

James Bruchs

From: Alistair Jeffcoate
Sent: Wednesday, January 19, 2022 8:57 AM
To: Mogomotsi Nyepetsi; Lesego Ungwang
Cc: 'Milton Keeletsang'
Subject: PL 020/2018 license issues and urgent request for a meeting
Attachments: Letter (DOM AND MINISTRY)_License issues PL020_19th Januray 2022.pdf

Dear Mr. Nyepetsi and Mr. Ungwang

The following letter was just filled at the DOM requesting an urgent meeting to resolve our delayed licensing issues, it also includes a time-line of our communications with the DOM and Ministry on this matter, please see attached.

If you have questions or need further explanation, or can give time frames of a meeting to resolve this issue please do not hesitate to contact us.

Sincerely appreciated

Alistair

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19th January 2022

- To:** Mr. Kenalemang Charles Acting Director of the Ministry of Mines
Department of Mines
Ministry of Mineral Resources, Green Technology and Energy Security
Private Bag 0018 – Gaborone, Botswana
- Cc:** Mr. Ofentse Ditsele Director of the Ministry of Mines
Department of Mines
Ministry of Mineral Resources, Green Technology and Energy Security
Private Bag 0018 – Gaborone, Botswana
- Cc:** Honourable Minister Lefoko M. Moagi
The Minister of Mineral Resources, Green Technology and Energy Security
Ministry of Mineral Resources, Green Technology and Energy Security (MMGE)
Private Bag 0018 – Gaborone, Botswana

Re: Request for Meeting with respect to PL020/2018 license renewal

Dear Mr. Charles,

On the 11th January 2022, GcwiHaba Resources (Pty) Ltd. (“GcwiHaba” or the “Company”) representatives meet with yourself in your capacity as acting Director of Mines at the Department of Mines (DOM) and discussed the urgent need for a meeting as the renewal of PL 020/2018 is now seriously outstanding and it is causing economic damage to the Company.

Prior to the meeting with the Acting Director of DOM, the Company’s representatives also met with Mr. Johannes Tsimako, Deputy Permanent Secretary (DPS). In said meeting with the DPS, the DPS mentioned that he thought that the Company’s license PL020/2018 was already issued by the DOM or would be in short order with the portion within the buffer zone expunged without discussion or negotiation on the matter with the Company. The Company’s representatives said that the license PL020/2018 was not yet issued and explained that if this was the case that the Company would consider this an illegal taking and prohibited under the Mines and Minerals Act and in contravention of Botswana law. The Company’s representative again reiterated that such an action if taken without due regard to the Company’s exclusive rights to the value it created from its investment on the licence would clearly be against the Mines and Minerals Act and Botswana law. The DPS said we were required to take such matters up with the DOM and as previously mentioned, the Company’s representatives went to see yourself as the Acting Director of Mines to request this meeting as a matter of urgency.

The meetings on the 11th January 2022 are as a result of the Company’s letter to the Director of Mines and Honourable Minister dated the 5th January 2022 wherein the Company outlined and attached the communications and reports that discussed Prospecting Licenses in the documents by the State Party to the World Heritage Committee (WHC). The Company explained how these filings related to and impacted PL020/2018. The documents on public file at UNESCO by the State Party clearly show:

- that the World Heritage (WH) property by definition consists of the core zone and by further definition the buffer zone is outside the WH property;
- that there is no prohibition on a Prospecting License being renewed in the buffer zone by law, treaty or any other between the State Party and UNESCO;
- the Company has legal title to the entirety of PL020/2018 as submitted in October 2021 inclusive of the part within the buffer zone;
- any such taking of ground from the Company without due negotiations and discussions would constitute an illegal taking outside the Mine and Minerals Act and the laws of Botswana, as was discussed by the State Party in said reports to the WHC.

In the letter of 5th January 2022, the Company requested a meeting to resolve this matter and discussed its urgency and harm that the lack of resolution on this matter was causing the Company and why such urgency was required by both parties to resolve it.

Accordingly, as a follow up again to this matter, we hereby do urgently request a meeting with yourself and any requisite Ministry personnel or other that would be required to come to a resolution on this matter.

Given our repeated attempts to obtain a meeting on this matter and the fact that it is urgent for us, we do hereby request that this matter be dealt with in short order, and that said meeting be held within a reasonable time-frame so a resolution on this matter be achieved before more harm befalls the Company.

Appendix 1 attached to this letter details a "time line" that summarises our attempts to resolve this matter and that we have communicated the urgency of this matter on numerous occasions. The time line details events from our initial license renewal submission on the 30th June 2021, through our negotiations with DOM and the relinquishment of the majority (94%) of the ground in the buffer zone, and resubmission on the 14th October 2021, and our reasons and desires to keep the part which holds our resource as discussed in detail with the DOM staff. It goes on to detail all letters and meeting held in which we have made repeated attempts to resolve this issue within the laws of Botswana and requests to hold negotiations and discussions on this matter.

We believe that if no such communications from either the DOM or Ministry detailing a scheduling of a meeting with all parties to achieve a resolution on this matter is received by the Company in a reasonable time-frame, and based on our clear attempts on file to resolve this matter, that the Company will be required to seek relief in other forums.

We look forward to hearing from your shortly.

Respectfully submitted,



James M. Bruchs
Managing Director
cc. MMGE

Appendix 1: Time Line on PL020/2018 and our repeated attempts to resolve the issues with this license not being resolved in short order:

1. **30th June 2021:** Renewal Application for PL020-024/2018 was filed.
 - Relinquished 50% of the ground as per the Mines and Minerals Act.
2. **14th October 2021:** Revision of Renewal after negotiations with DOM.
 - After lengthy negotiations with Department of Mines (DOM) further ground (211.2 km² 94%) within the buffer zone was relinquished as agreed with the DOM.
3. **1st November 2021:** Only 4 of the 5 licenses were renewed, PL 020/2018 was not renewed.
 - no official reasons in writing were given for not renewing this license by DOM however, DOM staff made it clear it was not renewed due to Minister's staff decisions not DOM.
4. **6th December 2021:** Meeting held with Minister (Bruchs, Jeffcoate, Marole) to discuss lack of license renewal of PL020/2018.
 - Went through history of the licenses and that the licenses had been within buffer zone since 2008, and renewed in 2012, 2016, and again as new license grants in 2018.
 - We offered a solution but made it clear the license had to be renewed.
5. **7th December 2021:** letter submitted to Ministry and DOM.
 - The letter made it clear the license needed to be renewed as we submitted in our Oct 2021 meeting with DOM.
 - For discussion purposes, we proposed that the license part in the buffer zone could be relinquished upon completing of the MDCB investment along with a ROFR to that portion of the license.
6. **14th December 2021:** Gcwihaba requested a meeting with DOM staff, the director, and any ministry staff required to resolve this issue with respect to the non-renewal of PL020/2018 as soon as possible. The DPS was also sent copies of the request for meetings.
 - We were told that the Director was away but that they would organize a meeting with the acting director.
 - This meeting never materialized and to date no offer for a meeting has been given or any further communications received by any DOM or Ministry staff.
7. **20th December 2021:** Gcwihaba submitted a new letter stating that:
 - the Company has a legal right to the ground within the license including all areas within the buffer zone as granted and as per the renewal revised submission on the 14th October 2021.
 - we believed and still believe and our shareholder and stakeholders believe that the legal position of the buffer zone with respect to the State Party is that which was submitted the World Heritage Committee (WHC) in 2014 wherein the State Party stated:
 - i. *“should an application to mine in the buffer arise, an Environmental Impact Study (EIA) will be required as part of Botswana’s EIA Act, which would address concerns relating to the World Heritage property”.*

- ii. ***“Regarding the buffer area, stringent environmental protocols and practices will be adhered to, to protect the integrity of the Delta.”***
 - We resolved that the solution needs to be a negotiation and requested a meeting as soon as possible.
 - To date, no further communications from the DOM have been received and no offers of a meeting to negotiate a solution have been offered by DOM.
8. **5th January 2022:** Letter submitted to the Minister and the DOM (Director) stating that:
- The matter was very urgent as we had received no meetings with the Ministry or its staff at the DOM to discuss and resolve the issue since December 6, 2021.
 - Gcwihaba had reviewed the documents submitted and on public file at the WHC in respect to the property (core zone) and land outside the property including the buffer zone.
 - It was noted that:
 - i. WH property is defined as core zone and buffer zone is outside the property.
 - ii. The Company has been operating in a manner consistent with the documents on file in that prospecting and mining are allowed in the buffer zones as per the State Parties communications.
 - iii. There is not a prohibition on prospecting or mining in the buffer zone by legal agreement or treaty or other.
 - iv. That the State Party agrees that it cannot unilaterally take or fail to renew part of a PL.
 - v. There is misleading information and inaccuracies submitted to the WHC with respect to our license and the negotiations and agreements made with Gcwihaba with regard to its PL's.
 - vi. That the matter is now urgent and a solution needs to be found quickly before more harm befalls the Company.
9. **11th January 2022:** Meeting with Mr. Johannes Tsimako (DPS) with Dr. Jeffcoate and Mr. Milton Keeletsang:
- Mr. Tsimako mentioned to Dr. Jeffcoate and Mr. Keeletsang that he thought PL 020/2018 was already issued to the Gcwihaba with the part in the buffer zone removed without negotiation with the Company.
 - Dr. Jeffcoate discussed with the DPS that if that was the case that that would constitute a taking by the Ministry and would be a major issue for the Company that would cause the Company to act.
 - It was mentioned among other things that the State Party acknowledged that it could not fail to renew or remove licenses without it being a negotiation with the Company, as there is nothing in the Act that says the Ministry can do that.
 - The DPS said that we had to talk to the DOM
10. **11th January 2022:** Meeting with Acting Director of Mines with Dr. Jeffcoate and Mr. Milton Keeletsang:
- Following from the meeting with the DPS Dr. Jeffcoate and Mr. Keeletsang meet with the acting Director of Mines on the same day.
 - A meeting was requested with the Director of Mine, any other staff or members of the Ministry such as the Minister, PS and DPS that would be required to bring about a resolution to this issue and negotiate.

- It was mentioned that the DPS had told us that he was expecting the DOM to issue our license with the part in the buffer zone removed without negotiation with the Company.
- It was discussed that any taking of the ground in the buffer zone outside of a negotiated resolution between the Company, the DOM and the Ministry, would be considered a taking and meant that the Company would be required to act.
- It was reiterated that the requested meeting was urgent and required as soon as possible.
 - i. To date no meeting has been scheduled and no communications have occurred between the DOM, and Ministry with the Company on scheduling a meeting.

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REF:



REPUBLIC OF BOTSWANA

MINISTRY OF MINERALS, ENERGY AND
WATER RESOURCES
PRIVATE BAG 0018
GABORONE
BOTSWANA

DATE 19/01/22

TO: Gcwihabs Resources
(Pty) Limited

ACKNOWLEDGEMENT LETTER

RE: Request for meeting with respect to
PL020/2018 license renewal

We acknowledge receipt of your letter referenced CO2003/292 and dated 19/01/22 on the above subject matter. Feedback will be communicated to you within 10 working days from receipt of this correspondence.

Please contact Ms Setlhagi
DPS (m) at telephone number 365 6600 or email - for follow up.

Thank you

For /Permanent Secretary



'The Ministry that makes a real difference to Botswana'

Telephone: 3657000
Fax No: 3952141
Telegraphic Address:
Mines Gaborone.



REPUBLIC OF BOTSWANA

Department of Mines
Private Bag 0049
Gaborone
Botswana

DATE 19-01-22

TO: CENTLIHABA Resources (Pty.)
PTY

ACKNOWLEDGEMENT LETTER

RE: REQUEST FOR MEETING WITH REPORT A P.000/2018
LICENCE RENEWAL

We acknowledge receipt of your letter referenced and dated on the above subject matter.

Please contact: Mines at telephone number 365 7000 or email for follow up.

YOUR ATTACHMENTS ARE:

Received by:
SAC

Thank you

For/Director