

**Namibian Copper NL
(ACN 118 913 232)**

**NOTICE OF GENERAL MEETING
AND
EXPLANATORY STATEMENT
AND
INDEPENDENT EXPERT'S REPORT**

**General Meeting to be held Level 4, 66 Kings Park Road West Perth on 12 March 2012
commencing at 10 am (WST).**

This Notice of Meeting, Explanatory Statement and Independent Expert's Report should be read
in its entirety.

If Shareholders are in doubt as to how to vote, they should seek advice from their accountant,
solicitor or other professional adviser without delay.

The Independent Expert reporting on the Acquisition concludes that the acquisition is **FAIR AND
REASONABLE** to the
non-associated Shareholders of the Company.

PROPOSAL FOR THE ACQUISITION OF SANU RESOURCES, INC. (BVI)

General Information

This Notice of Meeting and Explanatory Statement sets out information about the proposed acquisition of Sanu Resources, Inc (“Sanu”).

Completion of the Acquisition will result in:

- (a) the Company acquiring Sanu.
- (b) the Company acquiring new exploration prospects in Eritrea.
- (c) the Company expanding its asset base and exploration prospects.

Further details of the Acquisition are provided in Section 2 of the Explanatory Statement. A short explanation of each Resolution to be considered at the General Meeting is set out in Section 3 of the Explanatory Statement. Definitions of capitalised terms used in the Notice of Meeting and Explanatory Statement are set out in Section 6 of the Explanatory Statement.

The Resolutions are important and affect the future of your Company. You are urged to give careful consideration to the Notice of Meeting and the contents of the Explanatory Statement.

NOTICE OF GENERAL MEETING

Namibian Copper NL (ACN 118 913 232)

Notice is given that a General Meeting of Shareholders of Namibian Copper NL will be held at Level 4, 66 Kings Park Road West Perth WA on 12 March 2012 commencing at 10 am (WST).

Business

The business to be transacted at the General Meeting is the proposal of the Resolutions 1 and 2 as set out below.

Resolution 1 – Issue of Shares – Placement

To propose and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, in accordance with Listing Rule 7.1 and for all other purposes, approval be and is hereby given, to the issue of Shares to raise \$5,000,000 at an issue price of 80% of the average trading price of Shares in the 5 trading days prior to their issue, as detailed in the accompanying Explanatory Statement.”

Resolution 2 – Approval for the Acquisition of Sanu pursuant to the Share Purchase Agreement

To propose and, if thought fit to pass the following resolution as an **ordinary resolution**:

“That, in accordance with section 611(7) of the Corporations Act and for all other purposes, approval be and is hereby given for the Company to acquire all of the issued capital of Sanu in consideration for:

- (a) the Company issuing a total of up to 35,000,000 Shares to Sanu Resources or its nominee; and*
- (b) the Company issuing a total of up to 15,000,000 Shares to NGEx or its nominee; and*
- (c) the performance of the Company of all of its obligations under the Share Purchase Agreement;*
- (d) the increase in voting power of the Vendors as a result of the issue of the Shares under paragraphs (a) and (b) to this Resolution;*

on the terms and conditions set out in the Explanatory Statement.

Expert Report: Shareholders should carefully consider the Independent Expert’s Report prepared by Stantons International for the purposes of Shareholder approval for Resolution 2 under Section 611 (Item 7) of the Corporations Act, as attached to this Notice. The Independent Expert’s Report comments on the fairness and reasonableness of the transactions to the non-associated Shareholders in the Company.

Voting Exclusion Statement

The following voting exclusion statement applies to the Resolutions under the Listing Rules or where applicable, the provisions of the Corporations Act in relation to the following persons (**Excluded Persons**). The Company will disregard any votes on the following Resolutions cast by the following Excluded Persons:

Resolution Number.	Title	Excluded Persons
1	Placement of Shares	Any person who may participate in the proposed issue and any person who might obtain a benefit, except a benefit solely in the capacity of a security holder of ordinary securities, if the Resolution is passed, and any of their Associates.
2	Approval for the Acquisition of Sanu	The Vendors and any of their nominees and any of their Associates.

However the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Explanatory Statement

The accompanying Explanatory Statement forms part of this Notice of Meeting and should be read in conjunction with it.

Shareholders are specifically referred the Independent Experts Report as to the fairness and reasonableness of the proposed acquisition of Sanu.

Proxies

Please note that:

- (a) a Shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company;
- (c) a Shareholder may appoint a body corporate or individual as its proxy;
- (d) a body corporate appointed as a Shareholder's proxy may appoint an individual as its representative to exercise any of the powers that the body may exercise as the Shareholder's proxy; and
- (e) Shareholders entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the body corporate should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that body corporate's representative. The authority may be sent to the Company or its share registry in advance of the General Meeting or handed in at the General Meeting when registering as a corporate representative.

Voting Entitlements

In accordance with Regulations 7.11.37 and 7.11.38 of the Corporations Regulations 2001, the Company has determined that a person's entitlement to vote at the General Meeting will be the entitlement of that person set out in the register of Shareholders as at 5:00 pm (WST) on 9 March 2012. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlement to attend and vote at the General Meeting.

Dated: 10 February 2012

By Order of the Board

Colin Ikin
Director
Namibian Copper NL

**EXPLANATORY STATEMENT
TO SHAREHOLDERS
OF
NAMIBIAN COPPER NL**

IMPORTANT NOTICE

Shareholders should read this Explanatory Statement and the accompanying Independent Expert's Report in full and if they have any questions, obtain professional advice before making any decisions in relation to the resolutions to be put to Shareholders at the meeting.

This Explanatory Statement includes information and statements that are both historical and forward-looking. To the extent that any statements relate to future matters, Shareholders should consider that they are subject to risks and uncertainties. Those risks and uncertainties include factors and risks specific to mineral exploration and development as well as matters such as general economic conditions. Actual events or results may differ materially. None of the Company, the Directors or their advisors can assure Shareholders that forecasts or implied results will be achieved.

CONTENTS

	PAGE NO.
1. Introduction	1
2. Summary of the Acquisition	1
3. General Meeting	6
4. Other Information	7
5. Regulatory Requirements	9
6. Definitions	14
Independent Expert's Report	
Proxy Form	

EXPLANATORY STATEMENT

1 INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders in relation to the business to be conducted at the Company's General Meeting.

The purpose of this Explanatory Statement is to provide Shareholders with all information known to the Company which is material to a decision on how to vote on the Resolutions in the accompanying Notice of Meeting.

This Explanatory Statement should be read in conjunction with the Notice of Meeting. Capitalised terms in this Explanatory Statement are defined in Section 6 of this Explanatory Statement.

2 THE ACQUISITION

2.1 Background to the Acquisition of Sanu

Sanu Resources Inc ("**Sanu**") is a wholly owned subsidiary of NGEx Resources Inc ("**NGEx**") a Canadian company listed on the Toronto Stock Exchange.

Sanu holds four exploration licences in the African country of Eritrea, details of these tenements are set out in this Explanatory Statement and the Experts Report.

2.2 Terms of the Acquisition

The principal features of the Acquisition are set out below:

(a) Issue of Shares – Placement

The Company will issue Shares estimated to be between 25,000,000 and 39,062,500 Shares but is dependent upon the 5 day weighted trading average of the listed securities of the Company as set out elsewhere in this Notice to Sophisticated Investors and Professional or otherwise excluded investors under section 708 to raise money to fund the ongoing operations of the Company including further exploration at Ongombo and new exploration programs in Eritrea.

(b) Approval for the Acquisition of Sanu

The Company will acquire all of the issued capital of Sanu in consideration for the issue of up to 50,000,000 Shares to the Vendors on the terms and conditions of the Share Purchase Agreement.

This Resolution provides the Company with the ability to satisfy its obligations under the Share Purchase Agreement.

2.3 Background to Acquisition of Sanu

(a) Introduction

On or about 23 January 2012, the Company entered into a Share Purchase Agreement with the Vendors (being all of the shareholders of Sanu) under which the Company agreed to acquire all of the issued share capital of Sanu on the terms and conditions summarised in Section 4.6.

Upon completion of the Transaction, Sanu will be a wholly-owned subsidiary of the Company and it is anticipated that NGEx will be the largest single shareholder of the Company with between 29.78% and 33.60% of its issued share capital depending upon the price of the placement under Resolution 1. Please refer to the detailed explanation in the Experts Report attached to this Notice

(b) Sanu structure and assets

Sanu is the owner of the Eritrean Tenements situated in Eritrea and is a wholly owned subsidiary of the TSX listed NGEx Resources Inc,. Details on NGEx Resources Inc, and Sanu are available publically online at www.sedar.com and in the announcements made by the Company at www.asx.com.au.

Full details on the assets of Sanu and included in the Independent Experts Report included with this Explanatory Statement.

(c) Overview of Sanu

Sanu was incorporated in the Yukon and then changed to a BVI company and is a wholly owned subsidiary of Sanu Resources Ltd who in turn is a wholly owned subsidiary of NGEx, a Canadian listed mining company. Sanu Eritrea's only significant asset is the Hambok (Copper/Zinc) Project in Eritrea.

The Directors refer Shareholders to the Independent Experts Valuation Report for more detailed information on the Eritrean Tenements and the Hambok project.

A summary unaudited statement of financial position (balance sheet) of Sanu as at 31 December 2011 is included below and in further detail in the Experts Report and the Directors advise Shareholder to carefully read the report to properly form a view of Sanu and its assets.

The directors of the Company have conducted due diligence on Sanu and the Hambok Project and are satisfied that the assets of Sanu are in good standing, there are no material unrecorded liabilities in the books of Sanu and assets are not materially understated.

2.4 Indicative Timetable

Set out in the table below is the expected timing for completion of the Acquisition, subject to compliance with all regulatory requirements. These dates are indicative only and may be varied without prior notice.

Execution of Share Purchase Agreement	23 January 2012
Dispatch of Notice of Meeting	10 February 2012
Lodgement of Prospectus with ASIC	1 March 2012
General Meeting of Shareholders	12 March 2012
Completion of Share Purchase Agreement	15 March 2012
Unrestricted Shares issued under the Resolutions admitted to ASX	15 March 2012

2.5 Operational and Expenditure Plans of the Company

The Company is planning to conduct a feasibility study on the Hambok Project, explore the other Eritrean Tenements and progress its other projects, including the Ongombo Project in Namibia.

(a) Capital Raisings

The total capital raising of \$5,000,000, contemplated by Resolution 1 in the Notice of Meeting, will be made to enable the acquisition of Sanu to be completed and to enable the Company to meet its objectives and expenditure plans on both its Ongombo project and the properties owned by Sanu.

The purpose of the capital raising is to:

- (i) allow the Company to complete further drilling and resource definition on the Eritrean Tenements;
- (ii) continue progress of the Company's Ongombo project; and
- (iii) meet the costs of implementing the Acquisition.

(b) Expenditure Plans and Use of Funds

The Company's expenditure plans are the best estimates available to the Company at this time. It is important to recognise that although certain of the budget allocations are committed expenditures, work programs are subject to changes in line with emerging results, circumstances and opportunities.

It is proposed that the funds of the Company will be applied as follows:

Use of Funds – Expenditure Budget	Year 1 (\$)	Year 2 (\$)
Total funds raised, utilised as follows	5,000,000	-
• Exploration and Drilling at Ongombo	1,000,000	1,000,000
• Exploration and Drilling on Eritrean Tenements	1,250,000	1,250,000
• Administration and Compliance	250,000	250,000
Total Funds utilised	2,500,000	2,500,000
Funds available at the end of the year	\$2,500,000	\$0

2.6 Proforma Capital Structure

The proforma capital structure of the Company on completion of the Acquisition is as follows:

	Maximum Number (Issue price 12.8 cents)	Maximum Number (Issue Price 15 cents)	Maximum Number (Issue price 20 cents)
Shares on issue at 9 February 2012	78,825,001	78,825,001	78,825,001
Issue of Purchaser Shares to NGEx and Sanu	50,000,000	50,000,000	50,000,000
Issue of Capital Raising Shares to raise \$5,000,000	39,062,500	33,333,333	25,000,000
Shares on Issue post the Acquisition and Capital Raising	167,887,501	162,158,334	153,825,001
Exercise of the Existing Options	9,600,000	9,600,000	9,600,000
Potential Shares on Issue	177,487,501	171,758,334	163,425,001

Shareholders should refer to the Experts Report for a more detailed analysis of the changes to the capital structure of the Company.

2.7 Quotation of Shares On ASX

Subject to any escrow restrictions imposed by the ASX, the Company will apply for the Shares issued pursuant to the Resolutions to be quoted on the ASX.

2.8 Proforma Statement of Consolidated Financial Position

Included below is the Consolidated Pro-Forma Statement of Financial Position for the Company, assuming completion of the Acquisition should all the Resolutions be passed. As the Company is likely to be in a position to continue trading following the Acquisition.

	Unaudited Adjusted 31 December 2011 Consolidated NCO \$000	Unaudited Pro-forma 31 December 2011 Consolidated NCO (including Sanu) \$000	Unaudited pro-forma Sanu 31 December 2011 (converted from US\$ at AUS\$1=US\$1) \$000
Current Assets			
Cash assets	1,081	5,111	27
Receivables and prepayments	24	26	2
Total Current Assets	1,105	5,137	29
Non Current Assets			
Fixed assets	11	11	-
Deposits	30	30	-
Capitalised exploration costs	2,926	3,013	87
Total Non Current Assets	2,967	3,054	87
Total Assets	4,072	8,191	116
Current Liabilities			
Trade payables	168	203	35
Other payables	-	-	602
Borrowings	-	-	17,388
Total Current Liabilities	168	203	18,025
Total Liabilities	168	203	18,025
Net Assets (Deficiency)	3,904	7,988	(17,909)
Equity			
Issued Capital	6,006	19,486	1,844
Share based payments reserve	65	65	-
Foreign currency translation reserve	(8)	(8)	-
Accumulated (Losses)	(2,159)	(11,555)	(19,753)
Total Equity (Deficiency)	3,904	7,988	(17,909)

3 GENERAL MEETING

3.1 Action to be Taken by the Shareholders

In order to proceed with the Acquisition, the Company must convene a General Meeting of Shareholders for the purposes of passing the Resolutions in compliance with the requirements of the Listing Rules and the Corporations Act.

The Notice of Meeting convening the General Meeting is included at the front of this booklet. Shareholders are encouraged to attend and vote in favour of each of the Resolutions to be put at the General Meeting.

If a Shareholder is not able to attend and vote at the General Meeting, the Shareholder is encouraged to complete the proxy form at the back of this booklet and return it to the Company at the address stated on the proxy form not later than 48 hours before the time specified for the commencement of the General Meeting.

3.2 General Meeting Resolutions

There are 2 ordinary Resolutions to be put to the General Meeting.

Certain voting restrictions are imposed in relation to some of the Resolutions as detailed in the accompanying Notice of Meeting under the heading "Voting Exclusion Statement".

A short explanation of each Resolution is set out in this Section 3.

3.3 Resolution 1 – Issue of Shares - Placement

Resolution 1 is an ordinary resolution and seeks Shareholder approval under Listing Rule 7.1 for the issue estimated to be between 25,000,000 and 39,062,500 Shares but is dependent upon the 5 day weighted trading average of the listed securities of the Company as set out elsewhere in this Notice.

The issue of Shares under Resolution 1 is to be approved by Shareholders under the requirements of Listing Rule 7.1 as noted further below in this Explanatory Statement.

3.4 Resolution 2 – Approval of Acquisition of Sanu

Resolution 2 is an ordinary resolution and provides for the issue of Shares to the Vendors as consideration for acquiring 100% of the issued capital of Sanu on the terms and conditions of the Share Purchase Agreement.

Under Listing Rule 11.1 the ASX has determined that the Acquisition constitutes a significant change to the scale of its activities. As a result the ASX has determined that Listing Rule 11.1.2 applies to the Acquisition, which requires the Company to get the approval of holding of its ordinary securities where the ASX deems that it should do so. This Listing Rule is satisfied by the approval under section 611(7) of the Corporations Act as set out below.

Approval for the issue of the Shares under Resolution 2 is being sought under item 7 of section 611 of the Corporations Act.

The issue of Shares pursuant to Resolution 2 will occur no later than 3 months from the date of the General Meeting.

4 OTHER INFORMATION

4.1 Scope of Disclosure

The Related Party provisions of the Corporations Act require that this Explanatory Statement sets out all other information that is reasonably required by Shareholders in order to decide whether or not it is in the Company's interests to pass the Resolutions and which is known to the Company.

The Company is not aware of any relevant information that is material to the decision on how to vote on the Resolutions other than as is disclosed in this Explanatory Statement or previously disclosed to Shareholders by the Company by notification to the ASX.

4.2 Voting Intentions and Interests of Existing Directors

The Directors of the Company are set out in the table below. At the date of this Explanatory Statement, the Directors intend to vote in favour of the Resolutions set out in the Notice of General Meeting.

Except as otherwise disclosed in this Notice of General Meeting and Explanatory Statement, the Directors have no interest in the outcome of the Resolutions except as Shareholders of the Company. In this regard, the table below sets out the details of the shareholdings held (directly or indirectly) by the Directors and their Associates and the percentage ownership in the Existing Shares of the Company.

Name of Existing Director	Number of Existing Fully Paid Shares Held	Percentage Interest in Voting Shares*
Colin Ikin	7,000,000	9.48%
Alan Marlow	7,000,000	9.48%
Robert Timmins	7,000,000	9.48%
TOTAL	21,000,000	28.44%

*Based on the total number of Shares of the Company as at the date of the Notice.

4.3 Recommendation by Directors

The Directors recommend that Shareholders approve the Resolutions to be put to the General Meeting. However, Shareholders must decide how to vote based on the matters set out in the Explanatory Statement and the Experts Report.

4.4 Taxation

Shareholders are advised to seek their own taxation advice on the effect of the Resolutions on their personal position and neither the Company, the Directors, or any adviser to the Company accepts any responsibility for any individual Shareholder's taxation consequences.

4.5 Effect of the Acquisition

For the purposes of this Explanatory Statement, the following information is provided for consideration by the Shareholders.

The advantages of passing the Resolutions and subsequent completion of the Acquisition include:

- A net cash injection of approximately \$5,000,000 into the Company.

- The acquisition of Sanu and the Eritrean Tenements.
- The addition of a reputable mining house to the register of shareholders.

The principal disadvantage to Shareholders is that their Shares will be diluted following the issue of Shares, pursuant to Resolutions 1 to 2 (inclusive). It is however the opinion of the Directors that the overall value of the Company will be increased by the completion of the Acquisition.

4.6 Share Purchase Agreement

The Company and the Vendors entered into the Share Purchase Agreement on or about 23 January 2012 ("Share Purchase Agreement").

Pursuant to the Share Purchase Agreement, the Vendors agreed to sell all of the issued capital of Sanu on the following terms and conditions:

- (a) the consideration payable to the Vendors is the issue of 50,000,000 fully paid ordinary shares in the Company to the Vendors in the following proportions:
 - (i) 35,000,000 Shares to Sanu Resources; and
 - (ii) 15,500,000 Shares to NGEx ("**Purchase Price**").
- (b) in the event that a commercial mine is built on the Eritrean Tenements then a decision to mine payment is payable of a total of US\$7,500,000 to NGEx;
- (c) completion of the Share Purchase Agreement will occur 5 Business Days after the satisfaction of certain conditions under the Share Purchase Agreement;
- (d) the Share Purchase Agreement is subject to and conditional upon:
 - (i) the Company obtaining shareholder approval under item 7 of section 611 of the Corporations Act 2001.
 - (ii) the Company having consolidated working capital of at least \$5,000,000 on the Completion Date;
 - (iii) the Company receiving an escrow agreement for the Shares issued to the Vendors on the terms and conditions as determined by ASX; and
 - (iv) the Company receiving a legal opinion in relation to the ownership and good title of Sanu.

The Share Purchase Agreement contains additional provisions, including warranties and indemnities in respect of the status of Sanu, NGEx, Sanu Resources and the Company, considered standard in an agreement of this type.

5 REGULATORY REQUIREMENTS

The General Meeting has been called to approve specific aspects of the Acquisition in accordance with the Listing Rules and the Corporations Act which are summarised below.

5.1 Listing Rule 7.1

Under Chapter 7 of the Listing Rules there are limitations on the capacity of a company to enlarge its capital by the issue of equity securities without shareholder approval. The limitation is 15% of a company's capital in any 12 month period.

Listing Rule 7.1 provides that a company must not, without shareholder approval, subject to certain exceptions, issue during any 12 month period any equity securities, or other securities with rights of conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

The total number of Shares that may be issued under the Resolutions is estimated to be between 75,000,000 and 89,062,500 Shares but is dependent upon the 5 day weighted trading average of the listed securities of the Company as set out elsewhere in this Notice.

As the proposed issue of Shares under the Resolutions will result in an issue of more than 15% of the Company's capital in a 12 month period, shareholder approval is required under Listing Rule 7.1 for the issue of Shares.

All of these Shares will, on issue, rank equally in all respects with the Shares already on issue.

(a) Resolution 1 – Issue of Shares

Approval is being sought under Listing Rule 7.1 in relation to Resolution 1 for the issue of an estimated number of Shares to be between 25,000,000 and 39,062,500 Shares but is dependent upon the 5 day weighted trading average of the listed securities of the Company as set out elsewhere in this Notice, to parties identified by the Directors as part of a placement to raise \$5,000,000. Any allottee will be unrelated to the Company and unrelated to the Vendors.

The following information is provided to Shareholders for the purposes of Listing Rule 7.1.

- (a) The maximum number of Shares to be issued under Resolution 1 is estimated to be between 25,000,000 and 39,062,500 Shares but is dependent upon the 5 day weighted trading average of the listed securities of the Company as set out elsewhere in this Notice.
- (b) The Shares will be allotted and issued under Resolution 1 within three months of the Meeting.
- (c) The deemed issue price for the Shares under Resolution 1 is an issue price equal to 80% of the 5 day weighted trading average of the listed securities of the Company.
- (d) The allottees under Resolution 1 are not known at this stage but will be identified progressively by the Directors. They will be sophisticated or professional investors and will be unrelated to the Company, the Vendors or to each other.
- (e) The Shares to be issued under Resolution 1 are ordinary fully paid shares which on issue will rank equally with the currently issued Shares in the Company.
- (f) \$5,000,000 will be raised by the issue of the Shares under Resolution 1. The funds raised are to be used as follows:

- a. USD\$2,000,000 to conduct a feasibility study on the Hambok Project;
 - b. USD\$500,000 to conduct further exploration on the Eritrean Tenements; and
 - c. the balance is envisaged to be used for expenditure upon the existing Ongombo project of the Company and other associated costs, including working capital.
- (g) Allotment will occur progressively following approval at the discretion of the Directors.
- (b) **Resolution 2 – Acquisition of Sanu**

Due to the operation of Listing Rule 7.2, Exception 16, the Company is not required to get approval under Listing Rule 7.1 for the issue of Shares to the Vendors for the Acquisition.

However, for clarity and the information of Shareholders the Company provides the following information:

- (a) The number of Shares to be issued under Resolution is 50,000,000 Shares.
- (b) The Shares will be allotted and issued under Resolution 2 by 20 March 2012.
- (c) The deemed issue price for the Shares under Resolution 2 is \$0.20.
- (d) The allottees under Resolution 2 are the Vendors or their nominees.
- (e) The Shares to be issued under Resolution 2 are ordinary fully paid shares which on issue will rank equally with the currently issued Shares in the Company. These Shares will be escrowed for 12 months as determined by ASX.
- (f) No money will be raised by the issue of the Shares under Resolution 2.
- (g) Allotment will occur prior to 20 March 2012 following approval.

5.2 Section 611 of the Corporations Act and Listing Rule 11.1

Resolution 2 seeks Shareholder approval under Item 7 of section 611 of the Corporations Act for the acquisition by the Vendors of a Relevant Interest in the specified number of Shares upon the issue of those Shares.

As noted elsewhere in this Notice of Meeting the Vendors comprise two related companies, NGEx Resources and Sanu Resources Ltd. Sanu Resources Ltd is a wholly owned subsidiary of NGEx as such their Relevant Interest is voting Shares will be aggregated together.

Except as provided by Chapter 6 of the Corporations Act, section 606(1) of the Corporations Act prohibits a person from acquiring shares in a company if, after the acquisition, that person or any other person would have a relevant interest or voting power in excess of 20% of the voting shares in that company.

Item 7 of section 611 of the Corporations Act provides that section 606(1) of the Corporations Act does not apply to an acquisition of a relevant interest in the voting shares in a company if the company has agreed to the acquisition by resolution passed at a general meeting at which no votes are cast in relation to the resolution by the person to whom the shares are to be issued or by an associate of that person.

Under section 610 of the Corporations Act, a person's voting power is defined as the percentage of the total voting shares in the Company held by the person and the person's associates.

The Company is seeking Shareholder approval under Item 7 of Section 611 of the Corporations Act in respect of the Shares to be issued to the Vendors under Resolution 2 because this issue of securities may result in the Vendors having a relevant interest in an aggregate of more than 20% of the voting shares in the Company once the Shares are issued.

At the date of the Notice of Meeting, the Vendors did not hold any Shares in the Company. If Resolution 2 passed, the issue of the Shares to the Vendors pursuant to Resolution 2 may give, the Vendors Relevant Interests of more than 20% of the voting shares in the Company.

Under Listing Rule 11.1 the ASX has determined that the Acquisition constitutes a significant change to the scale of its activities. As a result the ASX has determined that Listing Rule 11.1.2 applies to the Acquisition, which requires the Company to get the approval of holding of its ordinary securities where the ASX deems that it should do so. This Listing Rule is satisfied by the approval under section 611(7) of the Corporations Act as set out in this Notice.

As set out in the Voting Exclusion Statements in the Notice of Meeting and in accordance with the Listing Rules, the Vendors and any Associates of the Vendors are precluded from voting on Resolution 2. No Associates of the Vendors are Shareholders in the Company.

5.3 ASIC Policy Statement 74

The following information is included in accordance with the requirements of Item 7 of section 611 of the Corporations Act and ASIC Policy Statement 74 to the extent it applies pursuant to ASIC Policy Statement 159.

1. *Identity of Persons who will hold a relevant interest in the securities to be issued*

If Resolution 2 is passed, the Shares are proposed to be issued to the Vendors as follows:

- (a) 35,000,000 Shares to Sanu Resources or its nominee;
- (b) 15,000,000 Shares to NGEx or its nominee.

2. *Impact of the Transactions on the Voting Power in the Company's Shares*

(c) **The Company's capital structure**

If the Acquisition and then the Capital Raising is completed, NGEx's shareholding in NCO may approximate between 29.78% and 33.60% (at 25 cents issue price) (depending on the issue price under placement in Resolution 1). The movement in the issued capital of the Company could be as noted below.

	Maximum Number (Issue price 12.8 cents)	Maximum Number (Issue Price 15 cents)	Maximum Number (Issue price 20 cents)
Shares on issue at 8 February 2012	78,825,001	78,825,001	78,825,001
Issue of Purchaser Shares to Vendors	50,000,000	50,000,000	50,000,000
Issue of Placement Shares to raise \$5,000,000	39,062,500	33,333,333	25,000,000
Shares on Issue post the Acquisition and Placement	167,887,501	162,158,334	153,825,001
Exercise of the Existing Options	9,600,000	9,600,000	9,600,000
Potential Shares on Issue	177,487,501	171,758,334	163,425,001

The above figures include the 5,000,000 partly paid shares on issue. If fully paid, the holders of the partly paid shares would need to pay NCO the sum of \$995,000.

(d) **Current voting power of the Vendors**

As at the date of the Notice of Meeting, the Vendors or its Associates do not have a relevant interest in any Existing Shares and their voting power is nil.

(e) **Voting power of the Vendors after the issue of Shares**

The voting power of the Vendors includes those Shares in which the Vendors will have a relevant interest.

Once all of the Shares referred to in Resolutions 1 and 2 have been issued or granted, the number of shares in the Company in which the Vendors will have a relevant interest in and their relevant voting power will, comprise a total of between 29.78% and 33.60% depending upon the issue price of the Shares under Resolution 1. Please refer to the Independent Experts Report for a detailed explanation about how the voting power of the Vendors may influence your rights.

These numbers and percentages assume that the Company does not issue any other Shares to any person other than as set out in the Notice.

(f) **Intentions as to the Future of the Company**

The present intentions of the Vendors regarding the future of the Company are the same as the existing board of Directors, if the Resolutions in the Notice of Meeting are approved by Shareholders, are as follows:

- (i) Maintain the Company's ongoing business and operations with a focus upon the Ongombo project in Namibia.
- (ii) Explore and develop the newly acquired business of Sanu and the Eritrean Tenements.
- (iii) Except as set out in the previous paragraphs, the Vendors have no present intentions to change the business of the Company, or to otherwise redeploy the fixed assets of the Company.
- (iv) There are no proposals whereby any property will be transferred between the Company and the Vendors or any person associated with the Vendors, except as set out in this Notice of Meeting.

(g) **Budget**

The Company estimates that the costs associated with the acquisition of Sanu will be in the order of \$150,000.

(h) **Financial and Dividend Policies of the Company**

There is no immediate intention of the Directors to change the financial or dividend policies of the Company.

(i) **Acquisition is fair and reasonable**

The Expert's Report concludes that the Acquisition set out in this Explanatory Statement is fair and reasonable to non associated Shareholders. You should consider the Expert's Report in detail.

5.4 ASX's Role

Under Listing Rule 15.1, the Company must give ASX the Notice of General Meeting and the Explanatory Statement prior to dispatch to Shareholders.

The fact that the accompanying Notice of General Meeting, this Explanatory Statement and other relevant documentation has been received by ASX is not to be taken as an indication of the merits of the Acquisition or the Company. ASX and its respective officers take no responsibility for any decision a Shareholder may make in reliance on any of that documentation.

DEFINITIONS

In this Explanatory Statement:

Acquisition	means the purchase of all of the issued capital of Sanu
ASIC	means the Australian Securities and Investments Commission.
Associate	has the meaning set out in sections 11 to 17 of the Corporations Act.
ASX	means ASX Limited (ACN 008 624 691) trading as the Australian Securities Exchange.
Board	means the board of directors of the Company.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Company	means Namibian Copper NL (ACN 118 913 232).
Constitution	means the constitution of the Company.
Corporations Act	means the Corporations Act 2001.
Director(s)	means Colin Ikin, Alan Marlow and Robert Timmins.
Eritrean Tenements	means the mining assets and interests in real property held by Sanu which comprises the Mogoraib Exploration Licence, the Kerkebet River Exploration Licence and all associated plant and equipment and data and information.
Expert	means Stanton Partners.
Expert's Report	means the report of the Expert attached to and forming part of the Explanatory Statement.
Explanatory Statement	means the Explanatory Statement accompanying the Notice of Meeting.
General Meeting	means the general meeting of the Shareholders convened for the purposes of considering the Resolutions.
Listing Rules	means the Listing Rules of the ASX.
Share(s)	means a fully paid ordinary share in the Company.
NGEx	means a Canadian company continued under section 187 of the Canada Business Corporations Act with Corporation number 425318-3.
Notice of Meeting	means the notice convening the General Meeting accompanying this Explanatory Statement.

Official List	means the official list of the ASX.
Partly Paid Shares	means 5,000,000 partly paid shares issued by the Company prior to the Capital Consolidation at an issue price of 20 cent each and being partly paid to 0.1 cents each.
Placement	means the placement estimated to be between 39,062,500 and 25,000,000 Shares but is dependent upon the 5 day weighted trading average of the listed securities of the Company as set out elsewhere in this Notice to Sophisticated and Professional Investors.
Professional Investors	has the meaning as set out in section 708(11) of the Corporations Act.
Related Party	means a party so defined by section 228 of the Corporations Act.
Relevant Interest	has the meaning given in section 608 of the Corporations Act.
Resolution	means a resolution to be considered at the General Meeting as contained in the Notice of Meeting.
Sanu	means Sanu Resources Inc BVI company number 271755, a company incorporated in Yukon on 28 January 1997, continued as a British Virgin Islands International Business Company under the <i>International Business Companies Act</i> (Cap.291) on 13 March 1998 and automatically re-registered as a BVI Business Company under the <i>BVI Business Companies Act, 2004</i> on 1 January 2007.
Sanu Resources	means Sanu Resources Ltd a company continued under section 187 of the Canada Business Corporations Act with corporation number 620254-3.
Section	means a section of this Explanatory Statement.
Share(s)	means a fully paid ordinary share in the Company.
Share Purchase Agreement	means the agreement between the Company, Sanu Resources and the Vendors, whereby the Company will purchase all of the issued capital of Sanu.
Shareholder	means a shareholder of the Company.
Sophisticated Investors	has the meaning as set out in section 708(8) of the Corporations Act.
Vendors	means Sanu Resources and NGEx or their respective nominees.
WST	means Western Standard Time in Australia.

ANNEXURE 1 THE VENDORS

Name		Number of Shares to be issued to Vendor	Max % interest in Company
Sanu Resources		35,000,000	21.40
NGEx		15,000,000	12.20
TOTAL		50,000,000	33.60

7 February 2012

The Directors
Namibian Copper NL
Level 4, 66 Kings Park Road
WEST PERTH WA 6005

Dear Sirs

Re: NAMABIAN COPPER NL (“NCO” OR “THE COMPANY”) (ABN 51 118 913 232) ON THE PROPOSAL TO ACQUIRE THE HAMBOK COPPER/ZINC PROJECT IN ERITREA BY ACQUIRING ALL OF THE SHARES IN SANU RESOURCES INC, A COMPANY THAT OWNS THE HAMBOK COPPER/ZINC PROJECT (“HAMBOK PROJECT”) IN ERITREA AND ACQUIRING A PROMISSORY NOTE FROM NGEX RESOURCES INC. SHAREHOLDER MEETING PURSUANT TO SECTION 611 (ITEM 7) OF THE CORPORATIONS ACT 2001

1. Introduction

1.1 We have been requested by the Directors of NCO to prepare an Independent Expert's Report (“IER”) to determine the fairness and reasonableness relating to the proposal whereby NCO will acquire via the Share Purchase Agreement (“SPA”) signed in January 2012:

- 100% of the issued capital of Sanu Resources Inc (“Sanu Eritrea”) a British Virgin Island incorporated company. Sanu Eritrea is a wholly owned subsidiary of Sanu Resources Ltd (“Sanu”) that in turn is a 100% owned subsidiary of NGEx Resources Inc (“NGEx”) a company listed on the TSX in Canada. Sanu Eritrea owns the Hambok Project in Eritrea Africa.
- 100% of the promissory note (“Note”) issued by NGEx (and owing by Sanu Eritrea to NGEx) with a face value of US\$18,000,000. As at 31 December 2011, the promissory note amount owing by Sanu Eritrea is US\$17,388,952.

1.2 The proposed purchase prices of the Shares in Sanu Eritrea from Sanu and the acquisition of the Note from NGEx are:

- 50,000,000 shares in NCO (“Purchaser Shares). 35,000,000 of the Purchaser Shares will be issued in relation to the acquisition of all of the shares in Sanu Eritrea and 15,000,000 of the Purchaser Shares as part consideration of acquiring the Note from NGEx; and
- Reimburse on settlement, the Reimbursable Amounts (as defined in the SPP) that could total up to US\$700,000 (assumed to be \$700,000).

In addition a contingent sum (“Contingency Payment”) of US\$7,500,000 is payable to NGEx by NCO is a Decision to Mine (defined as First Commercial Production in the SPA) in relation to the Hambok Project is made. However, if prior to the First Commercial Production a bona fide third party purchaser acquires, directly or indirectly, 50% or more of the outstanding votes or equity securities of Sanu Eritrea, or any one or more of its subsidiaries (including Sanu Eritrea), then 50% of the contingent payment will be immediately due and payable to NGEx, with the balance of the Contingent Payment due upon the occurrence of a First Commercial Production.

Resolution 2 in the Notice of Meeting (“Notice”) and the Explanatory Statement (“ES”) attached to the Notice contains further details.

For the purposes of this report, the proposed acquisition of all of the shares in Sanu Eritrea from Sanu (that in effect is an indirect acquisition of the Hambok Project in Eritrea) and the acquisition of the Note from NGEx is collectively known as “the Hambok Acquisition”. For the purposes of this report the Hambok Project is known as the Mineral Assets or the Property.

- 1.3 The Company in conjunction with the Hambok Acquisition (that is subject to shareholder approval) will raise up to \$5,000,000 however the final issue price has yet to be determined as it will depend on the markets at the time a final decision is made but will probably fall in the range of 12 cents to 20 cents (“Capital Raising”). The issue price will be at least 80% of the volume weighted average share price (“VWAP”) in the 5 trading days before the issue of the shares under the Capital Raising. Based on the last five days trading to 2 February 2012, an 80% VWAP may range between 12.8 cents and 14.8 cents, however the Company is hoping that the minimum issue price would be 15 cents. The Hambok Acquisition is not subject to the completion of the Capital Raising but it would be expected that completion of the Hambok Acquisition is dependent on completion of the Capital Raising as NCO does currently have sufficient funds for its own purposes and insufficient funds to spend on the Hambok Project. Thus, for the purposes of this report, we have assumed that the Capital Raising will occur before completion of the Hambok Acquisition.
- 1.4 By acquiring all of the shares in Sanu Eritrea from Sanu, the NGEx Group could increase its shareholding interest in NCO from nil% as at 31 January 2012 to approximately 29.78% of NCO on the basis of a Capital Raising to professional investors to raise a gross \$5,000,000 at 12.8 cents per share (being 80% of the lowest share price of an NCO share trading on ASX since 30 January 2012) and approximately 30.83% if the Capital Raising is undertaken at 15 cents per share. At 20 cents per share for the Capital Raising, the percentage interest of the NGEx Group would approximate 32.50% and at 25 cents for the Capital Raising, the percentage interest of the NGEx Group would approximate 33.60%. The Hambok Acquisition approval however is not dependent on the Capital Raising but completion will probably not occur until the Capital Raising is completed. Immediately prior to the Capital Raising, the NGEx Group would own approximately 38.88% of the expanded issued capital of NCO (50,000,000 Purchaser Shares out of 128,825,001 shares on issue).
- 1.5 There are only two resolutions being put to the shareholders. Resolution 1 relates to the proposed Capital Raising of up to \$5,000,000 and Resolution 2 is the subject of this independent expert’s report. We are not reporting on the merits or otherwise of resolutions 1 but do note that the passing of Resolution 1 is integral to the Hambok Acquisition and recapitalisation of NCO and thus Resolution 2 cannot be looked on in isolation (notwithstanding that once shareholders approve the Hambok Acquisition (by acquiring all of the shares in Sanu Eritrea), the issue of the Purchaser Shares may occur before the Capital Raising but probably will occur after the Capital Raising of \$5,000,000.
- 1.6 Under Section 606 of The Corporations Act (“TCA”), a person must not acquire a relevant interest in issued voting shares in a company if because of the transaction, that persons or someone else’s voting power in the company increases:
 - (a) from 20% or below to more than 20%; or
 - (b) from a starting point that is above 20% and below 90%.

Under Section 611 (Item 7) of TCA, Section 606 does not apply in relation to any acquisition of shares in a company approved by Resolution passed at a general meeting at which no votes were cast in favour of the Resolution by the acquirer or the disposer or their respective associates. An independent expert is required to report on the fairness and reasonableness of the transaction pursuant to a Section 611 (Item 7) meeting.

If the Hambok Acquisition proceeds and is completed (and the Capital Raising is completed after the Hambok Acquisition), the NGEx Group could own between approximately 29.78% and 33.60% of the expanded issued capital of NCO depending on the issue price under the Capital Raising.

- 1.7 A notice prepared in relation to a meeting of shareholders convened for the purposes of Section 611 (Item 7) of TCA must be accompanied by an Independent Expert's Report stating whether the Hambok Acquisition noted under Resolution 2 is fair and reasonable and in particular whether it is fair and reasonable to issue 50,000,000 Purchaser Shares to NGE/Sanu (35,000,000 Purchaser Shares to Sanu and 15,000,000 Purchaser Shares to NGE) as part consideration of the Hambok Acquisition (a Contingent Payment of US\$7,500,000 is also to be paid on First Commercial Production is made in regard to the Hambok Project and NCO is required to reimburse the Reimbursable Amount that could total US\$700,000).

To assist shareholders in making a decision on the Hambok Acquisition, the directors have requested that Stantons International Securities prepare an Independent Expert's Report, which must state whether, in the opinion of the Independent Expert, the issue of the Purchaser Shares under the Hambok Acquisition is fair and reasonable to the non-associated shareholders of NCO (not associated with NGE).

- 1.8 Apart from this introduction, this report considers the following:
- Summary of opinion
 - Implications of the proposals
 - Corporate history and nature of business of NCO and Sanu Eritrea
 - Future direction of NCO
 - Basis of valuation of NCO shares
 - Value of consideration
 - Basis of valuation of Sanu Eritrea
 - Conclusion as to fairness
 - Reasonableness of the offer
 - Conclusion as to reasonableness
 - Sources of information
 - Appendix A and our Financial Services Guide

- 1.9 In determining the fairness and reasonableness of the acquisition of 100% of the shares of Sanu Eritrea who's Mineral Assets include the Hambok Project and the acquisition of the Notes, we have had regard for the definitions set out by the Australian Securities and Investments Commission ("ASIC") in its Regulatory Guide 111, "Content of Expert Reports". Regulatory Guide 111 states that an opinion as to whether an offer is fair and/or reasonable shall entail a comparison between the offer price and the value that may be attributed to the securities under offer (fairness) and an examination to determine whether there is justification for the offer price on objective grounds after reference to that value (reasonableness). The concept of "fairness" is taken to be the value of the offer price, or the consideration, being equal to or greater than the value of the securities in the above mentioned offer. Furthermore, this comparison should be made assuming 100% ownership of the "target" and irrespective of whether the consideration is scrip or cash. An offer is "reasonable" if it is fair. An offer may also be reasonable, if despite not being "fair", there are sufficient grounds for security holders to accept the offer in the absence of any higher bid before the close of the offer. Although in this case the proposed acquisition of Sanu Eritrea is not a takeover offer, we have considered the general principals noted above to determine our opinions on fairness and reasonableness.

- 1.10 **In our opinion, taking into account the factors noted in this report that assumes that a Capital Raising will be completed shortly after the Hambok Acquisition is approved by shareholders, the proposals as outlined in paragraph 1.2 and Resolution 2 may on balance be considered to be fair and reasonable to the shareholders not associated with NGE.**

Positive exploration and development results will be a key factor in the Company's ability to attract funding and meet its financial commitments in relation to the Mineral Assets in the future. The Company's ability to continue as a going concern depends on the completion of the Share Purchase Agreement and Capital Raising and its ability to obtain financing through equity financing, joint ventures or other arrangements in relation to its existing mineral assets.

Sanu Eritrea has unaudited net book liabilities estimated at 31 December 2011 of approximately US\$17,909,000 (all exploration and evaluation costs are expensed) that includes the Note liability of US\$17,388,952. We cannot guarantee that the Hambok Project will become cash flow positive from mining operations. The net book liabilities ignore the additional value attributed to the Hambok Project of Sanu Eritrea that is referred to elsewhere in this report.

- 1.11 The opinions expressed above must be read in conjunction with the more detailed analysis and comments made in this report. To determine our opinion on fairness, we obtained a 3 February 2012 Independent Technical Valuation Report ("Coffey Mining Valuation Report") on the Mineral Assets prepared by Coffey Mining (SA) Pty Ltd ("Coffey Mining"). The report is quite comprehensive and has not been reproduced in full as an appendix to this report. Shareholders can contact the registered office of the Company and arrange to sight and read the full Coffey Mining Valuation Report.

2. Implications of the Proposals

- 2.1 As at 6 February 2012, there were 73,825,001 ordinary fully paid shares and 5,000,000 partly paid shares on issue in NCO. The top 20 fully paid shareholders list as at 19 January 2012 discloses the following:

Shareholder	No. of fully paid shares	% of issued fully paid shares
Avanti Resources Pty Ltd	7,000,000	9.482
Heatwave Pty Ltd	7,000,000	9.482
Lemrac Holdings Pty Ltd	7,000,000	9.482
Colbern Fiduciary Nominees Pty Ltd	7,000,000	9.482
Etchell Pty Ltd	6,999,900	9.482
	<u>34,999,900</u>	<u>47.41</u>

The top 20 fully paid shareholders as per the top 20 fully paid shareholders list at 19 January 2012 owned approximately 70.32% of the ordinary fully paid issued capital of the Company. The Company's partly paid shares are paid to \$0.001 each and has unpaid capital of \$0.199 (a total of \$995,000 payable when called up). In calculating percentages in this report (other than in the table above), we have assumed 78,825,001 shares are on issue prior to the issue of the Purchaser Shares and shares issued under the Capital Raising. In addition, NCO has on issue as at 6 February 2012, 9,600,000 unlisted share options, exercisable at 20 cents each, on or before 30 September 2012.

- 2.2 If the Hambok Acquisition and then the Capital Raising is completed, NGEx's shareholding in NCO may approximate between 29.78% and 33.60% (at 25 cents Capital Raising Issue Price) (depending on the issue price under the Capital Raising). The movement in the issued capital of the Company could be as noted below.

	Maximum Number (Issue price 12.8 cents)	Maximum Number (Issue Price 15 cents)	Maximum Number (Issue price 20 cents)
Shares on issue at 6 February 2012	78,825,001	78,825,001	78,825,001
Issue of Purchaser Shares to NGEX and Sanu	50,000,000	50,000,000	50,000,000
Issue of Capital Raising Shares to raise \$5,000,000	39,062,500	33,333,333	25,000,000
Shares on Issue post the Hambok Acquisition and Capital Raising	167,887,501	162,158,334	153,825,001
Exercise of the Existing Options	9,600,000	9,600,000	9,600,000
Potential Shares on Issue	177,487,501	171,758,334	163,425,001

The above figures include the 5,000,000 partly paid shares on issue. If fully paid, the holders of the partly paid shares would need to pay NCO the sum of \$995,000.

- 2.3 The current Board of Directors is expected to change in the near future as a result of the Hambok Acquisition. The existing directors are Colin Ikin, Alan Marlow and Robert Timmins. It is proposed to elect to the Board Mr Demetrius Pohl as a Technical Director who has experience in Eritrea. Further directors may be added to the Board as the needs arise.
- 2.4 Sanu Eritrea will become a legally wholly owned subsidiary of NCO. It is not believed that reverse acquisition accounting will apply under the International Financial Reporting Standards ("IFRS") applicable to reverse acquisition accounting. Furthermore, the Hambok Acquisition is not a Business Combination under IFRS.
- 2.5 The Company following the approval by shareholders of the Hambok Acquisition will raise \$5,000,000 before Capital Raising costs. The net funds will be used to explore and evaluate the Mineral Assets of Sanu Eritrea and provide additional working capital for the Company to spend on its existing mineral projects that includes the Ongombo Project in Namibia. Section 2.5 of the ES provides further information on use of funds.

3. Corporate History and Nature of Business

NCO

3.1 Principal Activities and Significant Assets

NCO is an ASX listed company that is involved in the mineral and energy industry. The Company's most significant project as at 31 January 2012 is the Ongombo Copper Project in Namibia. NCO has reviewed a number of opportunities as announced to the market in January 2011. The Company, in October 2010 issued 9,600,000 ordinary shares at 15 cents each (with 9,600,000 free attached share options as noted above) and raised \$1,440,000. No further share or option issues have been conducted since.

Sanu Eritrea

- 3.2 Sanu Eritrea was incorporated in the Yukon and then changed to a BVI company and is a wholly owned subsidiary of Sanu Resources Ltd who in turn is a wholly owned subsidiary of NGEx, a Canadian listed mining company. Sanu Eritrea's only significant asset is the Hambok (Copper/Zinc) Project in Eritrea.
- 3.3 We refer to the Coffey Mining Valuation Report (on the Mineral Assets) and the Explanatory Statement for more detailed information on the Mineral Assets.
- 3.4 A summary unaudited statement of financial position (balance sheet) of Sanu Eritrea as at 31 December 2011 is noted elsewhere in this report. Sanu Eritrea owes the NGEx Group approximately US\$17,388,952 as at 31 December 2011 via a Note. The Note is to be acquired by NCO as noted in paragraph 1.2 above.

We note that the directors of NCO have conducted due diligence on Sanu Eritrea and the Hambok Project and are satisfied that there are no material unrecorded liabilities in the books of Sanu Eritrea and assets are not materially understated.

4. Future Directions of NCO

- 4.1 We have been advised by the directors and management of NCO that:
 - There are no proposals currently contemplated either whereby NCO will acquire any further properties or assets from NGEx (however NCO will issue ordinary shares to NGEx and Sanu as outlined above in relation to the Hambok Acquisition) or where NCO will transfer any of its property or assets to NGEx;

- The composition of the Board will change in the short term as noted above and a Mr Estepjanos Ogbazghi will be appointed as Country Manager Eritrea;
- The Company will raise \$5,000,000 proposed to be raised via the Capital Raising to professional investors;
- The Company may change its name in the near future;
- No dividend policy has been set; and
- The Company will endeavour to enhance the value of its interests in the Mineral Assets to be acquired under the Hambok Acquisition and its existing interest in the Ongombo Project in Namibia.

5. Basis of Valuation of NCO Shares

5.1 Shares

5.1.1 In considering the proposal to acquire all of the shares and Notes in Sanu Eritrea, we have sought to determine if the consideration payable by NCO to NGEx is fair and reasonable to the existing non-associated shareholders of NCO.

5.1.2 The offer would be fair to the existing non-associated shareholders if the value of the ordinary shares in Sanu Eritrea being acquired by NCO (along with the Notes) is greater than the implicit value of the shares (Purchaser Shares) in NCO (and the Contingent Payment) being offered as consideration. Accordingly, we have sought to determine a theoretical value that could reasonably be placed on NCO shares for the purposes of this report.

5.1.3 The valuation methodologies we have considered in determining a theoretical value of a NCO share (and also a Sanu Eritrea share) are:

- Capitalised maintainable earnings/discounted cash flow;
- Takeover bid - the price at which an alternative acquirer might be willing to offer;
- Adjusted net asset backing and windup value; and
- The market price of NCO shares.

5.2 Capitalised maintainable earnings and discounted cash flows.

5.2.1 Due to NCO's current operations, a lack of a reliable long term profit history arising from business undertakings and the lack of a reliable future cash flow from current business activities, we have considered these methods of valuation not to be relevant for the purpose of this report.

5.3 Takeover Bid

5.3.1 It is possible that a potential bidder for NCO could purchase all or part of the existing shares, however no certainty can be attached to this occurrence. To our knowledge, there are no current bids in the market place and the directors of NCO and ourselves based on public information to date have formed the view that there are unlikely to be any takeover bids made for NCO in the immediate future. However, if the agreement to acquire Sanu Eritrea is completed, the NGEx Group will control approximately between approximately 30.83% and 33.60% of the expanded ordinary issued capital of NCO depending on the issue price under the Capital Raising (approximately 38.81% before the Capital Raising).

5.4 Adjusted Net Asset Backing

5.4.1 We set out below an unaudited balance sheet (statement of financial position) of NCO (Balance Sheet "A") as at 31 December 2011, adjusted for estimated administration and other costs for period 1 January 2012 to 31 March 2012 of say \$125,000) In addition, we disclose a pro-forma consolidated Balance Sheet "B" assuming the following:

- The acquisition of Sanu Eritrea and the Note from the NGEx Group by way of an issue of 50,000,000 Purchaser Shares at an issue price of 17.5 cents each (approximate VWAP over the past 5 days to 3 February 2012) (total deemed cost \$8,750,000);
- The payment of the Reimbursable Amount of US\$700,000 (say \$700,000); and
- The issue of Issue Shares at say 12.8 cents each via a Capital Raising to raise a gross \$5,000,000 and an estimated net \$4,730,000 after capital raising costs (the actual issue price has yet to be finalised).

The funds from the Capital Raising will be used to conduct exploration and evaluation work on the Mineral Assets and provide working capital to the expanded NCO (that will include the Hambok Project by 100% ownership of Sanu Eritrea). US\$7,500,000 is payable to NGEx after First Commercial Production is achieved as noted in paragraph 1.2 above).

	Unaudited Adjusted 31 December 2011 Consolidated NCO \$000 "A"	Unaudited Pro-forma 31 December 2011 Consolidated NCO (including Sanu Eritrea) \$000 "B"	Unaudited pro-forma Sanu Eritrea 31 December 2011 (converted from US\$ at AUS\$1=US\$1) \$000
Current Assets			
Cash assets	1,081	5,111	27
Receivables and prepayments	24	26	2
Total Current Assets	1,105	5,137	29
Non Current Assets			
Fixed assets	11	11	-
Deposits	30	30	-
Capitalised exploration costs	2,926	3,013	87
Total Non Current Assets	2,967	3,054	87
Total Assets	4,072	8,191	116
Current Liabilities			
Trade payables	168	203	35
Other payables	-	-	602
Borrowings	-	-	17,388
Total Current Liabilities	168	203	18,025
Total Liabilities	168	203	18,025
Net Assets (Deficiency)	3,904	7,988	(17,909)
Equity			
Issued Capital	6,006	19,486	1,844
Share based payments reserve	65	65	-
Foreign currency translation reserve	(8)	(8)	-
Accumulated (Losses)	(2,159)	(11,555)	(19,753)
Total Equity (Deficiency)	3,904	7,988	(17,909)

The net asset (book value) backing (pre acquisition of Sanu Eritrea) per fully paid ordinary NCO share as at 31 December 2011 based on the unaudited adjusted balance sheet (Balance Sheet "A") and 73,825,001 fully paid ordinary shares on issue is approximately 5.28 cents. The above pro-forma consolidated Balance Sheet "B" has been prepared on the basis that the acquisition of Sanu Eritrea is not considered a business combination for accounting purposes under the accounting standard AASB-3R "Business Combinations" and reverse acquisition principles do not apply.

- 5.4.2 Based on the unaudited pro-forma net asset book values, this equates to a value per fully paid ordinary share post the Capital Raising of 39,062,500 shares (at say 12.8 cents), the Hambok Acquisition and issue of 50,000,000 Purchaser Shares (162,887,501 fully paid shares on issue) of approximately 4.77 cents per share (ignoring the value, if any, of non-

booked tax benefits). The pro-forma balance sheet would disclose a net asset backing of approximately 4.90 cents however the pro-forma balance sheet will not disclose the fair value of the Mineral Assets (in the main, the Hambok Project) as the pro-forma consolidation is based on not applying the Business Combination standard under IFRS. It is noted that the book asset backing per fully paid ordinary share would be higher if the issue price of shares under the Capital Raising was higher as less shares would be issued under the Capital Raising.

We have accepted the amounts as disclosed for all adjusted current assets and non current assets. We have been advised by the management of NCO that they believe the carrying value of all current assets, non current assets and liabilities at 31 December 2011 are fair and not materially misstated.

5.4.3 We note that the market has been informed of all of the current and past projects, joint ventures and farm in/farm out arrangements entered into between NCO and other parties (nil as at 31 December 2011 other than for the proposal to acquire all of the shares in Sanu Eritrea and all of the Notes issued by Sanu Eritrea). We also note it is not the present intention of the directors of NCO to liquidate the Company and therefore any theoretical value based upon wind up value or even net book value (as adjusted), is just that, theoretical. The shareholders, existing and future, must acquire shares in NCO based on the market perceptions of what the market considers a NCO share to be worth.

5.4.4 The market has either generally valued the vast majority of mineral exploration companies at significant discounts or premiums to appraised technical values and this has been the case for a number of years. The shares in NCO may be issued at a low of 12.8 cents each as part of the proposed Capital Raising in the first half of 2012 and as part of the overall capitalisation of NCO and arguably that this may be the current fair value of a share in NCO. However, it is noted that the actual issue price under the Capital Raising has not been finalised and may be between 12.8 cents and 25 cents. In view of the planned Hambok Acquisition, we have considered that the more appropriate value to ascribe to the Purchaser Shares is 17.5 cents (approximate VWAP over the past 5 days to 3 February 2012) but we have also have reviewed the adjusted net asset backing approach 5.28 cents as at 31 December 2011) (that ignores the issue of further shares to raise up to \$5,000,000) to value a share in NCO for the purposes of concluding whether the proposal with NGE is fair (and reasonable) and also have taken into consideration the pre announcement share prices. The shares in NCO traded on ASX in May 2011 at between 13 cents and 23 cents with most trades below 20 cents. Between 1 June 2011 and 24 January 2012, no shares were traded in NCO on the ASX as a trading halt had been in place.

We note that the planned Capital Raising to raise \$5,000,000 is proposed to be undertaken at 80% of the 5 day VWAP and may be as low as 12.8 cents per share but will probably be in the range of 12.8 cents to 18 cents. Post the announcement of the Hambok Acquisition share prices of an NCO share trading on ASX have been between 15 cents and 18.5 cents and this range arguably could represent the current fair market value of the shares in NCO. However the Capital Raising to raise \$5,000,000 is based on the premise of the Hambok Acquisition proceeding (the Hambok Acquisition is not dependent on the Capital Raising but funding for NCO is dependent on the subsequent Capital Raising being completed). The actual share price at the date of acquisition of Sanu Eritrea cannot be determined at this point of time. Thus the deemed share price attributable to the Purchaser Shares may be 17.5 cents being the approximate VWAP over the past 5 days to 3 February 2012 (\$8,750,000 for the Purchaser Shares) but could be higher if the share price of an NCO share trading on ASX is higher at the actual date of issue of the Purchaser Shares (\$10,000,000 for the Purchaser Shares if the Purchaser Shares issued at 20 cents and \$12,500,000 for the Purchaser Shares if the ASX traded share price was 25 cents). However the actual share price of an NCO share trading on ASX will be the issue price of the Purchaser Shares under International Financial Reporting Standards. In the pro-forma balance sheet we have used 17.5 cents per Issue Share being the approximate VWAP over the past 5 days to 3 February 2012.

5.5 Market Price of NCO Fully Paid Ordinary Shares

5.5.1 Share prices in NCO as recorded on the ASX since 1 January 2011 up to and including 27 May 2011 (the last day shares in NCO were trading on ASX before the announcement of a trading halt on 1 June 2011) have been as follows:

2011	High Cents	Low Cents	Closing Price Cents	Volume 000's
January	15.5	13.5	13.5	1,346
February	16.5	13.5	14.0	1,106
March	19.0	14.0	18.0	1,335
April	19.0	12.0	13.0	3,265
May	23.0	13.0	22.5	3,299

The Hambok Acquisition was announced to the market on 24 January 2012. In our opinion, the proposed Capital Raising price is a more appropriate price (may be as low as 12.8 cents but may be less or more) to use in assessing fairness of the Hambok Acquisition as the financing of the Hambok Acquisition is dependent on completion of the Capital Raising. The Hambok Acquisition assumes an AUS\$1=US\$1 exchange rate but no firm deemed issue price was allocated to the Purchaser Shares (but it was noted that prior to the suspension in May 2011, the shares traded on ASX mainly below 20 cents per share).

5.6 The future value of a NCO share will depend upon, inter alia:

- The future commercialisation of the existing mineral interests and the successful exploitation of the Mineral Assets (if acquired by acquiring all of the shares in Sanu Eritrea);
- The state of the copper, zinc and base metal markets (and prices) and foreign exchange rates;
- Cash position of NCO;
- The state of Australian and overseas stock markets;
- Membership and control of the Board and the quality of management;
- General economic conditions;
- Liquidity of shares in NCO; and
- Potential risk of operating in Eritrea and in Africa generally.

5.7 Conclusion on the Value of NCO Shares

5.7.1 Our view is that in considering the value to ascribe to a Purchaser Share to be offered to NGEx and Sanu, it is more appropriate to ascribe the approximate VWAP share price of 17.5 cents as noted above however we have reviewed the asset backing of a NCO share of approximately 5.28 cents. In conclusion our preferred methodology is to use the approximate VWAP share price of 17.5 cents since the recommencement of trading in NCO shares on 27 January 2011 but note that the actual issue price of the Purchaser Shares may be higher or lower as under IFRS the actual issue price will be the share price on the day of issue of the Purchaser Shares. We note that in the absence of a significant acquisition the value per NCO share could be lower than the around 22.5 cent share price before suspension from trading on ASX effective 1 June 2011. Since the announcement of the proposed Hambok Acquisition, the shares in NCO have traded on ASX at between 15 cents and 21 cents (on first day of the announcement of the Hambok Acquisition) with a last sale on 6 February 2012 of 16.5 cents (traded between 16.5 cents and 17.0 cents on that day).

The Directors will need to consider the accounting standards in determining the final price attributable to the Purchaser Shares to be issued to acquire Sanu Eritrea and the Note notwithstanding the potential issue price of 17.5 cents. It is noted that the Capital Raising is being undertaken on the assumption that Sanu Eritrea will be acquired (and the subsequent Capital Raising is required to ensure the new NCO Group has sufficient working capital at least for the balance of 2012).

6. Value of Consideration

6.1 The consideration price range could be:

	A\$	A\$	A\$
50,000,000 Purchaser Shares	7,500,000	10,000,000	12,500,000
Reimbursable Amount	700,000	700,000	700,000
	<u>8,200,000</u>	<u>10,700,000</u>	<u>13,200,000</u>
Share price assumed to be (cents)	<u>15 cents</u>	<u>20 cents</u>	<u>25 cents</u>

In addition, the Company may be required to meet the Contingent Payment of US\$7,500,000 if NCO after First Commercial Production is achieved in relation to the Hambok Project. Thus, potentially the total consideration could lie in the range of \$15,700,000 and \$20,700,000 (assuming an AUS/US exchange rate of 1 for 1).

The funds from the Capital Raising along with the existing cash reserves of NCO will be used to evaluate the Mineral Assets, pay capital raising costs and the balance for working capital. Section 2.5 of the ES refers to the use of funds.

7. Basis of Valuation of Sanu Eritrea (and interests in the Mineral Assets)

7.1 The usual approach to the valuation of an asset is to seek to determine what an informed, willing but not anxious buyer would pay to an informed, willing but not anxious seller in an open market.

7.2 Sanu Eritrea is an unlisted public company and an indirectly wholly owned subsidiary of NGEEx and therefore valuing the shares on a takeover basis and on a market based approach are not relevant. There are no indications that other parties wished to acquire all of the shares in Sanu Eritrea other than NCO.

7.3 In January 2012, the Company in conjunction with ourselves commissioned a valuation report of the Mineral Assets (range of values) and more fully described in the Coffey Mining Valuation Report of February 2012.

7.4 The unaudited statement of financial position (balance sheet) of Sanu Eritrea at 31 December 2011 is disclosed under paragraph 5.4.1 above (converted to Australian dollars on the basis of AUS\$1= US\$1). This balance sheet shows negative liabilities of approximately US\$17,909,000 as all exploration and evaluation costs relating to the Hambok Project are expensed as incurred and not capitalised.

7.5 Completion of the Hambok Acquisition was conditional on all necessary due diligence being undertaken on the ownership interests of Sanu Eritrea and ownership of the Mineral Assets. We are advised by NCO that due diligence has been satisfactorily completed but we have not undertaken any further steps to ascertain ownership of Sanu Eritrea and the Mineral Assets. It has been assumed that Sanu Eritrea at the date of the Hambok Acquisition will have no other assets and liabilities of a material nature except for the Note amount of approximately US\$17,388,952 owing to NGEEx. Thus the value of Sanu Eritrea is basically the value of the Mineral Assets less the value of the Note owing to NGEEx. NCO as part of the acquisition of all of the shares in Sanu Eritrea is proposing to acquire the Note from NGEEx. Paragraph 1.2 above refers to the allocation of the Hambok Acquisition costs between the shares in Sanu Eritrea and the Notes.

7.6 Stantons International Securities, in conjunction with NCO commissioned Coffey Mining (principal authors of the Valuation Report are Hannes Bornman and Kathleen Body) to prepare a valuation report of the Mineral Assets. The Coffey Mining Valuation Report is attached as Appendix B to this report. The Coffey Mining Valuation Report is available for inspection at the registered office of the Company. The Coffey Mining Valuation Report ascribes a range of values to the interests in the Mineral Assets and for the purposes of our report we have used the low, high and mid range market valuations referred to in the Coffey Mining Valuation Report.

7.7 We have used and relied on the Coffey Mining Valuation Report on the Mineral Assets and have satisfied ourselves that:

- Coffey Mining is a suitably qualified consulting firm and has relevant experience in assessing the merits of copper, zinc and base metal projects and preparing copper, zinc and base metal asset valuations (also the principal authors of the report Hannes Bornman and Kathleen Body are suitably qualified and experienced);
- Coffey Mining and the authors of the Coffey Mining Valuation Report are independent from NCO and NGEx; and
- Coffey Mining has to the best of our knowledge employed recognised methodologies in the preparation of the Coffey Mining Valuation Report on the Mineral Assets.

7.8 Coffey Mining has provided a range of market values of the interests in the Mineral Assets as follows:

	Low US\$	Preferred US\$	High US\$
Hambok Project (including the Koken Deposit and exploration potential)	57,500,000	95,000,000	117,500,000
	Low A\$	Preferred A\$	High A\$
Hambok Project(including the Koken Deposit including the exploration potential) (rounded)	57,500,000	95,000,000	117,500,000

As at 6 February 2012, the US/AUS exchange rate as approximately AUS\$1= US\$1.07 but we have used a US/AUS exchange rate of 1 for 1 rate for conversion to Australian dollars.

7.9 We have been advised that accepted all current assets (US\$29,805) and trade liabilities (US\$35,147) will be minimal at the date of the Hambok Acquisition but liabilities include the Note amount of approximately US\$17,388,952 owing to NGEx and other payables of US\$601,904 that will form part of the Reimbursable Amount of up to US\$700,000. As the Mining Assets have a book value of approximately US\$87,153 and the preferred valuation is US\$95,000,000 there is an unrealised deferred tax liability of around US\$28,473,854 using a 30% corporation tax rate in Eritrea (\$17,223,854 using the low value noted above and \$35,223,854 using the high value noted above).

The net fair value of Sanu Eritrea may fall in the range of approximately US\$22,281,000 (rounded) to US\$64,280,000 (rounded) (preferred rounded valuation is US\$48,430,000 and the Australian dollar equivalent is similar. However, it is noted that the Mineral Assets have prospectivity and the ultimate value may rise in the event of commercial success.

8. Conclusion as to Fairness

8.1 The proposal to acquire the shares in Sanu Eritrea (and the Note due to NGEx) that has its only significant asset the Mineral Assets for the considerations noted in paragraph 6.1 is believed to be fair to NCO's non-associated shareholders if the value of the consideration offered is equal to or less than the value of the shares in Sanu Eritrea being acquired.

8.2 Due to the nature of the business of Sanu Eritrea, valuations are dependent upon the value placed on the mineral interests (Mineral Assets) of Sanu Eritrea. The valuation of mineral interests and valuing future profitability and cash flows is extremely subjective as it involves assumptions regarding future events that are not capable of independent substantiation.

8.3 The actual consideration payable to NGEx is 50,000,000 Purchaser Shares (35,000,000 for the shares in Sanu Eritrea and 15,000,000 as balance of consideration for the Note) with a possible value of between \$7,500,000 and \$12,500,000) based on issue prices of between 15 cents and 25 cents (may be less or more) plus the Reimbursable Amount of say up to US\$700,000 (taken as \$700,000). In addition, the Company may need to pay the

Contingent Payment of US\$7,500,000 if First Commercial Production is achieved from mining on the Hambok Project.

8.4 As noted above, the preferred net fair value of Sanu Eritrea may approximate US\$48,430,000 (net of an unrealised deferred tax liability) using the preferred fair values attributed to the Mineral Assets by Coffey Mining and assuming Sanu Eritrea is a going concern and title to the Mineral Assets are satisfactory. In addition, Sanu Eritrea has a Note amount of approximately US\$17,388,952 (approximately A\$16,407,000 but assumed to approximate A\$17,388,952) and this Note is to be acquired by NCO for 15,000,000 Purchaser Shares. The total deemed cost of acquiring the Note from NGEEx may lie in the range of \$2,250,000 and \$3,750,000 whilst the book value of the Note approximates \$17,388,952. The difference of between \$13,638,952 and \$15,138,952 will be taken up as a profit on consolidation.

8.5 **In our opinion, taking into account the factors noted in this report that assumes the Capital Raising will be completed shortly after the Hambok Acquisition is approved by shareholders, the proposals as outlined in paragraph 1.2 and Resolution 2 may on balance be considered to be fair to the shareholders of NCO nota associated with NGEEx.**

The valuation of mineral interests and the valuation of future profitability and cash flows are extremely subjective as they involve assumptions regarding future events that are not capable of independent substantiation. We cannot warrant and do not warrant that Sanu Eritrea and the Hambok Project will be cash flow positive in the future.

9. Reasonableness of the Hambok Acquisition

9.1 We set out below some of the advantages and disadvantages and other factors pertaining to the proposed Hambok Acquisition that we considered in arriving at our conclusion on the reasonableness of the Hambok Acquisition.

Advantages

9.2 The Company, in effect moves from a company with only one significant mining project (Ongombo Copper Project in Namibia) to an expanded mineral exploration company with an exiting mineral prospect in Eritrea (but carrying country/political risk amongst others). In conjunction with the Hambok Acquisition, NCO will raise a maximum of \$5,000,000 before capital raising costs via a Capital Raising and will be partially recapitalised. The Hambok Acquisition if successful could lead to potential copper/zinc mining operations in Eritrea or the ability for NCO to on-sell or farm-out the Mineral Assets to another mineral exploration company at a profit.

9.3 The Company may be better placed to raise further funds by way of share equity as a result of acquiring the Mineral Assets (via acquiring all of the shares in Sanu Eritrea). The Hambok Acquisition proposal is leading to a Capital Raising of \$5,000,000.

9.4 There is an incentive to NCO and NGEEx, to successfully exploit the Hambok Mineral Assets as NGEEx will have significant shareholding interests in NCO. The Coffey Mining Valuation Report notes the upside potential of the Hambok Project.

9.5 In the event that the Hambok Acquisition proceed and the Capital Raising is undertaken, the chances of the existing 9,600,000 share options that are exercisable at 20 cents each on or before 30 September 2012 are arguably enhanced. If exercised, the Company would receive a further \$1,920,000 in cash funds. The partly paid shares may also be paid up in full to become ordinary shares and if this occurred, the Company would receive a total of \$995,000.

- 9.6 Existing shareholders may be given the opportunity to sell their shares in excess of the share prices existing prior to the Hambok Acquisition and Capital Raising announcement. There is the possibility that the share price in the short term may trade around the Capital Raising price and those shareholders who consider the risk of copper/zinc mineral exploration in Eritrea to be too high may wish to sell their shareholdings in NCO.
- 9.7 Coffey Mining has ascribed a range of potential values to the Mineral Assets of Sanu Eritrea that is above the considerations payable on a pre-announcement basis both on a 15 cent to 25 cent potential issue price to the Purchaser Shares and on an adjusted asset backing approach.
- 9.8 NGEx would become a cornerstone investor as it would post the Hambok Acquisition own approximately between 29.78% and 33.60% of the expanded issued capital of the Company if the maximum Capital Raising of \$5,000,000 is completed (depends on the issue price under the Capital Raising).

Disadvantages

- 9.9 Currently, NGEx own nil shares in the Company (before the Capital Raising) and if resolutions 1 to 2 are passed and the Hambok Acquisition is completed, NGEx will increase its shareholding interest in NCO to between approximately 29.78% and 33.60% (before the exercise of any share options but after the Capital Raising noted above).

The shareholders as at 6 February 2012 will be massively diluted from owning a current 100% shareholding interest in NCO and its underlying assets to a much smaller shareholding of between approximately 66.40% and 70.22% post the Capital Raising and Hambok Acquisition and other capitalisation proposals.

- 9.10 The exploration commitments, planned expenditures and expenditure obligations pursuant to the Mineral Assets are quite high. Should commercial copper/zinc reserves be proven, to proceed to development may require significant additional capital which would dilute the current shareholders even further. The number of shares that may be issued to raise additional capital is not yet known.
- 9.11 In general terms, investments in mineral exploration companies are high risk however for those shareholders who consider that the proposed Hambok Acquisition from NGEx is a risk worth taking, then the proposed Hambok Acquisition under Resolution 2 may be reasonable.
- 9.12 The Mineral Assets may not turn out to be commercially viable and thus losses may be incurred.
- 9.13 The Mineral Assets are located in Eritrea a country that has in the past not been economically stable. Political, economic and exchange risks are considered to be significantly higher in Eritrea than if the operations were located in Australia.

Other Factors

- 9.14 It is noted that for accounting purposes in the books of NCO, the Purchaser Shares will be booked at the market value of the ordinary shares in NCO at the date the Purchaser Shares are issued to NGEx. Thus, as the legal potential owner of the shares in Sanu Eritrea, NCO may record an investment in Sanu Eritrea of between \$7,500,000 to \$12,500,000 (including owning the Note that was previously owed by Sanu Eritrea to NGEx) and account for the Reimbursable Amount of say up to \$700,000. Furthermore, the Company may need to pay US\$7,500,000 (the Contingent payment noted above) in the Event of First Commercial Production being achieved on mining on the Hambok Project. The ultimate fair value of an investment in Sanu Eritrea is at this stage unknown and write downs in the investment (shares and Note) may be required at a later stage (particularly if commercial success from the Mineral Assets is not forthcoming).

- 9.15 The number of ordinary shares on issue initially rises from 78,825,001 (includes 5,000,000 partly paid shares) to between 148,825,001 (if Capital Raising Shares were issued at 25 cents) and 167,887,501 (after issue of the Capital Raising Shares and Purchaser Shares) (but before the exercise of any existing share options). This represents a significant increase in the ordinary shares of the Company based on the number of shares on issue at the time of the announcement of the Hambok Acquisition and Capital Raising on 24 January 2012.

10. Conclusion as to Reasonableness

- 10.1 **After taking into account the factors referred to in 9 above and elsewhere in this report that assumes the Capital Raising will be completed in conjunction with the Hambok Acquisition, we are of the opinion that the advantages to the existing shareholders outweigh the disadvantages and thus the proposed Hambok Acquisition as noted in paragraph 1.2 and Resolution 2 in the Notice may be considered, on balance, to be reasonable to the shareholders of NCO not associated with NGEx.**

Positive exploration and development results will be a key factor in the Company's ability to attract funding and meet its financial commitments in relation to the Mineral Assets in the future.

11. Sources of Information

- 11.1 In making our assessment as to whether the proposed Hambok Acquisition as noted in paragraph 1.2 is fair and reasonable, we have reviewed relevant published available information and other unpublished information of the Company, the Mineral Assets and Sanu Eritrea that is relevant to the current circumstances. In addition, we have held discussions with the management of NCO about the present and future operations of the Company. Statements and opinions contained in this report are given in good faith but in the preparation of this report, we have relied in part on information provided by the directors and management of NCO.

- 11.2 Information we have received includes, but is not limited to:

- a) Drafts of Notice of Meetings of NCO and Explanatory Statements to Shareholders to 6 February 2012;
- b) Discussions with management of NCO;
- c) Details of historical market trading of NCO ordinary fully paid shares recorded by ASX for the period 1 July 2010 to 6 February 2012;
- d) Shareholding details of NCO as supplied by the Company's share registry as at 19 January 2012;
- e) Audited consolidated balance sheet of NCO as at 30 June 2010 and 2011;
- f) Reviewed balance sheet of NCO as at 31 December 2010 and unaudited consolidated balance sheet of NCO to 31 December 2011;
- g) Announcements made by NCO to the ASX from 1 January 2010 to 6 February 2012;
- h) The Share Purchase Agreement between NCO, NGEx and Sanu executed in January 2012 for the proposed acquisition of all of the shares in Sanu Eritrea and the acquisition of the Note from NGEx;
- i) The estimated annual minimum mineral expenditure commitments on the Mineral Assets;
- j) Unaudited accounts of Sanu Eritrea for the year ended 30 June 2011 and unaudited balance sheet as at 31 December 2011; and
- k) The Coffey Mining Valuation Report on the Mineral Assets dated 3 February 2012 and discussions with Kathleen Body of Coffey Mining.

11.3 Our report includes Appendix A and our Financial Services Guide attached to this report.

Yours faithfully

STANTONS INTERNATIONAL SECURITIES

A handwritten signature in black ink, appearing to read 'J P Van Dieren', followed by a long horizontal flourish.

J P Van Dieren - FCA
Director

APPENDIX A

AUTHOR INDEPENDENCE AND INDEMNITY

This annexure forms part of and should be read in conjunction with the report of Stantons International Securities dated 7 February 2012, relating to acquiring all of the share capital of Sanu Eritrea and the Note from NGEEx as outlined in paragraph 1.2 of the report and Resolution 2 in the Notice of Meeting to Shareholders to be distributed to NCO shareholders in February 2012.

At the date of this report, Stantons International Securities does not have any interest in the outcome of the proposal. There are no relationships with NCO or NGEEx other than acting as an independent expert for the purposes of this report. There are no existing relationships between Stantons International Securities and the parties participating in the transaction detailed in this report which would affect our ability to provide an independent opinion. The fee to be received for the preparation of this report is based on the time spent at normal professional rates plus out of pocket expenses and is estimated at \$25,000. The fee is payable regardless of the outcome. With the exception of the fee, neither Stantons International Securities nor John P Van Dieren have received, nor will, or may they receive, any pecuniary or other benefits, whether directly or indirectly, for or in connection with the making of this report.

Stantons International Securities does not hold any securities in NCO or NGEEx. There are no pecuniary or other interests of Stantons International Securities that could be reasonably argued as affecting its ability to give an unbiased and independent opinion in relation to the proposal. Stantons International Securities and Mr J Van Dieren have consented to the inclusion of this report in the form and context in which it is included as an annexure to the Notice.

QUALIFICATIONS

We advise Stantons International Securities is the holder of an Australian Financial Services Licence (no 319600) under the Corporations Act 2001 relating to advice and reporting on mergers, takeovers and acquisitions that involve securities. A number of the directors of Stantons International Pty Ltd are the directors of Stantons International Securities and Stantons International Securities has an affiliation with Stantons International Audit and Consulting Pty Ltd, a company that provides audit, management and accounting services. Stantons International Securities has extensive experience in providing advice pertaining to mergers, acquisitions and strategic for both listed and unlisted companies and businesses.

Mr John P Van Dieren, FCA, the person responsible for the preparation of this report, has extensive experience in the preparation of valuations for companies and in advising corporations on takeovers generally and in particular on the valuation and financial aspects thereof, including the fairness and reasonableness of the consideration offered. The professionals employed in the research, analysis and evaluation leading to the formulation of opinions contained in this report, have qualifications and experience appropriate to the task they have performed.

DECLARATION

This report has been prepared at the request of the Directors of NCO in order to assist the shareholders of NCO to assess the merits or otherwise of the proposals to acquire all of the shares in Sanu Eritrea and the Note as outlined in Resolution 2 and the Explanatory Statement to which this report relates. This report has been prepared for the benefit of NCO's shareholders and does not provide a general expression of Stantons International Securities opinion as to the longer term value of NCO, its assets and Sanu Eritrea, its Mineral Assets and the Note.

Stantons International Securities does not imply, and it should not be construed, that it has carried out any form of audit on the accounting or other records of NCO or Sanu Eritrea (including ownership and title to the Mineral Assets). Neither the whole nor any part of this report, nor any reference thereto may be included in or with or attached to any document, circular, Resolution, letter or statement, without the prior written consent of Stantons International Securities to the form and context in which it appears.

DISCLAIMER

This report has been prepared by Stantons International Securities with due care and diligence. However, except for those responsibilities, which by law cannot be excluded, no responsibility arising in any way whatsoever for errors or omission (including responsibility to any person for negligence) is assumed by Stantons International Securities, Stantons International Pty Ltd, Stantons International Audit and Consulting Pty Ltd, their directors, employees or consultants for the preparation of this report.

DECLARATION AND INDEMNITY

Recognising that Stantons International Securities may rely on information provided by NCO and its officers (save whether it would not be reasonable to rely on the information having regard to Stantons International Securities experience and qualifications), NCO has agreed:

- (a) To make no claim by it or its officers against Stantons International Securities (and Stantons International Pty Ltd and Stantons International Audit and Consulting Pty Ltd) to recover any loss or damage which NCO may suffer as a result of reasonable reliance by Stantons International Securities on the information provided by NCO; and
- (b) To indemnify Stantons International Securities (and Stantons International Pty Ltd and Stantons International Audit and Consulting Pty Ltd) against any claim arising (wholly or in part) from NCO or any of its officers providing Stantons International Securities any false or misleading information or in the failure of NCO or its officers in providing material information, except where the claim has arisen as a result of wilful misconduct or negligence by Stantons International Securities.

A draft of this report was presented to NCO directors for a review of factual information contained in the report. Comments received relating to factual matters were taken into account, however the valuation methodologies and conclusions did not alter.

**FINANCIAL SERVICES GUIDE
FOR STANTONS INTERNATIONAL PTY LTD
(Trading as Stantons International Securities)
Dated 7 February 2012**

1. Stantons International Securities ACN 103 088 697 ("SIS" or "we" or "us" or "ours" as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

2. Financial Services Guide

In the above circumstances we are required to issue to you, as a retail client a Financial Services Guide ("FSG"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the services we are authorised to provide under our Australian Financial Services Licence, Licence No: 319600;
- remuneration that we and/or our staff and any associated receive in connection with the general financial product advice;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

3. Financial services we are licensed to provide

We hold an Australian Financial Services Licence which authorises us to provide financial product advice in relation to:

- Securities (such as shares, options and notes)

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

4. General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

5. Benefits that we may receive

We charge fees for providing reports. These fees will be agreed with, and paid by, the person who engages us to provide the report. Fees will be agreed on either a fixed fee or time cost basis.

Except for the fees referred to above, neither SIS, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

6. Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report.

7. Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

8. Associations and relationships

SIS is ultimately a wholly owned division of Stantons International Pty Ltd a professional advisory and accounting practice and is affiliated with Stantons International Audit and Consulting Pty Ltd (who charges management and corporate fees to Stantons International Pty Ltd). Our directors are directors in Stantons International Pty Ltd.

From time to time, SIS and Stantons International Pty Ltd and/or their affiliated entities may provide professional services, including audit, accounting and financial advisory services, to financial product issuers in the ordinary course of its business.

9. Complaints Resolution

- Internal complaints Resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to:

The Complaints Officer
Stantons International Securities
Level 2
1 Walker Avenue
WEST PERTH WA 6005

Telephone: 08 94813188
Fax: 08 93211204

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaints within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

- Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service Limited ("FOSL"). FOSL is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOSL are available at the FOSL website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service Limited
PO Box 3
MELBOURNE VIC 8007

Toll Free: 1300 78 08 08
Facsimile: (03) 9613 6399

10. Contact details

You may contact us using the details set out in section 9 of this FSG.

NAMIBIAN COPPER NL
ACN 118 913 232
PROXY FORM

Shareholder Details

Name:

Address:

Contact Telephone No:

Contact Name (if different from above):

Appointment of Proxy

I/We being a shareholder/s of Namibian Copper NL and entitled to attend and vote hereby appoint the following proxy/proxies to attend and act on my/our behalf and to vote in accordance with my/our following directions at the General Meeting of Namibian Copper NL to be held at Level 4, 66 Kings Park Road West Perth WA on 12 March 2012 at 10am (WST) and at any adjournment of that meeting.

The Chairman
of the meeting

(mark with an 'X')

OR

IMPORTANT:

If the Chairman of the meeting is your proxy, or if appointed your proxy by default and you do **not** wish to direct him/her how to vote on any of these resolutions, you must mark this box with an "X". By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy on those resolutions (for which you have not given a direction) even if he/she has an interest in the outcome of the resolution and that votes cast by him/her, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote on any of these resolutions, the Chairman of the meeting will not cast your votes on the resolutions (for which you have not given a direction) on a show of hands or on a poll. The Chairman of the meeting intends to vote undirected proxies in favour of each resolution.

**If the person you are appointing as your proxy is someone other than the Chairman of the meeting:
Write the name of that person in the box below.**

 %

You must specify the % of your votes that you authorise your proxy to exercise if:

**If you hold 2 or more Shares in Namibian Copper NL you may appoint a second proxy:
Write the name of your second proxy in the box below.**

 %

- (a) you have only appointed 1 proxy and do not want him/her to exercise all of your votes; or
- (b) if you have appointed 2 proxies under this proxy form.

If you do not name a proxy or your named proxy fails to attend the meeting, the Chairman of the meeting will be appointed as your proxy to attend and act on your behalf and to vote in accordance with the following directions at the General Meeting of the Company to be held at Level 4, 66 Kings Park Road, West Perth on 12 March 2012 at 10am (WST) and at any adjournment of that meeting.

Voting directions to your proxy - Please mark only one of the boxes with an "X" for each resolution to indicate your directions.

Special Business

	For	Against	Abstain
Resolution 1. Placement Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3: Acquisition of Sanu	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the "Abstain" box with an "x" for a particular resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll.

PLEASE SIGN HERE
implemented

This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1

**Sole Director and
Sole Company Secretary**

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

How to complete this Proxy Form

1 Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. **Please note you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a shareholder of the Company.

3 Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy please write the name of that person.

To appoint a second proxy you must state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If the Proxy Form does not specify a percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the shareholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting a "Certificate of Appointment of Corporate Representative" should be produced prior to admission.

6 Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting, i.e. no later than 5:00 pm (WST) on 10 March 2012. Any Proxy Form received after that time will not be valid for the scheduled meeting.

This Proxy Form (and any Power of Attorney and/or second Proxy Form) may be sent or delivered to PO Box 52 West Perth WA 6872 or sent by facsimile to (08) 6141 3599 before 5:00 pm (WST) on 10 March 2012.