

## **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")

## **RULING ON THE JSE LISTINGS REQUIREMENTS IMPLICATIONS FOR BRIMSTONE IN RESPECT OF THE CLOVER TRANSACTION AND RENEWAL OF CAUTIONARY ANNOUNCEMENT**

### **1. BACKGROUND**

Shareholders are referred to the announcements released by Brimstone on the Stock Exchange News Service of the JSE Limited ("**JSE**") on 4 February, 7 February, 22 March and 12 April 2019, in relation to Brimstone's participation in the Clover Industries Limited ("**Clover**") transaction (the "**Clover Transaction**").

As stated in the Brimstone announcement dated 12 April 2019 ("**Withdrawal Announcement**"), Brimstone entered into an agreement with Milco SA Proprietary Limited ("**Milco SA**") and International Beer Breweries Limited, 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. The board of directors of Brimstone, in resolving to not proceed with the Clover Transaction, exercised their fiduciary duties and thus determined that this decision was in the best interests of the Company and its shareholders, given the public outrage aimed at Brimstone in respect of its participation in the Clover Transaction and the impact this may have on both the Clover Transaction and Brimstone's other investee companies.

### **2. JSE RULING**

The Company noted in the Withdrawal Announcement that it was in the process of obtaining a ruling from the JSE ("**JSE Ruling**") as to the regulatory implications from a JSE Listings Requirements perspective of both Brimstone's entry into, and subsequent exit from, the Clover Transaction.

The JSE Ruling has been received and in this regard the JSE has confirmed that the provisions of Section 9 of the JSE Listings Requirements are not applicable i.e. Brimstone will therefore not be required to call a shareholders' meeting for their subscription in Milco SA nor its decision to not proceed with this investment.

As previously announced, 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. Once determined, the full financial impact of the aforementioned will be announced.

### **3. RENEWAL OF CAUTIONARY ANNOUNCEMENT**

Brimstone noted in the Withdrawal Announcement that it is currently in advanced negotiations with a potential Replacement B-BBEE Shareholder (as such term is defined in the Withdrawal Announcement) which, if successful, could result in Brimstone exiting its entire shareholding in Milco SA before 31 December 2019. Until such time as Brimstone announces the conclusion of an agreement/s to give effect to the Replacement B-BBEE Shareholder acquiring Brimstone's entire shareholding in Milco SA, Brimstone shareholders are advised to continue to exercise caution when dealing in the Company's securities.

## **Cape Town**

18 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