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## BUSINESS INFORMATION

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## ***THE PRESIDENT'S REPORT***

### ***Overview***

Events in 1998 were overshadowed by the placing of Tsumeb Corporation Limited into provisional liquidation on 29th April. Not only were the direct employees of the company rendered jobless but the closure of operations had significant far-reaching consequences for many support industry businesses and a number of associated concerns. The impacts of this action on the economic activities in Tsumeb itself have been extremely damaging, whilst the ramifications to the fiscus in terms of lost revenues / taxes and foreign exchange have also been extremely serious. The disposition of the Corporation and its assets is a very complicated exercise and it is hoped that a suitable arrangement will shortly be concluded by the provisional liquidators, supported by Government.

Apart from the Tsumeb issue, the performance of the Namibian Mining Industry, in the year under review, was satisfactory, despite continued poor international market conditions. The mining industry has nevertheless continued to be a substantial contributor to the Namibian economy through export earnings, remuneration of employees, taxes paid and the purchase of goods and services in Namibia. Prices and demand for most mineral commodities produced in Namibia, however, continued to be affected by the downturn in Far Eastern economies which has had, in turn, a severely negative effect on growth and economic activities worldwide. As a result of this, competition for project funding on a world-wide basis is intense with particular emphasis being placed on attracting and/or maintaining investor confidence. Although Namibia enjoys high regard in the international field for its stability, the increasing disquiet in neighbouring states is having an adverse effect on investment.

1998 production was comparable to that achieved in 1997 at most of Namibia's major mines. Despite adverse trading conditions the mining industry continued to demonstrate its commitment to sustainable development in the country through substantial capital investment programmes. In addition significant expenditure, comparable to previous years, was incurred by the many exploration companies operating in the country.

### ***Prospecting***

Exploration expenditure by Chamber members in 1998 increased substantially from the N\$ 97 million expended in 1997 to approximately N \$ 124 million (28 %) during 1998. Once again exploration for diamonds accounted for the major portion, amounting to some N\$ 68 million, both on- and offshore. Exploration activities in the base minerals sector were led by the evaluation work carried out on the Skorpion project in addition to a number of other potentially significant programmes.

It is encouraging to note that, in the generally adverse global economic climate experienced during 1998, the confidence levels of local and foreign exploration companies have been maintained, as expressed in their commitment to completion of their various programmes.

It is also pleasing to report that, despite an increase of some 36 % in the various types of mineral licences approved and issued by the Mining Commissioner's office, the number of applications in process (pending) at the end of 1998 has been held at the previous year's level.

### ***New Developments***

Steady progress has continued in the evaluation of the Skorpion zinc deposit culminating in the completion of the final bankable feasibility study, which is extremely positive. It is expected that implementation will be effected during 1999.

The Far Eastern economic crisis, plus elements such as low commodity prices and supply and demand imbalances, adversely impinged on any implementation of the Haib copper complex. Considerable reassessment work on reserves, as a result of additional in-fill drilling, and equipment / operational options,

e.g. in- or out-of-pit crushing, has been carried out during 1998 to the benefit of the project. The successful conclusion of other negotiations, currently in progress, will determine the final development schedule for this property.

### ***Capital Investment***

As briefly mentioned above, the Namibian mining industry made substantial capital investments during the year under review.

Rossing Uranium continued its haultruck fleet upgrading with the purchase of a further five Haulpak 730E haultrucks at a cost of some N\$ 62 million. In addition the company erected a pre-screening plant in the fine crushing section for an expenditure of N\$ 18 million and also invested a further N\$ 27 million in the installation of a fully integrated business system.

Namdeb continued its equipment replacement programmes expending some N\$ 44 million during the year under review.

ODM purchased a third mining and sampling vessel which, with the necessary modifications to accommodate a 40 tonne per hour processing plant, cost some N\$ 42 million. In addition, the company has expended some N\$ 10 million in commissioning new highly sophisticated underwater dredging and sonar equipment to enhance the overall dredging efficiencies of its deep-sea operations.

As noted elsewhere in this report Namco commenced offshore diamond mining operations following major investment (US \$ 15 million) in a recovery vessel incurred in 1997. In this context capital expenditure by the company during 1998 was minimal, although the company is committed to developing a second, improved mining unit during 1999.

The Okorusu Fluorspar Mine has successfully advanced its capital programme, with the installation of a new treatment plant and additional mining equipment. Significant expenditure, partially financed through the European Union's Sysmin programme, has been incurred in the rehabilitation of the main "A" pit, which work will continue through 1999, to ensure the future enhanced operations of this world-class producer.

### ***Health & Safety***

The overall high standard of safety performance was maintained by Chamber member operations throughout 1998. Rossing Uranium was awarded its thirteenth consecutive NOSCART, whilst the Elizabeth Bay Mine regained its NOSCART which had been withdrawn due to the contractor fatality in 1997. On the 14<sup>th</sup> May 1998, Rosh Pinah Mine received the award for the most improved safety programme in the NOSA mining region during 1997.

Unfortunately 1998 saw one fatality (within Chamber member operations) which occurred through contractor operations at the Okorusu Fluorspar Mine.

Once again the Chamber has to congratulate the MUN and all employees for their active, constructive participation in the various health and safety programmes. Rossing Uranium and the Union have extended the existing Health & Safety Agreement by signing the Occupational Health, Safety and Environmental Standard Procedures.

Congratulations are also extended to Namdeb Mining Area 1 and Elizabeth Bay Mine as winners of the 1998 A and B Divisions respectively in the Chamber Inter-Mine safety competition.

The Chamber initiated a series of tripartite meetings, with representatives of the Ministry of Mines and the MUN, to draft new Health & Safety Regulations to replace the provisions of the 1968 Minerals Ordinance. Meetings have been held in a cordial atmosphere with significant progress having been made. It is hoped that the draft Regulations will be completed by the second quarter of 1999.

The mining industry's commitment to health and awareness programmes was extended during 1998 to include ODM and to companies outside of the Chamber, such as Nampower, Namport and some fishing enterprises. ODM has been very active since joining by involving a number of smaller concerns in Luderitz. Several other companies have expressed interest in the programme, especially as far as the core HIV / AIDS activities are concerned. It should be stressed that, although companies provide the necessary financial and logistical back-up for the programmes, its success depends on volunteers who, having received training in counselling, devote their own free time to this work.

### ***Employee Relations***

The development of more open employee relationships has received high priority during the year under review. In general the good relations previously established have been enhanced by frank discussion meetings (often known as "bosberaads") whereby understanding of the positions and aspirations of both management and employees has been clarified. The joint acceptance and implementation of these team-building concepts are essential if the mining industry is to maintain its pivotal position as the backbone of the Namibian economy in the new millennium. The members of the Chamber of Mines of Namibia are convinced that an excellence in human relationships is the cornerstone to ensuring the mining industry's future success in an increasingly competitive world environment.

### ***Government relations***

The mining industry, through the Chamber, have continued to constructively assist a number of Ministries in the development, and where necessary amendment, of appropriate legislation, including the Minerals, Electricity, Labour, Social Security, and Environment Acts. In addition the Chamber was instrumental in setting up tripartite working groups to draft legislation on Dispute Resolution Procedures and the ongoing Mine Health and Safety Regulations.

Members of the Chamber continue to support Government initiatives to attract investments and made a substantial contribution to Namibia's successful participation in Expo '98.

The Chamber is also a founder member of the regional organisation, the Mining Industry Associations of Southern Africa. This organisation represents and advances the interests of the mining industry within the SADC region and has been formally recognised by the Committee of SADC Mining Ministers.

### ***Outlook***

Unfortunately it does not seem as though the international markets will recover significantly in the short term although expectations are that the economic decline in the Far East has bottomed out. Once again the resources and skills of the Namibian mining industry will be devoted to ensuring it remains competitive during a difficult 1999.

### ***Obituary***

It is with sincere regret that the Chamber of Mines of Namibia reports the passing of one of its Honorary Members, James Philo Ratledge. Jim Ratledge was one of the most respected figure in Namibian mining history, being responsible for establishing the smelter complex at Tsumeb in the early sixties. He was also the inaugural President of the Association of Mining Companies in South West Africa for the years 1969 and 1970.

CHAMBER MINING MEMBER EMPLOYMENT AND PRODUCTION STATISTICS

Company	Employees as At 31.12.98	Product	1998	1997
Namdeb Diamond Corporation (Pty) Ltd	3175	Diamonds (carats)	1275228	1359100
Rossing Uranium Ltd	1182	Uranium oxide (metric tons)	3278	3425
Tsumeb Corporation (Figures are up to 29 <sup>th</sup> April 1998 when TCL was placed in provisional liquidation) Limited				
Tsumeb Smelter	521	Blister copper	8014	16029
		Refined lead	236	505
		Silver	16,68	33,54
		Refined cadmium	0	2
		Refined arsenic trioxide	175	1232
		Gold (kilograms)	27	131
		Sodium antimonate	0	0
Tsumeb Mines	374	Copper concentrate	7614	6456
		Lead concentrate (metal figures under Smelter)	0	1943
Kombat Mine	521	Copper concentrate	8160	5092
		Lead concentrate (metal figures under Smelter)	38	3145
Otjihase Mine	498	Copper concentrate	7045	6733
		Pyrite concentrate (metal figures under Smelter)	28174	82617
Erongo Mining and Exploration Company Ltd (Navachab Mine)	339	Gold (kilograms)	1855	2302
Imcor Tin (Pty) Ltd (Rosh Pinah Mine)	433	Zinc concentrate	78617	74632
		Contained zinc	42274	40519
		Lead concentrate	24273	26288
		Contained lead	13332	12769
		Contained silver	5,969	4,97
Okorusu Fluorspar (Pty) Ltd	165	Fluorspar (97 %) concentrate	42139	23208
Ocean Diamond Mining Holdings Ltd	160	Diamonds (carats)	59718	59113
Namibian Minerals Corporation	72	Diamonds (carats)	98857	N/a
Diamond Fields (Namibia) (Pty) Ltd	7	Diamonds (carats)	5802	N/a

Salt & Chemicals (Pty) Ltd	83	Coarse salt	434198	432290
Salt Company (Pty) Ltd	57	Coarse salt	61915	47270
		Refined salt	5223	5854
		Rock salt	6025	5008

(production figures in tonnes unless otherwise stated)

## 1998 ANNUAL REPORT

### 1. LOCAL PRODUCTION

#### *1.1 Diamonds*

During 1998 Namibian diamond production amounted to approximately 1,44 million carats, an increase of some 1,5 % as compared to the 1,42 million carats produced in 1997. Marine diamond production accounted for 51 % of total output (1997 - 38 %), from the offshore operations of Namdeb (Debmaringe), Ocean Diamond Mining, Namibian Minerals Corporation and Diamond Fields Namibia, the last two named having had their first full year of production.

Despite the constrictions of the market, Namdeb recorded a satisfactory year. Of particular interest was the commissioning of a trailer-mounted mobile treatment plant for use on the Orange River. The unit has a headfeed rated capacity of 175 tph with a DMS capacity of 100 tph. The unit is used for scrubbing, screening, thickening and DMS, after which the concentrates are treated at the Auchas Mine recovery plant. Currently the unit is treating samples at the Sendelingsdrift deposit and will be transferred to Daberas as a production unit in mid 1999. Namdeb reports capital expenditures of approximately N\$ 96,5 million in 1998, of which sampling and prospecting accounted for N\$ 52,5 million with the remainder being spent on major equipment replacements, Y2K compliance, etc.

On 12<sup>th</sup> August the NamGem Diamond Manufacturing Company was formally opened by the President of the Republic of Namibia. The factory is the only diamond polishing facility in Namibia and will eventually provide employment to some 100 persons. Currently the company has 36 employees and has enrolled 14 individuals for its in-house training programme. During the build-up phase the company will gradually increase export production to selected clients.

As at 31<sup>st</sup> December 1998 Namco, in its first year of production, officially announced production of 100000 carats. This achievement has positioned the company as the second largest marine operator in the country. Namco's mining technology is a critical factor to its production success. In collaboration with Dresser Industries' company, SubSea Offshore Ltd, Namco developed the NamSSol mining system, consisting of a remotely operated seabed crawler with powerful dredge pump capacity, specifically for its Luderitz Bay mining licences. On the strength of the success of this equipment, Namco has commenced construction of NamSSol II which is expected to mine at a rate of 185000 carats per annum, boosting Namco's expected production to more than 300000 carats in the year 2000.

During the year under review ODM commissioned new sophisticated remotely controlled underwater dredging and real-time sonar scanning equipment to enhance the overall dredging efficiency of its deep-sea mining operations. This investment of some N\$ 10 million represents an important step forward to ultimately achieving a higher degree of mining recoveries and, thus, optimal exploitation of the diamond ore reserves. In June the company purchased its third mining and sampling vessel, named the Ivan Princep, after the company's founding chairman. The 966 tonne former oil-rig supply vessel has been converted into a mining vessel at Cape Town and will take up station in Namibian waters in February 1999. The cost of this purchase including conversion costs, involving the installation of a 40 tonne per hour on-board recovery plant, amounted to some N\$ 42 million. Mining will initially be carried out with one 18 inch airlift dredging head but a track-mounted mobile crawler dredger has been planned for commissioning in late 1999 / early 2000. It is expected that the addition of this vessel will enable ODM to increase its production to 80000 carats in 1999 and 100000 in the year 2000.

Following the restructuring of Diamond Fields International, the parent company of Diamond Fields Namibia (DFN), new management has been appointed and operations resumed as from April. From a total production of 5802 carats, 4844 carats were derived from the company's extensive offshore prospecting programme for its Marshall Fork Prospect. The remaining production came from the resumption of nearshore mining in the company's mining licence area by contractors. DFN is currently experiencing problems with a distinct shortage of suitable contractors. Accordingly the company is currently engaged in



contract sampling of the nearshore area in an effort to produce sampling results which will attract other contracting companies. The company is also at an advanced stage of planning further extensive exploration activities in 1999 for its offshore licence areas.

### ***1.2 Uranium***

Rossing Uranium, Namibia's only operator, produced 3278 metric tonnes of uranium oxide during 1998, a reduction of some 147 tonnes (4 %) on that produced in 1997. It is expected that production will remain at similar levels during 1999, in line with delivery requirements to existing customers. In response to the very difficult market conditions, cost reduction and capital investment programmes are being implemented to ensure the long-term cost competitiveness of the operation. In this context, mention should be made of the ongoing haultruck upgrading programme, which involved the purchase of five new Haulpak 730E haultrucks at a cost of N\$ 62 million and the erection of a pre-screening unit at the fine crushing plant at a cost of some N\$ 18 million. A further N\$ 27 million has been invested to install a fully integrated business system, SAP R/3, which will ensure Y2K compliance in this area and lay the foundation for efficiency improvements in the future.

### ***1.3 Copper***

The production of blister copper ceased on the 29<sup>th</sup> April 1998 when Tsumeb Corporation was placed under provisional liquidation. By the closure date the smelter had produced some 8014 tonnes of blister copper as compared to 16029 tonnes during 1997. The various operating mines within the group were placed on a care and maintenance basis, i.e. pumping and security operations, etc, whilst negotiations started with prospective purchasers. It is hoped that a suitable new owner for the group can be found and operations resume in early 1999.

### ***1.4 Lead***

Refined lead production at the Tsumeb Corporation plant ceased at the end of April 1998, having produced some 236 tonnes.

Production of lead concentrates at the Rosh Pinah Mine (24273 tonnes) was comparable to that in 1997 (26288 tonnes). However, plant improvements resulted in an approximate increase of 13 % in concentrate grade. This improvement was extremely important as the Mine was forced to sell concentrates due to the Tsumeb closure. Management are, as a result of the settlement reached (see below), cautiously optimistic that production targets for 1999 will be surpassed.

### ***1.5 Zinc***

Rosh Pinah, Namibia's sole producer, maintained production at 1997 levels during the year under review, achieving some 42274 tonnes of metal in concentrates as compared to 40519 tonnes in 1997. Volume of concentrates rose slightly by 5 % to 78617 tonnes, but with a marginal decrease in overall concentrate grade from 54,3 % in 1997 to 53,8 % in 1998.

On 1<sup>st</sup> December 1998, PE Minerals Namibia (Pty) Ltd, the holder of the mining licence, and Iscor Mining, the operator of the Rosh Pinah Mine, announced the signature of an agreement ensuring the continued operation of the property. The agreement provides Iscor Mining with an operational interest in the mining licence in return for a royalty payment to PE Minerals. Iscor Mining will thus continue to manage and operate the property. The agreement also makes provision for Namibians to invest in 50 % of the equity of the mine and supports the needs of the Namibian Government to develop mining skills in the country. In terms of this agreement the two parties intend to register a new company, Rosh Pinah Zinc Corporation (Pty) Ltd.

## **1.6 Gold**

In 1998 gold production, derived from the primary producer, Navachab, and as metal in blister copper from Tsumeb Corporation, amounted to 1882 kg, a decrease of some 22,6 % as compared to that produced in 1997.

As has been noted above, Tsumeb Corporation ceased operations at the end of April 1998, having produced 27 kg of gold.

Due to an extensive slope failure in the open pit in December 1997, which covered the high grade area at pit bottom, Navachab Mine was forced to mine low grade material throughout 1998. The head grade produced reduced from 1,7 g/t to 1,4 g/t. Mill throughput was increased from 1,28 million tonnes to some 1,4 million tonnes in an effort to balance the grade effects with the result that production decreased by some 9,4 % to 1855 kg in 1998. It is estimated that this level of production will continue for the first half of 1999 until mining operations at the pit bottom can be fully resumed.

The current life of mine ends in the year 2003. However, further significant reserves have been identified and a possible pit expansion is currently being investigated. The economics of such an operation are, to a great extent, dependent on projected future gold prices.

## **1.7 Silver**

Due to the closure of the Tsumeb smelter, silver production amounted to only 16,68 tonnes, a decrease of 49,7 % as compared to the 33,537 tonnes contained in blister copper in 1997.

Rosh Pinah's lead concentrates, previously treated at Tsumeb, contained some 5,969 tonnes of silver, an increase of 20 % on the 4,97 tonnes registered in 1997.

## **1.8 Fluorspar**

1998 was the first year under the ownership of the international chemicals and pharmaceuticals group, Solvay. Budgetted capital projects, to improve virtually all aspects of the mine's operations, were completed on target which materially contributed towards the 75 % increase in Acid Grade CaF<sub>2</sub> production from 23208 tonnes in 1997 to 40684 tonnes in 1998.

Some N\$ 5,7 million was expended on a new flotation plant, new workshop and mining equipment, whilst significant improvements were made to housing and accommodation facilities as well as the electrification of the mine's wellfield. In addition to the increase in production, significant progress was made towards the achievement of concentrate grade specifications, especially with respect to the P<sub>2</sub>O<sub>5</sub> and SiO<sub>2</sub> values of the concentrates produced.

Additional capital of N\$ 5,236 million was expended on the contract mining of overburden at the "A" pit, a project partially financed by the Sysmin Fund. Geotechnical problems experienced with rock stability in "A" pit necessitated a complete redesign of the pit and an extension of the existing waste mining contract for a further pushback of some two million tonnes of waste. The stripping in "A" pit during 1998 has exposed some 120000 tonnes of ore which will be blended with ore derived from the "B" ore body in 1999.

Okorusu will continue with its capital development programme during 1999 with the objective of achieving a further 50 % increase in production over the 1998 level.

## **1.9 Salt**

A total of 496113 tonnes of coarse salt was produced by the two Chamber member companies, Salt Company and Salt & Chemicals, an increase of some 3,5 % on the 479560 tonnes achieved in 1997. The major portion of production from Salt & Chemicals was balanced to meet demand requirements from its parent company in South Africa, Sentrachem Ltd. However, the deterioration in the political situation in

the Democratic Republic of the Congo resulted in a severe decline in sales of bagged product during much of the year.

Salt Company reports a slow but steady increase in exports, which amounted to approximately 70000 tonnes in 1998. However, political instability plus a shortage of available foreign exchange in some neighbouring states, which are traditional trading partners, remain a constraint on expansion.

Transport costs continue to have a significant influence on the supply of a competitively priced product to external purchasers, although this has been, to a certain extent, offset by the favourable exchange rates experienced during the year.

## 2. MINERAL MARKETS

### 2.1 *Diamonds*

Overall sales of rough diamonds through the CSO in 1998 amounted to US \$ 3345 million, some 28 % lower than the previous year's sales of \$ 4640 million. Sales in the second half of 1998 were US \$ 1645 million, 7 % lower than for the same period in 1997.

Trading conditions were difficult throughout the year and expectations that second half sales would be higher than in the first half failed to materialise as a result of the global economic uncertainties in August and September and increasing problems of liquidity in the cutting centres. In the event, second half sales were 3 % lower than those for the first half of the year.

The CSO's policy of restricting the supply of rough gem diamonds to the manufacturing centres to a level consistent with demand, has led to a reduction in the level of rough and polished diamond stocks in the centres. This policy has been well received by all sectors of the trade. Trade bank borrowing has remained high, however, with competition for sales, particularly in the United States, leading the demand for lengthening terms of credit.

Good levels of retail sales of diamond jewellery in the United States and, to a lesser extent, in Europe have been insufficient to compensate for lower sales in Japan and East Asia. In the United States retail sales during the first half of 1998 were some 7 % higher than in the previous year. However, retail demand in Japan, the second largest market, is some 20 % below 1997 in dollar terms; and Hong Kong's polished imports have been running at about 40 % lower than those in 1997.

While confidence throughout the diamond industry remains fragile, the CSO will continue to hold back sales of rough gem diamonds in the interest of stability. The prospect of increasing sales of rough gem diamonds to the level of consumer demand will depend both on a return of confidence in the trade and on diamond jewellery sales continuing at least at present levels.

### 2.2 *Uranium*

The uranium spot market in 1998 was characterised by weakness in demand, which translated to a steady decline in prices during the year. The restricted market price commenced the year at US \$ 12,00 per lb U<sub>3</sub>O<sub>8</sub> and fell steadily to reach US \$ 8,75 per lb U<sub>3</sub>O<sub>8</sub> at the end of December. Comparably the unrestricted price fell from US \$ 9,50 per lb U<sub>3</sub>O<sub>8</sub> to \$ 8,10 per lb U<sub>3</sub>O<sub>8</sub>.

Spot market volume during the year was extremely weak; only some 9,5 million lbs U<sub>3</sub>O<sub>8</sub> having been contracted by year end. A number of factors contributed to this lack of demand. Firstly, the high volumes contracted during 1996 effectively removed near term demand from the spot market in 1997 and this continued into 1998. Secondly, the privatisation of the United States Enrichment Corporation and the expectation of an agreement on the disposal of uranium arising from Highly Enriched Uranium (HEU) from the former Soviet Union aided perceptions that short-term uranium supply was adequate to meet requirements. This perception was enhanced as a result of eagerness by a few short-term sellers to compete aggressively to make sales, which had the effect of driving prices lower. Due to there being little "must have" demand and prices falling continuously, there was also little discretionary demand as buyers assessed that it would be better to wait for a lower price before entering the market. By the end of the year the HEU deal had still not been agreed, although it is believed that a resolution is imminent.

The spot price at the end of the year was the lowest in real terms since prices have been quoted. This has had the effect of increasing the number of projects and operations where production has been cancelled, deferred or cut back. The last quarter of 1998 was marked by a flurry of such announcements, the most significant of which came from Cameco and ERA. Cameco, the world's largest and lowest cost producer, will cut production by 4500 tonnes U<sub>3</sub>O<sub>8</sub> in 1999, whilst ERA, which operates the Ranger mine in Australia, announced that it will cut production by 1500 tonnes U<sub>3</sub>O<sub>8</sub> per annum for an undefined period.

The combined effect of these and other announcements is that over the period from 1999 to 2003 new production is expected to be close to 40000 tonnes U<sub>3</sub>O<sub>8</sub> lower than was expected last year.

### **2.3 Copper**

The surplus in the copper market has become dramatically apparent during the last five months of 1998, during which time LME stocks have climbed sharply. A global surplus of between 300000 and 400000 tonnes at year end looks likely, whilst predictions are that inventories will rise to an unprecedented level of over five weeks' demand during 1999. However, Asian demand should start to bottom out in the early part of the year but both European and North American demand growth is likely to slow down.

Supply will be boosted by new projects at Collahuasi and Escondida (leaching project) in Chile and several expansions, the most significant of which are at Olympic Dam in Australia and Andina in Chile. Unfortunately a number of previously announced cutbacks in mine production have not been implemented, whilst a few mooted mine closures have been rescinded, further aggravating the situation.

However, with prices already at their lowest levels in real terms since before the second World War, the downside for LME prices is somewhat limited. The annual average LME three-month copper price forecast for 1999 is US \$ 1580 per tonne, a decrease of some 4 % as against the 1998 average price of US \$ 1653 per tonne.

### **2.4 Lead**

Having forecast an average price of US \$ 535 per tonne for 1998, lead opened the year at US \$ 530. Some improvement in prices was recorded during the second quarter but these gains were quickly lost and a 53-month cash low of just under US \$ 490 per tonne was seen in mid-October. At year-end the metal had recovered slightly to US \$ 501 per tonne, recording an average 1998 price of US \$ 528 per tonne, a decrease of some 15 % as compared to the 1997 average of US \$ 623 per tonne.

The one mitigating factor throughout the year has been the relatively low stock levels which have remained at just over four weeks' demand. However, it is thought that China has stockpiled considerable volumes during the year precisely because of the low market prices and could release such stocks as the price improves. The effects of the start-up of the Cannington Mine in 1997, at a capacity of some 170000 tonnes per annum, have yet to be felt on the market.

Rosh Pinah reports that treatment charges for lead concentrate exports in July 1998 were US \$ 189,50 per tonne on a base of US \$ 600, whilst those in September were US \$ 217 / dmt on a base of US \$ 550 with an upscale of 0,16. With the current oversupply of lead concentrates on the market, it is expected that additional increases in treatment charges will result.

Market analysts forecast a general price increase of about 2 % in 1999 (to US \$ 540 per tonne) rising to an expected price of US \$ 585 in the year 2000.

### **2.5 Zinc**

Having opened the year at US \$ 1097 per tonne, the zinc price recorded a steady decline to a four-year low in early October, closing in December at US \$ 959 per tonne. The average price realised in 1998 of US \$ 1023 per tonne was some 22 % lower than the 1997 average.

Whilst zinc treatment charges in 1997 were US \$ 167 / dmt on a base metal price of US \$ 1000 per tonne with an upscale of 0,14, in 1998 Zincor agreed to new charges of US \$ 179 / dmt on a base price of US \$ 1100 with an upscale of 0,20 and downscale of 0,16. (These new charges are equivalent to a 1997 charge of US \$ 163 / dmt on a base of US \$ 1000.)

Once again, the economic crisis in South East Asia is affecting demand with predictions being that consumption in the first half of 1998 slumped by as much as 10 % in Japan and 20 % in the rest of East

Asia. Analysts also expect somewhat of a downturn in demand from both European and US operators, as available stocks are being used up, which will negate any positive turnaround in the Far Eastern market. It is estimated that Western consumption is unlikely to return to expansion rates of some 3 % p.a. experienced between 1990 to 1997 for at least another two years. Furthermore, since some 55-60 % of zinc is used in the construction and infrastructure industries, there is expectation that their slower than forecast recovery will exert a drag on offtake.

On the supply side of the balance equation, it is evident that production capacity can readily adjust to any upsurge in demand. Mine capacity is forecast to grow by a further 8 % between 1998 and the year 2000, with several new producers entering the market during 1999 and the large Cajamarquilla expansion being effected in the early part of the year.

Market analysts are, accordingly, concerned that the supply / demand imbalance which existed in the early nineties, and which was substantially counteracted during 1995 to 1997, may easily reappear which may lay zinc prices open to similar forces as those operating in other base metal markets. Taking these concerns into account the price is forecast to remain at current levels for much of 1999 with only a modest recovery occurring towards the end of the year.

## **2.6 Gold**

The disappointing performance of gold recorded in 1997 continued in 1998 with a 77-quarter low of US \$ 289 per ounce being recorded in the third quarter of 1998. With occasional trading flurries at the US \$ 300 level, the metal suffered a lacklustre year averaging US \$ 294 per ounce, a decrease of some 11 % on the 1997 average of US \$ 330 per ounce.

On the demand side, Gold Fields Mineral Services estimate a strong growth in fabrication in a number of countries but is cautious as to a revival in the Far East which, in 1997, accounted for some 45 % of the total. Despite the depressed economic situation, particularly in Asia, the imminence of the millenium should act as a stimulant, especially for the manufacture and sale of commemorative coins. Whether such an event could assist in a longer term revival is, however, difficult to predict.

World mine production growth has been forecast by market analysts to be in the region of 2,5 % for 1998. This is, to a certain extent, influenced by exchange rates against the US Dollar and successful cost cutting exercises by a number of primary producers. Gold scrap production has also increased over the last 18 months, seemingly a direct result of the Asian crisis. It is believed that scrap supply will exceed 1000 tonnes in 1998 but will taper off in ensuing years.

As reported last year a number of central banks reassessed their positions (and commitments) as far as gold reserves were concerned. Some sales have been effected but there is considerable potential for future sales, especially since the European Central Bank has chosen a 15 % gold holding which effectively leaves a surplus of over 11500 tonnes. Whilst disposal of such reserves would, in any event, be spread judiciously over a number of years, the same situation would not hold true for an increasing range of foreign exchange / "cash-strapped" nations. Although the individual disposable amounts are relatively small, the "knock-on" effects of such sales could very quickly negate any gains in future prices.

The general consensus amongst analysts would seem to be that modest price increases will be evidenced in 1999 (US \$ 310 per ounce) and 2000 (US \$ 320 per ounce).

## **2.7 Silver**

Silver demand growth is expected to slow dramatically from that experienced in the early nineties. The effects of the 33 % jump in the price between 1992 and 1994 have eventually influenced demand, especially as regards the jewellery trade where a slump of around 10 % between 1997 and 1999 is being forecast. Although industrial use in 1997 recorded an increase of some 7,5 % it is unlikely that, in the face of the pervading deceleration in the world economy, a growth rate of more than 2 % can be forecast for 1998.

Recovery of scrap silver has long been on a gentle upward path (averaging some 2,5 % p.a.), but it should be noted this available material is not price-dominated as it devolves mainly from the photographic industry.

Opening the year at just under US \$ 6 per ounce, silver traded above this level until May 1998. The price then steadily declined, following closely the fortunes of gold, until it reached a level of just under US \$ 5 per ounce at year-end. However, the average price of US \$ 5,52 per ounce for 1998 is some 11 % higher than for 1997.

Although the higher prices have had a positive effect on silver mining, particularly as regards Mexico, Peru and the USA, visible stock inventories (specifically on Comex) have decreased by some 1150 tonnes.

It is believed that the current supply imbalance will continue thus, to a great extent, negating lower demand levels and that prices will again increase in 1999 to a forecast of US \$ 6 per ounce.

## ***2.8 Fluorspar***

The outlook for Acid Grade Fluorspar remains essentially unchanged, with current anti-dumping legislation, which is mainly directed towards Chinese producers, remaining intact for a further year. As strategic stockpiles in the USA are drawn down increased reliance is being placed on the operators which have managed to survive both the ozone scare and dumping campaigns. Furthermore, several traditionally reliable suppliers are no longer able to produce concentrates within acceptable impurity specifications, improving the demand for Okorusu's product, thus placing Okorusu in an advantageous position to cover demand over and above that which is consumed in-house by Solvay. The fluorspar price has remained constant at around the US \$ 100 per tonne level throughout the year and no dramatic variations are forecast.

### 3. EXPLORATION AND PROSPECTING

As can be seen from the following data supplied by the Office of the Mining Commissioner, exploration activities have continued at a relatively high level throughout the year.

	1998	1997	1996
Non – Exclusive Prospecting licences issued	464	338	488
Exclusive Prospecting licences awarded	178	121	53
Claims registered	85	74	158
Applications pending (new and renewals)	102	104	323

It is extremely encouraging to note that, despite there having been an increase of some 40 % in the number of licences issued, the number of applications at the Mining Commissioner's office in process (pending) has been held at the previous year's level.

No new mining legislation has been promulgated during the year, although (at the instigation of the Chamber) a number of tripartite meetings were held to examine and modify the draft Mine Health & Safety Regulations issued in 1997. It is expected that a final revised draft set of regulations will be completed by the second quarter of 1999.

Amendments to the existing Minerals Act are under consideration and it is expected that an Amendment Act, accompanied by Regulations, will be drafted during the first half of 1999. The establishment of the Minerals Board, as provided for in the existing Minerals Act, has been deferred until the amendments are finalised.

The Diamond Bill reached the Parliamentary Standing Committee stage at the end of the year. It is hoped that several areas of contention will be amicably resolved so as to enable promulgation in mid 1999.

Exploration expenditure by Chamber members in 1998 increased substantially from the N\$ 97 million expended in 1997 to approximately N \$ 124 million (28 %) during 1998. Once again exploration for diamonds accounted for the major portion, amounting to some N\$ 68 million, both on- and offshore. Exploration activities in the base minerals sector were led by the evaluation work carried out on the Skorpion project in addition to a number of other potentially significant programmes.



#### 4. HEALTH AND SAFETY

During the year under review, occupational health and safety has continued to receive a high priority at Chamber members' operations.

The Namibian Chamber operations were once again active in the National Occupational Safety Association (NOSA) Five Star Grading System, which system is based on the progressive disabling injury frequency rate (DIFR), calculated in terms of the number of disabling injuries and expressed as a percentage of the workforce. Each operation is assessed annually by NOSA and, on the basis of this assessment, is awarded a grading or star rating. Of the eleven major operations run by Chamber members, seven have maintained their Five Star Ratings.

Rossing Uranium became the proud recipient of its thirteenth consecutive NOSCAR award, which indicates the level of commitment by all its personnel.

After forfeiting its NOSCAR status due to the fatality in 1997, Elizabeth Bay Mine regained its NOSCAR in 1998 as a result of a successful re-grading by NOSA.

Regrettably the Chamber had to record one fatality in 1998, which was incurred by a contractor at the Okorusu Fluorspar Mine. The question of contractor's safety standards and procedures has accordingly received considerable attention at meetings of the Chamber Standing Safety Committee.

Despite this unfortunate occurrence, the Chamber members of the Namibian mining industry still maintain an impressive safety record, as shown by the following :

	1998	1997	1996	1995
Number of accidents	52	69	53	66
Fatalities	1	1	0	6
Shifts lost per accident	147,50	113,30	21,66	21,57
Frequency rate	0,62	0,67	0,51	0,59
Severity rate	91,54	75,13	11,08	360,10

As mentioned above, the success of occupational health and safety programmes depends upon the involvement of all employees and, in this context, it is fitting to mention the active co-operation and understanding of the MUN as the representative of employees. Existing Health & Safety Agreements with the Union have been maintained and, in the case of Rossing, extended to include formal Occupational Health, Safety and Environmental Standard Procedures.

The Chamber also subscribes to the promotion of good safety performance and, to this end, conducts two competitions :

##### a. The Inter – Mine Safety Competition

In this competition the operating mines strive to attain the lowest accident frequency and severity rates. The competition is split into two divisions; the A Division for larger mines and B Division for smaller operations.

The winners for the 1998 year were :

A Division	Namdeb Mining Area 1	combined frequency / severity rate of 2,07
B Division	Elizabeth Bay Mine	“ “ “ “ “ 0,76

In addition to the normal accident returns submitted monthly to the Chamber, 1998 saw the first full year in which detailed statistics were produced not only on lost - time accidents but also for non-lost - time accidents. It is hoped that analysis of these statistics will assist in identifying priority areas for loss control action and thus help in setting up procedures to prevent future accidents.

## **b. The Millionaire Award Scheme**

A Millionaire Award is made to any mining operation which achieves a million fatality – free employee hours and / or shifts.

In 1998 the following awards were made :

<b>Month</b>	<b>Operation</b>	<b>Million Hours</b>	<b>Million Shifts</b>
December '97	Navachab Mine	7	
January	Namdeb Mining Area 1 Otjihase Mine	24 3	3
February	Namdeb Mining Area 1	25	
March	Rosh Pinah Mine Rossing Mine Tsumeb Mine Tsumeb Smelter	17 89 3 13	
April	Namdeb Mining Area 1	26	
May	Namdeb Mining Area 1	27	
June	Rossing Mine	90	
July	Namdeb Mining Area 1 Auchas Mine	28 6	
August	Namdeb Mining Area 1	29	
September	Navachab Mine Rossing Mine	8 91	1
October	Namdeb Mining Area 1	30	
November	Namdeb Mining Area 1	31	
December	Rossing Mine	92	

Several Chamber Member operations have world-class records including the following :

Rosh Pinah Mine	17.89 million fatality-free hours since 1 <sup>st</sup> December 1982
Rossing Uranium	91,87 million fatality-free hours since 5 <sup>th</sup> March 1983
Navachab Mine	8,25 million fatality-free hours since inception in November 1989
Auchas Mine	6,17 million fatality-free hours since inception on 1 <sup>st</sup> June 1990

Annual accident statistics for the mining members of the Chamber are shown in Annexure G

### **STDs / HIV / AIDS**

The important work undertaken by Peer Educators, trained through the Oranjemund Health Education Project (OHEP), has continued unabated during 1998. As previously reported, the programme is not

exclusively devoted to HIV / AIDS but each month has a designated theme, including : diabetes, malaria, TB, alcohol and drug addiction, child abuse, stress and hyper-tension, and healthy lifestyles. Company participation was increased by the inclusion of Ocean Diamond Mining which has also started to extend the programme to smaller concerns in Luderitz.

The Peer Educators, in addition to their normal duties, spend considerable private time counselling and informing sufferers, local communities and, particularly, the younger generation as to the ramifications of these life-threatening diseases. The main thrust of the OHEP programme is, of course, to prevent the spread of such diseases and to influence people to change their lifestyles accordingly. The Chamber wishes to place on record its appreciation for the extremely valuable work carried out by the Peer Educators and the support to the programme by management of all the various participating companies.

In addition to the above, functions and fund raising activities were successfully held in support of the International World AIDS Day on 1<sup>st</sup> December. Again, such events serve as additional information forums and generate awareness amongst the public.

In view of the success of the programme the Namibian mining industry, through the Chamber, will endeavour to expand its activities in 1999 whilst embarking on a retraining and assessment exercise.

## 5. EMPLOYEE RELATIONS

Employee relations between the various mining company members of the Chamber and the Mineworkers Union of Namibia have, in general, continued to be cordial and wage negotiations have been conducted in a professional manner. There has been an increasing trend towards a closer understanding of human resource development needs and the necessity to share business information.

In this context a number of companies have initiated off-site informal meetings (commonly known as “bosberaads”) between management and employee representatives. Such meetings, away from the normal daily work environment, are proving to be invaluable as discussions are carried out in a frank and open manner with little, if any, imposition of company protocols, etc. Rossing Uranium reports that its Relationship Building Initiative, aimed at identifying and understanding how labour / management relationships could support both business and Union imperatives, has been extremely successful, paving the way for more transparency and information sharing. It also fostered goodwill which culminated in the conclusion of the long-outstanding Occupational Health, Safety and Environmental Standard Procedures as well as a Job Evaluation (Part II) Agreement and various conditions of employment. Substantial progress has been made at the Rosh Pinah Mine with its team building programme, as evidenced by its exemplary safety record and improved production statistics. Rosh Pinah has, along with some other companies, agreed to the engagement of a full-time shop steward.

Namdeb has continued with its advanced labour relations programmes and successfully entered into a joint agreement to phase out the contentious migrant labour system by the end of 1998. Namdeb also entered into numerous other agreements concerned with improving employees conditions of service and working conditions.

Namco has a unique position in the Namibian mining industry, being the first company to implement an employee shareholding scheme. In addition, Namco is working towards an ISO 14001 rating to ensure best environmental practices at all its operations.

Disappointingly, but due to a number of valid reasons, meetings of the Mining Cooperation Council, which was initiated last year by the Chamber, did not take place regularly. However, both the Chamber and the central office of the MUN appreciate the value of such meetings and will accord them a high priority in 1999.

## **6. RELEVANT LEGISLATION**

Representatives of Chamber companies have played a major role in debating and advising on proposed changes to labour-related legislation. The Chamber was instrumental in setting up a series of high profile tripartite meetings to review dispute resolution procedures. The tripartite task force, under the direction of an externally ILO-appointed facilitator, has successfully revised and extended the applicable legislation, which will form the major part of the Labour Amendment Act to be promulgated during 1999.

The Chamber representative on the Social Security Commission and the Standing Labour Committee have also been deeply involved in proposed amendments to the Act, particularly the introduction of a National Pension Fund, which will have far reaching consequences for all employers and employees.

The Affirmative Action Bill was enacted during 1998 and, in December, certain sections came into force. The Namibian mining industry has, accordingly, positioned itself to comply with the various provisions of this legislation.

As has been noted above, the Chamber is intimately involved in the drafting of the Mine Health and Safety Regulations and is playing an active role in the revision of the Minerals Act, No 33 of 1992, which will culminate in an Amendment Act and relevant Regulations.

Of particular concern to the mining industry is the compilation of various pieces of environmental legislation. Although historically having made substantial contributions to a myriad of environmental projects, including support for a number of conservation agencies, the mining industry is, unfortunately, in the unenviable position that its activities are regarded as being environmentally unfriendly. The mining industry of the seeming paradox between its business, wealth-generating activities and the necessity to minimise any undue effects it may have on the environment and the use of the country's natural resources. Chamber members are, therefore, committed to constructively supporting sensible environmental policies and the development of appropriate legislation.

## **7. INTER – MINE VISITS**

As in previous years, the Council of the Chamber continued with its programme of holding meetings outside of Windhoek. Two very successful meetings took place at Okorusu Fluorspar in January and at the Rosh Pinah Mine at the end of November. Both operations are in an expansion phase, having experienced disparate problems in the past, and thus the technical visit section of each programme was extremely interesting to all participating Council members.

Similar visits are planned for Navachab and the coastal salt operations during 1999.

The Safety Standing Committee also held a meeting at Rosh Pinah in May which included a special presentation on the company's highly successful safety and accident prevention programme.

ANNEXURE A – AVERAGE ANNUAL METAL PRICES

<b>Metal</b>	<b>Quoted as</b>	<b>1994</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>
Copper (cash wirebars)	US \$ / metric ton	2307	2936	2297	2277	1653
Gold	US \$ / troy ounce	384	384	388	330	294
Lead	US \$ / metric ton	549	630	774	623	528
Silver	US \$ / troy ounce	5,33	5,20	5,19	4,97	5,52
Uranium oxide	US \$ / pound	9,31*/7,05	11,32*/8,37	5,50*/14,02	12,09*/10,57	10,41*/9,01
Zinc	US \$ / metric ton	999	1030	1025	1312	1023

\* Restricted Market

## ANNEXURE B - THE MEMBERS OF THE CHAMBER

As at 31 December 1998

	<b>Representative</b>	<b>Alternate</b>
<i>CLASS A FOUNDER MEMBERS</i>		
1. Namdeb Diamond Corporation (Pty) Ltd	A Ashworth	G A Boting
2. Rossing Uranium Ltd	A J Hope	W Haymann
3. Tsumeb Corporation Ltd	(In Provisional Liquidation)	
<i>CLASS A MEMBERS</i>		
1. De Beers Services (Pty) Ltd	J P Murphy	M J Lubbe
2. Namibia Minerals Corporation	K Kapwanga	P Elindi
3. Ocean Diamond Mining Holdings Ltd	A C Louw	D Gadd-Claxton
<i>CLASS B MEMBERS</i>		
1. Erongo Mining & Exploration Company Ltd	F M Bethune	L J H Fourie
2. Imcor Tin (Pty) Ltd (Rosh Pinah Mine)	D J R Southey	P J Fourie
3. Karibib Mining & Construction Company Namibia Ltd	A J A Meyer	H J J Bam
4. Okorusu Fluorspar (Pty) Ltd	M T Dawe	H J Grobler
<i>CLASS C MEMBERS</i>		
1. Diamond Fields (Namibia) Ltd	A Walden	
2. Diaz Point Explorations (Pty) Ltd	A J Cornelissen	M Kleynhans
3. George Swanson Enterprises cc	G E Swanson	
4. Salt & Chemicals (Pty) Ltd	R E Stanton	L Frielingsdorf
5. Salt Company (Pty) Ltd	J Klein Jnr	J Klein Snr
<i>CLASS D MEMBERS</i>		
1. Anglovaal Namibia (Pty) Ltd	P J A Lombard	A H Matthews
2. BHP Minerals International Exploration Inc.	D Windrim (Dr)	K Cochlovius
3. Billiton S A Ltd	W H J de Wet	J C Toerien
4. Brazil Benguela Exploration & Finance (Pty) Ltd	H C Benecke	
5. Cominco (Namibia) Ltd	C Joudrie	
6. Gold Fields Namibia Ltd		
7. Groundwater Consulting Services (Pty) Ltd	V Stuart-Williams	L Blaine
8. Iscor Namibia (Pty) Ltd	D J R Southey	J Theobald
9. Kalahari Gold & Copper (Pty) Ltd	R Timmins	T J Smalley (Dr)
10. Kimberlite Resources NL	M H Durey	
11. Kohero Mining Company (Pty) Ltd	R G Carr	E A Barbour
12. Mount Isa Mines Namibia (Pty) Ltd	R D M Wilson	
13. Namibian Copper Joint Venture (Pty) Ltd	P D Prentice	W Holly
14. Palfi, Holman & Associates	A G Palfi	B Teigler (Dr)
15. Prima Industrial Holdings (Pty) Ltd	W K Price	P Theunissen
16. Randgold & Exploration Company Ltd	D M Bristow (Dr)	A J Reynolds
17. Reunion Mining (Namibia) (Pty) Ltd	P Wynter Bee	N Green
18. Rio Tinto Namibia (Pty) Ltd	K Fox	
19. Southern African Mineral Resources Ltd	J Crowe	D O'N Mathews
20. Southern Cross Exploration NL	B Ganke	P Lavers
21. Tsongoari Exploration (Pty) Ltd	D Newman	J van der Merwe



*ASSOCIATE MEMBERS*

	<b>Representative</b>	<b>Alternate</b>
1. African Portland Industrial Holdings Ltd	H J Hebbard	M Liefferink
2. African Wire Ropes (Pty) Ltd	S Bredenkamp	E Heymann
3. Bolt Corporation (Pty) Ltd	P Duffield	
4. CSO Valuations Namibia (Pty) Ltd	N P Stanford	R J Snyders
5. Kuehne & Nagel (Pty) Ltd	H Herrlich	F Cyriax
6. L van Schalkwyk	L van Schalkwyk	
7. NEC Investment Holdings (Pty) Ltd	J A Bruckner	N Bruckner
8. Phikwe Services cc	P B Gough	G C Cooper
9. Rex Quip cc	A Lang	C Lang
10. Rosond (Cape) (Pty) Ltd	P Stoppel	
11. Roy McG Miller	R McG Miller (Dr)	
12. Selected Hardware	H D Etzold	D Etzold
13. SGS South Africa (Pty) Ltd	F J van Rooyen	G Wurr
14. Siemens (Pty) Ltd	G Langmaak	V Trubenbach
15. Small Miners' Association of Namibia	D P Hugo	J Shafashike
16. Sonnex Investments (Pty) Ltd	J Quarmby	A Hardwick
17. Svedala Southern Africa (Pty) Ltd	I A E Williamson	J Novoselac
18. Trust & Mining Company (Pty) Ltd	D O'N Mathews	P Mathews
19. W H Evans & Co (Pty) Ltd	L Evans	
20. Woker Freight Services (Namibia) (Pty) Ltd	K H Woker	A van Ginkel

*HONORARY LIFE MEMBERS*

1. D O'N Mathews
2. J Berning

<i>SUMMARY</i>	<b>1998</b>	<b>1997</b>
Class A founder members	3	3
Class A members	3	1
Class B members	4	6
Class C members	5	6
Class D members	21	25
Associate members	20	23
Honorary Life members	2	3
<b>TOTAL</b>	<b>58</b>	<b>67</b>

## ANNEXURE C – THE COUNCIL OF THE CHAMBER

as at 31 December 1998

	<b>Member</b>	<b>Alternate</b>
<b>Class A Founder members</b>		
Namdeb Diamond Corporation (Pty) Ltd	A Ashworth G A Boting	G Enkara F J P Ndoroma
Rossing Uranium Ltd	A J Hope W Haymann	C V Kauraisa B P Paulino
Tsumeb Corporation Ltd	Nil	Nil
<b>Class A members</b>		
De Beers Services (Pty) Ltd	J P Murphy	M J Lubbe
<b>Class B members</b>		
Erongo Mining & Exploration Company Ltd	F M Bethune	H Fourie
Imcor Tin (Pty) Ltd (Rosh Pinah Mine)	D J R Southey	P J Fourie
Karibib Mining & Construction Company Namibia Ltd	A J A Meyer	H J J Bam
Namibia Minerals Corporation	K Kapwanga	P Elindi
Ocean Diamond Mining of Namibia	A C Louw	D Gadd-Claxton
Okorusu Fluorspar (Pty) Ltd	M T Dawe	H J Grobler
<b>Class C members</b>	R E Stanton	
<b>Class D members</b>	D Newman	V Stuart-William
<b>Associate members</b>	D O’N Mathews	

### ***The Council met on the following dates :***

22 January 1998  
06 March 1998  
18 June 1998  
20 August 1998  
30 November 1998

**The Executive Council Committee was not constituted during 1998**

## ANNEXURE D – THE STANDING COMMITTEES OF THE CHAMBER

as at 31 December 1998

### **The Labour Committee**

D G Whitcombe (Chairperson)	Erongo Mining & Exploration Company Ltd
M Flemington	Imcor Tin (Pty) Ltd (Rosh Pinah Mine)
B Dorrenbacher	Okorusu Fluorspar (Pty) Ltd
R Hoveka	Rossing Uranium Ltd
P Elindi	Namibia Minerals Corporation
J Klein Jnr	Salt Company (Pty) Ltd
T Maharero	Karibib Mining & Construction Co Namibia Ltd
S Nekundi	Namdeb Diamond Corporation (Pty) Ltd
G Swartz	Salt & Chemicals (Pty) Ltd
C Horne	Ocean Diamond Mining

### **The Prospecting Committee**

D Newman (Chairperson)	Tsongoari Exploration (Pty) Ltd
D Alchin	Imcor Tin (Pty) Ltd (Rosh Pinah Mine)
F Badenhorst	Erongo Mining & Exploration Company Ltd
R G Carr	Kohero Mining Company (Pty) Ltd
D P Hugo	Small Miners' Association of Namibia
R Burrell	Namdeb Diamond Corporation (Pty) Ltd
P J A Lombard	Anglovaal Namibia (Pty) Ltd
G McGregor	Ministry of Mines & Energy
R D M Wilson	Mount Isa Mines Namibia (Pty) Ltd
R Samuyenga	Namibia Minerals Corporation
I Zaamweni	Ministry of Mines & Energy
C P Schreuder	Ocean Diamond Mining
G Schneider	Geological Survey (MME)
D O'N Mathews	Trust & Mining
A Walden	Diamond Fields Namibia

### **The Mine Surveying Sub - Committee**

D F Hull (Chairperson)	Consultant
J Daub	Erongo Mining & Exploration Company Ltd
P P Crowther	Imcor Tin (Pty) Ltd (Rosh Pinah Mine)
T Muttota	Ministry of Mines & Energy
A M Muller	Namdeb Diamond Corporation (Pty) Ltd
M Sorocznski	Rossing Uranium Ltd

### **The Safety Committee**

W J van Rooyen (Chairperson)	Rossing Uranium Ltd
W B Coetzee	Imcor Tin (Pty) Ltd (Rosh Pinah Mine)
A Angula	Mineworkers Union of Namibia
G Hugo	Erongo Mining & Exploration Company Ltd
P J Liebenberg	Ministry of Mines & Energy
V Maharero	Ministry of Mines & Energy
P Elindi	Namibian Minerals Corporation
B Keague	National Occupational Safety Association
T Roussouw	Namdeb Diamond Corporation (Pty) Ltd
H J P Hough	Salt & Chemicals (Pty) Ltd
J Horne	Ocean Diamond Mining

ANNEXURE E – BODIES ON WHICH THE CHAMBER WAS REPRESENTED DURING 1998

	<b>Representative</b>	<b>Alternate</b>
The Ancillary Rights Commission	D O’N Mathews	
The Board of Trustees of the Namibian Institute of Mining and Technology	J P Murphy J C Rogers	
The Council of the Polytechnic of Namibia	J C Rogers	
The Labour Advisory Council	B Paulino	
The Minerals Development Fund Control Board	J C Rogers	D Newman
The Namibian Employers’ Federation	J C Rogers	
The Namibian Ports Authority Board	J C Rogers	
The Namibian Transport Advisory Board	J C Rogers	
The Namibian Water Corporation	C P Sivertsen	F M Bethune
The National Energy Council	A J Hope	J C Rogers
The National Vocational Training Board	E D G Mueller	H Beykirch
The Social Security Commission	B Paulino	

ANNEXURE F – CHAMBER MINING MEMBER ANNUAL LABOUR STATISTICS

<b>Year</b>	<b>Number of employees as at 31 December</b>	<b>Total remuneration paid (Namibian Dollars)</b>
1981	19240	120804606
1982	17300	132157914
1983	16595	139705600
1984	15624	139441000
1985	14869	152825000
1986	14428	165442000
1987	12905	184034000
1988	13073	241553000
1989	12776	283522000
1990	13605	349018000
1991	12265	387860000
1992	11441	385464401
1993	9854	381155796
1994	9693	397789557
1995	9775	458887020
1996	8540	457009217
1997	8214	533967714
1998	7686*	592754266

\* Includes Tsumeb Corporation at time of closure

ANNEXURE G – CHAMBER MINING MEMBER ANNUAL ACCIDENT STATISTICS

<b>Year</b>	<b>Number of Injuries</b>	<b>Rate per 1000 employees</b>	<b>Fatalities</b>	<b>Rate per 1000 employees</b>
1981	128	6,65	11	0,57
1982	90	5,20	9	0,52
1983	98	5,81	6	0,36
1984	54	3,46	10	0,64
1985	51	3,43	6	0,40
1986	36	2,50	4	0,28
1987	31	2,40	1	0,08
1988	39	2,98	7	0,54
1989	40	3,13	5	0,39
1990	48	3,53	1	0,07
1991	41	3,34	2	0,16
1992	37	3,23	5	0,44
1993	30	3,04	3	0,30
1994	26	2,68	4	0,41
1995	28	2,86	6	0,61
1996	25	2,93	Nil	-
1997	29	3,53	1	0,12
1998	20	2,60	1	0,13

ANNEXURE H - PAST PRESIDENTS AND VICE PRESIDENTS

**THE ASSOCIATION OF MINING COMPANIES OF SOUTH WEST AFRICA**

<b>Year</b>	<b>President</b>	<b>Vice President</b>
1969	J P Ratledge	D Borchers
1970	J P Ratledge	D Borchers
1971	W H Bailie	H J van den Hoven
1972	W H Bailie	G Nisbet
1973	J L P MacKenzie	K E Mantell
1974	J L P MacKenzie	K E Mantell
1975	J L P MacKenzie	J Berning
1976	J Berning	M H Rogers
1977	J Berning	J O Rochards
1978	J O Richards	B R Woolfe

**THE CHAMBER OF MINES OF NAMIBIA**

<b>Year</b>	<b>President</b>	<b>Vice President</b>
1979	J O Richards	B R Woolfe
1980	G R Parker	C A Gibson
1981	C A Gibson	D B Hoffe
1982	D B Hoffe	H A R Meiring
1983	H A R Meiring	C A Macaulay
1984	C A Macaulay	D B Hoffe
1985	H A R Meiring	J O Richards
1986	J O Richards	C A Macaulay
1987	C A Macaulay	H A R Meiring
1988	H A R Meiring	R A A Gower
1989	R A A Gower	M P Bates (Dr)
1990	M P Bates (Dr)	P J V Kinver
1991	P J V Kinver	J C A Leslie
1992	J C A Leslie	R A A Gower
1993	T K Whitelock	A R de Beer
1994	A R de Beer	S James
1995	S James	M J C Wittet
1996	M J C Wittet	A R de Beer
1997	A J Hope	J P Murphy
1998	J P Murphy	K Kapwanga