

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**Item One – Name and Address of Company**

Namibia Rare Earths Inc.  
Suite 306, Royal Bank Building  
1597 Bedford Highway  
Bedford, Nova Scotia  
Canada B4A 1E7

**Item Two - Date of Material Change**

October 4, 2011

**Item Three - News Release**

The attached news release was issued in Halifax, Nova Scotia on October 4, 2011 via CNW.

**Item Four - Summary of Material Change**

On October 4, 2011, Namibia Rare Earths Inc. (NRE:TSX) (the "**Company**" or "**Namibia Rare Earths**") advised of a plan to test a uranium-niobium target within the Main Intrusion of the Lofdal Carbonatite Complex in northwestern Namibia.

**Item Five - Full Description of Material Change**

On October 4, 2011, Namibia Rare Earths advised that it is planning to test a uranium-niobium target within the Main Intrusion of the Lofdal Carbonatite Complex in northwestern Namibia (See Figure 1 in the news release attached hereto). A discovery was made during the course of geological mapping and rock sampling for rare earth mineralization while following up on an airborne geophysical anomaly. Geochemical results indicate that the uranium-niobium mineralization is not associated with any significant rare earth mineralization and represents a separate and distinct target. A single traverse line through the center of the anomaly returned concentrations of up to 970 ppm uranium and 14,400 ppm niobium over a strike length of 300 meters (See Figure 2 in the news release attached hereto).

Description of the Mineralized Zone

The mineralized zone occurs within the Main Intrusion of the Lofdal Carbonatite Complex and is located between the rare earth occurrences that have been drilled in Area 4 and Area 5 (Figure 1 in the news release attached hereto). Uranium-niobium mineralization at surface appears to be related to contact zones between carbonatite and country rocks (syenite) in the upper portions of the carbonatite magma chamber. The area of anomalous uranium as delineated from airborne geophysics measures 350 x 200 meters at surface (Figure 2 in the news release attached hereto). A rock sampling traverse was carried out along the long axis of the anomaly taking samples from outcrop every 25 meters over a strike length of 300 meters. Twelve of the fourteen samples were mineralized, with uranium ranging from 196-970 ppm (average of 500 ppm) and niobium ranging from 1,520-14,400 ppm (average of 4,748 ppm). The rock samples were analyzed by Bureau Veritas Laboratories (Swakopmund) using appropriate ICP-MS methods suitable for rare earth element analyses and following strict internal QAQC procedures inserting blanks, standards and duplicates.

A series of vertical reverse circulation ("RC") drill holes were drilled in 2008 to test the rare earth potential of the Main Intrusion. Three of these holes were collared on the northeast edge of the airborne geophysical anomaly and examination of archived data from those holes indicates that anomalous uranium and niobium was encountered (See Figure 3 in the news release attached hereto). The best intercept was 132 ppm U and 1,558 ppm Nb over 105 meters with the last 10 meters of the hole averaging 243 ppm uranium and 2,178 ppm niobium. Intercept widths are reported as down the hole widths and are not necessarily true widths. The RC samples were prepared from 5 meter composites and analyzed by ALS Chemex Laboratories in Vancouver using appropriate ICP-MS methods suitable for rare earth element analyses. The 2008 RC drilling program did not have complete quality control and assurance protocols (QAQC) in place but internal laboratory standards and checks were employed.

Donald M. Burton, P. Geo. and President of Namibia Rare Earths is the Company's Qualified Person and has reviewed and approved the attached press release.

**Item Six – Reliance on subsection 7.1(2) of National Instrument 51-102**

Not Applicable.

**Item Seven - Omitted Information**

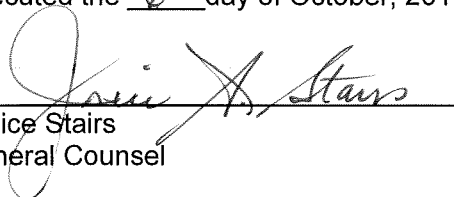
Not Applicable.

**Item Eight - Executive Officer**

Janice Stairs, General Counsel (902) 835-8760.

**Item Nine – Date of Report**

Executed the 6<sup>th</sup> day of October, 2011 by Janice Stairs, General Counsel.

  
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Janice Stairs  
General Counsel



## Press Release

### **NAMIBIA RARE EARTHS PLANS TO TEST URANIUM-NIOBIUM TARGET AT LOFDAL**

**Halifax, Nova Scotia October 4, 2011** - Namibia Rare Earths Inc. ("Namibia Rare Earths" or the "Company") (TSX:NRE) is planning to test a uranium-niobium target within the Main Intrusion of the Lofdal Carbonatite Complex in northwestern Namibia (Figure 1). A discovery was made during the course of geological mapping and rock sampling for rare earth mineralization while following up on an airborne geophysical anomaly. **Geochemical results indicate that the uranium-niobium mineralization is not associated with any significant rare earth mineralization and represents a separate and distinct target.** A single traverse line through the center of the anomaly returned concentrations of up to 970 ppm uranium and 14,400 ppm niobium over a strike length of 300 meters (Figure 2).

#### ***Partnership with Epangelo Mining to Develop***

Exploration for nuclear fuels in Namibia requires that the holder of an Exclusive Prospecting License ("EPL") be granted a nuclear fuels license and there has been a moratorium on the granting of nuclear fuel licenses in Namibia since 2007. In early 2011, the Government of Namibia, through the Minister of Mines and Energy, 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 Mining Company (Pty) Limited ("Epangelo") as the private corporate vehicle to implement this new strategy. As part of their mandate, Epangelo is responsible for the evaluation of applications for, and granting of, any new nuclear fuel licenses.

Namibia Rare Earths and Epangelo recently announced that they have signed a Memorandum of Understanding that 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 (see Company press release of September 26, 2011 for further details).

Don Burton, President stated:

*"The potential for the Lofdal Carbonatite Complex to host mineral deposits of commodities other than rare earths is not unexpected, and our geological team has always been advised to "keep their eyes open" for other minerals of economic significance. We brought this*

*uranium-niobium discovery at Lofdal to the attention of the Minister earlier this year, and we are very pleased to now have in place the framework in which to develop such a discovery in partnership with Epangelo. It adds another dimension to the potential for Lofdal to host multiple deposits. We will continue with our focused program on the rare earth targets at Lofdal but the moment the moratorium is lifted we will have in place a drill program to test this exciting new target.”*

### **Description of the Mineralized Zone**

The mineralized zone occurs within the Main Intrusion of the Lofdal Carbonatite Complex and is located between the rare earth occurrences that have been drilled in Area 4 and Area 5 (Figure 1). Uranium-niobium mineralization at surface appears to be related to contact zones between carbonatite and country rocks (syenite) in the upper portions of the carbonatite magma chamber. The area of anomalous uranium as delineated from airborne geophysics measures 350 x 200 meters at surface (Figure 2). A rock sampling traverse was carried out along the long axis of the anomaly taking samples from outcrop every 25 meters over a strike length of 300 meters. Twelve of the fourteen samples were mineralized, with uranium ranging from 196-970 ppm (average of 500 ppm) and niobium ranging from 1,520-14,400 ppm (average of 4,748 ppm). The rock samples were analyzed by Bureau Veritas Laboratories (Swakopmund) using appropriate ICP-MS methods suitable for rare earth element analyses and following strict internal QAQC procedures inserting blanks, standards and duplicates.

A series of vertical reverse circulation (“RC”) drill holes were drilled in 2008 to test the rare earth potential of the Main Intrusion. Three of these holes were collared on the northeast edge of the airborne geophysical anomaly and examination of archived data from those holes indicates that anomalous uranium and niobium was encountered (Figure 3). The best intercept was 132 ppm U and 1,558 ppm Nb over 105 meters with the last 10 meters of the hole averaging 243 ppm uranium and 2,178 ppm niobium. Intercept widths are reported as down the hole widths and are not necessarily true widths. The RC samples were prepared from 5 meter composites and analyzed by ALS Chemex Laboratories in Vancouver using appropriate ICP-MS methods suitable for rare earth element analyses. The 2008 RC drilling program did not have complete quality control and assurance protocols (QAQC) in place but internal laboratory standards and checks were employed.

### **Overview of the Lofdal Rare Earth Project**

The Lofdal Carbonatite Complex is an untested district scale opportunity 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 and plugs, with the dykes 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. The Company is nearing completion of a 7,500 meter exploration drilling program designed to identify areas with the potential to host rare earth mineral deposits of economic significance. An additional 15,000 meters of drilling is allocated to develop a National Instrument 43-101 compliant resource within the next 8-12 months. The Company has the financial capacity to accelerate the program with additional drill rigs.

**Donald M. Burton, P.Geo. and President of Namibia Rare Earths is the Company’s Qualified Person and 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".

For more information please contact -

**Namibia Rare Earths Inc.**

Don Burton, President

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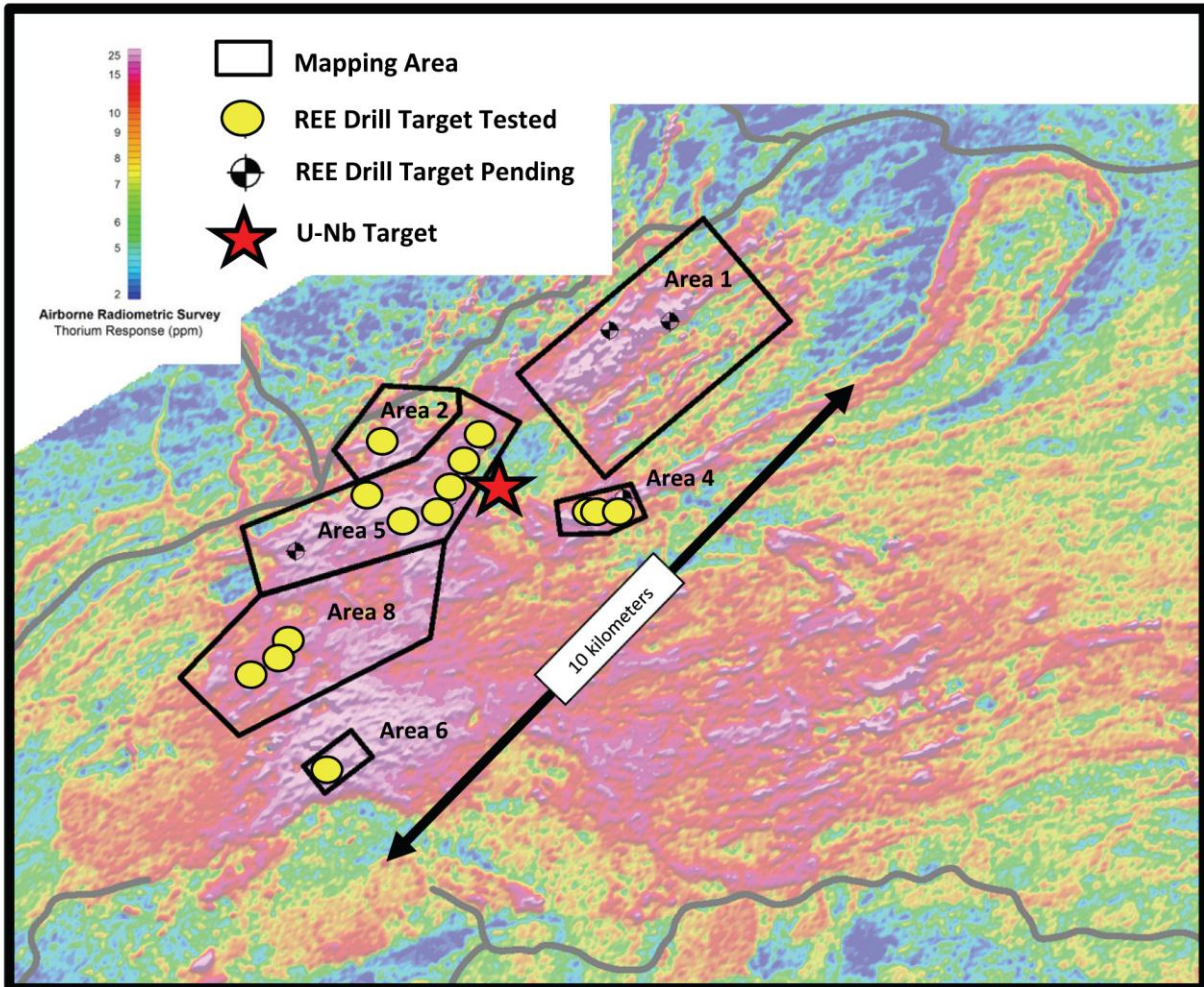
Web site: [www.NamibiaRareEarths.com](http://www.NamibiaRareEarths.com)

NO REGULATORY AUTHORITY HAS APPROVED OR DISAPPROVED  
THE CONTENT OF THIS RELEASE

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# Namibia Rare Earths Inc.

## Press Release of October 4, 2011 – Figure 1



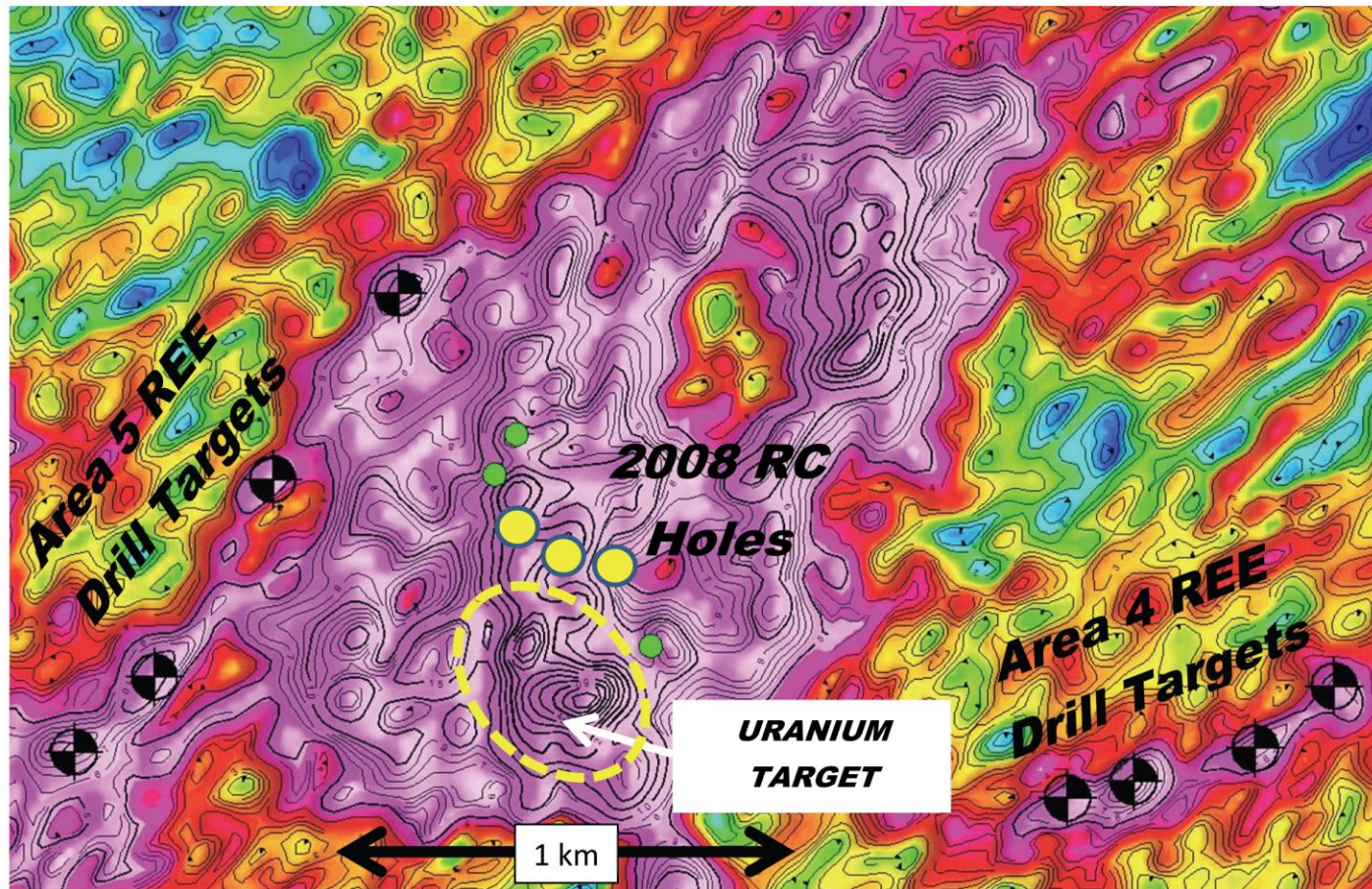
### Location of Uranium-Niobium Target and Phase I Drill Targets in the Lofdal Carbonatite Complex

Airborne radiometric image showing 200 km<sup>2</sup> extent of the Lofdal Carbonatite Complex, location of U-Nb target, mapped areas and priority rare earth drill targets for 7,500 m diamond drilling program using two rigs from June – September 2011.



## Press Release of October 4, 2011 – Figure 2

Airborne Uranium Anomaly over Main Intrusion, Lofdal Carbonatite Complex Showing Location of Uranium Target, Rare Earth Targets and 6 Historic RC Holes (uranium mineralization in yellow holes)



# NAMIBIA RARE EARTHS INC.

Press Release of October 4, 2011 – Figure 3

Uranium-Niobium Target from Airborne Uranium Anomaly

(Rock sample sites in red dots: Historic RC holes shown in green and yellow circles)

