

ACQUISITION OF URANIUM EXPLORATION PROJECTS IN NAMIBIA

- NGX has entered into two binding earn-in joint venture agreements for two Exclusive Prospecting Licence applications (EPL) in Namibia
- Both EPLs are located in the Erongo Region of Namibia, one of the world's best-known uranium districts with multiple operating mines in the area
- The acquisition of these uranium project applications enhances the Company's focus on clean energy minerals in Africa and are complementary to NGX's existing natural graphite assets in Malawi
- The Company's **downstream strategy and anode qualification program** from its natural graphite project base in Malawi are continuing, with ongoing testwork programs and the recent appointments of **two highly experienced commercial and technical experts**

NGX Limited (**NGX** or **the Company**) is pleased to announce that the Company has entered into earn-in joint venture agreements to acquire two uranium exploration project applications in Namibia. These projects enhance the Company's focus on clean energy minerals in Africa and are complementary to NGX's existing graphite assets in Malawi.

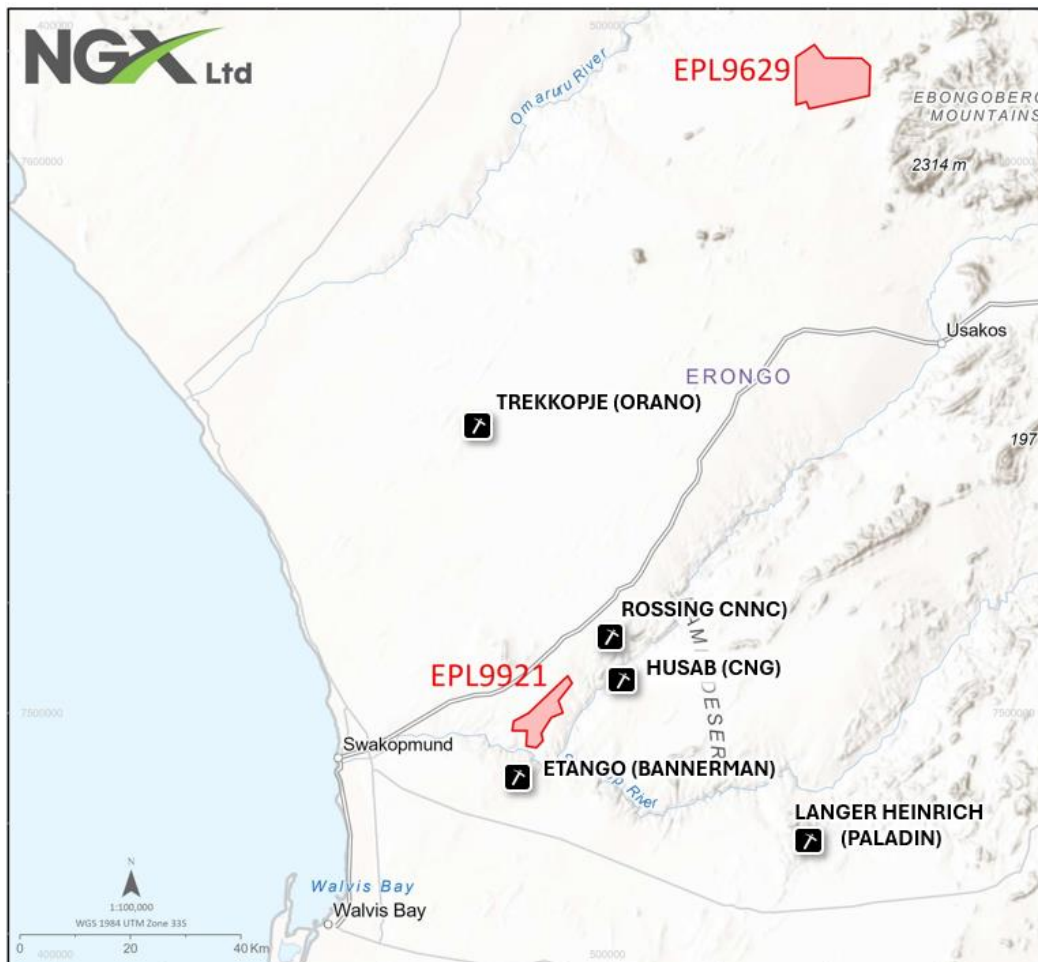


Figure 1: Regional Map of EPL9921 & EPL9629 applications including neighboring major uranium mines in the area

The Damara uranium belt of Namibia is one of the world's best known uranium districts. With major uranium operations including Rio Tinto's Rossing mine, China General Nuclear Power Group's (CNG) Husab mine, Paladin's Langer Heinrich mine and Bannerman Energy Limited's (**Bannerman**) Etango deposit.

Rossingburg (EPL9921) is located in the main uranium production hub of the central Damara uranium belt, between the Rossing uranium mine and Etango uranium project. The Rossingburg licence application area shows evidence of widespread uranium mineralisation intercepted in drilling by previous explorers including Rio Tinto and Bannerman.

Tubusis (EPL9629), to the northeast of Swakopmund, is in an under-explored region of the Damara belt. The licence area was also the subject of limited historical exploration by previous permit holders.

NGX geologists recently inspected both licence application areas, which showed evidence of historical exploration and outcropping alaskite leucogranites units, prospective to host uranium mineralisation.

NGX's Executive Director, Matt Syme, commented:

"While NGX has been progressing permitting and processing testwork on our flagship graphite projects in Malawi, we have also been looking for opportunities to expand our clean energy minerals portfolio in Africa, to meet the world's growing need for carbon free energy. Our management group includes considerable and very successful experience in uranium exploration, so this is a natural addition to our portfolio. We are very optimistic about the outlook for the uranium market and Namibia remains the premier uranium exploration environment in Africa."

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ROSSINGBURG (EPL9921)

Rossingburg (EPL9921) (**Rossingburg Project**) a 47km² licence application, is located in the main uranium production hub of the central Damara uranium province, less than 20km from both the Rossing uranium mine and Bannerman Energy Limited's (**Bannerman**) Etango uranium Project. The Rossingburg Project area includes extensive outcropping alaskites and encountered widespread uranium mineralisation in drilling by past explorers.

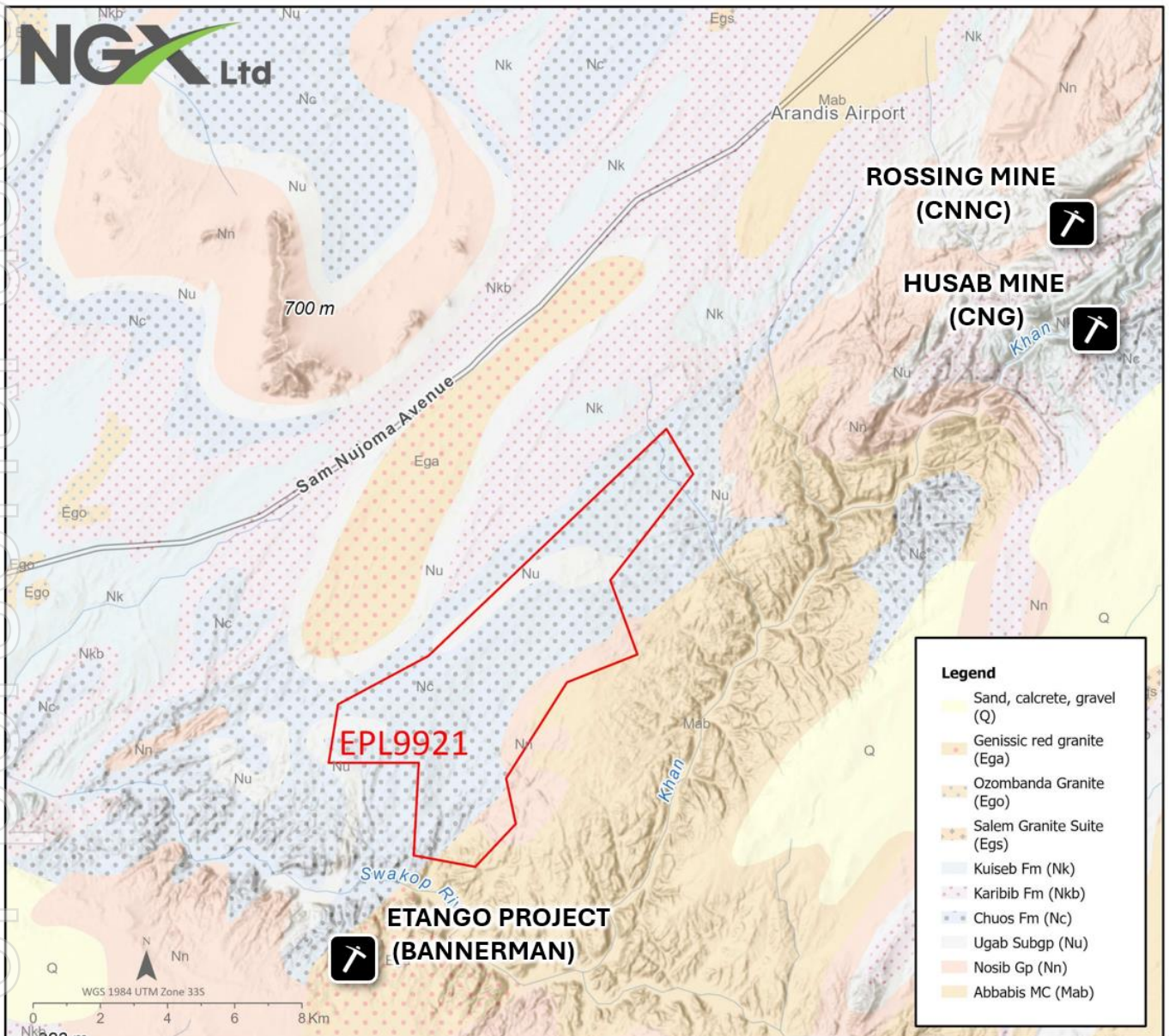


Figure 2: EPL9921 with overlaid by geological mapping by Namibia Mines Ministry

The Rossingburg Project has been historically explored by Bannerman as part of their Etango project, where Bannerman recently announced the granting of the Mining Licence. Prior to Bannerman, Rio Tinto held the ground exploring for various commodities in the 1970's, including uranium.

Refer to Bannerman's announcements to the Australian Securities Exchange on 1 May 2008 and 22 March 2011 for historical exploration results. NGX plans to collate all historical data available and undertake a comprehensive data review during the application period, while the EPL is pending grant. Where possible, NGX may publish historical exploration results in accordance with JORC 2012.



Figure 3: Rossingburg topography with historical drill collars still visible, photograph taken during a due diligence site visit by NGX



Figure 4: Drone photo of the Rossingburg landscape. The lighter alaskite unit can be seen to extend north-east along and within the north-western boundary of the licence application area

TUBUSIS (EPL9629)

Tubusis (EPL9629), a 113km² licence application, to the northeast of Swakopmund, is in an under explored region of the Damara belt. NGX geologists visited the licence application area which showed outcropping Alaskite leucogranites units, prospective to host uranium mineralisation.

Tubusis is on the Erongo Complex which consists of basal sediments, which are overlain by basaltic and rhyodacite. The complex is cored by intrusive granodiorites and monzogranites, whilst the outer rim is intruded by Erongo Granite.

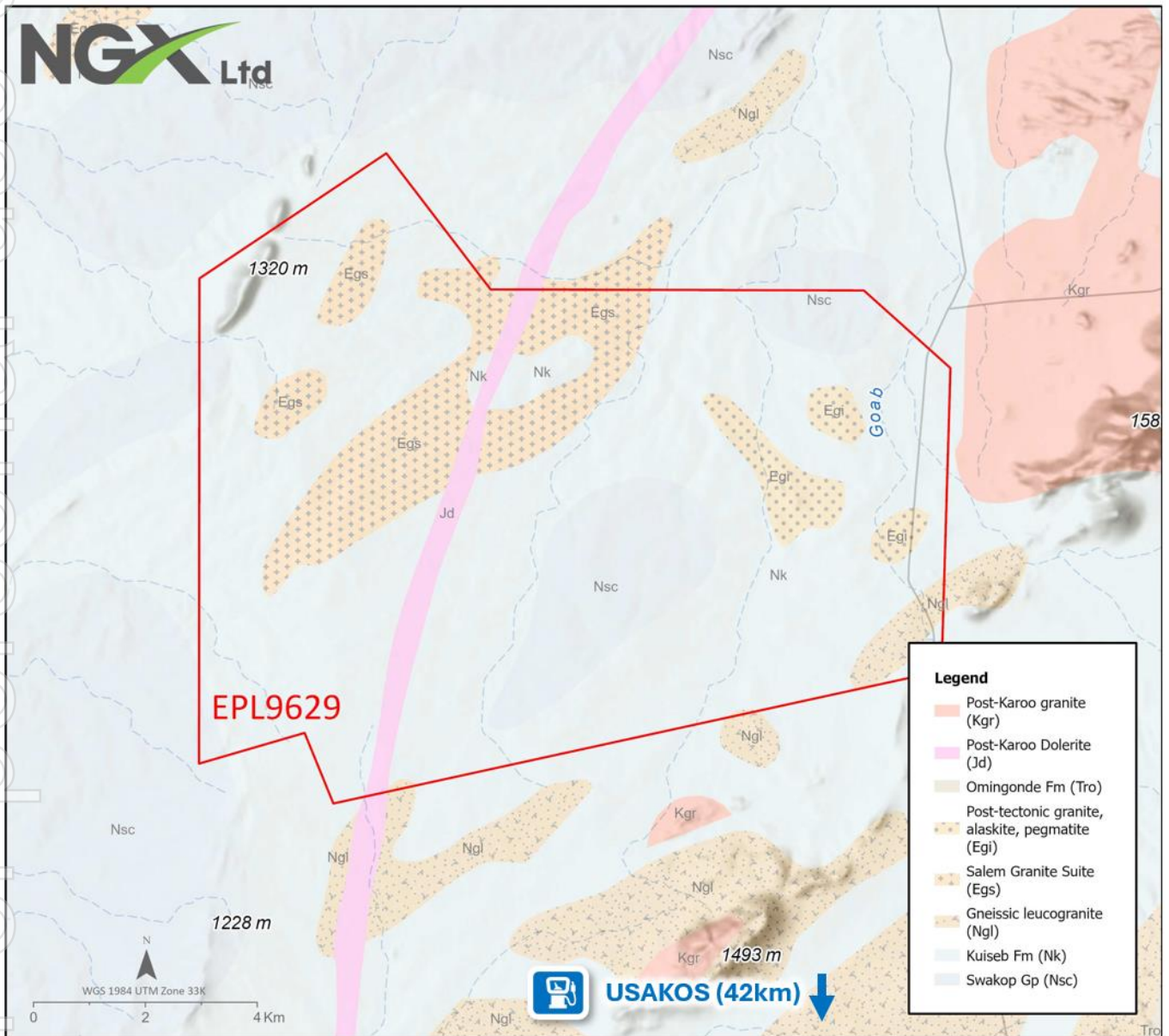


Figure 5: EPL9629 overlaid by geological mapping by Namibia Mines Ministry indicating alaskite targets

The Company is in the process of acquiring and reviewing historical exploration information for the area.

The prospective granitoid in Figure 6 is a garnetiferous leucogranite or alaskite, dominated by quartz and feldspar with minor garnet, biotite and tourmaline. Regionally, alaskites are considered targets for uranium mineralisation. Future exploration programs over the licence will test their prospectivity.



Figure 6: Drone photo taken by NGX during a recent due diligence site visit at Tubusi looking over an out-cropping alaskite

TRANSACTION DETAILS

NGX has executed two binding earn-in joint venture agreements to earn up to an 85% interest in both EPL9921 and EPL9629 (**EIA**) between Hahndorf Investments CC and Magdalena Appolus (respectively) (together, **Vendors**).

Under both EIAs the Vendors grant NGX (or its nominee) the exclusive right to acquire up to 85% of the legal and beneficial interest in the EPLs.

NGX (or its nominee) and the Vendors will form joint venture companies (the **Joint Venture Companies**) for the purposes of exploration, and if appropriate, the mining and development of the EPLs.

The EIAs include the following Conditions Precedent:

- (i) NGX completing due diligence to its sole satisfaction;
- (ii) the Vendors obtaining ministerial approval and all such other approvals as required from the relevant authorities for the grant of the licence applications, subject to such licence conditions as may be acceptable to NGX;
- (iii) NGX incorporating the Joint Venture Companies;
- (iv) the Vendors obtaining ministerial approval and all such other approval as required from the relevant authorities to transfer the licence to the Joint Venture Company, subject to such licence conditions as may be acceptable to NGX, and the transfer of the licence to the Joint Venture Company occurring; and

- (v) if applicable, the Namibian Competition Commission unconditionally approving in writing the transactions as contemplated under the EIAs as required by the Competition Act, 2003 (or if such approval is conditional, each of the parties on whom such conditions are imposed having approved such conditions in writing and delivered such approval to the other party).

DEAL TERMS

NGX has the right to earn up to an 85% interest in EPL9921 and EPL9629 on the following terms:

EPL9921

- **Stage 1: (Exclusivity Period)** – Payment of US\$20,000 for exclusivity for the period up until the grant of the licence. NGX will fund any activities to obtain an environmental clearance certificate and provide further financial capacity support for the licence application.
- **Stage 1a: (Notification Fee)** – Payment of US\$20,000 on receipt of the intention to grant the licence from the Mines Ministry.
- **Stage 2:** After grant of the licence and transfer of the licence to the Joint Venture Company, payment of US\$150,000 to the vendor on transfer of the licence and to earn a 25% share of the Joint Venture Company.
- **Stage 3:** Within 12 months of Stage 2, payment of US\$150,000 to earn a further 26% (i.e total 51%).
- **Stage 4:** Within 12 months of Stage 3, payment of US\$150,000 to earn a further 19% (i.e total 70%).
- **Stage 5:** Within 12 months of Stage 4, payment of US\$150,000 to earn a further 15% (i.e total 85%).
- **Stage 6: (Development)** – The vendor will be free carried to a final investment decision retaining at least a 15% interest. After this point Hahndorf can be diluted if they elect not to contribute. If Hahndorf's shareholding reduces to less than 5% it will be converted to a 1.5% net smelter royalty on the sale of any uranium minerals extracted, produced and sold by the JV Company.

EPL9629

- **Stage 1: (Exclusivity Period)** – Payment of US\$15,000 for exclusivity for the period until the grant of the licence. NGX will fund any activities to obtain an environmental clearance certificate and provide further financial capacity support for the licence application.
- **Stage 2:** After grant of the licence and transfer of the licence to the Joint Venture Company, payment of US\$50,000 to the vendor on transfer of the licence and to earn a 25% share of the Joint Venture Company.
- **Stage 3:** Within 18 months of Stage 2, payment of US\$150,000 to earn a further 26% (i.e total 51%).
- **Stage 4:** Within 18 months of Stage 3, payment of US\$200,000 to earn a further 34% (i.e total 85%).
- **Stage 5: (Development)** – The vendor will be free carried to a final investment decision retaining at least a 15% interest.
- **Contingent payment:** Upon NGX announcing a JORC resource greater than 20Mlbs (based on a 350ppm minimum average grade), NGX will pay the Vendor US\$0.06 per lb for a resource up to 50Mlb and US\$0.04 per lb above 50Mlbs payable to a maximum of 100Mlbs.

RISK FACTORS

The completion of the acquisitions remains subject to the condition relating to NGX completing due diligence in relation to the EPLs to its sole satisfaction. Limited due diligence has been done to date in relation to the EPLs. In addition, the EPLs are considered early-stage and are subject to the usual risks associated with companies undertaking exploration and development activities of projects in Namibia which will remain at completion of the acquisition.

A number of additional risk factors specific to the EPLs and associated activities have also been identified, including, but not limited to:

- The EPLs are located in Namibia, and as such, the operations of the Company will be exposed to related risks and uncertainties associated with the country, regional and local jurisdictions. Opposition to the EPLs, or changes in local community support for the EPLs, along with any changes in mining or investment policies or in political attitude in Namibia and, in particular to the mining, processing or use of uranium, may adversely affect the operations, delay or impact the approval process or conditions imposed, increase exploration and development costs, or reduce profitability of the Company.
- The Company's exploration and any future mining activities are dependent upon the grant, maintenance and/or renewal from time to time of the appropriate title interests, licences, concessions, leases, claims, permits and regulatory consents which may be withdrawn or made subject to new limitations. Transferring title interests, maintaining title interests or obtaining renewals of or getting the grant of title interests often depends on the Company being successful in obtaining and maintaining required statutory approvals for its proposed activities (including a licence for mining operations) and that the title interests, licences, concessions leases, claims, permits or regulatory consents it holds will be maintained and when required renewed.
- There is no assurance that such title interests, licences, concessions, leases, claims, permits or regulatory consents will be granted, or even if granted, not be revoked, significantly altered or granted on terms or with conditions not acceptable to the Company, or not renewed to the detriment of the Company or that the renewals thereof will be successful.

Shareholders should note that some of the risks may be mitigated by the use of appropriate safeguards and systems, whilst others are outside the control of the Company and cannot be mitigated. Should any of the risks eventuate, then it may have a material adverse impact on the financial performance of the EPLs, the Company and the value of the Company's securities.

GRANTING RISK

Both transactions are for EPL applications resulting in a risk of the EPL applications not being granted. NGX engaged local counsel to review the validity of the applications and assist with due diligence procedures.

As per Namibia's Minerals (Prospecting and Mining) Act 1992, the granting of licences is determined by a committee and granting is based on the committee's perception as to the ability and intention of the applicant to complete exploration as outlined in the application and the validity of the proposed program to determine resources. Each licence must outline commodities of interest (in both cases "Nuclear Fuels" covers uranium) and the licence granted only pertains to these commodities. Overlapping licences for differing commodities may coexist. Licences may list multiple commodity categories. In the case of EPL9629, this application is the first Nuclear Fuel application with an application (EPL9626) pre-dating it for other commodities.

The grant determination indicatively takes between three to six months.

Sources

Bannerman Energy Limited ASX Announcement titled Re-Probing of Historic Holes Highlight New Discovery dated 1 May 2008:
<https://announcements.asx.com.au/asxpdf/20080501/pdf/318xbc2y9126f0.pdf>

Bannerman Energy Limited ASX Announcement titled Bannerman Exploration Update dated 22 March 2011
<https://announcements.asx.com.au/asxpdf/20110322/pdf/41xl651dgz4tph.pdf>

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.