Chamber of Mines Newsletter

A quarterly newsletter for the Namibian mining industry • Issue 03/2015 August 2015

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Cover picture:

Mr Hans-Willem Schütte, MD of Ohorongo Cement, with Honourable Minister of Mines and Energy, Obeth Kandjoze, at the official ground breaking ceremony of the Composite Cement Plant.
Photo credit: Image Photography Tsumeb

Chamber of Mines Newsletter

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Message from the CEO

The Chamber of Mines successfully hosted its fourth Mining Expo & Conference, boasting 150 exhibitors and over 1,000 visitors. The two-day event received positive feedback from delegates that came from neighbouring countries. The Chamber of Mines Expo & Conference was placed on par with international mining events such as the Mining Indaba held in Cape Town each year. We hope to see this event continue to grow, serving as a networking platform for all stakeholders in the sector, as the Namibian mining industry evolves and develops.

I would like to take this opportunity, to once again apologise to all the exhibitors who were inconvenienced by the early closure of the Mining Expo, which was brought about by factors beyond the Chamber's control. We have taken the necessary action to ensure that such a situation does not reoccur. I would also like to thank all exhibitors for their continued support, without whom the event would not have been possible. We look forward to the 2016 Mining Expo and Conference.

Despite the anticipated improvement in the commodity market, conditions remain subdued and depressed as a result of China's structural slow-down in growth, recent turmoil in the Eurozone and expected rate hikes in the US. Namibia's mining sector, however, continues to make impressive advancements.

On 1 June, Namibia's second gold mine was officially inaugurated by His Excellency, President Hage Geingob. B2Gold's Otjikoto gold mine has been in production for the last eight months, contributing significantly to the growth of the local mining sector. Debmarine recently announced plans to construct a deep-water diamond exploration vessel at an investment of N$2.3 billion.

In addition, Ohorongo Cement held a ground breaking ceremony on 30 July, signalling the start of construction of a new Composite Cement Plant at an investment of N$150 million. The plant will add to the operation's product line. Namibia Rare Earths is in the process of applying for a mining licence for its Lofdal Rare Earth project and has started the necessary Environmental Impact Assessments and public consultations.

At the time of writing, Dundee Precious Metals Tsumeb was carrying out the hot commissioning of its sulphuric acid plant, which when in full production at the beginning of 2016, will supply local mines with sulphuric acid. Lastly, at the Arandis Investment Conference held at the beginning of August, it was announced that a plant producing acetylene and oxygen is expected to come into development. The plant will supply the mining sector with the fuel needed for torch cutters.

The Chamber remains supportive of such developments in the up-stream mining value addition chain, as the growing sector now positions itself to help achieve the national growth targets and objectives as laid out in NDP4 and Vision 2030.

Veston Malango
Chief Executive Officer
22 August 2015

Otjikoto proves a cash cow for B2Gold

ERIC N MHUNDURU

The low-cost Otjikoto Mine near Otavi helped Canadian gold miner B2Gold achieve record production in the second quarter of this year.

The NSX listed miner announced recently a consolidated gold production of 121,566 ounces in the quarter ending June 2015, a 42 percent increase compared to the same period last year.

The company realised gold revenue of US$136.5 million on sales of 114,423 ounces at an average price of US$1,193 per ounce.

The increased gold production was primarily attributable to the successful production start and strong ramp-up in production at the new Otjikoto Mine, as well as increased production from both the Masbate and Limon mines.

The Otjikoto Mine achieved commercial production on 28 February 2015, one month ahead of schedule, after a strong start-up following its first gold pour on 11 December 2014.

B2Gold also announced record half-year consolidated gold production of 237,425 ounces (including 18,815 ounces of pre-commercial production from Otjikoto), an increase of 30% over the same period in 2014.

This resulted in consolidated gold revenue of $275.4 million (or record half-year consolidated gold revenue of $298.5 million including $23.1 million of pre-commercial sales from Otjikoto).

B2Gold projects another record year for gold production in 2015.

It expects company-wide production from Otjikoto and the Masbate, La Libertad and Limon Mines to fall in the range of 500,000 to 540,000 ounces of gold (including pre-commercial production from Otjikoto).

This represents an increase of approximately 35 percent over 2014 production.

The mining company said the substantial increase in consolidated gold production and reduction in consolidated cash operating costs per ounce reflected the positive impact of new production from the company´s low-cost Otjikoto Mine.

“Consolidated gold revenue in the second quarter of 2015 was US$136.5 million on sales of 114,423 ounces at an average price of US$1,193 per ounce compared to US$120.3 million on sales of 93,330 ounces at an average price of US$1,289 per ounce in the second quarter of 2014.”

For the second half of 2015, it expects consolidated gold production to be in the range of 275,000 to 295,000 ounces.

The company anticipates completion of the expansion of the Otjikoto mill from 2.5 million tonnes per year to 3.0 million tonnes per year by the end of September 2015.

“Once the planned mill expansion is completed in the third quarter of 2015, the company expects that annual gold production from the main Otjikoto pit will increase significantly to approximately 200,000 ounces in 2016 and 2017.

B2Gold also expects the development of its Wolfshag zone, adjacent to the main Otjikoto Pit to enhance Otjikoto´s gold production.

For the full-year 2015, it expects the Otjikoto Mine to produce between 140,000 to 150,000 ounces of gold, which will include pre-commercial production at a cash operating cost in the US$500 to US$525 per ounce range.

All ore in 2015 will come from the existing Otjikoto pit.

Namib Lead and Zinc Project (NLZM) gearing up and getting ready for the construction phase

AIM listed, North River Resources PLC holds 100% of Namib Lead and Zinc Project, located 25km from the town of Swakopmund and 55km from the port of Walvis Bay. The mine was previously operational from 1968-1991. The southern orebodies were mined to 8 Level, approximately 210 metres from the surface, while the northern orebodies were mined only on the 1st level. The bulk of the current mineable resource is from the northern orebody.

The project has a current JORC resource of 1,250,000 tonnes, with resulting underground in-situ metal inventory of:

- 30,709 tonnes of lead
- 80,640 tonnes of zinc
- 1.76 million ounces of silver

Additional occurrences of mineralisation are known at numerous surface gossan outcrops within the project area.

The Company has access to drill hole logs and assay data relating to surface diamond drilling programmes conducted at Namib in 1956 and 1966, which demonstrate the potential for a number of intercepts up to 100 metres below the base of the historic mine workings, as well as some high grade intercepts at the Northern ore-bodies. Mineralisation consists mainly of sphalerite, galena, pyrrhotite and pyrite. Downhole Transient electromagnetic surveys completed in 6 deep holes indicate continuity of conductive material to depths up to 700 metres below surface.

Metallurgical flotation test-work completed on fresh core drilled, shows very encouraging results

- Lead ('Pb') concentrate grade of at 62.2% at 91.1% Pb recovery, and
- Zinc ('Zn') concentrate grade of 52.4% Zn at 89.2% Zn recovery

The Definite Feasibility Study completed in 2014, demonstrates that the project has good economics based on the current resource. The latest JORC compliant Mineral Resource Estimate for Namib was published in September 2014 and is detailed below.

North River is gearing up and ready for the construction phase of the project. The Company has appointed experienced senior management and board members that will develop the project and guide it into production. Subject to the pending Mining Licence, the Project is expected to be construction-ready late this year and in production 12 months from the date construction begins. A new underground haul and dump loader was purchased, and predevelopment blasting and mining of an underground exploration tunnel is underway. Underground exploration and orebody definitive drilling is also continuing. Several surface and underground infrastructure (ventilation networks, change houses, storerooms etc) have been completed, with works still on-going.

Class	Area	Tonnes	Density t/m3	Pb%	Zn%	Ag g/t
Indicated	North	730,000	3.65	2.8	6.2	45.1
	South	147,000	3.61	2.1	5.3	40.5
Inferred	North	121,000	3.63	0.7	9.3	29.6
	South	251,000	3.69	2.7	6.6	48.2
Total		**1,250,000**	**3.65**	**2.5**	**6.5**	**43.7**

Reported at a lower cut-off grade of 1%Pb+%Zn. Tonnages have been round to the nearest 1000t to reflect that this is an estimate. The MRE has been prepared by independent consultants CSA Global (UK) and is prepared in accordance with the JORC code (2012) edition.

Figure showing the first LHD bought for the Namib Project.

Dundee commissions acid plant

Dundee Precious Metals Tsumeb (DPMT) has started commissioning its N$2.7 billion high-tech sulphuric acid plant with the official opening scheduled for early next year.

The sulphuric acid plant was designed to capture off gases that are rich in sulphur dioxide from copper smelting operations and convert them into sulphuric acid.

The plant aims to eliminate the sulphur dioxide emissions that have plagued Tsumeb residents since the opening of the smelter in 1963.

DPMT Vice-President and General Manager Hans Nolte said the multi-faceted project has added innovative value to the Namibian mining and processing scene and would secure full-time employment for 18 locals.

“We have taken a giant leap forward in our continuing effort to upgrade the Tsumeb Smelter and turn it into a world-class operation.

“It took nearly two years to get everything in place due to the immensity of the project but at this stage everything looks good to go.

“I must say it’s a ‘proudly Namibian’ moment for DPMT and its employees.

“Apart from adding tremendous value to our operations, this undertaking will give the Namibian economy a discernible boost as well,” he said.

DPMT will sell the acid as a commercial product, predominantly to Namibia’s uranium and copper mines for use in their ore-leaching processes.

Based on a throughput of 240,000-310,000 tonnes of copper concentrate yearly, the company expects the acid plant to produce approximately 270,000-340,000 tonnes of sulphuric acid a year.

Engineering firm Outotec completed construction of the state-of-the-art facility.

“The Namibian Government and Dundee Precious Metals Tsumeb have worked in partnership to expedite the construction and operation of this facility to ensure the long term reduction of emissions in Tsumeb,” Nolte added.

Environmental Commissioner at the Ministry of Tourism and Environment Theofilus Nghitila welcomed the commissioning of the new acid plant.

“This project shows that environmental improvement can be achieved through positive partnership with industry,” he said.

Leviev pilots phosphate plant

ERIC N MHUNDURU

The Lev Leviev Group of Companies (LGC) is currently busy with beneficiation tests for marine phosphate ore at its Namibia Phosphates (NamFos) Project at a cost of over N$200 million.

Managing Director Kombadayedu Kapwanga said the project located in the southern coastal area of Lüderitz is aimed at evaluating the beneficiation of the raw marine phosphate rock used in the production of fertiliser.

The LGC expects the phosphate project to start production in 2018 following the completion of extensive exploration which identified a resource of 2.2 billion tonnes in their licence areas, with a life of mine of more than 500 years.

The company received permission to build the pilot processing plant before completion of an environmental impact study by independent scientists appointed by the Government.

"The project will realise investment of N$20 billion in its first stage and an additional N$10 billion in the second stage of doubling the production capacity.

"The project will contribute N$3 billion in hard currency on a yearly basis during the first stage and will create royalties to Government of N$50 million on a yearly basis.

"The project will also create direct employment of 2,000 permanent jobs and an additional 5,000 indirect employment," Kapwanga said in an interview.

Once in production, Namibia would become an exporter of fertilisers and would secure low cost fertilizers and animal feed for farmers in the country, thereby boosting food production.

The NamFos project has so far conducted several environmental baseline grab and sample surveys covering its two licence areas, producing baseline reports by various expert environmental consultants.

"The move is to collect real environmental data for all phases of the operation and the test comprises of two stages," he said.

The first stage covered the separation test facility which is the mechanical and gravity spiral separation of the raw ore to produce concentrate, which is the feedstock material necessary for the demonstration test facility.

Kapwanga said the second stage is the demonstration test facility which uses "green" environmentally friendly technology to produce a fertiliser product with very low volume waste in comparison to conventional methods, which make up 99 percent of facilities.

This product would provide the feedstock fertiliser necessary for other downstream production of fertiliser products.

"This test is a 1:500 down-scaled version of the proposed industrial fertiliser facility and therefore emissions and waste solids or liquids are the same as what will be produced by the industrial plant.

"This high quality quantitative environmental data will be used in the Environmental Impact Assessment (EIA) and Environmental Management Plan (EMP) for the industrial fertiliser facility.

"The company decided to undertake these tests to allay key stakeholder fears and discount claims that the phosphate companies "just doing generic desktop studies".

"Tests are undertaken in a fully transparent manner so that those key stakeholders with valid environmental concerns are able to monitor every stage of the process," Kapwanga said.

The industrial fertiliser facility will produce its own fresh water and 74 Megawatts' of electricity, of which it will consume 27 Megawatts.

The plant would export the balance of 47

Megawatts to the Namibian grid.

"The project will take the raw ore mined vertically through the full value addition chain using Namibian resources and support services which is in line with NDP4 and Vision 2030 goals," Kapwanga added.

Information from the pilot plant will be shared with the public to allay fears on the environmental impacts of phosphate mining on the Benguela ecosystem or the Lüderitz Bay.

Namdeb launches new surveyor vessel

ERIC N MHUNDURU

Namdeb has launched the Zaamwani Surveyor, a purpose built vessel that was acquired to survey the bathymetry of the nearshore portions of the company's mining license areas.

Namdeb's Chief Surveyor Edmund Nel said the vessel is being used by the Survey Section in the Mineral Resource Department.

The vessel is expected to provide better information with regards to imaging of the seabed and sub bottom characteristics.

"These are important first steps in the exploration process of the shallow marine mining licence areas.

"The N$1.5 million dollar vessel got its name through an in-house competition whereby an employee from the Mineral Resource Department made the suggestion.

"The Zaamwani Surveyor was primarily built for the acquisition of high resolution data using multi-beam echo-sounder (MBES) technology, however its generic design can accommodate other geophysical sensors, serving as a multiple purpose vessel.

"The vessel provides a platform that can be used to safely launch through the surf zone and allow a reasonably comfortable work area for a task that requires constantly high levels of concentration," Nel said.

He added that the MBES pole, to which the sensor is mounted, is deployed over the stern (back) as opposed to the bow (front) on the previous platform.

"This has numerous benefits, most importantly, the unimpeded vessel manoeuvrability and reduced motion of the sonar, which leads to increased accuracy of the data."

The vessel has an enclosed cabin which protects the team and equipment on board from nature's elements during long hours at sea.

With an established and well proven hull design that is perfectly suited for launching through the surf zone, the vessel is also equipped with outboard engines that are easier to maintain, with specialist support available in Namibia.

The Zaamwani Surveyor replaces the Jet-boat which was the initial platform developed for this purpose and has already completed three commissioning surveys since the beginning of the year.

Inge Zaamwani- Kamwi - Former Namdeb CEO

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2015 Mining Expo and

Mr Malango with the famous Navachab Robot.

Brandon Munro, MD of Kunene Resources, giving a very insightful presentation on Corporate Social Responsibility (CSR) and ways in which to carry out CSR activities when funding is scarce.

Mr Malango, CEO of the Chamber of Mines of Namibia, giving a very interesting presentation on the performance and developments of the mining sector at the Mining Conference, 2015.

The Namdeb team received the second runner-up prize in the best stand competition.

Chamber of Mines team.

CoM President, Kambadayedu Kapwanga, Hon. Obeth Kandjoze & CoM CEO, Veston Malango pleasurably viewing the various stands.

Conference in pictures

Hon. Obeth Kandjoze officially opening the Mining Expo & Conference 2015.

The Manica Group, who received the first runner-up prize in the best stand competition.

Hon. Obeth Kandjoze viewing the stands at the Mining Expo 2015.

Rössing's Final Recovery

ERIC N MHUNDURU

Rossing Uranium's Final Product Recovery Plant (FPR) is now up and running after fire damaged two roasters at the mine in February.

Rössing General Manager Operations Martin Tjipita said the incident has shown the company the need to regularly review all strategies and procedures.

"All leaders must ensure sustainability of strategies, procedures, do regular audits, correct deviations from procedures and hold people accountable whenever necessary.

"A job well done to the entire team that worked on the repair project. We are proud of the achievement," he said.

Following the fire, a plan of action was formulated to get the mine back to producing uranium oxide for its customers as soon as possible.

A repair project team, under the leadership of Rössing's Manager for Maintenance Improvement, Scott Savage, quickly formulated a project plan that determined the repairs to be completed by 15 May 2015.

"A shipment of the final product, uranium oxide, was scheduled for the end of May and it was important not to delay the delivery.

"Sure enough, with steam swirling from the FPR chimneys early on the morning of 15 May, it was clear to all employees reporting for work that, that goal was reached.

"The various teams involved did extremely well to finish the complicated task of repairing the facility without injury or incident," Tjipita said.

Another achievement by the team was that the project was completed well within budget.

Rössing Managing Director Werner Duvenhage said the team demonstrated that projects can be completed safely, within time and within budget and this is now the new standard.

Around 100 team members worked on the repairs that included, amongst other things, replacing all the internal brick work.

"Some of the important challenges were to ensure safe working conditions inside the access controlled FPR area and to get spare parts on site in time.

"We had zero incidents and Rössing's procurement team did a great job ensuring the parts we needed arrived on time," Savage said.

An investigation into the incident showed that the fire was caused by a flame leak from a burner, which ignited diesel that spilled from a damaged pipe.

Although the fire started around Roaster two on the first floor of the building, it quickly spread to the second and third floors, taking out most of the pipe work and electrical systems in the process.

The intense heat of the fire, fuelled by diesel used in the burners of the roasters, also destroyed heat insulation lining and caused damage to the steel floors and walls of the building.

New Final Recovery Plant fire suppression system.

Plant back online

New burner installations.

New manual activation suppression system.

Electrical wiring was destroyed inside the Final Recovery Plant during the February fire.

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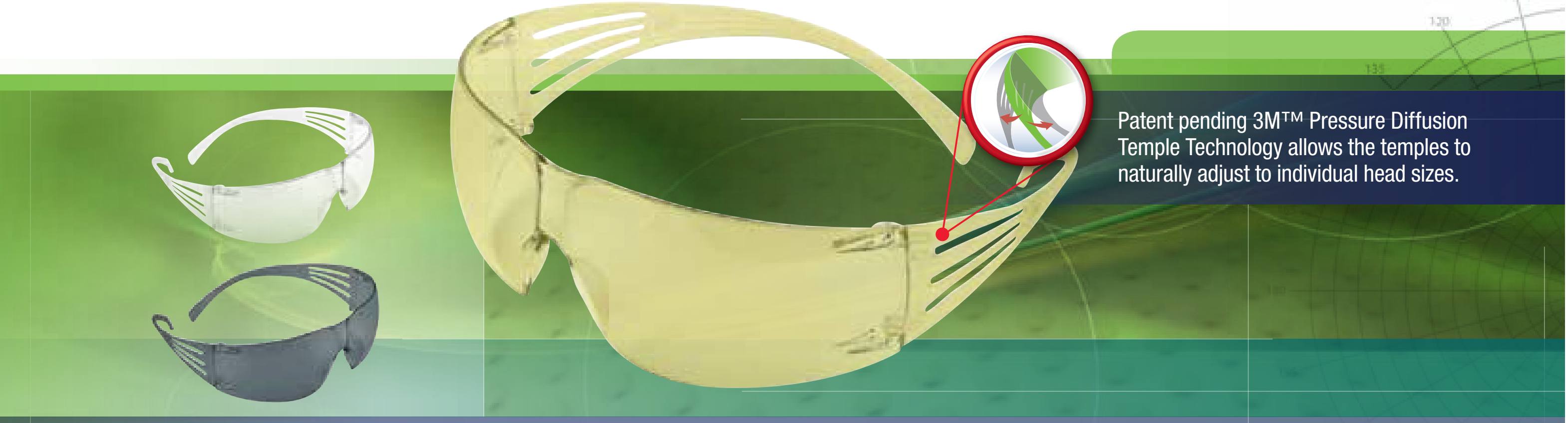

3M™ SecureFit™ Protective Eyewear

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3M™ SecureFit™ Protective Eyewear delivers new levels of personal comfort and security of fit Recognising that lack of comfort and fit are the biggest barriers to protective eyewear use, 3M has introduced a revolutionary range of safety eyewear which self-adjusts to individual head sizes, delivering noticeably higher levels of personal comfort and security of fit.

New 3M™ SecureFit™ Protective Eyewear features proprietary 3M™ Pressure Diffusion Temple Technology that allows the frames to naturally adjust to the wearer's profile, providing a snug, stylish and secure fit across a diverse workforce, without compromising safety.

"Research undertaken by international market research specialist, 2 Europe, on behalf of 3M reveals that over a third of workers across a wide range of UK industries neglect to wear safety eyewear because it is too uncomfortable" explains 3M Safety Eyewear Product Manager, Ron Schilderman. "This has serious implications, not only for the health and safety of employees, but also for their employers who may be exposed to legal action and potential fines in the event of accidents at work."

3M's patent-pending Pressure Diffusion Temple Technology draws on years of scientific anthropometric research by 3M to determine the differences in face shape and sizes, by creating digital models of some 600 different touch points on the human face. This game-changing technology works by diffusing pressure over the ear to enhance frame comfort without compromising the security of fit across different facial profiles.

Weighing just 18g, the lightweight eyewear has no moving parts. It simply self adjusts to fit a wide array of head sizes, reducing the need to stock multiple frame sizes. The secure, snug fit, helps to reduce frame slippage due to head movements, and enhances frame comfort without sacrificing security of fit.

3M™ SecureFit™ Protective Eyewear meets major industrial countries' protective eyewear standards for a wide range of applications, and is available in clear, grey and amber lens tints.

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Brandon Munro sitting with Himba Chief Tjindundu (to his right) and his advisers

Kunene Resources increases acreage

Namibian explorer Kunene Resources has bucked the trend by expanding its exploration footprint when an acute funding shortage is forcing most exploration companies to reduce or even stop operations.

The company's Australian parent announced an agreement to acquire Discovery Resources' Namibian subsidiary, Solarwind Investments which holds five exclusive prospecting licences (EPLs) in the country, including three next to Kunene Resources' Kaoko project.

Kunene Resources has over the last three years rolled out one of the most aggressive exploration programs in the country at its Kaoko Project north of Opuwo in the Kunene Region.

Its activities have included the largest systematic and contiguous geochemical soil sampling program in Namibia's history with over 45,000 soil samples covering half a million hectares.

It has also conducted airborne and ground geophysical surveys over a similar area in conjunction with a huge quantity of geological mapping.

Most of the three Solarwind EPLs were covered by this work under a co-operation agreement between the two companies.

"This massive database gave us a broad basis for generating and prioritizing prospective target areas in which we now undertake intense exploration such as drilling. Beside the commercial value, the database will form a foundation for the more general, academic geological understanding of this remote area," Kunene Resources' Chief Geologist Dr Rainer Ellmies said.

Dr Ellmies was based in the Geological Survey of Namibia for many years and understands the importance of exploration companies submitting data that contribute to Namibia's geological knowledge.

Kunene Resources spent its own funds on the project before attracting copper producer First Quantum Minerals as a funding joint venture partner. With this additional firepower, Kunene Resources is currently drilling four different target areas.

When asked what EPL holders should do to attract joint venture partners, Dr Ellmies had the following advice.

"One must realise that there are many EPLs seeking money from only a few investors and it is very competitive to find funding. An investor wants to know the team they are partnering with, especially which skill set the team brings and what they are willing to do for their share in the joint venture.

"Finally, one needs to be realistic about the deal one will accept. In about 95% of exploration projects an investor will spend their money and find nothing of commercial interest."

Solarwind Investments has two other EPLs in the centre and south of Namibia. Kunene Resources reported that it will first carry out an evaluation of those licences before deciding whether to relinquish them.

Paladin gets Canadian mine

ANDRÉ LE ROUX

Paladin Energy, the majority owner of Langer Heinrich Uranium mine, has received approval from the Canadian Government to become the majority shareholder of a uranium mine at the Michelin Project in Canada.

Under the current Non-Resident Ownership Policy (NROP), non-resident mining companies can own 100 percent of an exploration project.

However, the mining company must have a minimum level of Canadian resident ownership of 51 percent by the stage of first production in individual uranium mining projects.

This posed an obvious limitation to the Michelin Project in Newfoundland and Labrador that Paladin acquired in 2011.

"Given the company's global mining experience and reputation, it has always considered itself as an owner/operator of its uranium projects.

"The granting of an exemption from NROP allowing Paladin to proceed eventually to production at the Michelin Project without this restriction would permit Paladin to introduce a suitable minority joint venture partner," the company said in a statement.

Paladin underwent an extensive and rigorous appraisal process by the relevant authorities in Canada.

The Canadian authorities carried out a five-month extensive familiarisation and due diligence process to assess the submission for an exemption from NROP.

They questioned Paladin on its achievements, technical abilities, environmental performance and commodity knowledge.

In addition, they looked at Paladin's social responsibility record, particularly its relation to the local communities and its standing with the Nunatsiavut Government representing the Native American Inuit people.

The Canadian central Government delegated the task of managing the Labrador Inuit Lands to the Nunatsiavut Government.

"Paladin welcomes Government's pragmatic decision which will bolster development of Canada's substantial uranium resource.

"By granting this exemption the Government reinforces the spirit of reciprocity that anchors investment and trade relations between Australia and Canada," the company said.

Paladin owns uranium projects in Canada and Australia in addition to having developed mining operations in Namibia and Malawi.

"As Paladin is an established producer, it is very important to our objective of becoming a truly global uranium producer that Paladin establishes, in due course, a mine in Canada, a country which is a major, highly reputable producer of uranium," Paladin's Managing Director John Borshoff said.

"With the inevitable market improvement ahead, this exemption allows us to develop a uranium mine at our Michelin Project in Labrador when the uranium price is at an appropriate level and after obtaining all necessary approvals and consents," he added.

> “The granting of an exemption from NROP allowing Paladin to proceed eventually to production at the Michelin Project without this restriction would permit Paladin to introduce a suitable minority joint venture partner.

The Michelin project is located approximately 140km northeast from the town of Happy Valley-Goose Bay.

Circumstances forced Paladin to place its Kayelekera mine in Malawi on care and maintenance in February 2014 due to low uranium prices and very high production costs.

Langer Heinrich has also struggled to reach profitability, which forced Paladin to revisit the debt markets again and the company now has US$731 million in debt on its books against cash of US$470 million.

In the last nine months to March 2015, Paladin revealed a US$81 million loss, with Langer Heinrich operations contributing a US$24 million loss, due to production costs of US$29.40/lb.

The company appears hopeful of a recovery in the uranium price, although prices are still around US$36.50/lb, the same as at the start of this year, having recovered from below US$30/lb in mid-2014.

Ohorongo invests in plant

ERIC N MHUNDURU

Ohorongo Cement is investing N$150 million in a new production unit, the Special Composite Cement Plant, at its Sargberg factory near Otavi.

The Minister of Mines and Energy Obeth Kandjoze officiated the ceremonial ground breaking event which was held at the factory on 30 July 2015.

The new production unit will help the company meet the increasing demand for additional cement types for the retail market. If volume is justified the company would consider manufacturing specific types of cement required for certain projects.

It will allow Ohorongo to produce various other types of consistent high quality cement, in line with Vision 2030 and NDP4 making construction one of the priority sectors for job creation.

At present, Ohorongo Cement supplies the Namibian market and export market with only three different product types.

As part of the investment, a new packaging line will be installed to pack the various composite cement types in the conventional 50 kilograms pockets and in bulk.

The minister also inaugurated the first-ever Simulation Training Centre at the Sargberg factory. The Centre forms part of the N$150 million total investment.

Meanwhile, the Development Bank of Namibia (DBN) has increased its stake in Ohorongo Cement to 11.72 percent from 9 percent.

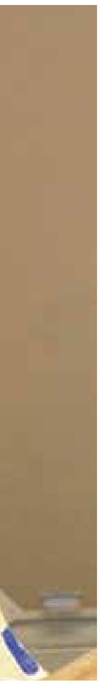
DBN Chairperson Penny Akwenye said the decision to increase its shareholding was mainly driven by the bank's equity investment strategy which allows it to take up shareholding in business projects.

The decision was also taken as a result of the bank's desire to invest in quality assets with potential to earn profits to finance future development.

The cement maker is majority-owned by Schwenk Namibia with a 69.83 percent stake. Other shareholders include the Development Bank of Southern Africa with a 4.17 percent stake and the Industrial Development Cooperation of South Africa with 14.27 percent shareholding.

Ohorongo started production in December 2010 and can produce in excess of 700 000 tonnes of cement annually for the local market as well as for export.

Mr Hans-Wilhelm Schütte, MD of Ohorongo Cement with Mr Obeth Kandjoze, Minister of Mines & Energy at the official ground breaking ceremony of the Composite Cement Plant



Ms Penny Akwenye, Chairlady of the Development Bank of Namibia Board of Directors, announced increased shareholding in Ohorongo Cement by DBN.

Namdeb CEO exits after 16 years

Long-serving Namdeb Chief Executive Officer (CEO) Inge Zaamwani-Kamwi has left the company to join the office of the President.

After more than 16 years with Namdeb, 31 July 2015 marked the final day for Zaamwani-Kamwi as the diamond miner's CEO.

She joins President Hage Geingob's advisory team responsible for business interface, constitutional and law matters.

Namdeb General Manager Riaan Burger thanked Zaamwani-Kamwi for her contribution to the company and Namibia's mining sector.

"I have no doubt that, in her new role, she will be instrumental in Namibia's road to industrialization and that she will leave a lasting legacy in the history of our country," Burger said.

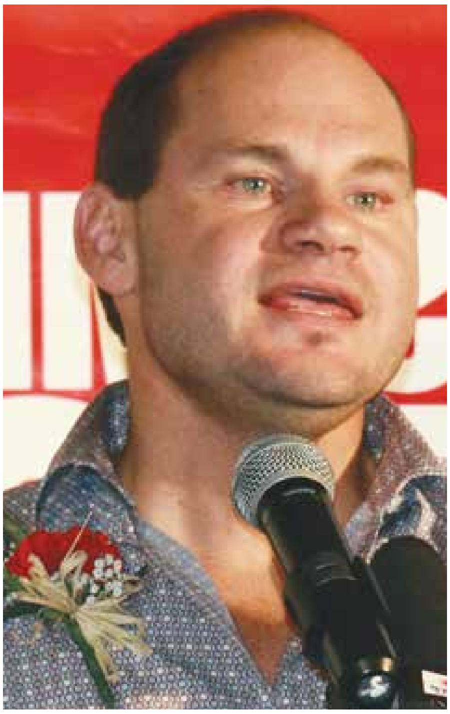
During her tenure at Namdeb, Zaamwani-Kamwi transformed Namdeb into an iconic national entity which has touched the lives of many Namibians through socio-economic development.

She also played a pivotal role in strategies which elevated women to leadership positions in areas that were previously male dominated.

Although sad to move on, Zaamwani –Kamwi said she is excited about her new role which will allow her to make an impact at national level.

Markus Lubbe, Group Chief Financial Officer will act in the position of CEO, while the directors consider a permanent successor.

Van Rooyen offer diamonds to Trustco



Quinton van Rooyen

ANDRÉ LE ROUX

Trustco Group Holdings has indicated that it has entered into an agreement with Group MD Quinton van Rooyen for an option to buy the entire stake in Huso Investments from the Van Rooyen family.

Huso is the holding company of Northern Namibia Development Company (NNDC), a diamond mining and exploration entity and Morse Investments (Morse), a licensed diamond processing and polishing factory in Namibia.

NNDC operates EPL 2633, approximately 20 000 hectares in size, which is located around 660km north of Swakopmund, in the north-western corner of Namibia's Skeleton Coast Park on the Namibia/Angolan border.

In terms of the Option Agreement, no consideration is payable by Trustco to the Grantor (Quinton van Rooyen) in respect of the Option, and the Option is exercisable in the sole and absolute discretion of Trustco.

In February, Trustco advised shareholders of its intention to pursue opportunities in the resources sector, particularly in Namibia.

"It appears that the option agreement provides minority shareholders of Trustco with the opportunity to decide whether or not to proceed with the proposed transaction.

"The exercise of the option by the company is subject to the conclusion of a share purchase agreement between the parties and Trustco obtaining sufficient irrevocable undertakings to vote in favour of the transaction from remaining shareholders of Trustco," Jan-Hendrik Conradie, research analyst at IJG Securities said in an interview.

According to the announcement, the opportunities in the diamond sector remain very scarce, especially a vertically integrated business model within the diamond value chain, as established by Huso.

The transaction is expected to create value to Trustco shareholders, and the grantor will guarantee a minimum positive contribution to EBITDA after stock adjustment per share for the first three years after the share purchase agreement.

Trustco further said that the transaction would create a natural foreign exchange hedge for the company.

The transaction will unlock economic benefit in one of the most isolated regions of Namibia in

support of Government's national development objectives, Trustco said

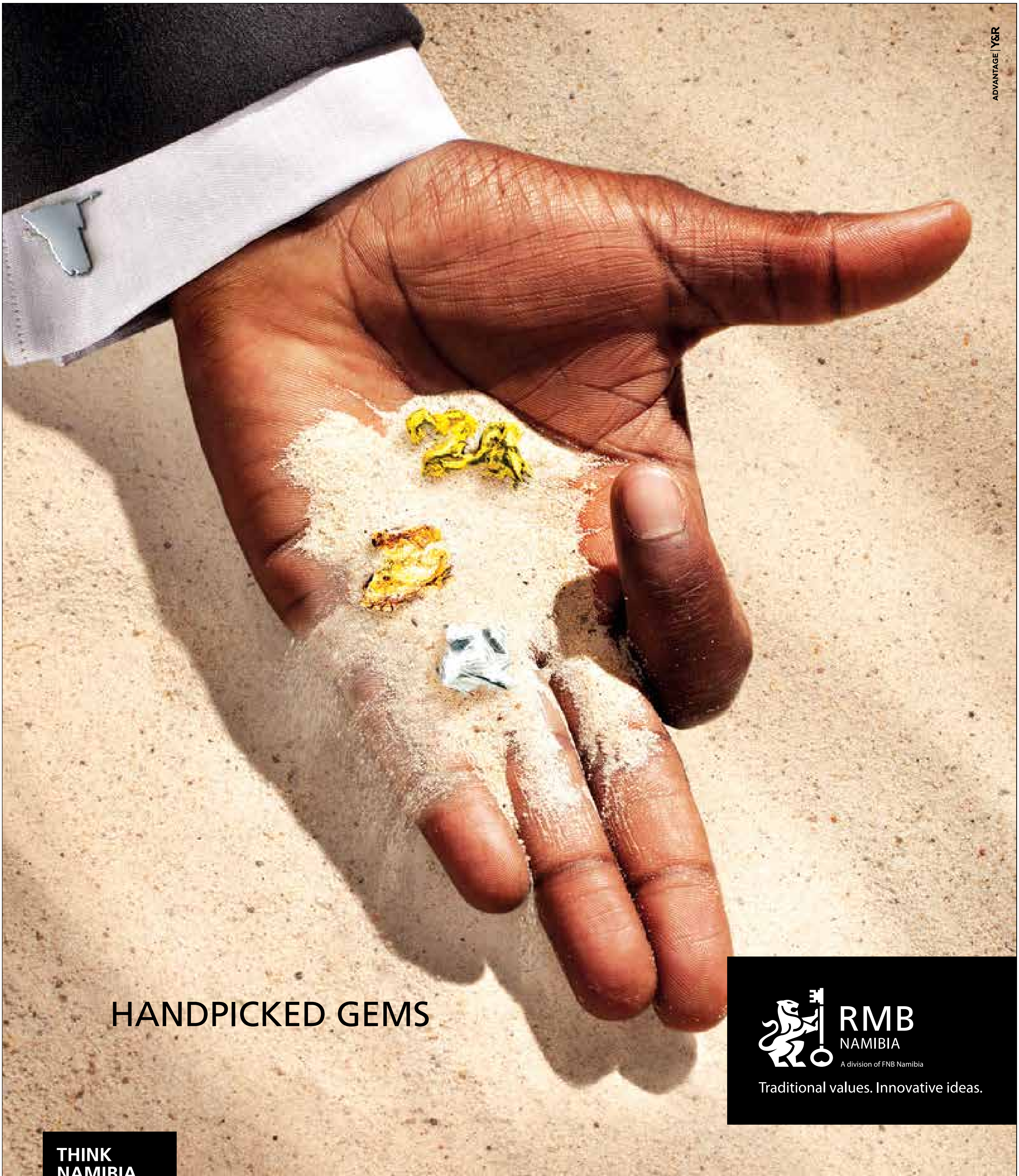
More than 2,500 Namibian shareholders in particular will benefit directly from the exploitation of the natural resources of Namibia.

"However, it is difficult to determine the value added to Trustco shareholders as no actual mining is taking place," Conradie said

In terms of the option agreement, Trustco shall have the right to cancel the agreement at anytime within the first three years from the closing date.

The Purchase Agreement is subject to conditions such as that NNDC is in possession of a valid Environmental Clearance Certificate and that the JSE Limited, NSX and the board of the company finds a report by a competent person acceptable.

In addition, the parties would have to meet regulatory requirements, including but not limited to, the obtaining of licences and approvals before perfecting the Share Purchase agreement.



Our skills, thinking and experience find the best prospects.

Namibia's three new mines were financed by RMB Namibia. Global competitiveness, rock solid commitment and a keen eye for potential, resulted in RMB committing funding of N$1-billion to the Langer Heinrich uranium mine, the Otjikoto gold mine and the "Mafuta", Debmarine Namibia's new mining vessel at sea. RMB has contributed significantly to the realisation of the NDP4 and Vision 2030 by supporting these and other jewels in the Namibian resources crown.

For more information contact Steve Galloway, Henk Ludik or Angelique Peake of RMB Namibia on +264 61 416 150 or visit www.rmb.com.na

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