NAMIBIAN MINERALS CORPORATION
MATERIAL CHANGE REPORT

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

Item 1. **Reporting Issuer**

Namibian Minerals Corporation
Orchard House
167/169 Kensington High Street
London, England
W8 6SH

Item 2. **Date of Material Change**

15 November 2001

Item 3. **Press Release**

15 November 2001

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

Namibian Minerals Corporation (NAMCO) today reported a loss for the third quarter and the nine months ended 30 September 2001. Solid progress was made on the Company's recovery program with mining vessel MV *Namibian Gem* resuming operation and improved performance from the Company's exploration vessel MV *Zacharias*.

Third Quarter Highlights

-All remaining subsidiaries were discharged from provisional liquidation.

-Third quarter diamond production improved to 28 100 carats (2000: 65 000 carats) compared with 13 800 carats in the second quarter.

-Mining vessel MV *Namibian Gem* resumed operation in the last week of August, contributing five weeks production.

-Sampling confirmed the extension of diamond mineralisation to existing resources in Mining Licence 51.

-The Company's business interruption claim covering operating costs and a profit element in relation to the damaged NamSSol mining system was accepted and payment of US$9 million was received in October 2001.

-The Company's senior lenders extended the capital repayment moratorium until 30 November 2001, subject to the approval of Credit Guarantee of Africa Limited's reinsurers, which is expected shortly. Negotiations regarding rescheduling of the banking facilities are ongoing.

-The Company's shares resumed trading on the Nasdaq National Market.

Financial Results

A loss for the third quarter of $940 000 or $0.01 per share compared with a loss of $665 000 or $0.01 per share in 2000. Cash used in operating activities was $9 million compared with cash provided by operating activities of $1.7 million in the third quarter of 2000. Direct production costs in the third quarter were $8.2 million compared with $4.4 million in the third quarter of 2000 due to the start of new production vessel MV *Ya Toivo* and increased vessel charter rates. Revenue from the sale of 30 600 carats in the third quarter was $4.0 million, compared with $9.3 million from the sale of 58 100 carats in the third quarter 2000. Lower revenues reflect the continued commissioning of MV *Ya Toivo*, partial contribution of MV *Namibian Gem* and lack of production from MV *Kovambo*. In addition, lower diamond prices resulted from continued weakness in the diamond market and smaller sized stones sold during the period. During the quarter, the Leviev Group began exclusively marketing the Company's diamond production.

In the first nine months, the loss was $26.0 million or $0.35 per share, compared with earnings of $2.6 million or $0.06 per share in 2000. Revenue from the sale of 68 000 carats for the nine months was $10.2 million compared with $31.2 million from sales of 175 800 carats in 2000. Direct production costs rose to $27.3 million compared with $14.8 million a year earlier, reflecting operating costs of both MV *Ya Toivo* and MV *Zacharias.* These include $2.2 million of revenue from diamond stocks which were sold during the period. All operational costs were fully expensed.

During the third quarter the Company reported additional financing which was made available from the Leviev Group. A $2.6 million facility was provided, which is convertible into common shares. In addition, a bridging loan facility of $6 million was made available pending the Company's receipt of proceeds under the business interruption policy. The Company drew down only $2.2 million of this facility which was fully repaid in October 2001. As part of the debt rescheduling proposals, the Company is in discussions for longer term funding.

At the end of the nine months ended 30 September 2001, the Company had $2.4 million in cash (31 December 2000: $4.4 million) and $48.9 million in bank debt (2000: $54.2 million). In addition, $6.5 million in cash has been secured to provide guarantees for the owners of MV *Ya Toivo* and *Zacharias*.

Operating Results

Total production for the third quarter was 28 100 carats compared with 65 000 carats in the corresponding period in 2000. Diamond production for the nine months was 52 600 carats compared with 163 500 carats a year earlier.

Performance of MV *Ya Toivo* has been affected by the protracted nature of the provisional liquidation process, delays to the resource delineation programme and technical impediments associated with the commissioning of a new mining system. Operational progress is being achieved and better production levels are expected from increased mining availability and with improved mine planning data obtained from the MV *Zacharias* programme. MV *Namibian Gem* had a satisfactory performance in its first month of operation.

Exploration

After technical delays early in the third quarter, drill sampling onboard MV Zacharias using 50 x 50 metres and 50 x 100 metres grid spacing resumed in September 2001 in Mining Licence 51, testing the extension of current mining resource. Performance of the drilling system has been encouraging and operational availability has increased during the fourth quarter. The Company has initially identified approximately 200 geological features covering an area of 1 100 km² for testing; at the end the third quarter 31 samples (5 m² cleared per sample) had been taken with the drilling system and 42 samples were completed using airlift. To date, sampling has confirmed that mineralisation extends for approximately one kilometre south of mined areas in Feature 019 and the adjoining Feature 018 of Mining Licence 51. Subsequent to quarter end the Company began sampling in Feature 05 of Mining Licence 36A in an area known as "Bakers Bay". Initial results are extremely encouraging and indicate potential for a significant new mining area. The sampling programme is ongoing. An interim report of results will be provided shortly. The Company has 18 000 km² of concession areas and significant potential remains with the majority of geological features only regionally surveyed or yet to be identified.

Outlook

The Company continues to experience many challenges flowing from the substantial disruption to its business earlier in the year. It is seeking to normalise its operations which will take time as it rebuilds its skills base, replenishes critical spares and progressively captures and integrates data from the MV *Zacharias* programme. While uncertainty remains, the Company is progressing rescheduling discussions with its senior lenders.

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 CEO

Telephone: 44 20 7938 1099

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 November, 2001.

NAMIBIAN MINERALS CORPORATION

"J.A. HOLBERTON"

J.A.Holberton
Chairman & CEO