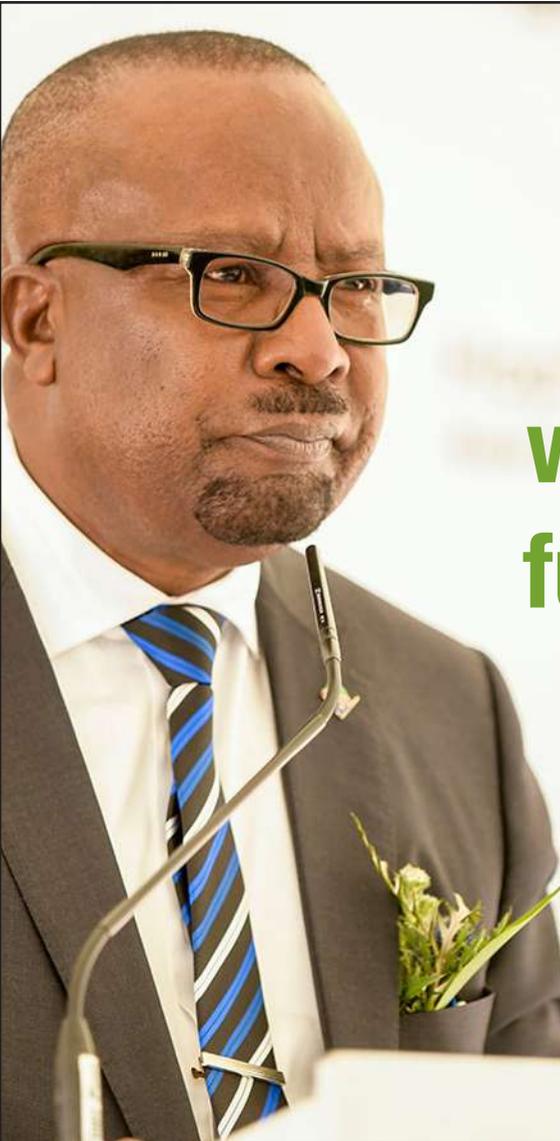


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Namibia to prioritise renewables while keeping future nuclear options open

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Namibia to prioritise renewables while keeping future nuclear options open

Namibia Power Corporation (NamPower) says it is committed to prioritising renewable energy sources and sustainable local generation projects, with nuclear power being considered as a potential long-term option.

NamPower's Managing Director Simson Haulofu said the national power utility is closely monitoring global energy trends and advancements in nuclear technology, maintaining the option for future consideration if it aligns with its strategic goals and the country's National Energy Policy.

"Currently, NamPower is not actively pursuing nuclear power generation as a

long-term solution. Our focus remains on expanding renewable energy sources and enhancing local generation capacity through sustainable and cost-effective projects," he told M&E.

"We are attentive to global energy trends and nuclear technology advancements, considering it as a viable option in the future if it aligns with our strategic objectives and National Energy Policy."

This comes as nuclear energy has been touted as a viable solution to address Namibia's power deficit because of the country's vast uranium deposits.

Namibia's energy sector regulator, Electricity Control Board (ECB), says the

country's current electricity demand at 750 megawatts, falls short of the 1,000 megawatts required for a viable nuclear plant.

ECB Executive for Technical Regulation, Petrus Johannes, said the possibility of establishing smaller 300-megawatt plants exists, but could lead to higher cost implications for consumers.

"Referring to the national Integrated Resource Plan, a tool assessing potential energy generation options, we prioritise cost-effective solutions tailored to our size. With our current demand at 750 megawatts, a nuclear plant requires at least one gigawatt to be feasible," he said.

He added that based on that planning tool, uranium was considered, but excluded due to cost implications that would ultimately affect consumers.

"There is potential for having three

highly impactful nuclear plants. That's the challenge—it's not going to be straightforward. Consider the long timeframe. The smaller the scale, the higher the cost, which poses the primary challenge," he said.

Headspring Investments, the Namibian arm of Russian nuclear giant Rosatom, is exploring the possibility of building Namibia's first nuclear power plant within the next six years.

Namibia, already the world's third-largest uranium producer, experiences a surge in uranium prices but imports most of its electricity from neighbouring countries, including South Africa and Zambia.

Namibia imports some 60% of its electricity needs from neighbouring countries and the energy ministry has set a target to reduce the import gap from the current 60% to only 20% by 2028.

Energy

Oil and gas production, green hydrogen to boost economy to double-digit growth

Namibia's gross domestic product (GDP) is anticipated to experience double-digit growth within the next few years once the production of green hydrogen, oil and gas commences, an official has revealed.

The National Petroleum Corporation's (NAMCOR) acting Managing Director, Ebson Uanguta, said this growth would be the first of its kind in over 30 years.

He emphasised the transformative potential of oil and gas production in the country.

"Once the production starts, our



economy, possibly in the next couple of years...we can start realising double-digit growth. I think over the last 30 years, we have never seen that (double-digit growth), but it's likely to start once production starts," said Uanguta at a recent Nedbank Namibia industry engagement.

Uanguta also addressed public expectations and the need to clarify the impact of the oil and gas sector alongside the burgeoning green hydrogen industry.

"The public must know because there are a lot of expectations, there is a lot of hype on oil and gas, and there is a lot of hype on green hydrogen. There are certain things that we need to demystify. There are certain things that we need to affirm as well," he said.

He highlighted the complementary relationship between oil and gas and green hydrogen, dismissing the notion of competition between the two.

"Green hydrogen and oil and gas are not mutually exclusive. They are rather

continental. From what we believe we are getting from our government policy, the Energy Policy of 2016 clearly articulates the energy use of the country," Uanguta explained.

At the same event, the President of the Chamber of Mines of Namibia, Zebra Kasete, highlighted the mining sector's current contributions and its potential for further growth.

"In the last year, 75% of the sector's revenue was consumed internally in the country. The GDP contribution of interest for the previous year was 11.9%, and last year it was 14.5%, which is a good contribution," he said.

He added that the mining industry in Namibia currently employs a total of 18,200 people.

"Currently, the mining industry in Namibia employs a total of 18,200 people, both contractors and full-time employees, with almost 9,000 full-time employees, 97% of whom are Namibians," he said.



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Mining

Chamber of Mines calls for perception shift to boost investment

The President of the Chamber of Mines of Namibia, Zebra Kasete, says addressing perceptions is critical to enhancing the country's attractiveness for investment in the mining sector and increasing exploration funding.

He noted that this includes improving the country's ranking on the Fraser Index and actively addressing factors that deter investment, ensuring sustainable growth in the mining sector.

"The exploration activities were over N\$800 million, which is slightly down, but we need more exploration. We need to attract more exploration dollars if we want to have a sustainable mining industry," he said.

This comes as total exploration expenditure for mining and exploration companies declined by -7.6% from N\$964.9 million to N\$891.28 million.

"For us to attract more, we really need to work on perception. It's nice to say that we have minerals in the ground, but so does everybody else. Everybody somewhere else also has minerals in the ground. And the one measure of our perception or attractiveness—how people come here—is measured by the Fraser Index," he said.

He said last year, Namibia's attractiveness ranked 56 on the index.

"This position, though 56, brought good news: when comparing Namibia's attractiveness in Africa, it was rated number four, showing a slight improvement from



number six the previous year. However, 56 means there are 55 other jurisdictions where people's money can flow easily to go on that side," he said.

Therefore, he said Namibia must recognise that, despite having resources, potential investors have choices and can opt for other jurisdictions.

"It's important for us; even if we have an apparent problem, people who have money have a choice to move to, and they can move to other jurisdictions. So, therefore, it's important for us as a nation to recognise that and fix those measures or issues that impact our attractiveness," he said.

Meanwhile, the expansion in mining was primarily driven by the increased production of gold, uranium and diamonds.

In 2023, Namibia achieved record gold and uranium production, reaching

9,800 kilogrammes and 8,283 tonnes, respectively.

This represents an impressive annual growth of 31% for gold production and 24.5% for total uranium production.

Mining



Andrada targets 75% revenue increase with tin production ramp up

Andrada Mining says it aims to bolster its revenue stream by 75% through the expansion of its tin production to a targeted 2,600 tonnes per annum (tpa) by the first quarter of 2025 from 1,500 tpa.

According to the company, the expansion will be financed through the Orion Resource

Partners tin royalty and will also contribute to a reduction in operational costs, further strengthening its financial performance.

“The expansion of tin production will enable Andrada to align with its royalty obligations, while the commercial production of tantalum will fulfil a supply

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agreement with Afrimet,” said Andrada’s Chief Executive Officer Anthony Viljoen.

Andrada further states that the time frame allows for the implementation of necessary upgrades and ensures a smooth transition to the increased production capacity.

The expansion plan comes amid a positive outlook for the tin market. By increasing its production capacity, Andrada positions itself to capitalise on this favourable market trend.

Similarly, Andrada has completed the optimisation of its tantalum circuit, targeting initial production of approximately 48 tpa with the potential to increase to 83 tpa after the implementation of the tin ore sorting circuit.

Tantalum revenue is estimated to contribute between 3% and 5% of Andrada’s total group revenue.

Furthermore, Andrada is also setting its sights on lithium production with a focus on petalite, a lithium-bearing mineral, for the glass-ceramics market.

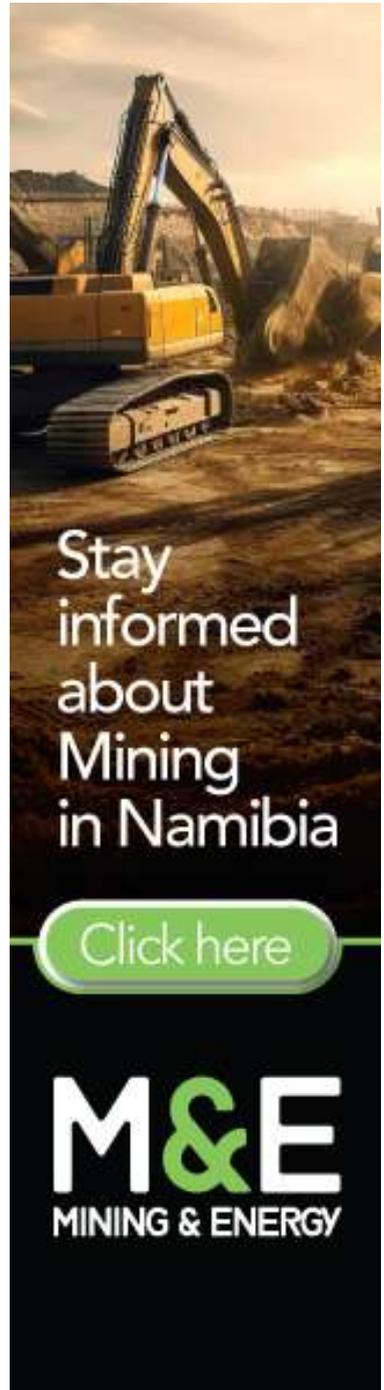
Studies are underway for a full-scale integrated processing plant to produce petalite concentrate alongside tin and tantalum.

Preliminary modelling forecasts production of 30,000 tpa of technical-grade petalite concentrate, with sales anticipated to increase total revenue by an additional 50% to 80%. “The integration of petalite production will create further value for our shareholders and solidify our position as a key producer in the technology metals industry. Furthermore, we are expediting the metallurgical test work for converting petalite into battery chemicals for long-term supply opportunities,” Viljoen said.

He further explained that the company is actively seeking strategic partnerships to further develop its lithium assets in Namibia.

The company has received non-binding indicative offers and is currently in discussions with potential partners, aiming to secure final binding bids. This approach is expected to accelerate the development of Andrada’s lithium portfolio.

“We are pleased to report significant progress on the strategic process. Discussions with international organisations from within the lithium value chain are advanced. We are encouraged by the level and quality of interest from interested parties,” he said.



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Namcor recommended for expanded green hydrogen role

Namibia has been urged to explore a strategic shift for the National Petroleum Corporation of Namibia (Namcor) to position it as a leader in the country's emerging green hydrogen industry.

Following a study tour to Belgium, a delegation of 10 government officials is recommending Namibia's oil company's transformation to encompass green hydrogen production. Their report highlights the company's existing expertise in managing energy resources as a valuable asset in this transition.

The Green Hydrogen program, drafted by the delegation, emphasizes the potential for Namcor to emulate the success of Hydrom in Oman.

"As Namibia seeks to embrace sustainable energy solutions, there is a strategic opportunity for Namcor to play a pivotal role in our nation's hydrogen economy. Drawing inspiration from the successful model implemented by Hydrom in Oman, Namcor can contribute significantly to the development and management of our green hydrogen infrastructure," stated the delegation's Green Hydrogen program report.

Namcor's potential to mirror the success of Oman's Hydrom is a central theme in the report. It highlights Namcor's ability to facilitate the development and management of essential infrastructure, such as pipelines and storage facilities, drawing on its extensive experience in managing petroleum supplies.

An initial feasibility study is recommended to explore Namcor's expanded role in the green hydrogen sector. The report underscores Namcor's unique position for this transition, emphasizing that by leveraging their existing assets and expertise, Namcor can significantly contribute to Namibia's green hydrogen ambitions.

"From our initial assessment, Namcor, with its expertise and existing infrastructure, can mirror Hydrom's success by facilitating the development and management of common user infrastructure like pipelines and storage. Namcor's existing operations in oil, gas, and minerals uniquely position it to transition into hydrogen management," the report elaborates.

The report also highlights the crucial role of foreign direct investment (FDI) in building the infrastructure necessary for green hydrogen production, storage, transportation, and distribution.

"Foreign Direct Investment is crucial in building the necessary infrastructure for the production, storage, transportation, and distribution of green hydrogen. By attracting international investors and establishing partnerships with countries like Belgium and the EU, Namibia can achieve its green hydrogen aspirations," the report notes.

Belgium's existing green hydrogen framework is presented as a potential guide for Namibia's framework development. The report emphasizes the importance of establishing a fit-for-purpose and enabling policy and regulatory framework, drawing on insights from Belgium and other countries.

"Ongoing consultative discussions between Namibian and Belgian authorities will be essential to gain insights into potential hazards that Namibia should be cautious about. Where required, the country should also benchmark with other countries like Morocco and Chile

As Namibia seeks to embrace sustainable energy solutions, there is a strategic opportunity for Namcor to play a pivotal role in our nation's hydrogen economy.

to gain insights on their implementation methodologies in the absence of legislation," the report advises.

The delegation also highlighted the importance of exploring partnerships with Belgian entities such as Fluxys and DEME Energy, which are currently collaborating with Hydrom in Oman. Fluxys, Belgium's appointed Hydrogen Network Operator (HNO), manages 4,000 kilometers of pipeline, a liquefied natural gas terminal, and an underground storage facility, and has adapted existing natural gas pipelines for hydrogen transport.

"This innovative approach underscores the potential for leveraging established infrastructure to support the hydrogen economy," the report states.

DEME, specializing in offshore energy, dredging, marine infrastructure, and environmental works, owns more than 4 GW of green hydrogen pipeline and is actively engaged in offshore energy, maritime infrastructure, green hydrogen, and deep-sea mineral harvesting.

As Namibia positions itself to become a leader in green hydrogen, Namcor's transformation and strategic international partnerships will be pivotal in realizing the country's sustainable energy goals.



IMF criticized for transparency demands in Namibia's oil and gas sector

Namibia's National Planning Commission (NPC) Director General, Obeth Kandjoze, has openly criticized the International Monetary Fund (IMF) for what he perceives as double standards in its demands for increased transparency in Namibia's oil and gas agreements.

Speaking at the Nedbank Corporate and Investment Banking Event on Tuesday, Kandjoze asserted that no foreign entity, including international organizations like the IMF, should dictate transparency and disclosure policies to sovereign nations.

Kandjoze highlighted the unfairness of imposing stringent disclosure requirements

on developing countries while allowing more powerful nations to evade similar scrutiny.

His comments came in response to the IMF High-Level Summary Technical Assistance Report on Namibia's Petroleum Fiscal Regime, which recommended enhancing fiscal transparency by publishing petroleum agreements and considering the costs and benefits of state participation.

"To ensure sustained benefits for its population, Namibia should preempt such challenges by adhering to the highest standards for transparency and governance. An immediate downpayment on this effort

could be realized by making publicly available in an easily accessible manner all petroleum agreements concluded by the government," the report stated.

Kandjoze argued that this selective transparency creates geopolitical imbalances, pointing to regions like the Middle East as examples. "In the policy space, as long as we adhere to a good government structure that addresses corrupt politicians, we can make progress. We have a framework against corruption. However, they still demand that third-world countries disclose their financial records while they fund their budgets and not rely on external dollar funds for budgeted programs," he said.

Kandjoze emphasized the importance of each nation maintaining control over its governance structures and anti-corruption measures, asserting that decisions about financial disclosures should be made independently by each country's government.

"Why should any other sovereign entity dictate to us what to disclose or not disclose, especially when people initially formed governments internationally? This exercise remains solely in the hands of our government structure and should not be subject to the prescriptions of any foreign entity," he said.

In a related development, Ebson Uanguta, NAMCOR Interim Managing Director, echoed the call for transparency, but also stressed the need for a balanced approach. Following the IMF's recent call for increased transparency in Namibia's oil sector agreements, Uanguta emphasized the critical need for openness and accountability in the industry.

"In oil and gas, transparency is not just important but essential. All activities and

potential risks must be disclosed promptly," Uanguta stated. He explained the complexity of the agreements under scrutiny, noting that there are two primary agreements at play. "The petroleum agreement dictates the relationship between international operators and the Namibian government. Meanwhile, the joint operating agreement governs relationships among operators, including Namcor's substantial interests in various discoveries," he said.

Uanguta underscored the delicate balance required between transparency and confidentiality. "We must find a middle ground. While certain confidential details need protection, critical information such as taxes, royalties, and economic benefits accruing to the government must be made public," he added.

The Bank of Namibia has also weighed in on the matter, underscoring the necessity of transparency for fostering investor confidence and ensuring the equitable distribution of resources. The Bank emphasized that transparency in the oil and gas sector can help mitigate corruption, promote good governance, and attract sustainable foreign investment.

"Transparency in the oil and gas sector is vital for building trust among investors and the public. By ensuring that agreements and financial flows are transparent, we can promote accountability and ensure that the benefits of our natural resources are shared equitably among all Namibians," a statement from the Bank of Namibia read.

As Namibia navigates its path towards greater transparency in its oil and gas sector, the challenge remains in balancing the need for openness with the protection of sensitive information, ensuring that the nation's resources are managed in the best interests of its people.

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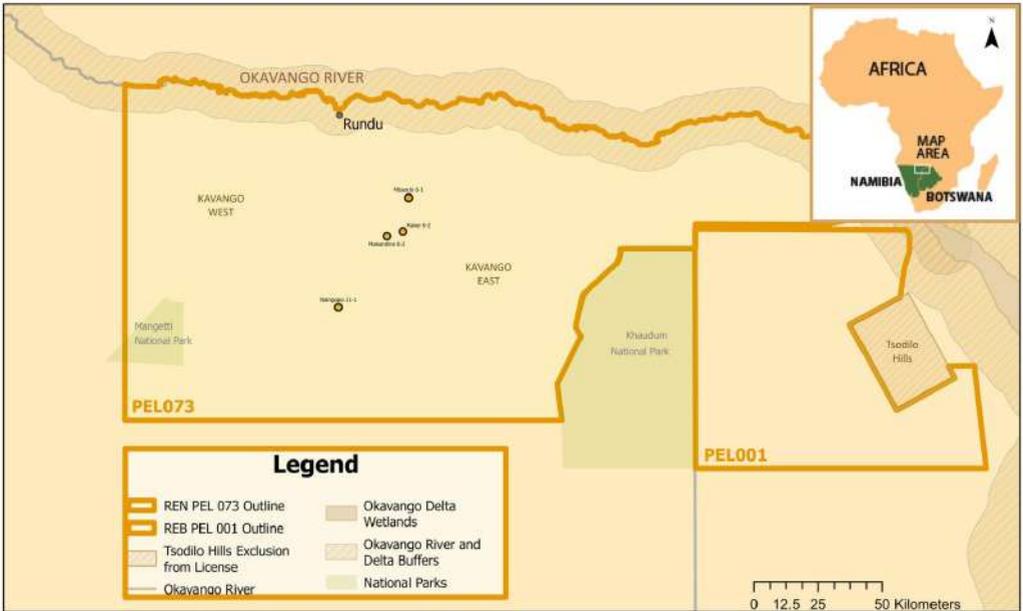
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ReconAfrica commences exploration drilling on Naingopo Well

Reconnaissance Energy Africa (ReconAfrica) and its joint venture partner, the National Petroleum Corporation of Namibia have spudded the Naingopo exploration well on Petroleum Exploration Licence 73, onshore northeast Namibia.

ReconAfrica, President and CEO Brian Reinsborough said this is a significant play-opening well which may unlock a total potential resource of over 3.1 billion barrels of oil or 18 trillion cubic feet of natural gas.

“The Naingopo well is targeting 163 million barrels of unrisks prospective oil resources or 843 billion cubic feet of

unrisks prospective natural gas resources, net to ReconAfrica, based on the most recent prospective resources report prepared by Netherland, Sewell & Associates, Inc.,” Reinsborough said.

He said the Naingopo well represents the first well in a multi-well exploration drilling campaign on PEL 73 and is anticipated to reach a total depth of 3,800 meters (12,500 feet), and take 90 days to drill.

“This is a significant play-opening well which may unlock a total potential resource of over 3.1 billion barrels of oil or 18 trillion cubic feet of natural gas based on the most recent prospective resource report prepared

The Naingopo well is targeting 163 million barrels of unrisks prospective oil resources or 843 billion cubic feet of unrisks prospective natural gas resources, net to ReconAfrica.

by Netherland, Sewell & Associates Inc., dated March 12, 2024,” said Reinsborough.

Chris Sembritzky, Senior VP of Exploration at ReconAfrica said the Naingopo exploration well is the first well to test in the Damara Fold Belt play.

“In the event of success, the well would unlock significant oil and natural gas potential from our additional three prospects and 20 leads that have been mapped and defined. The Naingopo well is expected to test multiple reservoir intervals of which four are included in our third-party resource

report from NSAI,” he said.

ReconAfrica spudded the Naingopo exploration well in the Damara Fold Belt onshore PEL 73 in northeast Namibia on July 7, 2024.

ReconAfrica is a Canadian oil and gas company engaged in the exploration of the Damara Fold Belt and Kavango Rift Basin in the Kalahari Desert of northeastern Namibia and northwestern Botswana, where the Company holds petroleum licenses comprising approximately 8 million contiguous acres



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Shell Plc to explore new offshore oil block near Namibia

Shell Plc plans to explore an offshore South African oil block located across the maritime border with Namibia, where a number of discoveries have been made.

The company expects to drill as many as five wells within the Northern Cape Ultra Deep license block, according to an online notice by SLR Consulting, which a Shell spokesperson confirmed by email.

The block is about 300 km offshore the west coast of South Africa in depths up to 3,200 meters. Shell and TotalEnergies SE made oil and gas discoveries in Namibian waters north of the block starting in 2022. Additional finds have companies jostling for more acreage in and around the area.

Shell is the operator of the Northern Cape Ultra Deep block with 40.5%, Qatar Energy has 40.5%, Umbono 10%, and OK Energy with a 9% stake.

Some oil and gas exploration activity in South Africa by Shell and other companies has been blocked in recent years by environmental groups.

This comes as TotalEnergies SE reportedly plans to exit its discoveries of gas-condensate offshore South Africa to prioritize exploration in other areas closer to Namibia.

TotalEnergies plans to relinquish the license for Block 11B/12B because it doubts whether the complex deepwater finds can be made commercially viable, given South Africa's small gas market.

88 Energy launches seismic programme for PEL 93 in Namibia

Oil and gas exploration and production company 88 Energy Limited has initiated its 2D seismic data acquisition programme for Petroleum Exploration Licence 93 (PEL 93), located in the Owambo Basin.

The programme aims to acquire approximately 200-line km of 2D seismic data. PEL 93 encompasses 18,500 square kilometres of underexplored sub-surface within Namibia's Owambo Basin.

"88 Energy, through its wholly owned Namibian subsidiary, holds a 20% working interest in PEL 93, with the option to increase to a 45% non-operated interest through additional staged farm-in activities," noted 88 Energy.

The commencement follows the award of the contract for the 2D seismic acquisition programme to Polaris Natural Resources Development Ltd (Polaris) in May 2024. Polaris has mobilised vibroseis units and recording equipment to the site as of late June 2024.

"Polaris expects to complete the programme in Q3 2024, with data processing anticipated to be finalised in Q4 2024. Results from the new 2D seismic acquisition will be integrated with existing historical exploration data to refine current prospect interpretation," the company said.

88 Energy highlights that the programme aims to quantify the size of prospective resources through a certified Prospective Resource estimate and identify potential future drilling locations.

This comes as 88 Energy last year signed an agreement to earn a 45% stake in onshore



petroleum exploration licence 93 (PEL 93) in the Owambo Basin, Namibia, from Namibian company Monitor Oil and Gas Exploration (Namibia) (MELN), a wholly owned subsidiary of Monitor Exploration.

Under the three-stage farm-in agreement, 88 Energy's wholly owned subsidiary 88 Energy (Namibia) (88EN) will initially make a payment of US\$3.7 million to MELN, over four instalments, for a total of a 20% stake in PEL 93.

In the second stage, 88 Energy will make a US\$7.5 million payment towards the first well gross cost, estimated at US\$12 million, to receive an additional stake of 17.5%.

88 Energy, in the third stage, will have the option to fund US\$7.5 million of the second well gross cost to earn an additional 7.5% stake in the licence. This will bring 88 Energy's aggregate stake in the licence to 45%.

Commodities

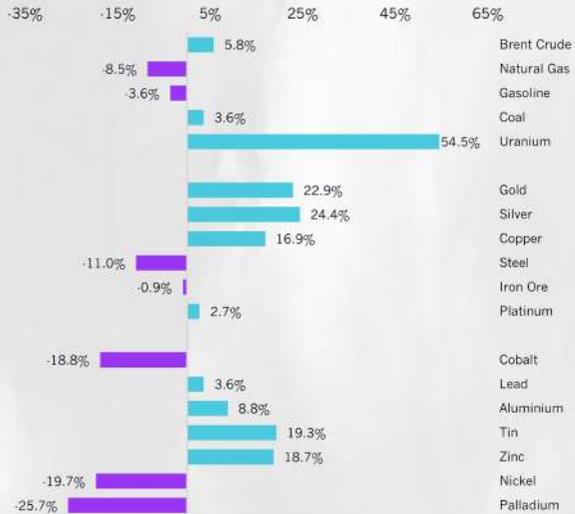


Price Movements

Commodity	Last Spot Price	Change	
		Weekly	Monthly
ENERGY			
Brent	85.77	-1.0%	3.5%
Natural Gas	2.33	-0.1%	-21.7%
Gasoline	2.53	-2.1%	4.6%
Coal	133.75	-2.0%	-1.3%
Uranium	86.15	0.6%	2.0%
METALS			
Gold	2,410.90	0.7%	4.6%
Silver	30.96	-0.9%	-7.0%
Copper	4.60	-1.2%	2.6%
Steel	3,299	-2.1%	-3.7%
Iron Ore	109.60	-1.5%	3.0%
Platinum	999.80	-3.0%	4.8%
INDUSTRIAL			
Cobalt	27,150	0.0%	0.0%
Lead	2,204	-1.5%	1.7%
Aluminium	2,479	-2.3%	-3.1%
Tin	34,666	4.6%	3.9%
Zinc	2,950	-2.0%	2.9%
Nickel	16,876	-2.4%	-4.1%
Palladium	963	-6.0%	9.5%

Source: Bloomberg, Citrus Data

Year on Year Price Changes



Map of Mines in Namibia



LEGEND

- 1. Tschudi Mine
- 2. Trigon Kombati Copper Mine
- 3. Choroango Cement
- 4. B2Gold Ojikato Gold Mine
- 5. Otjuruu Mine
- 6. White Rock Cement
- 7. Okavango Graphite Mine
- 8. Otjozondji Manganese Mine
- 9. OKR Navachab Gold Mine
- 10. Andriada Uis Tin Mine
- 11. Rosang Uranium Mine
- 12. Swakop Uranium Husab Mine
- 13. Langer Heinrich Uranium Mine
- 14. Namib Lead and Zinc Mine
- 15. The Salt Company
- 16. Trekkoppie Mine
- 17. Walvis Bay Salt and Chemicals
- 18. Matchless Mine
- 19. Ojshos Mine
- 20. Lodestone Diamonds Iron Ore Mine
- 21. Elizabeth Bay Mine Sperrgebiet Diamond Mining
- 22. Debmairine Namibia
- 23. Namdeb Southern Coastal Mines
- 24. Namdeb Orange-Siver Mines
- 25. Vedanta Skorpion Zinc Mine
- 26. Rosh Pinah Zinc Mine

Source: Chamber of Mines of Namibia

2023 Permanent Employment by Mine

Mine	2023	2022	Yearly Change
Orano Resources Namibia	16	16	0
B2Gold	820	861	-41
Debmairine Namibia	1,122	1,116	6
Langer Heinrich Uranium	255	19	236
Lodestone	3	6	-3
Namdeb Diamond Corporation	1,703	1,629	74
Dundee Precious Metals Tsumeb	561	543	18
Navachab	652	564	88
NIMT	193	195	-2
Kombat Mine (Trigon Mining Namibia)	139	112	27
Rosh Pinah Zinc Corporation	518	415	103
Rossing Uranium	775	873	-98
Walvis Bay Salt & Chemicals	67	76	-9
Sakawa Mining Corporation	9	5	4
Skorpion Zinc and Namzinc	39	2	37
Swakop Uranium	1,554	1,516	38
The Salt Company	104	112	-8
Uis Tin Mine	207	165	42
Namib Lead & Zinc Mine	1	2	-1
Total Employment	8,738	8,232	506

Source: Chamber of Mines of Namibia