

Australia's Sandfire gets go-ahead to build Botswana copper mine

Australia's Sandfire Resources Ltd said it has been granted a mining licence and can start constructing a copper mine in Botswana's Kalahari copper belt, as the nation strives to diversify its sources of income away from diamond revenues.



Sandfire's T3 Motheo Mine. Source: Sandfire

The Kalahari Copper Belt, which extends over nearly 1,000km kilometres from northeast Botswana to western Namibia, is touted as one of the world's most under-explored mining regions with rich copper and silver deposits.

As a global shift towards a lower carbon economy increases demand for copper, which has hit record prices, the Kalahari region offers the government of Botswana its best chance of swiftly reducing its reliance on diamonds, analysts say.

Botswana's dependency on diamonds, which contribute 70% of its export revenue, came under the spotlight last year when the pandemic curtailed mining operations, reducing sales and the government's earnings.

Sandfire's T3 Motheo mine is the second copper mine to be developed in the region. US-based Cupric Canyon started production at its 3.6-tonnes per annum Khoemacau copper mine in June.

Construction

"Following the award of the mining licence, Sandfire will now mobilise additional personnel to site to commence construction of the process plant and other infrastructure," CEO Karl Simich said in a statement.

Mining will commence in 2022 with commissioning and ramp-up scheduled for early 2023, he said.

The mine, which will produce about 30,000 tonnes of copper and 1.2-million ounces of silver annually, is expected to generate approximately 1,000 jobs during the construction phase and 600 direct full-time jobs during operations.

Over its initial 12.5-year mine life, the mine is projected to deliver royalties to the Botswana Government totaling \$70m and corporate income tax in excess of \$200m, the company said.

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