

Omico Mining Corp Ltd

Q4 2023 – Quarterly Report

Omico Mining Corp (“Omico”), the Namibian copper exploration and development company, is pleased to present its quarterly report for the period ending 31st December 2023.

The Company is advancing the Omitiomire Copper Project Bankable Feasibility Study (BFS) with completion now expected in H2 2024. As previously evidenced by internal economic and technical studies, there is significant potential for the project to be a viable long-life and low capital-intensive copper cathode producer in central Namibia.

As previously reported, the BFS was scheduled for completion in Q1 of this year. However, during the year, Phase 3 metallurgical test work was completed and indicated a significantly lower acid consumption, faster leach cycle time and higher recovery than previously expected. As a result of these findings, the company commissioned a final Phase 4 metallurgical test work programme starting in December 2023, which aimed at bringing this new approach to a bankable standard.

Highlights of the period include:

- Expected BFS outcomes, with revised processing approach, include post-tax NPV8 of USD175M, 18% IRR, with a capital intensity of USD14,100/t copper (including mining fleet), C1 costs of USD4,700/t Cu and AISC of USD5,520/t Cu;
- Significant value upsides not yet modelled;
- Phase 3 metallurgical test work completed in October 2023 supports significantly better metallurgical performance with associated economic benefits, including:
 - lower acid consumption
 - lower capex
 - improved copper recoveries, and
 - reduced leach times;
- Completion of all specialist studies for environmental permitting process;
- De-risking of the power and water supply;
- Completion of groundwater and surface water studies and drainage design.

Due to the expected impact of the Phase 4 test work on the project economics and design the decision has been taken to slow down remaining BFS workstreams while the Phase 4 metallurgical test work is completed.

Metallurgical Test Work

The Phase 3 test work was designed to demonstrate the proof of concept in using a low acid / high copper irrigation solution, along with the chloride leach process, to liberate the copper in the heap leach process. This programme was initiated after the phase 2 columns were assayed and it became apparent that most of the acid was being consumed in the first meter but copper continued to be leached in the sequential second, third and fourth meters. The chemistry behind this cupric to cuprous reaction is well understood.

Initial METSIM simulations of the Phase 3 results indicate that acid consumption could decrease to 10-15kg/t (vs 44kg/t in the previous phase 2 test work). Leach times could decrease to 200 days from 300 days and recovery increase to 80+% from 77% of total Cu.

The reduction in acid use will significantly reduce the capital cost for acid requirements, possible acid plants and the operating costs for the sulphur needed to produce acid. In addition to this, faster leach times will decrease the working capital and reduce the leach pad area required – and therefore further bringing down the capex. Any recovery increase will increase revenue and, combined with the potential lowering of the opex, may increase the reserve size and ultimately the production rate and/or life of mine.

Note: Phase 3 test work is concept level and based on small-scale columns and further test work is needed to define the optimum operating conditions to Bankable Feasibility Study standards and the decision has been taken to delay publication of the BFS until this Phase 4 test work is completed.

The outcome of the test work has an impact on a number of aspects of the project including:

- The lower operating costs will reduce the cut-off grade, leading to higher throughput through the crusher and staking circuits and requiring an update to the design of the crushing and agglomeration circuit;
- The design of the solvent extraction circuit will change to manage high Cu levels in the solutions;
- The lower acid consumption will reduce the size of the acid plant, along with the sulphur handling circuits;
- Operating and capital costs will be reduced;
- Mine design and scheduling will change due to lower cut-off grade and possible extension in the life of mine.

Based on the results of the preliminary Phase 3 results, a Phase 4 metallurgical test work programme was devised by MJOI Metallurgical Consultants, using full height (4m) columns, in order to demonstrate the process to BFS level and define the life-of-mine acid consumption, recoveries, and leach time. An initial two 4m columns were started December 2023, with another 8 to start in Q1 2023.

Environmental Permitting Process

All specialist studies required for the environmental permitting process to construct and operate the mine have been completed. The Environmental and Social Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP) are being developed and will be submitted to the regulatory authorities in Q1 2024 with the application for the Environmental Clearance Certificate to commence construction and mining.

Scope 1 & 2 CO₂ emissions for the life-of-mine are estimated to be 3,700kg CO₂ / tonne cathode produced.

Mining Study

As the potential reserve is expected to increase with a lower operating cost and higher copper recovery the mining study is currently paused. Once the Phase 4 metallurgical test work is complete the results will be used to re-optimize the deposit with updated operating costs and copper recovery.

However, 90% of the cost model is complete and will be updated with the new mining schedule, when available. It is expected that current waste rock dump designs will require minimal re-design.

Processing

The majority of the engineering design completed to date will not significant update with the change in processing regime. However, as some components such as the crushing circuit and solvent

extraction will need to be re-designed and the engineering has been paused until the Phase 4 test work is complete and the Process Design Criteria, Flow Sheets and Bass Balance have been revised.

The site layout has been finalised with input from all the relevant consultants. Geotechnical site investigation – pitting and shallow drilling – has been completed on major infrastructure areas such as the waste dumps, leach pads, crusher and agglomeration, solvent extraction, and electro-winning cell house.

Site Water Study

The catchment area and surface water modelling has been completed and incorporated into the waste rock dump design.

The route for the river diversion has been fixed and cost modelling of the required civils is complete.

A hydrogeological model has been developed for the site and has been incorporated with the staged pit designs for drawdown and in-pit water modelling. There is expected to be minimal groundwater flow into the open pit and only in-pit dewatering will be required.

Water Supply Development

Water saving initiatives during the engineering design of the project have reduced the maximum water requirement from approximately 350m³/h to 255m³/h.

The company has undertaken extensive drilling and test pumping in the Summerdown Kalahari Aquifer, and the company's consulting hydrogeologist is satisfied that this aquifer will provide a sustainable source of process water. Water will be supplied from the aquifer by buried pipeline along the existing road network.

Power Supply

The power supply study has been completed with sufficient power available from Nampower, to be supplemented with solar power from an Independent Power Producer.

Expected BFS Outcomes

Based on the results of the Phase 3 test work, and the engineering studies completed to date, the company has developed a financial model with the expected BFS outcomes assuming 15kg/t acid consumption, 80% copper recovery, and 200 day leach times. This valuation does not include upsides of increased life-of-mine based on lower cut-off grade, or the potential to further reduce capex based on sourcing all acid locally as opposed to the construction of an acid plant.

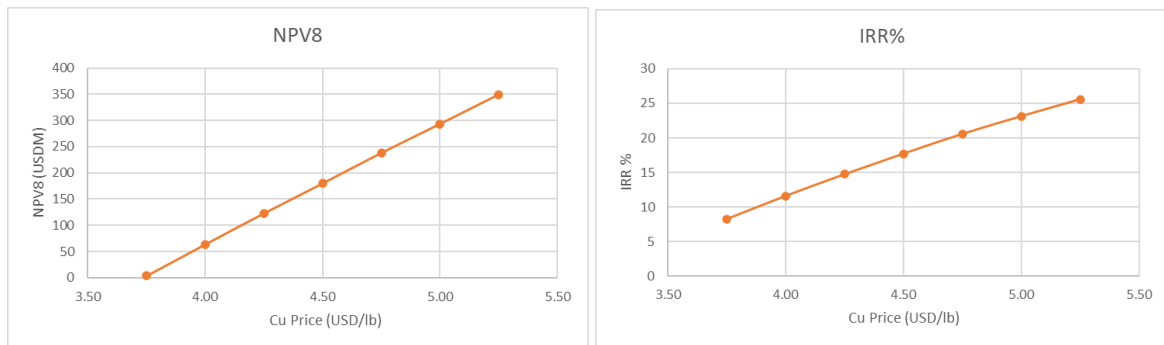
Assumptions:

- Production: 25-30ktpa Cu cathode
- Life of Mine: 13-15 years
- Preproduction capital: \$360m
- Ave LOM sustaining capital: \$10m p.a.
- Ave LOM opex: \$4,650/tonne copper
- Plant Capacity: 6.7 Mtpa
- Metallurgical recoveries: 80%
- Acid consumption: 15 kg/tonne
- Acid plant capacity: 250 tpd
- Leach cycle time: 200 days

- Mining Strip ratio: 4.8:1
- Based on Owner Mining
- Cu price \$4.5 /lb LT
- FX: USD/ZAR 19:1

Outcomes:

- Post-Tax NPV8: USD175m (100%)
- Post-Tax IRR: 18%
- Capital Intensity USD14,100/t Cu (including mining fleet)
- C1 Cost: USD4,7210 /t copper
- AISC: USD5,520 /t copper



Pre-Production Capex	USD (M)
Plant Site, SXEW, Infrastructure	154.8
Acid Plant	33.9
Heap Leach Pad Construction	20.8
Mining fleet, Workshops, WRD	59.2
Road and River Diversions	9.8
Pre-Strip and Capitalised Opex	17.4
Water and power supply	32.1
G&A, Land Acquisition and Access	17.9
EPCM	12.3
Total	358.1

Operating Costs	USD/t Cu
Mining	2,441
Processing	1,061
Acid	275
Power	636
G&A, Camp, etc	235
Total	4,648

Sustaining Capex	USD (M)
Plant Site	5.8
Heap Leach Pad Construction	16.6
Mining Fleet	76.7
Closure Costs	24.0
Total	99.1

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About Omico

Omico is a joint venture between Greenstone Resources LP, a private equity fund specialising in the mining and metals sector and International Base Metals Limited, an Australian natural resources public company. The joint venture is managed by Greenstone Resources LP.

Omico through its Namibian subsidiary, Craton Mining and Exploration (Pty) Ltd, holds Mining Licence ML197 and Exclusive Prospecting Licence EPL8550, together a 30,000Ha licence area which makes up the Omitiomire Copper Project. The mining licence is valid until March 2036.

The Omitiomire Project has the potential to be a long life, low capital-intensive project, with an unconstrained CIM Measured and Indicated resource of 95.8 million tonnes at 0.59% Total Copper for 563,300t contained copper (0.25% Cu cut-off grade).

The development base case anticipates the production of 25,000 to 30,000 tonnes per annum of LME Grade A copper cathode for at least 10 years, targeting only open-pit mineralisation.

Using solvent-extraction and electro-winning (SX/EW) technology, combined with optimised hybrid solar PV and grid power, the project will produce copper cathode, a low emission and environmentally friendly copper product, not requiring any further smelting or tailings storage facilities.

The Omitiomire Copper Project area is located 120km East from Windhoek in central Namibia and is outside of any national parks, heritage-listed areas, groundwater-controlled area or Namibian areas of significance. The Environmental and Social Impact Assessment methodology applied to the permitting process follows Namibian law, international and national best practice and has been developed using International Finance Corporation (IFC) standards and models.