



MIRANDA MINERAL HOLDINGS LIMITED – BBBEE transaction in respect of the Rozynebosch prospecting right

MMH 201802120016A

BBBEE transaction in respect of the Rozynebosch prospecting right

Miranda Mineral Holdings Limited

(Incorporated in South Africa)

Registration Number 1998/001940/06

JSE share code: MMH

ISIN: ZAE000074019

("Miranda Holdings" or "the Company")

BBBEE TRANSACTION IN RESPECT OF THE ROZYNENBOSCH PROSPECTING RIGHT

1. Introduction

Shareholders of Miranda Mineral Holdings Ltd ("MMH") are hereby advised that the Board of Directors of MMH ("the Board") has been in negotiations with a broad-based black economic empowerment consortium regarding an empowerment transaction in relation to Miranda Minerals Proprietary Limited (the holder of the Rozynebosch prospecting right and a wholly owned subsidiary of MMH) ("Miranda Minerals").

The Board is pleased to announce that a shareholders' agreement was concluded on 19th October 2017 ("the Shareholders' Agreement") between MMH, Miranda Minerals, Kwanda Minerals Holdings (Pty) Limited ("the Consortium") and a trust to be established by MMH for the benefit of the mining community situated in and around the Rozynebosch area ("Trust"), in terms whereof the Consortium, being an unrelated third party, and the Trust ("BBBEE Subscribers") will subscribe for shares in Miranda Minerals constituting, upon issue, 30% of the entire issued share capital of Miranda Minerals ("Transaction").

2. Financing Arrangement in respect of the Transaction

2.1 The terms pertaining to the financing of the Transaction are as follows:

2.1.1 Miranda Holdings will vendor finance, on loan account -

2.1.1.1 the subscription by the Consortium of such number of shares in Miranda Minerals, constituting, upon issue, 18% of the entire issued

share capital of Miranda Minerals for R18,9 million (eighteen million nine hundred thousand Rand); and

2.1.1.2 the subscription by the Trust of such number of shares in Miranda Minerals, constituting, upon issue, 12% of the entire issued share capital of Miranda Minerals for R12,6 million (twelve million six hundred thousand Rand);

2.2 The loans advanced under the above vendor finance arrangement to the Consortium and the Trust, respectively, will be repayable on the 3rd anniversary of the Commencement Date (defined as the 5th business day after the date of fulfilment of all the conditions precedent) and secured in favour of Miranda Holdings by way of a pledge in security of the Miranda Minerals' shares issued to each of them.

3. Conditions Precedent relating to the Transaction and Other Terms

3.1 The Transaction is subject to the fulfilment (or waiver by the parties to the extent legally permitted) of, inter alia, the following conditions precedent:

3.1.1 the Trust is registered by the Master of the High Court, Johannesburg, and letters of authority are issued to its trustees;

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3.1.2 Miranda Minerals adopting and filing with the Commission a new MOI;

3.1.3 each of the Consortium and the Trust having entered into the relevant Security Pledge; and

3.1.4 each of MMH and Miranda Minerals adopting such board and shareholder resolutions necessary to give effect to the Transaction.

3.2 As part of its BBBEE initiatives, Miranda Holdings has granted the Consortium the right to increase its shareholding in Miranda Minerals, by subscribing for such number of additional shares as shall, upon issue, result in the BBBEE Subscribers collectively holding up to a maximum of 50% of the issued ordinary share capital of Miranda Minerals, subject to the terms and conditions set out in the Shareholders' Agreement.

4. Categorisation of the Transaction

This transaction will form part of the Circular to Shareholders being prepared for the approval of the disposal of its coal asset portfolio under Schedule 11 of the Listings Requirement dispensation granted by the JSE and as reported to the shareholders in a SENS dated 30 November 2017.

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