

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 net 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 Rozynenbosch 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 Benicon transaction as mentioned in the financial results for the six months ending 28 February 2014. The Benicon 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 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 (Act), which was sanctioned by the court in terms of section 155(7) of the Act during February 2015.

2016

There were no significant events during this period.

2017

During the 2017 financial year, the Group appointed Theo Botoulas 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 Rozynenbosch 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 Adriaan 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 Minxcon Proprietary Limited (Minxcon);
- Consolidation of all geological information in the Company's possession relating to the Rozynenbosch asset by Minxcon into an updated geological model and SAMREC-compliant Competent Person's Report;
- Mandating of Minxcon to assist management in formulating a development plan and compiling associated budgets for the Rozynenbosch 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 "voetstoots" basis to Siafa Resources

- Proprietary Limited (Siafa) 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 Rozynbosch, 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 CASH FLOW

For the year ended 31 August 2017	2017	2016	2015	2014	2013
Net cash from operating activities	(583,669)	(672,372)	45,092	(16,026,532)	(18,086,987)
Net cash from investing activities	(14,870)	(12,806)	759,572	9,552,771	2,926,580
Net cash from financing activities	546,865	719,189	(780,408)	6,356,398	12,015,487
Total cash movement for the year	(51,674)	34,011	24,256	(117,363)	(3,144,920)
Cash at the beginning of the year	88,105	54,094	29,838	147,201	3,292,121
Cash disclosed as part of disposal group	(34,915)	-	-	-	-
Total cash at end of the year	1,516	88,105	54,094	29,838	147,201
Restricted cash and cash equivalents	350,675	335,805	322,999	318,336	317,966

#### SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 August 2017	2017	2016	2015	2014	2013
<b>ASSETS</b>					
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
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
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
<b>LIABILITIES</b>					
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	Share capital	Share-based payment reserve	Accumulated loss	Total attributable to equity holders of the group company	Non-controlling interest	Total equity
31 August 2017						
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
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
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

#### NOTES TO THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS For the year ended 31 August 2017

##### 1. BASIS OF PREPARATION

The summarised consolidated financial statements have been prepared in accordance with the Framework concepts and the

recognition and measurement criteria of International Financial Reporting Standards (IFRS) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and as a minimum, contains the information required by IAS 34: Interim Financial Reporting and complies with the Listings Requirements of the JSE Limited and the Companies Act of South Africa, 2008.

The full consolidated annual financial statements from which these summarised consolidated financial statements were derived are available on request from the Group's registered office.

The accounting policies applied in the preparation of the full consolidated annual financial statements from which the summarised consolidated financial statements were derived are in accordance with IFRS and are consistent with those of the audited full consolidated annual financial statements for the year ended 31 August 2017.

These summarised consolidated financial statements and the full consolidated annual financial statements have been prepared under the supervision of AM Botha, CA(SA) and were approved by the board of directors on 14 May 2018.

## 2. LOSS PER SHARE

	2017	2016	2015	2014	2013
Weighted average number of ordinary shares outstanding	793,957,670	711,153,964	711,153,964	693,135,147	521,788,888
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)	-	-	-	-
Reconciliation between earnings (loss) and headline earnings (loss)					
Basic earnings (loss)	33,400,524	(1,134,933)	(1,282,946)	(53,937,534)	(23,564,827)
Adjusted for:					
Profit on sale of property, plant and equipment	-	-	(152,890)	-	(26,982)
Net insurance claim	-	-	(126,660)	-	-
Profit on sale of investment	-	-	-	-	-
Profit/(loss) on sale of right	-	-	-	(10,000,000)	959,232
Profit on sale of subsidiary	-	-	-	-	(4,870,143)
Discount creditors compromise	-	-	(1,196,835)	-	-
Impairment of Mining rights	-	-	-	9,240,407	-
Impairment of Geological Records	-	-	-	200,000	-
Impairment of Exploration and evaluation asset	-	-	-	11,574,892	-
Impairment of Mining Property	-	-	-	16,822,171	-
Reversal of impairment of mining right	(39,000,000)	-	-	-	-
Fair value disposal group	(3,293,968)	-	-	-	-
Total tax effects of adjustments	-	-	-	1,854,056	-
Total non-controlling interest effects of adjustments	-	-	-	(3,505,013)	(359,267)
Headline earnings (loss)	(8,893,444)	(1,134,933)	(2,759,331)	(27,751,021)	(27,861,987)

## 3. EVENTS AFTER THE REPORTING DATE

### CREDITORS COMPROMISE

The compromise between the Group and its creditors dated 21 October 2014 was sanctioned by the High Court pursuant to Section 155(7) of the Companies Act No.71 of 2008 and an order to this effect was granted on 2 February 2015. These shares were issued on 24 July 2017. 576,932,114 were issued in favour of R22.8 million worth of creditors.

### DISPOSAL OF 100% OF THE SHARES HELD IN MIRANDA COAL (PROPRIETARY) LIMITED

The Company will dispose of all of its shares in Miranda Coal (constituting 100% of the entire issued share capital of Miranda Coal) to Siafa for a purchase consideration of R8,000,000 and its claim on loan account against Siafa in the sum of approximately R33,108,314 against Miranda Coal to Ronhold

for a purchase consideration of R100.

The implementation of the Miranda Coal Transaction is subject to the fulfilment (or waiver, if capable of waiver to the extent legally permitted) by the parties thereto of the following conditions:

- The company, Siafa and Ronhold adopting, respectively, the necessary resolutions approving the Siafa Transaction and delivering copies thereof to the other of them and to the Company;
- The shareholders of the Company passing, in General Meeting, a special resolution approving the Siafa Transaction in terms of Section 112 read with Section 115 of the Companies Act and or if applicable, in terms of the Listings Requirements or as same will have been deemed to be approved on the basis of Schedule 11 of the Regulations; and
- The Takeover Regulation Panel approving the Miranda Coal Transaction in terms of Section 119 of the Companies Act and issuing a compliance certificate in terms of Section 121 of the Companies Act.

DISPOSAL OF THE ENTIRE EQUITY INTEREST  
IN SESIKHONA KLIPBRAND COLLIERY  
(PROPRIETARY) LIMITED (SESIKHONA  
TRANSACTION)

Shareholders were previously informed of the litigation between the Company and Osho, with whom a term sheet in respect of an offtake agreement was signed during December 2011. Osho alleged that it purchased all of the Sesikhona mine anthracite and consequently applied for an interim interdict to prevent Miranda from delivering anthracite from Sesikhona mine to another off taker. Miranda successfully stayed the litigation under Case Number 10786/2012 after Miranda agreed to dispose, through Miranda Coal, all of its shares in, and claims on loan account against, Sesikhona to Osho for a purchase consideration of R5,000,000, which purchase Consideration is payable as follows:

- Osho will pay an amount of R2.5 million shortly after signature of the sale agreement to Miranda Coal against transfer of 36 shares in Sesikhona to Osho ("First Tranche"); and
- Payment of the balance of the Purchase Consideration (being R2.5 million) on the date that Ministerial Consent in terms of Section 11 of the Minerals and Petroleum Resources Development Act, No 28 of 2002, as amended, will have been received.

The Sesikhona Transaction further provides that Osho will pay to the Company a production initiation bonus in respect of the coal mined by Osho in the sum of R2.5 million in 6 equal tranches over a period of 6 months with effect from the last business day of the third month after Osho will have commenced mining and thereafter on the last business day of each of the subsequent 5 months.

The implementation of the Sesikhona Transaction is subject to the fulfilment (or waiver by the parties to the extent legally permitted) of the following conditions:

- The parties thereto will have signed a consent letter staying the litigation proceedings pending between them until such time as the Sesikhona Transaction fails or the proceedings are withdrawn and terminated pursuant to the Sesikhona Transaction taking effect;
- Miranda Coal and Osho adopting, respectively, the necessary resolutions approving the Sesikhona Transaction and delivering copies thereof to the other of them;
- The minority shareholders of Sesikhona waiving their preemptive rights in favour of the Sesikhona Transaction or alternatively reaching an agreement with Osho regarding their respective shareholding in Sesikhona; and
- Osho conducting a limited legal due diligence into the affairs of Sesikhona and will have delivered a written notice to Miranda Coal of its intention to complete the Sesikhona Transaction.

The parties signed a consent letter staying the litigation proceedings pending between them until such time as the

Sesikhona Transaction fails or the proceedings are withdrawn and terminated pursuant to the Sesikhona Transaction taking effect.

The first part of the Sesikhona Transaction was successfully concluded on 26 February 2018 and the first tranche of R2.5 million was received.

#### B-BBEE TRANSACTION IN RESPECT OF ROZYNENBOSCH

A shareholders' agreement has been entered into amongst 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 Rozynenbosch, on 19 October 2017, in terms of which, among others, 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.

The subscription price for the 30% interest in Miranda Minerals will be vendor financed by the Company on loan account. The loans advanced, pursuant to the vendor finance arrangement, to Kwanda Holdings and the Trust, respectively, will be repayable on the 3rd anniversary of the Commencement Date (defined as the 5th business day after the date of fulfilment of all the conditions precedent) and shall be secured in favour of the Company by way of a cession and pledge of the shares issued to each of Kwanda Holdings and the Trust.

The implementation of the B-BBEE Transaction is subject to the fulfilment (or waiver by the parties to the extent legally permitted) of the following conditions:

- The Trust is registered by the Master of the High Court, Johannesburg and letters of authority are issued to its trustees;
- Miranda Minerals adopting and filing with the Commission a new Memorandum of Incorporation;
- Each of Kwanda Holdings and the Trust having entered into the relevant cession and pledge agreements in respect of the security to be registered in respect of their respective shareholding; and
- Each of Miranda Minerals and the Company adopting such board and shareholder resolutions necessary to give effect to the B-BBEE Transaction.

As part of its B-BBEE initiative, the Company has granted Kwanda Holdings the right to increase its shareholding in Miranda Minerals, by subscribing for such number of additional shares as shall, upon issue, result in the B-BBEE subscribers collectively holding up to a maximum of 50% of the issued ordinary share capital of Miranda Minerals, subject to the terms and conditions set out in the Shareholders' Agreement.

In addition to the terms and conditions set out above, the Shareholders' Agreement contains terms that are typical for a transaction of this nature and further regulates the relationship of the parties as shareholders of Miranda Minerals inter se and between each of the parties as shareholders on the one hand and the Company on the other hand.

#### ROZYNENBOSCH PROSPECTING RIGHT AND INDEPENDENT COMPETENT PERSONS REPORT ON THE ROZYNENBOSCH PROJECT

The Minister of Mineral Resources has granted Miranda Minerals (Pty) Limited, a wholly owned subsidiary of Miranda Mineral Holdings Limited, the prospecting right in respect of the remainder of the farm Rozynenbosch No 104 in the Magisterial/Administrative district Namaqualand, measuring 6,483.37 hectares, which right is effective from 5 February 2018 until 4 February 2021.

This right relates to the copper ore, silver, zinc and lead deposit located on the farm Rozynenbosch in the Kenhardt district of the Northern Cape. Extensive exploration was completed over the property by Goldfields and Phelps Dodge in the 1970s and 1980s. Minxcon (Pty) Limited is currently undertaking completion of an independent SAMREC Code Compliant Mineral Resource estimation on the Rozynenbosch Project, and an associated Competent Persons Report. These reports have been

published and are available on the Company's website.

#### 4. GOING CONCERN

The Group and Company recorded comprehensive profit/(loss), net of tax of R32,301,681 and (R69,494,203) respectively during the year ended 31 August 2017 (2016: Group (R1,130,019); Company (R1,135,298)). As of year-end, the Group and Company were in net current liability position of R11,698,570 and R11,709,669 respectively (2016: net current liability Group R26,535,982; Company R24,387,616). As at year-end, the Group and Company are in a net asset position of R41,768,031 and R33,195,269 respectively (2016: Group net liability position of R13,344,991; Company net asset position of R79,900,640).

The financial statements set out in this report are the responsibility of the directors of the Company. They have been prepared by the directors on the basis of appropriate accounting policies which have been consistently applied. The financial statements have been prepared in accordance with International Financial Reporting Standards and on the basis of accounting policies applicable to going concern. This basis presumes that the realisation of assets and settlement of liabilities will occur in the ordinary course of business. The directors do believe that a material uncertainty exists which may cast significant doubt on the Group and Company's ability to continue as a going concern, as it is dependent on the successful outcome of a number of future events. Therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The most significant of these factors are:

- The successful conclusion of the sale of Miranda Coal (Pty) Limited together with its subsidiaries for the total consideration of R8 million;
- The successful conclusion of the sale of Sesikhona Kliprand Colliery (Pty) Limited for the total consideration of R5 million and a R2.5 million production bonus;
- The successful execution of the Rozynenbosch prospecting right; and
- Raising an additional R30 million in capital, necessary for developing the Rozynenbosch prospecting right, uplifting the suspension of the Miranda Mineral Holdings Limited's shares on the JSE and funding continued operational expense requirements.

The Company did not comply with all the JSE disclosure requirements set out in paragraph JSE 8.63 of the listing requirements due to the Company's financial position. The Company last complied with the requirements related to "Audit Committees", publication of its "integrated report" and interim results in the August 2013 to 2017 financial years.

#### 5. AUDIT OPINION

These summarised consolidated financial statements for the year ended 31 August 2017 have not been audited by Ernst & Young Inc.

#### 6. OTHER

The auditor has expressed an unmodified opinion on the full consolidated financial statements for the year ended 31 August 2017. A copy of the auditor's report on the full consolidated financial statements is available for inspection at the Company's registered office, together with the financial statements identified in the auditor's report. Ernst & Young Inc has not audited future financial performance and expectations expressed by management included in the commentary in the summarised consolidated financial statements and accordingly do not express an opinion thereon. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information from the issuer's registered office.

#### FOR MORE INFORMATION

This short-form announcement is the responsibility of the directors. It is only a summary of the information contained in the integrated report for the financial year ended 30 August 2017; the Annual financial statements



for 2014, 2015, 2016 and 2017; and the circular to shareholders. It does not contain full or complete details. Any investment decision should be based on the full documents posted to shareholders on Monday, 9 July 2018 and accessible on the Company's website, [www.mirandaminerals.com](http://www.mirandaminerals.com)

Johannesburg  
10 July 2018

SPONSOR AND CORPORATE ADVISER

River Group

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