NGX ISSUED LICENCE FOR MALINGUNDE NATURAL GRAPHITE PROJECT

The Directors of NGX Limited (**NGX** or the **Company**) are pleased to advise that the Company has been issued a Retention Licence (**RL**) for the Malingunde Natural Graphite Project (**Malingunde** or **Project**) in Malawi.

The Malingunde Project is a premium quality, low cost flake graphite project, with exceptional economic and environmental attributes, as summarised in the Pre-feasibility Study (**PFS**) previously completed by Sovereign Metals Limited (**Sovereign**) in 2018 and updated in NGX's replacement prospectus dated 12 April 2023 (**Prospectus**) (as part of the NGX listing process).

The Project's advantages are principally due to the Malingunde deposit having a large weathered saprolite component, resulting in lower expected energy inputs for mining and processing.

Malingunde Natural Graphite Project PFS - Key Project Metrics

ECONOMIC		
Development Capital	*$USm*	50.1
Indirect & contingency	*$USm*	20.3
Total Capital	***$USm***	**70.4**
Sustaining Capital	*$USm*	31.6
Mine Gate Operating	*$US/t conc.*	319
Transport & Logistics	*$US/t conc.*	77
Total Operating Costs (Average LoM)	***$US/t conc.***	**396**
PHYSICAL		
Average annual plant throughput	*tpa*	600,000
Average annual concentrate production	*tpa*	52,000
LoM average feed grade	*% TGC*	9.5%
Mine life	*Years*	16
FINANCIAL		
NPV 10% (post-tax)	*$USm*	119
IRR (post-tax)	*%*	31%
EBITDA (average LoM)	*$USm*	40

For full details of the Pre-Feasibility Study see the NGX Prospectus dated 12 April 2023. LoM = Life of Mine.

NGX will immediately proceed to review the PFS to investigate whether the Project can be optimised by focusing on supplying graphite concentrates to the feedstock market for lithium-ion battery anodes. This may give rise to changes of scale, development timing and processing to supply graphite concentrates more appropriate to that market.

Demand for lithium-ion batteries for electric vehicles and energy storage has grown very substantially since the original PFS and high-quality natural graphite feedstock is forecast to be in strong demand as this sector continues to grow strongly.

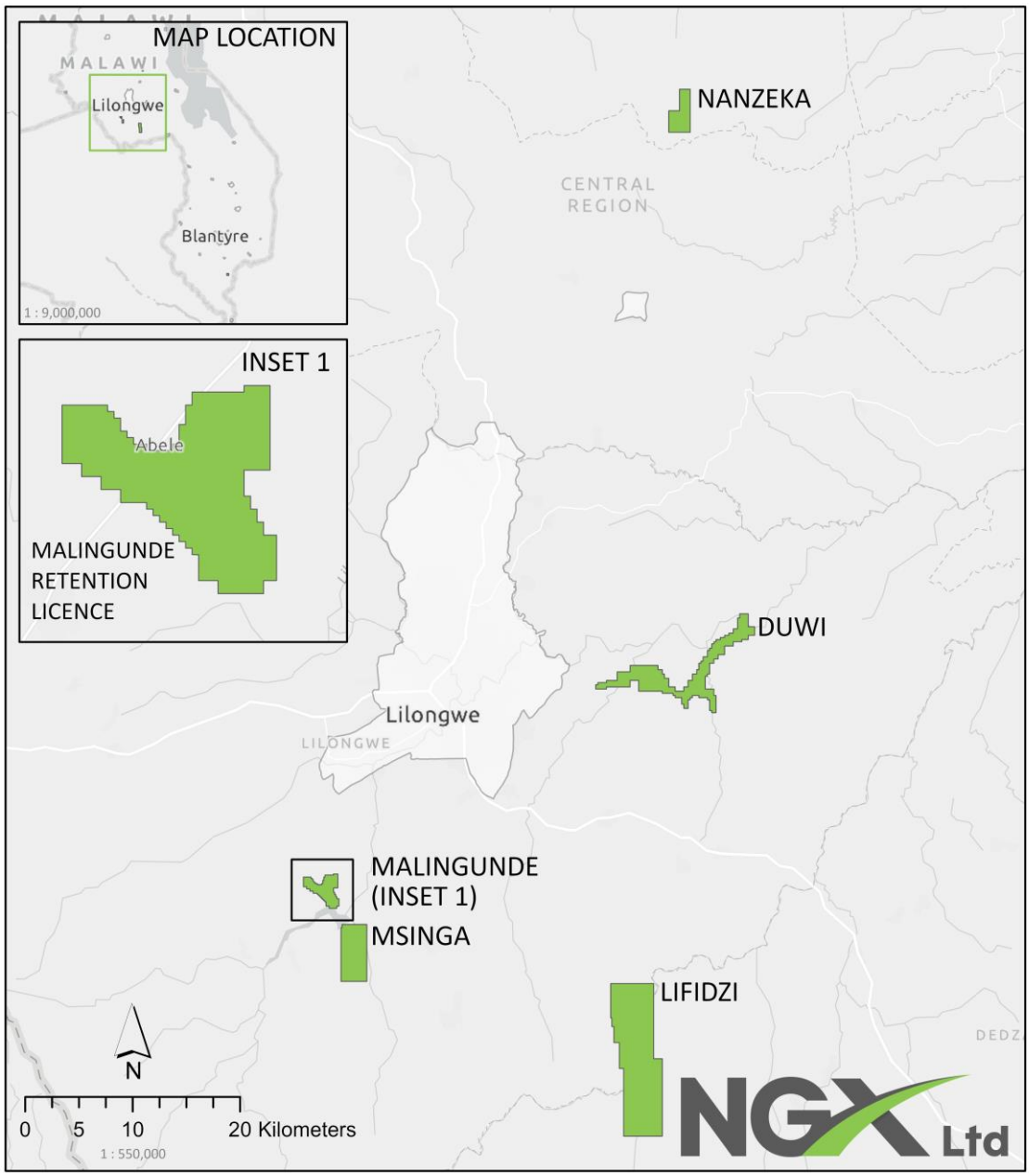

Figure 1 - Outline of the new Malingunde RL.

In parallel with the ongoing PFS and downstream processing work, NGX will commence a comprehensive program of community and stakeholder engagement, continuing the social and environmental consent process.

In conjunction with the Ministry of Mining, NGX determined that a RL was the most appropriate and timely form of tenure to allow the Company to advance the Malingunde Project.

For further information, please contact:

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MALINGUNDE GRAPHITE PROJECT

The below Project description is a summary of material drawn from NGX's Prospectus dated 12 April 2023. For full details see the NGX Prospectus available on the Company's website and the Company's ASX announcement platform.

The Project is located approximately 20km southwest of Lilongwe, the capital city of Malawi. The nearest port is Nacala on the east coast of Mozambique which is connected by a railway line from Lilongwe. Figure 2 displays a map of the project location.

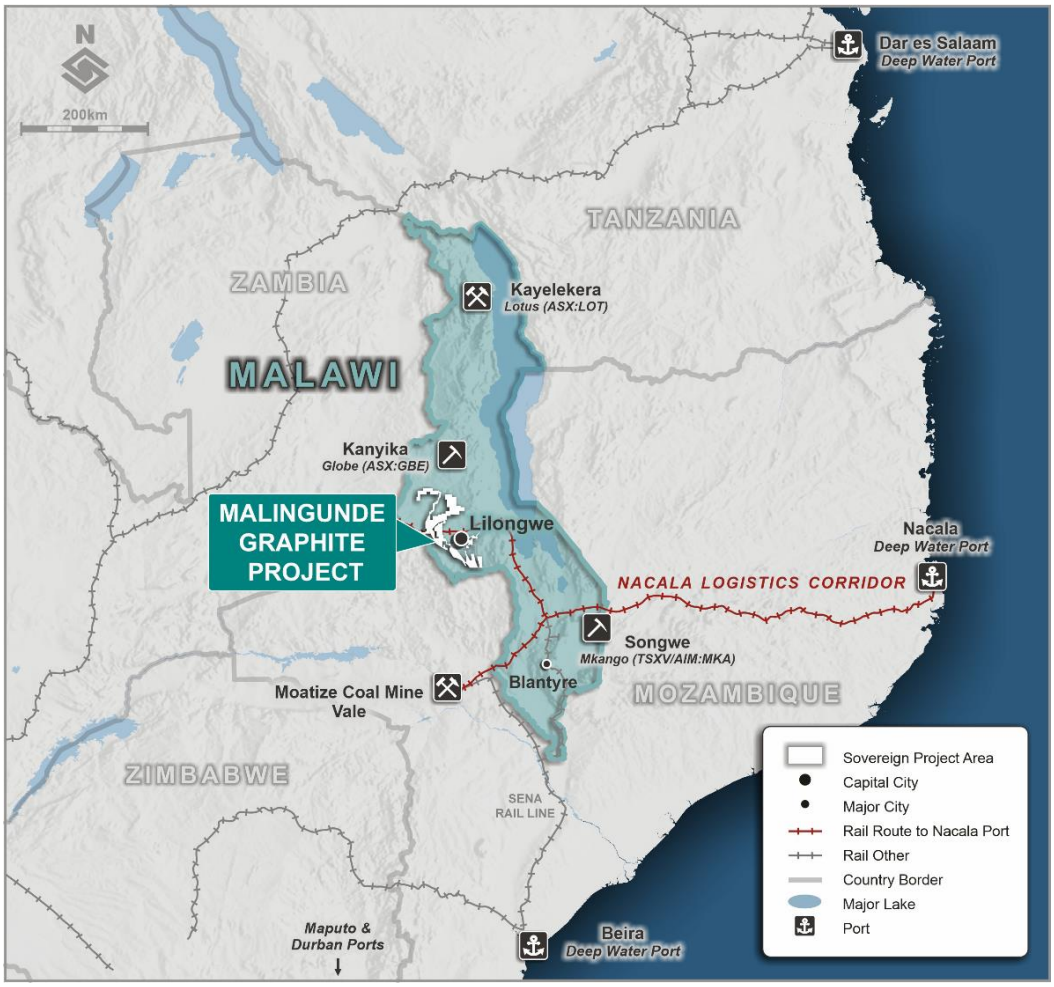

Figure 2 - Malingunde Natural Graphite Project Location Map.

Malingunde represents a high quality potential future mining operation producing premium quality natural graphite products. The PFS demonstrates low operating and low capital costs providing excellent margins. The compelling economic estimates can be attributed to the deposit being hosted entirely by soft saprolite material, its high grade at 9.5% Total Graphitic Content (**TGC**) and the excellent infrastructure availability.

Malingunde comprises a planned open cut mining and a beneficiation processing plant operation, treating run of mine ore to produce on average 52,000 tonnes per year of graphite concentrate at a purity of 97% TGC. The graphite concentrate will be bagged and trucked to the railhead at Kanengo, from where it will be packed into shipping containers for direct rail to the port of Nacala for export.

Soft-saprolite hosted graphite deposits are sought after as they have distinct operating and capital cost advantages over hard-rock deposits. Currently, operating saprolite-hosted flake graphite mines are located in Madagascar; however, these are mostly small and low grade (typically 4-6% TGC).

Ore Reserves

The Malingunde saprolite-hosted graphite deposit is the result of millions of years of tropical weathering of primary graphitic gneisses. Most of the silicate minerals other than quartz have been altered to clay, resulting in a soft, friable saprolite horizon averaging about 25m vertical thickness from surface. Graphite is also unreactive in this weathering environment, with the large graphite flakes preserved in the clay dominant matrix.

Pit optimisation, mine design and mine scheduling were completed by Orelogy Mining Consultants Pty Ltd and is based on an average of 52,000 tonnes of concentrate produced per annum over 16 years LOM. This equates to an average throughput of 600,000 tonnes per year, with declared Ore Reserves, reported in accordance with JORC 2012, displayed below.

Ore Reserve for the Malingunde Deposit			
Classification	**Tonnes (Mt)**	**Graphite Grade (TGC) (%)**	**Contained Graphite (Mt)**
Proved	3.1	9.5%	0.3
Probable	6.4	9.5%	0.6
Total	**9.5**	**9.5%**	**0.9**

Ore Reserves were defined by using a lower cut-off grade of 6.75% TGC for saprolite and between 9.5% and 11.0% TGC for saprock.

Infrastructure

Malingunde is located approximately 20km southwest of Lilongwe, Malawi's capital and is serviced by a bitumen road from the main M1 highway to within 10km of site where it becomes an all-weather gravel road. Final product is therefore only required to be hauled a short distance by road to the existing and underutilised operational intermodal rail siding at Kanengo before being railed to the port of Nacala.

The Malawi Electrical Supply Corporation (**ESCOM**) plans to construct a 132/11kV substation near Bunda, just 10km to the east of Malingunde which will be linked to the national grid (Figure 3). The 2018 PFS assumed that a new Bunda substation would be operational by 2027 and providing grid power as the primary source from this time. Although the Bunda substation may come online earlier, this cost update retains a conservative position that grid power will be available from Year 4 onwards and that diesel generators will supply all power for the first three years of operation. The Project economic model therefore assumes on site diesel power generation to the end of Year 3, with grid power availability from this point.

Water is relatively plentiful in the immediate area and the Project will be able to source sufficient water from within the project area, predominantly as part of the pit dewatering requirements.

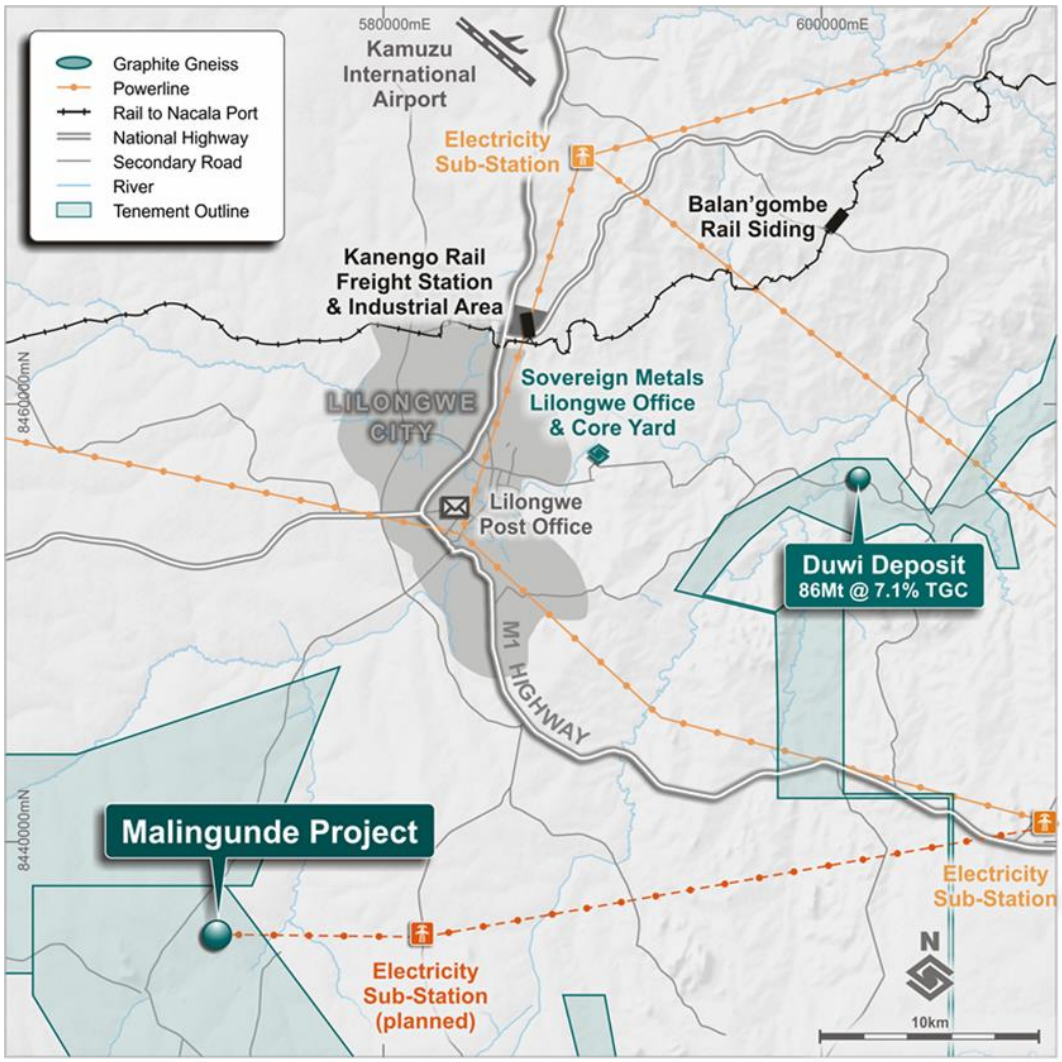

Figure 3 - Map of Regional Infrastructure.

Metallurgy

The Malingunde process flowsheet enables the ability to produce very high-grade flotation concentrates from a simple flowsheet, not requiring primary crushing or grinding and employing only well-established mineral processing technologies. This provides significant capital and operating cost benefits over hard-rock processing.

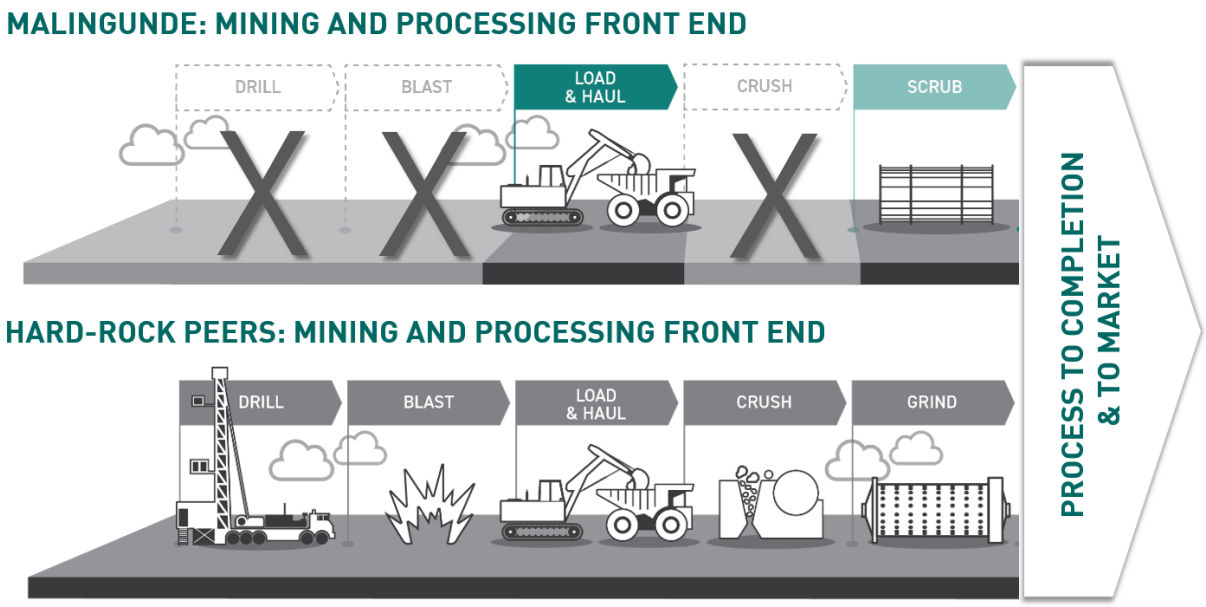

Figure 4 - Malingunde's Front End Advantage.

Processing

Significant metallurgical test-work programs have been conducted on the Malingunde saprolite hosted graphite deposit since 2016.

An optimised flowsheet was developed by SGS at Lakefield in Canada, and numerous variability tests were carried out on samples from varied lateral and vertical locations within the deposit. Overall, the test-work showed relatively consistent results across the deposit with 48%-78% of the concentrate in the coarser size fractions >149µm (>100 mesh). Combined concentrate grades consistently range between 95% and 98% TGC. Open circuit and locked cycle flotation tests (LCT) produced recoveries between 76% and 94%.

Malingunde Flake Distribution – weighted average LCT results.

MALINGUNDE FLOTATION RESULTS – PFS INPUTS				
PARTICLE SIZE Tyler Mesh	(µm)	C(%)	Distribution (wt. %)	Flake Category
+32	+500	98%	5%	Super Jumbo
-32 +48	-500 +297	97%	19%	Jumbo
-48 +80	-297 +177	97%	26%	Large
-80 +100	-177 +149	97%	9%	Medium
-100 +200	-149 +74	97%	25%	Small
-200	-74	94%	16%	Amorphous
TOTAL		**97%**	**100%**	

The design of the processing plant is based on the SGS testwork and best practise in similar operations. Importantly, the process requires no primary crushing or grinding of the ore, a material advantage over hard-rock graphite deposits. The basic flowsheet is summarised below.

The simple process design uses proven technology and is operational across a number of graphite mines today. The high-grade feed stock of 9.5% TGC over the life of the project assists in achieving the very low processing costs.

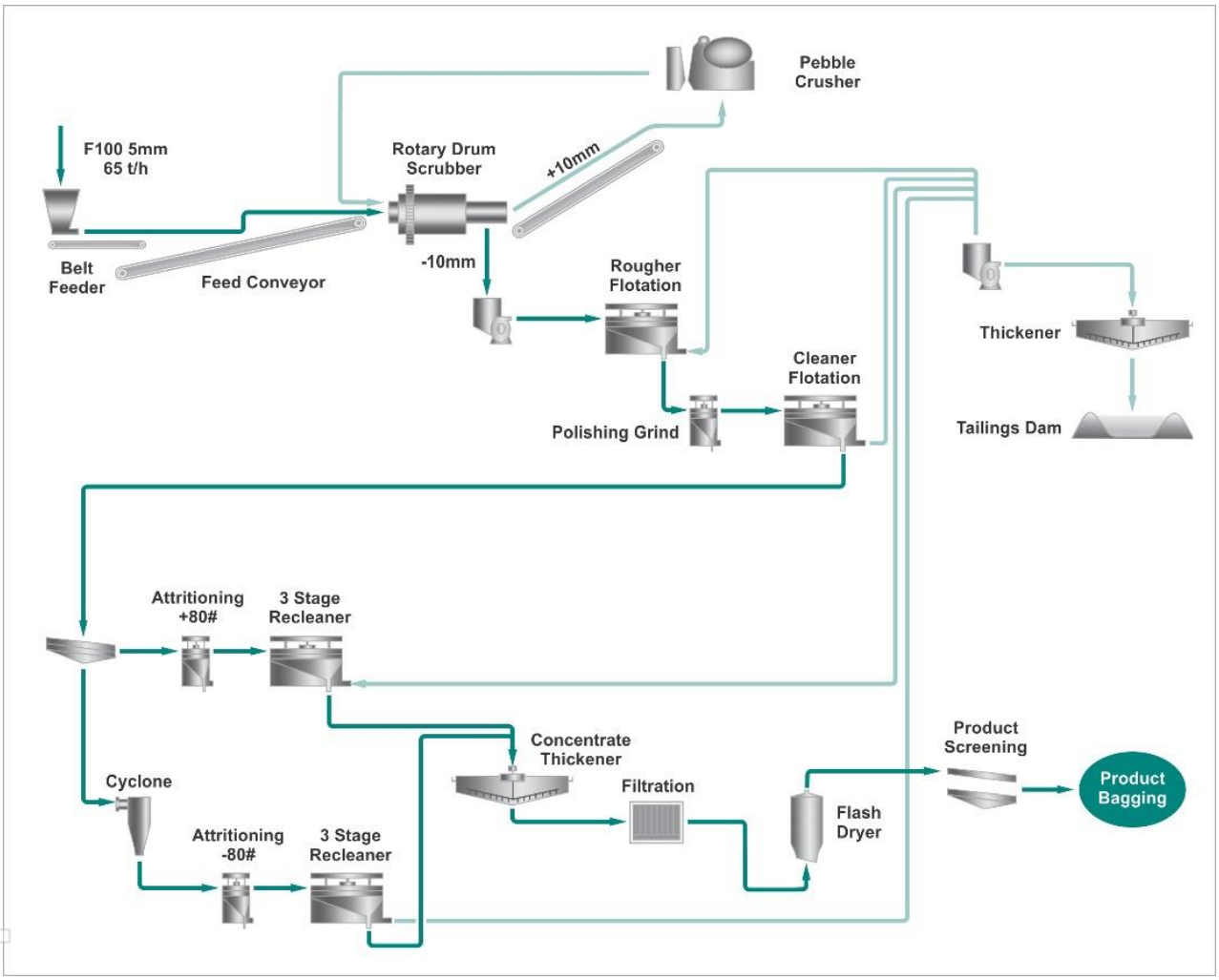

Figure 5 - Process Flowsheet Schematic.

Graphite Market[i]

The primary end-market for natural flake graphite is the refractory, foundries and crucible sectors which consumed approximately 77% (900,000 tonnes) of flake graphite production in 2020. The refractory industry is the volume driver for flake graphite, with foundries and crucibles offering smaller markets for higher purity graphite products. The major product flake graphite is consumed in is magnesia-carbon bricks, a mainstream, global refractory brick which is used in the steel industry.

The lithium-ion battery sector is the main emerging market for flake graphite. Greater capacity batteries, such as those required for electric vehicles, are expected to drive significant demand for graphite over the coming years. It is forecast the battery sector will become the largest segment by 2028.

China continues to be the world's leading producer of natural flake graphite, supplying approximately 62% of the market in 2020. Brazil, India, Canada, Mozambique, Madagascar and North Korea were major contributors of the remaining 38% of global production.

The supply-demand balance in the graphite market is forecast to remain in balance for an extended period. However, a significant supply deficit is anticipated by 2024 as demand is forecast to strengthen putting the market into deficit.

Conclusion

Malingunde offers a technically and economically robust, lower risk pathway to production of premium quality, coarse flake graphite concentrates. The significant cost savings, compared to hard-rock peers, are realised by the soft, free dig nature of the mineralisation and low strip ratios, with no requirement for primary crushing or grinding in the processing plant.

There is significant opportunity to increase the mine life beyond 16 years by processing lower grade material from the large resource base, or by discovering additional high-grade resources within reasonable trucking distance to the proposed processing plant.

Regulatory

On 19 January 2024, NGX Exploration Limited, a wholly owned Malawian subsidiary of NGX was issued with RL Licence Number RTL0033/24 which covers 5.7km^2.

The RL provides a 5 year extension of the Exploration Licence intended to allow completion of feasibility studies, an Environmental and Social Impact Assessment (**ESIA**), applying for a Mining Licence and for completion in relation to the Malingunde Project under the demerger deed with Sovereign Metals Limited and others.

The granting of the RL allows NGX to immediately continue with feasibility study work to advance the Project, as opposed to the time and complexities involved with the potential grant and then transfer of a Mining Licence firstly to Sovereign, followed by a transfer to NGX, as contemplated in the Prospectus.

NGX is committed to protect local communities and natural assets including soil, water and atmospheric resources to the maximum extent possible. NGX will conduct its activities in full compliance with the requirements of national regulations, its obligations under international conventions and treaties and giving due consideration to international best practices and policies.

Accordingly, in parallel with the ongoing PFS and downstream processing work, NGX will immediately commence a comprehensive program of community and stakeholder engagement. This program will aim to inform stakeholders and explain the short and long term benefits of the Project as well as to address any social and environmental questions and concerns.

Competent Person Statement

The information in this announcement that relates to Production Targets, Ore Reserves, Processing, Infrastructure and Capital Operating Costs, Metallurgy is extracted from the Company's Prospectus lodged with ASIC on 12 April 2023 and on the ASX announcement platform on 16 June 2023. This Prospectus is available to view on www.ngxlimited.com. NGX confirms that: a) it is not aware of any new information or data that materially affects the information included in the original announcement; b) all material assumptions and technical parameters underpinning the Production Target, and related forecast financial information derived from the Production Target included in the original announcement continue to apply and have not materially changed; and c) the form and context in which the relevant Competent Persons' findings are presented in this announcement have not been materially modified from the Prospectus.

Forward Looking Statement

This release may include forward-looking statements, which may be identified by words such as "expects", "anticipates", "believes", "projects", "plans", and similar expressions. These forward-looking statements are based on NGX's expectations and beliefs concerning future events. Forward looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of NGX, which could cause actual results to differ materially from such statements. There can be no assurance that forward-looking statements will prove to be correct. NGX makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of that release.

This announcement has been authorised for release by the Company's Executive Director, Matt Syme.

[i] Competent Persons Report – Malingunde Graphite Project prepared by DRA Pacific Pty Limited, Project Number: CMWPPR7147 for NGX Limited as included in the Company's Replacement Prospectus dated 12 April 2023.