

MIDDLE EAST DIAMOND RESOURCES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2001/006539/06)
(Share Code: MED ISIN Code: ZAE000211876)
("MEDR" or "the company")

Proposed acquisition of Stepford gold deposit and cautionary announcement

1. Introduction

Shareholders are advised that MEDR entered into a Heads of Agreement on 9 November 2020 with Stepford Company Limited ("Stepford") ,a company incorporated in Ghana to acquire 50% of the issued shares of and claims in Stepford from the shareholders of Stepford with effect from the date that all conditions precedent below have been met ("the Transaction").

2. Rationale

MEDR has widened the search for suitable assets to acquire to include the rest of Africa and in particular has focussed on the acquisition of gold and copper assets in Africa.

MEDR announced the acquisition of Casa Mining Limited ("Casa") on 9 November 2020 which owns a sizeable gold asset in the DRC with 3 million ounce JORC Inferred Resource, which is currently being converted to a SAMREC defined resource.

Geochemical sampling in the area held by Stepford indicates the potential for a large gold resource over an area of approximately 3km². The licence area is adjacent to the Newmont Ahafo mine which produces approximately 650 000 ounces per annum from a Proven and Probable Reserve base of nearly 10m ounces.

It is anticipated that the Stepford Prospecting licence will be converted to a Mining Licence by April 2022.

3. Salient terms of the Transaction

Stepford owns the Prospecting Licence on 101.22 km² of ground in the Asutifi district of the Brong Ahafo region of Ghana. . The purchase price is \$200 000 payable in cash. MEDR will manage and fund the exploration programme via a loan account of \$3 million.

4. Conditions precedent

The Transaction is subject to entering in formal agreements.

5. Categorisation of Transaction

The Transaction is a category 2 transaction and does not require shareholders' approval.

6. Financial information and cautionary announcement

The financial information relating to the Transaction will be available in due course. Accordingly Shareholders are advised to exercising caution when dealing in the company's shares until the financial information is released.

10 November 2020
Sandton

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