

**HD** Craton Gets Licence to Mine **Copper** Near Omitara

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Dec 12, 2014 (New Era/All Africa Global Media via COMTEX) -- Craton **Mining** and Exploration has been licensed to mine **copper** at Omitomire near Omitara, in Omaheke Region.

Craton received the 20-year **mining** licence from the Ministry of Mines and **Energy** and in addition an environmental clearance certificate from the Ministry of Environment and Tourism.

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Craton's chief operating officer, Andre Genis, said the **company** currently intends to develop a modest-sized initial operation at Omitomire focusing on the near surface oxidised **copper ore**.

The oxidised **copper** resource will be mined to a shallow depth of 50 meters, he explained adding that the three small pits will be mined and feed a 40 000 tonne per month processing plant. The mine is expected to produce a total of 25 570 tonnes of **copper** over a **mining** life of about seven years.

Genis said the processing technology proposed for Omitomire includes electro-winning as the final stage. "We will produce cathode **copper** which will have a purity of more than 99 percent through this process.

"Dust control and responsible water usage will be amongst the issues we will concentrate on during **mining** and processing. Since there is no bulk water supply in that area, we will use groundwater in the initial phase," he said.

Omitomire mine is located about 140km northeast of Windhoek. Established in 2007, Craton is the Namibian subsidiary of International Base Metals Limited (IBML) of Australia. Craton holds the Exclusive Prospecting Licence (EPL) for the area overlapping the Omitomire **copper** deposit, which contains an estimated 700 000 tonnes of **copper** in the resource.

Pre-feasibility studies in 2010 investigated the potential of a viable **copper mining** and processing operation based on the Omitomire resource and the prevailing **copper** price. Continued drilling expanded the resource to 137 **million** tonnes at 0.54 percent **copper** (at a 0.25 percent cut-off grade), plus an additional resource potential of 94 **million** tonnes at a similar grade.

Genis explained that detailed seven year-long water studies showed that water abstraction from underground sources via boreholes for the oxide mine will not be to the detriment of other users.

"The plant for the oxide mine has been planned specifically to maximise recycling or re-use of water, thus minimising actual consumption. Water for any possible further development of the underlying sulphide **ore** body in the future will be supplied by the construction of a bulk water supply project," he assured.

Good road conditions will be as much of concern to Craton as to other road-users, he said adding that sufficient funds for upgrading of roads during both construction and **mining** phases were therefore budgeted for.

He emphasised that the current licence was applicable only to the initial phase, namely the **mining** of shallow oxide **copper ore** and mixed oxide sulphide **ore**.

"Development of a bigger project, namely the **mining** of the deeper sulphide **copper** resource at Omitiomire plus other **copper** resources which might be discovered within 'trucking distance' of Omitiomire, will require a separate feasibility study, separate social and environmental impact assessment, a separate **mining** plan and a separate environmental management plan".

Craton has nine other exploration licences in areas such as Kamanjab and south of Rehoboth, and a joint venture interest north of Opuwo at Epembe. In addition, the mother **company**, IBML, through its wholly-owned subsidiary, Tandem Resources, has exploration joint ventures with a subsidiary of African **Mining** Capital on Epembe, north of Opuwo in the Kunene Region, searching for tantalum and niobium.

Said Genis: "Political stability, a supportive Government and a flourishing democracy are the reasons why we are focusing on Namibia. Our Board is eager and determined to develop a mine in Namibia and we sincerely believe that the Omitiomire project will benefit the adjacent community, the country and its people."

Interestingly, some of the IBML shareholders are private **Chinese** companies that collectively own a 54 percent **stake** with associated representation on the Board of IBML. With **copper** used in electrical cabling and thus critical to power supply, telecommunications and electronic devices, it is a critical requirement for development and a highly sought-after mineral in **China**.

During construction of the **copper** oxide phase, which will take about 13 months, 200 people are expected to be employed, while 134 jobs will be created for **mining operations**. An investment of about 40 **million** US dollars (about N\$440 **million**) will be required to develop the Omitiomire **copper** oxide project.

According to Genis, it is unlikely that construction of the oxide mine will start before the end of 2015. "An appeal has been lodged against the Environmental Commissioner for the issuing of the environmental clearance certificate and the Omitiomire farm surface rights still have to be acquired from the owners. We have made an offer to buy the whole farm and are still awaiting acceptance of the offer."

He pointed out that the farm is still in an estate, which has not been finalised. "One of the beneficiaries is currently contesting the decision by the Master of the High Court to appoint an executor. Until the estate is finalised, only six-month contracts may be concluded.

"There are also issues such as power supply options which we are currently discussing with NamPower. The area is isolated and has no grid supply to accommodate our demand," he said.

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