

# Namibia Critical Metals Forms "Rare Earth Alliance Namibia" with Two Other Rare Earth Companies to Conduct Feasibility Study on Ree Metal Separation Facility in Namibia

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HALIFAX, May 17, 2023 - [Namibia Critical Metals Inc.](#) ("Namibia Critical Metals" or the "Company" or "NCMI") (TSXV:NMI)(OTCQB:NMREF) is pleased to announce that it entered into a Memorandum of Understanding (MoU) to conduct a feasibility study for a rare earth separation plant in Namibia. The proposed separation plant aims at producing rare earth metals which can be directly used in the production of permanent magnets for electric vehicles and wind turbines.

The recent Preliminary Economic Assessment of the Company's expanded project "Lofdal 2B-4" foresees an annual production of about 2,000 t of mixed rare earth oxides (MREO) over 16 years containing an average of about 117 tonnes dysprosium oxide and 17.5 tonnes terbium oxide, the most valuable rare earth elements (press release 3 October 2022).

Separation of the rare earth elements (REE) is globally a major bottleneck for a de-risked supply chain for those strategic critical raw materials. While several separation technologies are available, separation facilities need a significant upfront capital expenditure, a steady raw material supply and a critical mass to operate viably. Therefore, the initiative was taken by the three advanced rare earth project developers in Namibia to jointly embark on a feasibility study for such a separation plant in Namibia.

Besides NCMI, the parties of the MoU are E-Tech Resources (listed on the TSX Venture Exchange, TSXV: REE), exploring the Eureka monazite deposit in central Namibia, and Ondoto Rare Earth (Pty) Ltd., a private Namibian company developing the high-grade Ondoto bastnaesite deposit in northern Namibia. For the purpose of completing this feasibility study and possible construction and operation of a separation facility in Namibia, the three companies will participate in a joint venture known as the "Rare Earth Alliance Namibia" (REAN).

Darrin Campbell, President of Namibia Critical Metals stated:

"We are thrilled to explore the technical and commercial potential of a rare earth metal separation facility in Namibia. With the three partners of the Rare Earth Alliance Namibia we reach the critical mass to build such a metal separation plant. Our partners from Ondoto can provide licensed brownfield sites and construction teams which would potentially allow for a timely realization of permitting and construction of the facility.

Namibia Critical Metals and the partners would significantly benefit from reduced, cost-based separation fees at the Namibian separation plant. This initiative would create further value addition in the country with all the attached socio-economic benefits and puts Namibia on the global map for these highly critical metals."

The parties of the MoU agreed to explore and evaluate the technical potential and viability of developing a rare earth element (REE) separation facility to extract and separate REE from concentrates of mixed rare earth oxides produced in Namibia and possibly for rare earth concentrates and semi-products from outside of Namibia. Key elements of the feasibility study are the potential supply and specifics of REE concentrates from Namibian mines and other sources, potential locations for the facility, infrastructure requirements and all regulatory and environmentally considerations.

If proven to be viable, the Rare Earth Alliance Namibia aims at designing, constructing and operating the REE separation facility through a Special Purpose Vehicle (SPV).

The facility would create a value-added chain in Namibia's mining sector through processing of REE-concentrates into more valuable REE-products and, thus, reduce the export of raw materials as concentrates, create jobs and improve skillsets in the country.

About Namibia Critical Metals Inc.

NMI is developing the Tier-1 Heavy Rare Earth Project, Lofdal, a globally significant deposit of the heavy rare earth metals dysprosium and terbium. Demand for these critical metals used in permanent magnets for electric vehicles, wind turbines and other electronics is driven by innovations linked to energy and technology transformations. The geopolitical risks associated with sourcing many of these metals has become a repeated concern for manufacturers and end users. Namibia is a proven and stable mining jurisdiction.

The Lofdal Project is fully permitted with a 25-year Mining License and is under a Joint Venture Agreement with Japan Organization for Metals and Energy Security (JOGMEC).

The Company filed a robust updated PEA for "Lofdal 2B-4" on November 14, 2022, with a post-tax NPV of USD\$391 million and an annual IRR of 28% with a capital expenditure of USD\$207 million. The project is projected to generate a life of mine nominal cash flow of USD\$698 million post-tax over a 16-year mine life.

About Japan Organization for Metals and Energy Security (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 USD\$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. To date, JOGMEC has approved the budget for Term 1 and 2 totaling C\$10,375,000 provided that part of this budget is subject to an approval by METI, Ministry of Economy, Trade and Industry of Japan.

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.

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.

The common shares of [Namibia Critical Metals Inc.](#) trade on the TSX Venture Exchange under the symbol "NMI" and the OTCQB Market under the symbol "NMREF".

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.

For more information please contact -

[Namibia Critical Metals Inc.](#)

Darrin Campbell, President

Tel: +01 (902) 835-8760

Email: [Info@NamibiaCMI.com](mailto:Info@NamibiaCMI.com) Web site: [www.NamibiaCriticalMetals.com](http://www.NamibiaCriticalMetals.com)

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