

**NAMIBIA RARE EARTHS CLOSSES \$5 MILLION
PRIVATE PLACEMENT**

Halifax, Nova Scotia August 27, 2010 – Namibia Rare Earths Inc. is pleased to announce that it has completed a CDN\$5,000,000 private placement. Proceeds will be primarily directed towards advancing the development of the Company's core asset – the Lofdal Rare Earth Project in the country of Namibia. Field work has commenced and the Company is moving rapidly towards developing its first drill targets at Lofdal with a view to taking the Company public before the end of the year.

About Namibia Rare Earths Inc.

Namibia Rare Earths Inc. is a newly created, private Canadian company dedicated to the development of its core asset, the Lofdal Rare Earth Project in north-central Namibia. The Company was created as a means by which to unlock value from the Namibian assets of Etruscan Resources Inc. which is dedicated to the development of gold projects in West Africa. Lofdal is an early stage, district scale exploration project with a demonstrated potential for the discovery of a world class, heavy rare earth-enriched carbonatite deposit. The Company also holds licences to explore for and develop base metals, precious metals and gemstones elsewhere in Namibia. Further information can be found by visiting the Company's website at www.NamibiaRareEarths.com

The Lofdal Rare Earth Project – Focus on Heavy Rare Earths

The Lofdal Rare Earth Project is situated some 450 km northwest of the capital city of Windhoek and is easily accessible by paved highway to the town of Khorixas and thereafter by 15 km of high speed gravel road to site. The project area is 100% held by way of an exclusive prospecting licence which currently covers 999 km².

Rare earth elements (REEs) are found in anomalous concentrations in many of the carbonatite rocks within the Lofdal Carbonatite Complex. These occurrences are unique in that they collectively represent a complete suite of all 14 of the rare earth elements together with significant concentrations of yttrium. Most importantly, the significance and distribution of the more valuable heavy rare earth elements (HREEs) in the complex were only recognized in the past 2-3 years after initial sampling by the Geological Survey of Namibia followed by more widespread and systematic prospecting over an area of 25 km² by Etruscan Resources Inc. Surface sampling and analyses of over 3,400 rock samples have delineated areas with potential economic concentrations of both light and heavy rare earth elements in carbonatite dykes and at least one intrusive plug has been mapped which may have potential for light rare earths. The project therefore represents a new district scale opportunity for the discovery of a world class, heavy rare earth-enriched carbonatite deposit.



Program Objectives 2010

The current work program at Lofdal will be focused on completing sufficient work in priority areas to support the Company's application for a listing on the Toronto Stock Exchange by the end of 2010. The principal components of the program include:

- Compilation of all historic geophysical and remote sensing data and correlation with geology and REE distributions
- Carry out geophysical evaluations of dyke and intrusions characteristics with ground surveys (magnetics, radiometrics and gravity)
- Acquisition of high resolution airborne magnetic and radiometric data
- Select first dyke targets for detailed mapping, trenching and channel sampling (focus on HREE-enriched areas)
- Continued regional sampling
- Ground truth any targets arising from geophysical evaluations
- Mineralogical and petrographic studies on favourable zones to determine REE distribution, separation and extraction characteristics
- Based on all of the above, prioritize targets for first phase drilling

The results of the 2010 program will be presented in an independently authored 43-101 compliant report to be prepared by Swinden Geoscience Consultants Ltd., under the supervision of Dr. Scott Swinden, P.Geol. Dr. Swinden is a professional geoscientist and executive with more than 35 years of experience in mineral exploration, including senior executive positions in Canadian Federal and Provincial geological surveys, and academia focused on mineral deposits.

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