



Minergy Chairman, Mokwena Morulane

## Minergy put UK listing on hold

- Concerned about Brexit uncertainty
- More firms delay listing in the United Kingdom

Koobonye Ramokapelwa  
BG reporter

Minergy on Wednesday told shareholders that they have put on hold earlier plans of listing in the United Kingdom due to a number of market challenges in the region and abroad.

The group, which started coal mining at Masama mine this year, has long announced it plans to float shares on the UK Alternative Investment Market as early as last year. However, that has come to a halt, at least for now. "Given prevailing market conditions, both in Southern Africa and the United Kingdom, Minergy's Board of Directors has decided to put the proposed listing on Alternative Investment Market in the UK on hold.

Mornédu Plessis, Chief Executive Officer of Minergy Limited has said they remain committed to listing on AIM, 'but current unfavorable

market conditions are making it extremely difficult, with uncertainty surrounding Brexit weighing on decision-making.' For the better part of the year, the Botswana Stock Exchange listed firm has put a spirited road show to attract UK investors ahead of the much touted secondary listing.

"Minergy has opted to step back for a few months and focus on operations and related efficiencies around the plant and product output, and to wait for more certainty on the way forward with respect to Brexit," said Plessis.

"From monitoring recent market news, Minergy is certainly not alone, with the likes of Afreximbank, Kaspi.kz, Interswitch Ltd, Ferretti SpA and Congatec AG either pulling or delaying listings, citing difficult market conditions, not only in London but across Europe, as a reason for this." Nonetheless, Minergy, which owns Masama coal mine in Medie village, Kweneng District said it will pursue the AIM listing when overall condi-

tions improve as the listing stillholds many advantages, including an enhanced trading platform for shareholders, as well as access to a larger pool of funds for future mine developments and enhancements.

"We will continue to keep a close eye on the London market.

We have already done a huge amount of work to position Minergy for the AIM listing, so once we find the right window of opportunity, we will be ready to list," explained du Plessis. Meanwhile, the company will enter into a closed period at the end of December 2019 until the interim results for the six-month period ending 31 December 2019 are announced around March 2020. "The Company would therefore like to take the opportunity to share a pre-close update with shareholders to inform them of a number of key developments," said the group.

## Tsodilo Resources upbeat on diamond project

Koobonye Ramokapelwa  
BG reporter

Tsodilo Resources Limited is confident that its BK16 diamond exploration project in the central district of Botswana will go into production in the medium term, given the high value diamonds that have already been exposed during drilling in the past five years.

If all goes according to plan, BK16 will be joining the Karowe mine, as two of the only operating diamond mines in the process, contributing notably to government's coffers. This is what was said by the group's Project Manager and Chief Geologist, Dr Alistair Jeffcoate. "This (BK16) can be the next Karowe (diamond mine)," a buoyant Jeffcoate told *Botswana Guardian* recently. The project is located near Letlhakane and Orapa town. The two towns are home to Debswana's diamonds mines and Karowe itself.

The Tsodilo's Chief Geologist explained that, they have already done preliminary sampling which indicates that BK16 mine has high value diamonds similar to the ones that have been unearthed at Lucara Diamond Corporation's Karowe mine in the past few years. Previous sampling has successfully demonstrated the potential of the BK16 kimberlite to host high value diamonds between \$ 281 to \$ 792 per carat. Jeffcoate told this publication that, now that a preliminary large diameter drilling bulk sampling has been conducted, the next stage will be to move into a large surface bulk sample, probably ten times the previous one.

According to the Tsodilo official, this large sampling will be conducted by an independent contractor, starting early next year. "Sampling and processing will take between four to five months. Processing is important because if you don't process you can't find diamonds," he said, adding that, once the bulk sampling has been finalised, detailed feasibility studies which include economic will be conducted. All things being equal, these feasibility studies will then lead to the application for EIA and eventually a mining

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# Banks urged to protect jobs amidst digitization

-  Fewer branches being built –BoB top official
-  More fintechs platforms used for accounts mngt

Keikantse Lesemela  
BG Reporter

While the banking sector is on transition to adopt technology banking platforms, there is a risk of job losses as local commercial banks opt for fewer branches and number of employees.

Speaking during the Stanbic Digital Data Transformation training on Thursday, Bank of Botswana Deputy Governor, Kealeboga Masalila pointed out that there has been a phenomenal growth of electronic fund transfers and the use of cheques has declined while growth in bank branches has stagnated. “The use of fin-tech related devices and platforms is now widely spread in the management of bank accounts and payments. As the country is steadily advancing in many regards, especially when it comes to our financial services sector, we are more concerned about the closure of bank branches. We encourage banks not to close branches,” he said.

The senior central bank official highlighted that transformation is influenced by the need for convenience on the consumer side hence banks need to look for solutions that can benefit financial institutions and the citizens because technology transformation and the use of data presents an opportunity to create employment within the information technology centre. “As we know youth employability has been a challenge and of national concern. This industry presents an opportunity to not only improve our services but possibly be the solution to creating employment for youth,” he said.

According to statistics Botswana, more than one-quarter of youth (aged 18-35) are unem-



BoB deputy governor, Dr Kealeboga Masalila

ployed, amounting to over 27 percent, a rate that is projected to grow if the rate of job creation is not increased. On an annual basis, secondary and tertiary education institutions in Botswana graduate over 20,000 students. Out of this, only about 2,000 are absorbed by formal sector employment.

Botswana Communications Regulatory Authority (BOCRA) 2018 annual report states that there are 3,181,591 active mobile subscriptions in Botswana with a population of 2.4 million. Masalila said the banking sector during the past 10 years has responded to the demand in technology solutions and this pleases the regulator. “However, banks are not moving fast enough to keep up with the customer demands. Mobile networks operators have seen this gap and they have in the

past few years moved to capitalize on the lack of agility and have made inroads into the payment transaction space; a space that since time immemorial has been the corner stone of the banking industry,” he said.

In 2018, total mobile money subscriptions through Mobile Network Operators were 851719 and this is growing. In the past few years bank have raised concerns on the lack of regulation on this new space that raised significant risk on GO AML. “We are pleased to announce that we have been responsive to these concerns and have put in place the Electronic Payments Services regulation 2019. This act seeks to provide much needed governance and gives the general provisions on the technological infrastructure that must be in place,

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control environments, capital requirements just to name a few,” said Masalila.

He also pointed out that as the regulators they must always ensure that the financial services market as well as customers is protected. “This will always remain one of our core mandates therefore if we are not moving fast enough, it is sometimes a necessary evil but we always intend to be responsive. The challenge with technology is that you have to find a balancing act between regulating too soon or regulating too late.”

Stanbic Bank Botswana Chief Executive Officer Sam Minta said data continues to usher advances in health, welfare, business and communication. “Artificial Intelligence and Data Science have become forces to be reckoned with in today’s world. There is much to be done here in Botswana, as we benchmark on the very best, strategically investing in platforms and avenues that make sense for our market and supporting our Vision 2036.” Said Minta



Lucara CEO, Eira Thomas

## Lucara forecasts Increased Revenue in 2020

Lucara Diamond Corp. said it expects an increase in revenue in 2020, with estimates of \$180-\$210 million. In 2019, total revenue is expected to be between \$170-\$180 million, according to a recent change in guidance released by the company.

However, despite the anticipated increase in revenue, Lucara has reduced its predicted sales - down to 350,000-390,000 carats in 2020 from 400,000-425,000 at the end of 2019. Recovery is also expected to fall to between 370,000 carats and 410,000 carats.

Lucara says the shortfall in recovery and sales will be countered by an increase in the number of larger diamonds, including specials - diamonds that are 10.8 carats and larger, that it anticipates recovering from the higher grade MP/KS and EM/PK(S) units.

Eira Thomas, Lucara president and CEO, said the mining company will focus on optimizing its base business, growing the Clara blockchain platform by adding third-party production and preparing for an underground expansion at the Karowe mine. *Idex online*

## Tsodilo Resources upbeat on diamond project

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license as per Botswana mining laws. Four months ago, Tsodilo was given a boost by the Ministry of Mineral Resources, Green Technology and Energy Resources who found it fit to extend their prospecting licenses (for BK16) for the next two years. “The center piece of the renewal application is the Phase II surface bulk sampling program which will be the extraction, processing and diamond recovery of 20,000 metric tonnes of kimberlite,” said the Canadian company back in July 2019. Already, the Toronto Stock Exchange listed firm, which also has interests in an iron ore project in Botswana’s Ngami-land region, has spent a whopping \$7 million (about P70 million) prospecting at BK 16. Funds come from its equity shareholders. The BK 16 project, once commercial, is expected to create hundreds of jobs directly and indirectly through independent contractors. At this stage, the company has not stated the jobs numbers expected once production takes place.

“BK 16 will also inject a much-needed influx of high valued diamonds into the Botswana diamonds sales market place,” said the company’s Chairman and Chief Executive, James M. Bruchs. The global rough diamond industry is currently facing challenges emanating from fragile economy, trade tensions between United States and China, synthetic diamonds, among others. Mining

stalwarts such as De Beers and Alrosa are already blowing hot and cold due to this mentioned challenges. Jeffcoate, who has over 16 years as a geologist, is well aware of the current challenges. However, he said high valued diamonds, which they are expected to produce, will be able to beat market odds such as man made diamonds, commonly known as synthetic diamonds. “BK 16 is the most attractive diamond exploration project that Botswana has on-going at the moment mainly due to the high percentage of very high valued

diamonds that BK 16 contains,” said the group. In Botswana, diamond mines such as BK 11, Ghaghoo and Lerala mines have suspended or ceased operations since they could not make improved sales due to low value diamonds they reportedly produced. In the end, Jeffcoate said they are thankful to the Botswana government for its open-door policy when it comes to mining as well as stable business environment which is not so common in some resource rich areas in Africa.



BK16 treatment plant