

Ministry of Mines and Energy

ADDRESS BY HONOURABLE ISAK KATALI, MINISTER OF MINES AND ENERGY AT THE LAUNCH OF THE CORPORATE LOGO, STATEMENT OF THE PURPOSE, VALUES AND GOALS; AND THE INTRODUCTION OF THE MANAGING DIRECTOR OF EPANGELO MINING COMPANY (PTY) LTD HELD ON 28TH JULY 2010, WINDHOEK, NAMIBIA

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Director of Ceremonies,

Honourable Ministers,

Distinguished Members of the Board of Epangelo Mining Company,

Chief Executive Officers and Managing Directors of State Owned Enterprises,

Chief Executive Officers and Managing Directors in the Mining, and other Captains of Industries

Invited Guests,

Members of the Media,

Ladies and Gentlemen

It is indeed with great pride and anticipation that we are assembled here, to witness this auspicious occasion - the launching of the corporate identity of Epangelo Mining Company. This occasion has been organised in order to communicate the articulation of the Purpose, the Vision and Goals of Epangelo Mining; as well as to introduce the Managing-Director of Epangelo Mining Company.

On the 3rd of December 2009, just seven months ago, my predecessor, Honourable Erkki Nghimtina, inaugurated Epangelo Mining Company as the first mining company of the Government of the Republic of Namibia. Epangelo was introduced to the public as the main instrument by which the State would, for the first time; use to play an active, participatory role in the mining industry. The premise upon which the State mining company was founded is that State participation has the potential to generate revenue for the State. This decision

has also been supported by experience and the general trend observed in other countries; where State mining companies play a pivotal role in the development of the mining industry and thus are able to generate significant revenue for the State.

The principle decision was that the attainment of the national developmental goals, as encapsulated in the National Development Plan and Vision 2030, can only be attained by means of greater State participation in the mining industry, which is the backbone of the economy. Furthermore, the secondary strategic objectives which informed this decision was that, due to the finite nature of mineral resources, there is an obligation on the State to ensure the sustainable exploitation of mineral resources, to attain wealth for Namibia and all her citizenry as well as to protect our natural environment. In addition, it is a well-established fact that much of the country remains, to a large extent, under-explored and it is anticipated that the State mining company would be a catalyst and partner to discover the untapped resources of this great country.

Director of Ceremonies, Ladies and Gentlemen, the need to ensure beneficiation of our raw materials, by the attending to skills development was further identified as a strategic goal which, with the establishment of Epangelo Mining Company, could be transformed into a real and exciting possibility. The fourth objective for the establishment of Epangelo mining company is to enable the Government of the Republic of Namibia to enter into Joint Venture partnerships with interested States, and companies, with the similar objectives and corporate structures.

The Company's Vision is:

"To be the leading, diversified mining company in Namibia"

Whilst in its Mission Statement, the Company undertakes:

"To ensure national participation in the discovery, exploitation and beneficiation of Namibia's mineral resources whilst developing and consolidation a portfolio of high quality assets and services for the benefit of its stakeholders."

The functional objectives of the Company is primarily to be custodian of equity which, the Government of the Republic of Namibia at its discretion, transfers to it; to prospect for minerals in its own right; to embark upon a vigorous and active asset acquisition strategy of minerals in general, and strategic minerals, in particular. This asset acquisition strategy shall be realized either via individually executed projects by the Company or by means of Joint Ventures entered into with other mining companies.

It is further also the strategic objective of Epangelo Mining Company to be part of the third tier of the value chain in the mining process, namely, beneficiation of minerals. This would ensure that the natural resources of the State, which belong to the Namibian people, and whereby the State has a Constitutional obligation to, *"utilize on a sustainable basis for the benefit of all Namibians, both present and future,"* pursuant to Article 95 of the Namibian Constitution, is realized.

During the month of November in 2005, Cabinet came out with various initiatives for the mining sector. I would like to highlight some of these initiatives as follows:

1. The Government would like to promote and facilitate the export of value-added minerals to world markets.
2. Given the global demand for metals, Government seriously considered setting aside funds, if available, for mining exploration and development, and provide incentives to the private sector to undertake joint exploration ventures.
3. Continue to support the copper refinery and second smelter initiative by engaging Government partners to add further value to the products.
4. Have Government enter into negotiations with the parties involved to facilitate the speedy establishment of manufacturing plants in order to produce copper products such as copper rods, wires and cables at Walvis Bay.
5. Encourage local financing for mining projects, which could tie in with black economic empowerment (BEE) initiatives aimed at increasing participation by previously disadvantaged individuals or groups.
6. Have Government promote value addition within the mining industry by means of taxes or levies on the export of unprocessed minerals.
7. Initiate a flexible work-permit system for temporary expatriates working in the mining industry to address international investors' concerns about the country's shortage of expertise and specialised skills relating to the mining industry.
8. Encourage more students or give them incentives to pursue careers in science and technology to address the acute shortage of science students in secondary schools, with a view to filling the skills gap in the mining industry.

9. Promote linkages of production and supply of mineral beneficiation.

10. Improve the revenue stream from the mining sector by reviewing the tax regimes for operators who exploit or export non-renewable resources, and continue to evaluate the royalty regime for this sector.

Therefore, it is the wish of Government that Epangelo will become a valuable instrument to pursue the above initiatives.

The final objective of the Company is to finance mining projects. This would ensure that an extremely capital intensive industry, where often well positioned resources cannot be exploited with ultimate benefit to the State, may be capitalized. This would avoid the current situation, where mineral resources are stagnating, due to the lack of funding. This would also complement Governmental initiatives already existent for the financing of mining initiatives.

Having articulated the vision of Epangelo Mining Company, some may ask, what the corporate identity could be of a company which has such a weighty responsibility, an organization which must, in the national interest and for the present and future generations, nurture the mining industry, which is the backbone of the economy. The helmet or hardhat in the corporate logo is expressive of the history of many Namibians who worked in the mines, whose labour yielded riches which were used to develop nations beyond our shores. It is further cognizant of the national history, but reflects a determination that its minerals continue to be a source of riches, but this time, for its own development. The National Coat

of Arms, also in the corporate emblem, is indicative of the cord linking the Company and the Government of the Republic of Namibia, as is also clear from the name of the company.

Ladies and gentlemen, a company with ambitious such as these expressed, and the responsibilities lay before you today, should have a Captain, a citizen, equal to the task at hand. It is there with great pleasure that I introduce to the Nation, Mr Eliphas Hawala, who has been appointed as the Managing-Director of Epangelo Mining Company. Mr Hawala has vast experience in the mining industry, a strong executive character, is knowledgeable with key industry players and further also has the requisite technical and educational background. The role of Mr Hawala as Managing-Director is to provide leadership to the Company to ensure that it is managed in an efficient, effective and profitable manner, on sound business principles in order to maximize Shareholder benefit and interest. I am confident that Mr Hawala will meet the challenges ahead with determination and in a spirit of patriotism. I would therefore like to wish Mr Hawala all the best in this new challenge and to assure the Board of my unreserved support.

Ladies and gentlemen, Epangelo Mining Company is here to stay. The Namibian Nation has never assumed tasks of this importance lightly; we are a Nation that does not believe in half done tasks. Epangelo Mining Company can thus count on the support of the Government, the goodwill of the mining industry, in the attainment of its Purpose, Vision and Goals.

I thank you.
