



MIRANDA MINERAL HOLDINGS LIMITED – Schedule 11 announcement and shareholder update

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Schedule 11 announcement and shareholder update

Miranda Mineral Holdings Limited

(Incorporated in the Republic of South Africa)

Registration Number 1998/001940/06

Share Code: MMH

ISIN: ZAE000074019

(“Miranda Holdings” or “the Company”)

SCHEDULE 11 ANNOUNCEMENT AND SHAREHOLDER UPDATE

1. Introduction

Shareholders are referred to the SENS announcement dated 25 May 2017 regarding the agreement entered into with Osho SA Coal Proprietary Limited (“Osho”) for the sale by Miranda Coal Proprietary Limited (‘Miranda Coal’), a wholly-owned subsidiary of the Company, of its 73% shareholding of the entire issued share capital of Sesikhona and the claims of Miranda Coal on loan account against Sesikhona for a consideration of R5 million, and a staged production initiation bonus of R 2.5 million once Osho commence production. Shareholders are further referred to the SENS announcement dated 28 August 2017 regarding the agreement entered into by the Company with Siafa Resources Proprietary Limited (“Siafa”) for the sale of its entire equity interest in Miranda Coal for a consideration of R8 million (collectively hereinafter the ‘Disposals’).

Both the forementioned transactions remain subject to the fulfilment of certain conditions precedent.

2. Continuing Prospects

It is intended to rename the Company Union Atlantic Minerals Limited (“UAM”).

The objective of UAM is to become a mid-tier, Africa-focussed explorer, developer and producer of poly-metallic concentrates ultimately focussed on the mining and beneficiation of base metal and technology metal ores.

In pursuit of the revised strategy of becoming a mid-tier, Africa-focussed explorer, developer and producer of poly-metallic concentrates ultimately focussed on the mining and beneficiation of base metal and technology metal ores, the management of the Company has embarked on several initiatives together with its Corporate Advisors and Mining and Mineral Experts in the identification and evaluation of projects which will fit the revised strategy.

The professionals involved in the project include Minxcon Mining and Exploration Consultants Proprietary Limited ("Minxcon"), Consulmet Proprietary Limited ("Consulmet") (exploration, mine design, process and infrastructure engineering), River Capital Partners Proprietary Limited ("River"), Qinisele Resources Proprietary Limited ("Qinisele"), and Cadiz Corporate Solutions Proprietary Limited ("Cadiz") (mining corporate advisory).

Minxcon is a specialist consultancy offering various services in the minerals industry. Consulmet is a specialist engineering group focussed on fast-tracked design and construction of minerals processing plants with a track record of delivering projects in remote locations and developing countries for major, mid-tier and junior mining companies. Qinisele is an independent, relationship led, corporate advisor specialising and offering independent corporate advice to the resources sector. Cadiz presents a specialist team offering services in, amongst others, mergers and acquisitions, corporate restructuring, capital raise and BEE transactions.

A pipeline of potential projects has been identified and each project is being evaluated on its merits.

As part of the review of the asset base of the Company, and in keeping with the mandate to refocus and restructure the Company, an exercise was conducted to evaluate the status and commercial potential of each of the immovable properties in the portfolio of mineral assets on the Company's books.

After due consideration and evaluation of the various opportunities which have presented themselves, the portfolio of coal assets was considered to be non-core to the future strategy of the Company. The assets in the portfolio, where management believed that value could be unlocked with additional work and which could be used as a foundation for the re-generation of the Company, were identified.

The principal asset identified for the re-generation of the Company is the Rozynbosch project, a copper-lead-zinc-silver deposit situated in the Northern Cape Province of South Africa.

As part of the process, Minxcon was mandated to prepare an updated and SAMREC-compliant Mineral Resource and Competent Person's Report for the Rozynbosch Project

("Rozynebosch or the Project"), as well as to review and consolidate all technical information in the possession of the Company. From the updated geological models a preliminary mine design and extraction plan has been formulated and a preliminary estimate of the capital required to establish same has been prepared. In addition, Consulmet is conducting a high-level design inclusive of conceptual plant, infrastructure requirements and tailings deposit facilities to arrive at a capital estimate for the Project. All information will be consolidated and a preliminary economic assessment of the Project will be presented to shareholders and financiers in due course.

In order to maintain tenure and mineral rights compliance at the Department of Mineral Resources, Milnex 189 CC (a mining and environmental consultancy) ("Milnex") has been retained to secure and administer the mineral rights portfolio and environmental obligations of the Company.

The objective of the directors and management of the Company is to provide the best possible outcome for shareholders and stakeholders. As a consequence of the enhanced cash position of the Company post the disposal of the coal portfolio, a re-assessment of short term financing requirements will be undertaken, specifically in relation to the potential dilutory effects on the shareholding of shareholders.

3. Indalo Consortium Transaction

The terms of the loan agreement entered into with the Indalo Consortium, as announced on SENS on 2 May 2017, were reviewed and the loan agreement between Indalo and the Company was terminated by mutual consent, without any further obligation on either of the parties.

4. Directors' Statement

The directors of Miranda Holdings believe that the disposal of the coal assets is in the best interests of the Company and shareholders as a whole. If these are not implemented the Company will be at risk of not meeting its financial commitments as they fall due and consequently will be unable to continue to trade, which in turn may result in the appointment of a business rescue practitioners or liquidators.

5. JSE Confirmations

The following documents have been submitted to the JSE outlining the board of directors' confirmation:

- by proposing the decision to dispose of the forementioned assets, the directors are acting in the best interests of the Company and shareholders as a whole and that, unless the Disposals are completed, the risk of business rescue looms large requiring the appointment of business rescue practitioners or liquidators;
- the Disposals are not to related parties;

- the Company's sponsor is of the opinion, based on the information available to it, that the Company is in severe financial difficulty and that it will not be in a position to meet its obligations as they fall due unless the Disposals take place;
- all alternative methods of financing have been exhausted and the only option remaining is to dispose of a part of the assets;
- the Company does not have any other financial facilities available as confirmed by its bank; and
- confirm that the Takeover Regulation Panel ('TRP') does not need to be consulted on the Schedule 11 Dispensation.

6. Financing Arrangements contingent on Disposal

As a result of the implementation of the forementioned Disposals it is anticipated that the Company will be in a position to enter into financing arrangements which will enable it to successfully embark on, inter alia, the Rozynenbosch project.

In addition, the funds raised from the proposed Disposals will enable the Company to pay for and complete all the outstanding financial statements and procure the necessary audits in respect of same, as well as to finalise the Competent Persons Report on its Rozynenbosch asset. This will place the Company in a position to make the necessary application to the JSE to lift the suspension of its shares on the JSE and approach interested parties for the further investment required to revive the Company and execute the proposed prospects as set out in paragraph 2 above.

The funds realised from the Disposals will, inter alia, be utilised as follows and the balance will be available for general working capital requirements:

SARS	1,548,279.06
Insurance	200,907.00
Salaries	1,940,168.30
Legal Fees	2,919,481.13
Auditing Fees	1,140,000.00
Financial Services	2,171,118.66
JSE and Transfer Secretary Fees	245,342.73
Prior Sponsor Fees	374,819.86
Sponsor Fees	75,000.00
Corporate Finance Fees	409,500.00
Company Secretary Fees	1,066,456.07
Competent Persons and Geological Fees	1,434,105.29
Other Due Diligence and prior transaction fees	482,643.66
	11,836,703.10

7. Working Capital Statement

It is anticipated that the successful implementation of the Disposals will provide sufficient working capital to enable the Company to settle its outstanding debts due and owing to its creditors and to re-enter the market.

8. Schedule 11 Dispensation

The JSE has granted the Company dispensation with regard to certain documentation required pursuant to the Disposals of the assets concerned. This dispensation does however not exempt the Company from the requirements of the Companies Act, No. 71 of 2008 (as amended) or requirements of the TRP. The Company will therefore be circulating a circular, in due course, as required by the TRP dealing with the Disposals, and requesting shareholder approval at a general meeting of shareholders.

Johannesburg

30 November 2017

Sponsor and Corporate Adviser

River Group

Attorneys

Tabacks

Media and investor relations

R&A Strategic Communications

James Duncan

+27 11 880 3924

+27 79 336 4010

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