



## MIRANDA MINERAL HOLDINGS LIMITED – Sale of Miranda Coal and cautionary announcement

MMH 201708280002A

Sale of Miranda Coal and cautionary 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”)

Sale of Shares in, and Claims against, Miranda Coal and the assignment of the Sale

Claim against Miranda Coal and cautionary announcement

### 1. INTRODUCTION

Shareholders are advised that Miranda (“the Seller”) entered into a sale of shares and claims agreement (“the Agreement”) on 23 August 2017 (“Signature Date”) pursuant to which it will:

- dispose of the entire issued share capital of Miranda Coal (Pty) Ltd, a wholly owned subsidiary of Miranda (“Miranda Coal”), together with any shareholder loans advanced to Miranda Coal on loan account (other than the Sale Claim) (“Sale Equity”), to Siafa Resources (Pty) Limited (“Siafa”); and
- simultaneously cede, assign and transfer a further claim on loan account against Miranda Coal in the sum of approximately R33 108 314 (“Sale Claim”) to Ronhold Investments (Pty) Ltd (“Ronhold”)

collectively “the Transaction”.

### 2. BACKGROUND AND RATIONALE FOR THE TRANSACTION

As part of the review of the asset base of the Company, and in keeping with the mandate to refocus and restructure the Company, an exercise was conducted to evaluate the commercial potential of each of the properties in the portfolio of mineral assets available on the Company books. The portfolio of coal assets was considered to be non-core to the future strategy of the Company.

### 3. TERMS AND CONDITIONS OF THE TRANSACTION

3.1 Subject to the conditions precedent set out below and simultaneously with the assignment of the Sale Claim to Ronhold, the Seller agreed to sell to Siafa the Sale

Equity in one indivisible transaction.

- 3.2 The purchase consideration payable by Siafa to the Seller for the Sale Equity shall be an amount of R8 million ("Sale Equity Purchase Consideration") payable in cash on the 5th Business Days following the date of fulfilment of all the conditions precedent ("Effective Date"). The Sale Equity Purchase Consideration will be secured by a bank guarantee to be issued by Siafa in favour of Miranda and delivered to Miranda's attorneys on or before the Signature Date.
- 3.3 The purchase consideration payable by Ronhold to the Seller for the Sale Claim shall be an amount of R100 ("Sale Claim Purchase Consideration"), payable in cash on or before the Effective Date.
- 3.4 The shares of Miranda Coal are being sold with all its subsidiaries excluding Sesikhona Klipbrand Colliery (Pty) Ltd ("Sesikhona"), a subsidiary of Miranda Coal which is the subject of a separate sale agreement ("Sesikhona Sale Agreement"). The parties to the Agreement acknowledge that the entire shares in Sesikhona and claims on loan account against Sesikhona held by Miranda Coal are excluded from the Agreement. To the extent that the Sesikhona Sale Agreement is not implemented on or before the effective date, Miranda Coal shall cede and transfer over all its rights, title and interest in the entire shares in Sesikhona and claims on loan account against Sesikhona.
- 3.5 The Transaction is subject to the following conditions precedent :
- 3.5.1 by no later than 7 business days after signature date, the parties will have passed the necessary board resolutions authorising them to enter into the Agreement;
- 3.5.2 by no later than 60 business days after signature date, the Seller will have passed a special resolution in terms of Section 112 read with Section 115 of the Companies Act, No. 71 of 2008 ("the Companies Act");
- 3.5.3 by no later than 30 business days after the fulfilment of condition 3.5.2 above, the Seller will notify the Takeover Regulation Panel ("TRP") and the TRP will have approved the Transaction in terms of Section 119 of the Companies Act;
- 3.5.4 by no later than 120 business days after fulfilment of the conditions set out in 3.5.1 to 3.5.3 above, the Seller's shareholders will have approved the Transaction unless the Transaction has been approved on the basis of Schedule 11 of the JSE Listings Requirements; and
- 3.5.5 Siafa will have conducted a due diligence investigation in respect of Miranda Coal to its satisfaction.
- 3.6 The Seller gave certain warranties that are customary in a transaction of this nature.

#### 4. USE OF PROCEEDS

The proceeds will be used for general working capital and to finalise the financial results of the Group, in order to apply for the lifting of the suspension of the Company's shares on the JSE.

#### 5. FINANCIAL INFORMATION IN RESPECT OF THE TRANSACTION

The reported net value of the coal segment assets was R48.466 million as at 28 February 2014, the last reporting period before the Company's listing was suspended on 23 September 2014. The loss after tax attributable to the coal segment was R3.658 million for the six months ended 28 February 2014

#### 6. CATEGORISATION OF THE TRANSACTION

The Company is currently in discussions with the JSE regarding the categorisation of the Transaction, given the suspension of its shares. Once the categorisation of the Transaction has been determined, shareholders will be notified thereof.

#### 7. CAUTIONARY ANNOUNCEMENT

Shareholders are advised to exercise caution in dealing in the Company's securities on the JSE until such time as the categorisation of the Transaction is determined.

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28 August 2017

Johannesburg

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