



COMPANY ANNOUNCEMENTS

Karowe Underground Expansion Project (UEP) Update



- Lucara updated the market on the underground expansion of its Karowe mine:
 - The UEP is fully funded via \$220mn senior debt and C\$41.4mn equity financing.
 - The UEP has been pushed back by ~1.3 years due to Covid-19 related delays to commence shaft pre-sinking and additional time for development.
 - Open pit mining operations have been adjusted to limit the risk of production shortfalls during the ramp up of underground mining in 2026.
 - \$51.4mn has been spent (primarily on engineering and procurement of long-lead items) to date out of the total budget. Total planned spend for 2021 is up to \$120mn.
 - Total expenditure, inclusive of contingency allowance, has increased by 4% to \$534mn due to the increase in the production shaft diameter and additional mine development.
 - Mine shaft civil works are underway at the shaft collar box cuts, hoist houses and hoist foundations.
 - A self-build agreement has been reached with Botswana Power Corporation for the construction of 2 substations and a 29km, 132kV transmission line upgrade. Substation contracts have been awarded.
 - All necessary permits, including mining license extension to 2046 have been obtained to support all construction and production activities.
- P7.25 (YTD: +41.88%) PE: 22.4 PB: 1.4 D/Y: 0.00% Mkt Cap: P3,278.3mn

Notice of 2021 Annual General Meeting (AGM) and Proposed Share Buy-Back



- Notice of 2021 AGM
 - SeedCo announced that it will hold its 2021 AGM virtually on Wednesday, 25 Aug 21 at 9am. Shareholders will vote on:
 - Approval of request for directors to continue in office on attaining 70 on a year-by-year basis to a maximum of 2 years.
 - Approval of directors' fees for 31 Mar 21 yearend of \$298,066.
 - Approval of audit fees for the year ended 31 Mar 21 of \$231,650 and re-appointment of Ernst and Young as auditors for 31 Mar 22.
 - Ratification of US 0.97c/share dividend payable in cash and scrip.
- Proposed Share Buy-Back
 - SeedCo released a circular regarding its intention to buy back 10% of its stated capital by way of on-market share buy-back and retain the shares for treasury purposes.
 - SeedCo will table a special resolution at its 2021 AGM mandating the buy-back until the next AGM.
- P2.70 (YTD: +45.95%) PE: 8.4 PB: 1.1 D/Y: 3.95% Mkt Cap: P1,029.9mn

Issue of New Shares



- Shumba announced that it has issued 282,814 new ordinary shares in settlement of an obligation amounting to \$22,983 incurred for the development of Shumba assets. The holders are existing shareholders.
- The additional shares will trade from 11 Aug 21. Following the issuance, Shumba's share capital will be 293,841,364.
- P0.90 (YTD: -5.26%) PE: 7.0 PB: 2.3 D/Y: 0.00% Mkt Cap: P264.5mn



Cautionary Announcement

- Sechaba announced that the results for the 6-month period ended 30 Jun 21 will be P40.8mn-P42.8mn (105%-110%) higher than the P38.9mn reported for the 6-month period ended 30 Jun 20.
- Financial results for the 6-month period ended 30 Jun 21 are expected to be released on or before 30 Sep 21.
- P16.30 (YTD: -21.07%) PE: 11.6 PB: 2.5 D/Y: 1.53% Mkt Cap: P1,803.1mn



Change of Office and Postal Address

- Minergy announced that it has changed its physical office and postal address, effective 1 Sep 21 as follows:
 - Physical Address: Unit 2, Ground Floor, Building 3, Pinnacle Park, Setlhoa, Gaborone, Botswana
 - Postal address: P.O Box 2330 ABG, Broadhurst, Gaborone, Botswana.
- P0.80 (YTD: 0.00%) PE: N/A PB: N/A D/Y: 0.00% Mkt Cap: P376.0mn



Passing of Board Member

- BBS announced the sad news of the passing of BBS board member, Ms Lebole Mpho Mokoto.
- P1.00 (YTD: -8.26%) PE: N/A PB: 0.9 D/Y: 0.00% Mkt Cap: P487.5mn



Trading Update

- Letshego gave a trading update of performance for the 6-month period ended 30 Jun 21:
 - Net advances grew by 15% when compared to net advances for the 6-month period ended 30 Jun 20.
 - Profit before tax (PBT) will be P66mn-P111mn (15%-25%) higher than the restated P443mn PBT for the 6-month period ended 30 Jun 20.
 - Profit after tax (PAT) will be P49mn-P73mn (20%-30%) higher than the restated P245mn PBT for the 6-month period ended 30 Jun 20.
 - Letshego restated results for the 6-month period ended 30 Jun 20 to reflect the Namibia preference share conversion in line with regulatory requirements.
- P1.05 (YTD: +45.83%) PE: 3.6 PB: 0.5 D/Y: 11.62% Mkt Cap: P2,251.2mn



Presidential Address on Government's Response to the Covid-19 Pandemic

- The President of Botswana, H.E. Dr Mokweetsi EK Masisi, updated the nation on Government's latest response to the Covid-19 pandemic. Salient points of the address are as follows:
 - Vaccine Update
 - Government has spent P390mn on vaccine procurement to date, of which over P100mn was paid to COVAX and the Vaccine Acquisition Trust (AVAT).
 - Government has received ~658.7k vaccine doses comprising of Sinovac, AstraZeneca, Pfizer and Johnson and Johnson (J&J) vaccines.
 - Government is expecting to receive ~1.2mn J&J, 100k Covaxin, 81.9k Pfizer, 500k Moderna and 361.2k Sinovac vaccine doses by Mar22.
 - In addition, Government has signed agreements with Moderna for 500k doses and Bharat in India for 100k Covaxin doses. Heads of agreements have been signed with Pfizer for 2mn doses.
 - Updated Restrictions
 - From 16 Aug 21, the following will come into effect for 3 weeks:
 - All public gatherings, including kgotla meetings, merapelo, weddings, patlo and magadi are suspended.
 - Number of people at religious gatherings and churches remain at 50 with only 2 services allowed per week.
 - Funerals must be conducted within 5 days from date of death and should continue to follow established Covid-19 protocols.
 - Inter-zonal movement will continue to be restricted to essential travel only.
 - Reopening of schools delayed by a further 3 weeks except for students preparing for final examinations.
 - Ban on the sale of alcohol remains.

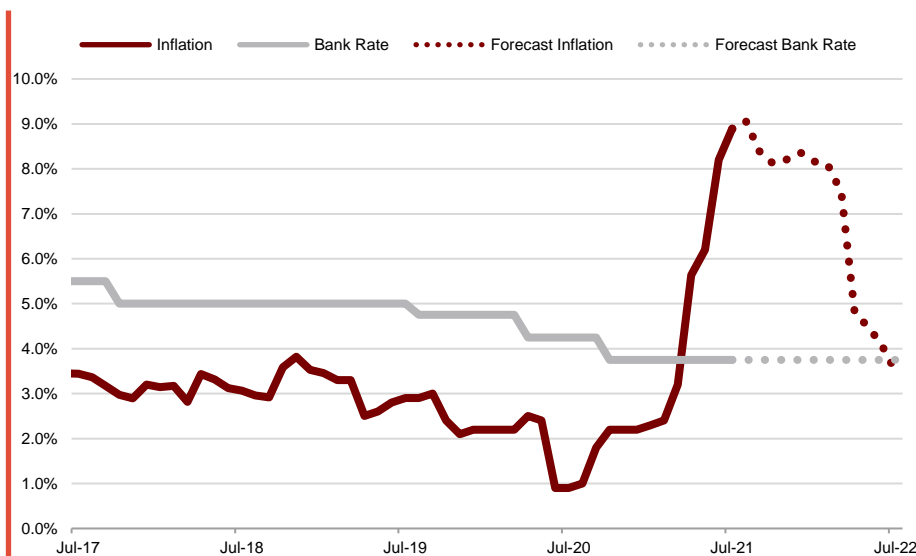
LUCARA HY21 RESULTS – NORMALISATION IN DIAMOND MARKET DRIVES EARNINGS

Income Statement \$'Mn	FY 20	FY 19	% Δ
Revenues	99.4	41.6	139%
Operating expenses	(34.8)	(29.3)	19%
Royalty expenses	(10.5)	(4.2)	149%
Depletion, amortisation and accretion	(23.0)	(18.5)	25%
Income from mining operations	31.1	(10.4)	(398%)
Administration	(8.1)	(7.7)	4%
Sales and marketing	(1.5)	(1.1)	40%
Exploration expenditures	-	(1.1)	(100%)
Net finance expense	(2.1)	(1.6)	26%
FX gain/(loss)	(1.2)	0.6	(286%)
Net income/(loss) before tax	18.2	(21.3)	(186%)
Current income tax	(1.5)	(0.3)	517%
Deferred income tax	(7.3)	4.5	(262%)
Net income/(loss) for the period	9.4	(17.1)	(155%)

Balance Sheet extract \$'Mn	FY 20	FY 19	% Δ
Cash and cash equivalents	13.7	13.7	0%
Inventories	78.1	71.4	9%
PPE	90.4	108.8	(17%)
Mineral Properties	128.3	92.8	38%
Credit facility	50.1	19.0	163%
Equity	219.0	198.7	10%

- Revenue 1.4x due to normalisation in the diamond market.
 - Operating expenses +19% due to utility increases as well as higher labour and insurance costs.
 - Royalty expenses 1.5x in line with revenue increase.
 - Depletion +25% due to increased opening inventory balances.
 - Net income 1.5x due to normalisation in diamond activity.
 - Credit facility 1.6x as Lucara utilised overdraft facilities to meet working capital requirements when the diamond market slowed down in 2020.
- P7.25 (YTD: +41.88%)
 PE: 22.4
 PB: 1.4
 D/Y: 0.00%
 Mkt Cap: P3,278.3mn

JUL21 INFLATION – INFLATION CONTINUES TO ACCELERATE



- Jul21 CPI y/y 8.9% v 9.0% (Kgori) v 8.2% (Jun21)
- Inflation continued to trend above the Bank of Botswana's 3%-6% objective range. High inflation is due to elevated Transport, Alcohol and Food inflation.
- Transport inflation remains elevated due to base effects and the continued increase in global oil prices, while alcohol and food inflation have been kept high by the recent increase in VAT.
- We expect inflation to rise further in the next months due to base effects and expectations of increased pump prices. Short term food supply chain disruptions will keep food inflation ticking up following the recent riots in South Africa.

Regional

SOUTH AFRICA

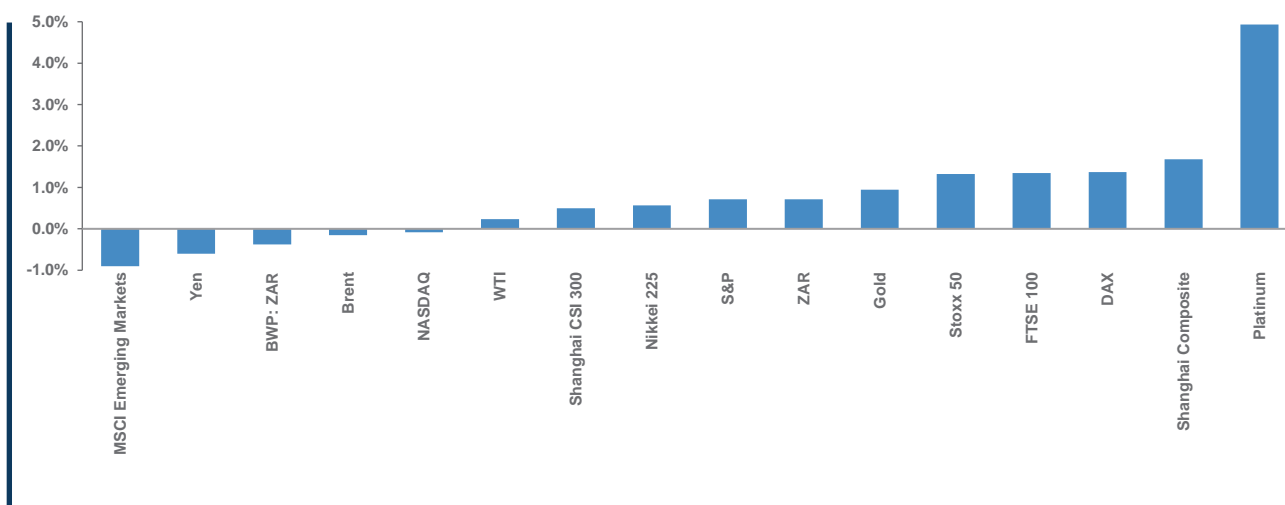
- Jun21 Manufacturing Production m/m -0.7% v 0.5% (e) v -2.0% (May21)
- Jul21 SACCI Business Confidence 93.2 v 96.2 (Jun21)

ZAR PERFORMANCE

- The ZAR closed the week slightly weaker as investors worried that the US Fed might begin tapering its quantitative easing program.
- ZAR 14.73 (WTD: +0.71%) v 14.63 (6 Jul 21)

International

INTERNATIONAL SNAPSHOT – 13 AUG 21 WEEKLY PERFORMANCE



- Jul21 PPI y/y 5.6% v 5.0% (e) v 5.0% (Jun21)
- Japanese equities closed the week higher driven by investor enthusiasm following news that the US Senate has passed a bill earmarking an additional \$550bn in infrastructure spending as well as strong domestic corporate earnings.
- Nikkei 225: 27,977 (WTD: +0.56%), Yen: 109.59 (WTD: -0.60%)



- Eurozone Jun21 Industrial Production m/m -0.3% v -0.2% (e) v -1.1% (May21)
- France Jul21 Final CPI y/y 1.2% v 1.2% (e) v 1.5% (Jun21)
- Germany Jul21 CPI y/y 3.8% v 3.8% (e) v 2.3% (Jun21)
- European equities rose following strong earnings from European corporates.
- DAX: 15,977 (WTD: +1.37%), Stoxx50: 4,230 (WTD: +1.32%), FTSE100: 7,219 (WTD: +1.34%)



- Jul21 CPI y/y 1.0% v 0.8% (e) v 1.1% (Jun21)
- Jul21 PPI y/y 9.0% v 8.8% (e) v 8.8% (Jun21)
- Jul21 Exports y/y 19.3% v 20.0% (e) v 32.3% (Jun21)
- Jul21 Imports y/y 28.1% v 33.3% (e) v 36.7% (Jun21)
- Chinese equities ended the week in the green on increased investor hope that accommodative fiscal and monetary policy will be implemented.
- SHSZ300: 4,946 (WTD: +0.50%), SHCOMP: 3,516 (WTD: +1.68%)



- 7 Aug 21 Initial Jobless Claims 375k v 375k (e) v 387k (31 Jul 21)
- Jul21 CPI y/y 5.4% v 5.3% (e) v 5.4% (Jun21)
- Aug21 UoM Sentiment 70.2 v 81.2 (e) v 81.2 (Jul21)
- US equities closed mixed as investors weighed a perceived peaking in US inflation which would indicate a continuation of the US Fed's accommodative policy versus the impact of the continued accelerated spread of Covid-19 globally.
- NASDAQ: 14,823 (WTD: -0.09%), S&P: 4,468 (WTD: +0.71%)

COMMODITIES



- Δ US Crude Inventories -448k bbl. (6 Aug 21) v 227k bbl. (e) v 3,627k bbl. (30 Jul 21)
- Δ US Oil Rigs +9; 500 (13 Aug 21) v 491 (6 Aug 21)
- Δ North American Oil Rigs +17; 664 (13 Aug 21) v 647 (6 Aug 21)
- Oil prices closed the week mixed as investors weighed a surprise fall in US crude inventories and the passing of an additional \$550bn infrastructure bill by the US Senate versus restrictions imposed, particularly in China, to limit the spread of Covid-19 globally.
 - WTI: \$68.44 (WTD: +0.23%)
 - Brent Crude: \$70.59 (WTD: -0.16%)



- Investors poured into precious metals as they digested the acceleration in Covid-19 cases globally and perceived peaking in US inflation.
 - Gold: \$1,780 (WTD: +0.95%)
 - Platinum: \$1,032 (WTD: +4.93%)
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KGORI CAPITAL

INVEST WITH PRIDE

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