

# CAPMED HOLDINGS LIMITED

## SHAREHOLDER UPDATE – APRIL 2016

### INTRODUCTION

*CAPMED Holdings Limited (“CAPMED”) is a business engaged in the provision of health care insurance and related services.*

Great strides have been made towards the realization of the CAPMED vision and business model.

Ground-breaking agreements between CAPMED and several companies, organizations and groups have been concluded and will provide the financial foundation for the rollout of the strategy, which will culminate in one of the largest Public Private Partnership of its kind on the African continent.

#### SOUTH-AFRICA:

CAPMED has signed a Joint Venture agreement with a well known local listed company. This JV concept is set to revolutionise a certain industry within the South African marketplace. A substantial investment into the scheme has been concluded by an outside party with whom CAPMED will pursue a local JSE listing later during the year. This enterprise will be spearheaded by the listed company as the financial partners.

There are two BEE groups poised to purchase 26% of CAPMED Holdings to achieve the necessary BEE incorporation. The BEE partner will purchase these shares from the non-issued CAPMED share block, thereby capitalizing CAPMED with a substantial amount.

An alliance between a local religious foundation will enable CAPMED to provide affordable funeral (and later medical) insurance to upwards of 3 million people.

CAPMED management is currently busy with negotiation with two International Investment Companies regarding investment in the CAPMED business model.

#### DEMOCRATIC REPUBLIC OF CONGO:

The Government of the Democratic Republic of Congo (“DRC”) has entered into an indefinite period contract with CAPMED to implement a medical insurance scheme for all public sector employees. The Minister of Health has guaranteed to enrol at least 1.2 million civil servants in the scheme. The overall agreement includes a health insurance scheme, provision of medicine, upgrading and establishing clinics, training of medical staff and a medical evacuation scheme. The scope of the Agreement has been independently calculated at USD 3.6 billion.

The funding for the rollout and implementation is by way of a decree signed by the DRC government, whereby diamond and gold mining concessions will be strategically exploited. In addition, CAPMED has acquired diamond mining concessions in the Democratic Republic of Congo with a conservative value of USD 27 billion, based on a yield of 138.4 million carats.

Funding to begin the DRC activities is underway. This embraces the development of the mine and the rollout of the health system as envisaged. Apart from the commercial potential of the project, there are ample opportunities for post-conflict humanitarian intervention, reconstruction and development.

Illicit rough diamonds have been the source of so much mayhem as they have served as a lucrative source of funding for groups perpetuating the conflict in central Africa. This project provides the opportunity for a reversal of fortunes: The mining concessions in the DRC will be used to fund the reconstruction and revival of the healthcare sector.

More than half the population of the DRC lives below the poverty line, with waterborne diseases and malaria accounting for much of the disease burden of the country. The endless wars have left the country without a healthcare infrastructure to attend to even the most basic of diseases.

This project will bring hope and healthcare to a population of 75 million and contribute to the reconstruction strategy. DRC is a strategic country for South Africa as it is bordered by nine countries, presenting the largest market for South African products and services in sub-Saharan Africa.

An upgraded healthcare system facilitates increased trade and investment opportunities for South African companies.

The strategy of CAPMED is broadly as follows:

- Transfer the mining assets into a separate entity, CAPMED Mineral Holdings (“CAPMIN”).
- Seek a listing for CAPMIN on the AIM of the London Stock Exchange during 2016
- Raise capital through the listing to operate the mining business completely separate from the core medical business of CAPMED.

AIM listing is the London Stock Exchange’s international market for smaller growing companies and provides a flexible and highly accessible environment for companies not based in the UK. CAPMED will join a wide range of companies in seeking access to capital. This will significantly raise the profile of the company among investors and the media. The admission process is simple and allows smaller companies to experience life as a public company.

The mining concessions will be paid for by effectively issuing shares to existing CAPMED shareholders in the new mining entity on a one for one basis and a cash payment of USD 20 million to CAPMED. This cash injection will enable CAPMED to commence with the medical contract in the DRC.

CAPMED has identified mining specialists to operate and manage the mining so that the focus on the medical business will not be diluted and are busy negotiating various off take agreements with International Commodity Companies regarding the production of the mining operations.