

## **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")

## **UPDATE ON BRIMSTONE'S PARTICIPATION IN THE CLOVER TRANSACTION AND RENEWAL OF CAUTIONARY ANNOUNCEMENT**

### **1. BACKGROUND**

Words and phrases to which a meaning is attributed in Brimstone's announcement released on the Stock Exchange News Service of the JSE Limited ("**JSE**") on 4 February 2019, in relation to Brimstone's participation in the Clover Industries Limited ("**Clover**") transaction (the "**Clover Transaction**"), shall bear the same meanings when used herein, unless otherwise indicated.

Further to the aforementioned announcement which set out the terms of the intended acquisition by Brimstone of a 15% indirect interest in Clover, the cautionary announcement released by Brimstone on 7 February 2019 of its intent to review its role in the Clover Transaction, and the subsequent renewal of its cautionary announcement released on 22 March 2019, Brimstone shareholders are advised that Brimstone has on 11 April 2019 entered into an agreement with Milco SA Proprietary Limited ("**Milco SA**") and International Beer Breweries Limited ("**IBBL**") ("**Back-Stop Agreement**"), to facilitate Brimstone's exit from its participation in the Clover Transaction. As a result, Brimstone will not be participating in the Clover Transaction, notwithstanding that it may, for a short period of time, hold an interest in Milco SA, the entity which is the "Offeror" in the Clover Transaction.

### **2. THE BACK-STOP AGREEMENT**

In terms of the Back-Stop Agreement, IBBL (*or its affiliates*) will facilitate Brimstone's exit by agreeing to acquire Brimstone's interest in Milco SA on 31 December 2019 ("**Longstop Date**") if by that date Brimstone has not been able to secure a suitable replacement broad-based black economic empowerment investor ("**Replacement B-BBEE Shareholder**").

In this regard, Brimstone shareholders are advised that Brimstone is currently in advanced negotiations with a potential Replacement B-BBEE Shareholder which, if successful, could result in Brimstone exiting its entire shareholding in Milco SA before 31 December 2019.

Brimstone's share of the transaction costs in relation to its exit from the Clover Transaction are not expected to be material in relation to Brimstone's intrinsic net asset value.

### **3. JSE LISTINGS REQUIREMENTS**

The Company is in the process of obtaining a ruling from the JSE ("**JSE Ruling**") as to the regulatory implications from a JSE Listings Requirements perspective of Brimstone's exit from the Clover Transaction, which ruling will be announced by the Company immediately upon receipt.

#### **4. RENEWAL OF CAUTIONARY ANNOUNCEMENT**

Until such time as Brimstone announces the JSE Ruling, Brimstone shareholders are advised to continue to exercise caution when dealing in the Company's securities.

#### **Cape Town**

12 April 2019

#### **Investment Bank, Corporate Advisor and Sponsor to Brimstone**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited

#### **Legal Advisor to Brimstone**

Bernadt Vukic Potash and Getz Attorneys