

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")

Issue of Shares for Cash, Withdrawal of Cautionary Announcement - Financing by Ibhubesi Capital

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.

The Board of Directors of the Company ("Board") is pleased to announce that a transaction has 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.

Terms of the Transaction

1. The Company and Ibhubesi Capital concluded a share subscription and option agreement on 12 June 2020 ("Transaction Agreement"), in terms of which:
 - 1.1 subject to the fulfilment of all the suspensive conditions referred to in 2 below, Ibhubesi Capital will subscribe for, and the Company will allot and issue in terms of the existing authority of the shareholders of the Company, 194,367,163 ordinary shares ("Initial Shares") in the authorised but unissued share capital of the Company for an aggregate amount of R5,800,000.00 (hereinafter the "Initial Subscription"); and
 - 1.2 on the date of fulfilment of all the suspensive conditions referred to in 3 below, the Company will grant Ibhubesi Capital the option ("Option"), for a limited period, to demand to subscribe for, and the Company will be obliged to issue, such number of ordinary shares as shall, upon issue, constitute Ibhubesi Capital the holder of 51% of the entire issued share capital of the Company ("Option Shares"), at the volume-weighted average price per ordinary share for the 5 trading days prior to the date of exercise by Ibhubesi Capital of the Option.
2. The Initial Subscription is subject to the following suspensive conditions:
 - 2.1 the respective board of directors of the parties to the Transaction Agreement

- adopting resolutions approving the execution of the Transaction Agreement;
- 2.2 Ibhubesi Capital depositing R5,800,000.00 (“Subscription Consideration”) into the Escrow Agent’s trust account in accordance with the terms of the Transaction Agreement;
 - 2.3 the Escrow Agent confirming in writing to the Company and Ibhubesi Capital receipt into trust of the Subscription Consideration;
 - 2.4 the Company has delivered to Ibhubesi Capital irrevocable undertakings from the shareholders of the Company entitled to exercise 75% of the voting rights to the effect that they will support the shareholder resolutions referred to in 3.4, 3.5 and 3.7 below; and
 - 2.5 the Company has delivered to Ibhubesi Capital written confirmation from the JSE confirming that the listing of the Initial Shares on the JSE has been approved and the suspension to trade the shares of the Company will be lifted on the date specified in such confirmation.
3. The Option is subject to the following suspensive conditions:
- 3.1 the Initial Subscription is implemented in accordance with the terms of Transaction Agreement;
 - 3.2 the Company has delivered to Ibhubesi Capital written confirmation from the JSE confirming that the listing of the Option Shares on the JSE has been approved;
 - 3.3 shareholders of the Company adopting an ordinary resolution approving the issue of the Option Shares to Ibhubesi Capital as a specific issue for cash in terms of the JSE Listings Requirements, and placing such shares in the control of the Board for the purpose contemplated in the Transaction Agreement;
 - 3.4 shareholders of the Company adopting a special resolution approving the issue of the Option Shares to Ibhubesi Capital in terms of Section 41(3) of the Companies Act, 2008, as amended (“Companies Act”);
 - 3.5 Takeover Regulation Panel approving the circular, together with the notice convening the general meeting of the Company, proposing *inter alia* an ordinary resolution in terms of which independent holders of the voting shares of the Company waive the benefit of the mandatory offer referred to in Section 123 of the Companies Act; and
 - 3.6 independent holders of the voting shares of the Company adopting an ordinary resolution waiving the benefit of the mandatory offer referred to in Section 123 of the Companies Act.

Outlook

Whilst we expect market and operating conditions in the coming year to remain extremely challenging as sentiment and policies change and the negative economic impact of the COVID-19 pandemic and lockdowns are realized, management remain confident that we will be able to deliver on the strategy initiated in February 2017.

Withdrawal of Cautionary

Shareholders are advised that the cautionary announcement dated 18 October 2019 and renewed on, 29 November 2019, 10 January, 14 February, 23 March and 06 May 2020 are hereby withdrawn and shareholders are no longer advised to exercise caution when dealing in the Company's shares.

Additional details pertaining to UAT can be found on the Company website www.unionatlanticminerals.com

Centurion

17 June 2020

Sponsor and Corporate Adviser

River Group

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