

African Rainbow Minerals Limited
(Incorporated in the Republic of South Africa)
(Registration Number 1933/004580/06)
JSE Share code: ARI
ISIN: ZAE000054045
("ARM")

**AGREEMENT TO ACQUIRE 15% OF SURGE COPPER CORP ON A PRIVATE
PLACEMENT BASIS FOR C\$3.8 MILLION**

ARM is pleased to announce that it has entered into a subscription agreement for a private placement financing (the "**Strategic Placement**") with Surge Copper Corp (TSXV: SURG) (OTCQB: SRGXF) (Frankfurt: G6D2) ("**Surge**" or the "**Company**").

Under the terms of the Strategic Placement, ARM, through its wholly-owned subsidiary ARM Copper Company Proprietary Limited ("**ARM Copper**"), will subscribe for 39,608,708 common shares of Surge at C\$0.095 per Strategic Placement common share, representing an approximate 18% premium to the 20-day volume weighted average price of the Company's common shares on the TSX Venture Exchange as at 1 April 2024, for gross proceeds of C\$3,762,827 (subject to adjustment, if necessary, such that the number of common shares purchased represent 15.0% of the issued and outstanding common shares as at the date that the Strategic Placement closes on a non-diluted basis). Upon completion of the Strategic Placement, ARM (through ARM Copper) will own 15.0% of Surge's issued and outstanding common shares on a non-diluted basis.

The Strategic Placement is subject to certain customary conditions precedent, including, but not limited to:

- approval of the Strategic Placement by the TSX Venture Exchange; and
- receipt by ARM of South African Reserve Bank approval.

Background on Surge

Surge is a Canadian company that is advancing an emerging critical metals district in a well-developed region of British Columbia, Canada. The Company owns a large, contiguous mineral claim package that hosts multiple advanced porphyry deposits with pit-constrained NI 43-101 compliant resources of copper, molybdenum, gold, and silver – metals which are critical inputs to the low-carbon energy transition and associated electrification technologies.

The Company owns a 100% interest in the Berg Project, for which it announced a maiden Preliminary Economic Assessment ("PEA") in June 2023 outlining a large-scale, long-life project with a simple design and high outputs of critical minerals located in a safe jurisdiction near world-class infrastructure. The PEA highlights base case economics including an NPV_{8%} of C\$2.1 billion and an IRR of 20% based on long-term commodity prices of US\$4.00/lb copper, US\$15.00/lb molybdenum, US\$23.00/oz silver, and US\$1,800/oz gold. The Berg deposit contains pit-constrained 43-101 compliant resources of copper, molybdenum, silver, and gold in the Measured, Indicated, and Inferred categories.

The Company also owns a 100% interest in the Ootsa Property, an advanced-stage exploration project containing the Seel and Ox porphyry deposits located adjacent to the open pit Huckleberry Copper Mine, owned by Imperial Metals. The Ootsa Property contains pit-constrained NI 43-101 compliant resources of copper, gold, molybdenum, and silver in the Measured, Indicated, and Inferred categories.

Background on the Berg Project

The Berg deposit is situated in the north-western portion of the Company's 100%-owned 125,499 hectare contiguous land package in the Berg-Huckleberry-Ootsa district. Surge announced an NI 43-101 compliant PEA and an accompanying Mineral Resource Estimate on the Berg Project in June 2023. The PEA outlined a large-scale, stand-alone greenfield development project with a simple design and high outputs of critical metals located in a safe jurisdiction with world-class infrastructure. Highlights from the PEA include:

- Base case after-tax NPV_{8%} of C\$2.1 billion and IRR of 20% based on long-term commodity price assumptions of US\$4.00/lb copper, US\$15.00/lb molybdenum, US\$23/oz silver, and US\$1,800/oz gold plus foreign exchange of 0.77 USDCAD;
- 30-year mine life with total payable production of 5.8 billion pounds (2.6 million tonnes) of copper equivalent (CuEq), including 3.7 billion pounds (1.7 million tonnes) of copper; and
- Updated mineral resource estimate includes combined Measured and Indicated resource of 1.0 billion tonnes grading 0.23% copper, 0.03% molybdenum, 4.6 g/t silver, and 0.02 g/t gold.

Categorisation of the Transaction

The Transaction does not constitute a categorised transaction in terms of the Listings Requirements of the JSE Limited and accordingly this information is disclosed on a voluntary basis.

ENDS

For all queries, please contact:

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JSE Equity Sponsor: Investec Bank Limited