

World Exploration Trends

How can Namibia get a bigger slice?

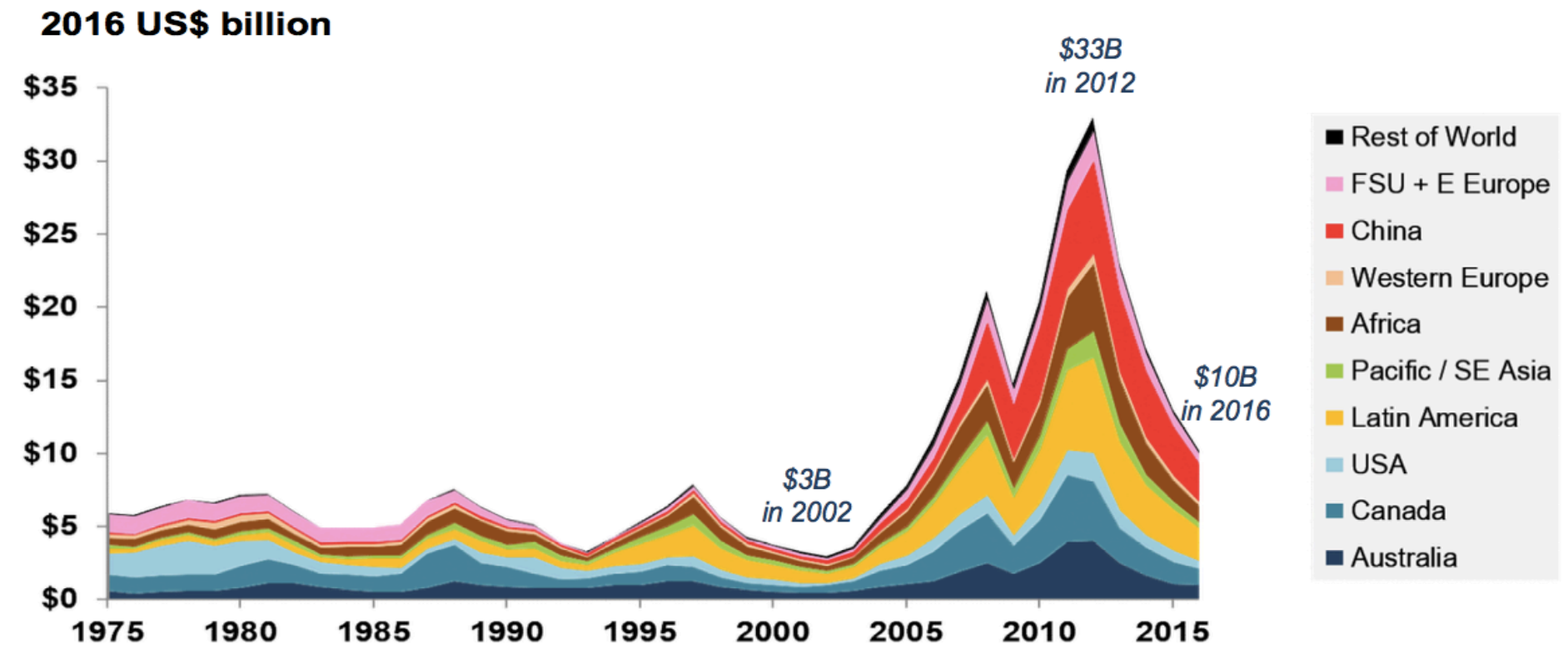
Brandon Munro

Mining Expo, 26 April 2017

World Exploration Trends - Agenda

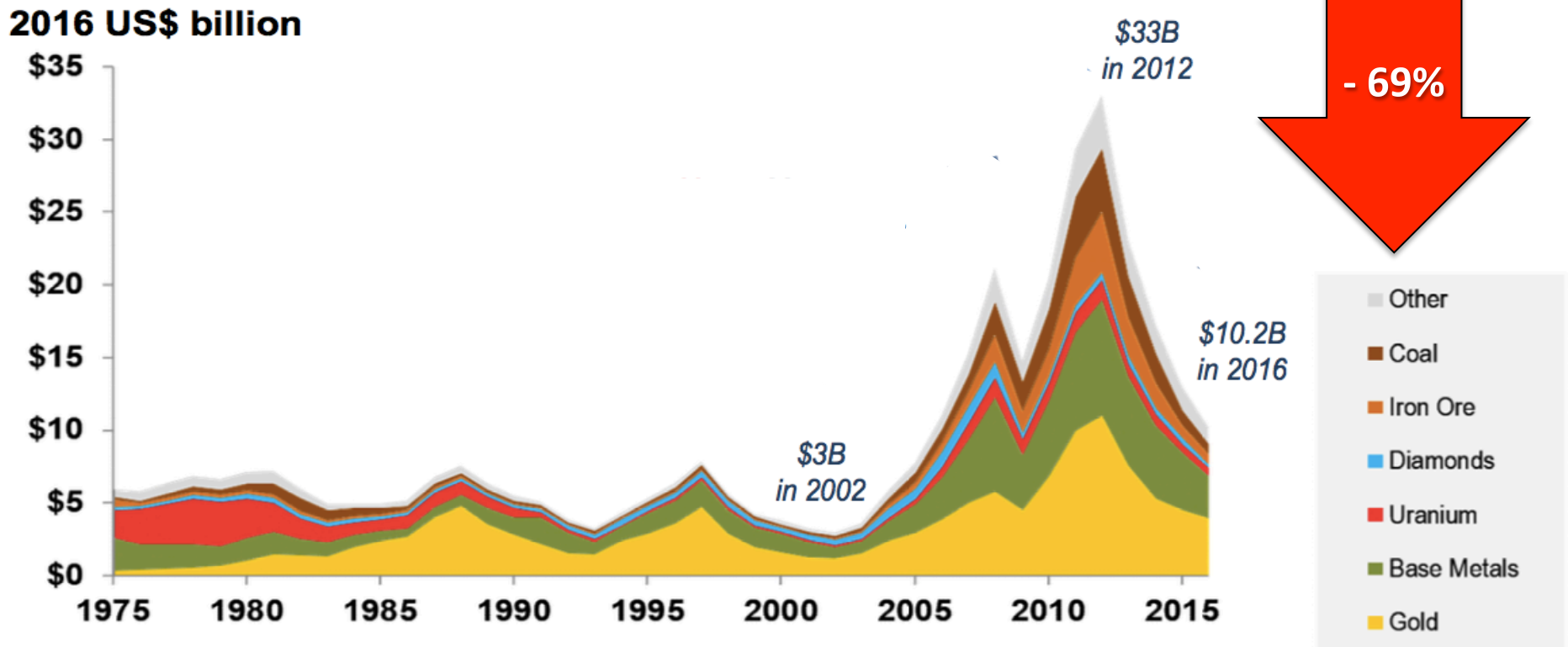
- ? What are global expenditure trends?
- ? How is Africa doing?
- ? How is Namibia doing?
- ? How much success for that spend
- ? What type of company is best?
- ? What does the future hold?
- ? How can Namibia get a bigger slice?

World Exploration Expenditure (1975-2016)



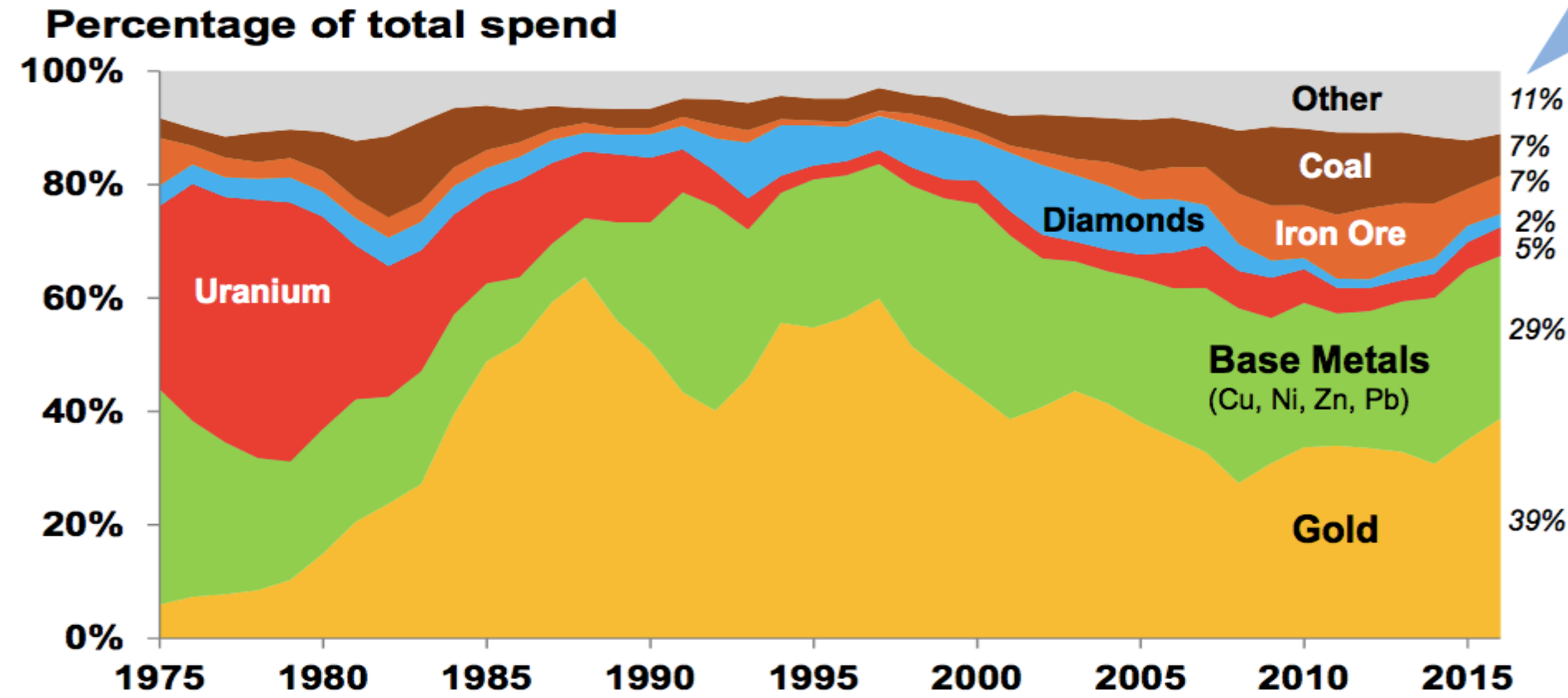
Sources: MinEx Consulting estimates March 2017, based on data from ABS, NRCan, MLR (China), OECD and SNL Metals & Mining data

World Exploration Expenditure (1975-2016) by commodity



Sources: MinEx Consulting estimates March 2017, based on data from ABS, NRCAN, MLR (China), OECD and SNL Metals & Mining data

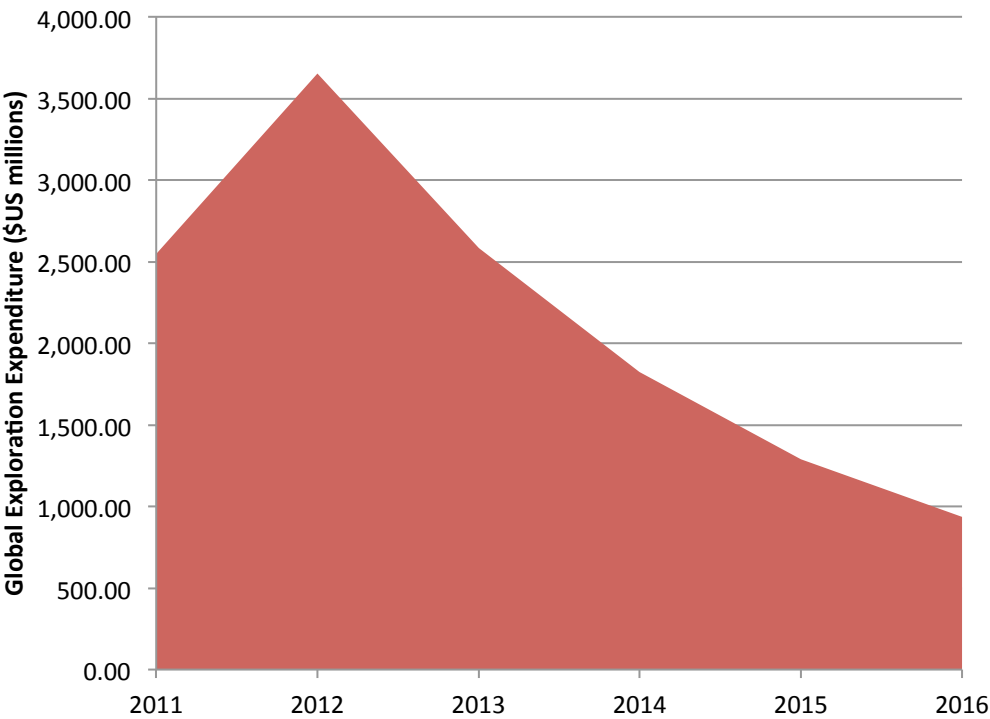
World Exploration Expenditure (1975-2016) by commodity



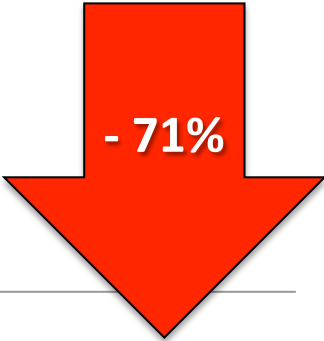
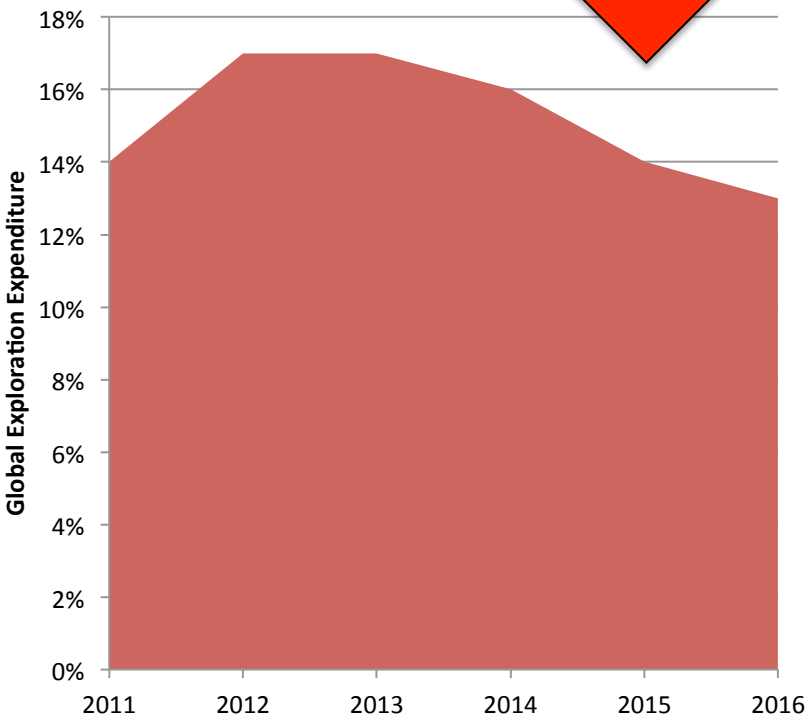
Sources: MinEx Consulting estimates March 2017, based on data from ABS, NRCAN, MLR (China), OECD and SNL Metals & Mining data

African Exploration Expenditure (1975-2016)

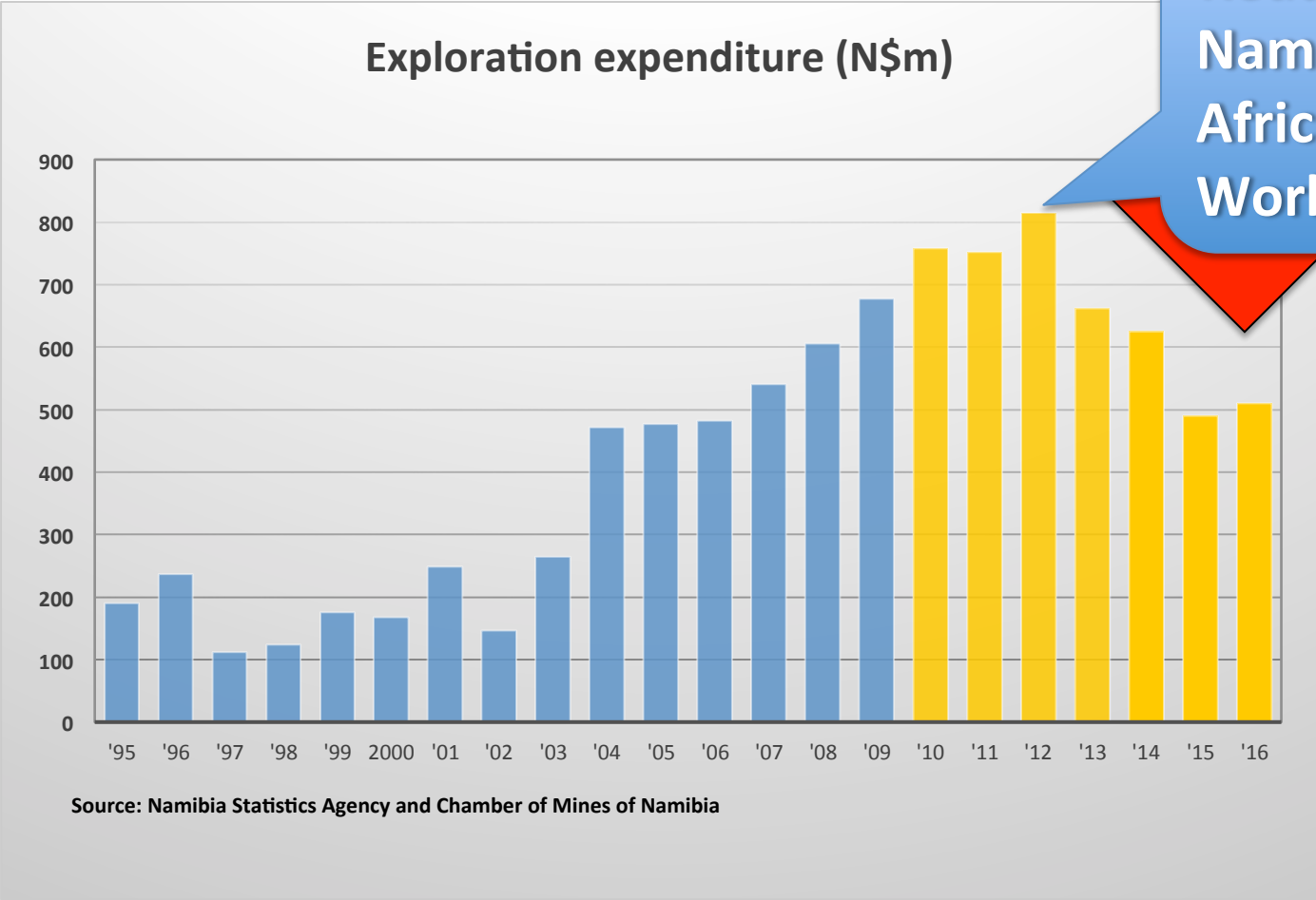
Africa



Africa



Namibian Exploration Expenditure (1975-2016)

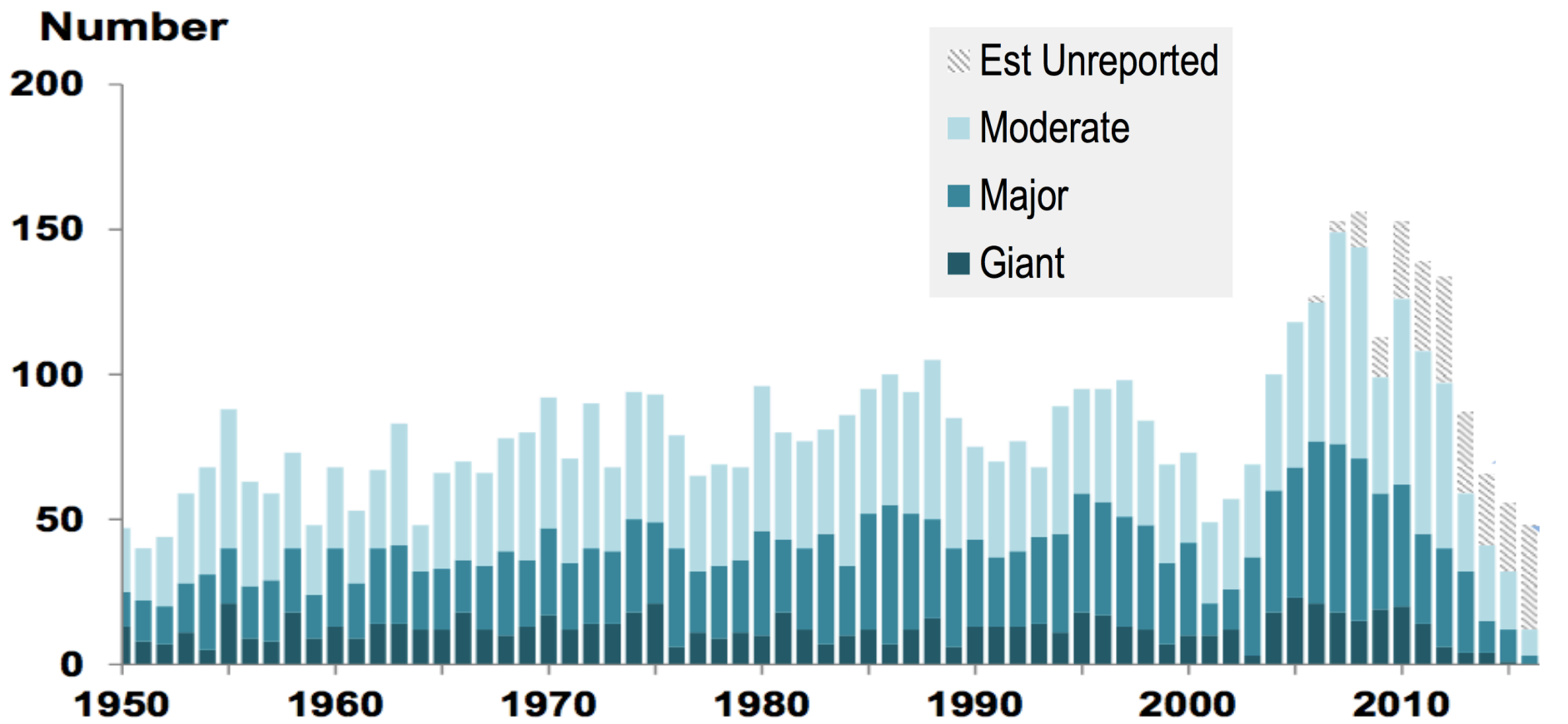


Reduction from 2012

Namibia:	- 37%
Africa:	- 71%
World	- 69%

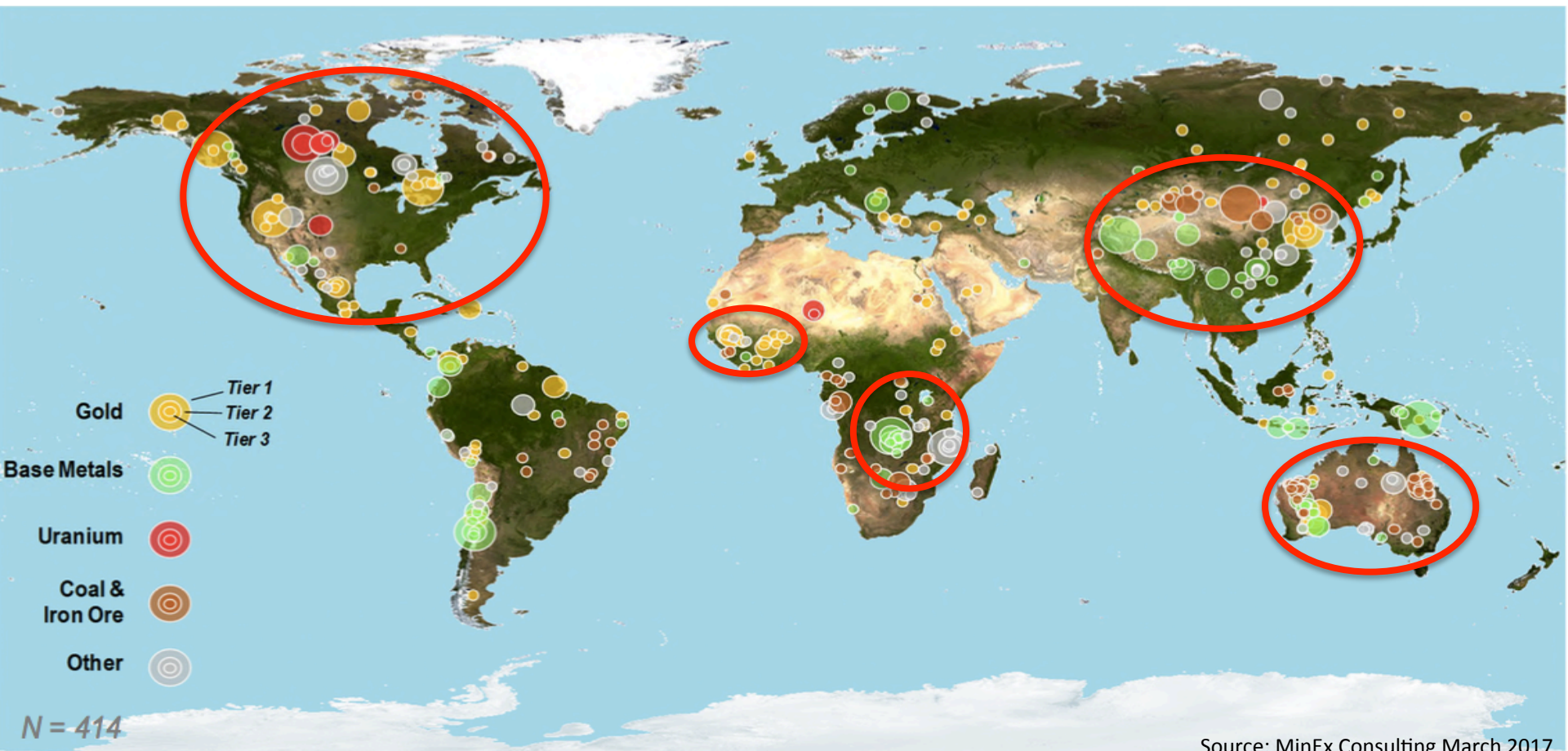
Caution:
Only half
the story

Global discoveries (1950-2016)

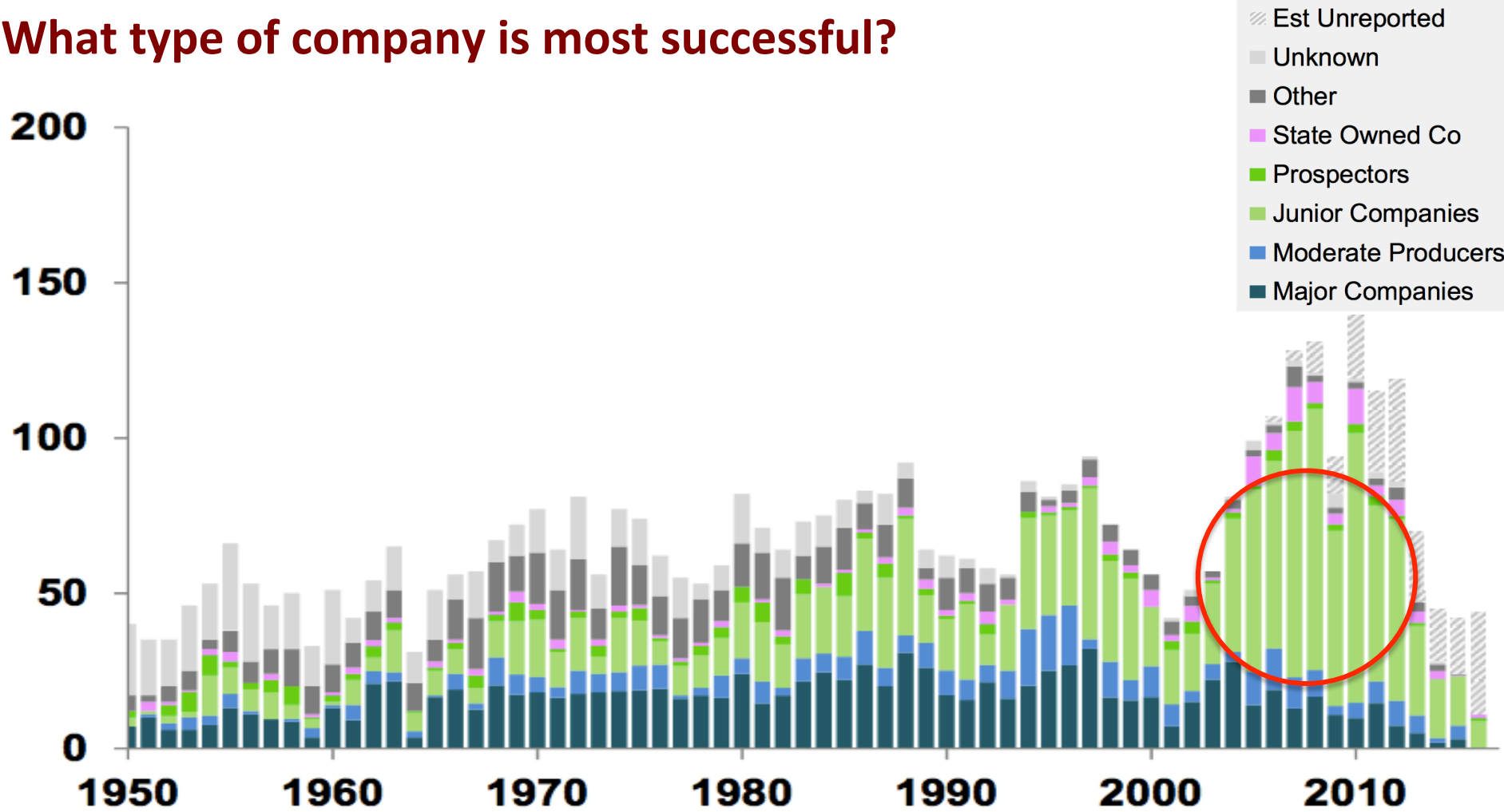


Source: MinEx Consulting March 2017

Location of discoveries since 2007

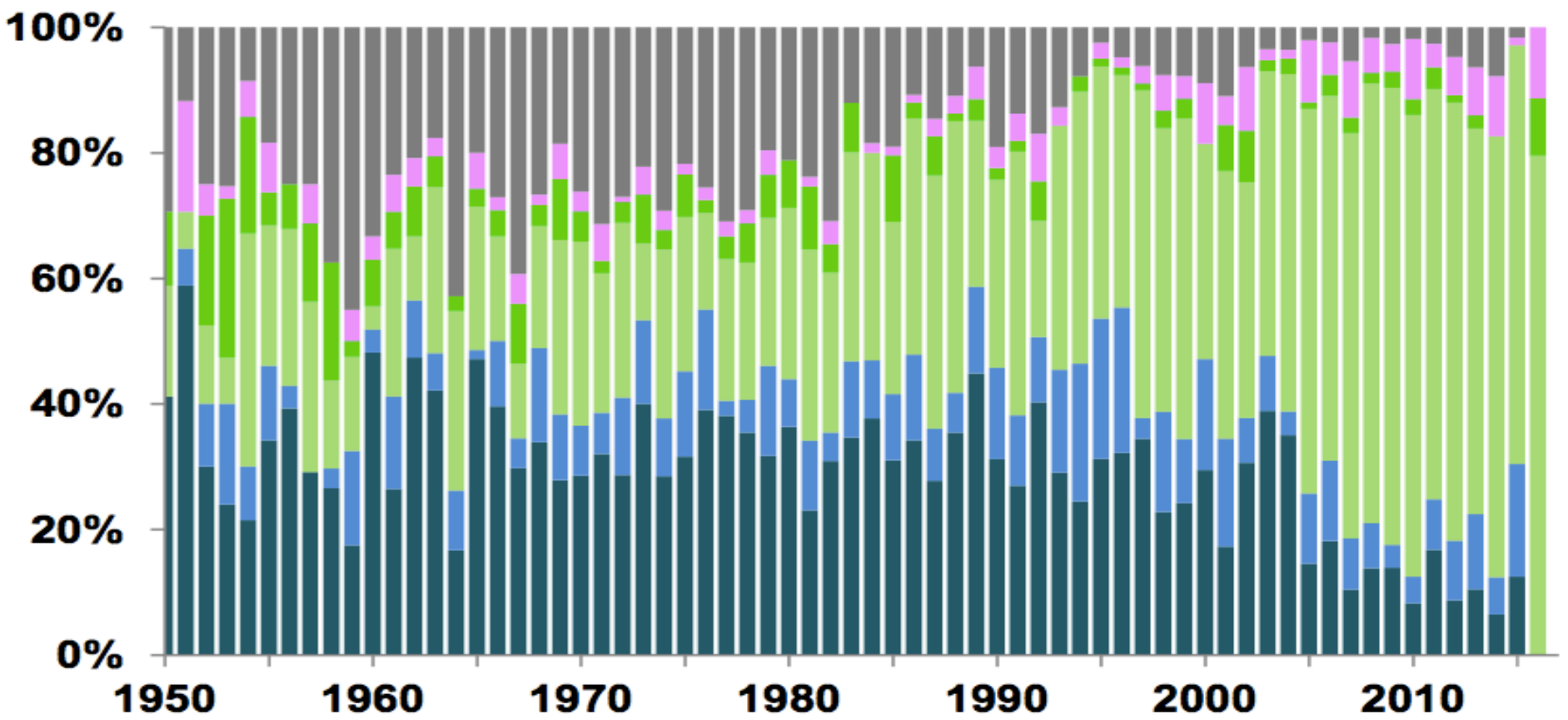


What type of company is most successful?



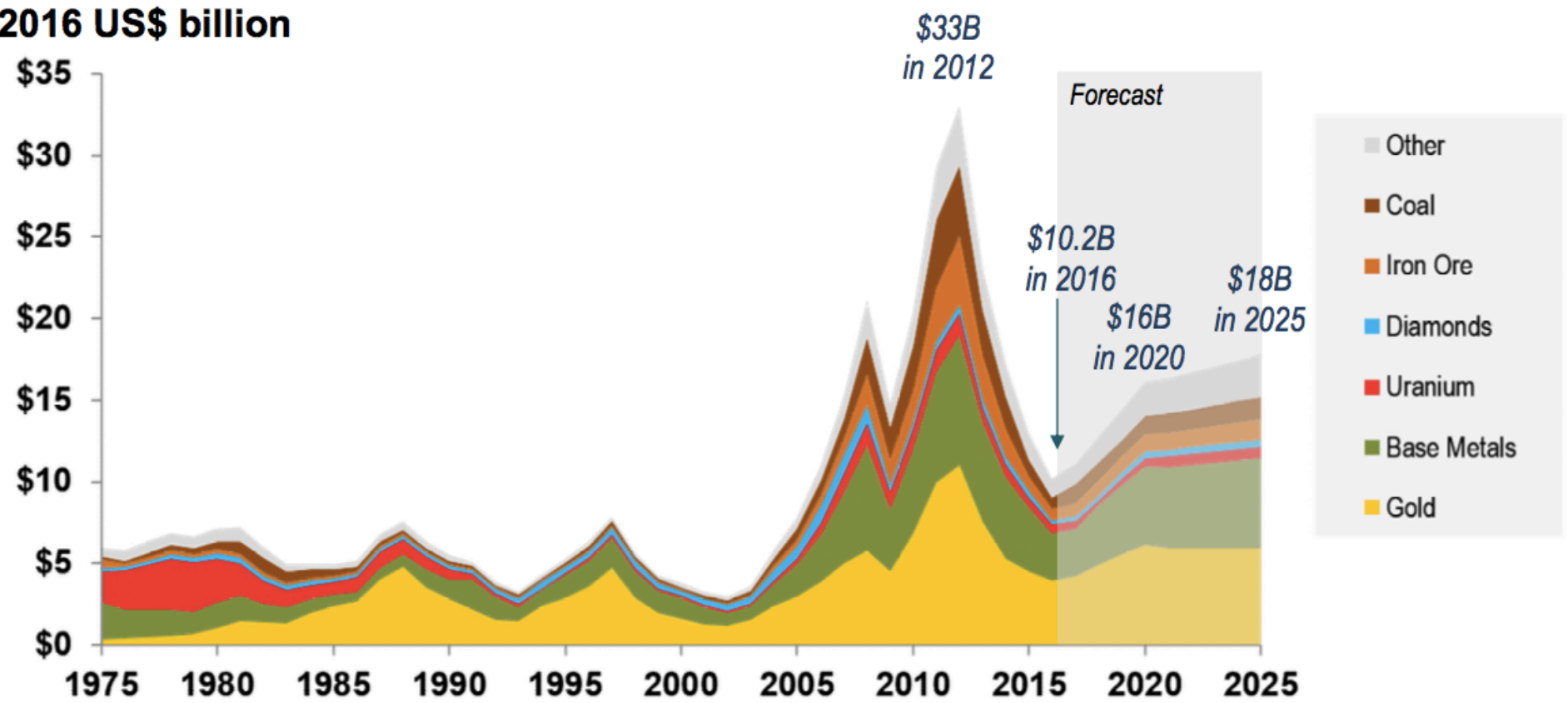
Source: MinEx Consulting March 2017

What type of company is most successful?



Source: MinEx Consulting March 2017

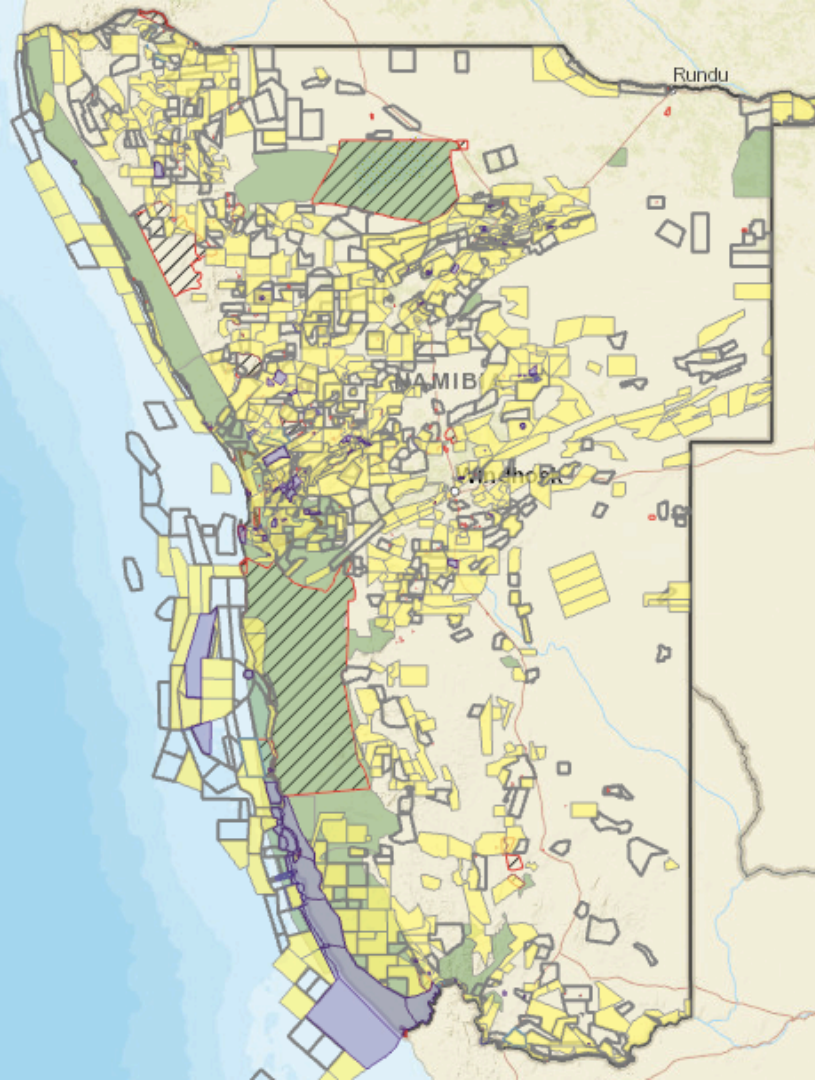
Forecast World Exploration Expenditure (1975-2016)



Sources: MinEx Consulting March 2017, based on data from ABS, NRCAN, MLR (China), OECD and SNL Metals & Mining data, Consensus Economics Feb 2017

World Exploration Trends - Summary

- Dramatic reduction since 2012 worldwide
- Africa losing market share
- Namibia better than average, but still concern
- Junior companies most important
- Less discoveries at higher cost
 - Targets under cover and deeper
 - Trend towards brownfields
 - Increased costs for drilling and geologists
- Outlook positive in medium to long term



How can Namibia
get a bigger slice of
the (growing) pie?



How can Namibia get a bigger slice of the pie

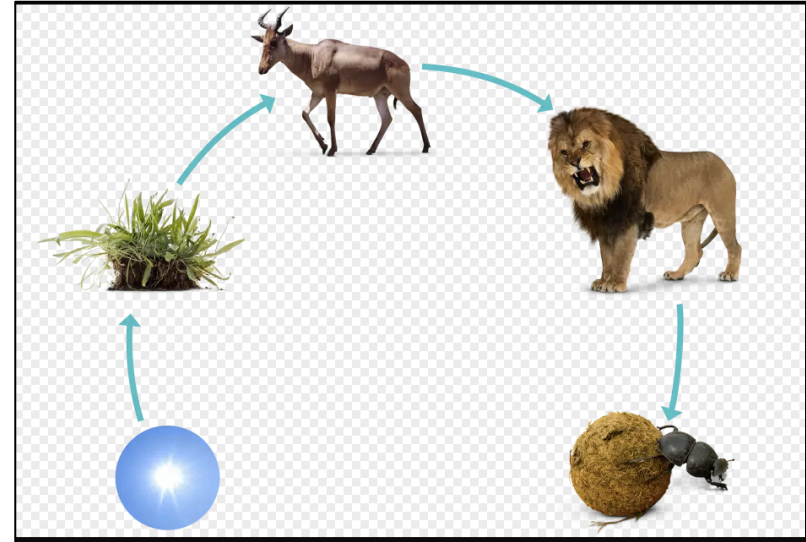
- ? Where does the money come from?
- ? How do exploration investors think?
- ? What do they think of Namibia?
- ? What can (and what can't) we change
- ? What can industry do?
- ? What can GRN do?
- ? Where should we focus our effort?

What can industry do?

1. Encourage junior explorers
 - ✓ Effective exploration committee
 - ✓ Outreach to foreign new-comers
2. Implement/promote Mining Charter
3. Promote (not complain)
 - ✓ Recognise GRN progress, talk positively about it
 - ✓ Sell rationale for (acceptable) empowerment
4. Get more from less
 - ✓ Work together to share ideas and resources
 - ✓ Geological Survey, Geological Society

What can GRN do?

1. Encourage junior explorers
 - ✓ Make life easier (MME, Home Affairs)
 - ✓ Process joint ventures quickly
 - ✓ Exploration is a food chain



What can GRN do? (Continued)

2. Policy certainty

- ✓ Continue NEEEF progress
- ✓ Focus on Investment Promotion Act
- ✓ Fiscal stability

What can GRN do? (Continued)

3. Unlock the country

- ✓ Do not renew dormant EPLs
- ✓ Increase annual licence fees?
- ✓ Quickly process renewals (and rejections)

4. Licensing certainty

- ✓ Avoid backlogs
- ✓ Clear obligations, legally certain conditions
- ✓ Consistent response to behaviour (good & bad)

5. Promote Namibia abroad

- ✓ Mining Indaba, Africa Down Under, PDAC

Summary task list

Industry

- Encourage juniors
- Implement Mining Charter
- Promote (not complain)
- Get more from less

GRN

- Encourage juniors
- Policy certainty
- Unlock the country
- Licensing certainty
- Promote Namibia

Questions?

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