



October 25th, 2011

Rare Earth Industries Provides Corporate Update

VANCOUVER, BC – October 25th, 2011 – Rare Earth Industries Ltd (the "Company" or "REI") (RND.V) is pleased to provide an update on its current operations. The Company has recently completed the Phase 2 exploration program at its Mt. Bisson Project in British Columbia. The program consisted of extensive soil and rock channel sampling in an effort to gain more information on and expand the previously identified high grade REE zones located during the Phase 1 program where samples grading up to 10.86% TREO were returned. Assay data for the Phase 2 program is expected shortly.

Having now completed the phase 2 program for Mt. Bisson, the Company has taken immediate steps to reduce its ongoing monthly operating costs, with a view of preserving cash and positioning the Company to assess other strategic opportunities both within and outside of the rare earths and specialty metals sector. The Company would like to thank Canon Bryan (CFO, EVP Corporate Development, Director), Reinis Sipols (COO), and Jim Walchuck (Director), who have resigned from their respective positions, for their contributions to the Company.

Commented CEO Rob Smith, "REI is well financed with approximately \$3.6 Million in the treasury. With recent market disruptions and our strong balance sheet, our Board and strong team of outside advisors are reviewing various market opportunities that will allow us to further enhance shareholder value in the near term."

ABOUT RARE EARTH INDUSTRIES LTD

Rare Earth Industries Ltd (REI) is a mineral exploration company that is currently focused on the exploration and further development of rare earth elements and rare metals. The Company was formed by executives from the fields of specialized rare earths geology, mine development, chemical processing, and marketing and distribution of finished rare earths products. Rare earth elements are used in magnets for electric vehicles, display screens for electronics, rechargeable batteries and other high-demand products. REI is publicly traded on the TSX Venture Exchange under the symbol RND.

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Stock Exchange Information:

TSX Venture Exchange Symbol: RND

Frankfurt – 3CK1 (WKN: A1C08G)

Safe Harbor Statement

This news release includes forward-looking statements that are subject to risks and uncertainties. All statements within, other than statements of historical fact, are to be considered forward looking. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, exploitation and exploration successes, continued availability of capital and financing, and general economic, market or business conditions.

There can be no assurances that such statements will prove accurate and, therefore, readers are advised to rely on their own evaluation of such uncertainties. We do not assume any obligation to update any forward-looking statements.