

OAKBAY LISTS TOP SA URANIUM MINE

Nov 28,2014: Oakbay Resources and Energy Limited (“Oakbay”), which owns the only dedicated uranium mine in South Africa, debuted today on the JSE in the General Mining sector. The company’s Shiva Uranium mine (“Shiva”) boasts the largest uranium ore body in South Africa and one of the top five in the world. It is well-positioned to benefit from fast rising uranium demand, which outstrips current supply.

Oakbay owns 74% of Shiva, mining gold in addition to uranium in the Hartbeesfontein District in the North West. The company acquired Shiva from Uranium One in 2010 when the mine was under a two-year state of ‘care and maintenance’ following the commodities downturn. Shiva has two new order mining rights valid for 30 years each with an option to renew.

CEO George van der Merwe, says this is the opportune time to list given the strong global uranium market and Shiva’s turnaround under Oakbay. “Demand for uranium is generally driven by nuclear power plants. With 439 in operation worldwide, 62 under construction and 465 more in planning, the market is wide.” Further, current uranium production lags consumption (190 million pounds pa) by 50 million pounds.

Shiva first produced uranium under Oakbay’s guidance in 2011. It has since produced only gold while the underground uranium mine is being developed. The onsite uranium plant is the only one in South Africa using pressure leaching, which scores uranium yields of up to 92% or 30% higher than traditional leaching methods.

Oakbay has refurbished the three underground shafts, developed an open pit gold mine, produced 62 Koz of gold, upgraded and recommissioned the uranium plant and significantly cut operational costs in four years.

Shiva also has an exceptional safety record under Oakbay. “The mine has been fatality-free since acquisition and has surpassed 4,5 million fatality free man hours,” says van der Merwe. He adds that there has been zero incident of labour unrest under Oakbay’s leadership, “with Shiva the only gold mine in South Africa with this record.”

Looking ahead he says Shiva is being positioned to reach maximum annual production of 1 100 tons of uranium, “the equivalent of one year’s consumption of a mid-size nuclear reactor”. In order to achieve this, the company will need around R800 million over the next five years. Oakbay Resources has not gone to market to raise capital ahead of its listing, but has commissioned a bankable feasibility study to underpin a future capital raising. The majority shareholder, Oakbay Investments, has indicated a long-term investment with a willingness to dilute rather than sell off any of its shareholding to new investors.

Van der Merwe says the listing is a first step in educating local investors about the largely unknown commodity in South Africa. “Uranium is a highly valued commodity in countries such as Canada, France and Australia, where it is a high volume resource

mined historically. However, in South Africa we will be the first mine to produce uranium in the projected quantities.”

Oakbay Chair Atul Gupta adds: “The listing of Oakbay Resources is the culmination of four years’ hard work and investment in its uranium asset, Shiva. It is also a further step in the wider Oakbay group’s strategy to create 100 000 new jobs in South Africa.” Oakbay has employed around 800 new people at Shiva since its acquisition to take total employees to over 1 000. The company is looking to employ around another 2000 employees in the years ahead as Oakbay expands.

He concludes: “Oakbay is offering a transparent, regulated and affordable grassroots opportunity for prudent investors who understand the long-term growth potential in uranium.”

Through Oakbay’s B-BBEE partner in Shiva, the mine meets the Mining Charter and statutory requirements. Shiva’s management boast at least 30 years’ experience apiece. The board comprises seasoned businesspeople and professionals with board expertise and includes three independent directors.

Ends.

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Share code: ORL
JSE sector: General Mining
ISIN: ZAE000196085

Issue date: 28 November 2014