NAMIBIAN MINERALS CORPORATION
MATERIAL CHANGE REPORT

Form 27 *Securities Act* (Ontario)
Form 27 *Securities Act* (British Columbia)

Item 1. **Reporting Issuer**

Namibian Minerals Corporation
Suite 243 – 247 Pavilion Road
London, England
SW1X 0BP

Item 2. **Date of Material Change**

15 May 2000

Item 3. **Press Release**

15 May 2000

Nasdaq Trading Symbol: NMCOF
TSE Trading Symbol: NMR
NSE Trading Symbol: NMC

Namibian Minerals Corporation (Namco) today reported first quarter earnings of US$2.2 million (1999: US$5.2 million) and a 50% increase in dividend to US$0.03 per share (1999: US$0.02).

Earnings of US$2.2 million, US$0.05 per share, on revenues of US$12.2 million, compare with first quarter 1999 earnings of US$5.2 million, US$0.14 per share, on revenues of US$11.7 million. The number of shares in issue has increased by 22% compared with first quarter 1999, reflecting equity issued to fund the US$60 million Ocean Diamond Mining Holdings Ltd. (ODM) acquisition, with consequent impact on earnings per share figures. Operating cash flow was US$4.7 million, down from US$5.5 million in the year earlier period. Cash at quarter end was US$10.4 million, with diamond stocks of 19 500 carats, compared with US$20.0 million and stocks of 32 500 carats in the fourth quarter 1999.

Diamond production in the quarter was 52 900 carats (1999: 116 000 carats), with operations focused on Mining Licence 36 obtained from ODM last year. The vessels equipped with airlift technology significantly exceeded their targets and provided the major contribution to production. *MV Kovambo*, equipped with the Company's proprietary NamSSol technology, was deployed in several feature areas in Mining Licence 36 to test mining conditions and grade estimates. The vessel mostly operated in lower grade areas along the edges of Halifax Basin, a 2.42 sq.km. sediment filled depression where more than 140 000 carats were previously recovered by ODM. The results obtained, combined with data from planned exploration, will form the basis of longer term mine planning to fully incorporate these new areas into the production schedule. The average diamond size recovered during the quarter was 0.35 carats, up from 0.33 carats in the first quarter 1999.

Average diamond prices from the sale of 66 500 carats (1999: 81 000 carats) improved to US$182 per carat this quarter, up 27% from US$143 per carat in the first quarter 1999 and up 20% on the full year 1999 average price of US$151 per carat. Despite lower production levels, the improved diamond prices led to higher revenues than in the corresponding period last year. Continued strength in the diamond market should have a significant positive impact on the Company's earnings and cash flow.

"We are encouraged by the results from our first full quarter of assessment and operation in the licence areas acquired from ODM," said Namco's Chairman and CEO Alastair Holberton. "These new mining areas will make a significant contribution to production in the years ahead."

Unit cash operating costs, including royalty and marketing, were US$104 per carat (1999: US$52 per carat), reflecting lower production levels and increased operating expenditure arising from the three additional vessels. Overall operating costs for the quarter at US$6.9 million were in line with expectations.

During the quarter, the Company launched a high resolution geophysical survey programme in the Company's three mining licences. By quarter end a total of 846 line km. of survey data had been completed, with further surveying to be conducted in the current quarter.

The Company's 2000 mine plan schedules higher production levels in the second half of the year, following a US$4 million upgrade to the airlift operation vessels and the commissioning of Nam II, the new 170 tons ocean diamond mining system. Modifications to *MV Namibian Gem* started in April and are expected to take tow months, which will affect second quarter production levels. The Company is on schedule to commission its Nam II mining system in third quarter 2000.

At the Company's Annual General Meeting in London today, Directors declared a dividend of US$0.03 per share, to be paid on 27 July 2000 to shareholders of record at close of business on 29 May 2000, an increase of 50% on last year's dividend.

"The decision to pay an increased dividend reflects the Board's recognition of last year's achievements and confidence in our ability to meet the challenges ahead," said Alastair Holberton, Chairman and Chief Executive Officer.

Namco is Africa's second largest ocean diamond producer that develops breakthrough technology to mine gem quality diamonds off the Namibian coast.

Item 4. **Summary of Material Change**

See Item 3 above.

Item 5. **Full description of Material Change**

See Item 3 above.

Item 6. **Reliance on Section 67 (2) of the Act**

If the report is being filed on a **confidential** basis in reliance of Section 67 (2) of the Act, state the reasons for such reliance.

N/A

Item 7. **Omitted Information**

N/A

Item 8. **Senior Officers**

J.A.Holberton
Chairman and Chief Executive Officer

Telephone: 0171 824 8900

Item 9. **Statement of Senior Officers**

The foregoing accurately discloses the material change referred to herein.

DATED at London, United Kingdom this 15th day of May, 2000.

NAMIBIAN MINERALS CORPORATION

"J.A. HOLBERTON"

J.A.Holberton
Chairman & Chief Executive Officer