

GCWIHABA RESOURCES (PTY) LIMITED

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27th April 2022

To: Honourable 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

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

Re: Application For Renewal of Prospecting License No. 020/2018.

Dear Honourable Minister Moagi,

Thank you for your letter of April 26, 2022.

Gcwihaba Resources (Pty) Ltd. (Gcwihaba) fully understands your commitment to ensure that activities which take place within the *buffer zone*, an area controlled by the Republic of Botswana (State Party) and **not part** of the Okavango World Heritage Property (OKWHP), are conducted in such a way that it they do not have an adverse impact on the OKWHP.

PL020/2018 has existed in one form or another since 2008 and always in the area currently known as the *buffer zone*. Chronologically, the *buffer zone* encroached on our license area as our license existed six (6) years prior to the buffer zone being establish by the State Party in 2014. In fact, a compliant NI 43-101 441Mt resource report was prepared and filed with MMGE prior to the *buffer zone* and the OKWHP being established. For clarification, only the area known as the *core zone* is part of the OKWHP and it is defined in and known by as the Property in the UNESCO documentation. See, <https://whc.unesco.org/en/list/1432/documents>.

We agree with your sentiments that if mining were to take place within the *buffer zone* that an Environmental Impact Assessment (EIA) must first be conducted and made part of any mining application and further an Environmental Management Plan (EMP) must be filed before exploration activities are to be conducted. The foregoing is consistent with the Mines and Minerals Act, the Environmental Assessment Act of 2010 and the Environmental Regulations of 2012 and are applicable not only to us but to all resource activities in the country. **However, under existing law, before either an EIA or a EMP can be conducted and approved, a company must first have the prospecting license.**

Your sentiments 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)

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*“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,

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*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.

Accordingly, as we are in full compliance with all laws, we respectfully request that PL020/2018 is renewed as we have proposed as it is now almost 11 months since we filed for its renewal. If there is further delay in awarding the license, we request that the State Party reimburse us for its’ taking what is legally ours, the exploration costs (+25M USD) and the present value of the in-situ value (\$6-7Billion USD) of that portion of the resource in the buffer zone.

Thank you again for your attention to this matter and please be assured that we are committed to developing our project in full compliance of all relevant existing laws. In addition, Gcwihaba adopted Occupational Health and Safety Assessment Series (OHSAS 18000) and the International Financial Corporation (IFC) Performance Standards and Environmental, Health and Safety Guidelines when IFC, a member of the World Bank became a shareholder of Gcwihaba’s parent company, Tsodilo Resources Ltd. in 2010.

Respectfully submitted,

James M. Bruchs
Managing Director