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REF:



REPUBLIC OF BOTSWANA

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

DATE 20/12/21

TO: GOWI HABA
RESOURCES (PTY) LTD

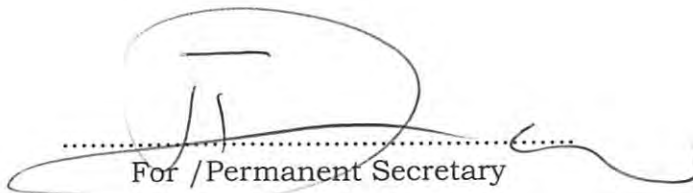
ACKNOWLEDGEMENT LETTER

RE: PLO 20/2018

We acknowledge receipt of your letter referenced NO REF and dated 20/12/21 on the above subject matter. Feedback will be communicated to you within 10 working days from receipt of this correspondence.

Please contact C. Popo at telephone number 3656600 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 20/12/21

TO: GCWI HABA RESOURCES

ACKNOWLEDGEMENT LETTER

RE: PLO20/2018

We acknowledge receipt of your letter referenced NO REF and dated 20/12/21 on the above subject matter.

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

YOUR ATTACHMENTS ARE:

[Handwritten signature]

Received by:

BZAMMARI

Thank you

[Handwritten signature]
For/Director



GCWIHABA RESOURCES (PTY) LIMITED

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

December 20, 2021

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

Re: PL020/2018

Dear Honourable Minister,

Subsequent to the briefing we provided to yourself on the 6th December, it has come to my attention that there may be a lack of historical knowledge amongst staff with respect to the PL020/2018 license matter. We believe this lack of historical knowledge results in a view of our Company and the Project. The view that was expressed to us was that “Tsodilo Resources Limited / GcwiHaba Resources (Pty) Limited (hereinafter, the “Company”) and its shareholders and stakeholders should not be of the view that they will be injured or damaged if PL020/2018 is not renewed as the Company has proposed”. The rationale, for this view as I understand it, is that the Company should have informed its shareholders and stakeholders that the area which represents a metal resource of some 164 Mt of iron and which has in-situ value of around \$6.8 Billion USD (P78 Billion BWP) is situated in the buffer zone. I must address this issue so that it does not permeate the decision-making process for license renewal as it is a non-issue.

The Company has had a legal title to the ground represented by Prospecting License 020/2018 since October 1, 2008 and subsequently renewed in its entirety on January 1, 2012, July 1, 2016 and October 1, 2018. The Company defined an initial resource of some 441Mt of iron in 2014. The Okavango Delta World Heritage property was designated in July 2014 and subsequently the buffer zone enveloped our license boundary and resource.

The Company, its shareholders and stakeholders have always held the view promulgated by the Botswana Government (“State Party”) to UNESCO with respect to the Okavango Delta World Heritage property. In 2013, the State Party filed with UNESCO a World Heritage Nomination Dossier Okavango Delta. On page 107 of the dossier, the State Party stated as follows:

*“Threats from mineral exploitation. 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, and Environmental Impact Study (EIA) will be required as part of Botswana’s EIA Act, which would address concerns relating to the World Heritage property (emphasis added).**”*

Further to this, on page 405 of the same dossier, the State Party set forth the following:

*“**REPORT ON THE STATUS OF MINERAL CONCESSIONS WITHIN THE OKAVANGO DELTA:** Prospecting Licenses (PLs) found in the Core and those overlapping the Core and Buffer Zones are mainly Metal Minerals, which is Base and Precious Metals. They are eleven (11) in total. There is one prospecting license that is in the Core Area and it is expiring on the 31st March 2015. The rest of the ten (10) Prospecting*

Licenses are overlapping the Core and Buffer Zone, seven (7) have expired, while three (3) are active and expires on the 30th September 2014. 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)".

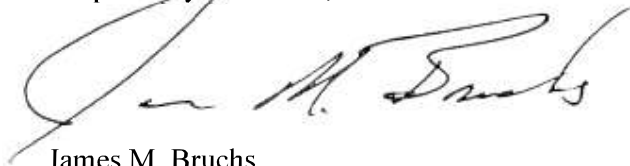
Setting aside the issue of whether we were ever consulted (we were not), it is clear from the record that the position of the State Party remains the same today as it did in 2013 as the record at UNESCO shows no change in those policies. Further, after designating the Okavango Delta as a World Heritage property, the State Party via the power vested in Chapter 66:01 Mineral and Mines Act renewed the license in its entirety in 2016 and 2018 all the while requiring the Company to expend resources and continue its exploration and evaluation efforts on its newly discovered iron resource. Simply stated, given the history of PL020/2018 there is no restriction in the record that prohibits PL020/2018 from being in the buffer zone or the buffer zone to be on PL020/2018. This is consistent with the view held by the Ministry in 2016 and 2018 when the license was renewed.

Our review of the UNESCO record indicates that there are representations concerning the Company's licenses that are not factual. We can offer no explanation for the inaccuracies as we were not a party to any communication with UNESCO with respect to our licenses.

Notwithstanding the aforementioned, the Company has proffered a proposal to resolve our mutual issues and have discussed such with yourself on the 6th December, the Company believes that the issue of title should not become a nullifying factor with respect to consideration of our proposal for the reasons stated above. We remain resolute to finding an amicable resolution.

Thank you for the opportunity to share our views on this matter, we are available to discuss this matter in virtual meetings with yourself or your designee at the earliest convenience.

Respectfully submitted,



James M. Bruchs
Managing Director, Gcwihaba Resources (Pty) Limited
Chairman & CEO, Tsodilo Resources Limited
Cc: Director of Department of Mines