



**MIRANDA
MINERAL
HOLDINGS
LIMITED**

MIRANDA MINERAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

Registration number 1998/001940/06

Share code: MMH ISIN: ZAE000074019

("Miranda")

PRELIMINARY UNAUDITED SUMMARISED CONSOLIDATED RESULTS

for the year ended August 2017

MIRANDA PRELIMINARY RESULTS COMMENTARY

FINANCIAL POSITION

For the past four financial years under review, the Miranda Group's net asset value per share decreased by 41.73% from 5.56 cents per share (August 2013) to 3.24 cents per share (August 2017). The net tangible asset value decreased by 88.14% from 1.77 cents per share (August 2013) to 0.21 cents per share (August 2017).

Shareholders are reminded that, due to the nature of the Company's business, the trading statements are based on the asset value per share.

FINANCIAL PERFORMANCE

The Group reported a reduced headline loss of 76.41% from 5.34 cents per share (August 2013) to 1.26 cents per share (August 2017). Basic earnings per share increased by 190.04% from a reported loss of 4.52 cents per share (August 2013) to a profit of 4.07 cents per share (August 2017).

The increase in basic earnings was mainly because of the reversal of the impairment on the Rozynebosch prospecting right.

As the Group is reporting on four financial periods, the following events must be highlighted:

2014

During the August 2014 financial year, the Group pursued the Bencon transaction as mentioned in the financial results for the six months ending 28 February 2014. The Bencon transaction was abandoned in the final stages in August 2014, with substantial costs, after certain of the conditions precedent were not fulfilled. This impacted negatively on the Group.

After due consideration and evaluation of the various opportunities, which continuously presented themselves and taking cognisance of the future outlook for specific commodities (metals in particular), the portfolio of coal assets was considered to be non-core to the future strategy of the Group and it was decided that all assets related to coal projects be impaired and disposed of through a bid process.

2015

During the 2015 financial year, shareholders were advised that the board had requested the JSE Limited to suspend the trading of the shares of the Company following a determination that the Company was financially distressed. Effectively, the Company ceased to do business and was no longer able to meet its obligations.

The Group initiated a compromise with creditors in terms of Section 155 of the Companies Act No. 71 of 2008 (Companies Act), which was sanctioned by the court in terms of section 155(7) of the Companies Act during February 2015.

2016

There were no significant events during this period.

2017

During the 2017 financial year, the Group appointed Theo Botuluis as chief executive officer (CEO) and executive director. He was given a specific mandate to restructure and refocus the Company and to create a sustainable future for the Group.

NEW STRATEGY

In line with a mandate given to the CEO in February 2017 to create a future for the Company in the minerals space, a new strategy was developed, in terms of which, its intentions are to:

- Become a mid-tier, Africa-focused explorer, developer and producer of polymetallic concentrates, ultimately focused on the mining and beneficiation of base metal and technology metal ores;
- Target base and specialist technology metals projects, and, in exceptional cases, precious metals and stones projects, capable of:
 - annual revenue generation of between \$50 million and \$200 million;
 - a minimum project payback time of three years;
 - a real internal rate of return of 30%; and
 - in respect of the base and specialist technology metals, producing a polymetallic product which will ameliorate the price cyclicality inherent in the metals markets and, in so

doing, manage unexpected cyclical price risks associated with individual product demand, inventory levels and new supply coming on stream.

- Raise capital in order to prioritise further brownfield exploration of the Rozynebosch base metals asset and expanding to other jurisdictions in due course;
- Continue to dispose of non-core assets;
- Secure shareholder approval to change the Company's name to Union Atlantic Minerals Limited; and
- Lift the suspension of trade in the Company's shares on the JSE and to continue trading as Union Atlantic Minerals.

2017 TO THE PRESENT

Work has commenced on the implementation of the new strategy. In particular, the following have been concluded to date:

- A review of the Company's mineral rights portfolio;
- Valuation of the commercial viability of each project in the mineral rights portfolio, the effort and finance required to renew same, and the identification of assets earmarked for either further development or for disposal. The mineral rights projects identified for development are to be managed by Milnex 189 Proprietary Limited (Milnex), a mineral rights consultancy;
- Development of a strategy to ensure the future sustainability of the Company as a junior company in the African minerals sector;
- Appointment of PR Botha Inc to provide a financial management function for the Company;
- Appointment of Adrian Botha as the financial director. His appointment is to be confirmed by shareholders at the next annual general meeting (AGM);
- Completion of the outstanding financial audits for the 2014, 2015, 2016 and 2017 financial years by Ernst & Young Inc;
- Appointment as legal counsel to the Company of Taback and Associates Proprietary Limited and Mervyn Taback Inc, who have actively assisted management in the restructuring process;
- An updated Competent Valuator's report to value the Company's coal assets, prepared by Milncon Proprietary Limited (Milncon);
- Consolidation of all geological information in the Company's possession relating to the Rozynebosch asset by Milncon into an updated geological model and SAMREC-compliant Competent Person's Report;
- Mandating of Milncon to assist management in formulating a development plan and compiling associated budgets for the Rozynebosch Project;
- Compilation by management of internal budgets for the regeneration of the Company. Consideration of financial valuations of properties rich in other metals in the Northern Cape province, whether farm-in, acquisition or where mineral rights applications could be made;
- Sale of the Company's 73% equity stake in the Sesikhona Klipbrand Colliery Proprietary Limited (Sesikhona) to Osho Resources SA Proprietary Limited (Osho) for R7.5 million. The litigation between the parties has been completely abandoned as a consequence of this transaction;
- Conclusion of an agreement to dispose of the 100% interest in Miranda Coal on a "votestoots" basis to Sifa Resources Proprietary Limited (Sifa) for a cash consideration of R8 million; and
- Entering into a shareholders' agreement between Miranda Minerals, Miranda Mineral Holdings, Kwanda Holdings and a trust to be established by the Company for the benefit of the mining community situated in and around Rozynebosch, in terms of which Kwanda Holdings and the trust will subscribe for shares in Miranda Minerals constituting, upon issue, 30% of the entire issued share capital of Miranda Minerals.

OUTLOOK

While we expect market and operating conditions in the coming year to remain challenging as sentiment and policies change, we believe that we will be able to deliver on our new strategy. We would like to thank our fellow board members and shareholders for their continued support.

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2017	2017	2016	2015	2014	2013
ASSETS					
Non-current assets	40,328,342	5,213,253	5,127,496	5,235,577	43,110,987
Property, plant and equipment	–	–	–	146,623	17,390,066
Intangible assets	39,000,000	3,919,720	3,919,720	3,919,720	24,600,919
Investments in associate	–	40	40	40	40
Other financial assets	1,328,342	1,293,493	1,207,736	1,169,194	1,119,962
Current assets	1,107,512	684,258	619,645	1,812,498	1,388,194
Other financial assets	105,006	105,006	105,006	569,728	256,599
Trade and other receivables	649,722	154,749	137,546	894,596	666,428
Cash and cash equivalents	352,784	424,503	377,093	348,174	465,167
Non-current assets held for sale and assets of disposal group	7,276,197	–	–	–	–
Total assets	48,712,051	5,897,511	5,747,141	7,048,075	44,499,181
EQUITY AND LIABILITIES					
EQUITY					
Share capital	209,586,425	186,797,593	186,797,593	186,797,593	179,874,593
Reserves	1,794,939	1,909,382	1,909,382	7,541,154	7,782,085
Retained income	(169,613,333)	(202,051,966)	(200,917,033)	(205,265,859)	(151,569,256)
Equity attributable to owners of parent	41,768,031	(13,344,991)	(12,210,058)	(10,927,112)	36,087,422
Non-controlling interest	(9,212,820)	(9,190,311)	(9,195,225)	(9,155,694)	(2,864,088)
Total shareholders' interest	32,555,211	(22,535,302)	(21,405,283)	(20,082,806)	33,223,334
LIABILITIES					
Non-current liabilities	–	1,212,573	1,145,017	1,261,843	1,261,519
Finance lease obligation	–	–	–	167,181	232,701
Environmental rehabilitation provision	–	1,212,573	1,145,017	1,094,662	1,028,818
Current liabilities	12,806,082	27,220,240	26,007,407	25,869,038	10,014,328
Loans to/from shareholders	151,146	151,146	151,146	3,079,943	1,474,621
Other financial liabilities	1,670,460	1,103,582	384,393	3,666,444	1,004,293
Current tax payable	–	1,854,056	1,854,056	1,854,056	–
Finance lease obligation	–	–	–	65,297	59,002
Other liabilities	–	–	–	–	1,710,000
Trade and other payables	10,983,883	24,110,863	23,617,812	17,203,298	5,766,412
Bank overdraft	593	593	–	–	–
Liabilities of disposal group	3,350,758	–	–	–	–
Total liabilities	16,156,840	28,432,813	27,152,424	27,130,881	11,275,847
Total equity and liabilities	48,712,051	5,897,511	5,747,141	7,048,075	44,499,181
Net asset and net tangible asset value per share					
Ordinary shares in issue	1,288,086,443	711,153,964	711,153,964	711,153,964	649,048,345
Net asset value per share (cents)	3.24	(1.88)	(1.72)	(1.54)	5.56
Net tangible asset value per share (cents)	0.21	(2.43)	(2.27)	(2.09)	1.77

SUMMARISED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 August 2017	2017	2016	2015	2014	2013
Other income	–	–	1,476,384	10,000,000	5,462,616
Operating expenses	(8,911,921)	(1,162,929)	(2,715,476)	(27,823,410)	(29,040,037)
Operating loss	(8,911,921)	(1,162,929)	(1,239,092)	(17,823,410)	(23,577,421)
Investment revenue	18,477	16,334	13,335	11,890	43,940
Impairment mining property	–	–	–	(16,822,171)	–
Impairment exploration and evaluation intangible asset	–	–	–	(11,574,892)	(959,232)
Impairment mineral right intangible asset	–	–	–	(9,240,407)	–
Impairment geological records	–	–	–	(200,000)	–
Reversal of impairment on mining right	42,293,968	–	–	–	–
Fair value adjustments	–	85,757	38,542	49,232	32,191
Finance costs	–	(69,181)	(135,262)	(345,054)	(109,345)
Profit/(loss) before taxation	33,400,524	(1,130,019)	(1,322,477)	(55,944,812)	(24,569,867)
Taxation	–	–	–	(1,854,056)	–
Profit/(loss) from continuing operations	33,400,524	(1,130,019)	(1,322,477)	(57,798,868)	(24,569,867)
Loss from discontinued operations	(1,098,843)	–	–	–	–
Total comprehensive profit/(loss) for the year	32,301,681	(1,130,019)	(1,322,477)	(57,798,868)	(24,569,867)
Total comprehensive loss attributable to:					
Owners of the parent – continued	33,400,524	(1,134,933)	(1,282,946)	(53,937,534)	(23,564,827)
Owners of the parent – discontinued	(1,076,334)	–	–	–	–
Non-controlling interest – continued	–	4,914	(39,531)	(3,861,334)	(1,005,040)
Non-controlling interest – discontinued	(22,509)	–	–	–	–
Basic and diluted loss per share (cents)	4.07	(0.16)	(0.18)	(7.78)	(4.52)
Headline and diluted headline loss per share (cents)	(1.26)	(0.16)	(0.39)	(4.00)	(5.34)
Basic and diluted loss per share – continued (cents)	4.21	(0.16)	(0.18)	(7.78)	(4.52)
Headline and diluted headline loss per share – continued (cents)	(1.12)	(0.16)	(0.39)	(4.00)	(5.34)
Basic and diluted loss per share – discontinued (cents)	(0.14)	–	–	–	–
Headline and diluted headline loss per share – discontinued (cents)	(0.14)	–	–	–	–

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2017	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 2013	121,944,770	–	(128,004,429)	(6,059,659)	(2,218,310)	(8,277,969)
Loss for the year	–	–	(23,564,827)	(23,564,827)	(1,005,040)	(24,569,867)
Issue of shares	57,929,823	–	57,929,823	57,929,823	–	57,929,823
Share options issued	–	7,782,085	–	7,782,085	–	7,782,085
Subsidiary acquired	–	–	–	–	359,262	359,262
Balance at 31 August 2013	179,874,593	7,782,085	(151,569,256)	36,087,422	(2,864,088)	33,223,334
Loss for the year	–	–	(53,937,534)	(53,937,534)	(3,861,334)	(57,798,868)
Issue of shares	6,923,000	–	6,923,000	6,923,000	–	6,923,000
Options lapsed	–	(240,931)	240,931	–	–	–
Dividends	–	–	–	–	(2,430,272)	(2,430,272)
Balance at 31 August 2014	186,797,593	7,541,154	(205,265,859)	(10,927,112)	(9,155,694)	(20,082,806)
Loss for the year	–	–	(1,282,946)	(1,282,946)	(39,531)	(1,322,477)
Options lapsed	–	(5,631,772)	5,631,772	–	–	–
Balance at 31 August 2015	186,797,593	1,909,382	(200,917,033)	(12,210,058)	(9,195,225)	(21,405,283)
Loss for the year	–	–	(1,134,933)	(1,134,933)	4,914	(1,130,019)
Balance at 31 August 2016	186,797,593	1,909,382	(202,051,966)	(13,344,991)	(9,190,311)	(22,535,302)
Profit for the year	–	–	32,324,190	32,324,190	(22,509)	32,301,681
Issue of shares	22,788,832	–	–	22,788,832	–	22,788,832
Options lapsed	–	(114,443)	114,443	–	–	–
Balance at 31 August 2017	209,586,425	1,794,939	(169,613,333)	41,768,031	(9,212,820)	32,555,211

SUMMARISED CONSOLIDATED SEGMENTAL ANALYSIS

For the year ended 31 August 2017	2017	2016	2015	2014	2013
Segment assets	48,712,051	5,897,511	5,747,141	7,048,075	44,499,181
Segment assets – Coal	7,276,197	5,897,418	5,747,048	7,047,982	42,486,079
Segment assets – Base metals and industrial minerals	39,073,623	30	30	30	586,292
Segment assets – Other	2,362,231	63	63	63	1,426,810
Segment liabilities	(16,156,840)	(28,432,813)	(27,152,424)	(27,130,881)	(11,275,847)
Segment liabilities – Coal	(3,350,758)	(28,432,813)	(27,152,424)	(27,130,881)	(7,129,923)
Segment liabilities – Other	(12,806,082)	–	–	–	(4,145,924)
Segment result	(32,301,681)	1,130,019	1,322,477	57,798,868	24,569,867
Segment result – Coal	6,698,319	1,130,019	1,322,477	57,689,750	7,287,197
Segment result – Base metals and industrial minerals	(39,000,000)	–	–	4,247	–
Segment result – Other	–	–	–	104,871	17,282,670