



REPUBLIC OF BOTSWANA

MINISTRY OF MINERALS AND ENERGY

COMMITTEE OF SUPPLY SPEECH

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The Ministry that makes the real difference to Botswana

INTRODUCTION

1. Mr. Chairman, 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 more minerals in Botswana.

2. Mr. Chairman, 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. Chairman, 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

4. Mr. Chairman, 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.

Electricity Supply Industry Reforms

5. Mr. Chairman, 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

6. Mr. Chairman, 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 400 MW 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.
7. 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.

8. 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. Parallel to improving the generation capacity, there is need to upgrade and build new transmission infrastructure to allow for evacuation of electricity for domestic use and exports. Recently, the African Development Bank through the Sustainable Energy Fund for Africa approved funding a prefeasibility study for the Botswana – Zambia Interconnection Project (BoZa). The study commenced in March 2026 and scheduled for completion in August 2026. The next phase will be to undertake the feasibility study.

Rural Electrification

9. Mr. Chairman, 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.

10. 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

11. Mr. Chairman, 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.
12. 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.
13. Implementation of utility-scale solar projects is largely being undertaken by Independent Power Producers. All foreign-owned utility-scale projects are subject to a minimum of 40 percent citizen shareholding requirement, while

small-scale solar investments are reserved exclusively for 100 percent citizen-owned companies.

14. In addition, Government is implementing the Rooftop Solar Programme as a strategic instrument to promote distributed generation, strengthen energy security, and enhance citizen participation in the electricity supply industry. To date, 50 MW has been awarded under the programme, with 27.7 MW already commissioned, against a revised target of 75 MW.

Electricity Pricing and Tariff Sustainability

15. Mr. Chairman, 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.
16. 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.
17. 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.

Petroleum Sub-sector and Security of Supply

18. Mr. Chairman, 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.
19. Mr. Chairman, 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.
20. Mr Chairman, my Ministry continues to strengthen the security and resilience of its petroleum supply through deliberate diversification of supply sources and routes in the medium to long term. Currently, approximately 45 percent of the country's petroleum products are sourced through the Republics of Namibia and Mozambique, while the remaining 55 percent continues to be sourced through South Africa. This strategy is aimed at

reducing overreliance on a single supply corridor and enhancing national energy security.

21. 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.
22. 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.
23. In addition, Botswana Oil Limited is at an advanced stage towards implementing sourcing of bulk petroleum products from the Sultanate of Oman. This collaboration is intended not only to enhance national security of supply, but also to position Botswana to participate in regional petroleum trading markets.
24. Mr. Chairman, a comprehensive review of Botswana's petroleum pricing structure has been concluded and is currently being implemented in phases since June 2025. The revised pricing framework accommodates the use of alternative supply sources and routes and has resulted in a shift away from location-based pricing. This reform has significantly reduced the burden on

the National Petroleum Fund by eliminating pricing slate diseconomies, while ensuring uniform fuel prices for consumers across the country.

25. 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.

26. Furthermore, my Ministry is engaging with the Sultanate of Oman to facilitate the importation of bulk petroleum products. This collaboration is intended not only to enhance national security of supply, but also to position Botswana to participate in regional petroleum trading markets, as demonstrated by the collaboration with ADNOC under the G2G for supplies of petroleum product for piloting regional petroleum products trading under the BMX with Zambia.

27. 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, thereby significantly strengthening the country's petroleum supply resilience.

28. Mr. Chairman, Government remains firmly committed to securing affordable, reliable, and sustainable energy supply, while positioning the

energy sector as a key driver of economic transformation, industrial development, and citizen empowerment.

THE MINERALS SECTOR

29. Mr. Chairman, the mining sector aims to achieve the optimization of mineral wealth through innovation in mineral extraction, beneficiation, value addition and global competitiveness.
30. 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. 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.

Legislative, Policy and Performance Review

31. Mr. Chairman, 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.

32. Mr. Chairman, 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.
33. Mr. Chairman you will note that there is currently no mining of river sand along all Rivers on the southern part of the country (South of Debete) due to the ongoing moratorium as the Rivers on the southern part of the country have been inversely affected by excessive mining. 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. Subsequent to the moratorium (which was in place for about 9 months) the Ministry conducted a study to determine the impacts of mining along the Mahalapye River and its tributaries. The conclusions from the 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.

34. Mr. Chairman, the Precious and Semi-Precious Stones (Protection) Act, and related legislation is currently under review to create a clear distinction between natural diamonds and synthetics. This is to safeguard the integrity of our natural diamond industry and ensure customer confidence.

Diamonds

35. Mr. Chairman, 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.

36. 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.

37. 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.
38. Mr. Chairman, 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. Of the remaining 34 companies, only 23 companies resumed operations in January 2026. Current employment stands at 2544 as at end of January 2026.

Debswana

39. Mr. Chairman, 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.

Jwaneng

40. The average number of people employed at Jwaneng mine as at November 2025 was three thousand one hundred and seventy-two (3,172), compared to three thousand eight hundred and sixty-six (3,866) in the prior year. The decline in the employment numbers may be attributed to the voluntary separation programme that is currently ongoing in the company which is intended to contain the fixed operational costs of the mine in response to the current diamond markets.
41. 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.

Orapa

42. The average number of people employed at Orapa mine as at November 2025 was four thousand three hundred and twenty-seven (4,327), compared to six thousand one hundred and two (6,102) in the prior year. The decline in the employment numbers at the mine is attributed to the voluntary separation programme that is currently ongoing within the Debswana company which is intended to contain the fixed operational costs of the mine in response to the current diamond markets. The feasibility study for Cut 3 project has been completed but its implementation has been suspended pending the diamond price outlook.

Karowe

43. Mr Chairman, 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 decline in the productions and sales of the diamonds are attributed to the current depressed diamond market. 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.
44. 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 equipping of the production shaft is expected to be completed in February 2026 and the Headgear changeover and its final commissioning to be completed in May 2026. The lateral developments to access the ore are planned to commence in Q3 of 2026 and forecast to be completed in Q1 of 2028.

BASE METALS AND CRITICAL MINERALS

45. Mr. Chairman, 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. Chairman, 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. To increase its resource base and extend the life of mine, Sandfire which wholly owns Motheo Copper mine is conducting an extensive exploration exercise within the Kalahari copper belt and Okwa Valley, with an annual budget of approximately BWP 135 million. In addition to the current A4 & T3 pits, Sandfire is busy drilling at its recently discovered A1 maiden resource.

Khoemacau Copper Mine

48. Mr. Chairman, 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.

Kopano Copper Mine

50. Mr Chairman, 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.

51. The mine is looking into extending the life of the mine beyond the current timelines through initiatives such as pit expansion by doing Cut 2; treatment of the tailings resources which have the potential to extend the mine life by 3 to 4 years. Further to this there is extended exploration drilling to the north of the concession area where there are indications of mineralisation which if discovered can extend the mine life by up to 20 years.

Menzi Battery Metals

52. Mr. Chairman, 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.

53. 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)

54. Mr Chairman, 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.

55. The mine further intends to intensify its exploration drilling operations on the South Block and also optimize underground mine designs to extend the life of the mine beyond the current timelines. Additional to this, the mine is redesigning the current wash plant to optimise material flows and increase feed to its customers. This redesigns will have positive impacts on the tonnage of both washed coal and thermal coal available for supply.

Botash

56. Mr Chairman, 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.

MINING INVESTMENTS UPDATE

DE BEERS Group

57. Mr. Chairman, reflecting the ongoing challenges in the international diamond markets, De Beers' performance to Q3FY2025 remained subdued, reflecting continued stock rebalancing initiatives with specific assortments being sold at lower margins.

58. Mr. Chairman, in response to the weaker rough diamond demand, De Beers continues to manage and monitor operational costs, including reduced production to align with prevailing weaker sales. De Beers have also provided production guidance for FY2025 and FY2026 of 20-23 million carats and 26-29 million carats, respectively, relative to 30-33 million carats in FY2025 and 32-35 million carats in FY2026 previously provided. Actual cumulative production to Q3FY2025 is 17.8 million carats, indicating that FY2025 production will be within the forecasted range. This further highlight that the continuing disciplined production cost containment measures are likely to be achieved in FY2025.

Project Thobo

59. Mr. Chairman, 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 Chairman, 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.

MATTERS OF CONCERN

BCL in Liquidation (Care and Maintenance)

60. Mr. Chairman, 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.
61. Mr. Chairman, 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.

62. Mr Chairman, 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

63. Mr. Chairman, 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

64. Mr. Chairman, 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"))

65. Mr. Chairman, 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

66. Mr. Chairman, 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

67. Mr. Chairman, 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.

Update on Advanced Exploration Projects:

68. 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.

69. 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.
70. 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.
71. Mr. Chairman, 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.

Update on Ongoing Development Projects

72. Mr. Chairman, the initiative to rehabilitate and make safe old and abandoned mine workings that were mined pre independence and left un-rehabilitated, is an ongoing initiative from the past National Development Plans. The initiative entails filling up, capping, cutting down slopes of collapsed workings, shafts and borrow-pits as well as levelling and/or

covering of dumps. The most impacted sites include; Francistown, (Gerald, Monarch, Shashe), Matsilojoe, Patayamatebele, Moshana, Otse and Magogaphate as well as borrow pits identified around built up areas.

RECURRENT AND DEVELOPMENT BUDGETS

2025/2026 Approved Budget Estimates and Performance

73. Mr. Chairman, as at 27th February 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 P264,844,437 (Two hundred and sixty-four million, eight hundred and forty-four thousand, four hundred and thirty-sev Pula) or 76%. This is expected to have increased by the 31st March 2026.

74. 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

75. Mr. Chairman, 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 27th February 2026, P5,813,337,029 or 80% of the revenue budget has been collected.

2026/2027 Recurrent Revenue Estimates

76. 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

77. Mr. Chairman, 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

78. Mr. Chairman, 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).
79. 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.
80. 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.
81. 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

82. Mr. Chairman, 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.