

# Tsodilo Resources iron ore project: A real game changer

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Tsodilo Resources Limited's iron and metals exploration project located in northwest Botswana between Shakawe and Sepopa has the potential to create thousands of jobs and generate enormous revenues for Botswana.

Tsodilo, the Canadian exploration company is expected to start early stage feasibility studies at its Botswana-based iron ore project next year, which if things go accordingly will be a game changer to the country's metal mining and the economy in general. The listed company, which has been exploring for metals and precious stones in Botswana for over twenty years, is hoping to hit it big with its Xaudum iron ore project with early signs showing the resource can be developed into a mine with a lifespan of 50 years or more. Tsodilo's Chief Geologist and Project Manager, Dr. Alistair Jeffcoate told Botswana Guardian in an exclusive interview that, having satisfied themselves with their initial explorations, they are more than ready to move into the next stage of economic feasibility studies which will then 'dictate the direction and the timeframes of the rest of the project including further drilling and sampling, this will then lead to a mining license application and mining'. The Company which is led by Chairman and Chief Executive Officer, James M. Bruchs is expected to announce time lines regarding its plans next year.

The Company has been exploring for iron ore in the area since 2012 and has defined to international standards an initial magnetite iron resource of 441 million tonnes. This magnetite can be easily upgraded to grades of over 67 % Fe (iron) by standard magnetic separation beneficiation technologies. According to Jeffcoate, this resource is just a fraction of the actual iron formation where the Company has identified an exploration target of 5 to 7 billion tonnes of iron

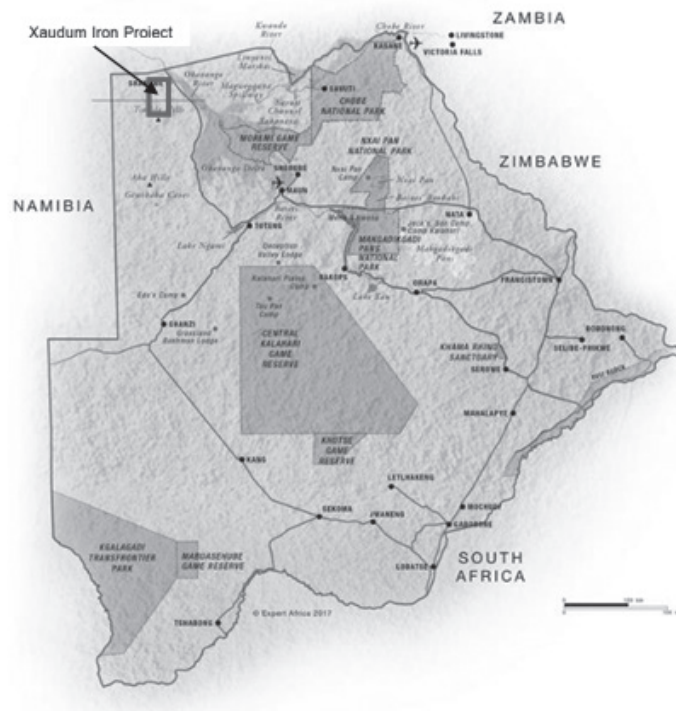
mineralization that has the potential to be mined in the future and represents around \$150 to \$200 billion USD (P1,500 to P2,000 billion) of in-situ iron. "The Xaudum Iron project is one of Southern Africa's biggest iron formations that could change the fortunes of the people of northwest Botswana and the country as a whole if it is developed," stated Bruchs. Jeffcoate's eyes light up when he talks about the specific economic impact that the project will have on Botswana's economy if developed. In fact, he was quick to state that, the project, which the Company has already spent well over \$25 million USD (about P250 million) could be a game changer to the country's steel industry

and other associated industries in Botswana. "This could generate the kind of money that Debswana is currently generating. This is 50-year plus life of mine project," Jeffcoate told Botswana Guardian in Gaborone. If things go according to plan, a small start-up mining operation could be up and running within a couple of years, stated Jeffcoate.

Available information indicates the in-situ iron value to be around \$150 to \$200 billion dollars (1,500 to 2,000 billion Pula). It is likely to be in the lower quartile of the cost curve for iron ore production and as such could generate huge tax revenues for Botswana during mining in the order of P2 billion pula per year and P100 billion over

the life of the mine, creating thousands of jobs in the process.

Furthermore, the iron ore generated from the project can be beneficiated into steel which can be used in many other industries. The project has the potential to really kick start the nascent and stalling steel industry in Botswana when combined with Botswana's massive coal resources (around 200 billion tonnes of coal). He said: "that the magnetite concentrate when combined with coal can be further beneficiated within Botswana to produce a direct reduced iron product, that could be used to boost the country's steel furnace in Selebi Phikwe." This steel furnace was part owned by BCL copper mine and is now under liquidation process. Jeffcoate said the town could be ideal for a steel industry since there is already existing infrastructure for easier transportation. Once all things are in place and with the necessary support, the Botswana steel industry could compete with that of South Africa which is a multi-billion Rand sector employing thousands of people. In addition, the steel industry can also create other offshoot industries such as concrete industry; dense media powder industry, chemical industry, agriculture industry, and coal to hydrocarbon industry, among others. Bruchs has also stated that, the iron ore industry has always been a 'game changer' when it comes to a country's economic development, and the Xaudum iron project could have a very positive impact on Botswana's economy. Iron is used for among others, railway lines, bridges and tunnels. This could come in handy for Botswana which is seeking to become an industrialized country in the next few decades. "Tier One resource projects such as this are really infrastructure projects and commonly involve the host government for support. With that, we have been working closely with several government departments to explore the different avenues that could be pursued to make this large project a reality," stated Bruchs.



MERRY CHRISTMAS & HAPPY NEW YEAR

## PUBLIC NOTICE

The public is informed that Botswana Energy Regulatory (BERA) Offices will be closed for the festive season holidays from the 23<sup>rd</sup> December 2019 to the 6<sup>th</sup> January 2020.

Furthermore, BERA wishes you a Safe Joyful & Prosperous New Year and advise you to handle all energy products safely. Petroleum products should never be handled using plastic containers as this may cause serious safety & environmental risks.

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Moreover, we remain committed to supporting Botswana, her growth and the prosperity of her people in a meaningful and sustainable way.

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invaluable skills that will not only assist with their transition to the workplace but will also offer opportunities for self employment and the creation of SMMEs," said Pheko-Moshagane. To date the programme which has been implemented in partnership with Project Concern International (PCI) and Stepping Stones International (SSI) has reached 10,000 youth across Botswana. In 2018, PCI and SSI under the pilot job placement programme successfully placed 203 Ready to Work graduates into internships or

employment. The bank has spent about P4 million in the program since establishment in 2016. Pheko-Moshagane said their priority as a financial services partner is to partner with dedicated partners such as PCI and SSI to continue to make a difference in the lives of Botswana. "We look forward to continuing to empowering communities through such initiatives. Moreover, we remain committed to supporting Botswana, her growth and the prosperity of her people in a meaningful and sustainable way."

