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MEDIA RELEASE

MINISTERIAL POSITION ON THE ALLEGED ILLEGAL MINING OPERATIONS BY XINFENG

WINDHOEK, 18 December 2024 – The Ministry of Mines and Energy (MME), as the custodian and regulator of Namibia's mineral and energy resources has taken note of the public concerns raised in various media reports about the increasingly unbecoming mining practices by Xinfeng Investments (Pty) Ltd. Xinfeng Investments is a Chinese mining company which is a majority shareholder in Orange River Exploration and Mining CC, a holder and operator of an Exclusive Prospecting Licence (EPL) 8397 granted under the Minerals (Prospecting and Mining Act), Act No. 33 of 1992, since August 2023.

The concerns raised by the public, particularly the community of Uis Town in Erongo Region are, *inter alia*, in respect of alleged illegal mining activities by Xinfeng Investments Pty Ltd within the reported EPL area, harmful environmental effects due to the alleged mining activities and desecration of ancestral graves. These pertinent public concerns did not go unnoticed by the Ministry of Mines and Energy. As such, the Ministry, wishes to respond to, and factually inform the Namibian public as follows:-

BACKGROUND

The Exclusive Prospecting Licence Number 8397 was granted to Orange River Exploration and Mining CC, a Joint Venture Company between Longfire Investment which holds 15% and Xinfeng Investment (Pty) Ltd. The latter owns 85% in Orange River Exploration and Mining CC. This EPL of concern is located in the Uis area in Erongo Region.

Orange River Exploration and Mining CC was granted EPL 8397 to explore for dimension stones, base and rare metals, industrial minerals and precious metals, in line with the national objectives to attract productive investments in the mining sector. The Ministry wishes to underscore that the licence granted to Orange River Exploration and Mining CC is for prospecting to assess the potential for commercial mining. The main activity to be carried out on the EPL is **to conduct exploration work as opposed to Mining activities.**

Further to the exploration licence granted as stated above, Orange River Exploration and Mining CC submitted the application for a Mining Licence (ML 257) in December 2023. This application is still pending consideration and decision by the Ministry.

FINDINGS ON THE INVESTIGATION INTO ALLEGATIONS OF ILLEGAL MINING ACTIVITIES BY XINFENG

Triggered by prior inspections and the concerns raised, the Office of the Mining Commissioner made an unannounced inspection visit to the site to establish the allegations of illegal mining activities on 16 November 2024. The team discovered and confirmed the prevalence of mining activities at a site where only exploration operations were authorized. In response to this finding, the Ministry, through the Office of the Mining Commissioner, directed for immediate cessation of all mining operations by the company in the EPL 8397 area.

Furthermore, the executive management of Xinfeng was summoned to the Ministry to account for what amounted to illegal mining activities by the company in the Exploration Area. At these engagement sessions, which were held on the 4th and 5th December 2024 at the Ministry, the directors of Xinfeng conceded to the undertaking of unauthorized mining activities relative to the scope and conditions of the Exploration Licence.

Unauthorized mining by an exploration licence holder constitutes violation of licence conditions and is subject to penalties. In this case, the violation warrants an investigation by law enforcement. Accordingly, the Mining Commissioner has reported to, and opened a case of the illegal mining to the Namibian Police, and investigations are underway.

MINISTERIAL POSITION ON ALLEGATIONS OF ILLEGAL MINING

At the same time, the Ministry has already invoked some of the penalty measures provided for in terms of Section 3 (1) of the Minerals (Prospecting and Mining) Act which deals with the conduct of unauthorized mining activities, pending the conclusion of the investigations.

On account of the foregoing, the Ministry wishes to inform the Namibian public, that the following response actions have been promptly undertaken:-

- (i) conducting a prompt inspection of the alleged activities at the site,
- (ii) holding the executive management of Xinfeng Investment (Pty) Ltd accountable for its action and inaction,
- (iii) ordering immediate cessation of all mining activities by Xinfeng Investment Pty Ltd and monitoring the activities closely,
- (iv) opening the police case for the observed illegal mining activities, and
- (v) collaborating with law enforcement authorities for proportionate investigation on the unauthorised activities.

The Ministry assures the public that this incident is receiving utmost attention. Based on the investigation findings, appropriate and proportionate actions will be taken for any violations of the Exploration Licence conditions, including those related to the Environmental Clearance Certificate.

The Ministry urges the public to allow the ongoing investigations to conclude. Further updates will be provided once the investigation is complete. The Ministry also encourages reporting any similar abuses perpetrated by those granted mineral and energy resource rights. This incident serves as a warning to all licence holders that any abuse will face the full force of the law.



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