



**NAMIBIA CRITICAL METALS INC.**

## Press Release

### **Namibia Critical Metals Inc. files NI 43-101 Preliminary Economic Assessment Report for the significantly expanded Lofdal Heavy Rare Earth Project "2B-4" on SEDAR**

**Halifax, Nova Scotia November 14, 2022** – Namibia Critical Metals Inc. ("Namibia Critical Metals" or the "Company" or "NMI") (TSXV: NMI OTCQ: NMREF) is pleased to announce that the updated NI 43-101 Preliminary Economic Assessment ("PEA") for the Lofdal Heavy Rare Earth Project "2B-4" ("Lofdal" or the "Project") in Namibia has been filed on SEDAR.

The Lofdal deposit has the potential for significant production of dysprosium and terbium, two of the most valuable heavy rare earth elements. The Project is being developed in joint venture with Japan Oil, Gas and Metals National Corporation ("JOGMEC") targeting a long term, sustainable supply of heavy rare earths to Japan.

Darrin Campbell, President of Namibia Critical Metals stated:

*"This is a major value inflection point for the Lofdal project with a robust economic assessment which is based on mining only 50% of the resource. We have already commenced work in moving into the Pre-Feasibility Study stage for the large "2B-4" project and look forward to continued rapid development of Lofdal with our JOGMEC partners. This is a major step forward in establishing Lofdal as a world-class heavy rare earth project and a globally significant potential supplier of dysprosium and terbium, the two most valuable rare earth metals."*

As previously reported on October 3, 2022, the NI 43-101 compliant report entitled *Preliminary Economic Assessment on the Lofdal Heavy Rare Earths 2B-4 Project, Namibia* ("the Report") was independently prepared by SGS Canada Inc. as the principal author under the supervision of Michael Archer who is a Qualified Person in accordance with NI 43-101 – Standards of Disclosure for Mineral Projects.

#### **PEA Highlights:**

- Net Present Value – NPV <sup>(5)</sup> of US\$632.7 million (pre-tax) and US\$391 million after-tax
- Internal Rate of Return (IRR) – 34% pre-tax and 28% after-tax
- Life of mine nominal cash flow of US\$1.1 billion pre-tax, US\$698.7 million after-tax
- Initial Capital Costs - US\$207 million including a 30% contingency
- Capital Payback Period – 3.2 years after-tax
- Approximate Average Annual Production – 2,000 tonnes TREO including 117 tonnes dysprosium and 17.5 tonnes terbium
- PEA is based on mining of only 26 million tonnes resource or about 50% of the 53 million tonnes in the Mineral Resource Estimate issued in June 2021
- Estimated 16-year mine life with 13 million tonnes of low-grade stockpile likely expanding the life of mine

- The price for Rare Earth Oxides used: Dysprosium oxide US\$587/kg and terbium oxide US\$2,493/kg.
- Average basket price of US\$91/kg including third party separation costs

*Cautionary Note: The preliminary economic assessment is preliminary in nature and includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them to enable them to be categorized as mineral reserves and there is no certainty that the preliminary economic assessment will be realized. Mineral resources that are not mineral reserves do not have a demonstrated economic viability*

## **Economic Analysis**

The economic analysis assumes that the Project will be 100% equity financed and uses parameters relevant as of September 2022, under conditions likely to be applicable to project development and operation and analyzes the sensitivity of the Project to changes in the key Project parameters. All costs have been presented in United States Dollars (US\$) and wherever applicable conversion from South African Rand (ZAR) has utilized an exchange ratio (ZAR/US\$) of 16.07.

Mining and treatment data, capital cost estimates and operating cost estimates have been put into a base case financial model to calculate the IRR and NPV based on calculated Project after tax cash flows. The scope of the financial model has been restricted to the Project level and as such, the effects of interest charges and financing have been excluded.

For the purposes of the PEA, the evaluation is based on 100% of the Project cash flows before distribution of profits to the equity owners. Both pre-tax and after-tax cash flows have taken 5% royalty payments into account.

At a discount rate of 5% the Project is anticipated to yield a pre-tax IRR of 34% with a NPV of US\$632,739,693, and an after-tax IRR of 28% with a NPV of US\$390,982,730. Cumulative cash flows are US\$1,110,393,637 pre-tax and US\$698,691,741 after-tax over the sixteen year LOM .

The Project is expected to pay back initial capital within the first 3.2 years.

Rainer Ellmies, PhD, MScGeol, EurGeol, AusIMM and Vice President of Namibia Critical Metals Inc., is the Company's Qualified Person and has reviewed and approved this press release.

### **About Namibia Critical Metals Inc.**

Namibia Critical Metals Inc. holds a diversified portfolio of exploration and advanced stage projects in Namibia focused on the development of sustainable and ethical sources of metals for the battery, electric vehicle and associated industries.

**Heavy Rare Earth:** The **Lofdal Dysprosium-Terbium** Project is the Company's most advanced project being fully permitted with a Mining Licence (ML 200) issued in 2021. The project is being developed in joint venture with Japan Oil, Gas and Metals National Corporation ("JOGMEC").

### **About Japan Oil, Gas and Metals National Corporation (JOGMEC) and the JV**

JOGMEC is a Japanese government independent administrative agency which seeks to secure stable resource supplies for Japan. JOGMEC has a strong reputation as a long term, strategic partner in mineral projects globally. JOGMEC facilitates opportunities with Japanese private companies to secure supplies 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 the Light Rare Earths metals suite to the Japanese industry.

Namibia Critical Metals owns a 95% interest in the Lofdal project with the remaining 5% held for the benefit of historically disadvantaged Namibians. The terms of the JOGMEC joint venture agreement with the Company stipulate that JOGMEC provides C\$3,000,000 in Term 1 and C\$7,000,000 in Term 2 to earn a 40% interest in the Lofdal project. Term 3 calls for a further C\$10,000,000 of expenditures to earn an additional 10% interest. JOGMEC can also purchase another 1% for C\$5,000,000 and has first right of refusal to fully fund the project through to commercial production and to purchase all production at market prices. The collective interests of NMI and historically disadvantaged Namibians cannot be diluted below a 26% carried working interest upon payment of C\$5,000,000 to JOGMEC for the dilution protection. The JV Agreement is structured such that no NMI equity will be issued and it is totally non-dilutive to NMI shareholders. To date, JOGMEC, has approved funding Term 1 and 2 expenditures totaling C\$8,875,000.

**Other exploration projects:** The Company's Exclusive Prospecting Licenses ("EPLs") prospective for gold are located in the Central Namibian Gold Belt which hosts a number of significant orogenic gold deposits including the Navachab Gold Mine, the Otjikoto Gold Mine and the Twin Hills deposit. At the **Erongo Gold** Project, stratigraphic equivalents to the meta-sediments hosting the Osino gold discovery at Twin Hills have been identified and exploration is progressing over this highly prospective area. The **Grootfontein Base Metal and Gold** Project has potential for magmatic copper-nickel mineralization, Mississippi Valley-type zinc-lead-vanadium mineralization and Otjikoto-style gold mineralization. Interpretation of geophysical data and regional geochemical soil sampling have identified first gold targets.

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

**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 Critical Metals 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.