



Project Overview

March 2022

PREMIUM PRODUCT, TIER 1 JURISDICTION,
HIGH QUALITY INFRASTRUCTURE

Project Snapshot



✓ Well-developed, investment ready iron ore asset

- 88Mt reserve.
- Potential resource of ~250Mt.
- USD19.5 million invested to date.

✓ Project Development

- 2012 – 2020:
 - Exploration & development of resource and reserve - JORC compliant reserve declared (2012).
 - Various pre-feasibility studies conducted (2012 – 2016).
 - Investigations into niche products | Sasol BFS Complete (2016).
 - Feasibility study (“FS”) complete for the production and export of 1.84mtpy (dry basis) of a 66% Fe Sinter concentrate (2020).
- 2021:
 - Signed a Marketing & Offtake Agreement with Anglo American Marketing Limited (“AAML”) who invested USD3.5 million for a small-scale plant (Low-Grade Fines Plant) and to complete a Bankable Feasibility Study (“BFS”) for the production and export of 0.75Mtpy of 66% Fe concentrate (“Demo Phase”).
 - Constructed, commissioned the Low-Grade Fines plant and shipped 52kt of 59% Fe fines.
 - Completed an investment grade BFS for the Demo Phase in Dec-21.

✓ Project Differentiators

- Clean, High-Grade 66% Fe concentrate
 - For placement in the DR pellet feedstock and sinter fines market.
 - Well-placed to take advantage of the global drive to reduce CO² emissions.
- Brown-fields logistics solution (*52Kt shipped in Aug-21*).
- Signed Off-take & Marketing Agreement with AAML.
- Short time to market. [12 – 15] month construction period.
- Politically stable jurisdiction.
- First class technical analysis, reviewed and approved by AAML.

✓ ESG

- 20-year mining license in place, renewable in 2034.
- EIA granted in 2014 & full compliance with EMP.
- Support decarbonization through green HBI production, aligned to Namibian Gov. plans to produce green hydrogen. Pilot Green HBI plant planned for 2023.
- Community wellness program implemented, aimed at addressing socio-economic challenges in the Dordabis area.

✓ Project Upside

- Addition of 1.84Mtpa (FS completed in 2020) bringing total production to 2.5 Mtpa.

✓ Next Steps

- **Secure funding to bring the Demo Phase (0.75Mtpy) into production.**

Project Economics



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Results			Demonstration Phase (2022 BFS)	Ramp-up (2020 FS)	
Technical Results (LOM Averages)	Ore Reserves (JORC 2021 Proved + Probable)	<i>Mt</i>	17.7	77.7	
	Mill Feed	<i>Mtpa</i>	1.65	4.2	
	Stripping Ratio	<i>W:O</i>	0.59	1.6	
	Fe Processing Recovery	%	75%	75%	
	Recovered Concentrate	%	45%	43%	
	Concentrate Grade	<i>Platss 65</i>	66%Fe & <3% SiO ₂ + Al ₂ O ₃	66%Fe & <3% SiO ₂ + Al ₂ O ₃	
	Mine Life Concentrate	<i>MT- dry</i>	7.7Mt	33Mt	
Financial Results	Project Capital (All-in)	<i>U\$M</i>	75	150	
	Proposed Debt Contribution	%	50%	50%	
	FOB Production Cost	<i>U\$/t (dry)</i>	55	50	
	CFR China Production Cost (Co-load Capesize)	<i>U\$/t (dry)</i>	75	70	
	Case A: Current Price Environment	CRF Revenue	<i>U\$/t (dry)</i>	170	170
		Post Tax IRR	<i>U\$/t (dry)</i>	81%	216%
	Case B: 5-year Average	CRF Revenue	<i>U\$/t (dry)</i>	118	118
		Post Tax IRR	<i>U\$/t (dry)</i>	36%	101%
	Case C: LT Banking Outlook	CFR Revenue	<i>U\$/t (dry)</i>	98	98
		Post Tax IRR	<i>U\$/t (dry)</i>	24%	52%

Environmental Compliance

In 2014 Lodestone completed the EIA process for the mine, process plant and associated infrastructure and activities in the EPL area and received environmental clearance from the Ministry of Environment and Tourism (MET) (now the Ministry of Environment, Forestry and Tourism (MEFT)). All subsequent amendments and renewal applications have been granted and all required commitments in terms of the EMP have been complied with.

The following specialized sub-studies (according to international accredited standards like IFC and UN) were deemed relevant both to the Demonstration Phase and the ultimate full-scale operation:

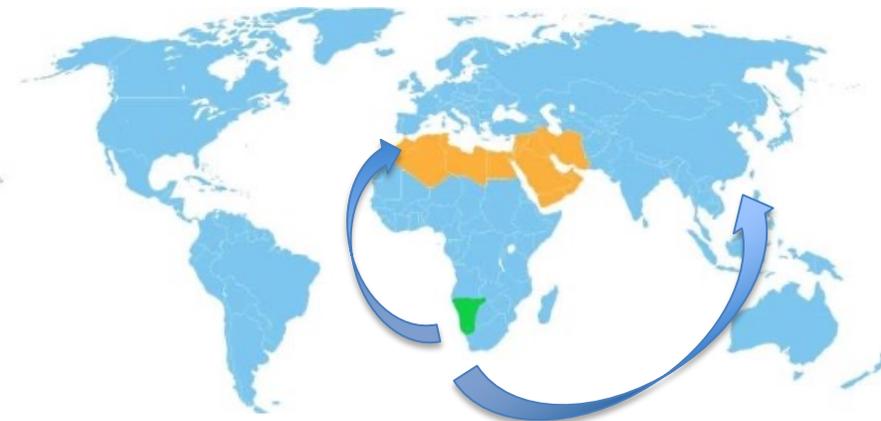
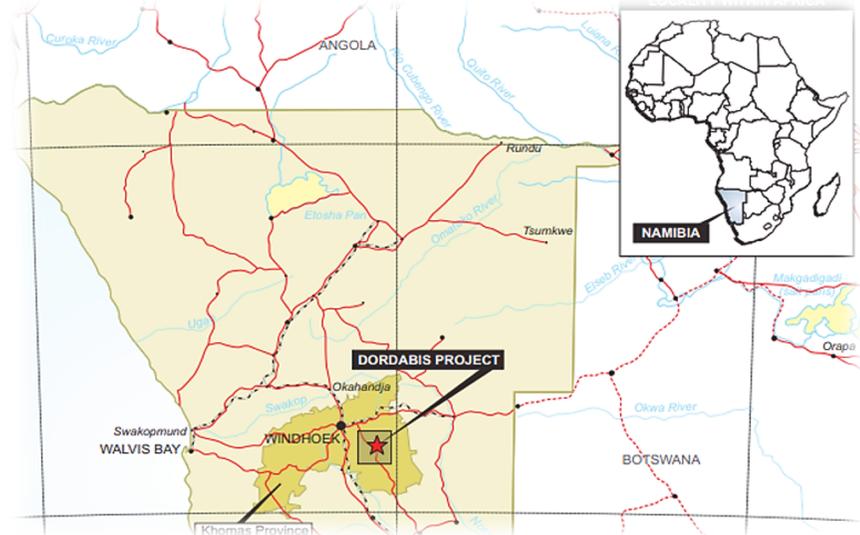
- Groundwater quality and groundwater resources;
- Surface water quality and flow;
- Fauna and Flora
- Archeology
- Air quality (dust and gaseous emissions);
- Noise; Rail and Road traffic impacts connecting the mine site to the national road network,
- Visual impacts; and
- Socio-economic impacts (positive and negative).

COP26 - POSITIVE VIEWS FOR DR IRON ORE DEMAND

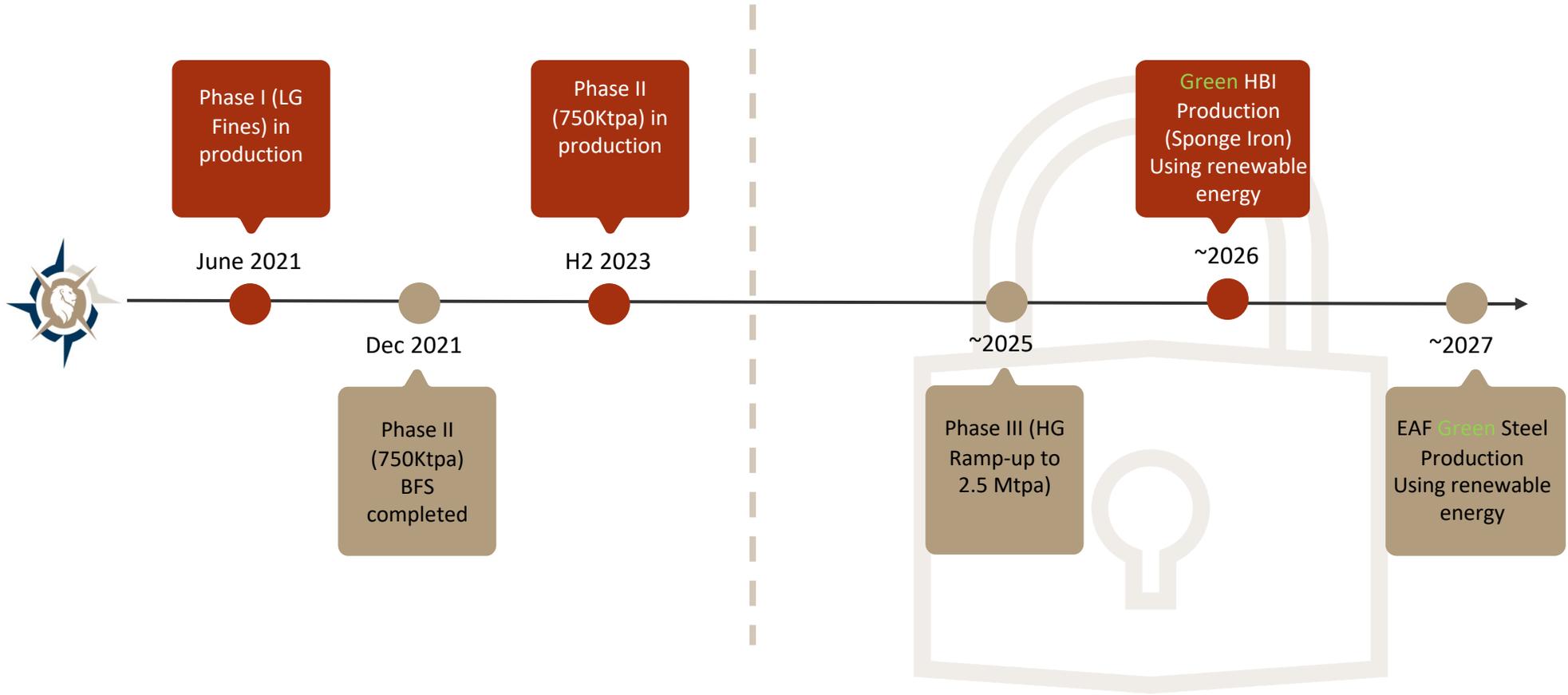
- ✓ The transition required for the steel industry in the next decade to shift steel making capacity from Blast Furnaces (“BF”) and Basic Oxygen Furnace (“BoF”), which produces steel with iron ore and coal as primary feedstock, towards DRI and EAF, which produces steel from scrap material and DRI as primary feedstock. The ripple effect of a transition from BF/BOF to DRI/EAF would increase demand in DRI to 390Mt by 2030.

Source: The World Bank, Wood Mackenzie data

Project Location



Project Lifecycle



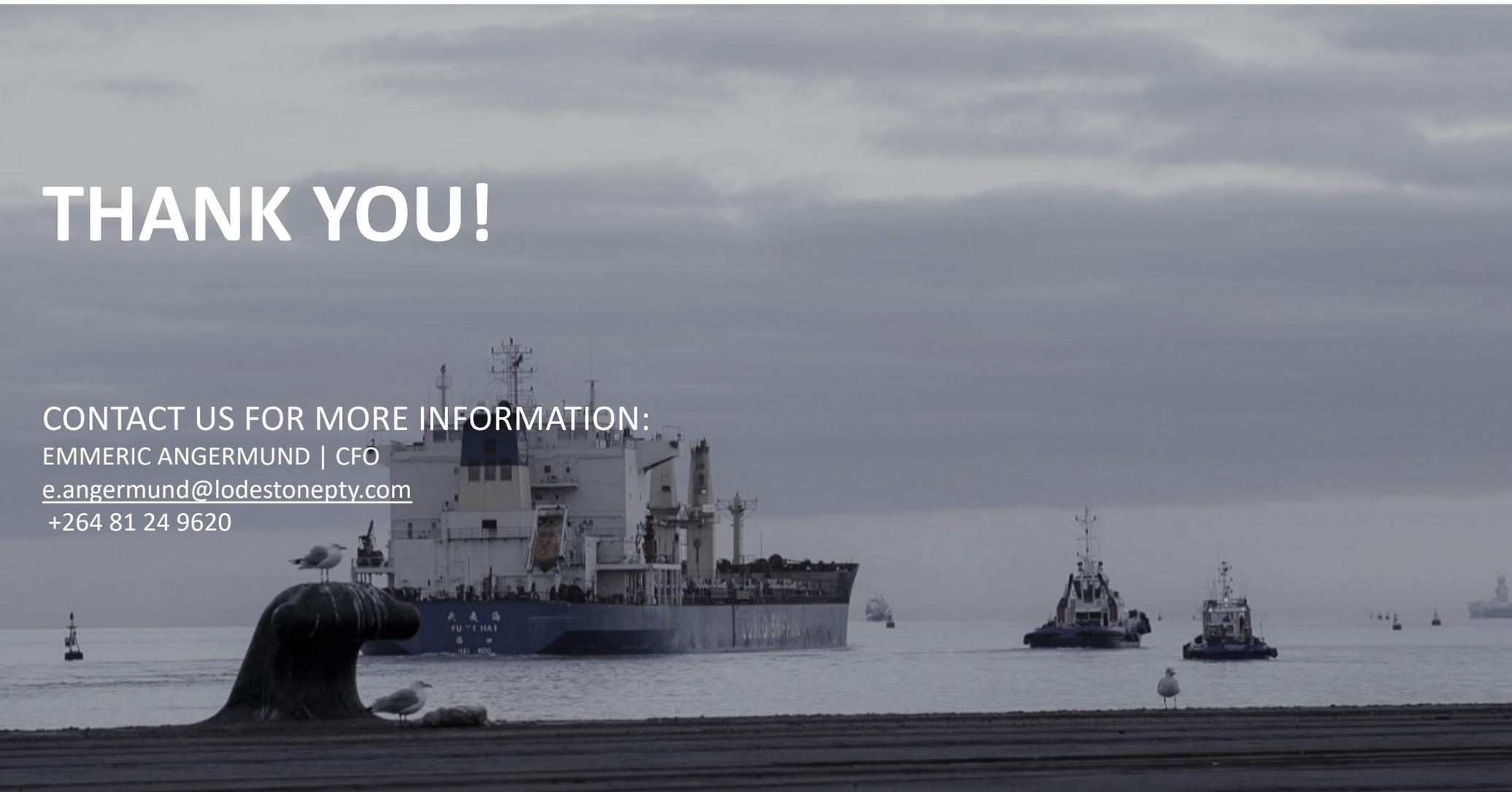
THANK YOU!

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