

WG Wearne Limited
(Registration number: 1994/005983/06)
JSE Share code: WEA ISIN: ZAE000078002
("Wearne" or "the Company" or "the Group")

Further update on the Brandvlei Transaction

Background

Shareholders are referred to the SENS announcements dated 4 April 2017 and 22 June 2017 advising shareholders that Wearne has entered into an agreement to dispose of the Brandvlei Sand Quarry and ancillary business ("the Transaction").

On 31 March 2017 and 22 May 2017 Wearne Group entered into various agreements regarding the sale of the Brandvlei quarry business to the buyer, which changed its name to Brandvlei Sands (Pty) Limited ("Brandvlei" or "Buyer").

As part of the Supply Agreement Wearne and/or Wearne Ready Mixed Concrete (Pty) Limited ("Wearne RMC") and/or Wearne Aggregates (Pty) Limited ("Wearne Aggregates") undertook to purchase from the Buyer the total washed plaster sand requirements of Wearne RMC's ready-mix plants at Lezonia, Randfontein, Wes 3 and Muldersdrift for a period of two years.

For operational reasons Wearne, Wearne Aggregates and Wearne RMC would however like to limit the plaster sand purchased from the Buyer to 1 500 tonnes per month and it was accordingly decided to amend the terms of the Transaction.

Changes to transaction

On 7 December 2017 the parties agreed to change the Transaction in the following respects:

1. Wearne will only subscribe for 20% of Brandvlei's issued shares, compared to 40% previously.
2. Wearne and its subsidiaries undertake to purchase at least 1 500 tonnes of plaster sand from the Buyer per month for the next two years. Should Wearne and its subsidiaries purchase and pay for less than certain target quantities of plaster sand during the first and/or second years, part of Wearne's shareholding in Brandvlei will be bought back by Brandvlei at one Rand.

The revised terms were submitted to the independent expert, BDO Corporate Finance (Pty) Limited, which reported that the amended Transaction is still fair as far as shareholders of Wearne are concerned. A copy of their opinion has been supplied to the JSE Limited. The report is also available for inspection by shareholders at Wearne's head office for 28 days from the date of this announcement.

The process for registration of transfer of the property into the name of Brandvlei has commenced and it is expected that the Transaction will be completed during January 2018.

Designated Advisor
Exchange Sponsors

8 December 2017
Randburg