



***Role of Epangelo Mining
In the
Namibian Mining Sector***

MINING EXPO

2013

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CONTENT

- **Overview**
- **About Namibia**
- **Namibia's overall policy perspectives**
- **What is the role that we play?**
- **Partnerships and projects?**
- **Earn-in Framework**
- **Investment Opportunities**
- **Summary and Conclusions**



OVERVIEW

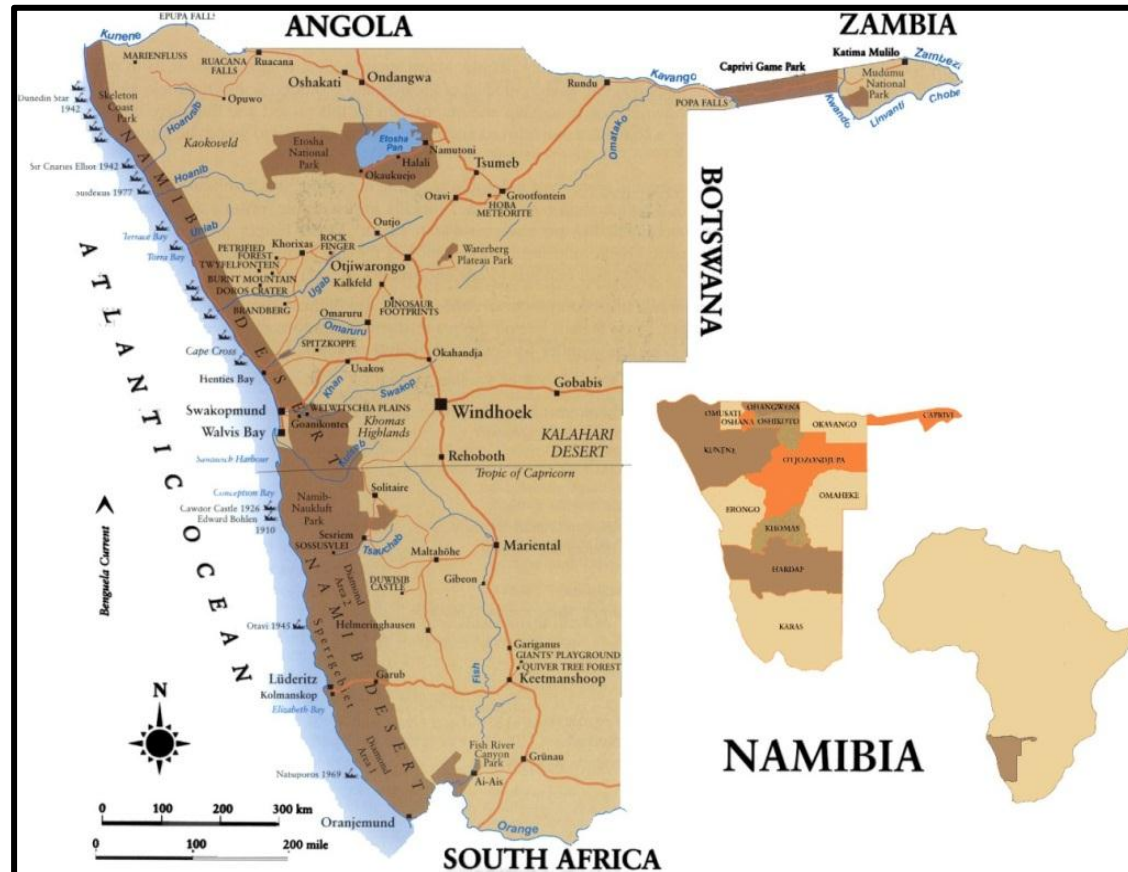
- **Epangelo Mining Company (Pty) Ltd was established in 2008 under the Companies Act, 1973.**
- **Government of the Republic of Namibia is the sole share holder**

VISION & MISSION

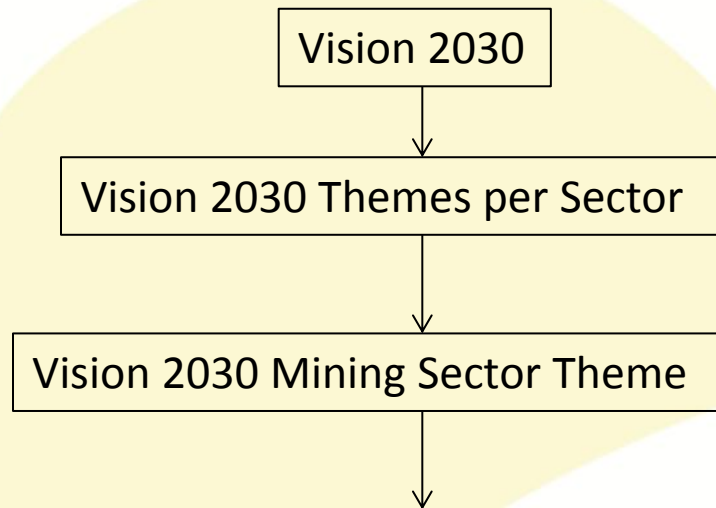
- **To be the leading, diversified mining company in Namibia**
- **To ensure national participation in the discovery, exploitation and beneficiation of Namibia's mineral resources whilst developing and consolidating a portfolio of high quality assets and services for the benefit of its stakeholders**

Country (Namibia) overview

- Investor friendly destination
- Excellent infrastructure
- Highly organised geo-database through the Geological Survey of Namibia
- Politically stable country
- Vast country
- Small population (2.1 million)
- Consultative mining legislation and tax regime
- Vast range of industries e.g. Tourism, Agriculture etc.; Mining accounts for 8-10% of GDP



NAMIBIA'S POLICY PERSPECTIVES



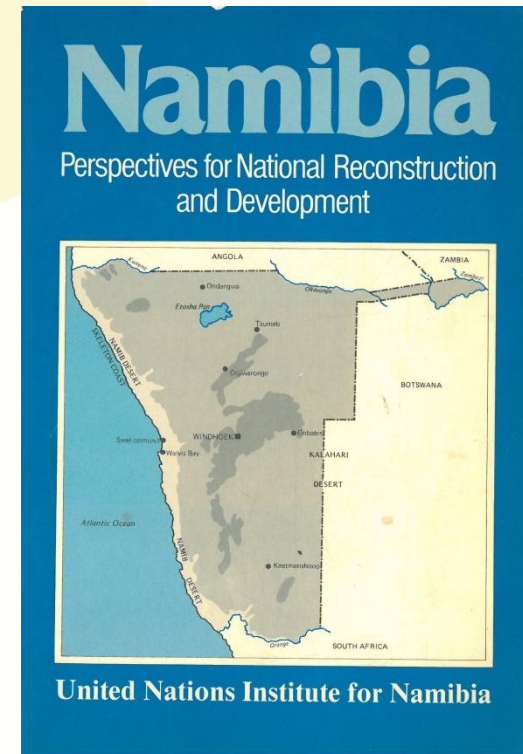
“To ensure that Namibia’s mineral resources are strategically exploited and optimally beneficiated, providing equitable opportunities for all Namibians to participate in the industry, while ensuring that environmental impacts are minimized and investments resulting from mining are made to develop other sustainable industries and human capital for long-term national development.”

The Characteristics

Epangelo Mining Company is created to effect direct State participation in the Namibian mining industry, and it is aiming to get involved in productive mining activities by combining the characteristics of an ***instrument of public policy*** and those of a ***business organization***.

INSTRUMENT OF PUBLIC POLICY

- Resolution by Cabinet to declare certain minerals to be “strategic”
- Reserving licensing of such minerals, once declared, “exclusively” for the State Owned Mining Companies
- Increasing focus on “beneficiation” of minerals produced in Namibia.



Business Organization

The characteristics of Epangelo as a business organization are contained in its Memorandum of Association, which lists the following activities as its main focus, namely “Exploration, Mining, Mineral Processing, Trading of Minerals and Financing of Businesses”.

Epangelo will contribute to the socio-economic development of the country in various ways; including:

- Revenue generation,
 - Taxation on profits
 - Royalties
 - Dividends
- Employment creation (direct & indirect),
- Foreign exchange earnings,
- Human capital development, and
- Infrastructural development (direct & indirect).
 - Roads
 - Communication
 - Water, Power, Ports

Mandate

THE MANDATE

- To target the acquisition and holding of exploration and mineral rights in respect of all strategic minerals and engage in the mining thereof
- To explore, mine, process and market the strategic minerals through proper allocation and management of mining rights
- Epangelo is expected to be a vehicle for meaningful acquisition and exploitation of all strategic minerals in collaboration with strategic partners, joint ventures and public private partnerships between the state, which owns the resources, and the private sector.
- To expedite meaningful empowerment of the Namibian Society at large; to benefit from their rich endowment of minerals.
- To create employment opportunities for Namibians

The Strategy

Epangelo has acquired 39 Exclusive Prospecting Licenses (EPLs) in 8 regions of Namibia.

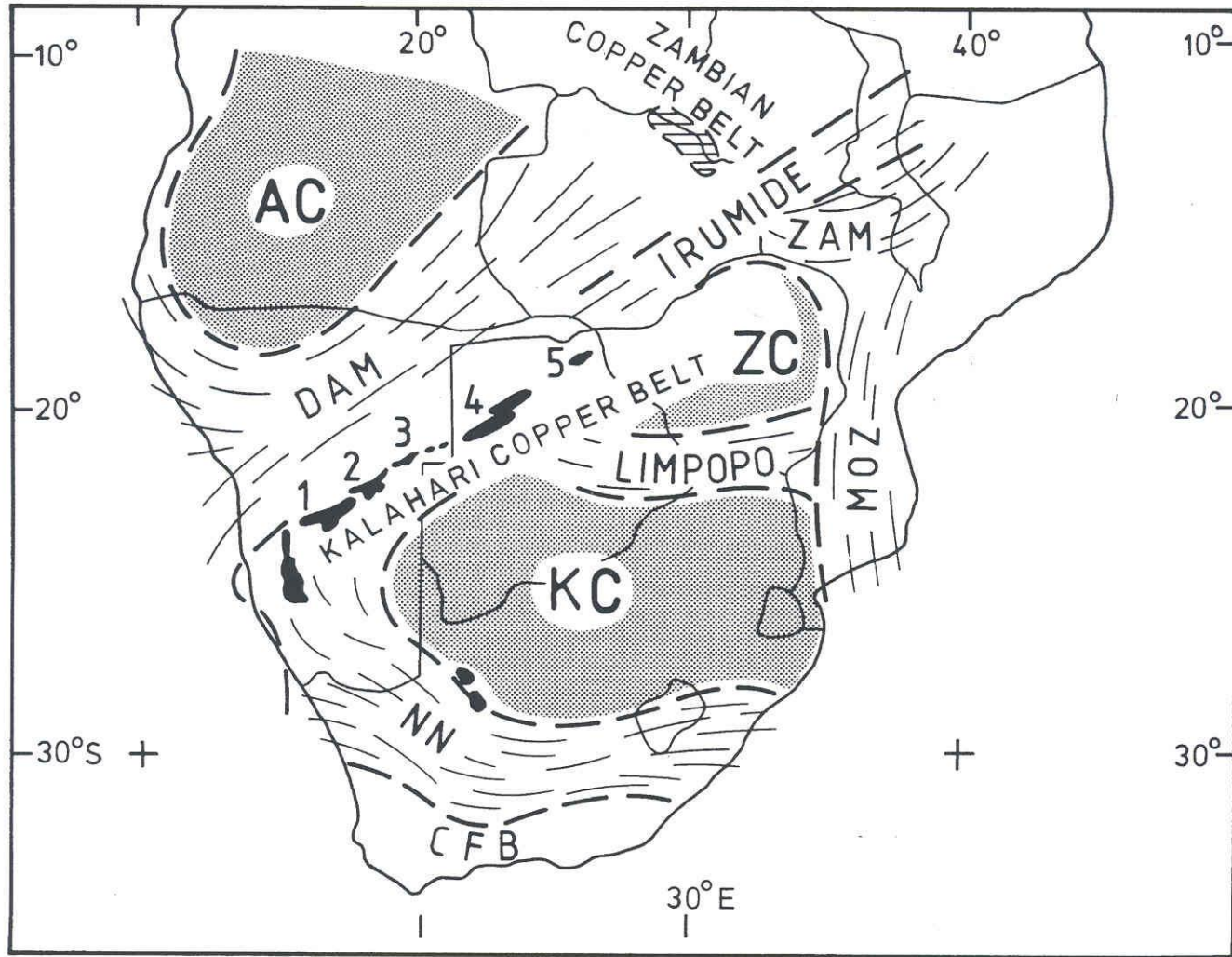
Epangelo's strategy is to systematically evaluate the potential of its EPLs with the aim of discovering new deposits and develop them into mineable reserves.

Epangelo operates through an earn-in framework whereby, Epangelo enters into an agreement with the Joint Venture (JV) partner to develop the EPL.

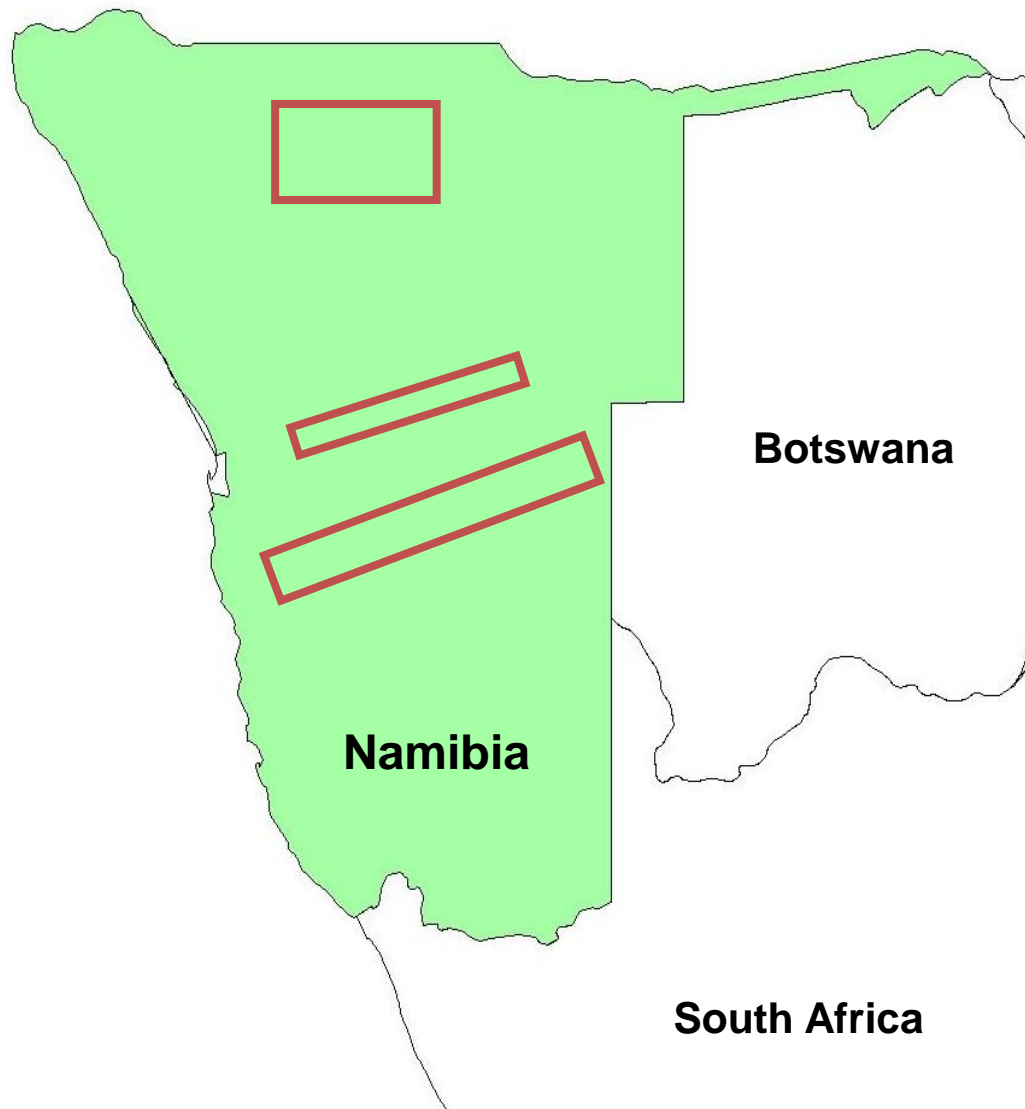
The agreement will stipulate key milestones which have to be achieved.

The achieved milestones will result into the dilution of Epangelo's holding in favour of the JV partner with varying percentage ownership as agreed.

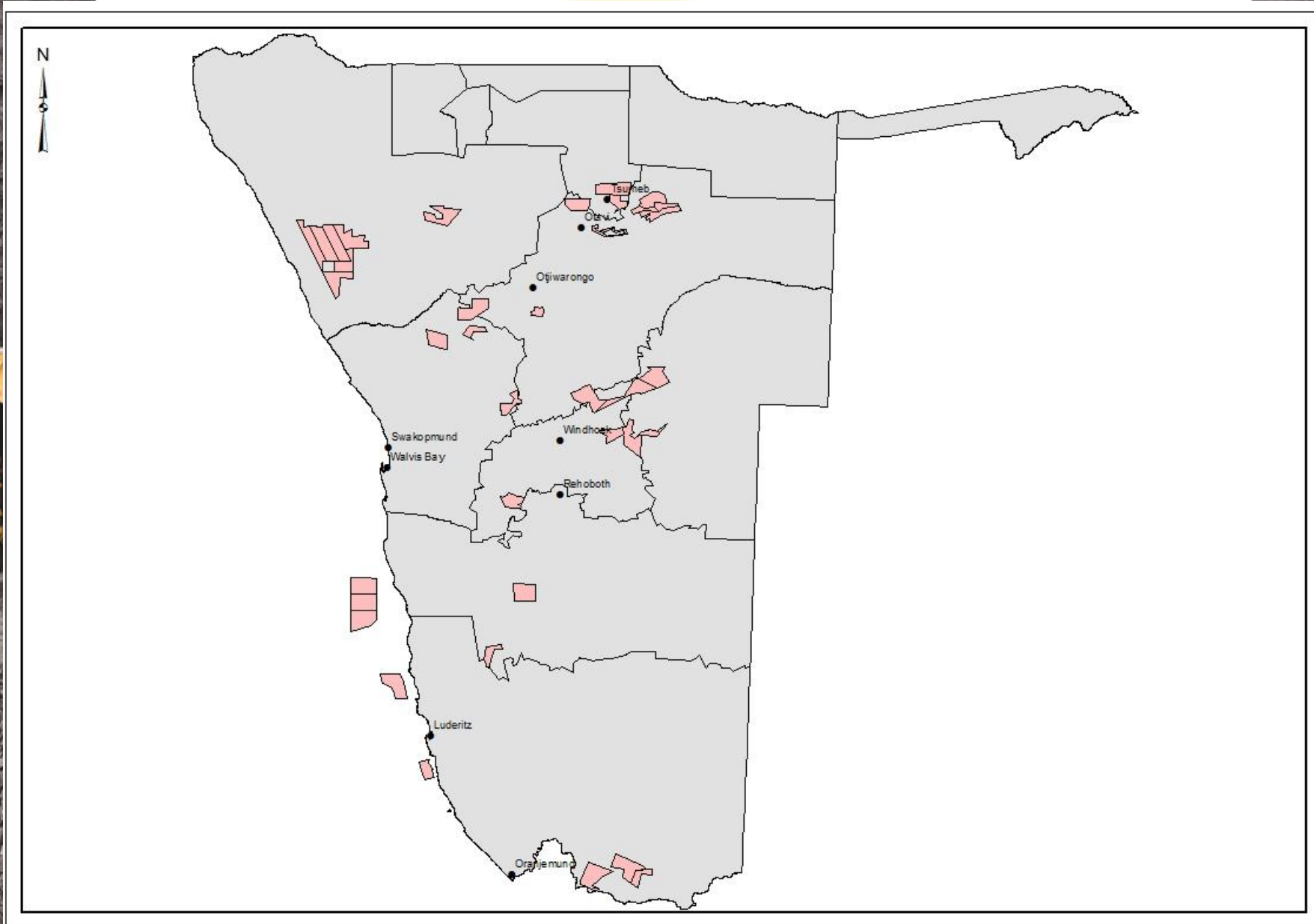
- Tectonic Setting of OML and Copperbelt



- Cu belts locality map in Namibia



EPANGELO LICENCES

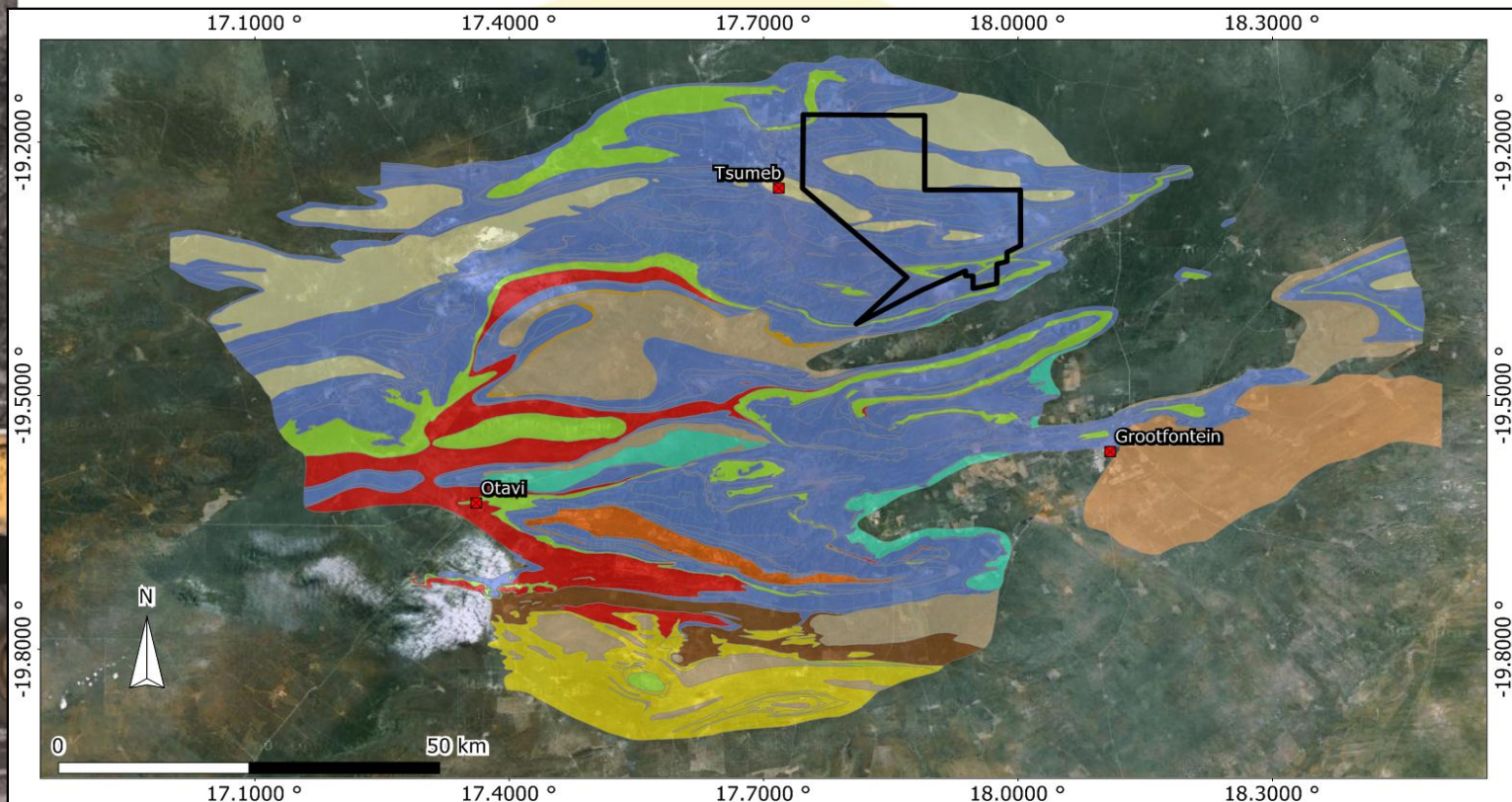














• Exploration Targets

- Sediment-hosted copper in a setting analogous to the Zambian / Congo Copperbelts/Kalahari Cu belt
- Area may host a range of deposit types:
 - EPL 4793
 - - Classic copperbelt-style (Cu/Ag/Co etc)
 - - Kombat / Tsumeb (Cu/Ag)
 - - Tschudi (Cu/Ag)
 - - Omitiomire Cu (EPL 4802 and 4804)

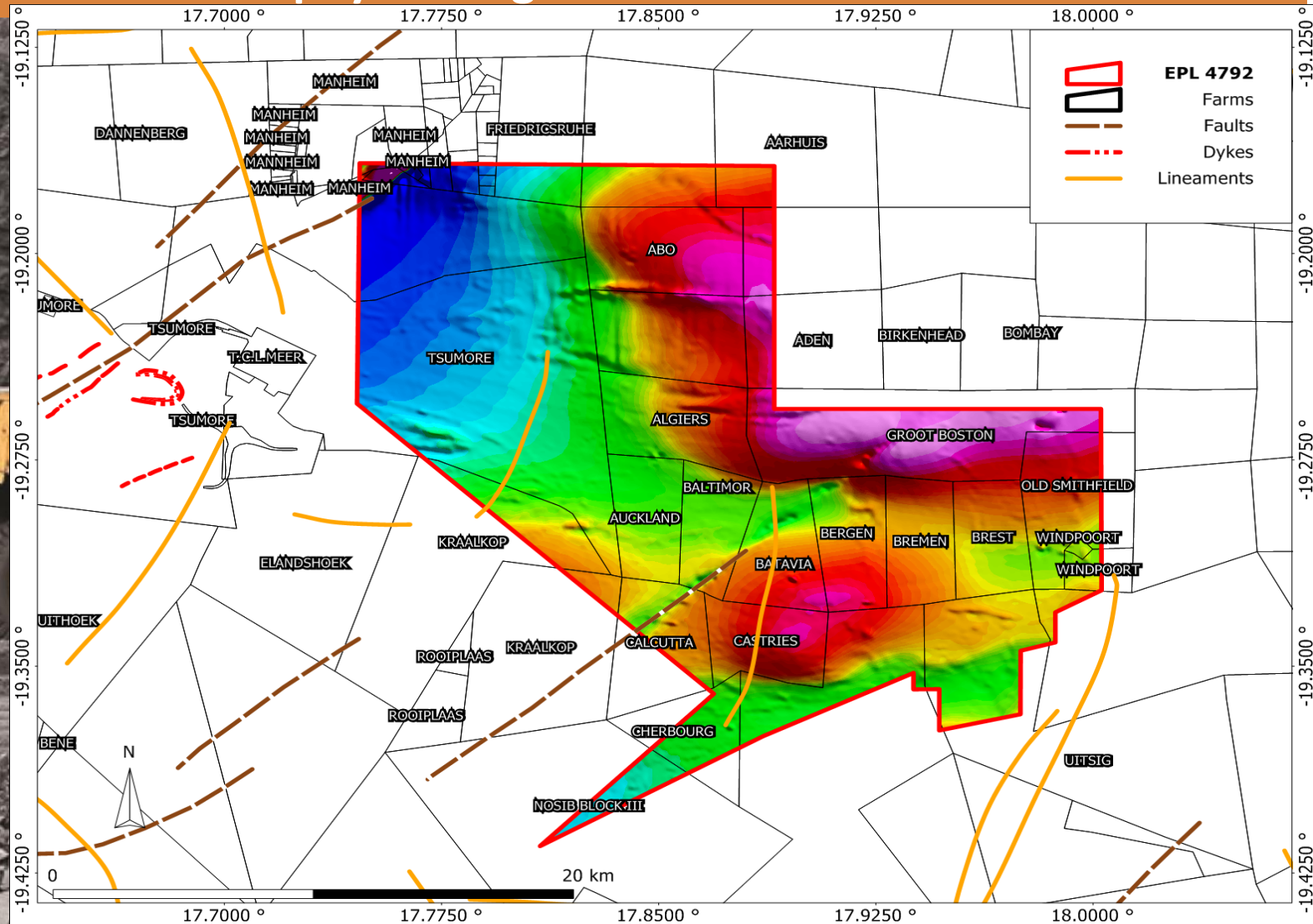
■ EPL 4793

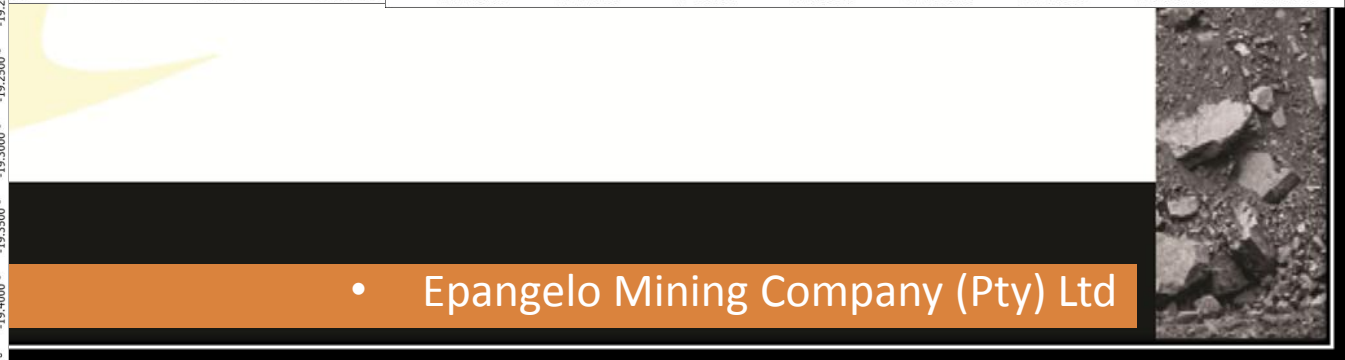
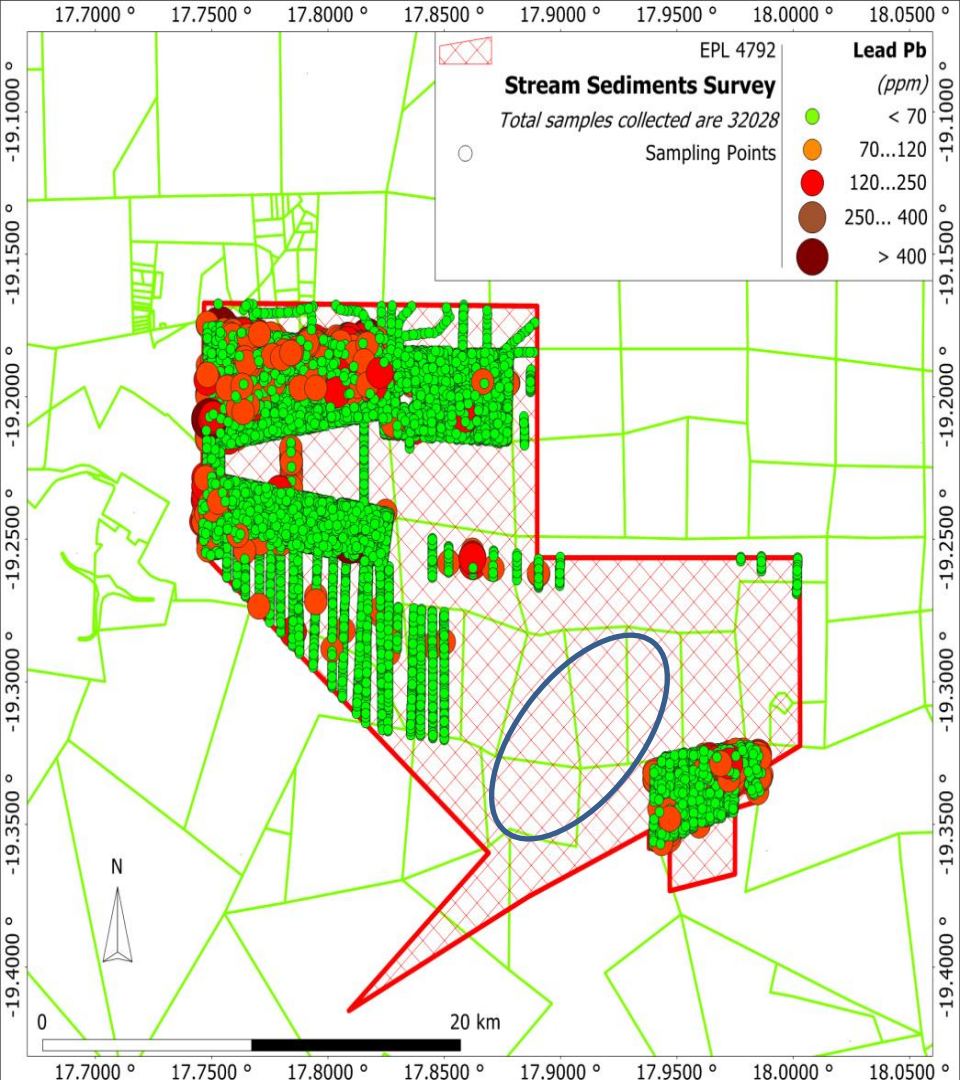
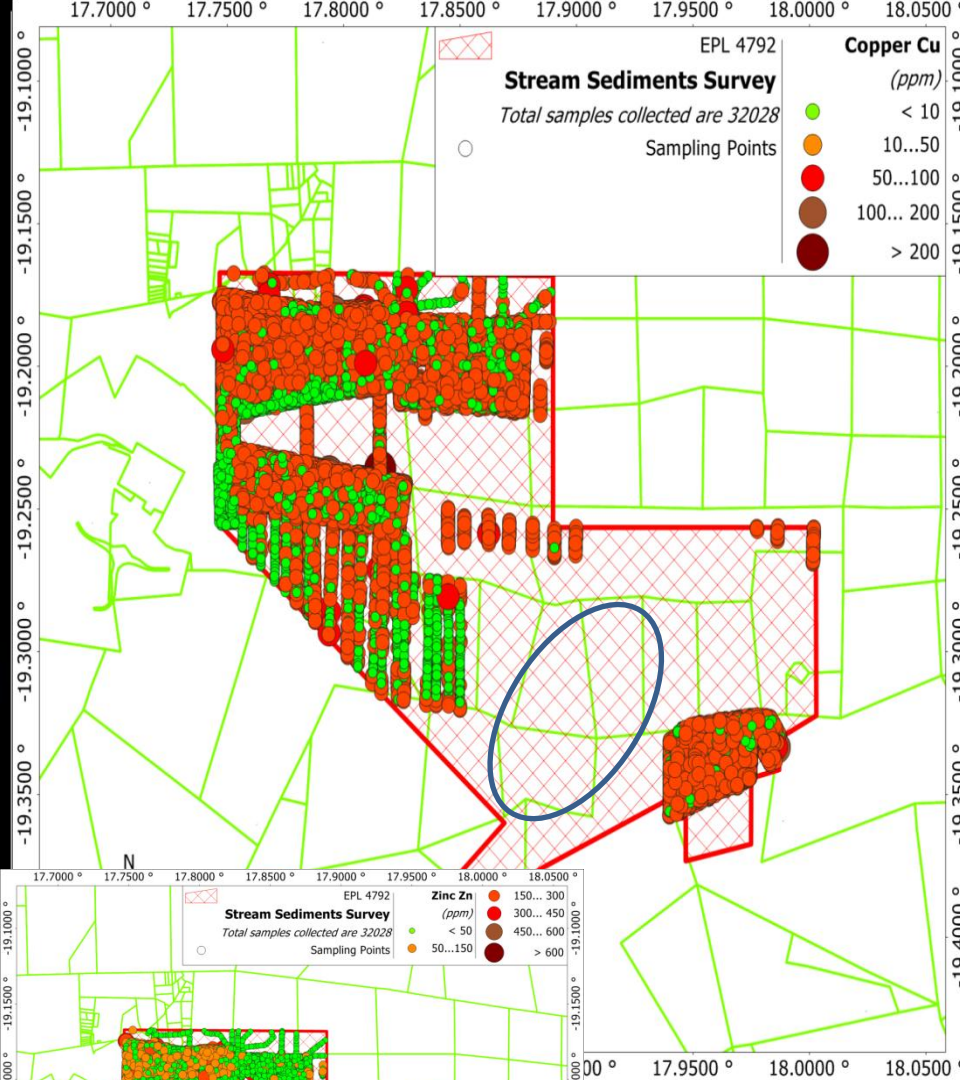
- EPL 4792 Local geology (OML)



LEGEND		Otavi Mountainland Geology	
 Project Location EPL 4792	   	Main lithology Dolomite Epidosite agglomerate Feldspathic quartzite arkose Feldspathic sandstone & subgreywacke	 Gneiss  Limestone  Mafic intrusives  Marble  Quartzite conglomerate mixtite  Slate subarkose  Tillite quartzite shale

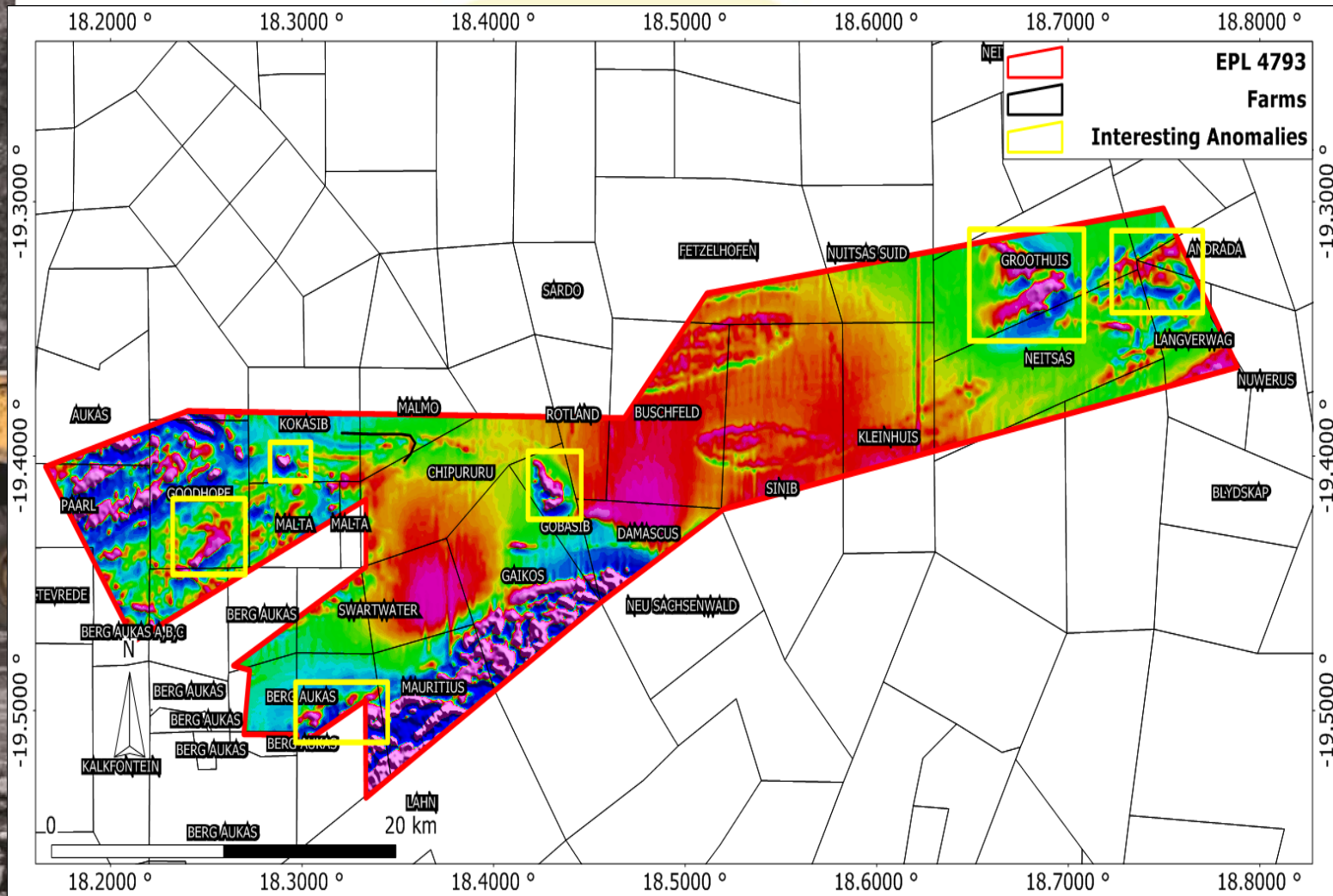
EPL 4792 Geophysical Signature

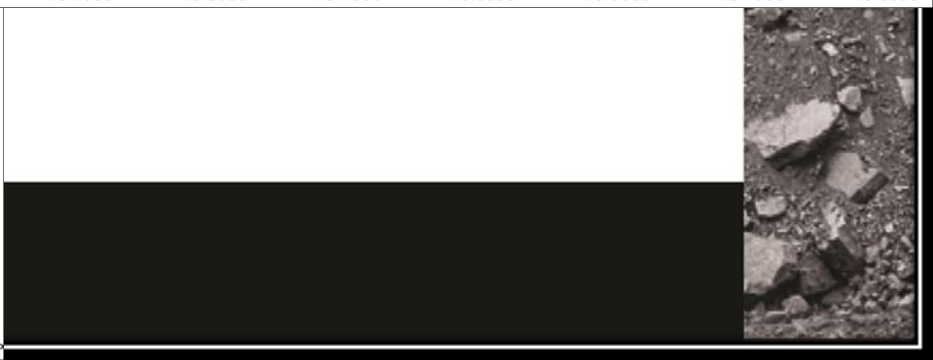
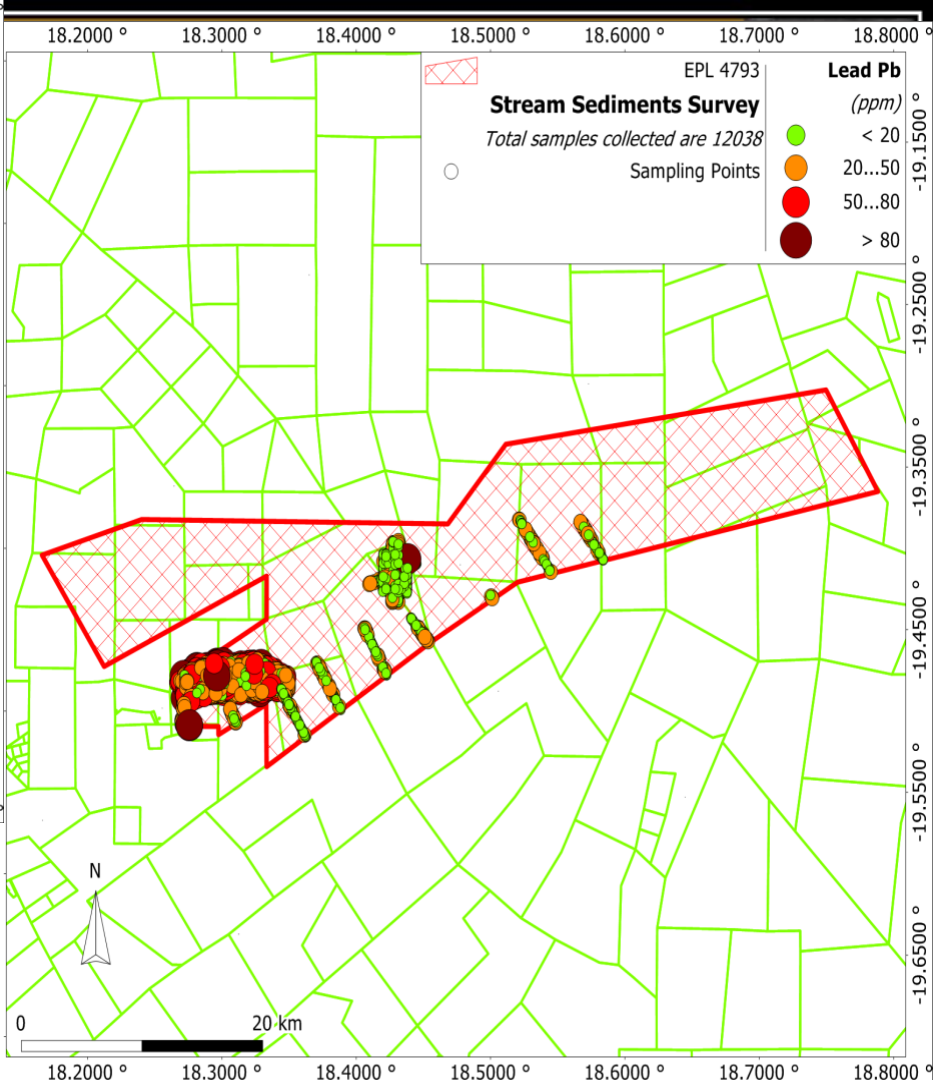
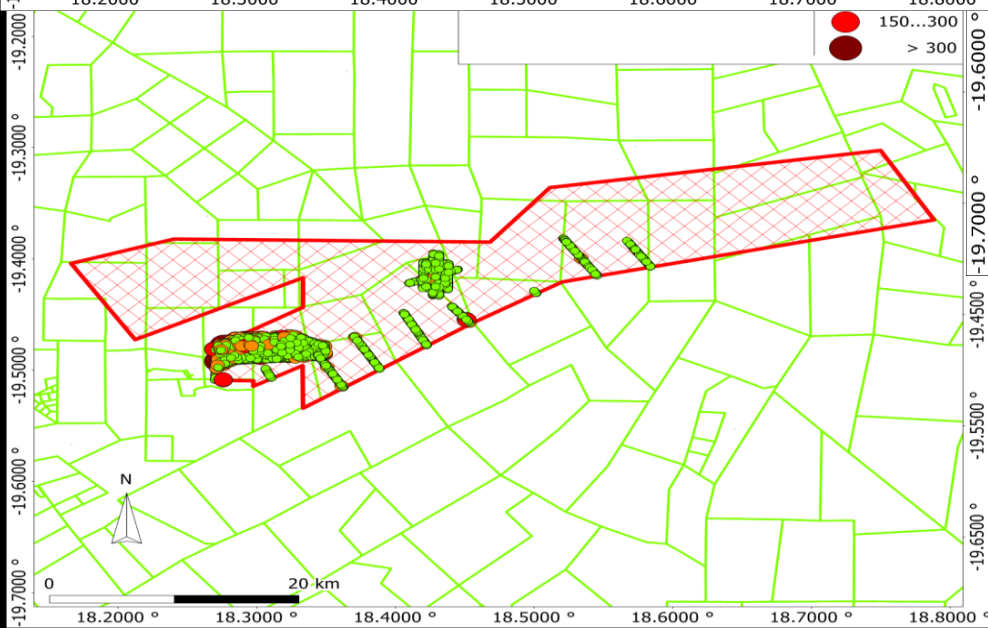
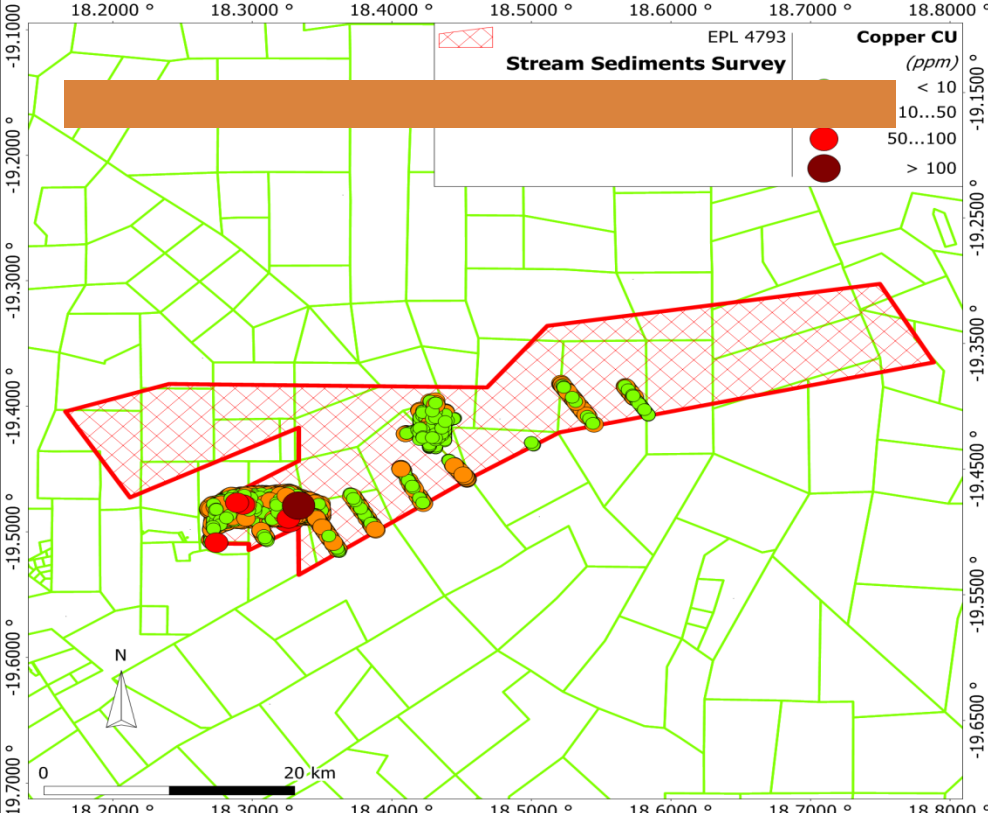




• Epangelo Mining Company (Pty) Ltd

EPL 4793 Geophysical Signature

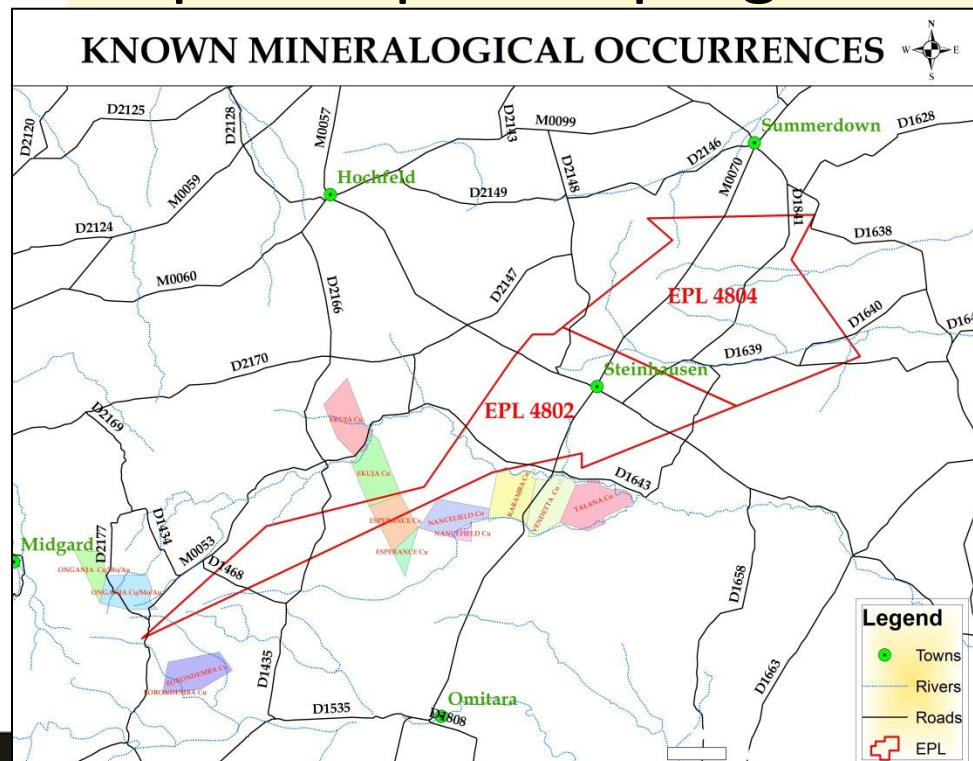




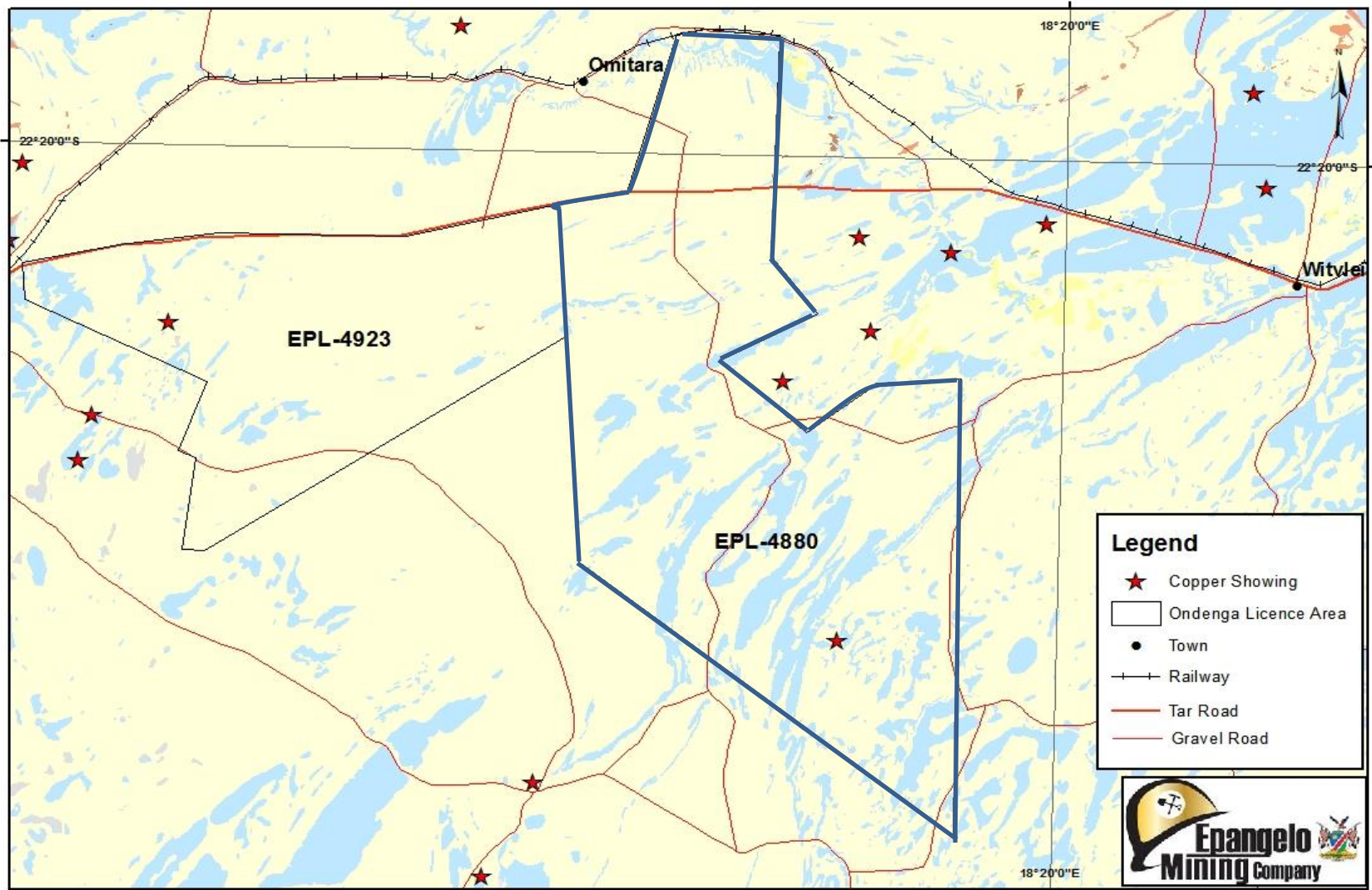
- EPL 4802 and 4804

- EPL 4802 and 4804, desktop study was completed

- Follow up workplan in progress



• EPL 4880 – Ondenga Project



NAMIBIA

BOTSWANA

WINDHOEK

KCB

Oamites 6.5Mt @
1.3% Cu, 12g/t Ag
Mined

Witvlei 13Mt
@ 1.85% Cu

Gobabis

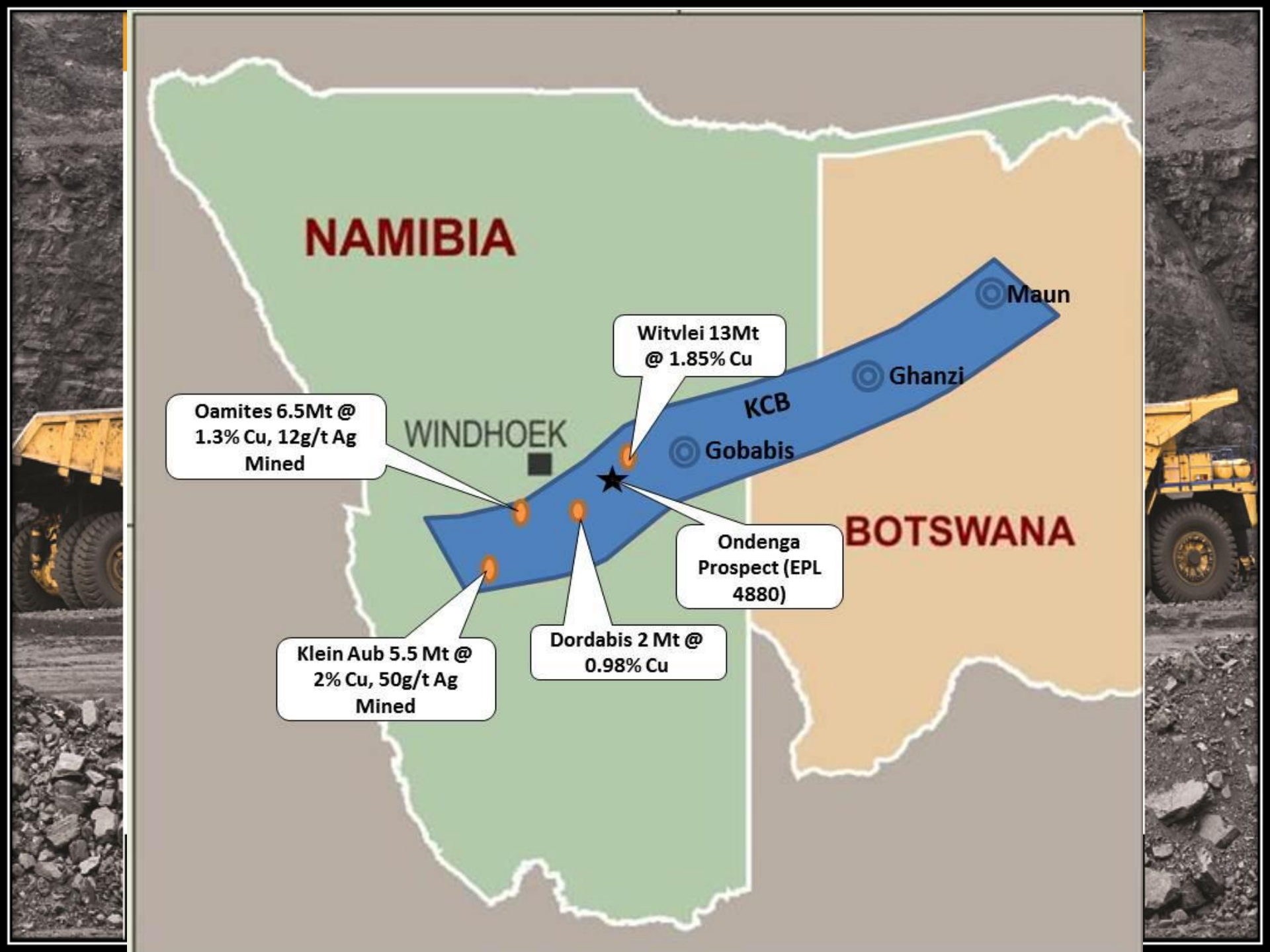
Maun

Ghanzi

Ondenga
Prospect (EPL
4880)

Klein Aub 5.5 Mt @
2% Cu, 50g/t Ag
Mined

Dordabis 2 Mt @
0.98% Cu





- EMC 2012 Work Done – Ondenga Project

- 1:5000 geological mapping done with UNAM final year honors students
- Mapping was done to identify visible mineralisation and dominant lithologies
- Rock samples were taken and analysed in Swakopmund
- Follow up soil sampling was planned

Adjacent Malachite Pan figures

Why exploring in Omitomire Matchless Belt/Kalahari Cu Belt

- EPL 4793 is a Tsumeb type deposit @1,065,000t @5.78% Cu and 3.50% Pb and 179g/t Ag (Mineral Resources of Namibia, Geological Survey of Namibia, 1992)
- EPL 4792 Berg Aukas type deposit @1,651,000t @17% Zn and 5% Pb (Mineral Resources of Namibia, Geological Survey of Namibia, 1992)
- EPL 4802 and EPL 4804 has a high potential of discovering Omitomire type deposit, as well as it well positioned within the matchless belt which hosts Otjihase and Matchless Weatherly current operating mines
- EPL 4880 is well sandwiched by known deposits including Malachite Pan (NorthRiver Resources) which they reported 2,600,000t @1.36 Cu and 7.47g/t Ag



• EMC Follow-up Program 2013/2014

- Geochemical Sampling
- Focused geological mapping
- Ground Geophysics (i.e. IP)
- Target definition
- Target Testing (drilling, Diamond Drilling)

The Strategy – Strategic Minerals

Recognises Epangelo's position as the owner of the unissued EPLs for strategic minerals

1

- Acquire EPLs
- Identify strategic partners to develop EPLs
- Strategic partners to submit EPL development proposals
- Select preferred strategic partner ("JV Partner")

Identify potential strategic JV Partner to develop EPLs

Negotiate JV agreements

Agree:

- Milestones required for equity participation
- Rights and obligations of the JV Partner to develop the EPLs
- Development timelines

2

3

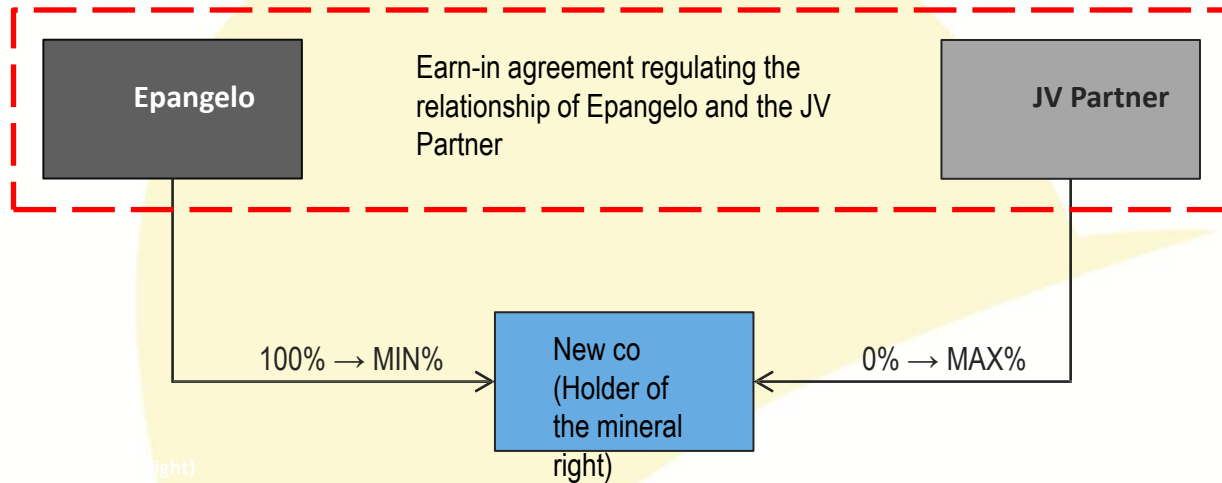
- JV Partner earns in equity over time based on the achievement of pre agreed milestones
- No significant financial investment required by Epangelo (i) until Mine becomes operational or (ii) development cost of the mine to be funded
- Dilution subject to minimum undilutable residual interest

Epangelo maintains a residual stake in the fully operational mining company

On a case by case basis negotiate equity ownership with existing operating mining companies in Namibia

The Strategy - Illustration

Earn-in joint venture structure



General principles

- Epangelo enters into an **Agreement** ("earn-in agreement") with the JV Partner to:
 - Form a new company (New Co.) with Epangelo holding 100% of the share issued
 - Transfer EPL to New Co.
 - Develop the EPL
 - Achieve key milestones/targets which will result in the dilution of Epangelo shares to an agreed minimum

CONCLUSION

- Who is Epangelo? **State owned entity**
- Why was Epangelo established? **Fulfillment of Vision 2030**
- How are we going to do it? **Through and earn-in Framework**
- Partnerships and projects? **Kalahair copper belt, Tsumeb EPL's**

THANK YOU

