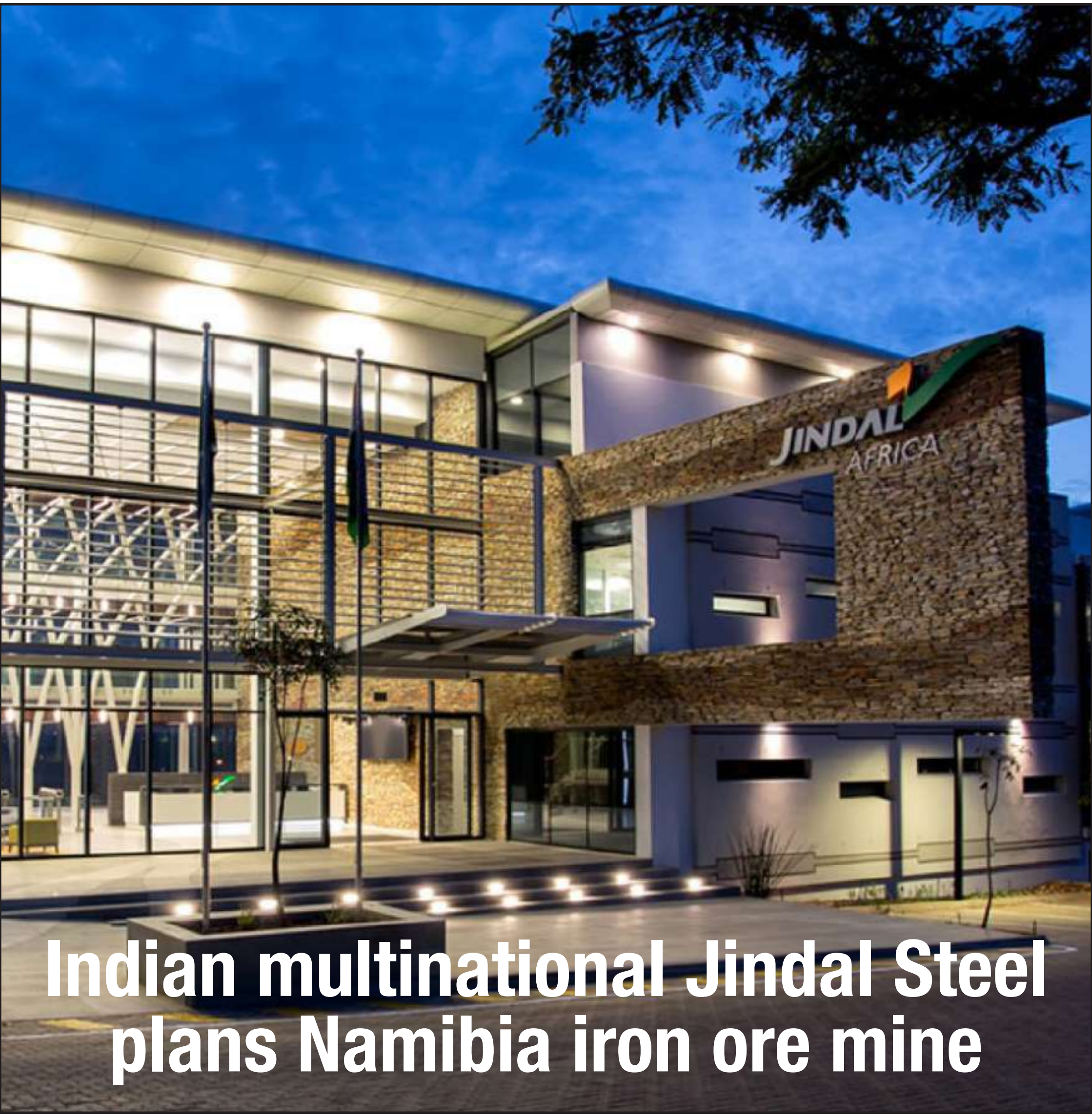
NAMIBIA
MINING & ENERGY
12 - 18 MAY 2024



Indian multinational Jindal Steel plans Namibia iron ore mine

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Indian multinational Jindal Steel plans Namibia iron ore mine

Naveen Jindal, Chairman of Jindal steel & Power (JSP)

Indian multinational conglomerate Jindal Steel and Power (JSP) plans to develop an iron ore mine in the Khomas region, approximately 70 kilometers east of Windhoek city, with mining activities targeted to commence by 2025.

Additionally, Jindal Africa intends to establish an iron ore processing plant, facilitating local beneficiation and value addition as part of the investment.

Jindal said the planned investments are expected to generate local employment opportunities and contribute significantly to the economic growth of the region and the country.

"We believe that Jindal Africa's Namibia project activities will contribute substantially to economic, social, and infrastructural development in the surrounding community, thereby enhancing the country's GDP," the company said.

This comes as the local investment being spearheaded through Jindal Africa and its local unit Jindal Mining Namibia (Pty) Limited acquired Exclusive Prospecting Licenses (EPLs), 4914 & 4013 for base metal and Iron.

As part of the plans, an Environmental and Social Impact Assessment (ESIA) process for the development of an iron ore mine has been initiated, with the necessary specialist studies and mining licenses targeted to be secured this year.

Environmental Compliance Consultancy (ECC) reports that the exploration phase, conducted within these licenses, yielded significant findings, estimating an indicated/inferred resource of approximately 750 million metric tons (MMT) of iron ore.

"This reserve is primarily accessible through open-cast mining, with favorable stripping ratios. Initial studies indicate the potential for an annual production of around 7.0 MMT of iron ore from an open pit during the project's inception phase," said ECC.

The proposed Jindal Mine project entails the establishment of multiple open pits utilizing conventional drilling and blasting techniques.

ECC noted that ore and waste rock extraction will be facilitated by a fleet of mobile equipment, with waste rock disposal planned at a designated waste rock dump (WRD) site.

"Processing of the extracted ore will occur at a beneficiation plant, involving crushing, pebble milling, magnetic separation, and reverse flotation. The resultant product, iron ore fines, will be transported to Walvis Bay for shipment, utilizing either road or rail infrastructure," said the consultant.

Meanwhile, Jindal said that in line with its commitment to local engagement and sustainable development, Jindal Africa is pursuing partnerships with local consultants and stakeholders for specialized studies, including Geotechnical assessments, Environmental Social Impact Assessments, and Pre-Feasibility studies necessary for obtaining mining licenses.

"We have engaged and are in the process of engaging consultants for different specialist studies like Geotechnical, Environmental Social Impact Assessment and Management Study, and Pre-Feasibility study for obtaining a mining license," said Jindal Africa.

Mining

High development costs behind Galp's stake sale

Portuguese company Galp Energia has revealed that capital limitations are the main reason behind its decision to sell its stake in a Namibian offshore exploration block.

Galp Chief Executive Filipe Silva said financial demands associated with the development of multiple Floating Production, Storage, and Offloading (FPSO) projects surpass Galp's current financial capacity.

He highlighted that with the company carrying the entirety of the local parties' financial exposure, the timing of the stake dilution is deemed necessary to both mitigate risk and maximise value.

Galp CEO Filipe Silva

"The capex, this is going to be a multiple FPSO development. It is beyond the financial means of Galp to keep 80%. We have 100% financial exposure to this as we're carrying the local parties," he said.

Silva further highlighted the importance of securing a partner willing to swiftly fund the capital expenditure and support the rapid development of prospects.

"The timing of the dilution, first it's when we have to and when we maximise the value of de-risking further what we have in our hands. We will prioritise at that stage a partner that is keen to develop the prospects quickly and that will fund the capex. So, more than a monetisation, this would be a partner that would support the development as quickly as possible," he added.

He also noted that the four wells will be in the Mopane complex, with no immediate plans for the northern part of the block.

"The upcoming wells, starting with four appraisal and exploration wells, will concentrate solely on the broader Mopane complex. Fast-tracking this asset remains a top priority for Namibia, NAMCOR, Custos, and Galp," he explained.

This comes as Galp has made a major oil discovery estimated to hold at least 10 billion barrels of oil and gas equivalent,

According to Reuters, Galp is reported to have hired Bank of America to run the sale process, which could raise several billion dollars for Galp, although the exact value is unclear.

Galp has an 80% stake in Petroleum Exploration Licence 83 (PEL 83), which covers almost 10,000 square kilometres (3,860 square miles) in the Orange Basin, with Namibia's national oil company NAMCOR and independent exploration group Custos each holding another 10%.

Lisbon-based Galp is also reported to be offering to cede control of the project's development to the potential buyer, expected to be a major international rival with a strong track record in project management.

An FPSO is a floating facility, typically converted from an oil tanker hull, designed to process crude oil, water, and gases from sub-sea oil wells using hydrocarbon processing equipment.

The company has invested approximately N$1.5 billion towards upstream projects in Namibia in the first quarter of 2024.

This comes after an investment of approximately N$2.4 billion (€117m) towards upstream projects in Namibia in 2023, with roughly 61.09% of the total expenditure directed towards local suppliers.

Energy

88 Energy awards Owambo Basin 2D Seismic Programme to Polaris

88 Energy Limited awarded a 2D seismic data acquisition programme for its Exploration Licence 93 (PEL 93) to Polaris as the oil exploration company aims for a major oil discovery in Namibia's Owambo Basin.

According to a release by 88 Energy, the planned programme will acquire a minimum of 200km line of low-impact 2D seismic data across PEL 93, which covers 18,500 square kilometres of underexplored terrain.

The survey is expected to begin in mid-2024 and be completed by the end of the third quarter of 2024. Processed data is anticipated by the fourth quarter of 2024.

The release further says PEL 93 holds particular promise for its potential in the deeper Damara Play, a geological formation distinct from the shallower plays that have been the focus of initial exploration in the Owambo Basin.

This play is similar to formations discovered by ReconAfrica which boast an impressive exploration success rate.

88 Energy holds a 20% working interest in PEL 93, with the option to earn up to 45% through a farm-in agreement.

Ashley Gilbert, Managing Director of 88 Energy

The company is partnering with experienced operator Monitor Oil and Gas Exploration Namibia (MELN) which holds a 55% interest, Legend Oil Namibia at 15% and Namibia's National Petroleum Corporation (NAMCOR) at 10%.

Results from the 2D seismic program will be combined with existing exploration data to pinpoint locations for potential future drilling campaigns.

Polaris has successfully completed 2D seismic acquisition programs regionally for Invictus Energy in Zimbabwe and also for Reconnaissance Energy Africa Ltd in Namibia.

Energy

Looking for the win-win in development cooperation

By Eline van der Linden

Donor funding can be a powerful de-risking instrument for new emerging industries. Such external funding from international and bilateral funding programmes and Development Finance Institutions (DFIs) has seen associations with development partner driven projects not fit-for-purpose and possibly a flavour of neo-colonialism.

More value could be unlocked by beneficiary country pro-actively participating in the design and allocation of the funding envelope offered by the DFI.

Country-ownership is key to the appropriate design, successful implementation, and long-term sustainability of the donor-funded or co-funded interventions. Donors are entitled to their agenda in development cooperation, sector or sub-sector preferences and implementation modalities.

It is however critical that a strong alignment between a country's development planning ambitions and sector specific targets and the donor funded project or programme is achieved during the negotiations on any form of grant funding.

Some of Namibia's development partners are exploring new forms of partnerships explicitly expressing the value of country ownership for donor aid effectiveness and sustainability.

Recent examples of these are the 2023 social contracting model introduced by the Ministry of Health and Social Services (MoHSS) for Global Fund, Pepfar and other grant funding, the 2020 Government-to-Government (G2G) grant financing milestone approach by USAID for support to the Ministry of Youth, Sports, and National Service (MSYNS), and the 2009-2015 Millennium Challenge Account (MCA Namibia).

What these approaches have in common is a direct relationship between performance targets (and in the case of the MCA socio-economic rates of returns) and the release of funding. These mechanisms are more widely referred to as a Payment-for-Results in development financing.

In more detail these Payment-for-Results mechanisms create a performance-driven culture for funding recipients by expecting accountability, measurement of impacts, ongoing monitoring, evaluation and learning since the actual funding is released only once progress towards the objectives of the activity and the grant are demonstrated.

At the same time this approach creates a certain level of autonomy for the beneficiaries (be that public, NGOs or private sector parties) to set out how they implement and reach the agreed targets and equally a healthy distance between the funding partner and the actual implementation of the project activities.

Another innovative form of development assistance is to employ the grants and/or concessional funding to de-risking private sector investment in emerging sectors, such as the Green Hydrogen (GH2) sector.

The Government of Namibia has identified the Green Hydrogen sector (for GH2 production and industrialisation) as a priority sector to contribute to global decarbonisation efforts, towards achieving the Nationally Determined Contribution (NDCs) on reduced CO2 emissions, and socio-economic development to include job creation.

The current relatively high cost of production of green hydrogen and related products such as green ammonia requires innovative funding mechanisms to reduce the cost of capital and ultimately the cost of GH2 vis-à-vis other forms of energy.

When country ownership is observed the likelihood of a win-win in funding for development is higher.

Important pre-conditions for effective country ownership, reaching set targets during the project duration, and inherently better prospects for sustainability are an active, well-informed/researched and professionally managed approach.

Such capacity can be found or developed in Government Ministries (as is the case for MSYNS), in NGOs (as for social contracting) or in special purpose units that report to Government (such as the MCA Namibia).

The recently established Namibia Green Hydrogen Programme (NGH2P) is another example of such a vehicle. Overarching support for this win-win approach comes from the National Planning Commission (NPC) that is facilitating the various forms of delivery of donor aid to Namibia.

Where the ultimate goal of a government-originated project or programme is to unlock or de-risk private sector investment in a particular sector of the economy, country ownership is all the more critical to arrive at a win-win situation.

In this scenario, where the private sector is expected to make sizable investments in a high-risk, not yet fully known environment, de-risking instruments need to be carefully crafted to strongly resonate the Government objectives for that sector.

This involves a challenging and oftentimes temperamental tango between adequately but not over-incentivizing the private sector and requiring the consistent progression towards a final investment decision (FID) for the project.

The incentivizing is done, inter alia, through quality data collection and research, environmental and legal de-risking, development of support infrastructure, granting of work permits for expat expertise currently not available in-country, industry-targeted training programmes, and the facilitation of access to finance.

** Eline van der Linden is Head of Impact and ESG at the Namibia Green Hydrogen Programme (NGH2P). Under the "G" in ESG falls donor coordination.*

Energy

World Bank to back renewables integration in Namibia with N$2.6bn loan

The World Bank has approved a N$2.6 billion loan to Namibia to enhance its transmission network and connect more renewable energy projects to the grid.

The loan will used by national electricity utility NamPower, which will allocate the fresh capital to deploy additional renewable and energy storage capacity as the country aims to lower the volumes of imported power.

The loan will be distributed in three main categories – for a new Auas-Kokerboom transmission line, a utility-scale battery storage facility, NamPower's second one, and for additional renewable power plants.

"The approval of the project as this serves as a major milestone in the development of the approximately 465km line, which will run from Auas transmission station outside of Windhoek until Kokerboom transmission station near Keetmanshoop," NamPower's Managing Director Kahenge Haulofu said.

"The Auas-Kokerboom 400kV Transmission line will be the second 400kV line between these two substations which serves to increase NamPower's north-south transmission capacity. The line will make use of the highly efficient 422 series of towers, utilising a compaction cross-delta conductor's arrangement."

He added that the Battery Energy Storage System, which will form part of the TEES Project will be connected to the Lithops Substation in the Erongo region.

The envisaged size of the BESS will be 45MW/90MWh.

"Lithops was chosen as the location because it is located near a key load centre which mainly consists of large mines. As such the BESS can reduce inrush currents seen by the transformers when heavy mining equipment is operated," he said

"The area surrounding Lithops is expected to be home to upcoming Solar Photovoltaic (PV) power plants with significant capacity. With this in mind, the BESS can store any excess energy produced by these plants with minimal grid losses."

Meanwhile, World Bank Country Director for Namibia, Satu Kahkonen, said the country is a uniquely positioned regional leader in the transition towards a greener and more sustainable future.

"The World Bank is delighted to support Namibia's commitment to expand domestic energy generation with renewable solutions, consistent with the country's Second Harambee Prosperity Plan. This project will support NamPower to develop future renewable energy projects," Kahkonen said.

Despite abundant renewable energy resources, Namibia's installed renewable energy capacity currently accounts for roughly 30% of its total power generation mix, according to the World Bank.

Mining

B2Gold mines 45,416 Oz of gold in Q1 2024

B2Gold Corp says it delivered a solid first quarter of 2024, highlighted by strong gold production from its Otjikoto Mine in Namibia and positive exploration results.

In its latest trading update, the company said investment in capital expenditures for the first quarter of 2024 reached N$260 million, as it continued operations at its Otjikoto Mine in Namibia.

The expenditure primarily targeted deferred stripping activities in the Otjikoto pit, amounting to N$106 million, and N$55 million allocated for the development of the Wolfshag underground mine.

The Canadian gold miner also revealed promising exploration results from the nearby Antelope deposit. The exploration indicates the potential for establishing an underground mine, thereby extending production beyond the projected timeline of 2026.

"In January 31, 2024, the Company disclosed positive exploration drilling outcomes from the Antelope deposit, situated approximately three kilometers south of the Otjikoto open pit," the miner stated. "The Antelope deposit holds promise for underground mining operations, which could complement the expected processing of low-grade stockpiles at the Otjikoto mill from 2026 to 2031."

Moreover, B2Gold reported that cash operating costs for Q1 2024 were lower than anticipated, attributed to increased gold production and a depreciation of the Namibian dollar.

"During the first quarter of 2024, cash operating costs amounted to N$12,000 ($642) per gold ounce produced and N$10,000 ($561) per ounce gold sold," the company stated. "The lower-than-expected cash operating costs per gold ounce produced in Q1 2024 were driven by higher production levels and a weaker Namibian dollar. It's noteworthy that the cost per ounce sold is lower than the cost per ounce produced due to the sale of lower-cost gold stockpiled in the previous quarter."

B2Gold remains optimistic about sustaining this positive trend throughout 2024, projecting a production range of 180,000 to 200,000 ounces of gold at a cash operating cost of N$13,000 (US$685) to N$14,000 (US$745) per ounce. The company anticipates all-in sustaining costs to fall within the range of N$18,000 ($960) and N$19,000 ($1,020) per ounce.

Additionally, the discovery of the Antelope deposit has bolstered the mine's long-term prospects. Situated approximately three kilometers south of the Otjikoto open pit, the Antelope deposit exhibits high-grade gold mineralization akin to the currently operational Wolfshag underground mine. While further exploration is required to confirm its full potential, initial findings suggest the possibility of establishing an additional underground mine, complementing the processing of stockpiles at the Otjikoto mill from 2026 to 2031.

In Q1 2024, total gold production reached 225,716 ounces, including 11,377 ounces of attributable production from Calibre Mining Corp. All three B2Gold operations met expectations, positioning the company on track to achieve its consolidated annual production guidance range.

B2Gold Namibia, a subsidiary 90% owned by B2Gold Corp and 10% owned by EVI Mining Company Limited, a Namibian broad-based economic empowerment group, continues to drive sustainable growth and development in the region.

Mining

Dundee Tsumeb reports N$844m net earnings in Q1

Dundee Precious Metals Tsumeb disclosed net earnings of N$844 million (US$45.7 million) in the first quarter (Q1) of 2024, reflecting a marginal decrease compared to the same period in 2023.

The company witnessed a notable 10% uptick in complex concentrate smelted, reaching 54,773 tonnes compared to Q1 2023. This surge is attributed to enhanced plant availability following the conclusion of maintenance work in the third quarter of 2023.

Despite lower net earnings from continuing operations, Dundee Precious Metals (DPM) emphasized the stability in earnings for the quarter.

DPM's quarterly report revealed a significant 16% reduction in cash cost per tonne of complex concentrate smelted, dropping to N$6,076 (US$329) compared to the corresponding period in 2023. This decline is primarily attributed to increased processing volumes, leading to economies of scale. Furthermore, credits from higher sulphuric acid by-product sales and a favourable exchange rate between the US Dollar and the South African Rand bolstered the reduction in costs.

The positive operational performance at Tsumeb comes amidst the company's planned divestment. In March 2024, DPM announced a definitive share purchase agreement with a subsidiary of Sinomine Resource Group Co. Ltd. for the sale of

its 98% interest in the Tsumeb smelter. The transaction is valued at N$905 million (US$49 million), subject to closing adjustments, and is expected to conclude in the third quarter of 2024.

In 2010, Dundee acquired the Tsumeb smelter to establish a processing plant for the complex concentrate sourced from the company's Chelopech mine in Bulgaria. However, with evolving dynamics in the global smelting market and alterations in the quality of the Chelopech concentrate, the company now possesses the flexibility to distribute the concentrate to various third-party facilities.

"We are pleased to announce the sale of the Tsumeb smelter, aligning with our

We take pride in the investments we've made to enhance Tsumeb's operational efficiency and environmental performance, transitioning it into a specialized custom smelter with a highly skilled workforce.

strategic objective of concentrating on our gold mining assets and streamlining our portfolio for the future," Dundee CEO David Rae said in March.

"We take pride in the investments we've made to enhance Tsumeb's operational efficiency and environmental performance, transitioning it into a specialized custom smelter with a highly skilled workforce."

Rae expressed gratitude towards the government of Namibia, the Tsumeb community, and the employees for their steadfast support over the past 13 years. He assured a collaborative effort with Sinomine to ensure a seamless transition, fostering a prosperous future for the operation and all stakeholders involved.

Over the years, Dundee implemented substantial upgrades at Tsumeb, resulting in a remarkable 95% reduction in sulphur dioxide emissions from 2014 to 2021. Additionally, there has been a 72% decrease in average arsenic exposure since 2012 under the oversight of the arsenic advisory council.


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