

Uncertainty over Xinfeng's N\$800m lithium investment

An estimated N\$800 million investment in a lithium project near Omaruru faces an uncertain future after the High Court set aside Xinfeng Investment's 20-year mining licence, ruling that the government had approved the project on the strength of materially misleading technical information.



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+264 61 263206

management@ribindustries.com

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Erf 176, Unit 3, Copper Street 27-31, Prosperita, Windhoek, Namibia

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COVER STORY

Xinfeng's N\$800m lithium investment faces uncertainty after court ruling

An estimated N\$800 million investment in a lithium project near Omaruru faces an uncertain future after the High Court set aside Xinfeng Investment's 20-year mining licence, ruling that the government had approved the project on the strength of materially misleading technical information.

The judgment, delivered by Judge Thomas Masuku on 2 October 2026, has placed the future of the company's investment in doubt, despite Xinfeng's argument that withdrawing its mining rights would have serious consequences for its operations, employees and communities benefiting from the project.

Xinfeng initially placed its investment at approximately N\$600 million before

increasing the figure to about N\$800 million during the court proceedings. The amounts were presented by the company and were not independently verified by the court.

Although the judge acknowledged the substantial financial commitment, he found that investment alone could not justify preserving a mining licence granted on an inadequate technical foundation.

The decision leaves Xinfeng facing the possibility of further delays to its lithium project while the government reconsiders its application for mining licence ML243.

The judgment does not establish how much of the reported N\$800 million was spent on exploration, mining equipment, processing infrastructure or other

development activities. It also does not determine the value of assets remaining at the project or how much of the investment could be recovered.

These questions have become important because the court declined to preserve the original mining licence while the application is reconsidered, leaving the company without the mining right on which its development plans depended.

Xinfeng's project is situated west of Omaruru in the Erongo Region, including Farm Kohero 113 and surrounding land. The company applied for its mining licence in December 2021 after acquiring rights

under
exclusive
prospecting
licence



EPL7228, which was originally issued in March 2019.

The Ministry of Mines and Energy granted ML243 on 6 September 2022, providing the company with the legal basis for developing its lithium operation.

However, the approval came under scrutiny after ministry officials questioned the reliability of technical reports submitted in support of the application.

According to the judgment, the ministry identified passages in Xinfeng's documentation that reproduced information from reports prepared for other mining projects, including Desert Lion Energy's lithium exploration activities and technical studies associated with the Thacker Pass lithium project.

The disputed material concerned exploration, mineral resource estimation, mining methods and feasibility studies.

The court found that some passages were presented in a manner suggesting that the work had been completed for Xinfeng's Omaruru project when it originated from investigations undertaken elsewhere.

Judge Masuku distinguished between the legitimate use of existing geological research and the presentation of another project's completed technical work as evidence supporting a new mining licence application.

This distinction was important because the Minerals (Prospecting and Mining) Act of 1992 requires the Minister to assess whether an applicant has demonstrated reasonable grounds for profitable mineral exploitation, an adequate mining programme and the necessary technical and financial capacity.

The judgment examined descriptions of exploration activities undertaken by Desert Lion Energy between 2016 and 2018, including drilling, geological investigations and resource estimation.

Similar descriptions appeared in Xinfeng's technical submissions, but the company had not adequately explained how the activities related to work undertaken on its own property.

The court also identified material from the Thacker Pass lithium project that had been adapted for the Omaruru application,

including changes to project names and dates.

Judge Masuku found that the disputed information created a misleading impression of the technical investigations completed in support of the company's mining plans.

The court nevertheless accepted that Xinfeng had undertaken genuine exploration work, including drilling and laboratory testing of samples collected in Namibia.

However, it found that the existence of some genuine exploration did not establish that all the studies described in the application had been completed.

Importantly, the judgment did not make a final finding that Xinfeng's directors, employees or consultants had deliberately committed fraud. The court concluded that the technical information was materially misleading, which was sufficient to undermine the original licensing decision.

The dispute began in earnest when the ministry revoked ML243 on 28 April 2023 after questioning the validity of the reports supporting the application.

Xinfeng challenged the decision, arguing that the

minister lacked the necessary legal authority to withdraw the licence through the procedure used.

The company also maintained that it had committed substantial resources to the project and that losing its mining rights would affect employment, business arrangements and community interests.

Court papers referred to the company's investment and joint-venture arrangements, including its relationship with Long Fire Investments.

Xinfeng argued that the consequences of losing the licence extended beyond the company because workers, suppliers and communities had become dependent on economic activities

associated with the project.

The reported N\$800 million investment therefore became a central consideration in the proceedings.

For mining companies, significant expenditure can be committed long before a project begins generating sufficient revenue to recover development costs. Exploration, site preparation and specialised infrastructure may have limited value if a project cannot proceed.

However, Judge Masuku found that the commercial consequences of setting aside the licence could not override the statutory requirements governing the allocation of Namibia's mineral resources.

The court acknowledged that investment, employment and community interests deserved serious consideration, but ruled that they could not justify maintaining a licence granted on materially misleading information.

The

judgment produced a divided outcome for Xinfeng and the government.

Judge Masuku ruled that the minister had acted unlawfully when revoking the licence in April 2023 because the procedure used did not establish the necessary authority to reverse an already completed grant.

Xinfeng therefore succeeded in challenging the revocation.

However, the minister had also brought a separate counter-application seeking to invalidate the original September 2022 licensing decision.

On that question, the court ruled in the government's favour, finding that the application had been supported by materially

misleading technical information.

Both the revocation and the original grant were consequently set aside.

The result means Xinfeng successfully challenged the manner in which the government withdrew its mining rights but failed to preserve the licence itself.

The court ordered that the application be returned to the minister for reconsideration under the Minerals Act.

Xinfeng must be given a reasonable opportunity to submit accurate supporting information and respond to any adverse material considered during the reassessment.

The judgment does not permanently prohibit the company

from obtaining a mining licence, but neither does it guarantee that a replacement licence will be granted.

The minister must reconsider the application fairly and determine whether the company satisfies the legal requirements.

The court also terminated an interim order that had previously protected Xinfeng against implementation of the minister's revocation. It declined to preserve the original licence pending reconsideration, finding that the evidence did not justify continued mineral extraction under the disputed grant.

The judgment does not quantify the company's actual financial losses or establish whether the project can resume operations under a fresh licence.

It also does not confirm

whether any subsequent appeal or court order has suspended the effect of the ruling.

Beyond the company's immediate difficulties, the case raises questions about the scrutiny of technical information submitted to the government and the risks associated with investing heavily in projects whose mining rights may later be challenged.

It also highlights the importance of following lawful procedures when the government seeks to correct earlier licensing decisions.

The court's findings demonstrate that substantial expenditure does not, by itself, validate a mining licence granted on materially misleading information.



DIAMONDS

Why Elizabeth Bay keeps coming back from the dead

There has rarely been much doubt that diamonds remain at Elizabeth Bay, but for more than three decades the harder question has been whether they can be recovered profitably from a mine that has repeatedly required fresh investment, redesigned processing methods and new owners to keep it alive.

That question has returned with Dutch private equity and special situations investor Kenzoll Capital partnering with MSF Commercials to revive Sperrgebiet Diamond

Mine (SDM), formerly known as Elizabeth Bay, south of Lüderitz.

Kenzoll has already committed more than US\$10 million to Namibia and says investment could eventually reach US\$50 million as the partners work to restore diamond production and explore SDM's licences for heavy mineral sands and critical metals.

The attraction is considerable. SDM says its licences cover 245,364 hectares within Namibia's restricted diamond mining area and contain 10.5 million

carats of reported diamond resources, comprising 6.3 million carats onshore and another 4.2 million carats offshore.

Elizabeth Bay's history, however, shows that having diamonds in the ground has never guaranteed an easy mining operation.

Diamond mining at Elizabeth Bay dates to 1911, only a few years after diamonds were discovered near Lüderitz in 1908, but its modern mining history began when Consolidated Diamond Mines, Namdeb's predecessor, developed the deposit as an





open-pit operation.

The modern mine was commissioned in 1991 and initially expected to operate for about 10 years. At the time, its resource was estimated at approximately 38 million tonnes grading 6.6 carats per 100 tonnes and containing more than 2.5 million carats, with production planned at around 250,000 carats annually.

Instead of disappearing around the turn of the century, Elizabeth Bay survived for almost another two decades, although keeping it operating increasingly required

substantial investment and changes to the way its ore was processed.

One of the biggest interventions came in the mid-2000s when Namdeb invested about N\$445 million in a new liberation plant because the original processing system could not efficiently treat all the remaining material. The new facility was designed to handle wet, cemented and clay-rich ore as well as large diamond-bearing boulders, with Namdeb expecting it to unlock approximately 1.9 million additional carats.

The investment extended

the mine's life, but economic pressures persisted and intensified during the global financial crisis. Namdeb placed Elizabeth Bay on care and maintenance in 2009 before undertaking another technical and economic redesign aimed at finding a cheaper way of mining the remaining resource.

That work produced the Elizabeth Bay Optimisation Project and allowed production to resume in November 2011. Although the redesigned operation was expected to have only a few more years of life, Elizabeth Bay again survived longer

than anticipated.

By 2017, the mine was still producing around 200,000 carats annually and employing approximately 160 people, but Namdeb was again confronting the question of whether the remaining diamonds could be recovered economically within its operating structure.

Namdeb announced in February 2018 that it would seek a buyer, arguing that another operator with a different cost structure could potentially extract value from the remaining resource. Production eventually stopped in September that year after difficulties involving both the processing plant and resource performance.

By then, Elizabeth Bay had already outlived the

assumptions under which the modern mine had been developed. An operation initially expected to last roughly 10 years had survived for almost three decades and produced more than four million carats between 1991 and 2018.

The next attempt to extend its life came through new ownership.

Namdeb selected a member of the Namibian-owned Lewcor Group as the buyer in 2019, with the transaction eventually completed in October 2020 for approximately N\$120 million. The operation was renamed Sperrgebiet Diamond Mine, with Lewcor becoming the majority shareholder alongside MSF Commercials, David Sheehama and an

employee trust.

The new owners initially planned to refurbish the operation and restart production in 2021, believing a smaller operator with a different cost base could succeed where Namdeb had struggled.

The restart took longer than expected, but production eventually resumed in September 2022 after four years of inactivity. Plans at the time envisaged initial production of around 240,000 carats annually, potentially increasing to about 360,000 carats.

The revival lasted only about six months.

Production stopped again in March 2023, with figures that subsequently emerged during court proceedings showing



that approximately 692,000 tonnes had been processed during the restart period while diamond production came in 83% below a target of 96,618 carats.

The poor performance brought renewed financial pressure, and NamPower disconnected electricity supply to the operation in May 2023. Disputes involving shareholders and mining equipment subsequently ended up in court.

That experience demonstrated that changing ownership and adopting a different cost structure had not automatically solved Elizabeth Bay's underlying technical and economic challenges.

Kenzoll's arrival therefore marks another attempt to solve a problem that has followed the operation through several generations of mine planning, although this time the strategy extends beyond diamonds.

Alongside the 10.5 million carats of reported diamond resources, the partners intend to investigate heavy mineral sands and critical metals across the 245,364-hectare licence area, commodities

Kenzoll says have not previously been explored there.

That could eventually give Elizabeth Bay something its earlier operators did not have: a wider mineral business capable of generating value beyond its traditional diamond operation.

Kenzoll Capital chief executive Corné Melissen said diamonds would be the starting point for a broader investment.

"Elizabeth Bay has spent most of the past eight years out of action and we're committed to getting the mine producing again, providing jobs and economic value to an area that has relied heavily on diamonds for over a century. This partnership is part of our long-term commitment and investment in Namibia, with diamonds as the starting point and critical minerals to follow," Melissen said.

SDM director Conan Mlunga said the partnership would combine international capital with local expertise to restore the operation and develop opportunities beyond diamonds.

The latest attempt comes at a difficult time for Namibia's diamond industry as weaker global demand weighs on export earnings. Diamond exports fell from N\$5.1 billion in the fourth quarter of 2022 to N\$1.7 billion during the first quarter of 2025, according to figures cited by the partners.

Important details about the new restart plan also remain undisclosed, including a firm production date, expected annual output, operating costs, employment numbers and how much of the potential US\$50 million investment will be required specifically to restart the diamond operation.

Those figures will matter because Elizabeth Bay has already been redesigned, recapitalised, restarted and transferred to owners with a different cost structure, yet it has repeatedly struggled to remain in production.

Kenzoll and its partners are now attempting another reinvention, armed with fresh capital, 10.5 million carats of reported resources and ambitions extending into critical minerals.

Stamper seeks partners for 3 Namibian offshore oil licences

Canadian-listed Stamper Oil & Gas is seeking exploration partners for three offshore petroleum licences covering a combined 22,753 square kilometres in Namibia's Walvis and Lüderitz basins, as it prepares to attract investment for additional seismic surveys and eventual exploration drilling.

The proposed farm-outs involve Petroleum Exploration Licences (PEL) 98 and 106 in the Walvis Basin and PEL 102 in the Lüderitz Basin, where Stamper holds carried interests ranging from 5% to 20%.

According to its September 2026 investor presentation, the company intends to bring in partners to help advance the licences through additional geological evaluation, seismic acquisition and the identification of potential drilling targets.

The farm-out strategy forms part of Stamper's wider approach to developing its Namibian offshore portfolio without assuming the full financial burden of exploration, particularly as international oil companies prepare further drilling



programmes across the country's offshore basins.

Stamper holds interests in four petroleum exploration licences covering approximately 28,237 square kilometres, although its fourth asset, PEL 107 in the Orange Basin, is being advanced separately through planned three-dimensional seismic acquisition and prospect evaluation.

The largest of the three proposed farm-out areas is PEL 106, which covers Blocks 2011B and 2111A over approximately 11,542 square kilometres in the Walvis Basin.

The licence is operated by Oranto Petroleum, which

holds an 83% interest, while the National Petroleum Corporation of Namibia (NAMCOR) holds 12% and Stamper has a 5% carried interest.

Approximately 2,000 square kilometres of three-dimensional seismic data and 1,000 kilometres of two-dimensional seismic data have already been acquired across the licence, providing a technical foundation for further exploration.

Stamper says an environmental impact assessment for additional two-dimensional and three-dimensional seismic acquisition was approved in July 2025, while the next steps include a farm-out process, further seismic surveys and progressing towards an exploration well.

PEL 106 is situated near Chevron-operated PEL 82, where an exploration well is expected in 2027, according to the company's presentation.

The licence's initial exploration period expires on 8 December 2026, although two additional two-year renewal periods are available.

Stamper's second Walvis

Basin interest is PEL 98, which covers Block 2213B over approximately 5,700 square kilometres in water depths ranging from 100 to 500 metres.

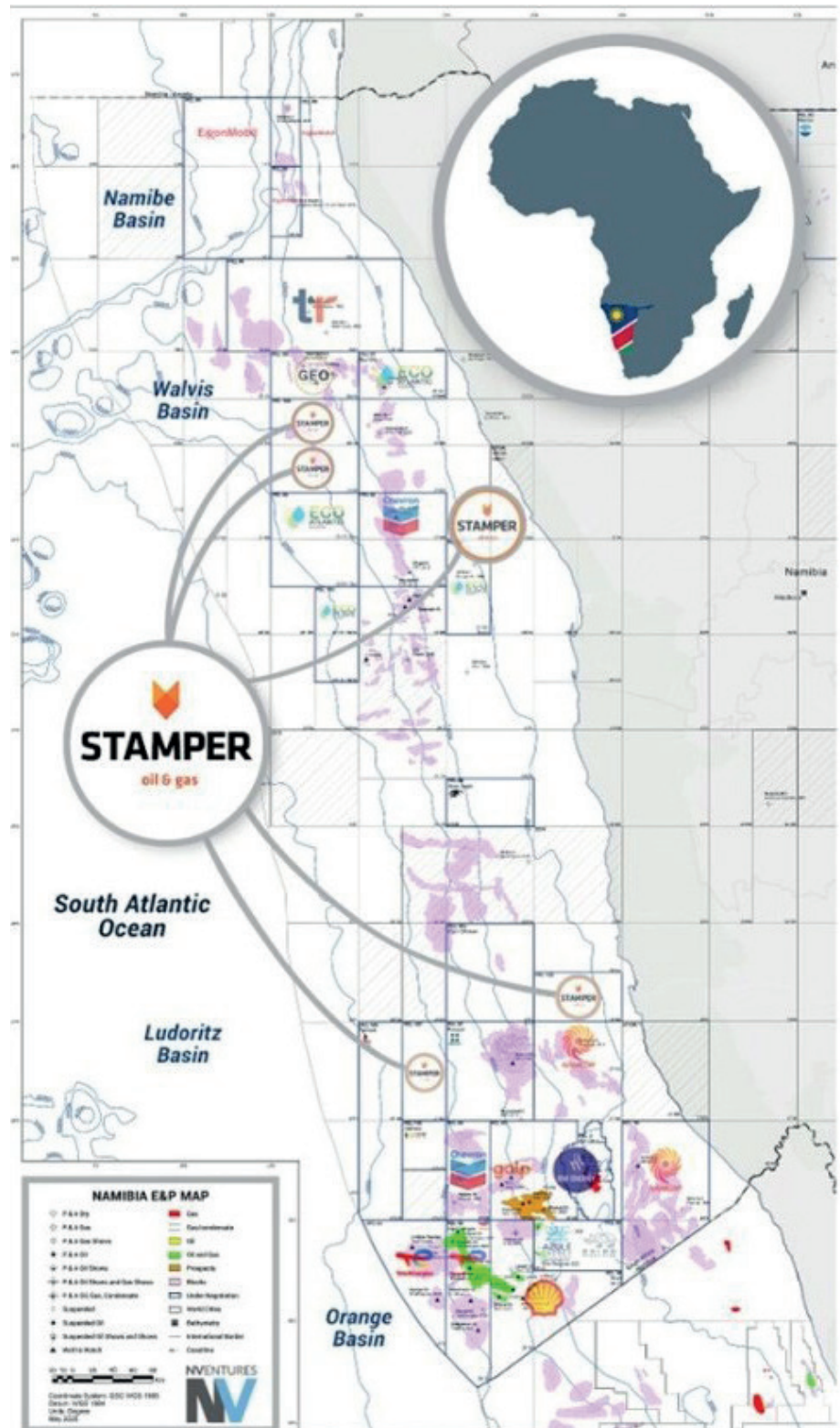
The licence is operated by Lamda Energy, which holds 85%, while NAMCOR owns 10% and Stamper retains a 5% carried interest.

Existing exploration information includes 3,692 kilometres of two-dimensional seismic data and a historical exploration well that encountered substantial Cretaceous and Tertiary sandstone intervals.

The company says several geological leads have been identified within the licence, although further technical work is required before these can be classified as drillable prospects.

Stamper intends to pursue a farm-out arrangement alongside additional seismic acquisition and exploration planning.

PEL 98 is also located near Chevron's PEL 82, placing it within an area where additional exploration activity could provide information relevant to the wider Walvis Basin.



Its initial licence period ended on 27 August 2026, and Stamper's presentation describes the licence as transitioning into its first renewal period, without confirming whether the renewal has received final approval.

The third proposed farm-out involves PEL 102 in the Lüderitz Basin, where Stamper holds an indirect 20% carried interest through its 66.67% ownership of NASMAM.

PEL 102 covers Block 2614B, an area of approximately 5,511 square kilometres in water depths ranging from 50 to 210 metres.

NAMCOR operates the licence with a 70% interest, while NASMAM holds the remaining 30%.

Stamper says 53 historical two-dimensional seismic lines have supported the identification of five geological leads associated with potential petroleum-

bearing formations.

The company's next steps include reviewing available technical data, pursuing a farm-out that could involve transferring operatorship to an incoming partner, acquiring additional seismic information and advancing the identified leads towards drillable prospects.

PEL 102 lies near PEL 104, where TotalEnergies and Petrobras entered during 2026, increasing international exploration interest in the Lüderitz Basin.

The initial exploration period for PEL 102 ended on 7 October 2026, with two additional two-year renewal periods available under its licence terms. The presentation does not confirm whether a renewal has been approved.

The approaching and recently passed licence dates add a regulatory dimension to Stamper's farm-out plans, as the status of each licence will

be important to prospective investors assessing the opportunities.

Stamper has not disclosed the identities of potential incoming partners, the value of the proposed transactions or a timetable for concluding the farm-out agreements.

The company is positioning its assets around expected offshore drilling by Chevron, TotalEnergies and Shell, alongside additional appraisal and seismic programmes being planned by other international operators.

However, exploration success on neighbouring licences would not establish the presence of commercially recoverable petroleum within Stamper's own acreage.

Stamper's immediate priority is therefore to attract partners capable of funding the technical work needed to convert existing geological leads into prospects that could eventually justify exploration drilling.



HEADSPRING
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WINGS PROJECT: SUSTAINABLE URANIUM MINING IN NAMIBIA

- **HeadSpring Investments**, an affiliate of **Uranium One Group** (part of **ROSATOM**, Russia's state nuclear corporation), is developing the **Wings Project** in **Namibia's Omaheke region**.
- The project is based on a sandstone-type uranium deposit, ideal for **In-Situ Recovery (ISR)** mining.
- The project is positioned as a regional benchmark for sustainable uranium mining.
- Uranium One Group, a **global leader in uranium production**, provides:
 - **Advanced engineering solutions**
 - **Extensive technical expertise**
 - **Cutting-edge innovations** from leading Russian industrial partners
- The Wings Project employs Uranium One Group's efficient, **environmentally responsible, and technologically advanced uranium extraction methods**.

~600

Jobs to be created
in the region

~4000

Jobs to be created in related
industries

~20 000

Namibians expected to benefit
from the project

\$500 mln

Planned investment
in the project

\$3,5 bln

Estimated tax revenue during
development

3000 tons

Expected annual uranium output
over a 25-year mine life



Decent working
conditions
and remuneration



Development
of infrastructure,
health care and education



Highest safety
and environmental
standards



Advanced digital technologies
and innovative scientific
developments



Boost of mining sector
and contribution
to the energy security
of the country



More than 70 years
of experience
and expertise



Corporate social
responsibility
from the earliest
stages of the project



Full transparency
with stakeholders



Shell's two Namibia appraisal wells still awaiting drilling dates

Shell has yet to announce drilling dates for two appraisal wells it intended to expedite offshore Namibia before the end of

2026, while the rig used to drill its promising Merlin-1X oil discovery has secured another Shell contract in the Caribbean beginning in April 2027.

The development raises questions about the timetable for Shell's next drilling campaign in Petroleum Exploration Licence 39 (PEL 39), particularly after chief executive Wael Sawan told investors in July that the company wanted to accelerate appraisal work following encouraging results from Merlin-1X.

Speaking during Shell's

second-quarter results presentation on 30 July, Sawan said the company was looking to expedite two appraisal wells before the end of the year to determine whether the Merlin discovery contained sufficient recoverable oil to support a profitable development.

His remarks followed Shell's announcement in June that Merlin-1X had encountered light oil, good reservoir quality and limited associated gas, making it the company's most encouraging subsurface result from its Namibian exploration programme.

However, Northern Ocean, the owner of the Deepsea Mira semi-submersible drilling rig used for Merlin-1X, announced on 2 October that it had secured a new contract with a Shell subsidiary for operations in Trinidad and Tobago and the wider Caribbean.

The contract is scheduled to commence in April 2027 and covers an initial drilling programme of approximately 150 days, valued at about US\$70 million.



Shell also has an option to extend the Caribbean assignment by another year, potentially increasing the contract value to approximately US\$226 million.

The announcement does not establish that Shell has abandoned its planned Namibian appraisal wells. Neither does it confirm that Deepsea Mira has already left Namibia.

The rig completed its previous Shell contract on 2 July and subsequently remained at Walvis Bay, where Northern Ocean had planned upgrades and modifications while seeking additional drilling assignments.

Northern Ocean disclosed on 6 July that Shell had declined to exercise an option for a second Namibian well under the previous contract.

That decision preceded Sawan's July statement about expediting two appraisal wells, meaning Shell's management was aware that the original drilling contract had ended when the company outlined its

intentions for further drilling.

The key question is therefore whether Shell has arranged another drilling unit, intends to negotiate a new short-term assignment for Deepsea Mira before its Caribbean mobilisation, or has adjusted its appraisal timetable.

No replacement rig, confirmed drilling commencement date or revised schedule for the two wells has been publicly established.

The distinction is significant because the Caribbean contract does not begin until April 2027, leaving a period during which Deepsea Mira could theoretically undertake other work, depending on the vessel's availability, preparation requirements and contractual arrangements.

However, Northern Ocean indicated in its August financial reporting that the rig was expected to remain idle into early 2027, suggesting that no additional drilling assignment had been secured at that stage.

The company's October

announcement also provides no confirmed date for Deepsea Mira to return to Namibia after its Caribbean programme.

If the initial 150-day assignment begins in April 2027 as planned, it would extend into approximately August or September 2027. The optional one-year extension could keep the rig working in the region well into 2028.

Any return to Namibia would require a separate arrangement that has not been announced.

For Shell, the uncertainty over the drilling schedule comes at an important stage in its assessment of the commercial potential of PEL 39.

The company has invested heavily in exploration offshore Namibia since making its first significant discovery at Graff in 2022.

Subsequent exploration and appraisal wells encountered hydrocarbons, but technical challenges complicated efforts to establish whether the discoveries could

support economically viable production.

In January 2025, Shell announced a write-down of approximately US\$400 million associated with its Namibian exploration activities after determining that some of the discovered resources could not currently be confirmed for commercial development.

The decision raised questions about the company's future exploration strategy, although Shell maintained its presence in Namibia and continued evaluating other prospects within the licence.

Merlin-1X subsequently provided a more encouraging result.

The well, drilled earlier this

year, targeted the Coniacian geological formation and encountered light oil in reservoir rocks that Shell considered promising.

The company said the results represented its strongest subsurface outcome from PEL 39, where it and its partners have drilled ten exploration and appraisal wells.

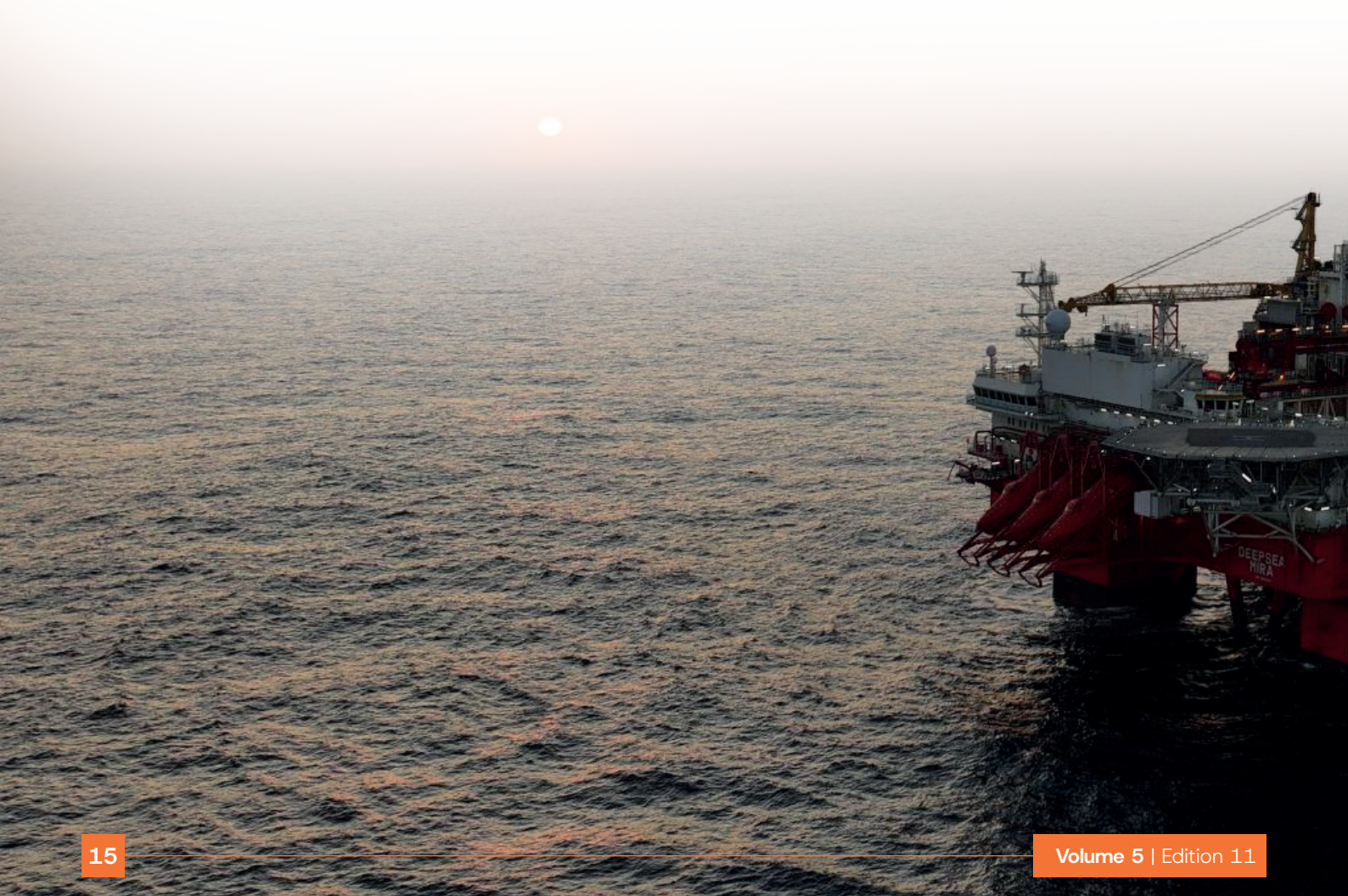
Unlike an initial exploration discovery, appraisal drilling is intended to establish whether hydrocarbons extend across a sufficiently large area, whether the reservoir can deliver commercially viable production rates and how much oil might ultimately be recovered.

Additional wells also provide information about reservoir

pressure, geological continuity and fluid characteristics, all of which influence the cost and design of a potential development.

Sawan's July comments indicated that Shell wanted to obtain this information quickly rather than wait for an extended period before returning to the field.

The proposed two-well programme was therefore important to determining whether Merlin could change the company's assessment of its Namibian portfolio following the earlier write-down.



However, the chief executive's statement expressed an intention to expedite drilling rather than an unconditional commitment that both wells would be completed before the end of 2026.

Shell operates PEL 39 with a 45% participating interest, alongside QatarEnergy, which holds another 45%, and the National

Petroleum Corporation of Namibia, NAMCOR, with 10%.

The licence covers approximately 12,000 square kilometres in the Orange Basin, where discoveries by other international operators have increased interest in Namibia's offshore petroleum potential.

TotalEnergies is advancing development studies for its Venus discovery, while the Mopane discoveries, originally made by Galp, are undergoing further appraisal and development evaluation.

Shell's next drilling campaign is particularly important because Merlin has offered the company an opportunity to reassess the commercial

potential of an exploration area previously affected by disappointing development economics.

The absence of confirmed drilling dates does not mean the discovery has lost its significance. It does, however, leave unresolved when Shell will undertake the work needed to establish whether Merlin can support a commercial oil project.

With less than three months remaining in 2026, the company's next operational announcement will be important in determining whether the two appraisal wells envisaged by Sawan remain part of this year's drilling programme.



COPPER

Image Credit: Tertius Liebenberg / Capricorn Asset Management

Haib lifts processing capacity to 48Mtpa as Koryx targets November PFS

Koryx Copper has increased the planned processing capacity of its Haib Copper Project in southern Namibia to 48 million tonnes of run-of-mine material annually, while removing heap leaching from its main development plan as the company prepares to release a pre-feasibility study (PFS) before the end of November 2026.

The revised capacity follows a study by engineering consultant DRA Global aimed at identifying and removing restrictions in the proposed processing plant. The changes are intended to improve the economics of developing Haib, one of Namibia's largest undeveloped copper deposits.

In an update released on Thursday, 8 October, Koryx said the proposed plant would crush 48 million tonnes of ore annually before using coarse particle flotation to remove approximately 12 million tonnes of low-grade material containing an average of 0.05% copper.

This would leave about 36 million tonnes of higher-grade material to enter the main flotation circuit, reducing the amount of material requiring further processing.

The approach is particularly important at Haib because the deposit contains enormous quantities of copper-bearing rock at relatively low grades. Processing costs, electricity consumption and the ability

to recover copper efficiently are therefore central to the project's commercial viability.

Koryx said metallurgical testing had demonstrated that coarse particle flotation could recover partially liberated copper sulphides at particle sizes of up to 450 microns.

The technology allows unwanted rock to be separated before the remaining material undergoes more intensive grinding, potentially reducing electricity consumption and improving the copper grade entering the flotation plant.

The company has also completed extensive testing using Jameson cells, which will operate alongside

conventional flotation equipment.

According to Koryx, the combination is expected to maintain targeted copper recovery while improving concentrate grades and reducing the electricity requirements and physical space needed for flotation.

Another significant development is the removal of heap leaching from the PFS base case.

Earlier development plans included heap leaching approximately 50 million tonnes of oxide copper mineralisation. The revised design instead concentrates on producing copper and molybdenum concentrates through milling and flotation.

Koryx has not abandoned heap leaching entirely. Engineering work on the process is being completed to prefeasibility level, while provision will remain in the mine layout for its possible introduction in the future.

The company said the revised processing plant would use three crushing stages, including a gyratory crusher, secondary cone crushing and high-pressure grinding rolls, before ball milling and flotation.

The larger processing operation has also increased the project's expected electricity requirements.

Koryx now estimates Haib's maximum electricity demand at 260 megawatt-amperes, with annual consumption of



Source: J. Witley, 2024

approximately 1.45 terawatt-hours.

The company plans to obtain electricity through a 68-kilometre, double-circuit 220-kilovolt transmission line connecting the mine to NamPower's Harib substation.

Solar photovoltaic generation and battery energy storage systems would supplement grid electricity, particularly during periods of high tariffs.

Koryx has signed a memorandum of agreement with NamPower, and engineering work on the connection is underway, with the final system design

expected in November.

NamPower is reassessing the implications of Haib's increased electricity requirements for its transmission network and is expected to provide an updated supply offer.

The project is also expected to require new transmission infrastructure and network upgrades in southern Namibia, which Koryx says would eventually be transferred to NamPower for operation and maintenance.

Water supply arrangements have progressed, with the Orange River selected as the preferred source of bulk



water.

The proposed scheme would draw water from a single abstraction point approximately nine kilometres south of the mine and include an off-channel storage reservoir to maintain supplies during periods of low river flow and drought.

Koryx said the Orange River option was selected after technical assessments identified it as the lowest-cost feasible solution.

The company has

signed a memorandum of understanding with NamWater, while an Infrastructure Development Agreement is being prepared to establish arrangements for constructing, operating, maintaining and eventually handing over the water infrastructure.

The Neckartal Dam remains a technically feasible alternative and could be considered if the project expands.

Koryx has also selected a location for a tailings

storage facility capable of accommodating approximately 1.15 billion tonnes of tailings over the proposed mine's operating life.

Nine potential locations were assessed against cost, capacity, environmental and social considerations, dam safety and operating efficiency.

The selected location is the only site identified as capable of accommodating the full projected tailings volume in a single facility. Its proximity

to the proposed processing plant is also expected to reduce pumping distances and operating costs.

Environmental approvals are progressing alongside the engineering studies.

Koryx submitted environmental documentation supporting its application for an Environmental Clearance Certificate for the mining licence area on 19 August 2026, followed by documentation relating to Orange River water abstraction on 4 September.

The applications cover the proposed open-pit mining operation, processing facilities and associated water infrastructure.

The environmental studies include assessments of biodiversity, water resources, air quality, noise, archaeology, heritage, traffic and community health.

The company said the environmental authorities would obtain input from the Ministry of Industries, Mines and Energy before the Environmental Commissioner makes a decision.

Although Koryx anticipates a review period of up to six months because of the project's scale and complexity, its latest announcement states that an environmental decision is expected before the end of

2027.

This timing requires clarification, as a six-month review from the August and September 2026 submissions would ordinarily fall in early 2027. Earlier project updates had also targeted environmental approval during the first half of 2027.

Koryx president and chief executive Heye Daun said the company remained on schedule to publish the PFS before the end of November.

"With conversion drilling now completed for the PFS and our metallurgical, infrastructure and permitting workstreams all advancing in parallel, we remain firmly on track to deliver the Haib PFS before the end of November 2026," Daun said.

The company has completed its PFS conversion drilling programme, while metallurgical and engineering studies are approaching completion.

Preparations have also started for the definitive feasibility study planned for 2027, including selecting drill core and bulk samples for additional metallurgical testing.

Haib is a large porphyry copper deposit in the // Kharas Region, containing copper mineralisation associated with molybdenum and gold.

The March 2026 mineral resource estimate reported 744 million tonnes of indicated resources grading 0.28% copper, containing approximately 2.09 million tonnes of copper.

A further 579 million tonnes of inferred resources grading 0.24% copper contain approximately 1.39 million tonnes of copper.

These figures represent mineral resources rather than economically demonstrated ore reserves.

More than 160,000 metres of drilling has been conducted at Haib since the 1970s by successive operators, including Falconbridge, Rio Tinto, Teck and Koryx.

The November PFS is expected to provide updated estimates of capital expenditure, operating costs, production, mine life and project economics.

Those figures will be particularly important because the revised 48Mtpa processing plan, removal of heap leaching and increased electricity requirements could materially change the project's financial outlook compared with earlier development studies.

The company has not yet announced a final investment decision or a date for construction and commercial production.

URANIUM

Norasa's US\$433m uranium mine remains unbuilt 11 years after feasibility study

A uranium mine that was expected to produce 5.2 million pounds annually and cost US\$432.8 million to develop remains unbuilt 11 years after its feasibility study was completed, with Asarian Energy now returning to drilling as it attempts to revive the long-delayed Norasa project in Namibia's Erongo Region.

Asarian, which adopted its new name in August 2026, is now reassessing Norasa under chief executive John Borshoff, beginning

with a 4,500-metre drilling programme at the Namibplaas deposit. The programme, approved on 7 October, will involve 17 holes and is expected to begin in late October or early November.

The latest work comes after years of changing development expectations for a project whose prospects have been closely linked to the fortunes of the international uranium market.

When Forsys released the definitive feasibility study in March 2015, Norasa was

presented as a potentially profitable uranium operation comprising the Valencia and Namibplaas deposits. The study, completed by engineering consultants Amec Foster Wheeler, estimated mineral reserves of 90.7 million pounds of uranium oxide and proposed processing 11.2 million tonnes of ore annually.

The projected operation would produce approximately 77.8 million pounds over 15 years, with average annual production of 5.2 million pounds. At an assumed



uranium selling price of US\$65 per pound, the study calculated an after-tax net present value of US\$383.4 million, an internal rate of return of 26% and a payback period of 4.4 years from the start of production.

The estimated development cost of US\$432.8 million represented a substantial investment, but Forsys believed the project's technical and economic characteristics provided a foundation for attracting financing and strategic partners.

The feasibility study envisaged approximately 24 months between the commencement of detailed engineering and the start of plant production, provided suitable financing could be secured.

Yet the uranium market was

already presenting difficulties for developers seeking investment in new mines.

Prices had weakened substantially from the levels reached during the previous uranium boom, and the conditions that followed the 2011 Fukushima nuclear accident continued to weigh on demand expectations and investor confidence.

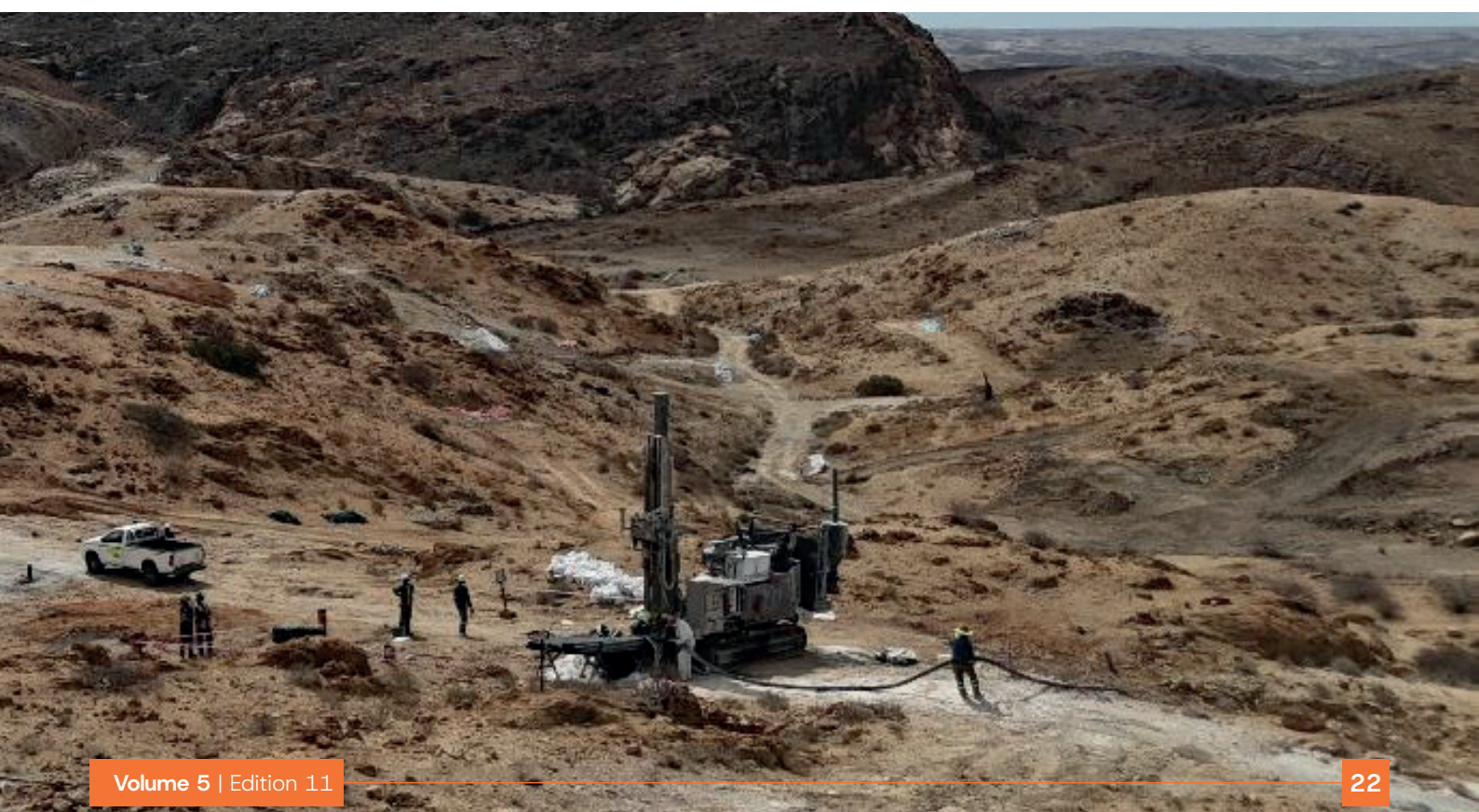
By August 2016, uranium was trading at approximately US\$26 per pound, less than half the US\$65 selling price assumed in the Norasa feasibility study and below its projected average operating cost of US\$34.72 per pound.

The difference was significant because the feasibility study had already identified the uranium selling price as the most important variable affecting the project's financial performance.

At the lower market price, the economic assumptions underpinning the proposed development were no longer attractive, making it considerably more difficult for Forsys to justify the capital expenditure required to construct the mine.

The company responded by reducing expenditure and preserving its assets while waiting for more favourable market conditions.

In August 2016, Forsys announced measures intended to reduce annual company cash expenditure by approximately 76% compared with 2014. Directors, management and employees accepted substantial reductions in cash remuneration, with some of the deferred amounts intended to be settled through shares.





The company also sought additional working capital through relatively small private placements, a considerable contrast with the hundreds of millions of dollars required to develop Norasa.

Those financing efforts helped sustain the business but did not constitute construction financing for the proposed uranium mine.

The difficulties illustrated the difference between completing a technically positive feasibility study and securing the investment required to bring a project into production.

Forsys had demonstrated a development concept under the assumptions used in 2015, but the market conditions needed to support that investment had deteriorated.

Norasa consequently remained undeveloped as

the company maintained its mineral interests and continued evaluating opportunities to improve the project.

The delays were particularly notable because the original development timetable had envisaged production beginning years earlier.

An assessment published in 2014 had assumed that construction could begin in early 2015, with plant commissioning targeted for the following year. The 2015 feasibility study subsequently revised the development plan, but construction still depended on financing that was not secured.

Forsys resumed more substantial technical work in 2023, including drilling and investigations into alternative processing methods and mine designs.

The work reflected the need to reconsider the original

feasibility assumptions rather than simply revive the 2015 construction timetable.

The original study had assessed a processing operation handling 11.2 million tonnes annually, but subsequent investigations considered different plant capacities and alternative methods of extracting uranium from the ore.

The amount of material that must be mined and processed, together with the percentage of uranium recovered, has a direct bearing on the cost of producing each pound.

A development plan that appeared attractive under the assumptions used in 2015 would therefore need to be reassessed using current construction costs, processing technology and operating conditions.

The company also undertook additional drilling

to improve its understanding of the Valencia and Namibplaas deposits, leading to an updated mineral resource estimate in May 2024.

That estimate placed Valencia Main's Measured and Indicated resource at approximately 45.4 million pounds of uranium oxide, while Namibplaas contained an estimated 41.1 million pounds classified entirely as Inferred.

A further 1.3 million pounds was estimated in the Inferred category at Valencia Main and East.

The resource figures demonstrate that Norasa continues to contain a substantial estimated uranium inventory, but they cannot be directly compared with the 90.7 million pounds of mineral reserves reported in the 2015 feasibility study.

Namibplaas contains approximately 218.7 million tonnes of mineralised material grading 85 parts per million equivalent uranium oxide, but the entire resource remains in the Inferred category because the available geological and

analytical evidence does not support a higher-confidence classification.

The 17 holes will combine reverse-circulation and diamond drilling, with mineralisation expected to be intersected at depths of up to approximately 250 metres.

The renewed activity follows the September 2026 extension of Exclusive Prospecting Licence 3638, which covers Namibplaas, until September 2028.

Valencia is held under Mining Licence 149, which remains valid until 2033, giving the company a separate regulatory foundation for the more advanced deposit.

The two deposits are situated near Usakos and Swakopmund within Namibia's established uranium-producing region, where access to transport infrastructure and proximity to existing mining operations offer potential development advantages.

According to the Namibian Uranium Association, the first blast for a box cut associated

with the Valencia mining pit took place on 1 August 2024, marking a visible milestone in the project's development preparations.

John Borshoff, who previously led Paladin Energy during the development of uranium operations in Africa, was appointed chief executive in August 2026 as Forsys adopted the Asarian Energy name.

Asarian has indicated that the improving outlook for nuclear energy and expectations of tighter uranium supply provide a reason to reconsider the project's development potential.

However, management has also acknowledged that the 2015 feasibility study is historical because the mining processes, costs and uranium price assumptions used at the time differ materially from current conditions.

The immediate programme at Namibplaas is expected to form the first phase of a broader drilling campaign extending into 2027, with additional work potentially covering parts of Valencia.





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Physical Address:
Sinclair office park, Sinclair street, Eros

Website:
www.theextratormagazine.com

Subscriptions:
+264 81 848 4264

Editorial
Allexer Namundjembo | +264 85 777 9725

Sales and Marketing:
info@theextratormagazine.com

Design & Layout:
Apex Creatives Namibia
Apexcreativesnam@gmail.com
+264 81 751 7470