



Republic of Botswana

MINISTRY OF MINERALS AND ENERGY

2026 COMMITTEE OF SUPPLY SPEECH



HON. MINISTER BOGOLO JOY KENEWENDO

4th March 2026

INTRODUCTION

1. Mr Speaker, I am pleased to present to this Honourable House, my ministry's Recurrent and Development budgets for the 2026/27 Financial Year. But before I do that, I would like to give an overview of our mandate and focus during NDP12. The Ministry of Minerals and Energy is responsible for amongst others:

- Coordinate and oversee the development of Minerals and Energy sectors; Promote the use of green technology, which relates to amongst others, the promotion and use of renewable energy and other cleaner technologies for sustainable socio-economic development;
- Promoting the use of a mix of alternative energy sources and technologies for ensuring energy security;
- Development and implementation of the fiscal, legal and policy frameworks for mineral exploration and exploitation; and
- Management of Government's investments interest in the local, regional and international minerals industry to ensure optimal financial and economic returns for the Batswana.
- In addition, the Ministry is responsible for doing research in the field of geosciences, providing specialized geo-scientific services and promoting the search for and **development of the mineral's pipeline in Botswana.**

2. Mr Speaker, in order to achieve the aforementioned, the Energy sector aspires to establish Botswana as a citizen-led regional energy hub, positioning the energy sector as a key driver of economic growth, while leading in clean energy production and exports by 2036. The Mineral

sector likewise, has identified “A diversified mining sector that is innovative with extensive beneficiation, value addition and employment creation” as its True North in the current plan period.

3. Mr Speaker, allow me now to give this Honourable Committee a high-level overview of major activities my Ministry undertook during the current financial year. I will deal with these major activities under the two (2) key portfolio responsibilities of Energy and Minerals.

THE ENERGY SECTOR

Mr Speaker, the Energy sector is a critical enabler of economic growth, industrialisation, and social development. Guided by the Botswana Economic Transformation Programme (BETP) and National Development Plan 12 (NDP 12), our long-term vision is to position Botswana as a citizen-led regional energy hub, while growing the energy sector into a major economic engine and leading in clean power generation and energy exports. The Botswana Energy Compact which was launched in October 2025 reinforced the government’s commitment to ensuring that all citizens have access to reliable, affordable, and sustainable energy. The National Energy Compact serves a strategic framework to accelerate progress towards achieving universal energy access by 2030, aligning with Botswana’s economic diversification agenda and climate commitment. The Compact was developed through extensive engagements and consultations with various stakeholders, including development partners, private sector and civil society. Meeting the targets of this

Compact is estimated to cost US\$ 2.06 to US\$ 2.98 billion with US\$646 to 1, 570 million expected from the private sector.

Electricity Supply Industry Reforms

4. Mr Speaker, to improve the performance and long-term sustainability of the electricity supply industry, my Ministry, through the Botswana Energy Regulatory Authority (BERA), is reviewing the current electricity market structure with a view to transitioning from a vertically integrated model to a more liberalised electricity market framework. In parallel, Government is implementing a Cabinet Directive to unbundle and corporatize the Generation Business Unit of Botswana Power Corporation (BPC), while retaining the Transmission and Distribution functions as regulated monopoly. The Transmission function will operate as a Transmission System Operator (TSO), responsible for maintaining grid stability, coordinating power flows, and ensuring open access to the network. This will allow for the participation of Independent Transmission Providers (ITPs), who may invest in and develop transmission infrastructure under regulatory oversight, while system control remains centrally coordinated. These reforms are expected to culminate in amendments to the existing legislative framework, which will be presented to Parliament by the second quarter of the 2026/27 financial year.

NATIONAL ELECTRICITY DEMAND AND SUPPLY OUTLOOK

5. Mr Speaker, Botswana's annual electricity consumption currently stands at approximately 4,800 GWh, with a peak demand of about 700 MW and an effective base load of approximately 510MW (yesterday!) but average 400MW from Morupule A and B power stations. Electricity demand continues to grow at an average rate of five percent per annum, driven by population growth, mining activity, and expanded household electrification, and is projected to reach approximately 7,000 GWh by 2040.
6. Electricity supply remains structurally constrained as we do not yet have a reserve margin, necessitating power imports, new generation capacity, and demand-side interventions to maintain grid stability. Consequently, rotational load shedding will be implemented as necessary to manage supply shortfalls and the high cost of imported electricity until all new generation projects come into service. However, generation performance is expected to improve towards the end of the 2025/26 financial year following the completion of remediation works on one unit at Morupule B Power Station and the commercial operation of the 100 MW Mmadinare Solar Plant as well as the operation of the 100 MW Jwaneng Solar Plant. These developments are expected to increase the proportion of national electricity demand met from local generation to at least 72 percent on a sustained basis.
7. In addition, construction of a 600 MW coal-fired Independent Power Producer power plant at Mmamabula has commenced. Phase 1 is expected to deliver 300 MW by first quarter of 2027, with full

commissioning of the remaining 300 MW in 2028. This project will significantly strengthen baseload generation capacity, enhance security of supply, and reduce reliance on electricity imports.

Rural Electrification

8. Mr Speaker, Botswana remains one of the most electrified countries in the region, with national electricity access currently standing at 83%. During the financial year 2025/2026, a total of 112 villages were identified for network extensions and electrification at a budget of P505 million. However, due to fiscal constraints, implementation is being carried out in phases. Among the villages where electrification has been completed are Khwee, Somelo and Tsodilo, while works in Gani, Tobera and Pitsane Photlokwe are at an advanced stage and nearing completion.
9. To further accelerate last-mile connectivity, particularly in remote areas located far from the national grid, Government has explored off-grid solutions. A pilot project covering six villages, Ukhwi, Zutshwa, Qangwa, Xaxa, Bere and Kacgae is at award stage and will be funded through the National Electricity Fund (NEF). This initiative is expected to enhance access in hard-to-reach communities and support Government's broader objective of universal electricity access.

RENEWABLE ENERGY DEPLOYMENT

10. Mr Speaker, Botswana has made significant progress in the deployment of renewable energy, particularly Solar photovoltaic generation. To date, 104 MW of grid-connected solar PV capacity is in commercial operation, accounting for approximately 21 percent of the effective installed generation mix. Government targets renewable energy to constitute 42 percent of installed capacity in the next financial year. The Integrated Resource Plan has been revised to increase the contribution of renewable energy to the energy mix from a target 30% to 50% by 2030.
11. Notable projects already commissioned include the Bobonong and Shakawe solar plants, as well as the Selebi Phikwe/Mmadinare Phases 1 and 2 projects. Major projects currently under construction include the 100 MW Jwaneng Solar Power Project, expected to reach commercial operation in July 2026, as well as the Ghanzi and Lobatse 4 MW solar projects. In addition, the procurement of Battery Energy Storage System (BESS) of 50 MW at Mmadinare (25 MW) and Jwaneng (25 MW) at tender preparation stage.

ELECTRICITY PRICING AND TARIFF SUSTAINABILITY

12. Mr Speaker, electricity tariffs in Botswana remain below the cost of supply, placing a significant financial burden on Botswana Power Corporation and Government. While electricity tariffs were reduced by

30 percent to cushion low-income households, this subsidy has in practice benefitted all consumers, including those with the ability to pay cost-reflective tariffs.

13. Electricity imports, which currently account for approximately 35 percent of national electricity demand, remain a major cost driver. The average cost of imported electricity has increased significantly over recent years, while the average tariff remains at approximately 148 thebe per kilowatt-hour, well below the cost of supply. In the 2025/26 financial year alone, Government disbursed approximately P2.5 billion to support BPC, a level of fiscal support that is not sustainable in the long term.

14. In this regard, BERA is mandated, under the National Energy Compact, to implement a performance-based multi-year tariff framework. This framework will ensure cost-reflective tariffs for customers who can afford them, while maintaining social tariffs for vulnerable and low-income consumers. This National Energy Compact serves as a strategic framework to accelerate progress towards achieving universal energy access by 2030, aligning with Botswana's economic diversification agenda through regional integration and energy trade, climate commitment with the 50% renewable contribution to the national generation. The Ministry is working in collaboration with international partners such as CoAction Global (formerly Overseas Development Institute, Global Energy Alliance for People and Planet (GEAPP) SE4ALL, World Bank, African

Development Bank, just to name a few, to implement and deliver on the National Energy Compact.

PETROLEUM SUB-SECTOR AND SECURITY OF SUPPLY

15. Mr Speaker, my Ministry is currently conducting a review of implementation of the Importation of Petroleum Products Quota Allocation in order to systematically identify the most suitable options to address the issues in the petroleum sub-sector through enhancement of the regulatory framework, strengthening security of fuel supply, ensuring successful implementation of strategic bilateral collaborations and anchoring strategic infrastructure projects.
16. Mr Speaker, Botswana currently consumes about 1.3 billion litres of petroleum products annually, with diesel accounting for 55% and petrol accounting for less than 45%. The country currently maintains 15 days cover of strategic stocks. This is expected to increase to 60 days cover upon completion of the Francistown Depot Expansion and the Ghanzi Depot construction projects, by end of 2027.
17. In furtherance of this objective, my Ministry is collaborating with the Republic of Namibia to establish petroleum storage facilities at Walvis Bay and to explore joint procurement arrangements. These initiatives are intended to improve both the security and affordability of petroleum products for Botswana and Namibia through economies of scale and alternative logistics routes.

18. Furthermore, my Ministry is bolstering security of supply of petroleum products through Botswana Oil Limited to partner with Oil producing Countries for direct importation from their refineries. In 2025, the Ministry entered into a Government to Government (G2G) contract with the National Oil Company of Abu Dhabi (ADNOC) for supply of 10 million litres per month. In addition, Botswana Oil Limited is at an advanced stage towards implementing sourcing of bulk petroleum products from the Sultanate of Oman.
19. In parallel, Government is at an advanced stage of implementing major petroleum storage infrastructure projects aimed at substantially improving national fuel security. Key initiatives include the expansion of the Francistown Government Petroleum Depot with an additional capacity of 98 million litres; the development of a new 30 million litre storage facility in Ghanzi; and the development and implementation of 187 million litres of storage capacity at Tshele Hills.
20. The Francistown petroleum storage facility expected to be complete by March 2027 and Ghanzi will be completed by December 2027. Once the full storage development programme has been implemented, Botswana's National Oil Security Programme will exceed the targeted maximum of 90 days of supply or consumption equivalent.

THE MINERALS SECTOR

21. Mr Speaker, the mining sector aims to achieve the optimization of mineral wealth through innovation in mineral extraction, beneficiation, value addition and global competitiveness.
22. Botswana is increasingly improving in the search, development, regulation and investment attractiveness. Recently, the 2025 Global Mining Survey (by the Fraser Institute) rated Botswana in the Top 10 best mining jurisdictions in the world and placed at number seven (7) and number one (1) in Africa. The implementation of the Mineral Resources Development, Exploration, Exploitation and Value Chain (MRDEEVC) strategy is the gateway to the ultimate goal of creating a diversified and innovative mining sector that emphasizes extensive value addition and job creation. The identified initiatives broadly encompass areas such as exploration, exploitation, infrastructure planning, promotion and marketing, as well as the development of policies and regulatory frameworks. The initial key deliverables laying foundation to transition to the implementation phase include the following:
- Opportunity assessment of small-scale mining and development of the small-scale mining framework has been completed. The opportunity assessment highlighted that small-scale mining has high potential to increase mining output and revenue in Botswana, whilst creating an opportunity for local participation. Most of the large deposits (volume and grade) would have been discovered, technology advancement and the rich endowments would dictate

profitable exploitation of those small to medium scale deposits. This drives mineral economy, diversification, growth, citizen empowerment as well as job creation.

- Other works include development of the critical mineral's framework, which is still at development stage. The objective is to bolster sustainable mining and local value addition of critical minerals in Botswana. The prospects are high potential for discovery of critical minerals and subsequently production, augmenting the current planned production. Botswana has both the comparative and competitive advantage in the minerals sector.
- Furthermore, the Institute has initiated a desktop study to determine levels and thresholds of local mineral beneficiation based on the current and future mineral production demand. The study and opportunity assessment will be finalized by end of March 2026, and reviewed and adopted for implementation and input into the legal reforms exercise.

Optimized regulation of small mines is another initiative meant to increase monitoring of concessions through the use of new technology such as drones that can send visual clips of current state of concession areas without having to be present physically. The technology is also capable of quantifying concession areas to give feedback on the actual amount of material that has been mined at any particular time in order for the ministry to verify production submissions by concession holders and ensure collection of appropriate revenue by curbing on under declarations. Mr Speaker, Government remains intentional in ensuring value chain development in the mining industry, through Debswana

Diamond Company who are supporting the establishment of Citizen Economic Empowerment Policy (CEEP).

23. As part of the broader MRDEEVC strategy and to enhance downstream activities, the Botswana Geoscience Institute (BGI) has finalized several projects under the Lab Recapitalisation Program. These projects include the refurbishment and upgrade of the Lobatse lab campus, refurbishment of the Selebi-Phikwe lab. The goal is to expand the scope of analyses currently conducted locally and to reduce the approximately P2.1 billion spent on laboratory analysis services outside the country. BGI commercialization initiatives, which include lab recapitalization, designed to create value in line with the Institute's strategic business plan has commenced and been able to generate additional income of BWP 7.8 million year to date. The commercialization has started and through collaborative efforts with our global partners, we aim to ultimately transform these labs into Centers of Excellence (CoE) in exploration and mining analysis.

BOTSWANA MINING CADASTRE SYSTEM

24. Mr Speaker, the Ministry of Minerals and Energy implemented the National Integrated Geoscience Information System (NIGIS) Project under NDP 11 from 2018 to 2022 at a cost of BWP 20.68 million. The project included five sub-systems, with the Botswana Mining Cadastre System (BMCS) implemented by the Department of Mines (DOM).

25. BMCS was launched in October 2022, went live on 1 November 2022, and completed its two-year support phase in August 2024. BMCS

was developed by Spatial Dimension South Africa (Pty) Ltd, who are the sole global providers of Landfolio software.

26. To ensure success of the project during implementation and beyond, the MCS project team in collaboration with the service provider attended to system glitches as per the contract during the two-year support. Since the beginning of the support phase in September 2022 there are items that were identified to be omitted during the design stage as well as development of new technologies hence they required to be configured into the system to close the gaps.
27. To fully optimize a transparent and efficient management of mineral concessions and explosives permits, the Enhancement of the Botswana Mining Cadastre System commenced on the 2nd December 2025, and is scheduled to conclude on the 1st December 2027 at an estimated cost of BWP 5, 310, 043.46.

LEGISLATIVE, POLICY AND PERFORMANCE REVIEW

28. Mr Speaker, the legislative advancements that were presented in my last speech were designed to foster a more conducive environment for investment, ensure sustainable development, increase penalties to deter illegal mining, and enforce compliance, and enhance the governance of mineral resources. Other notable amendments in the Act include, increasing the option for government stake in new mining investment from 15% to 24% which can also be acquired by citizens if the government has no interest. The Ministry is currently developing the Regulations for the Amended Act and it is expected that at implementation the Regulations will help expand and better understand and administer the act.

29. Mr Speaker, our river systems have been adversely impacted by over mining of the resources for development purposes. Over the years the use of river sand mostly around the urban centers has risen drastically with the increase in infrastructure development, resulting in negative effect on the surrounding rivers. Alternative sources to allow for recovery (rivers to recharge) of the rivers is important, in particular promotion of using other sources of construction aggregates, such as crusher dust and manufactured sand.

30. Mr Speaker you will note that there is currently no mining of river sand along all Rivers on the southern part of the country (South of Dibete) due to the ongoing moratorium as the Rivers on the southern part of the country have been inversely affected by excessive mining awaiting an impact assessment study. Earlier in 2025, The moratorium was extended to cover the Mahalapye area, early 2025, as the river system around Mahalapye area were observed to have been also impacted by mining which was intended to supply development in the southern part of the country. The conclusions and deductions from the Botswana Geoscience Institute (BGI) study were that even though the river system has been affected by mining there are still areas where there is mineable deposit of river sand and with proper management plans and monitoring in place, mining can be allowed along the river hence the decision by the Ministry to reopen issuance of Mining permits along the Mahalapye River.

31. The Botswana Geoscience Institute (BGI) continues to play a vital, advisory, and technical role in various geoscience areas, including

seismic monitoring in the Selebi-Phikwe region. These activities are part of a comprehensive program aimed at developing a blueprint for BCL mine closure. The work done by BGI provides critical decision makers with access to real-time data, predictive modelling as well as proactive risk management for effective data-driven decision making.

32. Mr Speaker, the Precious and Semi-Precious Stones (Protection) Act, is currently under review to tighten and legally remove ambiguity on the differentiation and disclosures of natural rough diamonds from synthetic stones in line with the calls made to other countries and companies.

DIAMONDS

33. Mr Speaker, the diamond industry is currently undergoing a period of significant transition. Amidst declining consumer demand for natural diamonds, falling prices and reduced production, the business finds itself at a crossroads. 2025 was marked by significant shifts, primarily driven by the booming, price-falling lab-grown (LGD) sector, which is pressuring natural diamond prices and creating a wide gap, thereby forcing natural diamond players to focus on brand, value, and transparency to counter LGD saturation and maintain emotional appeal. Overall market recalibration and production cuts in major mining nations like Botswana are bolstering the market. In essence, 2025 was a period of painful but necessary evolution, moving from easy growth to a more complex, data-driven landscape where natural diamonds must clearly define their unique proposition against the backdrop of overwhelming lab-grown supply.

34. Marketing & traceability of the diamond industry is moving from compliance-based traceability to brand storytelling. The diamond industry has accepted that demand will not recover on its own and that renewed category marketing is required. The NDC is expanding through the Luanda Accord, with Namibia and Dubai joining in 2026 to fund global category marketing.
35. Mr Speaker, the Marketing Committee Strategy, whilst focusing on provenance led storytelling, will this year celebrate Botswana's "60 years of Diamond Leadership." 60 years marks a "Diamond Anniversary". We will commemorate Botswana's diamond journey and the measurable socio-economic impact delivered over six decades, reaffirming and positioning Botswana as the global leader in ethical sourcing, green and responsible mining.
36. A portion of the allocated Marketing spend has been earmarked for socio economic impact within Botswana. This entails promoting downstream opportunities through emerging jeweller development, manufacturing and technical skills training. We will launch various of initiatives; such as the Ambassador program, a planned Maun Airport Diamond Jewellery Retail store, locally made marketing collateral, as well as utilisation of local agencies, which will not only support our local talent, but elevate their profiles to the global marketplace. Additionally, other strategic collaborations include a Diamond Gallery during the hosting of planned Diamond Summits and support for the World Athletics Relay 2026, a first for Africa.

37. Mr Speaker our intention is to promote both our diamond and tourism offering in Botswana through an initiative we have developed, the "Diamond and Delta Tours". We have already hosted the first cohort comprising of international jewellers from Nigeria, India, the US, and Europe. This will further support the local tourism sector's elevation through a diamond-driven strategy. We anticipate that the Marketing Strategy, as we Defend, Differentiate and create Desire, will have a local impact on spend of approximately USD 12 Million.

38. The G7 implemented phased ban on Russian diamonds which started in January 2024 is on full swing since 1st January 2026, with EU implementing full traceability requirements. This requires declarations for polished diamonds above 0.5 carats, while the US extended its deadline to September 1, 2026 aiming to block Russian diamonds via G7 coordination through restrictions and tracking. With support from AWDC and the Belgian government Botswana will be able to implement the node should the need arise.

39. Mr Speaker, the local diamond manufacturing industry, the mid-stream was supplied with diamonds worth USD 571 million in 2025 compared to USD 580million in 2024. ODC sold USD 457million worth of carats compared to USD 425million in 2024. There are currently 41 licensed diamond cutting and polishing companies, out of which 7 closed their operations completely. Current employment stands at 2544 as at end of January 2026.

DEBSWANA

40. Mr Speaker, as at end of November 2025, Debswana Diamond Company produced 14,143,511 carats and sold 18,119,562 carats valued at US\$1,780,645,444 compared to production of 16,338 000 carats and sales of 12,446,227 carats valued at US\$1,621,769,796 realised in the prior year. These productions are for the two operating Debswana Mines being Jwaneng and Orapa; while the others are under care maintenance in response to the subdued rough diamond uptake markets.
41. In 2025, Debswana has spent a total of BWP 13 billion in procurement out of which, BWP 4 billion constituting 33 % on citizen owned companies.
42. Jwaneng Mine has embarked on an Underground Development Project whose strategic undertaking is aimed at sustaining diamond production beyond the life of Cut 9 open pit mining. The project has to date advanced 5.3 km against a target of 4.9km which is 9% favourable against target. The project is expected to extend the life of mine up to end of 2050. The feasibility study for Orapa Cut 3 project has been completed but its implementation has been suspended pending the diamond price outlook.

KAROWE

43. Mr Speaker, as at end of November 2025, Karowe mine produced 338, 090 carats and sold 257,041 carats valued at US\$153,883,555 compared to production of 359, 372 carats and sales of 290, 150 carats valued at US\$155,622,587 realised in the previous year. The average number of people employed at Karowe mine as at November 2025, was one thousand three hundred and seventy-nine (1,379), compared to one thousand four hundred and sixty-five (1,465) in the prior year. The slight decline in the employment numbers are as a result of the coming to conclusion of the underground development project which has released employees at end of project. Karowe underground development project for the sinking of the two vertical shaft has been completed. The production shaft was completed in September 2025 and the ventilation shaft was completed in December 2025. The lateral developments to access the ore are planned to commence in Q3 of 2026 and forecast to be completed in Q1 of 2028.
44. In 2025, Lucara has spent a total of BWP 1.3 billion in procurement out of which, BWP 347 million constituting 26 % on citizen owned companies.

BASE METALS AND CRITICAL MINERALS

45. Mr Speaker, Botswana recognises the growing global importance of critical minerals in supporting the energy transition, decarbonisation and advanced manufacturing. Government is positioning critical minerals as a strategic component of Botswana's mining future, complementing the diamond sector and supporting broader economic diversification. There are ongoing geological and exploration programmes which are aimed at improving knowledge of Botswana's critical and strategic mineral potential. The development of critical energy minerals is aligned with national development priorities including economic resilience, industrialisation and environmental sustainability.

MOTHEO COPPER MINE

46. Mr Speaker, as at November 2025, Motheo Copper Mining produced a total of 45, 379 tonnes of payable copper in concentrate as compared to 45, 276 tonnes as at November 2024. Silver production for the year was 1,578,926 ounces compared to 1,751,830 ounces as at November 2024. The reduction in the production of the silver is attributed to the feed grade that was mined during 2025 which was 11.50g/t while in 2024 the grade was 13.60g/t. The average number of people employed at Motheo mine as at November 2025, was one thousand nine hundred and twelve (1,912), compared to one thousand four hundred and seventy-five (1,475) in the prior year. The increase in the labour is

attributed to the ongoing projects at the mine which have attracted more workforce.

47. In 2025, Sandfire has spent a total of BWP 3 billion in procurement out of which, BWP 2.5 billion constituting 83 % on local companies.

KHOEMACAU COPPER MINE

48. Mr Speaker, as at November 2025, Khoemacau Copper Mining produced a total of **37, 468 tonnes** of payable copper in concentrate as compared to **35,879 tonnes** as at November 2024. Silver production for the year was **1,156,667** ounces compared to **1,145,417** ounces as at November 2024. The average number of people employed at Khoemacau mine as at November 2025, was two thousand three hundred and twenty-nine (2,329), compared to one thousand six hundred and ninety-five (1,695) in the prior year. The increase in employment of about 600 people is in response to the new expansion projects that are ongoing at the mine.
49. The mine has secured funding for future expansion to increase output production to about 130,000 tons of copper and 5 million ounces of silver per year. The expansion project has been approved at a tune of US\$900 million and at construction it is expected that overall the employment will increase to about 5,500 people. The expansion project entails opening up three more additional mines over and above the existing three mines.

50. In 2025, Khoemacau has spent a total of BWP 6.6 billion in procurement out of which, BWP 1 billion constituting 17 % on citizen owned companies.

KOPANO COPPER MINE

51. Mr Speaker, as at November 2025, Kopano mine produced a total of **7, 246 tonnes** of payable copper in concentrate compared to **8,938 tonnes** as at November 2024. The drop in production is associated with the mine having challenges with the heavy rains, during the months of January to March 2025 which interrupted production significantly as production had to be halted. The average number of people employed at Kopano mine as at November 2025, was nine hundred and twenty-four (924), compared to eight hundred and fifty (850) in the prior year. The increase in employee numbers are to accommodate expected expansion projects at the mine.

MENZI BATTERY METALS

52. Mr Speaker, following the granting of a mining license to Menzi Battery Metals, through its parent company Giyani Metals, the company has continued its path towards development, having successfully produced High Purity Manganese Sulphate Monohydrate ("HPMSM") from its demonstration plant in September 2025. This marks a significant milestone for the company as it has significantly de-risked the final optimised process flowsheet, and it provides Giyani with a dual product offering, including High Purity Manganese Oxide

("HPMO") achieved in the first half of 2025. This positions the company to supply its products to a broad range of potential future battery technologies in line with the evolving battery market. An offtaker qualification trial process is currently underway to secure offtake and fast-track the Definitive Feasibility Study, which is scheduled for completion in Q1, 2026.

Menzi Battery Metals' project development is anticipated to commence in Q4 2026, with the construction phase expected to employ approximately 300 people. The production phase is expected to require around 150 employees.

MORUPULE COAL MINE (MCM)

53. Mr Speaker, as at November 2025, MCM mine produced a total of **2, 200, 597 tonnes** of coal compared to **2, 230, 030 tonnes** as at November 2024. The drop-in production is associated with the underperformance against target caused by low offtake by both Morupule power plants A and B, which has been consistently low from the beginning of the year. The overall thermal coal production has also been strategically reduced to align with the BPC demands and power station availability. The average number of people employed at MCM mine as at November 2025, was one thousand four hundred and eighty-two (1482). The employment figures are expected to increase by 125 people as the mine plans to reopen the Motheo open pit mine.

54. In 2025, Morupule has spent a total of BWP 4 billion in procurement out of which, BWP 2.2 billion constituting 57 % on citizen owned companies.

BOTASH

55. Mr Speaker, as at November 2025, Botash mine produced a total of **211, 062 tonnes** of soda ash as compared to **264, 753 tonnes** as at November 2024. Salt production for the year was **311,191 tonnes** as compared to **352,092 tonnes** as at November 2024. The decline in production is due to scaling down, driven by subdued salt and soda ash uptake in the market. The average number of people employed at Botash mine as at November 2025, was nine hundred and twenty-nine (929), compared to nine hundred and forty-three (943) in the prior year.

56. In 2025, Botash has spent a total of BWP 2 billion in procurement out of which, BWP 867 million constituting 43 % on citizen owned companies.

MINING INVESTMENTS UPDATE

Project Thobo

57. Mr Speaker, MDCB, continues to work towards the strategic mandate to operationalise three (3) key entities: Exploration Investment Company Botswana ("EICB"), Mineral Investment Company Botswana ("MICB"), and Khumo Minerals Botswana ("KMB"). MDCB has completed the strategic plan phase of the entities. The primary purpose

of this phase was to develop strategic plans for EICB, MICB and KMB that have formed as a foundation for the subsequent development of business models for these entities, while fostering consensus on priority areas among key stakeholders. Subsequently, the outcomes have aimed at translating the strategy into actionable, sustainable business models that are defined by revenue and funding structures, partnership and governance mechanisms and value creation pathways aligned with each entity's mandate. This will evolve the entities from strategic intent to operational readiness underpinned by coherence, accountability and a shared vision for Botswana's long-term mineral investment growth. Mr Speaker, the MME has further taken a decision to transfer the operationalisation of the EICB to the Botswana Geoscience Institute ("BGI") and has subsequently appointed the BGI Chief Executive Officer ("CEO") as Interim CEO of the EICB. MDCB continues to support the facilitation of this process. The development of the business and operating model is ongoing, and the setup of the corporate profile has been initiated. The technical early works/landscape scanning, and/or opportunity assessment to identify priority focus areas in line BETP has also begun.

UPDATE ON ADVANCED EXPLORATION PROJECTS:

58. Cobre Limited of Australia that wholly owns two Botswana registered companies: Kitlanya (Pty) Ltd and Triprop Holdings (Pty) Ltd is an emerging copper exploration and development company focused on the Kalahari Copper Belt. Supported by a BHP Xplor partnership Cobre

is rapidly progressing towards development of a mineral resource of 11.5Mt at 0.52% Cu in the Ngami area.

59. Q-Pene (Pty) Ltd, a wholly owned subsidiary of Australian registered Tonota Resources Limited has discovered a major Graphite resource near Tonota. The resource is estimated to be 137 million tonnes at 6.5% Total Graphite Carbon (TGC) over a strike length of 20km from a known strike length of 100km, constituting 80% of untested potential graphite zone. Initial tests show potential for spherical graphite for Electric Vehicle (EV) batteries using conventional treatment methods.
60. Tsodilo Resources Limited through its Botswana subsidiary Gcwihaba Resources (Pty) Ltd has discovered iron ore deposits that consists of Fe(iron) grades of about 70% over a strike length of 35 km long by 2 to 3 km wide. Tsodilo Resources has an inferred mineral resource estimate of 441 million tonnes at its Xaudum Iron Project (XIF), with an average grade of 29.4% iron.
61. Mr Speaker, these discoveries will contribute to Botswana's economy and provide valuable geoscience information, enhancing understanding of Botswana's geology and mineral potential and will be crucial for future exploration. The diversification of mineral commodities is poised to reduce the country's reliance on diamonds.

MATTERS OF CONCERN

BCL in Liquidation (Care and Maintenance)

62. Mr Speaker, we have granted the Liquidator permission for the closure of BCL Southeast Extension Shaft in June 2025. Following this authorisation, a controlled flooding programme commenced on 1st July 2025 and was completed on 30th August 2025. The programme was undertaken in close consultation with the BCL Task Team, and in line with the Department of Mines' approved mine closure management requirements.

63. Mr Speaker, following the successful closure of the Southeast Extension Shaft, and considering funding constraints, the Liquidator issued a statutory notice to the Director of Mines on 30 September 2025, indicating the intention to commence permanent closure of the No. 3 Shaft. The safe closure programme commenced after the cessation of dewatering activities on 29 October 2025, operating with a substantially reduced workforce. The No. 3 Shaft is currently undergoing a safe and environmentally responsible withdrawal, including the removal of the 850-metre level main pump station, selected electrical equipment, and associated bulk hydrocarbons. To date, six vertical shafts have already been safely backfilled. Importantly, no open voids have been left, ensuring the safety of surrounding communities. The No. 3 Shaft and two remaining vertical ventilation shafts are still to be capped. This final phase of safe closure commenced on 5 January 2026, using a small specialist team, and is expected to be completed on or before 1 April 2026.

64. Mr Speaker, the immediate task is to continue monitoring tremors, assess their intensity, and advise the public on immediate risks. The medium-term goal is to proactively manage all critical risks, including geotechnical, hydrogeological, environmental, governance, and social aspects, to ensure safety and compliance throughout the mine closure process.

BCL HOUSES

65. Mr Speaker, Government has purchased a total of 1228 houses from BCL Limited and 7 from Tati mine. The houses are valued at around BWP 295,746,000 for the BCL houses and BWP 5,100,000.00 for the Tati houses. The cost of these houses will be deducted against the loan that was advanced to the Liquidator by Government. The Administration of the houses has been transferred to the Ministry Water and Human Settlement as the custodian of government estate.

TATI NICKEL MINE SALE

66. Mr Speaker, the Liquidator has entered into a binding sale agreement on the 28 June 2024 with NIU Invest SE (NIU), a German-incorporated investment entity, to acquire all of the assets and undertakings associated with the Phoenix Mine Complex in Francistown ("the Phoenix Mine"). NIU purchased the Phoenix Mine for a total consideration of USD\$15 million which has been paid in full in April

2025 followed by the granting of mining licenses to NIU's Tataki Mining Company by the Government.

PROGRESS ON NEXMETALS MINING CORP ("NEXMETALS" - FORMERLY PREMIUM NICKEL RESOURCES BOTSWANA ("PNR BOTSWANA"))

67. Mr Speaker, following the acquisition of two shafts (Selebi and Selebi North), NexMetals has continued their exploration programme and have published an updated Mineral Resource Estimate (MRE) for Selkirk mine citing an inferred resource of 44.2Mt @ 0.81% Copper equivalent, and for the Selebi mine an inferred resource of 24.7Mt @ 3.4% Copper equivalent, and an indicated resource of 3.0Mt @ 2.92% Copper equivalent. The company commenced an accelerated expansion programme with extensive surface drilling for resource expansion and metallurgical flowsheet development underway. NexMetals has in November 2025 completed a fundraising of CAD80 million which funds of which will be used to settle the USD25 million due to BCL, or the liquidator, under the Asset Purchase Agreement, as well as progress the drilling programme. Commercial production is targeted for 2032, with the opportunity to accelerate certain project components through a staged approach if saleable concentrate is achieved.

MINERGY COAL

68. Mr Speaker, Minergy Coal is currently under care and maintenance due to constrained operations, which led to the cessation of operations in March 2025 by the mining contractor. Minergy Coal has since been going through legal process for their failure to honour contractual obligations due to financial constraints. The Ministry, through MDCB who are the major creditor, has been continuously engaging Minergy and other relevant stakeholders to develop a way forward ahead of the legal hearing scheduled for March 2026. The Ministry and MDCB are working towards finding a solution and a strategic partner for the long-term sustainability of Minergy Coal.

MUPANE GOLD MINE

69. Mr Speaker, Mupane Gold Mine still remains under care and maintenance following its liquidation in December 2024. The Liquidation process is still ongoing despite the delay due to a process dispute before the courts. Nonetheless, we remain hopeful that both matters (court dispute and liquidation) will be resolved soon and production can resume.

RECURRENT AND DEVELOPMENT BUDGETS

2025/2026 Approved Budget Estimates and Performance

70. Mr Speaker, as at 20th January 2026, expenditure on the allocated P347,147,890 (Three hundred and forty-seven million, one hundred and forty-seven thousand, eight hundred and ninety Pula) for the Recurrent budget was P243,090,424 (Two hundred and forty-three million, ninety thousand, four hundred and twenty-four Pula) or 70%. This is expected to have increased by the 31st March 2026.

71. As for the Development Budget, the provision has since been revised from P2,659,182,923 (Two billion, six hundred and fifty-nine million, one hundred and eighty-two thousand, nine hundred and twenty-three Pula) to P5,510,126,135 (Five billion, five hundred and ten million, one hundred and twenty-six thousand, one hundred and thirty-five Pula) mainly to assist Botswana Power Corporation (BPC) with the importation of electricity. Of the spent P2,986,195,276,85 or 54% of the revised budget to date, P2,8bn or 94% of expenditure is on electricity imports.

2025/2026 Revenue Collection

72. Mr Speaker, the Ministry's approved revenue budget for 2025/2026 amounts to P10,741,161,260 (Ten billion, seven hundred and forty-one million, one hundred and sixty-one thousand, two hundred and sixty Pula), which has since been revised to P7,257,601,260 (Seven billion, two hundred and fifty-seven million, six hundred and one thousand, two hundred and sixty Pula) due to budget revision in mineral revenue.

The budget was revised downward after the mineral market showed a decline in diamond sales. As at 6th February 2026, P5,563,413,201 or 77% of the revenue budget has been collected.

2026/2027 Recurrent Revenue Estimates

73. The Ministry's projected total revenue for the financial year 2026/27 amounts to P8,692,786,710 (Eight billion, six hundred and ninety-two million, seven hundred and eighty-six thousand, seven hundred and ten Pula).

2026/27 Recurrent Expenditure Budget Estimates

74. Mr Speaker, the total Recurrent Budget Estimates for the financial year 2026/2027 is P373,341,960 (Three hundred and seventy-three million, three hundred and forty-one thousand, nine hundred and sixty Pula). This represents an increase of P26,194,070 (Twenty-six million, one hundred and ninety-four thousand and seventy Pula) or 8% from this year's allocation of P347,147,890. Out of the 2026/27 budget of P373,341,960, the largest share of 309,401,170 or 83% goes to the Ministry Headquarters and it includes estimates for the two (2) parastatals namely; Botswana Geoscience Institute (P98,918,090) and Mineral Development Company Botswana (P70,278,980). The remaining 17% is allocated to the Department of Mines (P34,651,230) and Department of Energy (P29,289,560).

2026/2027 Development Budget Estimates

75. Mr Speaker, for Development Budget, I request a provision of **P5,226,626,959** (Five billion, two hundred and twenty-six million, six hundred and twenty-six thousand, nine hundred and fifty-nine Pula).
76. The Electricity Generation, Transmission and Distribution project gets the largest share of P4,823,726,959 (92%). The major items are Botswana Power Corporation Support @ P3bn, Cross Boarder Electricity Supply, Transmission Backbone Infrastructure Reinforcement and Rural Electrification & Network Expansion projects.
77. The National Oil Security projects gets the second largest share of P300,000,000 (6%). The provision is towards continuation of activities of the two(2) bulk Petroleum Depots of Francistown and Ghanzi as well as consultancy services for the Ikaegeng project.
78. The remaining P102,900,000 (2%) of the proposed budget is shared by Minerals Pipeline Development, Extraction Beneficiation and Value Addition; and Research & Development projects. The provision is for among others Interpretation of Aeromagnetic data, State Owned Exploration Company, Green Hydrogen Feasibility Study as well as Rehabilitation of Old Mines.

CONCLUSION

79. Mr Speaker, this concludes my presentation of the 2026/2027 Budget estimates. I now request to move that the sum of **P373,341,960** (Three hundred and seventy-three million, three hundred and forty-one thousand, nine hundred and sixty Pula) in the Consolidated Fund be approved and stand as part of the Schedule of the Appropriation (2026/27) Bill 2026 under Recurrent Budget; and that the sum of **P5,226,626,959** (Five billion, two hundred and twenty-six million, six hundred and twenty-six thousand, nine hundred and fifty-nine Pula) in the Development Fund Estimates be approved and stand as part of those Estimates in accordance with the amendments made to the Estimates Book.

I thank you and move accordingly.