

W G WEARNE LIMITED

(Incorporated in the Republic of South Africa)
(Registration number: 1994/005983/06)
(Share Code: WEA ISIN Code: ZAE000078002)
("Wearne" or "the Company" or "the Group")

Update on the Milost transaction, update on the proposed joint venture at the Willows Fountain Quarry at Pietermaritzburg and discussions with current major shareholders regarding the recapitalisation of Wearne

1. Update on the Milost transaction

Shareholders are referred to the announcement released on SENS on 23 October 2017. Shareholders are advised that Milost Global Inc ("Milost") has not fulfilled its obligations on the funding obligation of the first drawdown notice. Wearne has put Milost on terms to fulfill its obligation, failing which the funding agreement will be terminated.

2. Joint venture in respect of Willows Fountain Quarry at Pietermaritzburg

Shareholders are referred to the SENS announcements dated 10 July 2017 and 23 October 2017 regarding the joint venture entered into between Wearne and Wearne Aggregates (Pty) Ltd, a wholly owned subsidiary of Wearne, and Right Gold Machinery Proprietary Limited in respect of the Willows Fountain Quarry situated at Pietermaritzburg. Shareholders are advised that following the above SENS announcements one of the major shareholders in Wearne, without whose support the necessary shareholders' resolution will not be passed, has indicated that they do not support the transaction in its current form and will vote against the transaction at a shareholders meeting.

The Company is currently evaluating alternative transaction structures that will not require shareholders' approval. The upgrading of the plant at Willows Fountain Quarry is critical to enable the Group to increase production and profitability at the quarry.

3. Discussion with major shareholders regarding recapitalization of Wearne

Shareholders are advised that the Company has entered into discussions with its major shareholders regarding the recapitalization of the Group.

Shareholders will be updated regarding the outcome of these discussions.

Randfontein
14 February 2018

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