

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations set out on page 5 of this Circular apply to the paragraphs below.

The Botswana Stock Exchange has not verified the accuracy and truth of the contents of this Circular and the Botswana Stock Exchange accepts no liability of whatever nature for any loss, liability, damage or expense resulting directly or indirectly from any decision taken based on the contents of the Circular.

If you are in any doubt as to what action you should take in relation to this Circular, please consult your accountant, broker, banker, CSDP, legal advisor or other professional advisor immediately. This document is issued, in compliance with the provisions of the Listings Requirements, to the Shareholders of Minergy, for the purposes of providing Shareholders with the background to and reasons for the Company's proposed capital raising by way of Placing of Shares to Selected and Qualifying Institutional Investors.

Action required:

1. If you have disposed of all your Ordinary Shares in Minergy, this Circular should be sent to the agent through whom you have disposed of such Ordinary Shares, for onward delivery to the purchaser of those Ordinary Shares.
2. Attached to this Circular is the Notice convening the Extraordinary General Meeting of Shareholders of Minergy, to be held at the Minergy Boardroom, Unit B3 & B4, Plot 43175, Phakalane, Gaborone, Botswana on Thursday, 8 December 2020, at 9.30am, and the relevant Form of Proxy. Shareholders who are unable to attend the EGM should complete the attached Form of Proxy and return it to the Transfer Secretary, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, or if by post to PO Box 1583, AAD, Gaborone, or if by email to contactus@corpservebotswana.com, so as to be received by no later than 17:00 on Tuesday, 1 December 2020. Submission of a proxy will not preclude Shareholders from attending and voting in person at the EGM, should they so desire.



MINERGY LIMITED

(Incorporated in the Republic of Botswana on 1 September 2016)

(Company number: BW00001542791)

BSE Ordinary Share code: MIN

("Minergy" or "the Company")

CIRCULAR TO SHAREHOLDERS OF MINERGY LIMITED

Relating to:

- › Placing of new Ordinary Shares for cash to Selected and Qualifying Institutional Investors, to raise additional equity funding;
- › Related Notice for an Extraordinary General Meeting and Form of Proxy attached as Annexure 1 and 2 to this Circular.

SPONSORING BROKER



TRANSFER SECRETARY



REPORTING ACCOUNTANTS



LEGAL ADVISOR



Date of issue: 5 November 2020

CORPORATE INFORMATION

Directors

Mokwena Morulane (Independent Non-executive Chairman)

Leutlwetse Tumelo (Non-executive Director)

André Bojé (Non-executive Director, Strategic Consultant)

Claude de Bruin (Non-executive Director)

Cross Kgosidiile (Non-executive Director)

Morné du Plessis (Chief Executive Officer)

Jean-Pierre van Staden (Chief Financial Officer)

Company Secretary

Desert Secretarial Services Proprietary Limited

Deloitte House, Plot 64518

Fairgrounds Office Park

PO Box 211008

Bontleng, Gaborone

Botswana

Transfer Secretaries

Corpserve Botswana

Unit 206, Second Floor

Plot 64516, Showgrounds Close

Fairgrounds, Gaborone

Botswana

Legal Advisor

Akheel Jinabhai & Associates

in association with McKee Commercial Law

Capricorn House, Left Wing, Ground Floor

Plot 74768, CBD, Gaborone, Botswana

PO Box 20575, Gaborone, Botswana

Website

www.minergycoal.com

Registered office

1st Floor

Unit B3 and unit B4

Plot 43175

Phakalane, Gaborone

Botswana

Sponsoring Broker

Imara Capital Securities

2nd Floor, Morojwa Mews

Unit 6, Plot 74770, Western Commercial Road

CBD, Gaborone

Botswana

Reporting Accountants

Grant Thornton Botswana

Acumen Park, Plot 50370

Fairgrounds, Gaborone

Botswana

PO Box 1157, Gaborone, Botswana

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INTENDED DATES AND TIMES FOR PROPOSED SPECIFIC ISSUE OF SHARES FOR CASH

DESCRIPTION	DATE⁽¹⁾(2)
Circular dispatched to Shareholders	Thursday, 5 November 2020
Last date for lodgement of Forms of Proxy	17:00 on Tuesday, 1 December 2020
Extraordinary General Meeting	9:30 on Thursday, 8 December 2020
Publication of Extraordinary General Meeting announcement	Friday, 9 December 2020
Allot and upload shares on CSDB	TBA

Notes:

- 1. All times indicated above are local times in Botswana.*
- 2. The dates and times indicated in the table above are subject to change. Any such changes will be published in the press, X News and the Company website.*

DEFINITIONS AND INTERPRETATIONS

In this Circular and the annexures hereto, unless the context specifically indicates a contrary intention, the words in the first column shall have the meanings assigned to them in the second column; the singular includes the plural and vice versa; an expression which denotes one gender includes the other gender; a natural person includes a juristic person and vice versa and cognate expressions shall bear correspondent meanings.

“Act”	means the Botswana Companies Act 2003 (CAP. 42:01) as amended, or any law which may replace it in part or wholly;
“BDC”	means Botswana Development Corporation Limited;
“the Board” or “Directors”	means the board of directors of Minergy, as set out in paragraph 4.1 of this Circular;
“Botswana”	means the Republic of Botswana;
“BSE”	means the Botswana Stock Exchange established in terms of the Botswana Stock Exchange Act;
“BSE Rules”	BSE Equity Listing Requirements, as amended from time to time;
“Business Day”	means any day other than a Saturday, Sunday, or official public holiday in Botswana;
“CHPP”	means Coal Handling and Processing Plant;
“Circular”	means this circular including the annexures hereto;
“Constitution”	means the current constitution of Minergy adopted by special resolution on 10 February 2017;
“CPR”	means the Competent Persons Report entitled “Independent CPR on the Masama Coal Mine”, compiled by Pivot Mining Consultants (Pty) Ltd, and with an effective date of 31 October 2019, which can be downloaded from the Company’s website;
“CSDB”	means the Central Securities Depository of Botswana (Proprietary) Limited, which company operates the central securities depository for Botswana, under the auspices of the BSE;
“CSDP”	means a Central Securities Depository Participant accepted as a participant in terms of the rules of the Botswana Stock Exchange and the CSDB;
“EGM”	means the extraordinary general meeting of Shareholders, which will be held at the Minergy Boardroom, Unit B3 & B4, Plot 43175, Phakalane, Gaborone, Botswana, on Thursday, 8 December 2020 at 09:30;
“Existing Issued Shares”	means the number of Ordinary Shares in issue at the Last Practicable Date, being 469 975 134 Ordinary Shares;
“Funding Facilities”	Funding facilities from BDC and MDCB which total P190 million;
“Form of Proxy”	means the Shareholder form of proxy in respect of the EGM, incorporated into this Circular as Annexure 2;
“Group”	means Minergy and its two subsidiaries, Minergy Coal and MinSales;
“IFRS”	International Financial Reporting Standards issued by the Accounting Standards Board (IASB) based in London, United Kingdom;
“Last Practicable Date”	means 27 October 2020, being the last practicable date prior to the finalisation of this Circular;
“Legal Advisors”	means Akheel Jinabhai & Associates in association with McKee Commercial Law, a law firm practising in Botswana;
“Listings Requirements”	means the Equity Listing Requirements of the BSE as amended from time to time;
“LOM”	means life of mine;
“Masama Coal Mine”	means the coal mine situated within the area covered by the ML, which is located on the southern edge of the Mmamabula Coalfield in Botswana;
“MDCB”	Minerals Development Company Botswana (Proprietary) Limited;
“Minergy” or “the Company”	means Minergy Limited, a public limited liability company listed on the BSE which is duly incorporated in Botswana in terms of the Act, and registered under company number BW00001542791;
“Minergy Coal”	means Minergy Coal (Pty) Limited, a limited liability company duly incorporated in Botswana in terms of the Act, and registered under company number BW00000826365, and which is a wholly owned subsidiary of Minergy;
“Minergy Group”	means Minergy and its two subsidiaries, Minergy Coal and MinSales;
“Mining Licence” or “ML”	means mining licence ML 2018/9L, which is held by Minergy Coal;
“MinSales”	means MinSales (Pty) Ltd, a dormant limited liability company duly incorporated in South Africa in terms of the South African Companies Act 2008, and registered under company number 2016/399165/07, and which is a wholly owned subsidiary of Minergy Limited;
“Mt”	means million tonnes;
“Notice”	means the notice convening the EGM, incorporated into this Circular as Annexure 1;
“Ordinary Shares”	means the ordinary shares of no-par value in the Stated Capital of the Company, being the only class of shares of the Company in issue as at the Last Practicable Date;

“Placing”	means, the proposed placing of the Placing Shares to Selected and Qualifying Institutional Investors;
“Placing Shares”	means up to 153 333 333 new Ordinary Shares to be issued pursuant to the Placing;
“Pricing Date”	means the date upon which the Placing Price was approved by the Board of the Company, which approval was provided by the Board on the Last Practicable Date;
“Placing Price”	means P0.75, representing a discount of approximately ten percent to the 30-day volume weighted average Ruling Price at the Last Practicable Date, of the Ordinary Shares of the Company as traded on the BSE, being the price at which Placing Shares shall be issued to Selected and Qualifying Institutional Investors;
“Proposals”	means the Placing, the subject of the Resolutions, details of which are set out in this Circular;
“Prospecting Licence” or “PL”	means prospecting licence PL278/2012 held by Minergy Coal;
“Pula” or “P” or “Thebe”	means the lawful currency of Botswana;
“Reporting Accountants”	means Grant Thornton Botswana, who are the Reporting Accountants for the proposed Placing, whose report appears in Annexure 4 to this Circular;
“Record Date”	means 5 November 2020;
“Resolutions”	means the resolutions set out in the Notice;
“Ruling Price”	means the definition of Ruling Price set out in the Listing Requirements;
“Selected and Qualifying Institutional Investors”	means investors qualifying in terms of section 297 of the Act;
“Shareholders”	means the holders of Ordinary Shares;
“Sponsoring Broker”	means Imara Capital Securities, a member of the BSE which is the Sponsoring Broker in respect of the Proposals;
“Stated Capital”	has the meaning ascribed to it in Section 5 of the Act and, in relation to the Company is P174 071 068* as at the Last Practicable Date;
	<i>* It should be noted that the stated capital of the Company as disclosed in its Financial Statements of the Company generally published and annexed to this Circular show total stated capital which is P8 508 043 lower than the Stated Capital in this Circular. The difference relates to share issuance costs of prior share issuances which in accordance with IFRS reduces the stated capital recorded in the Company's Financial Statements.</i>
“Transfer Secretary”	means Transaction Management Services (Pty) Limited T/A Corpserve Botswana; and
“VAT”	means value added tax.



MINERGY LIMITED

(Incorporated in the Republic of Botswana on 1 September 2016)

(Company number: BW00001542791)

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PART A: THE PROPOSALS

1. INTRODUCTION

Minergy, which listed on the main board of the BSE on 27 April 2017, is a coal mining and trading company committed to becoming the supplier of choice to industrial customers and power utilities across southern Africa. Minergy is the holding company of the Minergy Group, through which the Mining Licence for its Masama Coal Mine is held. Masama is located on the southern edge of the Mmamabula Coal Field in Botswana.

The Company has to date completed net funding raisings of approximately P356 million via private and public placement of Ordinary Shares and Funding Facilities. The cash proceeds from these raisings and facilities were utilised for establishment of the mine at Masama, and its mining infrastructure and related costs.

After start-up of mining operations during 2019, the Group has successfully transitioned through mine development into commissioning, ramping up production and coal sales at the mine. Stage 1 of the Coal Handling and Processing Plant (CHPP) was commissioned during early August 2019, and the Group recorded its first revenue and sales volumes gradually increased in line with ramp-up operations between October 2019 and March 2020. The Group has secured a significant long-term contractual offtake for its product worth a minimum of P240 million to the Company, and discussions are underway with a number of other regional customers, many of whom are already purchasing coal for their operations from the Company. The Group was also recently awarded a short-term tender from the Namibian power utility.

COVID-19 lockdowns impacted the Group from the third week in March 2020, with the most severe effects being felt in April 2020 and May 2020 when sales were limited to certain "essential supply" customers serviced from stockpiles existing at the end of March 2020. 90% of the target market was shut down during this period. Sales volumes showed a slow recovery in June 2020 as customers started to return to operations following the lifting of certain of the lockdown restrictions applicable in South Africa.

Despite border restrictions between South Africa and Botswana (a minimum of 15 weeks), Minergy, in its first year of operations, sold ~198 000 tonnes for the financial year generating P81 million in revenue (including coal transport of P6 million). The completion of stage 2 of the CHPP is imminent, and is expected to present significant efficiencies, improved product distribution, cost savings, and stability in supply.

Further recoveries in sales volumes were seen during July 2020 and August 2020, including record sales levels achieved in August 2020. The Group has a saleable product target of 60 000 tonnes of coal per month for the remainder of the calendar year, and it is expected that it will be possible to further increase production and product sales during 2021 as the market further recovers from the impact of the COVID-19 pandemic. Several opportunities to significantly increase production are being assessed going forward. Depending on the economics at the time, opportunities to significantly increase production include increased supply to industrial customers, export opportunities, or power generation. Increased production would require additional capex primarily to increase the capacity of the washing plant and plant infrastructure, and completion of an additional box cut.

The Company has an outstanding safety record, with zero COVID-19 cases reported, zero injuries on the mine and 668 days (at 30 June 2020) without lost time due to injury. A COVID-19 action plan is in place and thoroughly implemented, which was in turn used as a template for the mining industry in Botswana.

The Masama Coal Mine is sustainable with a Coal Resource of 390 Mt, comprising Opencastable and Underground Mineable Resources in the Measured, Indicated and Inferred Resource categories. The Coal Resource estimate was conducted in accordance with the South African Code for Reporting of Mineral Resources and Mineral Reserves Code (SAMREC 2016) and has an effective date of 31 October 2019, as reported in the CPR which can be found on the Company's website.

Approximately 85.68Mt of the Resource is considered opencastable, giving a LOM of 22 years. The remaining approximately 304Mt is considered mineable by underground mining methods and could significantly extend the LOM. Prior to the Opencastable Resource being exhausted, a detailed assessment of underground mining is planned. In addition, there are also plans to conduct further exploration on the remainder of the Prospecting Licence held by the Group, which is contiguous to the Mining Licence, and currently covers at 352km².

As reported in the Company's CPR its estimated opencast mine ROM Coal Reserve is 74.18Mt (as received basis) and the Saleable Coal Reserve of 43.61Mt (air dried basis). The ROM Coal Reserve has been depleted by 455 234 tonnes of coal treated as at 30 June 2020. The Saleable Coal Reserve has been depleted by 198 394 tonnes of coal sold as at 30 June 2020.

The regional industrial coal market, excluding power generation and synthetic fuels, has an annual demand of 34Mt, of which the relevant market Minergy is targeting is approximately 18Mt per annum. This market includes industries such as cement, steel and other industries. Although this market, like all markets was impacted by the pandemic, the outlook remains favourable in the medium to longer term and the Company is well placed with several natural competitive advantages including proximity to customer and quality of product, to benefit from opportunities in this market.

Developing a coal sector in Botswana will make a positive contribution to tapering supply in South Africa as mines approach end-of-life.

During 2018, six million tonnes of coal was exported from South Africa to the African continent. This is forecast to rise to 38Mt by 2030 and Botswana has a significant role to play going forward by utilising the South Africa handling facilities, the most sophisticated in Africa. Developing a vibrant coal sector in Botswana underpinned by a massive, high quality coal resource, presents the nation with the rare opportunity to broaden its export income by targeting regional, and also international destinations such as India, Pakistan and even China. More detailed analysis of the regional and international coal market and pricing expectations was set out in the Company's recently published 2020 Integrated Annual Report.

Whilst the COVID-19 pandemic has presented significant challenges to the Company, it is presented with an opportunity for significant growth, which it believes will benefit Botswana and its Shareholders. Accordingly, this Circular explains the background to, and the reasons for the Proposals, why the Board considers the Proposals to be in the best interests of the Company and its Shareholders, and why the Directors unanimously recommend that you vote in favour of the Resolutions to be proposed at the EGM, as they intend to do in respect of the 68 969 738 Ordinary Shares they hold directly or indirectly, representing approximately 15 per cent of the total voting rights of the Company, and also as other directors in the Group holding an additional 45 278 938 Ordinary Shares representing an additional approximately 10 per cent of the total voting rights intend to do.

2. RATIONALE FOR THE PROPOSALS

The rationale for the Proposals is to enable the Company to raise additional capital by way of the Placing, by issuing new Ordinary Shares to Selected and Qualifying Institutional Investors, primarily for the following purposes:

- › Retirement of a portion of expensive portions of the Funding Facilities (~P63 million);
- › Working capital to stabilise operations through the ramp-up phase into steady state production (~P15 million);
- › Capital required to build a new shorter road to the Company's recently completed rail siding (~P27 million); and
- › Capital required to secure additional water sources to support increased plant processing capacity (~P10 million).

3. DETAILS AND FINANCIAL EFFECTS OF PROPOSALS AND THE PLACING

- 3.1 At the Last Practicable Date, the Company had a Stated Capital of P174 071 068 and 469 975 134 Ordinary Shares in issue. The financial information has been prepared in line with the BSE Listings Requirements. It should be noted that the Stated Capital of the Company as disclosed in its Financial Statements of the Company generally published and annexed to this Circular show total Stated Capital which is P8 508 043 lower than the Stated Capital in this Circular. The difference relates to share issuance costs of prior share issuances which in accordance with IFRS reduces the Stated Capital recorded in the Company's Financial Statements.
- 3.2 If Shareholder approval is obtained for the relevant Resolutions proposed to be passed at the EGM, the Stated Capital of the Company will increase by an amount equal to the Placing Price multiplied by the total number of Placing Shares purchased. If all of the Placing Shares are purchased, then the stated capital of the Company will increase by P115 000 000 to a total of 289 071 068 and the number of Ordinary Shares in issue to will increased up to a maximum of 623 308 467.
- 3.3 On the basis that the Placing is made in accordance with the provisions of Rule 3.4 (c) (iii) of the Listings Requirements, it is recorded that:
 - 3.3.1 the Placing Shares are Ordinary Shares, and therefore of a class of securities already in issue by Minergy;
 - 3.3.2 the Placing Shares are to be issued to Selected and Qualifying Institutional Investors;
 - 3.3.3 the Placing Shares will not be issued to persons or entities deemed to be non-public shareholders under the Listing Requirements;
 - 3.3.4 the maximum number of Placing Shares that could be issued pursuant to the Placing is 153 333 333 Ordinary Shares;
 - 3.3.5 The Placing Price is set at P0.75, representing a discount of approximately ten percent (10%) to the 30-day volume weighted average Ruling Price at the Last Practicable Date, of the Ordinary Shares of the Company as traded on the BSE. As required to be stated by the BSE Rules, the discount at which the Placing Shares may be issued is limited to 10% of the 30-day volume weighted average Ruling Price at the Last Practicable Date, of the Ordinary Shares of the Company as traded on the BSE;
 - 3.3.6 the Placing is conditional upon, inter alia, Shareholder approval by way of a special resolution (75% majority of votes cast), which will be sought at the EGM of the Company to be held on Thursday, 8 December 2020, at 09:30, notice of which is set out at Annexure 1. All Shareholders are entitled to vote including any related party that does not participate in the Placing (i.e. including the Directors and those shareholders listed in paragraph 4 and its sub-paragraphs); and
 - 3.3.7 the issue of Placing Shares is also subject to a waiver by Shareholders of their pre-emptive rights as set out in clause 5.1 of the Constitution and section 52 of the Companies Act, by way of a special resolution in respect of the issue of the Placing Shares.

- 3.4 The Placing is also subject to the approval of the BSE for a listing of the Placing Shares.
- 3.5 The grant of the Shareholders' approvals will ensure compliance by the Company with its obligations under Rule 3.4 (c) of the Listing Requirements, clause 5.1 of the Constitution and section 52 of the Act.
- 3.6 Any Placing Shares issued will rank pari passu in all respects with the Existing Issued Shares, and will rank in full for dividends and other distributions declared, made or paid on Ordinary Shares.
- 3.7 SShareholders are also being asked to approve the Proposals in order to authorise the Directors to take any other relevant steps to implement the Placing.

Financial Effects

- 3.8 The Placing will result in an increase in the number of Ordinary Shares of the Company in issue, as well as the Company's cash balances.
- 3.9 Shareholders are advised that the Placing will impact, in relation to the Ordinary Shares, on the earning per share, net asset value per share and tangible net assets per share of the Company. The financial effects of the Placing will depend on, inter alia, the number of Placing Shares purchased.
- 3.10 The pro forma financial information showing the effects of the Placing, and the assumptions in connection therewith are set out in Annexure 5 to this Circular.
- 3.11 Shareholders who do not participate in the Placing will continue to own the same number of Ordinary Shares which they owned prior to the Placing, but the percentage Shareholding in the Company that their Ordinary Shares represent will be diluted to a lower percentage.

4. INFORMATION ON DIRECTORS

4.1 Details of Directors

The names, residential address, occupation and nationalities of the Directors are set out below:

NAME	NATIONALITY	ADDRESS	DIRECTORSHIPS IN LAST FIVE YEARS (CURRENT/PREVIOUS)	NATURE OF BUSINESS
Mokwena Morulane	Motswana	P.O. Box 47499 Gaborone	Adoraim (Pty) Ltd (BW)	Investment Company
			Makgabana Construction (Pty) Ltd (BW)	(Family business — Construction & Property Co.)
			Minergy Limited (BW)	Group holding company
			Old Mutual Life Botswana (Pty) Ltd (BW)	Life insurance
			Catchoka (Pty) Ltd	Investment Company
			Cresta Marakanelo Limited (BW)	Hospitality services
Morné du Plessis	South African	Plot 53652 Phakalane Golf Estate Phakalane Gaborone Botswana	Minergy Limited (BW)	Group holding company
			Minergy Coal (Proprietary) Limited (BW)	Holds the Mining Licence
			Minsales (Pty) Limited, (SA)	Coal trading company, wholly-owned subsidiary of Minergy
			Gallo Industrial Solutions (Pty) Ltd, (SA) (retired)	Power Tools
Claude de Bruin	New Zealander	PO Box 317, Varsity Lakes, Australia	Minergy Limited (BW)	Group holding company
			Minergy Botswana (Pty) Ltd (BW)	De-registered/Not trading
			Barkarama (Pty) Ltd (BW)	De-registered/Not trading
			Coalfields Botswana (Pty) Ltd (BW)	De-registered/Not trading
			Minergy Coal (Proprietary) Limited (BW)	Holds the Mining Licence
			Minergy Limited (BVI)	De-registered/Not trading
			Zebra Investments Seven (Pty) Limited (NM)	De-registered/Not trading
			Minergy Aust (Pty) Ltd (AUS)	De-registered/Not trading
			South-Co Limited (BVI)	De-registered/Not trading
			Energy Mineral Resources and Mining Limited (BVI)	De-registered/Not trading
			MEM SA (MU)	De-registered/Not trading
MME SARL (MU)	De-registered/Not trading			

NAME	NATIONALITY	ADDRESS	DIRECTORSHIPS IN LAST FIVE YEARS (CURRENT/PREVIOUS)	NATURE OF BUSINESS
Leutlwetse Tumelo	Motswana	Plot 39233, Mapoka Crescent, Block 6, Gaborone, Botswana	Minergy Limited (BW)	Group holding company
			Minergy Coal (Proprietary) Limited (BW)	Holds the Mining Licence
			Minergy Botswana (Pty) Ltd (BW)	De-registered/Not trading
			Barkarama (Pty) Ltd (BW)	De-registered/Not trading
			Coalfields Botswana (Pty) Ltd (BW)	De-registered/Not trading
			Afinitas Limited (BW)	Investment holding company
			Capital Conferences (Pty) Ltd (BW)	Event management company
			Mod Resources Botswana (Pty) Ltd (BW)	Mineral exploration company focused on copper
			Tshukudu Metals (Pty) Ltd (BW)	Mineral exploration company focused on copper
Jean-Pierre van Staden	South African	25 Nakuru Road Sunninghill Gauteng South Africa	Horizon Capital (Pty) Ltd (BW)	Investment company
			Minergy Limited (BW)	Group holding company
			Minergy Coal (Proprietary) Limited (BW)	Holds the Mining Licence
			Stalker Properties (Pty) Ltd (SA)	Property Investment
			Ecubo Stand509 (Pty) Ltd (SA)	Property Investment
			San Lameer Villa 139-11 (Pty) Ltd (SA)	Property Investment Dormant
			VSR Ventures (Pty) Ltd (SA)	
			PricewaterhouseCoopers Inc (retired)	Audit, Tax, Advisory
			Ecubo One (Pty) Ltd (retired)	Property Investment
André Bojé	South African	17 Dunkirk Road, Salt Rock, Umhlali Beach, 4391, South Africa	Minergy Limited (BW)	Group holding company
			Minsales (Pty) Limited, (SA) (retired)	Coal trading company, wholly-owned subsidiary of Minergy
Cross Kgosiidiile		Plot 55499 Segodi Park Phakalane	Empor 3000 (Pty) Ltd (BW)	Investment
			Amarile Trends (Pty) Ltd (BW)	Consultancy
			Didikadike Wealth Management (Pty) Ltd (BW)	Investment Management
			Prime Time Property (BW)	Property Fund
			ABM University (BW)	Tertiary Education
			Botswana Development Corporation Limited (BW)	Development Finance Institution
			Minergy Limited (BW)	Group holding company
			Minergy Coal (Proprietary) Limited (BW)	Holds the Mining Licence

4.2 CVs of Directors

4.2.1 MOKWENA MORULANE (BA Accounting (Hons), (49) — Independent Non-executive Chairman

Mokwena Morulane is a Motswana, who holds a BA Accounting Honours degree from the University of Bedfordshire, England. Mokwena did his articles with Deloitte & Touche in Gaborone. He is a fellow member of the Association of Chartered Certified Accountants (ACCA) and a member of Botswana Institute of Chartered Accountants (BICA). He is also a member of the Chartered Secretaries of Southern Africa (CIS).

Mokwena has extensive experience in the resources sector. He was previously Country Manager for Discovery Metals Ltd (DML), an Australia Stock Exchange (ASX) listed entity involved in base metals and a director of DML subsidiaries in Botswana. Prior to joining DML he was Financial Manager of Gem Diamonds Botswana, a junior diamond mining company which recently started diamond production in Central Botswana.

He started his career at BCL Ltd., a base metals company where he rose through the ranks to Group Financial Accountant. He also worked for the Botswana International Financial Services Centre (IFSC) as Corporate Affairs Executive.

Mokwena was appointed as the independent Non-executive Chairman of Minergy in January 2017.

On 9 October 2017, Mokwena was appointed Managing Director of Cresta Marakanelo Limited. He is responsible for implementing the growth and strategy of Cresta Marakanelo Limited which is a leading provider of hospitality services in Botswana and Southern Africa.

4.2.2 **MORNÉ DU PLESSIS** (CA — South Africa, MBA) (51) — Chief Executive Officer

Morné is a South African citizen, and chartered accountant with an MBA from Heriott Watt University Edinburgh, Scotland. He has extensive experience in the mining industry including having been Chief Financial Officer (CFO) of several South African mining groups, such as domestic coal trader MacPhail, contract mining and beneficiation service provider Genet SA, junior coal miner Umcebo Mining Group, and JSE-listed junior coal miner Wescoal Holdings Limited. He was appointed to the Board of Directors of Minergy in January 2017 and as its CFO in February 2017. On 1 August 2019 he took over the reins as Chief Executive Officer (CEO) of the Group.

4.2.3 **CLAUDE DE BRUIN** (LLB; BMS. (Fin) (43) — Non-executive Director

Claude is a New Zealand citizen, who is a lawyer and entrepreneur with more than a decade and a half of experience in the international mining industry focusing on Africa. He is a Barrister of the High Court of New Zealand and member of the Auckland District Law Society and New Zealand Law Society. He has held senior management positions with several private and public companies including Platmin (now Sedibelo Platinum — previously listed on the TSX and the AIM Market of the London Stock Exchange), with leading roles in significant equity raisings through private and public placements and stock exchange listings in several jurisdictions.

Claude is a co-founding member of the Minergy Group of companies, alongside of John Astrup who is a geologist and a Director on the board of several companies in the Minergy Group. Claude was appointed to the Board of Minergy in September 2016.

4.2.4 **LEUTLWETSE TUMELO** (B.Acc) (41) — Non-executive Director

Leutlwetse is the Executive Director of Afinitas Limited a pan African investment holding company. Afinitas is focused on developing a portfolio of world class Africa focused companies. As the Executive Director, Leutlwetse has overall responsibility for monitoring regulatory compliance of all the investee companies in the jurisdictions that they operate as well as ongoing compliance with the BSE Equity Listings Requirements. He is also responsible for providing support to the Board of Directors to effectively discharge its duties.

Leutlwetse is also the Chairman of Tshukudu Metals Botswana, the operating subsidiary of ASX listed MOD Resources. Tshukudu is a copper exploration that is developing the T3 copper project about 75km north of Ghanzi.

Leutlwetse is a Non-executive Director on Minergy Limited and its subsidiary, Minergy Coal. He is also the chairman of the Social and Ethics Committee in Minergy Limited.

4.2.5 **JEAN-PIERRE VAN STADEN** (CA — South Africa) (48) — Chief Financial Officer (effective 2 January 2020)

Jean-Pierre is a CA(SA) who was an Audit Partner at PricewaterhouseCoopers in South Africa from 2004 to 2019, prior to joining Minergy as CFO in January 2020. He has extensive auditing experience, having worked with listed multinational companies operating across a variety of industries in Africa and internationally. Importantly he has extensive experience working with and providing services to junior and major mining and construction companies, industrial products companies, and private equity investment entities including companies listed on stock exchanges such as the JSE, TSX, ASX, AIM and LSE.

4.2.6 **ANDRÉ BOJÉ** (CTA) (64) — Non-executive Director and Strategic Consultant

André has more than two decades of experience in the South African coal industry and founded focused coal trading company Chandler Coal (Pty) Ltd in 1997 following a successful executive management career in various industries. In 2005, the company was listed on the Johannesburg Stock Exchange (JSE) as Wescoal Holdings Limited, enabling a transition from purely coal trading activities to a fully-fledged coal miner and trader. Wescoal, with three fully operational mines, is now one of the leading junior coal mining and trading companies in southern Africa. André was appointed to Minergy in 2016 and led the Group as the CEO until August 2019. He remains on the Board as a Non-executive Director, and continues to be involved with Minergy to assist with a planned second listing on an internationally recognised stock exchange, as well as with marketing and sales of coal.

4.2.7 **CROSS KGOSIDIILE** (MBA, BCom — Accounting) (51) — Non-executive Director

Post the year-end Cross Kgosiidile joined the board as a Non-Executive Director, effective 29 July 2020. He is an experienced company executive and board member, with more than two decades of experience across a range of sectors. Presently he is the Managing Director of the Botswana Development Corporation. He has held senior positions and been Chief Executive Officer (“CEO”) of a range of well-known organisations in Botswana including Air Botswana, Botswana Motor Vehicle Accident Fund (CEO), and Botswana Power Corporation (CEO). His board and committee experience also spans well known Botswana companies and organisations including the Botswana Motor Vehicle Accident Fund, Botswana Building Society, Botswana Railways, KYS Investments, Botswana Stock Exchange listed Prime Time Property Holdings, JTTM Property Holdings, and Stanbic Bank Botswana.

4.3 **CVs of Executive Management**

4.3.1 **MARTIN BARTLE** (67) — Managing Director, Minergy Coal

Martin has more than 40 years of experience, 30 years of which were in the South African coal mining industry having worked in management positions for Rand Mines, Eyesizwe Exxaro, Anglo Coal, Homeland Energy, and most recently as Managing Director of Wescoal Mining, a group company of JSE listed Wescoal Holdings Limited. Martin is the Managing Director of Minergy Coal (Pty) Limited where he is also a member of the Board. He has extensive experience with coal mining Safety, Health, Environment and Quality regulatory compliance and management, Risk Management, Human Resource and Personal Management and Optimisation, with significant experience in coal mine operations management.

4.3.2 **JOHN ASTRUP** (48) (BSc. (Hons) Geology; MSc. — Exploration Geology, Director, Minergy Coal

John Astrup is a geologist (registered with SACNASP and a member of the GSSA) with more than two decades of experience in the mining industry, having held senior management positions in both public and private companies. He previously held positions with Falconbridge, Harmony, Council for Geoscience and Platmin (now Sedibelo Platinum). John is a Co-founder of the Minergy Group alongside Claude de Bruin. John was appointed as a director of Minergy Coal (Pty) Limited on 7 November 2012.

4.3.3 LYNETTE KRUGER (49) — Marketing Manager

Lynette has 20 years of coal marketing experience in the southern African region at companies including Glencore and Shanduka Coal. She honed her experience in South Africa as well as having worked in a number of African countries and has a good grasp on the commodity itself, market dynamics as well as the critical logistics and quality components of the product.

4.3.4 GABOTSHWAREGE TSHEKISO (63) — Project Manager, Minergy Coal

A mechanical engineer having over three decades of experience in the mining industry under his belt, Gabotshwarege previously worked as a director at the Department of Mines responsible for Gabarone and Francistown offices. He was a member of the Technical Committee of the BCL Limited Board. He holds a Master's degree in Mechanical Engineering.

4.3.5 BONKIE BAELETSE (49) — Corporate Services Manager

Having joined Minergy almost three years ago, Bonkie — whose current role encompasses a number of critical functions, including Community Relations, Public Relations, Government Liaison, Human Resources, Logistics and Security — has over nine years of experience gained in the local mining sector. She previously worked for Boteti Mining (Karowe Diamond Mine) and Debswana (Orapa Letlhakane Mines), and also served as the Senior Anti-Corruption Officer on the Directorate on Corruption and Economic Crime. Bonkie has a Post Graduate Diploma in Education and a Bachelor of Arts in Humanities from the University of Botswana.

4.3.6 SIYANI MAKWAKWAGO (53) — General Manager Mining

Siyani holds professional qualifications which include a B.Bc Part 1 from the University of Botswana, a Bachelor of Engineering in Mining Engineering Degree from the Camborne School of Mine associated with the University of Exeter and a Diploma in Business Management from the Cambridge Tutorial College in the UK. As General Manager Mining Siyani oversees all mining activities at the Masama Coal Mine. He has extensive mining experience having previously held executive posts at Debswana, BCL and Morupule Coal Mine.

4.3.7 JULIUS AYO (39) — Financial Manager

Julius is an ACCA (Association of Certified Chartered Accountant) of Botswana and also holds a Bachelor of Accounting (BACC) from the University of Botswana. Within Minergy he is responsible for the full financial function within the subsidiary. He has over 15 years of experience, including six years in the mining sector, specifically at Gem Diamonds.

4.3.8 HERBERT KEBAFETOTSE (46) — BA, Post Graduate Diploma in Education — Manager (Environmental Science) Safety, Health and Environment

Herbert has both extensive qualifications and experience in the field, having worked for a number of Botswana-based exploration and mining companies, including most recently Botswana Ash (Pty) Ltd, Khoemacau Copper Mining (Pty) Ltd, and Boteti Mining (Pty) Ltd in this capacity. Herbert is responsible for overseeing Minergy's SHE effectiveness, including the processes that ensure the preservation of lives, conservation of the environment and monitoring these to ensure compliance to legislative and procedural requirements. He also has a focus on aligning all Minergy's SHE processes and programmes with international best practice.

4.4 Directors' interests in the Company

As at the date of this Circular the following Directors have a direct or indirect interest in the Company:

NAME	SHARES IN MINERGY	DIRECT INTEREST %	INDIRECT INTEREST %
Morné du Plessis	10 000 000	2.13	nil
Claude de Bruin	42 634 421	9.07	nil
Leutlwetse Tumelo	1 335 317	0.28	nil
André Bojé	15 000 000	3.19	nil

The percentage shareholding held in the Company will be diluted to the extent of Placing Shares issued in terms of the Placing, the subject of this Circular.

There has not been any sum paid or agreed to be paid within the three years preceding the date of this Circular to any of any of the Directors or to any company in which any one of them are beneficially interested, directly or indirectly or of which any Director is a director, or to any partnership, syndicate or other association of which a Director is a member, in cash or securities or otherwise, by any person either to induce any Director to become or to qualify such Director as a director, or otherwise for services rendered by such Director or the company, partnership, syndicate or other association in connection with the promotion or formation of the Company.

None of the Directors or consultants had any beneficial interest, whether direct or indirect, in any transactions which are or were unusual in their nature or conditions or material to the business of the Company, and which were affected by the Company during the current or immediately preceding financial year, or during an earlier financial year, or at the Last Practicable Date.

The Directors who hold Ordinary Shares in Minergy intend to vote in favour of the Proposals.

There will be no change in the remuneration receivable by any of the Directors as a result of the Proposals.

4.5 Prospects

The prospects of the Company are described in the Introduction of this Circular under paragraph 1.

4.6 Trading prices of Ordinary Shares

Annexure 3 reflects the aggregate volumes traded and the highest and lowest prices traded in respect of Ordinary Shares for various periods.

4.7 Major Shareholders

In so far as it is known to the Board, the following Shareholders held more than 5% of the issued Shares of Minergy as at the Last Practicable Date.

NAME	SHAREHOLDING*	PERCENTAGE
Allan Gray Botswana	162 878 468**	34.66
Jarcon Opencast Mining Botswana (Pty) Ltd	38 888 889	8.27

* Directors who hold greater than 5% of the Existing Issued Shares of the Company are noted in the table in paragraph 4.4 and its footnotes, and Mr. John Astrup (40 278 938 Ordinary Shares constituting 8.57%) also hold greater than 5% of the Existing Issued Shares of Minergy at the Last Practicable Date.

** Allan Gray manages shareholdings on behalf of FNB BOTSWANA NOMINEES (PTY) LTD RE: AG BPOPF EQUITY (98 530 000 shares), FNBBN (PTY) LTD RE: AG BPOPF EQUITY PORTFOLIO B (44 428 760 shares), and FNB NOMS BW (PTY) LTD RE: BPOPF EQUITY PORTFOLIO C – AG (19 919 708 shares).

4.8 Ordinary Share issues over the last three years*

The following Ordinary Shares have been issued over the last three years:

- › On 19 January 2017, the Company increased its stated capital to P150 120 and issued 30 000 000 shares;
- › On 19 January 2017, the Company increased its stated capital to P15 413 287 and issued 227 500 000 shares;
- › On 31 January 2017, the Company increased its stated capital to P85 413 287 and issued 116 666 667 shares;
- › On 31 January 2017, the Company increased its stated capital to P87 271 487 and issued 1 858 200 shares;
- › On 26 January 2018, the Company increased its stated capital to P114 224 865 and issued 29 948 198 shares;
- › On 24 December 2018, the Company increased its stated capital to P135 571 068 and issued 25 113 180 shares; and
- › On 19 February 2020, the Company increased its stated capital to P174 071 069 and issued 38 888 889 shares.

* It should be noted that the stated capital of the Company as disclosed in its Financial Statements of the Company generally published and annexed to this Circular show total stated capital which is P8 508 043 lower than the Stated Capital in this Circular. The difference relates to share issuance costs of prior share issuances which in accordance with IFRS reduces the stated capital recorded in the Company's Financial Statements.

PART B: OTHER INFORMATION

5. FINANCIAL INFORMATION

The Pro forma Consolidated Financial Information is included in Annexure 5 to this Circular.

6. LITIGATION

Minergy has not been involved in any legal proceedings during the 12 months preceding the date of this Circular which may have or have had a material effect on the financial position of the Company nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

7. EXPERTS' CONSENTS

The Transfer Secretaries, Legal Advisor, Reporting Accountants and the Sponsoring Broker have consented in writing to act in their capacities and to their names being stated in this Circular and have not withdrawn their consent prior to the publication of this Circular.

8. NO TAKEOVER

As at the Last Practicable Date, to the best knowledge and belief of the Directors, the Company is not the subject of an unexpected or unannounced takeover bid.

9. NO MATERIAL ADVERSE CHANGE

The Directors advise that there has been no material adverse change to the Company's trading or financial position since the date of publication of its last audited financial results.

10. DOCUMENTS AVAILABLE FOR INSPECTION

10.1 Circular to shareholders;

10.2 the Constitution of the Company;

10.3 Advisors' and experts' consents;

10.4 Annual Consolidated Financial Statements for the year ended 30 June 2020; and

10.5 Directors' employment contracts.

11. COSTS

The following costs (inclusive of VAT), expenses and provisions are expected or have been provided for in connection with the Proposals and will be settled out of the proceeds of the Placing.

ONE-OFF COSTS	PULA
Legal Advisors	56 000
Corporate advisors	44 800
BSE listing and sustaining fees	32 200
Reporting Accountants' fees	49 280
Transfer Secretary's fees	16 800
Publication, distribution and advertising expenses	53 760
Other	30 240
Total	283 080

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 4.1 of this Circular collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other material facts the omission of which would make any statement false or misleading, that they have made all reasonable enquiries to ascertain such facts, and that the Circular contains all information required by law.

The Directors confirm that the Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) as investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and of the rights attaching to the Ordinary Shares to which the Circular relates.

13. EGM

The Notice convening the EGM, which is to be held at 9:30 on Thursday, 8 December 2020, at the Minergy Boardroom, Unit B3 & B4, Plot 43175, Phakalane, Gaborone, Botswana, is set out at Annexure 1 of this Circular. The purpose of the EGM is to consider and, if thought fit, pass the Resolutions, in each case as set out in full in the Notice. Resolutions 2 and 3 are conditional upon Resolution 1 having been validly passed:

Resolution 1: which will be proposed as a special resolution, is to approve the Placing

Resolution 2: which will be proposed as a special resolution, is to authorise the Directors to allot and issue the Placing Shares on a non-pre-emptive basis (waiving the pre-emptive rights set out in clause 5.1 of the Constitution and section 52 of the Companies Act);

Resolution 3: which will be proposed as an ordinary resolution, is to approve the Directors taking such steps and signing all such documents as are necessary to give effect to Resolutions 1 and 2 (inclusive) being passed at the EGM.

14. ACTION TO BE TAKEN

A Form of Proxy for use at the EGM accompanies this Circular. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Transfer Secretary, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, if by post to PO Box 1583, AAD, Gaborone, or if by email to contactus@corpservebotswana.com, as to be received by no later than 17:00 on Tuesday, 1 December 2020. Submission of a proxy will not preclude Shareholders from attending and voting in person at the EGM, should they so desire.

15. RECOMMENDATION

The Directors consider the Proposals to be in the best interests of the Company and its Shareholders as a whole and accordingly recommend unanimously that Shareholders vote in favour of the Resolutions to be proposed at the EGM, as they intend to do in respect of their beneficial holdings amounting, in aggregate, to 68 969 738 Existing Issued Shares, representing approximately 15 per cent of the total voting rights of the Company.

Signed by or on behalf of each of the Directors of Minergy, in terms of a resolution to that effect passed by such Directors.

Dated this Thursday, 5 November 2020.



Morné du Plessis
Chief Executive Officer



MINERGY LIMITED

(Incorporated in the Republic of Botswana on 1 September 2016)

(Company number: BW00001542791)

BSE Ordinary Share code: MIN

("Minergy" or "the Company")

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given of an extraordinary general meeting of Shareholders of Minergy Limited to be held at 09:30, on Thursday, 8 December 2020 at the Minergy Boardroom, Unit B3 & B4, Plot 43175, Phakalane, Gaborone, for the following business:

To consider and if thought fit approve with or without amendment the following Resolutions (it being recorded that the defined terms used herein shall have the same meaning as in the Circular to which this notice is attached) be passed:

as special resolutions:

1. that the specific issue of the Placing Shares, being up to 153 333 333 new Ordinary Shares for cash, pursuant to the Placing, and the increase of the Company's stated capital in accordance with the number of Placing Shares issued multiplied by the Placing Price, be approved; and
2. that, subject to Resolutions 1 validly passing, the Shareholders waive their pre-emptive rights as set out in clause 5.1 of the Constitution and section 52 of the Companies Act in respect of the issue of the Placing Shares, consisting of 153 333 333 new Ordinary Shares, in respect of the Placing; and

as an ordinary resolution:

3. that the directors of the Company be authorised to take such steps and sign all such other documents as are necessary to implement and give effect to Resolutions 1 and 2 (inclusive) being passed at this meeting.

A Shareholder entitled to attend and vote may complete the Form of Proxy enclosed as Annexure 2 to the Circular or such other proxy as may be accepted in terms of paragraph 3 of the notes to the Form of Proxy, to appoint a proxy and/or representative to attend and vote for him/her on his/her behalf, and such proxy or representative need not also be a Shareholder of the Company. The instrument appointing such a proxy must be deposited with the Transfer Secretary, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, if by post to PO Box 1583, AAD, Gaborone, or if by email to contactus@corpservebotswana.com, not later than 17:00 on Tuesday, 1 December 2020.

By order of the Board

Minergy Limited

Unit B3 & B4, Plot 43175, Phakalane, Gaborone



MINERGY LIMITED

(Incorporated in the Republic of Botswana on 1 September 2016)

(Company number: BW00001542791)

BSE Ordinary Share code: MIN

("Minergy" or "the Company")

FORM OF PROXY

FOR USE BY SHAREHOLDERS AT THE EXTRAORDINARY GENERAL MEETING OF MINERGY TO BE HELD AT THE MINERGY BOARDROOM, UNIT B3 & B4, PLOT 43175, PHAKALANE, GABORONE, AT 09:30 AM ON THURSDAY, 8 DECEMBER 2020.

A Shareholder entitled to attend and vote at the extraordinary general meeting is entitled to appoint one or more proxies and/or representatives to attend, speak and vote in his/her stead. A proxy or representative need not be a holder of Ordinary Shares of the Company.

I/We (Full name in BLOCK LETTERS) _____

of (address) _____

Being the holder/s of _____ Ordinary Shares, hereby appoint:

1. _____ or failing him/her,
2. _____ or failing him/her,
3. _____

As my/our proxy and/or representative to attend, speak on my/our behalf at the EGM and at any adjournment thereof, and to vote or to abstain from voting on my/our behalf on the ordinary resolutions and special resolutions to be proposed at the EGM, as follows:

	FOR	AGAINST	ABSTAIN
Resolution number 1: Special Resolution			
Resolution number 2: Special Resolution			
Resolution number 3: Ordinary Resolution			

Please indicate with an "X" how you wish your votes to be cast. Unless otherwise directed, the proxy will vote or abstain as he thinks fit in respect of your entire holding.

Signed this _____ day of _____ 2020

Signature of Shareholder _____

In the case of a minor: assisted by: _____

[Insert name and signature]

In the case of a representative: _____

[Insert full name, capacity and signature]

Please read the notes on page 18.

NOTES:

1. All voting shall be by poll, so that every holder of an Ordinary Share in the Company present in person or by representative or by proxy and voting has one vote in respect of every Ordinary Share held.
2. Shareholders present in person, or by representative or by proxy and voting, shall cast their votes by signifying individually their assent or dissent, or as applicable their abstention, as directed by the chairman by a show of hands, or by ballot, and for those present by Audio-visual means by voice.
3. The Chairman of the Meeting may reject or, provided that the Chairman is satisfied as to the manner in which a shareholder wishes to vote, accept any form of proxy or evidence of authority to act as representative, in his absolute discretion, which is completed other than in accordance specified herein or the Notes to the Form of Proxy. Any Form of Proxy which is duly completed in accordance herewith and the Notes to the Proxy Form shall be accepted.
4. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the member's choice in the space/s provided in the overleaf. Should this space be left blank, the proxy will not be exercised. The person whose name appears first in the list of names which has not been deleted on the Form of Proxy and who is present at the EGM will be entitled to act as proxy to the exclusion of those whose names follow.
5. A Shareholder's voting instructions to the proxy must be indicated by the insertion of an "X", or the number of votes exercisable by that Shareholder, in the appropriate spaces provided overleaf. Failure to do so will be deemed to authorise the proxy to vote or to abstain from voting at the EGM, as he/she thinks fit in respect of all the Shareholder's exercisable votes. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by him/her or by his/her proxy, but the total number of votes cast, or those in respect of which abstention is recorded, may not exceed the total number of votes exercisable by the Shareholder or by his/her proxy.
6. The proxy and/or representative shall have the power to attend at any adjournment of the meeting and to vote on any amendment to any of the resolutions which may be proposed at the meeting.
7. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/ her legal capacity are produced or have been registered by the transfer secretaries.
8. To be valid, the completed forms of proxy must be lodged with the Transfer Secretary of Minergy, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, if by post to PO Box 1583, AAD, Gaborone, or if by email to contactus@corpservebotswana.com, to be received by them by not later than 17:00 on Tuesday, 1 December 2020.
9. A copy of the power of attorney or other authority establishing the authority of a person signing this Form of Proxy in a representative capacity, must be attached to this Form of Proxy unless previously recorded by the Transfer Secretary or waived by the Chairman of the EGM.
10. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the EGM and speaking and voting in person there to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so.
11. The completion of any blank spaces overleaf need not be initialled. Any alterations or corrections to this Form of Proxy must be initialled by the signatory/ies.
12. A vote given in accordance this Form of Proxy shall be valid notwithstanding the previous legal incapacity of the principal or revocation of the Form of Proxy or the transfer of the Share in respect of which the vote is given, unless an intimation in writing of such legal incapacity or transfer shall have been lodged with the Transfer Secretary of Minergy, Corpserve Botswana, if by hand to Unit 206, Second Floor, Plot 64516, Showgrounds Close, Fairgrounds, Gaborone, if by post to PO Box 1583, AAD, Gaborone, or if by email to contactus@corpservebotswana.com, to be received by them by not later than 17:00 on Tuesday, 1 December 2020.

TRADING HISTORY OF THE ORDINARY SHARES

MINERGY LIMITED — SUMMARY OF TRADING DATE OF LISTING (27 APRIL 2017) TO LAST PRACTICABLE DATE

Month	Total number of trades	Aggregate volume traded for the month	Lowest price (BWP)	Highest price (BWP)
April 2017	2	10 000	1.00	1.05
May 2017	5	19 642	1.05	1.05
June 2017	3	9 410	1.05	1.05
July 2017	—	—	1.05	1.05
August 2017	—	—	1.05	1.05
September 2017	5	93 183	1.05	1.05
October 2017	3	10 254	1.05	1.05
November 2017	8	35 852	1.05	1.05
December 2017	1	449	1.05	1.05
January 2018	10	48 499	0.90	0.90
February 2018	2	2 652	0.90	0.90
March 2018	2	82 577	0.90	0.90
April 2018	7	1 524 219	0.85	0.85
May 2018	2	5 806	0.85	0.85
June 2018	—	—	—	—
July 2018	—	—	—	—
August 2018	2	21 747	0.85	0.85
September 2018	11	61 912	0.85	0.85
October 2018	23	53 896	1.06	1.06
November 2018	11	94 399	1.06	1.06
December 2018	4	57 614	1.06	1.06
January 2019	9	22 852	1.06	1.06
February 2019	4	24 443	1.06	1.06
March 2019	2	10 000	1.06	1.06
April 2019	12	133 520	1.06	1.06
May 2019	9	86 899	1.06	1.06
June 2019	2	2 456	1.05	1.06
July 2019	4	53 004	1.05	1.05
August 2019	11	163 171	1.05	1.10
September 2019	7	134 406	1.10	1.10
October 2019	1	200	1.10	1.10
November 2019	11	108 627	1.10	1.10
December 2019	6	4 389	1.10	1.10
January 2020	—	—	—	—
February 2020	9	16 100	1.10	1.10
March 2020	—	—	—	—
April 2020	—	—	—	—
May 2020	2	11 196 813	1.10	0.85
June 2020	1	7 018	0.85	0.85
July 2020	8	58 449	0.85	0.85
Aug 2020	5	3 082	0.85	0.85
September 2020	1	10 000	0.85	0.83

MINERGY LIMITED — SUMMARY OF TRADING QUARTERLY OVER THE LAST TWO YEARS

Month	Aggregate volume traded for the month	Value (BWP)
September 2017	93 183	97 842
December 2017	11 569	14 988
March 2018	134 023	121 446
June 2018	1 530 025	1 300 549
September 2018	83 659	78 697
December 2018	205 909	218 264
March 2019	57 295	60 733
June 2019	222 875	236 237
September 2019	345 081	375 247
December 2019	113 216	124 538
March 2020	16 100	17 710
June 2020	11 203 831	9 523 256
September 2020	71 531	60 601

MINERGY LIMITED — SUMMARY OF TRADING DAILY FOR 30 DAYS ENDED 27 OCTOBER 2020

Date	Total number of trades	Total volume traded	Lowest price (BWP)	Highest price (BWP)
16 September 2020	—	—	—	—
17 September 2020	—	—	—	—
18 September 2020	—	—	—	—
21 September 2020	—	—	—	—
22 September 2020	—	—	—	—
23 September 2020	—	—	—	—
24 September 2020	—	—	—	—
25 September 2020	—	—	—	—
28 September 2020	—	—	—	—
29 September 2020	—	—	—	—
30 September 2020	—	—	—	—
1 October 2020	—	—	—	—
2 October 2020	—	—	—	—
5 October 2020	2	10 000	0.80	0.83
6 October 2020	—	—	—	—
7 October 2020	—	—	—	—
8 October 2020	—	—	—	—
9 October 2020	3	300	0.80	0.80
12 October 2020	—	—	—	—
13 October 2020	—	—	—	—
14 October 2020	—	—	—	—
15 October 2020	3	8 375	0.80	0.80
16 October 2020	—	—	—	—
19 October 2020	—	—	—	—
20 October 2020	—	—	—	—
21 October 2020	—	—	—	—
22 October 2020	—	—	—	—
23 October 2020	—	—	—	—
26 October 2020	—	—	—	—
27 October 2020	—	—	—	—

REPORTING ACCOUNTANT'S REPORT



The Board of Directors
Minergy Limited
Units B3 & B4, 1st Floor, Plot 43175
PO Box AD 10 ABC
Phakalane, Botswana

23 October 2020

Dear Sirs.

Independent Reporting Accountant's Assurance Report on the Compilation of Pro Forma Financial Information Included in a Circular

We have completed our assurance engagement to report on the compilation of pro forma financial information of Minergy Limited (*"the company"*). The pro forma financial information as set out in Annexure 5 consists of statement of financial position and related notes and assumptions.

The pro forma financial information has been compiled on the basis of applicable criteria specified in the Botswana Stock Exchange (BSE) Listing Requirements.

The pro forma financial information has been compiled by the directors to illustrate the impact of the event or transaction described in Para 1, 2 and Para 3, on the company's financial position as at 30 June 2020 as if the corporate event had taken place that date. As part of this process, information about the company's financial position has been extracted by the directors from the company's financial statements for the period ended 30 June 2020 which has been published.

Director's Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in BSE Listings Requirements and described in Para 1,2, and 3 of the circular.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the directors on the basis of the specified in BSE Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus which is applicable to this engagement*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner comply with ethical requirements and plan and

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Botswana Accountancy Oversight Authority registration number: FAP 005 2016 (Audit firm of Public Interest Entity)
Botswana Institute of Chartered Accountants membership number: MeFBW11012 (Audit and Non-Audit)

Partners

Kalyanaraman Vijay (Managing)*, Dinesh Mallan (Deputy Managing)*, Aswin Vaidyanathan*, Madhavan Venkatachary*, Narayanaswamy Narasimhan*, Anthony Quashie, Sunny Mulakulam*, Aparna Vijay* (*Indian)

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perform procedures to obtain reasonable assurance about whether the directors have compiled, in all material respects, the pro forma financial information on the basis of the BSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2020 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information, as presented in Annexure 5 of the pro forma financial information, has been compiled, in all material respects, on the basis of the applicable criteria specified by the BSE Listing Requirements and described in Paragraph 1,2 and 3 of the Circular.



Chartered Accountants
Certified Auditor: Aswin Vaidyanathan
Membership Number: 19980110
Gaborone

PRO FORMA FINANCIAL INFORMATION

The *pro forma* consolidated Statement of Financial Position and *pro forma* Statement of Comprehensive Income have been prepared using accounting policies that comply with International Financial Reporting Standards and that are consistent with those applied in the audited financial statements of Minergy Limited for the year ended 30 June 2020.

The *pro forma* consolidated Statement of Financial Position and *pro forma* Statement of Comprehensive Income have been prepared for illustrative purposes only and because of its nature may not fairly represent the consolidated Financial Position and results after the Issue in terms of the Placing. The Directors are responsible for the *pro forma* financial information.

PRO FORMA STATEMENT OF FINANCIAL POSITION

The *pro forma* consolidated Statement of Financial Position has been prepared to illustrate the impact of the Placing on the audited Statement of Financial Position of the Group as at 30 June 2020 as if the Placing occurred on that date.

Figures in Pula	Audited 30 Jun 2020 (note 1)	Cash raised through specific issue (note 2)	Preliminary expenses (note 3)	Pro forma after Issue 30 Jun 2020
ASSETS				
Non-current assets				
Property, plant and equipment	340 602 189			340 602 189
Deferred tax assets	39 095 799			39 095 799
	379 697 988	—	—	379 697 988
Current assets				
Inventories	48 355 150			48 355 150
Trade and other receivables	13 960 609			13 960 609
Cash and cash equivalents	1 712 055	115 000 000	(283 080)	116 428 975
	64 027 814	115 000 000	(283 080)	178 744 734
Total assets	443 725 802	115 000 000	(283 080)	558 442 722
EQUITY AND LIABILITIES				
Capital and reserves				
Stated capital	165 563 026	115 000 000	(283 080)	280 279 946
Accumulated loss	(139 695 949)			(139 695 949)
Other reserves	17 258 242			17 258 242
Equity attributable to owners of the parent	43 125 319	115 000 000	(283 080)	157 842 239
Total equity	43 125 319	115 000 000	(283 080)	157 842 239
Non-current liabilities				
Borrowings	252 848 149			252 848 149
Rehabilitation provision	69 760 293			69 760 293
	322 608 442	—	—	322 608 442
Current liabilities				
Borrowings	7 413 719			7 413 719
Trade and other payables	70 578 322			70 578 322
	77 992 041	—	—	77 992 041
Total liabilities	400 600 483	—	—	400 600 483
Total equity and liabilities	443 725 802	115 000 000	(283 080)	558 442 722
Number of shares in issue	469 975 134	153 333 333		623 308 467
Net asset value per share (thebe)	9.18			25.32
Tangible net asset value per share (thebe)	9.18			25.32

Note 1

Assumes that all 153 333 333 shares for the Specific Issue for Cash (being all of the Placing Shares) were issued on 30 June 2020 at P0.75 each (being the recently traded approximate 30-day VWAP of the Company's shares leading into the Last Practicable Date and after applying a 10% discount). The effect of this transaction at the assumed price of P0.75, is that it increases the Group's Cash and Stated Capital by an indicative BWP115 000 000. The cash ultimately raised as a result of the transaction, may be higher, or lower, depending on the actual number of shares issued, and the price at which these shares are issued.

Note 2

Assumes that all the Preliminary expenses as listed in paragraph 11 of this Circular are costs directly related to the Placing and that it occurred on 30 June 2020. These costs reduce the Group's Cash and are capitalised against Stated Capital. It is assumed that VAT will not be claimed on these expenses and as such the full cost is accounted for.

Note 3

It should be noted that the Stated Capital of the Company as disclosed in the Pro-forma Statement of Financial Position shows total Stated Capital which is P8 508 043 lower than the Stated Capital in this Circular. The difference relates to share issuance costs of prior share issuances which in accordance with IFRS reduces the Stated Capital recorded in the Company's Financial Statements.

There are no other post balance sheet events which require adjustment to the pro forma financial information.

Once-off costs (In Pula)	Fees	VAT	Total
Legal Advisors	50 000	6 000	56 000
Corporate advisors	40 000	4 800	44 800
BSE listing and sustaining fees	28 750	3 450	32 200
Reporting Accountants' fees	44 000	5 280	49 280
Transfer Secretaries	15 000	1 800	16 800
Printing, publication and advertising expenses	48 000	5 760	53 760
Other	27 000	3 240	30 240
Total	252 750	30 330	283 080

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME

None of the transactions presented affect the Statement of Comprehensive Income other than the calculation of loss and diluted loss per share as presented below.

Figures in Pula	Audited 30 Jun 2020 (note 1)	Cash raised through specific issue (note 2)	Preliminary expenses (note 3)	Pro forma after issue 30 Jun 2020
Revenue	80 650 039			80 650 039
Cost of sales	(149 918 714)			(149 918 714)
Gross loss	(69 268 675)	—	—	(69 268 675)
Other income	97 614			97 614
Operating expenses	(31 093 212)			(31 093 212)
Operating (loss)/profit	(100 264 273)	—	—	(100 264 273)
Finance income	101 097			101 097
Finance costs	(17 458 743)			(17 458 743)
(Loss)/profit before income tax	(117 621 919)	—	—	(117 621 919)
Income tax	25 749 223			25 749 223
(Loss)/profit for the year	(91 872 696)	—	—	(91 872 696)
Other comprehensive income for the year	—	—	—	—
Total comprehensive (loss)/profit for the year	(91 872 696)	—	—	(91 872 696)
Total comprehensive loss attributable to:				
Owners of the parent	(91 872 696)	—	—	(91 872 696)
Non-controlling interest	—	—	—	—
	(91 872 696)	—	—	(91 872 696)
Weighted number of shares in issue	444 049 208	153 333 333	—	597 382 541
Loss per share (thebe)	(20.69)			(15.38)
Diluted loss per share (thebe)	(20.69)			(15.38)

Note 1

Assumes that all of the 153 333 333 Ordinary Shares for the Specific Issue for Cash (being all of the Placing Shares representing up to ~25% of the issued share capital of the Company after the Placing) were issued on 1 July 2019.

Note 2

Preliminary expenses have been capitalised against Stated Capital.

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

Figures in Pula

2020

2019

	2020	2019
ASSETS		
Non-current assets		
Property, plant and equipment	340 602 189	168 615 431
Deferred tax asset	39 095 799	13 346 576
	379 697 988	181 962 007
Current assets		
Inventories	48 355 150	47 246 445
Trade and other receivables	13 960 609	23 190 740
Cash and cash equivalents	1 712 055	294 085
	64 027 814	70 731 270
Total assets	443 725 802	252 693 277
EQUITY AND LIABILITIES		
Capital and reserves		
Stated capital	165 563 026	130 563 026
Accumulated loss	(139 695 949)	(48 675 336)
Other reserves	17 258 242	2 063 988
Equity attributable to owners of the parent	43 125 319	83 951 678
Total equity	43 125 319	83 951 678
Non-current liabilities		
Borrowings	252 348 149	—
Rehabilitation provision	69 760 293	22 665 812
	322 108 442	22 665 812
Current liabilities		
Borrowings	7 913 719	45 526 612
Trade and other payables	70 578 322	100 549 175
	78 492 041	146 075 787
Total liabilities	400 600 483	168 741 599
Total equity and liabilities	443 725 802	252 693 277

AUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the year ended 30 June 2020

Figures in Pula

	2020	2019
Revenue	80 650 039	—
Cost of sales	(149 918 714)	—
Gross loss	(69 268 675)	—
Other income	97 614	—
Operating expenses	(31 093 212)	(35 139 496)
Operating loss	(100 264 273)	(35 139 496)
Finance income	101 097	241 066
Finance costs	(17 458 743)	(1 135 285)
Loss before income tax	(117 621 919)	(36 033 715)
Income tax	25 749 223	6 686 122
Loss for the year	(91 872 696)	(29 347 593)
Other comprehensive income for the year	—	—
Total comprehensive loss for the year	(91 872 696)	(29 347 593)
Total comprehensive loss attributable to:		
Owners of the parent	(91 872 696)	(29 347 593)
Non-controlling interest	—	—
	(91 872 696)	(29 347 593)
Loss per share (thebe)	(20.69)	(7.01)
Diluted loss per share (thebe)	(20.69)	(7.01)

