".

About Epangelo Mining Company (Pty) Limited

Epangelo Mining Company (Pty) Limited is a start-up mining company incorporated in the Republic of Namibia under the Companies Act. The Government of the Republic of Namibia is the sole shareholder. Epangelo is the Government's vehicle for direct participation in the mining sector and will have opportunity to acquire mineral rights and ensure that government participates in the exploration, mining and beneficiation of minerals of strategic importance, thus realizing higher economic benefits for Namibia particularly in terms of foreign export earnings. The main object of Epangelo as contained in its Memorandum of Association is "Exploration, Mining, Mineral Processing, Trading of Minerals and Financing of Businesses".

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