

2.2. DESCRIPTION OF COMMODITIES

2.2.1. Lithium

Lithium, together with Cobalt are key in manufacturing the batteries that power these electric vehicles, and considered to be some of the minerals that has sparked international investors to undertake prospecting activities in Namibia after lithium-bearing minerals, deposits were as recent as 2018 discovered in the Erongo Region.

2.3. PROJECT RATIONALE (MOTIVATION, NEED AND DESIRABILITY)

2.3.1 Project Motivation

The proposed activity responds to Namibia's strategic vision 2030 and the NDP5 of creating a conducive environment within which its citizens prospers and contribute to the national development goals by creating employment opportunities. Overall, this activity contribute to the nation's efforts of elevating poverty amongst the rural citizens.

Critically, going ahead with the proposed activity on EPL 8772 creates a potential for the following marginal net benefits:

- Contribution Taxes and Royalty
- Technological Skill and Knowledge transfer
- Creates the most needed employment opportunities

2.3.2 Project Need and Desirability

Mining contributes about 25% to the Namibian GDP income, and thus the largest contributor to the Namibian economy. As in many African countries, mining is a key source of mineral commodities essential for maintaining and improving standards of living. Most important, the Namibian government makes provision for its citizens to obtain various mining license in order to create self-employment or business opportunities.

Zhoengue Mining (Pty) Ltd, were therefore presented an opportunity to venture into the sector by undertaking an exploration programme in respect in respect to Base and Rare Metals, Dimension Stone, Industrial Minerals, Non-Nuclear Fuel Mineral and Precious Metals

Overall, the exploration activities is expected to generate full time medium to long term direct employment for at least 5-10 workers. The majority of workers to be employed on the proposed exploration project are expected to be skilled and/or semi-skilled (general labourers and operators).

2.4. PROJECT LOCATION

The EPL 8772 are situated in Western Namibia, at the border between the Dorob National Park and Tsiseb Conservancy in the Erongo Region and approximately 58 km southwest of the Uis Settlement in the Omaruru District.

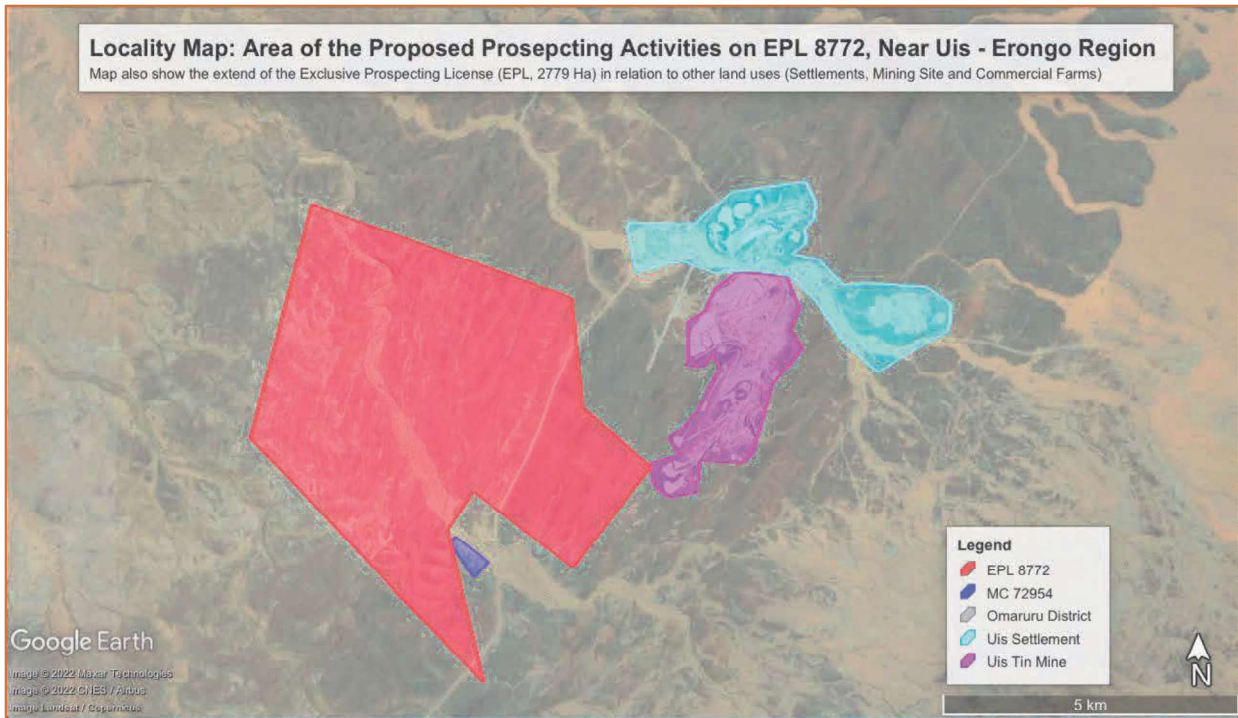


Figure 2: Locality map of the proposed EPL 8772 area in the Erongo Region, Namibia.

Table 3: Corner coordinates of the proposed development site

| Corner point | Latitude | Longitude |
|----------------------|-------------|------------|
| A – EPL 8772 Point 1 | -21.285464° | 14.836264° |
| B – EPL 8772 Point 2 | -21.262409° | 14.830432° |
| C – EPL 8772 Point 3 | -21.256322° | 14.834609° |
| D – EPL 8772 Point 4 | -21.268094° | 14.850710° |
| E – EPL 8772 Point 1 | -21.252672° | 14.863836° |
| F – EPL 8772 Point 2 | -21.243600° | 14.852633° |
| G – EPL 8772 Point 3 | -21.227007° | 14.850821° |
| H – EPL 8772 Point 4 | -21.212871° | 14.808082° |
| I – EPL 8772 Point 1 | -21.248220° | 14.798187° |

2.4. SUPPORTING INFRASTRUCTURE

2.4.1 Basecamp

An accommodation camp shall be identified in consultation with the Conservancy Management Committee and most preferably within an appropriately zonation area (i.e. lodging at a suitable campsite or lodge in the Tiseb Conservancy). Where practical and if available, it is recommended that the exploration team uses the conservancy office and maintenance facility to store its key equipment given that the proposed EPL is situated predominantly within a “**Tourism, Farming and Wildlife**” management area.

During the prospecting period, it is only anticipated to host the project specialists and key project staff members consisting of geologists, field assistants, geo-technicians and drilling crew, who may not all be on-site simultaneously. Semi/unskilled personnel to be employed from within the conservancy area are expected to be residing at their own homesteads and therefore no base-camp shall be necessary.