

Sedibelo Resources Ltd. Announces Successful Capital Raise

St. Peter Port, 20 January 2025, Sedibelo Resources Ltd. (the “Company”) announces the successful completion of a capital raise of at least US\$19 million, constituted by way of a US\$9 million senior secured debt facility agreement (the “Debt Raise”), and the issue of US\$10 million of equity in the form of new ordinary Company shares (the “Equity Raise”, and together with the Debt Raise, the “Capital Raise”).

A further US\$1 million of equity could be subscribed to by existing shareholders, some of which is subject to receiving South African Reserve Bank approval in respect of South African participants. This further equity subscription would increase the total Equity Raise to US\$11 million and the total Capital raise to US\$20 million.

The Capital Raise proceeds will be used for general working capital requirements and to progress the development of the Company and its subsidiaries (the “Sedibelo Group”).

The Capital Raise proceeds have been fully received by the Company.

The Equity Raise

The Equity Raise was subscribed to by certain existing and new shareholders of the Company residing outside of Canada by means of a private placement. The Equity Raise was executed at a price of US\$0.00323 per company ordinary share (the “Subscription Price”), valuing the Company (pre-raise) at US\$10 million. Equity Raise participants have been granted underwriter options to subscribe to further Company shares at the Subscription Price, on the basis of one Option issued for each Share subscribed to. The pricing of the Equity Raise was determined following a series of consultations with the Company’s major shareholders.

The Debt Raise

A Senior Secured loan agreement has been entered into among Orion Blue Crane LLC (“Orion”), Pallinghurst PGM Ltd (“PPGM”), and IDC as lenders, the Company’s wholly owned operating subsidiary Pilanesberg Platinum Mines Ltd. (“PPM”) as Borrower, and the Company and other entities of the Sedibelo Group as Guarantors (“Facility C”). Orion has committed US\$8 million and PPGM US\$1 million as US\$ Tranche Loans under Facility C, which have been drawn down by PPM. Each of the US\$ Tranche Lenders have been granted lenders’ options to subscribe to Sedibelo shares at the Subscription Price for up to 50% of the amount of their loans drawn down under Facility C. Facility C US\$ Tranche Loans have an annual interest rate of SOFR plus 13%, capped at 18%, with all interest and principal being due at the end of the 2-year Facility C term.

IDC's Participation

The Industrial Development Corporation of South Africa (the "IDC"), as both a shareholder and lender to the Company has given its support to the Capital Raise by agreeing to convert the R200 million principal amount outstanding under the existing Facility B secured facility as follows:

- (i) ZAR50 million shall be converted into Company ordinary shares at the Subscription Price, such conversion being conditional on the IDC receiving South African Reserve Bank approval therefore, and
- (ii) the remaining ZAR150 million of principal under Facility B and any accrued interest on Facility B will be rolled over into Facility C as a Facility C ZAR Tranche loan which will bear an annual interest rate of JIBAR plus 13%, capped at 21%, with all principal and interest thereon to be repaid at the end of the 2-year term of Facility C.

Bakgatla Ba Kgafela Participation

The Company's largest shareholder prior to the Capital Raise, the Bakgatla Ba Kgafela community (the "BBK") has been granted options (the "BBK Options") by the Company to subscribe for up to US\$3 million in Company shares at the Subscription Price for a period of one year, and the right to receive further options to subscribe for further Company shares, during a second one year period, at the Subscription Price in the number of options exercised during the first one year option period.

Forbearance and Intercreditor Agreement

The IDC, Orion and other entities of the Orion group which are parties to the Stream Agreements with the Company, have entered into an Amendment, Waiver and Forbearance Agreement with the Company and PPM in relation to the Sedibelo Group's senior secured financing and Stream agreements, covering past and future potential events of default, and during the 2-year term of Facility C.

Furthermore, the Intercreditor Agreement entered into on 15 July 2022 among entities of the Orion Group, IDC, PPM, the Company and other entities of the Sedibelo Group, has been amended further to a Revised and Restated Intercreditor Agreement, providing for, inter alia, the senior ranking of Facility C Lenders above all other secured creditors of the Sedibelo Group for so long as any amounts remain outstanding under Facility C.

Bridge Loan

In order for the Company to meet its short-term payment obligations, in December 2024, PPGM entered into an unsecured Loan Agreement with the Company for an amount of US\$2 million, the repayment of which will be made by way of offset against PPGM's equity subscription under its Equity Subscription Agreement.

Related Party Transaction

The Capital Raise, IDC Transactions, the entering into of the Amendment, Waiver and Forbearance Agreement and the Revised and Restated Intercreditor Agreement, the issuance of the BBK Options and certain underwriter options, and the entering into of the Bridge Loan (collectively, the "Transactions") constitute a "related party transaction" pursuant to Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The Company is relying on exemptions from the formal valuation requirement of MI 61-101, pursuant to the exemption provided under Section 5.5(b) of MI 61-101, as the Company is not listed on a market specified in that section, and is further exempt from the minority approval requirement of MI 61-101, pursuant to the "financial hardship" exemption provided under Section 5.7(1)(e) of MI 61-101, which provides that a related party transaction is exempt from the minority shareholder approval requirements if the issuer is in serious financial difficulty, the transaction is designed to improve the financial position of the company (among other criteria) and there is no other requirement to hold a meeting of shareholders to approve the transaction.

Further Fundraising

The Company is considering further fundraising which may include additional offers of shares at the Subscription Price to Company shareholders that have not been party to the Equity Raise. More information in this respect will be provided to shareholders.

Approvals and Governance

The Company's Board of Directors has unanimously approved the Capital Raise as well as the associated agreements. As part of the deliberations in respect of the Transactions, the Board of Directors of the Company considered the financial position of the Company and the objectives of the proposed Transactions, and the criteria and conditions with respect to the financial hardship exemptions described above, including the fact that there is no requirement, corporate or otherwise, to hold a meeting to obtain any approval of the holders of ordinary shares of the Company for the Transactions.

Appointments

Kgosi John Molefe Pilane and Mr Mark Makhubalo have joined the Company's Board of Directors. Both were nominated by the Traditional Council of the Bakgatla Ba Kgafela Community.

The Company's Executive Chairman, Erich Clarke has relinquished his Chairmanship. In line with good corporate governance principles, the Board of Directors has decided to terminate the position of Executive Chairman, and instead appoint a Non-Executive Chairman. The directors all thanked Mr Clarke for his service as Executive Chairman. Mr Clarke will continue to serve the Company as an Executive Director.

The Board of Directors unanimously appointed Mr. Arne Højriis Frandsen as the Company's Non-Executive Chairman of its Board of Directors. This appointment is with immediate effect.

The Company has appointed Mr Victor Ndlovu as Chief Operating Officer. Since 2021, Mr Ndlovu has held the position of General Manager within the Company. He has more than 25 years of relevant experience, having spent most of that time with Lonmin PLC. He has extensive experience in underground operations.

Contact

All enquiries should be addressed to Mr Erich Clarke at eclarke@sedibeloresources.com.

Disclaimer

Certain information contained in this news release constitutes forward-looking information under applicable Canadian securities legislation. The forward-looking information in this news release includes, but is not limited to, statements regarding: the expected uses of proceeds of the Capital Raise and future capital raising initiatives. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate" or "believes" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking information by its nature is based on assumptions and involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. These factors include, but are not limited to, events generally impacting global economic, financial, political and social stability.

Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of these factors are beyond the Company's control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward-looking statements or information as a result of new information or events after the date hereof except as may be required by law. All forward-looking information made herein is expressly qualified by this cautionary statement.