

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")

## **UPDATE ON THE STATUS OF THE SUBSEQUENT SUBSCRIPTION TRANSACTION: IBHUBESI CAPITAL AND GENERAL STATUS UPDATE**

The SENS announcement dated 13 September 2021 in terms of which shareholders were advised that Ibhubesi Capital Proprietary Limited ("Ibhubesi Capital") has confirmed its intention to implement the conditional Option transaction referred to in the SENS published on 20 June 2020, and to that end had furnished the Company with a written undertaking to the effect that it would, by no later than 30 September 2021, deposit in escrow with the Company's attorneys the sum of R24,200,000.00 for the subscription of 1,545,000,000 shares of the Company ("Subsequent Subscription Shares") which, upon issue, together with the 194,367,163 shares held by Ibhubesi Capital ("Initial Subscription Shares"), shall constitute Ibhubesi Capital the holder of 51% of the entire issued share capital of the Company, refers.

Shareholders are advised that the Company, Ibhubesi Capital and DNG Energy Proprietary Limited ("DNG") have concluded an amendment and restatement of the share subscription and option agreement on 17 March 2022, in terms of which the subscription transaction for the Subsequent Subscription Shares will no longer be a conditional Option exercisable by Ibhubesi Capital but instead a subscription transaction which will be implemented on the following revised terms and conditions:

1. Ibhubesi Capital will deposit, in two tranches, the sum of R24,200,000.00 ("Subsequent Subscription Price") into escrow with the Company's attorneys as follows:
  - 1.1 R2,400,000.00 by no later than 7 April 2022; and
  - 1.2 the balance, being R21,800,000.00, by no later than 7 May 2022;
2. as security for the obligations of Ibhubesi Capital referred to in 1 above, DNG (as guarantor) will deliver (and has delivered timeously) to the Company an original corporate guarantee executed in favour of the Company by no later than 21 March 2022; and
3. subject to the fulfilment, among other conditions, of a condition that independent shareholders of the Company have waived the benefit of a Mandatory Offer in accordance with Section 125(3)(b)(ii), read with Takeover Regulation 86, of the Companies Act, 2008, Ibhubesi Capital will subscribe for, and the Company will issue to Ibhubesi Capital, within 2 business days after the fulfilment of all conditions, the Subsequent Subscription Shares for the Subsequent Subscription Price.

After implementation of the subscription transaction for the Subsequent Subscription Shares, Ibhubesi Capital will be the majority shareholder of the Company.

## **GENERAL UPDATE AND OPERATING STRATEGY**

South Africa is emerging from the coronavirus pandemic (COVID-19) which has had a negative effect on the economy and business environment in the country. The weak commodity markets worldwide during this time, as well as poor sentiment towards junior mining and exploration companies, had an added negative impact on the Company.

As a consequence of the conflict in Europe, commodity prices in general have seen a resurgence brought about by sanctions and the uncertainties as to the future course of the conflict. Whilst stronger commodity prices have a positive impact on the resources sector, this positive sentiment is not reflected in the immediate prospects for junior mining and exploration companies.

During the time of uncertainty, the Company and its brownfields exploration projects were managed on a care and maintenance basis with minimum staff and consultants retained, and minimum fieldwork being pursued.

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. As stated on previous occasions, one of the objectives of management in the medium term remains the acquisition of 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 previously articulated strategy, as described in the Integrated Report 2018, remains intact.

The focus of Union Atlantic Minerals Limited is on the exploration for, and production of, metals required for the new technology age, which now includes metals and commodities required for the generation and production of green energy solutions.

The directors and management of the Company will continue to consider all viable strategies which would be value accretive and beneficial to UAT shareholders in the long term.

## **OUTLOOK**

Management expects market and operating conditions in the coming year to remain volatile as sentiment and policies fluctuate and the negative economic impact of the conflict in Europe and the winding down of COVID-19 lockdowns and pandemic are realized, despite significantly stronger commodity prices.

Despite the negative impacts of world events in the past years, management remain confident that we will be able to deliver on the strategy initiated in February 2017. Management is constantly running a process of identifying and securing a cornerstone investor and cash generative project to secure the future of the Company.

Centurion

25 March 2022

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