

**Francisco 2**

online



understand that the ministry has not formally pronounced its decision on Cgwihaba application for the renewal of PL 18/20. We also understand that the renewal of the licence would not violate any law, policy or UNESCO requirements but for good administrative reasons the ministry would rightly prefer no exploration or other activity in the buffer zone where a significant portion of the licence area is situated. 2. Whilst Cgwihaba understands the Ministry position it contends that the licence hosts a significant value of the company created over the years by investing large amounts of money in the area in question. 3. These conflicting interests not necessarily uncommon in the industry may in the case of the Cgwihaba project result in long delays of execution or kill the project and associated benefits completely. 4. In a recent consultation between myself, Ram and the consulting Engineers and Geologists Milton and Francisco all currently active in resolving the misunderstanding around the PL 18/20 renewal application we thought to seek your guidance and direction to find a mutually acceptable resolution of the impasse. We understand that a number of proposals have been tabled before the ministry and non of them carries the risk of mining the area if at all without prior approval by the government. 5. Both Cgwihaba and the Ministry face two challenges which will require your wise leadership and guidance. One is to manage Cgwihaba out of the buffer zone given their investment in the zone and the other is for Cgwihaba board to account to its shareholders in the event the renewal is ultimately denied.

10:57



Message

