
Update on the Restructuring of NLZM

11 August 2021

Namib Lead & Zinc Mining (“NLZM” or the “Company”) advises the following update with reference to the Business Update provided in April 2020.

Subsequent to the announcement of a decision to temporarily cease mining operations of NLZM and to place the site under care and maintenance, the Company has retrenched the majority of its staff and paid all its external creditors. The assets of the Company were and continue to be protected during this period to maintain their value and facilitate a restart of mining operations in the future. All government authorities have been informed and mining and explorations licenses were kept intact.

In June 2020, given the lack of cash flow generation and alternatives for additional funding, the Board of North River Resources PLC (“NRR”) decided to put NRR in administration in the UK to sell the assets of NRR and maximize value for its stakeholders. After completion of the sales process, in December 2020, NRR’s administrators entered into an agreement to sell the 90% stake in NLZM to funds managed by Castl lake L.P. (“Castl lake”). The conditions precedent to this sale, which primarily consisted of Namibian government approvals, were met in June 2021.

Subsequent to the closing of the transaction, three individuals designated by Castl lake joined the Board of NLZM as non-executive directors. NLZM is now considering all options and reviewing startup plans whilst the COVID-19 wave 3 is taking place in Namibia and Southern Africa. Further COVID-19 waves will impact start-up activities and the Company’s operations including challenges and delays in obtaining critical supplies for production as well as export shipping.

Until further notice, NLZM will continue with the care and maintenance of the operations. In addition, the Company is taking steps to plan for a coordinated re-start which will depend on economic and health & safety conditions.

The Company will provide further regular updates as the scenario develops.

For further information:

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