

Khoemacau Mining Project

REJUVENATING BOTSWANA'S
COPPER INDUSTRY





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RESEARCH BY *Eurides Lopes*



Botswana is home to one of the fastest growing economies in the world. Despite being a landlocked country with a miniscule population of a little over 2 million people, Botswana is an undoubted Sub-Saharan success story. Academics argue about the reasons for this success, but two reasons are mentioned again and again. The first is good institutions. The second, has been the country's ability to exploit and market its outstanding mining resources.

One such resource is the Khoemacau copper project, an underground mine being developed by the American private equity firm Cupric Canyon Capital through its Icao subsidiary Khoemacau Copper Mining. Having begun production of its first copper and silver concentrate at the mine in June 2021, Business Excellence decided that it was a good time to pay a visit to the mine, which will play an important role in the next phase of Botswana's growth story.

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Canyon Capital”*

Overview

Khoemacau mine is based in the northwest of Botswana, in an area where copper mining has existed in some form since prehistoric times. In recent years, many of the legacy mines have shut down, so the news in February 2019 that Khoemacau Copper had signed a \$565m project funding package deal with Cupric Canyon Capital for the development of the high-grade Khoemacau copper project was a boost to the region.



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The Khoemacau Project was the biggest & most exciting project to happen to Hellenics. Hellenics, a Geotechnical Engineering Company that has been operating in Botswana for the past 14 years, provides Field Work Orientated Geotechnical Investigations such as Cone Penetration Testing, Geotechnical Drilling, On-Site Geotechnical Testing and Consulting on Fine & Course Residue Repositories. At Khoemacau, Hellenics provided detailed geotechnical investigations for the planned road network, 50 kilometres of the 132kV power line servitude, plant & support infrastructure such as Offices, Contractors Camps, Processing plant foundation assessment, dams and access roads.

Lastly I would wish to express sincere gratitude to Khoemacau Copper Mining and Fluor for giving us the opportunity & believing in Hellenics.

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“The Khoemacau mine project will be able to leverage this infrastructure over its 22-year life of mine (LOM)”

This funding, for what was known as the ‘Starter Project’ was eventually increased to \$650 million in July 2019. Underground development commenced a few months later in the first quarter of 2020, and was delivered on schedule at the end of the first half of 2021. Currently, the Expansion Project phase is underway, which will increase production from the existing 3.65Mt to 4.5Mt per annum, of which there will be 125,000t of copper and 4.5m ounces (Moz) of silver. The proven and probable mineral reserves at the mine have been estimated at nearly 34 million tonnes (Mt), grading 2.03% copper (Cu) and 19.66g/t silver (Ag).

Technical Components

In addition to its strong public institutions and mineral wealth, one of the reasons for Botswana’s economic progress has been its infrastructure. The Khoemacau mine project will be able to leverage this infrastructure over its 22-year life of mine (LOM). As an example, the power demand for the project will be provided by the Botswana power grid via a 50km-long overhead transmission line connected to a 132kV substation. The mine’s backup power will be supplied by existing diesel generators from the previous Boseto operations. Elsewhere, the process water requirement will be met from two nearby

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wellfields, at Boseto and Haka including a new 40km-long underground pipeline.

Sustainability

The Khoemacau mine operates under the banner, ‘zero harm’, reflecting its objective of zero harm to its internal and external stakeholders, the environment and local communities. The company has also developed a sustainability plan, in which there are five pillars: safety, health, environment, community and governance. Its first sustainability report is already in production with the intention of developing a holistic ESG framework for Khoemacau mine.

The company also continuously works with the Kgosi (community chiefs) and community members surrounding its mine to ensure they have their say in how the project progresses. In all, there are eight separate communities, and recent engagement with them has focused on project impacts and opportunities. The company has also worked closely with the district health authority to manage health issues in the region, providing ongoing wellness and education programmes to its employees and neighbouring communities.

Partners and Suppliers

Several partners and suppliers have

assisted, and continued to assist, in making the Khoemacau Copper Project a reality. These have included Concor Construction, responsible for the construction of dams underway at the mine's starter project. Hellenics Geotechnical Engineering Consultancy also played a central role here.

In terms of construction at the mine and its operations, Khoemacau Mining has been able to call on Barmnico International, Master Drilling and Mitchell Drilling International. The mining fleet, numbering several hundred separate vehicles, is supplied and maintained by Unitrans Africa and Joy Data, and their

energy and much of that required by the mining operations, is supplied by Astrong Energy and Caltex Oil Botswana. Finally, Botswana Insurance Co. takes care of the mine's considerable insurance requirements.

Future Outlook

Even in a country with Botswana's mining pedigree (the country is rated the third best in Africa for the ease of beginning mining projects), Khoemacau may turn out to be a game changer. At a time when it looked like the country might focus all its efforts on diamonds at the expense of other minerals,

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along comes one of the largest and most impressive projects in years, with huge foreign direct investment, and an expected life of over 20 years.

Evidence that the mine could change things for the country are already being witnessed: Preferred bidders have been identified for two closed copper mines in the country, and a third has set aside over \$250 million to fund the construction of another new mine in the Kalahari Copper Belt - not far from Khoemacau. While these investors were no doubt enticed by the prevailing high international copper prices, they will also have noticed that Khoemacau's off-take agreements are already in place and its first shipments of concentrate are expected in Q3 2021, a few months after operations commenced and an extremely impressive turnaround.

Above all, it's important that the mine is seen in a greater context. It is not just

another mining project for Botswana - it may be the start of the rejuvenation of the country's copper mining industry. As well as bringing opportunities in high-skilled employment, this means that the country can diversify away from its dependency on diamond mines - creating a more stable economic environment in the country. And as an important element for renewable energy systems, copper is a metal which is likely to remain in demand for the foreseeable future. Good news for Botswana and the Khoemacau mining project. **BE**

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