



17 JANUARY 2012

ASX ANNOUNCEMENT

**ONGOMBO PROJECT  
MAIDEN JORC RESOURCE  
270 Million Pounds Copper**

**HIGHLIGHTS**

- Maiden JORC compliant inferred resource of 7.25 million tonnes (Mt) at 1.7%Cu and 8g/t Ag for 123,250t copper (270 million lbs) and over 1.8 million ozs silver.
- Although the resource estimate does not include gold, the weighted average gold grade of 0.32g/t for seven reported Goldfields holes and the two holes drilled by NCO implies good exploration potential for gold.
- Four individual target areas identified for drilling including:
  - 2,600m strike length of down-plunge extension of the Ost Shoot at Target 1
  - 5,800m strike length of down-plunge extension of the Central Shoot at Target 2
  - 1,000m strike length of up-dip extension of the Ost Shoot at Target 3
  - 800m strike length of up-dip continuity between Central Shoot and East/Ost Shoot at Target 4.
- Coffey mineral resource estimation indicates the Ongombo resource has a similar style of mineralisation, and similar copper and silver grades to those presently being mined at the neighbouring Otjihase mine.
- Drilling and geophysical programs planned with a view to extending the resource significantly. Geophysical program commencing mid-February and drilling program commencing April.

Namibian Copper Limited (“NCO” or “the Company”) is pleased to announce the completion of its maiden resource estimate to JORC Code reporting standards for its Ongombo Copper Project on the Matchless Belt northeast of the capital Windhoek in Central Namibia (Figure 1). The Inferred JORC compliant Resource at Ongombo comprises 7.25 million tonnes (t) at 1.7%Cu and 8g/t Ag for 123,250t copper (270 million lbs) and over 1.8 million ozs silver.

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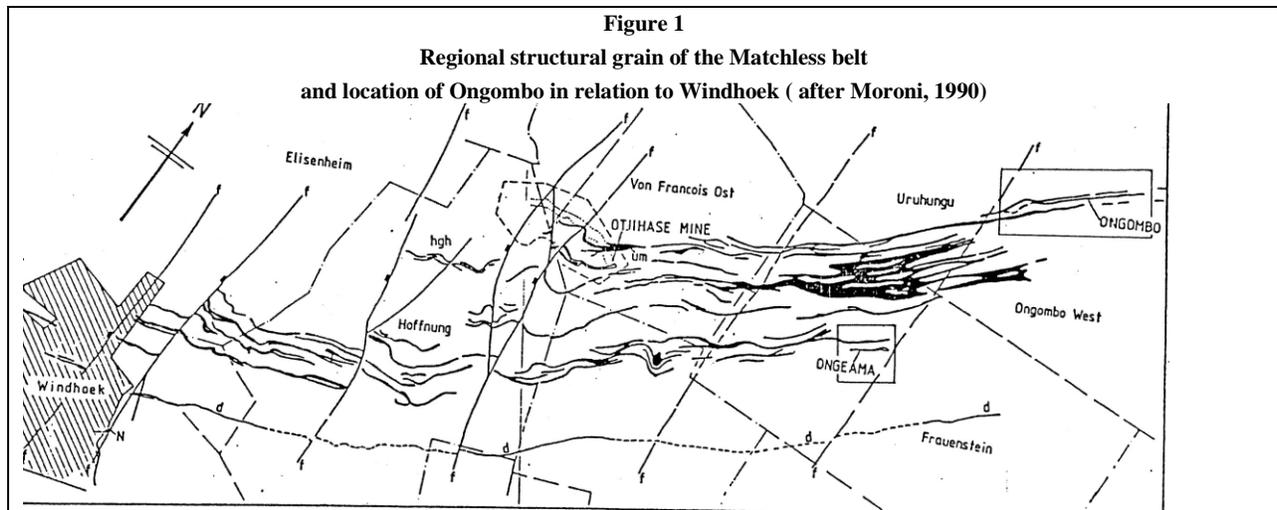
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NCO’s Chairman, Mr. Colin Ikin commented:

*“This Maiden JORC compliant Inferred Resource at Ongombo is an important step forward for the company that confirms the potential for the deposit to become a company making project for NCO. This is a great result and I am excited by the significant increase this resource estimate adds to the value of the company. In the coming months further drilling and geophysics will commence to fast-track the extension at the four principal targets identified within the deposit. This work is aimed at upgrading the size of the inferred resource and also upgrading the category of parts of the deposit to indicated and measured status”.*



### JORC Resource Estimate

The company commissioned Coffey Mining of South Africa (Coffey) to undertake an independent review of all available data on the company’s Ongombo copper deposit on the Matchless Belt in Namibia. Coffey were scoped to remodel all available data with a view to producing a resource statement for the Ongombo project together with recommendations for the future development of the project.

The November 2011 Coffey resource statement at a cut-off of 1% copper for the inverse distance weighted model is shown in Table 1.

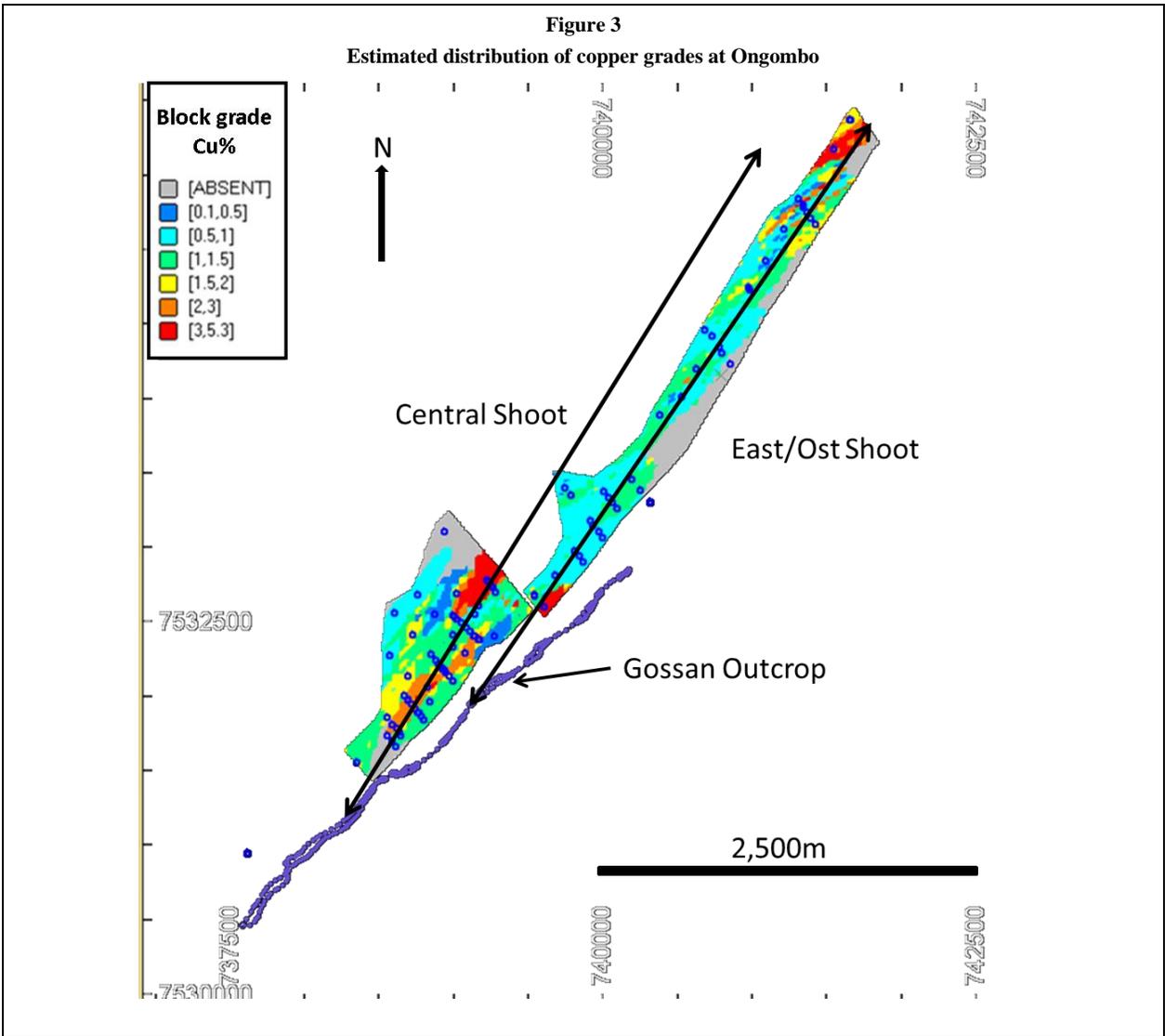
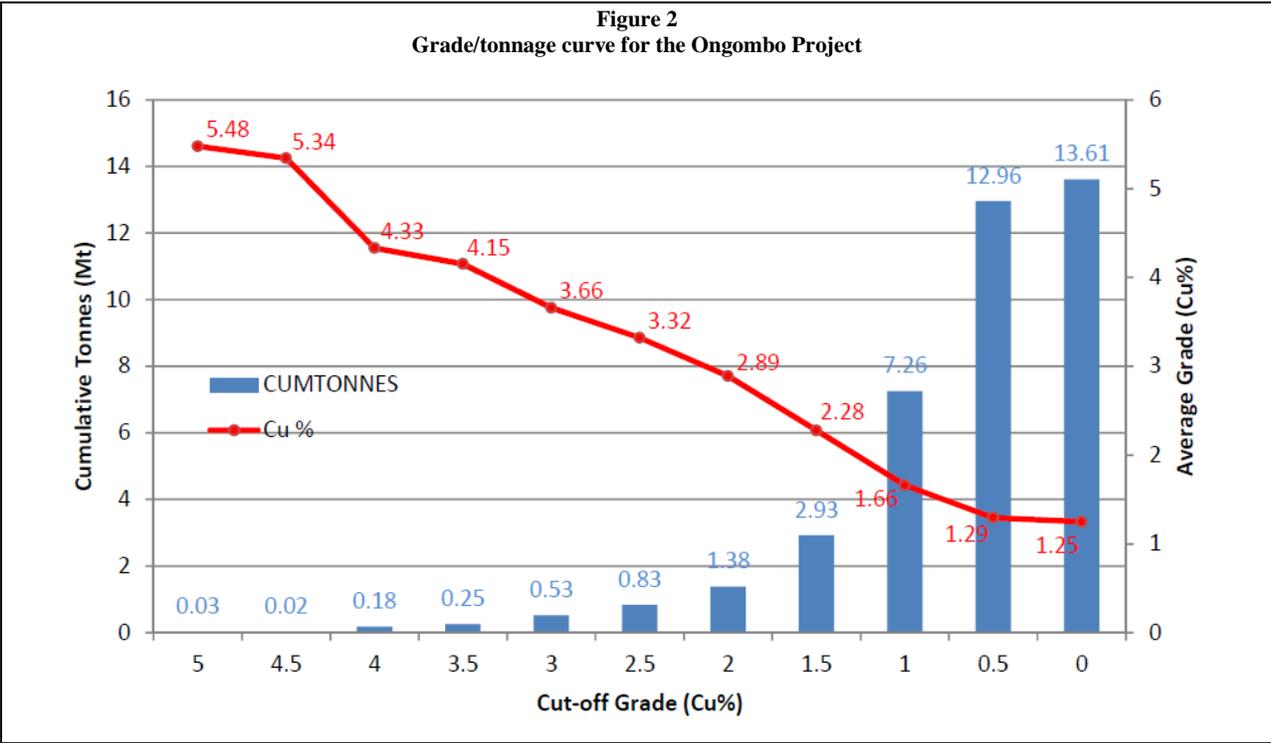
<b>Table 1</b>				
<b>Inferred Mineral Resources of the Ongombo Project</b>				
<b>Resource Category</b>	<b>In situ tonnes and grade at 1% Cu cut-off</b>			
	<b>Tonnes (Millions)</b>	<b>Cu (%)</b>	<b>Ag (g/t)</b>	<b>Density (t/m<sup>3</sup>)</b>
<b>Central Shoot</b>	2.47	1.8	8	3.04
<b>East/Ost Shoot</b>	4.78	1.6	8	3.37
<b>Total</b>	7.25	1.7	8	3.26

The total inferred resources for the Ongombo Project are shown at different cut-off grades in Table 2 and a grade/tonnage curve is shown in Figure 2. Distribution of copper grade is shown in Figure 3. The resource estimate is based on 88 holes with 137 intersections where there are between 1 and 3 intersections per hole. Borehole spacing varies from 50m x 100m to greater than 400m. A block size of 50m x 50m x 8m was chosen in order to show the variability in the deposit where borehole spacing was closest. The Central Shoot and the East/Ost Shoot were modelled as separate entities for separate estimations. The East/Ost Shoot has higher grades than the Central Shoot and the mineralized zone is thicker with blocks estimated with a larger number of samples. Maximum block thickness for the Central Shoot and East/Ost Shoot is 5m and 7.8m, respectively.

**Table 2**  
**Grade tonnage distribution of Inferred Mineral Resources of the Ongombo Project**

Resource Category	In situ tonnes and grade				
	Cut-off grade	Cumulative Tonnes	Cu (%)	Ag (g/t)	Density (t/m <sup>3</sup> )
Central Shoot	0	3,370,000	1.51	9	2.90
	0.5	3,157,000	1.59	9	3.04
	1	2,475,000	1.79	8	3.04
	1.5	1,143,000	2.35	11	3.08
	2	601,000	3.02	13	3.19
	2.5	360,000	3.53	16	3.25
	3	209,000	4.08	19	3.26
	3.5	197,000	4.14	19	3.27
	4	155,000	4.23	18	3.28
	4.5	5,381	4.59	23	3.24
	5	275	5.14	23	3.29
Est/Ost Shoot	0	10,245,000	1.17	7	3.19
	0.5	9,807,000	1.20	7	3.29
	1	4,780,000	1.59	8	3.37
	1.5	1,783,000	2.23	12	3.48
	2	779,000	2.79	15	3.80
	2.5	474,000	3.16	17	4.04
	3	317,000	3.38	21	4.39
	3.5	54,000	4.19	12	3.30
	4	23,000	5.00	12	3.33
	5	12,000	5.68	10	3.29
	6	4,204	6.41	7*	3.25
6.5	1,821	6.93	7*	3.26	
7	16	7.39	40	3.31	

\* Estimate may be low due to missing assays

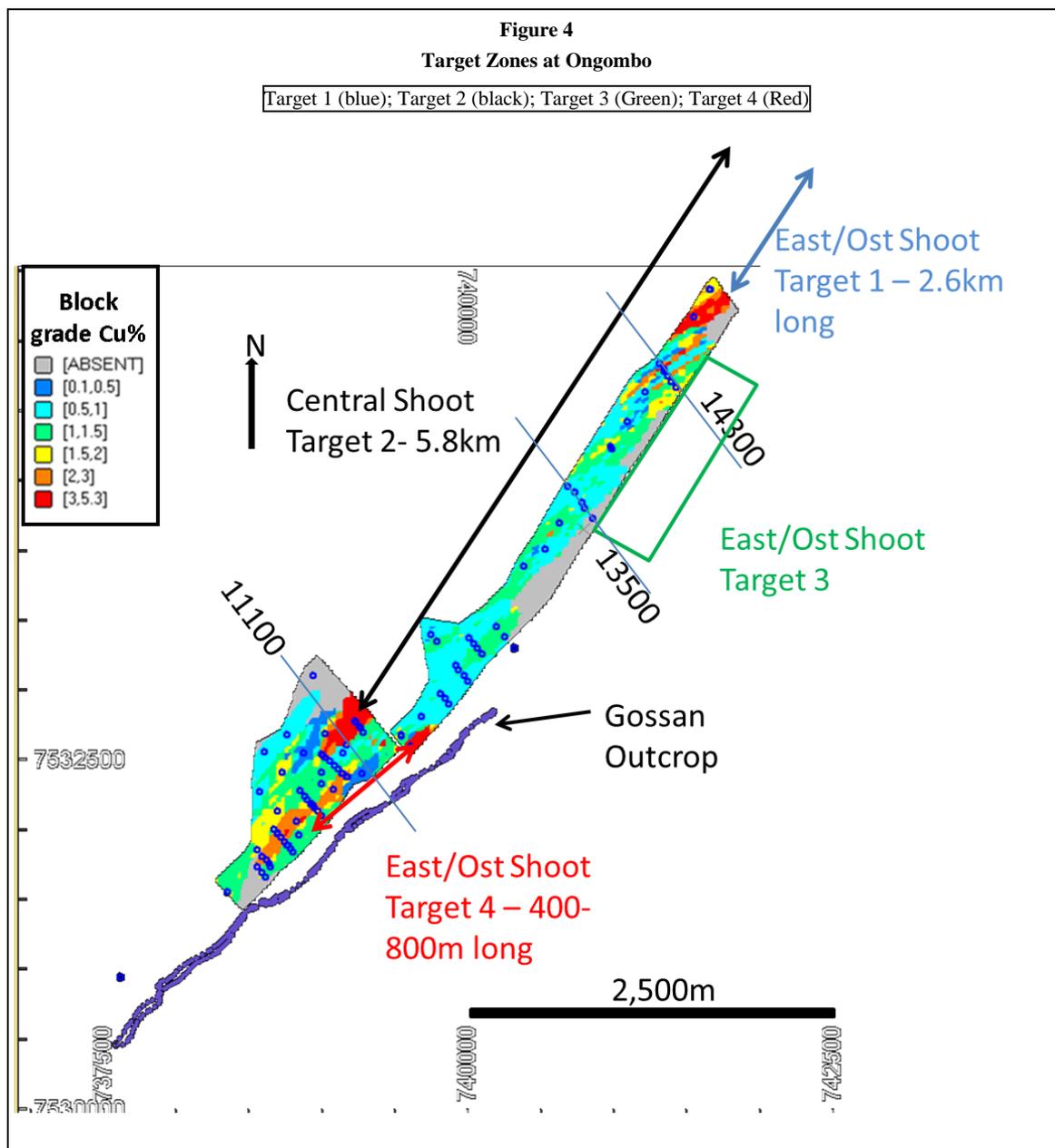


Although the Ongombo holes which have been assayed for gold do contain significant gold values, the inferred resource statement includes only copper and silver as there are many gaps in the historical exploration data due to either lack of assays or non-reporting for gold. The weighted average gold grades for the seven documented Goldfields boreholes and the two NCO boreholes are given in Table 3. Goldfields drilled wedges off a number of their holes to provide two intersections for the same hole. The weighted average gold grades for the mother hole and the wedge are given for boreholes OGB151, 152, 153, 158, 155 and 154. The weighted average gold grade for the seven Goldfields holes and the two NCO holes is 0.32g/t.

<b>Program</b>	<b>Borehole</b>	<b>Width (m)</b>	<b>g/t Au</b>
NCO	ONG08-1	6.78	0.29
NCO	ONG08-2	3.03	0.38
Goldfields	OGB151	5.77	0.16
Goldfields	OGB152	6.34	0.10
Goldfields	OGB153	5.27	0.45
Goldfields	OGB157	5.47	0.60
Goldfields	OGB158	6.51	0.30
Goldfields	OGB155	0.55	0.57
Goldfields	OGB154	1.16	0.24

### **Potential**

One of the main characteristics of all the deposits on the Matchless Belt is that they have mineralisation developed in shoots of very substantial length. The neighbouring Otjihase mine has mineral resources defined over at least a 9km shoot length and the deposit may extend further. The Matchless deposit to the southwest has shoots of several kilometres in length. Evaluation of the geology and mineral resources at Ongombo suggest that this same characteristic is present at Ongombo. Drilling has not delineated the full extent of the deposit, and additional potential lies in four specific target zones (Figure 4).



Target 1 is the down-plunge extension of the Ost Shoot (identified in blue in Figure 4). The highest grades from the mineral resource estimation occur at the northern most end of the OST shoot. The down plunge extension of the Ost Shoot beyond 14,300E is essentially untested. Only 4 drill holes exist northeast of Section 14,300E (Figure 4). These include ONG171 on section 14,500E, which reported 9.53m% Cu; ONG155 and NCO borehole ONG08-1 on section 14,700E, which reported 1.62m% Cu and 4.01m% Cu, respectively; and ONG154 on section 14,900E which reported 1.33m% Cu (m% Cu is the multiple of the width of the intercept times the grade). Modelled grades for the East/Ost Shoot are highest in this area. All available data suggests the Ost Shoot can be expected to continue to plunge to the northeast as far as the Swakop Graben Fault at about Section 16,900E which coincides with the licence boundary. The strike length of Target 1 between sections 14,300E and 16,900E is 2,600m.

Target 2 is the down plunge extension of the Central Shoot, which parallels the East/Ost Shoot (identified in black in Figure 4). The strike length of Target 2 between the last drilling around section 11,100E and Section 16,900E (the Swakop Graben Fault) is 5,800m.

Target 3 is the up-dip extension of historical mineralisation defined between sections 13,500E and 14,500E on the East/Ost Shoot (identified in green in Figure 4). This zone represents a significant portion of the mineralisation on the Ost shoot and all sections are open up-dip.

Target 4 is the zone between the Central Shoot and the East/Ost Shoot between sections 11,100E and 11,900E (identified in red in Figure 4). The strike length of the zone linking the Central shoot to the Ost shoot between sections 11,100E and 11,900E is 800m. The NCO electromagnetic data and the NCO borehole ONG08-2 and the mineral resource estimation all show that the Central Shoot and the Ost Shoot locally coalesce. The continuity of mineralisation between the historical ore shoots (the coalescing of ore shoots) could substantially increase the tonnage target potential at Ongombo.

The geometry of the Ongombo deposit should be fairly predictable and can be extrapolated beyond the current drilling for several hundred metres. There appears to be reasonable potential to extend both the Central and East/Ost Shoot down plunge to the northeast as far as the Swakop Graben Fault on the licence boundary. Coffey have indicated the size and grade of potential exploration targets at Targets 1 and 2 may be in the order of 10 to 12Mt at 1.6 to 1.8% Cu. The size and grade of the potential exploration targets are based on the measured strike length of the exploration Targets 1 and 2, which are documented above and existing intercepts within these target areas. The potential quantity and grade of the target is conceptual in nature, and there has been insufficient exploration to define Mineral Resources, and it is uncertain if further exploration will result in the determination of a Mineral Resource.

### **Comparison with Otjihase**

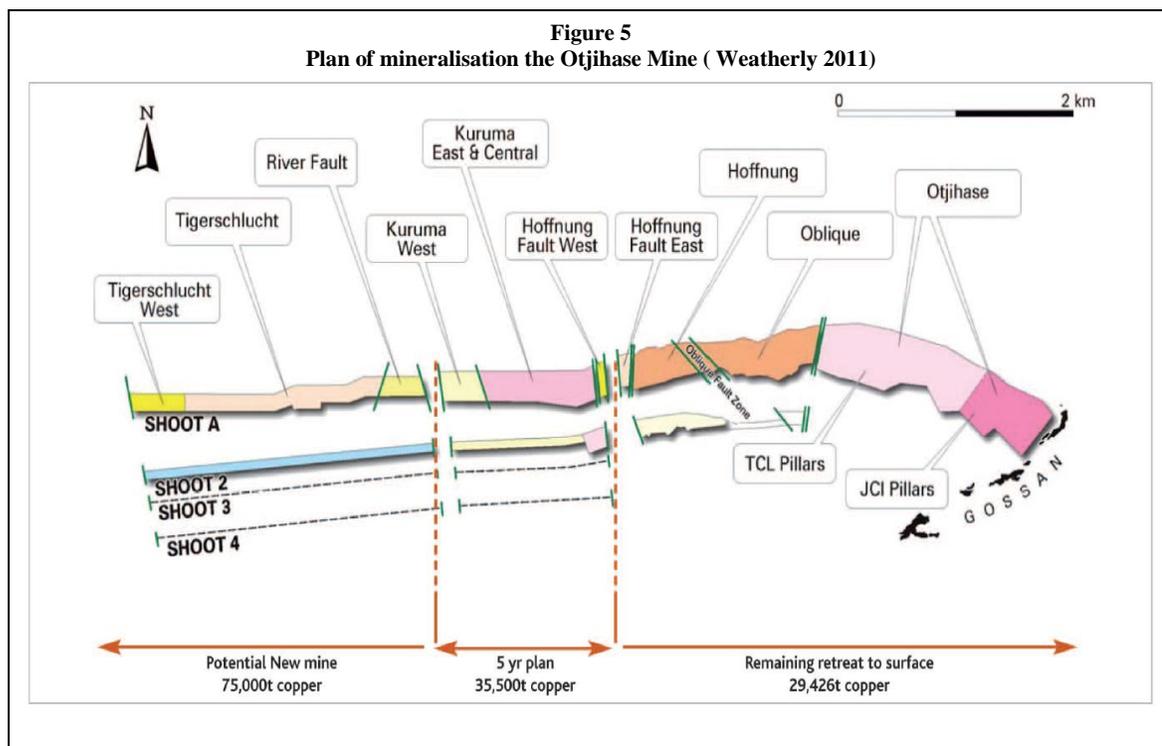
The Otjihase Mine, managed by Weatherly International PLC (Weatherly), is an operating Copper Mine, located 20.5km (as the crow flies) southwest of the current Ongombo Project. The neighbouring operating mine at Otjihase has a similar style of mineralisation to Ongombo with similar metallurgical properties. Recoveries at Otjihase and Matchless over the last three quarters are reported by Weatherly between 91 and 92.5%. Average net cash costs of US\$4,707/t copper are reported.

The historical production from Otjihase is tabled in Table 4. For comparative purposes the mineral resources of the Otjihase Mine are tabled in Table 6. The mineral resource estimation for Ongombo shows copper and silver grades similar to those that Weatherly are currently mining at Otjihase. The average copper grade of 1.7% for the Ongombo deposit compares favorably with the average grade of 1.49% for the Inferred Resources at Otjihase (Table 5). Additionally the average silver grade of 8g/t for the Ongombo deposit compares favorably with the average grade of 6.73g/t for the Indicated Resources at Otjihase (Table 5).

<b>Year</b>	<b>Ore (t)</b>	<b>Cu Concentrate (t)</b>	<b>Pyrite Concentrate (t)</b>
1980	5,037		
1981	205,634	14,242	26,772
1982	774,060	61,192	108,818
1983	756,996	53,322	118,239
1984	844,049	49,890	172,315
1985	832,741	55,006	174,363
1986	867,723	61,331	189,451
1987	546,868	38,328	120,260
1988	831,570	55,789	226,682
1989	763,542	49,448	196,532
1990	630,497	34,138	138,924
1991	651,797	34,498	127,119

<b>Resource Category</b>	<b>In situ tonnes and grade</b>			
	<b>Tonnes</b>	<b>Cu (%)</b>	<b>Ag (g/t)</b>	<b>Au (g/t)</b>
<b>MEASURED</b>	<b>3,543,518</b>	<b>2.41</b>	<b>9.05</b>	<b>0.43</b>
<b>INDICATED</b>	<b>2,816,936</b>	<b>1.99</b>	<b>6.73</b>	<b>0.35</b>
<b>INFERRED</b>	<b>4,729,622</b>	<b>1.49</b>	<b>6.34</b>	<b>0.22</b>
<b>TOTAL</b>	<b>11,090,076</b>	<b>1.91</b>	<b>7.3</b>	<b>0.32</b>

The local geology of the Otjihase Mine is presented in Figure 5. Gossan outcrop in the east is the surface expression on the massive sulphide mineralisation. Otjihase consists of four identified mineralised shoots, one large shoot more than 9km in length, broken by faults, which forms the basis for the mine and three smaller ore shoots.



### Future Work

Both geophysical and drilling programs are being planned with a view to upgrading the size of the inferred resource and also upgrading the category of parts of the deposit to indicated and measured status. Greg Symons Geophysics has been commissioned to undertake the geophysical program, which is aimed at further defining the continuity of mineralisation between the Central Shoot and the Ost Shoot at Target 4. This program is planned to start mid February.

The initial drilling program will include four holes at Target 1, four holes at Target 2, three holes at Target 3, and three holes at Target 4, for a total of approximately 5,000m. Discussions with drillers have begun with a proposed budget for the 5,000m program of \$1M. Permission to drill has already been approved by the Ministry, and the program is envisaged to start in April as soon as assess can be assured at the end of the wet season.

*The review of exploration activities, results and mineral resources contained in this report is based on information compiled by Alan Marlow, a Member of the Australasian Institute of Mining and Metallurgy. He is a Non-Executive Director of the Company and has sufficient experience which is relevant to the style of mineralisation and types of deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Alan Marlow consents to the inclusion of this information in the form and context in which it appears in this report.*