

## SABLE METALS AND MINERALS LIMITED

(formerly Sable Platinum Limited)

(Incorporated in the Republic of South Africa)

(Registration number: 2001/006539/06)

JSE share code: SMM ISIN: ZAE000185674

("Sable" or "the company")



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### SPECIFIC ISSUE OF SHARES FOR CASH AND CAUTIONARY ANNOUNCEMENT

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#### 1. Specific issue of shares for cash

Shareholders are advised that Sable has concluded a funding arrangement on 31 May 2014 with one of its non-executive directors, Botha Schabort, who may assign such benefits to a nominee of his choosing.

In terms of this arrangement R10 million is payable in tranches over the course of the next four months. In return, and subject to what follows below, Mr Schabort will receive ordinary shares in Sable at the lesser of 54.09529 cents per share or at a 10% discount to the 30 day VWAP on the day the funds are received.

In addition and upon receipt of the initial tranche of R1.5 million (already paid) he will be entitled to a commission of 2% on the gross proceeds received by Sable (or its subsidiaries) ("**the group**") on ore to be sold by it.

This commission shall increase pro-rata to the additional tranches received to a maximum aggregate commission of 5%.

Mr Schabort also has the right to a like commission on any ore body sold by the group or on the sale of any mineral right held by it.

Sable has the right exercisable entirely at its discretion but on prior notice to Mr Schabort to raise alternate capital and elect not to receive any further financing from him. Mr Schabort in turn has the right to accelerate his investment prior to receipt of this notice.

Presuming that the entire subscription of R10 million has been made by Mr Schabort, if the group has not been granted a mining right and concluded an offtake agreement for the sale of a minimum of 50 000 tonnes of ore per month, which ore is to be supplied from the property holding the mining right:

- within a period of two and a half years from the date of first payment, a penalty of R2.5 million will accrue to Mr Schabort which amount shall be credited to his loan account;
- within a period of two years and nine months from the date of first payment, a further penalty of R2.5 million shall be credited to his loan account;
- within a period of three years from the date of first payment, a further penalty of R5 million will accrue which amount shall also be credited to his loan account.

In the event that Sable has exercised its right to seek alternate funding, thereby precluding any further subscription for shares by Mr Schabort the above penalties shall be pro-rated to the actual investment made by him.

This agreement is subject to approval by shareholders in a general meeting and all regulatory approvals being obtained by Sable. A circular to shareholders is currently being prepared. Shareholders, independent of the transaction, holding 122 214 824 shares representing 84% of the shares eligible to vote have given an irrevocable undertaking to approve the transaction.

2. **Financial effects of the specific repurchase and cautionary**

The financial effects of the specific issue are in the process of being finalised and will be published in due course. Sable shareholders are advised to continue to exercise caution when dealing in their Sable shares until the financial effects of the specific issue are announced.

3. **Salient dates and times for the specific repurchase, further documentation and implementation**

A further announcement containing salient dates and times will be published and a circular containing details of the specific issue and convening a general meeting will be posted to Sable shareholders in due course.

4 June 2014

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Sponsor

The logo for Java Capital, featuring the word "JAVACAPITAL" in a sans-serif font. The letter "J" is significantly larger and stylized, with a blue swoosh that extends from its top and curves under the "A".