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The Extractor
Mapping Namibia's Mineral Resources

- De Beers–Namibia: An enduring partnershi
- Critical Energy's failed token and sale attempts
- The handheld technology reshaping field geology
- J.P. Morgan copper prediction shines light on Namibia

VOLUME 04 | Edition 22 MONDAY, 02 MARCH 2026

5 British juniors in N$215m mining deals

They targeted uranium, copper and zinc assets

Arkle Resources secured 85% of Namibia Uranium for about N$49 million, Kendrick Resources moved on two EPLs backed by N$41 million in funding, while Serval, Unicorn and Bezant targeted copper and zinc assets in transactions ranging between N$24 million and N$48 million.

Government caps assessed loss carry-forwards

Finance Minister Erica Shafudah announced that the government will introduce a cap on assessed loss carry-forwards for mining companies as part of the 2026/27 national budget measures. Under the new framework, mining companies will be permitted to offset assessed losses of up to N$10 million against taxable income in a given tax year.

A LOOK AHEAD TO 2026 IN NAMIBIA – RECONAFRICA

As our work with the communities and authorities of Namibia continues into 2026, we are pleased to share a number of successes and developments around our exploration activities under PEL 073, as well as a look to the year ahead.

KEY SUCCESSES OF 2025

In 2025, ReconAfrica progressed key priorities by drilling our second exploration well in the Damara Fold Belt. The results showed indications of oil and gas over eight separate intervals in the Kavango West 1X well. A total of 64 metres (210 feet) of the sections contained confirmed hydrocarbons, with additional promising signs deeper in the well within the limestone reservoir. These findings suggest that the Damara Fold Belt has real potential for future energy development.

Following these positive results, PEL 073 partners ReconAfrica (operator), NAMCOR, and BW Energy met with Her Excellency President Nandi-Ndaitwah to discuss the oil and gas findings and explore how the partnership could support onshore development and help strengthen Namibia's long-term energy future.

WORKING WITH COMMUNITIES IN KAVANGO EAST AND KAVANGO WEST

ReconAfrica continues to invest in and work with local communities and is proud to have an industry-leading Environmental, Social and Governance programme in Namibia.

To date, ReconAfrica has:

- Locally hired and contracted over 2,700 short and long term positions, and worked with over 550 local, regional and national service and supply companies
- Supported 10 STEAM and 7 SAN Nursing students from the Kavango East and Kavango West regions with scholarships
- Installed 36 solar-powered community water wells in remote areas
- Completed more than 2,600 community engagement sessions
- Provided N$19 million in funding for medical services, equipment, training and wellness programmes
- Provided funding for environmental and social projects in various communities

WHAT IS NEXT FOR RECONAFRICA IN NAMIBIA?

Preparations are underway for a production test of the Kavango West 1X well this year. The team is currently procuring the necessary equipment and has applied for permits required for production testing in order to evaluate the zones of interest. This will be the first production test for hydrocarbons in Namibia and could result in the first flow of hydrocarbons to surface for the Country. We expect to conclude this testing by the third quarter of 2026.

In all aspects of our operations, ReconAfrica is committed to minimal disturbance of habitat in line with international standards and implementing environmental and social best practices in our project areas.

We remain grateful to the people of Namibia for your partnership in exploring the potential for long-term energy development in the area and look forward to providing further updates throughout 2026.

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COVER STORY

UK juniors sign over N$215m mining deals in Namibia in 12 months

In the past 12 months, a cluster of UK-listed junior mining companies has moved decisively into Namibia's mining sector, stitching together exposure to uranium, copper and rare earth elements in a country increasingly positioned as a stable frontier for investment in critical minerals.

These are not mega-transactions measured in billions. They are strategic, tightly structured deals — licence acquisitions, conditional agreements and infrastructure purchases — that give London and Aquis-listed explorers early-stage entry into Namibian ground at relatively modest upfront cost. The scale may be junior, but the intent is clear: secure exposure now, spend later if the geology delivers.

One of the most visible entries has come from Arkle Resources, which in January 2026 announced it had acquired an 85% interest in Namibia Uranium Pty Ltd. The transaction was valued at approximately £2.03 million (approximately N$49 million) and was accompanied by an oversubscribed £1.7 million placing (approximately N$41 million) to fund exploration work. The asset comprises four

exclusive prospecting licences in Namibia's Erongo region, the country's most established uranium district.

The acquisition price secures access, but real value creation will depend on how aggressively Arkle advances exploration programmes and whether drilling results justify further capital deployment.

Rare earth elements have also drawn UK interest. Kendrick Resources announced in February 2026 that it had entered into a definitive agreement to acquire a 70% interest in two Namibian exploration licences (EPL 4458 and EPL 6691).

The structure reflects a classic junior financing strategy: an initial US$300,000 cash payment (approximately N$5.6 million) combined with 22 million Kendrick shares, followed by additional contingent payments linked to licence extension.

The upfront cash component is modest, but the real financial exposure will come with fieldwork.

Rare earth projects are capital-intensive at the development stage, and exploration drilling, metallurgical testing and resource delineation will determine whether the licences move beyond headline status.

Serval Resources, operating through Oscillate PLC, has moved to secure copper ground in northern Namibia's Kaoko Belt via the acquisition of Kalahari Copper Limited. Public reporting has referenced an initial cash consideration of £2 million (approximately N$48 million), alongside structured equity, milestone, and royalty components.

The deal is designed to establish a district-scale copper footprint across emerging belts in Namibia and Botswana. As with most junior transactions, the purchase price is only the entry ticket.

The long-term cost is tied to drilling intensity, geophysical work and the technical effort required to convert anomalies into defined resources.

A different approach has come from Bezant Resources, which in August 2025 announced a conditional agreement to acquire 90% of Namib Lead & Zinc Mining (NLZM), owner of a processing plant often referred to as the "Namib Zinc" facility.

The transaction was valued at approximately US$2.5 million (approximately N$47 million), with additional royalty arrangements.

Unlike pure licence acquisitions, this move targets infrastructure. Processing capacity in Namibia is limited and expensive to build.

By acquiring an existing plant, Bezant aims to shorten development timelines for its Hope & Gorob copper-gold project by modifying and integrating the facility into its production strategy.

The capital efficiency argument is compelling on paper, but success will depend on whether the plant can be adapted economically and whether the ore supply justifies refurbishment and restart.

Unicorn Mineral Resources has also announced conditional heads of terms to acquire a 75% stake in the historic Klein Aub Copper Mine project.

Public reporting has referenced a purchase price of approximately £1 million (approximately N$24 million), although the transaction remains subject to due diligence and further work.

The move reflects continued appetite for legacy Namibian copper assets that combine historical production data with exploration upside.

UK-based companies are not writing large cheques for producing mines. They are acquiring optionality — licences near established districts, rare-earth ground in emerging corridors, copper belts with district-scale ambition, and processing infrastructure that can be repurposed.

Most deals are layered, modest upfront cash, shares issued as consideration, milestone payments, royalties and contingent earn-ins.

This keeps early financial exposure controlled while leaving room to scale if exploration results are positive. It also spreads risk between vendors and incoming operators.

Namibia's appeal in this context is not accidental. The country offers geological credibility, established mining legislation and

a reputation for relative political stability in a continent where jurisdictional risk often dominates investor discussions. For London-listed juniors seeking credible African exposure, Namibia presents a narrative that can be financed.

Yet the real test lies ahead. Acquisition announcements generate headlines. Drilling programmes consume capital.

Resource statements and feasibility studies determine whether projects graduate from exploration to development.

The question is whether these structured entries translate into sustained exploration spend, local contracting opportunities and eventual mine development, or whether they remain early-stage portfolio plays driven by commodity cycles.

What is unfolding is a quiet but noticeable re-engagement by UK-listed juniors in Namibia's mining space.

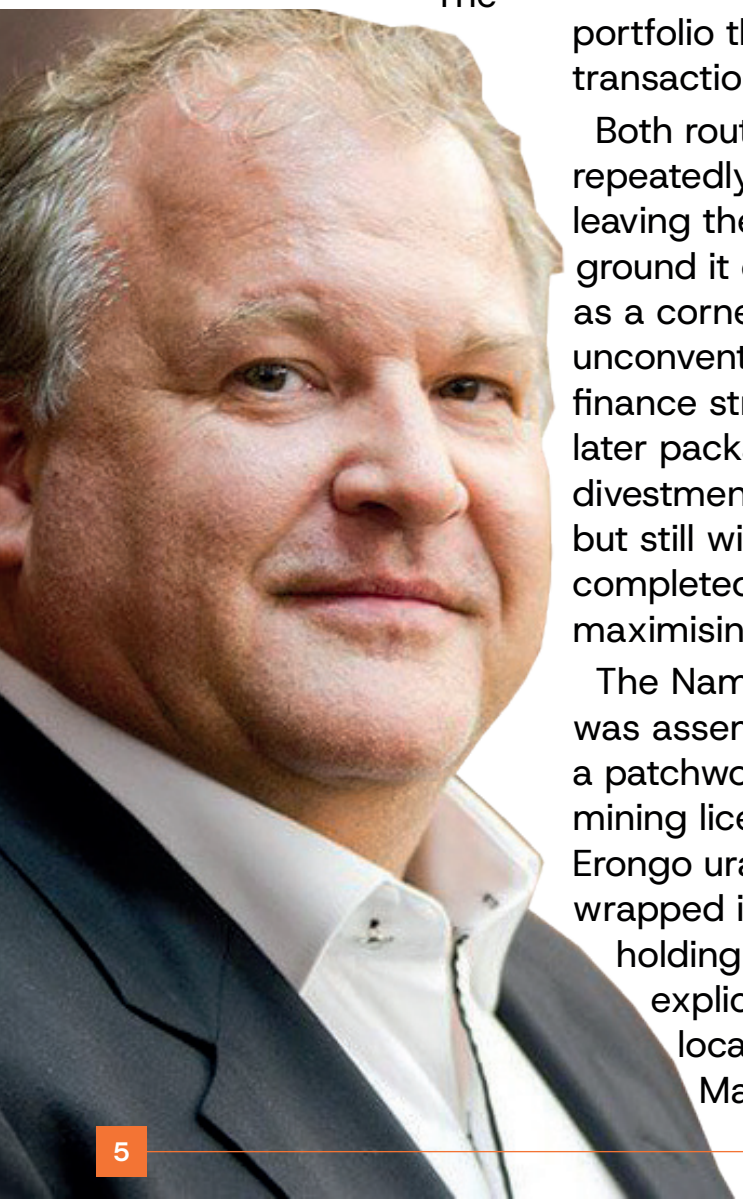
Uranium in Erongo, copper in Kaoko and central Namibia, rare earth elements in the south, and the acquisition of processing infrastructure signal that London sees room to position itself in Namibia's next chapter of mineral development.

The next 12 to 24 months will determine whether these entry points mature into operating assets — or remain strategic options waiting on the right market conditions.

DEALINGS

Madison's failed token and sale attempts

Madison Metals, now rebranded as Critical One Energy, has spent the past few years trying to turn its Namibian uranium and uranium-linked licence footprint into a monetisable story.



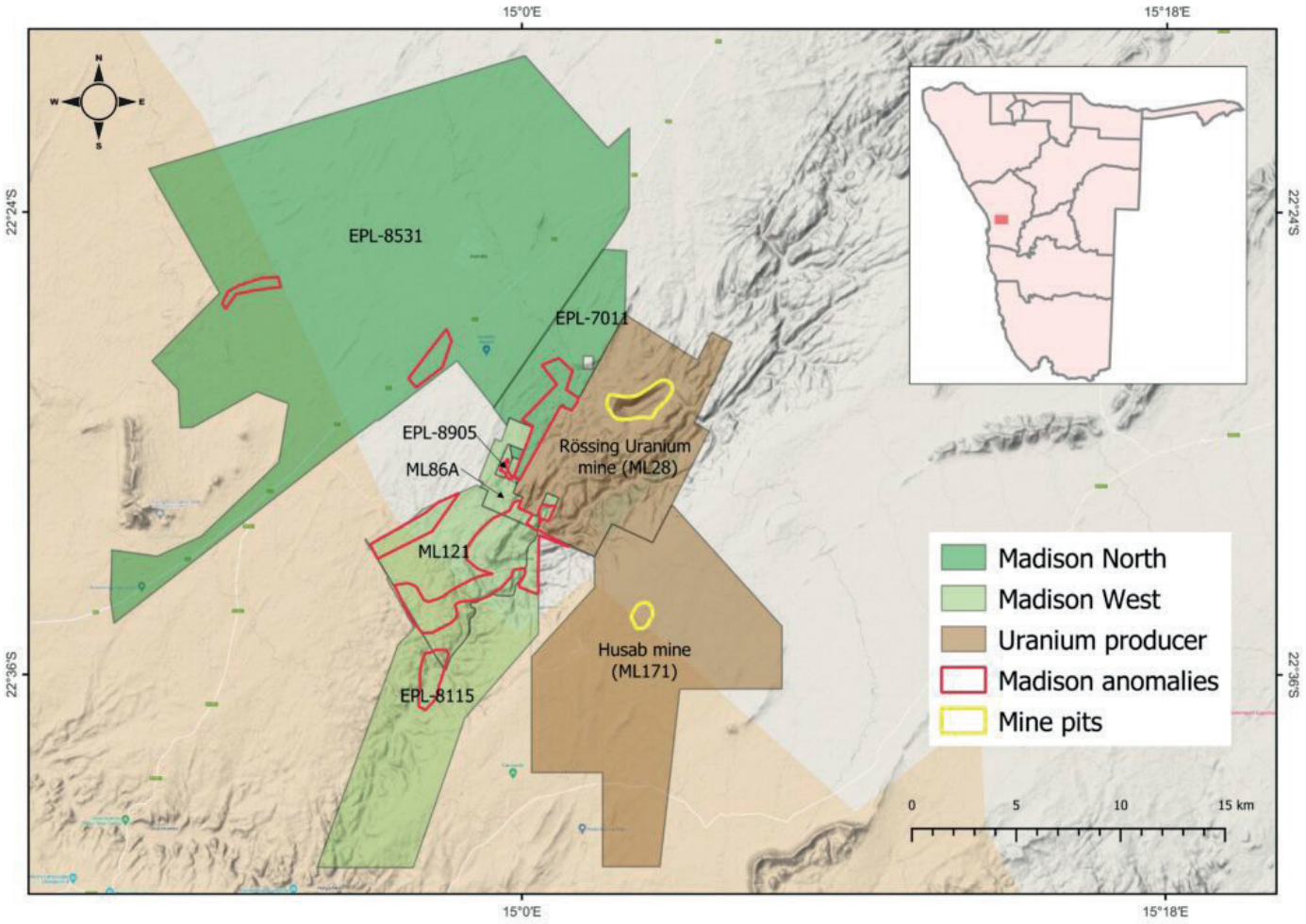
The company pursued two major exits from the same asset base: first, by attempting to financialise uranium through tokenisation and forward sale structures; and second, by trying to sell down or sell out of the Namibian portfolio through staged transactions.

Both routes have repeatedly stalled, leaving the company with ground it once pitched as a cornerstone of an unconventional uranium finance strategy, and later packaged as a divestment candidate, but still without a completed, value-maximising outcome.

The Namibia footprint was assembled through a patchwork of EPLs and mining licences in the Erongo uranium province, wrapped into corporate holding structures that explicitly included local participation. Madison's Cobra Project sits on EPL 8531, held by Pennywort Investments (Pty) Ltd, in which Madison held an 85% interest, with 15% held by Namibian partners. The company also pursued a larger contiguous land position by acquiring a 90% interest in Mining Licence 86A and EPL 8905 through cash payments, while its Namibian partners held a 10% carried interest.

Those structures mattered because Madison's early narrative was not simply that it held licences, but that it could turn uranium exposure into financial instruments. In late 2022, Madison announced what it framed as a first-of-its-kind uranium forward sales agreement linked to Lux Network, with plans to tokenise uranium oxide from its Namibian projects over five years.

Reports at the time said Lux would initially



tokenise 7.65 million pounds of uranium oxide, followed by additional volumes as the market dictated, with token sales expected to generate cash for Madison and royalties from trading fees.

The problem was structural. Tokenisation and forward sales narratives depend on credible, deliverable production pathways, yet Madison's Namibia assets were still at the exploration and resource definition stage. On Cobra, the uranium inventory repeatedly referenced in public disclosures traces back to an SRK-derived historical estimate from 2015: 15.6 million tonnes grading 260 ppm U_3O_8 for 9.0 million pounds U_3O_8, with Area 3 comprising the bulk of the tonnage.

That estimate was widely used to support the Cobra investment pitch, but it remained framed as a historical estimate rather than a current, compliant reserve base. On Khan, Madison positioned the project as a former copper mine area that had not historically been explored for uranium, highlighting high-grade uranium results and drilling designed to define mineralisation.

Yet, no established reserve base was presented as the underpinning for near-term production deliveries.

As the tokenisation storyline faded from prominence, Madison

began leaning harder into transaction-driven value realisation.

One route was to bring in partners through earn-ins. In September 2024, Star Minerals announced an earn-in and exploration rights agreement that would allow it to earn up to 51% in Pennywort, the Cobra licence holder, via staged spending and payments.

Shareholders approved the earn-in, drilling was discussed, and Cobra was framed as a pathway toward resource definition.

That partnership later collapsed after payment commitments were not completed and revised terms could not be agreed, returning the project's trajectory to Madison, later Critical One's, control.

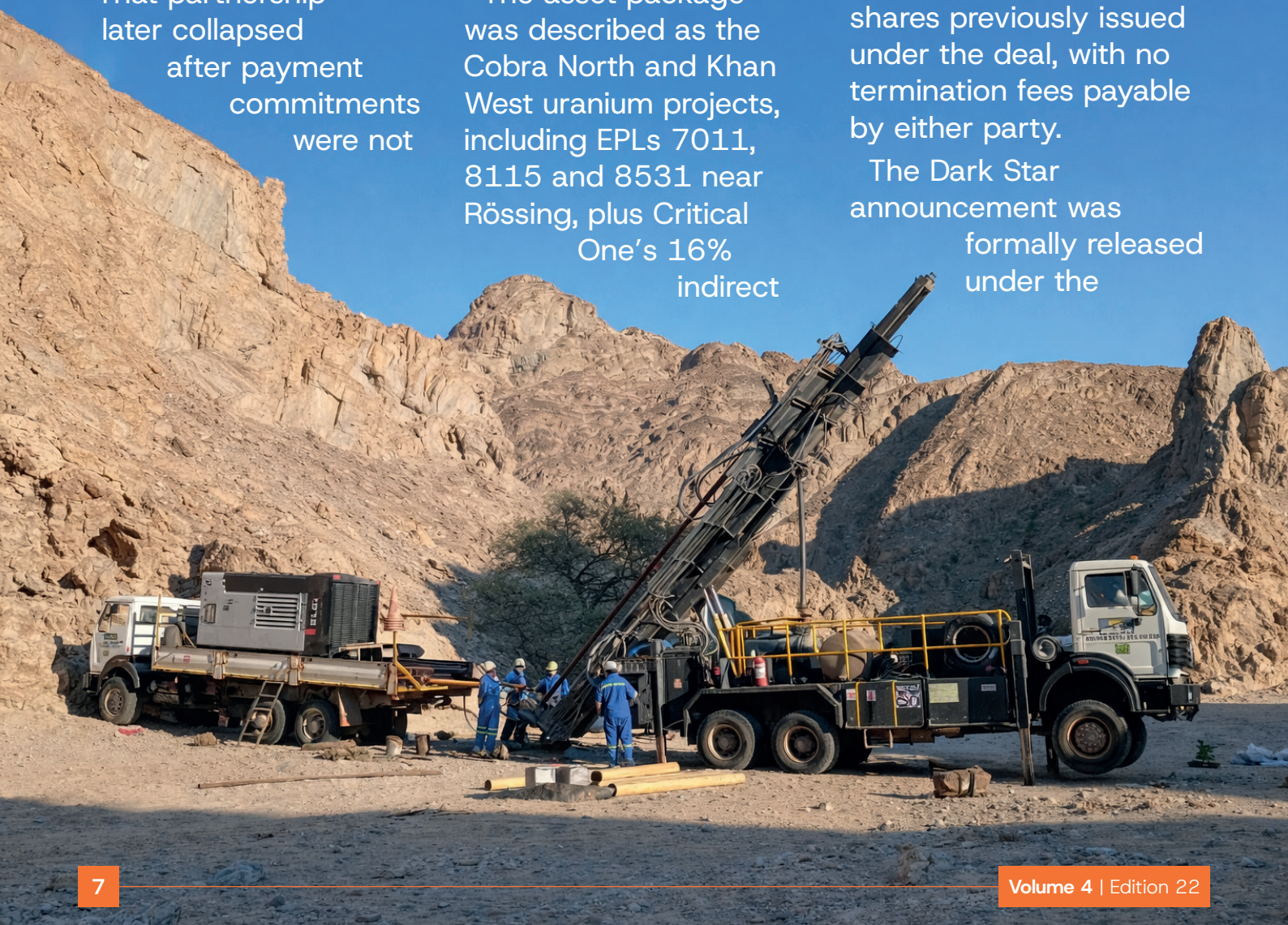
The larger monetisation swing came in August 2025, when Critical One agreed to sell its Namibian uranium assets through a definitive agreement with Dark Star Minerals.

The deal was structured as a phased acquisition that could exceed US$3.5 million in total consideration over two years, combining cash and share payments.

The asset package was described as the Cobra North and Khan West uranium projects, including EPLs 7011, 8115 and 8531 near Rössing, plus Critical One's 16% indirect interest in Mining Licence 86A and EPL 8905. That structure amounted to a clear strategic pivot: Namibia was no longer positioned as the platform for an innovative uranium-finance model, but as a divestment candidate to be converted into cash and scrip.

Dark Star announced a termination agreement dated 26 February 2026, unwinding the option and acquisition agreement signed on 7 August 2025. Public disclosures confirmed that Critical One agreed to return 14.2 million Dark Star shares previously issued under the deal, with no termination fees payable by either party.

The Dark Star announcement was formally released under the



authority of its board and signed by President and CEO Marc Branson, marking the official end of the acquisition process.

Critical One simultaneously confirmed that it had regained full control of the Namibian assets.

In its statement, the company said: "The mutual termination of this agreement was the right outcome for Critical One and our shareholders.

"With copper and uranium markets continuing to attract renewed pricing strength and investor attention, regaining full control of the Namibia Assets restores meaningful flexibility at the right time."

In effect, Critical One's intended Namibia exit route collapsed after being publicly packaged as a staged pathway to monetisation.

The termination returned the Khan and Cobra uranium projects, along with associated interests, fully to Critical One's control, restoring strategic optionality but leaving the broader question unresolved: how and when the company will convert those licences into tangible development value.

Madison assembled its Namibian portfolio through layered licence acquisitions and local partner structures, then tried to monetise that ground without first resolving the central question that every uranium story eventually has to answer: what is the credible development pathway from exploration results and historical estimates to bankable resources, reserves, production and cash flow.

Innovative structures and deal-making can create headlines, but development is the only thing that ultimately de-risks value.

Until a company can translate licences, partnerships and historical estimates into compliant resource upgrades, study work, permitting momentum and funded work programmes, monetisation efforts tend to circle back to the same point

COPPER

Namibia's copper pipeline could get a lift as J.P. Morgan flags shortages and higher prices

J.P. Morgan Global Research is projecting a tighter global copper market into 2026, arguing that a wave of supply disruptions and limited new mine growth will push prices higher, with copper expected to average about US$12,500 per metric tonne in the second quarter of 2026 and roughly US$12,075 across 2026.

That outlook matters in Namibia because copper is no longer a background metal in the country's mining story. Multiple projects are either operating,

restarting, or advancing development, meaning a stronger copper price environment could translate into improved project economics, easier financing conversations, and a clearer pathway to jobs and export earnings if execution matches ambition.

J.P. Morgan's thesis is built around a familiar problem in global copper: demand tied to electrification keeps building, while supply struggles to respond quickly.

The bank's public-facing research notes that severe supply disruptions have hit the market and sees the price lift as part of an adjustment to tightening fundamentals.

Independent benchmarks point in the same direction, even if the deficit estimates differ.

The International Copper Study Group has also flagged a swing into deficit by 2026 as refined production growth slows and

J.P. Morgan sees copper tightening into 2026, with prices averaging above US$12,000 per tonne.

concentrate availability tightens.

In practical terms, higher prices do not automatically guarantee new mines will be built. They do, however, increase the incentive to restart stranded assets, move advanced projects through the studies process, and expand operating mines, especially in jurisdictions with existing infrastructure.

Namibia's copper pipeline: scale beneath the surface

Namibia's copper story is broader than a handful of names. Across operating assets, restart candidates and development-stage projects, the country hosts several million tonnes of contained copper metal in defined resources.

The clearest example of copper returning to market is the Tschudi copper operation, where refined LME Grade A copper cathode production resumed after a multi-year pause.

The deposit underpinning Tschudi has been reported at roughly 50 million tonnes at around 0.75% copper, equating to approximately 374,000 tonnes of contained copper.

In a US$12,000-plus price environment, Tschudi's operating margins strengthen materially, improving sustainability and reinvestment capacity.

The Kombat Mine in the Otavi Mountainlands carries one of Namibia's more significant high-grade underground resource bases.

The latest published mineral resource shows indicated resources of 13.56 million tonnes grading 1.92% copper, containing approximately 259,849 tonnes of

copper metal, with additional inferred material.

These grades are substantially higher than those of large porphyry-style deposits, giving Kombat strong leverage to rising copper prices, provided operational stability is maintained.

The Otjihase and Matchless mines, part of Consolidated Copper Corp's Central Operations portfolio near Windhoek, remain candidates for restart. Combined resources are reported at approximately 4.5 million tonnes at around 2.25% copper, equating to roughly 100,000 tonnes of contained copper.

High-grade underground deposits such as these become materially more attractive when price forecasts strengthen.

Namibia's most significant copper endowment sits at the Haib Copper Project in the south. Haib hosts more than 2.2 billion tonnes at approximately 0.29% copper, equivalent to over 6.4 million tonnes of contained copper metal.

Although lower grade, Haib's sheer scale places it among the larger undeveloped copper systems in southern Africa. Price assumptions above US$12,000 per tonne significantly enhance its long-term economic modelling.

In the central Matchless Copper Belt, Hope and Gorob add further depth.

The Hope deposit alone reports indicated resources of 1.24 million tonnes at 1.6% copper, containing about 21,100 tonnes of copper, with additional inferred resources across Hope, Gorob and Vendome

bringing the broader project inventory higher.

These deposits are smaller than Haib but benefit from existing infrastructure corridors.

The Klein Aub Copper Mine, currently subject to a conditional acquisition, represents another historic underground asset with revival potential under stronger pricing.

The Omitiomire Copper Project, northeast of Windhoek, has reported a resource of approximately 137 million tonnes at approximately 0.54% copper, equating to more than 700,000 tonnes of contained copper, making it one of Namibia's larger inland copper deposits outside Haib.

In the Otavi Fold Belt, projects such as the Otavi and South Otavi licences target high-grade sediment-hosted copper systems.

In the Kalahari Copper Belt extension into Namibia, Noronex's projects, including a previously defined inferred resource of roughly 8.8 million tonnes at 1.28% copper, reflect ongoing exploration activity that could add further tonnage to the national inventory.

At more than six million tonnes of contained copper, Haib ranks among southern Africa's largest undeveloped systems.

The bigger picture: leverage in a tightening market

When these projects are viewed together, Namibia's copper inventory runs into multiple millions of tonnes of contained copper metal, spanning high-grade underground deposits, large-tonnage porphyry systems, mid-scale open-pit resources and exploration-stage belt-scale targets.

If J.P. Morgan's forecast materialises and copper prices average above US$12,000 per tonne into 2026, the economic implications are clear.

Operating assets gain stronger margins. Restart candidates move closer to investment decisions. Development-stage projects see improved net present values and financing prospects. Exploration capital becomes easier to secure. Government revenue potential rises alongside production.

Higher prices do not guarantee mine construction. They do, however, materially change risk calculations.

Namibia already possesses copper resources of scale, grade diversity and geographic spread.

In a tightening global market, the question is not whether copper exists in the ground. The question is how quickly those tonnes can be converted into production.

If execution aligns with market conditions, the tightening copper outlook projected by J.P. Morgan could shift Namibia's copper sector from emerging to strategically significant within the next commodity cycle.

De Beers–Namibia: An enduring partnership

When a delegation from De Beers Group met President Netumbo Nandi-Ndaitwah at State House last week, the symbolism was unmistakable.

The meeting was not merely a diplomatic routine. It was a reflection on a partnership that has financed Namibia's sovereignty, shaped its mineral governance model, and now stands at a strategic crossroads.

Diamonds have been central to Namibia's economy since independence in 1990. Through the 50:50 joint venture Namdeb — and later the offshore powerhouse Debmarine Namibia — the diamond sector has delivered an estimated N$70 billion to N$80 billion to the Namibian state in direct

taxes, royalties and dividends over 35 years.

That figure is built from documented fiscal flows and conservative estimates across multiple reporting cycles.

Between 1990 and 2002 alone, Namdeb paid nearly N$6 billion in royalties and mining taxes to the government. Through the mid-2000s, annual payments typically ranged between N$500 million and N$1.7 billion, peaking in 2008 during a strong commodity cycle.

Even during the 2009 global financial crisis — when corporate tax payments fell to zero due to losses — royalties still contributed more than N$337 million.

The meeting was not routine diplomacy — it was a reflection on a partnership at a strategic crossroads.

The 2010s marked another powerful revenue phase.

In 2019, De Beers' Namibia operations paid approximately US$490 million in corporate income tax and royalties, close to N$9 billion at prevailing exchange rates.

Throughout much of that decade, annual fiscal contributions from the diamond partnership frequently ran into the hundreds of millions of US dollars, underscoring the sector's role as a fiscal stabiliser.

Those revenues financed infrastructure expansion, education systems, port upgrades, public health services and civil service growth.

In drought years and periods of global volatility, diamonds helped cushion budget pressures. Few sectors have delivered such

sustained fiscal depth.

The partnership model itself became a blueprint for Namibia's mineral governance. The 50:50 structure ensured that the state was not merely a tax collector but an equity participant.

Through beneficiation policies and institutions such as the Namibia Diamond Trading Company and later Namib Desert Diamonds (Namdia), the government deepened its role in marketing and value capture, moving beyond extraction into sorting, trading, and global branding.

President Nandi-Ndaitwah captured that continuity during last week's engagement, saying, "We have had a long history of working together in the diamond industry, and this meeting today is just meant for us to renew that and help strategise on the way forward considering what is known in the world as to where the diamond industry is."

Her remarks acknowledge both the depth of the relationship and the realities of a changing global market.

As land-based deposits matured, offshore mining expanded dramatically. Debmarine's fleet, now among the most technologically advanced marine diamond recovery operations in the world, extended Namibia's diamond life beyond early forecasts.

Offshore production has preserved billions in revenue that might otherwise have been lost to declining onshore output.

Yet the numbers now tell a more complex story.

By 2024, De Beers reported that taxes and royalties paid in Namibia had fallen to approximately US$136 million, or about N$2.5 billion, down sharply from stronger years. The decline reflects weaker global demand, price softness and the rising influence of lab-grown diamonds in the luxury market.

De Beers Chief Executive Al Cook addressed this competitive shift directly, stating, "We're bringing Namibian diamonds to the United States of America and to countries around the world, and we're telling people the proud story, and we're branding them Desert Diamonds to celebrate the natural environment

of Namibia."

Cook emphasised the need to differentiate natural diamonds from synthetics, adding, "Natural diamonds and synthetic diamonds are totally different from each other… So it's very important people know the difference."

The State House meeting was therefore not only about preserving a historic relationship, but also about shaping the next chapter of Namibia's diamond economy.

The President's emphasis on renewal and strategy signals that the government understands the sector must evolve.

Marketing, origin certification, beneficiation and higher-value positioning will matter more than volume growth in a market that is no longer expanding as it once did.

In peak years, Namibia's diamond sector contributed hundreds of millions of US dollars annually to the fiscus.

Diamonds will continue to contribute, but at lower and more volatile levels than during peak years. Fiscal planning must now factor in reduced diamond inflows while accelerating diversification into uranium, gold, energy and emerging green industries.

At its peak in the early 2000s, Namdeb employed nearly 3,000 permanent workers. Today, that number is closer to 1,700, reflecting efficiency gains and deposit maturity. Production has shifted offshore, costs have risen, and fiscal volatility has increased.

The De Beers–Namibia partnership endures because it is built on equity participation, policy stability and shared value creation.

It has delivered tens of billions to the national treasury. It has shaped Namibia's international mining reputation. It has anchored investor confidence.

Three and a half decades on, the record is clear: diamonds built the early republic, stabilised its finances and funded its growth.

SciAps: The handheld technology reshaping field geology

In the past, a geologist could drill, sample, and map — and then wait weeks for laboratory results to confirm whether copper, lithium, or rare-earth elements were present in meaningful concentrations.

Today, many of those answers can be delivered in seconds.

The shift is being driven by portable analytical technology, particularly handheld devices manufactured by U.S.-based company SciAps.

Across the global mining and exploration sector, SciAps instruments have become widely used field tools, helping companies reduce turnaround times, lower costs, and make faster drilling decisions.

SciAps, a Boston-based instrumentation company, builds handheld XRF and LIBS analysers that permit rapid, on-site elemental analysis of rocks, soils and other geological materials.

> **SciAps instruments have become standard field tools across global exploration programmes.**

The technology enables field teams to identify and quantify elements directly in the field with portable devices designed for rugged conditions. LIBS instruments use a laser-induced plasma to detect elemental emissions, while XRF instruments use X-ray fluorescence.

SciAps has developed products aimed at strategic and exploration minerals, including tools calibrated for lithium and rare earths, broadening the applicability of handheld analysis in mining and critical minerals exploration.

SciAps produces handheld XRF and LIBS analysers.

Both technologies determine the elemental composition of rocks and soils, but each serves a different niche. XRF units are widely used to identify copper, zinc, lead and other base metals.

At the same time, LIBS

devices are particularly valuable in lithium exploration because they can detect light elements that traditional XRF instruments struggle to measure accurately.

In Africa, SciAps supports its presence through regional distribution and representation. The company has established a dedicated office in South Africa to support sales, marketing and servicing across the continent. SciAps Africa, based in Gauteng, serves as a regional representative, while companies such as Gammatec NDT Supplies have historically acted as distributors of SciAps XRF and LIBS analysers.

This regional footprint ensures that local technical support and service capabilities support the instruments used by exploration teams.

A field geologist can analyse drill core or rock chips on site, receive immediate elemental readings and adjust the drilling programme accordingly.

That ability to make real-time decisions can significantly reduce wasted metres and tighten exploration budgets.

Laboratory assays remain the definitive method for resource reporting and compliance under international standards such as JORC or NI 43-101.

However, waiting for lab results can slow programmes and increase costs. Portable analysers provide early guidance, allowing exploration teams to prioritise high-potential zones before committing to expensive follow-up drilling.

The technology has also expanded beyond traditional base metals. In lithium and critical minerals exploration, LIBS units are increasingly deployed to test pegmatites for lithium-bearing minerals such as spodumene.

In uranium districts and other mineral provinces, portable XRF devices help identify

alteration patterns and geochemical signatures associated with mineralisation.

The appeal of SciAps instruments lies not only in speed but also in portability and rugged design. Built for harsh field conditions, the devices are lightweight, battery-powered and designed to operate outside laboratory environments.

There are limitations. Portable analysers provide indicative results and are not substitutes for accredited laboratory assays for formal resource estimation or public reporting.

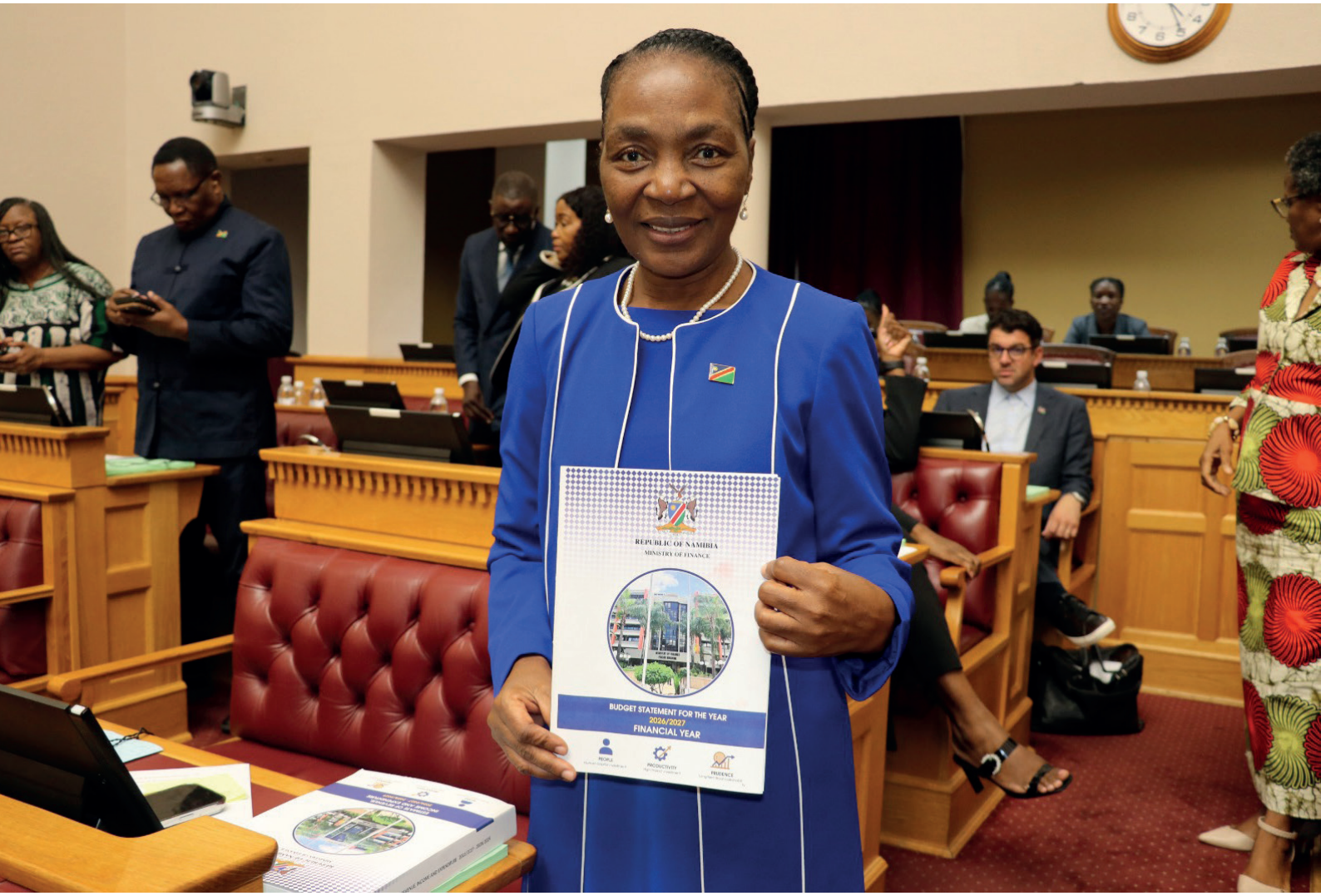
Moisture content, surface contamination and calibration factors can influence readings. Responsible operators, therefore, treat handheld data as a screening tool rather than a final grade declaration.

> **What once took weeks in a laboratory can now be answered in seconds in the field.**

Even with those caveats, the impact on exploration efficiency is evident. Field teams can screen large numbers of samples per day, build geochemical maps in real time and respond quickly to anomalies. That responsiveness is particularly valuable in a commodity cycle where investor expectations favour rapid results and disciplined capital deployment.

Portable technologies such as those developed by SciAps may not dominate headlines, but they represent a quiet transformation in how mineral exploration is conducted.

In remote regions where logistics can be costly and time is valuable, the ability to carry a laboratory-grade analyser in one hand has become a practical advantage.



Government caps assessed loss carry-forwards

Finance Minister Erica Shafudah announced that the government will introduce a cap on assessed loss carry-forwards for mining companies as part of the 2026/27 national budget measures.

Under the new framework, mining companies will be permitted to offset assessed losses of up to N$10 million against

taxable income in a given tax year.

Any accumulated losses above that threshold will not be deductible beyond the capped amount for that year.

An assessed loss arises when a company's allowable deductions exceed its taxable income in a particular year — in other words, when it makes a tax loss.

Under normal tax practice, that loss can be carried forward and used to reduce taxable income in future profitable years.

For example, if a mining company incurs a loss of N$50 million during development or in a weak commodity cycle, that amount becomes an assessed loss.

Assessed losses arise when allowable deductions exceed taxable income — often during development or weak commodity cycles.

In a later year, if the same company generates N$60 million in profit, it would ordinarily be able to deduct the full N$50 million and pay tax only on the remaining N$10 million.

With the new cap in place, however, the company would only be allowed to deduct N$10 million of that accumulated loss in the profitable year.

The remaining N$40 million would stay on the books but could not be fully used immediately to shield income from tax.

Mining is particularly sensitive to such rules because the sector is capital-intensive and cyclical.

Companies often spend years in exploration, feasibility studies and

construction before earning revenue. Large upfront investments frequently generate substantial assessed losses that are later recovered once production stabilises.

By limiting the amount that can be offset annually, the government effectively accelerates the point at which mining companies begin paying corporate tax on profits.

The measure, therefore, favours the fiscus rather than the companies.

While assessed loss carry-forwards remain available, the cap restricts their immediate use. This increases taxable income in profitable years and brings forward revenue to the Treasury.

In practical terms, it narrows the space for mining firms to cushion recovery periods with accumulated losses.

The change does not alter the mining corporate tax rate itself, but it tightens the calculation of taxable income.

In a constrained fiscal environment, the move signals that the government is seeking more predictable and consistent revenue flows from the mining sector. For mining companies, it means less flexibility in smoothing profits over time and potentially higher tax liabilities in the early years of recovery.

The N$10 million cap will take effect in the 2026/27 financial year and applies specifically to mining operations.

In the 2024 fiscal year, Namibia's mining industry continued to make a substantial contribution to the national fiscus through corporate taxes, royalties and export levies, despite a downturn in diamond revenues. According to figures from the Chamber of Mines of Namibia, the sector paid approximately N$3.008 billion in corporate taxes, N$2.256 billion in royalties and N$360 million in export levies, amounting to around N$5.62 billion in direct fiscal contribution in 2024.

This reflects the breadth of the sector's role in

revenue collection, even as certain subsectors, like diamonds, faced headwinds from weaker global prices and reduced demand.

The mining sector also remains economically significant beyond direct tax receipts. In 2024, the industry generated N$52.3 billion in revenue.

It contributed about 13.3 per cent to Namibia's gross domestic product, with broader economic activities, such as wages and goods and services procurement, supporting additional government receipts through PAYE and other indirect taxes.

Medium-term government revenue projections — including those published alongside the 2025/26 budget — suggest that mining remains a key base for company tax receipts.

> **Government will cap assessed loss carry-forwards for mining companies at N$10 million per tax year from 2026/27.**

Company tax projections for the fiscal year 2025/26 were around N$14.5 billion, driven in part by non-diamond mining taxes, with anticipated rebounds in diamond company tax over the medium term.

However, softer diamond prices and lower output remain challenges for long-term revenue stability.

Overall, the mining sector's fiscal contributions — measured both in absolute terms and as a share of total government revenue — have historically accounted for a significant share of the revenue base, supporting broader budgetary needs even as commodity price cycles and production shifts affect year-to-year collections.

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