



EPANGELO MINING COMPANY

"Investing on Solid Ground"

MINING EXPO

2014

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CONTENT

- **Overview**
 - **Vision & Mission**
 - **Corporate Profile**
- **Namibia's Development Policy Perspectives**
- **Role of Public Enterprises**
- **Earn-in Framework**
- **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
- Gazetted as an SOE in 2013 under the SOEGC Act

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

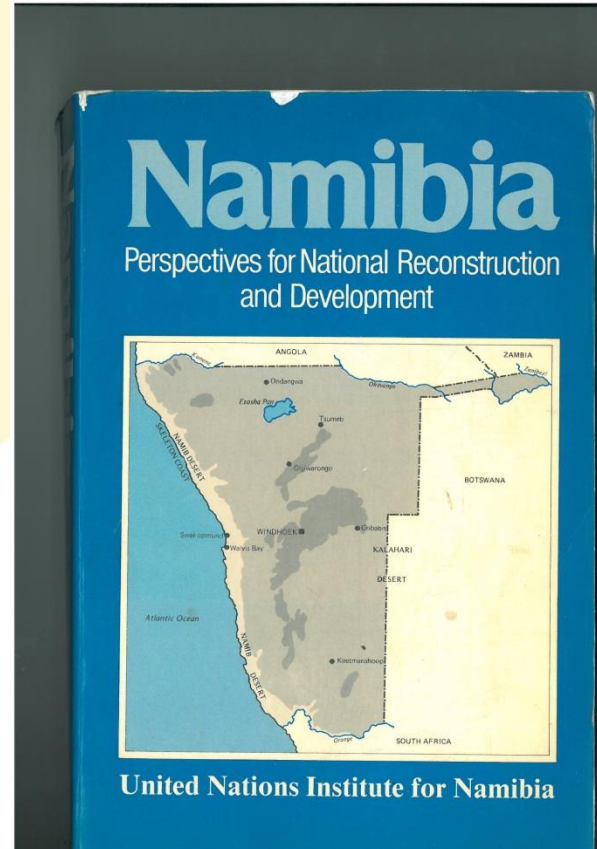
CORPORATE PROFILE

- Company has 5 Directors and 10 employees
- Company owns 40 EPLs
- Funded through the national budget
- Owns 10% of Swakop Uranium
- Based in Windhoek



PUBLIC ENTERPRISES - DEFINITION & ROLE

A Public Enterprise is defined as an organisation that combines the characteristics of an **instrument of public policy** and that of a **business organisation**



NAMIBIA'S POLICY PERSPECTIVES

Vision 2030



Vision 2030 Themes per Sector



Vision 2030 Mining Sector Theme



“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**.”

NAMIBIA'S POLICY PERSPECTIVES

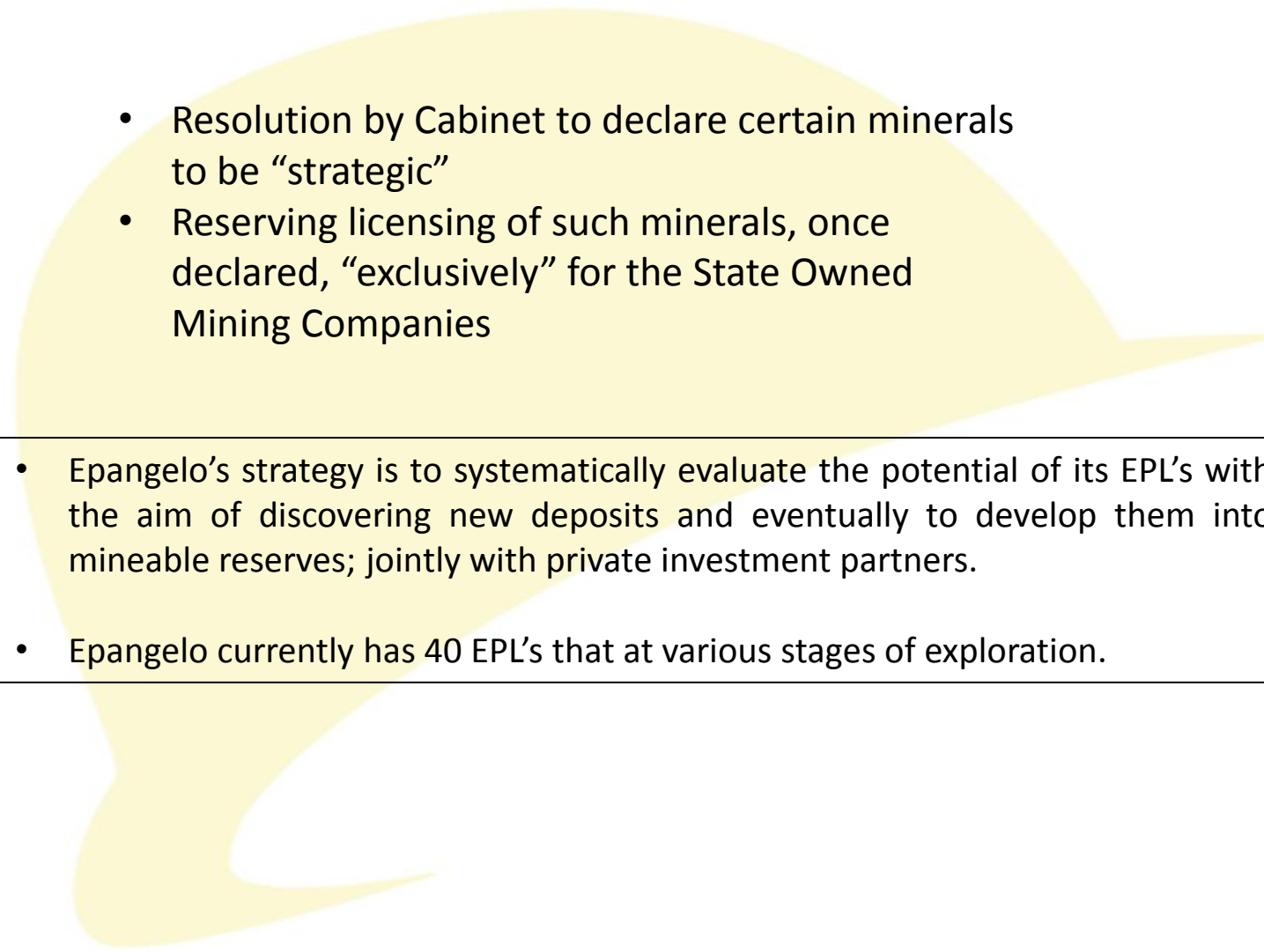
Key issues emanating from mining them in Vision 2030 are:

- “strategy”
- “beneficiate”
- “participate”
- “equity”
- “environment”
- “invest”
- “sustainable”
- “develop human capital”

EPANGELO AS “*INSTRUMENT OF PUBLIC POLICY*”

The principles guiding the company’s *participatory Public Enterprise approach* include:

- Revenue generation for the State (indirectly for the benefit of all Namibians)
- Increased “equitable” Namibian participation and ownership
- Employment creation and “investing in human capital development”
- Diversification of the mining industry (away from dependence on diamonds); including placing emphasis on beneficiation
- Sustainable use of resources (triple bottom line)

- 
- Resolution by Cabinet to declare certain minerals to be “strategic”
 - Reserving licensing of such minerals, once declared, “exclusively” for the State Owned Mining Companies

- Epangelo’s strategy is to systematically evaluate the potential of its EPL’s with the aim of discovering new deposits and eventually to develop them into mineable reserves; jointly with private investment partners.
- Epangelo currently has 40 EPL’s that at various stages of exploration.

EPANGELO AS “A *BUSINESS ORGANISATION*”

The first part of the definition of a Public Enterprise is concerned with WHAT such enterprise is aiming to achieve.

The second part is concerned with the HOW?

The characteristics of Epangelo Mining as a business organization are contained in its Memorandum of Association, which aims at “Exploration, Mining, Mineral Processing, Trading of Minerals and Financing of Businesses”.

EXPLORATION

The exploration process is a series of deductive steps (starting with the conceptual planning stage, through definition stage) that lead to the discovery of minerals.

including:

- **Planning**
- **Literature search**
- **Data accumulation**
- **Area reconnaissance**
- **Target selection**
- **Target appraisal and testing**
- **Orebody development**
- **Mine development and**
- **Mine production initiation.**

Main areas of
concentration

“Discovery” used in this sense is its economic definition as an accumulation of mineral substances that can be extracted at a profit.

John Lindemann, “The Minerals Exploration Process”, *The Mines Magazine*, October 1982

ILLUSTRATION OF EXPLORATION STAGES

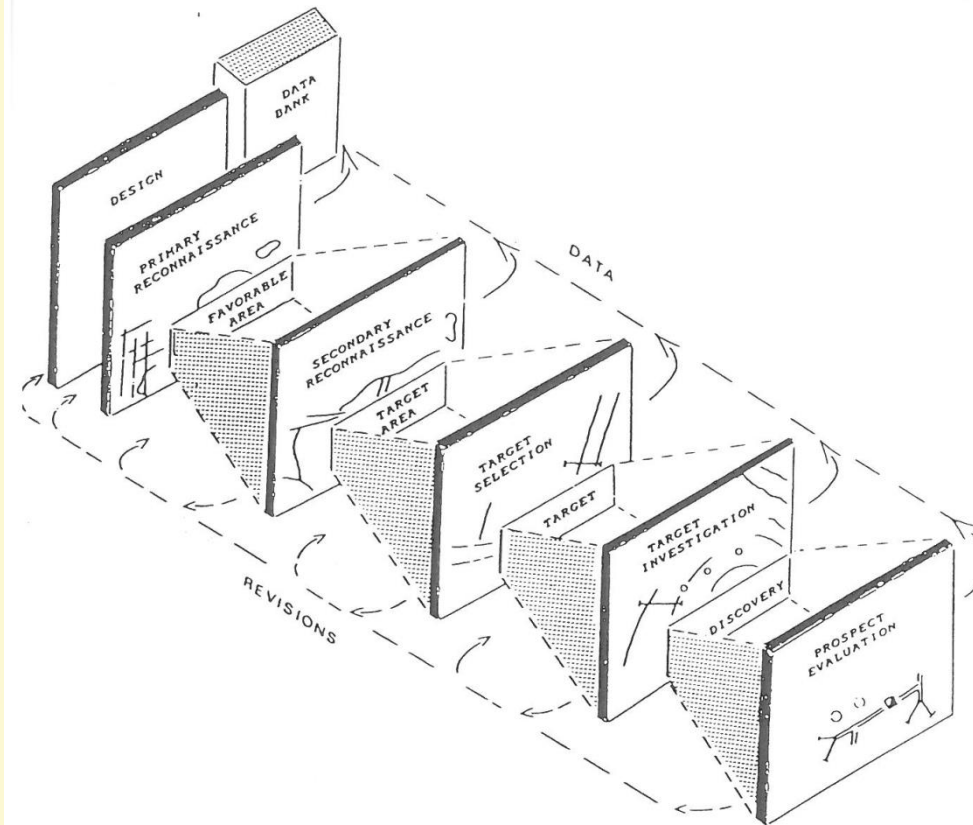
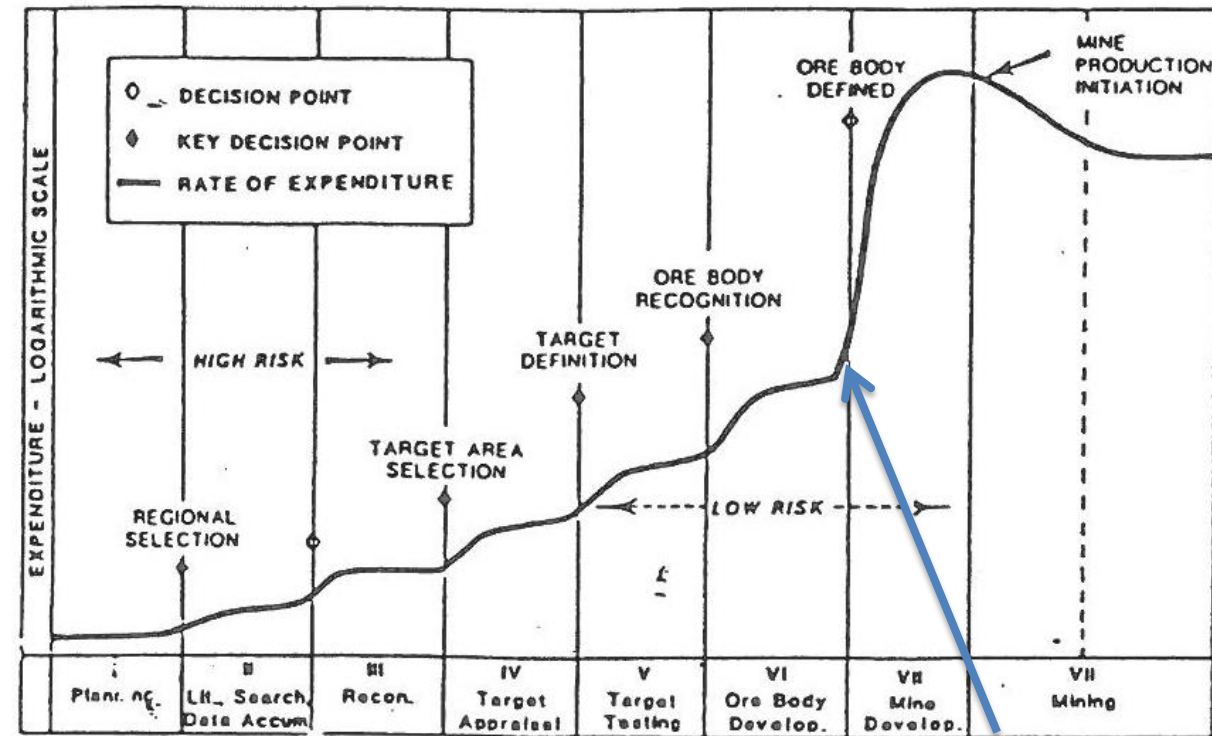


Fig. 4.3.1. Regional geologic exploration sequence.

RISK vs EXPENDITURE

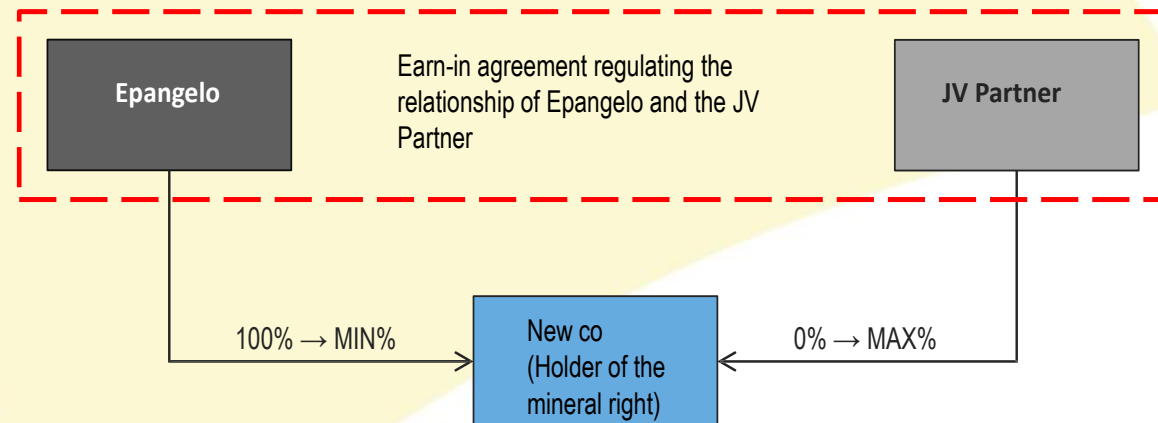
STAGES AND EXPENDITURES IN A MINERAL EXPLORATION PROGRAM



Epangelo current limit

Our Strategy – Current EPLs

Earn-in joint venture structure

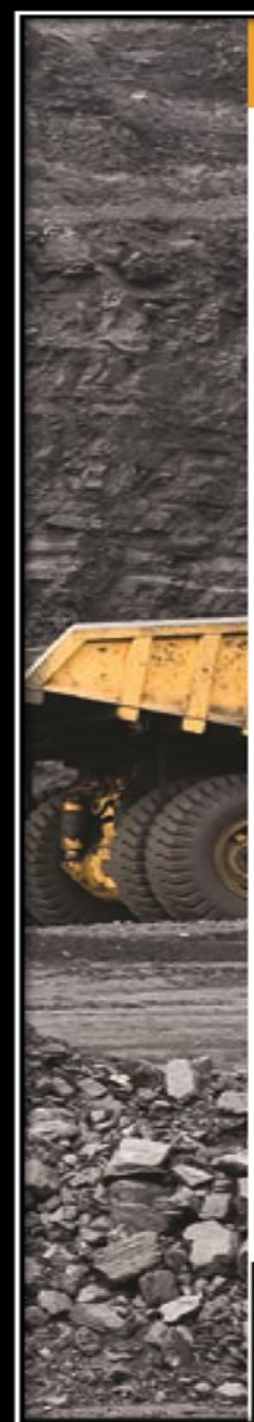




SUMMARY & CONCLUSION

20 YEAR STRATEGIC VIEW

- YEAR 1-5:
 - Establishment (N\$ asset by 2015)
- YEAR 5-10
 - Sustain and Consolidate
 - Financial, Social, Environmental
- YEAR 10-15
 - Return on Investment
- YEAR 15-20
 - Growth, Expansion





CONCLUSION (continued)

WHAT EPANGELO IS NOT

- Epangelo is an instrument of public policy but it does not make policies
- Epangelo does not issue EPLs
- It is not a replacement for private participation in the mining industry
- It is not a BEE
- It is not a substitute for Affirmative action

Questions

