

**AFRIMAT LIMITED**

Incorporated in the Republic of South Africa

(Registration number: 2006/022534/06)

Share code: AFT

ISIN: ZAE000086302

(“Afrimat” or “the Company” or “the Group”)



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**UPDATE REGARDING THE ACQUISITION OF GLENOVER**

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Shareholders are referred to the announcement released on the Stock Exchange News Service (“SENS”) on 9 December 2021 (“Glenover Announcement”), in terms of which Afrimat announced that it had purchased certain assets and a right to mine select deposits (“Sale Assets”) at the Glenover mine (“Glenover Mine”), as well as the option to acquire 100% of the shares (“Glenover Shares”) in Glenover Phosphate Proprietary Limited (“Glenover”) from the current shareholders (collectively the “Glenover Acquisition”). The total purchase consideration for the Glenover Acquisition is R550 million, allocated as R250 million to the Sale Assets and R300 million to the Glenover Shares.

The Glenover Acquisition includes phosphate stockpiles (“Inventory Deposits”) and a rare earth, phosphate and vermiculite bearing mining right (“Glenover Mining Right”), which positions Afrimat to enter new commodities aligned with global trends relating to food security and the advancement of technology, for example electric vehicles. The implementation of the initial phases of this acquisition have progressed well with Afrimat selling high-grade phosphate into the organic phosphate market. The feasibility studies of the follow-up phases of the project have yielded pleasing results thus far.

Shareholders are referred to the announcement released on SENS on 22 August 2022, in terms of which Afrimat announced that there were no outstanding conditions precedent in respect of the acquisition of the Sale Assets and that the purchase consideration of R250 million allocated to the Sale Assets was paid in cash to the Glenover shareholders as respective payments of R215 million for the Inventory Deposits and R35 million for the vermiculite mining right (“Glenover Update Announcement”).

Furthermore, the Glenover Update Announcement included that Afrimat’s option to acquire the Glenover Shares was subject to the fulfilment of the two outstanding conditions precedent, namely: i) Afrimat’s Board approval and ii) Afrimat’s sole discretion to exercise the option to purchase the Glenover Shares from Glenover’s shareholders together with all claims that the shareholders may have against Glenover, by 10 November 2022 (“Conditions Precedent”). The Board of Directors has now approved the acquisition of the Glenover Shares by Afrimat. Following the Board approval, Afrimat issued a notice to exercise the option to acquire the Glenover Shares on 19 October 2022.

The acquisition of the Glenover Shares is subject to the fulfilment of the suspensive conditions (“Suspensive Conditions”) as set out in the Glenover Announcement:

- Approval in terms of section 11 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 (“MPRDA”); and
- Competition Commission approval.

The Longstop Date for fulfilment of the Suspensive Conditions is 30 April 2024.

In the event that either or both of the Suspensive Conditions are not fulfilled by 31 July 2023, interest at Prime less 2% will be payable on the Glenover Shares purchase consideration of R300 million, from 1 August 2023 until the Suspensive Conditions are fulfilled or waived, as applicable, prior to the Longstop Date.

Cape Town  
20 October 2022

Sponsor  
PSG Capital



PSG CAPITAL