



Khoemacau Copper Mining announces First Concentrate Production

Gaborone – July 1, 2021: Khoemacau Copper Mines is pleased to announce the achievement of a major milestone at its Khoemacau Copper Silver Project yesterday, 30 June 2021, with the production of the first copper silver concentrate from its Boseto process plant. This milestone was achieved safely, within schedule and the overall Project remains within 3% of the original budget. The first shipment of concentrate is scheduled for July 2021.

Since underground development of Khoemacau's Zone 5 Mine commenced in early 2020, more than 350,000 tonnes of high-grade sulphide ore has been stockpiled on surface, and is available to feed the facility. The ore is transported 35km from the mechanised Zone 5 underground mine to the processing facility via a sealed haul road.

The Company expects to ramp up to full production through the balance of 2021. The Project has the capacity to produce 155,000 to 165,000 tonnes of high-grade copper and silver concentrate a year, containing approximately 60,000 to 65,000 tonnes of payable copper and 1.8 to 2.0 million ounces of payable silver. The Company expects to achieve this production rate in 2022.

CEO Johan Ferreira commented : "We are delighted to have reached this important milestone safely, on schedule and substantially within budget, thanks to the extraordinary efforts of the Khoemacau team and our business partners. This is particularly remarkable against the backdrop of the Covid-19 pandemic over the last 16 months."

After being briefed on this major achievement, Minister of Mineral Resources, Green Technology and Energy Security, Hon. Lefoko Moagi commented: "On behalf of the Government of the Republic of Botswana, we are very delighted that Khoemacau Copper Mining has achieved this major milestone and once again, it is a testimony to Botswana as a world class mining jurisdiction. We remain grateful that through foreign direct investment, Khoemacau will strengthen Botswana's mining industry. The Khoemacau Starter Project coming on stream shall unlock the potential of the Kalahari Copper Belt and stimulate confidence in Botswana's mining industry, for both greenfield and brownfield projects. We are grateful to Khoemacau and wish them great success, going forward."

Mr Ferreira paid tribute to all stakeholders who were key in making this a success, commenting:

"We are grateful to our stakeholders including local communities, the various levels of Northwest district leadership, the National Government, in particular the Ministry of Mineral Resources, Green Technology, and Energy Security, and government departments such as the Departments of Mines, Environmental Affairs, Transport, Wildlife, Labour and Immigration, for their support, guidance and co-operation to bring this national asset to fruition. Importantly, none of this would have been achieved without the significant financial commitment and ongoing support of our shareholders and funding partners through the last eight years."

Note to editors

The Khoemaçau Starter Project, involves the fully mechanised underground mining of sulphide ores at the Zone 5 Mine at a rate of 3.6 million tonnes per annum, followed by treatment of these ores at the upgraded Boseto concentrator to produce a high-grade copper silver concentrate.

The Starter Project is expected to produce a copper concentrate with an average grade of approximately 40% copper along with high-grade silver. This results in annual production of 60 000 to 65 000 tonnes copper and 1.8 to 2.0 million ounces silver per annum over a mine life in excess of 20 years. The average life-of-mine C1 cash costs are forecast at US\$1.30/lb, with all in sustaining costs of US\$1.75/lb, both costs net of silver by-product credits, at consensus metal pricing.

The Company's near-term plan is to expand Khoemaçau's ore throughput to approximately 8.0 million tonnes per annum, via the Expansion Project, which involves the construction of a new process plant dedicated to treat ores from an expanded Zone 5 Mine, together with the development of underground operations at the Mango North East, Zeta North East and Zone 5 North deposits. Ores from these mines will be treated at the Boseto process plant. The Expansion Project will increase production of payable copper and silver metal in concentrate to +125kt and +4.5Moz annually, respectively.

Khoemaçau is a private copper development company that was established in 2010 in partnership between funds advised by Global Natural Resource Investments ("GNRI") and management (through Cupric Canyon Capital) to acquire and develop copper assets. Khoemaçau is now owned 88.1% by Cupric Canyon Capital and 11.9% by RCF VII.

Resource Capital Funds ("RCF") is a group of commonly managed private equity funds, established in 1998 with a mining sector specific investment mandate spanning all hard mineral commodities and geographic regions. Since inception, RCF has supported 185 mining companies, with projects located in 53 countries and across 30 commodities. Further information about RCF can be found on its website (www.resourcecapitalfunds.com).

Khoemaçau is led by an international management team with extensive experience developing high-quality mining assets across the globe.

The Company has been developing the Khoemaçau Project, a 4,040 square kilometer land package in northwest Botswana, over the past eight years. One of the deposits within the Khoemaçau Project, Zone 5, was discovered in 2012 and has become the flagship deposit since it was acquired by the company in 2013.

In 2015, the Company acquired the Boseto assets (a previously operated copper project adjacent to Zone 5) following the insolvency of that company's parent. This acquisition offered the Company access to the 3.0 million tonnes per annum Boseto processing facility located 35 kilometres from Zone 5 along with extensive infrastructure, and various mineral resources and licenses. Since acquisition, those assets have been incorporated into the Starter Project.

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