Minergy Results – Year Ended 30 June 2019

Presentation – September 2019

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LIMITED

Operational overview

Pioneering the Botswana coal industry

SALIENT FEATURES

2018/19 → **Subsequent to 30 June 2019**

2018/19

- EIA approved and Mining License awarded August 2018
  Surface rights lease
- Development of mining infrastructure completed and wash plant established
- Electrification of mine and village connectivity
- 2.4 million m^3 of overburden removed and 14,000 tons of coal extracted
- 340,000 tons in-pit coal exposed

- Successful testing of product by SA and Namibian customers

Subsequent to 30 June 2019

- Beneficiation plant commissioned
- P55 million additional debt funding secured
- First long-term contract signed for 30% of current saleable production
- New CEO & CFO appointed to take Minergy forward
- AIM listing progressed

OPERATIONS UPDATE

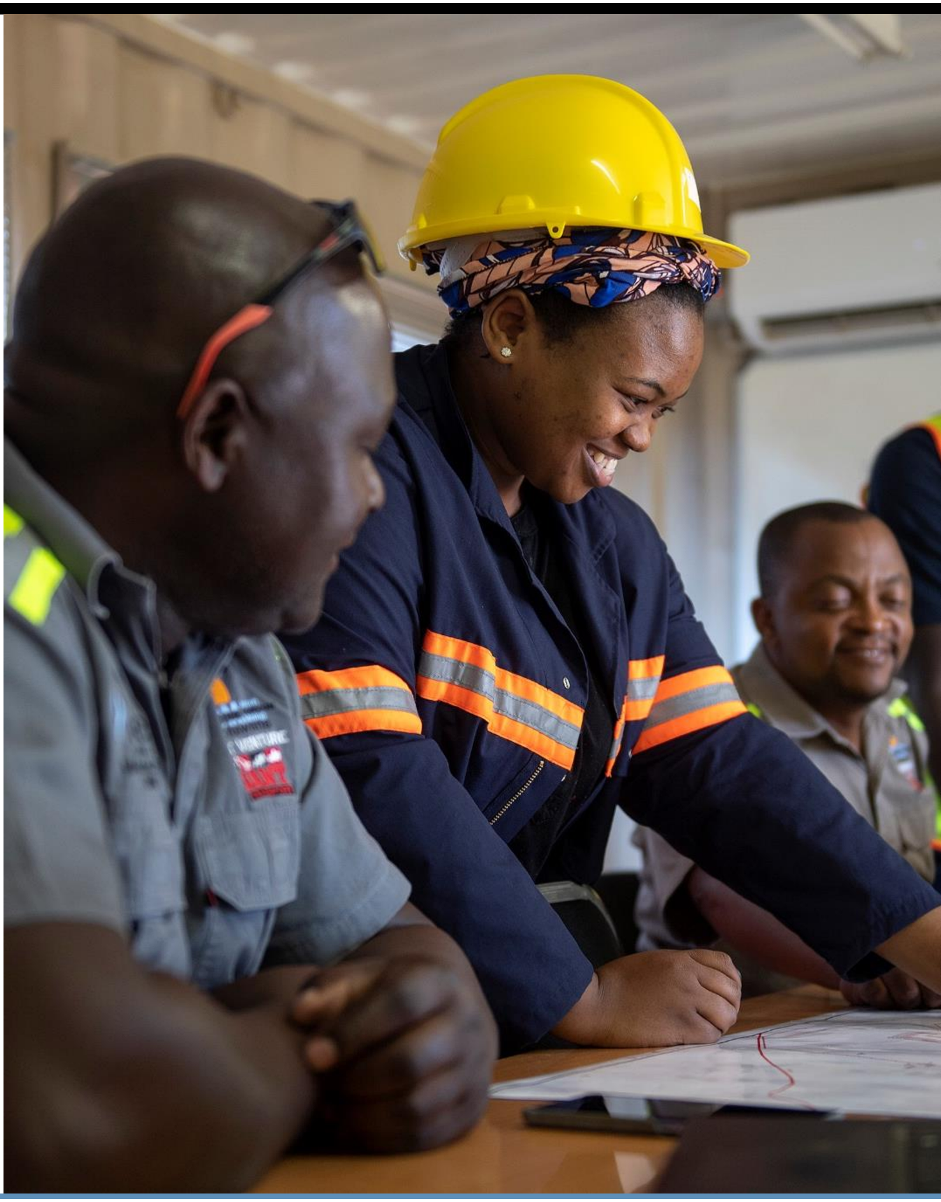
- In pit coal stocks sufficient for plant feed
- Plant commissioned and in operation
- Qualities produced are consistent with earlier test results
- Product transported and tested successfully in South Africa, Botswana and Namibia
- Plant upgrades ongoing to improve efficiencies and consistency in quality and size
- During ramp up phase (September 2019), water supply and dust challenges being addressed

Targets:

- Mining at **110,000** tons / month
- **70,000 – 80,000** tons of saleable coal / month, increasing to **100,000** tons / month in early 2020

HEALTH, SAFETY & COMMUNITY

- No reportable health or safety incidents
- Focus on safety protocols
- Outstanding community relations
- Machine operator training
- 270 employees on the mine, 93% are Batswana
- Clinic, kgotla and school in Medie will have electricity

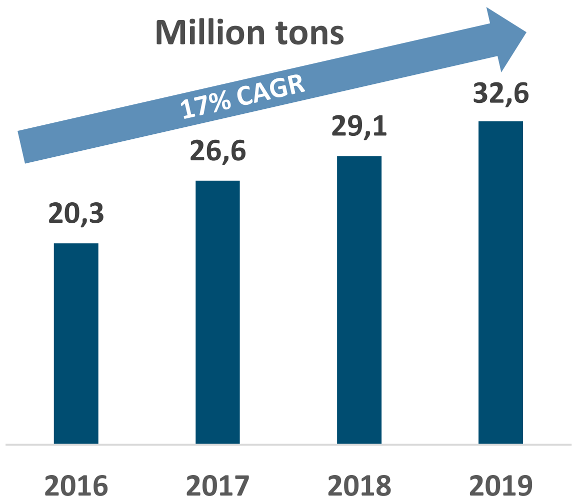


Industry overview

Limited new entrants advantageous to Minergy

COAL LANDSCAPE – REGIONAL MARKET DEMAND

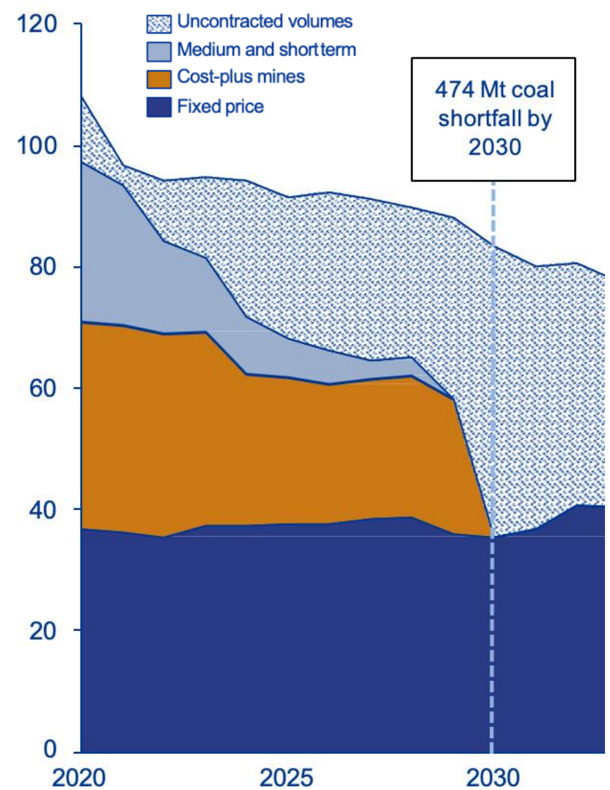
- Increasing industrial demand



Graph excludes power generation and synthetic fuels
Source : Department of Mineral Resources / South African Coal Report

- Eskom facing a coal cliff by 2020
  - Utility cannot be allowed to fail
  - Will draw coal from the regional and export markets

Eskom coal demand (Million tonnes)



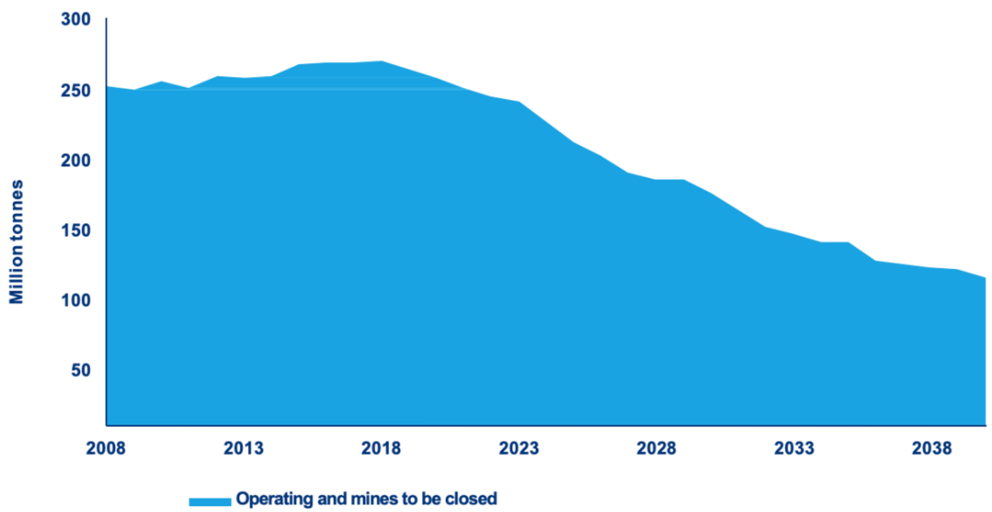
Source: Eskom – Long Term Coal Strategy

COAL LANDSCAPE – REGIONAL SUPPLY

- Production is static and will decline
- Major producers exiting South Africa
  - Historical and continuing regulatory uncertainty and unclear fiscal regime
  - Increasing free carry and BEE requirements making projects uneconomical
  - Rhetoric around resource nationalisation
  - Shareholder push back against investment in coal projects
- No future mega mines planned in RSA

"About 77% of SA's primary energy needs are provided by coal."
Business Day, 29 July 2019 – Allan Seccombe

"SA coal production has declined from 260-million tons in 2014 to 240-million tons in 2018. Though it is just 20-million tons' difference, it is the beginning of a trend."
Xavier Prévost - Senior Coal Analyst, XMP consulting

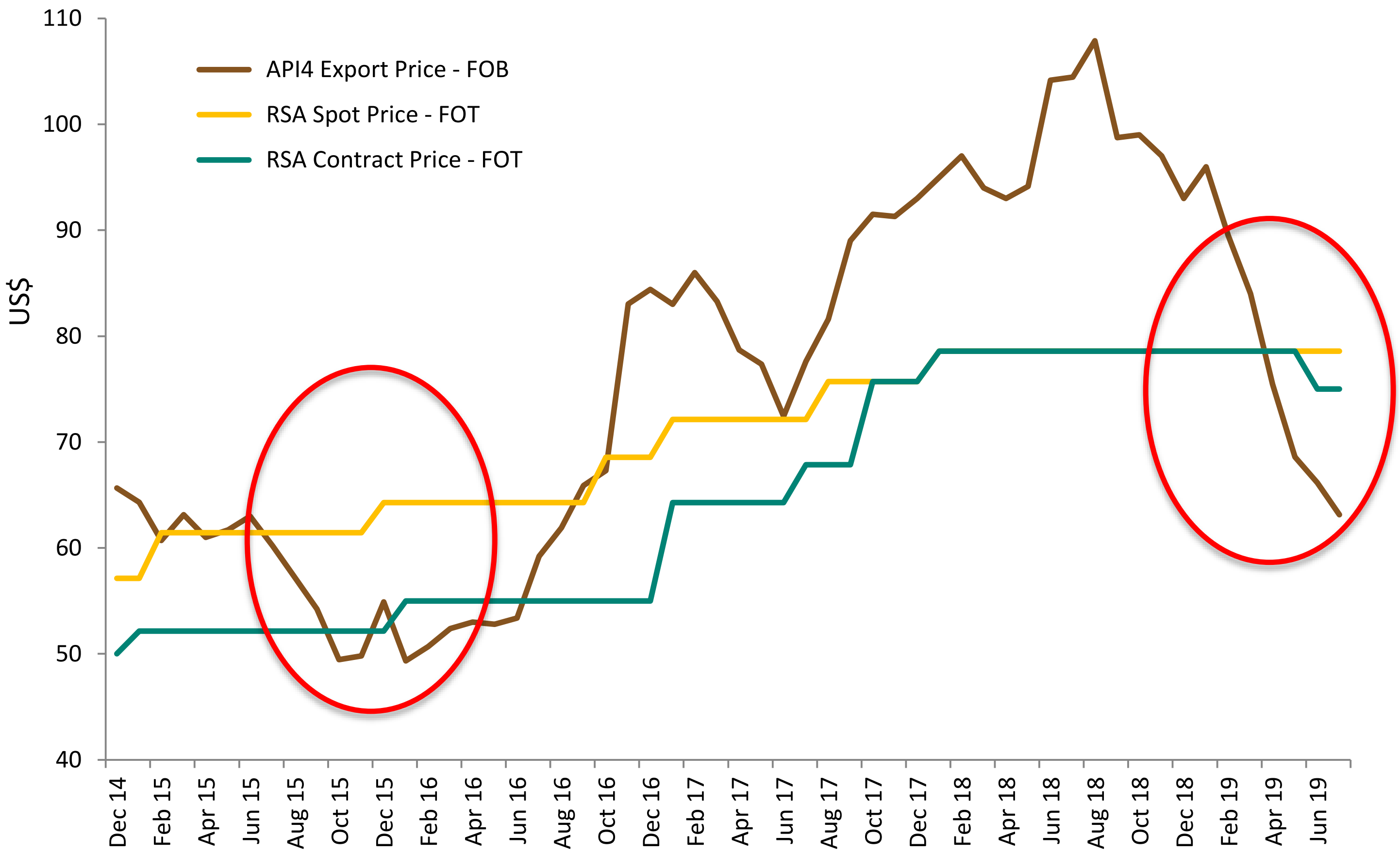


Source: Wood Mackenzie

REGIONAL MARKETS

- Domestic pricing has steadily increased since 2014
- Domestic pricing decoupled from export pricing
- End users reliant on high quality and stable supply

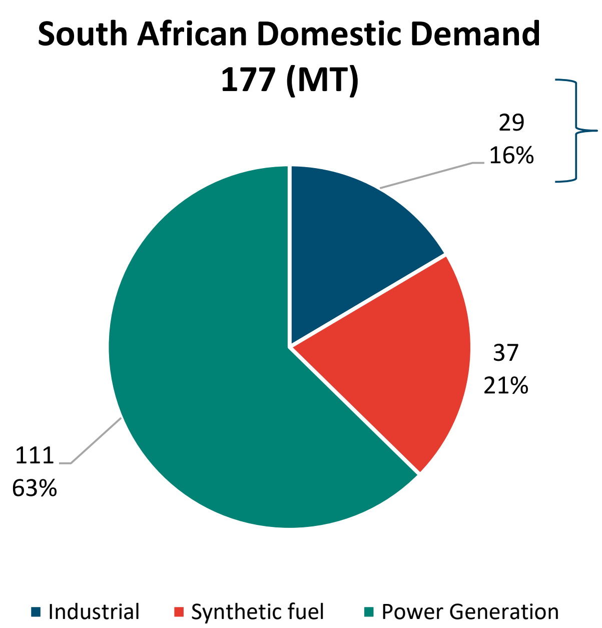
Stable pricing regional vs. export

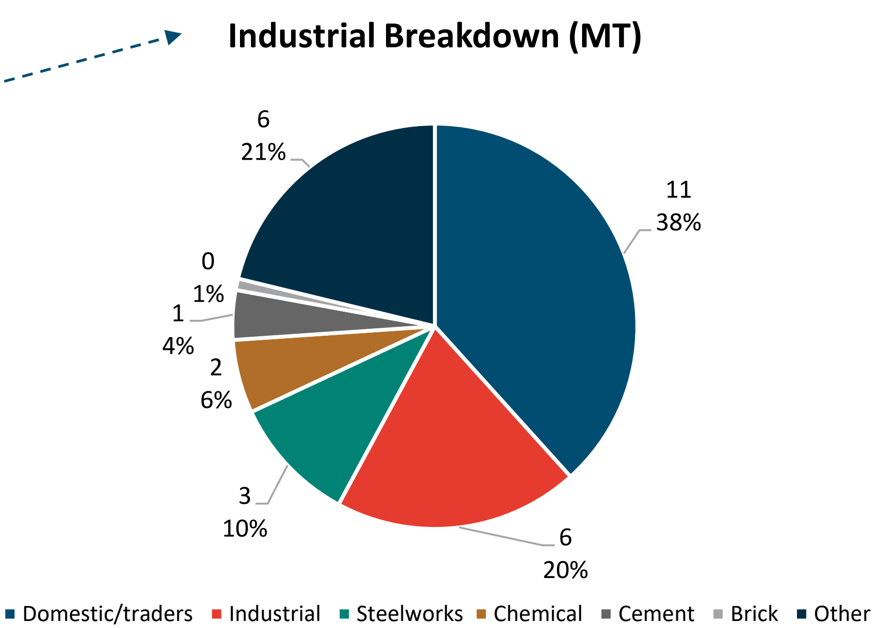


Source: Historical industry data/Argus-McCloskey

SALES STRATEGY

- Predominantly thermal coal for the regional market
- Focus on selling directly to industrial end-users based in Botswana and Southern Africa
- Sell smaller fraction product (< 8mm) on longer-term contracts
  - Concluded off-take agreement with SA cement producer for a minimum value of P240m
- Sell larger fraction on short-term contracts and spot basis
  - Five customers on trial-testing
- Exposure to local pricing, not international





Source: SA Coal Report 2018

FUTURE OPPORTUNITIES FOR BOTSWANA COAL

- Botswana Rail committed to:
  - Competitive rail rates
  - Start construction of Mmamabula-Lephalale export line to RSA Q2 2021
- Transnet Freight Rail (TFR) committed to:
  - Competitive rail rates to Richards Bay
  - 13 MT capacity on Lephalale line by end 2019
  - Increase coal line rail capacity from 81 to 100 MT PA
- Opportunities over Kazungula Bridge to Zambia and other countries
- For Minergy this means:
  - Potential to export coal via RSA ports
  - Potential to sell more widely into Zambia and Africa

Financial overview

Development of Mine expenditures

PLEASE NOTE

- Comparison between 30 June 2019 and 30 June 2018 is not practical on a like-for-like basis

YE 2018	Aug 2018	YE 2019	Post YE 2019
↓	↓	↓	↓
Exploration & evaluation phase	Mining license awarded	Operational mine	Commissioning & production at mine

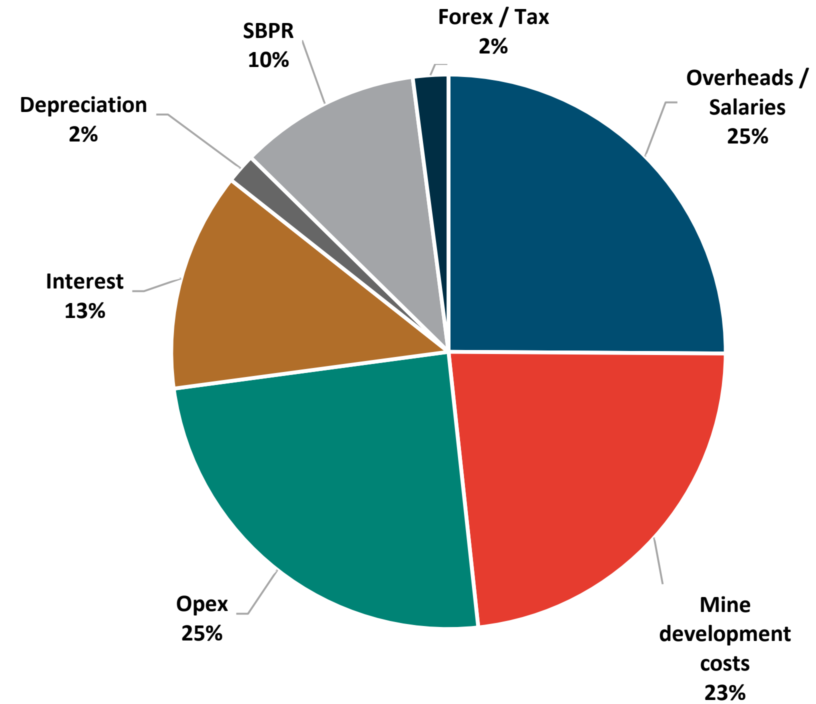
STATEMENT OF COMPREHENSIVE INCOME

Group	30 June 2019 (Pula)	30 June 2018 (Pula)
Other income	-	-
Operating expenses	(35 139 496)	(18 077 019)
Operating loss	**(35 139 496)**	**(18 077 019)**
Finance income	241 066	1 598 248
Finance costs	(1 135 285)	(48)
Loss before income tax	**(36 033 715)**	**(16 478 819)**
Income tax recovery	6 686 122	6 660 454
Total loss for the year	**(29 347 593)**	**(9 818 365)**

Notes:

- Site costs, mine development costs, SBPR 58% of variance (no comparative for 2018)
- Finance costs increase net of capitalised interest

P20m NPAT Variance Analysis



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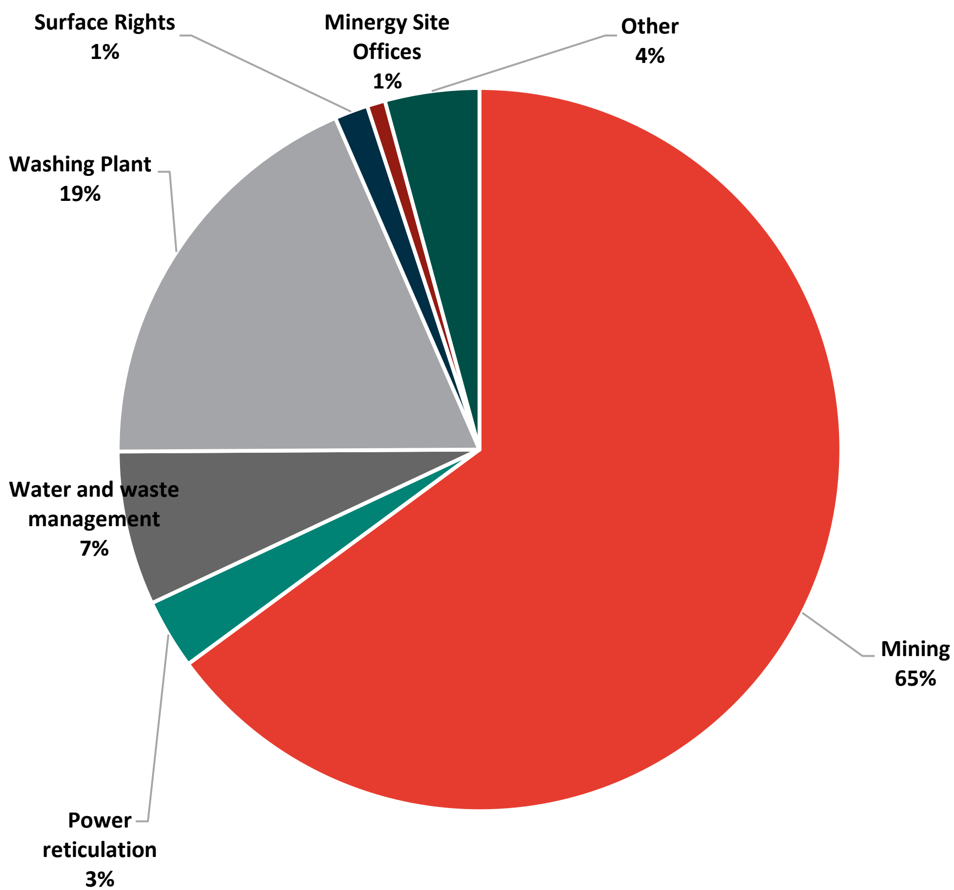
STATEMENT OF FINANCIAL POSITION

Notes:

- Significant investment in mine assets
- Reclassification of exploration assets
- Inventory represents > 300,000 tons WIP
- Stated capital boosted by share raise in December 2018 of P20 million
- Financial liabilities include debt from BDC
- Rehabilitation liability of P22.7 million with reciprocal asset
- Trade and other payables reflects vendor financing by service providers in anticipation of further funding

Group	2019 (Pula)	2018 (Pula)
Assets		
Non-current assets		
Property plant and equipment	168 615 430	1 918 090
Exploration and evaluation assets	-	27 272 920
Deferred tax asset	13 346 576	6 660 454
Current assets		
Inventory	47 246 445	-
Trade and other receivables	23 190 740	404 011
Cash and cash equivalents	294 085	55 891 338
Total assets	**252 693 276**	**92 146 813**
Equity and liabilities		
Capital and reserves		
Stated capital	130 563 026	109 779 735
Share based payment reserve	2 063 988	-
Accumulated loss	(48 675 336)	(19 327 743)
Total equity	**83 951 678**	**90 451 992**
Non-current & current liabilities		
Rehabilitation liability (non-current)	22 665 812	-
Financial liability (non-current)	45 526 612	-
Trade and other payables (current)	100 549 174	1 694 821
Total equity and liabilities	**252 693 276**	**92 416 813**

CAPEX SPEND



Notes:

- Property, Plant and Equipment increase
  - P117 million of additions
  - P22.6 million rehabilitation asset
  - P 27 million Exploration Asset reclassification
- Box cut cost and washing plant civils represents > 80% of spend
- Washing plant built on BOOT basis and will be capitalised with liability on commissioning

LIQUIDITY

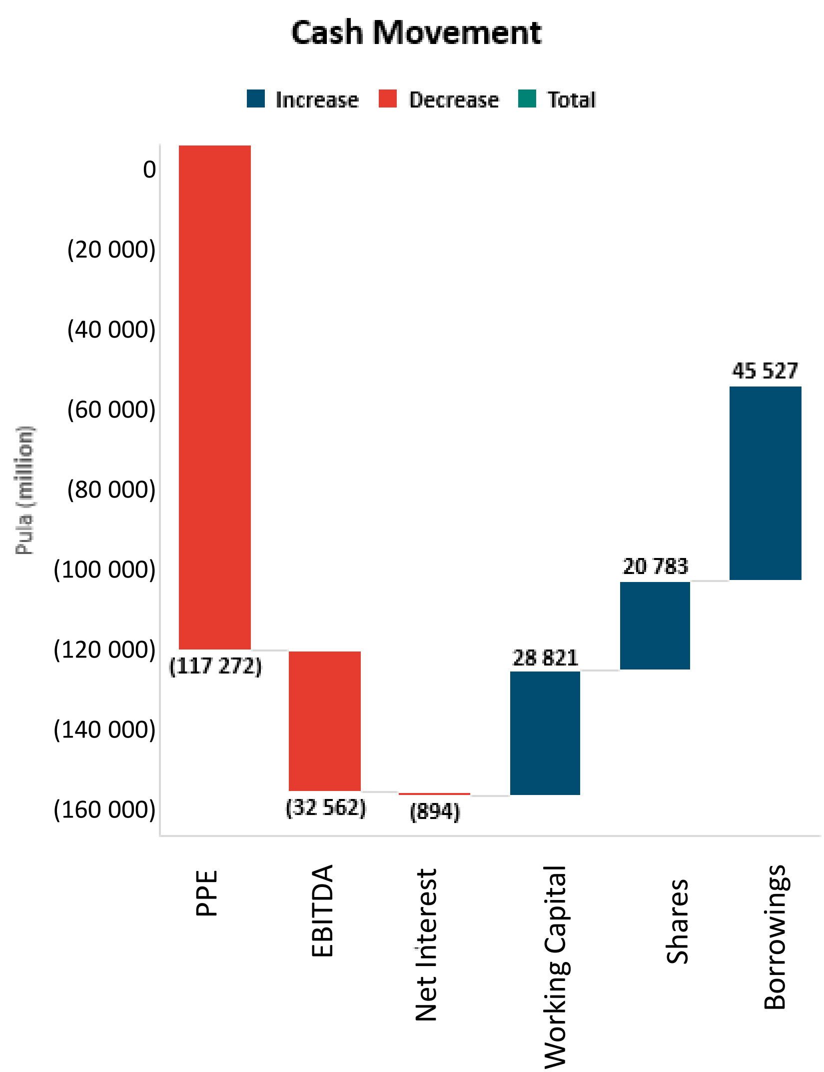
- Statement of Financial Position (“SOFP”) shows current liabilities exceed current assets by P75.3 million
- Events subsequent to year-end (not included in SOPF) will decrease the deficit:
  - P55 million funding received from Minerals Development Corporation Botswana (“MDCB”) with additional funding of P15 million approved
  - Total financing from MDCB - P70 million
  - Botswana Development Corporation (“BDC”) liability classified as current borrowing but in process of being converted to medium term funding
  - Inventory WIP at P47.3 million to be converted into cash within 3-month period
  - Off take agreement signed with SA cement producer for 3-year period with total value in excess of P240 million with favourable payment terms

STATEMENT OF CASH FLOWS

Group	2019 (Pula)	2018 (Pula)
Cash flows from operating activities		
Cash utilised in operations	(93 350 193)	(16 877 459)
Interest paid	(1 135 285)	(48)
Net cash used in operating activities	**(94 485 478)**	**(16 877 507)**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(26 186 301)	(1 440 111)
Exploration and evaluation asset expenditure	-	(7 074 051)
Interest income	241 066	1 598 248
Net cash utilised in investing activities	**(25 945 235)**	**(6 915 914)**
Cash flows from financing activities		
Subscription for shares	20 783 292	25 513 011
Proceeds from Financial Liabilities	44 050 168	-
Net cash from financing activities	**64 833 460**	**25 513 011**
Total cash movement for the period	(55 597 253)	1 719 590
Cash at the beginning of the period	55 891 338	54 171 748
Total cash at the end of the period	**294 085**	**55 891 338**

Notes:

- Cash subscriptions received P20.7 million net of share issuance costs
- Cash Capex spend of P26 million out of P117 million with rest funded from borrowings and vendor financing
- Depletion of cash resources for development



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CAPITAL & DEBT RAISED

Date	Pula (m)	Utilisation	Type
Early 17 & Jan 18	100	Exploration drilling, EIA, engineering design, mine infrastructure, overheads	Equity
May 18	66	Plant	Operator financed
Dec 18	21	Mine infrastructure development including box cut	Equity
July 19	95	Mine construction and box cut	Debt
Total	**282**		

Positive outlook

Optimal performance supporting stable and sustainable cash and profit generation

MILESTONES FOR THE YEAR AHEAD

ESG and mine-safety as key focus areas

List on AIM to unlock value and access capital markets

Nameplate production

Ensure plant efficiencies

Sign up long-term supply agreements on duff product

Focus on cash flow to limit debt

BOARD OF DIRECTORS

Morné du Plessis
Chief Executive Officer

Jean-Pierre van Staden
Chief Financial Officer
Effective 2 January 2020

Mokwena Morulane
Chairman

Leutlwetse Tumelo
Non-Executive Director

Claude de Bruin
Non-Executive Director

Andre Bojé
Non-Executive Director

Years of mining experience x

EXECUTIVE AND OPERATIONAL MANAGEMENT

25

John Astrup
Director Minergy Coal

40

Martin Bartle
MD Minergy Coal

20

Lynette Kruger
Marketing Manager
Minergy Coal

35

Gabotshwarege Tshekiso
Project Manager
Minergy Coal

6

Julius Ayo
Financial Manager
Minergy Limited

26

Siyani Makwakwago
General Manager Mining
Minergy Coal

9

Bonkie Baeletse
Corporate Services Manager
Minergy Coal

14

Herbert Kebafetotse
SHE Manager
Minergy Coal

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Thank you

www.minergycoal.com

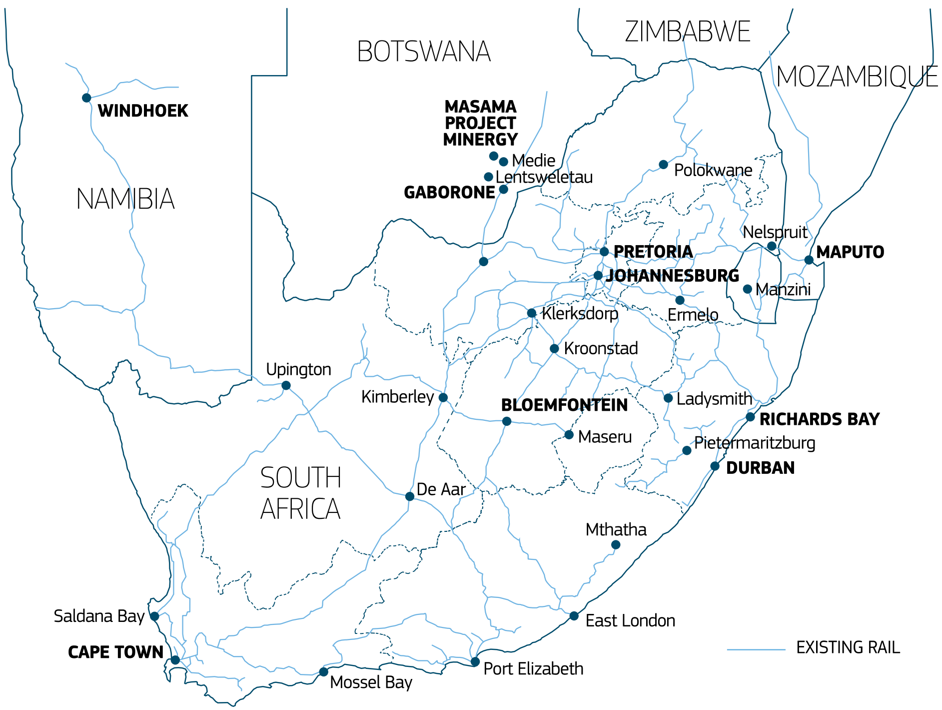
Appendix

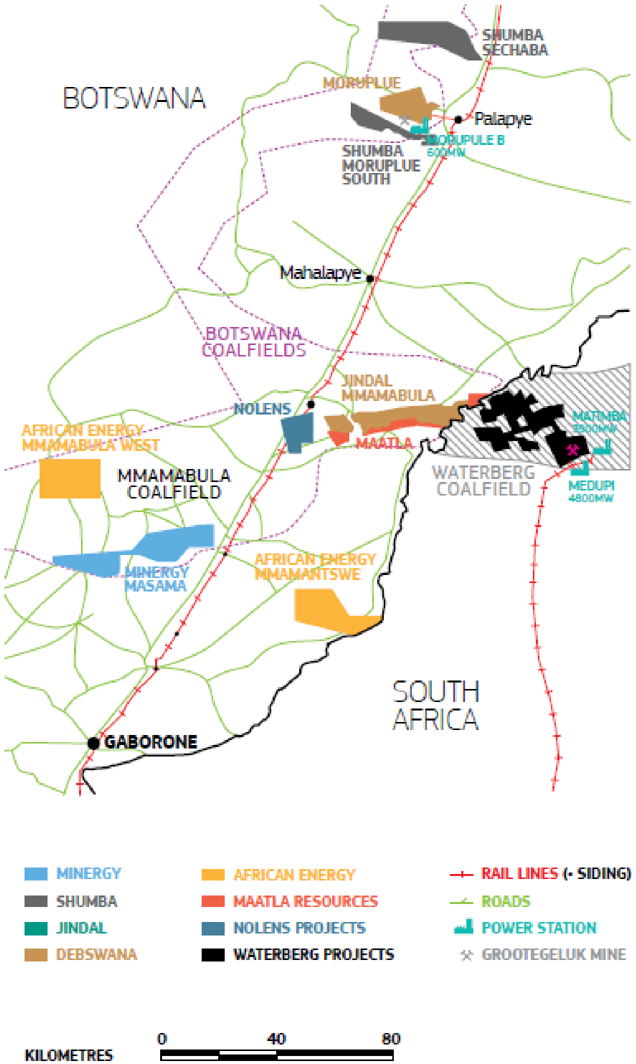
Additional information

![minergy LIMITED logo]

MASAMA PROJECT LOCATION

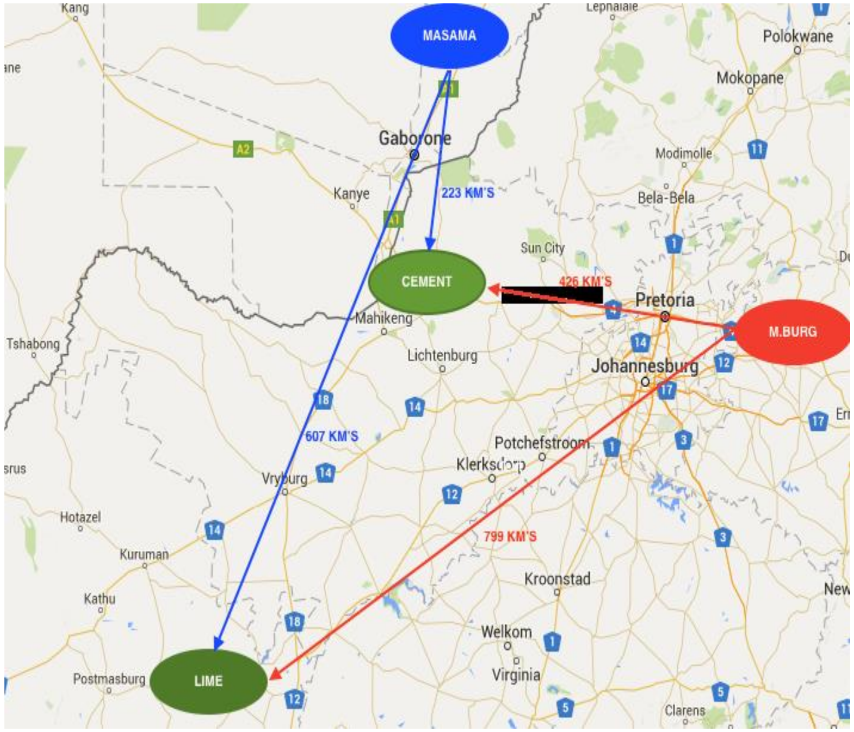
- 50 km north of Gaborone
- In close proximity to existing road, rail and water infrastructure
- Focused on delivering coal to the regional market including Botswana and South Africa
- Potential to expand coal supply for export market and power stations





PROJECT ADVANTAGES

- Masama is a low cost producer compared to current suppliers in target market
  - Botswana, Limpopo, North West and Northern provinces of RSA
  - Low in situ strip ratios
  - Lower input costs e.g. diesel
  - Low CAPEX cost
  - Corporate tax rates 22%
- Coal supply is a logistics game
- Significant locational advantage
  - 180km distance advantage over nearest supplier to cement industry
  - 200km distance advantage over Central Basin supply to lime industry



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DEVELOPMENT MILESTONES ACHIEVED

2016

Commenced pre-feasibility assessments of the project

2017

February 2017
Raised P70 million from institutional investors via private placement

April 2017
Listed on the BSE raising P2 million

May 2017
Submitted Environmental Impact Assessment ("EIA") for the granting of the Mining License

May 2017
Completed exploration programme indicating improved results, in situ qualities, strip ratios and yields

Granted prospecting license ("PL") for Industrial Minerals covering new access roads

June 2017
Finalised mine plans and infrastructure design

September 2017
PL for coal and Coal Bed Methane ("CBM") renewed for 2 years until September 2019

November 2017
Updated the Competent Persons Report ("CPR")

2018

January 2018
Raised an additional P27 million in cash from shareholders

Appoint NOMAD for AIM listing

February 2018
Bolstered management team with engineering and marketing appointments

May 2018
Awarded the Build, Own, Operate, Transfer ("BOOT") wash plant contract to Johdee Mineral Processing (Pty) Ltd

Awarded the mining contract to Jarcon

July 2018
Received dispensation from the Department of Environmental Affairs ("DEA") to commence certain pre-construction work — clearing vegetation, and clearing and preparation of the box cut

August 2018
Contracts awarded for: site and bush clearing, civil work, power reticulation, water and waste management, road construction, weighbridges

EIA approval granted on 20 August 2018

August 2018
Mining License awarded

Environmental Impact Statement ("ESIA") approved by DEA

September 2018
Mine construction in progress

December 2018
Raised an additional P21 million in cash from shareholders

2019

June 2019
Box cut and mine infrastructure completed

July 2019
Commission wash plant

August 2019
First saleable coal

Accountants, advisors, lawyers appointed for AIM listing

Quarter 4
Complete all administrative requirements for AIM listing

Final investor roadshow (November 2019)

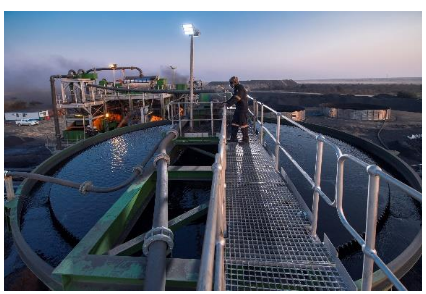
AIM listing (November 2019)

ESG

Environment

Having a sound respect for the environment and our impact

- Mining licence
- Water use licence
- Competent Persons’ Report
- Mine plan
- Rehabilitation plan
- Nursery



Social

Uplift the communities in which we operate

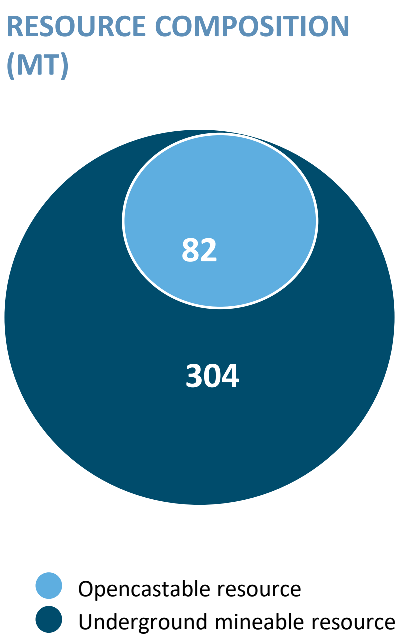
- Employ as many local community members as possible
- Upgrade healthcare facilities / clinic
- Support local schools
- Provide electricity where feasible
- Upskill the local community in other tasks
- Assist in ancillary business opportunities
    - Tuck shops
    - Boarding facilities
    - Laundries

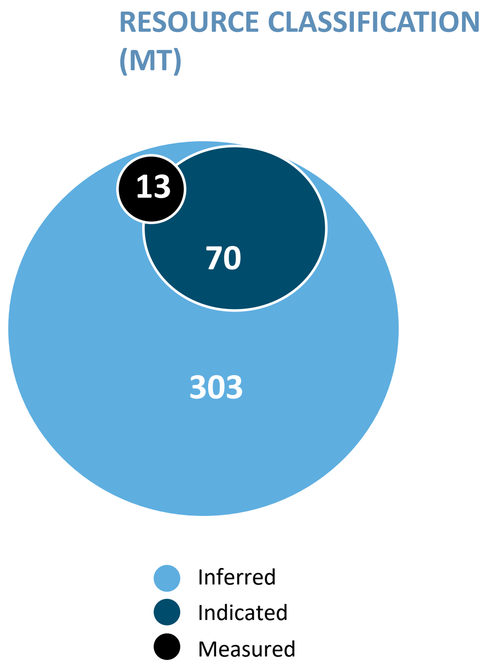
Governance

Ensuring ethics and governance across the organisation

- Due process
- Ethical
- Anti-bribery & corruption policy

RESOURCE AND RESERVES





1. 2.8 billion ton Inferred Resource (JORC 2012 Code) delineated by Coffey Mining in 2013 over broader project area
2. Project economics and reserve based on internal estimates

MINE INFRASTRUCTURE LAYOUT

MINE BOX CUT