

MMH - Miranda Mineral Holdings Limited - Claw Back Offer and Rights Offer Declaration Announcement

Miranda Mineral Holdings Limited
(Incorporated in the Republic of South Africa)
(Registration number 1998/001940/06)
Share code: MMH ISIN: ZAE000074019
("Miranda" or "the Company" or "the Group")

Capital raising of up to R83.6 million by way of a claw back offer and a rights offer ("the Transaction")

1. Introduction and Salient Features

Further to the announcement on SENS on 3 September 2010, the Company hereby advises that it is to proceed with the Transaction which will raise new equity capital for the Group of up to R83,6 million. The Transaction consists of:

- * offers for subscription for a total of 114 489 898 new Miranda ordinary shares;
- * at an issue price of 73 cents per new Miranda ordinary share ("subscription price");
- * in the ratio of 40.241 new Miranda ordinary shares for every existing 100 Miranda ordinary shares held ("Transaction entitlement") at the expected record date for the Transaction, namely, Friday, 8 April 2011.

The subscription price represents a premium of 28,2% to the 30 day volume-weighted average price of Miranda ordinary shares on the JSE Limited ("the JSE") on 24 August 2010, being the 30 business days prior to the date on which the terms of the Transaction were settled.

The new Miranda ordinary shares comprising the Transaction will, upon allotment and issue, rank pari passu in all respects with the other issued ordinary shares of the Company including, inter alia, in terms of both voting and dividend rights. Eligible shareholders will also be entitled to apply for additional new Miranda ordinary shares in excess of their Transaction entitlement.

2. Structure of the Transaction with Global PS Mining Investments Company Limited ("Global PS")

Pursuant to the agreement concluded on 26 August 2010 between the Company and Global PS ("the Placee Agreement"), the claw back offer applies potentially to the total of the authorised but unissued ordinary shares in Miranda, namely, 114 489 898 shares, but subject to the provision that Global PS's resulting shareholding in Miranda post the Transaction, is less than 35%.

Accordingly, notwithstanding that the Transaction has not been underwritten, the minimum amount that will be received by Miranda upon implementation of the Transaction is R70,1 million ("the Minimum Capital

Amount"). The Minimum Capital Amount will be received by the Company even if none of the other Miranda shareholders subscribe for shares in terms of the Transaction. In such a scenario, a total of 96 029 673 new Miranda ordinary shares ("Claw Back Offer Shares") will be issued to Global PS, representing a post Transaction shareholding in Miranda of less than 35%.

A total of 11 989 709 authorised but unissued shares in the share capital of the Company form part of the rights offer but not of the claw back offer ("Rights Offer Shares"). In the event that the total number of Rights Offer Shares is taken up, the Claw Back Offer shares (at which the maximum possible shareholding of Global PS in Miranda will remain limited to less than 35%) will increase to 102 500 189 new shares in number and the maximum value of the proceeds to be received by Miranda in terms of the Transaction will be R83,6 million ("the Maximum Capital Amount").

3. Rationale for the Transaction

The rationale for the Transaction is to raise sufficient equity capital for the Group to:

- * fast-track the development of Miranda Coal's most advanced projects in KwaZulu Natal (KZN), as part of a process aimed at optimizing value for shareholders by means of a possible corporate action at the Miranda Coal level;
- * provide working capital flexibility during the early stages of mining at Sesikhona Colliery, the Group's 3,7 million tonne open pit anthracite resource;
- * fund a feasibility study of the open pit sections of the Group's Uithoek and Burnside lease areas;
- * fund the ongoing development of Miranda's pipeline of exploration projects in KZN and elsewhere;
- * provide working capital to the Group to service holding costs in respect of its exploration and development projects; and
- * recapitalise the Miranda business appropriately to allow the Group to embark on a sustainable growth path and to lower inherent risks in the business and asset portfolio.

4. Commitments

In terms of the Placee Agreement, Global PS has committed to subscribing for the maximum number of Claw Back Offer Shares at the subscription price. Depending on the extent to which existing shareholders elect to follow and/ or claw back their pre-emptive rights, the maximum commitment from Global PS in terms of the Placee Agreement is R74.8 million.

All suspensive conditions embodied in the Placee Agreement have been fulfilled. No fees were paid or are due to Global PS in respect of the Transaction.

5. Conditions precedent

The final implementation of the claw back offer and the rights offer is subject to:

* the Registrar of Companies granting its approval for the registrations required in terms of the Companies Act No 61 of 1973 (as amended) for implementation of the claw back offer and the rights offer, and all matters incidental thereto; and

* valuations on certain of Miranda's minor mineral assets being approved by the JSE and published by no later than Wednesday, 13 April 2011.

Shareholders are advised that the JSE has granted approval for the Transaction subject to the valuations being received.

6. Financial effects of the Transaction

The unaudited pro forma financial effects of the Transaction are presented in the table below. These unaudited pro forma financial effects are the responsibility of the directors of Miranda and are provided for illustrative purposes only, to show the effect thereof on earnings and headline earnings per share, as if the Claw Back Offer had taken effect on 1 September 2009, and on net asset value and net tangible asset value per share, as if the Claw Back Offer had taken effect on 31 August 2010. Because of their nature, the unaudited pro forma financial effects may not give a fair presentation of the group's financial position and performance after the Claw Back Offer. The pro forma financial effects are presented in a manner consistent with the format and accounting policies adopted by Miranda.

In the event that only the Minimum Capital Amount is raised:

	Audited, Before the Transaction (Note 3)	Pro forma, After the Transaction	% Change
Basic loss (cents per share)	(7.0)	(5.3)	(24)
Headline loss (cents per share)	(6.7)	(5.1)	(24)
Weighted average number of shares in issue ('000)	247 400	343 430	39
Net asset value (cents per share)	124.2	111.1	(11)
Net tangible asset value (cents per share)	4.8	21.8	354
Closing number of shares in issue ('000)	284 511	380 540	34

In the event that the Maximum Capital Amount is raised:

	Audited, Before the Transaction (Note iii)	Pro forma, After the Transaction	% Change
Basic loss (cents per share)	(7.0)	(5.0)	(29)
Headline loss (cents per share)	(6.7)	(4.8)	(28)
Weighted average number of shares in issue ('000)	247 400	361 890	46
Net asset value (cents per share)	124.2	109.3	(12)

Net tangible asset value (cents per share)	4.8	24.2	404
Closing number of shares in issue ('000)	284 511	399 000	40

Notes:

- i. The Claw Back Offer and rights offer are assumed to be effective 31 August 2010 for statement of financial position purposes and 1 September 2009 for statement of comprehensive income purposes.
- ii. The proceeds received from the Claw Back Offer, being R70.1 million in the event that the Minimum Capital Amount is raised or R83.6 million in the event that the Maximum Capital Amount is raised, have been applied to cash on hand.
- iii. The amounts set out in the "Audited, Before the Claw Back Offer and rights offer" column have been extracted, without adjustment, from Miranda's annual financial statements for the 12 months ended 31 August 2010.
- iv. Other than accounting for estimated transaction expenses in the amount of R0.82 million and the adjustment to the weighted average number of shares in issue, the Claw Back Offer has no pro forma financial effect on Miranda's earnings. No interest on the funds applied to cash and bank balances has been accounted for.

7. Salient dates and times

As at the date of this announcement and taking note of the "Conditions precedent" referred to in paragraph 5 above, the expected salient dates and times in respect of the Transaction are as follows:

	2011
Last day to trade in Miranda Shares in order to settle by the Record Date and to qualify to participate in the Claw Back Offer (cum entitlement)	Friday, 1 April
Listing and trading of Letters of Allocation on the JSE commences at 09:00	Monday, 4 April
Miranda Shares commence trading ex-entitlement on the JSE at 09:00	Monday, 4 April
Record Date for participation in the Claw Back Offer on	Friday, 8 April
Claw Back Offer Circular and Form of Instruction posted to Shareholders, where applicable on	Monday, 11 April
Claw Back Offer opens at 09:00 on	Monday, 11 April
Dematerialised Shareholders will have their accounts at their CSDP or broker automatically credited with their entitlement	Monday, 11 April
Certificated Shareholders on the register will have their letter of allocation entitlement credited to an account held with the Transfer Secretaries	Monday, 11 April
Last day to trade in letters of allocation on the JSE	Thursday, 28 April
Listing of Claw Back Shares commences on the JSE at 09:00 on	Friday, 29 April
Claw Back Offer closes (see note v) - payments to	

be made and Forms of Instruction in respect of Letters of Allocation lodged with the transfer secretaries by Certificated Shareholders by 12:00	Friday, 6 May
Record Date for Letters of Allocation	Friday, 6 May
Dematerialised Shareholders' accounts will be updated with entitlements and debited by their CSDP or broker and certificates posted to Certificated Shareholders	Monday, 9 May
Results of Claw Back Offer released on SENS	Monday, 9 May
Results of Claw Back Offer published in the press	Tuesday, 10 May
Dematerialised Shareholders' accounts will be updated with excess shares allocated (if any) and debited with the monies (if applicable) by their CSDP or broker and certificates posted (if any) to Certificated Shareholders in respect of successful excess share applications on or about	Wednesday, 11 May

Notes:

- i. Dematerialised shareholders are required to notify their duly appointed CSDP or broker of their acceptance of the claw back offer and rights offer in the manner and time stipulated in the agreement governing the relationship between the shareholder and his CSDP or broker.
- ii. Share certificates may not be dematerialised or rematerialised between Monday, 4 April 2011 and Friday, 8 April 2011, both days inclusive.
- iii. The CSDP/ broker accounts of dematerialised shareholders will be automatically credited with new Miranda shares to the extent to which they have accepted the claw back offer and rights offer.
- iv. Miranda share certificates will be posted, by registered post at the shareholders' risk, to certificated shareholders in respect of the claw back offer and rights offer shares that have been accepted.
- v. CSDPs or brokers effect payment in respect of dematerialised shareholders on a delivery versus payment method.
- vi. The abovementioned dates and times are subject to amendment. Any such amendment will be released on SENS.

8. Further announcement

A further announcement will be published as soon as practicably possible informing shareholders of the outcome of the remaining conditions precedent referred to in paragraph 5 above and confirming/ amending any of the dates referred to in paragraph 7 above.

9. Posting of circular

Shareholders are advised that a circular and a form of instruction dealing with all aspects of the Transaction and also containing revised listing particulars, as required by the JSE, will, subject to fulfillment of the remaining conditions precedent referred to in paragraph 5 above, be posted to all shareholders of Miranda on or about Monday, 11 April 2011.

Centurion
9 March 2011

Sponsor
PricewaterhouseCoopers Corporate Finance (Pty) Ltd

Reporting Accountant
Deloitte & Touche

Legal Advisors
Thomson Wilks Inc.

Corporate Advisor
Touchstone Capital (Pty) Ltd