

ABRIDGED PRE-LISTING STATEMENT

DATE OF ISSUE: 17 JANUARY 2020

RELATING TO

▷ Placing by way of Private Placement to Selected and Qualifying Institutional Investors of up to 64 662 936 new Ordinary Shares representing approximately 15% of the Existing Issued Shares of the Company.

CAUTIONARY STATEMENT: This document is an Abridged version ("Abridged Document") of the Disclosure Document of the Company published via X-News on 17 January 2020 ("Disclosure Document"), representing an overview and extracts therefrom. Terms in this Abridged Document, bear the same meanings as terms in the full Disclosure Document. This Abridged Document is not intended to be a substitute for the full Disclosure Document which is not a Prospectus and should be read in full and can be downloaded from the BSE or Company website.

BSE DISCLAIMER: The Botswana Stock Exchange has not verified the accuracy and truth of the contents of this Disclosure Document 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 Disclosure Document.

INTENDED TIMETABLE FOR THE PROPOSED PLACING ⁽¹⁾⁽²⁾

DESCRIPTION	DATE
Publication on X-News and Abridged version in news paper	Friday, 17 January 2020
Allot and upload shares on CSDB	During the Placing Period as applicable
Listing of new shares	During the Placing Period as applicable

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 and X-News.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in paragraph 6.1 of this Disclosure Document 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 Disclosure Document contains all information required by law.

The Directors confirm that the Disclosure Document 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 Disclosure Document relates.

1. RATIONALE FOR THE PROPOSAL

The rationale for the Placing is to raise further capital by way of the Private Placement to Selected and Qualifying Institutional Investors primarily to be utilised as follows:

- > working capital; and
- > reducing debt.

Funding is required to replace debt with cheaper equity, and for working capital to bridge the ramp up phase at the Company's mine into full production in a way that normalises contractor accounts relating primarily to extended payment terms afforded by the Mining Contractor to the Company, which progressed services according to schedule, but which occurred at faster rate than the rate of commissioning of the beneficiation plant.

2. DETAILS AND FINANCIAL EFFECTS OF PLACING

- 2.1 At the Last Practicable Date, the Company had a Stated Capital of P135 571 068 and Existing Issued Shares was 431 086 245 Ordinary Shares. The financial information has been prepared in line with the BSE Listings Requirements.
- 2.2 If all of the Placing Shares are issued pursuant to the Placing, the Stated Capital of the Company will increase by an amount equal to the Placing Price multiplied by the total number of Placing Shares issued. If all of the Placing Shares are issued, the number of Ordinary Shares in issue will increase by up to a maximum of 64 662 936 to a total of 495 749 181.
- 2.3 The Placing Price may not be discounted by more than 10% of the weighted average ruling price, being the price of the Ordinary Shares measured over the 30 business days prior to the date that the price of the purchase of Placing Shares is agreed between the Company and the Selected and Qualifying Institutional Investor subscribing for the Placing Shares.

3. FINANCIAL EFFECTS

- 3.1 The Placing will result in an increase in the number of Ordinary Shares of the Company in issue, reduction of trade and other payables as well as an increase in cash balances, and/or the extinguishment of debt.
- 3.2 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 and the Company's application of the net proceeds.
- 3.3 Shareholders that do not participate in the Placing will continue to own the same number of Ordinary Shares which they owned prior to the Placing, but their percentage Shareholding in the Company will be diluted to a lower percentage.

4. HISTORICAL FINANCIAL INFORMATION

Historical Financial Information of the Company required to be included in this Disclosure Document, is incorporated by reference to the Audited Financial Statements of the Company published in its 2019 Integrated Annual Report, which was published on 6 November 2019. The Historical Financial Information can be downloaded from the Company's website at www.minergycoal.com.

The Historical Financial Information of the Company is the responsibility of its Directors as stated therein.

5. ADDITIONAL FINANCIAL INFORMATION AND INFORMATION ON EVENTS OR OCCURRENCES SINCE THE PUBLICATION OF THE HISTORICAL FINANCIAL INFORMATION

The following have occurred or became known subsequent to publication of the Historical Financial Information incorporated by reference at paragraph 4 above.

- 5.1 Commissioned the beneficiation plant, producing saleable coal to the expected qualities.
- 5.2 The Group recorded its first commercial coal sales during September 2019.



(Incorporated in accordance with the laws of Botswana)
(Company number: 2016/18528) ("Minergy" or "the Group" or "the Company")

minergycoal.com

- 5.3 Operations are in the ramp-up phase and working towards achieving its target of mining 110 000 tons per month to produce 70 000 to 80 000 tons of saleable coal.
- 5.4 The Group has concluded its first long-term customer contract, representing approximately 15% of estimated annual nameplate saleable coal.
- 5.5 The Placing described herein is being undertaken to satisfy its funding requirements described in paragraph 2 on page 6 of the Disclosure Document (available on the Minergy as well as the BSE websites), which also includes information on Funding Facilities.

6. ACTION TO BE TAKEN

If you are not a Selected and Qualifying Institutional Investors you are not required to take any further action.

If you are a Selected and Qualifying Institutional Investors you should read the Disclosure Document carefully and ensure that you seek any advice (from your accountant, broker, banker, CSDP, legal advisor, or other professional advisor) required or that you consider is required, and if you are satisfied that you wish to subscribe, request a subscription form from the Company.

If you are in doubt about what to do you should seek advice from you (from your accountant, broker, banker, CSDP, legal advisor, or other professional advisors).

SPONSORING BROKER



TRANSFER SECRETARY



REPORTING ACCOUNTANTS



LEGAL ADVISOR



Morné du Plessis
Chief Executive Officer
17 January 2020

CORPORATE INFORMATION

Directors

Mokwena Morulane (Independent Non-executive Chairman)
Morné du Plessis (Chief Executive Officer)
André Bojé (Non-executive Director)
Leutlwetse Tumelo (Non-executive Director)
Claude de Bruin (Non-executive Director)

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

Armstrongs Attorneys
2nd Floor, Acacia House, Plot 74538
Cnr Khama Crescent Ext and PG Matante Road
New CBD, Gaborone
Botswana
(PO Box 1368, Gaborone, Botswana)

Receiving bank

RMB Botswana (a division of First National Bank of Botswana)
Plot 54362, First Place, CBD
Gaborone, Botswana
(PO Box 1552 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
Unit 1E, Ground Floor Peelo Place
Plot 54366 Western Commercial Road
New CBD, Gaborone
Botswana

Reporting accountants and auditors

Grant Thornton Botswana
Acumen Park, Plot 50370, Fairgrounds
Gaborone, Botswana
(PO Box 1157, Gaborone, Botswana)

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This announcement may contain certain forward-looking statements concerning Minergy's operations, business strategy, financial conditions, growth plans and expectations. These statements include, without limitation, those concerning the economic outlook, business climate and changes in the market. Such views involve both known and unknown risks, assumptions, uncertainties and important factors that could materially influence the actual performance of the Group. No assurance can be given that these will prove to be correct and no representation or warranty, expressed or implied, is given as to the accuracy or completeness of such views contained in this announcement.