

Minergy Limited

15:18 19 Nov 2020

Minergy targets South African industrial market with production at Masama

What Minergy does

Minergy Ltd (BSE:MIN) is a coal mining and trading company that owns the Masama coal mine in Botswana, its cornerstone asset.

Masama is located in the Mmamabula Coalfield, around 81 miles north of the country's capital city of Gaborone.

The company said the Masama mine represents the first step in its strategy of becoming a mid-tier southern African coal mining company.

How it's doing

Mine infrastructure, including extensive civil work, power reticulation, water reticulation systems, access roads, weighbridges offices and workshops for Masama were completed in 2019, and the mine box cut was ahead of schedule.

Plant upgrades have since improved efficiencies and provided consistency in both product quality and sizing.

It is envisaged that Minergy will be mining 110,000 tons run of mine per month. The same quantities will be put through the washing plant and this should result in saleable coal of between 70,000 and 80,000, increasing to 100,000 tons per month next year.

High demand anticipated

Demand for the product is high as a result of the short supply of coal specifically into the South African industrial market. It is believed that South African electricity generator Eskom will suffer a shortfall in coal supply of 470 million tons by 2030. Large players in the sector, Anglo American and South 32, are respectively withdrawing from the coal sector and disposing of their coal assets, meaning the supply will tighten even more.

Minergy is currently exploring various options for offtake, ranging from longer-term agreements for the finer duff product to spot deals for the bigger fractions.

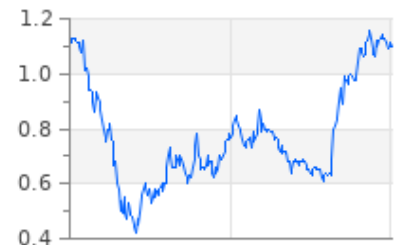
In 2019 the company raised 90m Botswana Pula (£6.1m) from the Botswana Development Corporation as well as from the Minerals Development Corporation of Botswana. The funding is sufficient to bring the mine into production.

What the boss says - CEO Morné du Plessis

"We have come such a long way and are pleased with developments at the mine site. We are extremely excited about the future of the project, our ability to supply coal into the region, the highly experienced team responsible for executing the plan, as well as our capacity to contribute towards a viable coal sector in Botswana."

"During early July 2019, the plant had successfully passed both electricity connectivity and leak tests and we are pleased to report that it is now fully operational, producing saleable coal."

1 Year Share Price Graph



January 2020 July 2020 January 2021

Share Information

Code: MIN
Listing: Unlisted (UK)
Sector: Coal
Website: www.minergycoal.com

Company Synopsis:

Minergy is a coal mining and trading company committed to becoming the supplier of choice to industrial customers and power utilities across southern Africa. Minergy's 100% owned Masama Coal Mine which is located in the Mmamabula Coalfield of Botswana is the cornerstone asset in the company's strategy.

action@proactiveinvestors.com

Inflexion points

- Continued demand for coal from South African market shortage
- Possible off-take agreements
- Potential opportunities for expansion

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.