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REG. No. CC/2004/1305

**How Local Namibian can enter
the Mining Industry from Project
Identification to Mine Closure –
Extract Summary for Developing
a Successful Mining Project
(Confidential Document by Dr.
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a local owned consultancy company specialising in

**Mining,
Petroleum,
Applied Environment,
Waste Management,
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Overview

The summary in this paper just outlines the steps that are required for developing successful mining projects by local people in Namibia. This simple and general approach is the gateway for local Namibians wanting to enter the mining industry. Before one decides to get into the mining industry, they must be aware of the following:

1. Mining is very difficult and a risk industry that requires patience, skill and resources;
2. It takes a long time (years) to start getting the reward on your investments and if you are one of the lucky ones!!!
3. There will be a need to invest in very risky stages such as the exploration stages (adding value to the resources) of the project development before a decision to have a mining project or not can be made;
4. There are no short-cuts to developing a successful mining project and there are, if any, very few, rich quick mining entrepreneurs!!

The Process

The approach to developing a Mining Business Plan is rather completely different from other forms of businesses such as in the tourism or fishing industries. Some form of similarity on the business plan development only exists at the early stages. Thereafter, the process is very complex, high risk and very expensive. More so the money spent on the exploration as well as other related activities of developing a **full bankable feasibility** may or may not be recovered, depending on whether the feasibility study turns out to be positive or negative.

Fig. 1 shows a summary outline of the process of entering into the mining industry with the details shown in Figs. 2 and 3. **Please note that the percentages cost estimates covering scoping, pre-feasibility and feasibility may vary considerably and will depend on the site specific conditions, location, size of the property as well as the types of exploration techniques that may be used.**

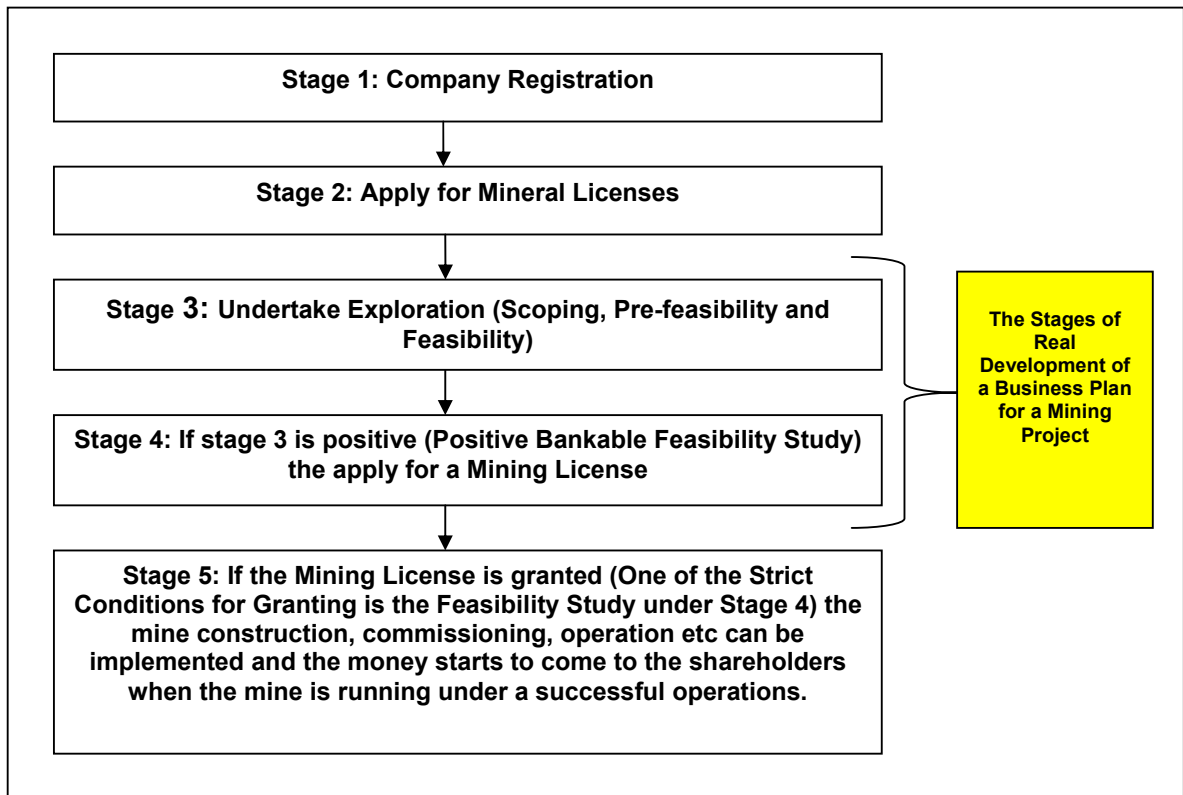


Figure 1: Summary outline of entering the mining industry.

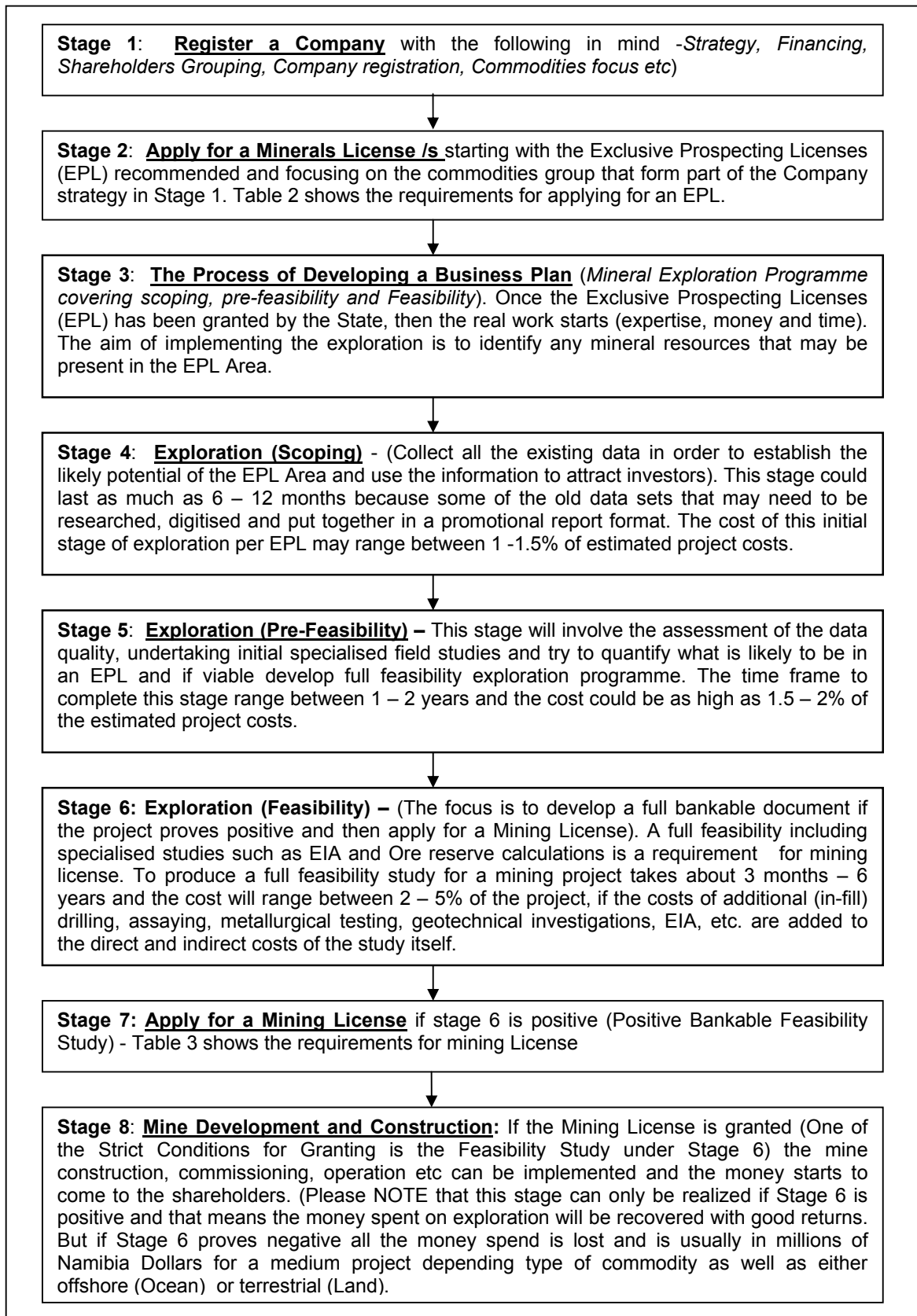


Figure 2: Explanatory outline for entering the mining industry.

Table 1: Summary Requirements for applying for an EPL (Extract from the official application from Ministry of Mines and Energy).

No	Description
1	Copy of identification document/passport or company registration certificate
2	Accredited agent letter of appointment
3	Detailed locality map
4	Reconnaissance License report (Section 66(1)(d))
5	CV's of geotechnical staff
6	Consultants letters of consent and CV's
7	Proof of financial resources
8	Letter of consent from existing license holders
9	Any other supporting documents

Table 2: Description of the Requirements for the Mining License(Extract from the official application from Ministry of Mines and Energy).

No	Description
1	Copy of identification document/passport or company registration certificate
2	Accredited agent letter of appointment
3	Detailed locality map
4	Geological report, including all exploration data generated
5	Ore reserve calculations
6	Geotechnical report, in duplicate, as required by Sections 45(1)(f)(i), 76(1)(e)(i) or 89(1)(d)(i).
7	Environmental Impact Assessment Report
8	Environmental Management Plan
9	CV's of geotechnical staff
10	Consultants letters of consent and CV's
11	Proof of financial resources
12	Documents detailing technical viability, mine planning, forecasts of estimated expenditure and financial feasibility studies, with applicable plans.
13	Letter of consent from other existing license holders
14	Any other supporting document

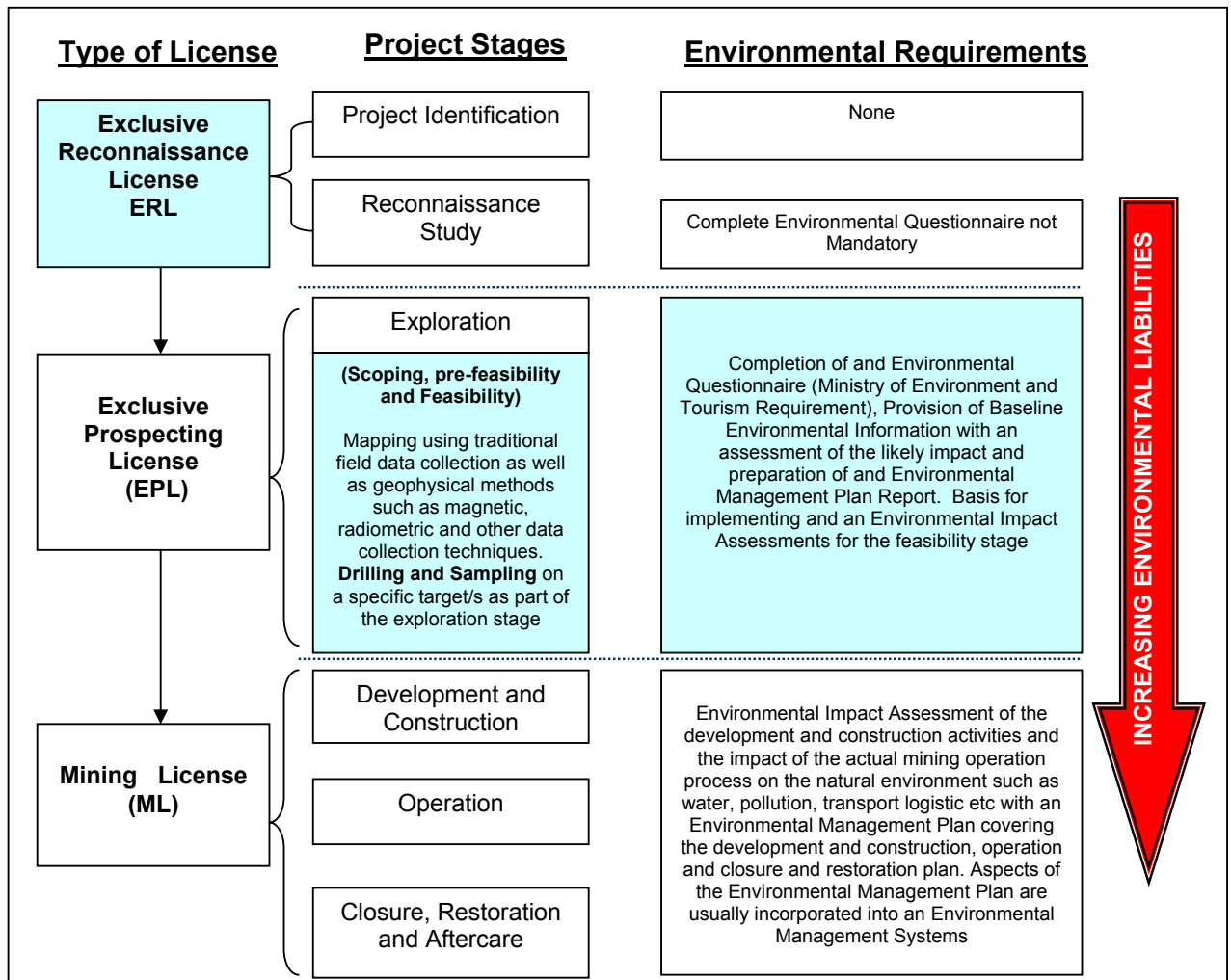


Figure 3: A generalised model indicating linkages of the type of licenses, associated with any prospecting and mining project stages and environmental requirements with the ever-increasing environmental liabilities.