

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")



UPDATE REGARDING THE ACQUISITION OF GLENOVER

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 together with all claims that the current shareholders may have against Glenover ("**Sale Claims**") (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 and Sale Claims.

Shareholders are further referred to the announcement released on SENS on 22 August 2022, wherein 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 to the Glenover shareholders ("**Glenover Update Announcement**").

Shareholders are further referred to the announcement released on SENS on 20 October 2022 ("**Glenover Further Update Announcement**"), in terms of which Afrimat announced that the board of directors approved the acquisition of the Glenover Shares and exercised the option to acquire the Glenover Shares.

Furthermore, on 21 June 2023 an addendum to the sale of shares agreement in respect of the Sale Claims and Glenover Shares ("**Addendum**") was entered into between the Company and the Glenover shareholders in terms of which the purchase consideration payable by Afrimat to the Glenover shareholders in respect of the Sale Claims and Glenover Shares will now be settled as follows:

- A first tranche payment in respect of the R150 million Sale Claims payable through the issue of Afrimat shares equivalent to R150 million, calculated on a 30-day volume weighted average price ("**VWAP**") on the first tranche payment date being 15 business days after signature of the Addendum.
- A second tranche payment in respect of the R147 million Sale Claims payable in cash on 30 April 2024.
- A cash consideration of R3 million payable in respect of the Glenover Shares, on fulfilment of the suspensive conditions.

The acquisition of the Glenover Shares is subject to the fulfilment of the following suspensive conditions:

- Approval in terms of section 11 of the Mineral and Petroleum Resources Development Act No. 28 of 2002 (“**MPRDA**”); and
- The completion of the 30 June 2023 audited financial statements and collation of all company documentation before or on 30 April 2024.

In addition, the Addendum provides that upon payment of the first tranche payment in respect of the Sale Claims, the parties shall enter into a contract mining agreement whereby Afrimat shall become entitled to commence mining of other minerals in addition to vermiculite.

Cape Town
23 June 2023

Sponsor
Valeo Capital (Pty) Ltd

 Valeo Capital