

UNION ATLANTIC MINERALS LIMITED
(Formerly Miranda Mineral Holdings Limited)
("Union Atlantic" or "the Company")
(Registration Number 1998/001940/06)
Share Code: UAT
ISIN: ZAE000254214

MINISTERIAL CONSENT FOR THE SALE OF SESIKHONA KLIPBRAND COLLIERY (PTY) LIMITED (“SESIKHONA”) AND GENERAL UPDATE

Sesikhona

The Board of Directors of Union Atlantic is pleased to announce that the Company has received Section 11 Ministerial consent for the change in control in the shareholding of Sesikhona.

As a consequence of the only outstanding condition precedent now having been fulfilled, the sale of the remaining 37% interest in Sesikhona to Osho SA Coal Resources Proprietary Limited (“Osho”) has been implemented in accordance with the terms of the sale agreement. (see SENS announcement dated 25 May 2017).

Payment of the second tranche of the purchase consideration, being the sum of R2.5 million, is due and payable against transfer of the 37% interest in Sesikhona to Osho.

A final production initiation bonus payment of R 2.5 million will be payable by Osho to the Company in equal tranches monthly over a period of six (6) months and will be initiated three months after the date of commencement of production at Sesikhona.

All litigation between the parties has ceased.

Rozynebosch

It has come to the attention of the management of the Company that the rights for gold and silver at Rozynebosch have been issued to an unknown third party. Management has advised the Department of Minerals Resources (“DMR”) that the award for silver is contrary to the documents filed by the Company, which have always included silver in the applications, and that due process and consultation was not followed by the third party.

In addition, the historic content of documentation between the Company and the DMR reflect silver as being part of the Rozynebosch right. The Company is of the view that the right to silver has been erroneously awarded to the third party and has taken steps to have this set aside.

Management has directed the appropriate appeals to the DMR and has taken legal steps to ameliorate the risk and to secure the rights of the Company. The financial effects of the exclusion of silver are described in the Competent Persons Report published in 2018. Management is confident of a positive resolution to the matter.

Annual Financial Statements and Integrated Report for 2018

The Annual Financial Statements for the year ending 31 August 2018 are currently being audited and management anticipates that these will be finalised shortly. The Integrated Report

for 2018 is nearing completion. Details of the Annual General Meeting of shareholders will be contained therein.

Comment by the Company CEO, Theo Botoulas

“The closure of the Sesikhona transaction represents a significant milestone in our restructuring plans for the new Company. It not only rids stakeholders of the overhang of litigation, but also disposes of a non-core asset for cash and allows management to focus on completing the restructuring and rebuilding process.”

“The planning of further brownfields exploration work at Rozynenbosch has been formalised and management awaits a positive outcome from the DMR regarding the rights to silver in the minerals assemblage before proceeding further.”

“I am very appreciative of the support and interest we have generated and continue to receive from all of our stakeholders and professional advisors. With the transaction concluded, we expect our restructuring process to continue with renewed vigour.”

Johannesburg
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