

Brimstone Investment Corporation Limited
(Incorporated in the Republic of South Africa)
Registration number 1995/010442/06
Share Code: BRT ISIN: ZAE000015277
Share Code: BRN ISIN: ZAE000015285
("Brimstone" or the "Company")

BRIMSTONE SUBSIDIARY LION OF AFRICA INSURANCE COMPANY PLACED INTO RUN-OFF

Brimstone shareholders are advised that Johannesburg-based short-term insurer, Lion of Africa Insurance Company ("Lion"), a wholly owned subsidiary of Brimstone, has decided to voluntarily and systematically wind down operations with immediate effect.

In the past few years, Lion has experienced a lack of profitability and a tough operating climate in its chosen markets, which combined with an onerous regulatory environment and increased solvency requirements contributed to this decision.

The above decision was not taken lightly and significant efforts were made to find alternative solutions. Notwithstanding such efforts, Lion is being placed into "run-off". Lion will continue to meet all obligations under existing policies but will not be issuing any new policies. While the decision to place Lion into run-off is regrettable, it should be noted that its value to Brimstone comprises less than 1% of Brimstone's gross asset value and has therefore no significant financial or other impact on Brimstone.

As one of South Africa's leading empowerment investment holding companies, Brimstone is deeply rooted in the agenda of transformation and black economic empowerment. Although the decision to place Lion into run-off was based on sound business rationale, it was still a particularly difficult decision to make which was only considered once all other viable options had been explored and exhausted. Brimstone will continue to provide support to Lion, its leadership team, and staff during this difficult time.

All other stakeholders including the regulatory authorities, Lion's clients and counterparties will be kept fully informed as the process unfolds.

14 November 2018
Cape Town

Investment bank, corporate advisor and sponsor
Nedbank Corporate and Investment Banking