
AFRICAN PHOENIX INVESTMENTS LIMITED
Incorporated in the Republic of South Africa
(Registration number 1946/021193/06)
Ordinary share code: AXL ISIN: ZAE000221370
Hybrid instrument code: AXLP ISIN: ZAE000221388
("African Phoenix" or "the Company")

**PROPOSED TRANSACTIONS UPDATE, DISTRIBUTION OF CIRCULAR, NOTICE OF
GENERAL MEETING AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENTS**

1. INTRODUCTION

Shareholders are referred to the 'Voluntary Transaction and Cautionary Announcement' released on SENS on 7 September 2018, and the subsequent renewal of cautionary announcements, the last of which was dated 18 January 2019, wherein Shareholders were informed that African Phoenix proposes to implement certain strategic transactions.

The board of directors of African Phoenix ("**Board**") is pleased to announce that the structure of the Proposed Transactions referred to in the aforementioned announcements has now been finalised and accordingly, the details thereof are set out below.

Furthermore, Shareholders are hereby advised that the combined circular to Ordinary and Preference Shareholders dated 18 February 2019 ("**Circular**") (and using the terms defined therein unless otherwise stated) containing, *inter alia*, full details of the Proposed Transactions, and incorporating:

- Revised Listing Particulars;
- a report prepared by the Independent Expert in terms of section 48(8) read with sections 114(2) and 114(3) of the Companies Act, and section 1.15(d) and schedule 5 of the Listings Requirements in relation to the Scheme Repurchase and Voluntary Repurchase;
- a report prepared by the Independent Expert in terms of section 10 and schedule 5 of the Listings Requirements in relation to the management arrangements necessary to implement the BFM Structure as a composite agreement between African Phoenix and a Related Party; and
- a notice convening a general meeting of Shareholders ("**General Meeting**") in order to consider and, if deemed fit to pass, with or without modification, the special and ordinary resolutions necessary to approve, *inter alia*, the Proposed Transactions,

will be distributed today, 18 February 2019.

The Circular is also available on the Company's website at www.phoenixinvestments.co.za.

2. PROPOSED TRANSACTIONS

2.1. The Company intends to implement the strategic transactions which include the following key components:

- 2.1.1. a scheme of arrangement in terms of sections 48, 114 and 115 of the Companies Act, proposed by the Board between African Phoenix and its Preference

Shareholders, in terms of which African Phoenix will, subject to the terms and conditions set out in the Circular, repurchase all of the Preference Shares for a cash consideration of R37.50 (thirty seven Rand and fifty cents) per Preference Share ("**Scheme Repurchase Consideration**") ("**Scheme Repurchase**");

- 2.1.2. a voluntary repurchase, made separately but concurrently with the Scheme Repurchase, of up to all of the issued Preference Shares from Preference Shareholders in terms of sections 48, 114 and 115 of the Companies Act, and the Listings Requirements, subject to the terms and conditions set out in the Circular, for a cash consideration of R37.50 (thirty seven Rand and fifty cents) per Preference Share ("**Voluntary Repurchase Consideration**") ("**Voluntary Repurchase**"), which Voluntary Repurchase will only be implemented if the Scheme Repurchase is not implemented for any reason whatsoever. Under the Voluntary Repurchase, the Preference Shareholders may also elect to retain their Preference Shares;
- 2.1.3. in furtherance of the BFM Structure, the acquisition by African Phoenix of a limited partnership interest in a private equity fund to be established as a South African *en commandite* partnership, to be known as the "**API Capital Fund**", through the contribution of cash only thereto. The API Capital Fund, which will be managed by a black-owned fund manager, namely API Capital Proprietary Limited ("**API Capital**"), in accordance with the B-BBEE Codes, will be established through African Phoenix (as a limited partner of the API Capital Fund) entering into a limited partnership agreement, namely the "**Partnership Agreement**", with API Capital (as the general partner of the API Capital Fund ("**General Partner**")) and the related adoption of a new investment policy for African Phoenix and reclassification of African Phoenix as an "investment entity" in terms of section 15 of the Listings Requirements;
- 2.1.4. amendments to the memorandum of incorporation of African Phoenix ("**MOI**") to, *inter alia*, (i) create a new class of unlisted, non-voting, non-participating convertible ordinary shares, namely the B Shares, which B Shares are to be issued to the management team of API Capital ("**Management Team**") for purposes of settling the Management Team's performance participation entitlements, and other amendments to the MOI necessary to give effect to the Proposed Transactions; and
- 2.1.5. the proposed issue of 300 000 000 B Shares by African Phoenix to the participation partnership (being a partnership operated for the benefit of the Management Team and/or their related entities, as nominated by the General Partner) and implementation of the Share Purchase, in terms of which the General Partner will, in accordance with paragraph 15.4(f) of the Listings Requirements, purchase 1% of the issued Ordinary Shares in the Company in the open market within three months of the requisite approvals being obtained from Shareholders.

collectively referred to as the "**Proposed Transactions**".

- 2.2. The implementation of the Proposed Transactions (including the entering into of the relevant agreements relating to the Proposed Transactions) is subject to the approval of the resolutions required to implement each component of the relevant Proposed Transactions by the Shareholders in terms of the MOI, the Companies Act and the Listings Requirements, as applicable, and the terms and conditions set out in the Circular. The JSE has approved the Circular and the Financial Surveillance Department of the South African Reserve Bank has approved the Scheme Repurchase, the Voluntary Repurchase, and the delisting of the Preference Shares (to the extent applicable).

3. RATIONALE FOR THE PROPOSED TRANSACTIONS

3.1. Scheme Repurchase or Voluntary Repurchase

- 3.1.1. The Preference Shares are legacy from the previous holding company capital structure, where African Phoenix was the ultimate bank controlling company of African Bank Limited, and where the Preference Shares were akin to traditional funding preference shares in the bank controlling company structure. African Phoenix has departed from all banking-related activities and African Phoenix's current main business is that of an investment holding company. As such, the purpose for which the Preference Shares were created is no longer relevant and the Scheme Repurchase would afford the Preference Shareholders with an opportunity to exit the current African Phoenix structure. Moreover, the dual capital structure in African Phoenix creates conflict between the differing share classes and is unsuitable in the context of an investment holding company creating unnecessary complexity in the African Phoenix capital structure. It is proposed that African Phoenix's capital structure be simplified through a single class of shares (i.e. the Ordinary Shares) which will also ensure alignment of interests between the Shareholders.
- 3.1.2. As set out in the "Voluntary Transaction and Cautionary Announcement", the Company initially proposed implementing the Voluntary Repurchase (together with the implementation of, *inter alia*, the BFM Structure as set out therein). However, following further confidential Shareholder interaction, it became apparent that proposing the Scheme Repurchase separately to, but concurrently with, the Voluntary Repurchase could, if implemented, result in an even greater alignment of interests between Shareholders. In this context, the Scheme Repurchase, or alternatively, in the event that the Scheme Repurchase is not adopted by the requisite majority of Shareholders at the General Meeting and/or the Scheme Repurchase is not implemented for whatever reason, the Voluntary Repurchase has been proposed, which allows Preference Shareholders to elect to retain their Preference Shares.

3.2. Implementation of the BFM Structure and the reclassification of the Company to an "Investment Entity"

- 3.2.1. African Phoenix is an investment holding company managed primarily by Black South Africans who have a proven track record of deploying capital in a manner that generates long-term economic value for investors. The Proposed Transactions are a significant step towards realising the Company's mission primarily due to:
- 3.2.1.1. preservation of capital for investments which are in line with the investment holding company classification;
 - 3.2.1.2. reinvigorating the current listed, permanent capital structure to provide access to additional sources of capital;
 - 3.2.1.3. establishing a B-BBEE investment platform which gives African Phoenix access to unique investment opportunities that are not typically available to public market investors;
 - 3.2.1.4. funding investments while enhancing the B-BBEE status of investee companies with no dilution in value for African Phoenix Shareholders;
 - 3.2.1.5. establishing the long-term alignment of interests between African Phoenix, the General Partner and African Phoenix Shareholders; and

- 3.2.1.6. efficiently positioning African Phoenix's capital structure in anticipation of the updated insurance regulations which will be applicable to the Company as a result of African Phoenix's holding of Stangen.

4. SCHEME REPURCHASE CONSIDERATION AND VOLUNTARY REPURCHASE CONSIDERATION

- 4.1. The Scheme Repurchase Consideration or the Voluntary Repurchase Consideration (as the case may be) will comprise a return of capital to Preference Shareholders of R37.50 per Preference Share. Accordingly, the Directors have resolved to declare the Scheme Repurchase Consideration or the Voluntary Repurchase Consideration (as the case may be) as a return of CTC as defined in section 1 of the Income Tax Act. No portion of the Scheme Repurchase Consideration or the Voluntary Repurchase Consideration (as the case may be) will comprise a dividend as defined in section 1 of the Income Tax Act.
- 4.2. The tax implications of the Scheme Repurchase or Voluntary Repurchase (as the case may be) are dependent upon the individual circumstances of the Scheme Repurchase participants or Voluntary Repurchase participants concerned (as the case may be) and the tax jurisdiction applicable to such Scheme Repurchase participants or Voluntary Repurchase participants (as the case may be). Scheme Repurchase participants or Voluntary Repurchase participants (as the case may be) should consequently seek appropriate professional advice in this regard.

5. BFM STRUCTURE

- 5.1. The BFM Structure aims to create a permanently empowered investment holding structure as contemplated in the B-BBEE Codes, the implementation of which will result in certain changes to the governance structures of the Company as envisaged and set out more fully in the Circular. The table below sets out the proposed composition of the Board of African Phoenix should the implementation of the BFM Structure be approved by the requisite majority of Shareholders at the General Meeting:

African Phoenix Board of Directors¹

Name of Director	Classification
Alethea Conrad	Independent non-executive Director
Nonzukiso Siyotula	Independent non-executive Director
Oyama Mabandla ²	Executive Director
Reshma Mathura	Independent non-executive Director
Samuel Sithole	Non-executive Director

- The Board will remain substantially the same, with the required Board committees in line with the requirements set out in the Companies Act (read with the Companies Regulations, 2011), the Listings Requirements and the principles and recommended practices of King Report on Corporate Governance for South Africa, 2016.
 - Mr Oyama Mabandla is proposed to serve as an executive Director on the Board post implementation of the Proposed Transactions.
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- 5.2. The API Capital Fund is proposed to be an *en commandite* partnership established in South Africa and comprising the General Partner (holding a 0.01% interest in the API Capital Fund) and a Limited Partner, being African Phoenix (holding a 99.99% interest in the API Capital Fund). The table below provides an overview of the proposed governance structures in

relation to the management of the API Capital Fund should the BFM Structure be approved by the requisite majority of Shareholders at the General Meeting.

General Partner's board of directors	BFM Management Team	Investment Committee
Morris Mthombeni ¹	Alu Sithebe	Siya Nhlumayo (executive)
Shafiek Rawoot ⁴	Shafiek Rawoot	Shafiek Rawoot (executive)
Siya Nhlumayo*	Siya Nhlumayo ³	Mahlatse Kabi ² (independent non-executive)
	Kamo Mudimbu	Aadil Carim (independent non-executive)
		Sean Dougherty (independent non-executive)

1. Mr Morris Mthombeni will resign as an independent non-executive Director of the Company and will no longer serve as the chairperson of the Board, as he is proposed to serve on the board of directors of the General Partner.
2. Ms Mahlatse Kabi will resign as an independent non-executive Director of the Company as she is proposed to serve on the General Partner's Investment Committee.
3. Mr Siya Nhlumayo will resign as an executive Director of the Company as he is proposed to serve as a member of the board of directors of the General Partner and a member of the General Partner's Investment Committee.
4. Mr Shafiek Rawoot will resign as an executive Director of the Company as he is proposed to serve as a member of the board of directors of the General Partner and as a member of the General Partner's Investment Committee.

5.3. All the investment decisions of the API Capital Fund will be taken by the Investment Committee of the General Partner, which will sit as a sub-committee of the board of directors of the General Partner and, as indicated above, will comprise a majority of independent non-executive members.

5.4. The salient features of the key potential fees due to the General Partner in relation to the services provided are summarised in the table below and are more fully set out in the Circular:

Proposed Fee	Calculation
1. Management fee	The General Partner will be entitled to receive a Fund Management Fee of 1.00% per annum of the API Fund's Average Invested NAV, provided that the minimum annual fee will amount to R19 million for the first accounting period (and increasing by 7% for each subsequent financial year).
2. Performance Participation*	The Performance Participation shall entitle holders of the B Shares to receive 16% of the profit share over and above the hurdle return rate of 10%, assessed and paid at the end of each Measurement Period, calculated by taking into account the average of 75% of the Invested NAV during a Measurement Period and 25% of the increase in African Phoenix's market capitalisation during the same Measurement Period, as exceeds the performance hurdle of 10%.

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- i. On the relevant Measurement Date, the B Shares will automatically convert to A Shares on a one for one basis, in accordance with, and as envisaged by, the terms attaching to the B Shares including the formulae set out therein. The terms attaching to the B Shares also preclude the conversion into issued A Shares at a discount. Furthermore, as 300 000 000 B Shares will be issued to the Participation Partnership, no more than 300 000 000 A Shares can be issued to the Participation Partnership on conversion of the B Shares into A Shares in accordance with the terms attaching to the B Shares.
 - ii. The fairness of the overall fee structure in relation to the management of the API Capital Fund has been assessed by the Independent Expert who is of the opinion that the key terms thereof in unity are fair to the Shareholders. A signed copy of the Independent Expert's report regarding the management arrangements necessary to implement the BFM Structure is available for inspection as set out in the Circular, a copy of which is attached to the Circular as Annexure 2.
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6. SHAREHOLDER SUPPORT

African Phoenix has received support from the Shareholders representing in aggregate c. 48.04% of the issued Ordinary Shares and c. 41.77% of the issued Preference Shares (together representing approximately 48.02% of the aggregate voting rights in the Company).

7. INDEPENDENT EXPERT REPORTS

7.1. Ernst & Young Advisory Services Proprietary Limited (“**EY**”) has been appointed by the independent sub-committee of the Board (“**Independent Sub-committee**”) as the Independent Expert in accordance with:

- 7.1.1. section 5.69 of the Listings Requirements, read with section 1.15 thereof, to advise the Board on whether the Scheme Repurchase, or in the alternative, the Voluntary Repurchase is fair to Preference Shareholders. The report of the Independent Expert is incorporated as Annexure 1 to the Circular. The Board, and separately the Independent Sub-committee, is of the opinion that the Scheme Repurchase, or in the alternative, the Voluntary Repurchase is fair insofar as the Preference Shareholders are concerned and the Independent Sub-committee has been so advised by the Independent Expert; and
- 7.1.2. section 10.4(f) of the Listings Requirements, to advise the Board on whether the key elements of the management arrangements necessary to implement the BFM Structure, are fair to Shareholders. The report of the Independent Expert is incorporated as Annexure 2 to the Circular. The Board, and separately the Independent Sub-committee, is of the opinion that key elements of the management arrangements required to implement the BFM Structure are fair insofar as the Shareholders are concerned and the Independent Sub-committee has been so advised by the Independent Expert.

8. DIRECTORS OPINION AND RECOMMENDATIONS

The Directors, and separately the Independent Sub-committee, having carefully considered the terms, conditions and rationale of the Proposed Transactions are of the opinion, that the Proposed Transactions are fair and could create value for Shareholders. Accordingly, the Directors, and separately the Independent Sub-committee, recommend that Shareholders vote in favour of all of the resolutions to be proposed at the General Meeting required in order to implement the Proposed Transactions.

9. NOTICE OF GENERAL MEETING

- 9.1. Notice is hereby given that the General Meeting of the Company's Shareholders will be held (subject to any adjournment, postponement or cancellation) at 13:00 on Wednesday, 20 March 2019, at Webber Wentzel, 90 Rivonia Road, Sandton, to consider, and, if deemed fit, to pass, with or without modification, the special and ordinary resolutions set out in the notice of General Meeting, which is contained in the Circular.
- 9.2. The Board has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, the record date for the purpose of determining which Shareholders of the Company are entitled to participate in and vote at the General Meeting is Friday, 15 March 2019. Accordingly, the last day to trade African Phoenix Shares in order to be recorded in the Company's securities register to be entitled to vote will be Tuesday, 12 March 2019.
- 9.3. Voting on all resolutions will be in accordance with the rights attaching to the Shares as envisaged in the MOI and Shareholders should see the Circular in this regard.

10. SALIENT DATES OF THE PROPOSED TRANSACTIONS

- 10.1. The salient dates pertaining to the Proposed Transactions, also contained in the Circular, are set out in the table below.

	2019
Record date to determine Shareholders that are eligible to receive the Circular and notice of General Meeting	Friday, 8 February
Circular distributed to the Shareholders and notice convening the General Meeting published on SENS on	Monday, 18 February
Last day to trade in order to be recorded on the Register in order to be eligible to vote at the General Meeting	Tuesday, 12 March
Record date to be recorded on the Register and hence eligible to vote at the General Meeting	Friday, 15 March
Last day to lodge Forms of Proxy in respect of the General Meeting by 13:00 on	Monday, 18 March
Last date for African Phoenix Shareholders to give notice in terms of section 164(3) of the Companies Act to African Phoenix objecting to the resolution approving the Scheme Repurchase	Wednesday, 20 March
General Meeting to be held at 13:00 at Webber Wentzel, 90 Rivonia Road, Sandton	Wednesday, 20 March
Results of the General Meeting published on SENS on	Wednesday, 20 March
If the Scheme Repurchase is adopted by the requisite majority of African Phoenix Shareholders at the General Meeting:	
Last day on which Shareholders who voted against the Scheme Repurchase can make application to the court in terms of section 115(3)(a) of the Companies Act (if applicable) on	Thursday, 28 March
Last day for African Phoenix Shareholders who voted against the Scheme Repurchase to apply to court for leave to apply for a review the Scheme Repurchase in terms of section 115(3)(b) of the Companies Act (if applicable) on	Thursday, 4 April

Last date for African Phoenix to give notice of adoption of the special resolution approving the Scheme Repurchase in terms of section 164(4) of the Companies Act to Dissenting Shareholders on Thursday, 4 April

Scheme Repurchase Conditions are fulfilled or waived (to the extent applicable):

Finalisation Date in respect of the Scheme Repurchase expected to be on Monday, 8 April

Finalisation Date announcement in respect of the Scheme Repurchase expected to be released on SENS by no later than 11:00 on Monday, 8 April

Expected last day to trade in order to be recorded on the Register in order to be eligible to participate in the Scheme Repurchase Monday, 15 April

Suspension of listing of Preference Shares on the JSE expected to take place at the commencement of trade on Tuesday, 16 April

Forms of Surrender and Transfer to be received by the Transfer Secretaries on or before 12:00 on Thursday, 18 April

Scheme Repurchase Record Date Thursday, 18 April

Scheme Repurchase Participants who are Dematerialised Shareholders expected to have their accounts held at their CSDP or Broker credited with the Scheme Repurchase Consideration on or about Tuesday, 23 April

Scheme Repurchase Consideration expected to be paid/posted to Scheme Repurchase Participants who are Certificated Preference Shareholders (provided their Forms of Surrender and Transfer and Documents of Title are received on or prior to 12:00 on the Scheme Repurchase Consideration Record Date) on or about Tuesday, 23 April

Termination of listing of the Preference Shares on the JSE expected to take place at the commencement of trade on or about Wednesday, 24 April

If the Scheme Repurchase is not adopted by the requisite majority of African Phoenix Shareholders at the General Meeting and/or the Scheme Repurchase is not implemented and the Voluntary Repurchase is adopted by African Phoenix Shareholders at the General Meeting:

Last day on which Shareholders who voted against the Voluntary Repurchase can make application to the court in terms of section 115(3)(b) of the Companies Act on Thursday, 28 March

Last day for African Phoenix Shareholders who voted against the Voluntary Repurchase to apply to court for leave to apply for a review the Voluntary Repurchase in terms of section 115(3)(b) of the Companies Act (if applicable) on Thursday, 4 April

Voluntary Repurchase Conditions are fulfilled or waived (to the extent applicable):

Finalisation Date in respect of the Voluntary Repurchase expected to be on Monday, 8 April

Finalisation Date announcement in respect of the Voluntary Monday, 8 April

Repurchase expected to be released on SENS by no later than 11:00 on

Expected last day to trade in order to be recorded on the Register in order to be eligible to participate in the Voluntary Repurchase	Monday, 15 April
Suspension of listing of Preference Shares (in the event that all of the Preference Shares are repurchased by African Phoenix) on the JSE expected to take place at the commencement of trade on	Tuesday, 16 April
Forms of Election, Surrender and Transfer to be received by the Transfer Secretaries on or before 12:00 on	Thursday, 18 April
Voluntary Repurchase Closing Date	Thursday, 18 April
Voluntary Repurchase Record Date	Thursday, 18 April
Results of the Voluntary Repurchase published on SENS on	Thursday, 18 April
Expected date on which the Voluntary Repurchase is implemented	Tuesday, 23 April
Dematerialised Shareholders participating in the Voluntary Repurchase expected to have their accounts held at their CSDP or Broker credited with the Voluntary Repurchase Consideration on	Tuesday, 23 April
Voluntary Repurchase Consideration expected to be paid/posted to Certificated Shareholders participating in the Voluntary Repurchase (provided their Forms of Election, Surrender and Transfer and Documents of Title are received on or prior to 12:00 on the Voluntary Repurchase Closing Date)	Tuesday, 23 April
Termination of listing of the Preference Shares (in the event that all of the Preference Shares are repurchased by African Phoenix) on the JSE expected to take place on the commencement of trade on or about	Wednesday, 24 April

Notes:

1. All of the above dates and times are subject to change. The dates have been determined based on certain assumptions including that no court approval or review of the special resolution approving the implementation of the Scheme Repurchase or the Voluntary Repurchase will be required. Shareholders will be notified of any amendments to these salient dates and times on SENS.
 2. Shareholders should note that as transactions in Shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three Business Days after such trade. Therefore, persons who acquire Shares after the last day to trade in order to be recorded in the Register to be eligible to vote at the General Meeting, namely, Tuesday, 12 March 2019 will not be able to vote thereat, but may, nevertheless, provided the Scheme Repurchase or the Voluntary Repurchase is adopted and they acquire the Preference Shares on or prior to the Scheme Repurchase or Voluntary Repurchase last day to trade in order to participate in the Scheme Repurchase or Voluntary Repurchase, expected to be Monday, 15 April 2019 in respect of the Scheme Repurchase or Monday, 15 April 2019 in respect of the Voluntary Repurchase.
 3. Ordinary Shareholders may not dematerialise or rematerialise their Ordinary Shares from Tuesday, 16 April 2019 to Thursday, 19 April 2019, both days inclusive.
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- Preference Shareholders may not dematerialise or rematerialise their Preference Shares after the last day to trade.
4. A Shareholder may submit a Form of Proxy at any time before the commencement of the General Meeting (or any adjournment of the General Meeting) or hand it to the chairman of the General Meeting before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment of the General Meeting), provided that should a Shareholder lodge a Form of Proxy with the Transfer Secretaries less than 48 hours before the General Meeting, a Shareholder will also be required to furnish a copy of such Form of Proxy to the chairman of the General Meeting before the appointed proxy exercises any of such Shareholder's rights at the General Meeting (or any adjournment of the General Meeting).
 5. If the General Meeting is adjourned or postponed, Forms of Proxy submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement.
 6. The FTSE reclassification of the Company is based on, *inter alia*, the Company's revenue streams and is expected to occur, in accordance with the FTSE review cycle. Shareholders will be apprised of developments in this regard through SENS.
 7. To the extent that the Preference Shares are not all repurchased, either in terms of the Scheme Repurchase or the Voluntary Repurchase, such Preference Shares will remain listed on the JSE under the hybrid instrument code "AXLP" and ISIN ZAE000221388.
 8. All times indicated above are South African standard times.
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11. WITHDRAWAL OF CAUTIONARY

Shareholders are referred to the 'Voluntary Transaction and Cautionary Announcement' released on SENS on 7 September 2018, and the subsequent renewal of cautionary announcements, the last of which was dated 18 January 2019, and are hereby advised that further to the details contained in this announcement, caution is no longer required to be exercised by Shareholders when dealing in the Company's securities.

12. SHAREHOLDER CONFERENCE CALL

Shareholders are advised that the Company has today made available an investor presentation in relation to the Proposed Transactions ("**Presentation**"), which can be accessed at www.phoenixinvestments.co.za. Shareholders are also invited to register for a conference call during which Siya Nhlumayo, African Phoenix CEO and Shafiek Rawoot, African Phoenix CFO, will take participants through the Presentation. Details of the conference call are:

Date	Monday, 18 February 2019
Time	15:00 SAST/CAT
Web pre-registration	Interested parties are requested to pre-register for this conference call at http://www.diamondpass.net/2110410 and follow the instructions provided.

The website also contains Frequently Asked Questions (FAQs) for further information.

13. DISCLAIMER

13.1. The information contained in this announcement:

13.1.1. is not for publication, distribution or release, in whole or in part, directly or indirectly, in or into any jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction;

13.1.2. does not constitute or form a part of any offer or an invitation or solicitation or advertisement to purchase and/or subscribe for securities in South Africa, including an offer to the public for the sale of, or subscription for, or an invitation or the solicitation of an offer to buy and/or subscribe for, securities as defined in the Companies Act or otherwise and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public as contemplated in the Companies Act. Accordingly, the information contained in this voluntary transaction and cautionary announcement does not, nor does it intend to, constitute a "registered prospectus", as contemplated by the Companies Act and no prospectus has been, or will be, filed with the South African Companies and Intellectual Property Commission in relation to the Proposed Transactions; and

13.1.3. may include forward-looking statements about African Phoenix, its prospects and/or the Proposed Transactions, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company, its subsidiaries or affiliates and the Proposed Transactions, including, among other things, the development of African Phoenix's strategy. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No representation or warranty is made that any forward-looking statement will come to pass and, in particular, no representation or warranty is made that the Proposed Transactions will be implemented (either wholly or in part). No one undertakes to publicly update or revise any such forward-looking statement. The information contained in this voluntary transaction and cautionary announcement is provided as at the date of this voluntary transaction and cautionary announcement and is subject to change without notice. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or any change in events, conditions or circumstances on which any of such statements are based.

Johannesburg
18 February 2019

Financial advisor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

Legal advisor

Webber Wentzel

Independent Expert

Ernst & Young Advisory Services Proprietary Limited

Sponsor

Merchantec Capital