WEATHERLY INTERNATIONAL

PLC

Tschudi Copper Project Executive Summary

INDEX

1 INTRODUCTION

Ongopolo Mining Limited is owned (97.5%) by Weatherly Mining Namibia Ltd, which in turn is owned 99% by Weatherly International, an AIM listed company producing, developing and exploring for copper (Weatherly).

Weatherly has a licence to mine the Tschudi copper deposit located on the farms Tschudi 461 and Uris 481, approximately 20 kms west of Tsumeb, in the Oshikoto Region of Namibia.

The mining licence was issued by the Ministry of Mines and Energy (Licence Number: ML125) on date 2002 and is valid till 2017 when it can be renewed for another 15 years.

Environmental Clearance for the operation of Tschudi Mine was issued by the Ministry of Environment and Tourism (MET) on 24 March 2003 (ref. N24/2/2/8). An addendum to the Environmental Clearance was submitted on February 18th 2013. Full environmental clearance for the development of the Tshcudi project was given by the Ministry on the 24th April 2013.

The following document is an Executive Summary of the project, if more detailed information is required please contact:

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2 NAMIBIA OVERVIEW

Namibia has a stable multi-party democracy with a history of free elections since independence from South Africa in 1990. The Namibian constitution and its political leaders promote and encourage inward foreign investment.

The country has a well-established mining act and an independent legal system. Mining is the biggest contributor to Namibia's economy, in revenue, and is a valued industry by the Namibian government and people.

The Fraser Institute Survey 2012/13 placed Namibia 3rd amongst African nations when ranking jurisdictions on the attractiveness of their mining policies (Policy Potential Index). Today Namibia is considered a low risk geography for mining investments by the Fraser Institute.

Weatherly International has been operating in Namibia since 2006 and has good relationships within the Namibian government, its agencies and other key stake holders in Namibia.

Economic overview:

Capital	Windhoek
Population (millions)	2.2
Business language	English
Sovereign rating	Baa3
Primary export	Metal ores

Macroeconomic overview:

Real GDP growth (%)	4.0
Real GDP (US$bn)	12.1
Real per capita GDP (US$)	5,634.5
Headline inflation (average %)	6.7
Current account (% of GDP)	-3.8

2.1 Economic Environment

Namibia is a small open economy with a population of 2.2 million people and a Gross Domestic Product in 2010 of NAD81.5 billion (USD$ 12.1(10.8 billion). The World Bank reclassified Namibia from a Lower to an Upper Middle Income Country (the same category as neighbouring Botswana and South Africa) in 2009. Mining activities contributed approximately 9% towards Namibia's GDP and the country remains dependent on mining.

Tsumeb, along with Otavi and Grootfontein, is one of the three towns within Namibia's "maize triangle" – a relatively fertile area of northern Namibia suitable for rain fed and irrigated crop production. Tsumeb was founded as a mining town dependent on the local Tsumeb copper mine and a smelting operation which processed concentrates from Tsumeb, Kombat, Khuisib Springs, Otjihase and Matchless mines in Namibia. The smelter which is now owned by the Canadian Listed company, Dundee Precious Metals, now imports concentrates and exports blister copper.

3 PROJECT HISTORY

The first record of prospecting in the Tschudi area was in 1913, and the main outcrop area was trenched and sampled at the beginning of 1948. The ore body was first defined as a copper soil anomaly in a regional survey in 1968, and from 1987 to 2002. Drilling campaigns and studies were conducted by Goldfields and JCI to define the resource, and establish a means of processing it.

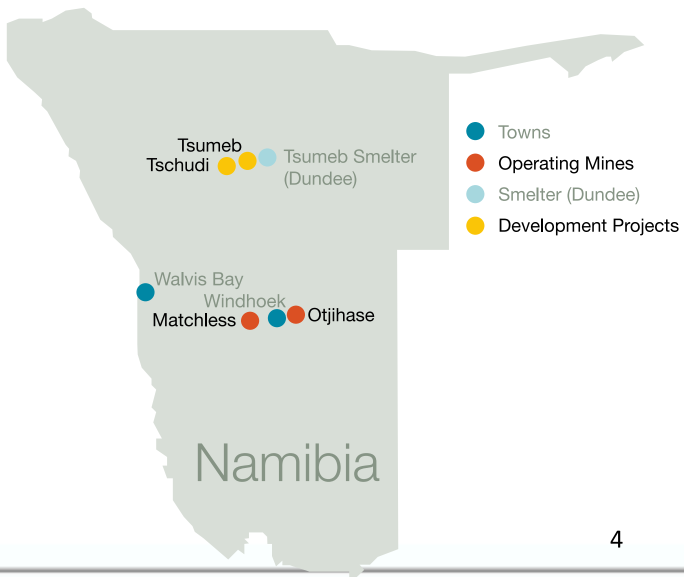
In 2002 Mining License ML-125 was issued to Ongopolo Mining Limited.

4 PROJECT DESCRIPTION

4.1 Location

The Tschudi deposit is centred on co-ordinates of 19º15'55'' South and 17º31'14'' East, at a mean elevation of 1,298 amsl. The project area is located approximately 20km west (26 km by road) of Tsumeb in northern Namibia.

Tschudi Project Location map:



4.2 Site Infrastructure

Current site infrastructure consists of:

- Access roads from highway;
- Underground portal and power supply;
- Surface workshops and service areas;
- Tschudi and Uris farmhouses.

4.3 Geology and Mineral Resources

The Tschudi orebody is hosted within basal sandstones and minor conglomerates of the Mulden Group. The orebody is roughly planar, outcropping in a NE – SW direction, and dipping at approximately 30° to the NW. The strike length of the drilled mineralisation is approximately 2,500m, although it is open ended at depth and the southwest. The copper mineralisation in the oxide zone is mainly composed of malachite and minor chalcocite. Within the sulphide zone chalcocite and bornite dominate with minor chalcopyrite, while within the transitional zone there is a combination of these minerals. Oxide mineralisation extends down to approximately 70m below surface. There is then a transitional zone of mixed sulphide-oxide mineralisation to a vertical depth of approximately 110m, followed by a sulphide zone.

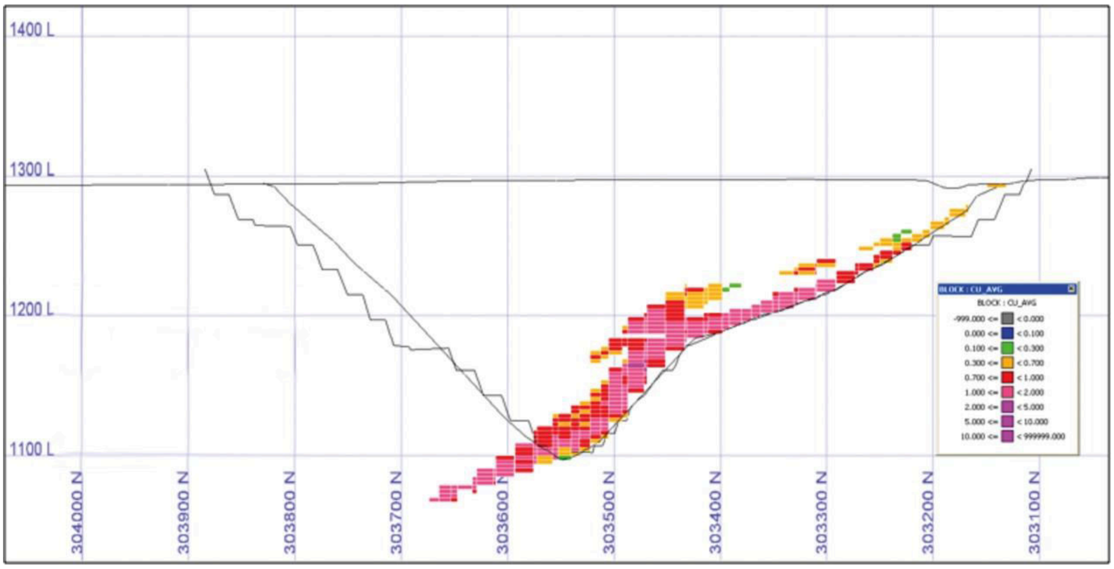
Mineral resources:

Table 1 - Tschudi Project
Mineral Resource Estimate and Classification at Cu 0.3% Cut-off

Domain	Resource Category	Tonnage (kt)	Cu (%)	Ag (g/t)	Cu Metal (t)	Ag Metal (kg)
Oxide	Measured	81	1.11	10.71	896	865
	Indicated	4,546	0.73	7.82	33,004	35,533
	Measured and Indicated	4,627	0.73	7.87	33,900	36,398
	Inferred					
Sulphide	Measured	4,347	1.09	11.15	47,594	48,494
	Indicated	19,869	0.94	11.82	185,990	234,886
	Measured and Indicated	24,217	0.96	11.70	233,584	283,379
	Inferred	18,874	0.74	9.85	140,482	185,966
Total	Measured	4,428	1.10	11.15	48,490	49,359
	Indicated	24,416	0.90	11.08	218,994	270,419
	Measured and Indicated	28,844	0.93	11.09	267,484	319,777
	Inferred	18,874	0.74	9.85	140,482	185,966

Based on the above mentioned reserve and using proposed mining and process rates, the Tschudi project has a life of 11 years from the commencement of processing. Using the mining rates quoted by the preferred mining contractor, the contract mining cost will average USD2.26 per tonne for the first five years. The output from the Tschudi project will be copper cathodes, a final product 99.99% pure copper sheet. Copper cathodes are a homogenous exchange traded product which can be sold with relative ease.

Typical mine Section:



4.4 Mining

Copper bearing ore will be extracted from an open pit operation at a rate of 2.0 to 2.6 million tonnes per year. Mining will be by conventional means of drilling and blasting followed by loading and trucking to surface.

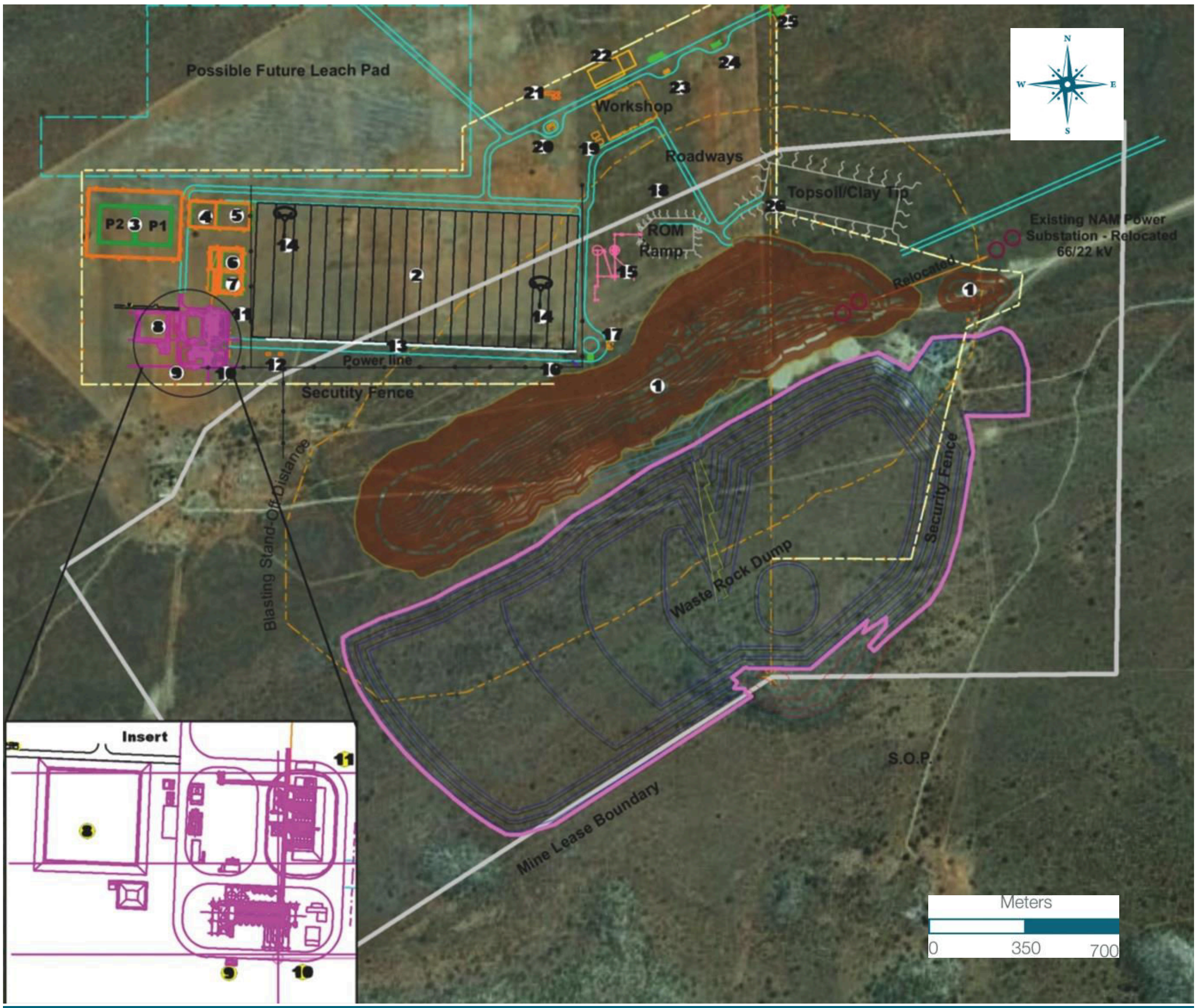
The estimated life of mine (LOM) is 11 years. At the end of the mining operations the main pit will be up to 2.3 km long, up to 0.5 km wide and up to 194 m deep.

A small pit (East Pit) will also be developed on the eastern section of the ore body during the initial two years of mining. This smaller East Pit will be excavated entirely within oxide mineralisation located entirely in calcrete and sandstone. This East Pit will be about 270 m in length, 160 m in width, up to 50 m deep, have an estimated volume of approximately 1 million m3 and will be located above the regional groundwater table. It will thus remain a dry pit at the completion of mining.

Overburden and waste rock will be placed to the south of the main pit to form a waste rock dump (WRD). At the end of LOM the WRD can be expected to be 940 m wide at the widest point and 2.7 km long at maximum extent. The waste rock dump will have a maximum height of approximately 40 m and will be created in 5 lifts of about 8 m vertical intervals and berm widths of 10.5 m.

Mining will be carried out using mining contractors using conventional open pit mining methods. The ROM pad and Heap Leach facility will be located to the north of the pit and the waste landform will be constructed to the south of the pit.

Proposed Layout of Tschudi Mine Infrastructure



LEGEND

ID	Description
1.	Open Pit
2.	Heap Leach Pad
3.	S.W (Stormwater Phase 1&2)
4.	P.L.S Pond
5.	I.L.S Pond
6.	Raffinate 2
7.	Raffinate 4
8.	Raw Water & Evaporation Pond
9.	Diesel - 24ⓁⓁ*8000.l.g
10.	Electro-winning Plant
11.	S.X. Solvent Extraction Plant
12.	Leach Pipe Workshop
13.	Overland Tripper Conveyor
14.	Hopper and Stockpile Feed Conveyors
15.	Stockpile
16.	Bin
17.	Fuel Station Day Tank and Blower
18.	R.O.M
19.	Mobile Work Shop, Offices & Stores
20.	Acid Tanks
21.	Sewerage Tranches
22.	Main Office, Car Park, Ablutions & Stores
23.	Diesel Tanks 4 regd. 3mDIA* 10m LG
24.	Weighbridge
25.	Security Gate, Offices & Change Rooms
26.	Topsoil / Clay Tip

SO518	Coordinate System UTM33S	
	Spheroid WGS84	Central Meridia LO

4.5 Optimisation

The latest pit optimisation was carried out by Coffey using Whittle Four-X and a mining model made from the resource model constructed by Coffey in 2009. CMC have reviewed the optimisation procedure and results and confirms that whilst the method used was simplified, the optimisation was undertaken to acceptable standards.

The optimisation was undertaken assuming cathode copper is produced in the proposed SXEW plant treating leachate from the heap leach pads. The first objective of the pit optimisation was to define the economic limits and generate a final pit outline. The second objective was to develop a push-back strategy using the topographical surface and a series of staged pits to smooth the stripping ratio and provide a rational development of the Tschudi project and to maximise the NPV. The stage pit shells output from Whittle Four-X was used to guide the staged designs which incorporate haul roads, ramps, and safety berms.

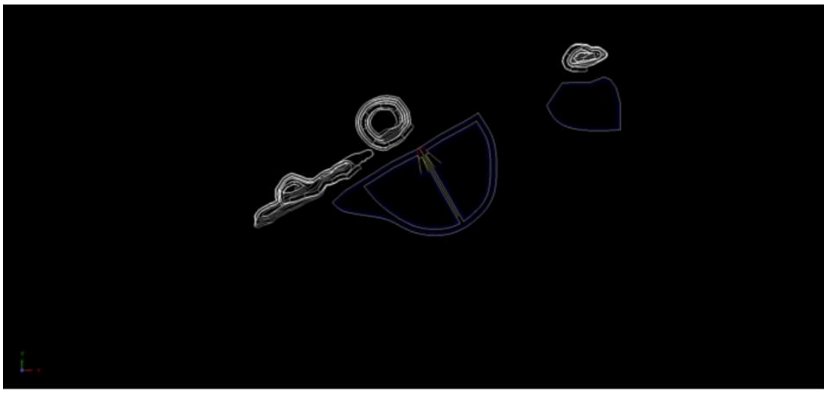
In addition to the selection of the ultimate pit and two interim stages under base case conditions for pit design, a suite of sensitivity analyses were carried out for ± 20 % variation in metal prices as well as variable mining and process operating costs.

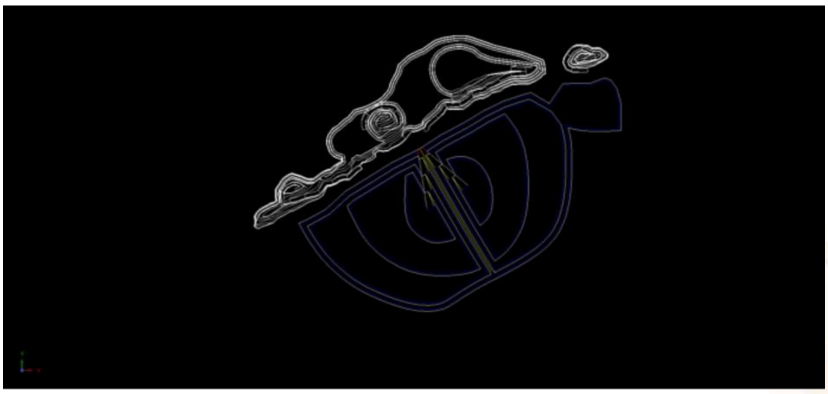
4.5.1 Pit Optimisation, Input Parameters and Results

Initial analysis of pit optimisation with the base case parameters concluded that practical push-backs could be achieved using a series of pit shells starting from shell 10 (starter pit) through to the final outline at pit shell 21.

Tschudi Pit and Dump evolution

Year 1 and 2





The following table covers life of mine production and costs
Mine production costs:

Year	Total Tonnes Mined	Waste Tonnes Mined	Ore Tonnes Mined	Total Contract Payments ($N)
2013	3,466,007	2,646,648	819,359	80,531,121
2014	19,700,134	17,736,982	1,963,152	319,411,161
2015	17,975,326	15,983,951	1,991,375	336,229,981
2016	18,087,292	15,936,951	2,150,341	394,676,699
2017	18,237,326	16,307,919	1,929,407	327,207,845
2018	18,237,326	16,093,061	2,144,266	443,931,736
2019	27,355,990	24,782,753	2,573,237	268,803,714
2020	27,430,938	25,395,772	2,035,165	283,635,043
2021	27,355,990	25,190,362	2,165,628	528,722,771
2022	9,118,663	6,896,193	2,222,470	260,338,618
2023	4,376,958	2,328,188	2,048,770	154,041,655
2024	907,595	253,303	654,292	46,593,681
Total	**192,249,545**	**169,552,084**	**22,697,462**	**3,444,124,026**

The following tables illustrate the equipment requirements along with planned key personnel manning plans for Tschudi.

Equipment requirements:

Description	Start-Up Number (Year 1)	Year 2	3	4	5
Liebherr Excavator LH984	1	2	2	2	2
Komatsu Excavator PC2000	2	2	2	2	3
Komatsu Truck HD465	5	5	6	6	6
Komatsu Truck HD785	7	9	10	10	14
Komatsu Wheel Loader WA600	1	1	1	1	1
Komatsu Truck Dozer D375	2	2	2	2	2
Komatsu Grader GD825	1	1	1	1	1
Komatsu Wheel Dozer WD600	1	1	1	1	1
Komatsu Water Bowser HD465-7	1	1	1	1	1
Diesel Bowser Bell B20D	1	1	1	1	1
Lighting Plants	7	7	7	7	7
Water Pumps		3	3	3	3
Atlas Copco DM30 Drill Rig	3	4	4	4	5
Crane Truck	1	1	1	1	1
Tyre Handler	1	1	1	1	1
Rough Terrain Crane (90t)	1	1	1	1	1
Containers (12m)	4	4	4	4	4
Containers (6m)	12	12	12	12	12
Edmo Tyre Press (350t)	1	1	1	1	1

H1 - Nominated Key Personnel

Position	Name	Years Employed by Contractor	Statutory Qualifications or Certificates
Project Manager	**Derek Niewenhuis**	**2**	Nat Dip Civil Open pit & Civil Blasting Ticket
Production Superindependent	**Peter Mostert**	**5**	NTS3 (Science)
Maintenance Superintendent	**Elliot Oates**	**12**	N4
HSE Coordinator	**Ezra Terreblanche**	**2**	BSC (HDE) B Com

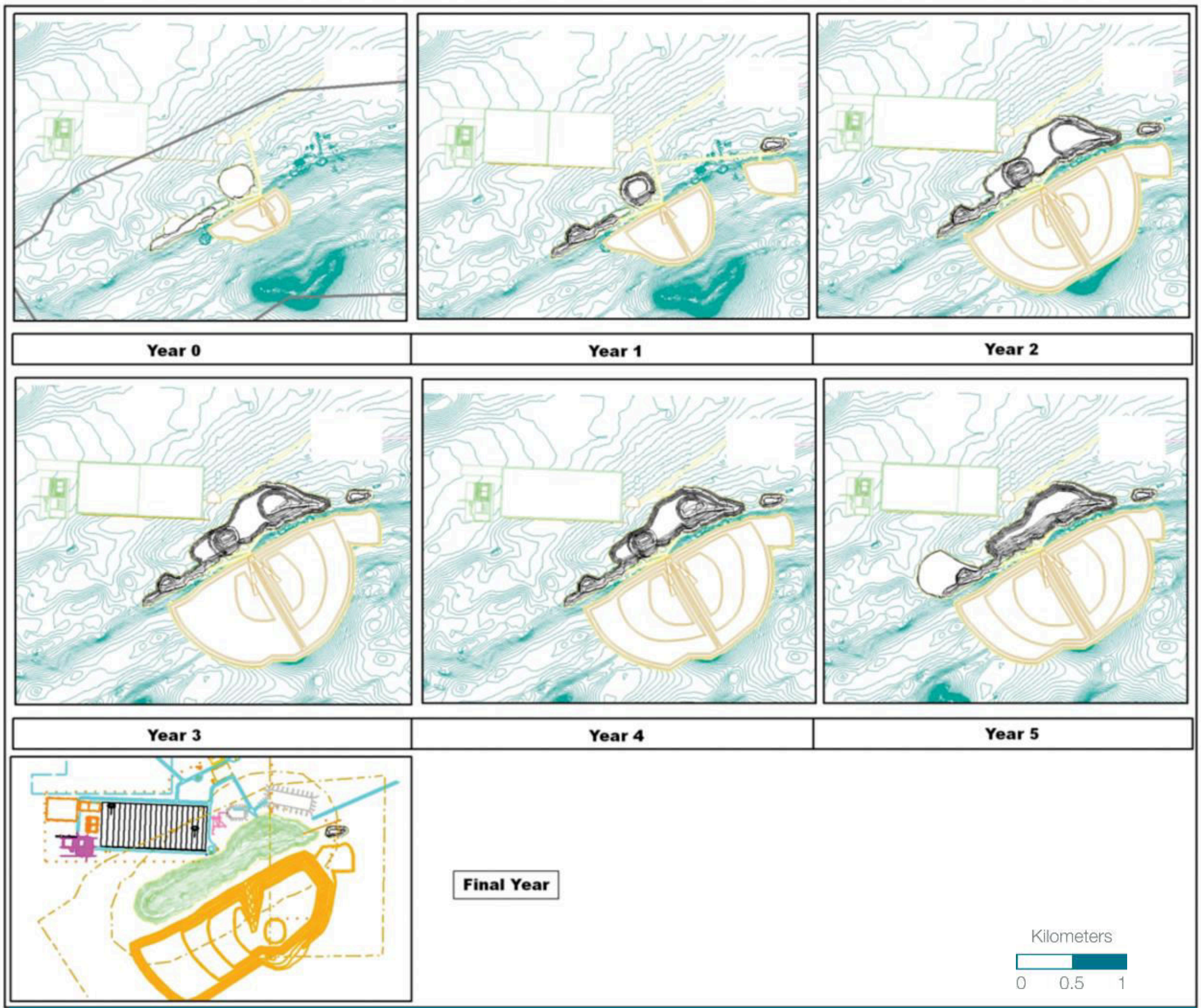
H2 – Personnel Numbers

Category	Title	Start-Up Number (Yr 1)	Year 5
Supervision	Contract Manager	1	1
	Project Manager	1	1
	Production Manager L&H	1	1
	Production Manager D&D	1	1
	Plant Manager	1	1
	Safety & Training Manager	1	1
	Planning Manager	1	1
	Safety Officers	4	4
Administration	HR Supervisor	1	1
	Administration Clerk	1	1
	Cost Clerk	4	4
	Bus Driver	8	8
Load and Haul	Shift Foreman	4	4
	Equipment Operators	88	128
	Surveyor	1	1
	Survey Assistants	2	2
Drill and Blast	Blasting Manager	1	1
	Technician	1	1
	Blast Supervisor	1	1
	Blaster	1	2
	Drill Supervisor (Senior)	1	1
	Drill Supervisor	3	3
	Charge ups	4	4
	Safety Reps	1	1
	Operators	12	20
	Assistants	16	24
Mining Equipment Maintenance	Plant Foreman (Site)	1	1
	Plant Foreman (w/shop)	1	1
	Workshop Mechanics	3	3
	Workshop Mech Assistants	3	3
	Auto Electrician	3	3
	Auto Electrition Assistants	3	3
	Shift Mechanics	8	8
	Shift Mechanic Assistants	8	8
	Service Truck Mechanics	8	8
	Service Truck Assistants	8	8
	Boilermakers	4	4
	Boilermaker Assistants	4	4
	Clerks	3	3
	Procurement Officer	1	1
	Storeman	4	4
	Cleaners	6	6
	Tyrte Supervisor	2	2
	LDV Mechanics	2	2
	LDV Mechanic Assistants	2	2
	Crane Truck Driver	4	4
	LDV/Spares Driver	1	1
	Tyre Staff	12	12
Processing Plant and Ship Loading			
Total		**252**	**309**

Tschudi Summary

Summary of feasibility results - Production	
Mine type	Open pit
Resources	50.1mt at 0.86% Cu
Reserve	22.7mt at 0.95% Cu
Mining rate	~17mt/yr
Mine life	11 years
Stripping ratio	7.45/1
Processing method	Solvent Extraction, Electro-Winning (SX-EW)
Processing rate	2.0-2.6mt/yr ore
Recovered copper	184,275t
Annual Production	~17,000t/yr

Figure: Pit and Waste Rock Development Plan



LEGEND

Mine Lease Boundary

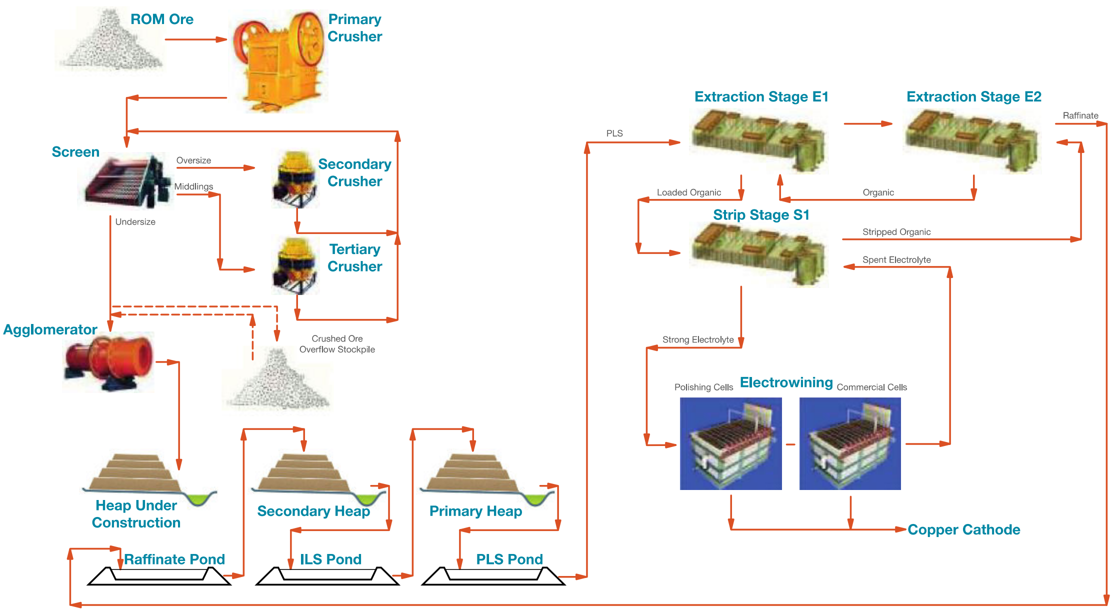
SO518	Coordinate System UTM33S	
	Spheroid WGS84	Central Meridia LO

4.6 Processing

A preliminary process flow diagram for the Tschudi Mine is given below.

Simplified Process Flow Sheet for the Tschudi Copper Project

Tschudi Process flow:



4.6.1 Crushing

Crushing, agglomeration and stacking will be carried out initially on a 24 hour per day basis. Ore will be hauled from the pit and dumped into a blending 'finger pile' system. Ore will be reclaimed from the finger piles by front end loader and fed into the Run of Mine (ROM) tip hopper. Direct truck dumping into ROM hopper will also be done when ore blending is not required.

ROM ore is withdrawn from the ROM tip hopper and fed through a crushing circuit, consisting of a primary jaw crusher, a secondary gyratory crusher and two tertiary gyratory crushers. The crushed ore is conveyed to the agglomerator feed bin. A bypass conveyor to a stockpile is provided to allow crushing plant operation to continue when the stacking system is not in operation, and vice versa. A reclaim hopper and conveyor are provided to allow operation of the agglomeration and stacking system when the crushing plant is not in operation.

Dust control is provided using fogging sprays at the dump hopper, enclosure (chutes, bins, screens and hoppers) and fine sprays at transfer points.

4.6.2 Agglomeration and Stacking

Crushed ore will be conveyed from the crushing plant to the agglomeration plant. The agglomerator will be fed at constant rate from a surge bin and sulphuric acid and raffinate added under ratio control from the weightometer on the agglomerator feed conveyor.

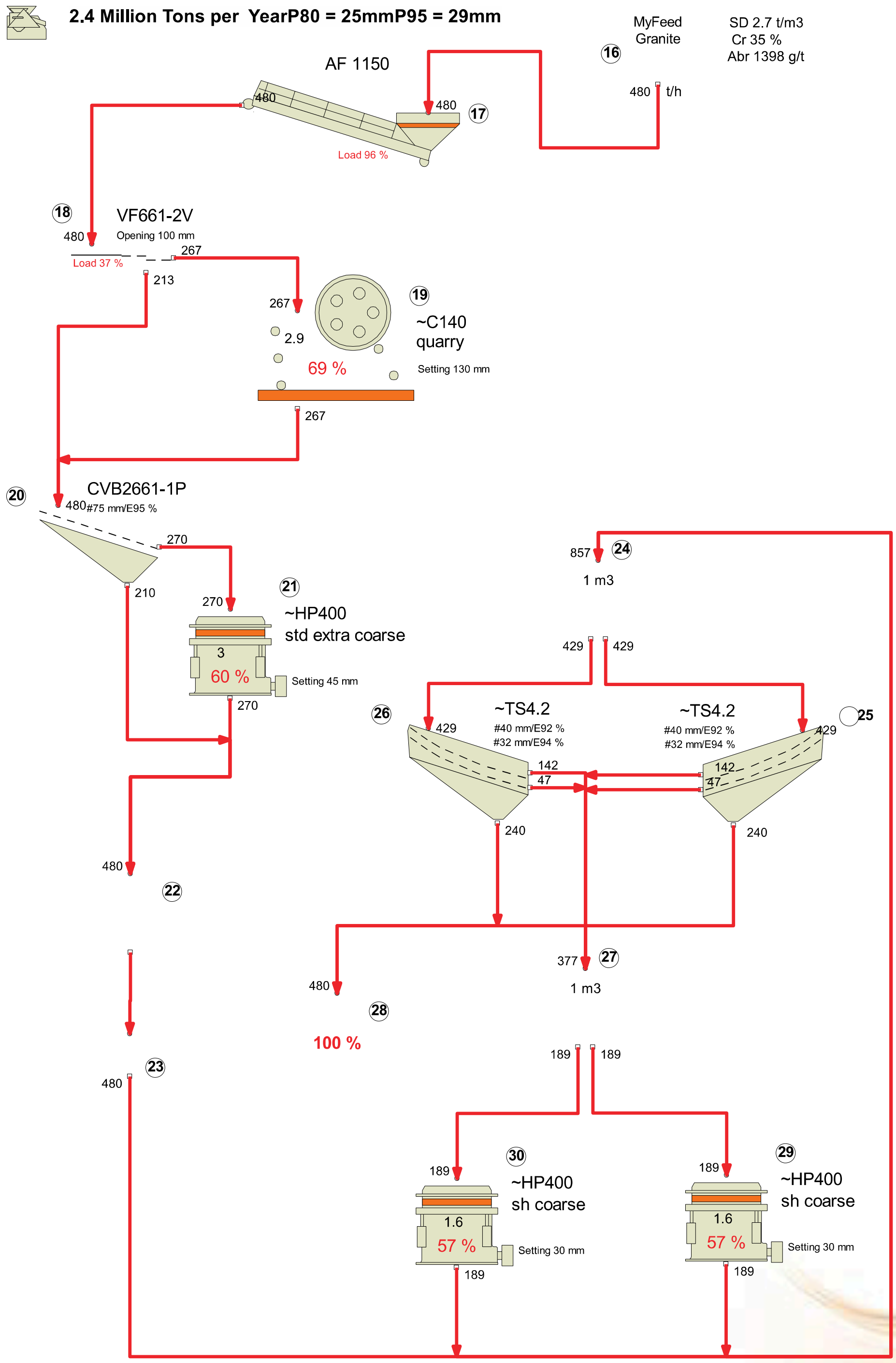
Process acid tanks and dosing pumps will be installed in proximity to the agglomerator to ensure accurate acid addition to the ore prior to stacking. Acid will also be transferred to the leach circuit and solvent extraction plant from these storage tanks according to process requirements.

The agglomerator will discharge into a storage bin. During initial operations the ore will be trucked from the agglomerator storage bin to the heap leach stacker. It is at this stage foreseen that the trucks will eventually be replaced with "grasshopper" conveyors should this be shown to be economically viable. The ore from the storage bin will feed to a slewing stacking conveyor capable of stacking ore to heights of 2 m to 8 m.

Crushing and Agglomeration Layout

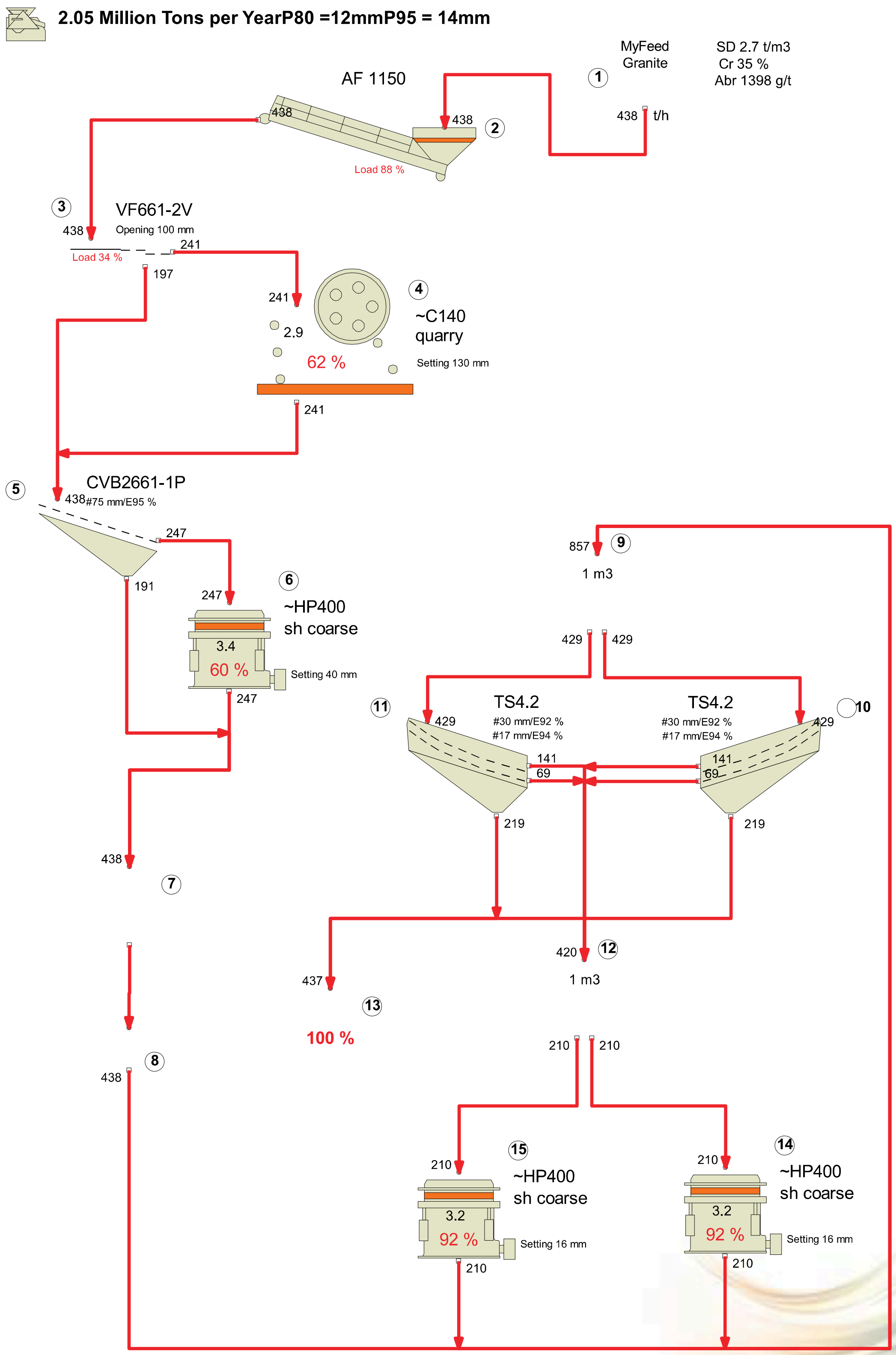
The proposed crushing circuit PFD for the first years demand production forecast is shown below:

Crushing circuit:

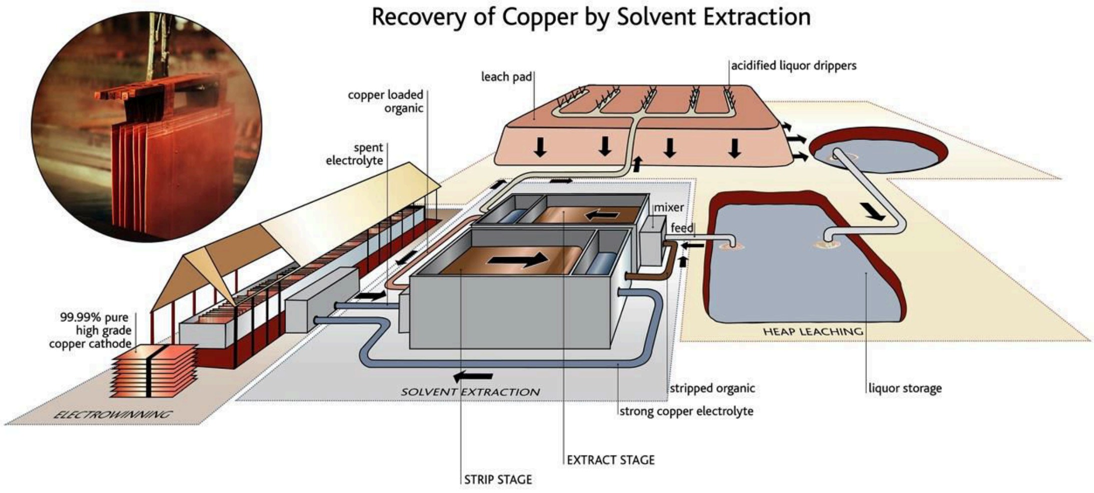


The proposed crushing circuit PFD for the second years demand production forecast is shown below:

Crushing circuit year 2:



Heap Leach, Solvent Extraction and Electro-Winning Schematic Process Flow Diagram



4.6.3 Heap Leaching

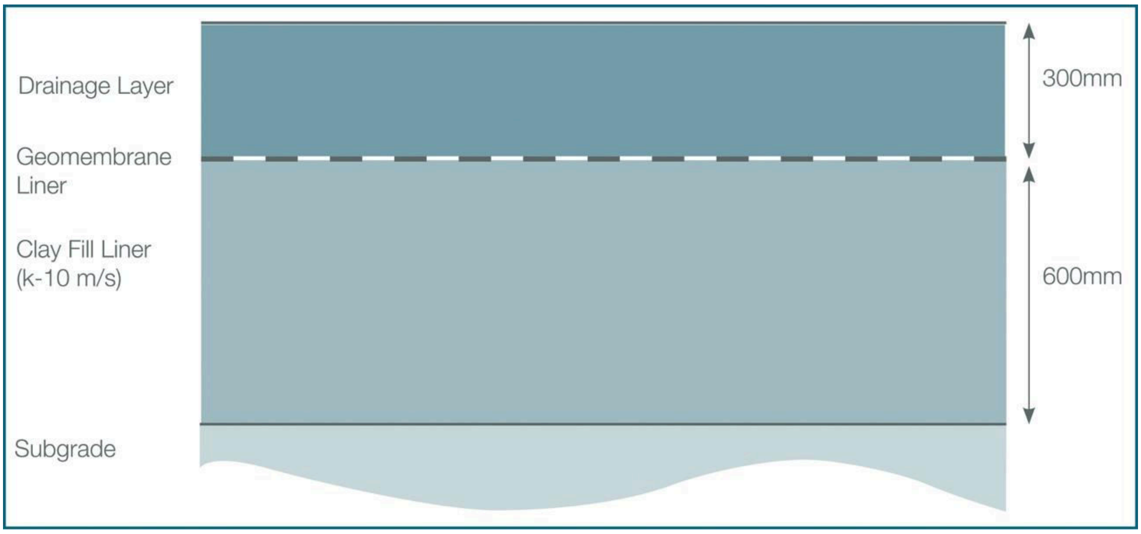
Copper bearing rock is to be placed on the heap leach pad in a series of 4 m to 6 m high lifts to a final height of 36 m. Ore placement will create a final batter slope of 1:3. This is to ensure that minimal earthworks are required to create the long term stable rehabilitated landform.

The heap leach pad design is based on two-stage leaching of ore. The primary leaching stage will be with ILS on new ore followed by a secondary leaching stage of old ore with raffinate. Raffinate returned from the solvent extraction (SX) plant will report initially to the raffinate pre-settler pond and overflow into the raffinate pond. An oil skimmer will continuously recover organic from the raffinate pre-settler pond, and it will be returned to the SX circuit. The ILS and raffinate pumps will distribute ILS and raffinate to each cell of the leach pad via separate manifolds running the length of the leach pad. Acid addition to the raffinate and ILS ponds will be provided.

Sub headers will run from the ILS and raffinate manifolds up both sides of each panel of the leach pad; and these will feed drip emitters capable of delivering up to 10 litres/(h.m2) of leachate over the full area of the panel. Flow to the leach pad panels will be manually controlled. A “W” drain will collect the PLS or ILS that results from the leaching of the ore. PLS and ILS will be collected in separate ponds. PLS will be delivered by pump to the two extraction stages in the Solvent Extraction Plant. The process ponds will first overflow each other to preserve as much of the copper as possible in the active process solution and these will then overflow into a storm water pond for containment of any excess rainfall.

A free board of 800 mm will be maintained on all containment ponds at all times. The design of all the drains associated with water management at the heap leach system will be designed to accommodate a 100 year ARI event of critical duration.

Heap Leach System Liner



Source: ATC Williams Pty Ltd, September 2012 (Appendix F)

Pipes are to be placed within the drainage layers to collect the pregnant liquor. A minimum gradient of 1% is selected for the liner.

The heap leach pads will remain operational throughout the life of the operations.

4.6.4 Solvent Extraction

The two extraction stages in the SX plant will be configured as a series circuit. PLS will be pumped from the PLS pond to the two series extraction stages. The PLS is contacted with an organic solution and copper is transferred from the PLS into the organic solution to form loaded organic. The raffinate solution exiting the extraction stages will be returned under gravity to the raffinate pre-settler pond. Loaded organic will be collected in the loaded organic tanks. The loaded organic will be pumped to the strip stage where it is contacted with spent electrolyte returned from the electro-winning plant. Copper is transferred from the organic into the spent electrolyte to create strong electrolyte. Strong electrolyte reports to the filter feed tank and is pumped to the electrolyte filters to remove the entrained organic. Filtered electrolyte flows to the electro-winning plant. The electrolyte filters are controlled by PLC and are automatically backwashed with spent electrolyte. Filter backwash is returned to the SX circuit from the backwash tank.

4.6.5 Electro-winning

Strong electrolyte that has been filtered in the electrolyte filters will be pumped into the cell-house. The strong electrolyte will exchange heat in the electrolyte heat exchanger, with the spent electrolyte returning to the solvent extraction plant. A trimming heat exchanger will be used to maintain the temperature of circulating electrolyte at the optimum temperature for copper deposition.

Strong electrolyte will flow into the electrolyte circulation tank where it will mix with spent electrolyte. The electrolyte circulation pump will circulate electrolyte to the commercial cells. Cobalt sulphate and salt solution will be added to the electrolyte in order to maintain a set cobalt concentration. Guar will also be added to the electrolyte. Process water will be added to the spent electrolyte tank.

A DC current will be applied to the electrolytic cells that contain lead anodes and stainless steel cathode mother plates. Oxygen will be liberated at the anodes and copper will be deposited at the cathodes. The cathode mother plates will be harvested on a seven day growth cycle from the electro-winning cells by an overhead crane and transported to the semi-automatic cathode stripping machine where adherent electrolyte is washed from the copper deposit with hot water. The cathode mother plates will then be delivered one at a time to a flexing-stripping station where the copper deposits will be removed.

The cathode stripping machine will be semi-automatic and contain a flexing stripping and knifing station. Cathode mother plates will be delivered to the feed-in conveyor of the machine and indexed automatically through the wash station where adherent copper sulphate electrolyte will be washed off.

The stripping machine operator will pick up a single electrode from the wash station using the stripping machine hoist and deliver it to the flexing/stripping station. The flexing stripping station operation will be initiated by the operator and the cathode deposit will be automatically removed from the mother plate and delivered to the bundling station for manual strapping. The freshly stripped mother plate will be delivered to the feed-out conveyor, and the mother plate will be automatically spaced for return to the cells.

The copper deposits will be bundled, weighed, marked and strapped ready for shipment to export customers. Shipment will be by truck and/or rail to an export terminal, most likely the deep water port at Walvis Bay.

The copper deposits will be bundled, weighed, marked and strapped ready for shipment to export customers. Shipment will be by truck and/or rail to an export terminal (Walvis Bay). The chart below is a summary production projection for the LOM

LOM production schedule:

Simplified Production																
	year	-1	1	2	3	4	5	6	7	8	9	10	11	12	13	14	total
Mined	t	819,360	1,963,152	1,991,376	2,150,341	1,929,407	2,144,266	2,573,237	2,035,165	2,165,628	2,222,470	2,048,770	654,292				22,697,464
Grade	%Cu	0.75	0.79	0.96	1.06	0.96	[illegible]	1.01	0.87	0.90	0.86	1.01	1.24				0.946
Copper mined	t	6,145	15,509	19,117	22,794	18,522	21,443	25,990	17,706	19,491	19,113	20,693	8,113				214,635
Copper stacked	t		19,223	20,175	20,737	19,254	19,811	20,579	20,018	20,509	18,939	20,178	15,212				214,635
Copper cathode produced	t		15,562	16,738	17,627	16,366	16,839	17,492	17,015	17,433	16,098	17,151	15,160	4,515	1,458	240	189,694
Acid consumption	t		40,961	44,148	37,430	21,200	21,200	21,200	21,200	23,320	23,320	21,200	17,304	2,650	1,034	517	296,684

4.7 Water Management and Supply

4.7.1 Water Use

The estimated water usage for the LOM is given in table below

Water Use Requirements of Tschudi Copper Project

Description	Rate (m3/day)
Dust suppression: - Pit and haul roads - Plant area - Crusher	 400 400 62 to 150
Process use: - Heap Leach Pad irrigation - Agglomeration Plant - Electro-winning	 10,800 to 64,800 0 to 975 48
Potable use	45

Source: Jones & Wagner (November 2012)

4.7.2 Make-Up Requirements

4.7.2.1 Make-up requirements under average conditions

The water uses on site, as well as evaporative losses on the heap leach pad will mean that water will need to be sourced to make up the losses. This water will first be sourced from the site itself as follows:

- Make-up water for the raw water pond will first be sourced from the pit groundwater make. When this is insufficient, water will be sourced from boreholes;
- Make-up water for the heap leach process will first be sourced from the plant storm water pond. When this is insufficient, water will be sourced from the raw water pond and/or the East Pit.

During the early years in the life of mine, the groundwater ingress to the pit is expected to be low. Make-up water will therefore be required from the proposed water supply boreholes.

At year 3 of mining, the pit groundwater make is expected to increase significantly and the make-up water requirements become minimal, with the water balance indicating that no make-up water will be required from year 6 of mining.

4.8 Power Supply

A power line is in place adjacent to the mine access road from a substation located at the intersection with the B1. A transformer station was established to supply electricity to the historical underground exploration activities and a 66 kV substation is present within the mining area. This infrastructure will be upgraded by Nampower to an 8MVA capability to provide for the power supply requirements of the proposed Tschudi operations.

Power will be supplied under a supply agreement with the country's utility, Nampower, at current prevailing rates of approx. NAD 0.80/KwHr. This is expected to increase at a rate of around 18% /year over the next 5 years.

4.9 Roads

A 12.5 km gravel road is in place as a direct link between Tschudi and the main road between Tsumeb and Oshivelo. From here the Tschudi Mine is linked to the town of Tsumeb by a further 10 km of tarred road. The original road to the farms Tschudi 461, Uris 481 and the Bobos section of the farm Tsumore 761 is currently used as an alternative access to Uris Lodge which is located on the farm Uris.

Mine service roads will be constructed on site to allow access to the various facilities and infrastructure. There will also be a parking area. Haul roads both temporary and permanent will be constructed within the pit and to allow access to and from the pit to the waste rock dumps and the stockpile area at the crusher area. All roads constructed will be all-weather roads.

4.10 Housing and Administration

Temporary housing will be in place on site within Farm Tschudi during the construction phase of the project. No permanent housing will be provided for the operational phase and the staff complement will commute to the mine.

There will be an administration area developed including ablutions and stores (see Figure 3.2).

4.11 Human Resources

It is estimated that approximately 505 persons will be employed during the operational phase of the mine. Approximately 815 people will be involved in the construction phase.

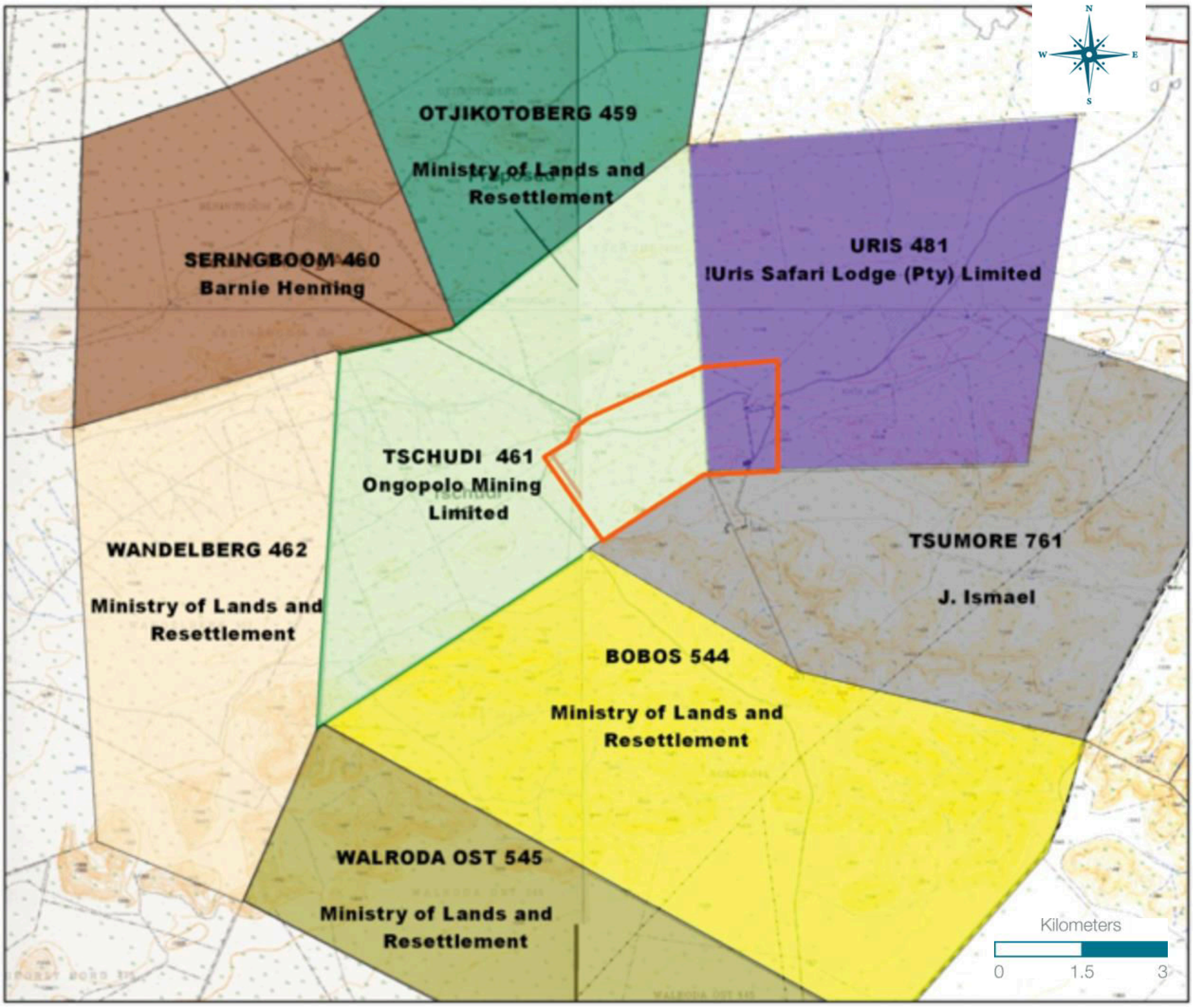
4.12 Project Schedule

Weatherly will commence construction activities on drawdown of funds. The intention is to start construction in 2013. Construction activities will be undertaken for approximately 14 months. Operational activities are due to commence in mid-late 2014.

4.13 Land Tenure

Land tenure of the mining licence area and neighbouring properties is given in Figure 6.19. The majority of the orebody is located on the Tschudi farm which is owned by the licence holder (Weatherly). The eastern portion of the orebody is located on Uris farm which is owned by a third party and subject to a land access agreement which is part of the original purchase of the property. Many of the neighbouring farms are owned by the Government of the Republic of Namibia falling under the Ministry of Lands and Resettlement.

Land Tenure at Tschudi Mine and Surrounds



LEGEND

Mine Lease Boundary

5 FINANCIAL EVALUATION

5.1 Opex

Operating costs, expressed per ore tonne delivered to the leach pad, are detailed in Figure 6. Mining costs over the LOM are expected at NAD192/ore tonne, which includes the cost of crushing.

Processing costs are expected at NAD51/ore tonne over the LOM. Other costs, including electricity costs for the project along with realisation fees, are expected to be NAD58/ore tonne. A realisation charge of USD107/tonne was included in other costs consisting of USD30/tonne for land transport to Walvis Bay port, USD45/tonne for FOB handling and USD25-30/tonne for ocean freight based on the current spot freight market and USD2/tonne insurance based on shipped copper concentrates to Japan.

Mining and Plant Operating Unit Costs (NAD/ore tonne)

The biggest contributors to the total mining operating costs are waste load and haulage costs. Other cost items included in the table below are security, waste removal, permanent staff, transport cost for people, power costs and realisation costs.

Total notional cost per copper tonne is USD4,855/tonne and USD4,870/ tonne respectively for scenarios 1 and 2. This equates to notional cost expenditure ("NCE") margin of 21.82% (scenario 1) and a 37.06% (scenario 2).

Notional cash expenditure (NCE) includes:

- All operating costs;
- All capital expenditure (e.g. growth and sustaining capital expenditure);
- All near-mine exploration expenditure.

The following tables describe the unit operating costs of the operation for scenario 1 and 2.

Operating Ratios (Scenario 1)

Ore Tonnes delivered to mill	Tpa	22,697,462	Tpa	22,697,462
Metal Recovered				
Copper Cathode	tonnes	184,275	tonnes	184,275
Net Turnover	**NAD/Ore tonne**	**424**	**USD/Cu t**	**6,017**
Mine Cost	**NAD/Ore tonne**	192	**USD/Cu t**	2,720
Plant Costs	**NAD/Ore tonne**	51	**USD/Cu t**	729
Other Costs	**NAD/Ore tonne**	58	**USD/Cu t**	818
Nett Direct Cash CostsC1	**NAD/Ore tonne**	**301**	**USD/Cu t**	**4,267**
EBITDA	**NAD/Ore tonne**	123	**USD/Cu t**	1,750
Capex	**NAD/Ore tonne**	41	**USD/Cu t**	588
EBITDA Margin	%	29%	%	29%
NCE Margin	**%**	**21.82%**	**%**	**21.82%**
Notional Cost	**USD/ Copper t.**	**4,855**	**USD/ Copper t.**	**4,855**

Note: - Royalties payment included in net revenue, all electricity costs included under other costs

-The C1 Cash Cost represents the cash cost incurred at each processing stage from mining through to recoverable copper delivered to market

Operating Ratios (Scenario 2)

Ore Tonnes delivered to mill	tpa	22,697,462	Tpa	22,697,462
Metal Recovered				
Copper Cathode	tonnes	184,275	tonnes	184,275
Net Turnover	**NAD/Ore tonne**	**530**	**USD/Cu t**	**7,554**
Mine Cost	**NAD/Ore tonne**	192	**USD/Cu t**	2,731
Plant Costs	**NAD/Ore tonne**	51	**USD/Cu t**	730
Other Costs	**NAD/Ore tonne**	57	**USD/Cu t**	819
Nett Direct Cash CostsC1	**NAD/Ore tonne**	**301**	**USD/Cu t**	**4,280**
EBITDA	**NAD/Ore tonne**	230	**USD/Cu t**	3,274
Capex	**NAD/Ore tonne**	41	**USD/Cu t**	590
EBITDA Margin	%	43%	%	43%
NCE Margin	**%**	**37.06%**	**%**	**37.06%**
Notional Cost	**USD/ Copper t.**	**4,870**	**USD/ Copper t.**	**4,870**

Note: - Royalties payment included in net revenue, all electricity costs included under other costs

-The C1 Cash Cost represents the cash cost incurred at each processing stage from mining through to recoverable copper delivered to market

5.2 Capex

The total capital expenditure for the LOM is displayed in Table 3 below; 46% of the total capital is spent in year one of the project. Pre-Operating Capex is NAD693.163 million (USD80,134). A plant renewals and replacement capital of NAD46.65 million was also included.

Table 3: Project Capex (NAD million)

Item	Division	LOM
Pre-Operating	Plant	627.55
Pre-Operating	Mining	65.61
Total Pre-Operating Capex		**693.16**
Post Start up	Plant	201.47
Renewals and Replacements	Plant	46.65
Total Capital expenditure		**941.22**

Initial capital planned to be spent during the first four years of the project as displayed in Table 4 below.

Table 4: Capex Scheduling

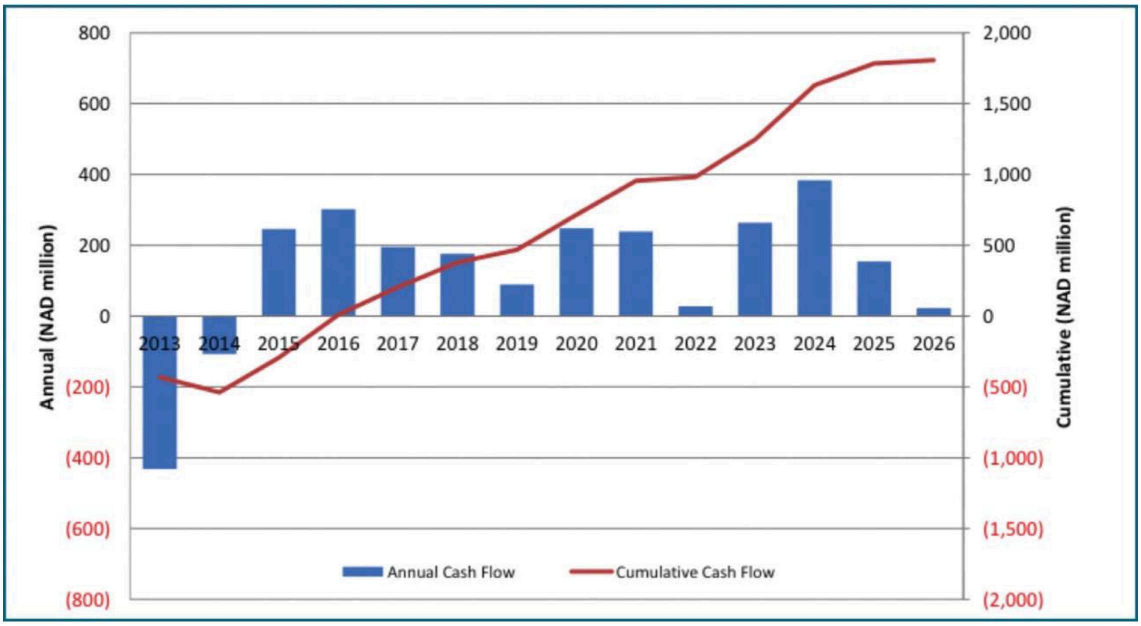
Capital expenditure	Unit	2013	2014	2015	2016
Initial Mining	NAD	0	65,612,100	0	0
Initial Plant	NAD	432,066,300	233,545,592	134,118,600	29,228,300
Renewals and Replacements	NAD	0	1,597,807	5,811,558	5,376,636
Total	**NAD**	**432,066,300**	**300,755,499**	**139,930,158**	**34,604,936**

5.3 Discounted Cash Flow Analysis

Minxcon's in-house Discounted Cash Flow ("DCF") model was employed to illustrate the net present value ("NPV") for the operation in real terms. The NPV is derived from post royalties and tax, pre debt real cash flows, using the techno-economic parameters, commodity price and macro-economic projections.

This valuation is based on a free cash flow and measures the economic viability of the Tschudi ore body to establish if extraction of the Mineral Reserve is viable and justifiable under a defined set of realistically assumed modifying factors. For scenario one the average payback of the operation is **2.43 years** based on the real cash flow since first production starts and 3.43 from the start of first capital.

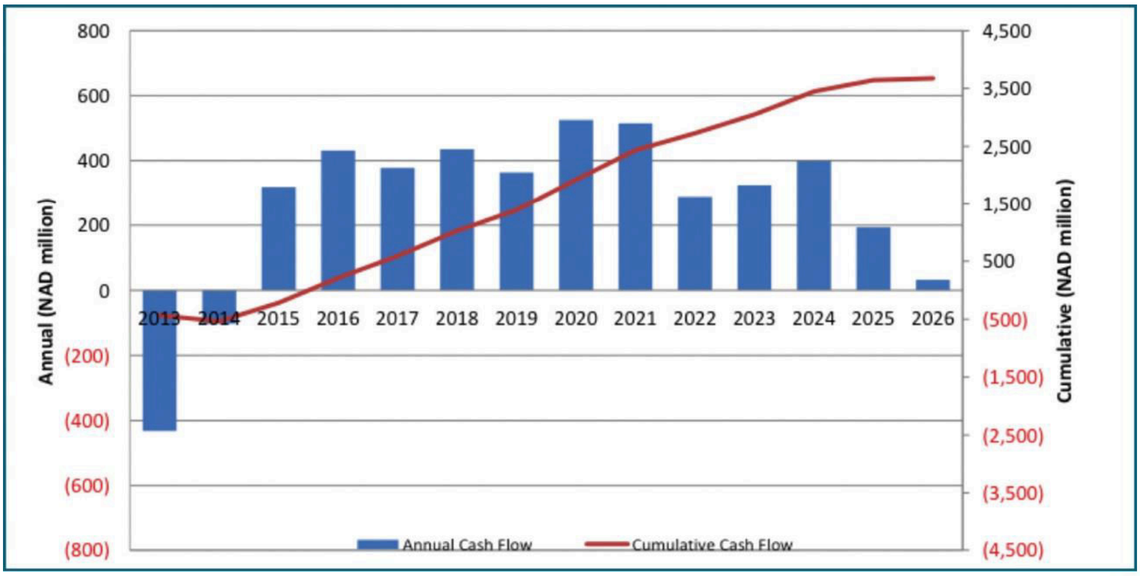
Figure 7: Cumulative Real Cash Flow (Scenario 1)



Average payback of scenario two is 2 years based on the real cash flow since first production starts and 3 years from start of first capital. Pre-Operating Capex is NAD693.163 million (USD80.134 million).

Figure 8: Cumulative Real Cash Flow (Scenario 2)

The table below displays the NPV of the project for the two different scenarios in constant money terms.



The following table illustrates the value of the Project at various discount rates.

Table 5: NPV at Various Discount Rates (NAD million)

NPV @ Different Discount Rates	Unit	Scenario 1	Scenario 2
NPV @ 0%	NAD million	1,860	3,703
NPV @ 5%	NAD million	1,193	2,547
NPV @ 8%	NAD million	915	2,055
NPV @ 10%	NAD million	766	1,786
NPV @ 15%	NAD million	480	1,267
IRR (%)		32.1%	50.9%

The following table illustrates the profitability ratios of the project.

Table 6: Profitability Ratios

Item	Scenario 1	Scenario 2
IRR (%)	32.08%	50.85%
Total tonnes Cu content in Mine plan	216,015	216,015
NAD/Tonne @ NPV8%	4,238	9,512
USD/Tonne @ NPV8%	488	1,100
LOM (years)	11	11
PV of Income flow	1,812	3,212
PV of Investment	877	877
ROI	1.07	2.66
Average Payback from start of production (years)	2.43	1.98

5.3.1 Sensitivity Analysis

Based on the real cash flows calculated in the financial model, Minxcon reported a DCF valuation and performed single-parameter sensitivity analyses to ascertain the impact on NPV. For the DCF including copper prices, exchange rates and copper grade have the biggest impact. Albeit that there is a large capital expenditure amount upfront, the impact thereof over the LOM is insignificant with minor impact on the NPV.

Figure 9: Sensitivity Analysis (Scenario 1)

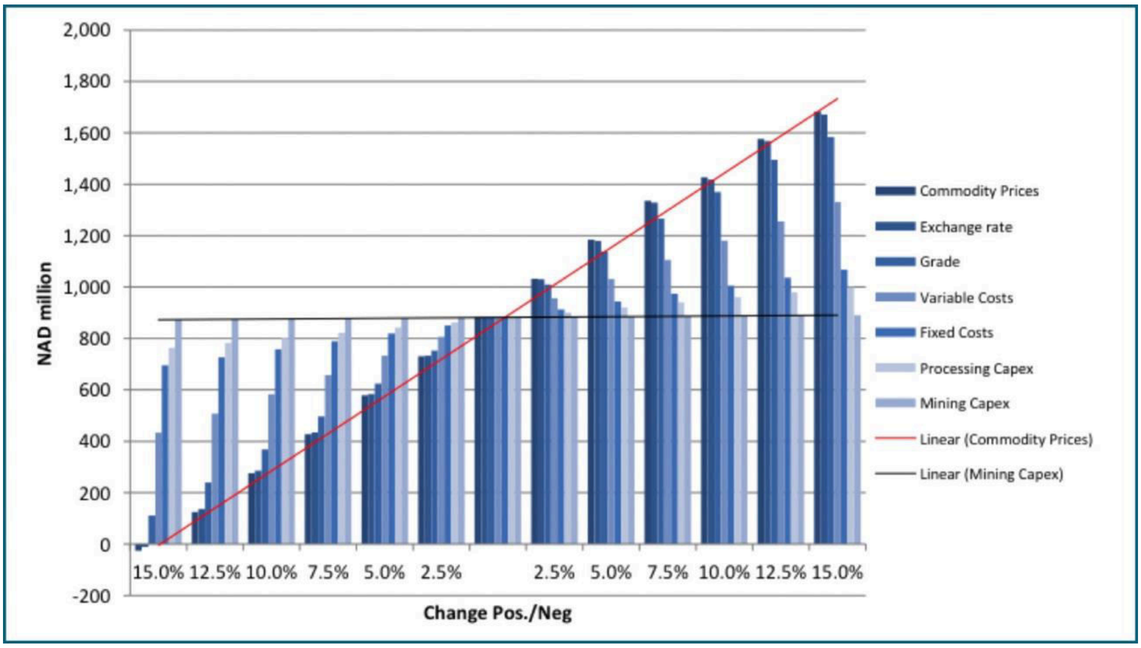
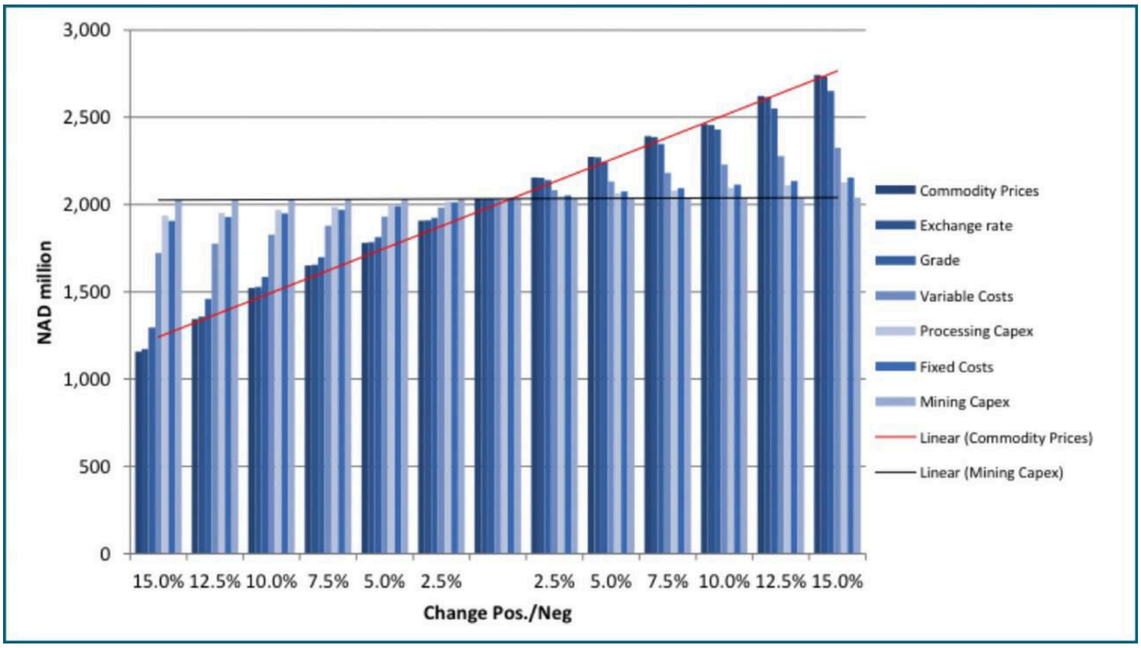


Figure 10: Sensitivity Analysis (Scenario 2)



5.4 Financial Conclusions

- The financial analysis performed on the Tschudi project proved it to be viable under the technical and economic scenarios used;
- Despite a relative conservative outlook on the consensus copper price the project under scenario 1 still showed an IRR of 32% based on a real discounted cash flow;
- Under the current currency and copper prices scenario the project is very robust with an IRR of 50.85% and a ROI of 2.66;
- The assessed losses currently in the holding company OML are utilised for tax purposes and this has a significant positive impact on the viability of the project.

6 ENVIRONMENTAL STATUS

Environmental clearance was originally granted in 2002 but was conditional on amendments being submitted to the Department of Environment and Tourism should mining proceed below the water table and in the event that an acid leaching process was adopted.

In the Tschudi feasibility study completed in 2012 mining operations were designed to go below the water table, and a revised processing route involving acid leaching process was adopted. Further, the Namibian Government passed new legislation requiring all existing Environmental Assessments (EA) and Environmental Management Plans (EMP) to be resubmitted.

A new EA and EMP was submitted to the Department of Environment and Tourism on February 18th 2013. Full environmental clearance for the development of the Tschudi project was granted by the Ministry on the 24th April 2013.

7 CONCLUSION

The above document is a summary of key information pertaining to Weatherly International's Tschudi Copper Project in Namibia. For further information please contact Weatherly International at our address and phone number.

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