

30<sup>th</sup> April 2015

## **MARCH 2015 – QUARTERLY ACTIVITIES REPORT**

### **ONGOMBO PROJECT (EPL 3238)**

#### **EPL 3238 Licence Renewal**

Namibian Copper NL (ASX Code: NCO) (Namibian Copper or the Company) has received notice from the Namibian Ministry of Mining and Energy (MME) during the Quarter that an application on behalf of Gazania Investments 32 (Pty) Ltd (Gazania) for renewal of Exclusive Prospecting Licence (EPL) 3238 has been refused by the Minister. Gazania is an incorporated joint venture company which holds EPL 3238 and is 80% owned by Namibian Copper.

The Company has made urgent representations to the MME regarding the status of EPL 3238 on the basis of the work programme and associate expenditure completed on the licence prior to its expiry in November 2014.

The Company is currently assessing what other options it may have, including possible legal remedies, to successfully resolve the situation and obtain a renewal of the licence.

#### **Ongombo Work Programme**

The technical work programme for the Ongombo deposit including: a resource estimate update; metallurgical testing; mine planning and scheduling on the Central Shoot; and environmental clearance applications has been suspended pending the successful outcome of the EPL 3238 renewal.

### **ONGEAMA PROJECT (EPL 3905)**

No technical work was completed on the Ongeama project (EPL 3905) during the quarter.

The licence is due to expire on 1 April 2015 and the MME is currently assessing a renewal application which was submitted during the last Quarter. The Company maintains full rights to the licence area during the renewal process, which is expected to be finalised during the next quarter.

### **KOJEKA PROJECT (EPLA 5724)**

No work was completed on the Kojeka project (EPLA 5724). The Kojeka licence application is currently being processed by the Ministry of Mines and Energy.

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## **CORPORATE**

The Company was placed into a trading halt in mid-March 2015 and subsequently entered into voluntary suspension while the status of the EPL 3238 renewal is clarified with the Namibia Ministry of Mines and Energy.

The Company's securities will remain in suspension until the 29<sup>th</sup> of May 2015 or until the Board is satisfied that all remedial actions have been completed.

A statutory Interim Financial Report and accounts for the period ending 31 December 2014 was completed and released to shareholders. A copy of this report is available on the Company's website.

The Company has \$0.57 million in cash and no debt at the end of the quarter.

Lachlan Reynolds  
**MANAGING DIRECTOR**

For further information, please contact:

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Mr Jay Stephenson  
Company Secretary, Namibian Copper NL  
+61 (0)8 6141 3500

### **Competent Persons Statements**

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Lachlan Reynolds. Mr Reynolds is an Executive Director of the Company and is a Member of the Australasian Institute of Mining and Metallurgy. Mr Reynolds has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr Reynolds consents to the inclusion of this information in the form and context in which it appears in this report.

The information in this report that relates to Mineral Resources or Ore Reserves is based on information compiled by Ms Kathleen Body, Principal Consultant Resources at Coffey Mining Johannesburg, registered as a Professional Natural Scientist with the South African Council for Natural Scientific Professions. Ms Body has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Ms Body consents to the inclusion of this information in the form and context in which it appears in this report.

Information in this announcement relates to previously released exploration data prepared and disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company is not aware of any new information or data that materially affects the information included in the previous announcement. The assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

## PROJECT BACKGROUND

### Ongombo Project (EPL 3238)

NCO's principle project in Namibia is known as Ongombo (Exclusive Prospecting Licence "EPL" 3238). The Ongombo project covers an area of 14,524ha and is located approximately 45km to the northeast of the capital city Windhoek and 20km from the Otjihase underground copper mine currently operated by Weatherly International plc.

EPL 3238 was originally granted to Starlight Resources (Pty) Ltd ("Starlight"). Starlight subsequently entered into an agreement with Avanti Resources Pty Ltd ("Avanti"). NCO entered into a Joint Venture agreement with Starlight and Avanti (The Gazania Investments Thirty Two (Pty) Ltd Joint Venture) and holds an 80% interest in the project. The Gazania Joint Venture was approved by the Ministry of Mines, Namibia and is the sole beneficial owner of EPL 3238.

The Ongombo deposit comprises JORC compliant Measured and Indicated resources of 6.7Mt @ 1.5% Cu, 8g/t Ag and 0.3g/t Au (at a 0.6% Cu cut-off grade); and an Inferred resource of 3.8Mt @ 1.7% Cu, 9g/t Ag and 0.3g/t Au (refer to NCO ASX announcement dated 8 October 2012). An independent Scoping Study completed in 2013 by Coffey Mining in Johannesburg, South Africa suggests that the project has potential to be developed as an underground mining operation (refer to NCO ASX announcement dated 19 April 2013).

### Ongeama Project (EPL 3905)

NCO has conditionally agreed to purchase 100% of Masterton Investments (Pty) Ltd ("Masterton"), which owns 100% of the Ongeama project (EPL 3905). Subject to renewal of EPL 3905, the company has agreed to execute a Joint Venture agreement with Avanti who are the vendors of Masterton, and with local partners Shali Group Pty Ltd ("Shali"). When finalised, NCO will hold a 77.5% interest in the project, while Shali and Avanti will hold 15% and 7.5%, respectively.

EPL 3905 has an area of 10,900ha and is immediately adjacent to both the Company's Ongombo project and the Otjihase underground mine operated by Weatherly International plc. The project area contains the Ongeama deposit, which is known from historical diamond drilling to contain copper-silver-gold mineralisation similar to that at the Ongombo project. The deposit is open at depth and further drilling is planned to test for extensions of the mineralisation. A number of other untested copper prospects and geophysical targets occur within the licence, suggesting potential for other repetitions of the copper mineralisation known at Ongombo and Otjihase.

### Kojeka Project (EPLA 5724)

Subject to the completion of the acquisition of Masterton, NCO will also secure ownership of the Kojeka project (EPLA 5724) in central Namibia. As with the Ongeama project, the company has agreed to execute a Joint Venture agreement with Avanti who are the vendors of Masterton, and with local partners Shali Group Pty Ltd ("Shali"). When finalised, NCO will hold a 77.5% interest in the project, while Shali and Avanti will hold 15% and 7.5%, respectively.

EPLA 5724 is located approximately 110km south of the capital Windhoek, and 55km east of the historical Klein Aub copper mine. The Kojeka EPL has an area of 72,668ha and lies within the prospective Kalahari Copper Belt. Historical exploration activity at Kojeka, including substantial drilling, indicates the project has potential for shallow open-pit copper oxide mineralisation.

## ABOUT NAMIBIA

Namibia is a large, sparsely populated country in southwest Africa. The country has a stable, democratically elected Government and is considered to have low sovereign risk. Namibia is well-endowed with a variety of minerals and has a long history of exploration and mining that is managed under a well-established legislative regime. Mining presently accounts for about 20% of the Namibian gross domestic product, and the mining industry directly employs about 3% of the population.

The existing infrastructure and facilities in Namibia make the country an excellent exploration and mining destination in Africa. The Company's projects are positioned close to the capital city of Windhoek and have access to excellent road and rail infrastructure which connects the projects to the Tsumeb smelter operated by Dundee Precious Metals and a deep water port at Walvis Bay.

# Appendix 5B

## Mining exploration entity quarterly report

Name of entity

**NAMIBIAN COPPER NL**

ABN

52 118 913 232

Quarter ended ("current quarter")

31 March 2015

### Consolidated statement of cash flows

	Current Quarter \$A'000	Year to date (9 Months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation	(164)	(607)
(b) development		
(c) production		
(d) administration	(81)	(386)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	3	11
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Cash Advances	(10)	(18)
<b>Net operating cash flows</b>	<b>(252)</b>	<b>(1,000)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Payment received as compensation	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(252)</b>	<b>(1,000)</b>

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(252)	(1,000)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	(3)	1,520
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (costs of issue)	-	-
	<b>Net Financing Cash Flows</b>	(3)	1,520
	<b>Net increase (decrease) in cash held</b>	(255)	520
1.20	Cash at beginning of quarter/year to date	827	52
1.21	Exchange rate adjustments to Item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	572	572

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	101
1.24	Aggregate amount of loans to the parties included in item 1.10	

Explanation necessary for an understanding of the transactions

Managing director fees, consultation fee and reimbursement expenses

**Non-cash financing and investing activities**

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

-

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

-

## Financing facilities available

*add notes as necessary for an understanding of the position*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

## Estimated cash outlays for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	-
4.4 Administration	104
<b>TOTAL</b>	104

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the statement of cash flows) to the related items in the accounts is follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	572	827
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other – Term Deposit	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	572	827

## Interest in mining tenements

**Disclosure in accordance with ASX Listing Rule 5.3.3**

6.1 Farm-in agreements/tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Ongombo project EPL 3238	Namibia	80%		

6.2 Projects/Tenements	Location	Held at end of quarter	Acquired during the quarter	Disposed during the quarter
Kojeka Project – ELA 5724	Namibia			
Ongombo project – EPL 3905	Namibia	100%		

## Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preferences securities</b> (description)				
7.2 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks, redemptions				
7.3 <b>Ordinary securities</b>	309,585,720	309,585,720	\$0.20	
7.4 Changes during quarter (a) increases through issues (b) decreases through returns of capital, buybacks				
7.5 <b>Convertible debt securities</b> (description)				
7.6 Changes during quarter (a) increases through issues (b) decreases through securities matured, converted				
7.7 <b>Options</b>	240,760,719	240,760,719	\$0.015	30/4/2019
7.8 Issued during quarter <i>Consultants</i>				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> (totals only)				
7.12 <b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).
- 2 This statement does/~~does not~~\* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 30 April 2015

(Company Secretary)

Print name: Jay Stephenson .....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address the topic, the Australian standard on that topic (if any) must be complied with.