

UNAUDITED GROUP INTERIM RESULTS FOR THE SIX MONTHS ENDED FEBRUARY 2020

Union Atlantic Minerals Limited
(Incorporated in the Republic of South Africa)
(Registration number 1998/001940/06)
Share code: UAT
ISIN: ZAE000254314
("UNION ATLANTIC MINERALS, UAT or the Company")

UNION ATLANTIC MINERALS INTERIM RESULTS

COMMENTARY

Financial position

For the period under review, the net asset value per share of the Union Atlantic Minerals Group ("Union Atlantic or the Company") decreased by 2.86% from 2.45 cents per share (February 2019) to 2.38 cents per share (February 2020). The net tangible asset value decreased by 13.4% from (0.58) cents per share (February 2019) to (0.67) cents per share (February 2020).

Shareholders are reminded that, due to the nature of the business of the Company, the trading statements presented are based on the net asset value per share.

Financial performance

The Company reported a basic and headline loss of 0.29 cents per share for the six-month period ended 29 February 2020. In the 6 months ending 28 February 2019 the reported basic and headline loss was 0.22 cents per share.

Status update since the last reporting period

The Annual General Meeting of shareholders was held in early August 2019 and a directive for the lifting of the suspension was received on 29th August 2019 from the JSE.

The Company advised shareholders as per a SENS announcement on 29th August 2019 that the JSE had consented to lift the suspension of trading in the securities of UAT, subject to the completion of the placing and issue of 194,367,163 shares of UAT for cash under the existing General Authority for a minimum consideration of R5.8 million (five million eight hundred thousand rand). As a consequence of negative conditions in the financial markets, as well as generally poor sentiment towards junior exploration and mining companies worldwide, management embarked upon sourcing financing via an alternative strategy of seeking a foundation shareholder who would support the strategy of the Company as articulated in the Integrated Report for 2018.

Management of the Company has engaged with interested parties and several Cautionary announcements have been published on SENS as a consequence.

The Company announced on 27th December 2019 that the Audited Annual Financial Statements for the year ended 31 August 2019 had been published on the Company website, had been posted to shareholders on the 20th December 2019, and contained no modifications to the Reviewed Provisional Condensed Consolidated Results as published on SENS on 29 November 2019.

Beginning February 2017, the Company has been audited five times and all major challenges addressed and ameliorated. An earn-in Agreement on Renosterkop was entered into in early August 2019. The final analysis of the remaining mineral rights portfolio can now be completed, decisions taken, and a final restructuring done. Shareholders and management can thus freely choose their own path and now write their own strategy going forward into the future. Union Atlantic Minerals Limited is clean and in good shape.

Operating Strategy, Covid-19 and Outlook.

The current economic outlook in South Africa is a difficult one as a consequence of the coronavirus pandemic (COVID-19) and uncertainties as to the length of time this lockdown will extend into the future. The weak commodity markets worldwide as well as poor sentiment towards junior mining and exploration companies have had an added negative impact on the Company.

During this time of uncertainty, the Company and its brownfields exploration projects have, and will continue to be managed on a care and maintenance basis with minimum staff and fieldwork being pursued until such time as the COVID-19 pandemic has been ameliorated and the prospects for junior mining and exploration companies, as well as global commodity prices, improve. Management confirms that no staff or consultants are active in the field on Company projects and that, as a consequence, there is no operational risk of exposure to COVID-19 for Company staff or consultants.

The Company has an interest in two projects in the Northern Cape, Rozynenbosch and Renosterkop. On both projects further limited geological fieldwork and metallurgical test work is required to advance and add value by updating and compiling Competent Persons Reports and project valuations. One of the objectives of management in the medium term is to acquire a cash generative project or business to supplement the two brownfields exploration projects in the portfolio and to source a cornerstone financier and shareholder to introduce cash and/ or cash generative projects to the Company. Whilst as per the strategy articulated in the Integrated Report 2018 remains intact, with the focus of Union Atlantic Minerals Limited being on the exploration for, and production of, metals required for the new technology age, management will consider all viable strategies which would be value accretive and beneficial to UAT shareholders in the long term.

Union Atlantic finds itself in a stable position which will enable it to move forward with the stated regeneration strategy of conducting brownfields exploration for base and technology metals, mine development, mining of ores and production of polymetallic concentrates. Acquisition of projects and application for new prospecting rights will also be considered. The strategy is more fully described in the Integrated Report of 2019 as published on the Company website <http://www.unionatlanticminerals.com/>.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 29 February 2020	29 February 2020	28 February 2019
Assets		
Non-Current Assets	39 821 759	39 781 976
Intangible assets	39 000 000	39 000 000
Other financial assets	821 759	781 976
Current Assets	412 283	2 249 052
Other financial assets	-	105 006
Trade and other receivables	42 691	69 309
Cash and cash equivalents	369 592	2 074 737
Total Assets	40 234 042	42 031 028
Equity and Liabilities		
Equity		
Share capital	214 695 188	209 586 425
Retained income	(185 668 584)	(178 080 605)
Equity attributable to owners of parent	29 026 604	31 505 820
Non-controlling interest	(138 258)	(138 258)
Total shareholders' interest	28 888 346	31 367 562
Liabilities		
Current liabilities	11 345 696	10 663 466
Other financial liabilities	1 072 054	1 405 553
Trade and other payables	10 272 642	9 257 913
Total Liabilities	11 345 696	10 663 466
Total Equity and Liabilities	40 234 042	42 031 028
Net asset and net tangible asset value per share		
Ordinary shares in issue	1 480 145 213	1 288 086 443
Net asset value per share (cents)	2.38	2.45
Net tangible asset value per share (cents)	(0.67)	(0.58)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	6 months ended 29 February2020	6 months ended 28 February2019
For the period ended 29 February 2020		
Operating expenses	(4 258 148)	(2 871 747)
Operating loss	(4 258 148)	(2 871 747)
Investment revenue	7 910	48 288
Fair value adjustments	28 265	41 124
(Loss)/profit before taxation	(4 221 973)	(2 782 335)
Taxation	-	-
(Loss)/profit from continuing operations	(4 221 973)	(2 782 335)
Loss from discontinued operations	-	-
Total comprehensive (loss)/profit for the year	(4 221 973)	(2 782 335)
Total comprehensive (loss)/profit attributable to:		
Owners of the parent – continued	(4 221 973)	(2 782 335)
Owners of the parent – discontinued	-	-
Non-controlling interest – continued	-	-
Non-controlling interest – discontinued	-	-
Basic and diluted (loss)/earnings per share (cents)	(0.29)	(0.22)
Headline and diluted headline loss per share (cents)	(0.29)	(0.22)
Basic and diluted (loss)/earnings per share - continued (cents)	(0.29)	(0.22)
Headline and diluted headline loss per share - continued (cents)	(0.29)	(0.22)
Basic and diluted loss per share - discontinued (cents)	-	-
Headline and diluted headline loss per share - discontinued (cents)	-	-

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 29 February 2020	Share capital	Share based payment reserve	Accumulated loss	Total attributable to equity holders of the group company	Non-controlling interest	Total equity
Balance at 1 September 2018	209 586 425	-	(175 298 270)	34 288 155	(138 258)	34 149 897
Loss for the year	-	-	(6 148 339)	(6 148 339)	-	(6 148 339)
Issue of shares	5 108 763	-	-	5 108 763	-	5 108 763
Balance at 31 August 2019	214 695 188	-	(181 446 609)	33 248 579	(138 258)	33 110 321
Loss for the period	-	-	(4 221 973)	(4 221 973)	-	(4 221 973)
Balance at 29 February 2020	214 695 188	-	(185 668 584)	29 029 604	(138 258)	28 888 346

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	6 months ended 29 February 2020	6 months ended 28 February 2019
For the period ended 29 February 2020		
Net cash from operating activities	18 902	(4 161 185)
Net cash from investing activities	7 910	2 916 650
Net cash from financing activities	-	(64 000)
Total cash movement for the period	26 812	(1 260 247)
Cash at the beginning of the period	25 781	3 017 987
Cash disclosed as part of disposal group	-	-
Total cash at end of the period	52 593	1 757 740
Restricted cash and cash equivalents	316 999	316 999

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

For the period ended 29 February 2020

Segment assets

Segment assets - Base metals and industrial minerals

Segment assets - Other

Segment liabilities

Segment liabilities - Base metals and industrial minerals

Segment liabilities - Other

Segment result

Segment result - Base metals and industrial minerals

Segment result - Other

	29 February 2020	28 February 2019
	40 234 042	42 031 024
	39,073,030	39073030
	1 234 042	2957994
	(11 345 696)	(10 663 466)
	-	-
	(11 345 696)	(10 663 466)
	4 221 974	2 782 336
	-	-
	4 221 974	2 782 336

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 29February 2020

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the 6 months ended 29 February 2020 have been prepared in accordance with the Framework concepts and the recognition and measurement criteria of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, contains the information required by IAS 34: Interim Financial Reporting and comply with the Listings Requirements of the JSE Limited and the Companies Act of South Africa, 2008.

The accounting policies applied in the preparation of these interim financial statements are consistent with those applied in the interim financial statements for the period ended 28February 2019.

This report was prepared under the supervision of the Group Financial Director, A M Botha, CA(SA) and has not been reviewed or audited by the Group's external auditors.

2. LOSS PER SHARE

	2020	2019
Weighted average number of ordinary shares outstanding	1 480 145 213	1 288 086 443
Basic and diluted (loss)/earnings per share (cents)	(0.29)	(0.22)
Headline and diluted headline loss per share (cents)	(0.29)	(0.22)
Basic and diluted loss per share - continued (cents)	(0.29)	(0.22)
Headline and diluted headline loss per share - continued (cents)	(0.29)	(0.22)
Basic and diluted loss per share - discontinued (cents)	-	-
Headline and diluted headline loss per share - discontinued (cents)	-	-
Reconciliation between basic loss and headline loss		
Basic and Headline loss	(4 221 973)	(2 782 336)

3. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

As per a SENS announcement on 6th May 2020 in which shareholders were updated on the status of the Company, it was announced that management had embarked upon sourcing financing via an alternative strategy of seeking a foundation shareholder who would support the strategy of the Company as articulated in the Integrated Report 2018, with the focus of the Company being on the

exploration for, and production of, metals required for the new technology age. In addition it was stated that management would consider all viable strategies presented which would be value accretive and beneficial to UAT shareholders in the long term. Management of the Company is pleased to advise that they have engaged with interested parties and several Cautionary announcements have been published on SENS as a consequence.

The Board of Directors of the Company has as per a SENS announcement dated 17th June 2020 that a transaction has been concluded with Ibhubesi Capital, an investment company founded by Aldworth Mbalati with its principal objective the procurement of high impact, high growth opportunities in the resources sector in Africa.

Mr Mbalati is an industrialist with a track record of success in the resources sector who maintains a firm commitment to the accelerated growth of the African economies. He has grown a business which contributes to the eradication of energy shortages experienced on the African continent and is passionate about finding unique solutions for Africa, by Africans, to date making a significant contribution to finding solutions which will have a long lasting positive impact for the continent.

As a consequence of the Covid-19 lockdown, Ibhubesi Capital has been provided with several extensions to the date by which the financing must be completed. Should the financing with Ibhubesi Capital fail, to materialise, management have considered alternative plans to complete the financing and relisting process.

4. GOING CONCERN

The Group recorded a comprehensive loss, net of tax of R4 221 973 during the 6 months ended 29 February 2020(6 months ended 28February 2019:R2 782 336). As of 28 February 2020, the Group was in a net current liability position of R10 933 413 (28February2019: net current liability R8 414 414). As at 29 February 2020 the Group is in a net asset position of R29 026 604 (28 February 2019net asset position of R31 505 820).

The Group currently does not generate revenue and remains suspended on the JSE. In line with the revised strategy, the Group will pursue brownfields projects in known mineral producing areas. The initial area of focus will include projects in proximity to the Rozynenbosch project in the Northern Cape Province, and will be expanded to other jurisdictions in due course. Additional specific targets have been identified in the Northern Cape for acquisition and development, the successful implementation of this strategy and resolution of all matters regarding to mineral rights and tenure are dependent upon the Company being refinanced.

The directors believe that the conditions above indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore may be unable to realise its assets and discharge its liabilities in the normal course of business as it is dependent on the successful outcome of future events which are discussed below.

The most significant aspects of management's plans to deal with the uncertainty include:

- Raising an additional R30 million in capital, necessary for developing the Rozynenbosch prospecting right and maintaining the portfolio of rights developed
- Uplifting the suspension of the Union Atlantic Minerals Limited shares on the JSE

- Funding continued operational expense requirements

The summarised financial statements set out in this report are the responsibility of the Company's directors. They have been prepared by the directors on the basis of appropriate accounting policies which have been consistently applied. The financial statements have been prepared in accordance with IFRS and on the basis of accounting policies applicable to going concern. IFRS was considered most appropriate as the Group and Company do not intend on liquidating or ceasing to trade. This basis presumes that funds will be available to fund future operations and that the realisation of assets and settlement of liabilities will occur in the ordinary course of business.

Johannesburg
30 September 2020

River Group

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R&A Strategic Communications

Media and Investor relations