

MIDDLE EAST DIAMOND RESOURCES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2001/006539/06)
(Share Code: MED ISIN Code: ZAE000211876)
("MEDR" or "the company")

Acquisition of prospecting rights and cautionary announcement

1. Introduction

Shareholders are advised that Sable Platinum Holdings (Pty) Ltd, a wholly owned subsidiary of MEDR has entered into an agreement with Magni Investment Holdings (Pty) Ltd ("Magni") to acquire 49% of the issued share capital of both Swing Curve 345 (Pty) Ltd ("Swing Curve") and AEE Thabametsi (Pty) Ltd ("AEE Thabametsi") with effect from 5 November 2021 for a purchase price of R98 ("the Acquisition"). Swing Curve and AEE Thabametsi are wholly owned subsidiaries of Magni.

Swing Curve owns the prospecting right for coal and dimension stone on Portions 1,2,3 and 4 of the Farm Leiden 340, Registration Division I.T. situated in the Magisterial District of Piet Retief, Province of Mpumalanga, DMR reference: MP 30/2/1/1/2/13715 PR. AEE Thabametsi owns the prospecting right for coal, silica and sand on the farms Kwagaaskop, Skoongesig and Suikehout, situated in the Magisterial District of Nkangala, Province of Mpumalanga, DMR reference: MP 30/5/1/1/2/13765 PR.

2. Rationale

MEDR has entered into this transaction in order to prospect primarily for coal on these project areas.

3. Salient terms of the Acquisition

MEDR will issue 98 ordinary shares in MEDR at R1 per share to Magni to settle the purchase price.

The Acquisition will be subject to normal warranties that are customary for transactions of this nature. The Acquisition is not subject to any conditions precedent.

4. Categorisation of the Acquisition

MEDR is in discussions with the JSE regarding the category of the Acquisition and according shareholders are advised to exercising caution when dealing in the company's shares until the category is determined.

9 November 2021
Sandton

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