

Memo

To: Mr. James Bruchs
From: Dr. Alistair Jeffcoate
Date: 11th January 2022
Re: Meeting with DPS Mr. Johannes Tsimako

At 8am Dr. Alistair Bryan Jeffcoate and Mr. Milton Keeletsang meet with the DPS Johannes Tsimako at his office at around 8am on Tuesday 11th January 2022.

The issues with our license PL020/2018 were brought up.

- Tsimako initially mentioned that he thought that that particular license had been issued to us with the part in the buffer zone removed.
- Jeffcoate said that it had not.
- Jeffcoate also mentioned that if it was issued without the part in the buffer zone then that would be a problem for us. As that would constitute a taking and a major issue that would cause us to act.
- Jeffcoate said that is why were are here today to ask that you realize that this is should be a negotiation and not a taking. A taking would be illegal and against the Mines and Mineral Act, and also goes against the words and argument made by the State Party in the documents filed with the World Heritage Committee (WHC), that "It is important to note that there are challenges in this process given that the duration of the prospecting licenses is 7 years and negotiable with the respective companies who may have invested heavily in the process over the years. "It is important to note that there are challenges in this process given that the duration of the prospecting licenses is 7 years and negotiable with the respective companies who may have invested heavily in the process over the years." (State of Conservation Report, 2015).
- Jeffcoate went on to mention that the WHC documents categorically showed that the buffer zone is outside the World Heritage property as per the definition in the Operational Guidelines.
- Jeffcoate went on to mention that all documents submitted by the State Party to the WHC state that that prospecting is permitted in the buffer zone and that detailed EIA would be required ahead of mining. This would mean that the DOM and the Ministry would be able to grant the renewal as Gcwihaba submitted in October 2021 with the part in the buffer zone

included and it be completely legal and allowed under the understandings of the State Party and the WHC.

- Jeffcoate mentioned that our shareholders and stakeholders would not accept a taking without something in return.
- Jeffcoate discussed that we did have a solution and had proffered such in our letters and meeting with the Minister. Where our suggestion that the investment with the MDCB would go ahead and it would be written into the legal documents that once the investment goes ahead the Company would relinquish the ground in the buffer zone. Where it would be a legal requirement that once the MDCB goes ahead the ground would have to be relinquished by our Company as the MDCB investment documents would be legally binding.
- Tsimako went on to mention that we should not be assuming that the MDCB deal will go ahead and that there are lots of steps and hurdles and stakeholders such as the Cabinet and the Department of Finance, and the Bank of Botswana etc.
- Tsimako went on to say that if you want to negotiate the Companies position then you have to go back to the Department of Mines (DOM) and ask them to arrange a meeting with all the stakeholders, such as the Director of Mines and the senior Ministry personal.
- Tsimako said that the Company would potentially need to submit an EIA ahead of the grant of the PL.
- Jeffcoate responded saying that the EIA Act is clear that no EIA can be submitted without the company holding a PL. So how can you submit an EIA to ground you do not have license to. Normally EIA's are done when you have license and under the time frames of the company and followings the standard progression of a project. Plus EIA's are dependent on the type of works to be undertaken. A detailed EIA for mining for instance cannot be undertaken until the company has undertaken certain studies, which can only be undertaken under a PL. The goal posts cannot be moved on this.
- Tsimako reiterated that the Company needed to go back to the DOM to arrange the meetings it required to negotiate its position.
- Jeffcoate went on to mention that if a solution could not be found and the DOM and Ministry still insisted that the Company relinquished the ground in the buffer zone then it may be appropriate that compensation be applied for by the Company. If no alternative solution be found as suggested above in relation to the company relinquishing the buffer zone ground on completion of the MDCB investment deal.
- Jeffcoate went on to show an example of such was a mining company (Gabriel Resources) that had defined gold resources/reserves and had been planning on mining these in the area that had subsequently been listed as a UNESCO World Heritage. Where the site was listed as a Heritage Gold mining site. This inscription had managed to halt the plans by Canadian mining company Gabriel Resources to mine gold and silver in the area. The derailment of the plans led Gabriel Resources to sue the Romanian government for \$5.7 billion at for illegal removal of tenure at the Washington-based International Centre for Settlement of Investment Disputes, ICSID, which is part of the World Bank.