



16 July 2012

## ASX ANNOUNCEMENT

### HIGHLIGHTS

- Mineral resources at Ongombo in Namibia have been reclassified following a surface survey of the borehole collars.
- The January 2012 Maiden JORC compliant “Inferred” resource of 7.25 million tonnes (Mt) at 1.7%Cu and 8g/t Ag for 123,250t copper (270 million lbs) and over 1.8 million ozs silver, based on a cut-off grade of 1%Cu has been upgraded to “Indicated”.
- Based on a 1%Cu cut-off the reclassified JORC compliant resource now includes an inferred resource of 2.53 million tonnes (Mt) at 1.76%Cu and 8g/t Ag and an indicated resource of 4.72 million tonnes (Mt) at 1.60%Cu and 8g/t Ag.
- Namibian Copper NL (“NCO” or “the Company”) announces that it and NGE Resources Inc (“NGE”) have signed a Termination and Mutual Release Agreement. This mutually terminates the share purchase agreement signed 17 January 2012 (the “Agreement”) with respect to NCO’s acquisition of NGE’s base metal projects in Eritrea and to mutually release each other from any and all claims regarding the Agreement.

### THE ONGOMBO PROJECT, NAMIBIA

In 2011 NCO commissioned Coffey Mining of South Africa (Coffey) to undertake an independent review of all available data, on the company’s Ongombo copper deposit on the Matchless Amphibolite Belt in Namibia. Coffey were commissioned to remodel all available data with a view to producing a resource statement for the Ongombo project together with recommendations for the future development of the project.

In January 2012 NCO announced a maiden JORC compliant inferred resource of 7.25 million tonnes (Mt) at 1.7%Cu and 8g/t Ag for 123,250t copper (270 million lbs) and over 1.8 million ozs silver for the Ongombo deposit in Namibia. The Coffey resource statement at a cut-off of 1% copper for the inverse distance weighted model is shown in Table 1.

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<b>Table 1</b>				
<b>Inferred Mineral Resources of the Ongombo Project</b>				
<b>Resource Category</b>	<b>In situ tonnes and grade at 1% Cu cut-off</b>			
	<b>Tonnes (Millions)</b>	<b>Grade Cu (%)</b>	<b>Grade Ag (g/t)</b>	<b>Density (t/m<sup>3</sup>)</b>
Central Shoot	2.47	1.8	8	3.04
East/Ost Shoot	4.78	1.6	8	3.37
<b>Total</b>	<b>7.25</b>	<b>1.7</b>	<b>8</b>	<b>3.26</b>

During February and March of 2012 Greg Symons Geophysics was contracted to verify the position and height of a number of key boreholes at Ongombo using a differential DGPS system. Approximately forty boreholes were tracked down in the field using a handheld GPS. The UTM coordinates supplied were significantly offset from the true position in the field as determined by the handheld GPS. Once this offset had been established the boreholes were easily found. The DGPS was used to resurvey these boreholes accurately with reference to the government survey beacon Oruhungu.

Following the surface survey of the borehole collars, Coffey were commissioned to reclassify the mineral resources at Ongombo. The results of the borehole collar survey have shown that the survey data from the historical boreholes can be considered to be correct. The only change has been a regular shift in position to the south east. The error in the collar positions was due to an incorrect transformation of the Schwarzeck coordinates to WGS 84 based on an assumed position of the drilling grid. The drilling grid was assumed to be the same as the cut lines currently seen on the property and on a Google Earth image. During the survey it was found that the current cut lines are in fact a newer set and that the original drilling grid is completely overgrown.

The difference in the assumed positions and the surveyed positions was nearly constant at 85m West and 48m South. Deviation for the average shift was less than 2m for all except one borehole. Because the borehole positions were internally consistent between the assumed and actual positions, the geology model was not rebuilt and nor was it necessary to re-estimate the mineral resources.

The reclassification was done on the basis of drillhole spacing and variability of the mineralization. In the central zone most of the area was drilled on a grid with borehole spacing's between 50 and 200m. In general blocks estimated with a large number of samples from several boreholes ( $\geq 8$ ) were classified as indicated in the area with dense drilling regardless of the variability in the samples. Samples in areas with less dense drilling or thin mineralization zones required the relative standard deviation to be less than 60% of the mean. All other blocks estimated within the model limits were classified as Inferred. The reclassified mineral resources for Ongombo, based on cut-off grades of 0.5%Cu and 1%Cu are shown in Tables 2 and 3, respectively.

<b>Table 2</b>				
<b>Mineral Resources of the Ongombo Project</b>				
<b>Resource Category</b>	<b>In situ tonnes and grade at 0.5% Cu cut-off</b>			
		<b>Tonnes</b>	<b>Grade Cu (%)</b>	<b>Grade Ag (g/t)</b>
Indicated	Central Shoot	2.49	1.63	8
	East/Ost Shoot	1.1	1.03	7
<b>Total Indicated</b>		<b>3.53</b>	<b>1.43</b>	<b>8</b>
Inferred	Central Shoot	0.67	1.24	13
	East/Ost Shoot	8.7	1.22	7
<b>Total Inferred</b>		<b>9.37</b>	<b>1.22</b>	<b>7</b>

<b>Table 3</b>				
<b>Mineral Resources of the Ongombo Project</b>				
<b>Resource Category</b>	<b>In situ tonnes and grade at 1% Cu cut-off</b>			
		<b>Tonnes</b>	<b>Grade Cu (%)</b>	<b>Grade Ag (g/t)</b>
Indicated	Central Shoot	2.23	1.78	8
	East/Ost Shoot	0.30	1.61	7
<b>Total Indicated</b>		<b>2.53</b>	<b>1.76</b>	<b>8</b>
Inferred	Central Shoot	0.24	1.88	10
	East/Ost Shoot	4.48	1.59	8
<b>Total Inferred</b>		<b>4.72</b>	<b>1.60</b>	<b>8</b>

A further substantial upgrade in the mineral resources at Ongombo is expected within the next few weeks. In May 2012 a total of 30 historical boreholes at Ongombo were re-logged and re-sampled. After detailed logging the half core from the historical boreholes held at the Namibian Geological Survey core sheds in Windhoek was quartered and submitted to Genalysis in Johannesburg for SG determination and sample preparation. A total of 146.14m of half core was cut and re-sampled and a total of 330 samples were submitted for analysis. On completion Genalysis will undertake analysis of the pulps in Perth. The analytical results are expected in the next few weeks.

Because the recent logging and sampling program will provide new additional data from 16 historical boreholes which have not previously been incorporated into the geology model, Coffey will rebuild the geology model and re-estimate new mineral resources for Ongombo. A substantial upgrade in both the size of the resource and the status of the resource is anticipated.

## **ERITREAN PROJECT**

NCO announces that it and NGEx have signed a Termination and Mutual Release Agreement. This mutually terminates the share purchase agreement signed 17 January 2012 (the "Agreement") with respect to NCO's acquisition of NGEx's base metal projects in Eritrea and to mutually release each other from any and all claims regarding the Agreement. Pursuant to the Termination and Mutual Release Agreement, NGEx paid Namibian CDN\$400,000 to cover the costs incurred by Namibian in connection with the Agreement.

Having completed substantial due diligence on the Eritean projects the Board concluded that continuation with the acquisition entailed unacceptable risk for the company and therefore the decision was taken not to proceed and to negotiate a termination.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Kathleen Body, Principal Consultant Resources at Coffey Mining Johannesburg, registered as a Professional Natural Scientist with the South African Council for Natural Scientific Professions. She 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 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Kathleen Body consents to the inclusion of this information in the form and context in which it appears in this report.*