

Downstream Coal Beneficiation Opportunities in Botswana: Alternative uses of Coal

**BOTSWANA OPPORTUNITIES AND
CHALLENGES**
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CHALLENGES FACING THE DEVELOPMENT OF THE BOTSWANA COAL INDUSTRY

BENEFITS OF BOTSWANA'S COAL RESOURCE

- Plentiful
- Relatively easy to mine by comparison to resources in other regional jurisdictions
- Pockets of good quality coal
- Cheap to produce
- Attractive investment climate

CHALLENGES

- Stranded asset
- The logistics network to evacuate sufficient product
- Market understanding and access
- National mining skills inventory
- National project development skills base
- Funding models

INVESTMENT AND IMPLEMENTATION PRECURSORS

HOW DOES BOTSWANA SCORE AS A COAL INVESTMENT DESTINATION

- **SKILLS AVAILABILITY – BIUST MINING CENTRE INITIATIVE** ✓ IMPROVING
- **ATTRACTIVE INVESTMENT AND GOVERNANCE CLIMATE – BOTSWANA** ✓ VERY GOOD
- **BANKABLE OFFTAKE AGREEMENTS (STRENGTH OF NATIONAL BALANCE SHEET)** ✓
- **LOGISTIC SOLUTIONS** ✓ NEEDS SIGNIFICANT IMPROVEMENT GOOD POTENTIAL, BUT ECONOMY NEEDS DIVERSIFICATION AND STRUCTURAL REFORM
- **ATTRACTIVE POLICY FRAMEWORKS** ✓ VERY GOOD
- **BOLD LEADERSHIP** ✓ POSITIVE SIGNS FOR INVESTMENT BY GOVERNMENT
- **APPETITE FOR RISK** ✓ NEED TO REMEMBER AND REGAIN THE RISK APPETITE THAT GREW THE DIAMOND INDUSTRY
- **FAST EXECUTION TIMELINES FACILITATED BY SOUND POLICY** ✓ IMPROVING
- **GENERAL GOVERNMENT INVESTMENT SUPPORT** ✓ EXCELLENT

CHALLENGES FACING THE DEVELOPMENT OF THE BOTSWANA COAL INDUSTRY

GOVERNMENT OF BOTSWANA INITIATIVES TO IMPROVE INVESTMENT AND VALUE

➤ AMMENDMENTS TO MINERALS ACT

- Local / government investment option up to 26%
- Citizen empowerment
- Ring-fencing rehabilitation funding and stricter compliance – responsible mining
- Encouragement of downstream beneficiation

➤ LEPHALALE LINK PROJECT

- Required to evacuate product in a cost competitive manner
- Opens up logistics path for coal and many other mineral exports
- Potential to export coal and other minerals internationally

➤ MDCB – A PROFESSIONAL CUSTODIAN OF GOB MINING INTERESTS WITH A MANDATE TO ACTIVELY INVEST AND CAPACITATE THE INDUSTRY

CHALLENGES FACING THE DEVELOPMENT OF THE BOTSWANA COAL INDUSTRY

INITIATIVES TO IMPROVE INVESTMENT AND VALUE

BIUST MINING CENTRE

- Mining centre established to assist in capacitating the country's mining industry
- Industry driven skills development

AIMED AT DEVELOPING SKILLS AND CAPACITY IN:

- Technical fields required in the mining industry
 - Project management
 - Project development
 - Mineral economics
 - Technology skills development and scanning
 - Applied R&D
 - Due diligence process development
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- **IT IS DESIGNED TO SUPPORT MDCB AND BOTSWANA'S MINING INVESTMENT DRIVE**

THANK YOU



SAFETY



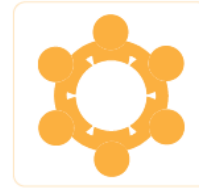
PASSION



CARING



GROWTH



**WORKING
TOGETHER**



EXCELLENCE