



NAMIBIA CRITICAL METALS INC.

Press Release

Namibia Critical Metals and JOGMEC Conclude Agreement to Develop the Lofdal Heavy Rare Earth Project

- **Japan Oil, Gas and Metals National Corporation (“JOGMEC”) acquires right to earn up to 50% interest in the Lofdal Heavy Rare Earth Project for project level investment of CDN\$20,000,000**
- **After earn-in and completion of feasibility study, JOGMEC provided right to acquire additional 1% interest in the Project for CDN\$5,000,000 and to elect to exclusively fund development of the Project subject to Namibia Critical Metal’s right to maintain a 26% carried interest in the Project**
- **Namibia Critical Metals to act as operator during earn-in period through to completion of Feasibility Study**

Halifax, Nova Scotia January 27, 2020 – Namibia Critical Metals Inc. (“Namibia Critical Metals” or the “Company” or “NMI”) (TSXV:NMI) today announced that it has signed an agreement with Japan Oil, Gas and Metals National Corporation (“JOGMEC”) to jointly explore, develop, exploit, refine and/or distribute mineral products from the Company’s 100% owned Lofdal Heavy Rare Earth Project (“Project”) in northwestern Namibia. The agreement provides JOGMEC with the right to earn a 50% interest in the Project by funding \$20,000,000 in exploration and development expenditures. Once JOGMEC has completed and exercised its 50% earn-in and a feasibility study has been completed on the Project, JOGMEC has the right to purchase an additional 1% interest in the Project from the Company for \$5,000,000 and thereafter to exclusively provide funding to develop the Project subject to the Company’s interest in the Project not being diluted below 26%. All amounts are in Canadian dollars.

Pine van Wyk, Chief Executive Officer of Namibia Critical Metals stated *“This partnership with JOGMEC brings strong technical and financial capacities to move the Lofdal project forward. It provides alignment with, and access to significant industrial groups in Japan looking to secure long-term supplies of dysprosium, terbium and other heavy rare earths. It should also be noted that this agreement is structured such that no equity will be issued and is totally non-dilutive to NMI shareholders. JOGMEC is mandated to seek a stable supply of natural resources for Japan and we are delighted that they have recognized the potential of Lofdal.*

Agreement Details

The agreement with JOGMEC contemplates that the Company’s Lofdal rare earth project will be held in a subsidiary of the Company (“ProjectCo”) and JOGMEC will have the right to earn up to a 50% interest in ProjectCo by contributing a total of \$20,000,000 to exploration and

development expenditures on the Project in three phases. JOGMEC has the right to accelerate funding at any point during the earn-in period.

During the first term of the earn-in, JOGMEC will contribute \$3,000,000 to ProjectCo to fund exploration expenditures on the Project during the period commencing on the effective date of the agreement and ending March 31, 2021. The first term funding amount is a firm non-refundable commitment by JOGMEC and JOGMEC earns no interest in ProjectCo for completing the first term expenditures.

Upon completion of the first term expenditures, JOGMEC is entitled to elect to contribute \$7,000,000 to ProjectCo to fund exploration expenditures on the Project during the second term period commencing on April 1, 2021 and ending March 31, 2024.

Upon completion of the second term expenditures, JOGMEC is entitled to receive 40% of the shares of ProjectCo and to elect to contribute \$10,000,000 to ProjectCo to fund exploration expenditures on the Project during the third term period commencing on April 1, 2024 and ending March 31, 2028. If JOGMEC elects not to provide the third term funding, the Company has the right to acquire JOGMEC's 40% interest in ProjectCo for \$7,000,000. Upon completion of the third term funding, JOGMEC is entitled to receive an additional 10% of the shares of ProjectCo.

After completion of the earn in expenditures and a feasibility study on the Project, JOGMEC is entitled to increase its ownership in ProjectCo to 51% by acquiring an additional 1% of ProjectCo from the Company for \$5,000,000. JOGMEC is also entitled to elect to exclusively fund development of the Project provided that the Company's interest will not be diluted below 26%. If JOGMEC has acquired the additional 1%, the Company will pay JOGMEC \$5,000,000 for the dilution protection.

Exploration programs and budgets will be approved by a management committee established by the parties and Namibia Critical Metals will undertake the exploration programs as operator for ProjectCo.

Overview of the Lofdal Heavy Rare Earth Project

The Lofdal Heavy Rare Earths Project is the most advanced project in the Company and comprises Exclusive Prospecting Licence ("EPL") 3400, located 450 kilometers northwest of the capital city of Windhoek, and approximately 25 kilometers northwest of the town of Khorixas in the Kunene Region of north-western Namibia (Figure 1). EPL 3400 covers a total of 314 square kilometers centered on the Lofdal carbonatite complex which hosts a number of rare earth occurrences, including the Area 4 deposit.

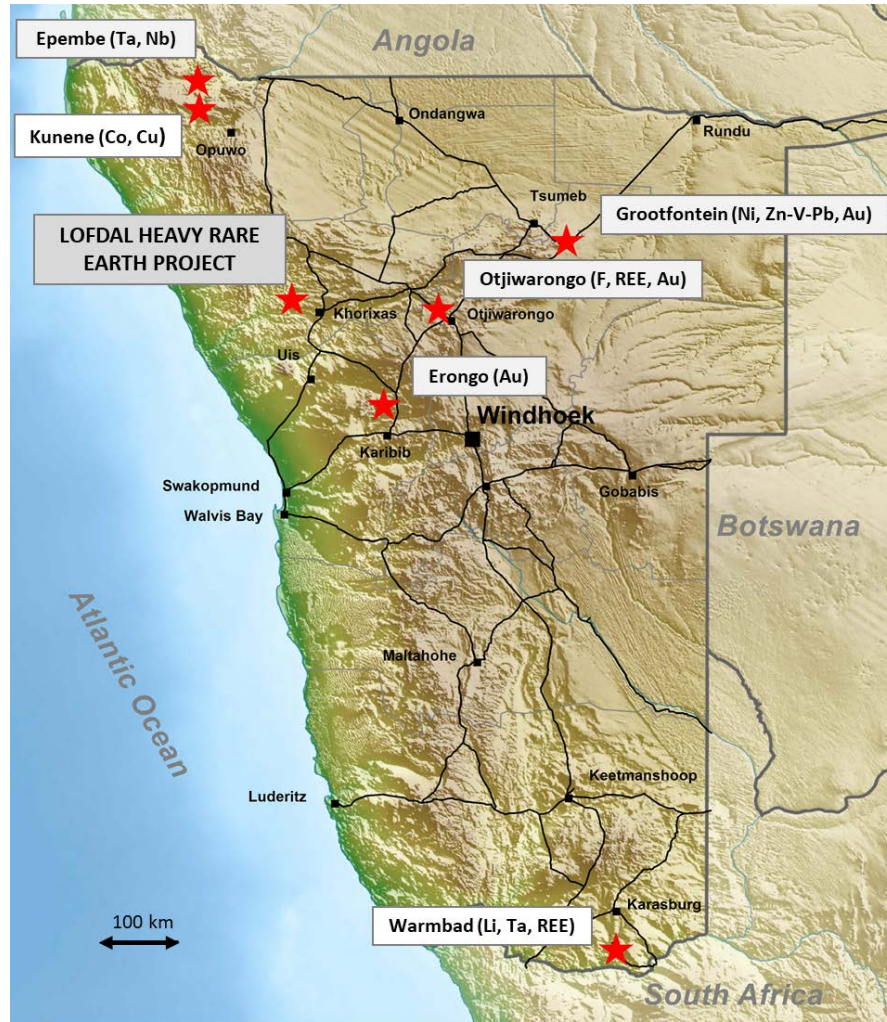


Figure 1 - Company project areas in Namibia highlighting location of the Lofdal Heavy Rare Earth Project near Khorixas

Mineral Resources and Significance of Xenotime Mineralization

Current mineral resources at the Area 4 deposit are estimated to be 2.88 Mt of Indicated mineral resources at a grade of 0.32% TREO¹ yielding 9,230 t of REO, of which 7,050 t are estimated to be Heavy Rare Earth oxides ("HREO") and 3.28 Mt of Inferred mineral resources at a grade of 0.27% TREO yielding 8,970 t of REO, of which 6,700 t are estimated to be HREO¹.

¹ "TREO" refers to total rare earth oxides; "HREO" refers to heavy rare earth oxides; "heavy rare earths" as used in all Company presentations 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 comprise lanthanum (La), cerium (Ce), praseodymium (Pr), neodymium (Nd) and samarium (Sm). "Heavy rare earth enrichment" is the ratio of HREO:TREO, expressed as a percentage

Mineralization at Area 4 is unique in that the rare earth mineralogy is dominated by the heavy rare earth mineral xenotime. Xenotime was the world's historic source of heavy rare earths, primarily derived from heavy mineral sands deposits and separated using classical solvent extraction processing technology. Global sources of heavy rare earths are now derived from surficial ionic clay deposits in southern China. The only other primary xenotime deposit in the world is Browns Range in Australia, which is operated by Northern Minerals Ltd. and is currently in the pilot plant production phase targeting a production rate of 49 tonnes per annum dysprosium oxide. Northern Minerals has recently entered into off-take agreements with Thyssenkrupp Materials Trading GmbH for 100% of the pilot plant phase production.

Significance of Dysprosium Supply to Japan

Japan is the most important consumer of dysprosium outside of China. Adamas Intelligence estimates that from 2013 through 2017 China produced 98% of the global supply of dysprosium and was responsible for approximately 90% of global dysprosium oxide (or oxide equivalent) consumption each year. Japan was responsible for 9% of global consumption and other nations (including the United States) for 1%. With 2017 dysprosium production estimated at 1,500 tonnes, Japanese consumption is therefore estimated at 135 tonnes per annum.

About Japan Oil, Gas and Metals National Corporation (JOGMEC)

JOGMEC is a Japanese government independent administrative agency which among other things seeks to secure stable resource supply for Japan. JOGMEC has a strong reputation as a long term, strategic partner in mineral projects globally. The mandated areas of responsibilities within JOGMEC relate to oil and natural gas, metals, coal and geothermal energy. JOGMEC facilitates opportunities with Japanese private companies to secure supply of natural resources for the benefit of the country's economic development.

Rare earths are of critical importance to Japanese industrial interests and JOGMEC has extensive experience with all aspects of the sector. JOGMEC provided Lynas with US\$250,000,000 in loans and equity in 2011 to ensure supplies of these crucial metals to Japanese industry.

About Namibia Critical Metals Inc.

Namibia Critical Metals Inc. holds a diversified portfolio of exploration and advanced stage projects in the country of Namibia (Figure 1) focused on the development of sustainable and ethical sources of metals for the battery, electric vehicle and associated industries. The Company also has significant land positions in areas favourable for gold mineralization.

At the **Erongo Project**, stratigraphic equivalents to the sediments hosting the recent Osino gold discovery at Twin Hills have been identified but not yet sampled. Detailed soil surveys are planned over this highly prospective area.

In addition to Lofdal, the **Epembe Tantalum-Niobium Project** is also at an advanced stage with a well-defined, 10 km long carbonatite dyke that has been delineated by detailed mapping with over 11,000 meters of drilling. Preliminary mineralogical and metallurgical studies including sorting tests (XRT), indicate the potential for significant physical upgrading. Further work will be undertaken to advance the project to a preliminary economic assessment stage.

The **Kunene Cobalt-Copper Project** comprises a very large area of favorable stratigraphy ("the DOF") along strike to the west of the Opuwo Co-Cu-Zn deposit. Secondary copper mineralization over a wide area points to preliminary evidence of a regional-scale hydrothermal system. Exploration targets on EPLs held in the Kunene project comprise direct extensions of the DOF style mineralization to the west, sediment-hosted cobalt and copper, orogenic copper, and stratabound Mn and Zn-Pb mineralization.

Earlier stage projects include the **Grootfontein Project** which has potential for magmatic Cu-Ni mineralization, Mississippi Valley-type Zn-Pb-V mineralization and Otjikoto-style gold mineralization.

The common shares of Namibia Critical Metals Inc. trade on the TSX Venture Exchange under the symbol "NMI".

Board Change

The Company also announced today that Janice Stairs has resigned as a director of the Company and Don Burton, President of the Company, has been appointed a director effective immediately.

Donald M. Burton, P.Geo. and President of Namibia Critical Metals Inc., is the Company's Qualified Person and has reviewed and approved this press release.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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The foregoing information may contain forward-looking information relating to the future performance of Namibia Rare Earths Inc. Forward-looking information, specifically, that concerning future performance, is subject to certain risks and uncertainties, and actual results may differ materially. These risks and uncertainties are detailed from time to time in the Company's filings with the appropriate securities commissions.