

11 December 2019

ANNOUNCEMENT OF VOTING RESULTS – 2019 ANNUAL GENERAL MEETING

Minergy Limited announces that its Annual General Meeting was held on 11 December 2019 and all resolutions were passed by the required majority. Proxy votes were received from ordinary Shareholders of approximately 84% of the issued capital prior to the meeting.

Minergy Coal and Energy AGM 11 December 2019	Total
Total number of holders	523
Total shares in issue	431 086 245
Total shares not able to vote	0
Total shares able to vote	431 086 245
Proxies received – number of holders	38
Proxies received – holding	360 486 699
Proxies voted as % of total shares able to vote	83.62%
In attendance – number of holders	0
In attendance – holding	0
In attendance voted as % of total shares able to vote	0
Total number of holders voting	38
Total holding of those voting	360 486 699
% of total voting	83.62%

Ordinary Resolutions

2019 Financial statements		Yes	No	Abstain
Ordinary resolution number 1	To receive, consider and adopt the audited financial statements for the year ended 30 June 2019.	360 486 699 100%	0 0%	0 0%
Re-election of directors of the company		Yes	No	Abstain
Ordinary resolution number 2	To re-elect, by way of a separate vote, Mr Leutlwetse Tumelo who retires in terms of clause 19.1.1 of the constitution, and who is eligible and offers himself for re-election.	359 181 078 100%	0 0%	1 305 621 0%
Ordinary resolution number 3	To re-elect, by way of a separate vote, Mr Mokwena Morulane who retires in terms of clause 19.1.1 of the constitution, and who is eligible and offers himself for re-election.	360 486 699 100%	0 0%	0 0%

Authorisation to distribute information to shareholders electronically		Yes	No	Abstain
Ordinary resolution number 11	Resolved that information required to be sent to shareholders is done so via electronic means rather than traditional mailing of paper copies.	360 486 699 100%	0 0%	0 0%

Minergy explained in the meeting that the general authority to issue shares, to be approved by special resolution, would be governed by the Botswana Stock Exchange (“BSE”) Equity Listing Requirements applicable to such an issue under the authority. The Company has progressed the Masama Coal project from commissioning in July 2019 (after being awarded the Mining License in August 2018). Production at the mine is in a ramp-up phase to nameplate capacity which is currently targeted for early to mid-2020.

The Company explained that being in a ramp-up phase has placed pressures on cash flows as cash generation at levels below breakeven volumes were not sufficient to support the fixed cost base. The company has sought short-term banking facilities from commercial banks but unfortunately and disappointingly, even though a signed and significant offtake agreement is in place, the start-up nature and lack of track record hurdles suitable for start-ups and associated with the project has prompted the institutions to decline facilities. Current long-term funders have also been approached but facilities have been utilised in full albeit that discussions are ongoing.

One of the major service providing vendors afforded Minergy significant trade finance over the last 12 months on an unsecured basis and have now asked that the arrears be settled. The vendor is favourably considering a combination of cash and converting arrear trade finance debt into equity.

It was explained that the approval to be obtained would be utilised to facilitate the debt to equity conversion of the vendor and raise additional cash to fund working capital gaps until nameplate production is achieved where after internally generated cash flows will be adequate to carry the business forward.

The company thanked shareholders for their ongoing support.

Special Resolutions

Approval of general authority to issue shares for cash		Yes	No	Abstain
Special resolution number 1	In addition to any existing authorities, it is resolved that until the next AGM of the Company shares representing up to 15% of the issued ordinary shares of the Company (up to a maximum of 64 662 936 new ordinary shares) are placed under the control of the Directors and available for a general issue for cash, in accordance with the BSE Equity Listing Requirements and Companies Act. The stated capital of the Company will accordingly be increased by the Pula value equal to the subscription monies received upon the issuance of the new ordinary shares.	296 138 231 82%	64 348 468 18%	0 0%

Approval to waive all rights and entitlements		Yes	No	Abstain
Special resolution number 2	Resolved that in accordance with BSE Listing Requirement 5.18, the Company's constitution, and section 52 of the Companies Act, the shareholders of the Company waive all rights and entitlements, including any pre-emptive rights, that they may have in respect of any and all shares issued pursuant to special resolution number 1 provided however that such waiver does not constitute a waiver by the shareholders of any rights and entitlements, including any pre-emptive rights, in respect of any other proposed issue of securities by the Company.	296 138 231 82%	64 348 468 18%	0 0%