THE CHAMBER OF MINES
OF NAMIBIA

Mining Industry Review for 2019
By
Zebra Kasete
President, Chamber of Mines of Namibia
At the AGM

16 September 2020
Zoom meeting
14.30 hours

Director of Ceremonies
Hon. Tom Alweendo, Minister of Mines and Energy,
Senior staff of MME present,
Council members,
Chamber Members present,
Esteemed invited guests,
Members of the Press,
Ladies & Gentlemen.

It is with great pleasure that I welcome you to the 41st Annual General Meeting of the Chamber of Mines of Namibia. This meeting should have taken place on 22 April 2020, however, due to the unfortunate and uncontrollable events occurring as a result of the COVID-19 pandemic, it was necessary to postpone this meeting. In response to the State of Emergency that was announced by H.E. The President on 17 March 2020, following the first two cases of COVID-19 in Namibia, the Chamber of Mines took immediate action to postpone this AGM to 1 September, 2020. The Chamber has since cancelled the 2020 Mining Expo and Conference in view of the numerous uncertainties with the State of Emergency and what the situation might be in September. Consequently, a decision was made to conduct this AGM on line and bring the date forward. We are grateful to institute the 41st Annual General Meeting of the Chamber of Mines on a virtual platform as what has become the new normal.

I would also like to extend a warm and special welcome to our Guest of Honour, Honourable Tom Alweendo for dedicating his valuable time to attend this AGM. Allow me to officially congratulate the honourable Minister for his re-appointment as Minister of Mines and Energy. The industry is most grateful for your continued support, decisive actions, and commitment to create an enabling environment that aims to grow Namibia's mining sector.

It is now my honour to present the President's Report for 2019. While much has happened since the initial drafting of this speech and the present situation is immeasurably different compared to the year in review, it is important to take stock of past developments and successes so that we can move ahead with a clear vision once the global mining sector recovers from the COVID-19 pandemic.

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Executive Committee: Zebra Kasete (President), Hilifa Mbako (1st Vice President), Irvinne Simataa (2nd Vice President), Veston Malango (CEO)

1. Safety

It is with utmost regret that I report yet another fatality suffered by the industry in 2019. The incident occurred at Ohorongo Cement on 29 November 2019, during a maintenance operation of the conveyor belt. Once the maintenance operation was completed, the contractor employee was still on the conveyor belt when it was restarted. The afflicted suffered severe internal injuries which sadly resulted in his passing away.

Despite some impressive individual member safety achievements, such as extended periods of Lost Day Injury (LDI) free shifts, the overall safety performance of the sector declined in 2019. The number of LDIs and Disabling injuries increased from 42 in 2018 to 50 in 2019 and from 58 in 2018 to 65 in 2019 respectively. The frequency rates for both types of injuries also deteriorated in 2019 which confirms the weaker safety performance.

The Chamber of Mines Safety Committee, through its peer review mechanism, continued its important work of ensuring a safe and healthy environment of world-class standard for mining employees. Various improvements were implemented in 2019 to strengthen the peer review process as well as on-going efforts to support national road safety initiatives.

2. Global Commodity Markets and the World Economy

At the time of writing, intensifying geopolitical tensions took centre stage in directing global economic performance and projections of decelerating growth trends for most economies. Today, any hope for growth in 2020 has been crushed by the COVID-19 pandemic. In the *April 2020 World Economic Outlook*, the IMF projects a global contraction of 3%, a reduction of 6.3% from previous estimates. This depicts the worst global recession since the Great depression in 1930. As outlined below, intensifying trade wars put significant pressure on mineral commodity prices in 2019, which have plummeted further in 2020 due to the COVID-19 pandemic. The accelerated slowdown of global economic activity will thus place further strain on the mining sector going forward.

In the October 2019 and January 2020 *World Economic Outlooks*, the IMF projected a slowing of global growth, from 3.6% in 2018 to 2.9% in 2019, the weakest performance since 2009. Growth prospects were dampened by the 18-month trade war between the USA and China that reached its precipice half way through 2019. These developments invoked mixed performances of mineral commodity markets, with industrial minerals suffering the biggest price losses.

Mounting trade tensions proliferated dwindling levels of business confidence among major manufacturers, who delayed or suspended investment and expansion activities. Since January 2018, the US steadily expanded its tariff scope to include more goods and increased rates on these throughout 2019. Consequently, tariffs raised the costs of intermediate inputs for large producers embedded in global value chains, reducing their appetite to expand business and make investments.

Continued deadlocks and risks of a no-deal in negotiating Britain's Exit from the European Union also contributed to declining levels of investment activity. Combined with diminishing levels of business confidence and subdued demand, the IMF estimates that growth in the Advanced Economies weakened from 2.2% in 2018 to 1.7% in 2019, and the Emerging and Developing market economies from 4.5% in 2018 to 3.7% in 2019.

A large portion of intermediate inputs, that are included in the list of tariffed goods, are made up of base metals. With the exception of nickel, intensifying trade disputes and escalating tariffs caused the prices of most base metals to plummet in the second half of 2019. Gradual progress in reaching a positive Trade Deal between the USA and China resulted in modest recoveries for some base metals towards the end of 2019.

China is the majority consumer of battery minerals, and thus has a significant influence in markets and on prices. In 2019, negative price movements for lithium carbonate were driven by an existing supply glut and reduced demand for Chinese vehicles. Similarly, the price of cobalt continued to decline from low levels in 2018 due to increased supply, and human rights concerns regarding how it is sourced.

Gold is considered a safe haven asset during periods of global economic uncertainty, an environment that was largely prevalent in 2019. Subsequently, the price of gold posted an impressive 9% increase for the year in review. In addition to trade disputes, gold prices were further boosted by the accommodative monetary policy adopted by the Federal Reserve.

Uranium prices hovered around U$24/lb for most of the year as trading activities were largely suspended pending an outcome of a Section 232 investigation into the sourcing of yellow cake by the USA. A no trade action was announced in July which saw a moderate improvement in the prices after which it returned to U$24/lb. Despite flat uranium prices in 2019, the outlook for price recovery remains positive.

The most recent Nuclear Fuel Outlook report produced by the World Nuclear Association detailed that the uranium market is likely to remain in balance for the near-term. Long-term prospects for a sustained price improvement appear positive as increasing requirements and reduced supply capacity are likely to induce a supply deficit. Another positive development is further supply cuts as a result of the COVID-19 pandemic, which will result in earlier inventory deficits. Furthermore, the market is favourably positioned in the long-term as a number of developed countries including Australia, France, Japan and China are opting for policies that support nuclear power as a clean and reliable source of energy in efforts to combat climate change.

3. Local Economic Developments

In the final 2018 National Accounts, the Namibia Statistics Agency carried out a partial rebasing exercise in which it changed the base year for constant pricing from 2010 to 2015. The rebasing produces numbers which tell a different story of how the economy performed in the last four years, showing earlier, albeit shallower contractions starting in 2016. In 2017, the economy contracted by 0.3% in comparison to the 0.9% previously recorded, while in 2018, the economy grew by 0.7% compared to a contraction of 0.1%.

The recessionary environment continued in 2019 with preliminary numbers yielding a deeper contraction of 1.1%. In terms of output, the negative growth was largely due to the poor performance of the primary sectors, that collectively declined by 7.8%. The mining industry recorded a negative growth of 11.1% in 2019, a deep contraction from the positive growth of 16.1% in 2018. Agriculture, forestry and fishing contracted by 2.6%, with livestock and crop farming plagued by the on-going drought.

On the demand side, household consumption posted a surprising and strong increase of 4.3% and Government consumption an increase of 0.4%. The strong growth of household consumption has been queried due to declining disposable incomes and deteriorating purchasing power of consumers. The latter is evident in proxy data, such as the contraction in wholesale and retail sectors and declining vehicle purchases. Investment recorded a fifth consecutive contraction of 7.8% as a result of the poor business environment and investor confidence. The country's net export position also deteriorated in 2019 mostly due to increased imports and slightly lower sales values received for exports.

4. Mining industry performance

The partial rebasing of National Accounts and specific revisions also altered the overall contribution by mining to Namibia's economy. Prior to revisions, the industry contributed an average of 12% to Namibia's GDP. The updated numbers show that the sector's share of GDP has reduced to an average of 9%, suggesting a diminished role in the Namibian economy. The reduction is a result of corrections made to the previous methodology in calculating the value added for diamond mining. The old methodology made no clear distinction of rough and processed diamonds and was not able to separate the re-import of some diamonds back into Namibia from Botswana, which effectively resulted in double-counting. Despite this revision, mining remains the biggest primary sector in comparison to agriculture and fishing.

Methodological improvements and data updates also resulted in the strong mining growth of 22% recorded in the 2018 preliminary National Accounts being revised downwards to 16.1%. Mining's contraction of 11.1% in 2019 transpired from reduced diamond output due to a planned maintenance operation of a major marine diamond mining vessel.

The importance of mining to the greater Namibian economy cannot be overstated, and unfortunately, a barrage of negative media reports in 2019 falsely detracted from its significance. The majority of distributable cash generated by mining continued to remain within the country's borders which directly and indirectly benefitted Namibians, supported other industries and generated foreign exchange through the export of mineral commodities.

Over 96% of the mining workforce employed in 2019 were Namibians, which meant that majority of the wages and salaries bill amounting to N$6.027 billion circulated within the local economy. Moreover, the industry maintained its high local expenditure component, of which N$13.405 billion was spent on local businesses and suppliers, translating into further sources of incomes for households and individuals.

In total, the industry directly employed 16,342 individuals, compared to 16,224 individuals in 2018. The direct employment consisted of 9,027 permanent employees, 800 temporary employees and 6,515 contractors. Applying a conservative mining multiplier of seven, the mining industry created 114,394 jobs, which is a sizeable portion of Namibia's workforce. Every job created by the industry also generates an important source of revenue for Government through PAYE. In 2019, mining sector employees paid a total of N$1.193 billion in PAYE.

The sector's total contribution to Government decreased by 7% year on year as a result of reduced diamond mining output and sales values realised from lower commodity prices. Total taxes paid by chamber members in 2019 amounted to N$1.729 billion in royalties, N$243 million in export levies and N$1.437 billion in corporate tax.

Exploration expenditure by exploration and development companies fell from N$205 million in 2018 to N$180 million in 2019. This may have been due to declining commodity prices. Exploration by mining companies also fell from N$368 million in 2018 to N$323 million in 2019.

Fixed investment by the sector continued its downward trend, falling by 8.8 % in 2019 as no new mining projects were developed. While earlier reductions in mining investment were from a high base, as three new mines were built from 2013 to 2016, the persistent decline is in line with overall investment trends

5. Highlights of Mining in Namibia

As Namibia's mining sector has matured over the last few years, the industry has undergone many changes particularly with regard to ownership. While Namibia is proud to have been home to some of the big mining majors such as Rio Tinto and Anglo, many of them have sold their Namibian assets as profit margins have slowly been eroded over the life of mine. Although many commentators view these developments as negative, the change in ownership has facilitated the continuation of these operations, which would have, otherwise likely closed down.

Rio Tinto concluded the sale of its 69% shareholding in the Rössing uranium mine, to China National Uranium Corporation (CNUC). As China pursues a strategy to increase the share of nuclear power in a drive to reduce its carbon footprint and contribution to climate change, much of the uranium production will be used to fuel their own reactors. The sale diverted the possible closure and loss of some 700 jobs as the pro-longed low price of uranium and increasing cost profile threatened the viability of continuing operations for Rio Tinto.

Another important sale concluded in 2019 was the sale of Namdeb's Elizabeth Bay mine to Lewcor. The aging profile and diminishing resources of Namdeb's diamond land-based operations have contributed to an unsustainable cost profile of running these mines. The closure of land-based diamond operations is scheduled for 2021 otherwise the life of mine could be extended by several decades if government accepts proposals on a revised tax regime for land based diamond mining operations. Lewcor as the new owner of the Elizabeth Bay mine, with a different cost structure, is able to inject new life into this land-based diamond operation that would have otherwise been shut down.

Walvis Bay Salt & Chemicals made an investment of approximately N$100 million for the construction of a new salt processing facility to improve operational efficiency and increase production capacity. The company also concluded the sale of 15% shareholding to Namibian BEE partners.

In November 2019, AfriTin shipped its first tin concentrate from its rejuvenated Uis tin mine, marking a milestone in the first phase of re-developing the mine which was closed for thirty (30) years. The company progressed with ramping up of operations, towards producing 60 tonnes of tin concentrate a month. Similarly, North River Resources completed commissioning of the processing plant at its historic Namib Lead and Zinc mine. The company realised its first product and sale in 2019.

As part of its restructuring exercise, QKR's Navachab gold mine offered voluntary separation packages and early retirement options to its employees. Twenty-nine Navachab employees accepted this offer.

The prefeasibility study (PFS) conducted for the restart of operations at the Langer Heinrich uranium mine yielded positive results. One of the viable outcomes in the PFS is to achieve a comparatively favourable All in Sustaining Cost (AISC) of US$30 per pound over the life of mine, and a very low-risk restart. The PFS also confirmed a sizeable maiden vanadium resource of 38.8 million pounds and the potential to significantly expand production of uranium.

As for exploration activities, Reptile Uranium's extensive exploration over the past two years has yielded positive drilling results, prompting the company to advance to prefeasibility stages. The work was initiated with a scoping study in October 2019. Should the scoping study yield positive results, Reptile intends to commence with a PFS in 2020 to position itself favourably in preparation for a material recovery of the uranium market.

6. The year in perspective

New Equitable Economic Empowerment Framework (NEEEF/NEEEB)

As per outcomes and feedback of the Economic Summit held on 31 July and 1 August 2019, Government upheld its commitment to release the revised version of NEEEF within six months of the event. The new draft legislation was made available in February 2020, and provides a regulatory framework for industry charters and makes provisions for those sectors not covered by an industry charter. The Chamber of Mines thus made the necessary revisions to the Mining Charter, for improved alignment with NEEEF/NEEEB.

Namibia Investment Promotion Act, 2016 (NIPA).

Another policy pronouncement made at the Economic Summit was that the revised NIPA would be promulgated before the end of the financial year 2019/20. However, as of yet, there has been no subsequent move by Government to legislate the pending amendments to NIPA Act.

Mining Charter

In anticipation of a revised NEEEF, the Chamber took the opportunity to critically review and revise its mining charter. The Chamber held a workshop in February 2019 to assess the successes and challenges of implementing this charter and the extent to which it is aligned with NEEEF. Ms Yvonne Dausab, previous Chairperson of the Law Reform and Development Commission, also attended the workshop to provide input and advise on both matters. The outcomes of the review process and changes to the Mining Charter were presented to Council for approval at the annual Bosberaad in September 2019. The Minister of Mines and Energy was also briefed on revisions to the Mining Charter, after which it was agreed to hold a second Mining Charter workshop in 2020 that would be hosted by the Ministry of Mines and Energy (MME) and the Chamber. The purpose of the second workshop was to solicit support and buy-in of the Mining Charter by MME.

Income Tax Amendment Bill 2018

In the 2019/2020 Budget Speech, the Minister of Finance announced a number of changes to the Income Tax. One such amendment is to disallow the deductibility of royalties and export levies for non- diamond mining entities.

In response to strong opposition from industry, Cabinet directed the High-Level Panel on the Namibian Economy (HLPNE) which was appointed by H.E. The President, to engage mining industry players on the matter and make appropriate recommendations. The HLPNE recommended that Government puts the proposed changes on hold for the time being, pending consultations with stakeholders in the mining industry.

As per this recommendation, Cabinet also directed the Ministry of Finance to consider suspending the non-deductibility of royalties for a period of one year while undertaking a study on the matter. This was one of the major outcomes of the 2019 Economic Summit.

The non-deductibility of mineral royalties and export levies from assessment of company income tax was a major issue which threatened the growth and sustainability of the mining industry in Namibia. If passed, it would have strangled the industry as there would be no new investments into exploration, nor in expansion projects or new mines. The effect of non-deductibility is double taxation, and erodes the Net Present Value (NPV) of a project or viability for new mines or planned expansion investments.

After the Summit, the Chamber engaged the Ministry of Finance (MoF) to gauge progress of the study and further consultations. The Chamber voiced concern around the pending study, stating that any delay on making a final decision would only perpetuate uncertainty with likely suspensions of planned and future investments into mining. It was thus impressed upon MoF to conclude the study as soon as possible so that a final decision can be made.

Export Levy

Another announcement from the 2019/2020 Budget Speech was to increase the Export levy for Dimension stone from 2% to 15%. This was promulgated as per the Government Gazette published in December 2019. Luckily, in the amended schedule, exports to the European Union (EU) are capped at 2%. This provides some relief for quarrying and mining operations that have major customers located in the EU. However, exports to any other area outside of the EU will attract a levy of 15%, which constitutes over 30% of the market for most dimension stone quarries. When the existing 5% royalty rate for dimension stone is added, total revenue-based levies amount to 20%, which presents a serious threat to the viability of Namibian dimension stone quarries and business continuity of their operations.

Road Fund Administration (RFA) Amendment Bill

After an initial round of consultations in March 2019, the Chamber learned of plans to amend the Road Fund Administration Act. The main proposed change is to abolish the fuel levy refund system, meaning that non-public road users would be subjected to paying fuel levies meant to fund the national road infrastructure. Upon seeking legal counsel, the Chamber established that the proposed amendments contradict the "user pays principle", which is the underlying basis of the Act. Moreover, removing such a rebate system would substantially increase the cost of doing business for mining, and all other sectors of the economy, which would come as another knock to Namibia's competitiveness as an attractive business and investment jurisdiction. A meeting was held with the RFA, in which the Chamber detailed these concerns and formal submissions were made to the RFA and Ministry of Finance. A final decision on these amendments is still pending.

Additional Levies

In addition to the proposed non-deductibility of royalties, the export levy, and amendments to the RFA Act, the mining sector was subjected to a surmounting number of levies on fuel and consumables, which are further increasing input costs and raising the cost of doing business.

Electricity Control Board (ECB) Levy

In June 2019, the ECB expanded its levy on the supply of electricity to include stand-alone generators. The levy has always been in place for suppliers of electricity connected to the grid and serves as the primary source of revenue so that ECB may carry out its regulatory functions and duties.

As a number of mining operations have emergency stand-alone plants that generate electricity for their own consumption, the Chamber sought clarity on the levy's rationale. The ECB explained that when the electricity levy was initially introduced, there were no Independent Power Producers (IPPs). The generation landscape had since changed, with a growing number of IPPs and embedded generation capacity entering the market, and this prompted ECB to review the levy and expand its application.

A number of Chamber members are now subject to this levy, having these stand-alone generation capacities in place, and have strongly contested that they do not derive any direct benefit from the services provided by ECB. Furthermore, there was no prior consultation before the levy was Gazetted, which is in contravention of the Law.

Environmental levies

As per Government Gazette issued on 2 August, 2019, MoF introduced a number of new items to be included in the Environmental Levy. One of the new items introduced are lubricants, which are a major input and cost for the entire sector. While the mining industry supports the concept underlying environmental levies, it is of concern that there are no environmentally friendly alternatives for lubricants.

The Chamber has engaged the Ministry of Finance and the Environmental Investment Fund (EIF), the organisation responsible for identifying consumables to be levied, to make a recommendation for the exclusion of lubricants.

NAMCOR reinstatement of 50% fuel importation mandate

NAMCOR applied for a 50% fuel importation mandate that would have had wide reaching consequences not only for the mining industry, but other important sectors of the Namibian economy. The Chamber made a submission to the Namibian Competition Commission (NACC) detailing the anti-competitive implications and specific consequences for the mining industry should NAMCOR have been exempted from restrictive practices in the Competition Act. Subsequently, it was announced in November 2019 that NAMCOR's application was declined by NACC

Licencing and landlocking

Despite the welcomed removal of Additional Conditions for Exclusive Prospecting Licences (EPLs) in 2018, the Chamber Exploration Committee reported that administration of licences was still facing significant challenges at MME. Of greater concern was the number of licences actually active, which, as of December 2019 were only 745 licences out of 981 that were issued. The Committee also reported that MME is not adequately implementing the Minerals Act, whereby companies fail to submit any evidence that exploration work is carried out, yet still receive licence renewals. The result is an unproductive situation of landlocking, whereby licences are granted to entities which are not capable nor have the resources to conduct meaningful exploration.

The above challenges were brought to the attention of the Hon. Minister Tom Alweendo and office of the Mining Commissioner, at the Chamber of Mines Round Table Dialogue held on 4 December 2019. The Minister, through the Mining Commissioner committed to resolving these issues.

Investment Attractiveness

Namibia's score on the Investment Attractiveness Index improved slightly from 56.6 in 2018 to 58.22 in 2019. This was boosted by the Policy Perception Index that increased from 80.71 in 2018 to 87.22 in 2019, ranking Namibia as the most favourable jurisdiction in Africa on this index.

The report cites an improvement in the availability of labour and skills; decreased concern with regard to socio-economic and community development conditions, regulatory duplication and inconsistences as well as functioning of the legal system.

The Chamber of Mines is of the view that Namibia's sterling ranking on policy is a direct result of the positive policy pronouncements that government made at the highly successful 2019 Economic Summit. This being an outcome from the constructive engagements of all sectors including mining, with the High-level Panel on the National economy. The policy clarifications on NEEEF, NIPA, non-deductibility of royalties and several measures taken at Home Affairs with work visa and work permits largely contributed to this outcome. The challenge, however, is for government to deliver on these commitments within 2020 for Namibia to maintain the same prestigious status going forward.

Namibia's Best Practice Mineral Potential Index dropped from 40.63 in 2018 to 38.89 in 2019, which has gradually been declining over the years. While this is not confirmed, it is likely that this is due to the perceived improvement in mineral potential of other jurisdictions relative to Namibia.

Mining Tripartite Forum

The Chamber continued to engage the industry's social partners through the Mining Consultative Forum (MCF), comprising of the Government, Mine Workers Union of Namibia and the industry. Through this platform the Chamber has cultivated a harmonious relationship with the Labour movement through quarterly meetings which rotate between the Chamber offices and the MUN Headquarters. Matters of mutual interest such as health and safety, labour relations, employment opportunities, mine ownership and generally the transformation agenda are the main topics of engagement. The Chamber reaffirms its commitment to this forum.

Minerals Policy Review

The review of the Namibia Minerals Policy has stalled due to delays in accessing technical assistance from the African Union Commission and African Minerals Development Centre (AMDC). This is due to the relocation of the AMDC from Addis to Guinea Conakry. It is hoped that the process will resume as soon as the relocation is completed.

Joint Value Addition Committee (JVAC)

The Chamber is pleased to report that the final stage of the JVAC was completed in 2019, with the delivery of the Mineral Beneficiation Strategy. This strategy was compiled by NUST and has been endorsed by MME for implementation.

Database of Mining Inputs and Services

As per commitments made by MoF in the 2019/2020 Budget Speech, an allocation of N$2 million was availed towards developing a database consisting of all inputs and services consumed in Namibia's mining industry. The funding was allocated to the Development Bank of Namibia (DBN) as the project implementer. Bids for project proposals were issued towards the end of 2019. A service provider has been selected and the database is scheduled for completion in 2020. The Chamber has played a crucial advisory role in assisting DBN with project description and appointment of a suitable service provider through a transparent tender process. This project is a brain child of the Chamber and is featured in NPD 5.

Regional and continental cooperation in the implementation of the African Mining Vision
The Chamber of Mines is affiliated to the regional body called the Mining Industry Association of Southern Africa (MIASA) and the continental body called the Association of Chambers of Mines and other Mining Associations in Africa (ACMMAA) and through them, is actively engaged in the implementation of the African Mining Vision (AMV). MIASA and ACMMAA involvement forms part of commitments on behalf of the private sector to assist governments in domesticating the AMV.

Public Relations Campaign and Committee
In 2019 the mining industry was victim to sensationalised and misinformed media reports, which further fuelled the negative perceptions held by the broader public. The poor public image of mining thwarted many of the Chamber's advocacy efforts, through which the need for a targeted and carefully crafted public relations approach became apparent, and acknowledged by Council. As a first step in addressing this issue, the Chamber compiled an industry specific public relations strategy that was approved by Council later in the year. One of the outcomes of this was the establishment of a Chamber (PR) Committee to combine and coordinate industry efforts and implement the strategy.

Collective Industry Efforts in Support of National Socio-economic Development
As a joint industry initiative to further socio-economic development in Namibia, the mining sector through the Environmental and Social Committee, co-funded two CSR projects to a total cost of N$1.326 million. The two projects involved the electrification of households located in the Zambezi Region and the servicing of land in Northern Namibia, which were implemented and coordinated by the Namibian Chamber of Environment (NCE). The socio-economic benefits derived from these two projects went beyond what was anticipated. The electrification scheme allowed households to conduct small businesses from their homesteads, over and above the improved living conditions and educational benefits from extended studying hours. The urban development project funded the servicing of 4,000 plots, and its success lies in the self-financing mechanism that consists of a revolving fund. Project milestones have prompted other conservancies and communities to solicit further support from the industry to implement them in other critical areas and broaden their socio-economic impacts. This is exemplary of a collective industry effort to support sustainable socio-economic development in areas where mining does not necessarily occur.

Industry support to Drought Relief
In June 2019, H.E. The President of the Republic of Namibia declared a national State of Emergency on the drought crisis and made a nation-wide call for voluntary contributions to assist Government with drought relief efforts. In response, Chamber members rallied together in support of this call and collectively donated N$5.15 million in cash and in kind to ease Government's burden in combating the crisis.

Mining Expo & Conference
The highlight of the 2019 Mining Expo and Conference was the official celebration of the Chamber's 50th anniversary on 8 and 9 May. The Mining Expo attracted 84 exhibitors and 2,155 visitors compared to 94 exhibitors and 2,748 visitors in 2018. The drop in the number of exhibitors and visitors recorded in 2019 was due to depressed economic conditions and the event taking place during school holidays.

The Chamber is continuously reviewing ways in which it can improve this event and the overall experience for exhibitors and participants. In this vein, at the 2020 Mining Expo and Conference, the Chamber has introduced new marketing opportunities for exhibitors which include a dedicated supplier's platform as well as business to business meetings. Unfortunately, due to the COVID-19 pandemic, the 2020 Mining Expo & Conference was initially postponed from 21st and 22nd April to 2nd and 3rd September and later cancelled altogether for 2020.

7. Highlights from operations

Diamonds

Diamond production fell from by 15% in 2019, due to a drop in output from both land-based and off-shore operations.

Output from Debmarine Namibia fell from 1.436 million carats in 2018 to 1.292 million carats in 2019. The sharp drop in production was primarily due to a planned maintenance operation on one of its main vessels, meaning that this vessel was not producing during this time. Namdeb's production fell by 29% in 2019.

Samicor diamond mining produced 113,520 carats in 2019.

Uranium

Uranium production from the Rössing uranium mine fell from 2,478 tonnes in 2018 to 2,448.5 tonnes on 2019. Yellow cake production was 11% below target owing to unplanned water supply interruptions by NamWater and crusher reliability.

Swakop Uranium's Husab mine increased production by 12% year-on-year, as the mine continued with the ramp-up of operations to reach name-plate capacity. However, production ramp-up was negatively impacted by water supply disruptions by NamWater and the lapsed Continuous Operations Status of the mine.

Zinc

Special High-Grade zinc from the Skorpion zinc mine increased marginally by 2% year-on-year. Despite the slight production increase, slope failures resulted in significant ore gaps and thus negatively impacted overall refinery output for the year.

The Rosh Pinah zinc mine reached its highest annual Run of Mine in the history of the operation, and produced 100,409 tonnes of zinc concentrate in 2019.

The Namib Lead and Zine mine also contributed to Namibia's zinc output, with its first 2,267 tonnes of zinc concentrate.

Lead

Lead concentrate from the Rosh Pinah Zinc mine decreased from 14,068 tonnes in 2018 to 13,019 in 2019.

Namib Lead and Zinc produced 764 tonnes of lead concentrate in 2019.

Gold

The Otjikoto gold mine produced 5,045 kilograms of gold bullion in 2019, a 6% increase from 4,744 kilograms in 2018. Output was boosted by higher-grade ore production from the Wolfshag pit, which resumed in the second half of the year.

As Navachab implemented its turnaround plan to reduce costs and improve viability of the operations, gold production from the mine increased by 4% year-on-year. Increased production was a result of improved ore supply mined from the satellite pits.

Copper

The Tschudi copper mine produced 14,940 tonnes of copper cathode in 2019, compared to 15,177 tonnes in 2018.

Salt

Salt & Chemicals produced 901,797 tonnes of raw salt in 2019 compared to 1.015 million tonnes in 2018. The drop in production was a result of record low evaporation rates.

The Salt Company produced 67,871 tonnes of coarse salt in 2019.

8. Conclusions

As we celebrated the Chamber of Mines 50th anniversary in 2019, casting great reflection on the industry's evolution in a pre- and post-independent Namibia and acknowledging successes and pitfalls, the mining industry has clearly come of age and grown into a formidable backbone of the national economy.

Although not a new occurrence, there has been a worrying deterioration of the sector's public image, impeding and detracting from the policy advocacy work of the Chamber. It has been a recurring issue in high-level engagements with policy officials, and thus a clear need emerged for a more meaningful and targeted approach to public relations and stakeholder engagement for the mining industry through the Chamber.

Planning as it may be, a Public Relations strategy was approved for implementation in 2020, which has subsequently been de-railed by recent developments due to the COVID-19, with all efforts now being channelled into mitigating and curtailing the devastating effects of this virus. It is without a doubt that mining companies across the globe, and in Namibia, face turbulent times and great uncertainties ahead. However, industry has stood firm in its support against this pandemic, while strengthening partnerships with other sectors and Government to overcome the social and economic hardships brought on by COVID-19.

As the Chamber President, and it has been a great honour to serve with such dynamic and energetic members of the Executive Committee and Council, who share an over-whelming passion for the industry they serve. Your support over the last two years has been endearing, and together we have overcome many obstacles. I would also like to express my immense gratitude to the Chamber CEO, Mr Veston Malango, and the Chamber team who work very hard behind the scenes to ensure that our endeavours do indeed become our successes.

I thank you.

Zebra Kasete
Chamber President
16 September 2020