

# GCWIHABA (PTY) LIMITED

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Co 2003/292

**Mailing Address**  
PO Box 3726  
Gaborone, Botswana

**Physical Address**  
The Office Building #59  
Plot 21532 Fairgrounds Office Park  
Gaborone, Botswana

**Registered Address**  
RSM House – Plot 39  
Plot 39, Commerce Park  
Gaborone, Botswana

TEL / FAX (267) 392-7144

June 30, 2022

To: Mr. Ofentse Ditsele  
Director of Mines  
Department of Mines  
Private Bag 0049  
Gaborone, Botswana

**Re: June 30, 2022 - Notice of Non-Acceptance by the Department of Mines (DOM) of Gcwihaba Resources (Pty) Ltd. Revision of License Coordinates: License Renewal Application for PL020/2018 – Metals Prospecting Licenses filed on June 28, 2022**

Dear Sir,

On June 28, 2022, Gcwihaba Resources (Pty) Ltd. (Gcwihaba of the Company) filed a license renewal application (**Attachment B**) modifying the initial renewal application coordinates filed on June 30, 2021, and subsequently modified shortly thereafter in consultation with DOM geologist, Mr. Thatayaone E. Molemoeng. The June 28, 2022, renewal application further reduced our license area that the *buffer zone* encroached into our license parcel equal to 7.6 km<sup>2</sup> representing 0.018% of the *buffer zone* surrounding the Okavango World Heritage Property (OWHP or "core zone").

On June 29, 2022, we received a Prospecting License checklist dated June 28, 2022, signed by Thatayaone E. Molemoeng (**Attachment A**). The checklist cited two reasons for not accepting the renewal application. The first reason given was: "**Area applied overlaps with the restricted Okavango Heritage area**". In response to the first reason please note that the *buffer zone* area established by the State Party in 2014 is not part of the restricted Okavango World Heritage Property and as such is not restricted from either prospecting or mining activities. As you are aware since we have briefed the subject for a year now, "Property" means Core Zone only. This is because in the World Heritage (WH) Operational Guidelines it is clearly stated that the "*buffer zone*" is not part of the Property. In 2014, the State Party further addressed this by stating "Should an application to mine within the buffer zone 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 (core zone)." Our intentions are

indeed consistent with the State Party's position on these issues as codified in the following documents:

**Nomination dossier to UNESCO for inscription into the World Heritage List**

(submission by Republic of Botswana, 2013)

[Page 30]

*"The Ministry of Energy, Mineral and Water Resources has issued several mineral prospecting licenses to exploration companies for concession areas within the buffer zone of the site. No licenses have been issued within the core zones of the property. **Should an application to mine within the buffer zone 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.** Also, the matter would be referred to the World Heritage Centre (WHC) for their advice." (emphasis added)*

and from the same report,

[Page 405]

*The government of Botswana through the Ministry of Minerals, Energy and Water Resources has taken a position that it will not issue any new mineral concessions within the Core area of the delta. The Ministry will further engage with the holders of the few existing licenses within the Core area of the delta with a view to eventually expunge those portions of the licenses which overlap the core. **Regarding the buffer area, stringent environmental protocols and practices will be adhered to, to protect the integrity of the Delta.** (emphasis added)*

In addition,

**WORLD HERITAGE NOMINATION – IUCN TECHNICAL EVALUATION KAVANGO DELTA (BOTSWANA) – ID No. 1432 [April 2014]**

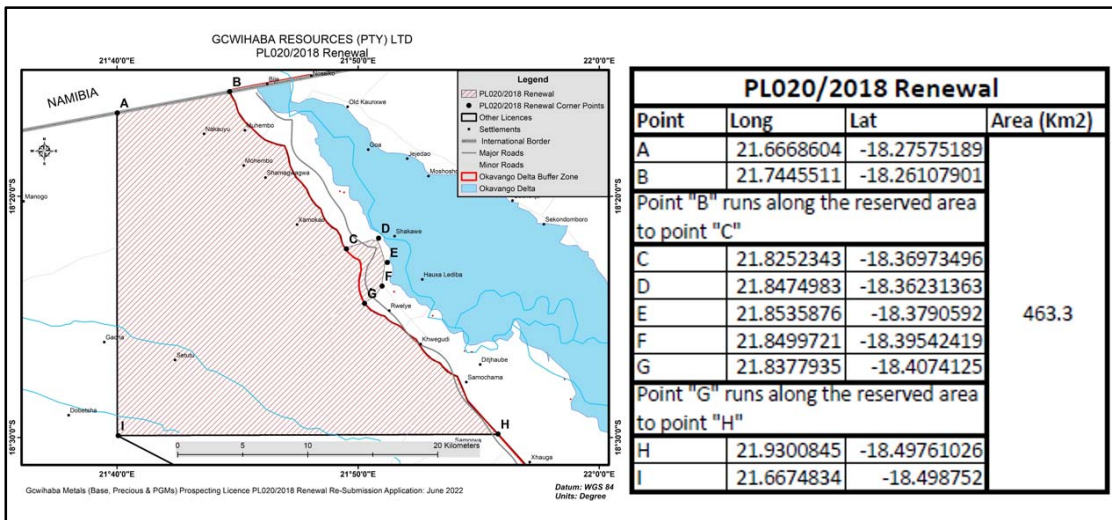
(page 12)

*"Mining activities including prospecting will not be permitted within the [core zone] property. Furthermore, potential impacts from mining including concessions in the buffer zone and outside the buffer zone need to be carefully monitored and managed to avoid direct and indirect impacts to the property, including water pollution." (emphasis added)*

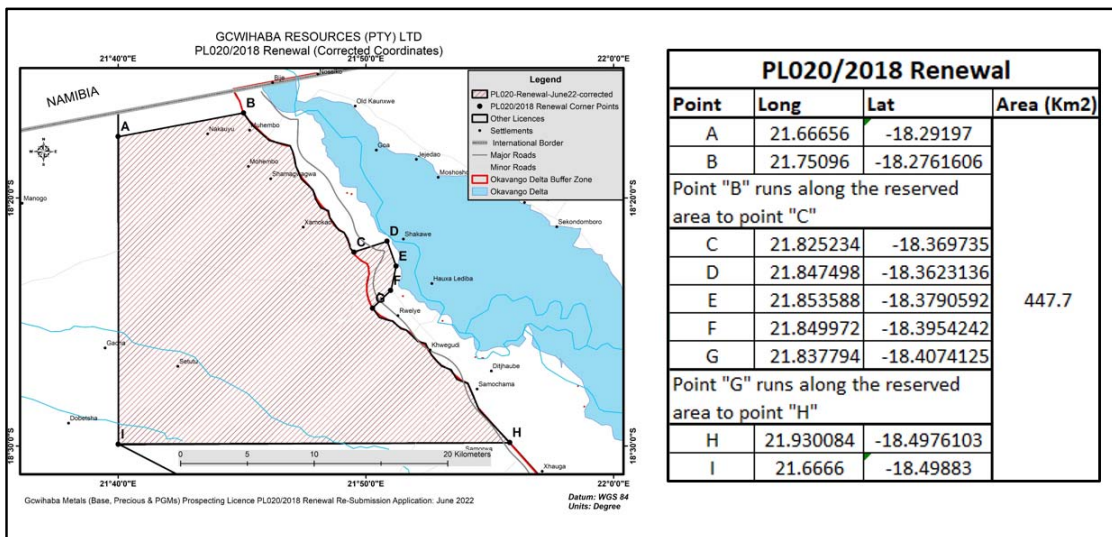
It is clear from the State Party's submissions to UNESCO since 2013, **that both mining and prospecting licenses can exist within the buffer zone.** Accordingly, we are agreeable, as we have always been, to conduct our activities consistent with the prevailing law and we assure you that our goal is to advance our project in an environmentally friendly manner.

The second reason given for not accepting the renewal application was "**Also renewal shape is bigger than the license. PL cannot be enlarged. The application cannot be plotted as is. Hence the application cannot be accepted.**"

Gcwihaba acknowledges that point "A" and "B" in the initial submitted coordinates as contained in **Attachment B** in the Cover Letter (attached herein), see also **Figure 1** below, plotted these along the border, the calculated renewal area was 463.3 km<sup>2</sup>, representing 81% of the original area of 570 km<sup>2</sup>. After telephonic and email correspondence with Mr. Molemoeng, Gcwihaba corrected the coordinates as set out in **Figure 2** below. The corrected renewal area of 447.7 km<sup>2</sup> representing 79% of the original area is still much smaller, NOT larger as stated in the letter.



**Figure 1.** The renewal coordinates of 'A' & "B" plotted in along the border.



**Figure 2.** The corrected renewal coordinates of PL020/2018 representing 79% of original area.

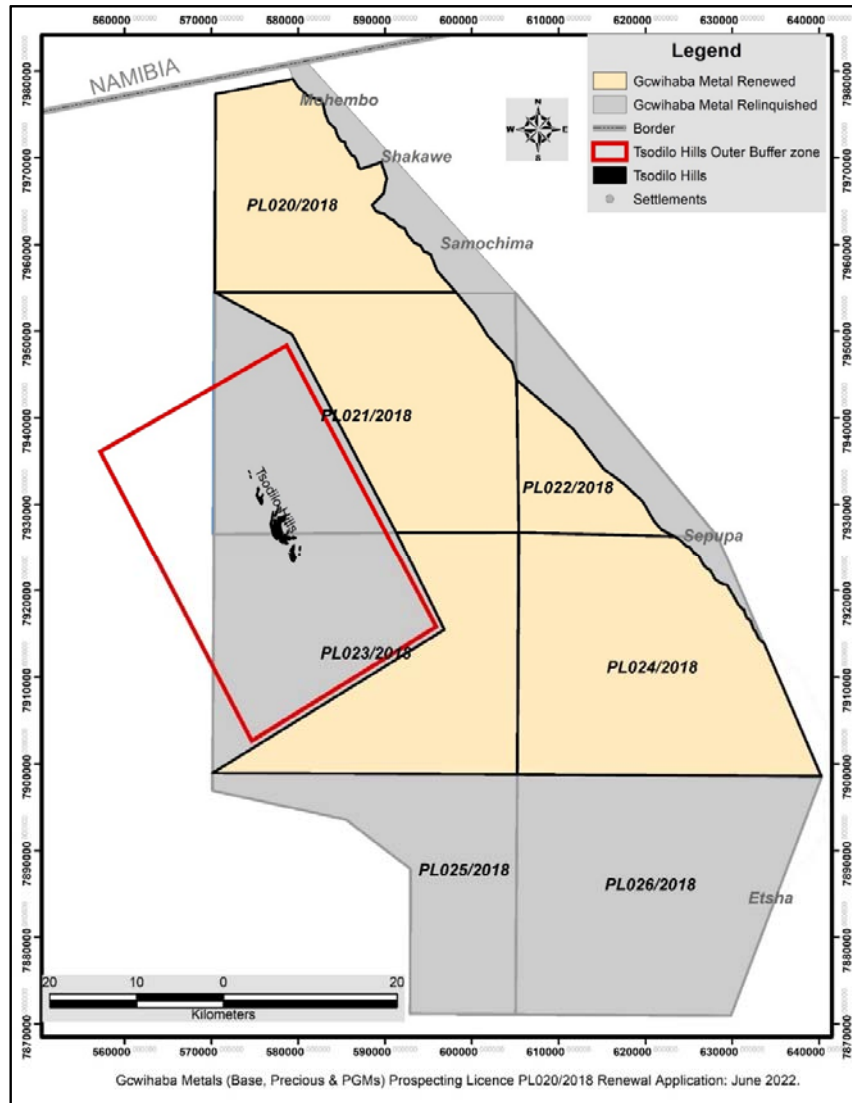
The Company was initially granted (seven) 7 contiguous Metals Prospecting Licenses effective the 1<sup>st</sup> October 2018 for 3 years. The 7 contiguous licenses were:

- PL020/2018 (570.0 km<sup>2</sup>);
- PL021/2018 (964.9 km<sup>2</sup>);
- PL022/2018 (317.1 km<sup>2</sup>);
- PL023/2018 (978.6 km<sup>2</sup>);
- PL024/2018 (807.3 km<sup>2</sup>);
- PL025/2018 (454.5 km<sup>2</sup>); and
- PL026/2018 (828.1 km<sup>2</sup>).

In October 2021, The Company relinquished 50% (2,462.1 km<sup>2</sup>) including heritage areas as discussed. The relinquishment includes two licenses, PL026/2018, and PL025/2018 which were relinquished in their entirety (100%). Accordingly, the Company by renewing 447.7 km<sup>2</sup> of PL020/2018 as set out above is effectively renewing 50% (2,453.5 km<sup>2</sup>) of the original area of the seven (7) contiguous licenses in compliance with Section 19 of the Mines and Minerals Act as follows in **Table 1** and **Figure 1**.

**Table 1.** Area of the seven (7) contiguous metals licenses and renewed in this resubmission.

License No	Grant Date	Original Area km <sup>2</sup>	1 <sup>st</sup> Renewal Date	Grant Date 1st Renewal	Renewal Area km <sup>2</sup>	Percentage
<b>PL020/2018</b>	<b>October 1, 2018</b>	<b>570.0</b>	<b>October 1, 2021</b>	<b>This Application</b>	<b>447.7</b>	<b>78.54%</b>
PL021/2018	October 1, 2018	964.9	October 1, 2021	January 01, 2022	572.5	59.33%
PL022/2018	October 1, 2018	317.1	October 1, 2021	January 01, 2022	160.4	50.58%
PL023/2018	October 1, 2018	978.6	October 1, 2021	January 01, 2022	491.2	50.19%
PL024/2018	October 1, 2018	807.3	October 1, 2021	January 01, 2022	781.7	96.83%
PL025/2018	October 1, 2018	454.5	Did not renew	Did not renew	Did not renew	0.00%
PL026/2018	October 1, 2018	828.1	Did not renew	Did not renew	Did not renew	0.00%
<b>TOTAL</b>		<b>4,920.50</b>			<b>2,453.5</b>	<b>49.86%</b>



**Figure 3.** Map showing the original 7 contiguous metals licenses, the areas relinquished, and the areas renewed in the application submitted June 28, 2022, and that submitted in October 2021. Also shown is the Tsodilo Hills area as part of the relinquished area.

Please do not hesitate to contact me if you have any questions or need additional information.

Respectfully submitted,

James M. Bruchs  
 Managing Director  
 Attachments: A&B

PROSPECTING LICENCE APPLICATION CHECKLIST (Front Desk Assessment)

Type of Application: REVISION OF COORDINATES

Applicant's Name: GCWITABA (PTY) LTD

Commodity applied for (for Industrial Minerals Specify): METALS

Nos	ITEMS CHECKED	STATUS	
		YES	NO
1	<b>PROSPECTING LICENCE APPLICATION FORM I SIGNED &amp; SUBMITTED (WITH ANNEXURES)</b> (a) All required information in Form I should be filled & the declaration part should be signed.		
	<b>ADDRESS IN BOTSWANA</b>		
2	(a) Postal Address		
	(b) Telephone Number / Fax Number/ Email Address		
	(d) Copy of Certification of Incorporation (Company Certificate)		
	<b>FINANCIAL STATUS</b>		
3	(a) Audited Financial Report/ Statements with a letter of resolution from board committing the funds reserved for exploration project applied for. A share certificate is to be included if the company has one Director.		
	(b) Latest Three months bank statement with a letter of resolution from board committing the funds reserved for exploration project applied for. A share certificate is to be included if the company has one Director.		
	<b>TECHNICAL COMPETENCE</b>		
4	(a) Latest updated detailed curriculum vitae of professionals with experience in commodities applied for.		
	(b) Signed consent letter from the CV owner declaring they will work for the company applying for the PL.		
	<b>DESCRIPTION OF AREA APPLIED FOR</b>		
5	(a) Attached sketch plan of the area applied for in Geographic Coordinate System (GCS), WGS84 Datum, Decimal Degrees.	✓	
	(b) Attached hard copy coordinates	✓	
	(c) Attached soft copy coordinates in excel format.	✓	
	<b>DETAILED PROPOSED PROGRAMME OF PROSPECTING OPERATIONS</b>		
6	(a) It must provide an understanding of the nature and extent of the proposed exploration activities.		
	(b) The activities should be adequate to explore mineral potential and able to generate data that may lead to discoveries and an increase in the level of knowledge of the area applied for.		
	(c) Types of activities to be undertaken must be clearly identifiable at each level of the programme: (i) Desktop studies, geological reviews, technical assessment of available data; Details of the number and types of data processing that are going to be undertaken and clearly indicate the added value for each phase. survey details, (Geochem, geophysics, etc.); Sampling methods, spacing of grids, lines, depths to samples & number; Drilling types and details of depth & number to be drilled, stratigraphy; Maps and illustrations or plans of the stratigraphy, etc. must be clearly outlined.		
	(d) A summary of the minimum expenditure for each year has to be clearly stated in line with the proposed exploration activities.		
7	<b>ENVIRONMENTAL MANAGEMENT PLAN</b>		
	(a) Companies to submit in-house Environmental Health and Safety (EHS) Policy		

**COMMENTS**  
 Area applied for overlaps with the restricted Okavango Wetland Area. Also renewal steps is bigger than the licence. PL cannot be enlarged. Hence application cannot be plotted as is. Hence the application cannot be accepted.

(i) Coordinates, Area and Sketch Plan Checked by: (for GIS Personnel)

..... (Name) ..... (Designation) ..... (Date)

..... (Signature)

(ii) Application Checked and passed by: (for Geologist Personnel)

RE. MO OENONA ..... 9700 ..... 28/06/2022  
 (Name) (Designation) (Date)

..... (Signature)

Co 2003/292

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**Registered Address**  
RSM House – Plot 39  
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Gaborone, Botswana

TEL / FAX (267) 392-7144

June 28, 2022

To: Mr. Ofentse Ditsele  
Director of Mines  
Department of Mines  
Private Bag 0049  
Gaborone, Botswana

**Re: Revision of License Coordinates: License Renewal Application for  
PL020/2018 – Metals Prospecting Licenses**

Dear Sir,

Pursuant to Honourable Minister Lefoko M. Moagi correspondence of June 7, 2022 and received by the Company on June 15, 2022, Gcwihaba Resources (Pty) Ltd. (herein Gcwihaba or the Company), is hereby resubmitting modified license boundary co-ordinates relating to license ground being renewed for the for the first-2 year renewal of Metals Prospecting Licenses PL020/2018.

The revised co-ordinates are set forth in **Attachment A** and the information set forth in the October 14, 2021 Revision of License Coordinates: License Renewal Application for PL020/2018, PL021/2018, PL022/2018, PL023/2018, and PL024/2018 - Metals Prospecting Licenses is hereby incorporated (**Attachment B**). The Company has re-submitted and updated renewal license boundaries and co-ordinates for PL020/2018 on maps with respect to **Appendix VI** mentioned in the original Form 1 and original application package submitted on June 30, 2021.

The updated re-submitted co-ordinates are in Geographical WGS84 datum and shape files and tabulated coordinates (excel) are included separately on a CD included with this re-submission. Please note that these revised co-ordinates update those relevant section and figures in the original relinquishment report submitted titled "*Final Relinquishment Report, A review of Exploration Results from Gcwihaba Resources (June 2021)*", in so far as only affecting Figures 1, 3, 12, 13, and 14, where **Tables 2** in that report is replaced with **Table 1** below.

The Company was initially granted 7 contiguous Metals Prospecting Licenses effective the 1<sup>st</sup> October 2018 for 3 years. The 7 contiguous licenses were:

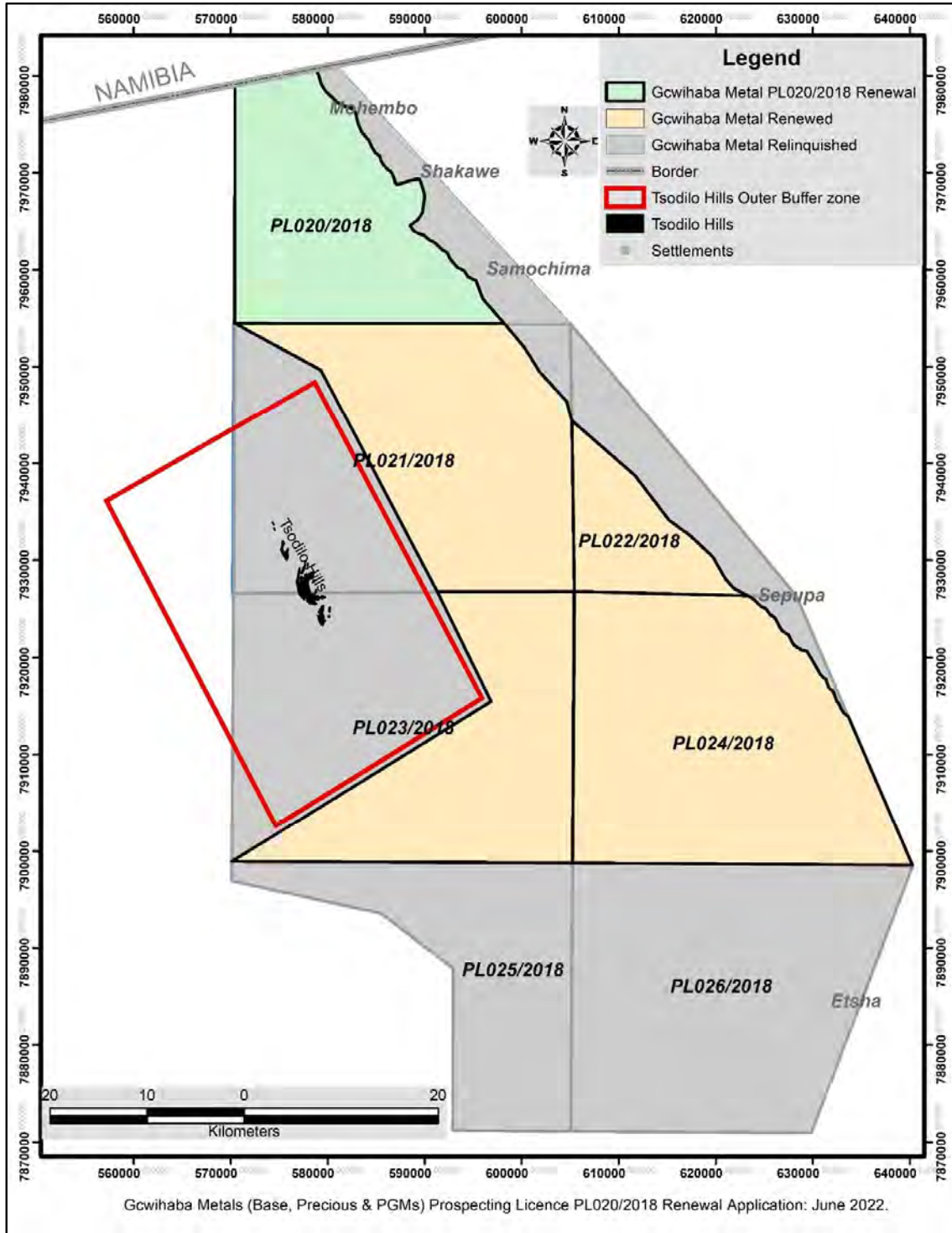
- PL020/2018 (570.0 km<sup>2</sup>);
- PL021/2018 (964.9 km<sup>2</sup>);
- PL022/2018 (317.1 km<sup>2</sup>);
- PL023/2018 (978.6 km<sup>2</sup>);
- PL024/2018 (807.3 km<sup>2</sup>);
- PL025/2018 (454.5 km<sup>2</sup>); and
- PL026/2018 (828.1 km<sup>2</sup>).

In October 2021, The Company relinquished 50% (2,462.1 km<sup>2</sup>) including heritage areas as discussed (see **Figure 1**). The relinquishment includes two licenses, PL026/2018, and PL025/2018 which were relinquished in their entirety (100%). Accordingly, the Company by renewing 463.3 km<sup>2</sup> of PL020/2018 is effectively renewing 50.2% (2,469.10 km<sup>2</sup>) of the original area of the seven (7) contiguous licenses in compliance with Section 19 of the Mines and Minerals Act as follows in **Table 1** and **Figure 1**:

**Table 1.** Area of the seven (7) contiguous metals licenses and renewed in this resubmission.

License No	Grant Date	Original Area km <sup>2</sup>	1 <sup>st</sup> Renewal Date	Grant Date (1st Renewal)	Renewal Area km <sup>2</sup>	Percentage
PL020/2018	October 1, 2018	570.0	October 1, 2021	This Application	463.3	81.28%
PL021/2018	October 1, 2018	964.9	October 1, 2021	January 01, 2022	572.5	59.33%
PL022/2018	October 1, 2018	317.1	October 1, 2021	January 01, 2022	160.4	50.58%
PL023/2018	October 1, 2018	978.6	October 1, 2021	January 01, 2022	491.2	50.19%
PL024/2018	October 1, 2018	807.3	October 1, 2021	January 01, 2022	781.7	96.83%
PL025/2018	October 1, 2018	454.5	Did not renew	Did not renew	Did not renew	0.00%
PL026/2018	October 1, 2018	828.1	Did not renew	Did not renew	Did not renew	0.00%
<b>TOTAL</b>		<b>4,920.50</b>			<b>2,469.10</b>	<b>50.18%</b>



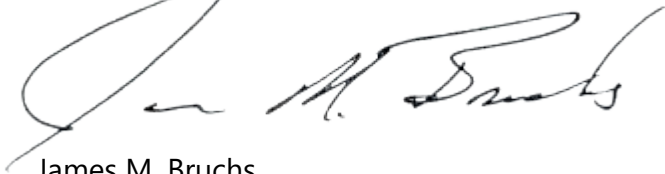


**Figure 1.** Map showing the original 7 contiguous metals licenses, the areas relinquished, and the areas renewed in this application and that submitted in October 2021. Also shown is the Tsodilo Hills area as part of the relinquished area.

Please see **Attachment A** and the initial renewal license application filed on June 30, 2021, for any additional information.

Please do not hesitate to contact me if you have any questions or need additional information.

Respectfully submitted,

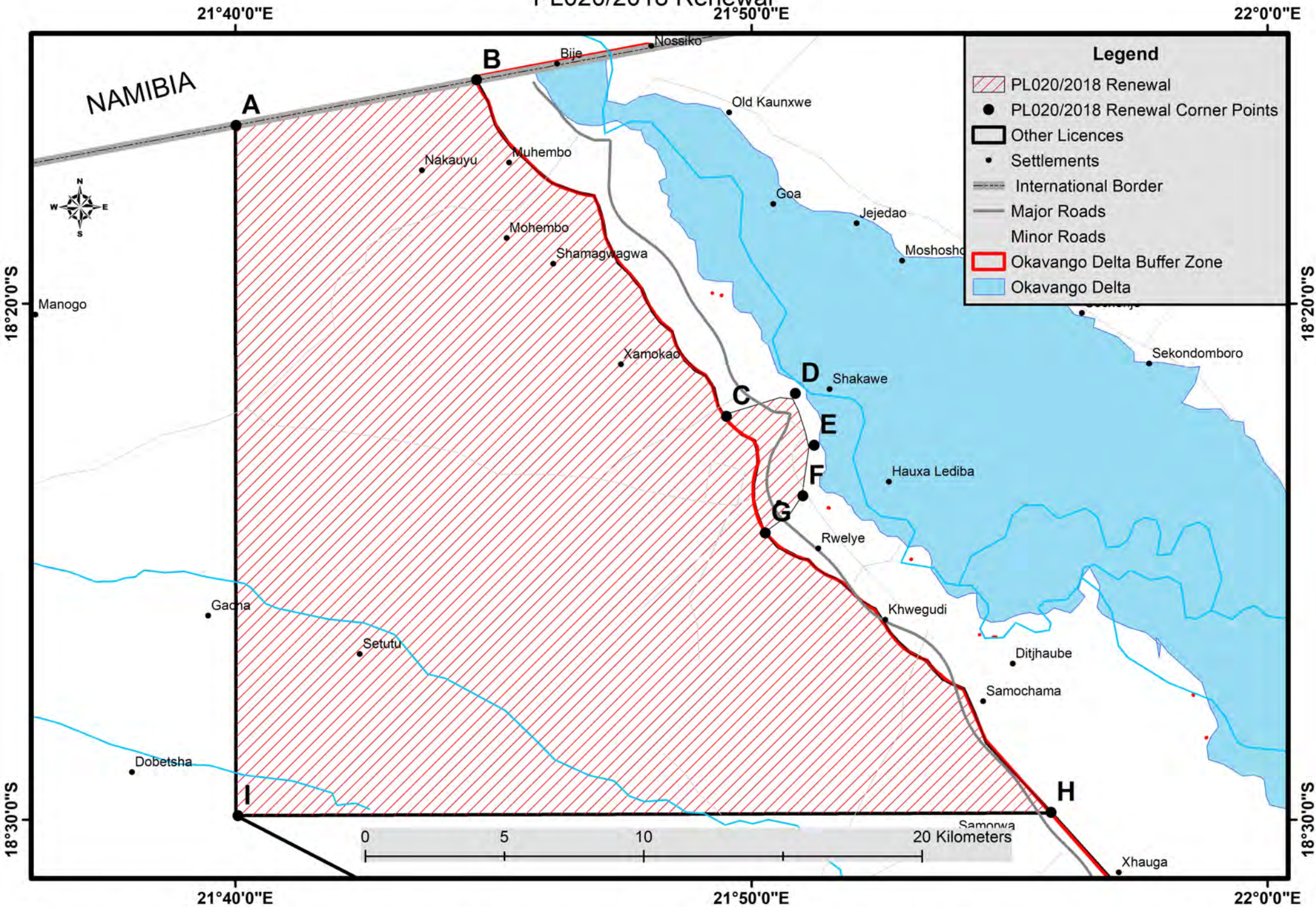
A handwritten signature in black ink, appearing to read "James M. Bruchs". The signature is fluid and cursive, with a large initial "J" and "B".

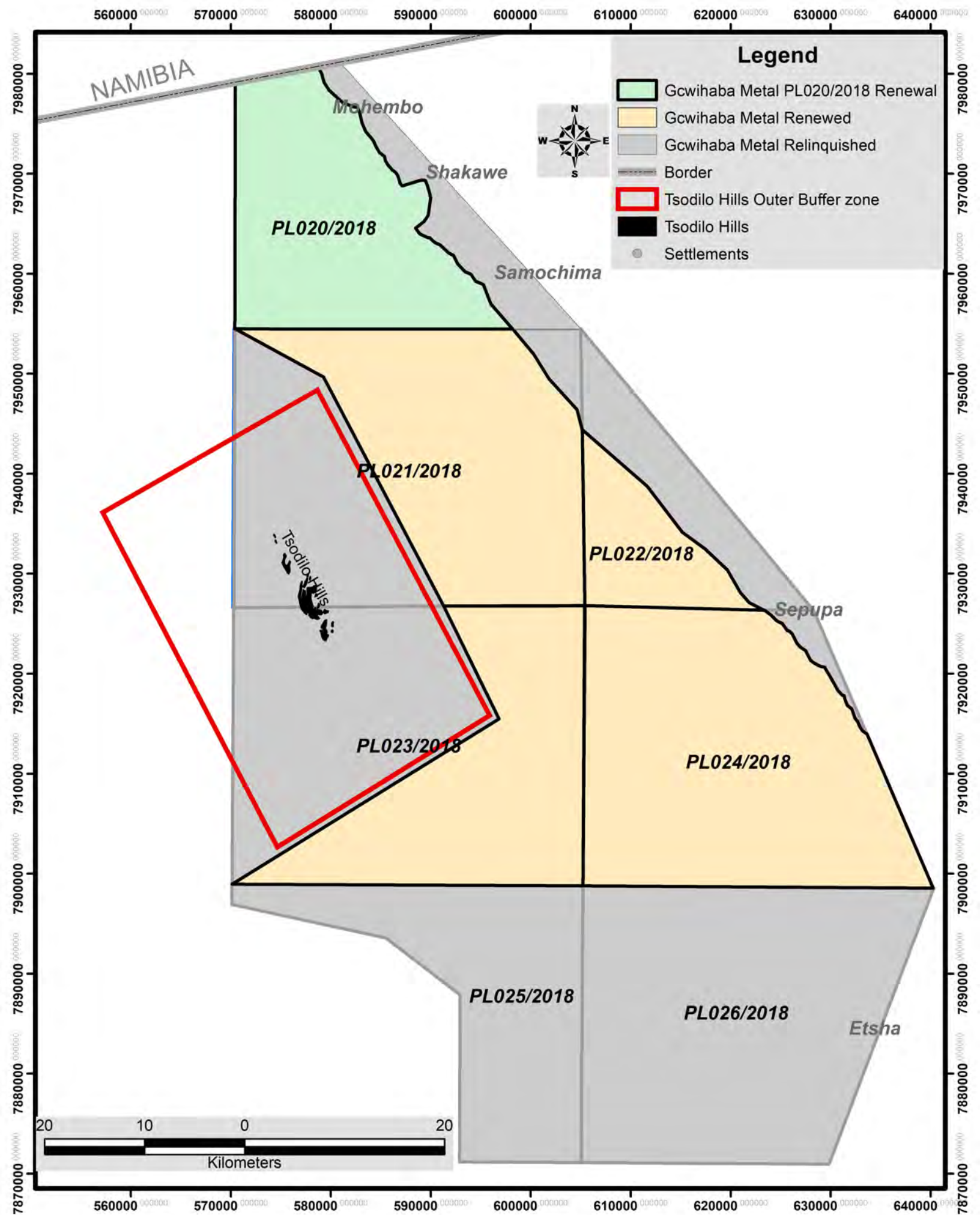
James M. Bruchs  
Managing Director

<b>PL020/2018 Renewal</b>			
<b>Point</b>	<b>Long</b>	<b>Lat</b>	<b>Area (Km2)</b>
A	21.6668604	-18.27575189	463.3
B	21.7445511	-18.26107901	
Point "B" runs along the reserved area to point "C"			
C	21.8252343	-18.36973496	
D	21.8474983	-18.36231363	
E	21.8535876	-18.3790592	
F	21.8499721	-18.39542419	
G	21.8377935	-18.4074125	
Point "G" runs along the reserved area to point "H"			
H	21.9300845	-18.49761026	
I	21.6674834	-18.498752	

# GCWIHABA RESOURCES (PTY) LTD

## PL020/2018 Renewal





Gcwihaba Metals (Base, Precious & PGMs) Prospecting Licence PL020/2018 Renewal Application: June 2022.

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



REPUBLIC OF BOTSWANA

Department of Mines  
Private Bag 0049  
Gaborone  
Botswana

DATE 14/10/2021

TO: Gwihaba Resources (Pty) Ltd

ACKNOWLEDGEMENT LETTER

RE: Revision of licence Coordinates: Licence Application for PLO20/2018,  
PLO21/2018, 022/2018, 023/2018 & PLO24/2018 Metal

We acknowledge receipt of your letter referenced ..... and dated  
14/10/21 on the above subject matter.

Please contact: PL Unit at telephone number 3657000 or  
email ..... for follow up.

YOUR ATTACHMENTS ARE:

[Three horizontal lines with a diagonal slash through them, indicating no attachments]

Received by:

K. Seetsoeng

Thank you

[Signature]

For/Director



# GCWIHABA RESOURCES (PTY) LIMITED

Co 2003/292

**Mailing Address**  
PO Box 3726  
Gaborone, Botswana

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**Registered Address**  
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Plot 39, Commerce Park  
Gaborone, Botswana

TEL / FAX (267) 392-7144

October 14, 2021

To: Mr. Ofentse Ditsele  
Director of Mines  
Department of Mines  
Private Bag 0049  
Gaborone, Botswana

**Re: Revision of License Coordinates: License Renewal Application for PL020/2018, PL021/2018, PL022/2018, PL023/2018, and PL024/2018 – Metals Prospecting Licenses**

Dear Sir,

Gcwihaba Resources (Pty) Ltd. (herein Gcwihaba or the Company), as per our meetings and discussions on this subject on the 11<sup>th</sup> and 12<sup>th</sup> October 2021, is hereby resubmitting modified license boundary co-ordinates relating to license ground being re-applied for and relinquishing for the for the first-2 year renewal of Metals Prospecting Licenses PL020/2018, PL021/2018, PL022/2018, PL023/2018, and PL024/2018.

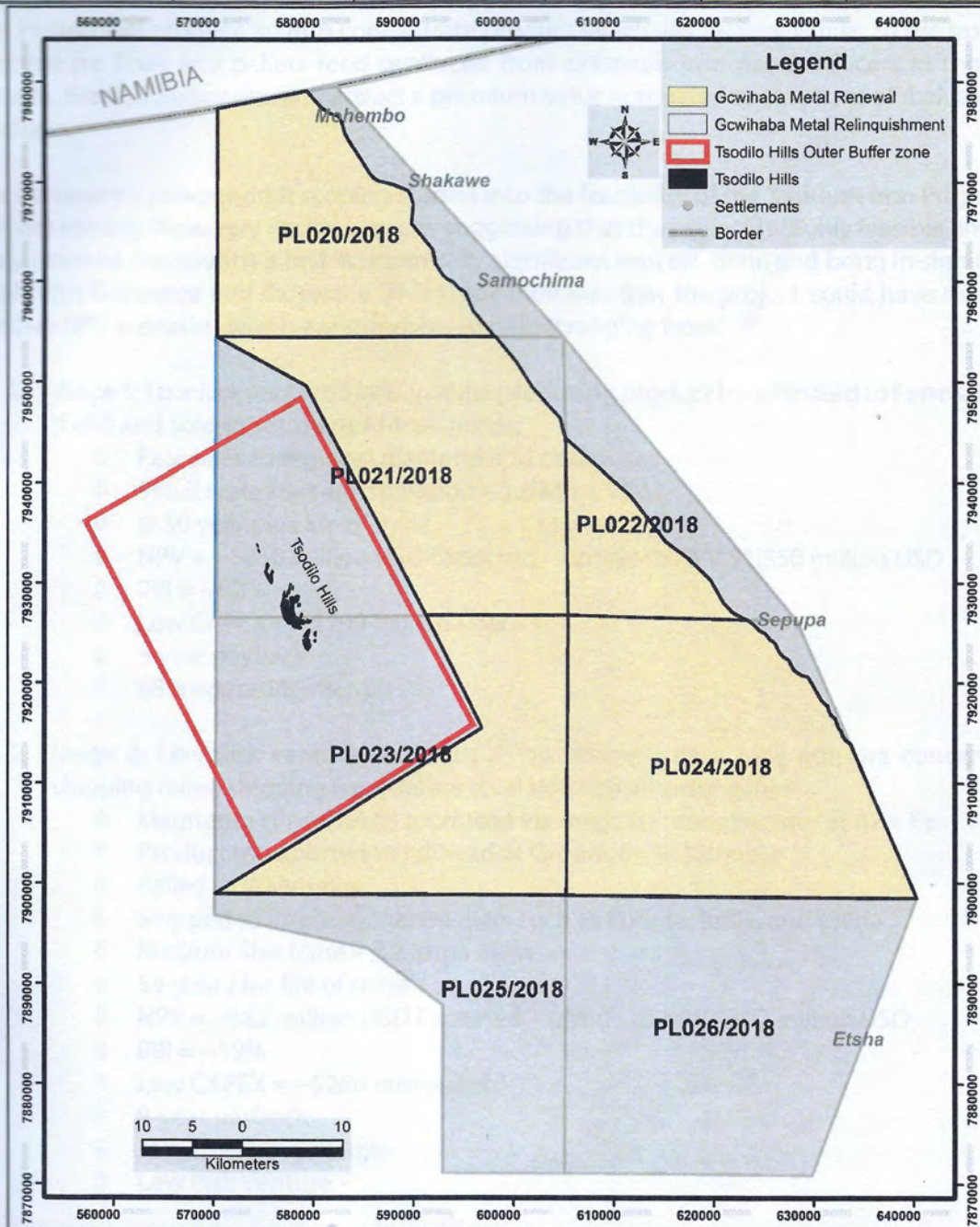
The Company has resubmitted and updated renewal license boundaries and co-ordinates on maps within **Appendix VI** mentioned in the original Form 1 and original application package. These updated re-submitted co-ordinates are in Geographical WGS84 datum and shape files and tabulated coordinates (excel) are included separately on a CD included with this re-submission. Please note that these revised co-ordinates update those relevant sections and figures in the original relinquishment report submitted titled "Final Relinquishment Report, A review of Exploration Results from Gcwihaba Resources" (June 2021), in so far as only affecting Figures 1, 3, 12, 13, and 14, where Tables 2 in that report is replaced with Table 1 below.

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- PL022/2018 (317.1 km<sup>2</sup>);
- PL023/2018 (978.6 km<sup>2</sup>);
- PL024/2018 (807.3 km<sup>2</sup>);
- PL025/2018 (454.5 km<sup>2</sup>); and
- PL026/2018 (828.1 km<sup>2</sup>).

**Table 1.** Area of the 7 contiguous metals licenses relinquished (grey) and renewed (green) in this resubmission.

License	Original Area	Relinquish		Renew	
		Area	Percentage	Area	Percentage
PL020/2018	570.0	115.6	20.28%	454.4	79.72%
PL021/2018	964.9	392.4	40.67%	572.5	59.33%
PL022/2018	317.1	156.7	49.42%	160.4	50.58%
PL023/2018	978.6	487.3	49.80%	491.3	50.20%
PL024/2018	807.3	23.8	2.95%	783.5	97.05%
PL025/2018	454.5	454.5	100.00%	0	0.00%
PL026/2018	828.1	828.1	100.00%	0	0.00%
<b>TOTAL</b>	<b>4,920.50</b>	<b>2,458.40</b>	<b>50.0%</b>	<b>2,462.10</b>	<b>50.0%</b>



**Figure 1.** Map showing the original 7 contiguous metals licenses, the areas relinquished, and the areas renewed in this application. Also shown is the Tsodilo Hills area as part of the relinquished area.



### **Expenditure:**

The total expenditure of Gcwihaba these licenses discussed as PL 020-026/2018 and their previous incarnations since inception through September 30, 2021 is over **\$25M USD in expenditures and services.**

A brief summary of the work completed to date and the **Form 1** planned work program is described below. Reference is made to **Form 1** (attached hereto) and **Appendix IIV as a summary of the work conducted.**

### **General Summary of Work Conducted to Date on these Gcwihaba Licenses**

The Company has had an extremely successful exploration program, and thus far has defined successfully Botswana's only economically significant exploitable resource of iron. This Xaudum Iron Project will produce an iron concentrate product which will be very similar to the iron ore concentrate fines and pellets feed produced from premium iron ore producers in the U.S., Canada, Brazil, Sweden etc. and attract a premium value compared to standard global iron ore products.

The Company's independent scoping studies into the feasibility of the Xaudum Iron Project for iron ore mining show very exciting results suggesting that the project is highly feasible and will likely become the country's first economically significant iron ore mine and bring in significant wealth for Botswana and Batswana. This study indicates that the project could have multiple positive NPV scenarios which are summarised below ranging from:

1. Stage 1: Low Risk venture Start Up Mine producing product beneficiated to Ferrosilicone (FeSi) and sold to southern African mines;
  - ◇ FeSi sales to regional diamond and coal mines
  - ◇ Small scale start-up operation – 1.8 Mtpa ROM
  - ◇ @ 50 year plus life of mine
  - ◇ NPV = ~\$850 million USD Expected – upside to NPV \$1,350 million USD
  - ◇ IRR = ~82%
  - ◇ Low CAPEX = ~\$200 million USD
  - ◇ 5 year payback
  - ◇ 68% operating margin
  
2. Stage 2: Low Risk venture (as in it's a "no brainer") Base case iron ore concentrate shipping mine, shipping a moderate level iron concentrate mine;
  - ◇ Magnetite concentrate produced via magnetic concentrator at 67% Fe
  - ◇ Product transported to railhead at Grootfontein Namibia
  - ◇ Railed to Walvis Bay
  - ◇ Shipped to international markets such as Europe, India, and China
  - ◇ Medium Size Mine – 7.2 Mtpa ROM
  - ◇ 50-year plus life of mine
  - ◇ NPV = ~\$82 million USD Expected – upside to NPV \$302 million USD
  - ◇ IRR = ~19%
  - ◇ Low CAPEX = ~\$260 million USD
  - ◇ 9-year payback
  - ◇ 35% operating margin
  - ◇ Low Risk Venture
  
3. Stage 3: Full Size Iron Ore Mine - Magnetite Concentrate international sales through Walvis Bay

- ◇ Magnetite concentrate produced via magnetic concentrator at 67% Fe
- ◇ Magnetite concentrate further beneficiated to Pellets via pelletizing plant
- ◇ Upgraded Rail Line From Mine to Walvis Bay
- ◇ Upgraded Port at Walvis Bay
- ◇ Shipped to international markets such as Europe, India, and China
- ◇ Large Size Mine – 63 Mtpa ROM
- ◇ 60-year plus life of mine
- ◇ NPV = ~\$287 million USD Expected – upside to NPV \$2,600 million USD
- ◇ IRR = ~15%
- ◇ Significant CAPEX = ~\$3,746 million USD
- ◇ 10-year payback
- ◇ 34% operating margin
- ◇ Moderate Risk Venture but huge job creation and secondary job and wealth creation for Botswana

In addition to this, the Company has explored successfully within the licenses for the following that could potentially become significant mines also:

1. Copper and Cobalt: Sedimentary Cu/Co (Katanga type sediments) within the entire Neoproterozoic package;
2. Xaudum Gold: Gold mineralisation linked to the Xaudum Iron Formation; and
3. Rare Earth Element: Skarn REE and Cu targets. These are secondary skarn targets hosted within marbles (carbonate) rich lithologies and include significant enrichment in REE and Cu.

#### **Metals Exploration Work Conducted**

- Exploration Drilling
  - ◇ Number of holes drilled = 556
  - ◇ Meters Drilled = 83,546.95 meters
  - ◇ Assays taken = 12,898
  - ◇ Geotechnical and Structural Logged Intervals = 28,878
- Xaudum Iron Project Evaluation
  - ◇ Block 1 Resource Defined = 441 million tonnes @ 29.4% Fe
  - ◇ Metallurgy results show it can be Beneficiated to = ~67.2% Fe concentrate
    - Number of Holes Drilled = 156
    - Meters Drilled = 30,935.0 meters
    - Meters of mineralisation = 9,022 meters
    - Assays performed = 9,221
    - Davis Tube Recovery (DTR) bulk composite test results conducted = 19
    - Density Measurements = 8,680
- Geophysics
  - ◇ Reflex Gyro Down-hole surveys = 116
  - ◇ Ground Magnetic Survey line km (20 and 50 m spacing) = 22,749
  - ◇ Airborne Electromagnetic Magnetic (EM) Survey Flown line km (200m line spacing) = 16,933. Collecting electromagnetic (EM), magnetic and radiometric data.
  - ◇ Airborne Gravity Survey Flown line km (200m line spacing) 10,392
  - ◇ These surveys have contributed greatly to advancing the structural and geological modelling of the area, which have aided immensely in exploration targeting.
- General Exploration
  - ◇ Hydro Geochemical Analysis, water analysis taken = 283
  - ◇ Mineralogy Reports = 88

- ◇ Geochronology Dates taken (Samples) = 16
- ◇ Passive seismic data points = 116
- ◇ Various local and regional mapping interpretations and cross-sectional analysis
- ◇ Various 3D modelling of regional scale and local scale
- ◇ Copper Target soil samples for assays = 5,071. These soil samples were collected and sieved to 180 mesh from the sub-deflation soil zone during the dry season. The first targets soil samples were sent for a specialized partial digestion technique which has been specially developed for sampling in covered terrains called TerraLeach at Intertek laboratories Australia. This data was validated and further studied to remove geomorphological controls and highlighted a significant target of interest that has be prioritized for drilling.
- ◇ GoCad Xaudum Iron 3D model, for specific iron resource definition, Verified by SRK
- **Resource Reporting**
  - ◇ NI 43-101 Mineral Resource Estimate Technical Report ([www.sedar.com](http://www.sedar.com)).
  - ◇ Independent Scoping level Techno-Economic Study into the feasibility of the iron project.
  - ◇ Scoping for a Preliminary Economic Assessment (PEA) for the Xaudum Iron Project (NI 43-101) to move it forward towards mining and define a road map for development.

The reported Block 1 Mineral Resource represents only a fraction of the potential iron mineralization delimited by the ground magnetics. An Exploration Target for the entire strike of the XIF is estimated to be 5 to 7 billion tonnes of potential resource at 15-40% Fe, which will also be able to be beneficiated to a ~67% Fe product also, which makes the Xaudum Iron Projects one of the largest iron projects in Africa.

The Net Revenues for the Xaudum Iron Project will be massive, and as such the revenues to the government from Tax and Royalties from these projects will be huge, far larger than the expected returns for some other notable projects that are being developed in Botswana by other companies, Table 2 gives an indication of this.

Table 2. Generalised Net Revenue Projects for the Gcwihaba Resources projects vs. generalised Net Revenues for a selection of Botswana Mines. Debswana All In means all of the Debswana mining activities in a generalised averaged revenue income range over recent years. Details on the non-Gcwihaba mines and operations are for generalised comparison only, every effort has been made to source accurate information although some variation may exist.

	Million Tonnes Per Annum	Life of Mine	Net Revenue Per Year (Million or Billion USD)	Net Revenue Life of Mine (Million or Billion USD)
Stage 1: Gcwihaba Iron Ore Mine FeSi Production	1.8	59	~\$480M USD	~\$28.3B USD
Stage 2: Gcwihaba Iron Ore Mine Base Case	7.2	59	~\$200M USD	~\$11.8B USD
Stage 3: Gcwihaba Iron Ore Mine Full Size Project	63	76	~\$2.1B USD	~\$153.3B USD
Khoemacau Copper Mine	~5.8	22	~\$41M USD	~\$900M USD
Lucara Karowe Diamond Mine (Open Pit)	~3.0	14	~\$222M USD	~\$4.9B USD
Debswana (All In)	-	-	~\$3 – 3.5B USD	-

As discussed, the Company also has a Rare Earth Element (REE) prospect, and has defined an Exploration Target of over 76 to 92 Million Tonnes of Skarn Deposit which may contain 0.05% to 1% Total Rare Earth Element Oxide (TREO). Which at today's Rare Earth Element prices is over **\$800 million to over \$19 billion US dollars** of in-situ value in terms of Rare Earth Elements. This in combination with the potential the Company has shown for Iron, Copper, Cobalt, Gold and REE within these same Katanga meta-sediments and associated basement complex makes these licenses very exciting indeed.

### **General Summary of what is next for the Gcwihaba Projects**

**Iron Ore Mine Development:** The Company is currently exploring options for developing the XIF resource. To this end the Company is looking to initiate a **Preliminary Economic Assessment (PEA)** for this project. The objective of this PEA will be to conduct an early stage economic analysis of the potential viability of the mineral resources and to develop a general strategy to move the project forward, given its premium ore potential. The PEA will include detailed studies into; processing and engineering strategies; equipment and technology requirements; transport and infrastructure requirements; identification of potential environmental and social aspects; associated costs such as capital costs, operational costs, and life-cycle costs; and, anticipated revenues. The potential for a small scale start-up mine supplying magnetite to a small scale ferrosilicon (FeSi) plant which will sell FeSi products to the mines in Botswana and the mines in the local SADC area is also being explored as a way of initiating mining at a small scale while a larger scale mine and infrastructure can be explored and developed.

The company is also developing areas of resource to the south-west of the current 441 million tonnes of Fe resource along the strike of the XIF. Initially the company is looking to add **300-400+ million tonnes of additional Fe resource**, but eventually could look to delineate the full **5-7 billion tonnes** of Fe Exploration Target as a resource.

**Copper and Cobalt Exploration:** Remaining soil samples will be sent for TerraLeach analysis to assist in refining the high priority Cu and Co targets so focused drilling of these targets can occur.

**Rare Earth Element Exploration:** Advance the next stage of REE drilling and exploration program to further define the grade and tonnage of these REE deposits.

**Gold Exploration:** Holes identified for further assay will be sent and will lead to drill target generation and drilling of these targets to define grades and tonnages further.

### **Summary**

In brief the following exploration and development programs will be undertaken (the following is a summary and extrapolation of the detailed program in Form 1):

1. Preliminary Economic Assessment (PEA) into the Xaudum Iron Project
  - ◇ Economic Viability of the project best Option and Approach
  - ◇ Trade-off studies for achieving the project objectives
  - ◇ Process Design Criteria (PDC)
  - ◇ Process description
  - ◇ Principle equipment definition
  - ◇ Principle Opex calculations for the plant
  - ◇ Block Flow Diagrams (BFD's) for beneficiation options
  - ◇ Preliminary capital and operating cost estimates

- ◇ Assessment of the positive impact to the Botswana economy given its drive to diversify its economy away from Diamond based revenue
  - ◇ Initial Environmental Impact Assessment Study
  - ◇ PEA will review:
    - Infrastructure
    - Mine, plant, beneficiation
    - Transport road and rail
    - Water supply
    - Electrical power availability
    - Housing, and communications
    - Further Resources Evaluation
  - ◇ Human Capacity building local employment and skill development generated
  - ◇ Technology + methodology improvements (green tech)
2. This PEA will lead into a development strategy for the Xaudum Iron Project, which will include resource definition, and Feasibility work and studies to lead into mine development.
  3. Delineation of an initial **300-400+ million tonnes of additional Fe resource** to the south west of the current resource.
  4. Further eventual development of the full **5-7 billion tonnes** of Exploration Target as Fe resource.
  5. General Development of the Iron ore mine, with a 50 plus year mine life
  6. General Exploration and drilling into the Copper, Cobalt, and Gold targets in the licences
  7. Further Exploration to define better the exciting Rare Earth Element (REE) Skarn prospect
  8. This will included but not be limited to; drilling, assaying, engineering studies, technical studies, economic studies, geotechnical and hydrological sampling and studies,, and metallurgical sampling and studies.
  9. Further Geophysical Ground work and studies are planned, alongside mapping.
  10. Plus general Feasibility Studies and Assessments.

All of this will be undertaken in the next phases of work by Gcwihaba.

### **Strategic Partnership with Mineral Development Company Botswana (Pty) Ltd. to obtain Equity Funding and Accelerate Work on the Xaudum Iron Project**

The Minerals Development Company Botswana (MDCB) identified the Xaudum Iron project as a potential strategic project for Botswana and as such a key and exciting investment for MDCB. The MDCB scoping studies undertaken during their extensive review of the project identified a number of development scenarios that could be economically successful, ranging from small scale non-traditional start-up options through to mid-size base-case scenarios, as well as large-scale opportunities. **All of which could create significant revenue and jobs adding significantly (to a scale of Jwaneng) to the Botswana's mining portfolio.** As such the MDCB board approved the Xaudum Iron project for investment at **every stage** and again at its final stage on the 15<sup>th</sup> December 2020 when it sent the investment for final approval to the MDCB's main shareholder the Ministry of Minerals Resources, Green Technology and Energy Security ("MMGE") as represented by the Honourable Minister of Minerals Resources, Green Technology and Energy Security ("MMGE").

This exciting strategic partnership between Gcwihaba and the MDCB on the Xaudum Iron project in Botswana. The Xaudum Iron project has reached a stage of project development where it is crucial that the project is taken **forward with the right entity, a strategic partner, to develop this project to economic success.** MDCB is in uniquely positioned to partner with Gcwihaba on the development of this iron project as they have in house expertise and contacts

with industry leading individuals that can be brought on board to help enable Gcwihaba to bring the right expertise at the right stages of the project. This will ensure Gcwihaba can deliver the Xaudum Iron project on budget and on schedule. This will also allow Gcwihaba to take full advantage of synergies and cross industry partnership to help this project move towards mining in the **most efficient, environmentally friendly, and economic manner to deliver high quality iron mining.**

Below is a short timeline to show the MDCB investment process into the Xaudum Iron project and stages that the project has been through.

#### February 2018

- Managing Director of Gcwihaba and MDCB Chairman meet and go over the project and introduce the project as a funding opportunity

#### April 2018

- Confidentiality Agreement signed by both parties

#### April 2018 to December 2018

- Multiple meetings and documentations shared by Gcwihaba relevant to the project

#### July 2019

- Meeting with new MDCB management personnel to re-introduce the Xaudum Iron project as a funding opportunity
- Project taken forward by MDCB management for due diligence review

#### October 2019

- Kick off meeting with MDCB due diligence team

#### November 2019

- MDCB undertake a detailed due diligence technical review of the project using independent technical team
- All data is uploaded into data room for this due diligence process
- Due diligence review concludes the project is a worthy investment for the MDCB

#### December 2019

- Project as an investment opportunity is presented to the MDCB main board
- Board recommend that the project is reviewed by the MDCB Investment Committee
- Investment Committee reviews and approves the project as an investment opportunity for the MDCB, subject to the main board approving it
- Main MDCB board approve the investment case for further technical review

#### Jan 2020

- More data including summary documents and resource development plan added to data rooms for more detailed technical review

#### February 2020

- Final meeting with the due diligence team to finalise the detailed technical review
- Technical Review presented to the MDCB Investment Committee
- Investment committee approves the investment case for the project once more

#### April 2020

- The main MDCB board and Investment Committee was disbanded and would require reconstitution before they could (again) hear the investment case for funding the Xaudum Iron Project

#### August 2020

- MDCB board and Investment Committee were both reformed

#### September 2020

- The investment case was presented again to the new Investment Committee
- New Investment Committee agreed again that the project was an investment opportunity the MDCB should progress
- The project was again taken forward to the new main MDCB board for final approval

#### October 2020

- The Xaudum Iron project investment opportunity was presented to the main MDCB board and approved
- The main board recommended that the MDCB take the investment opportunity through the final stages
- MDCB conducted a detailed Know Your Customer (KYC) and Legal review with a mind to finalising the investment in the project

#### November 2020

- MDCB finalised the Scope of Work document for the Investment Committee

#### December 2020

- The Legal and KYC review were completed successfully
- KYC and legal review presented to the MDCB Investment Committee
- Investment Committee once again approved the project as an investment opportunity to take to the main MDCB board for the final time
- The main MDCB board approved the project as an investment for the final time on the 15<sup>th</sup> December 2020
- MDCB sent all the documentations and reports to the Ministry and asked the Ministry to ratify the MDCB board decision and approve the Xaudum Iron project for investment by the MDCB

#### January 2021

- Documentation and data room was presented to the Ministry for Ministry to review

#### February 2021

- Xaudum Iron project was presented to the Permanent Secretary Mr. Mmetla Masire by Gcwihaba

#### May 2021

- May 14<sup>th</sup> MDCB presented the case for investment in the Xaudum Iron project to the Minister Honourable Minister Lefoko Maxwell Moagi
- May 24<sup>th</sup> the Honourable Minister Lefoko Maxwell Moagi, and Director Sellinah A Mogojwa, visit the Gcwihaba Xaudum Iron project in the northwest Botswana to appreciate the project

## Effects of Covid-19 on the Company

It is well known and documented, the Covid-19 pandemic has had a substantial negative impact on all areas of life including individuals, all industries, and all businesses alike, and the business of exploration and prospecting is no exception.

The local and global constraints, inclusive of financial constrictions, placed on us all have meant that conducting any form of work and normal business for an exploration Company such as Gcwihaba has been hard and to near impossible.

The Ministry recognized the effects of the Covid-19 pandemic on the economy, including the mineral industry, and as such the Company was granted a forbearance of one (1) year of prospecting programme for these prospecting licenses (PL 020-026/2018). The company has somewhat been able to outlast the ongoing and debilitating effects of the pandemic and is looking to make up for the lost time in its activities on this next renewal (See Form1 and an overview above).

### **Financing:**

Tsodilo Resources Limited will continue financing the evaluation of these Gcwihaba licenses, please see the attached *Resolution of Directors*.

### **Social Responsibility:**

Local manual workers are benefiting from the project through temporary jobs. Thousands of permanent jobs will be created when the Xaudum Iron Project becomes a mine.

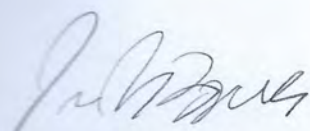
### **Acknowledgment:**

The Company acknowledges that it is required to seek environmental approval from the Department of Environmental Affairs (DEA) ahead of the commencement of any covered work as applicable and designated by the process dictated by the Environmental Assessment Act 2011 and Environmental Assessment Regulation 2012 inclusive of "Project Brief" submissions after the first-2 year renewal of these licenses (PL020/2018, PL021/2018, PL022/2018, PL023/2018, and PL024/2018) is granted. Said applications shall detail locations of works, any applicable environmental impacts and mitigations alongside any applicable Environmental Management Plans and Environmental Impact Assessments on these.

### **Concluding remarks:**

Gcwihaba Resources (Pty) Ltd is fully committed to complete the evaluation and assessment of the Xaudum Iron Formation Project and ultimately develop the first iron ore mine in Botswana. We have enjoyed a positive and close relationship with the MMGE and look forward to continue with this project to the successful completion to the benefit of the local community and Botswana in general once the application for the renewal has been approved.

Respectfully submitted,



James M. Bruchs  
Managing Director



## Appendix VI

### COORDINATES OF GCWIHABA METAL LICENSES RENEWAL

PL020/2018					
Co-ordinate	WGS 84 UTM 34S		DEGREES DECIMAL		Total Area
Corner point	E	N	LONG	LAT	km <sup>2</sup>
A	570444.848	7977388.22	21.6665297	-18.2919223	454.4
B	579361.883	7979142.99	21.7508269	-18.2757505	
C	580802.633	7977466.83	21.7645231	-18.2908449	
D	581716.05	7976882.99	21.7731883	-18.2960866	
E	582525.883	7976619.33	21.780861	-18.2984383	
F	582911.966	7975894.24	21.7845433	-18.3049763	
G	583147.383	7974952.58	21.7868092	-18.3134774	
H	583505.216	7974265.16	21.7902233	-18.319676	
I	584333.883	7973012.74	21.7981165	-18.330962	
J	585746.383	7970818.66	21.8115756	-18.3507344	
K	586057.133	7970460.83	21.8145317	-18.3539557	
L	586509.133	7970187.74	21.8188212	-18.3564054	
M	587921.633	7969811.08	21.832206	-18.3597515	
N	589465.967	7969189.57	21.8468499	-18.3653038	
O	589739.05	7968709.32	21.8494558	-18.3696324	
P	589974.467	7967824.16	21.8517233	-18.377622	
Q	589823.8	7965827.82	21.8503856	-18.3956698	
R	591942.55	7963191.16	21.8705625	-18.4194071	
S	592196.8	7961769.24	21.8730345	-18.4322462	
T	593016.05	7960535.66	21.8808483	-18.4433584	
U	593402.133	7960215.49	21.8845189	-18.4462348	
V	594004.8	7959895.32	21.8902406	-18.4491015	
W	594579.217	7959283.24	21.8957086	-18.4546074	
X	595134.8	7958953.66	21.9009853	-18.4575609	
Y	595982.3	7957051.49	21.9091014	-18.4747126	
Z	598101.05	7954499.57	21.9292917	-18.4976769	
AA	570386.271	7954518.14	21.6667701	-18.498616	

**COORDINATES OF GCWIHABA METAL LICENSES RENEWAL**

PL021/2018						
Co-ordinate	WGS 84 UTM 34S		DEGREES DECIMAL			Total Area
Corner point	E	N	LONG	LAT		km <sup>2</sup>
A	605406	7926795	21.99994417	-18.7476822		572.5
B	591145	7926741	21.86466857	-18.748841		
C	576231	7954513	21.72213254	-18.4984627		
D	598074	7954522	21.92903558	-18.4974794		

**COORDINATES OF GCWIHABA METAL LICENSES RENEWAL**

**PL022/2018**

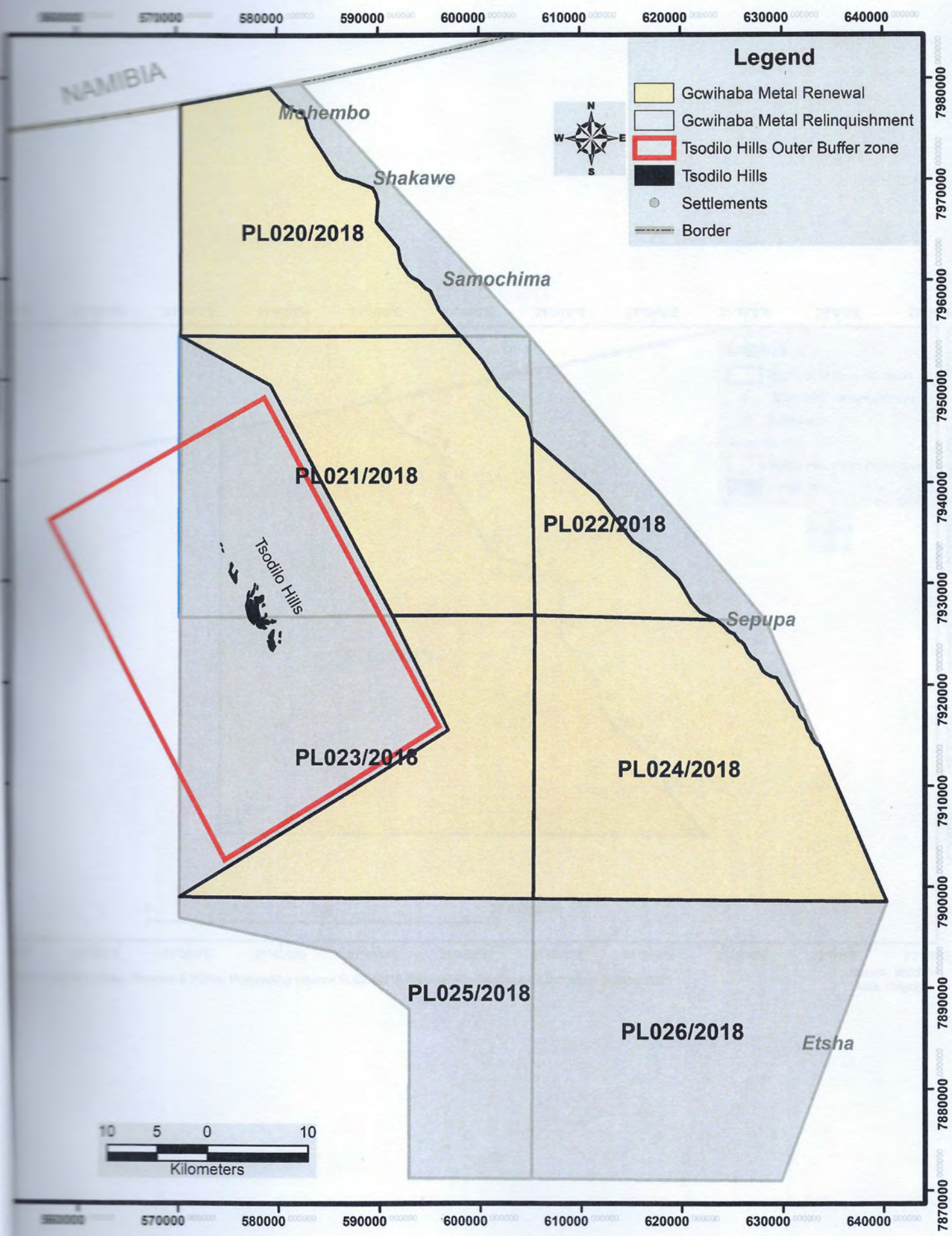
<b>Co-ordinate</b>	<b>WGS 84 UTM 34S</b>		<b>DEGREES DECIMAL</b>		<b>Total Area</b>
<b>Corner point</b>	<b>E</b>	<b>N</b>	<b>LONG</b>	<b>LAT</b>	<b>km<sup>2</sup></b>
A	605412	7926801	21.99999774	-18.7476278	160.4
B	623319	7926346	22.16987842	-18.7507513	
C	605158	7944411	21.99666239	-18.5885081	

**COORDINATES OF GCWIHABA METAL LICENSES RENEWAL**

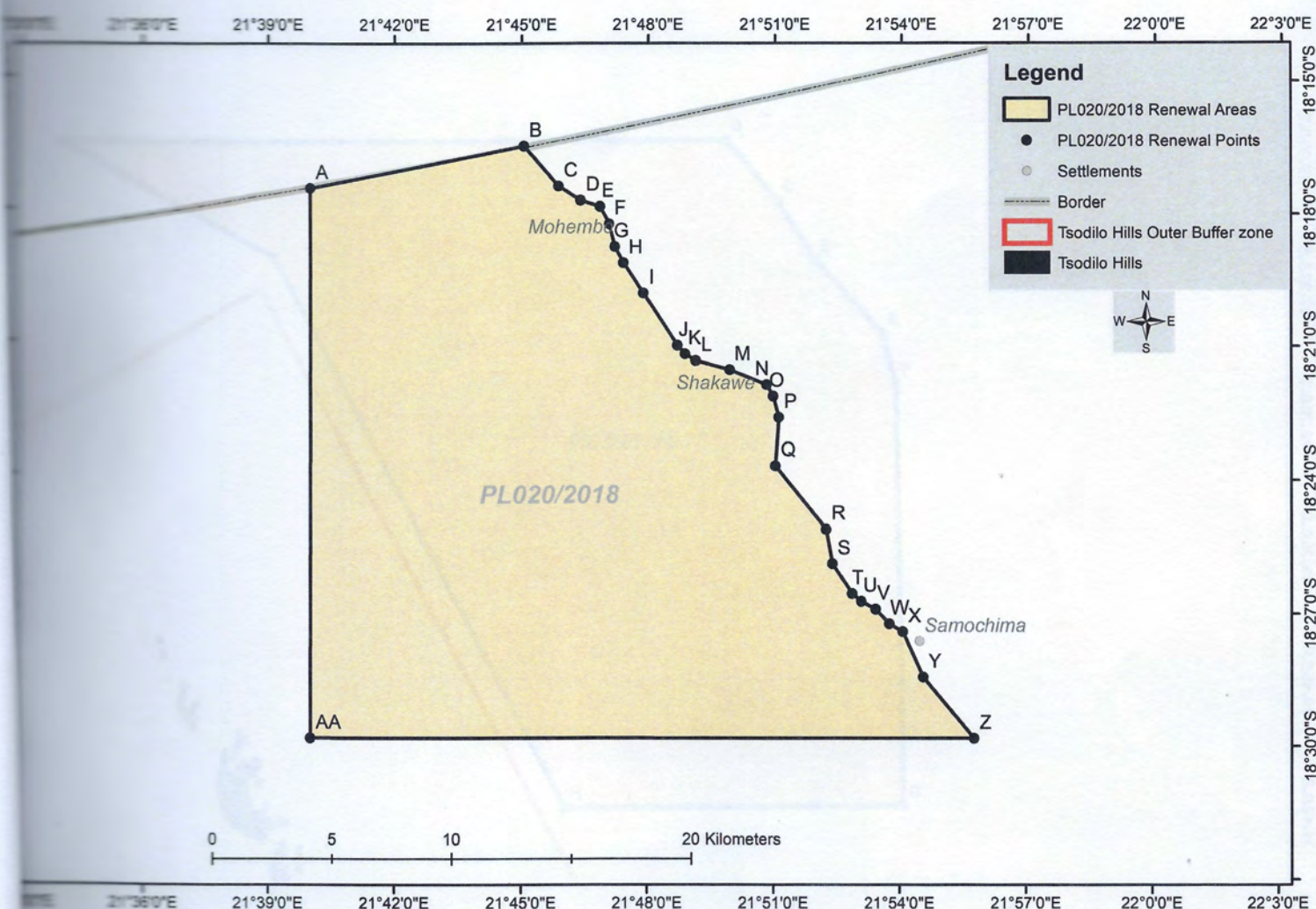
PL023/2018						
Co-ordinate	WGS 84 UTM 34S		DEGREES DECIMAL		Total Area	
Corner point	E	N	LONG	LAT	km <sup>2</sup>	
A	583636	7898933	21.7946241	-19.0004558	491.3	
B	599978	7909173	21.94935106	-18.9071928		
C	591194	7926724	21.86513897	-18.7489995		
D	605400	7926797	21.99988565	-18.74766		
E	605208	7898756	21.99956413	-19.001065		

**COORDINATES OF GCWIHABA METAL LICENSES RENEWAL**

PL024/2018					
Co-ordinate	WGS 84 UTM 34S		DEGREES DECIMAL		Total Area km <sup>2</sup>
Corner point	E	N	LONG	LAT	
A	570389	7954511	21.666795	-18.498682	783.5
B	598196	7954490	21.930187	-18.497764	
C	600274	7951985	21.949997	-18.520300	
D	601841	7949480	21.964966	-18.542859	
E	604633	7946421	21.991581	-18.570363	
F	605166	7944354	21.996739	-18.589022	
G	605415	7926796	22.000029	-18.747674	
H	591285	7926761	21.866000	-18.748660	
I	579267	7949661	21.751084	-18.542193	

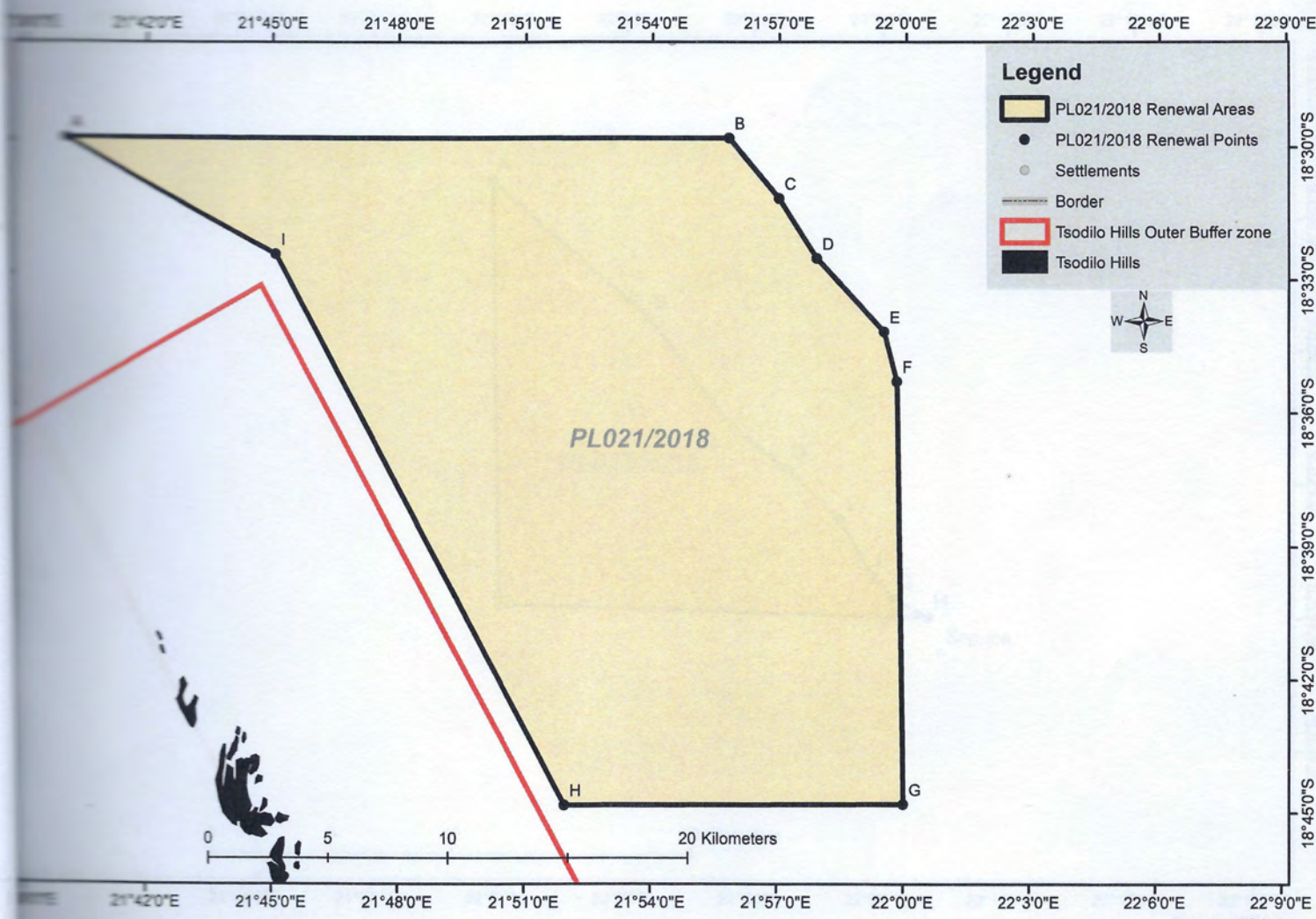


Gcwihaba Metals (Base, Precious & PGMs) Prospecting Licence Renewal Application: October, 2021

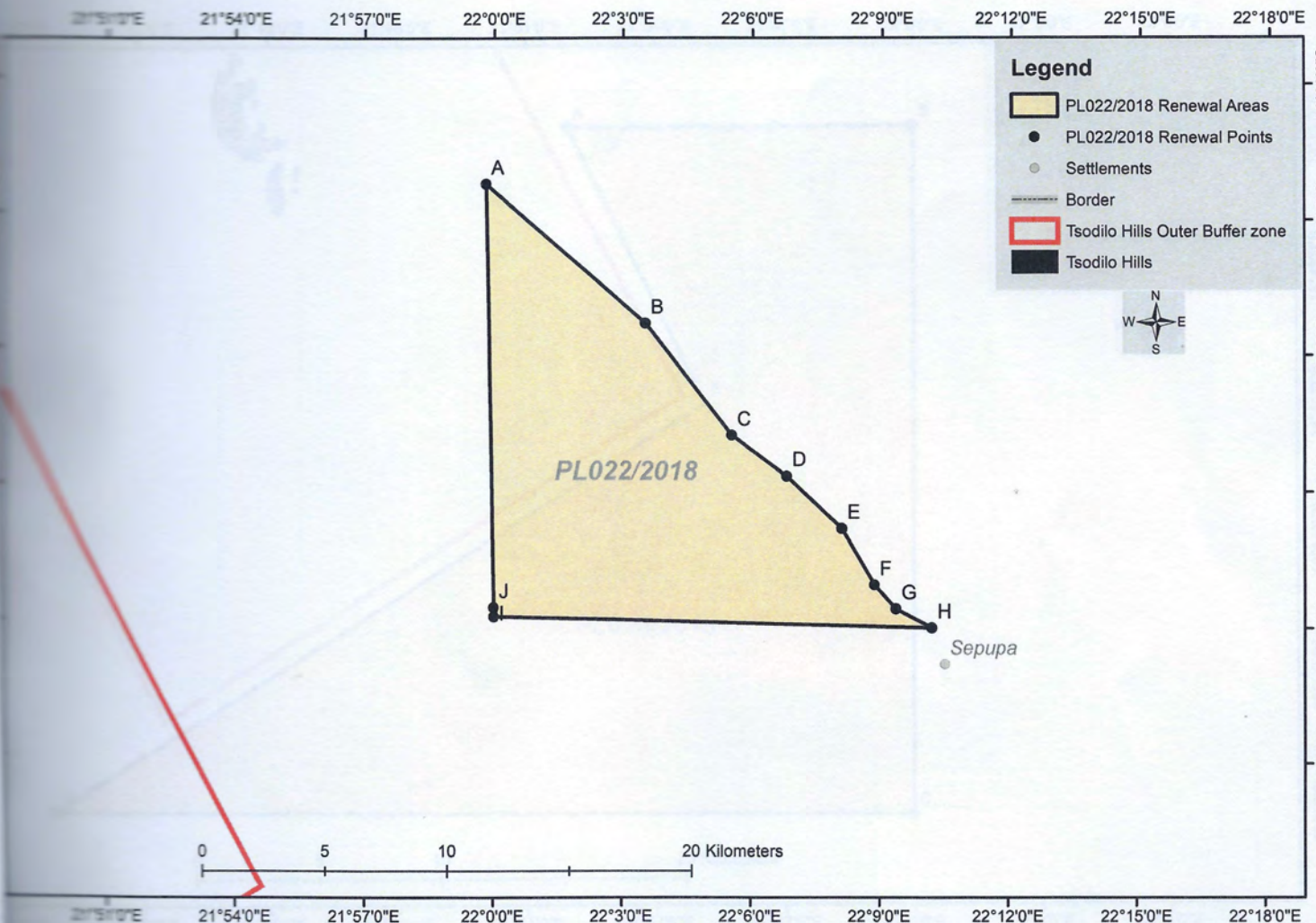


Platinum, Nickel (Base, Precious & PGMs) Prospecting Licence PL020/2018 Renewal Re-Submission Application: October 2021

Datum: WGS 84  
Units: Degree




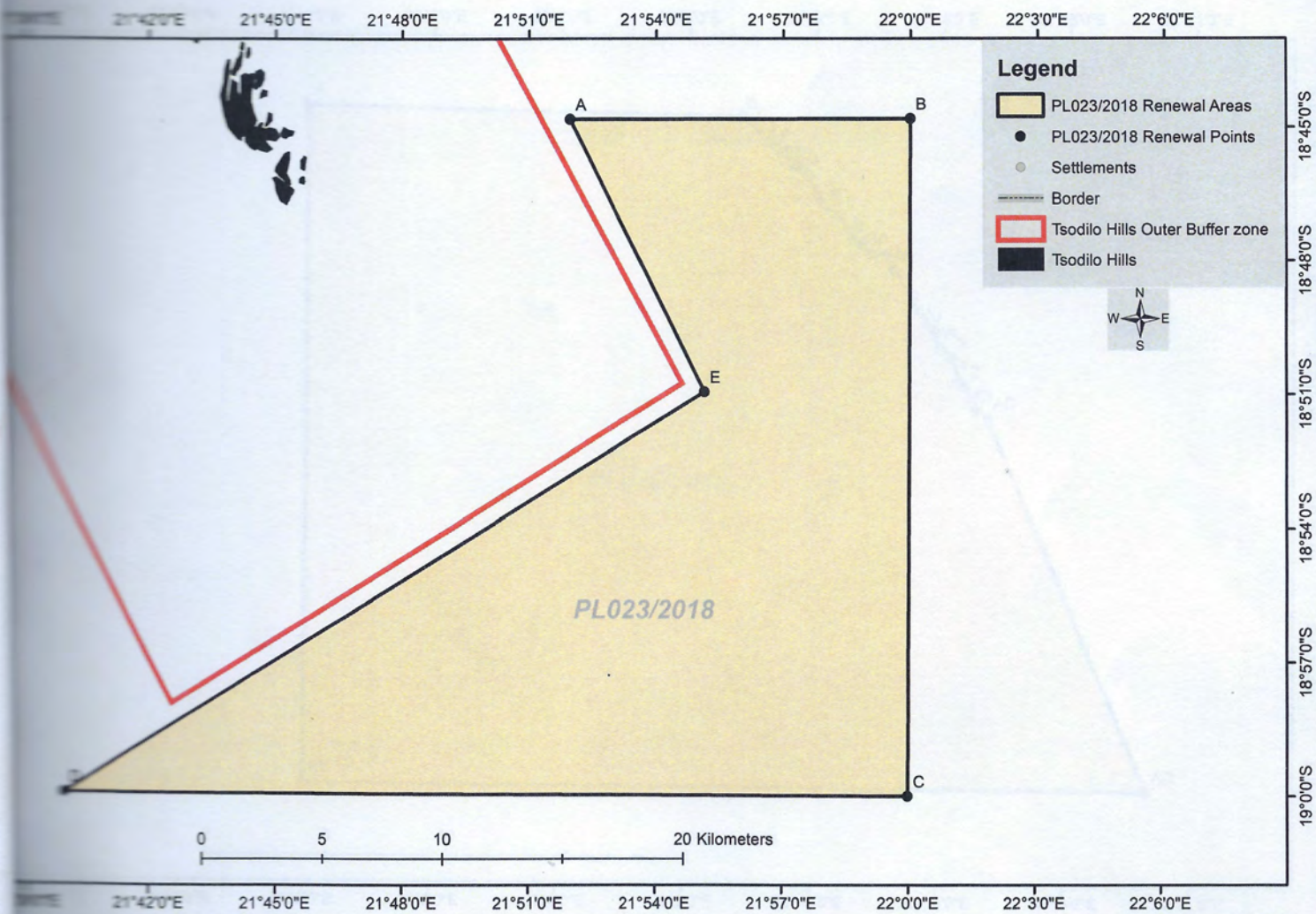




**Legend**

- PL022/2018 Renewal Areas
- PL022/2018 Renewal Points
- Settlements
- Border
- Tsodilo Hills Outer Buffer zone
- Tsodilo Hills

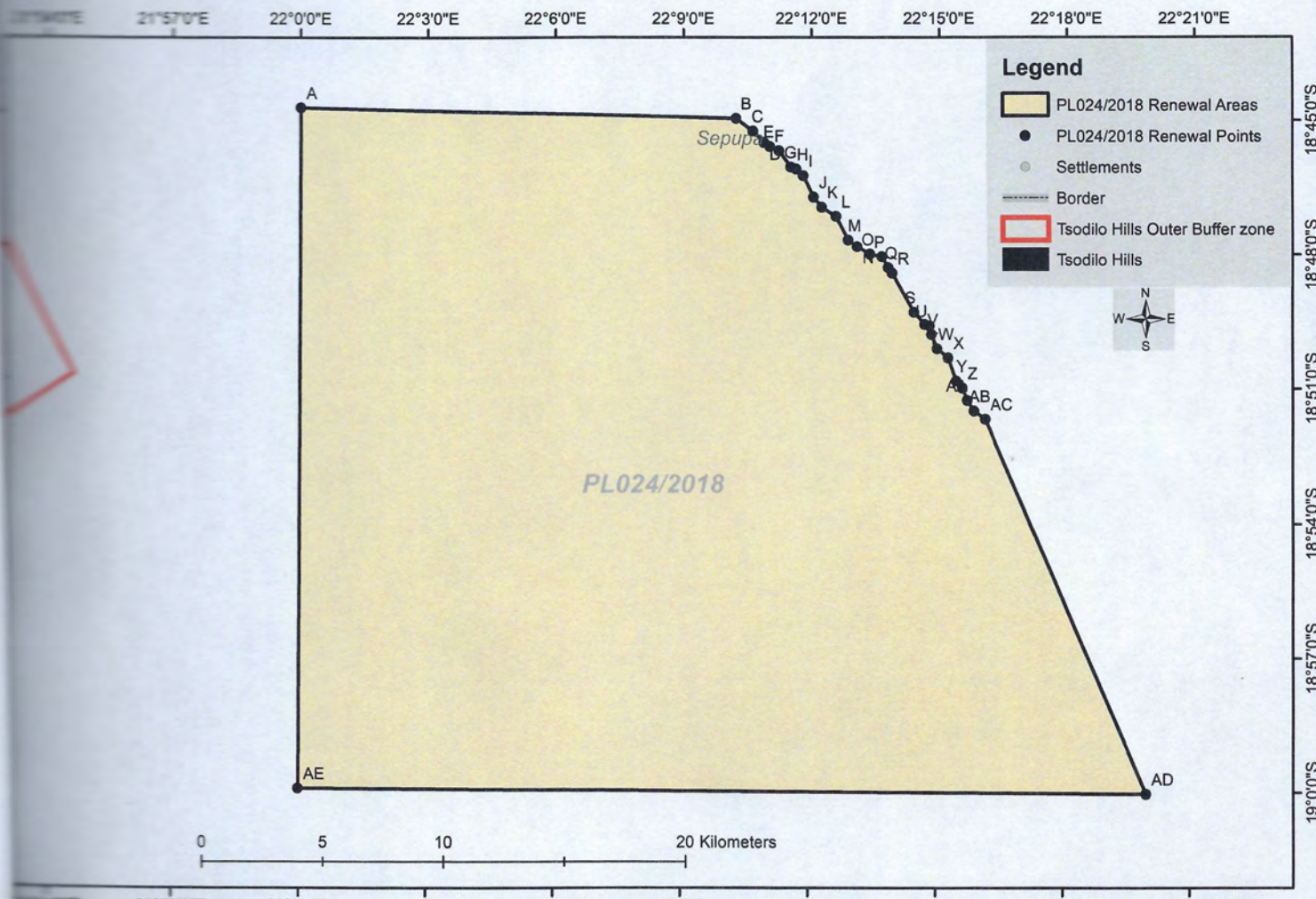




**Legend**

- PL023/2018 Renewal Areas
- PL023/2018 Renewal Points
- Settlements
- Border
- Tsodilo Hills Outer Buffer zone
- Tsodilo Hills





Platinum, Metals (Base, Precious & PGMs) Prospecting Licence PL024/2018 Renewal Re-Submission Application: October 2021

Datum: WGS 84  
Units: Degree