

UNAUDITED GROUP INTERIM RESULTS FOR THE SIX MONTHS ENDED FEBRUARY 2021

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

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 35.7% from 2.38 cents per share (February 2020) to 1.53 cents per share (February 2021). The net tangible asset value decreased by 65.7% from (0.67) cents per share (February 2020) to (1.11) cents per share (February 2021).

Financial performance

The Company reported a basic and headline loss of 0.22 cents per share for the six-month period ended 28 February 2021. In the 6 months ending 29 February 2020 the reported basic and headline loss was 0.29 cents per share.

Status update since the last reporting period

The Integrated Report for 2020 was published on 2nd July 2021 and is available on the Company website www.unionatlanticminerals.com.

As per a Shareholders Update published on SENS on 6th May 2020, it was announced that management had embarked upon sourcing financing via an alternative strategy of seeking a foundation shareholder for the Company who would support the strategy of the Company as articulated in the Integrated Report 2018, as well as present alternate strategies to grow the Company. The focus of the Company remains the exploration for, and production of, metals required for the new technology age.

On the 17th June 2020 the Company announced via SENS that a transaction had been concluded with Ibhubesi Capital Proprietary Limited ("Ibhubesi Capital"), an investment company founded by Aldworth Mbalati with its principal objective being 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.

On the 1st March 2021 the Company advised shareholders that the suspensive conditions for the subscription of 194,367,163 shares (“Initial Subscription Shares”) for cash by Ibhubesi Capital Proprietary Limited (as referred to in the SENS published on 20 June 2020) had been fulfilled and the attorneys of the Company had received, in escrow, the sum of R5,800,000 as consideration for the issue of the Initial Subscription Shares. The transaction was subsequently concluded and the initial capital received.

Ibhubesi Capital has expressed the intention of subscribing for an additional tranche of Shares as part of the Company re-financing strategy, the details of which will be communicated to shareholders on SENS in due course.

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 the lockdowns and constraints on operations will extend into the future. In particular, the Delta variant of the SARS-COV-2 (the virus that causes Covid-19) spread through South Africa during 2021 necessitating further lockdowns and precautionary measures to be taken by the South African Government. As a parallel process, the South African Government embarked on a staged process of vaccinating the people of the country. 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 testwork is required to advance and add value by updating and compiling Competent Persons Reports and project valuations. This task is currently being undertaken by Competent Persons retained by the Company. 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. The Company has largely reached this objective by way of the transaction with Ibhubesi Capital with whom we look forward to pursuing further projects in future.

In the interim, the Company has embarked on the application for a Mining Right over the farm Rozynenbosch in the Northern Cape. Various Prospecting Rights in the Griquatown area are being reviewed for further development or disposal.

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 2018 as published on the Company website (and will not be repeated here for purposes of brevity) <http://www.unionatlanticminerals.com/>.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 28 February 2021	28 February 2021	29 February 2020
Assets		
Non-Current Assets	39 846 542	39 821 759
Intangible assets	39 000 000	39 000 000
Other financial assets	846 542	821 759
Current Assets	412 283	412 283
Other financial assets	-	-
Trade and other receivables	67 283	42 691
Cash and cash equivalents	318 743	369 592
Total Assets	40 232 568	40 234 042
Equity and Liabilities		
Equity		
Share capital	214 695 188	214 695 188
Retained income	(192 113 312)	(185 668 584)
Equity attributable to owners of parent	22 581 876	29 026 604
Non-controlling interest	(138 258)	(138 258)
Total shareholders' interest	22 443 618	28 888 346
Liabilities		
Current liabilities	17 788 951	11 345 696
Other financial liabilities	1 535 054	1 072 054
Trade and other payables	16 253 897	10 272 642
Total Liabilities	17 788 951	11 345 696
Total Equity and Liabilities	40 232 569	40 234 042
Net asset and net tangible asset value per share		
Ordinary shares in issue	1 480 145 213	1 480 145 213
Net asset value per share (cents)	1.53	2.38
Net tangible asset value per share (cents)	(1.11)	(0.67)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

	6 months ended 28 February2021	6 months ended 29 February20 20
For the period ended 28 February 2021		
Operating expenses	(3 210 461)	(4 258 148)
Operating loss	(3 210 461)	(4 258 148)
Investment revenue	3 091	7 910
Fair value adjustments	16 502	28 265
(Loss)/profit before taxation	(3 190 868)	(4 221 973)
Taxation	-	-
(Loss)/profit from continuing operations	(3 190 868)	(4 221 973)
Loss from discontinued operations	-	-
Total comprehensive (loss)/profit for the year	(3 190 868)	(4 221 973)
Total comprehensive (loss)/profit attributable to:		
Owners of the parent – continued	(3 190 868)	(4 221 973)
Basic and diluted (loss)/earnings per share (cents)	(0.22)	(0.29)
Headline and diluted headline loss per share (cents)	(0.22)	(0.29)
Basic and diluted (loss)/earnings per share - continued (cents)	(0.22)	(0.29)
Headline and diluted headline loss per share - continued (cents)	(0.22)	(0.29)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 28 February 2021	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 2019	214 695 188	-	(181 446 611)	33 248 577	(138 258)	33 110 319
Loss for the year	-	-	(7 475 832)	(7 475 832)	-	(7 475 832)
Balance at 31 August 2020	214 695 188	-	(188 922 444)	25 772 744	(138 258)	25 634 486
Loss for the period	-	-	(3 190 868)	(3 190 868)	-	(3 190 868)
Balance at 28 February 2021	214 695 188	-	(192 113 312)	22 581 876	(138 258)	22 443 618

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

	6 months ended 28 February 2021	6 months ended 29 February 2020
For the period ended 28 February 2021		
Net cash from operating activities	(471 608)	18 902
Net cash from investing activities	-	7 910
Net cash from financing activities	462 000	-
Total cash movement for the period	(9 608)	26 812
Cash at the beginning of the period	11 352	25 781
Cash disclosed as part of disposal group	-	-
Total cash at end of the period	1 744	52 593
Restricted cash and cash equivalents	316 999	316 999

CONDENSED CONSOLIDATED SEGMENTAL ANALYSIS

For the period ended 28 February 2021

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

	28 February 2021	29 February 2020
	40 232 568	40 234 042
	39,073,030	39,073,030
	1 159 538	1 234 042
	(17 788 952)	(11 345 696)
	-	-
	(17 788 952)	(11 345 696)
	3 190 868	4 221 974
	-	-
	3 190 868	4 221 974

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 28 February 2021

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements for the 6 months ended 28 February 2021 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 28 February 2020.

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

	2021	2020
Weighted average number of ordinary shares outstanding	1 480 145 213	1 480 145 213
Basic and diluted (loss)/earnings per share (cents)	(0.22)	(0.29)
Headline and diluted headline loss per share (cents)	(0.22)	(0.29)
Basic and diluted loss per share - continued (cents)	(0.22)	(0.29)
Headline and diluted headline loss per share - continued (cents)	(0.22)	(0.29)
Reconciliation between basic loss and headline loss		
Basic and Headline loss	(3 190 869)	(4 221 973)

3. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

As a consequence of the Covid-19 lockdowns with their associated uncertainties, Ibhubesi Capital has to date been provided with several extensions to the date by which their 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.

Ibhubesi Capital has, however, continued to express the intention of subscribing for an additional tranche of Shares as part of the Company re-financing strategy, the details of which will be communicated to shareholders on SENS in due course.

4. GOING CONCERN

The Group recorded a comprehensive loss, net of tax of R3 190 869 during the 6 months ended 28 February 2021 (6 months ended 29 February 2020: R4 221 973). As of 28 February 2021, the Group was in a net current liability position of R17 788 951 (29 February 2020: net current liability 10 933 413). As at 28 February 2021 the Group is in a net asset position of R22 581 876 (29 February 2020 net asset position of R29 026 604).

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 R24.2 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
10 September 2021

River Group
Sponsor and Corporate Adviser

James Duncan
jamesmairduncan@gmail.com
Media and Investor relations