

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")

Joint venture agreement entered into in respect of the Willows Fountain Quarry at Pietermaritzburg

Background

Shareholders are referred to the SENS announcements dated 10 July 2017 and 23 October 2017 and 14 February 2018 regarding a proposed joint venture between Wearne Aggregates (Pty) Ltd ("Wearne Aggregates"), a wholly owned subsidiary of Wearne, and Right Gold Machinery Proprietary Limited ("Right Gold") in respect of the Willows Fountain Quarry situated at Pietermaritzburg ("the Quarry").

Shareholders are advised that Wearne Aggregates, Right Gold and Wearne Quarries Natal (Pty) Limited ("Wearne Natal") entered into a joint venture agreement on 25 April 2018 in respect of the Quarry.

Outline of joint Venture

Wearne Aggregates is the beneficial owner of the Quarry and Right Gold owns a new crushing plant ("the Plant"). The parties agreed to establish a joint venture known as Wearne Quarries Natal ("the JV") which will operate out of the Quarry.

Wearne Aggregates will allow the JV the use of the Quarry, certain listed assets and equipment, stock and staff necessary to continue the operations of the business.

Right Gold will allow the JV to use the Plant and certain equipment, and provide civil works and installation costs to the value of R3 million, as well as R2 million working capital to the JV. It shall also provide certain staff.

The JV will be operated through Wearne Natal. All profits realized from the business of the JV shall be shared equally between Wearne Aggregates and Right Gold.

The JV shall be managed jointly by Wearne Aggregates and Right Gold.

The JV shall endure for a period of 10 years, unless terminated earlier in accordance with the provisions of the JV agreement. Upon dissolution of the JV, in the absence of an agreement to the contrary, an administrator will be appointed by the parties to handle the dissolution.

Randfontein
26 April 2018

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