



FINANCIAL RESULTS AND BUSINESS UPDATE

FOR THE YEAR ENDED 30 JUNE 2018

BOTSWANA

September 2018

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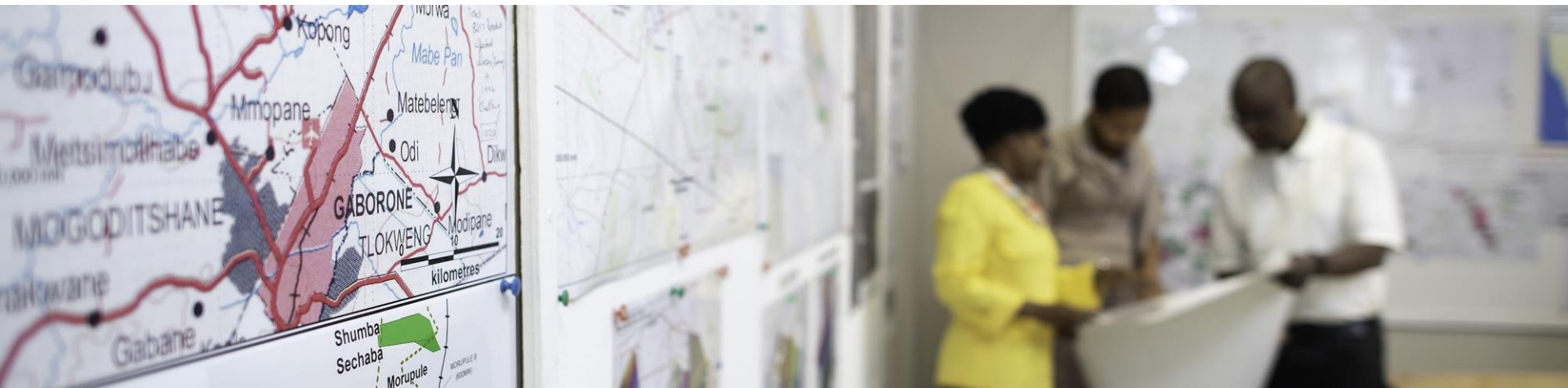
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Operational Overview

Significant progress due to an experienced team

OPERATIONAL OVERVIEW JANUARY 2017 - MAY 2018

- › Raised P98 million from institutional investors via private placement
- › Listed on the Botswana Stock Exchange raising P2 million
- › Granted ministerial authorisation for road construction
- › Completed exploration program indicating improved results, in situ qualities, strip ratios and yields
- › Finalised mine plans
- › Finalised infrastructure design
- › Bolstered management team with engineering and marketing appointments

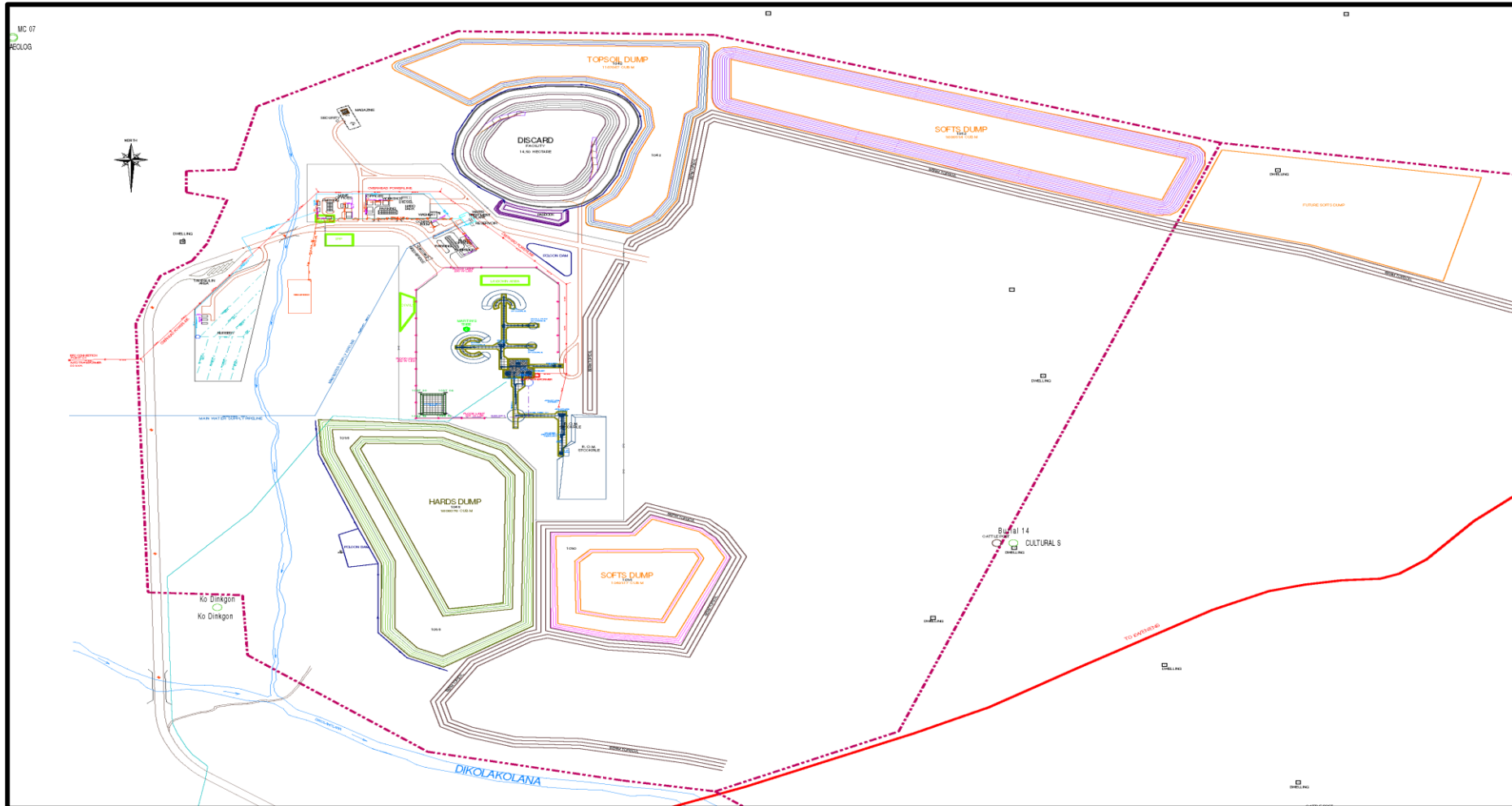


OPERATIONAL OVERVIEW JANUARY 2017 - MAY 2018

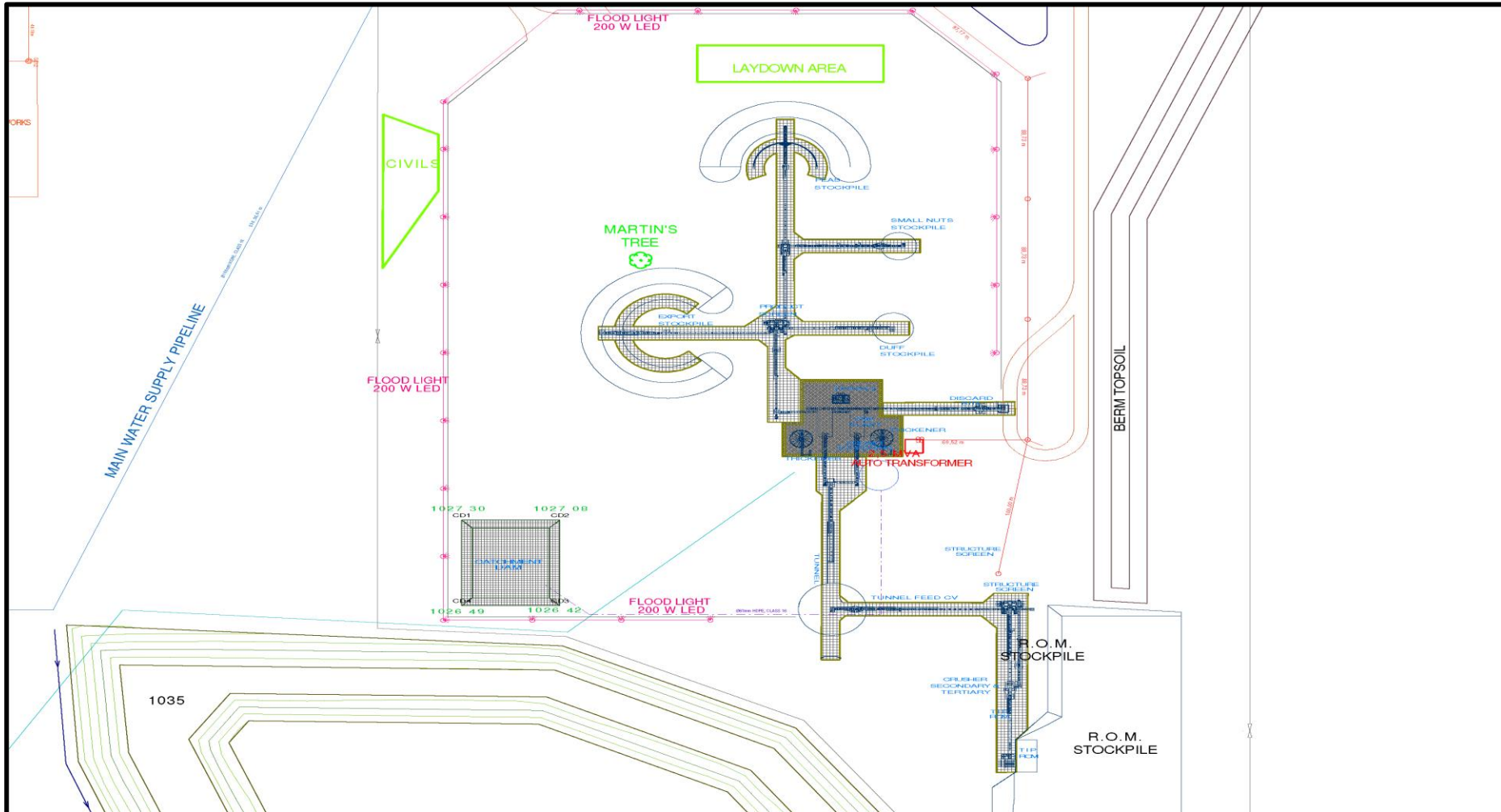
- › Granted prospecting license (PL) for Industrial Minerals covering new access roads
- › Granted authority by Botswana Rail to utilise a rail siding at Tshele Hills
- › PL for coal and Coal Bed Methane (CBM) renewed for 2 years
- › Updated the Competent Persons Report (CPR)
- › Awarded the mining contract to Jarcon a JV between IPP (South Africa) and Giant Plant (Botswana)
- › Awarded the BOOT wash plant contract to Pentalin Processing (South Africa)



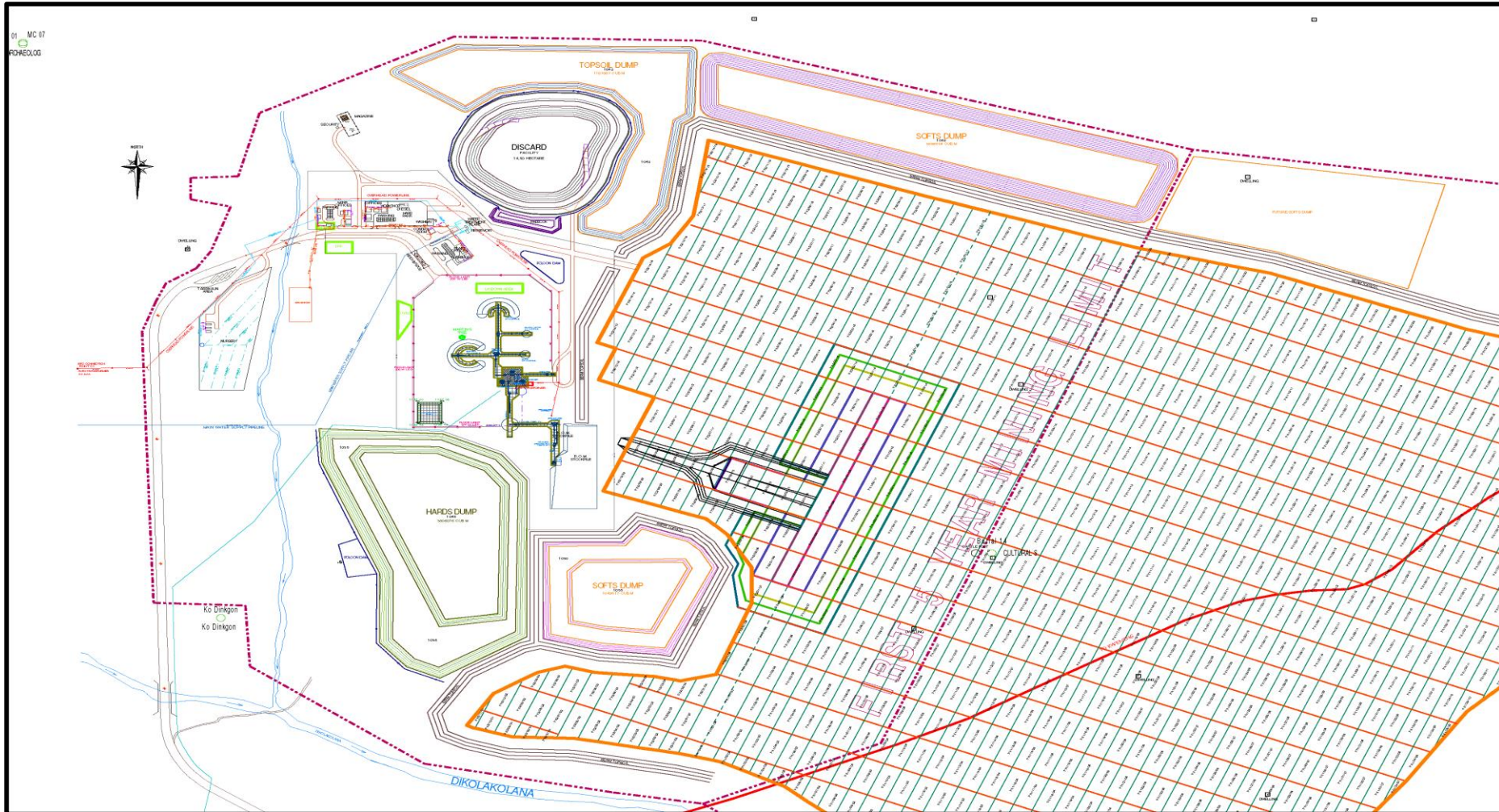
MINE INFRASTRUCTURE LAYOUT



MINE WASH PLANT LAYOUT



MINE PLAN – 1ST FIVE YEARS



Masama Coal Resources and Raw Coal Qualities as at 29 September 2017

Mining Method	Resource Classification	Seam	Geo-loss	Mineable Tonnes In Situ	Seam Thickness	Raw Coal Qualities on an air dried basis						
						Raw RD	Raw CV	Raw Ash	Raw Inherent Moisture	Raw Volatile Content	Raw Fixed Carbon	Raw Total Sulphur
			(%)	(tonnes)	(m)	(g/cm3)	(MJ/kg)	(%)	(%)	(%)	(%)	(%)
OC	Measured	A	8%	12,706,952	4.80	1.51	22.5	19.1	5.73	25.5	49.7	2.10
	Indicated	A	12%	47,649,094	5.02	1.57	22.3	19.6	5.69	25.1	49.6	1.75
	Indicated	E	12%	18,486,934	1.55	1.55	21.6	24.3	4.83	25.9	45.0	2.26
	Inferred	AU	20%	3,420,903	1.27	1.66	18.0	33.2	4.70	22.1	40.0	1.53
Opencastable Resource			12%	82,263,884								
Mining Method	Resource Classification	Seam	Geo-loss	Mineable Tonnes In Situ	Seam Thickness	Raw RD	Raw CV	Raw Ash	Raw Inherent Moisture	Raw Volatile Content	Raw Fixed Carbon	Raw Total Sulphur
			(%)	(tonnes)	(m)	(g/cm3)	(MJ/kg)	(%)	(%)	(%)	(%)	(%)
UG	Indicated	A	12%	7,069,391	4.70	1.58	21.8	20.6	5.83	24.4	49.2	1.51
	Inferred	A	20%	206,375,994	4.68	1.55	22.9	19.3	4.71	25.5	50.4	1.90
	Inferred	E	20%	94,208,868	1.71	1.52	22.0	23.2	5.20	25.9	45.7	1.91
Underground Mineable Resource			20%	307,654,254								
TOTAL COAL RESOURCE				389,918,137								

This Resource Estimation was prepared by K van Deventer in accordance with the SAMREC Code (2016 Edition)

Masama Coal Resources, Modelled Theoretical Product Yields and Qualities as at 29 September 2017

Mining Method	Resource Classification	Seam	Geo-loss	Mineable Tonnes In Situ	Product Coal Quality and Theoretical Yields							
					Product Float RD	Product CV	Product Ash	Product Inherent Moisture	Product Volatile Content	Product Fixed Carbon	Product Sulphur	Product Yield
			(%)	(tonnes)	(g/cm3)	(MJ/kg)	(%)	(%)	(%)	(%)	(%)	(%)
OC	<i>Measured</i>	A	8%	12,706,952	1.55	26.0	10.1	6.55	26.7	56.7	0.40	66.4
	<i>Indicated</i>	A	12%	47,649,094	1.53	26.0	9.7	6.62	26.7	57.0	0.34	58.3
	<i>Indicated</i>	E	12%	18,486,934	1.63	26.5	10.4	5.61	30.7	53.4	0.47	71.3
	<i>Inferred</i>	AU	20%	3,420,903	1.72	21.0	24.4	5.44	24.6	45.6	1.00	66.0
Mining Method	Resource Classification	Seam	Geo-loss	Mineable Tonnes In Situ	Product Float RD	Product CV	Product Ash	Product Inherent Moisture	Product Volatile Content	Product Fixed Carbon	Product Sulphur	Product Yield
			(%)	(tonnes)	(g/cm3)	(MJ/kg)	(%)	(%)	(%)	(%)	(%)	(%)
UG	<i>Indicated</i>	A	12%	7,069,391	1.53	26.0	9.0	6.94	26.7	57.3	0.40	56.3
	<i>Inferred</i>	A	20%	206,375,994	1.61	26.0	11.2	5.31	26.5	56.9	0.37	70.1
	<i>Inferred</i>	E	20%	94,208,868	1.69	26.5	11.2	4.74	30.6	53.4	0.73	71.6

This Resource Estimation was prepared by K van Deventer in accordance with the SAMREC Code (2016 Edition)

OPERATIONAL OVERVIEW JUNE - SEPTEMBER 2018

- › Received dispensation from the DEA to commence certain pre-construction work
- › Opened localised offices
 - ›› Medie
 - ›› Lentsweletau
- › Contracts awarded
 - ›› Site and bush clearing
 - ›› Civil work
 - ›› Power reticulation
 - ›› Water and waste management
 - ›› Road construction
 - ›› Weighbridges
- › Surface rights concluded and settled





OPERATIONAL OVERVIEW JUNE - SEPTEMBER 2018

- › Environmental Impact Statement (ESIA) approved
- › Mining License (ML) awarded
- › Commenced skills search and employment
- › 62 employees now on site – 57 are Botswana citizens
- › Mine construction in progress
- › Social development program in progress
- › Due to the regulatory delays, rescheduled proposed London listing to first half of 2019

EXECUTIVE AND OPERATIONS



Andre Boje
CEO Minergy Limited

Andre 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. Andre was appointed to Minergy in 2016



Morne du Plessis
CFO Minergy Limited

Morné, a qualified chartered accountant, who completed his articles with PricewaterhouseCoopers, has gained extensive experience in the mining industry in South Africa over the past decade or more. Former positions include having been Chief Financial Officer (CFO) of several mining groups, including 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.



John Astrup
Director Minergy Coal

John is a geologist with over two decades of experience in the mining industry, focusing on geological exploration programs. He has held senior positions in both public and private companies, including Falconbridge Ventures of Africa, Ni-Cu PGE Exploration, Harmony Gold Mining Company Limited, Platmin and the Council for Geoscience. John co-founded Minergy in 2008 and served as the Managing Director and Exploration Manager of Minergy Limited BVI, responsible for the technical management of exploration programs for base metals and coal in various countries. More latterly his focus has been the Masama Coal Project in Botswana where he has been responsible for the technical management of exploration programs



Martin Bartle
Director Minergy Coal

Martin has over 35 years of experience in the South African mining industry, having worked in management positions for Rand Mines, Exxaro, Anglo Coal, Homeland Energy, and most recently, as Managing Director of Wescoal Mining, a subsidiary of the JSE-listed mining company, Wescoal. Martin is the Director of Projects for Minergy Coal (Pty) Ltd. where he is also a member of the Board. He has extensive experience with coal mining Safety, Health, Environment and Quality, as well as regulatory compliance and management, risk management, human resource and personal management and optimisation, with significant experience in coal mine operations management.

EXECUTIVE AND OPERATIONS



Dutch Botes
Project Engineer

Dutch is a qualified mining, electrical and mechanical engineer with over 34 years of experience in coal mining at various South African companies such as BHP Billiton, Umcebo Mining and Wescoal. As CEO of Umcebo Mining he was responsible for bringing six new coal mines into production prior to which he held senior positions at various BHP Billiton mines including Middleburg Mines, Khutala, Koorfontein and Delmas Collieries. He has vast experience in managing opencast as well as underground coal mining operations



Lynette Kruger
Marketing Manager

Lynette has 18 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



Gabotshwarege Tshekiso (GT)
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 Gaborone and Francistown offices. He was a member of the Technical Committee of the BCL Limited Board. Gabotshwarege holds a Master's degree in Mechanical Engineering.

Financial results to June 2018

Typical of a an early stage development company

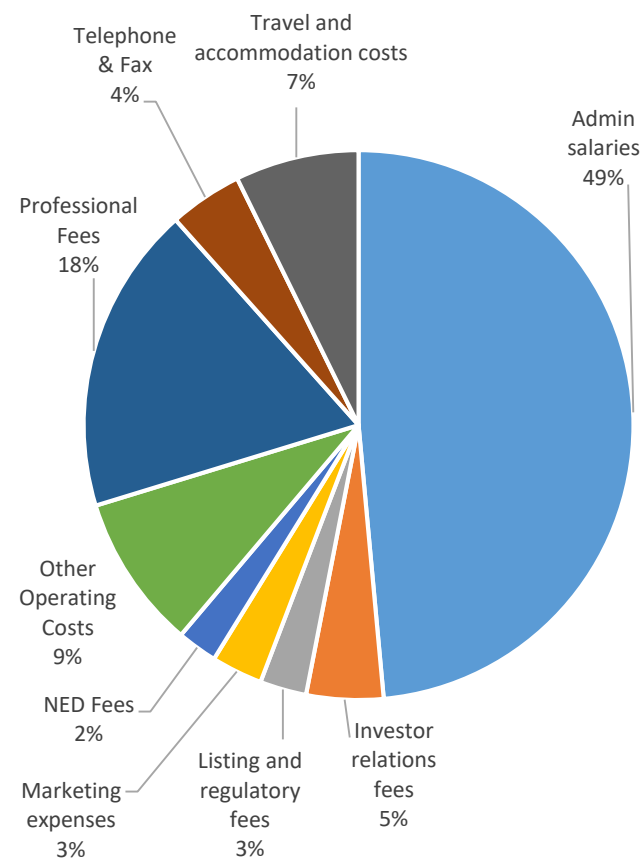
STATEMENT OF COMPREHENSIVE INCOME

Group	30 June 2018 (Pula)	30 June 2017 (Pula)
Other income	-	19 683
Operating expenses	(18 077 019)	(19 879 987)
Operating loss	(18 077 019)	(19 860 304)
Finance income	1 598 248	294 504
Finance costs	(48)	(324)
Loss before income tax	(16 478 819)	(19 566 124)
Income tax	6 660 454	-
Total loss for the year	(9 818 365)	(19 566 124)

Notes:

- 2017_18 full 12 month expenditure vs 6 month period for 2016_17
- Majority of expenditure relates to salary costs and professional fees (typical of exploration company)
- 2017 includes once off share based payment expense of P10 million
- Costs relating to AIM listing preparation included
- Interest income on surplus funds invested
- Deferred tax asset raised on expectation of profitability in 2018_19
- HEPS loss of 2.53 thebe vs 6.76 thebe in 2017

Expense analysis



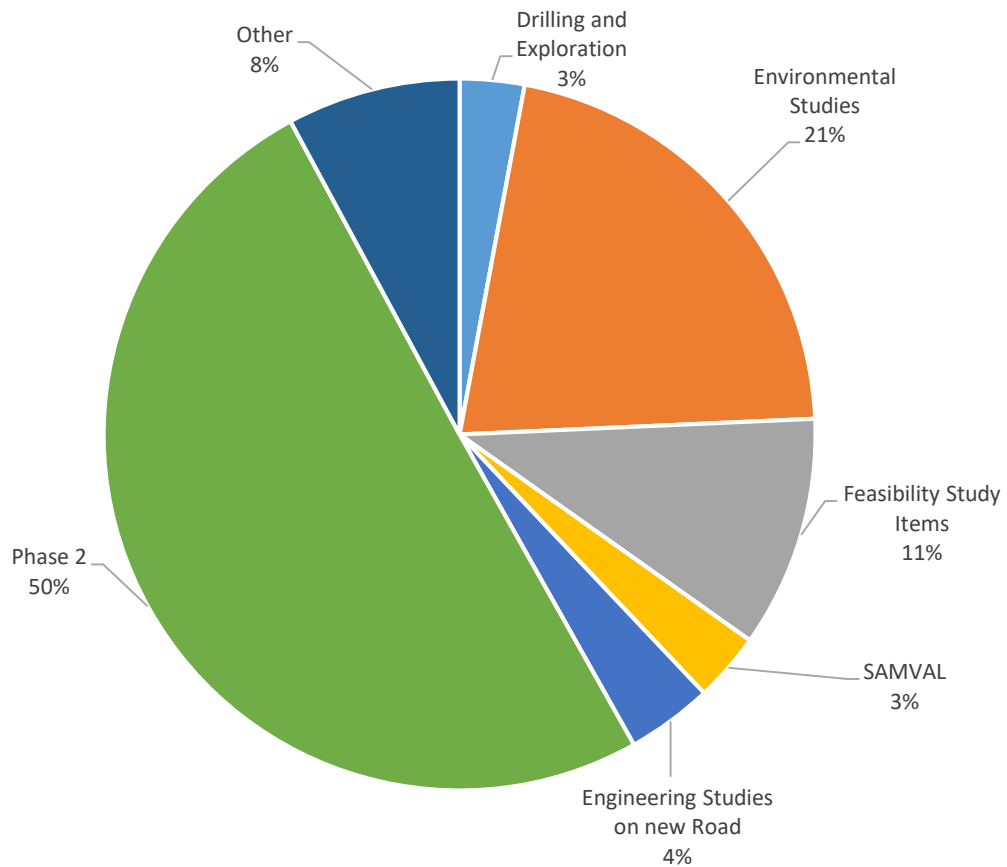
STATEMENT OF FINANCIAL POSITION

Group	2018 (Pula)	2017 (Pula)
Assets		
Non-current assets		
Property, plant and equipment	1 918 090	654 915
Exploration and evaluation assets	27 272 920	20 198 869
Deferred Tax asset	6 660 454	-
Current assets		
Trade and other receivables	404 011	486 066
Cash and cash equivalents	55 891 338	54 171 748
Total assets	92 146 813	75 511 598
Equity and liabilities		
Capital and reserves		
Ordinary shares	109 779 735	84 266 725
Accumulated loss	(19 327 743)	(9 509 380)
Total equity	90 451 992	74 757 345
Trade and other payables	1 694 821	754 253
Total equity and liabilities	92 146 813	75 511 598

Notes:

- Share Subscriptions of P27 million
- Capitalisation of P1.4 million of expenses related to share issue
- Additional Capital Expenditure incurred mainly feasibility studies and early infrastructure costs
- Deferred tax asset raised
- Trade and other payables includes mandatory severance benefits
- Preservation of cash balances

CAPEX SPEND



Notes:

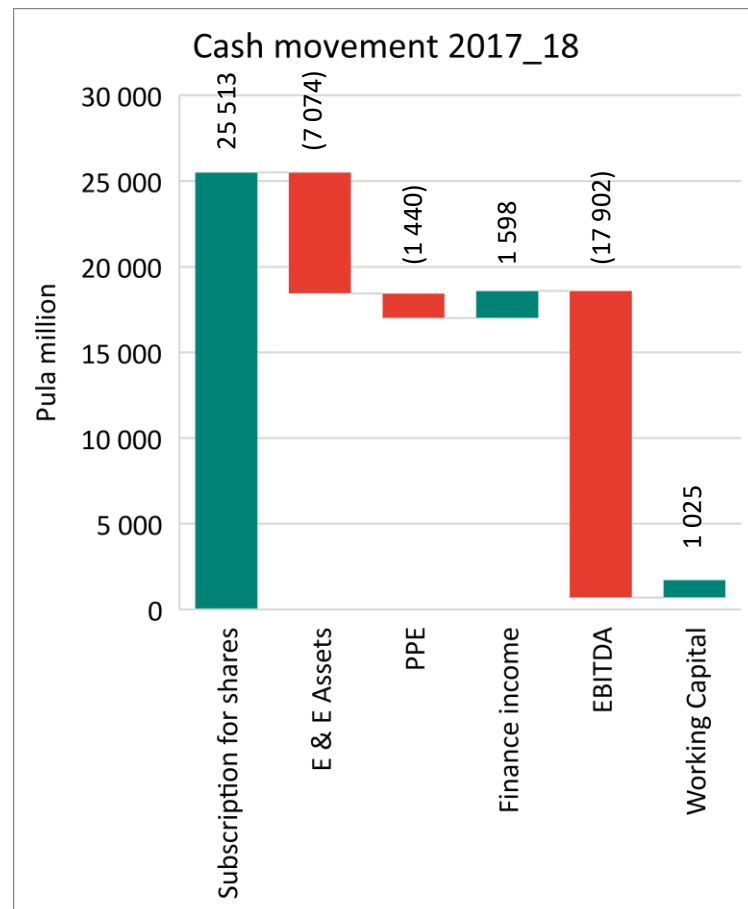
- Capex spend of P8.5 million including
 - Early infrastructure spend on surface rights and BPC Power
 - Environmental Studies and EIA work

STATEMENT OF CASH FLOWS

Group	2018 (Pula)	2017 (Pula)
Cash flows from operating activities		
Cash utilised in operations	(16 877 459)	(9 497 646)
Interest paid	(48)	(324)
Net cash used in operating activities	(16 877 507)	(9 497 970)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1 440 111)	(692 411)
Exploration and evaluation asset expenditure	(7 074 051)	(4 935 582)
Interest income	1 598 248	294 504
Net cash utilised in investing activities	(6 915 914)	(5 333 719)
Cash flows from financing activities		
Subscription for shares	25 513 011	69 003 437
Net cash from financing activities	25 513 011	69 003 437
Total cash movement for the period	1 719 590	54 171 748
Cash at the beginning of the period	54 171 748	-
Total cash at the end of the period	55 891 338	54 171 748

Notes:

- Cash subscriptions received P25.5 million net of share issuance costs
- Outflows of operating expenses P16.5 million
- Capex of P8.5 million
- Increase in cash of P1.7 million



Industry Overview

Coal is a crucial source of energy

COAL INDUSTRY

- › In the Coal 2017 report, released in July 2018, the International Energy Agency (“IEA”) forecasts that world coal demand will continue to rise, despite halving its outlook for growth in India
- › 653,000 MW of global coal power either being planned or under construction globally that will, without older plant decommissioning, expand the world’s coal-fired capacity by 36% - CarbonBrief August 2018
- › Japan alone intends building 36 new coal power plants – Energy Advocate May 2018



COAL INDUSTRY

- › Investment in coal mining has dried up despite higher prices – IEA Coal 2017
- › In 2017, global coal consumption grew by 1%, the first growth since 2013 – BP Statistical Review of World Energy June 2018
- › Coal still makes up 41% of global electricity generation and 29% of primary energy demand
- › Coal will continue to play a major role in delivering energy access and security long into the future



PROJECTED SEABORNE THERMAL COAL DEMAND

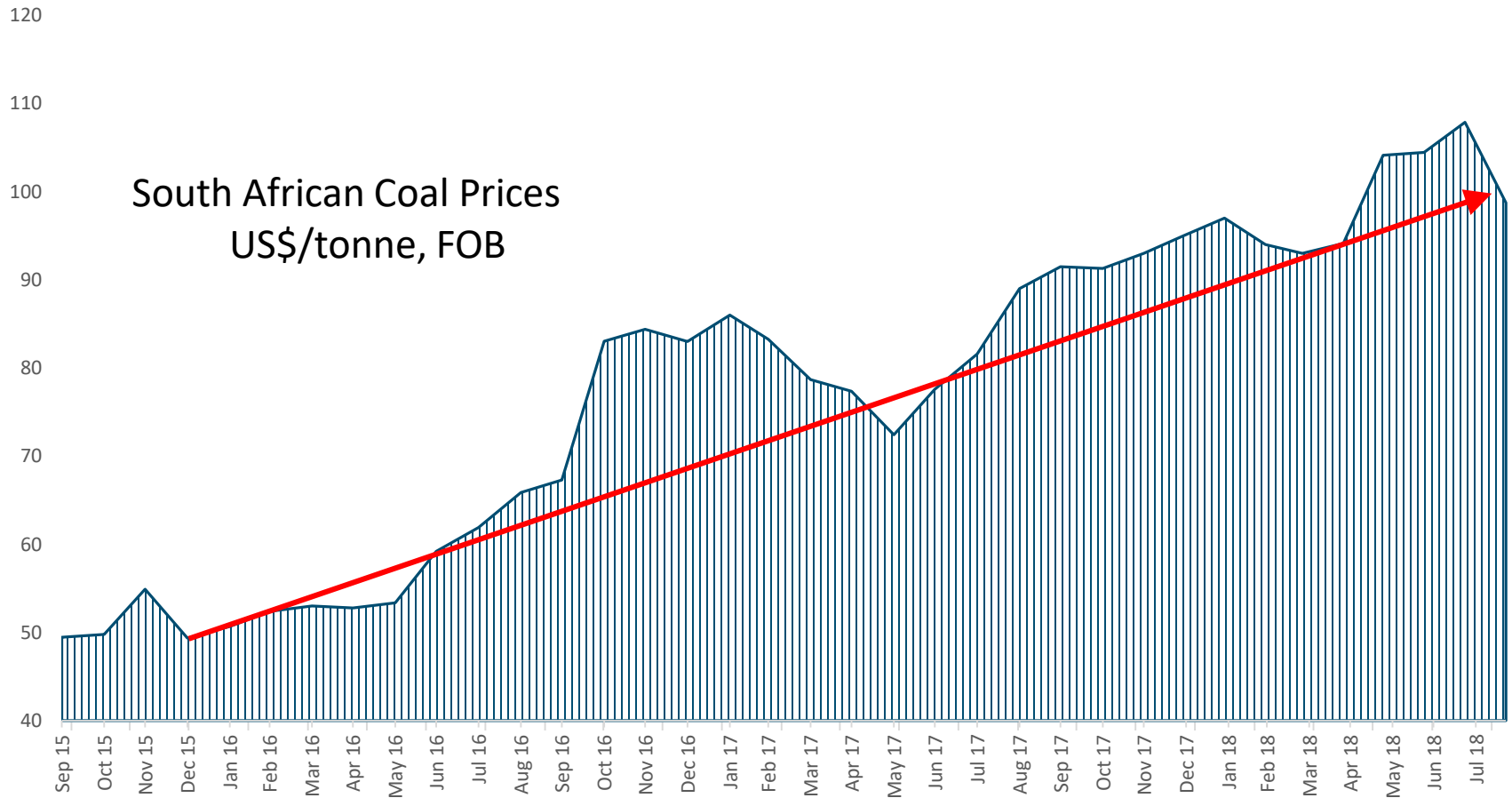
Mt

Coal Supply	2016	2017	2020	2025	2030
Indonesia	370	380	390	330	280
Australia	200	200	210	220	220
Russia	108	108	105	125	150
Colombia	88	90	100	95	85
South Africa	73	74	80	80	80
US	16	14	12	12	12
Other	35	32	35	27	31
Total supply	890	898	932	889	858
Total Demand	889	911	960	1,069	1,241
Balance	1	-13	-28	-180	-383



Source: Noble Energy Research - 2016

COAL INDUSTRY IN TRANSITION



Source: Quandl, Argus/McCloskey

OPPORTUNITY FOR BOTSWANA

- › “War on coal making the world’s top mine owners a lot richer” – Bloomberg May 2018
 - » Anglo American, which not long ago wanted to unload its coal assets, has seen income from the business triple since 2015.... Last year, Glencore reported earnings from the fuel more than doubled.... BHP said it surged six fold
- › Income from the 37 coal producers tracked in a Bloomberg Intelligence Index was the highest in six years



Regional Coal Industry

High demand, minimal investment

REGIONAL MARKET

- › High demand for coal in southern Africa
 - » Producers maximising exports
 - » Over capacity on export infrastructure
 - » Minimal investment in coal projects
 - » Political interference in mining in South Africa
 - » Rhetoric on resource nationalisation in South Africa
- › Significant and regular price escalation
 - » Current regional pricing never seen before, even in the boom of 2007 when export coal reached USD171/ton
- › Massive opportunity for Minergy to gain traction and market share



**REUTERS HEADLINE – “*NEW
PRESIDENT LOOKS TO WEAN
BOTSWANA OFF DEPENDENCE
ON DIAMONDS*” 1 APRIL 2018**

Quote:

“We still seek to build a Botswana in which sustained development is underpinned by economic diversification,”

“One of my top priorities ... will be to address the problem of unemployment especially amongst the young.”

- President Masisi





COAL

CAN AND MUST BE A SIGNIFICANT PART OF THE SOLUTION

- › Botswana coal reserves estimated to be in excess of 200 billion tons
- › Regional and international shortages
- › International price of seaborne thermal coal at levels last seen in 2007
- › Botswana coal is high quality and economical to mine
- › *“Major mining houses are making record profits from their coal divisions”* – Bloomberg May 2018

DEVELOP THE COAL INDUSTRY

- › Coal producers to work together to create an industry
 - » An industry creates far more value than individual mines
 - » Large multi-nationals will look to invest in a thriving industry, not into exploration
- › Botswana Rail (BR) to commit to cost competitive rates
 - » BR together with Transnet Freight Rail (TFR), is a key player that will determine the success or otherwise of the coal industry in the regional and international seaborne thermal coal market.



FUTURE OPPORTUNITIES FOR BOTSWANA COAL

- › Create in excess of 1,000 jobs
- › Botswana can be a low cost, high quality coal producer
- › International traders have turned their attention to coal from Botswana
 - » Numerous and varied approaches
- › Eskom in South Africa facing a coal cliff
 - » Lack of investment in cost plus mines
 - » Export is more attractive for current producers
 - » Can the unthinkable happen, Eskom buying coal on rail from Botswana?
 - Require additional 6 - 11 mt May to September 2018
 - Require additional 100 mt longer term





FUTURE OPPORTUNITIES FOR BOTSWANA COAL

- › Botswana Rail has committed to
 - » Competitive rail rates
 - » Signing an MOU with TFR for the Lephale rail link during 2018
 - » 2 million ton annual capacity on current rail infrastructure
- › TFR has committed to
 - » Competitive rail rates to Richards Bay
 - » 13 million ton capacity on the Lephale line by end 2019
 - » Increasing coal line rail capacity from 81 to 100 million tons per annum
- › Explore opportunities into Africa over the Kazungula bridge to Zambia

EXPORT MARKET RAIL LOGISTICS



Project Characteristics

- Provide a rail link to unlock Botswana coal reserves - potential for up to 100Mtpa
- Need to construct 3-4km bridge to cross the Limpopo River

Benefits

- Stimulate economic growth in Botswana and Limpopo province
- Provide a route to unlock Botswana coal reserves
- Link Botswana mines to TFR rail network

Current Status

- FEL 1 (conceptual study) completed

Source: Transnet Freight Rail (TFR)

COMMITMENT FROM MINERGY

- › Uplift the communities in which we operate
 - » Employ as many local community members as possible
 - » Upgrade healthcare facilities
 - » Support local schools
 - » Provide electricity where feasible
 - » Upskill the local community in other tasks
 - » Assist in ancillary business opportunities
 - Tuck shops
 - Boarding facilities
 - Laundries



Key Project Timelines

Must achieve full production by Q2 2019

KEY TIMELINES

- › October - December 2018
 - » Complete civil works
 - » Construct access roads
 - » Commence wash plant assembly
 - » First mine box cut
 - » Complete site offices
 - » Receive power from BPC
 - » Water reticulation
 - » Expose first coal by December 2018
- › January 2019
 - » Commission wash plant
 - » First coal blast
- › February 2019
 - » First saleable coal



KEY TIMELINES

- › London Stock Exchange AIM listing
 - » Advisors, brokers, accountants and lawyers appointed in 2018
 - » Q1 2019
 - Marketing roadshows
 - Accounting and legal work commences
 - » Q2 2019
 - Complete all administrative requirements
 - Final investor roadshow
 - Listing following minimum of 3 months production





CONTRACTOR SAFETY BRIEFING





INFRASTRUCTURE AREA





SITE ESTABLISHMENT



LOCAL OFFICE





THANK YOU

