



# Annual Review 2015



**The Chamber of Mines of Namibia**

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# Vision for the Mining Industry

Vision for the Namibian Mining Industry is to be widely respected as a safe, environmentally responsible, globally competitive and meaningful contributor to the long term prosperity of Namibia.

## Vision for the Chamber

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

## Mission

To effectively promote, encourage, protect, foster and contribute to the growth of responsible exploration and mining in Namibia to the benefit of the country and all stakeholders.

## Core Values

- Integrity
- Transparency
- Accountability
- Compliance



# Council of the Chamber of Mines



K. Kapwanga (President)  
Sakawe Mining Corporation



J. Coetzee  
(1st Vice President)  
QKR Namibia



H. Mbako  
(2nd Vice President)  
AREVA Resources  
Namibia



M. Dawe  
B2Gold Namibia  
(Pty) Ltd



S. Solomons  
Langer Heinrich  
Uranium (Pty) Ltd



O. Shikongo  
Namdeb Holdings  
Limited



Irvine Simaata  
Skorpion Zinc  
Corporation (Pty)  
Ltd



C. Aspeling  
Rosh Pinah Zinc  
Corporation (Pty)  
Ltd



W. Duvenhage  
Rössing Uranium  
Limited



Zheng KePing  
Swakop Uranium



A. Snyman  
Salt & Chemicals  
(Pty) Ltd



C. Thomas  
Weatherly Mining  
Namibia Ltd.



W. Ewald  
Bannerman Mining  
Resources Namibia



D. Kullmann  
Valencia Uranium  
(Pty) Ltd.



H. Schütte  
OHORONGO  
Cement (Pty) Ltd.



K. Hartmann  
Craton Mining and  
Exploration (Pty)  
Ltd (Chairperson  
- Chamber  
Exploration  
Committee)



P. Benjamin  
Otjozondü  
Manganese



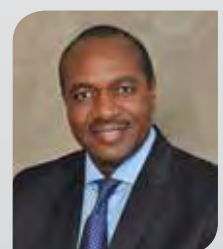
H. Nolte  
Dundee Precious  
Metals Tsumeb



E.D.G Mueller  
Namibian Institute  
of Mining and  
Technology (1st  
Co-opted Member)



S. Januarie  
Dundee Precious  
Metals Tsumeb (2nd  
Co-opted Member)



V. Malango  
Chamber of Mines  
(Ex-Official)

# Chamber of Mines Executive Committee



**President**  
Kombadayedu Kapwanga  
(Sakawe Mining Corporation)



**First Vice President**  
Johan Coetzee  
(QKR Namibia)



**Second Vice President**  
Hilifa Mbako  
(AREVA Resources Namibia)



**CEO**  
Mr Veston Malango

## Chamber of Mines Structure



**Chief Executive Officer**  
Veston Malango



**Economist**  
Lauren Davidson



**Accountant**  
Hilma T. Nampala



**Personal Assistant to CEO**  
Doreen Meyer



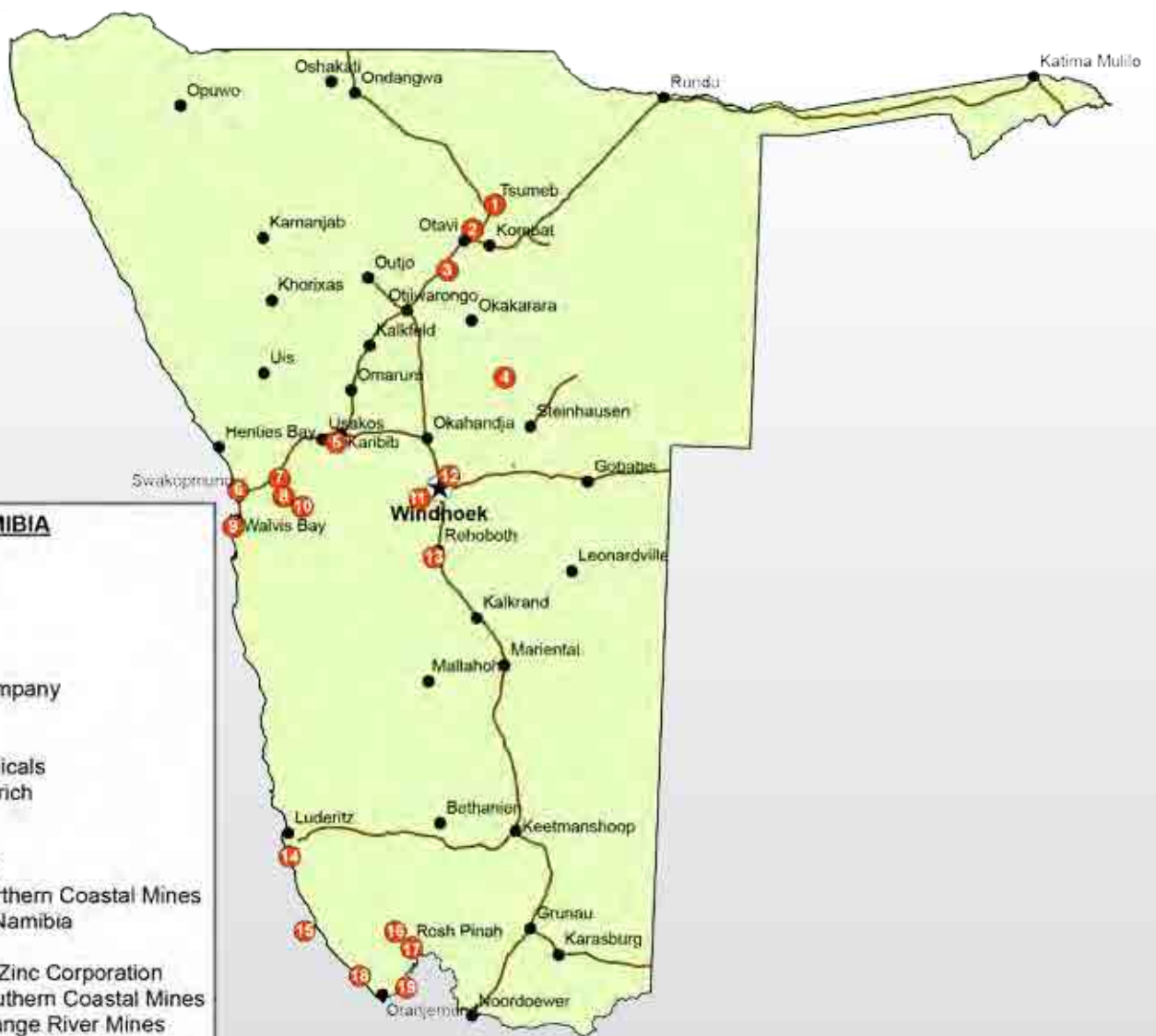
**HR Administrator**  
Signa K. Ndombo



**Institutional Worker**  
Drieka M. Skrywer



**Caretaker**  
Junias Nahambo



# Highlights for 2015

1. Mining Sector made a direct contribution of 11.9% to GDP in 2015, but contracted by 0.1% in terms of real value added (NSA Preliminary statistics).
  2. Bannerman's Heap Leach Demonstration Plant was commissioned in March 2015, reporting positive results in the first and second phases of the plant's operation.
  3. In May 2015, Debmarine Namibia announced plans to construct a deep-water diamond exploration vessel at an investment of N\$2.3 billion.
  4. B2Gold's Otjikoto gold mine was officially commissioned by H.E. President Hage Geingob on 1 June 2015.
  5. On 29 July 2015 Ohorongo Cement held ground ceremony for the Special Composite Cement Plant at an investment of N\$150 million.
  6. Hot commissioning of the sulphuric acid plant began in July and production commenced in the third quarter of 2015.
  7. Lodestone produced first tonne of iron ore in the history of Namibia.
  8. B2Gold's Otjikoto mine and Weatherly's Tshudi copper mine ramped up to full production in 2015
  9. Weatherly Mining Namibia announced suspension of its two central mining operations (Matchless & Otjihase) on 14 September 2015, converting them to project development status & retrenched 215 workers.
- Turnover >N\$25.28 Billion (N\$22.78 billion in 2014)
  - Wages and salaries > N\$3.76 billion (Excluding Swakop Uranium)
  - Exploration spending by operating and exploration companies in 2015 > N\$490.86 million
  - Profits tax paid > N\$2.35 billion (N\$2.1 billion in 2014)
  - Royalties paid > N\$1.41 billion (N\$1.29 billion in 2014)
  - Total taxes paid > N\$3.76 billion (N\$3.39 billion in 2014)
  - Chamber members directly employed 8,853 individuals in permanent positions, 716 temporary employees, and 9,423 contracting individuals (2014: 7,903 permanent employees, 947 temporary employees, and contracting individuals 8,920).



## Foreword



It is my pleasure to present the Chamber of Mines Annual Review for 2015, which accounts in great detail the performance and challenges encountered by the sector during the year. Developments in the global economy over the last three years pronounced themselves in 2015, as commodity prices reached five/six

year lows and emerging market currencies depreciated to historic lows. Mining companies world over have had to implement a number of measures to recover and reduce costs in response to these economic turn of events. Unfortunately, many retrenchments and mine closures not only globally, but also regionally, have occurred as a result. The Namibian mining sector was not left unscathed, as many operations cut production and Weatherly Mining Namibia suspended its central mining operations, retrenching 215 workers. Namibia, however, finds itself in a unique position when compared to its regional neighbours, as the country is now realising the fruits of prior investments, primarily due to a favourable regulatory and legislative framework. As such, investments have continued to occur despite an uncertain and depressed global economic environment.

Unfortunately the industry suffered one fatality on 10 May 2015, when a contractor employee fell from height at the Skorpion Zinc mine. Sadly, another fatality was recorded in January 2016 as a result of the accident that occurred on 28 December 2015 when an employee at B2Gold's Otjikoto gold mine was wedged between a dozer and a diesel truck during a refuelling operation. The sector, however, did record a 23% reduction in the number of Lost Time Injuries (LTIs) from 2014 to 2015. The decline in LTI's is a good indicator that the mining sector, led by the efforts of the Safety Committee, is committed to the goal of zero harm.

Output of zinc, copper and lead concentrates, Special High Grade (SHG) zinc, yellow cake and diamonds posted declines in 2015 from 2014, largely as a result of low commodity prices and operational challenges. The overall reduction was off-set by increased gold production from the Otjikoto mine and copper cathode production from the Tschudi mine. B2gold's Otjikoto gold mine and Weatherly's Tschudi mine successfully ramped up to commercial production in 2015, generating significant export earnings and value added through output. The Chamber of Mines expects the growth trajectory of the mining sector to continue in the medium term as Swakop Uranium's Husab mine is scheduled for production in 2016 and is expected to make significant contributions to over-all mining output and revenue generation.

In 2014/15 Namibia was ranked as the most favourable investment destination for mining in Africa according to the results of two global benchmark surveys. Namibia has reaped the benefits of this prestigious ranking with over N\$ 32 billion worth of investments in new mines and reinvestments in the past three years.

Namibia's position, however, has since come under jeopardy as a result of recent policy announcements by government. According to the 2015 Fraser Institute Survey of Mining Companies, Namibia dropped four places, after Morocco, Burkina Faso and Ghana. This comes as a result of the proposed New Equitable Economic Empowerment Framework (NEEEF) policy and Bill and delays in processing of licence applications during 2015. The Chamber remains concerned that NEEEF in its current form will have detrimental impacts on the mining sector and reverse the gains of current industry growth. The Chamber is thus consulting with government to arrive at a transformation policy that is supportive of the industry's adopted Mining Charter and indeed the Harambee Prosperity Plan. The Chamber is optimistic that mining will weather the current headwinds and continue to underpin socio-economic development.



# Mining Industry Review for 2015

It is now my honour to present the President's Report for the year 2015.



## Safety

I regret to announce that the industry suffered one fatality during 2015.

Mr. Lucas Shikongo, a contractor employee lost his life on 10 May, 2015 when he fell 15 m while working at height at Skorpion Zinc. We strive to achieve zero fatalities but unfortunately this goal was not achieved.

Sadly, 2016 began with another fatality at B2Gold's Otjokoto gold mine as a result of a mine accident that occurred on 28 December 2015 when Martin Shilompoka, a Machine Operator, was trapped between a dozer and a diesel truck during a re-fuelling operation. The injured was treated for 25 days at the Roman Catholic Hospital in Windhoek. Unfortunately, on 22 January 2016 he succumbed to his injuries and passed away.

We express our heartfelt condolences to the families and friends of the deceased employees. The Chamber continues to learn from these experiences to ensure that similar accidents will be avoided in the future.

**“An additional factor in the plummeting of the rand was the rickety political and social climate in South Africa.”**

On a positive note, the industry made significant progress on other safety statistics. The mining sector recorded a reduction in the number of Lost Day Injuries,

from 65 in 2014 to 50 in 2015, a marked improvement from the previous period. The industry recorded a 22.33% drop in Disabling Injuries from 103 in 2014 to 80 in 2015.

I wish to recognise the tremendous support we receive from the Chief Inspector in all aspects. He is a member of the Chamber Safety Committee and together, the Chamber remains committed to achieving the goal of zero harm.

## World Economy

During the year in review, developed economies continued to recover while developing and emerging economies were faced with two transitional challenges; monetary tightening by the U.S Federal Reserve and declining commodity prices. On 16 December 2015, the Federal Reserve raised the interest rate by 25 basis points for the first time in a decade, signalling strong recovery in the U.S economy. The eventual rate hike and prolonged speculations thereto have posed significant challenges to the developing world.

In 2013, when the Fed first signalled at an interest rate hike in response to signs of a recovering U.S economy, emerging market economies experienced major capital outflows leading to a rapid depreciation of their local currencies. In 2015, emerging market currencies continued to slide against the dollar caused by a slow-down in growth of the Chinese economy and market sentiment which anticipated a rate hike before the end of the year. On 16 December 2015, the US Federal Reserve eventually moved to increase the federal funds rate by 0.25% to 0.5%.

Closer to home, these developments had a significant impact on the South African rand, causing the currency to depreciate below historic thresholds. An additional factor in the plummeting of the rand was the rickety political and social climate in South Africa. Jacob Zuma's decision to fire the South Africa Minister of Finance, Nhlanhla Nene, on 9 December 2015 saw the rand drop to historic lows of R15.48 to the dollar. An unstable economic and political climate does not provide much hope for the recovery of the rand in the near future.

The structural slow-down of the Chinese economy in 2015 had major repercussions on global commodity markets. China's economic growth slowed to 6.9% in the third quarter of 2015, the lowest recorded since the global recession in 2008. China has been the main driver of global growth in recent years, and as demand subsides with a slow-down in growth, so does the country's appetite for commodities. Commodity prices fell for diamonds, copper, gold, zinc and lead throughout 2015 as a result. The price of uranium remained relatively stable, albeit low, during the year, as China scaled up on its nuclear energy programme and Japan re-started its first nuclear reactor in August 2015. However, these factors have not been sufficient to offset the effects of China's cooling economy and low prices for uranium are expected to persist in the near to medium term.

Low commodity prices coupled with depreciating currencies posed a number of risks for developing and commodity based economies. Countries running high current account deficits were more vulnerable to external shocks as depressed markets reduced revenues from commodity related exports. Due to Namibia's direct link to the weak rand and its reliance on mineral exports as a source of foreign currency, the local mining sector is thus not immune to these global and regional developments. However, as elaborated below, Namibia finds itself in a fortunate position during this downturn.

### Highlights of Mining in Namibia

In response to declining copper prices during the first half of 2015, Weatherly Mining Namibia announced the suspension of its two central mining operations, Matchless and Otjihase underground copper mines on 14 September 2015, converting them to project development status and retrenched 215 workers.

Furthermore, the mining licence issued to Craton Mining and Exploration in September 2014 was rescinded by the High Court on 15 September, 2015 following an application by farmers opposed to mine development on their land. This has unfortunately delayed the development of the new copper mine and resulted in Craton's decision to retrench most of their staff and greatly curtailed exploration activities.

A four-week strike at the Skorpion Zinc mine which started on 20 July 2015, cost the company N\$26 million in lost revenue.

**“China's economic growth slowed to 6.9% in the third quarter of 2015.”**

Despite depressed commodity prices, the Namibian mining sector was well positioned to overcome the negative impacts of this downturn. Many investments made by the sector in the last three years were realised in 2015, with many still to come to fruition.

In contrast to the suspension of their central operations, Weatherly's new Tschudi open pit mine produced its first copper cathode in February 2015 and continued ramping up production to nameplate capacity throughout the year.

Bannerman's Heap Leach Demonstration Plant was commissioned in March 2015, reporting positive results in the first and second Phases of the plant's operation, fully supporting the assumptions and projections contained in the Definitive Feasibility Study of the Etango project. The positive results should further generate greater confidence for investment decisions and thus fast track the development of the Etango project once the uranium market recovers.

In May 2015, Debmarine Namibia announced plans to construct a deep-water diamond sampling and exploration vessel at an investment of N\$2.3 billion. The vessel, mv SS Nujoma was successfully launched on 9 January 2016. Outfitting will be completed before sea trials occur and the final delivery of the vessel from Norway to Debmarine Namibia during 2016.

Following the first kilogram of gold produced at B2Gold's Otjikoto mine in December 2014, the mine was officially commissioned by H.E President Hage Geingob on 1 June 2015. The mine successfully ramped up to full production in 2015, well ahead of budget.

Lodestone's Dordabis iron mine also began producing magnetite and hematite products for niche consumers in mid-2015. Magnetite is used by OHORONGO in cement manufacturing, further signifying upstream value addition with locally produced inputs.

Dundee Precious Metals Tsumeb (DPMT) commissioned their sulphuric acid plant in July 2015. The plant has been in production since then, supplying locally produced sulphuric acid to the Rössing and Tschudi mines. The new acid plant was officially commissioned by H.E. President Hage Geingob on 6 April, 2016.

On 30 July 2015, Ohorongo Cement held the ground-breaking ceremony for the new plant expansion, the Special Composite Cement Plant at an investment of N\$150 million. The new production unit will produce different types of cement, which will diversify the product range offered by the company and help match demand for additional product types by the retail market.

Lastly, the construction and commissioning of Swakop Uranium's Husab mine remains on track, with first production planned in the third quarter of 2016

Such investments were possible as a result of the favourable regulatory framework governing the Namibian mining sector as evidenced by global benchmark reports. According to the Behre Dolbear 2015 report "Where to invest in Mining," Namibia ranked as the most attractive destination in Africa for investment in mining and 7th out of 25 countries surveyed globally. Similarly the 2014 Fraser Institute



survey of mining companies revealed that Namibia is the most attractive destination for mining and exploration in Africa and ranked 25th out of 122 jurisdictions surveyed globally.

However, a number of policy developments which occurred towards the end of 2015, negatively impacted investor sentiment towards Namibia's mining sector. The 2015 Fraser Institute Survey of mining companies showed that Namibia dropped from its number one ranking in 2014 to fourth place in 2015. These policy details and developments are to follow later in this report.

A favourable regulatory framework, which has led to Namibia achieving its status as an attractive destination for investment in the mining sector, is paramount to the unique and competitive position the country finds itself in, when compared to other developing countries. Namibia is still very much poised to reap such benefits of investments made, but if the country is to continue doing so, it follows that a stable and favourable regulatory framework is necessary and imperative to weather global headwinds and to sustain such investments.

## **The Year in Perspective**

### **Tax Amendments**

Several tax amendment Bills were passed in December 2015. The Chamber welcomes the reduction of the withholding tax from 25% to 10%. The new amended tax laws are effective from 1 January, 2016. The Export levy bill is yet to be passed into law.

### **New Equitable Economic Empowerment Framework (NEEEF)**

Government finally approved and released the New Equitable Economic Empowerment Framework (NEEEF) in November 2015. Some NEEEF pillars are very similar to the Chamber's Mining Charter which the industry has been implementing since 2014 on a trial basis.

**“Namibia ranked as the most attractive destination in Africa”**

### **Moratorium on Marine Phosphate Mining**

The Chamber remains concerned that there is no progress on the SEA study aimed at addressing environmental concerns. As a result, GRN remains mute on the 18 months Cabinet Moratorium on marine phosphate mining which was declared on 17 September, 2013 and lapsed in March 2015. The Chamber is supportive of initiatives aimed at evaluating existing scientific data on environmental impacts to assist government to pronounce itself on the Moratorium, going forward. The mining industry and the Chamber are equally interested to see environmental

concerns addressed so as to promote the co-existence of all sectors in the same marine ecosystem, as is the case with offshore diamond mining operations and the fishing industry. The continued impasse on marine phosphate mining is unfortunately robbing Namibia of opportunities to address socio-economic challenges while at the same time addressing environmental concerns with current adequate environmental legislation.

### **Security of Power and Water**

The Minister of Mines and Energy has assured the nation that there will be no load shedding this winter.

The medium and longer term security of uninterrupted supplies of power and water remain a major concern to the Chamber and the industry. Namibia imports approximately 60% of its energy requirements from neighbouring countries; South Africa, Zambia, Zimbabwe and Mozambique, through Power Purchasing Agreements (PPA's). Although these PPA's are still in place, these countries are facing severe energy deficits of their own, most notably Zambia and Zimbabwe, thus threatening the security of Namibia's power supply.

The recent commitment made by government to increase the inclusion of private role-players in the power generation sector is welcomed by the Chamber of Mines, as it will reduce Namibia's dependency on imported electricity. In the spirit of PPP, Chamber members with embedded generation capacity have approached NamPower seeking a mechanism to make this capacity available to the grid. There is currently a total of 67MW embedded generation capacity and 38MW planned solar PV plants and wind turbines by some Chamber members, making a total of 105MW contribution by the mining industry. We call upon NamPower to seize this opportunity and synchronise these embedded units to the national grid. This will contribute towards conserving the base load from NamPower.

In addition to power shortages, Namibia is facing a nation-wide drought which is causing severe water shortages in many regions of the country. More specifically, on 3 December 2015 the City of Windhoek declared a water crisis for the central region, affecting the Navachab gold mine which sources its water supply from the central area.

Rössing mine completed a feasibility study to construct its own desalination plant which would alleviate pressure on the national utility, NamWater. Other mines in the vicinity have expressed interest to participate in this project. Unfortunately, government has not shown support on this project – with reluctance to grant the necessary clearances and approvals to facilitate the construction of this facility. All the mines in the central coastal area have been forced to use desalinated water supplied by NamWater, since 2013 at significant cost whilst negotiations continue by Government to acquire the existing desalination plant.

### Trans Namib & Rail Working Group

The 180-day turn-around strategy implemented on 25 September 2014 has failed to transform Trans Namib into a sustainable, profit making organisation and the parastatal continues to be a debt ridden entity. The company is challenged to efficiently transport bulk mining inputs and outputs, and Chamber members are forced to reluctantly use the road transport network which is characterised by heavy and dangerous traffic.

It is against this background that the Chamber of Mines initiated a Railway Working Group Committee (Northern Transporters Forum) to address these concerns. The Chamber has established that a total of 1.23 million tonnes of mining related freight is available between Tsumeb and Walvis Bay. This is immediate cash flow for TransNamib but unfortunately, only 30% of this freight is transported by rail, forcing Chamber members to move 70% by road transport with all the obvious consequences. The Chamber has proposed the rehabilitation of the railway line between Tsumeb and Walvis Bay as a priority and also TransNamib to consider concessioning priority lines to the private sector as per successful examples such as in Kenya and Uganda. The Chamber has submitted these proposals to the TransNamib Management, Board and the Deputy Minister of Transport and will endeavour to further engage government on this matter in the spirit of Harambee and Public-Private Partnership (PPP).

### Joint Value Addition Committee (VAC)

I am pleased to note that the Joint Value Addition Committee made further progress during 2015 with the completion of the Phase two report. The report addressed value addition opportunities and challenges in seven minerals: dimension stone, graphite, silica sand, salt, phosphate, fluorspar and manganese and was presented for discussions at a stakeholder's workshop in August 2015. The Chamber is looking forward to a successful conclusion of this process with a mineral beneficiation strategy as the final deliverable, in line with NDP4 outcomes.

### Mining Expo and Mining Conference

The Chamber of Mines successfully hosted its fourth Mining Expo and Conference during 20 – 21 May, 2015 with 150 exhibitors and over 1,000 visitors. The feedback received from a number of international exhibitors and attendees was nothing less than exemplary, which placed the Mining Expo and Conference at par with international mining events such as the Mining Indaba held annually in Cape Town.

The conference was also well attended by a variety of stakeholders, including students, government officials, staff and managers from various mining operations.

The Mining Expo & Conference will be held at the Windhoek Show Grounds from 2016 onwards. Although the Safari Hotel has served as an excellent venue for the Mining Expo and Conference in the past, the venue change with unlimited space is anticipated to give this event greater public exposure and raise the calibre of future mining expos.

### Ministry of Mines and Energy

The Chamber continues to enjoy a cordial and constructive relationship with our line ministry, the Ministry of Mines and Energy. The Chamber welcomed the smooth transition with the appointment of Hon. Obeth Kandjoze as new Minister of Mines and Energy, taking over from Hon. Isak Katali. The Chamber hosted a farewell dinner in honour of the former Minister. The Chamber equally welcomed the appointment of Hon. Kornelia Shilunga as the new Deputy Minister of Mines and Energy. Both new Ministers have shown passion for the industry by visiting most of our operations to familiarise themselves and assisting with challenges on the ground.

**“In addition to power shortages, Namibia is facing a nation-wide drought...”**

The Chamber wishes to express appreciation of the support that has so far been received from the new leadership. However, the Chamber remains concerned that no single exploration or mining licence was issued during March to December, 2015. The introduction of “new additional conditions” to licences compounded matters with further delays on account of consultations with the Attorney General, a process that the Ministry of Mines and Energy has no control. This effectively watered down the Minister's efforts to clear the backlog of licence applications by December 2015. The Chamber appreciates that the Minister is empowered by law to make any additional conditions to the licences but we appeal that in future, the Chamber should be consulted so as to expedite the process. The impact of these delays have started to show with investor sentiments as shown in the 2015 Report of Fraser Institute in which Namibia has dropped down to fourth position in Africa, from the prestigious first position in the 2014 survey. The 2014 Fraser report showed that Namibia was the most attractive investment destination in Africa, followed by Botswana.

The Chamber is pleased to note that the Ministry of Mines and Energy has embraced the Mining Charter for rolling out effective empowerment in the mining industry and thereby fight poverty through job creation, skills development and growing the national economy. In the same spirit, the Chamber has expressed tremendous support to the Harambee Prosperity Plan as recently announced by H.E. The President in the State of the Nation address. The Chamber is pleased to note that Harambee is in line with NDP4 and will truly contribute towards the war against poverty.

However, the Chamber does not believe that NEEEF, in its current form, will be the solution to poverty eradication and equality as the new policy framework



and Bill is focussed on empowerment of individuals instead of the poor majority of the population. While the Chamber fully supports the Purpose and Objectives of NEEEF, we respectively submit that the Mining Charter is able to achieve these objectives in a more sustainable and meaningful manner in the mining sector. The unintended consequences of NEEEF in its current form will result in dramatic reductions in FDI, loss of revenue to government and a decline in overall economic growth. As alluded to above, NEEEF will thus be counterproductive to poverty eradication, Harambee and NDP4 objectives.

The Chamber has engaged and submitted counter proposals on NEEEF to all relevant government bodies, including the Minister of Mines and his team. The Chamber is optimistic that once again, reason will prevail to enable the mining industry to grow and be fully integrated with other sectors of the economy to attain the much desired industrialisation as per Vision 2030.

## Highlights from operations

### Diamonds

Total Diamond production in 2015 dropped by 6.4%, from 1.885 million carats of diamonds in 2014 to 1.764 million carats in 2015. Namdeb produced 494,324 carats in 2015 and also recorded a drop in output as a result of operational challenges including a slow start-up in January, industrial action by contracted employees and a seawall breach in July 2015. Debmarmine Namibia posted a marginal decline in production, from 1.273 million carats in 2014 to 1.2 million carats in 2015.

Diamond prices fell in 2016 due to sluggish global demand, which also led to reduced overall production and a drop in diamond sales.

“Total Diamond production in 2015 dropped by 6.4%...”

### Uranium

Rössing uranium produced 1,245 tonnes of uranium oxide in 2015, a slight reduction from 1,543 tonnes produced in 2014. This was largely as a result of a fire which broke out in a Final Product Roaster in 2015. Mill production continued at the same level proceeding the fire, due to increased storage space. Stockpiling of yellow cake was thus possible while roaster repairs were underway. The repairs were successfully completed in May, shortly after which yellow cake calcining, drumming and shipments resumed.

Langer Heinrich also recorded a slight reduction in output during the year in review, from 2,296 tonnes in 2014 to 2,228 tonnes in 2015. Production was constrained during the first half of the year due to scale

formation that required secondary pipe installation. The main focus of operations in 2015 was to increase throughput to nameplate production, improve efficiencies and to reduce operational cost.

Swakop Uranium is expected to commence with commissioning of the production of yellow cake in the third quarter of 2016.

### Zinc

Refinery production by Skorpion Zinc fell to 82,029 tonnes in 2015 from 102,188 tonnes in 2014 owing to low zinc feed grade from the mine.

The Rosh Pinah Zinc Corporation recorded a 4.2% drop in production, from 104,046 tonnes of zinc concentrate in 2014 to 99,665 tonnes in 2015. This was as a result of recovery losses in the first quarter of 2015 and zinc mill feed grades that were below target.

### Lead

Similarly, production of lead concentrates from the Rosh Pinah Zinc mine decreased from 22,317 tonnes in 2014 to 18,521 tonnes in 2015 due to decreased lead grades as per the Life of Mine (LOM) production schedule.

### Gold

The Otjikoto gold mine produced 4,131 kilograms of gold in 2015, transitioning successfully from construction to commercial production and ramped up to full production during the year.

Production from Navachab Gold mine decreased from 1,938 kg in 2014 to 1,878 kg in 2015, falling 11.3% below budgeted targets. This was mainly due to downtime associated with the tie-in and commissioning of new capital projects in the CIP Plant.

### Cement

Ohorongo Cement had a successful year, producing 796,055 tonnes of cement, an 8.9% increase from the production recorded in 2014.

### Copper

Weatherly Mining Namibia, through its Otjihase and Matchless mines, produced 13,919 tonnes of copper concentrate containing 3,254 tonnes of copper metal in 2015, a significant reduction from the 20,994 tonnes of copper produced in 2014 and containing 5,086 tonnes of copper metal.

Due to the marked decline in world copper prices during 2015, dropping to a six year low of U\$4,888 per metric tonne in August 2015, copper production levels from Otjihase and Matchless were insufficient to support the ongoing costs of operating these underground mines, rendering them commercially unviable.

As already alluded to above, operations at these high cost underground mines were suspended and the majority of staff and contractors were retrenched







on 19 September 2015. Otjihase and Matchless mines were converted to project development status so as to prepare them for future production of larger volumes of copper concentrate at a lower unit cost, once market conditions improve.

On a more positive note, the low cost Tschudi copper mine produced 10,659 tonnes of copper cathode in 2015, well above budgeted targets. The operation achieved nameplate production in December 2015, posting a monthly production of 1,420 tonnes of copper cathode, far exceeding the monthly target.

Cathode quality consistently exceeded LME Grade A requirements and operating efficiencies in the plant have also outperformed initial expectations.

### **Salt**

Salt & Chemicals produced 614,980 tonnes of salt and the Salt Company produced approximately 118,000 tonnes of salt in 2015.

### **Economic Contribution**

Preliminary statistics produced by the National Statistics Agency for 2015 show that the sector made a direct contribution of 11.9% to Namibia's GDP, but contracted by 0.1% in real terms.

According to Chamber statistics, non-diamond mining surpassed diamond mining as the larger contributor to revenue and foreign exchange earnings. The figure for non-diamond mining includes revenues from zinc refining and copper smelting. Total revenue by non-diamond mining was N\$13.82 billion and diamond mining earned N\$11.46 billion. The total revenue from Namibia's mining operations was N\$25.28 billion in 2015.

Fixed investment declined by the mining sector from N\$17.26 billion in 2014 to N\$5.48 billion in 2015. The 2015 excludes the figure from Swakop Uranium and we thus expect the actual amount to be higher. The relative decline, however, was largely as a result of the ramping up of fixed capital formation as the Otjikoto, Tschudi and Husab mines transitioned from development phases to production and operation.

Similarly, statistics generated by the Chamber of Mines also show a drop in exploration expenditure from N\$625 million in 2014 to N\$490 million in 2015. Exploration expenditure has gradually declined in the last three years primarily due to depressed commodity markets and the resultant challenges in raising capital for exploration.

Chamber statistics show that members paid out N\$3.76 billion in taxes and royalties in 2015, an 11% increase from N\$3.39 billion which was paid out in 2014. These figures exclude PAYE paid through wages and salaries by the sector.

### **Training and Employment**

The mining industry spent N\$171.7 million on training and skills development in 2015, and awarded 36 new bursaries. In addition, the mining industry continued to support NIMT with job attachments and donations of used machinery for practical training at its three campuses in Arandis, Northern Campus in Tsumeb and the NIMT Southern Campus in Keetmanshoop.

In 2015, mining and exploration companies collectively employed 8,853 people in permanent positions. Total employment by the sector, which includes permanent, temporary positions and contractors, increased from 17,770 in 2014 to some 19,000 jobs in 2015.

### **Conclusions**

In conclusion, the mining industry has demonstrated resilience against the global downturn as Namibia is the only African country where the industry is on the growth path. The industry has created more jobs than it has lost in the last 3 years and is creating new opportunities for value addition with new copper cathode production which has commenced for the first time in the history of Namibia. The industry has also made history with the first ever production of iron ore in Namibia, for use locally thereby underpinning the much desired upstream value addition and conserving foreign exchange with reduction of importation of such inputs for cement production.

The continued success of the mining industry will depend on the competitiveness of Namibia as an attractive investment destination for exploration and mining. This calls for government to bring a win-win finality on new policy proposals and address licencing matters. Furthermore, the security of water and electricity supply as well as railway transport challenges needs to be addressed so as to retain investor confidence. The Chamber remains committed to work with government and reclaim Namibia's previous record as the most attractive investment destination in Africa for exploration and mining.

I wish to thank all Chamber members, my colleagues at the Council and the CEO and his team for their continued support during the challenging year. I am confident that the Chamber shall continue to steer the mining industry to greater heights and ensure that the industry successfully contributes to the structural transformation where mining will be more integrated with other sectors of the economy and fulfil the industrialisation aspirations in accordance with NDP4, Harambee, SADC Industrialisation Strategy and Road map and indeed, Vision 2030.



Kombadayeddu Kapwanga  
Chamber President | 26 April 2016



## Mining Safety Overview - 2015

The Mining industry continued its safety performance improvement trend during 2015, specifically in injury reduction. Sadly, one fatality was recorded at the Skorpion zinc mine when a contractor employee fell from height on 10 May 2015. The total number of lost day injuries recorded in 2015 was 50, a significant reduction from 65 recorded in 2014. This equates to a Lost Day Injury Frequency Rate (LDIFR) of 1.48, an improvement of 35% from the 2014 LDIFR of 2.26. Hand, finger and foot injuries were the most common incidents recorded and a number of targeted programmes were introduced by the mines to curb this trend.

During the past year most of the mines completed various ISO recertification/surveillance audits (Safety, Quality, Environment), demonstrating the robust management systems in place. All mines have various improvement plans aimed at fatality elimination and injury reduction. The first awareness session on Process safety was held during the latter part of 2015 and has been identified as an area for continuous capacity building. Health and Safety improvement requires relentless focus by all and to this end, the tripartite session, involving Government, the Chamber of Mines and the Mine Workers Union of Namibia (MUN) addressed the topic of safety leadership, which is one of the key requirements for achieving sustained improvement.

The Chamber of Mines Safety Committee continued its Peer Review process during 2015 and visited the following member sites; Ohorongo Cement and Dundee Precious Metals. Key findings from these peer reviews included, amongst others, the importance of engineering controls implemented at the design

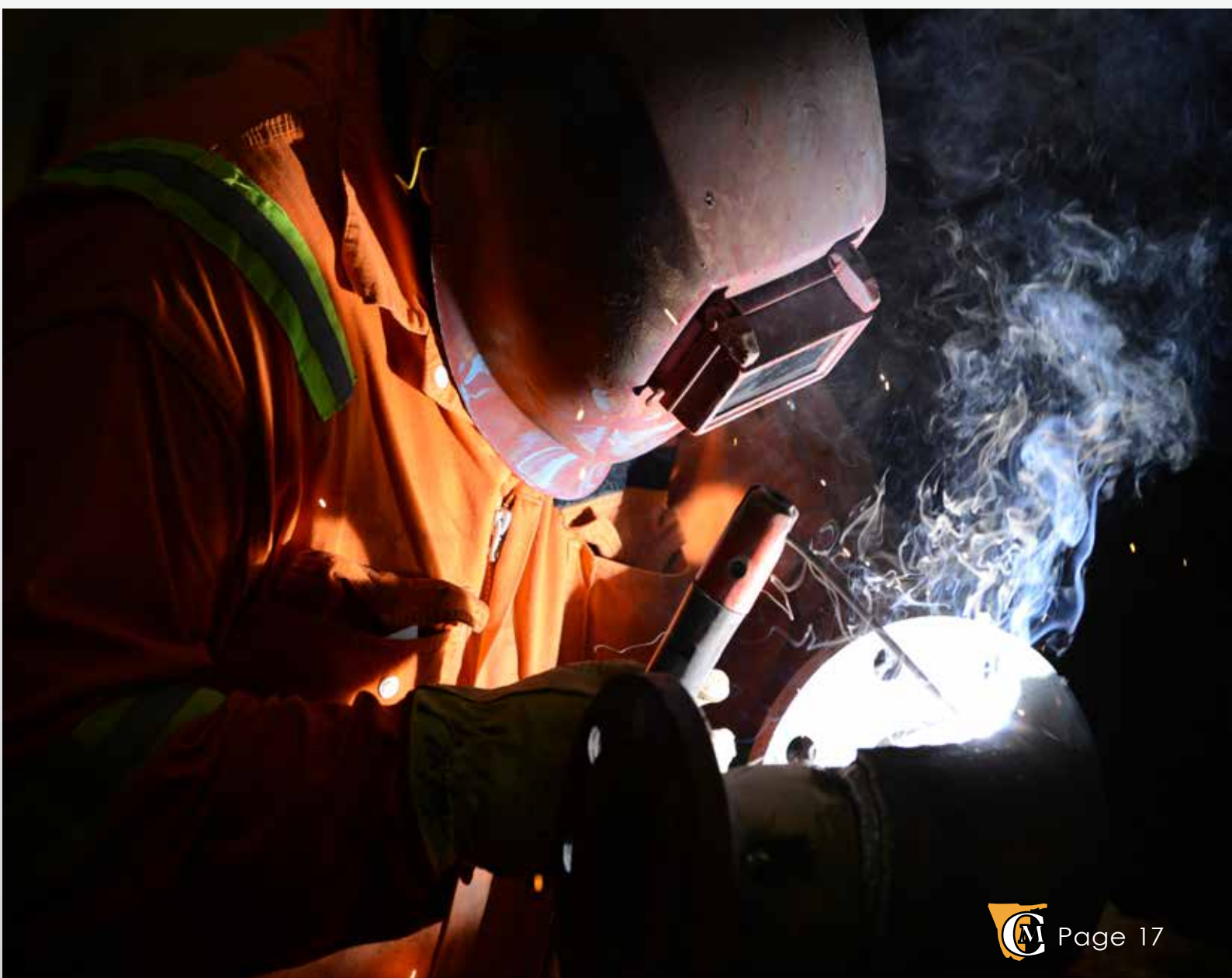
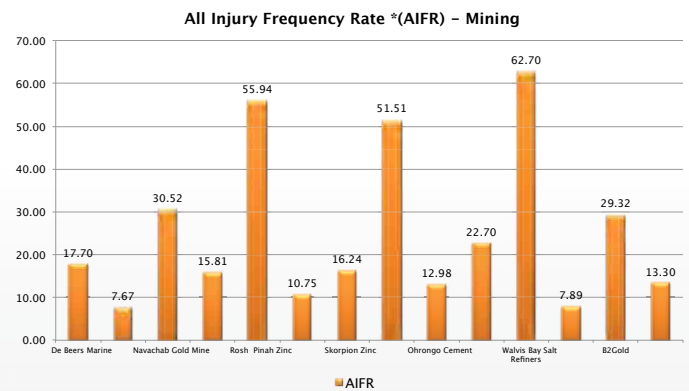
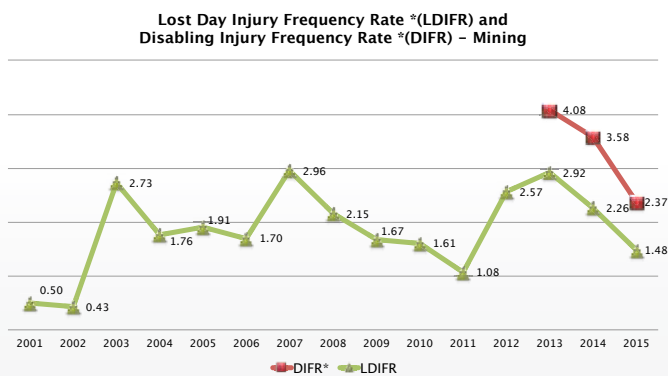
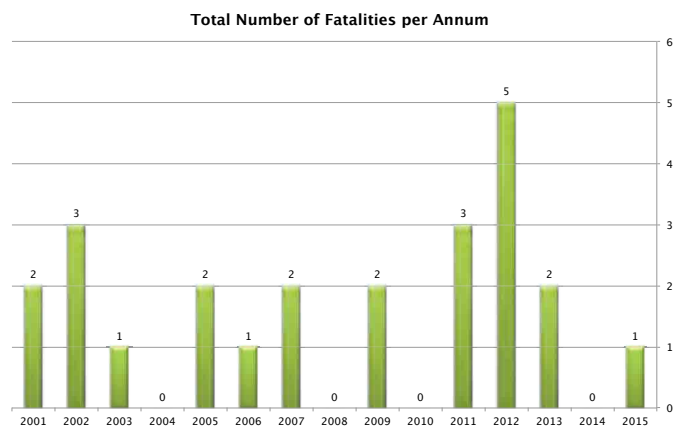
and build phase, working at height practices, as well as isolation practices. Excellent practices relating to compliance with Personal Protective Equipment (PPE) were also observed during these visits. Another positive development was the continued support and participation by the Chief Inspector of Mines, and more recently, the Ministry of Labour as well as the MUN, making the peer reviews a truly consultative and participatory process.

On the Regulatory side, a sub-committee was set up to assist the Office of the Chief Inspector of Mines with the finalization of the draft Mine Health & Safety Regulations. Consultation and revisions will continue in 2016.

Although the mining sector is experiencing a turbulent time due to depressed global sentiment, Chamber members continue to demonstrate their commitment in providing a safe and healthy workplace for their employees, as well as minimizing impacts on the environment. This is evident in the continued reduction of injuries achieved over the past two years.

Whilst 2016 is expected to be another challenging financial year, The Chamber's Safety Committee will continue sharing best practices, learning from incidents to prevent repeats and thereby build the capacity of health and safety professionals to ensure progress to zero harm.













# Operating Companies



## Areva Resources Namibia



# Areva Quick Facts

## Output in 2015

Nil

## Employment

Permanent employees at end 2015: 38

Temporary employees as end 2015: 0

Contractors at end 2015: 90

Expatriate employees at end 2015: 0

## Financial Year (1 Jan - 31 Dec)

Turnover in 2015: N\$182 million (from water sales), N\$1.2 million (from power sales)

Wages and salaries in 2015: N\$26.7 million

Fixed investment in 2015: N\$7.3 million

Exploration expenditure in 2015: Nil

Losses in 2015: N\$ 32 million

## Details

Shareholders: Uramin Inc 100%

Related operations in Namibia: AREVA Processing Namibia, Erongo Desalination Company

Mines in Namibia: Trekkopje uranium mine (ML 151)

Date of production start: Mine under care and maintenance

Latest estimate of life of mine: 10 years

Affirmative Action Plan: Pending

Number of bursaries awarded in 2015: 2

Managing Director: Hilifa Mbako

Mine Manager: Francois Van Dyk

## Contact Details

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smit.sugnet@gmail.com | www.areva.com



*Frequent checks on electricity readings by the Engineering department.*

# Areva Resources Namibia



**AREVA Resources Namibia**, 100% owned by AREVA, constructed the Trekkopje uranium mine. A separate company, AREVA Processing Namibia (APN), will convert the output of the mine into uranium oxide for sale to AREVA clients once operations commence. Water for the Trekkopje operations is provided by the 20 million cubic metre Erongo Desalination Plant, situated at Wlotzkasbaken.

## Highlights for 2015

- Continued with care and maintenance programme.
- Continued support to social projects.
- Desalination plant assisted NamWater to meet water demand to uranium mines.
- Negotiations to sell desalination plant to Government at an advanced stage.

## Production

There was no production from the mine in 2015. AREVA, however maintained their focus on process development and optimisation, using the opportunity to make improvements to the alkaline heap leach process and uranium recovery methods to be used once the mine commences production. The third phase of the metallurgical test work is exploring new options to reduce the cost of production and enhance the economic viability of Trekkopje mine. Following a range of bench-scale tests in France, on-site testing programme started in the fourth quarter of 2015 and will continue into 2016.

## Exploration

No exploration took place during the course of 2015.

## Safety

There were no LTI's recorded for the year in review.

## Labour Relations

No industrial action was reported and sound labour relations were maintained between the company and MUN.

## Education and skills

The Namibia Institute of Mining and Technology (NIMT) assessed five Engineering Operators at AREVA to identify their level of competency, after which the operators began a skills upgrading programme at NIMT, which is to be completed in the following three years. Leadership development programmes were attended by two of the company's middle management employees. In addition, a total of 2,710 hours was spent on training and skills development during the year in review.

## Procurement

AREVA spent N\$62.5 million on local goods and services in 2015.





### Community Relations

The AREVA Foundation contributed to local economic development by co-funding the Erongo Development Foundation (EDF) micro-finance credit scheme for small and medium enterprises for the period 2014 - 2015. The scheme has provided approximately 100 small businesses with finance over the last five years. Loan repayments have increased remarkably due to incentives, training sessions and site visits by members of the Board. In addition, the company supported a host of other initiatives including a programme in which to enhance economic independence through arts and craft production in partnership with Community Skills Development Foundation (COSDEF).

Project "Safety W.I.S.E.", a partnership between AREVA Namibia, Rössing Uranium and the Ministry of Education in the Erongo region was launched in June 2015 to support teachers in the roll-out of the new curriculum which aims to instil a culture of safety awareness amongst learners from a young age.

AREVA supported three sporting events in the Erongo Region in 2015. The "AREVA Walk and Run for Fun and Mountain Bike Fun Ride," was held in July in 2015 the proceeds of which was donated to a charity for handicapped children. The company co-sponsored

a football event in Usakos for clubs from all towns and settlements in the region and hosted their annual sporting event, "the Rock Spitzkoppe Community Run and Mountain Bike Challenge."

### Environment

AREVA monitors all aspects of the environment that could be affected by the mine to define baseline conditions before full scale mining commences. While the company continued with the care and maintenance programme, it also implemented its Environmental Management Plan (EMP) to monitor air and water quality, radiation levels as well as fauna and flora. The monitoring programme covers the mine and neighbouring communities such as Arandis and Wlotzkasbaken.

Independent audits of compliance were conducted at the mine and desalination plant. The 2015 audit confirmed a high level of compliance, with only minor deviations in waste management.

The rehabilitation trial, which started in 2010, was continued to define the most effective restoration measures for the Central Namib. Annual monitoring of the test areas have begun to yield results to show which surface treatments are the most effective.





**B2 Gold**



## B2 Gold Quick Facts

### Output in 2015

4,131 kg

### Employment

Permanent employees at end 2015: 577

Temporary employees at end 2015: 93

Contractors at end 2015: 20 contractors on site with a total of 135 employees

Expatriate employees at end 2015: 12

### Financial Year (1 Jan - 31 Dec)

Wages and salaries paid in 2015: N\$278.2 million

Fixed investment in 2015: N\$3.209 billion

Exploration expenditure in 2015: \$56.4 million

### Details

Shareholders: B2Gold Namibia (Pty) Ltd (90%),  
EVI Mining Company Ltd (10%)

Mines in Namibia: Otjikoto mine, ML 169

Date of production start: December 2014

Latest estimate of life of mine: 2027

Safety rating at end 2015: None

EPLs at end of 2015: EPL 2410, EPL 3195, EPL 4277, EPL 4278, EPL 4279, EPL 4280, EPL 4309, EPL 4314, EPL 5597, EPL 5598

Affirmative Action Plan: Approved

Number of bursaries awarded in 2015: 3

Managing Director: Mr Mark Dawe

### Contact Details

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Tel: +264 61 295 8700 | Fax: +264 61 295 8799  
info@B2Gold.com | www.b2gold.com



**Namibia's second gold mine**, the Otjikoto mine lies between Otavi and Otjiwarongo in Northern Namibia. The mine came into production in December 2014 and has since entered into commercial production, successfully ramping up operations.

## Highlights for 2015

- Mine officially commissioned by H.E. Dr Hage Geingob on 1 June 2015.
- Successful transition from construction to commercial production at the new Otjikoto Mine.
- Expansion of the Otjikoto mill from 2.5 million tonnes per year to 3 million tonnes per year completed in September.
- In late 2015, an updated geological and grade model for the Otjikoto Deposit was completed.
- During 2015, the Company also completed 14,181 metres of in-fill drilling at the Wolfshag zone.

## Production

The Otjikoto gold mine produced 4,131 kilograms of gold in 2015, transitioning successfully from construction to commercial production and ramped up to full production during the year.

## Exploration

As mentioned in the highlights section an updated geological and grade model for the Otjikoto deposit was completed. The new model incorporated data from drilling conducted after the 2012 Feasibility Study, close-spaced grade control data obtained in 2015 and in-pit structural mapping. The updated model reports higher tonnage, slightly lower average grade and approximately 10% less in total ounces of contained gold.

Infill drilling of 14,181 metres was conducted on the Wolfshag zone to update the mineral resource, test the down plunge projection of the Otjikoto shoots and to explore the Wolfshag East target. Geochemical and airborne magnetic surveys as well as Rotary Air Blast (RAB), Reverse Circulation (RC) and Core drilling were done to test targets on the EPLs held by B2Gold.

A Joint Venture (JV) agreement was also signed to explore EPL 3195.

## Safety

Three Lost Time Injuries were recorded in 2015. Unfortunately, one of the LTIs recorded on 28 December 2015 resulted in a fatality in 2016. An internal gap analysis audit was done in April 2015 on the B2Gold Health, Safety and Environment (HSE) Management System and HSE Performance Standards. The shortfalls are being addressed in a mitigation action plan and will be retested in 2016.

## Labour Relations

Otjikoto Mine had stable and sound labour relations during 2015. On 27 July 2015, B2Gold Namibia and the Mineworkers Union of Namibia signed a Recognition and Procedural Agreement. The purpose of the Agreement is to set down principles which shall govern the relationship between the Company and the Union in terms of the collective bargaining processes. In August 2015 the Mineworkers Union of Namibia established the Otjikoto Mine Branch Executive Committee. The BEC (Branch Executive Committee) shall supervise the conduct of union affairs at the mine. The Company's Management and BEC shall attempt to resolve labour-related differences amicably and ensure that sound labour relationships are maintained at the mine.

## Education and Skills

The company awarded three Engineering Trade bursaries at NIMT in 2015. Towards the end of 2015, B2Gold Namibia also advertised to offer six more academic bursaries in the following fields of study: Engineering (Electrical/Mechanical), Mining, Geology, Accounting with CIMA specialization, and Metallurgy.



Mine officially commissioned  
by H.E. Dr Hage Geingob  
on 1 June 2015.

B2Gold firmly supports employee development in line with its business objectives. To this end the company spent in excess of N\$5 million on skills development programmes. Included in this expenditure were technical development and personal skills training. Furthermore, the company deemed it necessary to equip all its employees with business understanding and skills. The purpose of this was to practically demonstrate (through a simulated business environment) how informed day-to-day decision-making can lead to a sustainable future for all stakeholders.

### Procurement

B2Gold spent approximately N\$801 million on Namibian produced goods and services in 2015.

### Community Relations

B2Gold's CSR Programme aims to promote responsible mining, mitigate risk and demonstrate long-term sustainability from resources and to prepare communities for when the mine closes. In 2015, CSR activities and financial support involved projects in education, livelihood development, conservation and health. Of the 66 projects supported, two thirds of these benefited communities in the Otjozondjupa Region.

### Environment

B2Gold implemented a number of measures and activities to monitor and mitigate its impact on the surrounding environment and communities. The relevant permits and certifications for environmental legal compliance were obtained in 2015 and the mine continued to engage and consult government agencies on such matters.

The Environmental Management Plan (EMP) was aligned with the B2Gold environmental and biodiversity standards of the HSE management system to streamline implementation. A corporate audit of the HSE Management system was also conducted.

B2gold continued consultations with neighbouring farmers on issues of environmental monitoring and impact.





**DEBMARINE NAMIBIA**  
unlocking the sparkle

**De Beers Marine Namibia**





# De Beers Marine Namibia Quick Facts

## Output in 2015

1,270,000 carats

## Employment

Permanent employees at end 2015: 750 (including expatriate employees)

Temporary employees at end 2015: 30

Contractors at end 2015: 16

Expatriate employees at end 2015: 131

## Financial Year (1 Jan - 31 Dec)

Mv Debmar Atlantic

Mv Debmar Pacific

Mv !Gariep

Mv Grand Banks

Mv Mafuta

Mv Coral Sea (on charter)

Mv The Explorer (on charter)

Mv SS Nujoma

## Details

Shareholders: Namdeb Holdings (100%) – Government (50%) and De Beers (50%)

Related operations in Namibia: Namdeb Diamond Corporation (Pty) Ltd and Namibian Diamond Trading Company (Pty) Ltd (NDTC)

Mines in Namibia: Marine diamond mining off the coast of Namibia

Established: January 2001

Safety ratings at end 2015: ISM Certification, OHSAS 18001 Certification, ISO 14001

Affirmative Action Plan: Approved

Number of bursaries awarded in 2015: 2

CEO: Mr Otto. N Shikongo

## Contact Details

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Tel: +264 61 297 8400 | Fax: +264 61 297 8140

Stella.Auala@debeersgroup.com

*Mv SS Nujoma launched in Norway on 9 January 2016*



# De Beers Marine Namibia

**Debmarmine Namibia (DBMN)** is the marine exploration and mining operator for the offshore licence area held by Namdeb Holdings (Pty) Ltd.



**DEBMARINE NAMIBIA**  
unlocking the sparkle

## Highlights for 2015

- The execution phase of the mv SS Nujoma (new exploration vessel) commenced in May 2015.
- The Company acquired the services of a new aircraft for crew changes.
- The establishment of the Debmarine-Namdeb Foundation.
- Record production by the mv Mafuta (mining vessel).
- The company retained its ISO 14001 certification.

## Pre-production Development

Pre-production development sampling in 2015 in the Atlantic 1 mining licence totalled 315 days against 325 days which were planned. A total of 293 days are planned for 2016. Pre-production geophysical surveys totalled 75 days and 40 days for primary exploration and 3D geophysical survey respectively. No geophysical surveys are planned for 2016.

## Exploration

Exploration sampling totalling 120 days was carried out in 2015 in the Atlantic 1 mining licence with a chartered vessel (mv The Explorer). The programme was aimed at continuing on-going exploration (fleet and projects) and to generate an inferred resource.

## Safety

DBMN retained its ISO 14001, ISM and OHSAS 18001 certifications. Three LTI's were recorded in 2015, equating to a LTIFR of 0.15. The company also recorded three High Potential incidents. These incidents were investigated and the necessary corrective and preventative measures were implemented.

## Labour Relations

During the year under review, the Company and the Union continued to foster and nurture their constructive relationship. Under a three year wage agreement, the parties trained the shop stewards and union representatives in labour legislation and negotiations. As a result, no strikes, demonstrations or disputes were reported.

## Education and skills

DBMN continued its multi-faceted approach to skills development through bursaries, a self-study assistance programme, a graduate development programme and in-house training of employees. Two bursaries were awarded in 2015 and N\$47.4 million was spent on training and development.

## Procurement

Namibian spend for 2015 amounted to N\$1.307 billion representing 37 percent of total spend value.

## Community Relations

The Debmarine Namibia Social Responsibility Fund (SRF) continued to sponsor worthy initiatives in 2015, with a particular focus on education. These included the Khomas Regional Science Fair, the National Science, Innovation and Technology Fair and the National Vocational Skills Career Fair; as well as the Etunda Primary School. Environmental projects such as the Marine Educational Fair (Erongo Region) were also sponsored.

The SRF also co-sponsored the international Diamond Omugongo conference.

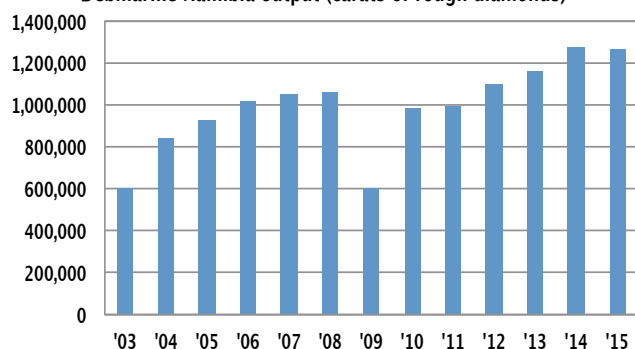


Two bursaries were awarded in 2015  
and N\$47.4 million was spent on  
training and development.

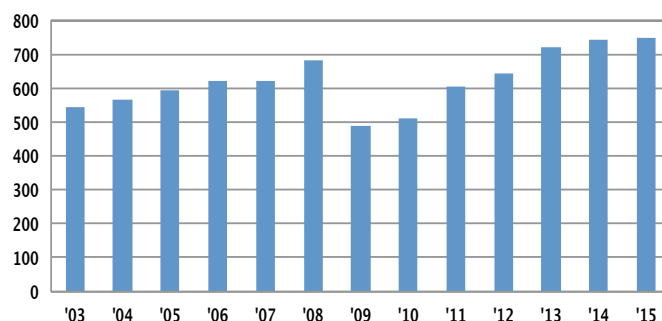
Exploration sampling totalling 120 days was carried out in 2015 in the Atlantic 1 mining licence with a chartered vessel



Debmarnie Namibia output (carats of rough diamonds)



Debmarnie Namibia Permanent employees



DBMN contributed N\$ 1.7m to the joint Debmarnie-Namdeb Foundation which donated the funds to various worthy causes throughout Namibia. The Debmarnie Namibia Social Responsibility Fund contributed N\$700 000 to worthy causes.

### Environment

The new long term benthic monitoring programme was implemented in 2015. As part of the benthic monitoring programme, a water quality monitoring instrument was deployed on the seabed of Atlantic 1 mining licence. The purpose of this instrument is to collect and provide physical parameter data, which includes salinity, temperature, depth and turbidity. This data will strengthen the understanding of natural variability and recovery of the seabed. The water quality monitoring instrument was successfully retrieved during the benthic sampling programme in October from which data was obtained and validated.

The 2015 annual sampling campaign was undertaken from 12 – 26 October 2015. A total of 53 out of the 69 environmental monitoring sites were successfully sampled. Due to weather delays and other operational equipment limitations, not all of the sites were sampled. The 16 outstanding sites will be included in the 2016 campaign.

Three successful MSAC meetings were held during the year.

Two articles titled, "The Informal Benthic Communities from the inner shelf off South Western Africa are characterised by generalist species" and "Illuminating the ocean floor," were published in the Plos One and Diamond Route research Newsletter respectively.





# Dundee Precious Metals Tsumeb



*Acid storage tanks.*

## Dundee Precious Metals Tsumeb Quick Facts

### Output in 2015

45 220.5 tonnes of blister copper

### Employment

Permanent employees at end 2015: 530

Temporary employees at end 2015: 6

Contractors at end 2015: 600

Expatriate employees at end 2015: 4

### Financial Year (1 Jan - 31 Dec)

Turnover in 2015: N\$1.172 billion

Wages and salaries paid in 2015: N\$274.94 million

Fixed investment in 2015: N\$22.10 million

Loss in 2015: N\$1.529 billion

Corporate Tax paid in 2015: Nil

Dividends paid in 2015: Nil

### Details

Shareholders: Dundee Precious Investments B.V (100%)

Date of production start: 1963

Latest estimate of life of mine: 2039

Safety rating at end 2015: No safety rating done during 2015

Affirmative Action Plan: Approved

Number of bursaries awarded in 2015: 2

Vice President and Managing Director: Mr Hans Nolte (till 31 December 2015)

Mr. Zebra Kasete (from 1 February 2016)

### Contact Details

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# Dundee Precious Metals Tsumeb (DPMT)

**Dundee Precious Metals Tsumeb**, previously known as Namibia Custom Smelters, is located in Tsumeb, a northern town approximately 430 kilometres from Windhoek and produces blister copper from imported copper concentrates. The company has invested heavily in their new smelter, with state of the art gas filtration systems. Dundee Precious Metals Tsumeb completed the construction of their sulphuric acid plant and commenced production for sale to some mines in 2015.



## Highlights for 2015

- Construction of sulphuric acid plant completed and production commenced in the third quarter of 2015.
- Mechanical construction completion of new copper converters.

## Production

DPMT changed their production process from Slag Granulation to the Slow Cooling method. The new method still needs to be adjusted and refined for optimum output targets to be achieved. Production of blister copper increased from 36,777 tonnes in 2014 to 45,220 tonnes in 2015.

The sulphuric acid plant was completed in July 2015. The plant came into production during the third quarter of 2015 and DPMT sold sulphuric acid to the Rössing and Tschudi mines through off-take agreements.

## Safety

DPMT only recorded one LTI in 2015, a major improvement from the seven LTI's recorded in 2014.

## Labour Relations

During 2015 sound labour relations were maintained with no occurrences of collective action.

## Education and Skills

Two new bursaries were sponsored by DPMT in 2015 to pursue studies in Environmental Health and Structural Steel Detailing. Thirteen full-time bursars continued to be sponsored by the company. DPMT employees also received on the job training to develop skills and expertise in a number of areas throughout 2015. The company spent approximately N\$4.5 million on skills development in 2015.

## Procurement

DPMT spent N\$239.41 million on goods and services from businesses owned by previously disadvantaged Namibians, and N\$907.5 million from Namibian businesses and companies.

## Community Relations

DPMT spent approximately N\$3.16 million on community projects during the year. These projects included sponsorship to schools for general maintenance and renovation, funding to SME's, support to a drama workshop organised by the Arts Performance Centre in Tsumeb, as well as environmental initiatives in and around Tsumeb.

## Environment

In 2015 the company initiated the Dynamic Probabilistic Water Balance Model project, which is still in progress. A new method of groundwater sampling, i.e. specific depth sampling, was implemented, in order to obtain better data on groundwater quality. Part of the project included a full review of groundwater monitoring locations and methods, which will be incorporated into a site standard protocol early in 2016. The groundwater geochemical contaminant model was also updated.

The 2013 version of the site Closure Plan was amended and a draft report made available for comments in December 2015.

The contaminated land assessment progressed well during 2015, with initial maps and draft reports compiled and completed.

A gap analysis was conducted on the waste management processes at DPMT. Subsequently, it was identified to obtain the services of a general waste handling company, for which the tender will be awarded in the first quarter of 2016.



Absorption tower.

The sulphuric acid plant was completed in July 2015



Two groups of students from the University of Namibia (UNAM) and the Namibia University of Science and Technology (NUST) visited the Smelter during 2015. Presentations were given on environmental and hygiene management and controls were discussed. The Environmental Department represented DPMT at the annual copper festival and engaged the public on environmental matters and answered environmental related questions.

In celebration of World Habitat Day 2015, three High Schools in Tsumeb, as well as the Tsumeb Scouts, took part in a field competition to identify indigenous trees and shrubs in the surroundings of the DPMT license area. The purpose of this annual challenge is to familiarise

senior students with important Namibian woody plant species as well as the use of dichotomous keys in the identification of biota.

The Environmental Department hosted an Arbour Day campaign on the 9th of October 2015. This was done through local Primary Schools, in which learners planted indigenous trees at their respective schools. The event was aimed at enlightening the learners about the importance of planting and conserving trees. DPMT donated four indigenous trees to each school as part of their Arbour Day campaign.

*Acid Plant conversion chambers.*





# Langer Heinrich Uranium (Pty) Ltd





## Langer Heinrich Uranium (Pty) Ltd Quick Facts

### Output in 2015

2,228.5 tonnes

### Employment

Permanent employees at end 2015: 341

Temporary employees at end 2015: 85

Contractors at end 2015: 684

Expatriate employees at end 2015: 25

### Financial Year (1 Jul - 3 June)

Turnover in 2015: N\$2.501 billion

Wages and salaries in 2015: N\$193.4 million

Fixed investment in 2015: N\$109.7 million

Exploration expenditure in 2015: Nil

Loss in 2015: N\$1.114 billion

Corporate tax paid in 2015: Nil

Royalties paid in 2015: N\$63.4 million

Government: N\$ 60.7 million

Vendors: N\$ 2.7 million

### Details

Shareholders: Langer Heinrich Mauritius Holdings Ltd 100%, Ultimate Holding Company: Paladin Energy Limited (75%), Chinese Overseas Uranium Holdings Ltd (25%)

Related operations in Namibia: None

Mines in Namibia: Langer Heinrich mine (ML 140)

Date of production start: 2007

Latest estimate of life of mine: 2036

EPLs at end of 2015: EPL 3500 (Mining licence applied for to cover EPL 3500)

Safety rating at end 2015: 4 Star NOSA Platinum

Affirmative Action Plan: Approved

Number of bursaries awarded in 2014: 4

Managing Director: Mr Simon S Solomons

### Contact Details

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Tel: +264 64 410 6200 | Fax: +264 64 413 6299  
contact@lhupl.com



# Langer Heinrich Uranium (Pty) Ltd

**Langer Heinrich Uranium (Pty) Ltd** is owned by Paladin Energy, which is listed on the Australian and Toronto stock exchanges as well as the Namibia Stock Exchange (NSE). The mine produces “yellow cake” for export to power utilities in countries which are signatories to the Nuclear Non-Proliferation Treaty.



## Highlights for 2015

- Commissioning and performance optimisation of the bicarbonate recovery plant which significantly reduced bicarbonate and caustic soda consumption.

## Production

Langer Heinrich Uranium (LHU) operated at 90.5% of run of mine (RoM), 90.8% metal production and achieved a RoM grade at 100.7% of nameplate during 2015. Production was constrained during the first half of the calendar year due to scale formation that required secondary pipe installation. The main focus for the year was to increase throughput to nameplate production, improve on efficiencies and to continue to reduce operational cost. The construction of the bicarbonate recovery plant was completed and commissioned with the expectation to reduce reagent consumption and fresh water intake. LHU supplied U<sub>3</sub>O<sub>8</sub> to their regular customer base as well as to CNNC Overseas Uranium Holdings Limited.

## Exploration

No exploration took place during the course of 2015.

## Safety

Langer Heinrich attained a 4 Star Platinum NOSA rating in 2015 (an improvement from the previous year's 3 Star) and recorded six LTI's, down from nine LTI's recorded in 2014.

## Labour relations

In 2015, labour relations were more strained than usual as a result of two demonstrations by employees. Both were conducted peacefully and no work stoppages

occurred. The demonstrations occurred with the intention to hand over petitions regarding a back pay wage dispute and the Recognition Agreement. Approximately 100 employees participated in the first demonstration in front of the town office and approximately 50 employees participated in the second demonstration at the mine site the next day. Matters were effectively resolved and labour relations returned to a cordial level.

## Education and Skills

LHU provided four new bursaries in 2015 in the fields of Metallurgy, Mining Engineering, Power Engineering and Mechanical Engineering as well as study assistance to eight employees. There were 79 apprentices during 2015 who were graduate and technical trainees. Lastly, the company provided a host of training programmes to employees on various areas of expertise.

## Procurement

Goods and services worth N\$1.315 billion were purchased from Namibian businesses and companies by Langer Heinrich, of which N\$269.8 million was purchased from previously disadvantaged Namibians.

## Community Relations

Langer Heinrich continued to involve itself in a wide range of community projects. The company provided support to the following education initiatives: the Mondesa Youth Opportunities, annual sponsorship to the Maths Congress, Mathematics Support and Enrichment Programme, the Apprentice Programme, the School Support project in which textbooks were donated, Career Awareness Day and a number of school prize giving events in the Erongo region. They also provided support to other initiatives including youth



Langer Heinrich continued to involve itself in a wide range of community projects.





development, donations to coastal food schemes as well as environmental projects through the Ministry of Environment and Tourism (MET) and other conservation organisations.

### **Environmental Issues**

In 2015, the company reviewed environmental impacts and aspects as well as carried out an Environmental Risk Assessment review. The Environmental Monitoring and Management Programmes were also reviewed after which the monitoring network was expanded. A centralised environmental database assists LHU to monitor, evaluate and report on environmental data. Any anomalies which may arise are investigated and

attended to. During the period in review, no anomalies were discovered. Internal and external audits were conducted on site throughout the year.

The Mine Closure Plan was also reviewed in 2015 and mechanical rehabilitation is on-going. Field research on restoration commenced while the on-site plant nursery was revived.

Employees received training on waste management and nursery management techniques.



**Lodestone Namibia (Pty) Ltd.**



# Lodestone Namibia Quick Facts

## Output in 2015

4,000 tonnes of iron ore

## Employment

Permanent employees at end 2015: 12

Number of temporary employees at end 2015: 4

Contractors at end 2015: 3

Expatriate employees at end 2015: 2

## Financial Year (1 Jan - 31 Dec)

Turnover in 2015: N\$5.1 million

Fixed Investment in 2015: N\$6 million

Exploration expenditure in 2015: N\$2 million

Royalties paid in 2015: N\$153,000

## Details

Shareholders: German Institutions 50.34%, Namibian Individuals 14.91%, German National 11.19%, US Citizen 7.46%, German/US/UK Investment 16.11%

Related operations in Namibia: None

Mines in Namibia: Dordabis iron ore mine (ML 182)

Date of production start: 2015

Latest estimate of life of mine: 2035

EPL's at end of 2015: EPL 3112, EPL 3839, EPL 4265

CEO: Mr Carsten Mosch

**Lodestone Namibia (Pty) Ltd.** is a private company that was established in 2006 and owns the Dordabis iron ore mine. The company was established to produce iron ore for uranium producers in Namibia as well as magnetite and hematite for industrial consumers and commenced operations in 2015.

## Update of activities in 2015

Production commenced at the Dordabis iron ore mine in July 2015 producing 4,000 tonnes of iron during the year in review. The company signed its first off-take agreement with Ohorongo Cement and the Bankable Feasibility Study (BFS) was finalised at the end of 2015.

A regional geological survey was completed on all of Lodestone's EPL's in 2015.

The company continued to employ and train a local workforce as operations commenced.

## Contact Details

PO Box 41102, Windhoek, Namibia

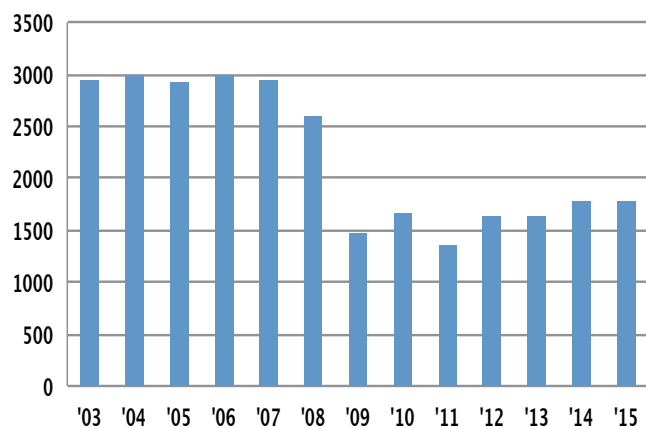
Tel: +264 61 218 079 | c.mosch@lodestonepty.com | www.loadstonepty.com/namibia



# Namdeb Diamond Corporation (Pty) Ltd



Namdeb permanent employees



Namdeb recorded three LTI's, a 50% reduction from 2014

## Namdeb Diamond Corporation Quick Facts

### Output in 2015

494,324 carats

### Employment

Permanent employment at end 2015: 1,774

Temporary employment at end 2015: 58

Contractors at end 2015: 772

Expatriates at end 2015: 43

### Financial Year (1 Jan - 31 Dec)

Details: Refer to Namdeb Holdings

### Details

Shareholders: Namdeb Holdings (100%) – Government (50%) and De Beers (50%)

Related operations in Namibia: De Beers Marine Namibia (Pty) Ltd, trading name: Debmarine Namibia, Namibian Diamond Trading Company (NDTC)

Safety Rating at end 2015: OHSAS 18001:2007 ISO 14001

Affirmative Action Plan: Under Review

Number of bursaries in 2015: Nil

Acting CEO: Mr Markus Johannes Lubbe

General Manager: Mr Dirk Adriaan Burger

### Contact Details

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# Namdeb Diamond Corporation (Pty) Ltd

**Namdeb Diamond Corporation** is owned by Namdeb Holdings. In turn, Namdeb Holdings is owned 50:50 by De Beers and the Government of the Republic of Namibia respectively. Namdeb Holdings has long-term mining concessions in the south west of Namibia both on land and offshore, adjacent to the Orange River and offshore in the shallow waters. With an exception of deep off shore mining concessions, Namdeb Diamond Corporation mines the rest of the concessions to Namdeb Holdings



## Highlights for 2015

- 50% Reduction in LTI's.
- Orange River Mines overall winner in Chamber of Mines B-division Safety Competition.

## Production

In 2015 Namdeb produced 494,324 carats against a budget of 597,867 carats. This represents a seventeen percent shortfall from the initial target.

During 2015, Namdeb experienced a number of operational challenges such as a slow start-up in January, industrial action by contracting employees and a seawall breach. In addition, a drop in diamond prices and a reduction in sales as a result of weak global demand also contributed to lower output in 2015. Namdeb introduced an initiative titled "Mission Daylight" to identify means by which to improve the company's bottom line and to further support the practice of business improvement activities, with particular focus on creating value and reducing wastage.

## Exploration

The BG36 large diameter drilling programme was relocated to the Elizabeth Bay Mine where drilling and sampling was done. This drilling programme is scheduled for completion in 2016. The drill will be relocated back to Southern Coastal Mines (SCM) in 2016. A sonic drilling programme commenced in SCM, and will continue in 2016. Run of mine sampling was also undertaken at the Southern Coastal Mines.

As part of the non-diamond programme, where a rare-earth element deposit (REE) is being evaluated, the 1st phase diamond drilling of a carbonatite at Karingarab was completed and representative core sections were sent for assays. An airborne electromagnetic (EM) survey was also conducted on the Orange River licence in an effort to identify buried palaeochannels.

In the Offshore area, a total of 40 sampling days was concluded in the midwater deposits as well as a small geophysical survey. In the shallow water deposits, an electromagnetic (EM) airborne survey was carried out in an effort to define the geological model more accurately, as well as some shallow vibrocore samples and offshore bathymetric surveys.

Exploration in the shallow water deposits of the Southern Coastal mine was carried out by the Probe Drill Platform (PDP). A sonic drill was acquired towards the end of 2015 to train employees operating the PDP.

The Geolab macro diamond laboratory was upgraded and reopened in September 2015 and the Southern Areas Sampling Plant was also refurbished.

## Mine Safety

Namdeb recorded three LTI's, a 50% reduction from 2014, equating to a LTIFR of 0.10. Furthermore, the Orange River Mines were awarded first place in the Chamber of Mines B-division Safety Competition.

## Labour Relations

Relations between Namdeb and the Mine Workers Union of Namibia (MUN) continued to improve in 2015. Through a collaborative effort, MUN and Namdeb conducted a survey addressing accommodation challenges and jointly revised the Recognition and Procedural Agreement.

## Education and Skills

No new bursaries were awarded in 2015, however, Namdeb continued to provide job attachments and internships across a range of disciplines. The company also developed skills through talent and behaviour management. This was achieved through specific programmes for supervisors and line managers to advance business knowledge and leadership competencies. This included the introduction of interventions to improve self-awareness, leadership and coaching skills. Employee relations training was also offered to improve dealings in disciplinary and grievances cases.

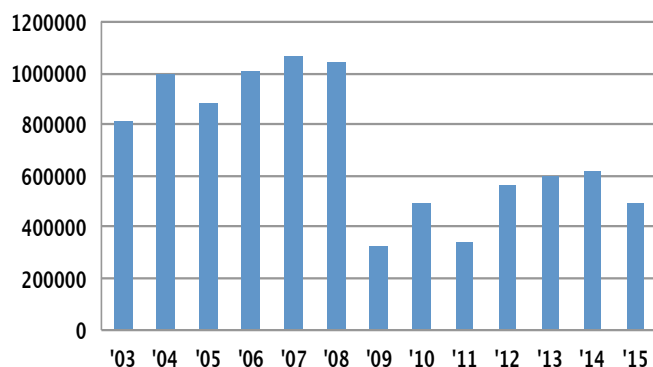
## Procurement

A total of N\$1.4 billion was procured from Namibian registered businesses for the financial year.

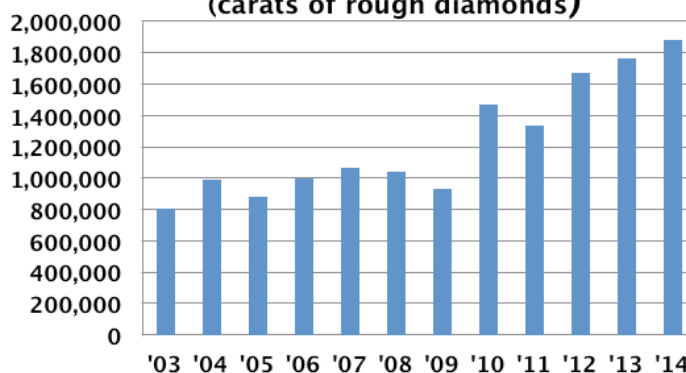
## Community Relations

In 2015, the Namdeb Foundation was re-structured to incorporate the CSR activities of Debmarmine Namibia and renamed as the Debmarmine – Namdeb Foundation, which became operational in June 2015. The focus areas of this foundation are education, access to opportunities with special focus on the youth, women empowerment, conservation and enterprise development.

**Namdeb Diamond Corporation output (carats of rough diamonds)**



**Namdeb Holdings output (carats of rough diamonds)**



In 2015, the Foundation implemented the Oranjemund Women Empowerment project, whereby a number of females living in Oranjemund were equipped with crafting skills enabling them to generate a sustainable income through arts and crafts.

Namdeb supported 221 learners with the payment of the 2015 school fees. This assistance was provided through the Oranjemund Private School Educational Assistance Programme (OPESEAS) and the total amount of N\$680 000 was spent in this regard. The Foundation also donated a mini bus to the Government School in Oranjemund, Ambrosius Amutenya Primary School to assist with the school's future transport needs.

The Foundation supported various other schools around the country. They provided full financial sponsorship for a high school teacher at the Montessori Brightstart School in Luderitz and donated Toolboxes and equipment to the Rundu Vocational Training Centre. Lastly, the Foundation also assisted with school hall renovations and the building of a new sports field pavilion at the Concordia College in Windhoek.

### Environmental Issues

Namdeb retained its ISO 14001 certification in 2015, which is valid until 2018. The company conducted a review on all their environmental programme reports per licence area.

The legacy rehabilitation project, which includes the demolition of redundant infrastructure as per Namdeb's government approved rehabilitation plan, the clean-up of historical polluted sites and some landscaping is still on-going. More than 120,000 tonnes of scrap metal was removed from these areas in 2015.

Good rehabilitation progress was recorded at Sendelingsdrif. Namdeb is also exploring ways to implement rehabilitation programmes at the older operations, such as the Elizabeth Bay mine.

The company successfully hosted its Annual Environmental Stakeholders Forum meeting where relevant issues were brainstormed and discussed.

*Namdeb accretion at Southern Coastal Mines*



# Namdeb Holdings





# Namdeb Holdings

## Namdeb Holdings Quick Facts

### Financial Year (1 Jan - 31 Dec)

Turnover in 2015: N\$11.463 billion

Wages and Salaries in 2015: N\$1.305 billion

Fixed investment in 2015: N\$650 million

Exploration expenditure in 2015: N\$245 million

Corporate tax paid in 2015: N\$2.264 billion

Royalty tax paid in 2015: N\$ 1.144 billion

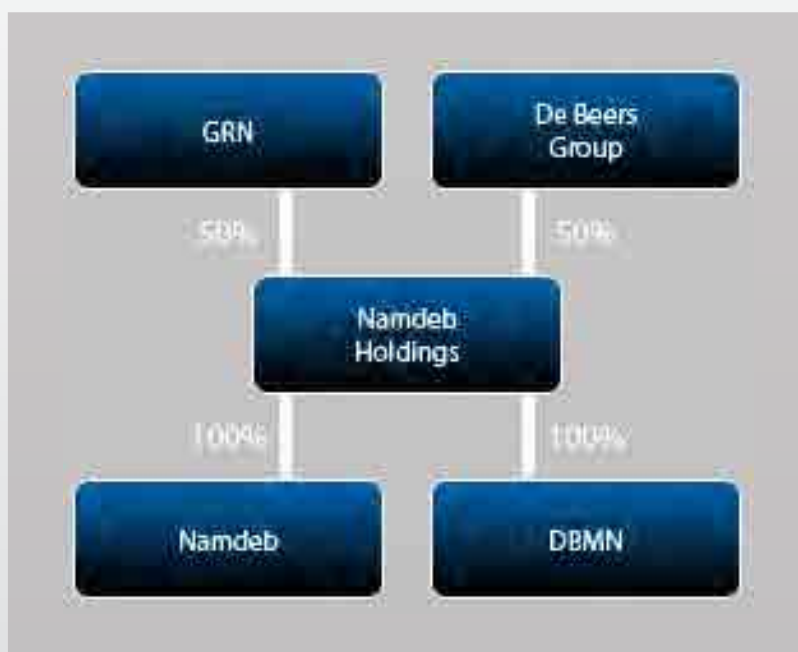
### Details

Shareholders: De Beers – 50%, GRN – 50%

Wholly owned subsidiaries: De Beers Marine Namibia (Pty) Ltd, trading name: Debmarine Namibia, Namdeb Diamond Corporation (Pty) Ltd

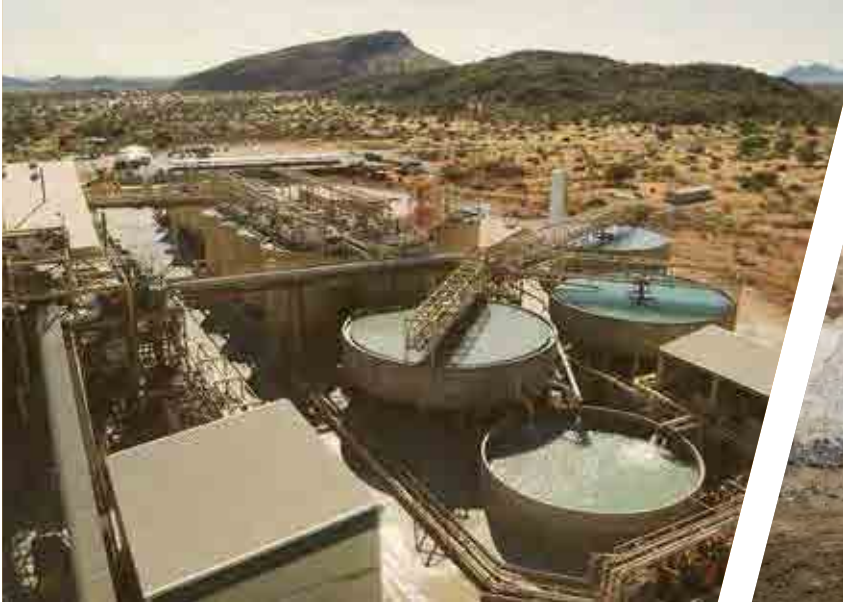
Concessions in Namibia: Orange River (ML 42), Mining Area 1 (ML 43), Bogenfels (ML 44), Elizabeth Bay (ML 45), Douglas Bay (ML 46), Atlantic 1 (ML 47), Midwater (ML 128 A, B and C)

Date of production start: Mining Area No 1 – 1920, Orange River – 1990, Atlantic 1 – 1990, Elizabeth Bay – 1991, Daberas – 1990, Bogenfels – 2007





# Navachab Gold Mine



## Navachab Gold Mine

### Output in 2015

1,878 kg

### Employment

Permanent employment at end 2015: 390

Number of temporary employees at end 2015: 130

Contractors at end 2015: 624

Expatriate employees at end 2015: 5

### Financial Year (1 Jan - 31 Dec)

Turnover in 2015: N\$876.36 million

Wages and salaries in 2015: N\$220.45 million

Fixed Investment in 2015: N\$257.98 million

Exploration expenditure in 2015: N\$12.13 million

Profits in 2015: N\$4.72 million

Corporate tax paid in 2015: Nil

Royalties paid in 2015: N\$27.57 million

### Details

Shareholders: QKR Namibia Mineral Holdings (Pty) Ltd – 92.5%, JG Investment Investments (Pty) Ltd (EpangeloGold) - 7.5%

Related operations in Namibia: None

Mines in Namibia: Navachab Gold Mine (ML 31)

Date of production start: 1989

Latest estimate of life of mine: 2036

EPL's at end of 2015: EPLs 999, 3275, 3971, 3972

Safety ratings at end 2015: OHSAS 18001: 2007

Affirmative Action plan: Approved

Number of bursaries awarded in 2015: 2

Managing Director: Mr Johannes Stefanus Coetzee

### Contact Details

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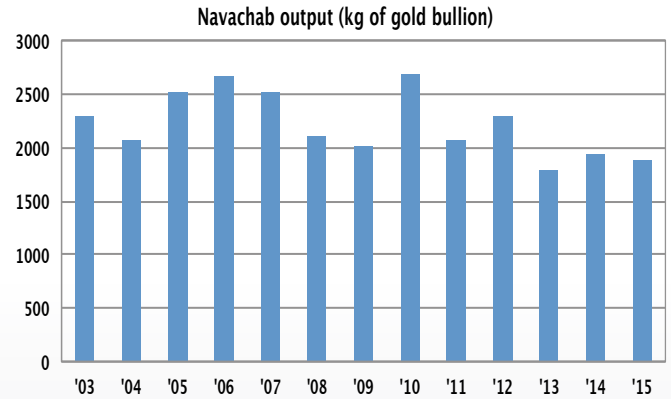
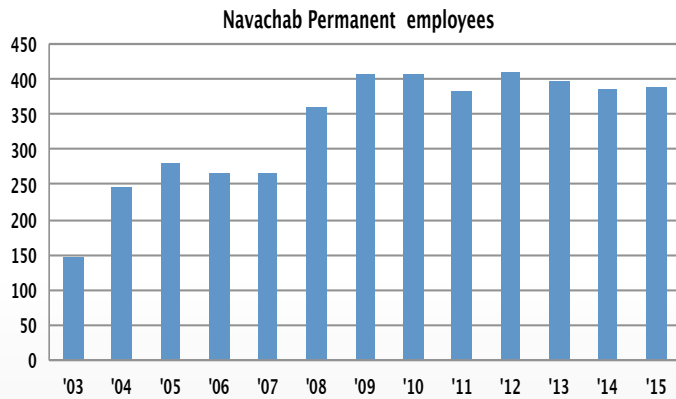




# Navachab Gold Mine



**Navachab gold mine** is an open pit mine, producing gold bullion which is refined for onward sales at the Rand Refinery in South Africa.



## Highlights for 2015

- Significant investment made into mining a major push back on the western side of the main pit.
- Three plant expansion projects to increase capacity of existing plants.

## Production

Gold production at Navachab mine reduced from 1,938 kilograms of gold in 2014 to 1,878 kilograms of gold in 2015, which fell 11.3% below budgeted targets due to tie-in and commissioning of new projects and intermittent operational problems in the process plant.

As mentioned in the highlights section, mining activities included a major pushback on the western side of the main pit to expose ore which is planned for mining in 2017.

Two of the three plant expansion projects were completed in 2015.

## Exploration

Brownfield exploration mainly focused on EPL 999 to further delineate an ore body that forms the basis for a mining license application.

## Safety

The mine suffered no fatalities and recorded three LTI's during the year in review.

## Labour Relations

Labour relations remained stable throughout 2015.

## Education and Skills

In 2015, two Bursaries were awarded in the fields of Mine Engineering and Mechanical Engineering. The company continued with on-site skills development which focused on compliance training, operator training, emergency response training and apprenticeship training.

## Procurement

Purchases from Namibian suppliers for the year totalled N\$515.4million, which represents approximately 62% of total purchases.

## Community Relations

CSR initiatives involved projects in poverty eradication, education, health and youth development. The main project in 2015 targeted 24 households in which Karakul sheep were re-established with the assistance of the Regional Governor and Regional Authorities.

## Environment

No reportable environmental incidents were recorded for the year.



# Rosh Pinah Zinc Corporation





## Rosh Pinah Zinc Corporation Quick Facts

### Output in 2015

99,665 tonnes zinc concentrate  
18,518 tonnes lead concentrate

### Employment

Permanent employees at end 2015: 467

Temporary employees at end 2015: 11

Contractors at end 2015: 98

Expatriate employees at end 2015: 11

### Financial Year (1 Jan - 31 Dec)

Turnover in 2015: N\$1.09 billion

Wages and salaries paid in 2015: N\$214 million

Fixed investment 2015: N\$176 million

Exploration expenditure in 2015: N\$2.3 million

Corporate tax paid in 2015: N\$84 million

Royalties paid in 2015: N\$26.6 million

### Details

Shareholders: Glencore 100% of Exxaro Base Metals – 45.79%, Glencore 100% of Wilru Investments – 30.04%, Glencore 100% of Rosh Pinah Mine Holdings – 4.26%, Jaguar Investments – 15.57%, PE Minerals – 3.15%, Rosh Pinah Employee, Empowerment – 1.19%

Related operations in Namibia: None

Mines in Namibia: Rosh Pinah mine (ML 39)

Date of production start: 1969

Latest estimate of life of mine: +/- 2026

EPLs at end of 2015: EPL 2616

Safety ratings at end 2015: OHSAS 18001, ISO 14001

Affirmative Action plan: Approved

Number of new bursaries awarded in 2015: 3

Managing Director: Mr Christo P. Aspeling

### Contact Details

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Christo.Aspeling@rpzc.com.na | www.glencorexstrata.com



# Rosh Pinah Zinc Corporation

**Rosh Pinah** is an underground mine producing zinc and lead concentrates. Both lead and zinc concentrate are sold to the international market.

## Highlights for 2015

- Reached 370 LTI free days, a first in the 46 year history of RPZC mine
- Met the mill feed required tonnage within reduced fleet and headcount (no historic surface stockpiles used)
- Forecast total on mine costs of USD 45.3 per tons milled, 8.6% lower than budget

## Production

In 2015, zinc and lead production fell short of budgeted targets. Production of zinc concentrate fell from 104,046 tonnes in 2014 to 99,665 tonnes of zinc concentrate in 2015. The drop in production was as a result of recovery losses in the first quarter of 2015 and below target zinc mill feed grades.

Similarly, production of lead concentrate also dropped from 22,317 tonnes in 2014 to 18,521 tonnes in 2015. This was due to the lead grades that decreased from 2014 to 2015 as per Life of Mine (LOM) production schedule.

## Exploration

In 2015, underground exploration focused on improving confidence of the Western Orefield 3 orebody in different resources categories. Diamond drilling of 2,103 metres was conducted to update the resources statement and improve confidence of the orebody.

On EPL 2612 drilling was focused on updating targets generated from Reverse Air Blast (RAB) infill drilling in 2014 on the Namuskluft project.

## Safety

To ensure best practices and safe working conditions, RPZC manages safety, health and environmental aspects as an integrated system. The mine retained its OHSAS 18001 and ISO 14001 ratings. There were only three LTI's recorded during the year in review.

## Labour Relations

Labour relations were stable and conducive in 2015 and Industrial relations focused on improving productivity. However, wage negotiations for 2016 were not concluded and a dispute was declared in December 2015, which was scheduled for conciliation early in 2016 and is still in process.

## Education and Skills

RPZC undertook various training initiatives for the year under review. The company awarded three new bursaries in 2015 and continued to sponsor four bursars in the fields of Accounting & Finance, Chemical and Electrical Engineering at Cape Peninsula University of Technology, University of Stellenbosch, Pretoria University and University Of Cape Town.

## Procurement

The mine spent N\$282.3 million on locally produced goods and services in 2015.

## Community Relations

RPZC contributed some N\$3.85 million to various schools in the Karas region and community development in 2015.

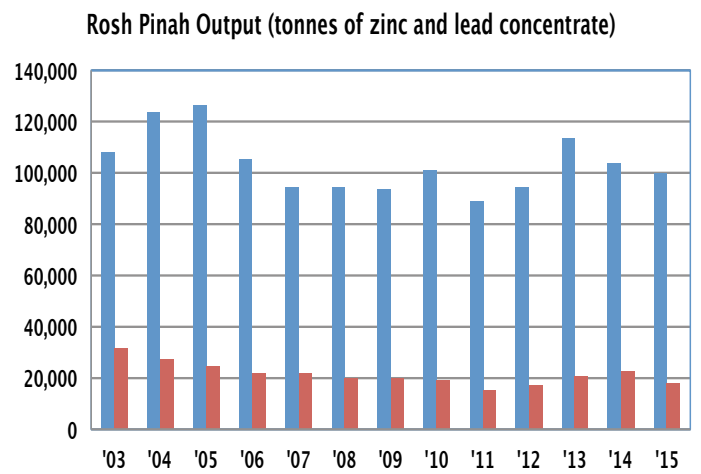
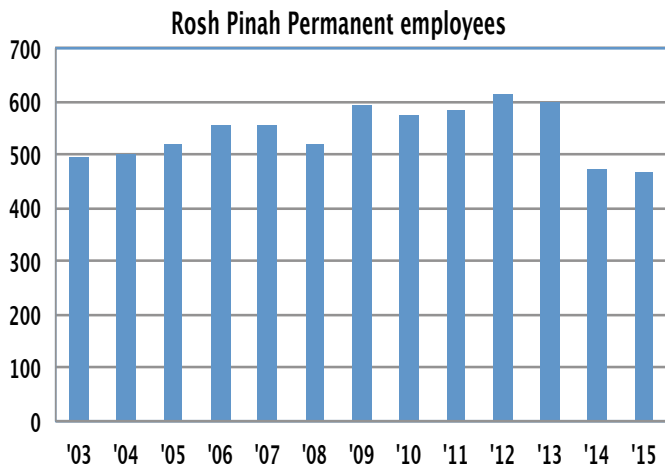
## Environment

On site, various initiatives and measures were implemented to reduce dust pollution from the tailings dam. These included rock cladding, berms which were erected around the edges of the tailings dam, areas covered with nets and water irrigation systems, and three ponds were filled with water to minimise dust creation. Dust monitoring conducted through a specialised programme was on-going.

The company also conducted chemical analysis of ground and effluent water. Lastly, RPZC continued to engage the surrounding community on issues of mutual interest.



In 2015, zinc and lead production fell short of budgeted targets







# Rössing Uranium Limited





Output from Rössing mine declined during the year under review...

## Rössing Uranium Quick Facts

### Output in 2015

1,245 tonnes

### Employment

Permanent employees at end 2015: 953

Temporary employees at end 2015: 7

Contractors at end 2015: 880

Expatriate employees at end 2015: 5

### Financial Year (1 Jan - 31 Dec)

Turnover in 2015: N\$1.841 billion

Wages and salaries in 2015: N\$631 million

Fixed investment in 2015: N\$207 million

Exploration expenditure in 2015: Nil

Profit in 2015: N\$439 million (N\$385 million loss from normal operations)

Corporate tax paid in 2015: Nil (Company in tax loss position)

Royalties paid in 2015: N\$64 million

Dividends paid in 2015: N\$116 million

### Details

Shareholders: Rio Tinto (69 %), Iran Foreign Investment Company (15%), Industrial Development Corporation of South Africa (10%)  
Government of Namibia (3%), 13 individual shareholders (3%)

Related operations in Namibia: None

Mines in Namibia: Rössing mine (ML 28)

Date of production start: 1976

Latest estimate of life of mine: 2025

Safety rating: Rio Tinto All Injury Frequency Rate 0.74, ISO 14001

Affirmative Action plan: Pending

Number of bursaries awarded in 2015: 2

Managing Director: Mr Werner Duvenhage

### Contact Details

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# Rössing Uranium Limited

**Rössing Uranium**, which is majority owned by Rio Tinto plc, is one of Namibia's two uranium producing mines and is the country's longest running open pit uranium mine reaching 40 years of production in 2016. Rössing produces uranium oxide for nuclear power utilities in countries which are signatories of the Nuclear Non-Proliferation Treaty.

## Highlights for 2015

- Increase in production during November and December 2015.
- Implemented the Integrated Productivity Model (IPM) to assist with sustaining increased production.
- Residual life of assets improved through the maintenance strategy.
- Overall performance of the workforce improved due to training interventions.

## Production

Rössing Uranium mined a total of 19.3 million tonnes of rock from its open pit during 2015, compared with 23 million tonnes in the previous year.

Output from Rössing mine declined during the year in review, from 1,543 tonnes of uranium oxide produced in 2014 to 1,245 tonnes produced in 2015. Output at the beginning of 2015 was positive, with regard to milled production and exceeded targets by 9%. However, production was negatively affected by a fire which broke in a Final Product Roaster (FPR) in February 2015. Mill production was continued at the same level proceeding the fire, through increased storage space made available, so as to stock pile yellow cake while the FPR roaster repairs were underway. This allowed production to continue uninterrupted while uranium oxide shipments and sales were deferred to later in the year once yellow cake calcining could resume.

The roaster was rebuilt according to schedule and budget and uranium oxide drumming resumed in May 2015.

Rössing made significant progress in improving the residual life of the Plant and reducing the cost and debt maintenance on major pieces of equipment.

One of the major challenges experienced was the availability of thickeners owing to maintenance debt. The company aims to clear the maintenance debt in 2016.

Two important projects were successfully completed during the year in review; the Tailings Starter Embankment and Buttress project and the Fine Crushing ducting replacement project. The Starter Embankment and Buttress project involved improving the stability of the tailings storage facility wall as well as the starter embankments of the new paddies, increasing the

space for tailings to be deposited in coming years. The Fine Crushing ducting replacement project in the fine crushing unit was successfully completed in 2015.

## Exploration

No exploration was undertaken in 2015. The Z20 deposit remains part of Rössing Uranium's resource for further development, pending improvement of market conditions. No additional exploration is planned for 2016.

## Safety

Rössing Uranium adheres to the Rio Tinto Health, Safety, Environment (HSE) management system which follows the layout of OHSAS 18001 and ISO 14001 (2004). Although the mine recorded another fatality-free year, they unfortunately suffered nine LTI's in 2015, a significant increase from three recorded in 2014. These incidents were mostly hand and finger injuries. A number of improvement programmes were started in 2015, including the critical risk management programme, focusing on fatality prevention as well as the leadership in the field programme involving employee engagement. The All Injuries Frequency Rate (AIFR) improved from 0.82 in 2014 to 0.74 in 2015.

## Labour Relations

Rössing maintained sound labour relations in 2015. A minor work stoppage which occurred was resolved quickly and amicably and operations were unaffected. A key achievement in 2015 was the support received and mutual consensus to return to a four panel shift as of November. The mine is currently in its second year of a substantive agreement which governs and guides industrial relations for this period.

In the previous reporting year, the mine changed from continuous operations to a five-day operating model due to volatile market conditions. However, from the 1 October 2015, they returned to continuous operations to meet operational requirements. They appointed an additional 92 employees, and by the end of 2015 the staff complement totalled 948 fulltime employees compared to 850 at the end of the previous reporting year.

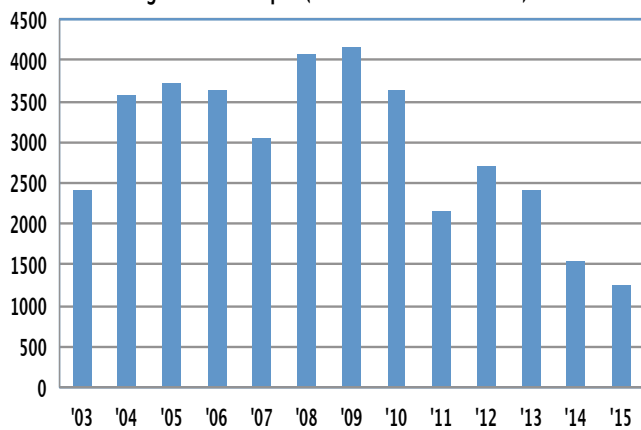
## Education and skills

Rössing continued its multi-faceted approach to skills enhancement through capability development and education support focused on all employees and

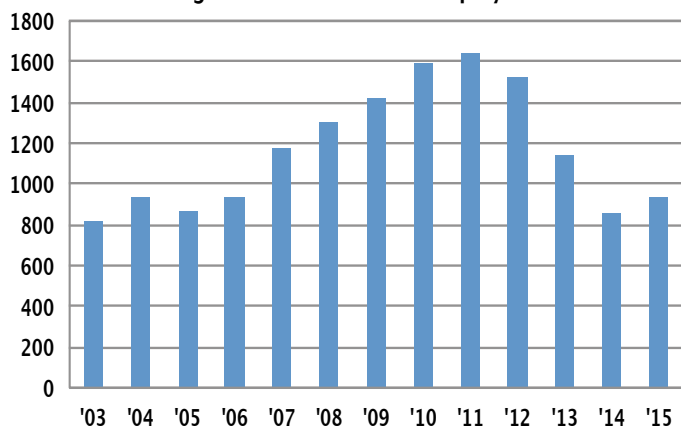




**Rössing Uranium output (tonnes of uranium oxide)**



**Rössing Uranium Permanent Employment**



young Namibians. The company spent a total of N\$5.44 million on skills development in 2015. This included ten bursaries, two of which were awarded in 2015 as well as ten apprenticeships.

### Procurement

In 2015, Rössing spent N\$1.293 billion on goods and services from Namibian registered suppliers, which represent 72 per cent of their total procurement expenditure.

### Community Relations

Rössing remains a responsible corporate citizen with Corporate Social Responsibility (CSR) programmes extending to the work of the Rössing Foundation in neighbouring communities. The company invested some N\$18.7 million either directly or through the Rössing Foundation in surrounding communities. Initiatives in agriculture, arts and culture, education, environment, health and business development were supported in 2015.

### Environment

Rössing maintained its ISO 14001 certification in 2015. An erosion protection and sediment retention structure was completed in Dome Gorge, a tributary to the Khan River. This will prevent sediment from the rock dump deposited close to the Khan to reach the river. An EIA was carried out for the proposed Rössing desalination plant at Mile 4 in Swakopmund, with extensive stakeholder consultations.

A study was implemented to determine how the windblown dust from the tailings storage facility affects the surrounding ecology.

A number of environmental management programmes were reviewed including biodiversity, air quality, mineral waste management and water quality management. Biodiversity impact acceptance and rehabilitation success criteria were developed and discussed with stakeholders.



# Sakawe Mining Corporation



## Sakawe Mining Corporation Quick Facts

### Output in 2015

Nil

### Employment

Permanent employees at end 2015: 31

Temporary employees at end 2015: Nil

Contractors at end 2015: Nil

Expatriate employees at end 2015: 3

### Financial Year (1 Jan - 31 Dec)

Wages and salaries in 2015: N\$7.86 million

Fixed investment in 2015: N\$250 million

Exploration expenditure in 2015: N\$17.1 million

### Details

Shareholders: Atligo (76%), Namibian Government (8%), Longlife Mining (10%), Namibian Youth Service (2%), Employees (4%)

Related operations in Namibia: LL Namibia Phosphates, Samicor Diamond Mining, LLD Diamonds Namibia

Mines in Namibia: ML 36A-J, ML 103A and ML 51 (Samicor), ML 159 - (LL Namibia Phosphates), New and Pending applications, ML 163, ML 164 (Samicor), ML 191, EPL5285 (LL Namibia Phosphates)

EPL's at end of 2015: EPL 3946, EPL 5285- (LL Namibia Phosphates), EPL5063 (Samicor)

Number of bursaries awarded in 2015: Nil

Managing Director: Mr Kombadayeddu Kapwanga

### Contact Details

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kk@sakawe.com



# Sakawe Mining Corporation



**Sakawe Mining Corporation (Samicor)** mines diamonds offshore for sale to the LLD diamond cutting and polishing factory in Windhoek as well as for export. Samicor's sister company, LL Namibia Phosphates, is embarking on a project in which it plans to produce fertilisers using phosphates mined from a marine deposit off the coast of Lüderitz.

## Update on activities during 2015

### Samicor Diamond Mining

Samicor Diamond Mining's JV partners continued their Reserve area check-sampling in ML36 and ML51. Check sampling of diamond reserves is ongoing and the mining vessel is scheduled for commissioning in April 2016, after which mining operations are planned for mid-2016.

### LL Namibia Phosphates (Fertiliser Project)

LL Namibia Phosphates (LLNP) delineated a JORC compliant Measured Resource of 1.84 billion tonnes and an Indicated Resource of 385 million tonnes. LLNP successfully commissioned its separation test facility in 2015. Raw phosphate rock was processed in the mechanical separation plant after which hot commissioning of the demonstration plant was completed in July 2015. Plant design optimization measures are currently being implemented before the final trial will take place.

Grab sampling was executed on ML 159 and EPL 3946 to collect phosphate material for the separation plant testing and using the rock product to conduct the fertiliser demonstration trials in Lüderitz. Benthic Fauna baseline sampling continued to establish pre-mining conditions of the seabed within the phosphate licences. Phosphate grab and Benthic Fauna baseline sampling are planned for 2016.

No major safety related incidents were recorded and labour relations remained stable during the year in review. A number of Sakawe employees received training in Laboratory chemical analysis for the separation and demonstration test facility as well as plant operation, maintenance, process control and digital system training.

Sakawe supported a number of community initiatives in 2015. The company sponsored a local Lüderitz Men United soccer team and donated a sewing machine to a women tailoring project under the Lüderitz Town Council as well as blankets to Nami#nus Regional Council for elderly individuals. They were also one of the main sponsors for the Lüderitz Crayfish Festival.

As the outcome and decision by Cabinet on the Moratorium against phosphate mining is still pending, prudent and regular environmental monitoring of all phosphate related activities took place in 2015. The Ministry of Environment and Tourism (MET) issued a condition on their Environmental Clearance Certificate (ECC) that Environmental Performance Assessment Report (EPAR's) need to be submitted every two months on activities at the test facility. As such, water analysis results from seawater discharge at the separation test facility were submitted for every release. Solid and liquid waste were strictly monitored, controlled and reported on daily as well as health and safety issues. Tests were conducted on the mud from the tailing ponds and requests by Ministry of Fisheries and Marine Resources (MFMR) to test for additional elements and heavy metals from discharge water were adhered to. A baseline noise survey was conducted and full health examinations were under taken on all personnel working at the separation test facility. The outcomes were logged and recorded for inclusion in the bi-monthly EPAR's submitted by LLNP.



IMO 8884517

SAKAWA SURVEYOR



**Salt & Chemicals (Pty) Ltd**





## Salt & Chemicals Quick Facts

### Output in 2015

614,980 tonnes

### Employment

Permanent employees at end 2015: 35

Temporary employees at end 2015: 4

Contractors at end 2015: Nil

Expatriate employees at end 2015: Nil

### Financial Year (1 Jul – 31 Aug)

Turnover in 2015: N\$66.77 million

Wages and salaries in 2015: N\$22 million

Fixed investment in 2015: N\$6.2 million

Exploration expenditure in 2015: Nil

Profit in 2015: N\$2.99 million

Corporate tax paid in 2015: N\$458,332

Royalties paid in 2015: N\$1.36 million

Dividends paid in 2015: Nil

### Details

Shareholders: Walvis Bay Salt Holdings (Pty) Ltd (100%)

Related operations in Namibia: Walvis Bay Salt Refiners (Pty) Ltd

Mines in Namibia: Walvis Bay salt pan (ML 37)

Established: 1964

Safety ratings at end 2015: OHSAS 18001, NOSA 4 Star

Affirmative Action plan: Approved

Number of bursaries awarded in 2015: 2

Managing Director: Mr CAA. Snyman

### Contact Details

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andre.snyman@wbsalt.com

# Salt & Chemicals (Pty) Ltd



**Salt & Chemicals (Pty) Ltd** produces coarse salt at Walvis Bay through solar and wind evaporation for exports to South Africa as well as other markets. The coarse salt is also refined and beneficiated at the Salt and Chemical's sister companies Walvis Bay Salt Refiners and Ekango Salt Refiners.

## Highlights for 2015

- Expansion project commenced in April 2015.

## Production

Salt & Chemicals produced 614,980 tonnes of salt in 2015, posting a reduction of 10.9% in output from 2014. The lower output was due to a one month strike during July 2015.

## Exploration

The Expansion project commenced in April 2015 and is scheduled for completion.

## Safety

Salt & Chemicals recorded a drop in the number of LTI's, from six in 2014 to three in 2015, yielding a LIFTR of 1.43. One reportable incident and a high potential incident was recorded and a total of 25 days were lost due to injuries.

## Labour Relations

Labour relations were strained throughout 2015 and culminated in a month long strike. The reason for the strike was perceived salary discriminatory practices, which proved to be unjustifiable. An agreement was concluded, however the tension resonated in relations throughout the year and negatively affected production, training initiatives as well as general management interventions and activities.

Subsequent to the industrial action, good relations were restored, with management actively engaging the Employee Representative Committee more frequently, keeping them informed of developments and strategy actions.

## Education and Skills

Training programmes and strategies introduced in 2014 were continued in 2015, however, with a greater focus on operator and systems training. This was in line with the management strategy, ensuring that all systems in place are appropriate, functioning optimally as well as being used correctly for improved effectiveness and efficiency.

There was also a renewed focus on strengthening the skills of the employee representatives in line with the supervisory development strategy, as their influence and contribution to employee relations on site has become more prominent in the last few years.

Salt & Chemicals also introduced internships and apprenticeships across a number of disciplines to develop existing employees and future potential.

## Procurement

The company spent N\$32 million on local goods and services in 2015.

## Community Relations

The company continued to provide transport to special needs children attending the Sunshine Kids Centre, to and from their homes on a daily basis and reconfirmed their commitment to manage the centre in 2015. They also hosted several schools/tertiary institutions during 2015 for educational tours of the operation. Financial and supportive assistance was provided to local schools for Mathematics and the annual bird count.

## Environment

The company installed a water meter to monitor and control water consumption. An irrigation water meter is currently being installed and will measure how many litres of water is discharged. These measures form part of the requirements as laid out in the Water Demand Management Plan which was approved in 2014.

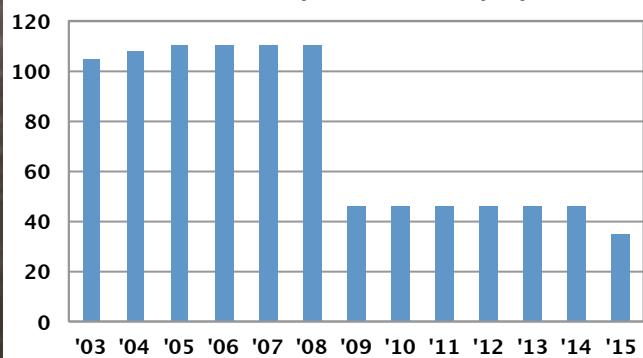
A section of land near the expansion project was demarcated for a Botanical/Hammock evaluation. This area was marked with a number of photo-points which have been identified and marked permanently so as to visually assess, through a series of photos over time, any impact of the expansion project on the hammock growth or health.

Salt & Chemicals implemented a recycling project for solid waste, involving the separation of waste at the source which was then removed by waste recyclers. The company also instituted a number of measures to improve the management of waste oil.

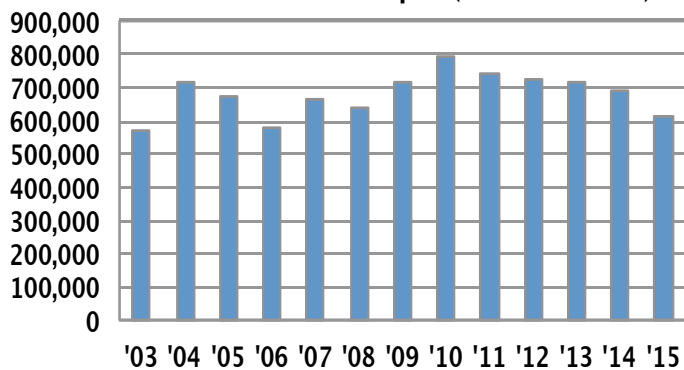
The company held meetings with the Municipality of Walvis Bay regarding permits for the disposal of sewage directly into their sewer. Public meetings were also held with tour operators and fisherman to provide information on the Expansion project and its potential impact. Lastly, several meetings with the Walvis Bay Environmental Management Advisory Forum (WEMAF) were held to discuss the potential impacts of the Walvis Bay Slat Refiners on the surrounding community as well as public meetings, engaging them in the consultative process required for the EIA.



**Salt & Chemicals permanent employees**



**Salt & Chemicals output (tonnes of salt)**







# The Salt Company (Pty) Ltd

# The Salt Company Quick Facts

## Output in 2015

118,000 tonnes

## Employment

Permanent employees at end 2015: 87

Temporary employees at end 2015: 5

Contractors at end 2015: Nil

Expatriate employees at end 2015: Nil

## Financial Year (1 Jul – 30 June)

Turnover in 2015: N\$63.55 million

Wages and salaries in 2015: N\$9.47 million

Fixed investment in 2015: Nil

Profit in 2015: No info available

Corporate tax paid in 2015: N\$1.5 million

Royalties paid in 2015: No info available

Dividends paid in 2015: N\$1.5 million

## Details

Shareholders: Jurgen Klein (33.33%), Detlef Klein (33.33%), Johan Klein (33.33%)

Related operations in Namibia: None

Mines in Namibia: ML 66 A-J, ML 78

Established: 1936

Affirmative Action Plan: Approved

Number of bursaries approved in 2015: Nil

Managing Director: Mr Klein Jr.

**The Salt Company (Pty) Ltd** produces coarse, refined, rock and table salt for export to South Africa and countries along the west coast of Africa.

## Update of activities for 2015

Production of salt increased from 107,458 tonnes in 2014 to 118,000 tonnes in 2015. The company experienced no major labour or safety issues. The Salt Company spent approximately N\$22,290 on education and skills development.

They also made small donations to churches in schools as part of their CSR initiative.

## Contact Details

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saltco2@africaonline.com.na



**Skorpion Zinc (Pty) Ltd**



# Skorpion Zinc (Pty) Ltd Quick Facts

## Output in 2015/16

82,029 tonnes

## Employment

Permanent employees at end 2015/16: 822

Temporary employees at end 2015/16: 4

Contractors at end 2015/16: 733

Expatriate employees at end 2015/6: 28

## Financial Year (1 Apr 2013 – 31 Dec 2015)

Turnover in 2015/16: N\$2.392 billion

Wages and salaries in 2015/16: N\$346.5 million

Fixed investment in 2015/16: N\$419.2 million

Exploration expenditure in 2015/16: N\$8.4 million

Profits in 2015/16: N\$142.8 million

Royalties paid in 2015/16: N\$9.1 million

Dividends paid in 2015/16: Nil

## Details

Shareholders: Vedanta Resources plc through its subsidiary company Vedanta Limited (100%)

Related operations in Namibia: Skorpion Mining Company (Pty) Ltd, Namzinc (Pty) Ltd

Mines in Namibia: Skorpion Zinc Mine, (ML 108 and ML 127)

EPL's at end of 2015/16: EPL 2229, EPL 5283

Date of production start: Skorpion Mining Company - 2002, Namzinc – 2003

Latest estimate of life of mine: 2017/18

Safety ratings at end 2015/16: ISO 14001, 9001, 17025, OHSAS 18001:2007

Affirmative action: Approved

Bursaries awarded in 2015/16: 6

General Manager: Mr Irvinne Simataa

## Contact Details

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Information@skorpionzinc.com.na | www.vedanta-zincinternational.com



**Skorpion Zinc (Pty) Ltd's** open pit mine and Namzinc Refinery produces Special High Grade (SHG) zinc for export to world markets.

## Highlights for 2015

- Completed the first Refinery maintenance shutdown since inception of operations in 2002.

## Production

Production dropped from 102,188 tonnes of Special High Grade (SHG) zinc in 2014/15 to 82,029 tonnes in 2015/16 as a result of lower feed grade and the planned maintenance shut-down of the refinery. The rising costs of water, electricity, fuel, equipment repairs and mining consumables remained a challenge to operations.

Skorpion Zinc safely and successfully completed the Refinery maintenance shutdown in October 2015 since its start up in 2002 at a cost of N\$86 million. The goal of the shutdown was to improve the reliability of the Refinery in the foreseeable future. Furthermore, methods have been developed to process low grade material. To maximise output, the company also imported ore from Turkey and Morocco.

## Exploration

Skorpion Zinc continued with brownfield exploration efforts in southern Namibia. Several near mine targets were identified through diamond and reverse circulation drilling techniques. Investigation to the extension of the current oxide orebody at depth and along strike continued during the period in an attempt to increase the resource confidence.

Greenfields work in southern Namibia largely focused on detailed geological mapping of high priority targets on all four Exclusive Prospecting Licenses.

At the Gergarub project, latest targets identified through ground geophysical techniques were drill-tested to investigate the potential extension of shallow mineralization to the north. Exploration activities planned for 2016/17 will focus on the Southern EPL's through the integration of exploration methodologies.

## Safety

Skorpion Zinc was successfully recertified to ISO9001:2008, 14001:2004, OSHAS: 18001:2007. Unfortunately, the mine suffered its first fatality since inception, when a contractor fell working from height. The mine also recorded two LTI's. The company thus implemented a strategy which ensures the continuous review of safety control standards and the rigorous implementation thereof.

The Safety Risk Management Programme trains employees in modern risk management concepts,

thereby ensuring detailed risk assessments are conducted on all potential high-risk zones and activities. Skorpion Zinc is equipped to respond promptly and effectively manage emergency situations. Medical health of employees is monitored on an annual basis through medical surveillance in terms of their specific occupation and minimum medical fitness standards.

## Labour Relations

Skorpion Zinc experienced a partial work stoppage from 20 July to 19 August 2015 when continuous operations employees refused to work 12 hours per day in absence of an exemption required from the Ministry of Labour for the mine. The parties reached an amicable agreement and after which the mine was granted permission to operate 12 hour shifts by the Ministry. Following the incident, labour relations continued to be stable for the rest of the year.

## Education and skills

During 2015/16 Skorpion Zinc awarded six bursaries and currently funds an additional 13 bursary students. Skorpion Zinc is committed to skills development which is driven through the apprentice programme in partnership with NIMT. In 2014/15 there were six NIMT apprentices.

The graduate programme is a professional development programme which assists first year students to gain experience in their fields of expertise. The company currently employs 16 Namibian graduates.

The company also provides employees with financial assistance and opportunity to advance their education and skills levels. Twenty employees are currently benefiting from this initiative.

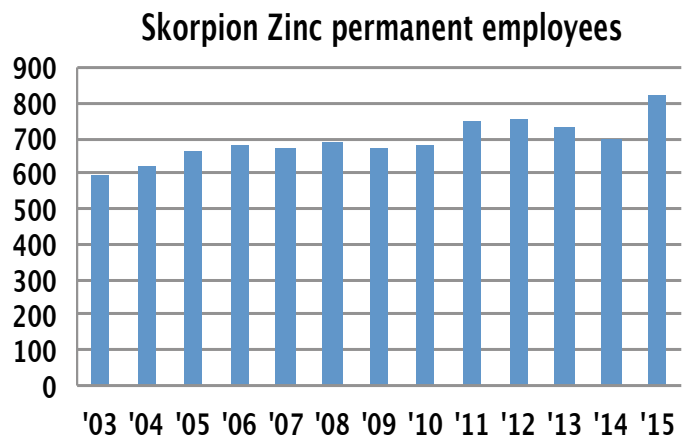
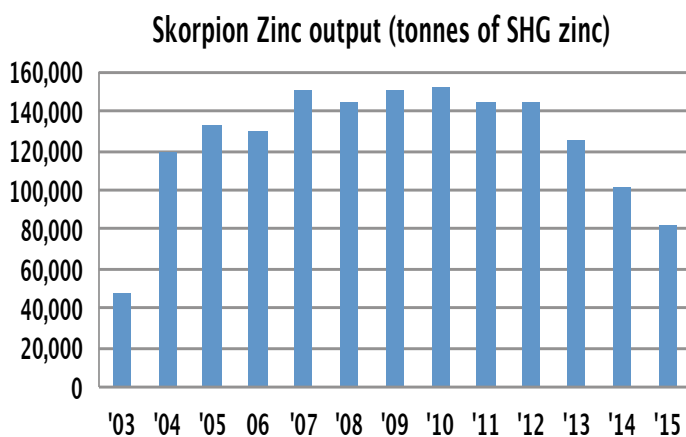
## Procurement

A total of N\$910 million was spent on Namibian goods and services of which N\$496 million was spent in Rosh Pinah.

## Community Relations

Primary focus areas for community initiatives in 2015/16 were on health, education and youth development. Approximately N\$5 million was spent on CSR activities for the year.

Skorpion contributed to skills development in the Rosh Pinah community through the OBIB training centre, where 18 unemployed youth received training in needlework, tailoring and hospitality. The



company launched a new project focusing on youth development in the //Kharas region. The project, titled 'It Begins with Youth', is being conducted in partnership with Omayambeko Hope Foundation, which is the implementing organisation. The overall objective of the project is to reduce substance abuse through active engagement with students in healthy activities and hobbies. It also aims to increase HIV/AIDS awareness in the targeted schools.

The company in collaboration with other partners conducted the Dental Health Care Outreach Programme in the Rosh Pinah and Aus settlements where 705 children and adults received dental treatment.

A much needed children's play park with various amusement structures was constructed and handed over to the community in Tutungeni, Rosh Pinah. Skorpion Zinc supported the nutrition programme in which the Kabouterland Pre-Primary School provided midday meals to orphans and vulnerable children.

### Environment

A Water Management Plan was developed to address the abstraction and disposal of underground water sources through an EIA. The company also successfully completed the EIA and EMP for the Refinery Conversion project to be able to treat Zinc oxide ore as well as zinc sulphide ore.

The Mine Closure Plan was updated to include a new Waste Rock facility to accommodate the additional waste rock as a result of pit expansion. The new facility was designed to ensure the development of an ecological stable landform at the end of mine life as well as progressive and concurrent rehabilitation.

Lastly, following the completion of an EIA and a Management plan in 2015/16, the company received an ECC to offload and transport zinc oxide ore to the mine site from Lüderitz harbour.





# Weatherly Mining Namibia Ltd

# Weatherly Mining Namibia Ltd Quick Facts

## Output in 2015

Otjihase & Matchless mines: 13,919 tonnes of copper concentrate containing 3,254 tonnes of copper metal

Tschudi mine: 10,659 tonnes of copper cathode

## Employment

Permanent employees at end 2015: 115 (as at 31 December 2015)

Temporary employees at end 2015: 57

Contractors at end 2015: 546

Expatriate employees at end 2015: 6

## Financial Year (1 Jul – 30 Jun)

Turnover in 2015: N\$335.11 million

Wages and salaries in 2015: N\$108.63 million

Fixed investment in 2015: N\$41.31 million

Exploration expenditure in 2015: Nil

Loss in 2015: N\$88 Million

Royalty tax paid in 2015: N\$15.67 Million

## Details

Shareholders: Ongopolo Mining Limited: Weatherly Mining Namibia Ltd. (97.5%), Labour Investment Holdings (2.5%)

Weatherly Mining Namibia Ltd: Weatherly (Namibia SL) Ltd (99%)

Mining Licences in Namibia: ML 3: Matchless, ML 10 and ML 22: Otjihase, ML 15: Bobos Silica, Tsumeb, ML 73A: Kilplime quarry, Tsumeb, ML 73D: Tsumeb mine, ML 73F: Tsumeb West mine, ML 125: Tschudi mine

EPLs at end of 2015: EPL 132A

Date of production re-start: 2011 (Otjihase & Matchless), January 2015 (Tschudi)

Latest estimate of life of mine: 2026 (Tschudi), Ten years (Otjihase & Matchless)

Safety ratings at end 2014: Not applicable

Managing Director: Mr Craig Thomas

## Contact Details

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**Weatherly Mining Namibia** operates the Tschudi opencast copper mine near Tsumeb. The mine uses heap leaching and SX-EW processing to produce pure refined copper metal on site.

Weatherly also owns the Otjihase and Matchless copper mines in the Windhoek area. Production was suspended at these underground mines during September 2015 as a consequence of the marked decline in world copper prices. Both mines have been converted to project development status while progressing plans to prepare for a resumption of production at expanded volumes, when copper prices improve adequately.

Weatherly holds 25% of China Africa Resources Namibia, which aims to develop the Berg Aukas zinc-lead-vanadium mine project.

## Highlights for 2015

- Tschudi processing plant completed ahead of schedule and within budget.
- Leaching commenced in January 2015.
- Commercial production status at Tschudi mine was achieved on 1 October 2015.
- Tschudi achieved nameplate production rates in December 2015.
- Cathode quality consistently exceeded LME Grade A requirements.
- Plant operating efficiencies have exceeded expectations and targets.

## Production

**Tschudi Mine:** The Tschudi copper mine produced 10,659 tonnes of copper cathode in 2015, well above budgeted targets. The operation achieved nameplate production rates in December 2015, posting a production of 1,420 tonnes of copper cathode in the same month, well exceeding the monthly target production rate.

Cathode quality consistently exceeded LME Grade A requirements, and operating efficiencies in the plant outperformed initial expectations. Cathode assays of 99.998% copper and electro-winning current efficiencies of 92-94% were routinely achieved, both of which can be considered as 'best in industry' class performances.

Ongoing performance testing at the Tschudi plant has provisionally identified the capacity to expand plant throughput to 20,000 tonnes of copper cathode per annum (an increase of approximately 18%) at an expected capital expenditure of U\$1.2 million. This opportunity will be evaluated in due course.

**Otjihase and Matchless Mines:** As a consequence of the marked decline in world copper prices from January to September 2015 (the lowest in six years), copper production levels from Otjihase and Matchless were insufficient to support the ongoing costs of operating these underground mines and they became commercially unviable. Management thus had to implement measures in which to reduce costs in the short-term, but also to maintain future prospects for

these mines in the long-term.

As such, the production of copper concentrate was suspended and the majority of staff and contractors were retrenched on 15 November 2015. Otjihase and Matchless were converted to project development status so as to prepare the mines for future production of larger volumes of copper concentrate at a lower unit cost, once market conditions improve.

## Exploration

No exploration was conducted in 2015.

## Safety

Weatherly is committed to the safe deliverance of employees and contractors each day through effective teamwork and leadership, as well as ensuring that the safety management system encompasses the entire workforce. In 2015 Weatherly made significant progress against their safety targets.

Weatherly developed a behavioural-based safety programme titled SAFE COPPER, engaging all levels of the workforce to improve understanding and awareness of the critical hazards confronting their employees. The SAFE COPPER programme was selectively integrated into the day-to-day operations. Employees were engaged through various measures; uniforms were implemented to create a team environment, reporting tools were interlinked with the supervisors Key Performance Indicators (KPI's) and reviews of performance against the Safe Copper Model were conducted publically across site. Rewards were given for SAFE COPPER performance. Front line supervisors shifted their focus from lag indicators to lead indicators so as to track current progress as opposed to the reporting of an incident once it has occurred.

The LTIFR improved by 88% from 2014 to 2015, and the overall incident rate improved from an average of 30 incidents per month in 2014 to an average of 19 incidents per month in 2015. Internal auditing tools were introduced, interlinking the company's newly implemented safety management database. The focus was to introduce functional tools and a system



that promotes hazard and risk assessing behaviour in the workplace. Weatherly will establish a baseline for company compliance with the Safety, Health, Environment and Quality (SHEQ) standards in 2016.

### **Labour Relations**

Labour relations remained stable throughout the year. Two hundred and fifteen employees were retrenched from September to November 2015 due to the suspension of the two central operations. A separation agreement for the affected employees was negotiated with the Mining, Metal, Maritime and Construction Workers' Union. The negotiations were concluded in a constructive and positive manner and the agreement was structured to benefit the affected employees.

### **Education and Skills**

During the year in review, Weatherly spent some N\$670,000 on skills development and education. The company provided a number of job attachment opportunities for technical services students.

### **Procurement**

Weatherly spent N\$1.112 billion on goods and services from Namibian suppliers in 2015.

### **Community Relations**

Weatherly donated 57.5 hectares of land to the Tsumeb Municipality. The land, known as Kivikuland, is situated adjacent to the Tsumeb West Mine.

### **Environment**

Weatherly's environmental monitoring program focused on collecting and assessing data associated with surface and ground water, noise and air quality.

This information was made publically available through the Environmental Forums established in 2014. These forums are comprised of representatives from Weatherly, Government, local councils, communities and neighbouring property owners who review environmental and social performance relating to our operations.

The company recorded no environmental incidents or fines for non-compliance in 2015. Some of the environmental initiatives implemented in 2014/2015 include the continued environmental monitoring as per the requirements of the Environmental Management Plan (EMP), partnership with the Ministry of Agriculture to enhance the level of Government compliance monitoring being undertaken, evaporation strategies for water contained in old sites and on-going dust suppression in operational areas of the mining area.

The approved EMP also includes monitoring of surface and groundwater around the site at strategic locations to identify, early on, any potential concerns emanating from the site.

In 2016 the Environmental module of the company's Integrated Management system software will be rolled out which includes automated monitoring schedules, ability to track and trend data associated with the operations performance and ensure the company's compliance with the Government approved Environmental Clearance Certificates.



**Swakop Uranium (Pty) Ltd**



## Swakop Uranium Quick Facts

### Financial Year (1 Jan – 31 Dec)

Fixed investment in 2015: Over N\$ 20 billion committed year to date

Exploration expenditure in 2015  
N\$ 12 million

### Details

Shareholders: Taurus Investments (Pty) Ltd (90%) – owned by China General Nuclear Power Holding Company (CGNPC), Epangelo Mining Company (10%)

Mines in Namibia: Husab mine, ML 171

Date of production start: Third quarter of 2016

Latest estimate of life of mine: 2036

Safety rating at end 2015: None

EPLs at end of 2015, EPL 3138, EPL 3439

Affirmative Action Plan: Approved

Number of bursaries awarded in 2015: 7

Managing Director: Mr Zheng KePing

### Contact Details

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# Swakop Uranium (Pty) Ltd



**Swakop Uranium** is constructing and developing a world-class uranium mine, called the Husab Mine, located near Swakopmund on the west coast of Namibia. Husab is billed to become the second largest uranium mine in the world. Once production commences, Husab is set to more than double current uranium production and will propel Namibia into third place in terms of global uranium production.

## Update of Activities for 2015

Swakop Uranium has been conducting exploration work on the Husab deposit since 2008. Construction and development of the Husab mine continued throughout 2015. The mine is expected to come into production during the third quarter of 2016.

## Safety

Swakop Uranium implemented the Integrated Management System in compliance with OHSAS 18001, ISO 19001, aiming to attain accreditation in 2016. The mine celebrated two years of no lost time injuries.

Occupational hygiene was also conducted on a continuous basis, with a medical surveillance programme in place. A radiation management plan was also implemented to ensure regular radiation monitoring of all employees.

## Labour Relations

Labour relations with MUN and the National Union of Namibian Workers (NUNW) remained cordial and constructive. A Recognition and Procedural Agreement was signed, paving the way for sound labour relations, which culminated in a Historic Three Year Wage Agreement between the two parties.

During construction of the Husab Mine, Swakop Uranium, MANWU and the Contractor Companies signed a Recognition and Procedural Agreement, which paved the way for sound labour relations between MANWU and the Contracting Companies to fully support the Husab Project Schedule and successful commissioning of the Mine.

## Education and Skills

Swakop Uranium spent N\$91 million on education and skills development in 2015, with programmes on mining operator training, processing operator training, artisan training, as well as on safety and health. Seven new bursaries were awarded for the year.

Swakop Uranium implemented an in-house unique High Performance Culture programme for all its employees. The programme is focussed on global best practices in terms of High Performance, which sets the base-line for the employees to strive for continuous improvement.

## Community Relations

Through the Swakop Uranium Trust, the company spent a total of N\$1.4 million on community initiatives throughout the year. The focus of their CSR activities were on education, human resources and skills development; employment creation and poverty alleviation; community support; health and general well-being as well as sound environmental management.

## Environment

A dust suppression system was installed in the dry area close to the primary crusher to mitigate dust pollution.



# Exploration Companies

# Bannerman Mining Resources Namibia





# Bannerman Mining Resources Namibia

## Etango Project

Pending renewal of licences: EPL 3345

Pending mining licence application: ML 161

## Highlights for 2015

- Bannerman in operation for six years without a lost time injury.
- Construction of Heap Leach Demonstration completed in March 2015.
- Heap Leach Demonstration Plant came into operation in April 2015, yielding positive results.
- Etango Project Optimisation study completed improving the economics of the project.
- Bannerman Resources acquired 100% of shareholding of the Etango Project in December 2015.

The construction of the Heap Leach Demonstration Plant was completed in March 2015 and came into operation in April 2015. Results yielded by the plant confirmed that the heap leach process is ideally suited for the Etango ore and that the parameters as presented in the 2012 Etango Definitive Feasibility Study are applicable and robust. Uranium extraction of approximately 93% has been consistently achieved at the Demonstration Plant in a short leach period of 20 days.

In 2015 Bannerman also completed an optimisation study of the Etango Uranium Project. The study focussed particularly on optimising the mining process and included updated prices of equipment and reagents. The highlights from the study included the improvement of the Net Present Value (NPV) of the project to US\$419M (previously US\$69M); Post-tax internal rate of return 15%; average life-of-mine cash cost of US\$38/lb U<sub>3</sub>O<sub>8</sub> with an average annual production of 7.2 Mlbs over 15.7 years.

Bannerman also moved to 100% ownership of the Etango Project by acquiring the minority interest (20%) from its current owners (represented by Mr Clive Jones). Bannerman Resources Limited is listed on the Australian, Toronto and the Namibian Stock Exchange. A total of approximately N\$ 20 million was spent on exploration/demonstration plant activities.

Bannerman spent some N\$350,000 on CSR activities during the year in review. This included amongst others, the Early Learner Assistance Scheme, whereby less privileged students in the Erongo Region are provided with school clothing – this programme has benefited over 1,400 learners to date; financial support to the Erongo Development Foundation (EDF) enabling four young adults to continue their studying towards their trade diplomas at the NIMT. The company continues to also support the tourism industry via the Hospitality Association of Namibia.

In 2015, Bannerman sent their Senior Mineral Geologist on a training course on "Key Issues for Resource Estimation," and the geologist worked for a number of weeks with a resource advisory and consulting group in Australia to obtain further practical resource estimation experience. Operators also received training on a number of safety modules, including working at heights, heat stress, hearing protection, hazardous chemicals and emergency response as part of their skills development for operating the Demonstration Plant.

CEO: Mr Len Jubber

General Manager: Mr Werner Ewald

## Contact Details

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wewald@bannermanresources-na.com | www.bannermanresources.com.au

# Craton Mining and Exploration



# Craton Mining and Exploration (Pty) Ltd



## Omitiomire Copper Project:

Current exploration licences: EPL 3589, EPL 3590

Pending renewal of licences: EPL 4055, EPL 4150 EPL 4151

Pending new licences: ML 197

Craton is 100 percent owned by International Base Metals of Australia (IBML). The High Court set aside the Mining Licence 183 which was issued in September 2014 following a legal challenge by neighbouring farmers, on the basis that the Mining Licence was granted before the Environmental Clearance Certificate was issued. As such, the development of the mine has been delayed and resulted in Craton's decision to retrench staff.

In 2015, Craton spent N\$9.13 million on exploration within its Namibian properties, through its local team of

20 permanent employees. RC drilling of 30 holes totalling 3,685 metres was undertaken. Geochemical surveys were conducted covering 637 square kilometres and 23,145 soil samples were collected. Geophysical surveys covering 99.2 square kilometres were conducted using ground magnetics.

Labour relations remained stable throughout 2015 and the company concluded final payments for two bursary recipients. Craton spent N\$10.18 million on goods and services from Namibian businesses and companies.

The Craton Foundation spent approximately N\$690,000 on a number of CSR activities in 2015. These included the construction of school class rooms in the Windhoek area and eye screening for several thousand children as well as supplying them with reading glasses.

Exploration Manager: Mr Karl Hartmann

## Contact Details

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# Gecko Namibia (Pty) Ltd



# Gecko Namibia (Pty) Ltd



Phosphate mining EPLs: EPL 4153, EPL 4154

Current exploration licences: EPL 4167, EPL 4185, EPL 4426

Pending licence renewal: EPL 3037, EPL 4365, EPL 4153, EPL 4154

Pending new licence: EPL 4717, ML 196

## Highlights for 2015

Gecko Graphite concluded a JV agreement with Imerys Carbon and Graphite to develop the Okanjande Graphite project.

Gecko Mining is a privately owned company, 100 percent owned by Gecko Namibia, and has local affiliates in Gecko Salt, Gecko Limestone, Gecko Phosphate, Gecko Graphite, Gecko Silica, Gecko Laboratories, Gecko Chemicals and Gecko Drilling. Gecko focuses on the development of projects in the industrial mineral sector exploration in Namibia.

Gecko spent N\$21.19 million on exploration in 2015. The 2015 drilling programmes consisted of six RC holes, totalling a length of 310 metres and ground geophysical surveys consisting of magnetic ground profiles covering an area of two square kilometres. A total of 1,162 geochemical assays were also submitted.

No industrial action or labour disputes were recorded for 2015 and two projects were sold without any issues. Gecko sponsored an employee to further studies in Logistics Management at the Business School of Excellence. They also provided internships for three students (geology & environmental management).

The Gecko Namibia (Pty) Ltd fund supports various social initiatives in regions across the country in areas of sport, health and welfare. The company spent N\$6.59 billion on goods and services procured from Namibian registered companies.

Gecko is currently conducting EIA's for the following projects: Cape Cross Salt mine development, SwaCa mine and processing/production of GCC (ground calcium carbonate) and burned lime products, and the Vision Industrial Park. Gecko and its partner organisation, Ondonga-Uukwambi Mining Enterprises, are still engaging with MET regarding the appeal against their decision to decline the Environmental Clearance Certificate for the development of the Otjivalunda project.

Managing Director: Mr Pine Van Wyk

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# Kunene Resources Namibia (Pty) Ltd





# Kunene Resources Namibia (Pty) Ltd



## **Kaoko Base Metals Project, Northern Kunene Region**

Current exploration licences: EPL 3764, EPL 3824, EPL 3825, EPL 4136, EPL 4346, EPL 4347, EPL 4348, EPL 4349, EPL 4350, EPL 4351, EPL 4540, EPL 5601

Pending new licences: EPL 5773, EPL 5847, EPL 5885, EPL 5992, EPL 6098, EPL 6099, EPL 6100, EPL 6102, EPL 6103, EPL 6153

Kunene Resources Namibia (Pty) Ltd is a Namibia-based exploration company with a total of 12 granted Exclusive Prospecting Licenses. The Company focusses its exploration on sediment-hosted base, rare and precious metal deposits as well as associated industrial minerals.

The total spending of Kunene Resources Namibia on the above EPLs exceeded N\$13.8 million in 2015 of which the vast majority was spent on local wages and local procurement.

In 2015, Kunene Resources completed its systematic soil sampling campaign covering the entire Kunene license block with more than 60,000 soil samples. The soil sampling campaign involved up to 100 crew members mainly from the local villages. The soil team members

cumulatively roved a total of about 90,000 kilometers on foot in the mountains to the North and West of Opuwo to collect the soil samples at given coordinates. The resulting geochemical database in combination with geological mapping, geophysics and structural interpretation led to the definition of a number of new lead-zinc-silver, copper and barite exploration targets.

Initial drilling targeted three copper, copper-cobalt and lead-zinc discoveries with RC drilling totaling 1,539 meters and diamond drilling totaling 1,361 meters.

The Company's field work is planned in a way to maximize the benefits of the local community wherever appropriate. As a result, Kunene Resources represents one of the largest private employers in the Kunene Region during these field campaigns. It also has played a prodigious role in a number of local schools in the Kunene Region, a tradition which started in 2012 when the company volunteered in educational programs of the Okahozu Primary School.

Kunene Resources' outlook for 2016 is very positive as it secured local funding for drilling campaigns of all its tier-1 targets in the Kunene Region in 2016.

Managing Director: Dr Rainer Ellmies

## **Contact Details**

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# **Marenica Minerals (Pty) Limited**



# Marenica Minerals (Pty) Limited

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Current exploration licences: EPL 3287

Marenica Minerals is 75 percent owned by Australian company Marenica Energy Limited. The rest of the shareholding belongs to Xanthos Mining (Pty) Ltd, owning 20 percent and Millenium Minerals (Pty) Ltd who owns five percent. The project covers 527 square kilometres in the Damara Land area, with identified secondary uranium sources as well as high potential for additional secondary uranium deposits.

Marenica Energy continued with its metallurgical test work programme on refinement of its proprietary **U-pgrade™** processing technology. Marenica also completed testing of other ore sources to confirm the broader application of **U-pgrade™**. Internal cost estimates indicate that the operating and capital costs of **U-pgrade™** are approximately 50 percent less than those of conventional processing techniques. This is a significant breakthrough for the uranium industry in Namibia.

Marenica initially developed the technology to process the Marenica ore, but have since discovered that the technology is suited to treating similar calcrete hosted deposits in Namibia. The **U-pgrade™** process rejects greater than 97 percent of the mass through physical beneficiation, producing a concentrate of less than 3

percent mass suitable for transport to a leach/refinery within Namibia. The rejection of carbonate minerals creates an environment suitable for acid leaching.

The **U-pgrade™** process provides the potential to dramatically increase the profitability of surficial uranium deposits in Namibia. The company is actively pursuing funding to build and operate a pilot plant to demonstrate the viability of the processing technology to potential investors.

Marenica Energy purchased goods and services to the value of N\$500,000, of which 20 percent was from businesses owned and run by previously disadvantaged Namibians.

The company has applied for a Mineral Deposit Retention Licence on its EPL 3287 while it awaits an increased uranium price. Higher grade resources in Namibia are economically viable at the current uranium price and while the company awaits the uranium price rise for its own project, it is actively testing other ore sources to confirm the application of **U-pgrade™** with a view to commercialise **U-pgrade™** on higher grade Namibian resources.

CEO: Murray Hill

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# Lofdal Rare Earths Project





# Lofdal Rare Earths Project



Current Exploration Licence: EPL 3400

## Highlights for 2015

- Initiated EIA with SLR Environmental Consulting.
- Defined 300 meter strike extension to deposit.
- Continued optimization of metallurgy.
- Collection of 10 tonne bulk sample.

Namibia Rare Earths is a Canadian public company listed on the Toronto Stock Exchange and is 100% owned by Cayman Namibia Rare Earths Ltd. The company's main focus in Namibia is the Lofdal Rare Earths project which it plans to develop in the near future. Lofdal is an early stage, district scale exploration project with known and defined rare earths deposits. In October 2014, the results from the preliminary economic assessment Area 4 of Lofdal indicated an average annual production of 1,500 tonnes of separated rare earths oxides.

Through its team of 12 contracted employees, the company spent N\$15.3 million on its on exploration activities. Two RC holes were drilled for groundwater monitoring purposes, totalling a length of 200 metres and 672 geochemical assays were submitted. Electro

Magnetic surveys covering an area of one kilometre was conducted for environmental ground water studies.

Labour relations were stable throughout 2015. The company provided GIS-Arc training for the geological team. The team also received training on the operational aspects of baseline environmental equipment and off-site programmes were offered on project management.

Namibia Rare Earths continued to support the Sunrise Orphanage in Khorixas. They also engaged with the Khorixas Town Council, Traditional Authorities and local farmers for assistance on various aspects. They provide direct support to local farms for maintenance and operation of water supply systems.

The EIA process began in 2015, which included a Scoping Report submission and public consultations. Specialist studies were also undertaken on surrounding fauna and flora and bi-annual independent reports were completed.

Director: Mr Don Burton

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# North River Resources Namibia (Pty) Ltd



# North River Resources Namibia (Pty) Ltd

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## Namib Lead Zinc Project

Current exploration licences: EPL 2902, EPL 5075  
EPL 3257, PL 3258

Pending renewal of licences: EPL 3261, EPL 4560, EPL 4561

Pending new mining licence: ML 185

North River Resources Namibia is 100% owned by North River Resources PLC. The company is currently developing its flagship asset, the Namib Lead Zinc project located 25 kilometres from Swakopmund. The old lead mine was previously operational from 1968 to 1991. The project has a current JORC resource of 1.25 billion tonnes, with a resulting underground in-situ metal inventory of 30,709 tonnes of lead, 80,640 tonnes of silver and 49.9 tonnes of silver.

The DFS completed in 2014 demonstrates that project economics are viable based on the current resource. The company is thus preparing to bring the Namib Lead Zinc project into development. Discussions concerning

their mining licence application continued throughout 2015, and on 28 January 2016, they received a Notice of Preparedness to grant the mining licence.

During the year in review, main exploration activities focused on developing the underground tunnel to create drill positions or cubbies at the Namib Project. Diamond drilling from these cubbies and surface RC drilling were undertaken for both resource extension and infill drilling purposes. Regional and infill geochemical surveys were also undertaken on other exploration licences.

On-the-job training was provided to employees on geological software, and a UNAM student carried out their Honours research project on the old Namib Lead Zinc mine.

Ground water monitoring and analyses of samples continued in 2015 as well as weather station recording.

CEO: James Beams

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# Reptile Uranium (RUN)





# Reptile Uranium (RUN)

## **Omahola, Shiyela Iron, Tubas Sand & Tumas Projects.**

Current exploration licences: EPL 3496, EPL 3497, EPL 3498 – JV with Epangelo (5%) and Oponona (10%), EPL 4604 – Owner: Oponona Investments, Operator is RUN, EPL 4605 – Owner: Oponona Investments, Operator is RUN, EPL 3669 - JV with Nova Energy & Sixzone Investments, EPL 3670 - JV with Nova Energy & Sixzone Investments

Current mining licence: ML 176

Pending renewal of licences (2015): EPL 3496, EPL 3497, EPL 3669, EPL 3670

Pending new licences: ML 173, ML 174

## **Highlights for 2015**

- Geological mapping was conducted at the Omahola, Tumas and Tubas Sand projects.
- Depth to basement study conducted using remote sensing data and new modelling technologies for the Tumas/Tubas Channel interpretations, giving evidence of substantial depths in the Tubas area.
- Target Generation work conducted at the Omahola, Tumas and Tubas Sand projects.

Reptile Uranium Namibia is 100 percent owned by Deep Yellow Limited (Australia), which is listed on the Australian Stock Exchange.

In 2015, the company spent N\$6.6 million on exploration through a team of seven permanent employees. The

company completed a depth to basement study using remote sensing data and new modelling technologies for Tubas/Tumas Channel interpretations. Bulk sampling also began at the Tumas Palaeochannel on which metallurgical test work commenced on new sample material. Ground geophysical surveys follow-up work was conducted using Airborne Electromagnetic profiling data, covering an area of 1690 square kilometres.

RUN continued with skills development initiatives for employees, which included on-the-job training, regular workshops, monthly toolbox meetings as well as safety and basic firefighting training.

The procurement budget was also reduced in 2015 stemming from low uranium prices, but the company continued to purchase largely local goods and services which amounted to N\$2.3million.

The company worked closely with Namibia Naukluff Park Wardens and assisted with park installations and signage to better control unauthorised access into the park.

Statutory reports were completed and submitted on all EPL's and one ML operated and owned by RUN which were cleared in good standing with the relevant authorities. Progressive rehabilitation was also conducted at all the disturbed sites. Reptile continues to consult and cooperate with stakeholders at all levels on environmental issues.

Exploration Manager: Mr Martin Hirsch

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**Teck Namibia Ltd**





Current exploration licences: EPL 3140, EPL 3687, EPL 4557

Pending renewal of licences: EPL 3349, EPL 3350, EPL 3352, EPL 3357, EPL 4541, EPL 4542, EPL 4543, EPL 4544, EPL 4545

### Highlights for 2015

- A new detailed 3D geological model for Haib was fully constructed.
- Follow-up of stream sediment copper anomalies at Kaoko progressed.

Teck Namibia Ltd. ("Teck Namibia" or "the Company") is wholly owned by Canadian company Teck Resources Limited. Teck Namibia engages in copper exploration in Northern and Southern Namibia.

The Company spent a total of N\$6.3 million on exploration in 2015, through its team of four permanent employees, one temporary employee and one contractor.

Employees at various levels attended training workshops on health and safety as well as the Mining Indaba in South Africa. The company also provided financial support to an employee pursuing a Master's degree in Geology.

The Health Extension Worker (HEW) pilot programme in the Opuwo District of Kunene Region (location of Teck Namibia's Kaoko Project), which started in 2012 with financial support from Teck Namibia (through UNICEF), has reached new heights and, becoming a national multi-million dollar programme under the Ministry of Health and Social Services. The HEW program is now being scaled up by the Namibian Government into 10 regions of Namibia. As of May 2015, Namibia has more than 1,200 HEWs working in 10 regions, including the Kunene region. Furthermore, Teck Namibia contributed N\$200,000 in 2015 to the Community Trust to be used for future community development initiatives.

Sound labour relations were maintained throughout 2015. The company spent approximately N\$2.3 million on Namibian goods and services.

Teck Namibia conducted regular site visits to assess the state of rehabilitated drill roads and drill sites.

Manager, Exploration - Namibia: Nuri Ceyhan

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# Valencia Uranium (Pty) Ltd





# Valencia Uranium (Pty) Ltd

## Norasa Uranium Project

Pending licence renewals: EPL 3638 (Namibplaas Project)

Current mining licences: ML 149 (Valencia Project)

## Highlights for 2015

- Definitive Feasibility Study was completed in March 2015.
- An update to the current EIA / EMP study is ongoing.

The Norasa Uranium Project, which is a consolidation of the Valencia and Namibplaas Uranium Projects, are 100 percent owned by Forsys Metals Corporation, which is listed on the Toronto, Frankfurt and Namibian Stock Exchanges.

Optimisation studies conducted over a number of years resulted in a new Engineering Cost Study, which identified improvements to the original process design. A larger resource base resulted in reduced operating costs and overall improved project economics. These two issues formed the basis on which the company completed a pre-feasibility study for the Norasa Uranium project in March 2014, which highlighted further positive results. As such, the definitive feasibility study which commenced in July 2014 was completed in March 2015.

The EIA and EMP are also being updated to cover the expanded operation area and is planned for completion in the first half of 2016.

As of December 2015, Measured and Indicated Resources were updated to 265 million tonnes with 52,100 tonnes of uranium oxide with the associated Mineral Reserve declared at 206 million tonnes with 41,100 tonnes of uranium oxide.

Labour relations remained stable during the course of 2015. No new bursaries were awarded for the year, but the company continued to sponsor a student pursuing a degree in Mining Engineering at NUST. A variety of short training courses were provided to employees, focusing on health and safety.

Valencia continued to invest in the Usakos Community Vegetable Garden project, in cooperation with the Usakos Town Council, through which 18 individuals benefit through job creation and skills development. By the end of 2015, Valencia contributed N\$4 million towards the project in total, of which N\$100,000 was spent during the year in review. The company spent N\$5.32 million on goods and services from Namibian suppliers.

General Manager: Dr Dag Kullmann

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# Zhonghe Resources Namibia



# Zhonghe Resources Namibia



Current exploration licenses: EPL 3600, EPL 3602

Mining License: ML 177

## Highlights for 2015

- Supplementary exploration design implemented before mine development.
- Sampling for ore leaching testing and assessment of industrial utilization.

Zhonghe Resources is 58 percent owned by China Uranium Corporation Limited, 21 percent owned by Springbok Investment (Pty) Ltd, and 21 percent owned by Namibia-China Mineral Resources Investment Development (Pty) Ltd. The Zhonghe Uranium project is situated between Usakos and Swakopmund. The company was awarded a mining license (ML 177) on 30 November 2012, by the Minister of Mines and Energy.

Through its team of two Namibian employees and three expatriate employees, Zhonghe Resources conducted geochemical surveys covering 29.6 square kilometers. Litho samples submitted in 2015 amounted to 19 and 206 geochemical assays were submitted. Ground geophysical surveys were conducted covering 59.6 square kilometers.

Labour relations remained stable throughout the year. Rehabilitation activities were carried out following the completion of trench, geochemical and geophysical surveys.

Acting Managing Director: Mr Zhao Xigang

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# **Mining and the Economy**



# Mining and the Economy

Namibia's mining sector continued to perform comparatively well despite the various global headwinds experienced in 2015. In the wake of China's cooling economy, mining companies worldwide were forced to cut costs, while many were left with little choice but to retrench staff and suspend operations. According to a statement released by the Mining Industry Association of Southern Africa (MIASA), some 70,000 jobs were lost in the mining sector across the region since the down-turn of commodity prices. Although not left unaffected, Namibia finds itself in a unique position in which the mining sector is beginning to reap the fruits of prior investments.

## Declining Commodity Prices

Over the last three decades, the world economy has been driven by Chinese growth. However, as the Chinese economy shifts from an export led growth model to one of domestic consumption, growth has gradually tapered off from 2010. While the country's current growth rate of 6.8% still far outpaces that of other developed economies (i.e. US and the Euro Zone), as demand from China declines so does their appetite for commodities, both domestically and internationally. A combination of global over supply and a further slowdown in China's economy continues to reinforce market weakness and push prices down.

## Copper

China's economic slow-down has had a marked impact on copper prices, through declining construction activity translating to reduced demand for copper. These developments caused the copper price to drop to a six year low in August 2015 as depicted in the

LME graphs below. The depressed copper price has already resulted in the suspension of a number of mining operations in Africa. According to the Chamber of Mines in Zambia and DRC; 10,000 and 2,000 job losses were suffered respectively. In Namibia on 14 September 2015, Weatherly Mining announced the suspension of its two mines (Matchless and Otjihase mines), converting them to project development status and retrenched 215 workers.

## Gold

As indicated in the graphs below, gold also slumped to five year lows in July 2015. This was brought about by uneven global demand and reduced demand from China for jewellery and other uses of gold. However, the precious metal began to tick up in the last quarter of 2015 as investors sought the commodity while financial markets came under strain. Furthermore long-term fundamentals remain positive as demand for jewellery is expected to increase again in the near to medium term, spurred by improved growth in the U.S and Euro economies as well as the growing middle class in China and India.

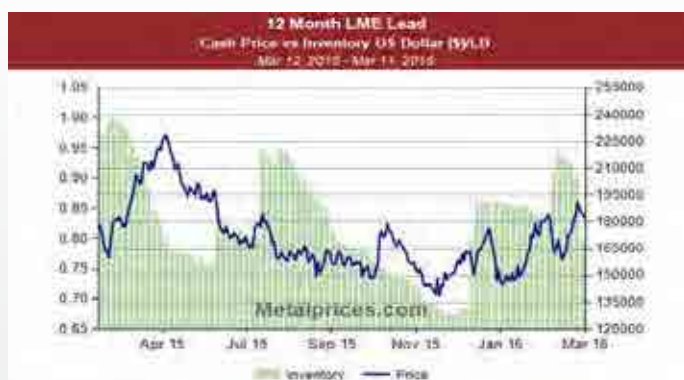


## Diamonds

Despite signs of economic recovery in the U.S, the biggest consumer of diamonds, diamond prices have taken a knock as the stock market slump hit discretionary spending and reduced jewellery demand from China. This decline, however, is not expected to persist, as the U.S economy improves and price increases could be further driven by a growing middle class in China and India as alluded to above.

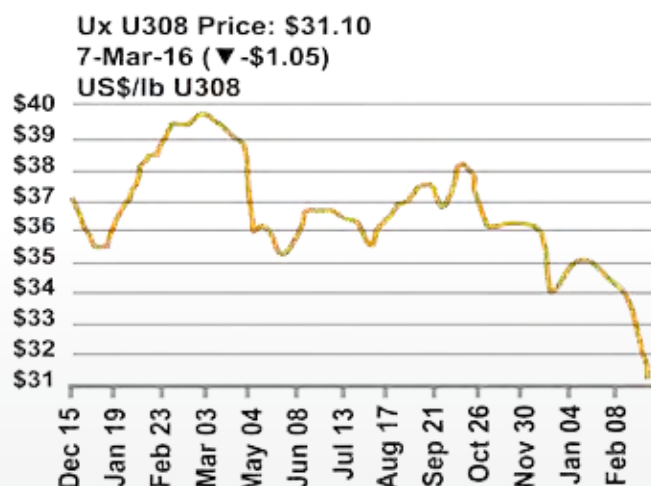
## Lead & Zinc

Prices of lead and zinc have also been negatively impacted by the structural changes in China's economy largely stemming from reduced growth and demand from its construction sector.



## Uranium

Opposing market forces kept uranium prices stable, yet suppressed, throughout 2015. During the first half of 2015, there was very little movement in the price of uranium, as China forged ahead with its nuclear energy programme and after Japan re-started its first nuclear reactor in August, 2015, post-Fukushima<sup>1</sup>. Low purchases by U.S utilities was a key element in the subdued prices due to excess inventories. Additionally, weak global demand, exasperated by China's cooling economy also contributed to the low uranium price in 2015.



Source: [www.uxc.com](http://www.uxc.com)

## Oil & Gas

The two commodities that have been the most negatively impacted in the last few years are crude oil and natural gas.

Crude oil prices started to seriously plummet during the second half of 2014 as a result of increased production of crude oil from shale formations in the United States of America by a process commonly known as fracking. By 2013; the United States of America was producing 7.5 million barrels of crude oil per day<sup>2</sup> as a result of fracking. Prices plummeted even further when the Organization of Petroleum Exporting Countries (OPEC) member countries, led by Saudi Arabia, refused to cut production, a practice they have historically done when crude oil prices go down. This time, however, they were attempting to drive some of the U. S. shale oil producers out of business by maintaining production and thus keeping crude oil prices as low as possible<sup>3</sup>. This tactic from OPEC seems futile as oil prices continue on to drop as the U. S. enjoys its largest production of oil in their history.

The U.S. has now become the largest producer of natural gas in the world as a result of fracking in shale

<sup>1</sup>World Nuclear Association, [www.world-nuclear.org/](http://www.world-nuclear.org/)

<sup>2</sup>The Frackers, Gregory Zuckerman ISBN 978 0 670 92368 7

<sup>3</sup>[www.forbes.com/sites/jamesconca/2015/07/22/u-s-winning-oil-war-against-saudi-arabia/](http://www.forbes.com/sites/jamesconca/2015/07/22/u-s-winning-oil-war-against-saudi-arabia/)

<sup>4</sup>The Frackers, Gregory Zuckerman ISBN 978 0 670 92368 7

<sup>5</sup>The Frackers, Gregory Zuckerman ISBN 978 0 670 92368 7

formations<sup>4</sup>. According to Gregory Zuckerman<sup>5</sup>, natural gas production through fracking has led to a 75% drop of natural gas prices since 2008.

Lastly, coupled with the above mentioned oil and natural gas glut, on the demand side, prices are also negatively affected by the reduced economic growth in China. In addition, increased efficiencies and a switch to more renewable and cleaner sources of energy are also to some extent affecting the oil and natural gas prices.

The sharp drop in oil prices have severely impacted the profits and earnings of oil producing companies across the globe, including those operating in Africa, causing them to suspend most exploration activities and reduce production.

### Exchange Rate Depreciations

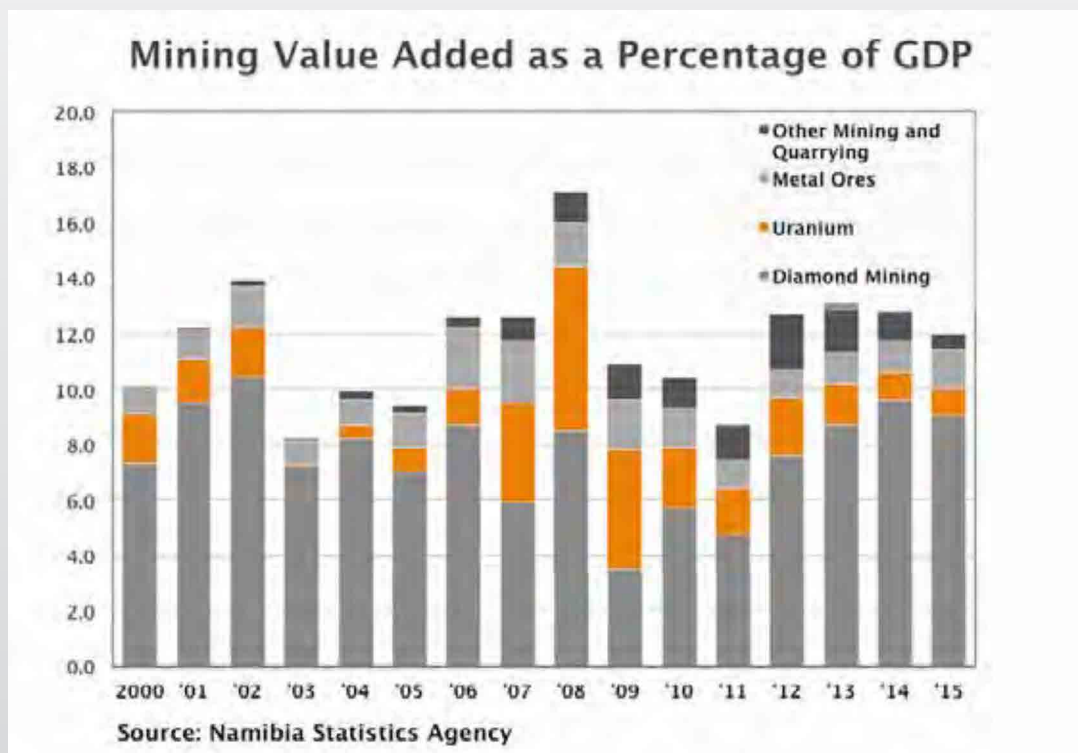
In addition to low commodity prices, severe capital outflows from emerging market countries caused a depreciation in the respective economies and a U.S dollar appreciation. The capital flight was a direct result of the expected hiking of the U.S Federal Reserve rate. The rand also took a severe knock in 2015, falling below historic thresholds in December, and was further worsened by a shrinking economy and an unstable political and social climate. As a result of the Namibian dollar-rand link, these turn of events had a direct impact on the Namibian economy.

### Performance of the Namibian Mining Sector Gross Domestic Product

Given the global economic climate, the Namibian mining sector performed relatively well in comparison to its neighbouring countries. Preliminary statistics produced by the Namibia Statistics Agency (NSA) show that the mining sector made a direct contribution of 11.9 to GDP in 2015, down from 12.8% in 2014. In real terms, the mining industry contracted by 0.1% in 2015 compared to 6.2% in 2014. The moderate contraction of the sector was due to the counteraction of negative and positive spin offs in the Namibian mining sector. It must be noted that this statistic excludes output from zinc refining and copper smelting activities, which would greatly add to the real contribution made by the Namibian mining sector.

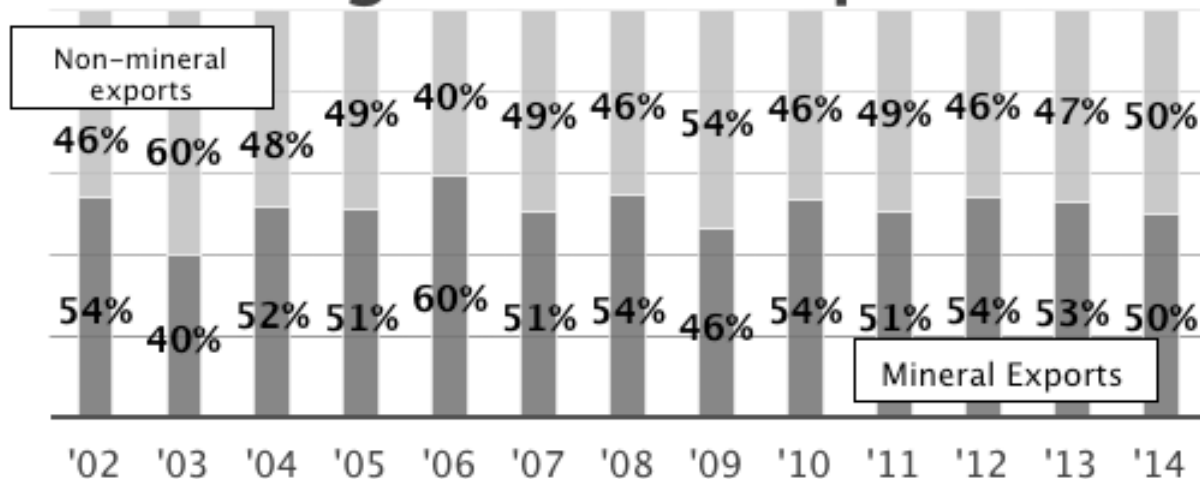
Diamond mining output contracted by 6% in 2015 from 2014 as a result of operational challenges and declining diamond prices. The Diamond subsector, however, remained the largest contributor to mining output in 2015. Production of refined zinc, copper, lead and zinc concentrate also declined in 2015 as a result of depressed market forces, leading to reduced sales and revenue generation from these minerals.

Chamber statistics revealed that the Revenue generated by the mining sector grew from N\$22.78 billion in 2014 to N\$25.28 billion in 2015 in nominal terms. As mentioned above, lower output and escalating





# Mining Share of Exports



input costs saw real foreign exchange earnings by some operations fall. However, the net effect remained positive as a result of increased gold and copper cathode output as the B2Gold's Otjikoto gold mine and Weatherly's Tschudi mine came on stream and successfully ramped up to full production. A low oil and gas price and exchange rate provided some relief to mining operations, as it translated to reduced fuel related input costs and higher local currency earnings respectively.

The Chamber remains confident that the industry will continue to grow in the medium term, with a forecasted GDP contribution of 17% by 2018 as Swakop Uranium's colossal Husab mine is yet to come on stream. New developments on the horizon, such as the North River Resources Namibia Namib Lead and Zinc project and Namibia Rare Earths Lofdal project as well as reinvestments by the sector are also expected to contribute to industry growth in the near future.

## Fixed Investment

2015 saw a significant decline in fixed investment made by the sector of 68%, from N\$17.26 billion in 2014 to N\$5.48 billion. The 2015, however excludes the figure from Swakop Uranium. We thus expect the real fixed investment figure to be much higher. The decline was largely as a result of the ramping up of fixed capital formation as the Otjikoto, Tschudi and Husab mines transitioned from development phases to production and operation.

Similarly, statistics generated by the Chamber of Mines also show a drop in exploration expenditure from N\$625<sup>6</sup> million in 2014 to N\$490 million in 2015. Exploration expenditure has gradually reduced in the last three

years primarily as a result of depressed commodity markets and also as projects move from development into the production phase.

## Employment

At the end of 2015, Chamber members directly employed 8,853 permanent employees, 716 temporary employees, and 9,243 contractors. Employment creation by the mining sector has been exceptionally high over the last three years due to the construction of three new mines.

## Taxation

In 2014/15 the Ministry of Finance (MoF) received profits taxes from the mining industry totalling N\$1.979 billion from diamond mining and N\$94.2 million from other mining. Diamond royalty tax contributed N\$1.043 billion and royalties from other minerals provided N\$199.5 million to government revenue. The total revenue received from mining in 2014/15 amounted to N\$4.019 billion, which includes dividends, a significant increase from the N\$1.951 billion collected in the previous financial year.

According to statistics produced by the Chamber of Mines, in 2015 the mining industry paid out a total of N\$3.76 billion in corporate taxes and royalties, an 11% increase from the 2014 total of N\$3.39. Notwithstanding the economic challenges faced by mining companies world-wide, the Namibian mining sector continued to contribute significantly to Government coffers as investments were realised.

<sup>6</sup> The 2014 exploration figure excludes Swakop Uranium





# Annex 1 - Key Statistics

## Output by Mine

	1998	1999	2000	2001	2002	2003	2004
Diamond Fields (carats)	5 802	6 692		16 740	25 401	16 762	29 477
Langer Heinrich (tonnes of uranium oxide)							
Namdeb Holdings (total carats)	1 275 228	1 289 776	1 320 308	1 384 704	1 275 899	1 454 756	1 858 383
Namdeb Diamond Corporation					696 914	807 139	992 872
Debmarmine Namibia (Carats)					513 053	602 037	841 965
Beach and marine contractrs (carats)					65 932	45 580	23 546
Navachab (kg of gold)	1 855	2 008	2 399	2 694	2 650	2 298	2 068
B2Gold							
Dundee Precious Metals Tsumeb*							
Blister Copper (tonnes)	8 014		5 082	27 015	17 850	26 306	26 306
Ocean Diamnd Mining Holdings Ltd ( carats)	59 718	73 327					
Okorusu Fluorspar (wet metric tonnes of Fluorspar)	42 139	57 700	66 128	81 245	81 084	79 349	104 767
Rosh Pinah Zinc Corporation							
Zinc concentrate (tonnes)	78 617	69 193	73 535	70 610	77 587	107 920	123 272
Lead concentrate (tonnes)	24 273	19 283	20 665	26 182	24 140	31 453	27 188
Rossing Uranium (tonnes of Uranium oxide)	3 278	3 171	3 201	2 640	2 751	2 401	3 582
*short tons							
Ohorongo Cement							
Sakawe Mining Corporation (carats)							119 546
Salt & Chemicals (tonnes of coarse salt)	434 198	429 230	482 000	500 441	552 000	567 000	717 000
Skorpion Zinc (tonnes of SHG zinc)					35	47 436	119 205
The Salt Company (total product - tonnes)	73 163	73 540	41 009	75 650	70 000	116 526	85 374
Coarse salt (tonnes)	61 915	60 100	32 077	58 000	54 729	84 818	62 583
Refined salt (tonnes)	5 223	7 220	4 347	11 250	9 640	11 099	11 384
Rock salt (tonnes)	6 025	6 220	4 585	6 400	5 631	11 421	7 069
Table salt (tonnes)						9 188	4 338
Weatherly Mining Namibia**							
Contained copper (tonnes)	-	-	-	-	-	-	-
<b>Kombat mine</b>							
Copper concentrate (tonnes)	8 160		15 614	18 180	23 836	16 701	16 353
<b>Otiijase mine &amp; Matchless mine</b>							
Copper concentrate (tonnes)	7 045	-	3 485	26 152	39 125	35 511	28 071
Pyrite concentrate (tonnes)	28 174	-	11 967	56 994	3 633	31 786	3 658
<b>Tschudi copper mine</b>							
Copper Cathode							
<b>Tsumeb operations</b>		-					
Copper concentrate (tonnes)	7 614	-			1 036	12 657	14 753
<b>Khusib Springs</b>							
Copper concentrate (tonnes)							
Lodestone Dordabis Iron Ore Mine (tonnesof iron ore)							

Source: Chamber of Mines Namibia

\*Dundee Precious Metals Tsumeb, formerly known as Namibian Custom Smelters

\*\*Weatherly formerly known as Ongopolo Mining and Processing from 2000 to 2006, and TCL until 1998

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a			
		321	1 052	1 170	1 678	1 694	2 306	2 469	2 296	2 228
1 774 000	2 084 879	2 177 516	2 122 000	929 000	1 472 000	1 336 000	1 659 408	1 762 378	1 885 265	1 764 324
878 000	1 000 743	1 068 933	1 039 000	329 000	492 000	346 000	559 408	602 378	612 265	494 324
922 000	1 017 867	1 048 302	1 055 000	600 000	980 000	990 000	1 100 000	1 160 000	1 273 000	1 270 000
	66 269	67 110								
2 519	2 675	2 519	2 126	2 014	2 773	2 063	2 287	1 795	1 938	1 878
									202	4 131
22 563	22 711	n/a	16 586	21 543	25 019	34 350	27 415	24 257	36 877	45 220
114 886	132 249	118 766	118 263	80 857	104 494	90 834	74 157	65 348	99 984	0
126 123	105 134	94 855	94 236	94 000	101 040	89 236	94 303	113 818	104 046	99 665
24 690	21 974	21 876	20 155	20 000	19 202	15 776	17 557	20 551	22 317	18 518
3 711	3 617	3 046	4 067	4 150	3 628	2 137	2 699	2 409	1 543	1 245
						389 538	501 385			
120 100	260 045	145 126	n/a	0	0	0	0	0	0	0
670 000	576 000	665 000	642 000	720 000	792 000	738 000	725 000	717 612	689 947	614 980
132 813	129 897	150 080	145 396	150 400	151 688	144 755	145 342	124 924	102 188	82 029
89 726	88 045	95 809	90 000	79 150	676 019	525 317	85 000	109 373	107 458	118 000
66 994	61 423	66 585	no info	61 800	651 219	516 417	no info	no info		
10 135	12 285	13 317	no info	9 000	13 200	8 900	no info	no info		
7 399	9 072	10 200	no info	4 950	10 300	n/a	no info	no info		
5 198	5 265	5 707		3 400	1 300	n/a				
-	6 307	n/a	8 775	0	0	0	5 304	5 182	5 086	3 254
				0	0					
				0	0	14 071	23 032	22 477	20 994	13 919
				0	0	0	0			
										10 659
				0	0	0	0			
										4 000

# Permanent Employment by Mine

	1997	1998	1999	2000	2001	2002	2003	2004
African Bounty								
AREVA Resources Namibia								
B2Gold								
Debmarine Namibia							546	565
Diamond Fields Namibia		7			4	3	3	31
Diaz Point Exploration			85	50	81	64	45	
Imcor Tin (Uis tin mine)								
Langer Heinrich Uranium								
Lodestone								
Namdeb Diamond Corporation	3 531	3 175	3 269	3 024	2 916	2 890	2 953	2 993
Dundee Precious Metals Tsumeb*								
Namibia Minerals Corporation	69	72	75	261	167	300		
Navachab	372	339	361	314	311	311	146	246
Otjihase mine								
NIMT								
Otjozundu Manganese								
Okorusu Fluorspar	149	165	139	151	157	186	197	208
Ongopolo Mining and Processing (formerly TLC)								
Ongopolo Processing (formerlyTsumeb smelter)	525	521		217	271	224	212	212
Tsumeb mine	448	374				50	101	110
Kombat mine	517	521		306	301	265	262	262
Otjihase mine	509	498		379	283	314	366	362
Khuiseb Springs	36							
Rosh Pinah Zinc Corporation	425	433	424	438	491	511	498	502
Rössing Uranium	1 249	1 182	1 006	808	798	771	817	930
Salt & Chemicals	81	83	87	96	101	98	105	108
Sakawe Mining Corporation							18	210
Skorpion Zinc and Namzinc						507	598	616
Swakop Uranium								
SWA Lithium Mines (Rubicon mine)								
The Salt Company	49	57	67	59	67	70	73	72
Weatherly Mining Namibia**								
<b>Total employment</b>	<b>7 960</b>	<b>7 427</b>	<b>5 513</b>	<b>6 103</b>	<b>5 948</b>	<b>6 564</b>	<b>6 940</b>	<b>7 427</b>

Source: Chamber of Mines Namibia

\*Dundee Precious Metals Tsumeb formerly known as Namibian Custom Smelters

\*\*Weatherly formerly known as Ongopolo Mining and Processing from 2000 to 2006, and TCL until 1998



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
					14	n/a	n/a	n/a	n/a	n/a
				213	206	149	154	47	41	38
								95	240	589
596	622	622	684	489	509	606	645	722	742	750
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
			n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
20	132	132	167	215	268	310	328	327	318	341
										12
2 913	3 000	2 940	2 594	1 480	1 651	1 363	1 632	1 630	1 774	1 744
		268	245	269	321	407	442	455	448	530
280	267	267	360	405	405	382	410	398	385	390
65	95	95	105	160	160		175	204	210	236
							52	37	37	no info
249	248	248	273	207	254	252	349	315	n/a	n/a
903	903	944	n/a							
523	556	556	523	593	575	586	611	600	470	467
860	939	1 175	1 307	1 415	1 592	1 637	1 528	1 141	850	953
110	110	110	110	46	46	46	46	46	46	35
283	n/a	n/a	n/a	37	30	28	44	40	15	31
666	677	669	690	674	682	751	752	733	698	822
							44	185	670	1 119
75	78	79	78	78	85	85	84	89	80	87
					2	31	33	42	239	115
<b>7 543</b>	<b>7 627</b>	<b>8 105</b>	<b>7 136</b>	<b>6 281</b>	<b>6 800</b>	<b>6 929</b>	<b>7 633</b>	<b>7 106</b>	<b>7 263</b>	<b>8 259</b>

# Mining and the Economy

	1997	1998	1999	2000	2001	2002	2003	2004
Value added (N\$m current prices)								
Diamonds	1 251	1 358	1 697	1 934	2 854	3 591	2 630	3 444
**Uranium				487	489	617	20	193
**Metal ores				235	292	514	302	375
**Other mining and quarrying				34	27	70	40	135
Other Mining	478	477	253	n/a	n/a	n/a	n/a	n/a
Mining and quarrying	1 729	1 835	1 950	2 690	3 662	4 793	2 992	4 148
GDP (N\$m current prices)	18 624	20 612	22 881	26 607	29 929	34 528	36 401	41 862
As % of GDP								
Diamonds	6,7%	6,6%	7,4%	7,3%	9,5%	10,4%	7,2%	8,2%
**Uranium				1,8%	1,6%	1,8%	0,1%	0,5%
**Metal ores				0,9%	1,0%	1,5%	0,8%	0,9%
**Other mining and quarrying				0,1%	0,1%	0,2%	0,1%	0,3%
Other mining	2,6%	2,3%	1,1%	n/a	n/a	n/a	n/a	n/a
Mining and quarrying	9,3%	8,9%	8,5%	10,1%	12,2%	13,9%	8,2%	9,9%
Value added (N\$m 2010 constant prices)								
Diamonds	3 124	3 166	3 624	3 380	2 968	4 557	4 325	6 266
**Uranium				1 549	1 334	1 142	194	1 254
**Metal ores				812	940	889	979	987
**Other mining and quarrying				220	272	186	237	409
Other mining	1 966	1 797	1 756	n/a	n/a	n/a	n/a	n/a
Mining and quarrying	5 090	4 963	5 380	5 961	5 513	6 774	5 735	8 916
% Growth								
Diamonds	-0,1%	1,3%	14,5%	-6,7%	-12,2%	53,6%	-5,1%	44,9%
**Uranium					-13,9%	-14,4%	-83,0%	547,1%
**Metal ores					15,8%	-5,4%	10,2%	0,8%
**Other mining and quarrying					23,5%	-31,3%	27,1%	72,8%
Other mining	14,4%	-10,8%	-6,5%	13,3%	n/a	n/a	n/a	n/a
Mining and quarrying	4,1%	-2,5%	8,4%	-1,7%	-8,4%	36,0%	-8,2%	45,0%
Gross Fixed Capital Formation (N\$m current prices)								
Mining and quarrying	437	500	662	831	923	1 760	1 765	1 738
as % of value added	25,3%	27,2%	34,0%	30,9%	25,2%	36,7%	59,0%	41,9%
<b>as % of GDP</b>	2,3%	2,4%	2,9%	3,1%	3,1%	5,1%	4,8%	4,2%
Exploration expenditure (N\$m current prices)	112	124	175	167	249	146	264	472
Exports of ores and minerals (N\$m current prices)								
Metal ores including uranium ore	905	945	1 104	1 190	1 342	1 709	1 098	1 261
Other Minerals	22	39	53	59	64	112	95	117
Diamonds	2 495	2 150	2 860	3 936	4 161	5 192	3 546	4 911
<b>Total</b>	3 422	3 134	4 017	5 185	5 567	7 013	4 739	6 289
Copper	194	52	0	58	201	262	186	212
Zinc Refined						0	242	694
Total mining export (N\$m current prices)	3 616	3 186	4 017	5 243	5 768	7 275	5 167	7 195
Total export of goods	6 167	6 812	7 539	9 217	10 414	13 453	13 054	13 917
Diamonds as % of merchandise exports	40%	32%	38%	43%	40%	39%	27%	35%
Minerals as % merchandise exports	59%	47%	53%	57%	55%	54%	40%	52%

Source: NSA Namibia

Exploration expenditure (N\$m current prices)								
Source: CMN annual reports	97,1	124,0	175,0	167,0	249,0	146,0	264,0	no info
Number of Class D members	25	21	21	24	15	14	14	15

Source: CMN annual reports

\*\*Prior to 2000 "Uranium", "Metal Ores" and "Other Mining and

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
3 182	4 591	3 646	5 971	2 616	4 741	4 255	8 148	10 683	13 343	13 238
390	673	2 245	4 159	3 250	1 778	1 505	2 223	1 900	1 459	1 414
563	1 171	1 376	1 145	1 351	1 144	909	1 066	1 387	1 529	2 085
122	219	566	759	961	934	1 164	2 124	2 247	1 518	861
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
4 257	6 654	7 833	12 034	8 177	8 598	7 833	13 562	16 218	17 849	17 598
45 287	53 055	61 583	70 111	75 214	82 599	90 108	106 863	122 817	139 331	147 315
7,0%	8,7%	5,9%	8,5%	3,5%	5,7%	4,7%	7,6%	8,7%	9,6%	9,0%
0,9%	1,3%	3,6%	5,9%	4,3%	2,2%	1,7%	2,1%	1,5%	1,0%	1,0%
1,2%	2,2%	2,2%	1,6%	1,8%	1,4%	1,0%	1,0%	1,1%	1,1%	1,4%
0,3%	0,4%	0,9%	1,1%	1,3%	1,1%	1,3%	2,0%	1,8%	1,1%	0,6%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
9,4%	12,5%	12,7%	17,2%	10,9%	10,4%	8,7%	12,7%	13,2%	12,8%	11,9%
5 225	7 210	6 987	6 878	3 291	4 741	4 580	5 176	5 695	6 047	5 841
1 302	1 137	1 201	1 563	1 691	1 778	1 335	1 697	1 579	1 424	1 167
1 087	890	1 248	1 152	1 164	1 144	1 021	1 352	1 004	1 010	1 616
483	501	598	699	887	934	1 196	1 945	2 159	1 308	1 153
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8 097	9 737	10 035	10 293	7 033	8 598	8 132	10 170	10 438	9 788	9 777
-16,6%	38,0%	-3,1%	-1,6%	-52,2%	44,1%	-3,4%	13,0%	10,0%	6,2%	-3,4%
3,9%	-12,7%	5,6%	30,1%	8,2%	5,2%	-24,9%	27,1%	-6,9%	-9,9%	-18,1%
10,1%	-18,1%	40,3%	-7,7%	1,1%	-1,8%	-10,7%	32,4%	-25,8%	0,6%	60,1%
18,1%	3,6%	19,4%	17,0%	26,9%	5,3%	28,0%	62,6%	11,0%	-39,4%	-11,8%
n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
-10,9%	27,6%	0,5%	2,6%	-31,7%	22,2%	-5,4%	25,1%	2,6%	-6,2%	-0,1%
1 762	3 842	2 908	4 013	4 731	4 754	6 499	6 490	13 857	16 523	no info
41,4%	57,7%	37,1%	33,3%	57,9%	55,3%	83,0%	47,9%	85,4%	92,6%	no info
3,9%	7,2%	4,7%	5,7%	6,3%	5,8%	7,2%	6,1%	11,3%	11,9%	no info
477	482	540	605	677						
1 532	2 638	3 948	8 533	6 733	7 034	5 893	7 141	8 181	6 746	no info
132	236	394	528	539	592	700	768	875	829	no info
5 002	6 787	5 546	6 241	5 642	6 971	7 073	8 708	10 805	12 065	no info
6 666	9 661	9 889	15 301	12 913	14 598	13 666	16 617	19 861	19 641	no info
214	314	1 157	1 483	2 196	1 860	3 208	3 192	1 721	1807	no info
1 318	2 518	3 881	2 521	2 427	2 604	2 391	2 265	2 658	3 263	no info
8 198	12 493	14 927	19 305	17 536	19 061	19 264	22 074	24 240	24 711	no info
16 048	20 968	26 872	33 674	33 926	34 465	35 648	40 833	46 449	49 320	no info
31%	32%	21%	19%	17%	20%	20%	21%	23%	24%	no info
51%	60%	56%	57%	52%	55%	54%	54%	52%	50%	no info

no info	no info	no info	no info	no info	524	348	380,4	338,0	140,7	101,7
15	18	27	28	31	37	38	39	36	39	40

were grouped under "Other mining"

# Tax Revenue

	97/98	98/99	99/00	00/01	01/02	02/03	03/04	04/05
Revenue (N\$m)								
<b>Non-diamond mining</b>								
Budgeted	60,0	61,0	120,0	65,0	55,0	120,0	150,0	14,9
Actual	28,6	19,2	211,7	36,4	106,2	283,9	3,2	7,9
<b>Non-diamond mineral royalties</b>								
Budgeted								
Actual								
<b>Diamond mining</b>								
Diamond mining - budgeted	100,0	200,0	200,0	185,0	475,0	745,0	1 160,0	52,0
Diamond mining - actual	505,0	161,4	142,7	439,9	764,4	1 157,4	175,4	301,4
Diamond profits - budgeted								
Diamond profits - actual								
Diamond export - budgeted								
Diamond export - actual								
Diamond royalties - budgeted	176,0	249,9	205,0	240,0	294,0	420,0	450,0	500,0
Diamond royalties - actual	198,8	199,3	269,4	240,0	286,1	479,1	301,9	385,4
Budgeted	276,0	449,9	405,0	425,0	769,0	1 165,0	1 610,0	552,0
Actual	703,8	360,7	412,1	679,9	1 050,5	1 636,5	477,3	686,8
<b>All mining</b>								
Budgeted	336,0	510,9	525,0	490,0	824,0	1 285,0	1 760,0	566,9
Actual	732,4	380,0	623,8	716,3	1 156,7	1 920,4	480,5	694,7
Total tax revenue	5 106,1	5 497,5	6 597,7	7 790,4	8 452,0	9 808,9	9 064,8	10 853,6
Non-diamond mining as % of tax revenue	0,6%	0,3%	3,2%	0,5%	1,3%	2,9%	0,0%	0,1%
Diamond mining as % of tax revenue	13,8%	6,6%	6,2%	8,7%	12,4%	16,7%	5,3%	6,3%
All mining as % of tax revenue	14,3%	6,9%	9,5%	9,2%	13,7%	19,6%	5,3%	6,4%

Source: MoF

# Licenses Granted

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Non-Exclusive Prospecting Licences issued	552	404	488	338	464	518	510	583	379
Exclusive Prospecting Licenses awarded	24	24	53	121	178	92	155	160	70
Claims Registered	240	195	158	74	85	176	147	206	231
Mining Licences granted	1	3	2	9	4	8	5	4	8

Source: MME



05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18
6,5	7,0	350,0	460,5	554,5	462,3	704,4	51,7	59,0	27,5	57,5	490,7	493,3
0,9	350,7	779,9	730,9	61,1		10,2	16,8	7,5	94,2			
		228,8	200,0	250,0	250,0	360,0	300,0	305,0	384,8	310,0	210,8	no info avail
		42,9	92,8	261,0		305,4	183,2	185,4	199,5			
48,3	45,0	250,0	355,0	10,1	184,5	746,3	993,7	1 049,1	1 532,6	2 166,8	2 341,2	2 482,0
199,3	359,9	220,7	498,8	511,3		840,7	1 003,7	655,3	1 979,7			
242,1	316,4	271,2	442,5	125,2	252,0	350,0	644,3	631,4	1 159,2	620,0	625,0	no info avail
404,6	482,0	600,4	451,8	230,8		631,7	678,9	107,8	1 043,3			
290,4	361,4	521,2	797,5	135,3	436,5	1 096,3	1 637,9	1 680,5	2 691,8	2 786,8	2 966,2	n/a
603,8	841,9	821,1	498,8	742,1		1 472,4	1 682,6	763,1	3 023,0			
296,9	368,4	1 100,0	1 458,0	939,8	1 148,8	2 160,7	1 989,6	2 044,5	3 104,1	3 154,3	3 667,7	n/a
604,7	1 192,6	1 643,8	1 774,3	1 064,2		1 788,0	1 882,6	956,0	3 316,6	0,0	0,0	0,0
12 368,0	16 325,2	19 826,2	21 768,7	22 734,5	21 537,6	28 084,9	36 181,3	39 199,6	51 317,0	55 841,0	54 072,9	60 083,9
0,0%	2,1%	3,9%	3,4%	0,3%	0,0%	0,0%	0,0%	0,0%	0,2%	n/a	n/a	n/a
4,9%	5,2%	4,1%	2,3%	3,3%	0,0%	5,2%	4,7%	1,9%	6,3%	n/a	n/a	n/a
4,9%	7,3%	8,3%	8,2%	4,7%	0,0%	6,4%	5,2%	2,4%	6,9%	n/a	n/a	n/a

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
363	328	316	243	443	467	311	439	348	441	465	598	656
71	75	96	135	194	165	179	230	402	258	395	138	56
243	363	191	104	223	241	305	133	428	212	331	101	117
12	2	1	0	7	4	4	2	4	3	0	3	0

# Annex 2 - Chamber Members

## Chamber Members as at 2 December 2015

### Class A Founder Members

Namdeb Holdings (Pty) Limited  
Rössing Uranium Ltd  
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Rio Tinto Mining & Exploration Limited  
Hallie Investment No. 14 (Pty) Ltd  
North River Resources (West Africa Gold)  
MAWARID Mining (Namibia) (Pty) Ltd  
Namibia Rare Earths (Pty) Ltd  
Reptile Uranium Namibia (Pty) Ltd  
Marenica Energy Ltd  
Nutam (Pty) Ltd  
Craton Mining & Exploration (Pty) Ltd  
Gecko Mining (Pty) Ltd  
SWA Uranium Mines (Pty) Ltd  
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## Chamber Members Continued

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A. Friedman





# Annex 2 - Chamber Committee

## Chamber Committee as at 2 December 2015

### Exploration Committee

Karl Hartmann (Chairperson)

Craton Mining & Exploration

### HR Committee

Sam Januarie (Chairperson)

Dundee Precious Metals Tsumeb

### Safety Committee

Benadicta Uris (Chairperson)

Rössing Uranium

### Mine Surveying Committee

Edmund Nel (Chairperson)

Namdeb Diamond Corporation

### Mining Consultative Forum

Kombadayedu Kapwanga

Johan Coetzee

Veston Malango

Raimo Hausiko

Ebben Zarondo

Bro-Matthew Shiguandja

Erasmus Shivolo

President, Chamber of Mines

1st Vice President, Chamber of Mines

CEO, Chamber of Mines

President, Mine Workers Union of Namibia

General Secretary, Mine Workers Union of Namibia

Ministry of Labour and Social Welfare

Ministry of Mines and Energy



# References

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2nd Vice President: Mr Hilifa Mbako  
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## **Useful Documents and Websites**

Ministry of Mines and Energy: [www.mme.gov.na](http://www.mme.gov.na)

- Minerals Act 1992 (Act No. 33 of 1992)
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Bank of Namibia annual and quarterly reports: [www.bon.com.na](http://www.bon.com.na)

## **Mining Company Websites**

AREVA: [www.areva.com](http://www.areva.com)

B2Gold Namibia: [www.b2gold.com](http://www.b2gold.com)

Langer Heinrich: [www.paladinenergy.com.au](http://www.paladinenergy.com.au)

Lodestone Namibia: [www.lodestonepty.com](http://www.lodestonepty.com)

Namdeb: [www.namdeb.com](http://www.namdeb.com)

Navachab: [www.qkrcorp.com](http://www.qkrcorp.com)

Ohorongo Cement: [www.ohorongo-cement.com](http://www.ohorongo-cement.com)

Rössing: [www.rossing.com](http://www.rossing.com) or Rössing's 2013 Report to Stakeholders

Skorpion: [www.vedanta-zincinternational.com](http://www.vedanta-zincinternational.com) or Vedanta Annual Report and Accounts 2013

Swakop Uranium: [www.swakopuranium.com](http://www.swakopuranium.com)

Weatherly: [www.weatherlyplc.com](http://www.weatherlyplc.com)

Dundee Precious Metals Tsumeb - Smelter: [www.dundeeprecious.com](http://www.dundeeprecious.com)

## **Exploration Company Websites**

Bannerman Mining Resources Namibia: [www.bannermanresources.com](http://www.bannermanresources.com)

Craton Mining & Exploration: [www.interbasemetals.com](http://www.interbasemetals.com)

Gecko Mining: [www.gecko.na](http://www.gecko.na)

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Marenica Energy: [www.marenicaenergy.com](http://www.marenicaenergy.com).

Namibia Rare Earths Inc. : [www.namibiarareearths.com](http://www.namibiarareearths.com)

North River Resources Namibia: [www.northriverresources.com](http://www.northriverresources.com)

Reptile Uranium Namibia: [www.deepyellow.com.au](http://www.deepyellow.com.au)

Teck Namibia: [www.teck.com](http://www.teck.com)

Valencia Uranium: [www.forsysmetals.com](http://www.forsysmetals.com)

# Abbreviations

AFIR	All Frequency Injuries Rate
BCC	Benguela Current Commission
BCLME	Benguela Current Large Marine Ecosystem
BFS	Bankable Feasibility Study
CGNPC	China General Nuclear Power Holding Company
CSR	Corporate Social Responsibility
DBMN	Debmarmine Namibia
DFS	Definitive Feasibility Study
DIFR	Disabling injury frequency rate
DPMT	Dundee Precious Metals Tsumeb
ECC	Environmental Clearance Certificate
EDF	Erongo Development Foundation
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
EPAR	Environmental Performance Assessment Report
EPL	Exclusive Prospecting Licence
GDP	Gross Domestic Product
GFCF	Gross Fixed Capital Formation
GRN	Government of the Republic of Namibia
HSE	Health, Safety, Environment
IAEA	International Atomic Energy Agency
IBML	International Base Metals Ltd
ICMM	International Council on Mining and Metals
ISO	International Organisation for Standardisation
JSE	Johannesburg Stock Exchange
JV	Joint Venture
lb	imperial pound
LME	London Metal Exchange
LoM	Life of mine
LTI	Lost time injury
LSE	London Stock Exchange
LTIFR	Lost time injuries frequency rate
MANWU	Metal and Allied Workers Union of Namibia
MET	Ministry of Environment and Tourism
MFMR	Ministry of Fisheries and Marine Resources
ML	Mining Licence
MoF	Ministry of Finance
MME	Ministry of Mines and Energy
MUN	Mine Workers Union of Namibia
mv	Motor vessel
NACOMA	Namibian Coast Conservation and Management Project
NCCI	Namibia Chamber of Commerce and Industry
NEWS	Namibian Environment and Wildlife Society
NIMT	Namibian Institute of Mining and Technology
NOSA	Namibian Occupational Safety Association
NSA	Namibia Statistics Agency
NSX	Namibian Stock Exchange
NUNW	National Union of Namibian Workers
NUST	Namibia University of Science and Technology
OHSAS	Occupational Health and Safety Advisory Services
PDP	Probe Drill Platform
PPE	Personal Protective Equipment
ppm	parts per million
R&D	Research and Development
RC	Reverse Circulation
RoM	Run of mine
SADC	South African Development Community
SEA	Strategic Environmental Assessment



SEIA	Social and Environmental Impact Assessment
SHEQ	Safety, Health, Environment and Quality
SHG	Special High Grade
SME	Small to Medium Enterprises
st	short ton (equivalent to 0.907 tonnes)
troy oz	troy ounce (equivalent to 31.104 g)
UNAM	University of Namibia
VAC	Value Addition Committee
wmt	wet metric tonne
WNA	World Nuclear Association





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