

Sable Exploration and Mining Limited
(previously known as Middle East Diamond Resources Limited)
(Incorporated in the Republic of South Africa)
(Registration number: 2001/006539/06)
(Share Code: SXM ISIN Code: ZAE000303319)
("SEAM" or "the company")

Firm intention to make a mandatory offer to SEAM shareholders by PBNJ Trading and Consulting (Pty) Limited

1. INTRODUCTION

- 1.1 Shareholders are advised that SEAM has been advised by PBNJ Trading and Consulting (Pty) Limited (the "Purchaser" or "PBNJ") that it has acquired 1,672,792 SEAM shares, representing 38.4% of the Company's issued ordinary share capital at a price of 100 cents per share ("the Acquisition") by way of on and off market transactions in the last few days (the "Acquisition Transaction")
- 1.2 The Acquisition constitutes more than 35% of the entire issued share capital of the Company and therefore the Purchaser is required to make a mandatory offer to all remaining shareholders of the Company ("Mandatory Offer").
- 1.5 Accordingly, the terms of the Mandatory Offer that will be made to shareholders of SEAM are set out in this firm intention announcement ("Announcement")
- 1.6 At the close of business on 7 December 2022, PBNJ held no shares in the issued ordinary share capital of SEAM. The transfer of the 1,672,792 issued ordinary shares in SEAM is in progress.
- 1.7 The Mandatory Offer is an affected transaction in terms of section 117 of the Companies Act, No. 71 of 2008 ("the Companies Act"). Therefore, the Mandatory Offer will be regulated by the Companies Act, the Companies Regulations, 2011, promulgated in terms of the Companies Act ("Regulations") and the Takeover Regulation Panel ("TRP").
- 1.8 The purpose of this firm intention announcement is to advise SEAM shareholders of the Mandatory Offer, the identity of the offeror and the terms of such offer as required in terms of section 123 of the Companies Act, read with Regulation 101.

2. THE MANDATORY OFFER

The Mandatory Offer will be made in terms of section 123 of the Companies Act and Regulation 86. The terms of the Mandatory Offer to be made by PBNJ to all the SEAM shareholders are detailed below.

3. TERMS OF THE MANDATORY OFFER

3.1 PBNJ intends making an offer to acquire all the remaining ordinary shares in SEAM not already held by it, for an offer consideration equal to 100 cents per SEAM share ("Mandatory Offer Consideration"). SEAM shareholders may elect to accept the Mandatory Offer in whole or part.

3.2 The Mandatory Offer will be governed by and construed in accordance with the laws of South Africa and shall be subject to the exclusive jurisdiction of the South African courts.

3.3 The Mandatory Offer does not constitute an offer to purchase or the solicitation of an offer to sell any SEAM shares in any jurisdiction in which such Mandatory Offer, solicitation or sale would be unlawful prior to the registration or qualification under the laws of such jurisdiction.

4. NO SET-OFF OF MANDATORY OFFER CONSIDERATION

Settlement of the Mandatory Offer Consideration pursuant to the Mandatory Offer will be implemented in full in accordance with the terms of the Mandatory Offer without regard to any lien, right of set-off, counterclaim, deduction, withholding or other analogous right to which PBNJ may otherwise be, or claim to be, entitled against any SEAM shareholder.

5. CONDITIONS PRECEDENT TO THE MANDATORY OFFER

The implementation of the Mandatory Offer will be subject to the TRP approving the Mandatory Offer circular and having issued a compliance certificate in respect of the Mandatory Offer in terms of section 119(4)(b) of the Companies Act.

6. CASH CONFIRMATION

The TRP has received, from Mervyn Taback Incorporated, written confirmation in terms of Regulation 111(4) and (5) that PBNJ has sufficient cash resources available to meet its cash commitments to SEAM shareholders in relation to the Mandatory Offer.

7. POSTING OF THE CIRCULAR

A Mandatory Offer circular is being prepared and it is anticipated that the Mandatory Offer circular will be mailed to shareholders in due course and in any event within 20 business days from the date of this Announcement, as specified in the Regulations.

The salient dates in relation to the Mandatory Offer will be published on SENS prior to the issuing of the aforementioned Mandatory Offer circular.

8. ARRANGEMENT, AGREEMENTS AND UNDERTAKINGS

8.1 No beneficial shareholders of PBNJ indirectly or directly hold any of the ordinary shares in SEAM save for the 1 672 792 shares mentioned in paragraph 1.1 above.

8.2 There are no arrangements, agreements or undertakings between PBNJ, SEAM, and any director of SEAM or any person who was a director of SEAM in the previous 12 months, or any shareholder of SEAM or any person who was a shareholder of SEAM in the previous 12 months, that is material to the Mandatory Offer.

9. OPINIONS AND RECOMMENDATIONS

As required in terms of the Companies Act and the Regulations, SEAM has constituted an independent board, comprising of Eshaan Singh, Mohamed Tinawi and Mohamad Mojarekesh (“the SEAM Independent Board”). The SEAM Independent Board will appoint an independent expert to provide the SEAM Independent Board with external advice in regard the Mandatory Offer and to make appropriate recommendations to the SEAM Independent Board for the benefit of SEAM shareholders.

10. DIRECTORS RESPONSIBILITY STATEMENT

10.1 PBNJ, insofar as the information in this Announcement relates to PBNJ:

- accepts full responsibility for the accuracy of the information contained in this Announcement;
- confirms that, to the best of its knowledge and belief, the information in this Announcement is true and correct; and
- confirms that this Announcement does not omit anything likely to affect the importance of the information disclosed.

10.2 The SEAM Independent Board and the Board, insofar as the information in this Announcement relates to SEAM:

- accepts full responsibility for the accuracy of the information contained in this Announcement;
- confirms that, to the best of its knowledge and belief, the information contained in this Announcement is true and correct; and
- confirms that this Announcement does not omit anything likely to affect the importance of the information disclosed.

8 December 2022
Sandton

Designated Advisor
Exchange Sponsors