

19 April 2013

ASX ANNOUNCEMENT

Independent Scoping Study and Valuation of Ongombo

HIGHLIGHTS

- Independent Scoping Study by Coffey Mining of Johannesburg, (“Coffey”) confirms viability of developing the Ongombo copper-silver-gold project (“Ongombo”) in Namibia.
- Ongombo is 80% Namibian Copper NL (“NCO”); 15% BEE partner Starlight Investment Holdings (Pty) Ltd; and 5% Avanti Resources Pty Ltd.
- A ten year mine plan producing an estimated 70,149 tonnes LOM copper is proposed in the Scoping Study based on a mineral inventory of 5.75M tonnes at 1.4% Cu, 7g/t Ag and 0.32g/t Au
 - The mineral inventory is drawn from total JORC compliant Measured, Indicated and Inferred Resources of **10.46M** tonnes
 - Total Resources comprise Measured plus Indicated Resources of **6.71M** tonnes @ 1.52% Cu; 8g/t Ag, and *0.32g/t Au. (*Au is Inferred); and Inferred Resources of **3.75M** tonnes @1.70% Cu; 9g/t Ag, and 0.32g/t Au.
 - Infill drilling of the Inferred resources and exploration within the additional conceptual exploration target which is estimated to be in the order of **10-12M** tonnes at 1.6-1.8% Cu, would increase the life of mine (“LOM”) of the project beyond 10 years. The potential quantity and grade of the exploration target is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource and that it is uncertain if further exploration will result in the determination of a Mineral Resource.
- The Scoping Study proposes a combination of conventional stope mining and room and pillar mining with a design mining tonnage of 720,000 tonnes per annum
- Three economic options have been considered.
 - An independent “stand alone” mine.
 - Toll treatment
 - An integration with a third party, where capital and infrastructure costs are reduced
- Assuming a discount rate of 12%, and exchange rates of 9.25N\$:US\$ and March 2013 copper prices prevail over the ten year period the discounted cashflow analysis provide NPV’s of US\$23M for the “stand alone” option; US\$34M for the toll treatment option, and US\$36M for the integrated arrangement. At a discount rate of 5% the NPV’s are US\$48M, US\$57M, and US\$60M, respectively.

- Assuming March 2013 metal prices are sustained, payback period of 4 years with IRR of 24% for the “stand alone” option, and 3 years with IRR of 38% for the toll treatment option, and 3 years with IRR of 39% for the integrated arrangement.
- Production costs are US\$2.15/lb for the “stand alone” option, and US\$1.77/lb for the toll treatment option and the integrated arrangement.
- Coffey concluded that the Ongombo deposit can be mined economically at a $\pm 50\%$ confidence level and that the project can be taken to the next development phase

Namibian Copper NL (“NCO” or “the Company”) is pleased to announce the results of an Independent Scoping Study and Valuation of the Ongombo Project in Namibia, by Coffey Mining of South Africa.

NCO’s Chairman, Mr. Colin Ikin commented:

“The independent scoping study and valuation completed by Coffey Mining confirms that NCO’s plan to mine copper, silver and gold concentrates at Ongombo are robust and can generate significant returns for NCO and its shareholders. The ten year plan has been based on resources limited predominantly to Indicated and Measured Resources at Ongombo and does not include Inferred Resources in some parts of the deposit. Considerable potential also exists to extend mine life by testing the down-plunge extensions of the established mineralisation”.

NCO recently commissioned Coffey Mining in Johannesburg to undertake an independent scoping study and valuation of the Ongombo copper deposit in Namibia. The study has investigated the options of a standalone underground mine versus an option for toll treatment. Results of the study indicate the Ongombo deposit can be mined economically and is relatively robust at a $\pm 50\%$ confidence level, and that the project can be taken to the next phase of development.

NCO will now focus on the definition of Mineral Resources, the geotechnical environment, mineralisation properties and beneficiation potential. More advanced hydrological, environmental and social-economic studies will allso be initiated.

The abbreviated Executive Summary of the Coffey Mining Independent Scoping Study and Valuation is presented below:

EXECUTIVE SUMMARY

Namibian Copper NL (NCO) requested Coffey Mining (Pty) Ltd (Coffey Mining) to undertake a Scoping Study on the company’s Ongombo project near Windhoek, Namibia. The primary objective of the Scoping Study is to verify that the Ongombo Copper Project is potentially viable at a concept study level.

The Scoping Study is based on an estimate of the Mineral Resources completed in September 2012 (Quarterly Report December 2012). Since no metallurgical testwork has been completed an assumption that the deposit is similar, metallurgically, to the neighbouring Otjihase deposit has been made and that the plant design and throughput would be similar. As the geology is similar to Otjihase a further assumption is that the rock properties would be similar.

Ownership and Property Description

The NCO tenement is situated in the Khomas region of the Windhoek District of Namibia. The tenement covers an area of 14,524Ha. Namibian company Gazania Investments Thirty Two (Pty) Ltd Joint Venture is the sole legal and beneficial owner of EPL 3238 issued by the Ministry of Mines and Energy in Windhoek, Namibia.

Metallurgy

The flowsheet incorporates crushing and ball milling to liberate the minerals, and flotation plus concentrate and tailings handling and storage. The preliminary plant design and layout was based on the process used at Otjihase.. The Otjihase concentrator is designed as a sequential flotation plant treating a base metal sulphide mineral deposit. The economic metals in the ore are copper and silver with pyrite and small amounts of gold. Historically, the flotation plant sequentially produced copper concentrate, and pyrite concentrate with silver being primarily contained in the copper concentrate. An overall recovery of 87% is assumed from an average plant head grade of 1.40% copper.

The flowsheet option proposed is based the flotation operation at Otjihase to derive a scoping study estimate of plant capital costs. The optimum process route may be established on completion of testwork and during the feasibility phase of the study. The processing facility capital cost for the purpose of this exercise is somewhat simplified in both the comminution and recovery aspects.

For preliminary assessment process work, a treatment rate of 60,000tpm has been used. The study process design criteria are shown in Table 1.

Table 1 Ongombo Copper Project - Process Design Parameters		
Criteria	Units	Ongombo
Design annual tonnage	tpa	720,000
LOM	Years	10
Overall utilisation	Crushing %	75
	Milling/flotation %	95
Operating hours per annum	Crusher hours	4,200
	Milling/flotation hours	7,835
Specific gravity	t/m ³	Ave 3.1
Design capacity	Crushing tph	172
	Milling tph	92
Head grade	% Cu	1.4
Cu Recovery	%	86-92
Contained copper recovered	tpa	9 000 (est)
Gold and Silver Recovery	%	75
Pyrite Recovery (50%S)	%	75

The proposed flowsheet includes:

- Primary crushing
- Secondary crushing
- Ball milling
- Reagent handling
- Copper flotation
- Pyrite flotation
- Concentrate dewatering
- Tailings thickening
- Tailings disposal.

Infrastructural requirements such as power and water are assumed to be available for the plant. The crushing plant has been designed to crush ore at a rate of 172 tonnes per hour to a product size of minus 13mm. The crushed product will be milled in a single ball mill in closed circuit with a hydrocyclone to produce a product with ~30% solids and P80 of 75-150 micrometer for flotation.

Final milled product is pumped to conditioner tanks ahead of copper rougher, cleaner and recleaner flotation. Copper rougher concentrate is pumped to the cleaner stage. Copper recleaner concentrate is dewatered and stored ahead of road transportation. Copper rougher tailings are reconditioned and processed in a pyrite flotation circuit. Pyrite rougher flotation tailings are thickened and pumped to the TSF while pyrite concentrates are pumped to a storage area. The flotation circuit will be designed to cater for the two mineral types, notably chalcopyrite and pyrite.

Mineral Resources

A Mineral Resource was estimated for the Central and East Shoots in September 2012. These shoots form “pencil shaped” shallow northeast plunging structures within a shallow northwest dipping planar zone. The Central Shoot is structurally lower than the East Shoot. The Mineral Resource Estimation describe below forms the basis from which the current study follows.

Table 2 Ongombo Copper Project - Mineral Resources of the Ongombo Project						
Resource Category	In situ tonnes and grade at 0.6% Cu cut-off					
	Tonnes (Millions)	Cu (%)	Ag (g/t)	Au (g/t)-	Density (t/m³)	Sulphur (%)
Measured*						
Central Shoot	1.17	1.83	9	0.32	3.10	7.49
Est/Ost Shoot	-	-				
Indicated*						
Central Shoot	0.57	1.92	10	0.32	3.07	8.3

Est/Ost Shoot	4.97	1.4	7	0.32	3.12	8.8
Total Measured and Indicated	6.71	1.52	8	0.32	3.11	8.5
Inferred						
Central Shoot	0.93	1.43	7	0.32	2.94	8.7
Est/Ost Shoot	2.82	1.79	9	0.32	3.10	11.9
Total	3.75	1.70	9	0.32	3.06	11.1
*Measured and Indicated Mineral Resource for Cu and Ag only. Au is Inferred.						

Final composites for the Central and East Shoot South and East Shoot Central, were taken as a maximum of two metres and all composites less than 1.05m were diluted to 1.05m. Final composites for the East Shoot North were chosen from a set of calculations giving a minimum composite of 4, 4.5, 5 and 5.5m upwards from the bottom contact of the mineralization. This contact is usually distinct and easily followed during mining, the top contact is gradational and irregular. Composites were chosen to maximize copper, silver and gold content and grade along a section and to give large areas of uniform thickness for the planned room and pillar mining. Optimal cuts were chosen by hand and coded in the borehole file for selection.

Composite grades were estimated into the blocks using nearest neighbour (NN) and Inverse Distance weighting (IDW) methods. The IDW estimates were compared to the NN estimation to check that blocks results were representative of the search area and that extreme values did not result in over estimation of the local area. Final estimates were chosen as one of the six IDW estimates that best estimated the high and low grades tails of the grade distribution.

Mineral Resources were not reclassified for this exercise. For the Central Shoot, only areas classified as Measured or Indicated in the September 2012 estimation were used in the mining study.

All Mineral Resource classifications for the East Shoot South and Central were considered for the mining study. However, Inferred Mineral Resources were only included where they could not be separated from the main mining areas. These are volumetrically insignificant. Indicated Mineral Resources in The East Shoot North were used in the mining study. The Inferred Mineral Resources of the far north of this shoot were excluded.

Rock and Mining Engineering

The Mineral Resource considered in the Scoping Study is made up of four areas, the Central Block, East Block, East Central Block and the East Shoot North. The first three blocks are thin (<2m thick) in nature, while the fourth block is wide, more than 3m but less than 5m thick. Due to the difference in the seam heights two mining methods are envisaged; conventional stoping using pneumatic rock drills and scrapers, and bord and pillar mining. In the first three blocks (Central, East South and East Central) the deposit under consideration is a narrow, intermediate dipping (15° to 20°) tabular body and as such is amenable to a conventional mining approach common to South African narrow gold and platinum mining. Options of both breast and dip mining were considered for extraction of the three areas with breast mining being the preferred mining method as it is possible to establish mining quicker with less preproduction development.

Based on geotechnical inputs an extraction rate of 86% has been used for all conventional stopes and a 71% extraction for the bord and pillar section. The minimum mining cut selected for conventional mining is 105cm and in some cases areas have been diluted to this cut. Due to the low grade nature of the deposit, stoping width control will be a critical aspect of mining and it will be very important that grade is not sacrificed for tonnage. Coffey Mining has included no additional dilution from the hangingwall, but a 5% dilution factor has been applied for gully and winch cubby development. In the bord and pillar section no dilution has been applied.

Based on the application of the dilution and mining losses that would result from the mining methods selected in the Scoping Study, the Ongombo mineral inventory (modified Mineral Resources) is summarized in Table 3.

Table 3 Ongombo Copper Project - Mineral Inventory					
Area	Resource Classification	Tonnes	Grade Cu (%)	Grade Ag (g/t)	Grade Au (g/t)
Central Block		1 845 000	1.69	9	0.32
East Block		1 035 000	1.12	6	0.32
East Central Block		642 000	1.16	6	0.32
East Deeps		2 228 000	1.36	7	0.32
Total		5 750 000	1.40	7	0.32
Note: Appropriate rounding has been applied.					

Access

Coffey Mining proposes to access the Ongombo deposit via a twin ramp system utilising trackless mobile mining equipment. As the economic portion (based on this Scoping Study) of the Ongombo deposit is from near surface to 500m below surface, the use of vertical or inclined shafts is ruled out due to capital and operating cost, as well as the low tonnage profile and short life of mine. A vertical shaft may warrant consideration for sections of the deposit beyond 300m vertical depths provided sufficient Mineral Resource is discovered to support the anticipated capital expenditure.

Appropriate surface sites for the access portals have not as yet been considered and no geotechnical analysis work has been completed. The final positioning of the portal position will be undertaken during the completion of the Pre-feasibility or Feasibility study. Using the proposed trucking fleet of 30t trucks as a basis, a minimum of 5.0m wide and 5.0m high or larger decline is required. The initial development down through the soils and weathered surface zone can be considered as the portal and represents the interface between surface and underground. The support strategy for the portals will be devised to suit the conditions encountered at the chosen sites.

The 1,430m long decline ramp and +2,213m haulage will be developed to the base of the Central and East areas using electric-hydraulic twin boom jumbos, capable of achieving 3.5m advances per blast. Cleaning will be done with LHDs, loading into the 30t trucks, which will haul the development waste to surface or to the conveyor belt depending upon the position of the development ends.

The support recommendation for the access decline is rock bolts 2.4m long requiring nine (9) rock bolts per 3.5m advance. Where required, fibre reinforced shotcrete should be installed with a thickness of 50mm on the roof and on the sides. For costing purposes 100% of the ramp access will have systematic bolt cover. It is anticipated that the declines may have to traverse fault zones which may be water bearing with very poor rock conditions. If this occurs it may be necessary to support through such zones with arches and concrete lining or long anchors and shotcrete. Provision will need to be made for the costs of this. A provision of N\$3.5 million has been made for supporting the traversing of fault zones.

Mining Method Central Shoot, East Shoot South and East Shoot Central

Each raise will be serviced by an ore pass, tipping into a crosscut off of the footwall haulage. Each raise will be serviced by footwall drive access and a short crosscut/travel way to the stope at the bottom of the raise. Stope face advance is planned on 12m per month.

The conventional stoping will be mined on breast with 20m spans and strike pillars below the gullies with dimensions varying with depth and mining width. Since the channel width is sometimes less than 90cm a minimum stope width of 1.05m will be maintained with the top limit being 2.0m allowing for the safe installation of stope stick support.

The pillars down to 100m depth are 3m by 8m, deeper mining will have 4m by 8m pillars except where mining width exceeds 1.5m. Stoping will be supported on mine poles spaced at 1.5m on dip and strike. Roof bolting with 0.8m splitsets may be required as face support spacing will also be 1.5m.

Raise and gully support will be a 1.5m pattern of 0.8m splitsets.

Mining Method East Shoot North

For the deep East Shoot North a decline will be developed down the plunge of the mineralized zone at approximately 7.5°. Stopes (rooms) or bords are driven off this decline in an opposite direction and subsequent stopes can be mined out sideways down dip following the slope of the floor. Mining continues for 6m (maximum span) and at this point the 7m pillars are left in place for support.

Mining drives will be on an apparent dip of 10.7° with square pillars. The pillar sizes will depend on mining width. The geological information indicates that the mining width will not usually exceed 4m so 7m by 7m pillars with 6m bords will be the norm. Pillar dimensions were designed to support 200m of overburden with a factor of safety of 1.5.

Production Schedule

The planned production schedule for the Ongombo Copper Project from operating levels is shown in Table 4. Production is generally sourced from four conventional stopes operating over two to three working levels and two bord and pillar sections. The production schedule also reflects the anticipated plant recovery. The reader should note that these recoveries are on based on Otjihase copper mine and that metallurgical testwork is required to confirm these recoveries.

Description	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11
Tonnage (Ktpa)	0	0	480	683	720	720	720	720	720	720	267
Cu Head Grade (%)	0	0	1.73	1.67	1.65	1.13	1.14	1.30	1.36	1.36	1.36
Ag Head Grade (g/t)	0	0	8.97	8.69	8.24	4.85	4.10	5.01	6.93	6.93	6.93
Au Head Grade (g/t)	0	0	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32
Recovery Copper (Cu)	0	0	92	92	92	82	82	85	85	85	85
Recovery Silver (Ag)	0	0	75	75	75	75	75	75	75	75	75
Recovery Gold (Au)	0	0	75	75	75	75	75	75	75	75	75

Capital and Operating Costs

The scoping study plant capital cost estimate is shown in Table 5. The basis of this scoping estimate is factored costs from equipment capital cost information. The capital cost estimate and capital schedule is based on the proposed mine design and is depicted in Table 6. A total of N\$602 million is required to support the life of mine plan including the metallurgical plant (Table 7)

Discipline	%	Total Value (N\$)
Earthworks	1.25	2,333,554
Civils	2.58	4,815,719
Structural & Steelwork	3.34	6,225,250
Mechanical & Equipment	57.13	106,559,650
Electrical	12.06	22,487,657
Instrumentation	4.02	7,495,886
Sub Total Field costs	80.37	149,917,716
EPCM	14.87	27,734,777
Sub Total	95.24	177,652,493
Contingency	4.76	8,882,625
Total Cost Estimate	100	186,535,118

Table 6 Ongombo Copper Project - Mining Capital Expenditure

No.	Description	Price (N\$)	Total Value (N\$)
2	Twin Boom Drill Rig	9,000,000	18,000,000
	Stope Equipping		36,800,000
2	Development LHD	12,775,000	25,551,000
2	Utility vehicles and lift	2,400,000	4,800,000
5	30t Haul Truck Sandvik TH430	5,010,750	25,053,000
3	Pumps	265,000	797,000
5	Light-duty Vehicles	425,000	2,125,000
1	Emulsion Truck	680,000	680,000
2	Diamond Drill	1,322,000	1,322,000
SubTotal	Mine equipment		115,128,000
4	Main Fans and development fans & accessories	505,000	17,170,000
	Ventilation structures provision		4,250,000
SubTotal	Ventilation		21,420,000
	Portal Development	2,500,000	5,000,000
	Fault Development	3,500,000	3,500,000
	Decline Development		94,956,000
	Conveyor Haulage		48,231,000
	Ventilation Raise		8,634,000
	Underground Conveyor		72,500,000
	Capital Development		232,821,000
639 m ²	Mine Office		6,248 000
964 m ²	Change House		15,283,000
553 m ²	Mine Warehouse		3,959 000
1,325 m ²	Surface Shop and Equipment Workshop		20,179,000
1	Explosive Magazine		425,000
1	Explosive Silo		425,000
SubTotal	Surface Infrastructure		46,519,000
Total			415,888,000

Table 7 Ongombo Copper Project - Total Capital Cost Summary (N\$Millions)									
Year	1	2	3	4	5	6	7	8	Total
Portal support	5.0								5.0
Infrastructure	46.5	0	0	0	0	0	0	0	46.5
Development & Conv	42.9	45,8	32.8	30.1	30.1	23,6	15.7	3.3	224.3
Equipment	51.0	45.7	18.4	0	0	0	0	0	115.1
Ventilation Fans/Civils	21.4		0	0	0		0	0	21.4
Concentrator	93.3	93.3	0	0	0	0	0	0	186.5
Fault Development	0	0	0	0	3.5	0	0	0	3.5
Total	260.2	184.7	51.2	30.12	33.6	23.6	15.7	3.3	602.4

Economic Evaluation

Coffey Mining undertook the financial analysis of three different operating options for the Ongombo project:

- An independent “stand alone” mine selling concentrate.
- An underground operation at Ongombo utilising toll treatment.
- An integrated arrangement with a third party, where capital and infrastructure costs are reduced

The following assumptions were applied in the input to the financial models:

- The Ongombo mine will operate as described in the mining section of this report, producing 720,000tpm ROM at steady state.
- There is a two year construction period before production starts.
- The smelter, refining, transport and shipping charges are deducted from the revenue received from the smelter to determine the true revenue received for Royalty and Tax calculations.
- The payment factors for the copper, gold and silver are benchmarked on statistics obtained from similar operations in the vicinity.
- A discount rate of 8% can be used for an operating mine where there is high certainty on costs and recoveries, etc. However, a discount rate of 12% was used in the Technical Economic Model (TEM) as this is a Greenfields project. Normally a +15% discount rate is used in a Greenfields assessment, but due to the similarities with Otjihase mine close by, 12% was used.
- The LME Copper Cash Settlement price of US\$3.43/lb (US\$7,570/tonne) as on Wednesday 27 March 2013 was used in the model.

- In Option 1 Ongombo will produce a concentrate which it will sell to a smelter.
- In Option 2 the plant working cost for toll treatment would add an additional 15% to the plant working cost.
- In Option 3 the Ongombo feed is modelled as feed to the Otjihase concentrator. The plant working cost in this scenario does not have the 15% margin added to it.

Ongombo worked as part of Otjihase operation has the highest NPV. This is due mainly to two factors; 1) no new concentrator plant is required, and 2) there is no penalty (15%) applied for the processing of the ore at Otjihase.

The next highest NPV is obtained through the transportation of the ROM ore to Otjihase.

The least profitable option reviewed is the standalone mine scenario producing its own concentrate and selling it to a third-party smelter. Table 8 compares the three options.

Table 8 Ongombo Copper Project - Evaluation Results			
Parameter	Option 1 Own Concentrator	Option 2 ROM Toll Treatment	Option 3 Part of Otjihase
Discount Rate	12%	12%	12%
Net Present Value	N\$214.2M	N\$315.8M	N\$337.5M
IRR	24%	38%	39%
CAPEX	N\$651,1M	N\$470.7M	N\$470.7M
Production Cost	US\$2.15/lb Cu	US\$1.77/lb Cu	US\$1.77/lb Cu
Mining Rate	720,000tpa ROM	720,000tpa ROM	720,000tpa ROM
LOM Copper produced ('000)	70,149 tonne	70,149 tonne	70,149 tonne
Life of Mine	8 years	8 years	8 years
Payback period	4 years	3 years	3 years
Breakeven Copper Price	US\$2.99/lb	US\$2.77/lb	US\$2.16/lb

The project NPV is most sensitive to revenue, then to working costs and lastly capital (Figure 1; & Table 9).

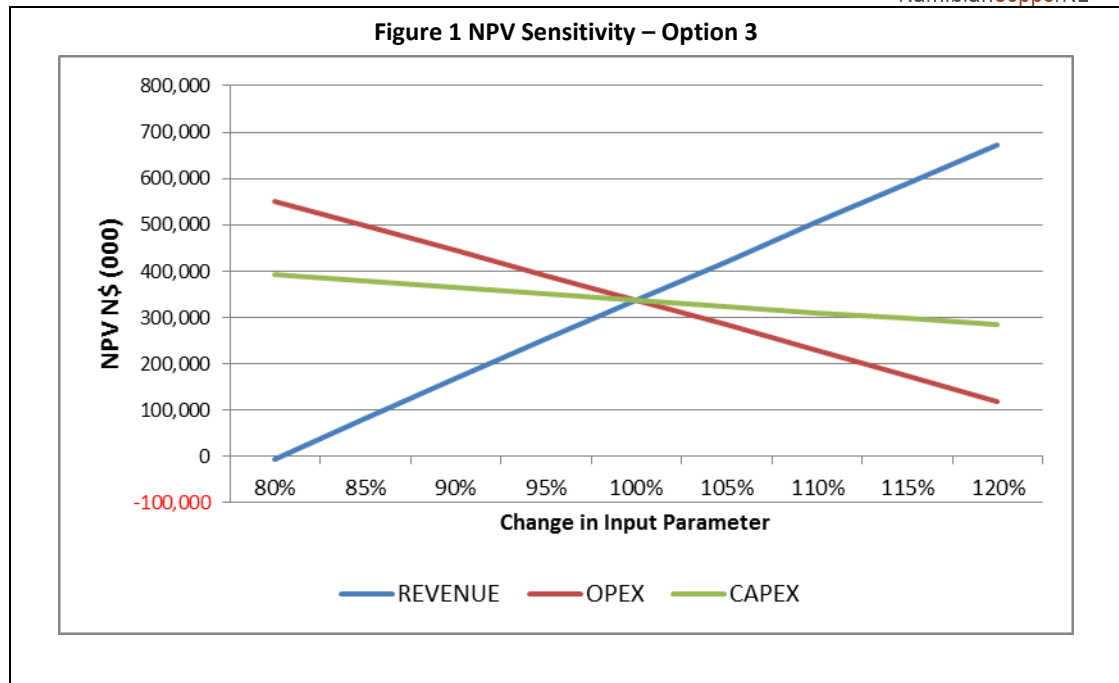


Table 9 Ongombo Copper Project - NPV Sensitivity – Option 3

% CHANGE	REVENUE (N\$ '000)	OPEX (N\$ '000)	CAPEX(N\$ '000)
80%	-6,880	551,640	391,470
85%	81,410	498,100	377,970
90%	167,690	444,560	364,470
95%	253,120	391,020	350,970
100%	337,480	337,480	337,480
105%	421,390	283,620	323,980
110%	505,300	228,700	310,480
115%	589,210	173,780	296,980
120%	673,120	118,800	283,490

For further information, please contact:

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

The information in this report that relates to 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.