



Minergy Limited
(Incorporated in accordance with the laws of Botswana)
(Company Number: 2016/18528)
www.minergycoal.com
("Minergy" or "the Company")

MINERGY – CAUTIONARY ANNOUNCEMENT

In accordance with section 5.4 of the Listing Requirements of the Botswana Stock Exchange ("BSE"), Minergy Limited (share code: MIN) is required to announce through the BSE and in the press, any circumstances or events that may have an effect on the financial results of the Company, including with respect to mining exploration companies where the expected loss before tax will differ by at least 20% to the corresponding comparative period.

Minergy is currently finalising results for the year ended 30 June 2019 ("full year"), which are expected to be released through the BSE during the last week of September 2019. The comparative period for this cautionary announcement is the year ended 30 June 2018 ("previous reporting year").

Shareholders are advised that the expenditure incurred during the full year is different in nature and quantum to the previous reporting year, which has a significant impact on the comparison. During the previous reporting year Minergy was still in the exploration and evaluation phase of its Masama Coal project. Since the award of the mining license during August 2018, Minergy has significantly progressed the Masama Coal project towards operational status, moving into the mine development phase of the project, and subsequent to the year-end, moving into commissioning and production at the mine.

The reported net loss before tax for the previous reporting year was P16.5 million. The Board of Minergy advises shareholders that the net loss before tax for the reporting year will be between 110% and 128% higher than the previous reporting year. This equates to an additional net loss before tax of between P18.1 million and P21.1million for the year ended 30 June 2019.

The reported headline loss per share ("HEPS") and loss per share ("LPS") calculated on losses after tax for the previous reporting year was 2.53 thebe. The Company's HEPS and LPS for the year under review is expected to increase by between 163% and 191%.

The increase in loss before tax is attributable to:

- an increase in operational expenditures, specifically:
 - mine site overheads for site operations, which includes additional staff, site costs (these costs are typical of a project in the mine development phase);
 - preparatory AIM listing and advisory costs not included in the comparative period;

- expensing of certain infrastructure costs such as electrifying the mine, renovating the town hall and upgrading various roads;
- incurring of debt with related finance and facility charges to fund the completion of the mine development; and
- decreased interest income earnings from depleting cash resources to develop the mine, specifically activities such as the box cut, washing plant civil work, power and water reticulation as well as surface right compensations.

Shareholders are therefore advised to exercise caution when dealing in the Company's shares. The financial information on which this trading statement is based has not been audited by the Company's external auditor.

Morné du Plessis
Chief Executive Officer
23 September 2019

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