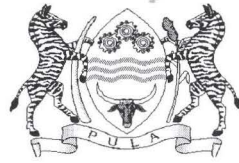


Telephone: (267) 365 7000
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Mines Gaborone



Department of Mines
Private Bag 0049
Gaborone
Botswana

REPUBLIC OF BOTSWANA

All correspondence to be addressed to the Director

Reference: CP 215 XIV (27)

18th May, 2022

Prosper Muonde
RSM Botswana
P O Box 1816
Gaborone, Botswana

By E-MAIL: Muonde@rsm.co.bw

Dear Prosper Muonde,

RE: REPORT ON STATUS OF PROSPECTING LICENCES NOS. 020-024/2018 HELD BY GCWIHABA RESOURCES (PTY) LTD AS AT 31 DECEMBER, 2021

1. We refer to a letter dated 6th March 2022 and received on the 13th April 2022, from Tsodilo Resources Limited, in which it is requested that the Department of Mines confirms the status of Prospecting Licences Nos. 020-024/2018, held by Gcwihaba Resources (Pty) Ltd and report to Prosper Muonde of RSM. In particular, the request is for the Department to confirm whether or not the licences are in good standing with respect to:
 - a) Geological work and reporting requirements; and
 - b) Licence rental fees
2. The Department of Mines wishes to confirm that Gcwihaba Resources (Pty) Ltd is the holder of Prospecting Licences nos. 021/2018; 22/2018; 23/2018 and 024/2018. The status of these licences as at December 31, 2021 are shown in **Table 1.0** below.

Table 1.0. Status of Prospecting Licences Nos. 021-024/2018 as at 31st December, 2021.

Prospecting Licence No.	Annual Lease Rentals	Geological Work and reporting Requirements
021/2018	In good standing	In good standing in terms of quarterly report submission, but there is no audited statement of expenditure for the licence.

022/2018	In good standing	In good standing in terms of quarterly report submission, but there is no audited statement of expenditure for the licence.
023/2018	In good standing	In good standing in terms of quarterly report submission, but there is no audited statement of expenditure for the licence.
024/2018	In good standing	In good standing in terms of quarterly report submission, but there is no audited statement of expenditure for the licence.

3. The Department of Mines hereby confirms that the validity of Prospecting Licence No. 020/2018 lapsed on 30th September 2021 and the licence renewal is still under consideration by the Government. While annual lease rental fees for the licence were all paid up and quarterly reports were all submitted, the annual audited statement of expenditure for the licence was not submitted as required under Section 21 (2) of the Mines and Minerals Act.
4. The Department of Mines wishes to advise that this reporting on the status of the licences is based solely on consideration of the specific areas that Tsodilo Resources Limited requested the Department of Mine to report on: the report does not consider all compliance issues as stipulated under relevant Minerals Legislation.

Yours faithfully,



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Ofentse Ditsele

DIRECTOR OF MINES

cc. The Managing Director, Gcwihaba Resources (Pty) Ltd