

PRESS RELEASE

For immediate release

MORUPULE COAL MINE SIGNS A MILESTONE MEMORANDUM OF UNDERSTANDING FOR LETSHEGO BOTSWANA TO PROVIDE FINANCIAL SUPPORT OF P2.2 BILLION TO MICRO AND SMALL ENTREPRENEURS OVER 5 YEARS

March 16, 2023; [Gaborone, Botswana]: Morupule Coal Mine (MCM) and Letshego Botswana recently partnered through the signing of a Memorandum of Understanding to provide financial support to Micro and Small Entrepreneurs (MSEs) and drive Citizen Economic Empowerment. The agreement enables Morupule Coal Mine's contract suppliers the unique opportunity to access affordable funding through the commitment of a P2.2 Billion facility by Letshego Botswana over a period of 5 years. In consideration of the current economic climate, where Micro and Small Entrepreneurs (MSEs) have been hardest hit, Letshego Botswana and Morupule Coal Mine commit to hiving off contracts, empowering and providing ongoing financial support to these entrepreneurs, giving the potential for scaling up of their operations.

Morupule Coal Mine Chief Executive Officer, Mr. Edwin Elias said, *"As we take on the global realm of the energy sector as a sustainably profitable business, delivering value to our stakeholders is at the heart of why we exist and what we do. Beyond our employee value propositions, we have been intentional in setting up our Citizen Economic Empowerment Programme that speaks to our citizen-owned business partners."*

Elias continued on to spotlight collaborations and partnerships for sustainable economic activity in our Vision 2036 objectives by highlighting that; *"We see ourselves growing together with partners such as Letshego Botswana, as we share the values and collective promise of Achieving Prosperity for All Batswana as espoused in Vision 2036"*.

The financial challenges facing Micro and Small Entrepreneurs are further heightened by the low appetite in the market to fund businesses that are still in their infancy and have a limited ability to match up to the set requirements to access credit. Typically most MSEs grapple with weak cash flow positions and a lack of collateral security. Given these challenges, Letshego Botswana and Morupule Coal Mine have committed to working together to co-creating solutions to enable better access to credit for Batswana Entrepreneurs that wish to participate in the Citizen Economic Empowerment initiative.

Letshego Botswana's Acting Chief Executive Officer Letso Gaborekwe said, *"It is always great news when a small business secures a lucrative order, however, most Micro and Small Entrepreneurs (MSEs) do not have adequate liquidity to fulfil large orders, especially when there are multiple orders on the table. Almost every month, high working capital requirements are an inherent issue that haunts most small business owners. Despite this, Micro and Small Entrepreneurs (MSEs) are truly a credible engine of entrepreneurial growth, employment creation and economic development and at Letshego, we pride ourselves in being their ideal financial services partner to help drive that growth."*

According to the World Bank, SMEs make up 35% of the GDP and contribute 75% to formal sector employment and are significant contributors to national economic development in Botswana. The signing of the Memorandum of Understanding between Morupule Coal Mine and Letshego Botswana underpins the commitment of the partners to unlock the potential for Botswana Micro and Small Entrepreneurs to gain access to capital required for participating in and successfully completing projects competitively within agreed timelines.

By financially supporting Micro and Small Entrepreneurs, the strategic partners are helping to contribute to sustainable livelihoods through Citizen Economic Empowerment. Citizen Economic Empowerment (CEE) remains core to key national agendas of job creation, citizen economic inclusion as well as economic diversification. It remains core to the much needed change of economic transformation that needs to be driven by Botswana for Botswana in Botswana.

ENDS.

Note to the Editors:

About Letshego Botswana

Letshego Financial Services Botswana (Letshego Botswana) opened its doors in 1998 in Gaborone, Botswana. As a subsidiary of the Letshego Group, Letshego Botswana has steadily grown into a leading financial services provider. The company contributes approximately 40% to Group profits. In addition to formally employed individuals in government, parastatal and private sectors, it has made inroads into servicing low to middle-income earners in the mining sector. In recent years, Letshego Botswana has been engaged in its Improving Lives Campaign that encourages customers to use their loan proceeds towards productive rather than consumptive lending in order to improve their lives. For more information, please visit: <https://www.letshego.com/botswana>, <https://www.letshego.com>, Facebook @Letshego Botswana

About Morupule Coal Mine

Morupule Coal Mine (MCM) is located on the outskirts of Palapye, Botswana, along the Serowe-Palapye road. MCM started production in 1973 as an Anglo American Corporation subsidiary with the main objective of to supplying coal to the then Bamangwato Concessions Limited mine (now BCL) and BPC power plant situated in Selebi Phikwe. MCM ownership was transferred to Debswana Diamond Company in 2000 when Anglo disinvested its operations in Botswana. In 2016, the De Beers interest in MCM (held under Debswana) was acquired by the Mineral Development Company of Botswana (MDCB).

The history of coal discovery in Botswana dates back to the early 1930's when a major coal seam was discovered through sinking of boreholes. In the course of digging boreholes, coal seams were found in the common coal bearing rocks in Africa through the Eccca series of the Karoo system. The Morupule area is underlain by Karoo sedimentary rocks which form the Eastern margin of the major Karoo basin developed to the West of Morupule. These sedimentary rocks consist of shales, coals, and sandstones of the middle and lower Eccca. The Anglo American Corporation (AAC) was given a mining lease in 1966, and developed a colliery at the Morupule coalfield, which opened in 1973.

Please visit www.mcm.co.bw and our Facebook and LinkedIn pages under the handle: Morupule Coal Mine for more information.

For further information, please contact:

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