



Press Release

NAMIBIA RARE EARTHS MOBILIZES MAJOR DRILLING PROGRAM AT LOFDAL

Halifax, Nova Scotia May 18, 2011 – Namibia Rare Earths Inc. (the "Company" or "Namibia Rare Earths") is pleased to announce that drills are being mobilized for an initial 7,500 meter diamond drilling program at the Lofdal Rare Earth Project in north western Namibia which is scheduled to begin before the end of May. This first phase of the 2011 drilling program will employ two rigs and take three months to complete. The drill plans have been designed to test 18 priority targets on the property within a 25 km² portion of the 200 km² Lofdal Carbonatite Complex (Figure 1). The focus of the drilling will be on areas of significant **heavy rare earth enrichment**¹ with the objective of identifying one or more zones in which to develop mineral resources. An additional 15,000 meters of diamond drilling has been budgeted over the next 8-12 months for this purpose.

Don Burton, President stated *"Lofdal is unique when compared to other rare earth properties. It is a new district scale project with numerous surface indications for the potential discovery of rare earth deposits which can be exceptionally enriched in the heavy rare earths. Following the successful completion of the Company's IPO in April, we have moved quickly to initiate a major drill program at Lofdal. This is one of the most exciting phases of any drill program – it is all about making discoveries."*

Drilling Program

Rare earth mineralization at Lofdal is hosted in carbonatite dykes and plugs with the dykes typically grading between 0.5 - 3% total rare earths including yttrium ("TREE") and often exhibiting exceptional heavy rare earth ("HREE") enrichment greater than 50% HREE. Rare earth deposits containing greater than 10% HREE can be considered to be enriched in heavies (Table 1). Dyke thicknesses are variable from less than 1 meter to 15 meters at surface and can be traced in some cases, up to three kilometers in strike length. The more significant mineralized structures have associated alteration haloes which can carry anomalous concentrations of rare earth elements.

¹ As per industry norms heavy rare earths ("HREE") 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") comprise lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd) and samarium (Sm). "Heavy rare earth enrichment" is the ratio of HREE:TREE expressed as a percentage.

The first eight drill targets at Lofdal occur along such structures in **Area 4** and in **Area 5** (Figure 2). One drill will be deployed to the 800 meter long east-west trending structure in Area 4 where HREE enrichment of 96% carrying up to 4,400 ppm dysprosium has been sampled at surface. The second rig will start in Area 5 along a 1.6 kilometer long northeast trending structure where HREE enrichment of 72% carrying up to 3,540 ppm dysprosium has been sampled. Three additional dyke-related targets have been identified elsewhere in Area 5 and two targets in Area 1. Deeper drilling is also planned in Area 2 where drilling last year intersected narrow, HREE enriched structures over a strike length of 600 meters in the 2B Zone. The first analytical results from Area 4 and Area 5 are anticipated towards the end of July.

Phase 1 drilling will also test the large, lower grade light rare earth target at the Emania intrusion in **Area 8**. Emania forms a prominent hill of carbonatite and is exposed over a surface area of approximately 300 meters in diameter with 218 grab samples from surface averaging 0.6% TREE+Y. Interpretation of airborne geophysical data (versatile time domain electromagnetic "VTEM") over Emania suggest that intrusion may be more than twice that size.

Rare earth mineralization has also been documented in gneissic rocks in **Area 6** associated with a radiometric anomaly which measures 400 meters long by 175 meters wide. A single rock sampling traverse across this feature returned TREE+Y values in the range of 0.3 – 4.9% with HREE enrichment of 10-30%. Further investigations are planned including systematic soil and rock sampling to develop more specific drill targets.

Management recently met in Namibia with technical teams and contractors in preparation for this important phase of exploration. Geological management of the drilling program will be carried out under the supervision of Remote Exploration Services Namibia (Pty) Ltd. and the drilling contract has been awarded to JGM Drilling and Exploration of Windhoek. Both groups have provided excellent service to the project during the previous exploration campaign at Lofdal.

Proposed Changes to Mining Regime in Namibia

In follow-up to the recent announcement by the Namibian government of plans to revamp the mining regime in Namibia, Company management met with senior representatives in the Namibian Ministry of Mines and Energy during the week of May 2, 2011 who indicated **that the Company's existing Exclusive Prospecting Licenses (EPLs)** would not be affected by any proposed changes in mineral policies in Namibia. This was subsequently confirmed in a public statement by the Minister of Mines and Energy on May 10, 2011.

About the Lofdal Rare Earths Project

The Lofdal Rare Earths Project comprises an area of approximately 740 km² in north-western Namibia, approximately 450 kilometers northwest of the capital city of Windhoek. The project represents a district scale, early stage exploration opportunity focused on the discovery of heavy rare earth enriched mineral deposits. An extensive high quality database provides compelling evidence that the Lofdal Rare

Earths Project represents a new rare earths mineral district with a number of well-defined drill targets that will now be tested.

The property is underlain by basement metamorphic rocks of the 2.0 billion year old Huab Metamorphic Complex, which was intruded approximately 750 million years ago by alkaline silicate rocks and carbonatites which comprise the Lofdal carbonatite complex. The carbonatite dykes are widely mineralized with rare earths elements. The total area affected by carbonatite dykes and associated alteration and mineralization is more than 200 km².

There are no defined mineral resources at Lofdal and the primary objective of the exploration program is to develop NI 43-101 compliant resources over the next 8-12 months. Exploration to date has identified a widespread and robust carbonatite complex with early intrusive and related hydrothermal activity that appears to have been mainly enriched in the light rare earths, followed by a significant late hydrothermal event that has introduced heavy rare earth-enriched mineralization in the dykes and alteration zones associated with the complex. The significant enrichment in heavy rare earths associated with the carbonatites, and the dominance of xenotime as one of the principal rare earths-bearing minerals, indicates a significant potential for the discovery of a heavy rare earths-enriched deposit associated with this intrusive complex.

Sample preparation and analytical work has been provided by a number of qualified laboratories including ALS Chemex Laboratories (Johannesburg and Vancouver), Activation Laboratories (Windhoek and Ancaster) and Bureau Veritas Mineral Laboratories (Swakopmund) employing ICP-MS techniques suitable for rare earth element analyses and following strict internal QAQC procedures inserting blanks, standards and duplicates.

Donald M. Burton, P.Geo. and President of Namibia Rare Earths Inc. is the **Company's** Qualified Person who 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 now 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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Namibia Rare Earths Inc.
Press Release of May 18, 2011 – Table 1

Material Grades (%) of Rare Earth Oxides within Leading Rare Earth Projects Outside of China*
(heavy rare earth enrichment expressed as a percentage in last column to right)

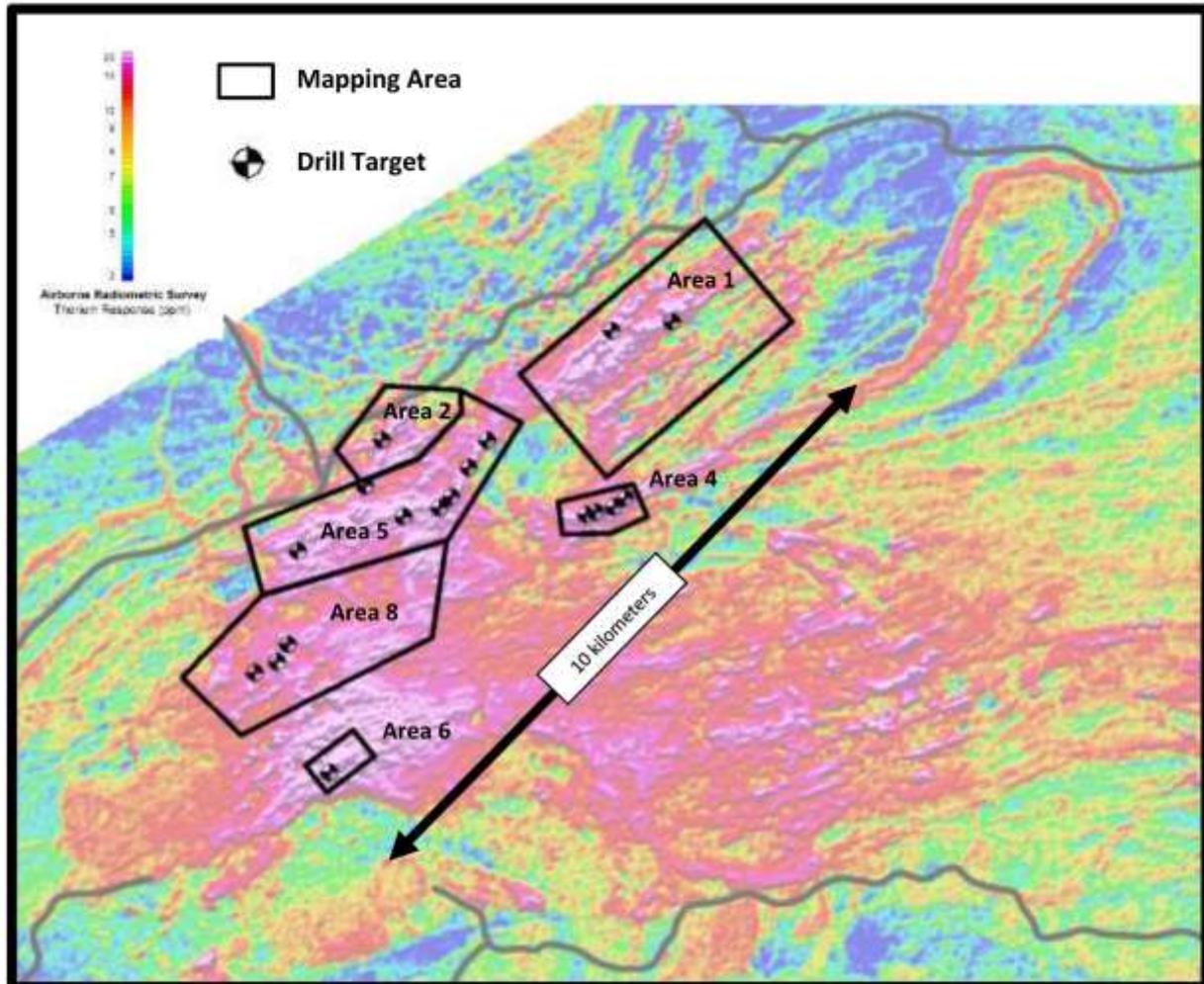
	La ₂ O ₃	CeO ₂	Pr ₂ O ₃	Nd ₂ O ₃	Sm ₂ O ₃	Eu ₂ O ₃	Gd ₂ O ₃	Tb ₂ O ₃	Dy ₂ O ₃	Ho ₂ O ₃	Er ₂ O ₃	Tm ₂ O ₃	Yb ₂ O ₃	Lu ₂ O ₃	Y ₂ O ₃	HREO	TREO	H:T ¹
Bear Lodge	1.08	1.63	0.14	0.41	0.08	0.02	0.04	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.03	0.11	3.45	3.3%
Cummins Range	0.46	0.80	0.08	0.27	0.03	0.01	0.02	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.03	0.07	1.72	4.0%
Dubbo	0.17	0.33	0.04	0.13	0.02	0.00	0.02	0.00	0.02	0.00	0.01	0.00	0.01	0.00	0.14	0.21	0.89	23.3%
Hoidas Lake	0.49	1.12	0.14	0.49	0.07	0.01	0.03	0.00	0.01	0.00	0.01	0.00	0.00	0.00	0.03	0.09	2.40	3.7%
Kangankunde	1.26	2.11	0.20	0.59	0.04	0.01	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.03	4.24	0.7%
Kutessay II	0.03	0.09	0.01	0.03	0.01	0.01	0.01	0.00	0.02	0.00	0.02	0.00	0.01	0.00	0.09	0.17	0.34	48.7%
Kvanefjeld	0.29	0.45	0.05	0.14	0.02	0.00	0.01	0.00	0.01	0.00	0.01	0.00	0.01	0.00	0.08	0.13	1.07	11.8%
Mount Weld	2.03	3.63	0.40	1.39	0.20	0.05	0.12	0.01	0.05	0.01	0.02	0.00	0.01	0.00	0.17	0.43	8.08	5.4%
Mountain Pass	2.18	3.22	0.28	0.79	0.05	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.04	6.57	0.8%
Nechalacho	0.23	0.54	0.07	0.26	0.05	0.01	0.04	0.01	0.02	0.00	0.01	0.00	0.01	0.00	0.11	0.21	1.36	15.5%
Nolans Bore	0.55	1.33	0.16	0.60	0.07	0.01	0.03	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.04	0.09	2.81	3.3%
Norra Karr	0.05	0.12	0.02	0.06	0.01	0.00	0.02	0.00	0.03	0.01	0.02	0.00	0.02	0.00	0.19	0.29	0.54	52.7%
Sarfartoq	0.32	0.76	0.09	0.29	0.03	0.01	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.03	1.51	2.2%
Steenkampskraal	2.52	5.42	0.58	1.94	0.29	0.01	0.18	0.01	0.08	0.01	0.01	0.01	0.01	0.00	0.58	0.89	11.65	7.7%
Strange Lake	0.13	0.27	0.03	0.11	0.03	0.00	0.03	0.01	0.04	0.01	0.03	0.01	0.03	0.00	0.28	0.43	1.00	43.2%
Zandkopdrift	0.55	0.96	0.10	0.34	0.05	0.01	0.03	0.00	0.02	0.00	0.01	0.00	0.00	0.00	0.09	0.17	2.16	7.8%
Zeus	0.03	0.07	0.01	0.03	0.01	0.00	0.01	0.00	0.01	0.00	0.01	0.00	0.01	0.00	0.05	0.09	0.24	36.9%

1: H:T = ratio of HREO : TREO as a percentage (TREO = LREO + HREO).

Sources: Technology Metals Research, company reports

* Excerpt from the report entitled "A Summary Overview of the Rare Earths Market" dated February 22, 2011 prepared by Technology Metals Research, LLC for Namibia Rare Earths Inc.

Namibia Rare Earths Inc.
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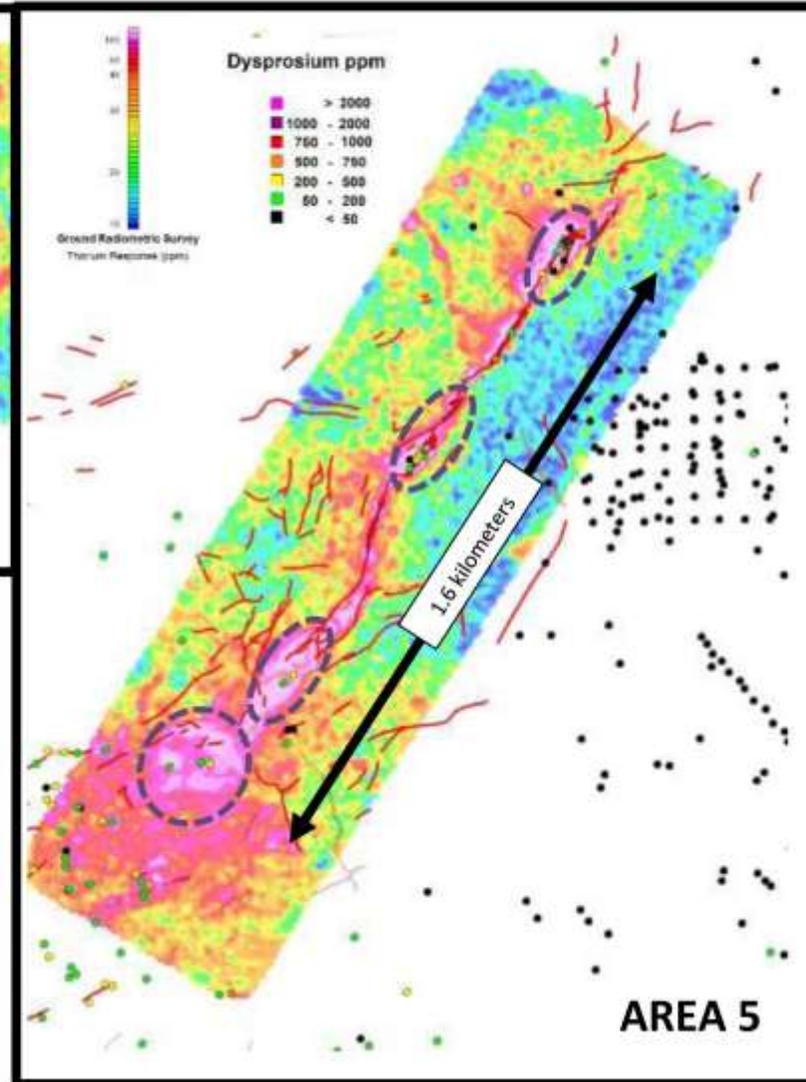
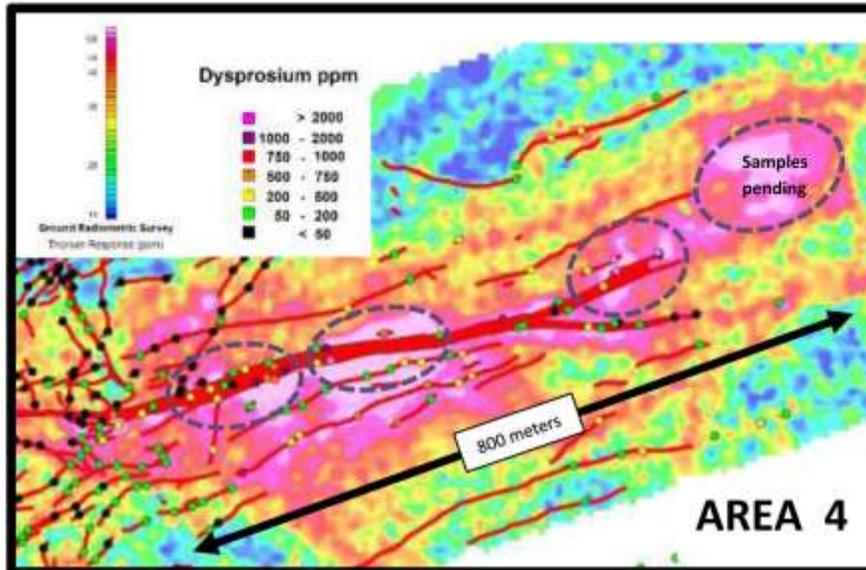


Phase I Drill Targets in the Lofdal Carbonatite Complex

Airborne radiometric image showing extent of the Lofdal Carbonatite Complex, mapped areas and priority drill targets for 7,500 m diamond drilling program using two rigs from June – August 2011.



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Drill Targets in Area 4 and Area 5

Carbonatite dykes and alteration zones (red) associated with radiometric anomalies and HREE-enriched outcrop samples. HREE enrichment indicated by dysprosium values in the range of 200 – 4,000 ppm Dy. Drill targets circled by dashed lines.