



2006 - 2007

The Chamber of Mines of Namibia



Annual Review

Mission: To efficiently promote, encourage, protect and foster responsible exploration and mining in Namibia, to the benefit of the country and all stakeholders



Vision: To be acknowledged as the champion of the exploration and mining industry in Namibia

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Ongopolo Mining and Processing
successfully taken over by

Weatherly International

Langer Heinrich Uranium
commences

full production

Skorpion exceeds nameplate of

150,000 tonnes

Namdeb
produces over

2 million carats

Creation of

NamibiaDTC

16 percent
of Namdeb
production made
available to local
cutting and
polishing factories

Over **N\$1.4bn** taxes paid

Mining value added **N\$5.5bn**

Mining exports **N\$12.2bn**

Mining investment **N\$3.3bn**

373 new bursaries awarded

highlights of 2006 - 2007

President's statement

• “The dynamism of our industry has been underlined by several major developments which have the potential to unlock further potential both for the country and its people as well as mining investors.” •

• **The** period since the Chamber's last Review has seen Namibia's mining industry re-take centre stage in the economic life of the country and we have once again been in the thick of things, taking a proactive role in ensuring the smooth running of the industry and its relations with Government.

Mineral Prices

• **The** background for this review has been the frenetic activity in the international mining industry. The last two years have seen the prices of minerals produced by Namibian operations reach historically unprecedented levels and this has had a fundamental effect on both production and exploration within the country. As supply responses kick in, these record prices can be expected to moderate somewhat but it looks as if higher prices are here to stay for some time.

New Developments

• **The** dynamism of our industry has been underlined by several major developments which have the potential to unlock further potential both for the country and its people as well as mining investors.

The beginning of 2007 saw the Government and De Beers unveil a new joint venture as one of the outcomes of the five-yearly review of their marketing agreement. The Namibia Diamond Trading Company (NDTC) aims to increase the amount of local cutting and polishing of rough diamonds produced by Namdeb. By the end of the year the NDTC had identified eleven local sightholders and allocated to them its first batches of rough diamonds and Mr Shihalemi Ndjaba was appointed CEO. The other major component



of the Agreement is that Namdeb will make available 16 percent of its production to the local diamond cutting and polishing factories. The stated target is to increase the value of rough diamonds cut and polished locally to N\$2 billion by 2011.

Almost at the same time a new uranium mine, Langer Heinrich Uranium owned by Australian uranium mining company Paladin Energy, commenced full production on time and within budget. It had taken Paladin just five years to build a mine that is set to produce at least 1,180 tonnes of uranium oxide a year with 132 permanent employees at a time when uranium prices look set to remain substantially higher than anyone envisioned during the 1990s. The good news from Langer Heinrich was followed up later in the year with the news that Rössing,

which celebrated its 30th anniversary in 2006, was likely to extend its life of mine to 2026.

Weatherly International demonstrated its intention to make a serious contribution to the economy following the purchase of Ongopolo Mining and Processing in July 2006. Weatherly made a strategic decision to rename and split Ongopolo into mining operations (Weatherly Mining Namibia) and smelting operations (Namibia Custom Smelters) in July 2007. Weatherly is currently focused on ensuring increased local production from its mining operations in a way that fully utilises the smelting capacity which has been upgraded and is due to be expanded from 20,000 to 50,000 tonnes a year. Weatherly made its maiden profit of US\$12.4 million in the year to 30 June 2007

Mineral	Unit	Average price (2007)	Highest price (2007)
Uranium	US\$ / pound	99	136
Gold	US\$ / troy ounce	706	846
Copper	US\$ / ton	7,232	8,301
Zinc	US\$ / ton	3,184	4,259
Lead	US\$ / ton	2,642	3,980

Source: I-Net Bridge

Uranium

Langer Heinrich

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and sold its interest in the Valencia uranium deposit and Otavi limestone deposit. The company also entered into a new joint venture with Alternative Investment Market - listed Applied Intellectual Capital to exploit its Tsumeb tailings dam.

Anglo American's Skorpion mine achieved and exceeded design-plate of 150,000 tonnes of Special High Grade zinc during an entire calendar year for the first time producing 150,080 tonnes in 2007. This, combined with record high zinc prices, led to Skorpion achieving record sales.

In 2005, De Beers Marine Namibia and Namdeb set themselves a target to produce jointly 10 million carats cumulatively over the five year period 2006 to 2010. As at the end of 2007 a total cumulative production for 2006 and 2007 stood at 4.25 million carats.

Samcor developed new technology which has allowed mining to progress into hitherto inaccessible mineralisation located in deeper sediments capped by hard impervious layers.

The dynamism of the mining sector was reflected in the renewed activity of mining companies on our local stock exchange, the Namibian Stock Exchange (NSX). Towards the end of 2007 two uranium exploration companies, Forsys Metals and Xemplar, dual-listed on the NSX Development Board (DevX), the first listings on the DevX since it was established in 1998. These were followed by the dual-listing of a further two exploration companies, Deep Yellow and Bannerman, as well as Paladin Energy, owner of Langer Heinrich Uranium, on the main board. All five companies are focussed on uranium. The end of 2007 witnessed exploration company UraMin being bought out by French nuclear giant Areva for US\$2.5 billion in an indication that downstream companies could increase their reach upstream to secure supplies.

Copper

Weatherley Mining

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The surge of interest in uranium is phenomenal and is examined in more detail in an article in this Review by Heike Smith of IJG Securities. One of the listed exploration companies in Namibia estimates that Namibia could account for a 20 percent of world uranium production which translates into four percent of world electricity generation in the next five years or so. The Chamber has recognised the increasingly important role of uranium mining within the industry and has established a regional office in Swakopmund under the capable command of Dr Wotan Swiegers to establish new standards for safety and environmental management for uranium exploration and mining operations. As Namibia is increasing its prominence as a major world uranium producer, the Chamber's efforts are aimed at ensuring that our uranium industry operates in accordance to international best practice. The Chamber has now transformed this initiative into the Chamber Uranium Stewardship, details of which are contained in a later article in this year's Review.

Economic Contribution

- **Official** statistics underline that 2006 was an exceptional year for Namibia's mining industry, especially perhaps its non-diamond sub-sector. **The total value added generated by mining reached a record N\$5.5 billion contributing almost 12 percent to Namibia's Gross Domestic Product and almost 60 percent to merchandise exports.** Mining spent more on fixed investment than Government for the fourth year in a row accounting for over a quarter of Gross Fixed Capital Formation for the entire economy. All indications are that 2007 could equal or surpass the exceptional performance delivered in 2006.

Taxation

- **Last** year's review dwelt in some detail on the issue of the mining royalty tax for all minerals excluding diamonds and dimension stone,

Gold

AngloGold Ashanti

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originally introduced at the end of 2004 but modified in late 2006 in the light of further consultations with the industry through the Chamber. While most of our members have agreed to pay the revised royalty tax, some have taken a view that the legal preconditions for imposing the levy contained in the Minerals Act have not been met. Individual members are in consultations with MME in this respect.

Electricity

- **The** issue of electricity supply was one area of major concern in the last Review and this has not changed. The electricity situation in South Africa has worsened since 2005 and this inevitably had consequences for Namibia which has traditionally been reliant on imports from its southern neighbour. The impact on the industry has been significant. Fortunately, NamPower has opted for an open and consultative approach with its major customers which the Chamber has welcomed and is proactively supporting. Going forward each operation is investigating all available options including the implementation of energy efficiency measures and the purchase of diesel generators.

Minerals Act

- **The** Ministry of Mines and Energy together with the Chamber have formed a committee to examine all issues relating to the revised Minerals Act which is due to reach Parliament in 2009. Cooperation has been excellent and I look forward to a new legislative framework which will set the industry on a sound footing for the coming decade and more.

Black Economic Empowerment

- **The** Chamber submitted its proposals on the issue of Black Economic Empowerment back in July 2004. Government has now seen fit to develop a Transformation Economic and Social Empowerment Framework (TESEF) and has em-

played consultants to help give this idea concrete form. The Chamber is continuing to fully engage with Government on this vital issue and is working to submit further detailed proposals later in 2008. TESEF is fully covered under the Chamber activities for the period under review.

Education and Skills

• **Past** Chamber Reviews have provided testimony to the enormous contribution the industry makes to enhancing the skills of the nation's workforce at all levels and this year is no exception. **This year's publication highlights the fact that some 383 bursaries of various descriptions have been awarded during 2006-2007 with some operations devoting around five percent of their labour costs to this vital area.** Virtually all major operations are devoting significant levels of resources to education and skills, both of their own employees and also of the wider community through their Corporate Social Responsibility programmes. The Chamber made significant strides toward skills development in the mining industry, starting with the Chamber skills audit done in 2006 and 2007 and with the corresponding response strategies in place. These include the Chamber skills project on artisan training in Kimberley, the artisan upgrading programme at NIMT, increased job attachments for NIMT students to mining operations and mining industry support for NIMT expansion to establish the northern campus in Tsumeb. The viability of establishing a southern campus in Keetmanshoop is being assessed. The Chamber skills development programme is reported on in detail under Chamber Activities.

REACH

• **In** last year's Review the issue of REACH – the Registration, Evaluation and Authorisation of Chemicals policy and legislation in the EU – was raised as an issue that may negatively effect access to EU markets for our mineral production. The Chamber,

through the Mining Industry Association of Southern Africa (MIASA) lobbied hard for revision of some negative REACH provisions.

This was largely achieved before REACH became law in December 2006 and went into implementation in June 2007. The Chamber was actively involved in the preparations for REACH implementation and has in the process acquired a wealth of information to help affected Chamber members to comply with REACH requirements and thereby maintain market access to the EU. REACH is reported in detail under Chamber activities.

Since the last review, the Chamber has striven to maintain the momentum generated by the arrival of Veston Malango as General Manager and the Presidency of Mark Dawe and welcomes Dr Swiegers on board. I would like to pay tribute to these three dynamic gentlemen as well as my colleagues and Chamber Vice-Presidents Gerald Boting and Mike Leech, our partners in the Ministry of Mines and Energy, all of whom have helped to turn a worldwide trend into concrete benefits for the industry in Namibia and the Namibian people.

Behre Dolbear Ranking

Since 1999 US minerals industry advisors Behre Dolbear Goup has compiled a political risk assessment of countries of import to the mining industry. In 2008 25 countries, all of which are host to major exploration or mining operations, were ranked on seven criteria: economic system; political system; social issues affecting mining, bureaucratic delays, corruption, currency stability, and tax regime.

Namibia was ranked 12th ahead of South Africa (18th) but behind Botswana (9th) scoring well on political system (6 out of 10) and tax regime (6 out of 10) but less well on social issues (3 out of 10) and corruption (4 out of 10).

More details can be found at www.dolbear.com

Obituaries

• **As** this review amply demonstrates, the Chamber takes the issue of mine safety extremely seriously. Unfortunately, we suffered one fatality in 2006 and two fatalities in 2007.

Joseph Muruti was killed by a rock fall from a hanging wall underground at Kombat mine on 12 September 2006.

Jan Thaniseb was run over by a scoop on surface at Rosh Pinah mine on 1 March 2007.

E M Sheehama was killed in a vehicle accident underground at Otjihase mine on 10 March 2007.

I would like therefore to offer my condolences to the families of the three mineworkers who lost their lives on duty during the period under review. Our position is that one fatality is one too many. We continue to engage all stakeholders to ensure high safety standards in all our operations.

The Chamber notes with extreme sadness the passing away of two personalities who played key roles in helping us get to where we are today. Mr Des O'Neal Mathews and Mr Don Newman will be sorely missed.

I would like to thank all the Chamber Members for their support. The future health of the mining industry depends on cooperation between all its stakeholders. I am sure if we continue in this way we will all see the benefits of this approach.



Otto N Shikongo
April 2008

Activities

Chamber of Mines Activities 2006 - 2007.

By Veston Malango,
General Manager

Strategic Direction of the Chamber

• In further redefining the vision and mission of the Chamber of Mines, Council approved a number of amendments to the Chamber Constitution at the Council Bosberaad in September 2007 at the Gobabeb Research and Training Centre. The revised Constitution is available on the new look Chamber website which also underwent major design changes during 2007.

Other major Council decisions from Gobabeb included the agreement on a Code of Conduct and Ethics for all Chamber members. Chamber membership is now subject to undertaking and compliance to this new Code of Conduct and Ethics. All Chamber members will now be issued with an appropriate Chamber membership certificate which shall commit compliance as one of the obligations and conditions of Chamber membership.

Council also reviewed the various Chamber Committees and made decisions to align their activities to the overall mission and strategic direction of the Chamber. The Committees are now led by selected Council members as sponsors and were mandated to review the Terms of Reference of the respective Committees. Accordingly, Council elected sponsors for Committees and made decisions as follows:

a) The Labour Committee was renamed the HR Committee and sponsored by Namdeb (Mr Chris Sivertsen)



b) Safety, Health and Environment (SHE) was amalgamated into one Committee, the "SHE Committee" and sponsored by Langer Heinrich Uranium (Mr Wyatt Buck). This means that the Mine Safety Committee now falls under the SHE Committee. The "Occupational Health and Environmental Standards for Uranium Mines" project is now also under the SHE Committee and so is the Mine Rehabilitation and Closure Committee.

c) The Power Supply Committee is sponsored by Rössing Uranium Ltd (Mr Mike Leech).

d) The "Exploration and Environment Committee" was renamed "Exploration Committee" and is sponsored by TEAL Exploration and Mining (Mr Volker Petzel) as the Council member representing the exploration companies.

e) The Mining Survey Committee was shifted and incorporated into NIMT.

Policy and Legislation

• TESEF

The Chamber actively participated in the Government process to introduce an empowerment framework and a scorecard system under the new name of Transformation Economic and Social Empowerment Framework (TESEF). Notable events were the 9th Annual Symposium of the Bank of Namibia on 20 September 2007 with empowerment as the main theme and the Government / Private Sector Consultation workshop on 24 October 2007 at which TESEF was formally launched by the Right Honourable Prime Minister. The consultants discussed TESEF in detail with the Council of the Chamber on 20 November 2007.

The Chamber established a Committee to evaluate the applicability of the TESEF framework and scorecard system in the mining industry and make recommendations to Government. Council also agreed to refine the concept further by a

pilot programme on two operating mines.

Work on TESEF is being conducted with reference to the Chamber's own Black Economic Empowerment strategy of 2004. This strategy focuses on seven empowerment pillars: ownership; employee literacy and numeracy; education and training; employment practices; community development; procurement; and beneficiation.

Minerals Bill and Labour Bill

- **The** Chamber continued to participate actively in the review of the Minerals Bill through its membership of the Minerals Bill Committee of the Ministry of Mines and Energy.

The review progressed well and took into consideration policy directives after consultations with the Honourable Minister of Mines and Energy. The final Bill together with the Regulations pertaining to it, is expected to be completed during 2008.

Through the affiliation to the Namibia Employers' Federation, the Chamber of Mines contributed to the drafting process of the Labour Bill by way of the Chamber's representation on the Labour Advisory Council (LAC). The new Labour Act was gazetted on 31 December 2007.

Chamber Skills Development Initiatives

- **In** response to the critical shortage of skills, the Chamber commissioned a skills audit in the mining industry during November 2006 and a final report was presented to Council in April 2007. The audit

covered 10 operating mines, as well as the Ministry of Mines and Energy. It included expatriates but excluded contractors and other service providers. The key findings and implications were:

- Skills shortage in critical trades of artisans was established at 15 percent and 37 percent for professionals.
- Supply will not meet demand over next three to six years in Namibia;
- Dependence on skilled external labour (expatriate) will remain;
- Higher investment rate in training and development is critical;
- Suppliers of skills development require a different approach;

These outcomes were shared with all other relevant stakeholders particularly the Ministry of Home Affairs and Immigration. The Polytechnic of Namibia is using this information to motivate for the establishment of a mining engineering school. The Chamber is also discussing with the Polytechnic the introduction of mining surveyor courses.

Council held a workshop on 22 November 2007 to map out strategies in response to the Chamber Skills Audit Report. The following strategies were agreed upon and are being implemented:

- a) Recruitment of 30 school leavers for the artisan learnership programme with formal training at the De Beers Technical Training Campus in Kimberley, South Africa and job attachments in the sponsor operations.
- b) Recruitment of graduate artisans from Vocational Training Centres who are without jobs. These will undergo a bridging programme to be designed by NIMT so as to bring the standards of their qualifications at par with the Mining In-

dustry Standards and then absorb them into the mining industry.

- c) The Chamber reaffirmed its commitment to support NIMT with its expansion programmes to the north and south and to increase job attachment of NIMT students to mining operations. NIMT successfully established a second NIMT Campus in Tsumeb with the first intake of artisan students in September 2007. The official opening took place on 21 November 2007.
- d) The Chamber undertook to support NIMT in the establishment of the Southern Campus in Keetmanshoop. The identified unused government infrastructure has already been donated to NIMT and a business plan is underway to define the costs. It is envisaged that the first intake of artisan students could be enrolled in the course of 2009.
- e) The Chamber resolved that members increase bursaries to professional fields to meet individual skills needs.

Power Shortages

- **The** mining industry experienced unprecedented challenges in the uninterrupted supply of power from the national utility, NamPower, due to generation and transmission constraints from Eskom. Realising the need for close cooperation with NamPower, the Chamber's Committee on the Security of Power Supply continued to coordinate power issues, including demand management supply options of load shedding. **An understanding was reached that production at mines should be spared and load shedding should only be effected when absolutely necessary and with adequate prior notice.**

Unfortunately the situation deteriorated with Eskom supply problems and the mining industry suffered considerable losses due to power outages. Kombat copper mine, one of Weatherly's mining operations became the main casualty when the mine suffered two power outages in November and December 2007. The mine was lost due to flooding that occurred as a result of a lack of power for the dewatering pumps. The mine has since been placed on care and maintenance and some workers have been relocated to other Weatherly operations while some may face retrenchments.

In light of the gravity of the power situation, Council has been engaging NamPower at the highest level with interactive consultations with the NamPower Managing Director and his team on 28 September 2007 at Gobabeb Research Training Centre. Short-, medium- and long-term generation and transmission projects have been discussed in detail. The Chamber of Mines has emphasised the need for NamPower to rather concentrate on investments in local power generation projects in view of anticipated increase in power demand as the mining industry is fast growing in response to the favourable fundamentals on the international mineral commodity markets. **The Chamber is of the view that Namibia shall remain vulnerable as long as NamPower is dependant upon other countries in the region for its power supply.**

The cooperation with NamPower led to the formation of a Joint NamPower-Chamber Technical Task Team to critically examine possible areas where the mining industry may participate in proposed power generation projects. **The Chamber has so far indicated to NamPower**

that the mining industry is prepared to purchase power from the proposed Kudu gas-to-power station in foreign currency. NamPower welcomed the offer and the consultations are ongoing.

Chamber Opens Offices in Swakopmund

- **With** the resurgence of exploration and mining for uranium and in the absence of adequate government regulations, the mining industry decided to take the lead in developing minimum standards on occupational health and environmental management for the uranium industry. The Chamber of Mines recognised the need to proactively establish Occupational Health and Environmental Standards for uranium exploration and mining operations.

Council approved the establishment of the new Chamber committee on Occupational Health and Environmental Standards for Uranium Mines and appointed Dr Wotan Swiegers as Principal Advisor from 1 June 2007. The Chamber established offices in Swakopmund from where the project is implemented. All stakeholders have been incorporated into the project and the Chamber established close cooperation with the International Atomic Energy Agency (IAEA) and the World Nuclear Association. Funding is being provided by Rössing and Langer Heinrich mines, with further contributions envisaged from new uranium mines as they come on stream.

The project has developed into a Uranium Stewardship and has gained the support of all new uranium exploration companies in Namibia. This project is covered in more detail in the section by Dr Wotan Swiegers on Uranium Stewardship.

Collaboration with Ministry of Mines and Energy

- **The** Chamber continued to work closely with MME as the line Ministry through consultations with the Honourable Minister, the Permanent Secretary, Directors and other senior staff members of the Ministry, particularly the Office of the Mining Commissioner. The Chamber of Mines and MME once again successfully hosted a joint booth at the Indaba Mining Investment Conference in Cape Town during February 2007 in a joint effort to attract exploration and mining investment to Namibia.

Consultations with Labour Movement

- **The** Chamber continued with close consultations with the Mineworkers Union of Namibia (MUN) through the Mining Cooperation Council which was renamed the Mining Consultative Forum at a meeting on 19 November 2007. The cooperation framework is governed by an agreement in which both parties resolved to effect amendments to the quorum clause to enable regular meetings to take place.

The Chamber and MUN have reaffirmed to work closely on matters pertaining to health and safety of employees at the operations and in this respect, the Chamber has called for regular representation of MUN officials at Chamber Safety Committee meetings.

Chamber Representation on Other Bodies

- **The** Chamber was actively represented by the General Manager on the following bodies and committees:
- Minerals Development Fund Control Board of Namibia (MDF): Board Member
- Namibia Employers Federation (NEF): Board Member
- Namibian Institute of Mining and Technology: Trustee
- Polytechnic of Namibia (PON): Council member and Vice-Chairperson of the Council of the Polytechnic of Namibia.
- Mining Industry Association of Southern Africa (MIASA)

With increased uranium exploration and mining activities in Namibia, the Chamber has applied for Associate Membership of the World Nuclear Association.

Mining Industry Associations of Southern Africa

- **The** Chamber of Mines belongs to the Mining Industry Association of Southern Africa (MIASA) which is affiliated to the International Council on Mining and Metals (ICMM).

MIASA is a lobbying and advocacy organisation of the private sector mining industries in the Southern African Development Community (SADC). MIASA meetings are held in February every year during the Indaba Mining Conference in Cape Town and in Member Countries on a rotation basis.

The main objective of MIASA is to protect and promote the interests of the SADC mining industry at regional and international level. During the period under review, the no-

table issue was the new legislation in the EU called Registration, Evaluation and Authorisation of Chemicals (REACH). This policy and legislation had the potential to effectively restrict market access of mineral exports from developing countries into the EU. MIASA successfully lobbied for modifications to the draft policy and the new REACH legislation which came into operation on 1 June 2007 is more accommodating. No compliance means no market access of mineral exports to the EU.

REACH

- **The** Chamber of Mines actively participated in the lobbying process at several conferences in Cape Town and Johannesburg and also in the implementation workshops in Johannesburg and Brussels. The following is the status on REACH as at December 2007:

- REACH legislation had been passed in EU Parliament in November 2006 and implementation commenced on 1 June 2007.
- Although the legislation is aimed to protect people and the environment in the EU from chemicals, mineral products have been included as substances that may contain toxins detrimental to the environment and people. The effect has cost implications in compliance to REACH, otherwise access to EU markets for mineral products could be lost.
- Fortunately, our diamond industry is not affected by REACH because diamonds fit into the definition of *"substances that are naturally occurring in nature and not chemically modified"*.
- Uranium is not affected, as radioactive materials are regulated under other legislation in the EU.
- Ores and concentrates are ex-

empt from Registration and Evaluation (they are naturally occurring and not chemically modified substances) but may be subjected to Authorisation under stringent conditions. Substitutes are being promoted in place of materials that may be subjected to Authorisation.

- All other minerals (such as zinc, copper and gold) are subject to Registration as these fall under the definition of *"substances that are not naturally occurring and have been chemically modified"*. The implication is the cost of preparing dossiers for each mineral, estimated at €24,000 per mineral! Unfortunately Registration is limited to legal entities in the EU (importers). The implication is that exporters to the EU (such as mines in Namibia) should establish legal entities in the EU to act as importers of minerals from Namibia, thereby incurring further costs. Alternatively, holding companies based in the EU may make this responsibility much cheaper.
- Mining Companies have been given a window for pre-registration until December 2008.
- It was recommended that mining companies join the relevant consortia being established for purposes of joint registration in order to reduce costs.
- Eurometaux had launched a dedicated website during 2007 called the REACH Metals Gateway as a tool for REACH implementation.
- The Chamber of Mines and all MIASA members were given free access to ICMM / Eurometaux's REACH Metals Gateway with relevant passwords.

The affected Chamber members have accordingly taken measures to ensure REACH compliance in order to maintain access to EU markets.

Workshops and Conferences

• **The Chamber** actively participated in major conferences at home and abroad. Particular reference can be made to the following events:

- Joint promotion of the Namibian mining industry with MME at Indaba Mining Investment Conference, 6-8 February 2007 in Cape Town.
- The Chamber of Mines was instrumental in the establishment and the launch of the Namibian branch of the Southern Africa Institute of Mining and Metallurgy (SAIMM) on 17 August 2006 at Thule Hotel in Windhoek. This historical event was attended by more than 40 members of the Institute, the Chamber of Mines of Namibia, and various government officials from the Ministry of Mines and Energy. A total amount of N\$30,510 was pledged by companies, institutes and individuals to the running costs of the new SAIMM Windhoek Branch.
- REACH implementation workshops in Johannesburg (7 August 2007) and Brussels (13 March 2007)
- Fourth Southern Africa Base Metals Conference organised by SAIMM, Swakopmund, 23-27 July 2007 with technical visits to Skorpion Zinc and Rosh Pinah operations.
- International Lead and Zinc Study Group: Seminar on Mining and Investment Policy in Southern Africa, Windhoek, 3-7 June 2007. Skorpion Zinc and Rosh Pinah mines sponsored the gala dinner for all delegates at Okapuka Ranch while Anglo Base Metals sponsored a sundowner reception at the Safari Hotel. Weatherly Mining facilitated the field trip to its Tsumeb operations.
- International Atomic Energy Agency (IAEA) Technical meetings in

Swakopmund, 1-4 October 2007 with field trips to Rössing and Langer Heinrich mines.

Chamber Membership

• **With** the unprecedented boom in mineral commodity prices on international markets, the increased exploration activities in Namibia are also reflected in the rise of Chamber membership, particularly exploration companies. Chamber membership has risen from 60 in 2005 to 68 in 2007. Class D membership (Exploration Companies) increased from 15 in 2005 to 18 in 2006 and finally 26 in 2007. The rise in Chamber membership is a reflection of the desire of exploration and mining companies to be associated with the Chamber of Mines.

OHEAP Offices in Otjiwarongo

• **The Chamber** believes workplace health is a crucial part of its activities since there is a strong link between a healthy workforce and productivity. For this reason the mining industry through the Chamber of Mines of Namibia runs an Occupational Health Education and Awareness Programme (OHEAP) which targets all the mining communities as well as other interested organisations and companies with a particular emphasis on HIV/AIDS. Namdeb originally started the OHEAP programme as the main sponsor but this has over the last few years been taken over by Okorusu mine with additional funding coming from USAID through PACT Namibia. The shortfall in funding is covered by the overall Chamber budget from Chamber membership fees.

During 2007 the Chamber established the OHEAP office in Otjiwarongo to gain administrative

advantages from being closer to Okorusu as the main sponsor. The success of the project is reflected by the expansion to cover non-Chamber companies such as Namport, Telecom, NamWater, the Pupke-witz Group, and BP Namibia, just to mention a few. An office accountant has been recruited to facilitate smooth financial reporting to PACT Namibia and this may lead to increased USAID funding. Although the OHEAP staff work closely with peer educators at operations and companies, the challenge is to recruit additional OHEAP field staff to cover more communities in the awareness campaign against HIV/AIDS.

Chamber Support to Small Scale Mining

• **The Chamber** recognises the important role the small scale miners can play in the socio-economic development of Namibia and has embarked on support programmes through communities in which large-scale mining operations are taking place. The support programmes have been initiated in the Erongo region with active participation by AngloGold Ashanti's Navachab gold mine in Karibib and the Rössing Uranium mine through its Rössing Foundation.

Regular meetings were held in Karibib and at the Rössing Mine to address the many challenges of SSM, ranging from geological, technical, value addition, marketing and even interpretation of the mining legislation. The following are the notable and tangible projects undertaken:

- The construction of a marketing shed for SSM at the Spitzkoppe turnoff near Usakos, with partial funding by Rössing and Navachab

mines. Site preparation started in 2007 and construction will be completed in 2008.

- Okorusu Flourspar donated a trailer and six 1,000 litre water tanks to the SSM community at /Gobobos, in the vicinity of Brandberg West Mountain. The Honourable Minister of Mines and Energy officiated at the handover ceremony in early 2008. Okorusu has engaged a contractor to pull the trailer with water drawn from Uis on a regular basis to this community.
- A geological investigation was undertaken to sink water boreholes at /Gobobos with negative results as no water could be sighted.
- The Chamber of Mines and Okorusu mine have also provided a GPS and support equipment (such as solar panels) to enable SSM to accurately mark and maintain the beacons of their mining claims.

The Chamber is cognisant that any support programmes will be more effective when small-scale miners will be organised in associations to advocate their requirements with one voice. The Chamber will nonetheless continue to promote Namibia's small-scale mining sector.



NAMDEB DIAMOND CORPORATION

Environment

- **The** Namibian mining industry has operated under the environmental provisions in the Minerals Act of 1992 which provides for Environmental Contracts, Environmental Impact Assessments and Environmental Management Plans as preconditions for various mineral rights.

Namibia introduced new environmental legislation in 2007. The new Environmental Management Act was gazetted on 31 December 2007 and will be implemented by the Ministry of Environment and Tourism as soon as the accompanying regulations are in place.

There is, however, inadequate legislation to address mine closure, mine rehabilitation and aftercare. Of particular concern is the absence of legislation to address financial mechanisms to cover the costs of rehabilitation especially in cases of abrupt mine closures. For this reason, the Chamber established in late 2006 a Mine Rehabilitation and Closure Committee with the purpose of setting up standards for environmental rehabilitation, mine closure and aftercare. The Committee was also tasked to deal with the concept of the Social Fund as requested by the Honourable Minister of Mines and Energy.

The Committee produced a draft report in late 2007 which will be submitted to Council once the peer review process has been completed.

Obituaries

- **On** a sad note, the Chamber lost two prominent members in the period under review. Mr Des O'Neal Mathews, one of the founding members of the Chamber of Mines 39 years ago, and long-time Chamber Honorary member, passed away peacefully in his sleep on 27 July 2007.

Mr Don Newman, long-time Council member and Chairman of the Chamber Exploration Committee on behalf of Teckcominco, passed away suddenly on 4 May 2007. Both men made tremendous contributions to the development and evolution of the Chamber of Mines from its early days. May their souls rest in peace.



CLAIRE PELLICCIA

Overview of operations

Navachab



- Shareholders:
AngloGold Ashanti 100%
- Product:
Gold bullion
- Location:
Karibib
- Contact Details:
PO Box 150
Karibib
Tel: +264 64 552 000
Fax: +264 64 550 231
garnat@anglogoldashanti.com

De Beers Marine Namibia



- Shareholders:
De Beers 70%
Namdeb 30%
- Product:
Rough diamonds
- Location:
Atlantic I
- Contact Details:
PO Box 23016
Windhoek
Tel: + 264 61 297 8400
Fax: +264 61 297 8140
otto.shikongo@debeersgroup.com

Langer Heinrich Uranium



- Shareholders:
Paladin Energy 100%
- Product:
Uranium oxide
- Location:
West Namibia
- Contact Details:
PO Box 156
Swakopmund
Tel: +264 64 413450
Fax: +264 64 413451
Wyatt.Buck@lhupl.com

Namdeb



- Shareholders:
Government of Namibia 50%
De Beers 50%
- Product:
Rough diamonds
- Location:
South-west Namibia
- Contact Details:
PO Box 1906
Windhoek
Tel: +264 61 204 3333
Fax: +264 61 204 3334
inge.zaamwani@debeersgroup.com

Okorusu Fluorspar



- Shareholders:
Solvay Fluor 100%
- Product:
97.5% pure acid grade fluorspar (CaF₂)
- Location:
Otjiwarongo
- Contact Details:
PO Box 1236
Otjiwarongo
Tel: +264 67 305 404
Fax: +264 67 305 403
manager@okorusu.com.na

Rosh Pinah Zinc Corporation



- Shareholders:
Exxaro Resources 89.5%
- Product:
Zinc concentrate
Lead concentrate
- Location:
Rosh Pinah
- Contact Details:
Private Bag
Rosh Pinah
Tel: +264 63 274318
Fax: +264 63 274223
Christo.Aspeling@exxaro.com

Overview of operations

Rössing Uranium Rössing Working for Namibia



- Shareholders:
Rio Tinto plc 69%
Government of Iran 15%
IDC of South Africa 10%
Government of Namibia 3%
Local individual shareholders 3%
- Product:
Uranium oxide
- Location:
West Namibia
- Contact Details:
Private Bag 5005
Swakopmund
Tel: +264 64 520 3000
Fax: +264 64 520 3017
mleech@rossing.com.na

Sakawe Mining Corporation



- Shareholders:
Samcor Bv 76%
Longlife Mining 10%
Government of Namibia 8%
National Youth Service 2%
Employees 4%
- Product:
Alluvial diamonds
- Location:
South-west Namibia
- Contact Details:
PO Box 3498
Windhoek
Tel: +264 61 386 100
Fax: +264 61 249 253
kk@sakawe.com

Salt & Chemicals



- Shareholders:
Walvis Bay Salt Holdings 100%
- Product:
Coarse and refined salt
- Location:
Walvis Bay
- Contact Details:
PO Box 2471
Walvis Bay
Tel: +264 64 213350
Fax: +264 64 205026
roy@wbsalt.com

Salt Company



- Shareholders:
Juergen Klein 33.33%
Detlef Klein 33.33%
Johan Klein 33.33%
- Product:
Rock, table and refined salt
- Location:
Swakopmund
- Contact Details:
PO Box 42
Swakopmund
Tel: +264 64 402611
Fax: +264 64 405414
saltco2@africaonline.com.na

Skorpion Mining



- Shareholders:
Anglo American 100%
- Product:
Special High Grade zinc
- Location:
Rosh Pinah
- Contact Details:
Private Bag 2003
Rosh Pinah
Tel: +264 63 271 2380
Fax: +264 63 271 2526
gboting@skorpionzinc.com.na

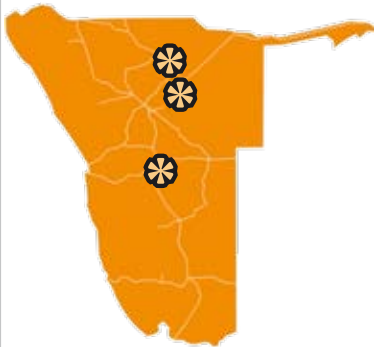
Trans Hex Marine Namibia



- Shareholders:
Tegniese Mynbou Bpk 33.63%
- Product:
Alluvial diamonds
- Location:
Lüderitz
- Contact Details:
Waterfront Shop 2 Block H
PO Box 1041
Lüderitz
Tel: +264 63 202355
Fax: +264 63 202355
CarelN@transhex.co.za

Overview of operations

Weatherly Mining Namibia



- Shareholders:
 - RAB Capital 22.4%
 - Matterhorn Investments 17.6%
 - Directors 11.6%
 - Bank Windhoek 8.4%
 - Ezenet Ltd 4.5%
 - CSFB Direct 3.6%
 - State Street Global Advisors 3.2%
 - AXA Framlington 2.3%
- Product:
 - Blister copper with contained silver and gold, and arsenic trioxide
- Location:
 - Tsumeb, Windhoek and Kombat
- Contact Details:
 - PO Box 40791
 - Ausspannplatz
 - Tel: +264 61 385 000
 - Fax: +264 61 385 001
 - r.clarke@weatherlyplc.com.na



Namibian Institute of Mining and Technology



The Namibian Institute of Mining and Technology (NIMT) was created in 1990 with its main campus located in the town of Arandis near Rössing Uranium. As a Vocational Training Centre, NIMT's Artisan Trades and Civil Trades campuses have been fully accredited by the Namibia Qualifications Authority for three years, the maximum accreditation period possible. NIMT employs some 95 people and had 880 trainees on Government bursaries during the past two years. NIMT has an excellent safety record and has a 5 Star platinum NOSA rating. No major accidents took place during 2007. The past year has seen the exciting inauguration of the first phase of the second campus in Tsumeb and the enrolment of the first trainees there. The coming year will see a further increase in trainee numbers, the development of phases two and three of the Northern Campus as well as the introduction of training for rigging and autotronics for Namibia. NIMT is working on further expansion programmes in the south. The establishment of a third campus at Keetmanshoop is in the pipeline.

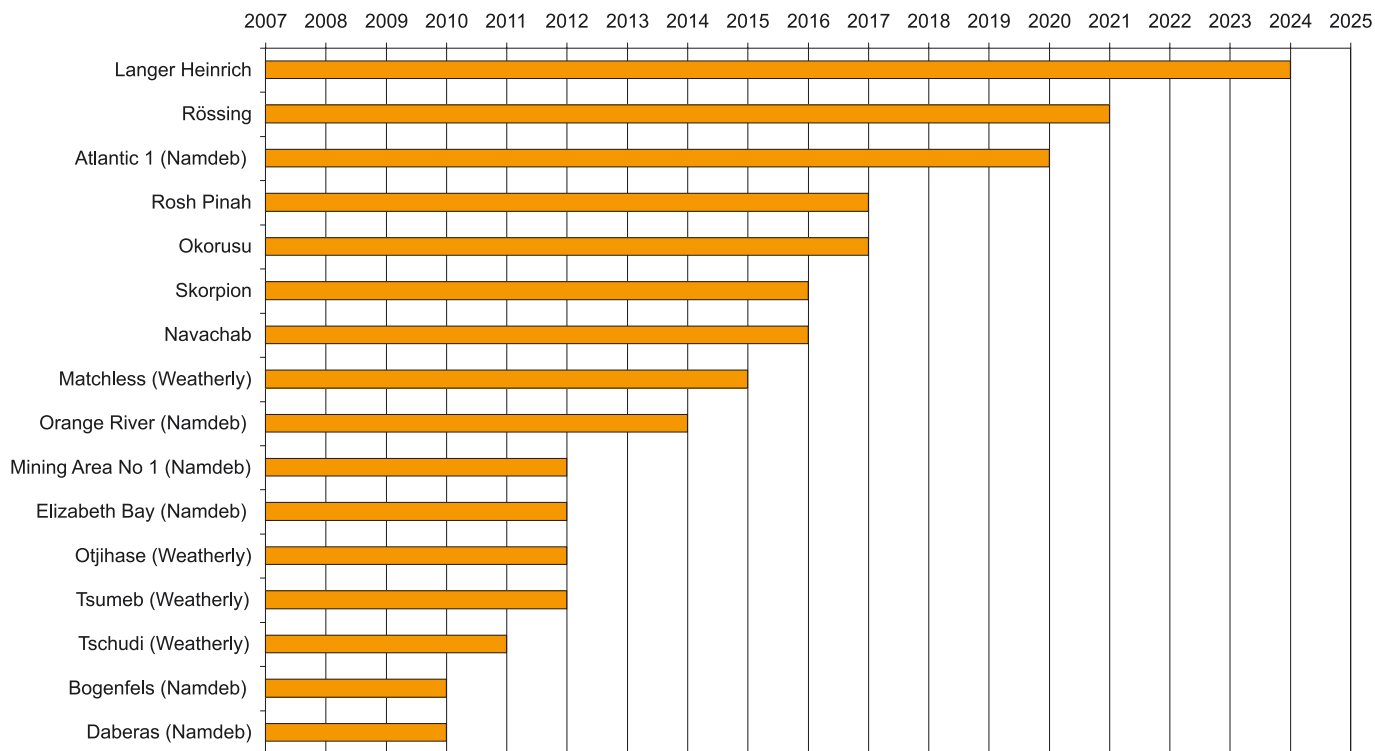
Managing Director: Mr Eckhart Mueller
Private Bag 5025 Swakopmund
Tel: +264 64 511 800
Fax: +264 64 510 369
E-mail: nimtho@iafrica.com.na



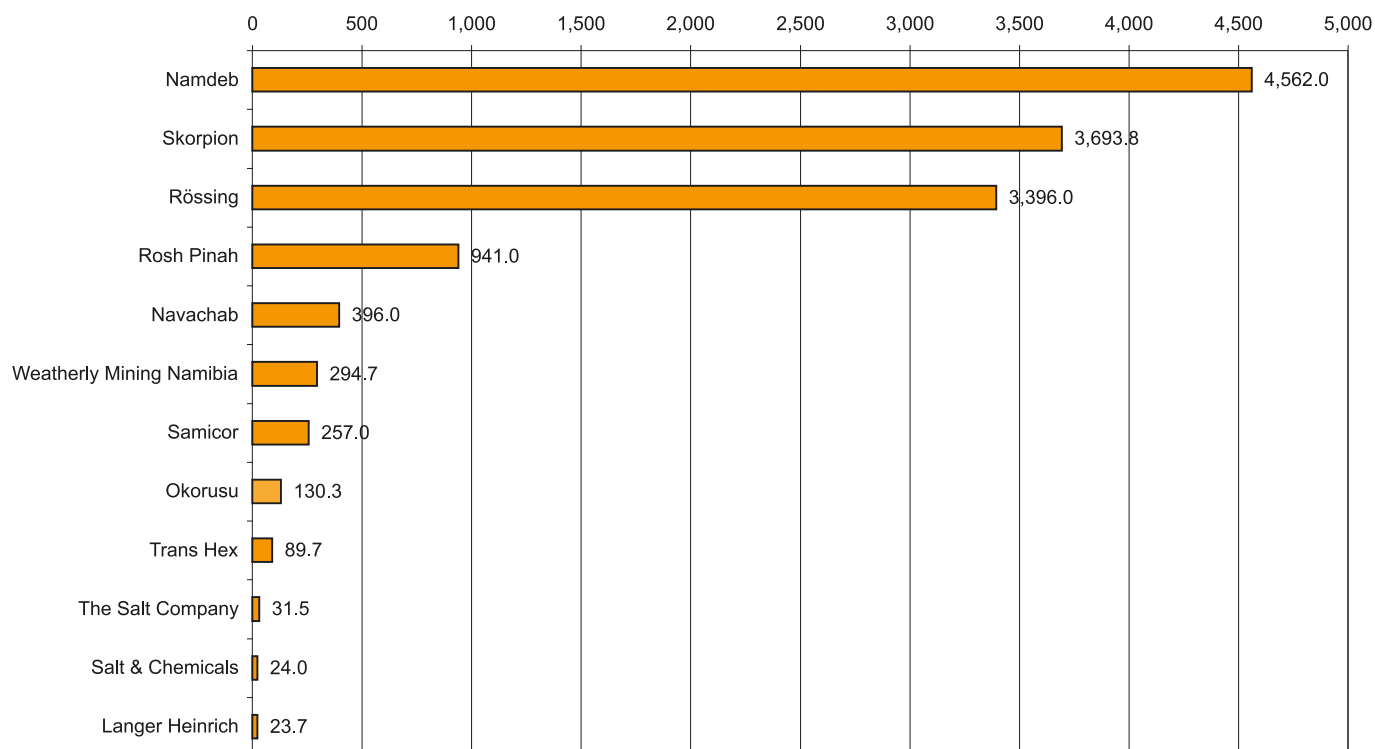
	Bursaries 2006 - 2007	Other Initiatives
De Beers Marine Namibia	14	"Diamond Award for Science" Bursary
Langer Heinrich Uranium	0	Study Assistance + NIMT Exchange Programme
NamDeb	14	Self Study Assistance Scheme
Navachab	9	Adult Basic Education + 15 study loans
Okorusu	5	Fundamentals of Management Course
Rosh Pinah	19	Bridging School Bursaries
Rössing Uranium	264	Department of Training and Organisational Development
Samicor	3	In-house Graduate Training Scheme
Skorpion	25	Self-Development Programme
Salt & Chemicals	20	Management Development Programme
TransHex	3	Namibian Understudies Programme
Weatherly Mining Namibia	0	Donation to NIMT
Total	376	

Overview of operations

Life of mine



Turnover by mine in 2007 (N\$m)



Navachab.

AngloGold Ashanti is the sole owner of Navachab mine near Karibib, Namibia's only gold mine. Navachab is an open pit mine which produces gold bullion for export to the Rand gold refinery in South Africa, a subsidiary of AngloGold Ashanti.

Highlights for 2007

- Ore reserves doubled
- Work conducted on pit expansion to increase life of mine by seven years
- Record gold price

Shareholders

AngloGold Ashanti 100%
(Anglo American reduced shareholding in AngloGold Ashanti to 16.6% in 2007)

Mines in Namibia

Navachab gold mine (ML31)

Date of production start

1989

Latest life of mine estimate

2016

Output in 2007

80,251 ounces (2,496kg)

Permanent employees at end 2007

267

Contractors at end 2007

188

Expatriate employees at end 2007

5

Turnover in 2007

N\$396.0 million

Wages and salaries in 2007

N\$49.3 million

Fixed investment in 2007

N\$43.7 million



Exploration and prospecting in 2007

N\$14.2 million

Profits in 2007

N\$82.8 million

Corporate tax paid in 2007

N\$18.9 million

Royalties paid in 2007

N\$10.7 million

Related operations in Namibia

None

EPLs at end of 2007

EPL999

Safety ratings at end of 2007

NOSA 4 Star

ISO14001

OHSAS18001

Affirmative Action plan approved

Yes

Number of bursaries awarded in 2007

9 bursaries during 2006 and 2007

Managing Director

Mr Gerry Arnat

Contact details

PO Box 150

Karibib

Tel: +264 64 552 000

Fax: +264 64 550 231

garnat@anglogoldashanti.com

Production

• While mining and gold production in 2006 were above budget by 11.8 percent and 3.9 percent respectively, mining volumes and production in 2007 were 7.4 percent and 2.1 percent below budget respectively. However, the favourable gold price has lead Navachab to expand its satellite pits. Feasibility work on the main pit expansion project is ongoing and expected to be completed by June 2008. While the gold price is expected to remain high during the coming year, fuel and labour costs

Review of operations

are also expected to rise and offset the gain from higher revenue. Navachab plans to expand production through a range of projects which are currently being subjected to feasibility studies. If they prove viable and technically sound, Navachab has the potential to double production in the next few years.

Exploration

- Navachab continued exploration drilling around the main open pit area as well as in carbonates of the Karibib Formation and at Anomaly 16. A range of geochemical sampling exercises were conducted on the licence areas including soil and stream sediment sampling. Some targets have been identified for follow-up work. Exploration drilling and sampling is planned to continue during the coming year.

Investment

- Significant resources have been devoted to feasibility work on pit expansion and also a DMS plant. If viable, these projects have the potential to extend the life of mine by another seven years beyond 2016.

Procurement

- Navachab estimates that some N\$123.8 million and N\$98.3 million were spent in the local economy during 2006 and 2007 respectively.

Safety

- Navachab achieved a 4 Star NOSA rating in 2006. It recorded five Lost Time Injuries and no fatalities in 2007. Navachab achieved ISO 14001 and OHSAS 18001 certification in 2007 to replace its NOSA rating.

	2003	2004	2005	2006	2007
LTIs	7	2	3	4	5
LTIFR	3.60	0.90	2.95	4.09	4.52

Labour relations

- The industrial relations climate at the mine has been stable with no disputes registered. A seven per cent wage agreement was reached for 2007.

Education and skills

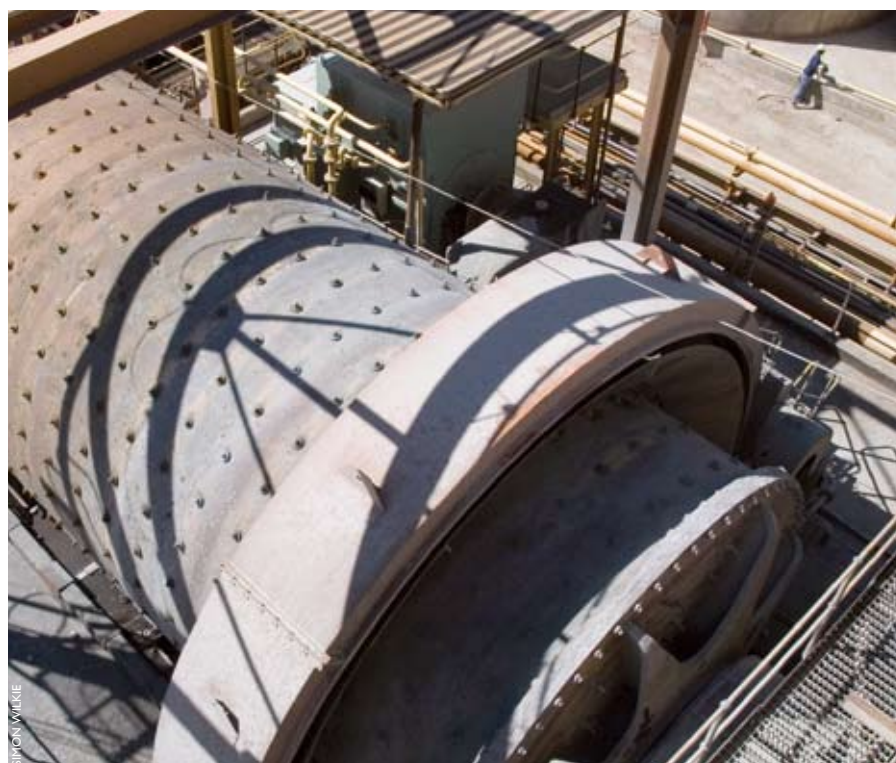
- A total of 48 workers were registered on all four levels of the adult basic education for mine workers programme. Twelve apprentices from NIMT were attached to Navachab for practical on the job training. Fifteen employees were awarded study loans to further their studies at institutions of higher learning while 12 employees who will occupy key positions in future were placed on staff development programmes. Unfortunately, although the mine supports nine bursaries, three bursary holders dropped out during 2007 due to poor academic performance.

Community relations

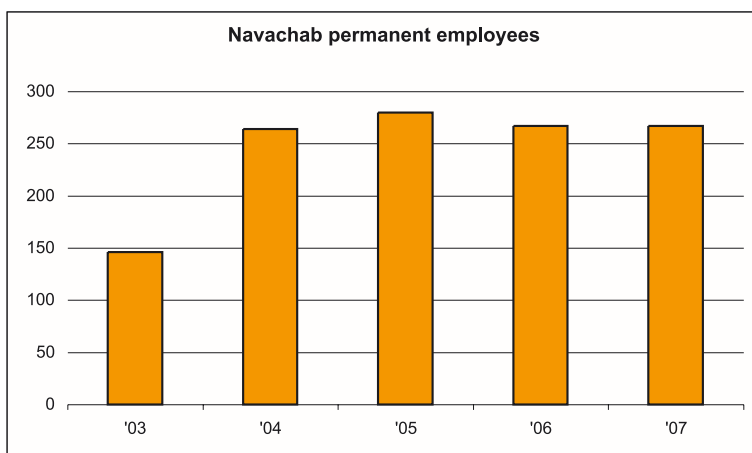
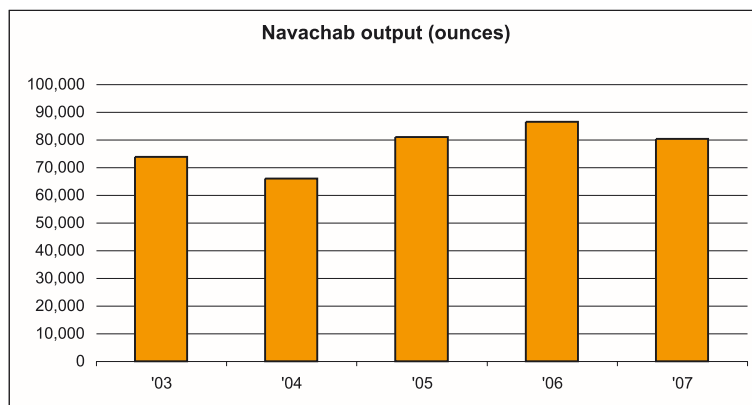
- Navachab mine plays a critical part in the life of the town of Karibib. The company paid for the repair of 500 desks and chairs at a local school where learners were sitting on the floor and a number of classrooms were also painted. Navachab donated computers to a number of schools in Karibib.

Environment

- Navachab received ISO 14001 certification in March 2007 and completed implementation of the International Cyanide Management Code. Its mine closure plan was reviewed and mine closure costs were estimated. Navachab's closure and rehabilitation trust fund was registered at the Deeds Office so that money can be put aside for closure and rehabilitation. Navachab continued to hold regular meetings with interested and affected parties but no major issues of concern were raised.



- **“Navachab’s closure and rehabilitation trust fund was registered at the Deeds Office so that money can be put aside for closure and rehabilitation.”** •



Navachab.



De Beers Marine Namibia.





.De Beers Marine Namibia.

De Beers Marine Namibia is the marine prospecting and mining contractor for the offshore licence areas held by Namdeb.

Highlights for 2007

- Record offshore production of 1,048,292 carats
- Upgrading of mv Debmar Atlantic from 500mm to 600mm mining system
- Construction and commissioning of second seabed crawler for mv Ya Toivo
- First ever "Diamond Award for Science" bursary granted
- Lost Time Injury Frequency Rate of 0.17 achieved

Shareholders

De Beers 70%
Namdeb 30%

Established

January 2001

Output in 2007

1,048,292 carats

Permanent employees at end 2007

622

Contractors at end 2007

8

Expatriate employees at end 2007

118

Related operations in Namibia

Namdeb

Safety ratings at end of 2007

NOSA integrated SeaSafe System
5 Star Platinum Certification with NOSCARS status
ISM
OHSAS 18001



Affirmative Action plan approved

Yes

Number of bursaries awarded in 2007

14

Managing Director

Mr Otto N Shikongo

Contact details

PO Box 23016

Windhoek

Namibia

Tel: + 264 61 297 8400

Fax: +264 61 297 8140

otto.shikongo@debeersgroup.com

Production

• De Beers Marine Namibia (DBMN) produced a record number of carats for the fifth year in a row. In total the company mined 5.3km² and produced 1,048,292 carats from Atlantic I compared to the original budget of 5.1km² and 970,000 carats. This exceptional performance was mainly due to resource performance driven by productivity

improvements. DBMN plans to produce 1,000,000 carats in 2008. The rising cost of fuel presents a serious challenge to meeting this target.

	2003	2004	2005	2006	2007
Area mined (km ²)	3.1	4.5	4.8	5.6	5.3
Carats mined (000)	602	835	992	1,018	1,048

Pre-production sampling

• DBMN's mv Coral Sea undertook 40 days of pre-production sampling in the Atlantic I licence area collecting 398 samples and testing a new sampling tool. This was less than in 2006 because reserve levels were in excess of the company's two year target. However, 296 days are planned for 2008, the increase arising due to a change in strategy from maintaining a two-year reserve level to the creation of a detailed two-year mining plan. In contrast to 2006 when it undertook no sampling, the mv Douglas Bay carried out 36 days of sampling collecting 702 samples in a new production node of the Atlantic I. From now on resource generation sampling will take place

Review of operations

see more in the

Namdeb Annual Review 2007

every year with 166 days planned for 2008.

Exploration

• In contrast to 2006 when no exploration was conducted, the mv Douglas Bay carried out 30 days of exploration sampling gathering 372 samples from two areas: the mud belt and Offshore Atlantic I licence areas. The sampling in the mud belt followed up on previous exploration work conducted in 2005. The sampling in Offshore Atlantic I was conducted in new target areas that had been identified using low resolution geophysical surveys. A total of 30 days of exploration sampling is planned for 2008.

Investment

• The mv Debmar Atlantic was successfully upgraded from a 500mm to a 600mm mining system at a cost of N\$350 million while a second underwater crawler was constructed and commissioned for the mv Ya Toivo at a cost of N\$100 million. DBMN plans to upgrade the mv !Gariep from a 500mm to a 600mm mining system at a cost of N\$255 million in 2008. Work was completed on the Additional Mining Vessel (AMV2) feasibility study during the second quarter of 2006 but, due mainly to a weakening exchange rate and higher steel price, the project did not prove viable so management did not recommend going ahead to the DBMN Board.

Procurement

• DBMN procured some N\$190 million worth of goods and services from Namibian suppliers during 2007, N\$19 million more than in 2006. **In 2008 local spending is set to be boosted further by the supply of offshore fuel bunkers worth in excess of N\$160 million by a Namibian company.**

Safety

• DBMN retained its NOSCAR, ISO14001, ISM and OHSAS18001 certifications and recorded just two lost time injuries resulting in a LTIFR of 0.17 for the year 2007.

	2003	2004	2005	2006	2007
LTIFR	0.17	0.08	0.32	0.09	0.17

Labour relations

• Relations between DBMN and the Mineworkers Union of Namibia continue to be constructive with the conclusion of the 2007/08 Substantive Agreement which provided for an 8 percent increase across the board during 2007 and 2008. In addition, 20 percent of employee's increases will be allocated based on merit in terms of the Performance Appraisal Agreement which is currently in place.

Education and skills

• DBMN has created career paths and skills development initiatives for a range of core skills including engineering and deck cadets, trainee technicians, marine electricians, trainee production drillers, trainee crawler pilots, apprentices, officers, ratings and graduate trainees. It also ensures those in leadership positions undergo management training. The company awarded 14 bursaries in 2007 and instituted a new "Dia-

see more in the

De Beers Annual Review 2007

mond Award for Science" bursary to the most deserving science student.

Community relations

• Although DBMN has no direct community within which it operates, the company has a Social Responsibility Committee which donated approximately N\$300,000 to a variety of causes in 2007 including the Friendly Haven Shelter for Abused Women and Children, the Aquaculture Information Campaign and support to the Katutura State Hospital.

Environment

• The impact of mining on the underwater environment is of paramount concern to DBMN. The company undertakes annual audits as part of the ISO14001 Environmental Management System. During 2006 Enviro-Fish Africa completed the pre-feasibility phase of the Atlantic I Dredging Trial Environmental Impact Assessment and Management Plan Review and Update. The environmental clearance certificate for this was obtained from the Directorate of Environmental Affairs of the Ministry of Environment and Tourism in 2007.

In 2007 DBMN appointed the Centre for Scientific and Industrial Research to: 1) conduct an EIA and develop an Environmental Management Plan for the feasibility phase of the Marine Dredging Project; 2) review and update the Atlantic I Mining Licence Environmental Management Programme Report; and 3) develop an Environmental Impact Assessment and Environmental Management Plan for Mining Licences 128 A, B and C.

The benthic samples gathered in 2006 were analysed in 2007. The

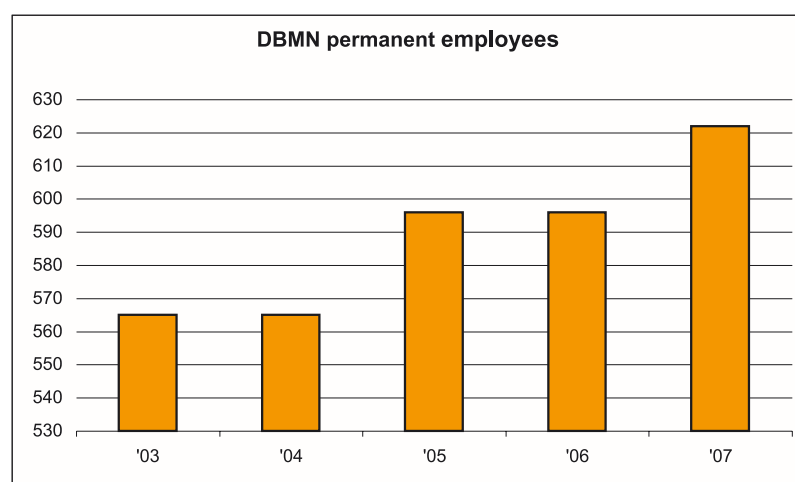
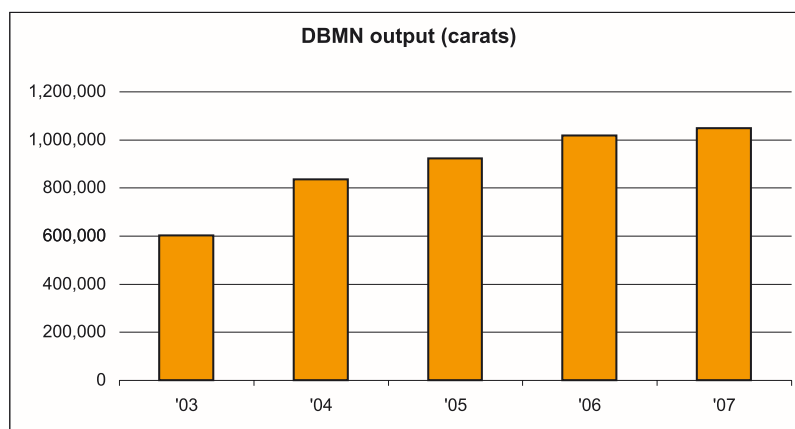
number of impact and control sites was increased from 3 to 22 in the Atlantic I licence area. The annual benthic sampling survey for 2007 was based on this revised sampling plan and a total of 563 samples were collected for faunal and sediment analysis from Atlantic I and the mid-water areas off Bogenfels, Chamais and Kerbe Huk.

An environmental GIS database was established during 2007 which will bring together historical data in a way that makes environmental data more easily accessible to those involved in mine planning and strategic projects.

• **“The impact of mining on the underwater environment is of paramount concern to DBMN.”** •

DBMN Vessels

mv Debmar Atlantic (16,028t)
mv Debmar Pacific (14,952t)
mv !Gariep (10,498t)
mv Grand Banks (10,424t)
mv Ya Toivo (14,021t)
mv Coral Sea - sampling vessel (11,441t)
mv Douglas Bay - exploration vessel (2,173t)



De Beers Marine Namibia.



Langer Heinrich Uranium.



Langer Heinrich Uranium.



Langer Heinrich Uranium is owned by Paladin Energy, which is listed on the Australian and Toronto stock exchanges as well as the NSX. The mine produces uranium oxide “yellow cake” for export to power utilities in countries which are signatories to the Nuclear Non-Proliferation Treaty.

Highlights for 2007

- Uranium oxide spot market price reaches US\$136/lb
- Construction of plant completed and commencement of mining operations
- First tonne of yellow cake produced in December 2006
- Mine commissioned on 14 March 2007
- First shipment of product in April 2007

Shareholders

Paladin Energy Ltd 100%

Mines in Namibia

Langer Heinrich (ML 140)

Date of production start

December 2006

Latest life of mine estimate

2024

Output in 2007

348 tonnes

Permanent employees at end 2007

132

Contractors at end 2007

304

Expatriate employees at end 2007

6



Turnover in 2007

N\$23.7 million

Wages and salaries in 2007

N\$15.9 million

Fixed investment in 2007

N\$870.7 million

Exploration and prospecting in 2007

N\$2.5 million

Loss in 2007

N\$74.9 million

Corporate tax paid in 2007

Nil

Related operations in Namibia

None

EPLs at end of 2007

EPL3500

Affirmative Action plan approved

N/a

Number of bursaries awarded in 2007

None

Managing Director

Mr Wyatt Buck

Contact details

PO Box 156

Swakopmund

Tel: +264 64 413450

Fax: +264 64 413451

Wyatt.Buck@lhupl.com

Review of operations

Production

• In its first calendar year of production Langer Heinrich produced 348 tonnes of uranium oxide. Plant construction, which employs a pioneering alkaline (rather than acid) leaching system, was completed in April 2007 and reached nameplate levels of output in December 2007. Paladin expects the demand for uranium oxide to increase as the need for cleaner energy rises and that this will result in profits being made during the first year of full production expected to be around 1,180 tonnes.

Exploration

• During the past year the main activity has been infill drilling conducted to further define the ore body. This is envisaged to continue during 2008 when work will also start on EPL3500 which is adjacent to the current mining licence area.

Investment

• Langer Heinrich Uranium mine was completed to time and to budget at a total cost of approximately N\$900 million, just five years after Paladin purchased the licence from Acclaim.

Safety

• Langer Heinrich is a new operation and has no prior safety ratings, but operates its own internal corporate safety procedures. During 2007 no fatalities took place while three Lost Time Injuries were recorded to its own employees and two Lost Time Injuries to employees belonging to its long-term contractor, Karibib Mining and Construction, which has 5 Star NOSA rating.

Labour relations

• Langer Heinrich has no active union on the mine and communications between management and employees is direct. During the last year there were no labour incidents to report and a very positive labour relations environment currently exists.

Education and skills

• Langer Heinrich provides study assistance to employees through a formal development programme. An exchange programme with NIMT is in place whereby Langer Heinrich supplies lecturers in return for NIMT lecturers working as artisans on the mine which exposes them to the latest technological developments. Langer Heinrich is also participating in an industry-wide initiative working directly with tertiary education institutions to increase and improve the quality of Namibian graduates.

Community relations

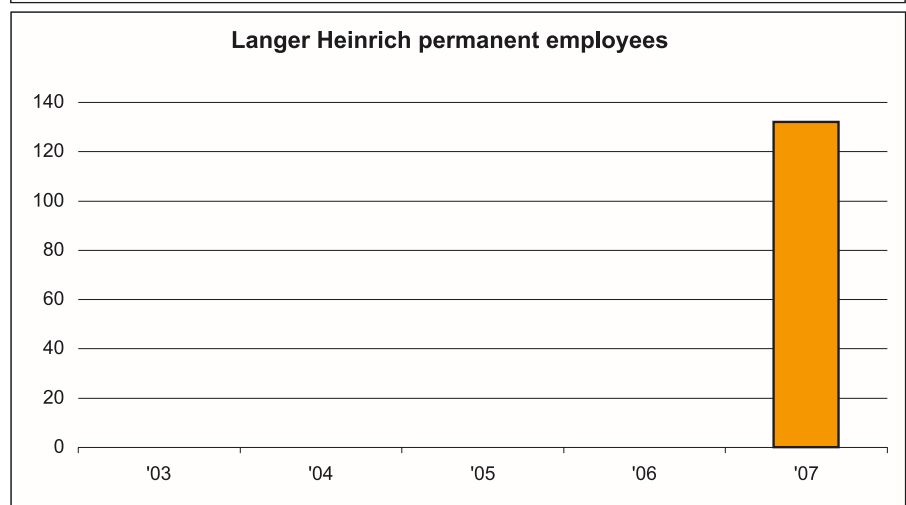
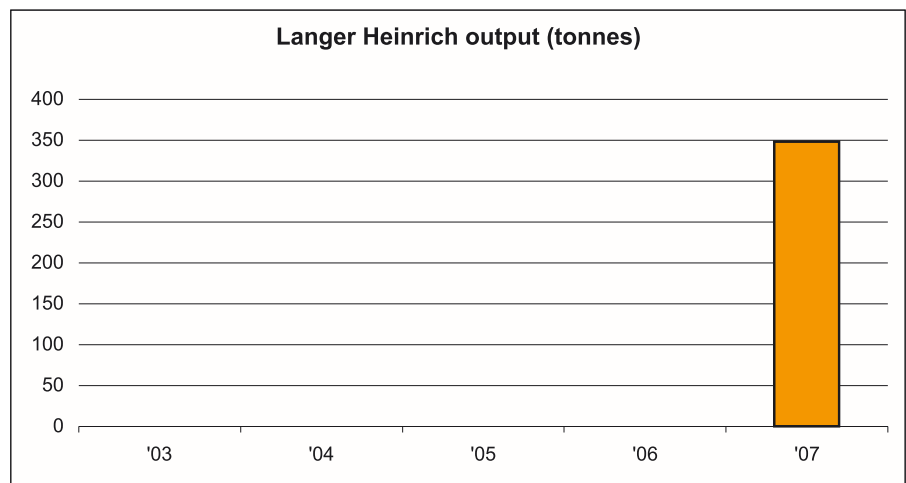
• Langer Heinrich provides support to secondary schools in the Swakopmund and Walvis Bay areas. Paladin Energy has contributed US\$150,000 towards HIV/AIDS programmes in Southern Africa.

Environment

• Langer Heinrich has developed an Environmental Management System and funded a complete hydrological study carried out by the University of Freiburg in Germany, designed to help the mine better understand water flow around the mine and minimise water pollution. The mine also monitors and reports on fauna and flora and holds quarterly community meetings in Swakopmund and Walvis Bay to report on environmental issues.

• **“Paladin expects the demand for uranium oxide to increase as the need for cleaner energy rises and that this will result in profits being made during the first year of full production.”** •

- **“Langer Heinrich has developed an Environmental Management System and funded a complete hydrological study, carried out by the University of Freiburg in Germany, designed to help the mine better understand water flow around the mine and minimise water pollution. The mine also monitors and reports on fauna and flora and holds quarterly community meetings in Swakopmund and Walvis Bay to report on environmental issues.”**



.Langer Heinrich Uranium.



LANGER HEINRICH

.Namdeb.



NAMDEB DIAMOND CORPORATION

Namdeb.

Namdeb is a 50:50 partnership created in 1994 between De Beers and the Government of Namibia. Namdeb has long-term mining concessions in the south-west of Namibia both on land, adjacent to the Orange River and offshore. Namdeb owns 30 percent of De Beers Marine Namibia, which mines the company's offshore Atlantic I concession, and 100 percent of Nam-Gem in Okahandja which cuts and polishes diamonds bought from the DTC and NDTG with the assistance of a technical partner Lazare Kaplan International.



Highlights in 2007

- Over two million carats mined with Area I and Atlantic I exceeding one million carats each for the first time in 2006
- Atlantic I produced 1,017,867 carats in 2006 and 1,048,302 in 2007
- The Atlantic Dredging Trial Project produced 91,718 carats in 2007
- Diamond Area I produced 1,000,743 carats in 2006 and 1,068,933 in 2007
- Small marine contractors produced 66,269 carats in 2006 and 67,110 in 2007
- Introduction of alcohol and drug policy
- Successful implementation of mini mine concept
- Commencement of construction of mine infrastructure at Pocket Beaches sites 11 and 12
- Marine Dredging Project
- Completion of Orbit Project using Wet X-Ray and optical sorters
- 27 successful diamond security cases resulting in 407 carats recovered worth N\$2.6 million
- Business performance review through Project Sida Ei !Gûs
- Retention of NOSCAR 5 Star safety ratings for all areas

- Significant reduction in Lost Time Injuries

Shareholders

Government of Namibia 50%
De Beers Centenary AG 50%

Concessions in Namibia

Orange River (ML42)
Mining Area I (ML43)
Bogenfels (ML44)
Elizabeth Bay (ML45)
Douglas Bay (ML46)
Atlantic I (ML47)
Midwater (ML 128 A, B and C)

Date of production start

Mining Area No I 1920
Orange River 1990
Atlantic I 1990
Elizabeth Bay 1991
Bogenfels 2007

Latest life of mine estimate

Mining Area No I 2012
(Plant tailings dump 2015)
Bogenfels 2010
Daberas 2010
Orange River 2014
Elizabeth Bay 2012
Atlantic I 2020+

Output in 2007

2,177,516 carats

Permanent employees at end 2007

2,940

Contractors at end 2007

54

Expatriate employees at end 2007

100

Turnover in 2007

N\$4,562 million

Wages and salaries in 2007

N\$580.9 million

Fixed investment in 2007

N\$245 million

Exploration and prospecting in 2007

N\$64 million

Profits in 2007

N\$155 million

Corporate and royalty tax paid in 2007

N\$588 million

Review of operations

“Ten Million Carats by 2010”

Related operations in Namibia

De Beers Marine Namibia
NamGem
NDTC

EPLs at end of 2007

EPL2226, 2227,
EPL (Caprivi) 3605, 3606, 3607,
3608, 3609, 3610, 3611

Safety ratings at end of 2007

5 Star platinum grading and
NOSCAR
OHSAS 18001

Affirmative Action plan approved

Yes

Number of bursaries awarded in 2007

8

Managing Director

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Production

• Namdeb holds six mining licences: **Diamond Area I** (whose midwater areas extend three nautical miles into the sea), **Bogenfels** and **Elizabeth Bay** licences, which extends from the Orange River in the south to Luderitz in the north and from a few kilometers offshore in the Atlantic Ocean to between 20km and 35km inland, **Douglas Bay**, which extends north of Luderitz for some 60km and approximately 15km inland of the Atlantic high-water mark, **Orange River**, which extends along the Orange River for about 50km inland from the Mining Area I boundary, and **Atlantic I** which encompasses a portion of the middle shelf of the

Atlantic Ocean from the boundary of Mining Area I to about 65km from the shore. Namdeb is currently investing in a variety of new techniques and technology to extend the life of its onshore operations.

Namdeb's annual review for 2005 was entitled “Ten Million Carats by 2010” signalling the company's intent to raise average annual production levels above those achieved since 1990 in the face of declining land reserves.

In 2006 production exceeded two million carats with both Mining Area I and Atlantic I each producing over one million carats.

At Elizabeth Bay, tonnage throughput was below expectation as a result of various technical challenges, mostly in the primary crusher area surges. Carat production was also hampered as a result of a below average mine call factor and excessive unseasonal rain.

At Pocket Beaches the mine plan changed during the year, with the move from Sites 3 and 4 back to Site 2 where additional ore was found through an extensive sampling programme. The re-plan however extended the economic life of Pocket Beaches by a potential further two years.

Dump mining at No 2 Plant continued but tonnage throughput at this Value Centre (VC) was below expectation, mainly as a result of technical challenges with the recently installed crushers. The Namdeb Board accepted a recommendation to close this VC.

No 3 Plant achieved a sparkling performance for 2006. This VC was scheduled to complete all ROM (run of mine) material in June 2005, but

is now scheduled to continue mining ROM until 2009. This is a result of the successful beach accretion mining programme. These areas are wet and difficult to mine and are inherently risky, due to the stability of seawalls and crosswalls, pumping and stripping capacity. These are being addressed through Namdeb's improved mine planning and design capability mentioned above. The knowledge of external technical experts is also being used to mitigate risks.

Mining Area I South, comprising No 4 Plant and Pre-Treatment Facility, saw the combined VC perform close to expectations in 2006 although No 4 Plant still had difficulty treating wet and muddy material. Modifications to the front-end during 2005 and 2006 were only partially successful.

Despite excellent performance throughout the year, the commissioning of the ORBIT project took longer than expected. This was mainly due to excessive X-ray tube failures.

At the Orange River mines, carat production was well ahead of target and tonnage throughput showed reasonable year-on-year improvement. The production performance at the Orange River mines must be seen against the backdrop of excessive unseasonal rain which stopped production by approximately ten days sporadically throughout the year.

Carat production was under budget for 2007 due to No 3 Plant being out of operation for five months after a fire damaged the Motor Control Centre and No 2 Plant was closed at the beginning of the year. The Recovery Tailings Retreatment Plant performed very well achiev-



ing all targets except for the optical sorting section. Elizabeth Bay had an excellent year exceeding its target of 331,000 carats by 9,000 carats. Pocket beaches started production from the Site 11 area and the implementation of new technology is progressing well, albeit slower than planned. Carat production from the Marine Dredge Treatment Plant was below expectations. De Beers Marine Namibia exceeded target output in Atlantic 1 thanks to both a higher average grade and a greater area mined.

Exploration

- Drilling to improve information in the area of the bedrock scour features in the proto deposit continued at Sendelingsdrif on the Orange River. An earlier bulk sampling programme in 1998 had been compromised by diamond theft. In 2007 the excavation and screening of six pits which yielded 15 bulk samples was completed.

Within Mining Area 1 resource development sampling and BG36 large diameter drilling and sampling continued to take place.

At Pocket Beaches Sites 3 and 4 and 11 and 12 small diameter drilling was undertaken to better delineate the resource and to prove extensions to these resources. Sampling of the deflation and Aeolian deposits within the Bogenfels licence area continued in the Lüderitzfelder, Ilsefelder, Fiskus, Lubeck and Kolmanskop areas. Additional sampling work was conducted on the Bogenfels 4m Beach, Gamachab Terrace and German mining tailings deposits.

Routine mine sampling to estimate grade depth below the known mineral resource at Elizabeth Bay continued throughout 2006 and 2007.

In an investigation into the potential for a base metal deposit in Namdeb's mineral licence areas, a total of 13 holes were drilled in prospective targets in the Bogenfels and Orange River mining licences.

In a programme to investigate the potential for primary kimberlite diamond deposits, the Caprivi ERL was converted to seven EPLs. Magnetic targets were ground truthed, and further geophysical surveys were undertaken in the area.

A geophysical survey covering perhaps half of the midwater area followed by 50 days of resource development sampling will be conducted in 2008.

In Atlantic 1, mv Coral Sea was used to conduct evaluation sampling designed to maintain appropriate levels of probable reserve. This work will be accelerated significantly in 2008 when approximately 200 days of sampling will be conducted.

Routine ultra-high resolution geophysical surveying using the proprietary Autonomous Underwater Vehicle was continued although no reconnaissance work was undertaken.

A short programme using the mv Douglas Bay to investigate the Mud Belt was conducted and the findings and results from this difficult area are being assessed.

Procurement

- The accreditation process by the Namibian Preferential Procurement Council (NPPC) continues with 82 suppliers so far accredited. Some 275 suppliers are still not accredited. The advent of Namibian legislation on BEE spend is likely to promote the accreditation process. The legislation is being driven by the Office of the Prime Minister which has recruited the services of a consultant who has guided and continues to play a vital role in our current NPPC initiative.

Namdeb continues to procure goods and services from accredited suppliers with the spend for 2006 averaging N\$40 million per month, nearly double that spent with non-accredited suppliers. **In 2007 out of Namdeb's N\$1.5 billion in controllable procurement spend, N\$633 million – some 42 percent – went to accredited Namibian companies at various levels of transformation status.** A total of 25 percent of all vendors supplying Namdeb have already been screened and accredited in terms of their transformation programmes.

The Namdeb Preferential Procurement approach will be revised and updated to reflect the changes within the Namibian political landscape. The revised policy will aim to promote entrepreneurship in local disadvantaged Namibian communities and to provide businesses with opportunities so that they can compete for an increasing portion of Namdeb's spend.

Review of operations

Mine safety

• Namdeb had another fatality-free year in 2006, and recorded five million fatality-free shifts. Sixteen lost-time injuries in 2006 resulted in a Lost Time Injury Frequency Rate of 0.37. No irreversible occupational diseases were recorded. No fatalities were recorded for 2007 and Namdeb recorded six million fatality free shifts on 5 November 2007. Seven Lost Time Injuries were recorded for the year which equates to a Lost Time Injury Frequency Rate of 0.17. Lost Time Injuries were reduced by 56 percent and vehicle accidents by 40 percent against the previous year's figures. No irreversible occupational diseases were recorded. **All operations retained 5 Star Platinum Grading and NOSCAR status.** During November 2007 Namdeb reached a new milestone by obtaining OHSAS 18001 certification.

	2003	2004	2005	2006	2007
LTIs	15	10	8	16	7
LTIFR	0.35	0.23	0.18	0.37	0.17

Labour relations

• No industrial action was recorded during 2006 or 2007. Namdeb introduced a policy on Voluntary and Random Testing for Alcohol and Drugs. The main purpose of this policy is to shift away from a punitive emphasis to a preventive emphasis in the form of early detection and rehabilitation. It is also meant to improve safety at work and lead to the improvements in the quality of work and family life which Namdeb strives to nurture.

Education and skills

• Namdeb has continued to put great emphasis on education and skills during 2006 and 2007. The

company's commitment to the continuous improvement of its employees resulted in N\$640,500 being spent on the Self-Study Assistance Scheme. This scheme provides financial assistance to employees to study and further their educational qualifications.

Namdeb's Training Strategy was focused on identifying business needs with the aim of enhancing company performance. The Return on Investment Awareness Campaign resulted in ensuring that training contributed value add to the business.

In addition to training current employees, Namdeb continued to sponsor young Namibians. Currently 51 students are sponsored by Namdeb at various tertiary academic institutions in the fields of geology, mining engineering, metallurgy, mechanical and electrical engineering, as well as control and instrumentation. The total value of bursaries, grants and Self-Study Assistance during the year amounted to N\$5.2 million.

Namdeb recruited 371 new employees during 2006, 259 of which on fixed term contracts and 112 on permanent contracts. In Terms of Affirmative Action, 16 percent racially disadvantaged females, 2 percent racially advantaged females, 5 percent racially advantaged males and 77 percent racially disadvantaged males were recruited.

In 2007 the total value of bursaries, grants and Self-Study Assistance during the year amounted to N\$2.5 million. Namdeb's commitment to continuous improvement of employees resulted in N\$224,293 being spent on the Self-Study Assistance Scheme. Namdeb is committed to the development and enhancement of critical mining skills. Twenty-seven young Namibians were sponsored by Nam-

deb at tertiary academic institutions in southern Africa, pursuing studies in various technical disciplines core to Namdeb's operations. Ten designated group bursary-holders completed their studies and took up employment with Namdeb as graduate trainees. An additional five in their final year of studies will commence work in January 2008. Twelve bursaries were awarded for the year 2008 in the fields of engineering, control and instrumentation, metallurgy, mining, administration and geology. This takes the total value of Namdeb bursaries in the coming year to N\$2 million.

Namdeb also operates a grant scheme which provides financial assistance with no payback obligations to deserving Namibians who wish to further their studies. As of 2007 a decision was undertaken to allocate the grants twice a year to benefit more deserving Namibians.

N\$415,813 was contributed towards the payment of tuition fees for deserving Namibian students studying at various institutions in different fields. During 2007, 187 people benefited from the scheme including 63 dependents of Namdeb employees. Both the bursary and grant schemes supplement talent management and are aligned to the Human Resources Development as outlined in Vision 2030 of the Government of the Republic of Namibia.

A highlight of the year was the Sidanans (which means teamwork) teambuilding and diversity training initiative. This initiative resulted in a better understanding of diversity and improved teamwork and cost the company approximately N\$3 million. Employees from the Managing Director to the unskilled category of employees have benefited from this training.

In support of harnessing talent, the young professional's forums have proved to be hugely successful. Such forums provide Namdeb graduates from all disciplines with the opportunity to share and learn from each other as a peer group, as well as from senior managers who share their experiences.

Community relations

- The major drive over the last two years has been towards making Oranjemund a viable and sustainable town, even after diamond mining ends. This has involved a large range of stakeholders and is driven from the highest levels. The establishment of the Oranjemund Town Management Company (OTMCo) has been a great success.

In the kimberlite exploration project being undertaken by Namdeb's technical partners, De Beers Africa Exploration, numerous meetings with local community leaders and stakeholders were undertaken. Two locals have been employed as liaison leaders. Several boreholes, which had been drilled to investigate sub-surface geology, have been handed over to neighbouring communities for use as water holes.

Namdeb has agreed to donate a double-cab 4x4 vehicle to the Ministry of Health for use in community health work in the Katima Mulilo area. The handover of this vehicle will take place in 2008.

Environment

- The total number of reportable environmental incidents for 2007 was six against a target for the year of less than 11. The Reportable Environmental Incident Frequency Rate (REIFR) for the year was 0.14 against a target of 0.25.

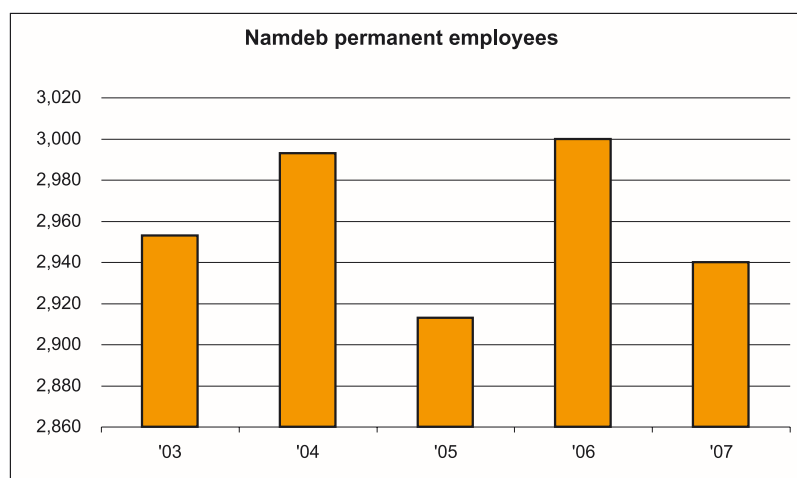
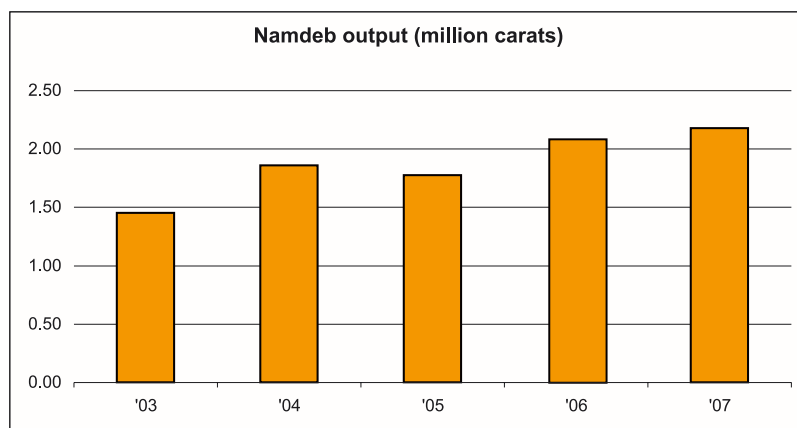
Namdeb once again retained its ISO14001 certification to the 2004 standard at its main operations. No major findings were recorded. A Platinum 5 Star award was achieved in NOSA's annual integrated audit. All three land operations once again achieved Nascar status.

The partnership reported last year with the Millennium Seed Bank Project continued in 2007, with visits and collecting trips undertaken by staff of Kew Botanical Gardens in London and of Namibia's National Botanical Research Institute.

Namdeb representatives attended workshops connected with the proposal by the Ministry of Fisheries

and Marine Resources to establish Marine Protected Areas (MPAs) off the Sperrgebiet coastline. Draft working conditions and methods of operation have been agreed so that the objectives of both the MPAs and of coastal and marine mining operations can be achieved.

Namdeb continues to assist and co-operate with the Ministry of Environment and Tourism in its proposals and implementation of the Sperrgebiet National Park which is expected to be proclaimed in 2008.



Review of operations

.Namdeb.



NAMDEB DIAMOND CORPORATION

.Okorusu Fluorspar.



SIMON WILKE

Okorusu Fluorspar.

Okorusu Fluorspar mine near Otjiwarongo, owned and operated by chemicals and pharmaceuticals giant Solvay, is an open pit mine producing 97.5 percent pure acid grade fluorspar (CaF_2) for export to Solvay's plants in Germany and Italy, where it forms the basic ingredient in the production of hydrofluoric acid (HF) used in the manufacture refrigerants, plastics, chemicals and pharmaceuticals.

Highlights for 2007

- Start of the Eastern Pushback Project in A Pit
- Opening of D Pit
- Introduction of three shift system

Shareholders

Solvay Fluor 100%

Mines in Namibia

Okorusu Fluorspar mine near Otjiwarongo (ML90)

Date of production start

1988

Latest life of mine

estimate

2017

Output in 2007

118,766 tonnes (9 percent moist, 97.5 percent pure CaF_2 filter cake concentrate)

Permanent employees at end 2007

248

Contractors at end 2007

59

Expatriate employees at end 2007

4

Turnover in 2007

N\$130.3 million



SIMON WILKE

Wages and salaries in 2007

N\$23.6 million

Fixed investment in 2007

N\$15.8 million

Exploration and prospecting in 2007

N\$1.1 million

Profits in 2007

Nil

Corporate tax paid in 2007

Nil

Related operations in Namibia

None

EPLs at end of 2007

EPL2724 (Okorusu)

EPL 2725 (Omburo)

EPL 3037 (Okanjande)

NEPL 1796

Safety ratings at end of 2007

5 Star NOSA

Affirmative Action plan approved

Yes

Number of bursaries awarded in 2007

None

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Review of operations

Production puts Okorusu in third place globally

in terms of acid grade fluorspar

Production

• Following record production achieved in 2006 of 132,000 wet metric tonnes of acid grade fluorspar, production fell to 118,766 wet metric tonnes in 2007 owing to a shortfall in supply from A Pit where the waste pushback had not yet reached the ore body by the year end. Okorusu had introduced a new leaching process in 2006 for final concentrates and commissioned a new leaching plant resulting in improved concentrate grades better than 97.5 percent. Okorusu's record production in 2006 put it in third place globally in terms of acid grade fluorspar. Okorusu now mines ore from four pits, A, B, C, and D Pits all within the Okorusu mountain carbonatite complex.

Weak demand, brought about by dramatic increases in the production and export of refrigerants 134a and R22 from China which were landed in Europe and the US at prices well below Western production costs, led to only limited increases in fluorspar prices in 2006 and 2007. The outlook for 2008 is more favourable as China imposes ever higher export duties and production costs there rise to Western levels. Okorusu envisages production to remain around 120,000 wmt a year.

Exploration and investment

• Okorusu currently holds three EPLs and one NEPL while the previously held EPL 3095 at Aes was given up. The second phase of its exploration programme at the Om-buro fluorspar deposit near Omaruru was concluded and modeling of the ore body was completed in 2007. However, it was decided not to go ahead with the construction of a mine because the deposit is too

small to support the infrastructure required to produce acid grade fluorspar.

Exploration at Okorusu was curtailed due to the costs associated with the major pushback in A Pit. Total diamond drilling fell from 955m in 2006 to 848m in 2007 but a scarcity of contract diamond rigs meant drilling targets were not achieved in either year. This led to Okorusu purchasing its own diamond drill rig in the fourth quarter of 2007. The viability of an underground mine at A Pit once the open pit has been exhausted has now been established.

Mine safety

• Okorusu retained its 5 Star NOSA rating for 2006 and 2007 after only achieving a 4 Star rating in 2005.

	2003	2004	2005	2006	2007
LTIs	4	2	2	3	3
LTIFR	1.19	0.59	0.55	0.83	0.77

Labour relations

• As has been the case since 1997, labour relations have been excellent with no disputes, demonstrations or strikes. Okorusu has embarked on a project to close its single quarter facilities and has offered workers a generous cash incentive to buy housing in Otjiwarongo where some 100 houses are to be built. The mine has laid on an employee bus transport system in January 2007 which was outsourced to a local company.

Education and skills

• All supervisory employees attended a course on "6M simulation" (6 management principles) in 2006 and are currently being put through a course on the Fundamentals of Man-

agement. Mining equipment training courses for artisans were conducted in 2007. The mine continues to operate a basic literacy and numeracy programme. While no new bursaries were awarded in 2007, Okorusu continues to support five tertiary students.

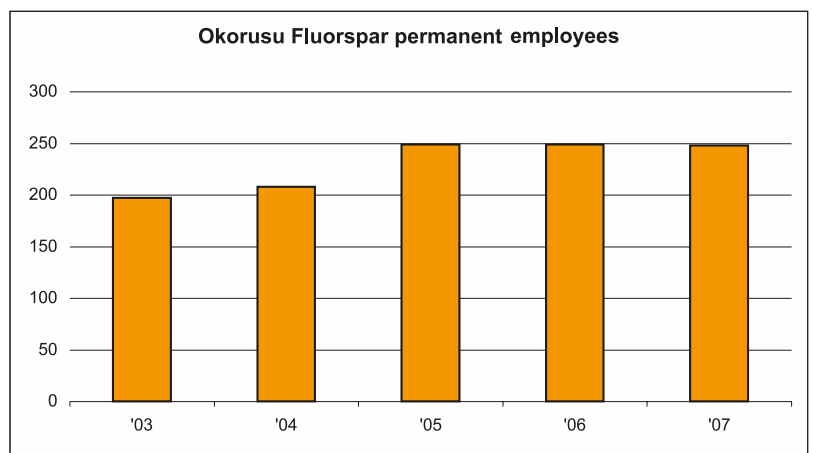
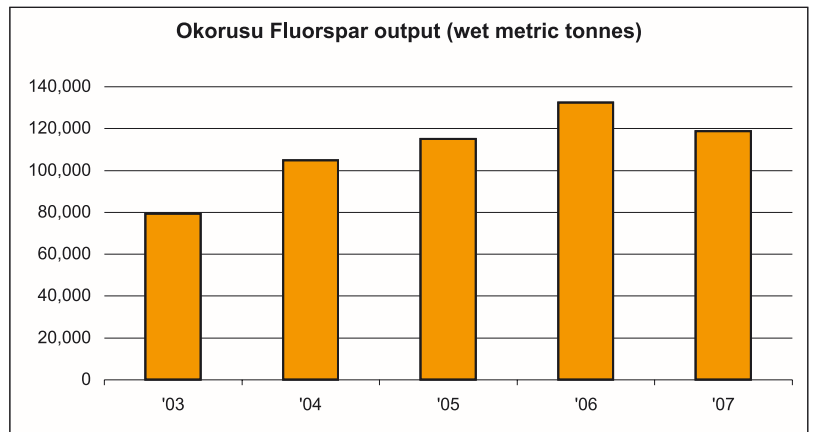
Community relations

• Community relations continue to be excellent. Okorusu inaugurated the Okorusu-Otjiwarongo Community Trust in 2007 to which it will donate a guaranteed N\$500,000 a year plus five percent of profits. The Trust is administered by six trustees: two from the Town Council, the Director of Education, the Director of Health and two members of the Okorusu management team. The aim of the Trust is to support education initiatives in the Otjiwarongo area.

Environment

• In 2007 Okorusu commissioned a comprehensive Mine Rehabilitation and Closure Plan which will form part of the mine's Environmental Management Plan and is due to be completed in March 2008. The mine allocates N\$0.50 for each tonne milled to an Environmental Trust Fund which will be used for mine rehabilitation at closure, the date of which has been extended from 2014 to 2017.

- **“Okorusu inaugurated the Okorusu-Otjiwarongo Community Trust in 2007 to which it will donate a guaranteed N\$500,000 a year plus five percent of profits.”**



Okorusu Fluorspar



SIMON WILKIE

Rosh Pinah Zinc Corporation



PLANET KB

Rosh Pinah Zinc Corporation.

Rosh Pinah, majority owned by Exxaro Resources, is an underground mine producing zinc concentrate for export to Exxaro's Zincor refinery in South Africa and lead concentrate for export to world markets.

Highlights for 2007

- Zinc price reached a record high of over US\$4,400 per tonne

Shareholders

Exxaro Resources 89.5%

Mines in Namibia

Rosh Pinah (ML39)

Date of production start

1969

Latest life of mine

estimate

2017

Output in 2007

94,855 tonnes zinc concentrate

21,876 tonnes lead concentrate

Permanent employees at end 2007

556

Contractors at end 2007

578

Expatriate employees at end 2007

7

Turnover in 2007

N\$941 million

Wages and salaries in 2007

N\$99 million

Exploration and prospecting in 2007

N\$24.4 million

Profits in 2007

N\$294 million



Corporate tax paid in 2007

N\$170 million

Related operations in Namibia

None

EPLs at end of 2007

EPL2616

EPL2265

Safety ratings at end of 2007

ISO 14001: 2004

OHSAS 18001

Affirmative Action plan approved

No

Number of bursaries awarded in 2007

12

Managing Director

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Review of operations

Production

- Rosh Pinah failed to meet its production targets in the past two years due to a combination of ageing equipment, the availability of Simba drills, a two week industrial action and a fire in an electrical substation due to a faulty circuit breaker. Going into 2008 there is evidence of improvements in the availability of zinc concentrate and falling prices but higher treatment charges for mines. Lead concentrate appears to be in short supply.

Exploration

- Rosh Pinah holds two EPLs adjacent to its mining operations. In 2006 remote sensing was used to target anomalies in the EPLs. Surface drilling of 2,253m took place while underground exploration drilling of 28,439m and production drilling of 8,949m took place in the mining licence area. In 2007 geochemical grid sampling took place over the EPLs. Surface drilling of 2,939m took place while underground exploration drilling of 2,852m and production drilling of 11,884m took place in the mining licence area. During 2008 it is planned to drill 5,000m on geochemical targets in the EPLs while underground drilling of 18,000m and production drilling of 9,000m are planned.

Procurement

- In 2006 Rosh Pinah spent an estimated N\$269.7 million locally of which 10 percent is estimated to have gone to companies owned by previously disadvantaged Namibians. In 2007 the company spent an estimated N\$326.2 million of which again 10 percent went to previously disadvantaged Namibians. The company is currently conducting an exercise which will ensure proper reporting on local and BEE spending.

Safety

- Unfortunately one fatality occurred in 2007. A total of five Lost Time Injuries were reported during 2007. Rosh Pinah's safety certification ratings did not change.

Labour relations

- A peaceful demonstration was organised in January 2007 when a petition was handed over to management which responded in February. A two week strike took place in August 2007 but was resolved during November 2007 with lower grades receiving a 10 percent wage increase and higher grades receiving 8 percent.

Education and skills

- Seven Bridging School Bursaries were awarded to Namibian students while managerial staff were offered a variety of courses including software, presentation skills, overhead crane and first aid training.

Community relations

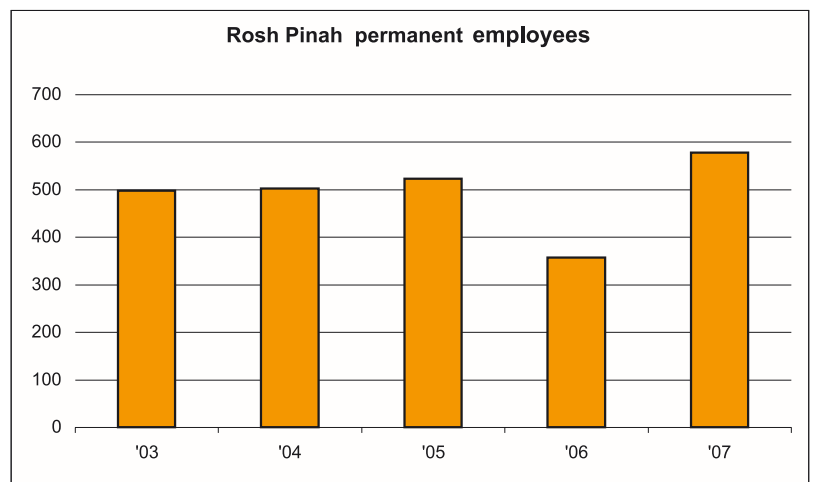
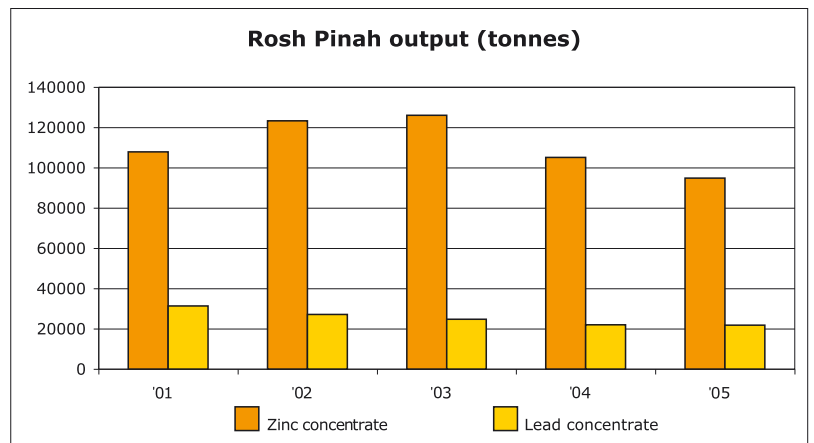
- Rosh Pinah Zinc Corporation plays a vital role in developing the town of Rosh Pinah which has still to be proclaimed. The company built extra classrooms and made improvements at the local primary school including the donation of computers. The company built 37 new houses for its employees. It initiated a renewable energy pilot project in the Tutungeni Township and upgraded the police station and cells.

In 2008 Exxaro plans to create a small business centre, a day care centre and soup kitchen for vulnerable children, a community chicken project and a bio-remedial compost plant. In addition, all secondary schools in the Karas Region will be invited on educational tours of the mine in a joint initiative with Skorpion Zinc mine.

Environment

- The company has established a remediation plant to address its hydrocarbon spillages at a cost of N\$1 million and a study is being undertaken to address the problem of dust from the slime dam.

- “In 2008 Exxaro plans to create a small business centre, a day care centre and soup kitchen for vulnerable children, a community chicken project and a bio-remedial compost plant. In addition, all secondary schools in the Karas Region will be invited on educational tours of the mine in a joint initiative with Skorpion Zinc mine.” •



.ROSH PINAH ZINC CORPORATION.



PLANET K8

.Rössing Uranium.



AN HONG BAKUETZ / AGASSA 1000000

Rössing Uranium.

Rössing Uranium, majority owned by Rio Tinto plc, is Namibia's main uranium mine and is one of the world's largest open pit uranium mines. Rössing produces uranium oxide for nuclear power utilities in countries which are signatories of the Nuclear Non-Proliferation Treaty.

Highlights for 2007

- Uranium oxide spot market price reaches US\$136/lb
- Life of Mine Options Analyses Project launched
- Social and Environmental Impact Assessment (SEIA) process launched with public participation to prepare report for Government approval on mine's expansion projects

Shareholders

Rio Tinto plc 69%
 Government of Iran 15%
 IDC of South Africa 10%
 Government of Namibia 3%
 Local individual shareholders 3%

Mines in Namibia

Rössing mine (ML28)

Date of production start

1976

Latest life of mine estimate

2026

Output in 2007

3,046 tonnes

Permanent employees at end 2007

1,175

Contractors at end 2007

870

Expatriate employees at end 2007

14

Turnover in 2007

N\$3,396 million



Wages and salaries in 2007

N\$302 million

Capital acquisitions in 2007

N\$405 million

Exploration and prospecting in 2007

Nil

Profits in 2007

N\$979 million

Corporate tax paid in 2007

N\$502 million

Related operations in Namibia

None

EPLs at end of 2007

EPL3251

(Rio Tinto Mining & Exploration)
 EPL3555, 3556, 3557, 3558, 3646, 3647, 3648, 3649, 3650, 3651, 3652, 3653, 3654, 3655, 3656

Safety ratings at end of 2007

Rio Tinto All Injury Frequency Rate 0.71

Affirmative Action plan approved

Yes

Number of bursaries awarded in 2007

31 for university or technicon
 124 trade bursaries

Managing Director

Mr Michael Leech

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Review of operations

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In 2006 Rössing mine celebrated its 30th anniversary and the Life of Mine Extension Project extended the life of mine to 2016 with further potential identified for further extension to 2026. Spot market prices started climbing dramatically to US\$72/lb in 2006 to finally peak at US\$136/lb in June 2007. Production rose to 3,617 tonnes in 2006 but fell to 3,046 tonnes in 2007. This was lower than the planned 4,000 tonnes as a result of difficult mining conditions as the open pit narrowed at the Trolley 10 area. In 2008 production is planned to grow to 4,000 tonnes supported by continued strong prices and the mine's expansion and extension projects following the completion of the Social and Environmental Impact Assessment which includes the heap leaching facility and the bulk handling facilities for sulphur at Walvis Bay.

Exploration

The key challenge in extending the life-of-mine beyond 2021 has always been to understand the ore body and estimate resources as accurately as possible. In 2007 exploration drilling focused on the SK, especially the SK4 area to evaluate the area as a possible satellite open pit.

Investment

Following the delivery of a new loading shovel, four 180 tonne haul trucks, two rock drilling machines, two track dozers and a tyre dozer in 2006, Rössing took further delivery of two shovels, seven 180 tonne haul trucks and a tyre dozer in 2007. A contractor started preparing for the

Phase 3 Extension at the southern end of the pit following the Phase 2 extension in the north-west section of the pit in 2006.

Procurement

In 2006 Rio Tinto introduced the policy "The way we buy", a statement of business practices which sets out how the Rio Tinto group of companies procures goods and services. Significant effort has gone into maximising Rössing's support for local suppliers and communities. In the last two years Rössing estimates it spent about 60 percent of its overall expenditure on goods and services in Namibia making use of about 2,400 local, regional and national suppliers.

Safety

Rössing Uranium adheres to Rio Tinto safety standards. In 2006 Rössing achieved an All Injury Frequency Rate of 0.59 - the lowest in the history of the mine - with just 6 Lost Time Injuries. The following year saw the All Injury Frequency Rate rise to 0.71 and a total of 9 Lost Time Injuries were recorded. Rössing remains committed to achieving zero injuries.

	2003	2004	2005	2006	2007
AIFR	1.07	1.00	0.89	0.59	0.71

Labour relations

Labour relations at the mine were good although several labour disputes between the company and current and former employees are presently under way.

Education and skills

Rössing has continued to invest significant amounts in skills development. In 2006 22 university and

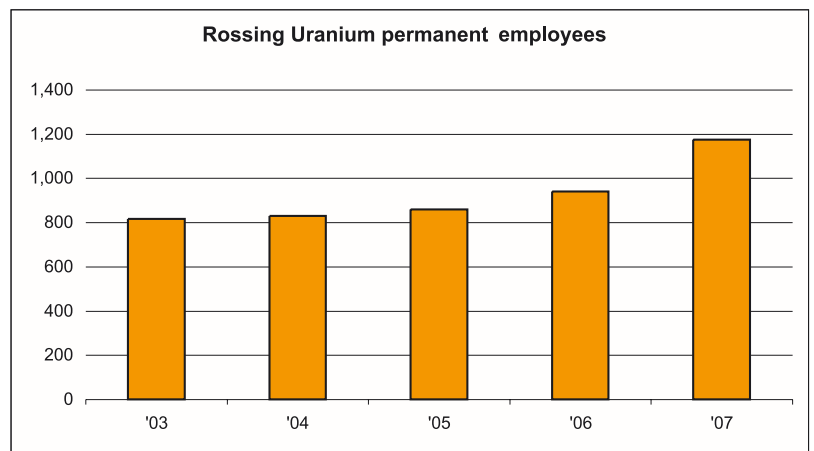
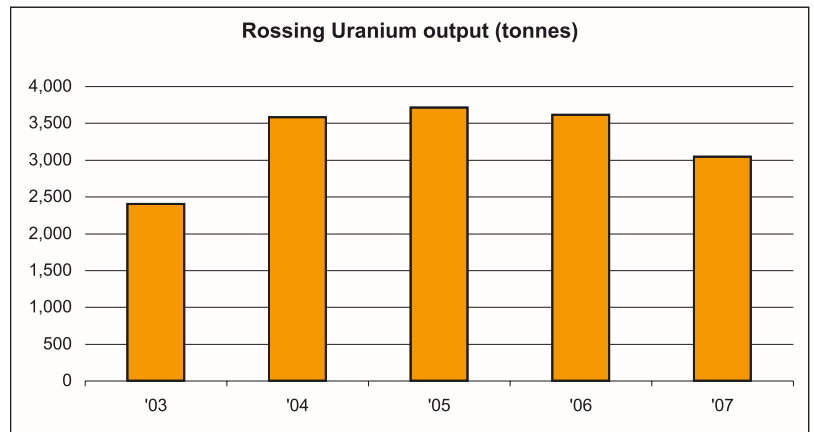
technicon bursaries and 87 trade bursaries at NIMT were awarded. This was increased in 2007 to 31 bursaries for university and technicon and 124 trade bursaries at a cost of N\$4 million and N\$1.7 million respectively. Since the creation of a new Department of Training and Organisational Development in 2005, the focus has been on increasing the capacity and potential of employees to better meet the demands of the extended life-of-mine. By the end of 2007 some 348 employees had participated in key development programmes.

Community relations

Rössing's Corporate Social Responsibility programme is implemented through the Rössing Foundation and covers initiatives in environment, education and recreation. Mine donations and sponsorships rose to N\$2.9 million in 2006, a major share of which went toward refurbishing projects in Arandis. The following year saw the Rössing Foundation launch Maths and Science Centres at Arandis, Swakopmund and Ondangwa.

Environment

Rössing employs an Environmental Management System and has had ISO 14001:2004 certification since 2001. In addition, the mine started to implement the Rio Tinto Integrated Health, Safety, Environment and Quality (HSEQ) Management System.

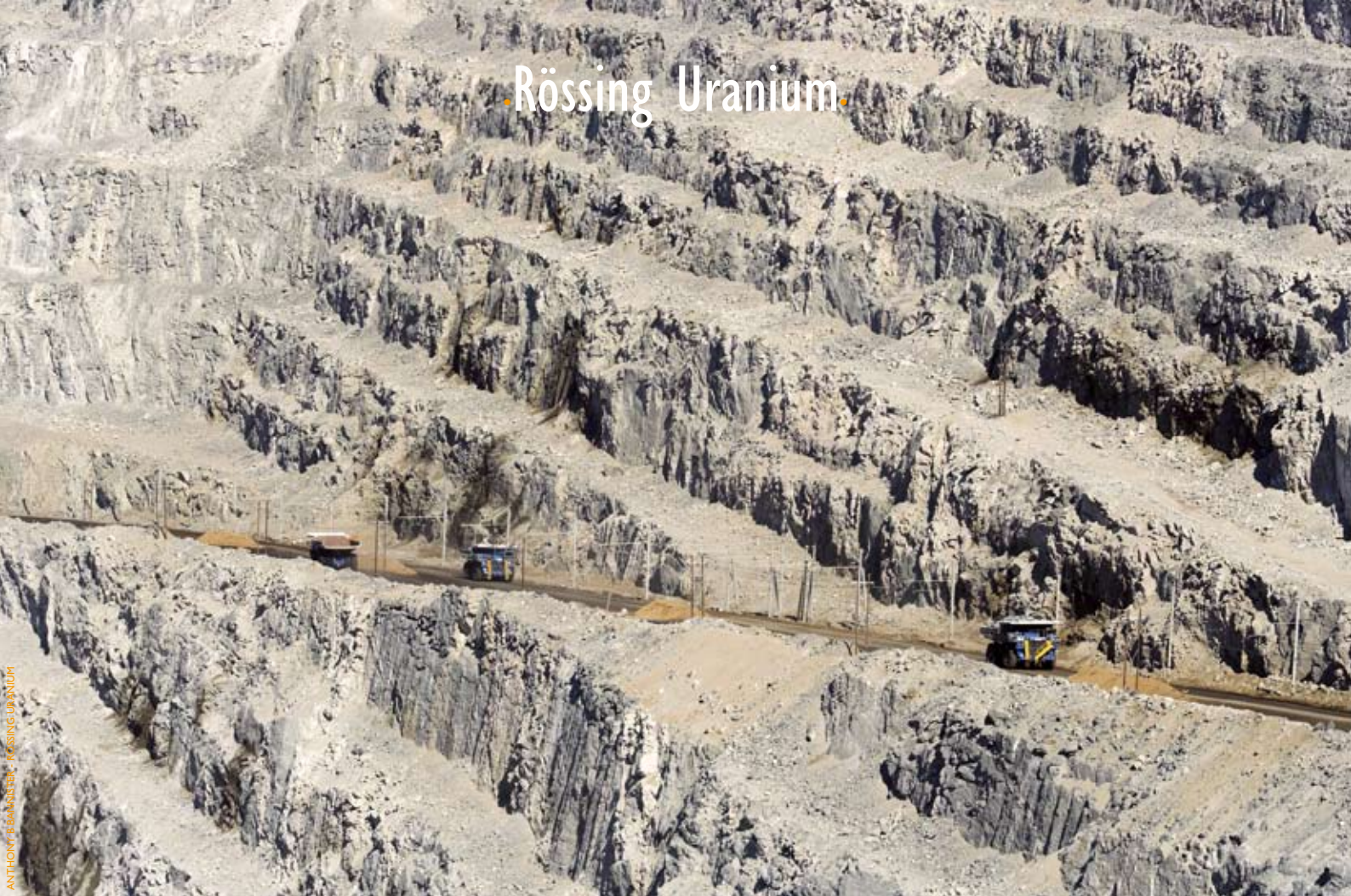


- “Rossing produces uranium oxide for nuclear power utilities in countries which are signatories of the Nuclear Non-Proliferation Treaty.” •



ANTHONY B BANNISTER - ROSSING URANIUM

Rössing Uranium



ANTHONY TEAM ANGLETON ROSSING URANIUM

Sakawe Mining Corporation



SAKAWEMINING CORPORATION



Sakawe Mining Corporation.

Sakawe Mining Corporation (Sami-cor) is majority owned by the Leviev Group and mines alluvial diamonds off the coast of southern Namibia.

Highlights in 2007

- Developing technologies to extend life of mine
- Finalised feasibility study for bulk low grade dredge mining
- Re-engineered drilling technology for deeper penetration of sediments

Shareholders

Samcor Bv 76%
 Longlife Mining 10%
 Government of Namibia 8%
 National Youth Service 2%
 Employees 4%

Licence areas in Namibia

ML36 A-J
 ML5 I
 ML103A

Date of production start
 2004

Output in 2007
 145,125 carats

Contractors at end 2007
 42

Expatriate employees at end 2007
 98

Turnover in 2007
 N\$257.0 million

Wages and salaries in 2007

N\$50.8 million

Fixed investment in 2007
 Nil

Exploration and prospecting in 2007
 N\$49.3 million



Loss in 2007

N\$25.6 million

Corporate tax paid in 2007

Nil

Related operations in Namibia

LLD cutting and polishing factory in Windhoek

EPLs at end of 2007

EPL 2027A-I, EPL2469-2474, EPL3293, EPL3412, EPL3419

Safety ratings at end of 2007

ISM

Affirmative Action plan approved

Yes

Number of bursaries awarded in 2007

3

CEO

Mr Eli Nefussy

Contact details

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 Windhoek
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 Fax: +264 61 249 253
 kk@sakawe.com

Review of operations

Production

• The goal of Sakawe Mining Corporation (Samicor) is to become a world class producer of gem-quality marine diamonds. The company's strong position is based on its large, well located marine diamond concessions situated along the coast of Namibia. Samicor has 858km² of mining licences comprising ML36 the areas surrounding the Islands and offshore to a depth of between 90m and 100m as well as ML51 in Lüderitz Bay and ML103A north west of Hottentots Bay. **New mining technologies have allowed mining to progress into hitherto inaccessible mineralisation located in deeper sediments capped by hard impervious layers achieving targets set to maintain an integrated exploration and mining business.** Due to limited supply, diamond prices are expected to rise and production is estimated to rise to 250,000 carats a year.

The LLD diamond cutting factory, which is also part of the Leviev Group, is situated together with the Samicor head office in Ruhr Street in the Northern Industrial Area of Windhoek. LLD also has a warehouse on the quay at Lüderitz to house spare parts for all the vessels and from where all technical and logistical functions to support the marine operation are carried out. A small logistical office located in Cape Town purchases specialised equipment that is not locally available in Namibia. Samicor and LLD have a policy of preferentially employing and training Namibian citizens.

Exploration

• The company has an additional 14,384km² of Exclusive Prospecting Licences (EPLs). Samicor is currently focussed on delineating and mining these diamond reserves which requires a combination of detailed and accurate geophysics, representative sampling and the systematic and efficient mining of the sea floor. These large licence holdings make Samicor the second largest marine diamond exploration and mining company in Namibia.

Drilling continued in 2007 in mining licence areas to extend reserves and resources as well as in the EPL to test the potential of exploration targets identified through a comprehensive four year geophysical survey programme.

Mine safety

• No fatalities took place during 2006 and 2007. A total of six Lost Time Injuries were recorded in 2006 and 12 Lost Time Injuries in 2007.

Labour relations

• Labour relations were stable and employment contracts were renewed in accordance with the laws of Namibia.

Education and skills

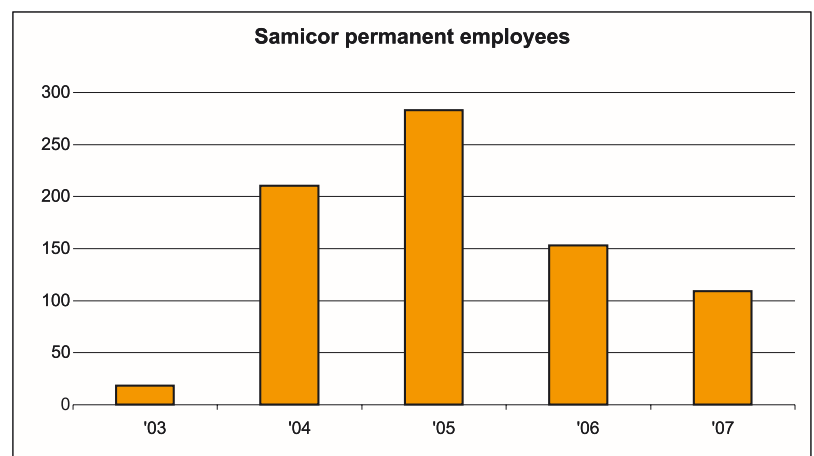
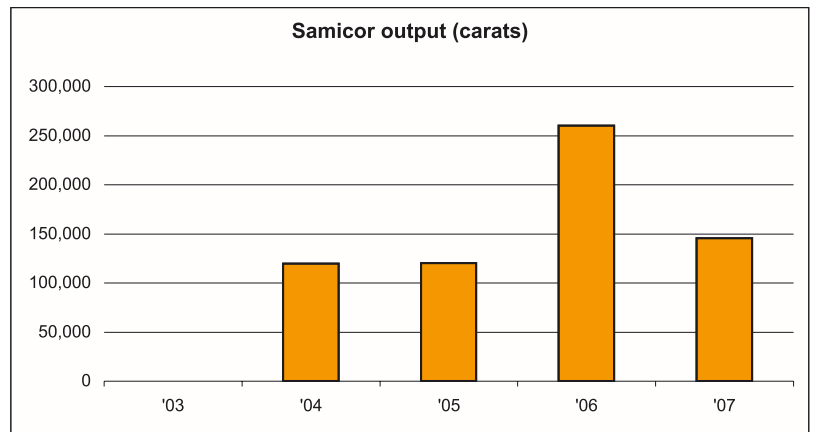
• Samicor currently supports three bursaries for higher education and carries out continuous in-house training for graduates conducted by senior staff.

Environment

• The company has actively participated in respecting the declaration of Environmental Protected Areas along the Namibian coast to assist the Ministry of Fisheries and Marine Resources in preserving and rebuilding fish stocks.

Samicor has four vessels: the mv Sakawe Surveyor, the mv Sakawe Explorer, the mv Sakawe Miner and the mv Kovambo. The Sakawe Surveyor is a 38m vessel which alternates monthly between supply and survey. It has a fully equipped geophysical spread comprising C-Nav Navigation, an Edgetech side-scan sonar, GeoResources Sparker and Kongsberg high resolution PS40 TOPAS seismic system, SEA (AP) Ltd swath bathymetry system and IXSEA Octans MRU. The mv Sakawe Explorer has a moon pool for deploying the Wirth Tool (using tunnel boring type technology) with a footprint of 3m² and the ability to produce representative results in sediments of up to 11.5m thick. The Explorer has a 10t per hr DMS plant aboard for the processing of the material. The Sakawe Miner mines by means of 2 x 20 inch airlift heads and has a 50t per hr DMS plant aboard. The vessel can mine on average 300 to 400m² per day to a maximum of 5m sediment thickness and mines about 330 days per year. Samicor's flagship is the mv Kovambo which has a sophisticated NamSSol seabed crawler which can mine 600 to 1200m² per day in sediments of between 1m and 6m thick. The mv Kovambo also has a 50t per hr DMS plant aboard.

- “Due to limited supply, diamond prices are expected to rise and production is estimated to rise to 250,000 carats a year.” •



Sakawe Mining Corporation



SAKAWA MINING CORPORATION

Salt & Chemicals.



SALT & CHEMICALS (Pty) Ltd



Salt & Chemicals.

Salt & Chemicals (Pty) Ltd produces coarse and refined salt through solar evaporation for export to South Africa as well as other markets in west Africa.

Highlights for 2007

- Production increased from 576,000 tonnes in 2006 to 665,000 tonnes in 2007

Shareholders

Walvis Bay Salt Holdings 100%

Related operations in Namibia

Walvis Bay Salt Refiners

Mines in Namibia

Walvis Bay salt pan (ML 37)

Date of production start
1964

Output in 2007

665,000 tonnes

Permanent employees at end 2007

108

Contractors at end 2007

None

Expatriate employees at end 2007

None

Turnover in 2007

N\$24 million

Wages and salaries in 2007

N\$5 million

Fixed investment in 2007

N\$2 million



SALT & CHEMICALS (PTY) LTD

Safety rating in 2007

3 Star NOSA

Affirmative Action plan approved

Yes

Number of bursaries awarded

10

Managing Director

Mr Royden Stanton

Contact details

PO Box 2471

Walvis Bay

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roy@wbsalt.com

Review of operations

Production

- Output increased from 576,000 tonnes in 2006 to 665,000 tonnes in 2007. The poor production in 2006 was due to low evaporation rates.

Procurement

- Salt & Chemicals procured some N\$7.8 million worth of local goods and services during 2007.

Labour relations

- Labour relations were good with no major conflicts during 2007.

Education and skills

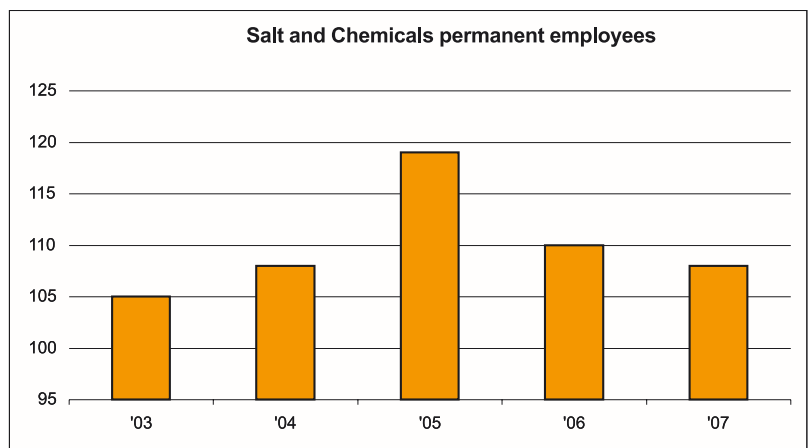
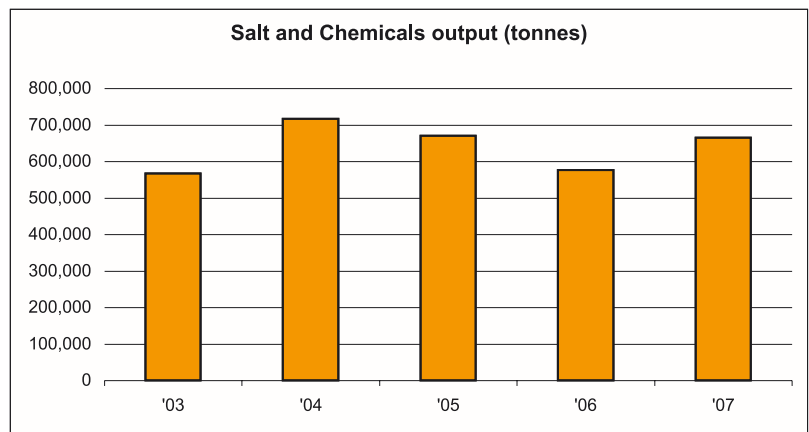
- One apprentice qualified during 2007 while one manager successfully completed a University of Stellenbosch MDP programme.

Community relations

- Salt & Chemicals makes annual donations to all public schools in Walvis Bay.

Environment

- Salt & Chemicals is in the process of implementing a revised SHEQ system that conforms to ISO 9001:2000 and ISO 14001.



• **“Output increased from 576,000 tonnes in 2006 to 665,000 tonnes in 2007.”** •

.The Salt Company.

The Salt Company produces coarse, refined, rock, and table salt for export to the west coast of Africa and South Africa.

Highlights for 2007

- Production increased from 65,000 tonnes in 2006 to 80,000 tonnes in 2007

Shareholders

Jürgen Klein 33.33%

Detlef Klein 33.33%

Johan Klein 33.33%

Mines in Namibia

ML 66A-J, ML 71 A-C, ML 83 A-C

Date of production start

1934

Output in 2007

80,000 tonnes

Permanent employees at end 2007

79

Contractors at end 2007

None

Expatriate employees at end 2007

None

Turnover in 2007

N\$31.5 million

Wages and salaries in 2007

N\$4.1 million

Fixed investment in 2007

N\$2.5 million

Exploration and prospecting in 2007

None

Affirmative Action plan approved

Yes



SIMON WILKIE

Number of bursaries awarded

None

Directors

Jürgen Klein, Johan Klein, Detlef Klein

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saltco2@africaonline.com.na

Production

- Output increased from 65,000 tonnes in 2006 to 80,000 tonnes in 2007 despite major increases in fuel prices, transport costs and harbour fees. Sales continued to focus on the west coast of Africa and South Africa. Transport costs to Europe, Asia and America render exports to these markets uncompetitive.

Procurement

- The Salt Company procured bags from Smith Sales Swakopmund and baler bags for table salt from Plastic Packaging in Walvis Bay, thereby supporting the local economy.

Labour relations

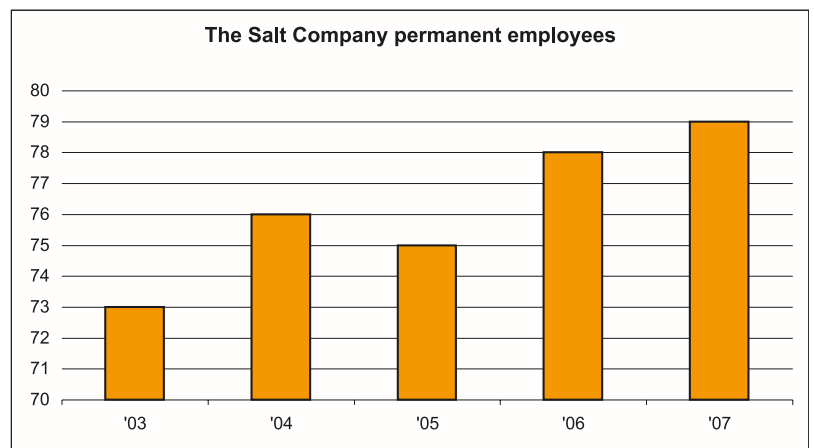
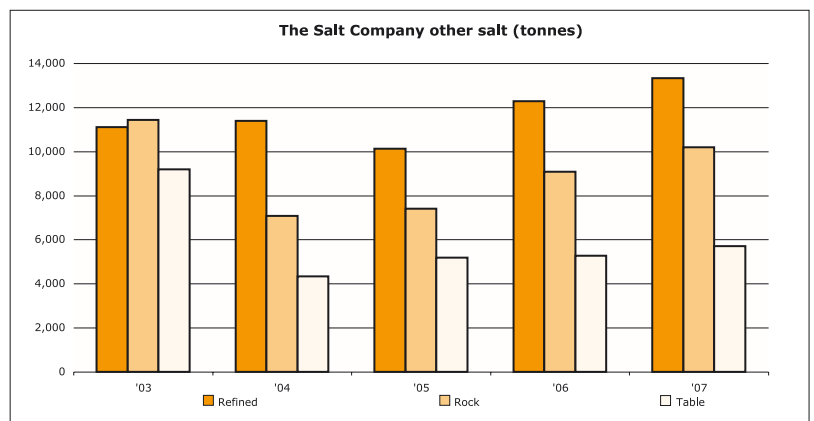
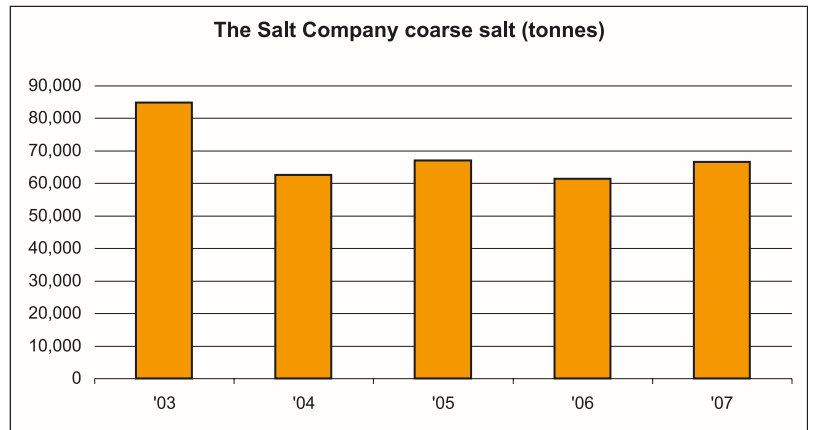
- No major conflicts took place during 2007 and wage negotiations with the Mineworkers Union of Namibia went smoothly.

Community relations

- The Salt Company pays school fees for all employees' children going to school in Swakopmund and financed several houses in Mondesa.

Review of operations

- “The Salt Company procured bags from Smith Sales Swakopmund and baler bags for table salt from Plastic Packaging in Walvis Bay, thereby supporting the local economy” •



Skorpion Mining.

Skorpion Mining Company's open pit mine and Namzinc's EPZ refinery produce Special High Grade zinc for export to world markets.

Highlights for 2007

- Design plate production levels of 150,000 tonnes exceeded for the year by 80 tonnes
- Record sales through the port of Lüderitz

Shareholders

Anglo American 100%

Mines in Namibia

Skorpion zinc mine (ML108 and ML127)

Date of production start

Skorpion Mining Company 2001

Namzinc 2004

Latest life of mine estimate

2016

Output in 2007

150,080 tonnes

Permanent employees at end 2007

669

Contractors at end 2007

710

Expatriate employees at end 2007

38

Turnover in 2007

N\$3,693.8 million

Wages and salaries in 2007

N\$147.8 million

Fixed investment in 2007

N\$113 million

Exploration and prospecting in 2007

N\$3.5 million



SIMON WILKE

Profits in 2007

N\$2,270.4 million

Corporate tax paid in 2007

N\$129 million

Related operations in Namibia

None

EPLs at end of 2007

Ambase Exploration
EPL2526, EPL3438, EPL3489, 3490, 3491, 3492, 3493, 3494, 3495

Safety ratings at end of 2007

ISO 14001
OHSAS 18001

Affirmative Action plan approved

No

Number of bursaries awarded

10 current 8 new

General Manager

Mr Gerald Boting

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gboting@skorpionzinc.com.na



SIMON WILKE

Review of operations

• **“The nursery has been upgraded to become a visitor attraction to increase awareness of the unique succulents of the Sperrgebiet.”** •

Production

• Skorpion zinc mine is a pioneering operation which mines a zinc oxide deposit and uses a new and sophisticated Zinc Solvent Extraction Electrowinning (SXEW) process to produce zinc of 99.995 percent purity. After a number of teething problems, production at Skorpion mine and its associated Namzinc refinery reached design plate levels for the first time in May 2005 and were sustained throughout 2007. Skorpion expects these levels of production to be sustained over the coming years. Small improvements in efficiency may lead to modest increases in output over time.

The last quarter of 2007 saw zinc prices drop dramatically thanks largely to increased capacity and production, particularly in China, and this is expected to continue throughout 2008. Looking ahead, Skorpion will be obliged to register with the Registration, Evaluation and Authorisation of Chemicals (REACH) Directive to ensure sales to the EU can continue and meet the challenge of greater constraints to electricity supply. Skorpion has joined a consortium of companies which is in the process of registering.

Exploration

• Four diamond drill holes of 702m were drilled in the southern part of Eccles Ridge on EPL2229 which intersected low levels of zinc oxide. A fixed-loop ground Electro-magnetic Super-conducting Quantum Interference Device (SQUID) was conducted over the Skorpion pit and its north-west strike, the results of which indicated the presence of several deep-seated conductors that may indicate the presence of sul-

phide mineralisation. Further testing of these conductors is scheduled for 2008 using deep diamond drilling.

Exploration continued on Rosh Pinah Zinc Corporation (RPZC) ground under the existing reciprocal rights agreement between Anglo American and RPZC. A total of 142 RC holes of 8,200m have been drilled on EPL 2616. Several geochemically highly anomalous areas were discovered and followed up by infill drilling and moving-loop ground Electro-magnetic SQUID surveys. A major conductor coinciding with nearby base metal anomalies in RC holes remains to be tested by diamond drilling during 2008.

A geotechnical programme commenced on the western wall of the current pit to finalise geotechnical parameters for pit design. Drilling commenced in 2006 and was completed in 2007. However, further drilling will be conducted during 2008.

Investment

• Skorpion invested in a bulk sulphur project which involves building a facility to convert from bagged sulphur to bulk at a cost of N\$93 million. The company has also undertaken a N\$13 million investment in staff housing at the town of Rosh Pinah.

Procurement

• Skorpion estimates that N\$449.6 million was spent in the local economy of which N\$8.4 million went to businesses owned by previously disadvantaged Namibians.

Safety

• On 17 October 2007 Skorpion celebrated working five years since the last fatal accident, which occurred during the construction phase of the mine. The record of 624 days Lost Time Injury free days ended on 4 July 2007 when a contractor was injured at the Lüderitz warehouse. A second LTI was recorded when an operator sustained a fractured arm while operating a vehicle in the refinery. Skorpion successfully achieved certification on the OSHAS 18001 Safety and Health Management System in 2006 which was confirmed by a surveillance audit in 2007.

	2003	2004	2005	2006	2007
LTIs	8	5	2	2	2
LTIFR	0.57	0.33	0.11	0.00	0.13

Labour relations

• No major conflicts took place during 2007 but the dispute between the mine and the Mineworkers Union of Namibia regarding overtime pay reached deadlock and has now been referred to the Labour Court.

Education and skills

• Out of the 20 full-time bursary holders attending university during 2007, five graduated. A further eight bursaries were awarded for 2008. Fifty employees received financial support for further education in accordance with the company's policy of promoting self development. **A total of 18 graduates are on formal development programmes leading to middle management appointments.** Skorpion runs a job attachment programme which accommodated 32 NIMT apprentices annually. The appointment of ten Skorpion Zinc apprentices has been approved for 2008. A total of 270 employees benefited from the Skills Develop-

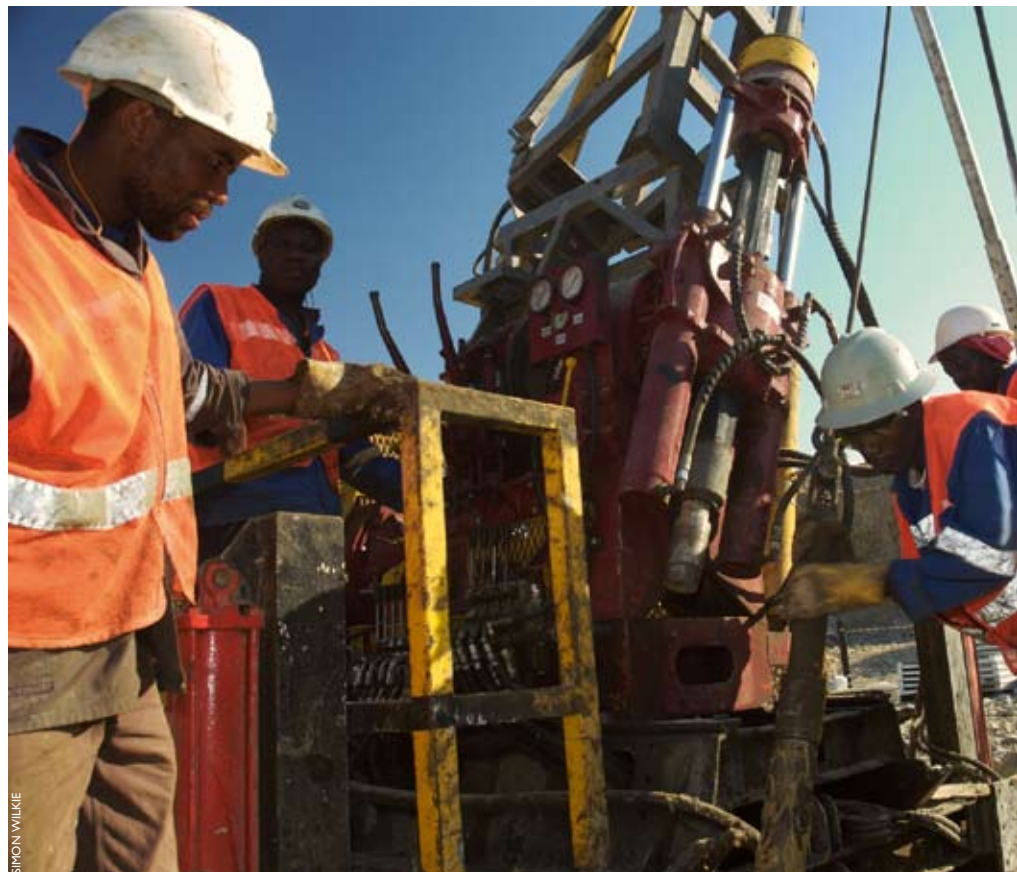
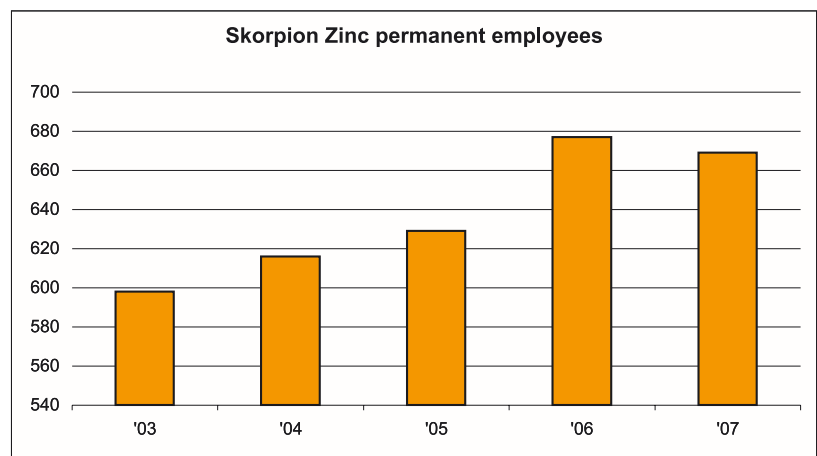
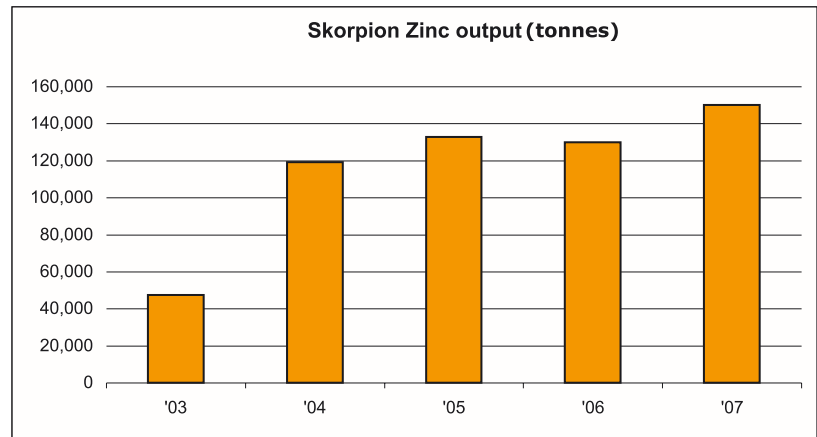
ment Programme which exists for all employees. Skorpion estimates that almost N\$6 million was spent on training in 2007 equating to some five percent of total labour costs.

Community relations

- Skorpion is pursuing a joint initiative with Exxaro to launch a formal Community Engagement Programme for the town of Rosh Pinah using the services of the Urban Trust of Namibia. Although the tarred road from Aus is now complete, proclamation of the town itself has stalled. Skorpion has completed a mine closure plan which includes the social impact of ending the mine's operations.

Environment

- Although no Level 3 incidents were reported during 2007, a total of 13 Level 2 incidents took place, mainly as a result of the overflow from Pond 7, the Effluent Treatment Plant, and the Reverse Osmosis waste water plant which led to the unplanned discharge of untreated industrial effluence from the evaporation ponds into a controlled area within the mining license area. "Project No Overflow" is addressing this and will be commissioned at the end of April 2008. The current status of project has stopped flow into the environment. Furthermore, plants are relocated to the rehabilitation nursery prior to the disturbance of any land in the fenced area. The nursery has been upgraded to become a visitor attraction to increase awareness of the unique succulents of the Spergebiet.



SIMON WILKIE

Namzinc



Trans Hex Marine Namibia



Trans Hex Marine Namibia.

Trans Hex Marine Namibia is part of the Trans Hex Group, a diamond mining company listed on the JSE. Trans Hex has no concessions of its own in Namibia but has undertaken contract mining on behalf of a number of other companies including EPIA Minerals, Namdeb's BEE mining partner.

Highlights for 2007

- Successfully created a feasible mine plan for 2008

Shareholders

Tegniese Mynbou Bpk 33.63%

Production vessels in Namibia

mv Ivan Prinsep (966t)

mv Namakwa (1,616t)

Date of production start

Current contract with EPIA Minerals 28 February 2005

Output in 2007

Incorporated into Namdeb production

Permanent employees at end 2007

64

Contractors at end 2007

32

Expatriate employees at end 2007

26

Turnover in 2007

N\$89.7 million

Wages and salaries in 2007

N\$34.6 million

Fixed investment in 2007

N\$0.2 million



Exploration and prospecting in 2007

N\$3.6 million

Loss in 2007

N\$48.3 million

Corporate tax paid in 2007

Nil

Related operations in Namibia

None

EPLs at end of 2007

None

Safety ratings at end of 2007

Incorporated into Namdeb reporting

Affirmative Action plan approved

Yes

Number of bursaries awarded in 2007

None

Managing Director

Mr L Delpont

Marine Operations Manager

Mr B C Neethling

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Review of operations

Production

• Trans Hex does not have its own concessions in Namibia. Since 28 February 2005 Trans Hex has mined in Namibia as the operator for Namdeb's BEE mining partner EPiA Minerals in the mid-shelf concession areas. This contract, which expired on 10 April 2007, was recently renewed and is now set to run until the end of 2009. Trans Hex operates two vessels: the mv Ivan Prinsep (966t) and the mv Namakwa (1,616 t). Its production figures are incorporated into Namdeb's production statistics.

Exploration

• Trans Hex spent a total of 35 days on exploration, prospecting and resource development using both its vessels with positive results.

Investment

• During the past year Trans Hex increased the mining capacity of the mining vessel mv Namakwa from 20 to 24 inches.

Procurement

• During 2006 and 2007 Trans Hex Marine Namibia procured goods and services worth N\$55.2 million from Namibian companies of which some N\$36.7 million or two-thirds was with BEE companies.

Safety

• Trans Hex Marine Namibia is incorporated into Namdeb's safety reporting. Both its vessels passed the ISM for vessels above 300 tonnes.

mv Ivan Prinsep

	2003	2004	2005	2006	2007
LTIs	5	2	0	0	1
LTIFR	7.98	3.13	0	0	1.59

mv Namakwa

	2003	2004	2005	2006	2007
LTIs	0	1	1	1	1
LTIFR	0	1.65	1.66	1.60	1.68

Labour relations

• Industrial relations with the MUN have been very positive with wage negotiations conducted professionally and efficiently. Two disputes were referred to the Labour Court and were ongoing at the time of writing.

Education and skills

• A training matrix has been developed for understudies for all non-Namibian employees. Bursaries were approved for two marine oiler ticker certificates and a third for a diesel mechanic.

Community relations

• The company donated chairs and tables to a pre-primary school in Lüderitz and distributed mattresses to the needy through the Rotary Club. Further financial support for community upliftment is provided through the EPiA Minerals Group.

Environment

• Trans Hex collects monthly data and produces monthly environmental reports but environmental management is overseen by the concession holder Namdeb and its partner De Beers Marine Namibia.

- “Trans Hex collects monthly data and produces monthly environmental reports but environmental management is overseen by the concession holder Namdeb and its partner De Beers Marine Namibia.” •

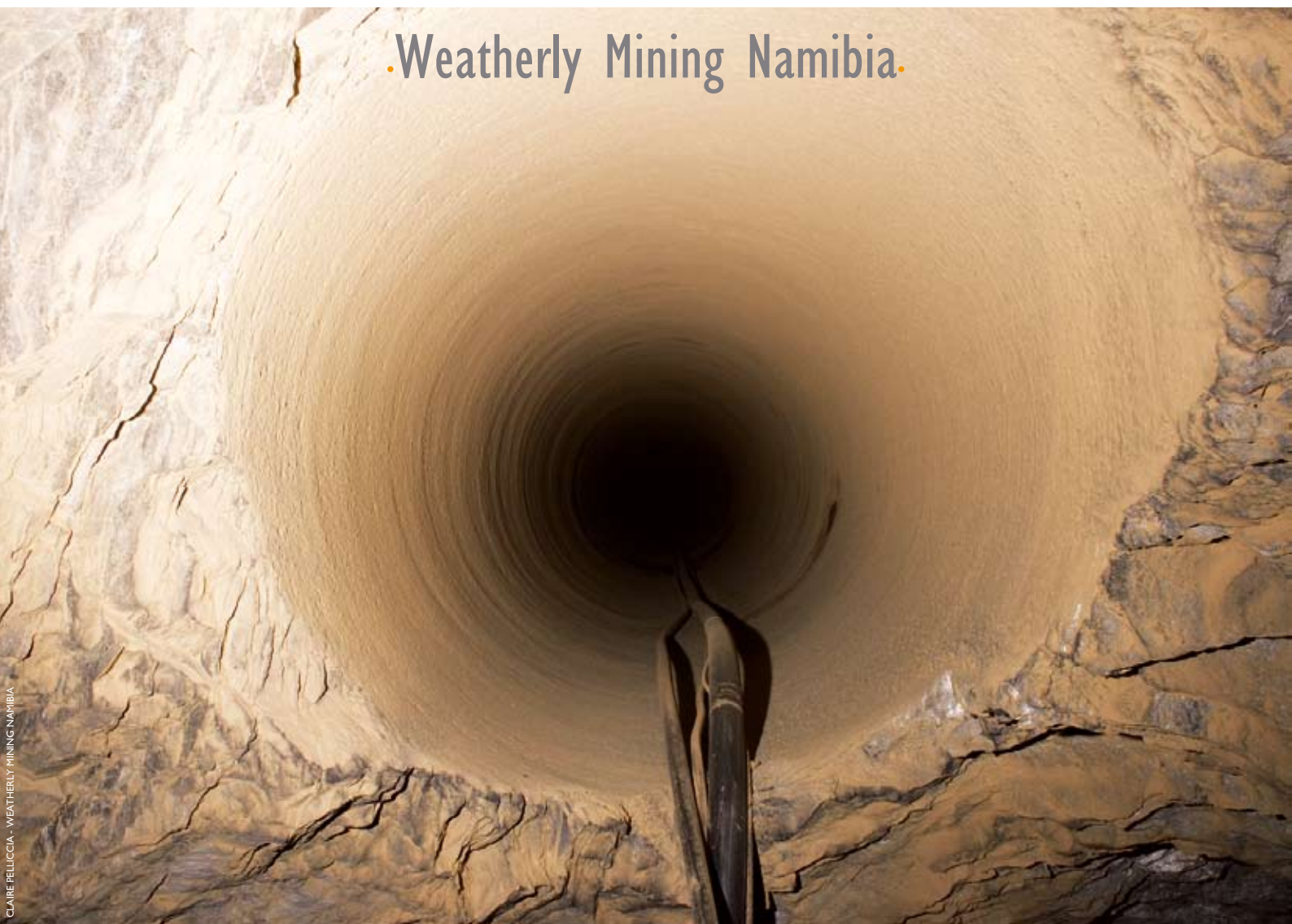


TRANS HEX

Trans Hex Marine Namibia.



Weatherly Mining Namibia.



.Weatherly Mining Namibia.

Weatherly Mining Namibia operates four copper mines at Otjihase, Matchless, Tsumeb West, and Tschudi mines in Namibia and smelts the concentrate from these operations along with imported copper concentrate at Namibia Custom Smelters in Tsumeb for export to world markets.

Highlights in 2007

- Continuing rehabilitation of Otjihase, Matchless and Tschudi mines
- Commissioning of Tschudi mine
- Refurbishment of Number 1 Smelter on time and to budget and commencement of construction of Ausmelt Furnace
- Maiden profit of US\$12.4 million by 30 June 2007
- Renaming and splitting of Ongopolo Mining and Processing into Weatherly Mining Namibia and Namibia Custom Smelters

Shareholders

RAB Capital 22.4%
Matterhorn Investments 17.6%
Directors 11.6%
Bank Windhoek 8.4%
Ezenet Ltd 4.5%
CSFB Direct 3.6%
State Street Global Advisors 3.2%
AXA Framlington 2.3%

Mines in Namibia

Mining licenses:
14/2/3/2/32E: Uris
14/2/3/2/1: Berg Aukas
14/2/3/2/24B: Berg Aukas
14/2/3/2/21: Harasib
14/2/3/2/48: Khusib
14/2/1/4/2/1496: Valencia
14/2/3/2/32A: Tsumeb West
14/2/3/2/32D: Tsumeb
14/2/3/2/125: Tschudi
14/2/3/2/15: Bobos Silica
14/2/3/2/31A: Kliplime
14/2/3/2/32C: Gross Otavi
14/2/3/2/32B: Asis



14/2/3/2/9: Asis Ost
14/2/3/2/16: Asis West
14/2/3/2/3: Friedenau (Matchless)
14/2/3/2/10: Otjihase
14/2/3/2/22: Otjihase

Date of production start

Otjihase Mine: 2000
Matchless Mine: 2005
Kombat Mine: under evaluation
Tsumeb West Mine: 2007
Tschudi Mine: 2007

Latest life of mine estimate

Otjihase Mine: 5-12 years
Matchless Mine: 8-10 years
Kombat Mine: under evaluation
Tsumeb West Mine: 5 years
Tschudi Mine: 4 years

Output in 2006/07

Weatherly:
Blister copper 6,307 tonnes
Silver 5,757 kg
Gold 98 kg

Tolling:
Blister copper 16,404 tonnes
Silver 16,381 kg
Gold 231 kg

Blister copper 22,711 tonnes
Silver 22,138 kg
Gold 329 kg
Arsenic Trioxide: 50.17 tonnes
Lead bearing material:
837.70 tonnes
Pyrite: 8,457.33 tonnes

Permanent employees at end 2007

944

Contractors at end 2007

52

Expatriate employees at end 2007

21

Turnover in 2007

Weatherly Mining Namibia
N\$294.7 million
Namibia Custom Smelters
N\$455.7 million

Wages and salaries in 2007

Weatherly Mining Namibia
N\$74.2 million
Namibia Custom Smelters
N\$24.1 million

Review of operations

Fixed investment in 2007

Weatherly Mining Namibia
N\$236 million

Exploration and prospecting in 2007

N/a

Profits in 2007

Weatherly Mining Namibia
N\$21.9 million

Loss in 2007

Namibia Customs Smelters
N\$15.6 million

Corporate tax paid in 2006/07

Nil

Related operations in Namibia

EPLs at end of 2006

EPL I4/2/I/4/2/132: Tsumeb

EPL I4/2/I/4/2/367: Otjihase

EPL I4/2/I/4/2/1776: Tsumeb

EPL I4/2/I/4/2/2906: Tsumeb

EPL I4/2/I/4/2/3066: Tsumeb

EPL I4/2/I/4/2/3136: Elbe

EPL I4/2/I/4/2/3277: Khorixas

EPL I4/2/I/4/2/3374: Otavi

Safety ratings at end of 2007

Tsumeb Smelter: 5 Star

Kombat Mine: 4 Star

Otjihase Mine: 3 Star

Tsumeb Operations: 3 Star

Affirmative Action plan approved

Yes

Number of bursaries awarded in 2007

None

Country Manager

Mr Ron Clarke

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Fax: +264 61 385 001

r.clarke@weatherlyplc.com.na

Production

• Since it bought Ongopolo Mining and Processing in July 2006, Weatherly has operated four mines feeding three concentration plants. Kombat mine did make a small contribution to production until its flooding in December 2007. Combined milling capacity is some two million tonnes of ore a year of which less than two-thirds is currently being utilised.

• Total mining output for the financial year ending 30 June 2007 was 29,000 tonnes of concentrate containing 6,300 tonnes of copper, 3,000kg of silver and 100kg of gold. Weatherly achieved an average weighted price of US\$6,821 during the financial year. Production levels had increased to an annualised level of 9,000 tonnes of copper and production is on track to reach the ultimate annual target of 20,000 tonnes by the beginning of 2008.

• Development of Tschudi underground mine is on schedule with a target output of 2,500 tonnes of copper to the group. The Tschudi open pit mine is at pre-feasibility study stage with an extensive exploration programme currently underway. The total Tschudi resource is estimated at 43 million tonnes of ore with a grade of 0.8 percent copper and 10g/t of silver.

• The backfilling plant at Otjihase mine was commissioned and is currently in operation.

• Following a series of electrical power outages, Kombat mine was flooded and the mine was closed and put on care and maintenance.

• The potential of Matchless Mine is being realised and it is currently contributing substantially to the current production from Otjihase mine. A drilling and re-modelling programme

is underway to optimize production from the mine.

During 2007 Weatherly sold its tailings to EMS and divested the Valencia deposit for US\$9.5 million.

• The Tsumeb smelter is one of only four commercial smelters in the whole of Africa. It produces 98.6 percent blister copper. With four arsenic roasters and back to back arsenic sales, Weatherly is able to treat complex concentrates. Namibia Custom Smelters currently has two long-term contracts to process up to 100,000 tonnes a year of concentrate a year from Bulgaria and Peru.

• In 2008 Weatherly plans to produce approximately 30,000 tonnes of copper split roughly between Weatherly's own mining production and imported concentrates. The smelter is currently operating Furnace I between 24,000 tonnes and 32,000 tonnes. The smelter is to undergo a two-phase expansion to increase annual capacity to 50,000 tonnes a year. In the first phase a top submerged lance furnace will be commissioned in the second quarter of 2008 which will allow the furnace to be switched on and off in a cost effective manner. The second phase, which will see the incorporation of an oxygen plant to significantly reduce costs and put the smelter on a competitive footing, will be completed a year later with full production being targeted for mid-2009.

Exploration

• A drilling programme at the Tschudi open pit was undertaken to allow a bankable feasibility study to be started. During the year Weatherly announced positive drilling results from its drilling programme at Gross Otavi approximately 14km from Kombat. This shallow ore body is

estimated to contain 159,000 tonnes of ore with a grade of 1.5 percent copper and 6 percent lead. To optimise existing resources and identify additional resources, a US\$3 million exploration programme is planned for Elbe, Matchless and Gross Otavi for 2008. A bankable feasibility study is currently being conducted on Berg Aukas.

Mine safety

• Weatherly Mining Namibia received an average 4 Star NOSA rating last year. Sadly, there were two fatalities during the year – one resulting from a rock fall at Kombat, and the other a vehicle accident at Otjihase. Both these accidents were symptomatic of the low level of safety awareness and poor work practices that are a legacy of the past and which the company is committed to eradicating.

Labour relations

• Labour relations since Weatherly took over Ongopolo have been satisfactory. In July 2007, the company reached a new substantive wage agreement with the Namibian Mineworkers Union that led to significant wage increases for most of the

workforce. For many employees, this was the first pay increase for more than three years. Importantly, a key component of the increases is in the form of productivity payments that are directly linked for the first time to output. The new wage structure, together with a greater emphasis on training, has brought about significant improvements in both morale and performance. The issue of retrenchments at the Smelter and now at Kombat have been concluded.

Education and skills

• Weatherly has developed a strong working relationship with NIMT and a number of the mine's buildings in Tsumeb were donated and converted to create workshops and training facilities for the newly established NIMT Northern Campus. This was inaugurated on 22 November 2007. There are currently plans to use additional Weatherly infrastructure to expand NIMT operations to the mutual benefit of all stakeholders.

Community relations

• The company has established a number of community projects including the pumping of water to the main water canal from Kombat mine, making available facilities at Berg Aukas mine for projects run by the Ministry of Youth, Sport and Culture, making available company land to the Ondundu Trust and a contribution of N\$1 million a year, and the continued running of the Eland Conservancy.

Environment

• A total of 200,000 tonnes of material from the dumps at Otjihase have been used as backfill for ground support in the mine which has led to a substantial improvement in the environment at the mine.

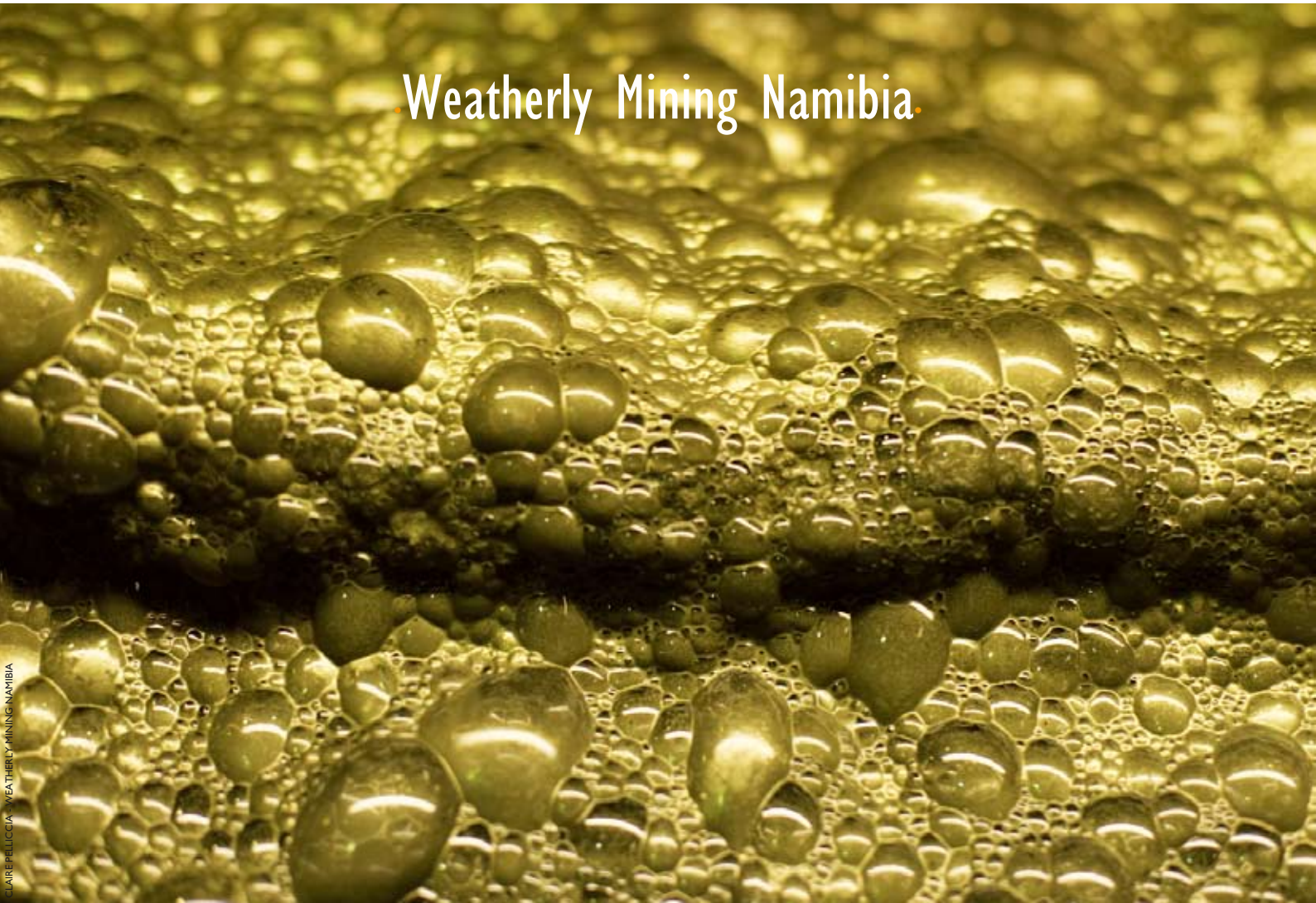


Namibia Custom Smelters.



CLARE PELLICIA - WEATHERLY MINING NAMIBIA

Weatherly Mining Namibia.



CLARE PELLICIA - WEATHERLY MINING NAMIBIA

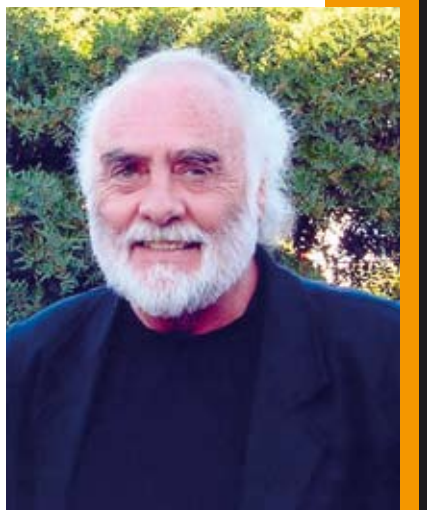
Chamber of Mines Uranium Stewardship.

Feature:

**By Dr Wotan Swiegers,
Principal Advisor, Chamber
Uranium Stewardship
Committee**

URANIUM CHAPTER OF THE CHAMBER OF MINES

Globally, the price of uranium has risen sharply over the last few years. The spot price of uranium soared to an all time high in 2007 reaching US\$136 per pound. A shortage of uranium for existing and proposed nuclear power utilities around the world was predicted to impact supply around 2010 to 2012. This, as well as the rising costs of fossil fuels and fears of their impact on global warming, has resulted in a resurgence of interest in uranium. This renewed interest in nuclear energy as one of the clean alternative energy sources has been referred to as the “nuclear renaissance” and is not without its controversies. Despite this, there has been a boom in uranium exploration activities worldwide and specifically in Namibia’s Erongo Region. Namibia is now the fourth largest exporter of non-fuel minerals in Africa, and the world’s fifth-largest producer of uranium. Together, Rio Tinto’s Rössing Uranium and Paladin Energy’s Langer Heinrich Uranium account for about ten percent of the world’s uranium. By the end of 2007, 39 Exclusive Prospecting Licenses (EPLs) and three Exclusive Reconnaissance Licenses (ERLs) had been granted to 21 companies. Both Rössing Uranium and Langer Heinrich Uranium are set to increase their production in the coming year and four more projects are expected to come on stream in the near future.



“Sustainable development is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs”

Our Common future
The Brundtland Report

The Chamber of Mines of Namibia is an associate member of the International Council for Mining and Metal (ICMM), a leadership group focused on improving the performance of mining companies in sustainable development. Today best practice (the best way of doing things at a given site) and a sustainable approach to management is critical for any mining company to gain and maintain its ‘social license to operate’ in the community.

In keeping with the principles of the ICMM, the Chamber promotes sustainable development and the balance between social equity, environmental protection, economic development and an effective governance framework.

The World Nuclear Association (WNA) is the global organisation that seeks to promote the peaceful worldwide use of nuclear power

as a sustainable energy resource for the coming century. It advocates collective responsibility and commitment by all players to the safe and responsible management of the uranium product. The Chamber supports the concept of stewardship, which involves the care and management of uranium throughout its entire life-cycle and covers the exploration, mining, processing, recovery, recycling and disposal of the product.

2 THE ROLE OF THE CHAMBER OF MINES OF NAMIBIA

In response to the country’s rapidly growing uranium industry, Rössing Uranium as the pioneer and flagship of the Namibian uranium mining industry (and a founding member of the Chamber of Mines of Namibia), together with the new Langer Heinrich Uranium mine, championed the need for the Chamber to develop minimum standards for occupational health and environmental management for uranium exploration and mining activities in Namibia.

In 2007, the Chamber established an office in Swakopmund and appointed a Principal Advisor to spearhead the process in consultation with local stakeholders, the International Atomic Energy Agency (IAEA) as well as the World Nuclear Association (WNA). The initiative is jointly funded by Rössing Uranium and Langer Heinrich Uranium.

As a first step, a Health, Environment and Radiation Safety (HERS) Committee was formed to address the key issues relevant to the uranium mining industry in the Erongo Region. Among other objectives, the HERS Committee has focused on developing and agreeing to mini-

imum standards on health, safety and environment issues.

Through its work, two critical issues became apparent to the HERS committee:

- There is a real need for a Strategic Environmental Impact Assessment (SEIA) of the uranium industry in the Erongo Region.
- There is a need for a Uranium Stewardship Committee that can collectively address the issues of stewardship, sustainability and good governance.

In 2008 the Chamber of Mines' initiative in Swakopmund was transformed into a fully fledged Chapter of the Chamber of Mines. A Uranium Stewardship Committee (USC) was established in accordance with the re-cently published WNA's stewardship principles. Fittingly Rössing Uranium's Managing Director Mr Mike Leech was elected the stewardship's first Chair-man. Twelve of Namibia's active uranium mining and exploration companies immediately became members of the USC.

The USC's primary mandate is to ensure that the country's booming uranium mining sector is able to expand and thrive in safe and healthy environment. It will achieve these goals by ensuring the following:

- There is proactive cooperation and collaboration between exploration and mining companies based on the realisation that the cumulative socio-economic and biophysical impacts of mining and future mining closure cannot be successful if adopted only by one mining company and that the unsustainable practices of one company's action can impact negatively on the entire industry.
- Multi-stakeholder fora are established to develop guidelines for

Health, Environment, Radiation, Safety and community issues.

- There is a focus on building partnerships throughout the life-cycle of materials to ensure the sustainability of their production, use and disposal.

The HERS Committee is now a working committee of the USC and its members include representatives from the Ministry of Health and Social Services (MOHSS), Ministry of Mines and Energy (MME), Ministry of Environment and Tourism (MET) and other important stakeholders. HERS is represented on the WNA-IAEA joint venture working groups addressing issues surrounding uranium mining worldwide.

To achieve its goals HERS has established eight technical advisory working groups, constituting members of the public, Government and NGOs.

A SEIA is a formal process involving the systematic analysis of the environmental effects of development policies, plans, programmes and strategies. It extends the aims and principles of EIA upstream in the decision-making process, beyond the project level when major alternatives are still open.

The USC realises the value of having a Strategic Environmental Impact Assessment (SEIA) to ensure that the cumulative impacts of uranium exploration and mining activities in the Erongo Region are fully understood. With the financial assistance of its members, the USC has provided the seed funding for the Southern African Institute for Environmental Assessment (SAIEA) to conduct an independent SEIA. The USC and SAIEA are in the early phases of establishing the terms of reference

and scope for the SEIA but the key deliverables will be:

- A set of tools that will assist with informed and sound decisions making for the region.
- A strategic environmental management plan (SEMP) that can be implemented and monitored.

The report will address (but not be limited to) the following issues:

- The housing and schooling situation in the Erongo Region;
- Transportation issues, including public health and safety, upkeep of national roads and increased traffic;
- Other infrastructure such as communication networks, powerlines, and pipelines for water and chemicals;
- The availability of water resources and plans to establish alternative water supplies to the desert region;
- Management of hazardous and non hazardous waste;
- Power including electricity demand and supply and alternative energy sources;
- Whether mines will have a combined effect on public health through radiation and the potential pollution of ground water resources;
- Plans that must be in place to ensure that there are industries that can support the people living in the Erongo Region after the mines have closed;
- Uranium mining in National Parks, and in particular the Namib Naukluft National Park.

It is important to understand that the USC plays a catalytic role in getting the SEIA started. However, in order to ensure that an impartial and independent assessment is conducted, the uranium industry will be just one of a number of stakeholders with whom the SEIA team shall

see

“Our Common Future”

The Brundtland Report

consult. The SAIEA understands the need for thorough and due process. Part of the terms of reference will be to appoint an independent external party to review the final SEIA and SEMP reports.

“We live in an unscientific age in which almost all the buffeting of communications and television – words, books, and so on – are unscientific. As a result, there is a considerable amount of intellectual tyranny in the name of science.”

Richard Feynman
Nobel Prize winning physicist

The Chamber of Mines recently updated and streamlined its official website www.chamberofmines.org. Because it is sometimes difficult to separate rhetoric from scientific information, one of the main goals of the Chamber’s website is to provide scientific information regarding uranium exploration and mining. This will assist people to identify misinformation and will provide accurate, scientific information which neither advocates for or against mining.

This project was initiated in August 2007 and the information is expected to increase as it is gathered and screened.

3 CONCLUSION

“To see the future - page the old books”

Emperor Augustus

The Chamber of Mines of Namibia and the uranium industry wish to implement uranium stewardship as an integrated programme of action aimed at ensuring that all materials, processes, goods and services in the exploration, mining and processing of uranium are produced, consumed and disposed of throughout the life-cycle in a socially and environmentally responsible manner. The establishment of the USC and the commissioning of the SEIA for uranium mining in the Erongo Region are fundamental steps towards succeeding in this endeavour.

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- **‘Sustainable development is defined as development that meets the needs of the present without compromising the ability of future generations to meet their own needs’**
-

Feature:

Uranium and Namibia.

By Heike Smith, IJG Securities

Uranium in Namibia

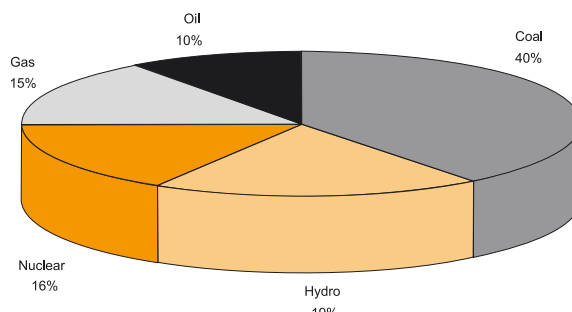
The last five years have seen a rapid increase in uranium exploration activities in Namibia. This has been driven by the global commodities boom, record-high uranium prices, increasing global liquidity and Namibia's perception as an exploration-friendly country.

In recent years Namibia has seen a gradual change in perceptions regarding nuclear energy. There are several factors driving the increased popularity of nuclear energy, including:

- World energy needs continue to grow, with many regions facing higher energy demands than energy generation capacity available.
- While costs to construct nuclear reactors are fairly high, the World Nuclear Association (WNA) has calculated that total fuel costs are around a third lower than for coal-fired plants and a fifth of costs for gas combined-cycle plants.
- Nuclear energy is now increasingly seen as a greener option, on the back of lower carbon emissions than for power plants burning fossil fuels.

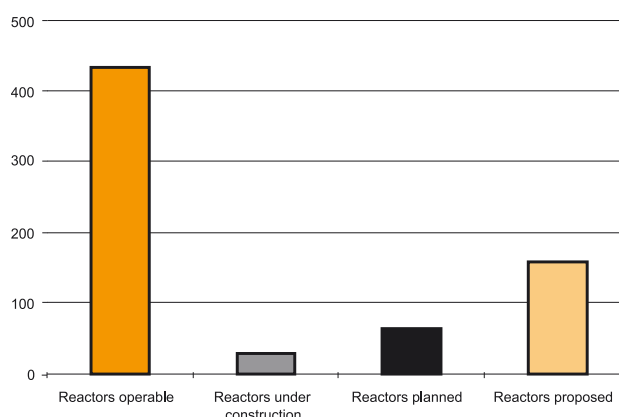
Nuclear power is cost competitive with other forms of electricity generation, except where there is direct access to low-cost fossil fuels. According to the WNA, nuclear energy contributes 16 percent of worldwide energy generation. At the end of December 2007, 439 nuclear reactors were in operation worldwide with the majority of nuclear reactors concentrated in the USA (104), followed by France (59) and Japan (55).

Electricity Sources in 2007



Source: World Nuclear Association (2007)

Nuclear Reactors



Source: World Nuclear Association (2008)

While rising world energy needs have increased the number of nuclear reactors that will come on line in the medium term, world uranium production has failed to increase as rapidly, even though uranium prices have shot through the roof in 2007.

According to the WNA, at the end of 2006, Namibia produced 7.8 percent of the world's uranium. Data for 2007 has not been published yet.

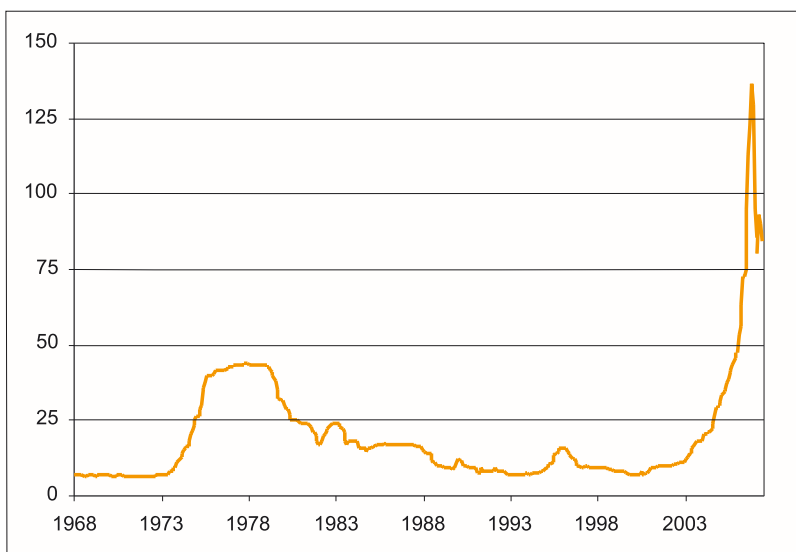
	% Global Production (2006)			Uranium Production (t)		
	2006	2005	2004	2006	2005	2004
Canada	24.9%	27.9%	28.8%	9,862	11,628	11,597
Australia	19.2%	22.8%	22.3%	7,593	9,516	8,982
Kazakhstan	13.3%	10.4%	9.2%	5,279	4,357	3,719
Niger	8.7%	7.4%	8.2%	3,434	3,093	3,282
Russia	8.6%	8.2%	8.0%	3,400	3,431	3,200
Namibia	7.8%	7.5%	7.5%	3,077	3,147	3,038
Uzbekistan	5.7%	5.5%	5.0%	2,270	2,300	2,016
Other	11.8%	10.1%	11.0%	4,740	4,230	4,417
World Total	100.0%	100.0%	100.0%	39,655	41,702	40,251

Source: World Nuclear Association

As highlighted in the following graph, spot uranium prices have changed from very high prices in the late 1970s, to very low prices in the early 1990. Towards the beginning of the new millennium prices started recovering. While uranium spot prices are made available to a number of market players, typically less than 20 percent of uranium supply is sold at spot. Most uranium is sold directly to utilities at prices determined through 3-7 year contracts. Perceptions of future scarcity for uranium have driven the uranium price to record highs of US\$136/lb in June 2007 (Ux Consulting Company). Since most of the current uranium mines are locked into longer term supply contracts, new entrants are set to benefit the most from recent price upswings.



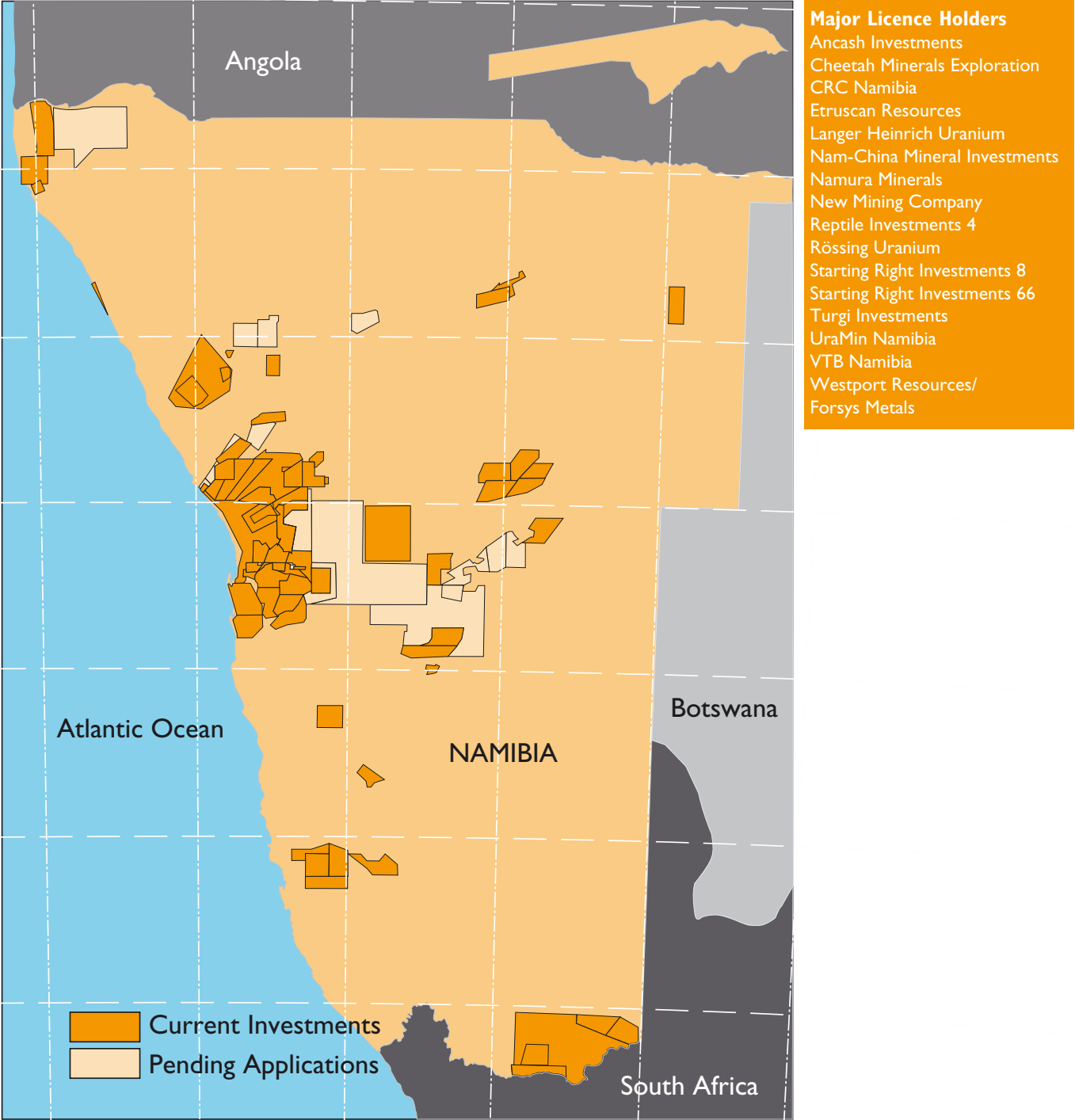
Monthly Uranium Price (US\$/lb) since 1968



Source: INet Bridge, IJG

Namibia currently has two uranium mines, Rössing Uranium and Langer Heinrich and a number of exploration companies whose projects are at various stages. The WNA believes that Namibia's mines could contribute 10 percent of world uranium output.

Nuclear Fuel Licences at the end of January 2008



Source: Ministry of Mines and Energy, IJG

• Rössing Uranium

Rio Tinto owns 68.6 percent of Rössing Uranium mine, which was discovered in 1928 and started operations at the large-scale open pit mine in 1976. In 2006, Rössing was the third largest uranium mine in the western world, producing 7.8 percent of world uranium. Yellowcake from Rössing Uranium is sold to European, US, Chinese, and Asia-Pacific electricity producers.

Uranium Production at Rössing										
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
% of Global Uranium Production	8.2%	8.7%	7.7%	6.2%	6.5%	5.7%	7.5%	7.5%	7.8%	-
Year end Uranium Price (US\$/lb)	8.8	7.6	6.4	9.5	10.2	14.0	20.5	35.0	72.0	90.0

Source: Rössing, WNA, INet Bridge

When the uranium price tanked in the late 1990s, the mine's production continually decreased, but production increased to in excess of 3,000 tons in 2004. Over the last 10 years, Rössing's 800 employees produced an average of 8.4 percent of world uranium supply from its large low grade ore body.

During 2006 and 2007, Rössing stated that it would invest approximately US\$112 million to upgrade mining equipment (such as haul trucks and shovels) and the processing plant to increase the mine's capacity to 4,500 tonnes and extend the mine's life to at least 2016. Other work includes preparing the area where the mine will be extended, improvements to the dust extraction system, extending the tailings dam and installing a seepage treatment plant.

• Langer Heinrich

After calcrete hosted uranium mineralisation was discovered in the 1970s, Gencor completed a full project evaluation study in 1980 based on conventional open pit mining and alkaline extraction of uranium. As a result of falling uranium prices, the project was placed on care and maintenance and sold to Acclaim Uranium in 1998. While Acclaim completed a favourable pre-feasibility study, declining uranium markets again put the project that was sold to Paladin Energy in 2002 on hold. A bankable feasibility study (BFS) was completed in April 2005 and staged commissioning was successfully completed on 28 December 2006. In mid-March 2007, the first uranium from Langer Heinrich was shipped. The N\$620m mine, capable of producing 2.6Mlbs (1,179.4 tonnes) of yellow cake per annum, was officially opened on 15 March 2007. The BFS indicated a minimum life of mine of 11 years, which was subsequently revised to 27 years in 2005.

For the six month period to the end of December 2007, Langer Heinrich exceeded the target production of 650,000lb. Due to material failure of leach tank liners, which lead to damaged heat exchangers, the mine was unable to meet design production of 2.6Mlb of U₃O₈ by July 2007 as initially envisaged. Since then the mine has been able to introduce plant improvements, which increased production. Further efficiency enhancements are planned for 2008. Mechanical completion for the Stage II production expansion to 3.7Mlb/annum is expected at the end of 2008.

• Exploration Companies

At the beginning of February 2008, a total of 38 Exclusive Prospecting Licences (EPLs) and 2 Exclusive Reconnaissance Licences (ERLs) were granted by the Ministry of Mines and Energy. Most licence applications were for the Erongo region (40) followed by the Kunene (12) and Karas (9) regions. This reflects the popularity that Namibia enjoys as a uranium exploration destination of choice for many international players. Namibia not only has a favourable regulatory framework, but also enjoys political stability. Added to this is the flood of funding available for exploration companies as a result of ever-increasing uranium prices. This is further aided by the extent of previous exploration work conducted in Namibia.

Namibian Uranium Licences Granted - February 2008			
	Granted Licences	Pending Licences	Total Licences
Mining Licences			
Langer Heinrich Uranium (Pty) Ltd	1		1
Rössing Uranium Limited	1		1
Sub Total	2		2
Exclusive Prospecting Licences			
Ancash Investments (Pty) Ltd		5	5
Bastos Foundation		1	1
Cheetah Minerals Exploration (Pty) Ltd	3	3	6
Dunefield Mining Company (Pty) Ltd		2	2
Eiseb Prospecting and Mining cc		19	19
Erongo Energy	4		4
Etruscan Resources Namibia (Pty) Ltd	2		2
Extract Resources (Namibia) (Pty) Ltd	1	1	2
Huab Energy (Pty) Ltd	1	1	2
Forsys Metals	1		1
Kimberlite Resources (Pty) Ltd		1	1
Langer Heinrich Uranium (Pty) Ltd		1	1
Marenica Minerals (Pty) Ltd	1		1
May 16 Investments cc	1		1
Metals Namibia	2		2
MTB Namibia (Pty) Ltd	1		1
Nam-China Mineral Inv. & Dev cc	1		1
Namibia-China Min. Resource Inv. & Dev cc	2	1	3
Namura Mineral Resources (Pty) Ltd		11	11
Nova Energy (Namibia) (Pty) Ltd	3		3
Petunia Investments Three (Pty) Ltd	3		3
Reptile Uranium Namibia (Pty) Ltd	4		4
Starting Right Investments Sixty Six (Pty) Ltd		2	2
Swakop Uranium (Pty) Ltd	1	1	2
Tsumeb Eploration Company Ltd	1		1
Turgi Investments (Pty) Ltd	2		2
UraMin Namibia (Pty) Ltd	2		2
VTB Capital (Namibia) (Pty) Ltd	2	2	4
Sub Total	38	51	89
Exclusive Reconnaissance Licenses			
Teal Exploration Namibia		1	1
Tumas Granite cc		1	1
Sub Total		2	2
Total	43	53	96

Source: Ministry of Mines and Energy, IJG

A number of the above exploration companies have indicated their intention to have a mine up and running in the next few years. UraMin, which was recently acquired by Areva for US\$2.5billion, is rapidly advancing its Trekopje project. Forsys Valencia mine is planned for 2009, while Bannerman, which holds its EPLs under Turgi Investments, considers itself a pre-production company which expects to have a mine up and running by 2011.

- **Effect on Namibia's Economy**

Most of the funding for exploration and construction activities are expected to be brought in from abroad, since the uranium players in Namibia have been able to attract a lot of funding on the Toronto, AIM and Australian stock exchanges.

However, since October 2007 a number of uranium players have dual-listed on the Namibian Stock Exchange (NSX). The exploration companies Xemplar Energy, Forsys Metals and Deep Yellow all listed on the Development Board of the NSX, with Bannerman joining the group in April 2008. Paladin Energy dual-listed on the main board of the NSX on 14 February 2008 and is the only uranium mining company listed on the NSX. IJG Securities expects that more exploration companies will dual-list on the NSX to show their commitment to the country.

IJG Securities estimates that exploration, increased production from Rössing and production from Langer Heinrich could have increased 2007 GDP growth by 0.8 percent. As a result of exploration, increased production and initial construction expenditure are expected to lift 2008 GDP growth by 0.7 percent and increase the number for 2009 by 1.0 percent. If the planned Trekopje mine comes on line in 2010, this is anticipated to increase GDP growth in the year by 2.2 percent. These forecasts are sensitive to changes in inflation, exchange rates and uranium prices. We, however, have tried to remain as conservative as possible in our forecasts. The World Nuclear Association estimates that Namibia could account for as much as 10 percent of world uranium production.

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Feature:

Speech given by Robin Sherbourne at the Chamber Annual Gala Dinner 20 April 2007

Honourable Minister
Chamber President
Distinguished guests

It is an honour and a pleasure to address you all tonight on an issue that pervades discussion of our economy here in Namibia, namely that of adding value to Namibia's minerals.

I must preface my remarks by immediately coming clean and stating that I am not a mining economist and certainly don't have the expertise in mining that most of the distinguished guests in this room have.

It perhaps should also be clear that, despite having undertaken paid work for the chamber of mines and occasionally individual mining companies, I do not see myself as a hired gun working on behalf of the mining industry. My interest in economics has always been primarily in issues of public policy – what is best for the national economy rather than a company or a sector. I am lucky enough to have lived and worked as an economist in Namibia since 1991 (with the exception of two years in the UK at the department of the environment). Unavoidably, economics is a discipline that requires one to be critical and indeed sceptical. Luckily I have been fortunate in that Namibia has always accepted my rather forthright approach with good grace and, I believe, welcomed my often critical contribution to the debate on how we can run our economy better. So no hired gun but, perhaps occasionally, a loose cannon.

Mr President, friends have always advised me to steer clear of making jokes. In a speech on beneficiation the temptation was naturally to fall into clichés and talk about Namibia getting “a raw deal”, our diamond companies “not making the cut”, or how the Minister was “converted” to the idea of uranium enrichment, or the need to “refine” our economic policies on manufacturing. You may not be surprised to learn that the Internet threw up very few examples of beneficiation jokes. I will therefore refrain and move straight on to the core of the matter.

As we all know, Namibia is a country blessed with a range of valuable minerals – the world's finest gem quality diamonds, uranium, zinc, copper, lead, gold as well as fluor spar, salt and a range of beautiful dimension stone.

Adding further value to these minerals has long been a stated objective of government policy. Indeed the issue has come to symbolise Namibia's and Africa's economic conundrum: a state of underdevelopment in the midst of rich natural resources. The debate has strong ideological undertones with those of a more nationalist or pan-Africanist persuasion portraying the current situation as the result of deliberate neo-imperialist strategies where western multinationals strip Africa of her mineral assets leaving only the bare minimum of infrastructure and skills behind. These raw materials are exported to rich countries where they form the basis of important industries which create jobs and incomes for the rich world.

Certainly the situation can be characterised in this way. And it is right that politicians and others ask why these minerals cannot be further processed in Namibia so that

Beneficiation.

they create jobs and incomes for Namibians instead. Yet the debate, such as it is, has generally been conducted at a level of such vagueness and generality that it rarely reaches any useful conclusion. Tonight I want to nail arguments down in a rather more specific way.

Let me begin by saying that our record to date on value addition has, I believe, been modest. Despite export royalties on rough diamonds and dimension stone, despite generous tax incentives for manufacturers and exporters, despite provisions contained in our mining legislation, we have not succeeded in stimulating much more value addition than was undertaken at independence, with the important exception of Skorpion mine's innovative zinc refinery, some limited cutting and polishing and processing of dimension stone.

Let me also say that, as is often the case, what appears obvious to the man in the street is far less clear cut to economists. Few economists would be surprised to hear of a resource rich country struggling to stimulate an export-oriented manufacturing sector. What we call “Dutch disease” – where natural resource exports encourage uncompetitive exchange rates which stifle the growth of manufactured exports – is a common empirical phenomenon worldwide not just in Africa (hence the term Dutch disease). It is one explanation for the fact that it tends to be resource poor countries that have achieved greater manufacturing success. Furthermore, economists have coined the term resource curse because experience has shown bountiful resources to often lead not only to a stunted manufacturing sector but also to unsustainable public sectors, corruption, ethnic strife and, at the

extreme, civil war. To economists, natural resources are rarely the unambiguous blessings that most people believe them to be.

Now, I am not a politician and I freely admit to having left my left-wing beliefs in world imperialist conspiracies behind years ago when I lived in the ideologically divided city of Berlin. As an economist one generally believes that multinational corporations are driven first and foremost by the profit motive. For better or worse, however, this world view is equally capable of explaining the situation where we see Namibia's minerals exported abroad in the form that they are. Simple economics explains why we are not seeing more value addition take place. Let me explain in more detail what I mean.

We now mine over two million carats of mostly gem quality diamonds every year. The next obvious step of value addition after mining and sorting is cutting and polishing. The passing of the diamond act saw cutters and polishers set up shop but only LLD, Namcot and Hardstone Processing soldiered on when the hoped for supply of local rough failed to materialise. It is no exaggeration to say that Namibia's cutting and polishing industry has only come about due to government action to force the issue – be it through the creation of NamGem or the NDTC – not as a result of market forces. In my view government can push this as far as De Beers is willing to go – perhaps we will see the majority of Namibia's diamonds cut and polished in Namibia as envisaged by His Excellency President Pohamba. But the problem with this approach is that there will always be a limit to the number of jobs that can be created since no one wants to cut and polish here willingly.

If one looks at world trends in cutting and polishing, it is clear that the industry has over the past thirty years or so moved from high cost centres such as New York, Antwerp and Tel Aviv to India and China by-passing southern Africa – the world's major producing region – altogether. But there is no dark conspiracy in this. It is little more than a question of cost. Cutting and polishing is labour intensive and labour costs in India and China are a fraction of what they are in southern Africa. Naturally, the low margin business of cutting and polishing would migrate to low labour cost countries. China and India have done nothing more than take advantage of market forces.

Namibia's major partner in diamond mining is De Beers, a first class mining company with an impressive record of delivering diamonds, jobs and revenue for the government year in year out in independent Namibia. So much so that it is taken for granted. De Beers sells rough diamonds to special cutting and polishing customers – sightholders. De Beers naturally has an interest in seeing its customers prosper and this means letting them conduct their business where it is most profitable for them to do so. With perhaps one important exception, the diamond industry consists of highly specialised players in each part of the diamond "pipeline". Only Lev Leviev claims to be interested in creating a vertically integrated company "from mine to mistress" as diamond guru Chaim Even-Zohar would say. It is up to us to ask why cutters and polishers are not choosing to locate in Namibia.

Uranium represents a rather more special case. While it is not true to say uranium is exported in raw form – uranium ore under-

goes a fairly sophisticated process of transformation into yellow cake on site prior to export – the next stage of value addition involves uranium conversion and enrichment, a highly regulated, technology and skill intensive process which, to my knowledge, takes place on a commercial scale in only five countries. Job creation for low-skilled workers is minimal. **The bottom line is that having uranium deposits is of relatively minor importance in the energy security equation. Most countries in the world do not believe the economics stack up as far as conversion and enrichment are concerned. I cannot think of a reason why this would be different for Namibia.**

What about gold, copper, zinc and fluorspar? Like uranium, transporting bulky ore is expensive so it makes good sense to do the first stage of refining as near to the mine as possible.

In the case of gold, this means turning ore into gold bullion. But such small quantities are produced at most mines that only a shared gold refining facility makes any sort of sense. The Rand Refinery in Germiston is jointly owned by five gold mining companies while Harmony is the one company in South Africa with a dedicated refinery. Is there room for a third even in the presence of a second gold mine in Namibia? Probably not.

Copper concentrate is transported from mines in Namibia, Zambia and elsewhere to Tsumeb for smelting into blister copper. In theory blister copper can be further processed to purer anode copper. Can this be done in Namibia? There may be some potential. André [Neethling - former MD of Ongopolo Mining and Processing] can undoubtedly tell us more.

Skorpion produces highly refined zinc – special high grade – which serves as the input into many manufacturing processes. The oxide nature of the Skorpion zinc deposit underpins the existence of its innovative refinery although there is still debate in policy levels as to whether it was necessary to offer EPZ status to gain this extra investment. Only perhaps Gerald [Boting - MD of Skorpion Zinc] can tell us.

Fluorspar is different again. its only real use is as the basic ingredient for the production of hydrofluoric acid or HF. but the highly reactive nature of HF means it should be produced as close to the next manufacturing stage as possible. Shipping HF from Namibia to other parts of the world would be an extremely risky undertaking. HF plants everywhere are situated on the doorsteps of diversified chemicals industry. If there were such an industry in Namibia, an HF plant might make sense. It seems that Mark [Dawe - MD of Okorusu Fluorspar] and his team have done their utmost to improve the purity of the acid grade fluorspar they produce. Asking them to go one step further would, I think, be unrealistic. Perhaps, Minister, you can ask him what it would take for Okorusu's owners Solvay to move its plants from Europe to Namibia?

Namibian salt already finds its way into final consumer products. Much goes towards manufacturing caustic soda in South Africa again helped by the presence of a local chemicals industry. Again we have no such industry here and salt can be easily transported.

As far as dimension stone is concerned, Namibia Stone Processing is already leading the way. If it achieves success others will follow. The good news is that there appear to be no

fundamental economic reasons for failure. Oscar [Shigwana - CEO of Namibia Stone Processing], if you are here, much depends on you.

To sum up, it seems that for the economist, a simple consideration of labour and transport costs, rather than any darker conspiracy of world capitalism, is enough to explain the current situation in Namibia.

So can more be achieved? Although it might often appear otherwise, economists are humble folk. They do not have all the answers. Neither are economists businessmen or entrepreneurs (otherwise they would be out running businesses). Much to the frustration of politicians the world over, Minister, we are admittedly rather too good at warning about what should not be done rather than offering solutions about what should be done. But it is harsh experience in the rich world and in the poor that has taught them caution and to guard against “picking winners” willy-nilly.

Nonetheless economics may be able to give a few useful positive pointers rather than just warning of the negatives.

The first thing to recognise is that the issue of beneficiation and value addition really boils down to two questions: can further value be added to Namibia's mineral products and are mining companies the right companies to do it? Miners are not manufacturers and manufacturers are not miners. There is a definite limit to what mining companies are capable of doing as far as the value chain is concerned. Just as no car manufacturing companies mine the ore for the steel they use, no mining companies continue adding value to their minerals to produce cars. Specialisation and the division of labour

is a fundamental characteristic of modern capitalism which no amount of government encouragement or cajoling is likely to change.

The second is that grand plans for adding value have to be based on sound economic and commercial fundamentals rather than wishful thinking if they are to be sustainable. We do not want to create industries dependent on government subsidies or protection for their survival. So they must be run by business on clear business principles.

The third is that industrial development is often a chicken and egg problem. We don't add value because there is no chemicals industry but there is no chemicals industry because there is no value addition. Clustering is one area where government encouragement and intervention may help.

The fourth is that we have to be clear about whether creating such an industry will harm other industries with perhaps more potential. I am thinking particularly of tourism which, the experts tell us, directly or indirectly accounts for some 16 percent of our GDP. Building dirty, noisy smelly industrial facilities at Walvis Bay might sound like development but if it creates significant negative externalities and destroys more tourism than it creates industry, this would be a mistake.

Mr President I have tried to outline the options available to Namibia in adding value to its minerals. Diamond cutting and polishing stands a chance given Namibia's strong hand at the negotiating table on the supply of rough. Uranium conversion and enrichment might be politically attractive but is an economic non-starter. Gold, even with a second mine, would still be available in such

small quantities as to make no sense at all, especially on the doorstep of the world's largest gold producer. With zinc Namibia has gone as far as any mining company can go. Instead we have to ask what we must do to attract companies that use zinc in their manufacturing processes. Fluorspar and salt require chemical industries if they are to make any sense at all. All that is really left is copper and dimension stone, areas which have seen movement in recent years thanks to the efforts of Ongopolo and Namibia Stone Processing.

If all this sounds negative and unhelpful, it is perhaps because we are looking at the issue in the wrong way. I would like to suggest that, instead of asking the more inward looking question of how we can add value to Namibia's minerals, we should perhaps be asking the more outward looking question of whether we can offer the world a good place to process minerals, be they from Namibia or elsewhere. This is not perhaps as far-fetched as it might sound, just an extension of what Ongopolo has already been doing in Tsumeb importing concentrates from the region.

What do investors in processing look for? The presence of local minerals might help but it is not really an issue. The issue is whether there is a competitive environment in which to process minerals.

They look for competitive sources of power. Mineral processing is generally an energy intensive business. They look for good transport infrastructure: efficient harbours, roads and railways. They look for water. They might look for finance (although in this modern age global finance can provide money for any project anywhere). They look for

macroeconomic stability, access to markets, competitive tax rates and easy repatriation of profits. And they look for a skilled and disciplined industrial workforce.

If Namibia is serious about mineral processing it has to embark upon a focussed strategy of creating this competitive environment. The key to success would be ensuring the different elements in the strategy came together so that the whole was greater than the sum of the parts.

Such a strategy would involve asking and answering some difficult questions. We have enormous power potential yet kudu gas-to-power remains untapped. We have considerable investible funds yet our savings flow out to South Africa. We have financial institutions yet they play little part in financing mining or mineral processing investment. Everyone seems to agree we do not have the skilled people – not even enough to supply the existing industry and staff the ministry – but this can be solved with the right education and training combined with the judicious import of skilled foreigners.

In summary, Mr President, although I have already more than abused my position tonight, there are several points I would like to hammer home.

The first is that it is not strictly true to say Namibia's minerals are exported raw or unprocessed. Often people who say this are confused about the difference between mining companies and manufacturers.

Second the question that should really be asked is why more manufacturers are not choosing to operate in Namibia.

Third, strategies which rely on government coercion and regulation rather than addressing underlying competitiveness are never likely to tap into the potential for job creation and value addition that competitive outward-looking strategies are likely to achieve.

Fourth is that an outward-looking strategy aimed at processing for the world might stand a chance of delivering jobs and growth but this would involve a proper strategy and the alignment of several important planets, a trick that has eluded many countries, rich and poor.

Could it be that with the right planning and implementation Namibia could bring together kudu gas, water desalination, the stock exchange, the Development Bank, Namport, Namrail and create a competitive industrial hub? I have said any initiative must be based on sound business but such a strategy would require a certain amount of government leadership and planning.

Mr President, I don't know the answer to this question because I have not done the detailed thinking and calculations. But my hunch is that if we are serious about mineral processing, rather than looking inwardly at the rather small amounts of minerals we produce, we should be looking outwards and asking ourselves what can we do competitively so that the rest of the world will come and add value here? Embracing economies of scale that exist in minerals processing and working to create a competitive environment is the only way of producing competitively for the world market. I believe it is to this important question that we should be turning our minds.

I thank you

Feature: Namibia Diamond Trading Company.

By Robin Sherbourne

• The Namibia Diamond Trading Company

After more than a year of negotiations and much anticipation, on 30 January 2007 the Government of Namibia and De Beers announced they had reached agreement on extending the sales agreement, one of the three agreements that govern their 50:50 partnership Namdeb. A high-powered press conference organised to make the deal public was attended by Namibia's Minister of Mines and Energy Erkki Nghimtina, De Beers Chairman Nicky Oppenheimer and De Beers MD Gareth Penny. The main feature of the latest agreement was the formation of a new joint venture company, the Namibia Diamond Trading Company (NDTC), through which all Namdeb rough stones will be sold either to local cutters and polishers or exported to the DTC. In the quest for increased value addition, a major breakthrough was the agreement that 16 percent of Namdeb's rough diamonds will be made available to local cutting and polishing factories. The accompanying press release clearly stated the objective of the new company. "It is envisaged that NDTC will be the primary vehicle for the growth of the diamond beneficiation industry in Namibia," and that "expectations are that the level of turnover of local beneficiation could reach up to N\$2 billion by 2009."

De Beers' recent report to stakeholders shows that, whilst global rough diamonds sales in 2005 totalled some US\$12.6 billion, sales of diamond jewellery reached US\$62 billion. For years the Namibian

Government has wanted to see Namibia exploit a bigger chunk of this value chain to create jobs and boost exports. Namibia's Diamond Act, passed in 1999, incorporated measures designed to encourage cutting and polishing firms set up shop in Namibia. Over the following years several companies started operations adding to the efforts of Namdeb's own NamGem which had started in 2000. However, none of these companies sourced rough diamonds directly from Namdeb. Most purchased from either the DTC or Diamdel. Although the Minister can invoke a section of the Diamond Act of 1999 to force local producers to supply rough diamonds to local cutters, the Government chose to rather negotiate with De Beers.

Later in the year on 3 October, the nascent NDTC announced its list of sightholders, those companies which had met its criteria and would be receiving Namdeb-produced rough supplemented by additional diamonds from the DTC in London. The list contains 11 companies, most of which are De Beers sightholders, some of which have local shareholders. The first deliveries of rough diamonds to factories which were already operational followed later in the month on 29 October. The remainder received supply from 31 March 2008. Minister Nghimtina says he wants to see all local cutters and polishers being treated equally saying "all of them are children of the government." The NDTC made clear that it was giving all sightholders three years to prove they could sustain a commercial operation with the rough diamonds they had been allocated.



NDTC Sightholder

Almod*
AMC/GemXel Diamonds*
Finesse Diamond Corporation
Hardstone Processing
JKD Namibia*
Namcot*
Namgem*
LLD Diamonds Namibia
Laurelton-Reign Diamonds*
NU Diamond Manufacturing*
Trau Bros Diamonds Namibia*

* De Beers sightholders

• Botswana

The new deal can be compared with those reached by De Beers in Botswana and South Africa. Botswana is De Beers' jewel in the crown with Debswana producing 33.6 million carats in 2007 out of the company's total production of 51.1 million carats compared to 2.2 million carats from Namdeb. The Government of Botswana owns 15 percent of De Beers (the Oppenheimer family owns 40 percent and Anglo American 45 percent). Botswana and De Beers wrapped up an extension to their relationship in 2006 which saw the licence for the world's biggest diamond mine Jwaneng extended by another 25 years.

Part of the deal involved the creation of a 50:50 joint venture DTC Botswana which will, according to De Beers, be "the world's largest and most modern diamond production facility" and will "play a role in diversifying the country's economy by creating employment in diamond cutting and polishing and various support services." De Beers expects 15 of the world's leading diamond manufacturers to create over 3,000 new jobs from this initiative which will see the DTC in London slimmed down so that it deals purely with "serving the needs of sightholders" and driving global demand for diamonds.

• South Africa

Although De Beers is a significant diamond company in South Africa producing just under 15 million carats in 2007, it has never been as important to the South African economy as it has to the neighbouring economies of Botswana and Namibia. De Beers' South African operations are controlled by De Beers Consolidated Mines (DBCM) which, following the BEE deal in 2005 which saw 26 percent of the company sold to Ponahalo, a broad based BEE company that includes trusts for disadvantaged women, people with disabilities and communities around DBCM mines.

With the passing of new legislation in 2007, DBCM is obliged to sell up to 10 percent of its output to the new South African State Diamond Trader (SDT) and pay an export royalty of five percent on the value of rough diamonds exported. De Beers has agreed to make management and technical expertise available to the Department of Minerals and Energy to facilitate the start-up of the SDT.

Johannesburg has long been a major cutting and polishing centre and has 19 sightholders, a fifth of all De Beers sightholders, employing some 2,100 people. Historically, the South African government has not owned stakes in De Beers' businesses but an announcement on creating a new company out of state-owned Alexkor and De Beers' Namaqualand mines is set to change that. Namibia has been the only country where De Beers has a direct stake in a cutting and polishing factory through Namdeb's 100 percent ownership of NamGem in Okahandja. Namdeb,

however, has been in discussions with technical partner Lazare Kaplan International about taking a stake in its cutting and polishing operation.

The diamond beneficiation business in southern Africa is undergoing significant change. Observers will be watching to see if a substantial diamond cutting and polishing industries can be sustained through the new arrangements and thus enable countries such as Namibia to derive more from their precious diamond resources.

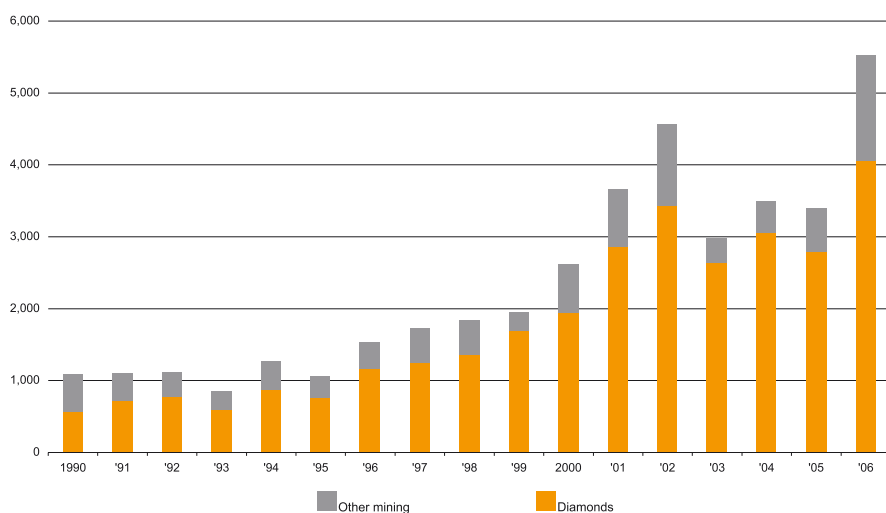
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Mining and the Economy

Namibia's mining sector achieved record turnover of N\$13.8 billion (US\$2 billion) in 2007. The industry generated N\$5.5 billion (US\$798 million) of value added during 2006 contributing 11.7 percent towards Namibia's Gross Domestic Product (GDP) of N\$46.9 billion (US\$6.8 billion). Diamond mining delivered N\$4.0 billion (US\$580 million) and other mining and quarrying N\$1.5 billion (US\$218 million). If copper smelting and zinc refining as well as diamond cutting and polishing were included, value added from the mining sector would be even greater.

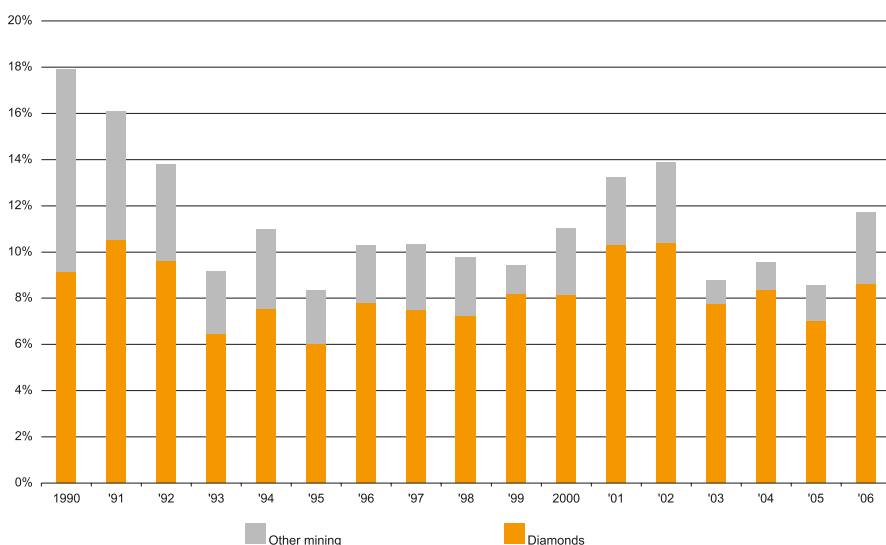
Mining value added in current prices (N\$m)



Source: National accounts, Central Bureau of Statistics

In real terms mining sector value added rose 15.4 percent to achieve a new record level since Independence. This rise came about as a result of higher diamond and non-diamond production as well as better prices on the international markets.

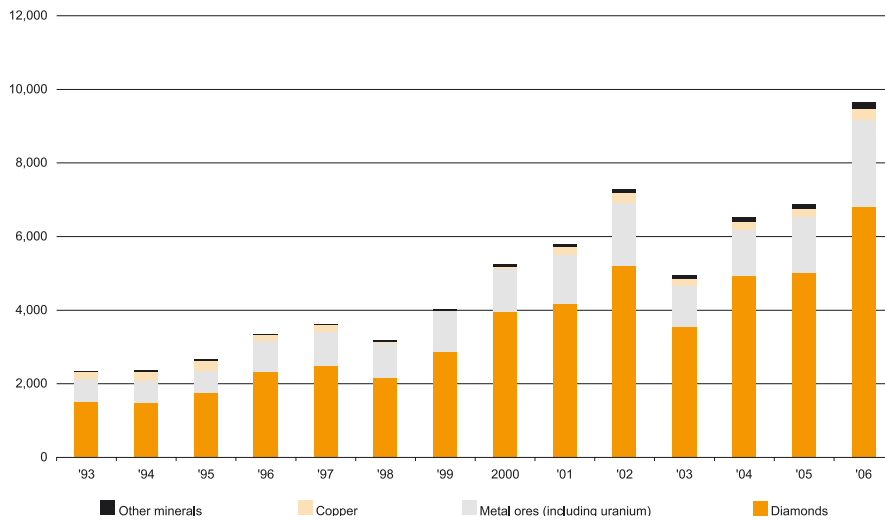
Mining value added as % of GDP



Source: National accounts, Central Bureau of Statistics

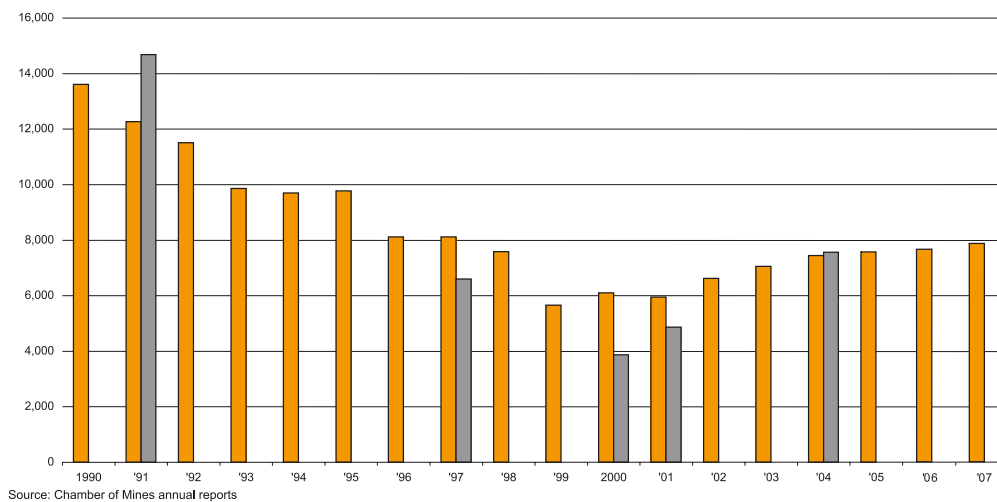
Exports from the mining sector reached N\$9.3 billion (US\$1.3 billion) to which must be added exports of blister copper and SHG zinc worth N\$313 million (US\$45 million) and N\$2.5 billion (US\$363 million) respectively.

Mining exports (N\$m)



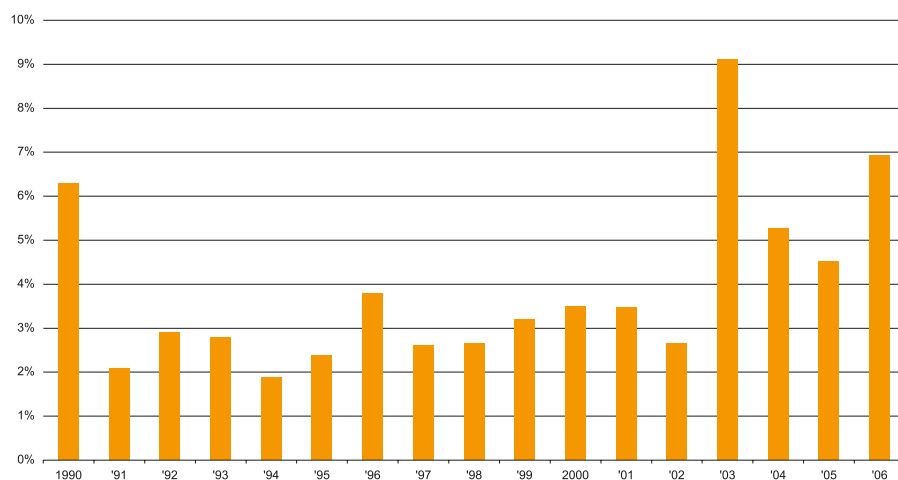
At the end of 2007 Chamber members alone directly employed more than 7,901 permanent employees plus an additional 2,860 contractors and had paid out considerably more than N\$1.3 billion (US\$193 million) in wages and salaries during the year.

Mining employment



In 2006 the mining industry spent N\$3.2 billion (US\$464 million) on fixed investment contributing 26.5 percent to Namibia's entire fixed investment of N\$12.2 billion (US\$1.8 billion) and surpassing investment by the whole of central government for the fifth year in a row. Exploration expenditure reached N\$482 million (US\$70 million), its highest level since Independence.

Mining GFCF as % of GDP (includes exploration expenditure)



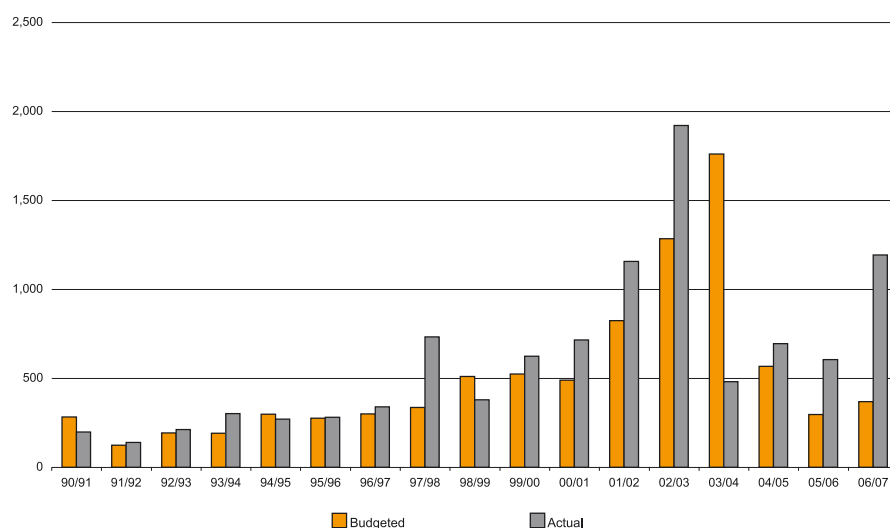
Source: National accounts, Central Bureau of Statistics

The mining industry continued to invest heavily in people. Chamber members awarded a total of 383 higher education and trade bursaries in 2006 and 2007 for higher education in Namibia and South Africa and vocational training at the Namibian Institute of Mining and Technology.

In 2006/07 the Ministry of Finance estimated that tax revenue from the mining industry amounted to N\$360 million (US\$52 million) from diamond mining and N\$351 million (US\$51 million) from other mining. Diamond royalty tax was estimated to yield N\$482 million (US\$70 million). No dividends were expected from either Namdeb or Rössing in which the Government of Namibia has a 50 percent and 3 percent shareholding respectively.

In 2007/08 the Ministry of Finance estimates profits tax revenue from the mining industry will amount to N\$250 million (US\$36 million) from diamond mining and N\$350 million (US\$51 million) from other mining. Diamond royalties are expected to yield N\$271 million (US\$39 million) while dividends of N\$10 million (US\$1.4 million) are expected from Namdeb and none from Rössing. N\$229 million (US\$33 million) is expected from the new mining royalty tax at the time of the main budget in March 2007 but it is still unclear exactly how much Government will end up raising. If PAYE, VAT and other tax payments by the mining industry to Namibia's fiscus are taken into account, tax revenue from the industry would be far higher.

Diamond and non-diamond mining taxation (N\$m)

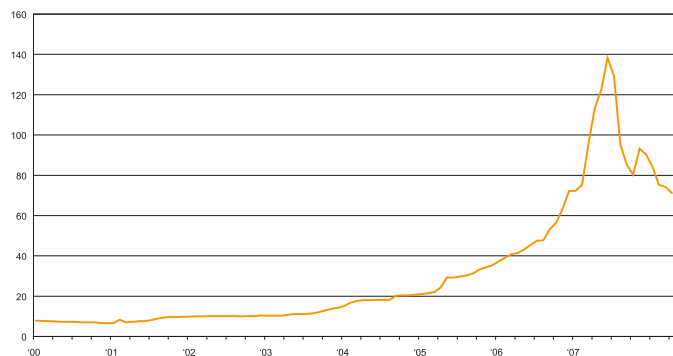


Source: Budget documents

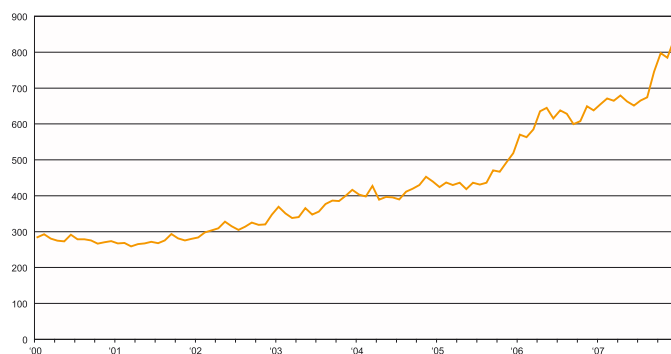
- conversions to US dollars have been made using an average exchange rate for 2006 of N\$6.89:US\$ used by the Central Bureau of Statistics in the National Planning Commission•

Key Mineral Prices.

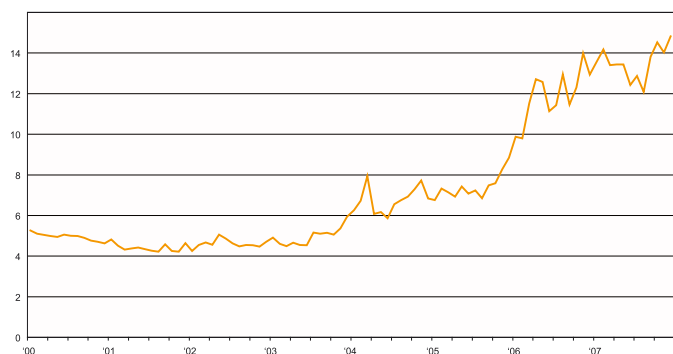
Uranium price (US\$/lb)



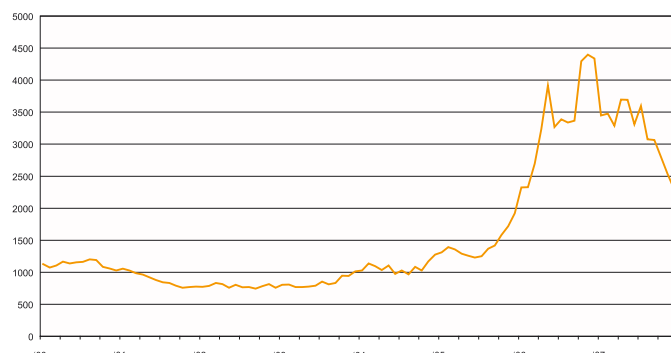
Gold price (US\$/oz)



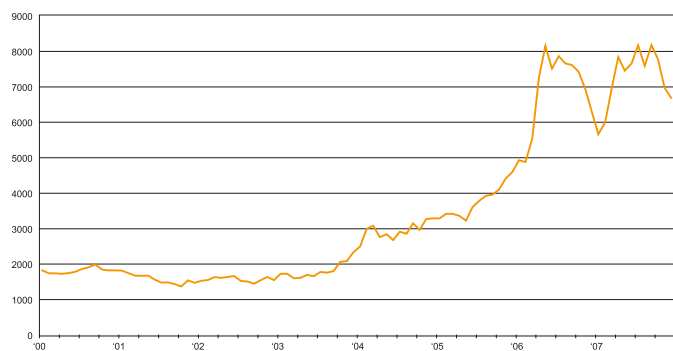
Silver price (US\$/oz)



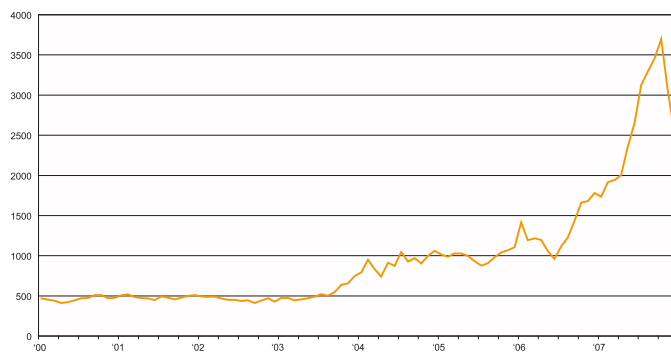
Zinc price (US\$/t)



Copper price (US\$/t)



Lead price (US\$/t)



Annex I

Output by mine.

Key Statistics.

	1990	1991	1992	1993	1994	1995	1996
Diamond Fields (carats)							
Langer Heinrich (tonnes of uranium oxide)							
Namdeb (carats)	750,115	1,186,133	1,547,966	1,138,998	1,302,918	1,340,631	1,357,775
Namdeb (carats)							
De Beers Marine Namibia (carats)							
Beach and marine contractors (carats)							
Navachab (kg of gold)	1,453	1,709	1,865	1,790	2,188	1,893	2,015
Ocean Diamond Mining Holdings Ltd (carats)							
Okorusu Fluorspar (wet metric tonnes of fluorspar)	25,980	29,246	37,176	42,249	50,645	36,889	32,285
Namibia Custom Smelters*							
Blister copper (tonnes)	29,145	29,365	33,030	29,345	25,494	25,140	16,659
Weatherly Mining Namibia*							
Contained copper (tonnes)							
Kombat mine							
Copper concentrate (tonnes)	30,727	37,957	33,362	30,460	26,742	34,079	18,470
Otjihase mine							
Copper concentrate (tonnes)	34,138	34,498	44,864	51,144	43,561	35,419	25,882
Pyrite concentrate (tonnes)	138,924	127,119	164,191	100,575	121,634	103,140	90,735
Tsumeb operations							
Copper concentrate (tonnes)	43,387	44,225	36,952	28,710	27,581	12,148	12,743
Khusib Springs							
Copper concentrate (tonnes)							
Rosh Pinah Zinc Corporation							
Zinc concentrate (tonnes)	66,291	62,754	68,337	53,995	64,567	59,305	69,689
Lead concentrate (tonnes)	23,875	19,470	19,681	16,859	24,639	26,421	28,211
Rössing Uranium (tonnes of uranium oxide)	n/a	3185*	2190*	2168*	2471*	2,608	3,188
*short tons							
Sakawe Mining Corporation (carats)							
Salt Company							
Coarse salt (tonnes)	110,800	90,727	62,600	80,000	58,930	60,000	43,550
Refined salt (tonnes)	980	1,065	1,153	1,200	800	1,670	1,715
Rock salt (tonnes)	n/a	6,430	6,678	4,011	3,202	3,700	n/a
Table Salt (tonnes)							
Skorpion Zinc (tonnes of SHG zinc)							
Trans Hex Group (contractor to other companies)							
Salt & Chemicals (tonnes of coarse salt)	n/a	n/a	n/a	n/a	284,705	320,000	258,721

* until 1998 TCL, from 2000 to 2006 Ongopolo Mining and Processing

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
	5,802	6,692	-	16,470	25,401	16,762	29,477	n/a	n/a	n/a
										348
1,359,100	1,275,228	1,289,776	1,320,308	1,384,704	1,275,899	1,454,756	1,858,383	1,774,000	2,084,800	2,177,516
					696,914	807,139	992,872	878,000	1,000,743	1,068,933
					513,053	602,037	841,965	922,000	1,017,867	1,048,302
					65,932	45,580	23,546		66,269	67,110
2,302	1,855	2,008	2,399	2,694	2,650	2,298	2,068	2,519	1,602	2,496
59,113	59,718	73,327								
23,208	42,139	57,700	66,128	81,245	81,084	79,349	104,767	114,886	132,249	118,766
16,029	8,014	-	5,082	27,015	17,850	26,306	26,306	22,563	22,711	n/a
									6,307	n/a
18,858	8,160	-	15,614	18,180	23,836	16,701	16,535			
26,283	7,045	-	3,485	26,152	39,125	35,511	28,071			
93,684	28,174	-	11,967	56,994	3,633	31,786	3,658			
5,340	7,614	-			1,036	12,657	14,573			
21,473										
74,632	78,617	69,193	73,535	70,610	77,587	107,920	123,272	126,123	105,134	94,855
26,288	24,273	19,283	20,665	26,182	24,140	31,453	27,188	24,690	21,974	21,876
3,425	3,278	3,171	3,201	2,640	2,751	2,401	3,582	3,711	3,617	3,046
							119,546	120,100	260,045	145,126
47,270	61,915	60,100	32,077	58,000	54,729	84,818	62,583	66,994	61,423	66,585
5,854	5,223	7,220	4,347	11,250	9,640	11,099	11,384	10,135	12,285	13,317
5,008	6,025	6,220	4,585	6,400	5,631	11,421	7,069	7,399	9,072	10,200
						9,188	4,338	5,189	5,265	5,707
					35	47,436	119,205	132,813	129,897	150,080
432,290	434,198	429,230	482,000	500,441	552,000	567,000	717,000	670,000	576,000	665,000

Employment by mine.

	1990	1991	1992	1993	1994	1995	1996
Namdeb Diamond Corporation (Pty) Ltd	6,731	6,283	5,708	4,673	4,645	4,448	3,933
De Beers Marine Namibia							
Namibian Minerals Corporation*							
Sakawe Mining Corporation							
Ocean Diamond Mining*							
Trans Hex Group Limited							
Diamond Fields (Namibia) (Pty) Ltd							
Diaz Point Exploration (Pty) Ltd							
Rössing Uranium Ltd	2,378	1,495	1,391	1,295	1,284	1,239	1,190
Langer Heinrich Uranium (Pty) Ltd							
Ongopolo Mining and Processing Ltd (formerly TCL)							
• Ongopolo Processing (formerly Tsumeb smelter)	697	626	457	657	608	597	468
• Tsumeb mine	1,693	1,545	1,585	1,159	1,100	1,100	511
• Kombat mine	642	637	632	611	591	591	507
• Otjihase mine	627	642	647	656	617	583	528
• Khusib Springs							
Anglogold Namibia (Pty) Ltd (Navachab mine)	153	339	292	288	278	269	294
Rosh Pinah Zinc Corporation (Pty) Ltd	449	507	530	337	340	347	402
Imcor Tin (Pty) Ltd (Uis tin mine)	60		60				
Peralin (Pty) Ltd (marble)	3						
SWA Lithium Mines (Pty) Ltd (Rubicon mine)	101						
Skorpion Zinc (Pty) Ltd + Namzinc (Pty) Ltd							
Okorusu Fluorspar (Pty) Ltd		123	113	128	129	139	146
Salt & Chemicals (Pty) Ltd					40	41	80
Salt Company (Pty) Ltd	71	68	86	50	61	58	60
NIMT							
Total employment	13,605	12,265	11,501	9,854	9,693	9,775	8,119
Note: Namdeb Diamond Corporation (Pty) Ltd employment figures include subsidiary							

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
3,531	3,175	3,269	3,024	2,916	2,890	2,953	2,993	2,913	3,000	2,940
						546	565	596	622	622
69	72	75	261	167	300					
						18	210	283	n/a	n/a
158	160	140								
					58	107	118	70	64	64
	7			4	3	3	31	n/a	n/a	n/a
		85	50	81	64	45				
1,249	1,182	1,006	808	798	771	817	830	860	939	1,175
								20	132	132
								903	903	944
525	521		217	271	224	212	212			
448	374				50	101	110			
517	521		306	301	265	262	262			
509	498		379	283	314	366	362			
36										
372	339	361	314	311	311	146	246	280	267	267
425	433	424	438	491	511	498	502	523	556	556
					507	598	616	666	677	669
149	165	139	151	157	186	197	208	249	248	248
81	83	87	96	101	98	105	108	110	110	110
49	57	67	59	67	70	73	72	75	78	79
								65	95	95
8,118	7,587	5,653	6,103	5,948	6,622	7,047	7,445	7,613	7,691	7,901

Mining and the economy.

	1990	1991	1992	1993	1994	1995	1996
Value added (current prices)							
Diamonds	554	722	775	598	872	763	1,169
Other mining	530	381	337	253	396	295	371
Mining and quarrying	1,084	1,103	1,112	851	1,268	1,058	1,540
GDP (N\$m)	6,053	6,857	8,050	9,302	11,549	12,706	15,011
As % of GDP							
Diamonds	9.2%	10.5%	9.6%	6.4%	7.6%	6.0%	7.8%
Other mining	8.8%	5.6%	4.2%	2.7%	3.4%	2.3%	2.5%
Mining and quarrying	17.9%	16.1%	13.8%	9.1%	11.0%	8.3%	10.3%
Value added (constant prices)	1990 prices					1995 prices	
Diamonds	554	852	1,045	762	845	763	783
Other mining	530	443	380	348	383	295	317
Mining and quarrying	1084	1,295	1,425	1,110	1,228	1,058	1,100
% growth							
Diamonds		53.8%	22.7%	-27.1%	10.9%		2.6%
Other mining		-16.4%	-14.2%	-8.4%	10.1%		7.5%
Mining and quarrying		19.5%	10.0%	-22.1%	10.6%		4.0%
Gross Fixed Capital Formation (current prices)							
Mining and quarrying	380	142	234	258	217	302	567
as % of value added	35%	13%	21%	30%	17%	29%	37%
as % of GDP	6.3%	2.1%	2.9%	2.8%	1.9%	2.4%	3.8%
Source: CBS National Accounts							
Exploration expenditure (N\$m)						190	237
Source: CBS National Accounts							
Exploration expenditure (N\$m)	66.9	39.3	20.5	38.2	37.8	94.8	118.3
Source: CMN annual reports							
Number of Class D members	13	12	14	15	14	19	22
Source: CMN annual reports							
Exports of ores and minerals							
Metal ores including uranium ore				625	601	601	838
Other minerals				24	51	40	28
Diamonds				1,515	1,486	1,763	2,328
Total				2,164	2,138	2,404	3,194
Copper				188	244	250	154
Zinc refined							
Total mining exports				2,352	2,382	2,654	3,348
Total exports of goods				4,052	4,659	5,112	6,095
Diamonds as % of merchandise exports				37%	32%	35%	38%
Minerals as % of merchandise exports				58%	51%	52%	55%

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
										n/a
1,251	1,358	1,697	1,934	2,854	3,427	2,630	3,048	2,782	4,054	n/a
478	477	253	677	809	1,138	345	441	609	1,463	n/a
1,729	1,835	1,950	2,611	3,663	4,565	2,975	3,489	3,391	5,517	n/a
16,751	18,789	20,684	23,690	27,686	32,908	33,842	36,496	39,711	46,971	n/a
7.5%	7.2%	8.2%	8.2%	10.3%	10.4%	7.8%	8.4%	7.0%	8.6%	n/a
2.9%	2.5%	1.2%	2.9%	2.9%	3.5%	1.0%	1.2%	1.5%	3.1%	n/a
10.3%	9.8%	9.4%	11.0%	13.2%	13.9%	8.8%	9.6%	8.5%	11.7%	n/a
782	793	908	847	803	942	909	1,260	1,217	1,524	n/a
363	324	303	343	314	355	328	428	448	398	n/a
1,145	1,117	1,211	1,190	1,117	1,297	1,237	1,688	1,665	1,922	n/a
-0.1%	1.4%	14.5%	-6.7%	-5.2%	17.3%	-3.5%	38.6%	-3.4%	25.2%	n/a
14.5%	-10.7%	-6.5%	13.2%	-8.5%	13.1%	-7.6%	30.5%	4.7%	-11.2%	n/a
4.1%	-2.4%	8.4%	-1.7%	-6.1%	16.1%	-4.6%	36.5%	-1.4%	15.4%	n/a
437	500	662	828	958	874	3,084	1,919	1,794	3,254	n/a
25%	27%	34%	32%	26%	19%	104%	55%	53%	59%	n/a
2.6%	2.7%	3.2%	3.5%	3.5%	2.7%	9.1%	5.3%	4.5%	6.9%	n/a
112	124	175	167	249	146	264	472	477	482	n/a
97.1	124.0	175.0	167.0	249.0	146.0	264.0	n/a	n/a	n/a	n/a
25	21	21	24	15	14	14	15	15	18	26
905	945	1,104	1,190	1,342	1,709	1,095	1,261	1,527	2,364	n/a
22	39	53	59	64	112	95	117	132	182	n/a
2,495	2,150	2,860	3,947	4,172	5,205	3,561	4,930	5,017	6,802	n/a
3,422	3,134	4,017	5,196	5,578	7,026	4,751	6,308	6,676	9,348	n/a
194	52	0	58	201	262	186	212	197	313	n/a
						156	694	1,317	2,518	n/a
3,616	3,186	4,017	5,254	5,779	7,288	5,093	7,214	8,190	12,179	n/a
6,167	6,812	7,539	9,164	10,550	13,360	14,239	13,810	16,223	20,881	n/a
41%	32%	38%	43%	40%	39%	25%	36%	31%	33%	n/a
59%	47%	53%	57%	55%	55%	36%	52%	50%	58%	n/a

Tax revenue.

	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Revenue (N\$m)							
Other mining							
Budgeted	130.0	51.0	20.0	48.0	63.0	30.0	40.0
Actual	75.8	26.1	2.6	5.8	37.5	65.6	44.8
Other mineral royalties							
Budgeted							
Actual							
Diamond mining							
Diamond mining - budgeted	73.0	0.0	53.0	60.0	105.0	105.0	100.0
Diamond mining - actual	62.3	0.0	90.2	164.1	126.0	85.1	89.9
Diamond profits - budgeted	14.0	9.0	25.0	3.0	10.5	0.0	
Diamond profits - actual	0.0	23.3	24.9	17.4			
Diamond export - budgeted	65.0	65.0	95.0	80.0	120.0	1.0	
Diamond export - actual	60.3	90.9	93.6	114.2	3.1		
Diamond royalties - budgeted					0.0	140.0	160.0
Diamond royalties - actual					104.1	130.8	204.2
Budgeted	152.0	74.0	173.0	143.0	235.5	246.0	260.0
Actual	122.6	114.1	208.7	295.6	233.3	215.9	294.1
All mining							
Budgeted	282.0	125.0	193.0	191.0	298.5	276.0	300.0
Actual	198.5	140.3	211.3	301.5	270.8	281.4	338.9
Total tax revenue	1,734.3	2,174.3	2,378.3	2,682.3	3,136.1	3,610.3	4,114.0
Non-diamond mining as % of tax revenue	4.4%	1.2%	0.1%	0.2%	1.2%	1.8%	1.1%
Diamond mining as % of tax revenue	7.1%	5.2%	8.8%	11.0%	7.4%	6.0%	7.1%
All mining as % of tax revenue	11.4%	6.5%	8.9%	11.2%	8.6%	7.8%	8.2%
Expenditure (N\$'000)							
11.1 Mining and Mineral Resources Affairs and Services	9,471	11,603	19,147	25,385	16,722	18,030	31,828
Total government expenditure	2,576,096	3,120,023	3,544,719	3,366,713	3,690,452	4,340,630	5,073,390
as % of total spending	0.4%	0.4%	0.5%	0.8%	0.5%	0.4%	0.6%

	1990	1991	1992	1993	1994	1995	1996
Non-Exclusive Prospecting Licences issued (NEPL)					552	404	488
Exclusive Prospecting Licences awarded (EPL)					24	24	53
Claims registered					240	195	158
Mining Licences granted (ML)					1	3	2

97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
60.0	61.0	120.0	65.0	55.0	120.0	150.0	14.9	6.5	7.0	350.0
28.6	19.2	211.7	36.4	106.2	283.9	3.2	7.9	0.9	350.7	n/a
										228.8
										n/a

100.0	200.0	200.0	185.0	475.0	745.0	1,160.0	52.0	48.3	45.0	250.0
505.0	161.4	142.7	439.9	764.4	1,157.4	175.4	301.4	199.3	359.9	n/a
176.0	249.9	205.0	240.0	294.0	420.0	450.0	500.0	242.1	316.4	271.2
198.8	199.3	269.4	240.0	286.1	479.1	301.9	385.4	404.6	482.0	n/a
276.0	449.9	405.0	425.0	769.0	1,165.0	1,610.0	552.0	290.4	361.4	521.2
703.8	360.7	412.1	679.9	1,050.5	1,636.5	477.3	686.8	603.8	841.9	n/a

336.0	510.9	525.0	490.0	824.0	1,285.0	1,760.0	566.9	296.9	368.4	1,100.0
732.4	380.0	623.8	716.3	1,156.7	1,920.4	480.5	694.7	604.7	1,192.6	n/a
5,106.1	5,497.5	6,597.7	7,550.4	8,165.9	9,329.8	8,762.9	10,468.2	13,107.7	17,593.4	n/a
0.6%	0.3%	3.2%	0.5%	1.3%	3.0%	0.0%	0.1%	0.0%	2.0%	n/a
13.8%	6.6%	6.2%	9.0%	12.9%	17.5%	5.4%	6.6%	4.6%	4.8%	n/a
14.3%	6.9%	9.5%	9.5%	14.2%	20.6%	5.5%	6.6%	4.6%	6.8%	n/a

30,539	25,513	37,092	46,342	54,324	49,325	57,564	60,978	59,144	83,724	69,214
5,754,091	6,784,139	7,751,137	8,446,912	9,781,989	10,786,339	12,256,689	12,758,054	13,189,254	15,155,250	17,827,335
0.5%	0.4%	0.5%	0.5%	0.6%	0.5%	0.5%	0.5%	0.4%	0.6%	0.4%

1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
338	464	518	510	583	379	363	328	316	243	443
121	178	92	155	160	70	71	75	96	135	194
74	85	176	147	206	231	243	363	191	104	223
9	4	8	5	4	8	12	2	1	0	7

Annex 2 .Chamber Members and Committees 2007.

Class A Founder Members

Namdeb Diamond Corporation (Pty) Ltd
Weatherly Mining Namibia
Rössing Uranium Ltd

C. Sivertsen
D. Garbers
M. Leech

I. Zaamwani - Kamwi
H. Nolte
R. Hoveka

Class A Members

AngloGold Ashanti
De Beers Marine Namibia
Okorusu Fluorspar (Pty) Ltd.
Skorpion Mining Company
Rosh Pinah Zinc Corporation (Pty) Ltd.
Langer Heinrich Uranium (Pty) Ltd.

G. Arnat
O. Shikongo
M. T Dawe
G. Boting
C. Aspeling

A. J Stadler
S Schneider
R. Gevers
Pieter van Greunen
H. Fourie
W. Buck

Class B Members

Salt & Chemicals (Pty) Ltd.
Sakawe Mining Corporation

R. E Stanton
K. Kapwanga

S. Anderson
E. Nefussy

Class C Members

Diamond Fields (Namibia) Ltd.
Salt Company (Pty) Ltd
Trans Hex Group
Storm Diamonds

M. Du Toit
J. Klein Jnr
C. Neethling
E. Trolip

R. J Daniel
J. Klein Snr

Class D Members

TEAL Exploration & Mining (Pty) Ltd.
Ambase Prospecting (Namibia) (Pty) Ltd.
Bafex Exploration
Kumba Resources
Mount Burgess Gold
Onganja Mining Company (Pty) Ltd.
PE Minerals
Rio Tinto Namibia (Pty) Ltd.
Roburgh Exploration
Savanna Marble cc
3M South Africa
Teck Cominco (Namibia) Ltd
Palfi, Holman & Associates
Westport Resources (Namibia) (Pty) Ltd
Hallie Investment No.14 (Pty) Ltd
West Africa Gold Exploration (Namibia) (Pty) Ltd
Bannerman Mining Resources Namibia
Bonaparte Diamond Mines NL
Etruscan Resources Namibia (Pty) Ltd.
UraMin Namibia (Pty) Ltd.
Reptile Uranium Namibia (Pty) Ltd.

P A Lombard
M. Schaefer
S. Smith
S. Clague
N. Forrester
R. G Carr
C. Wium
K. M Sims
J. J Myburgh
J. Hoffman
C. Kading
S. Jennings
A. G. Palfi
Dr. R. Laine
S. V. Bromfield
K. Webb

V. Petzel

C Mackenzie
E. Mouton
J Moore
E. A Barbour
E. Mbeehi
N. Selibas

R. Wartha
D. Parnham
A. Ghigini
J. Joubert

M. Spence
J. Midgley
K. Woodman
M. Lindsay-Payne
L. Laing

Otjozondou Mining (Pty) Ltd.
West Australian Metals Ltd.
Namibia China Mineral Resources
Investment & Development CC.
Nutam (Pty) Ltd.
Craton Mining & Exploration (Pty) Ltd.

H W. Rünz,
L. Reisgys
Wang Song

B. De Decker
K. Hartmann

D. Shimwino
R. Reid
Xiong Qinghua

P. Looijen
K. Maiden

Associate Members

African Portland Industrial Holdings Ltd.
African Labour Services
African Wire Ropes (Pty) Ltd
A. Speiser Environmental Consultants cc
Barloworld Namibia (Pty) Ltd.
Brazil Benguela Exploration & Finance
DTC Valuations Namibia (Pty) Ltd
Eckhart Freyer Geologist
Evi Mining Company
Geomac Consulting cc
Kuehne & Nagel (Pty) Ltd.
L. van Schalkwyk
Manica Group Namibia
Mega Tech (Pty) Ltd
NamGem Diamond Manufacturing
Namibian Ports Authority
NEC Investment Holdings (Pty) Ltd.
NOSA Namibia
Rex Quip cc
Rubicon Security cc
Siemens (Pty) Ltd.
Stone Africa
Synergistics Environ Services
Trust & Mining Company (Pty) Ltd.
Namibia Institute of Mining & Technology
Protea Chemicals Namibia (Pty) Ltd.

J. Muller
R. C de Villiers
S. Bredenkamp
A. Speiser
J. Quarmby
H. C Benecke
K. T Goodrem
E. Freyer
I. Namaseb
A. E Macuvele
L. O Nees
L. van Schalkwyk
H W Timke
H. Pupkewitz
E. Hawal
S. Kankondi
A. Bruckner
C. de Lange
A. Lang
B. Nel
G. Langmaak
A. E Macuvele
K. Fairley
P. Mathews
E. D G Müller
M. Palomba

M. Loefflerink
J A Botha
E. Heymann

C. F Donegan

S. Aipinge

F. Cyriax
I. D Kotze
K. H Woker
W. Wessels

K. van Heerden
N. Bruckner
E. Grobler
C. Lang
J. Kastelic
V. Trubenbach

G. Fassbender
J.H. Meyer

Honorary Life Members

Honourable A. Toivo ya Toivo

Summary

	2000	2001	2002	2003	2004	2005	2006	2007
Class A founder members	3	3	3	3	3	3	3	3
Class A members	3	2	2	3	5	5	6	6
Class B members	4	4	4	4	2	2	2	2
Class C members	4	9	6	5	4	4	4	4
Class D members	24	15	14	14	15	15	18	26
Associate members	26	28	30	33	28	29	28	26
Honorary life members	3	3	3	3	2	2	2	1
Total	67	64	62	65	59	60	63	68

Council of the Chamber of Mines (Total of 17 Members as per revised Constitution)

O. Shikongo (President)	De Beers Marine Namibia
G. Boting (1st Vice-President)	Skorpion Mining Company
M. Leech (2nd Vice-President)	Rössing Uranium Ltd.
C. Sivertsen	Namdeb Diamond Corporation (Pty) Ltd.
D. Garbers	Weatherly Mining Namibia
M. Dawe	Okorusu Fluorspar (Pty) Ltd.
G. Arnat	AngloGold Ashanti
K. Kapwanga	Sakawe Mining Corporation
C. Aspelung	Rosh Pinah Zinc Corporation (Pty) Ltd.
W. Buck	Langer Heinrich Uranium (Pty) Ltd.
R. Stanton	Salt & Chemicals (Pty) Ltd.
J. Klein	Salt Company (Representing Class–C Members)
V. Petzel	TEAL Exploration (Repres. Class–D Members)
(Vacant)	Representative of Associate Members
E. Mueller	NIMT (Co-opted)
(Vacant)	2nd Co-opted Member
V. Malango	Chamber of Mines & Secretary

Exploration Committee

V. Petzel (Chair & Sponsor)	TEAL Exploration & Mining (Pty) Ltd.
L. Apollus	De Beers Marine Namibia
B. Burrell	Namdeb
E. Freyer	Eckhart Freyer - Geologist
C. Neethling	Trans Hex Group
S. Clague	Kumba Resources
A. Goosen	Namdeb
S. Jennings	Teck Cominco
A. G Palfi	Palfi, Holman & Associates
B. Roesener	AngloGold Ashanti - Navachab
Dr. G Schneider	Geological Survey (MME)
A. Speiser	Alexandra Speiser Environmental Consultants cc
I K Kaundje	Diamond Fields Namibia
E. Shivolo	Ministry of Mines and Energy
A. E Macuvele	Geomac Consulting cc
S. Smith	Bafex Exploration
R. Laine	Westport Resources Corp. /Valencia Uranium Ltd.
V. Malango	Chamber of Mines

HR Committee

C. Sivertsen (Chair & Sponsor)	Namdeb
P. McCallum	Namdeb
I. Djiuella	Okorusu Fluorspar
S. Nekundi	De Beers Marine Namibia
L. Gwala	De Beers Marine Namibia
N. Negongo	Namdeb
E. Kandanga	Rössing Uranium
A.N Katamba	Rössing Uranium
H. Ipinge	Weatherly Mining Namibia
K. M J Loubser	Skorpion Zinc

J. Namupala
K. Kaulinge
A. Taillard
V. Malango

Skorpion Zinc
Rosh Pinah Zinc Corporation
Anglogold Ashanti - Navachab
Chamber of Mines

Safety Committee (Part of SHE Committee) – Wyatt Buck, Sponsor

R. Gevers
J. Tsauseb
E. Botha
E. Farmer
M. Viviers
G. Dowie
J. Kastelic
C. Neethling
S. Smit
I. Isaaks
D. van Tonder
B. Viljoen
D. Mouton
J. Hengari
C. De Lange
M. Amunghete
V. Malango

Okorusu
Skorpion Mining Company
De Beers Marine Namibia
AngloGold Ashanti - Navachab
Namdeb
Sakawe Mining Corporation
Weatherly Mining Namibia
Trans Hex Group
Trans Hex Group
Rössing Uranium
Salt & Chemicals
Rosh Pinah Zinc Corporation
Langer Heinrich
Mineworkers Union of Namibia
NOSA Namibia
Chief Inspector of Mines, MME
Chamber of Mines

Mine Rehabilitation and Closure Committee (Part of SHE Committee)

Rainer Schneeweiss (Chair)
Richard Gevers
Fiona Olivier
Dr. Lima Maartens
Dr. Antje Burke
Angie Kanandjembo
Michelle Yates
Charles Cleghorn
Ralf Schommarz, with
Uwe Rentel
Grant Rau,
Lionel J. Howes
Corrie Botha
Vazembua Muharukua
Barra Viljoen
Dawid Bisschoff
Florence Sibanda
Lisa Kawali
K. K. Mhopjeni
Teofilus Nghitila
Dr. Freddy Sikabongo
Alexandra Speiser
V. Malango

Rössing Uranium
Okorusu Flourspar
De Beers Marine Namibia
Westport Resources
Namdeb
Langer Heinrich
Langer Heinrich
Langer Heinrich
Navachab
Navachab
Sakawe Mining Corporation
Sakawe Mining Corporation
Skorpion Mining Company
Salt & Chemicals
Rosh Pinah
Weatherly Mining Namibia
Ministry of Mines & Energy
Ministry of Mines & Energy
Ministry of Mines & Energy
Ministry of Environ. & Tourism
Ministry of Environ. & Tourism
AS Environmental Consultants cc
Chamber of Mines

Occupational Health and Environmental Standards for Uranium Mines (Part of SHE Committee)

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W. Buck	Langer Heinrich
O. Shikongo	President, CoM
V. Malango	GM, CoM
Dr. Wotan Swiegers	Principal Advisor, CoM

Security of Power Committee

M. Leech (Chair & Sponsor)	Rössing Uranium
S. Cikwililwa	Rössing Uranium
A. Scholz	Weatherly Mining Namibia
J. Kamfer	Skorpion Zinc
M. Tjipita	Langer Heinrich Uranium
M. Dawe	Okorusu Fluorspar
R. Burger	Namdeb
C. Aspelung	Rosh Pinah
G. Arnat	Navachab
V. Malango	GM, CoM

Mining Consultative Forum

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V. Malango	GM, Chamber of Mines
B. Shinguadja	Ministry of Labour
U. Hiveluah	Ministry of Labour
J. Hengari	Mineworkers Union of Namibia
A. Eiseb	Mineworkers Union of Namibia
J. Iita	Ministry of Mines and Energy
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References

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- Vice-President: Mr Mike Leech
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Useful documents and websites

For information on Ministry of Mines and Energy go to:

www.mme.gov.na

- Minerals Act 1992 (Act No. 33 of 1992)
- Minerals Development Fund of Namibia Act 1996 (Act No. 19 of 1996)
- Diamond Act 1999 (Act No. 13 of 1999)
- Minerals Policy of Namibia (Ministry of Mines and Energy)

National Accounts 1995-2006, Central Bureau of Statistics, National Planning Commission

www.npc.gov.na

Bank of Namibia annual and quarterly reports:

www.bon.com.na

For information on Navachab:

www.anglogoldashanti.com

For information on Diamond Fields:

www.diamondfields.com

For information on Namdeb:

www.namdeb.com or Namdeb Annual Review 2007

For information on Okorusu:

www.solvay.com or www.solvayfluor.com

For information on Rosh Pinah:

www.exxaro.com or Exxaro Annual Report 2007

For information on Rössing:

www.rossing.com or Rössing's 2007 Report to Stakeholders

For information on Skorpion*:

www.angloamerican.co.uk or Anglo American Annual Report 2007

For information on Trans Hex*:

www.transhex.co.za and Trans Hex Group Annual Report 2007

For information on Paladin*:

www.paladinenergy.com.au

For information on Weatherly:

www.weatherlyplc.com

* Listed on Namibian Stock Exchange (NSX)

Glossary

AG	Aktien Gesellschaft
AIM	Alternative Investment Market
ASX	Australian Stock Exchange
BCM	bank cubic metre
BEE	Black Economic Empowerment
BoP	Balance of Payments
DevX	Development Capital Board of the NSX
DIFR	Disabling injury frequency rate
DMS	Density Medium Separator
DTC	Diamond Trading Company
EPL	Exclusive Prospecting Licence
EPZ	Export Processing Zone
FoB	Free on Board
GFCF	Gross Fixed Capital Formation
GIS	Geographical Information System
GDP	Gross Domestic Product
GmbH	Gesellschaft mit beschränkter Haftung (company with limited liability)
GPS	Global Positioning System
GRN	Government of the Republic of Namibia
ICMM	International Council of Mining and Metals
IAEA	International Atomic Energy Agency
ISO	International Organisation for Standardisation
JSE	Johannesburg Securities Exchange
lb	imperial pound (equivalent to 0.4536 kg)
LME	London Metal Exchange
LSE	London Stock Exchange
LoM	Life of mine
LTi	Lost-time injuries
LTIFR	Lost-time injuries Frequency Rate
MDF	Minerals Development Fund
MIASA	Mining Industry Association of Southern Africa
ML	Mining Licence
MME	Ministry of Mines and Energy
MUN	Mineworkers Union of Namibia
mv	Motor vessel
Nammic	Namibian Mineworkers Investment Company
NEF	Namibian Employers Federation
NIMT	Namibian Institute of Mining and Technology
NOSA	National Occupational Safety Association
NOSCAR	the highest award for safety given by NOSA
NPPC	Namibian Preferential Procurement Council
NQA	Namibia Qualifications Authority
NSX	Namibian Stock Exchange
NYSE	New York Stock Exchange
ppm	parts per million
R&D	Research and Development
REACH	Registration Evaluation and Authorisation of Chemicals
SADC	Southern African Development Community
SAIMM	Southern African Institute of Mining and Metallurgy
SHG	special high grade
SSM	Small Scale Mining
st	short ton (equivalent to 0.907 tonnes)
troy oz	troy ounce (equivalent to 31.104 g)
TESEF	Transformation Economic and Social Empowerment Framework
TSX	Toronto Stock Exchange
wmt	wet metric tonne
WNA	World Nuclear Association

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