

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this circular apply to this circular, including this cover page.

If you are in any doubt as to what action to take in relation to this circular, please consult your CSDP, stockbroker, banker or other professional adviser immediately.

Action required

1. This circular is important and should be read with particular attention to page 3 entitled "Action required" which sets out the action required of them with regard to this circular.
2. If you have disposed of all your shares in Sable, please forward this circular to the purchaser of such shares or to the CSDP, broker, banker or other agent through whom the disposal was effected.



Sable Metals and Minerals Limited

(formerly Sable Platinum Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2001/006539/06)
(JSE code: SABLE ISIN: ZAE000185674)
("Sable" or "the company")

CIRCULAR TO SABLE SHAREHOLDERS

Regarding:

- a specific issue of 200 000 000 shares by Sable for cash at 4 cents per share, resulting in an affected transaction as defined by the Act, triggering a mandatory offer to all shareholders;
- a waiver of such offer by shareholders;
- the restructuring of the group and the release of the escrow shares;
- an amendment to the Sable Performance Share Rights Scheme;
- a scheme of arrangement in terms of section 114 of the Act proposed by the independent board of Sable between Sable and two of its subsidiaries, SPH and SPM, and their respective shareholders;
- a disposal of a loan claim to a related party, subject to the right of all Sable shareholders to claw back their *pro rata* portions of the loan;
- a disposal of shares in the Project Companies by a subsidiary, SPM, in terms of section 112 of the Act;
- a change of name;

and incorporating:

- independent expert opinion on the fairness and reasonableness of the waiver of the mandatory offer, the scheme and the disposal, and the fairness of the disposal of a loan claim to a related party;
- the scheme;
- an executive summary of the CPR;
- a notice convening a general meeting of the shareholders of the company; and
- a form of proxy for use by certificated and "own name" dematerialised shareholders only.

Sponsor and corporate adviser



Reporting accountants to Sable



Attorneys

David Levithan
Attorney

**Independent expert re
waiver of mandatory offer**



**Independent expert re scheme,
disposal of loan and the disposal**



**Competent Person's Report
re the disposal**



Date of issue: 21 December 2015

This circular is available in English only and copies thereof may be obtained from the offices of the company and the sponsor at the addresses reflected on the Corporate Information page of this circular.

CORPORATE INFORMATION

Registered office for Sable group

Block A
Kingsley Office Park
85 Protea Road
Chistlehurst
Sandton, 2196
(PO Box 411130, Craighall, 2024)
Telephone: (011) 326 5630
Facsimile: (011) 326 5625

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)
Telephone: (011) 370 5000
Facsimile: (011) 688 5210

Reporting accountants to Sable

Grant Thornton Johannesburg
(Practice number 903485E)
Wanderers Office Park
52 Corlett Drive, Illovo
Johannesburg, 2196
(Private Bag X28, Benmore, 2010)
Telephone: (010) 590 7200
Facsimile: (010) 590 7201

Independent expert re-waiver of offer, scheme, disposal of loan and the disposal

Effortless Corporate Finance Proprietary Limited
(Registration number 2010/004734/07)
23 Nicholi Avenue
Kommetjie, 7975
Telephone: (021) 783 0171
Facsimile: 086 660 2400

Date of incorporation: 27 June 2001

Company secretary

Juba Statutory Services Proprietary Limited
(Registration number 2010/006409/07)
(represented by Sirkien van Schalkwyk)
No 1 Carlsberg
430 Nieuwenhuyzen Street
Erasmuskloof Ext 2, 0181
(PO Box 4896, Rietvalleirand, 0174)
Telephone: (012) 751 6000
Facsimile: (086) 608 3311

Sponsor and corporate adviser

Exchange Sponsors (2008) Proprietary Limited
(Registration number 2008/019553/07)
44A Boundary Road
Inanda, 2196
(PO Box 411216, Craighall, 2024)
Telephone: (011) 880 2113
Facsimile: (011) 447 4824

Attorneys

David Levithan Attorneys
5th Floor, South Wing
Hyde Park Corner
Jan Smuts Avenue
Hyde Park
(PO Box 412629, Craighall, 2024)
Telephone: (011) 325 6170
Facsimile: (011) 325 6166

Competent Person's Report re-disposal

Minxcon Proprietary Limited
(Registration number 2004/029587/07)
Coldstream Office Park
Suite 5
Coldstream Street
Little Falls
(Postnet suite 47, Private Bag X5
Strubensvalley, 1735)
Telephone: (011) 958 2899
Facsimile: 086 296 1050

Place: Johannesburg, South Africa

CONTENTS

	Page
CORPORATE INFORMATION	1
ACTION REQUIRED	3
SALIENT DATES AND TIMES	4
DEFINITIONS AND INTERPRETATIONS	6
CIRCULAR TO SABLE SHAREHOLDERS	
1. Background and rationale	12
2. The transactions	14
3. Purpose of the circular	15
4. The specific issue of shares, offer and waiver	16
5. Restructuring	20
6. Scheme of arrangement	23
7. The disposal	30
8. Name change	38
9. Share capital	39
10. Financial information	40
11. Information relating to Sable	44
12. Information relating to the directors	46
13. Applicable laws	48
14. Exchange Control Regulations	48
15. General	49
16. General meeting, irrevocable undertakings and voting rights	50
17. Documents available for inspection	50
ANNEXURES	
Annexure 1 <i>Pro forma</i> financial information of Sable	52
Annexure 2 Independent reporting accountants' report on the unaudited <i>pro forma</i> financial information in respect of the transactions	65
Annexure 3 Independent expert opinion on the fairness and reasonableness of the waiver of the mandatory offer, the scheme, the disposal of a loan to a related party and the disposal	67
Annexure 4 Historical financial information relating to the subjects of the disposal	72
Annexure 5 Independent reporting accountants' report relating to the subjects of the disposal	89
Annexure 6 Executive summary of the CPR	91
Annexure 7 Excerpts from the Act – sections 112, 115 and 164	100
Annexure 8 Trading history of Sable shares on JSE	106
Annexure 9 Corporate governance	107
Annexure 10 CVs of directors	113
Annexure 11 <i>Pro forma</i> financial information on SPM	115
Annexure 12 Independent reporting accountants' assurance report on the compilation of the <i>pro forma</i> financial information of Sable Platinum Mining Limited ("SPM" or "the company")	121
Annexure 13 Summary of mineral rights in SPH post transactions	123
NOTICE OF A GENERAL MEETING	125
FORM OF PROXY	Attached

ACTION REQUIRED

Please take careful note of the following provisions regarding the action required by Sable shareholders.

If you are in any doubt as to what action to take, please consult your CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

This circular contains information relating to the transactions. You should read this document carefully and decide how you wish to vote on the special and ordinary resolutions to be proposed at the general meeting.

The general meeting, convened in terms of the notice incorporated in this document, will be held at the offices of the company, Block A, Kingsley Office Park, 85 Protea Road, Chislehurst, Sandton at 10:00 on Monday, 25 January 2016.

If you have disposed of all your shares in Sable, please forward this circular to the purchaser of such shares or to the CSDP, broker, banker or other agent through whom the disposal was effected.

DEMATERIALIZED SHAREHOLDERS OTHER THAN WITH OWN-NAME REGISTRATION

You are entitled to attend or be represented by proxy at the general meeting. You must NOT, however, complete the attached form of proxy. You must advise your CSDP or broker timeously if you wish to attend or be represented at the general meeting.

If your CSDP or broker does not contact you, you are advised to contact your CSDP or broker and provide them with your voting instructions. If your CSDP or broker does not obtain instructions from you, they will be obliged to act in terms of the mandate entered into between yourselves.

If you wish to attend or be represented at the general meeting, your CSDP or broker will be required to issue the necessary Letter of Representation to you to enable you to attend or to be represented at the general meeting.

CERTIFICATED SHAREHOLDERS AND SHAREHOLDERS WHO HOLD SHARES IN OWN-NAME REGISTRATION IN DEMATERIALIZED FORM

You are entitled to attend or be represented by proxy at the general meeting. However, if your shares are held through a nominee or broker, you must inform that nominee or broker of your intention to attend the general meeting and obtain the necessary Letter of Representation from that nominee or broker or provide your nominee or broker with your voting instructions should you not be able to attend the general meeting in person.

If you are unable to attend the general meeting, but wish to be represented thereat, you must complete and return the attached form of proxy, in accordance with the instructions contained therein, to be received by the transfer secretaries by no later than 10:00 on Friday, 22 January 2016.

Sable does not accept any responsibility and will not be held liable for any failure on the part of the broker or CSDP (as the case may be) of a dematerialised shareholder to notify such dematerialised shareholder of the details of this circular.

DISSENTING SHAREHOLDERS' APPRAISAL RIGHTS

At any time before special resolutions numbers 3 and 4 are to be voted on at the general meeting, a shareholder may give Sable written notice objecting to any of the two or both the special resolutions.

Within 10 business days after Sable has adopted the said special resolutions, Sable must send a notice that the special resolutions had been adopted to each shareholder who gave Sable written notice of objection and has neither withdrawn that notice nor voted in favour of the special resolution concerned.

A dissenting shareholder may then demand in writing within:

- 20 business days after receipt of the notice referred to above; or
- if the dissenting shareholder does not receive the notice from Sable referred to above, 20 business days after learning that the special resolution to which he objected and against which he has voted, has been adopted,
- that Sable pay the dissenting shareholder the fair value (in terms of and subject to the requirements set out in section 164 of the Act) for all the shares held by that dissenting shareholder. A more detailed explanation of the dissenting shareholder's appraisal rights is contained in paragraphs 6 and 7 and **Annexure 7** of the circular.

SALIENT DATES AND TIMES

Action	2015
Circular posted to Sable shareholders recorded in the register at the close of business on Friday, 12 December	Monday, 21 December
Announcement relating to the issue of the circular and the notice of general meeting released on SENS on (including the proposed name change)	Monday, 21 December
Announcement relating to the issue of the circular and the notice of general meeting released in the press on (including the proposed name change)	Monday, 21 December
Last date for representations to the TRP re-exemption from waiver	Thursday, 31 December

	2016
Last date to trade in order to be eligible to vote at the general meeting	Friday, 8 January
Record date to be eligible to vote at the general meeting	Friday, 15 January
Last date for receipt of forms of proxy for the general meeting by 10:00 on	Friday, 22 January
Dissenting shareholder wishing to exercise his appraisal rights, notifies the company of his objection by 10:00 on	Monday, 25 January
General meeting to be held at 10:00 on	Monday, 25 January
Results of the general meeting released on SENS on	Monday, 25 January
Finalisation date regarding name change	Friday, 12 February
Last day to trade regarding name change	Friday, 19 February
Change of name effective from commencement of trading under the JSE code: MED and ISIN: ZAE000211876 on	Monday, 22 February
List and trade new shares in the new name from commencement of trading on	Monday, 22 February
Record date regarding name change	Friday, 26 February
Issue to certificated shareholders of new share certificates, posting of share certificates to those shareholders who have submitted their share certificates and surrender forms on or before 12:00 on the record date. Share certificates and surrender forms received after 12:00 on the record date will have their new certificates posted within five days of receipt of surrender. The accounts of dematerialised shareholders at CSDP's and brokers will be updated on	Monday, 29 February

Timetable if the scheme is approved by shareholders (the following dates will be confirmed in the finalisation announcement)

	2016
Last day for a dissenting shareholder to require Sable to apply to court for approval of the scheme or the disposal (as the case may be) in terms of section 115(3)(a) of the Act on	Monday, 1 February
Last day for a dissenting shareholder to apply to court for leave to apply for review of the scheme or disposal (as the case may be) in terms of section 115(3)(b) of the Act on	Monday, 8 February
Last day for Sable to send dissenting shareholders notices of the adoption of the scheme resolution and the disposal resolution in terms of section 164 of the Act on	Monday, 8 February
Record date to be eligible for unlisted SPM shares	Friday, 4 March
Last day for dissenting shareholders to demand that Sable acquires his/her shares at fair value, in accordance with section 164 of the Act on	Monday, 7 March
Receive compliance certificate from TRP on	Tuesday, 8 March
Expected scheme finalisation date and finalisation announcement on SENS on	Tuesday, 8 March
Expected scheme finalisation date and finalisation announcement in the press on	Tuesday, 8 March
Anticipated listing date of the subscription shares	Monday, 9 March
Anticipated date of issue of unlisted SPM shares to all shareholders of Sable excluding BLA in certificated form	Monday, 14 March

Notes:

1. All times are local times in South Africa.
2. The above dates and times are all subject to change by mutual agreement between Sable and BLA and the approval/s of the TRP and JSE. Any amendment will be released on SENS and published in the South African press.
3. Although the salient dates and times are subject to change, such statement may not be regarded as consent or dispensation for any change to the time period which may be required in terms of the Takeover Regulations, where applicable, and any such consent or dispensation must be specifically applied for and approved by the TRP.
4. Shareholders are referred to the dissenting shareholders' appraisal rights in paragraphs 6 and 7 and **Annexure 7** of the circular.
5. Should the scheme be approved, unlisted shares in SPM will be issued to shareholders in certificated form.
6. Persons who acquire shares after the voting last day to trade, will not be eligible to vote at the general meeting, but will, provided the scheme is approved and they acquired the shares on or prior to the scheme last day to trade, participate in the scheme (i.e. receive unlisted shares in SPM).
7. A shareholder may submit a proxy at any time before the commencement of the general meeting (or any adjournment thereof) or hand it to the chairman of the general meeting before the appointed proxy exercises any of the relevant shareholder's rights at the general meeting (or any adjournment thereof), provided that should such a shareholder lodge a form of proxy with the transfer secretaries less than 48 hours before the general meeting, such shareholder will also be required to furnish a copy of such form of proxy to the chairman of the general meeting before the appointed proxy exercises any of such shareholder's rights at the general meeting (or any adjournment thereof).
8. If the general meeting is adjourned or postponed, forms of proxy submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of that meeting.
9. If the scheme resolution is approved, share certificates may not be dematerialised or rematerialised after the scheme last day to trade.

DEFINITIONS AND INTERPRETATIONS

In this circular, unless the context indicates otherwise, reference to the singular shall include the plural and *vice versa*, words denoting one gender include the others, words and expressions denoting natural persons include juristic persons and associations of persons and the words and expressions in the first column have the meanings stated opposite them in the second column.

“the Act”	the Companies Act, 2008 (Act 71 of 2008), as amended;
“appraisal rights”	the rights afforded to shareholders in terms of section 164 of the Act, an extract of which is set out in Annexure 7 of this circular;
“board” or “board of directors”	the board of directors of Sable as reflected in paragraph 12.1 of the circular;
“Bridge Line”	Bridge Line Trade and Invest Proprietary Limited (registration number 2012/027630/07), a company incorporated in accordance with the laws of South Africa;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“BLA”	Broken Land Adventures Proprietary Limited (registration number 2015/201699/07), a private company incorporated in accordance with the laws of South Africa with shareholders Bonginkosi Mthetwa (51%) and Tawakkul Holdings LLC (registration number 597131), based in the United Arab Emirates (49%) whose director is Sayed Muhammed Majahidullah (passport number Z11487040), a wholly-owned subsidiary of AMA Orbit Group LLC, Dubai;
“Bushveld Minerals”	Bushveld Minerals Limited (registration number 54506), a public company incorporated in Guernsey and listed on the AIM market in London;
“Caber Trade”	Caber Trade and Invest 1 Proprietary Limited (registration number 2007/034198/07), a company incorporated in accordance with the laws of South Africa;
“certificated shareholders”	Sable shareholders who hold certificated shares;
“certificated shares”	Sable shares in respect of which physical Sable share certificates have been issued;
“cessions”	the cessions referred to in paragraph 11.6;
“the/this circular”	this circular, dated 21 December 2015, including all annexures thereto, notice of general meeting and the form of proxy;
“CIPC”	the Companies and Intellectual Property Commission established in terms of section 185 of the Act;
“common monetary area”	South Africa, the Republic of Namibia and the Kingdoms of Swaziland and Lesotho;
“Companies Regulations” or “Regulations”	the Companies Regulations 2011, promulgated in terms of section 223 of the Act and item 14 of Schedule 5 of the Act;
“conditions precedent”	the conditions precedent to which the particular transaction or action is subject;
“court”	any South African court of competent jurisdiction to approve and implement special resolutions numbers 3 and 4 set out in the notice of general meeting pursuant to section 115 of the Act and to determine the fair value of Sable shares pursuant to section 164(14) of the Act;
“Coveway”	Coveway Trade and Invest 46 Proprietary Limited (registration number 2008/004055/07), a company incorporated in accordance with the laws of South Africa;

“CPR”	Competent Persons’ Report prepared by Minxcon in terms of section 12 of the Listings Requirements and the SAMREC Code;
“CSDP”	Central Securities Depository Participant accepted as a participant in terms of the Custody and Administration of Securities Act, 1992 (Act 85 of 1992), appointed by an individual shareholder for purposes of, and in regard to the dematerialisation of documents of title for purposes of incorporation into the Strate system;
“dematerialised shareholder”	a shareholder who holds ordinary shares which have been incorporated into the Strate system and which are no longer evidenced by physical documents of title in terms of the Custody and Administration of Securities Act, 1992;
“the disposal”	the disposal of the Project Companies’ Shares by SPM as set out in more detail in paragraph 7 of this circular;
“disposal agreement”	the comprehensive agreement in respect of the disposal entered into between Sable and Lemur dated 3 November 2015, referred to in paragraph 7;
“disposal date”	the effective date of the disposal agreement;
“disposal resolution”	the special resolution to be proposed at the general meeting for the approval of the disposal, the full terms of which are set out in the notice of general meeting attached to and forming part of this circular;
“disposal signature date”	the date of signature of the disposal agreement;
“dissenting shareholders”	shareholders who have validly exercised their appraisal rights in terms of section 164 of the Act and who do not fall within the ambit of section 164(9) of the Act;
“DMR”	Department of Mineral Resources;
“Dotfull”	Dotfull Trading Proprietary Limited (registration number 2012/137587/07), a company incorporated in accordance with the laws of South Africa;
“Effortless Corporate Finance”	Effortless Corporate Finance Proprietary Limited (registration number 2010/004734/07), a private company registered and incorporated under the laws of South Africa, appointed to prepare an independent expert report for the waiver of the offer triggered by the specific issue, as well as for the scheme and the disposal;
“emigrant”	an emigrant from South Africa whose address is outside the common monetary area;
“escrow agreement”	the escrow agreement described more fully in paragraph 5.2.2 of this circular;
“escrow shares”	41 648 396 Sable shares held in escrow by Java Capital Limited in terms of the escrow agreement;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, 1933 (Act 9 of 1933), as amended;
“Familia”	Familia Asset Managers Proprietary Limited (registration number 2007/021756/07) (previously Orange Oak Investments 16 Proprietary Limited), a private company registered and incorporated under the laws of South Africa;
“Familia agreement”	the funding agreement between Sable and Familia approved by Sable shareholders on 27 October 2014;

“Fast Pace Trade”	Fast Pace Trade and Invest 32 Proprietary Limited (registration number 2010/006592/07), a company incorporated in accordance with the laws of South Africa;
“Fast Pull Trade”	Fast Pull Trade and Invest Proprietary Limited (registration number 2012/183171/07), a company incorporated in accordance with the laws of South Africa;
“finalisation date”	the date on which Sable announces that all the conditions precedent have been fulfilled or waived (as the case may be), including without limitation that the TRP has issued its compliance certificate under section 119(4)(b) or granted an exemption in terms of section 119(6) of the Act and that the specific issue and the scheme (and, if applicable, the disposal) have become unconditional and capable of implementation, which finalisation date is expected to be 2 March 2016;
“Financial Markets Act”	the Financial Markets Act, 2012 (Act No 19 of 2012), as amended;
“Gemsbok Magnetite”	Gemsbok Magnetite Proprietary Limited (registration number 2010/003736/07), a company incorporated in accordance with the laws of South Africa;
“general meeting”	the general meeting of shareholders to be held at 10:00 on Monday, 25 January 2016, convened in terms of the notice of general meeting included in this circular, at which shareholders will consider and vote on the special and ordinary resolutions necessary to approve the transactions;
“Great 1 Line Invest”	Great 1 Line Invest Proprietary Limited (registration number 2012/014324/07), a company incorporated in accordance with the laws of South Africa;
“group” or “Sable group”	Sable and its subsidiaries, all incorporated in accordance with the laws of South Africa;
“implementation date”	the date on which the specific issue and scheme (and, if applicable, the disposal) are to be implemented, which is expected to be the first business day following the scheme record date;
“independent board”	messrs, Rogers, Mostert, Mokgatlhe and Singh, being members of the Sable board who are deemed to be impartial and have no conflict of interest in relation to the specific issue, the scheme or the disposal, and accordingly are “independent” as defined under Regulation 81(j);
“independent expert”	Effortless Corporate Finance, appointed by Sable in accordance with section 114(2) of the Act to complete a report as envisaged in section 114(3) of the Act;
“Independent reporting accountants to Sable”	Grant Thornton Johannesburg (Practice number 903485E), Registered auditors, Chartered Accountants (SA);
“JSE”	the JSE Limited (registration number 2005/022939/06), a limited liability public company incorporated in accordance with the laws of South Africa which operates a securities exchange licensed in terms of the Financial Markets Act;
“the last practicable date”	the last practicable date prior to the finalisation of this circular, which date was 18 December 2015;
“Lemur”	Lemur Resources Limited (registration number ACN 147241361, a private company incorporated under the laws of Australia, a wholly-owned subsidiary of Bushveld Minerals;

“Lemur loan”	the total amount of R6 000 000 (six million Rand) lent by Lemur to Sable in terms of the Lemur loan agreement;
“Lemur loan agreement”	the loan agreement entered into between Sable and Lemur on 19 March 2015 and in terms of which Lemur advanced an amount of R2 000 000 (two million Rand) to Sable on certain terms and conditions, which loan amount was later increased to R6 000 000 (six million Rand);
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“MOI”	the Memorandum of Incorporation of Sable;
“Middlewave”	Middlewave Trade and Invest 4 Proprietary Limited (registration number 2009/015508/07), a company incorporated in accordance with the laws of South Africa;
“Minxcon”	Minxcon Proprietary Limited (registration number 2004/029587/07), a company incorporated in accordance with the laws of South Africa, trading as Minxcon Consulting, the firm appointed to prepare the CPR;
“MPRDA”	The Mineral and Petroleum Resources Development Act, No 28 of 2002;
“name change”	the proposed name change of Sable as set out in more detail in paragraph 8 of this circular;
“non-resident”	a person whose registered address is outside the common monetary area and who is not an emigrant;
“Ochre Shimmer”	Ochre Shimmer Trade and Invest 72 Proprietary Limited (registration number 2007/034218/07), a company incorporated in accordance with the laws of South Africa;
“offer”	the mandatory offer triggered by the specific issue;
“own-name registration”	shareholders who hold shares that have been dematerialised and are recorded by the CSDP on the sub-register kept by that CSDP in the name of such shareholder;
“Panel” or “TRP”	the Take-over Regulation Panel established in terms of section 196 of the Act;
“Principal Sellers”	Principal Sellers as defined in the Company’s circular to shareholders dated 11 September 2012, namely those sellers who will participate in the allotment and issue of escrow shares as set out in paragraph 5.2.2 of the circular, upon the passing of ordinary resolution number 3;
“Project Companies”	Great 1 Line Invest, Gemsbok Magnetite and Caber Trade;
“Project Companies’ Shares”	65% of the issued shares of Great 1 Line Invest, 74% of the issued shares of Gemsbok Magnetite and 100% of the issued shares of Caber Trade;
“Projects”	the projects undertaken by the Project Companies;
“Rand” or “R”	the currency of South Africa;
“restructuring”	the restructuring of the affairs of some companies in the Sable group as set out in more detail in paragraph 5 of this circular;
“retained companies”	Sable Platinum JV, Fast Pace Trade, Middlewave, Coveway, Ochre Shimmer, Rickshaw, Squirewood, Bridge Line, Saddle Paths, Fast Pull Trade, Dotfull and Writer Star;

“retained shares”	the shares in the retained companies held by SPM and to be acquired by SPH in terms of the scheme;
“Rickshaw”	Rickshaw Trade and Invest 88 Proprietary Limited (registration number 2010/019532/07), a company incorporated in accordance with the laws of South Africa;
“Roan”	Roan Platinum Proprietary Limited (registration number 2009/001901/07), a private company incorporated in accordance with the laws of South Africa, 74% of its issued shares which are being held by SPH;
“Sable” or “the company”	Sable Metals and Minerals Limited (registration number 2001/006539/06), a public company incorporated in accordance with the laws of South Africa and the shares of which are listed on the JSE;
“Sable Platinum JV”	Sable Platinum Joint Venture Proprietary Limited (registration number 2010/023845/07), a company incorporated in accordance with the laws of South Africa;
“Sable Platinum Performance Share Rights Scheme”	the share rights scheme referred to more fully in paragraph 5.2.3 of the circular;
“Saddle Paths”	Saddle Paths Props 54 Proprietary Limited (registration number 2007/010141/07), a company incorporated in accordance with the laws of South Africa;
“scheme”	the scheme of arrangement in terms of section 114 read with section 115 of the Act proposed by BLA between Sable, SPH, SPM and their respective shareholders as set out in more detail in paragraph 6 of this circular, subject to any modification or amendment made thereto with the approval of the parties thereto and the TRP;
“scheme consideration shares”	the 235 126 517 unlisted SPM shares that will be issued to scheme participants on the effective date of the scheme in certificated form, as envisaged in paragraph 6.2.7 of this circular;
“scheme effective date”	the date on which all the conditions precedent in respect of the scheme had been fulfilled;
“scheme participants”	shareholders registered as such on the scheme record date, other than dissenting shareholders;
“scheme record date”	the close of business on the first day following the scheme last day to trade, or such other day as the JSE may direct;
“scheme resolution”	the special resolution to be proposed at the general meeting for the approval of the scheme, the full terms of which are set out in the notice of general meeting attached to and forming part of this circular;
“SENS”	the Stock Exchange News Service of the JSE;
“Section 11 Approval”	the required approval of the Department Mineral Resources pursuant to the provisions of section 11 of the Mineral and Petroleum Resources Development Act 2002;
“shareholders”	holders of ordinary shares in Sable;
“share rights”	the 7 214 709 remaining share rights granted by Sable in terms of the Sable Platinum Performance Share Rights scheme, and referred to in paragraph 5.2.3 of this circular;
“South Africa”	the Republic of South Africa;

“Southern Africa”	for purposes of this circular, South Africa, Zimbabwe, Swaziland, Botswana, Mozambique, Lesotho, Namibia and Angola;
“Sponsor”	Exchange Sponsors (2008) Proprietary Limited (registration number 2008/019553/07), a private company incorporated in accordance with the laws of South Africa, a Sponsor as contemplated in the Listings Requirements and the sponsor of Sable;
“specific issue”	the issue of 200 000 000 shares by Sable to BLA or its nominee at four cents per share, as set out in more detail in paragraph 4 of this circular;
“SPH”	Sable Platinum Holdings Proprietary Limited (registration number 2007/006676/07), a company incorporated in accordance with the laws of South Africa and which owns 100% of SPM;
“SPM”	Sable Platinum Mining Limited (registration number 2007/006676/06), a public company incorporated in accordance with the laws of South Africa, which is 100% owned by SPH and which owns shares in various companies, and which had recently been converted from a private to a public company;
“Squirewood”	Squirewood Investments 98 Proprietary Limited (registration number 2011/001258/07), a company incorporated in accordance with the laws of South Africa;
“Strate”	the settlement and clearing system used by the JSE, managed by Strate Proprietary Limited (registration number 1998/022242/07), a company duly registered and incorporated with limited liability in accordance with the laws of South Africa;
“subscription agreement”	the subscription agreement entered into on 14 September 2015 between Sable and BLA in respect of the subscription shares;
“subscription shares”	the 200 000 000 shares in Sable to be subscribed for by BLA or its nominee for a cash consideration of four cents per share for an aggregate amount of R8 000 000, subject to the conditions precedent set out in paragraph 4.3 of the circular;
“Syferfontein litigation”	the litigation disclosed in the litigation statement on page 38 of Sable’s 2015 IAR and in paragraph 11.5 of this circular;
“Takeover Regulations”	Regulations prescribed in terms of section 120 of the Act;
“transactions”	collectively, the suite of transactions and corporate actions comprising the specific issue, the waiver of the mandatory offer, the restructuring, the scheme, the disposal and the name change;
“transfer secretaries”	Computershare Investor Services Proprietary Limited (registration number 2004/003647/07), a private company duly registered and incorporated in accordance with the laws of South Africa;
“waiver”	the waiver of the mandatory offer to all shareholders triggered by the specific issue, by shareholders and the TRP;
“Writer Star”	Writer Star Trade and Invest Proprietary Limited (registration number 2013/050978/07), a company incorporated in accordance with the laws of South Africa;
“2015 IAR”	Sable’s 2015 Integrated Annual Report.



Sable Metals and Minerals Limited

(formerly Sable Platinum Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2001/006539/06)
(JSE code: SABLE ISIN: ZAE000185674)
("Sable" or "the company")

Directors

Non-executive

Michael Howard Rogers*
Charles Philip Mostert*
David Norton Levithan
Michaeline Mpho Mokgathe*
René Carlo Hochreiter

Executive

James Gordon Allan (*Chief Executive Officer*)
Eshaan Singh (*part time Financial Director*)

*Independent

All directors are South African.

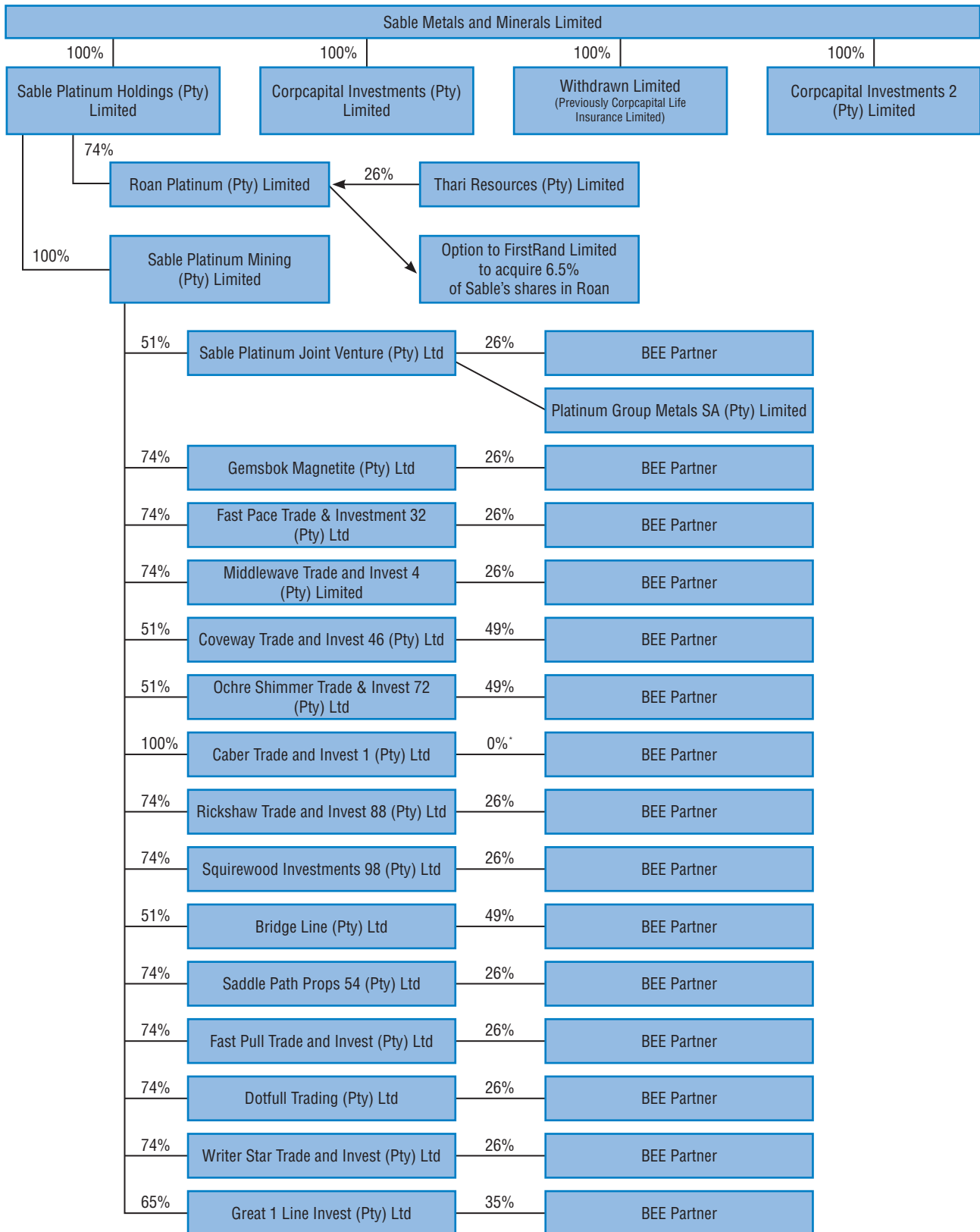
CIRCULAR TO SABLE SHAREHOLDERS

1. BACKGROUND AND RATIONALE

- 1.1 Shareholders are referred to the announcements released on SENS dated 13 August 2015.
- 1.2 Sable is an exploration company listed in the general mining sector on the exchange operated by the JSE.
- 1.3 It has four wholly-owned subsidiaries, namely SPH, Corpcapital Investments Proprietary Limited, Withdrawn Limited and Corpcapital Investments 2 Proprietary Limited. The last three companies are dormant and in the process of being liquidated.
- 1.4 SPH holds 100% of the issued shares of SPM as well as 74% of the issued shares of Roan. SPM holds shares in 15 (fifteen) subsidiaries.
- 1.5 As reported in the 2015 IAR, the group's financial position was dire:
 - its total liabilities exceed its total assets;
 - it continues to incur losses; and
 - it burned cash at a rate of R620 000 per month. This figure has, however, been reduced significantly since then.
- 1.6 Consequently the group has been negotiating with a number of parties. However, as a result of a difficult mining environment, Sable found it difficult to raise capital.
- 1.7 BLA, or its nominee, is prepared to subscribe for shares in Sable on condition that Sable and SPH have divested themselves of all their liabilities, and that SPH will retain its shares in Roan and will acquire and retain the shares currently held by SPM in the retained companies.

1.8 Sable and BLA entered into heads of agreement on 11 August 2015, as well as the subscription agreement on 14 September 2015, the salient features of which are set out below.

1.9 The current group structure is as follows:



1.10 The shares held by SPM in Gemsbok Magnetite, Caber Trade and Great Line 1 Invest form the subject matter of the disposal. After the disposal of these shares and the disposal of the shares in the retained companies to SPH as part of the scheme, SPM will no longer hold shares in any company.

1.11 After the transactions, SPH will hold the shares in Roan as well as the shares in the retained companies.

2. THE TRANSACTIONS

2.1 The suite of transactions which is subject to shareholders approval, can be summarised as follows:

2.1.1 **Specific issue of shares cash, offer and waiver [for more detail see paragraph 4]**

BLA or its nominee will subscribe for 200 000 000 (two hundred million) new shares of Sable for a cash consideration of 4 (four) cents per share for an aggregate amount of R8 000 000 (eight million Rand), subject to certain conditions precedent detailed in paragraph 4.

The specific issue will trigger a mandatory offer to all shareholders. It is a condition precedent that the mandatory offer must be waived by all shareholders.

The specific issue is an affected transaction as defined in the Act and requires approval by shareholders by special resolution and by the TRP.

2.1.2 **Restructuring [for more detail see paragraph 5]**

Various companies in the Sable group have to undertake a number of steps to fulfil some of the conditions precedent in respect of the specific issue and the scheme, set out in paragraph 5.

One of the steps is that the Sable Share Performance Scheme is amended by special resolution to allow the vesting of rights to certain shares to certain directors.

2.1.3 **Scheme [for more detail see paragraph 6]**

The objective of the scheme of arrangement proposed by the independent board of Sable between Sable, SPH, SPM and their respective shareholders will be:

- for Sable to divest itself of all its liabilities;
- for SPH to divest itself of all its liabilities, and to acquire SPM's shares in the retained companies;
- for SPM to repurchase its shares issued to SPH; and
- for the issue of shares in SPM in certificated form to all shareholders of Sable (with the exception of BLA) *pro rata* to their shareholdings in Sable.

Sable and SPH will effectively be transferring all their liabilities to SPM, and the shares of SPM will be unbundled to the shareholders of Sable in certificated form. Sable shareholders will therefore retain their shares in Sable and receive the same number of certificated shares in the unlisted SPM.

The details of the scheme are described in paragraph 6. The scheme will be subject to certain conditions precedent detailed in paragraph 6.

The scheme is an affected transaction as defined in the Act and requires approval by shareholders by special resolution and by the TRP.

The disposal of a loan claim by SPH to James Allan, a related party, for R100 000 is part of the scheme. This related party disposal is subject to a fairness opinion and approval by shareholders, excluding the related party and his associates.

2.1.4 **Disposal [for more detail see paragraph 7]**

SPM owns shares in the Project Companies. SPM entered into an agreement with Lemur for the disposal of the Project Companies Shares on certain terms and conditions set out in detail in paragraph 7.

The approval and implementation of the disposal is not a condition precedent for the specific issue or the scheme. It is merely included in this circular because, if effected on or prior to the effective date of the scheme, it will lead to a R10 million liability for Sable which is dealt with in the scheme. See further in this regard paragraph 5.6 below.

The disposal is an affected transaction as defined in the Act and requires approval by shareholders by special resolution and by the TRP.

2.1.5 **Name change [for more detail see paragraph 8]**

It will be proposed that Sable changes its name to Middle East Diamond Resources Limited, which name had already been reserved with CIPC.

- 2.2 Each of the said transactions or corporate actions, as the case may be, is described in more detail in the rest of this circular.
- 2.3 The transactions or corporate actions are subject to conditions precedent or resolute conditions, which are set out in paragraphs 4.4, 5.6, 6.3, 7.4 and 8 below. However, the disposal and name change are not conditions precedent for the specific issue and the scheme.
- 2.4 As a result of the financial position of the Sable group and for the sake of convenience, the specific issue, the restructuring, the scheme, the disposal and the name change are presented to shareholders for approval in a single circular.
- 2.5 **The JSE has given Sable a period of two months from the general meeting date to prove to the JSE that it is eligible for a continued listing either by raising sufficient new capital post the transactions in order to explore its prospecting rights or by acquiring new assets. Refer to paragraph 11.3 of this circular.**

3. **PURPOSE OF THE CIRCULAR**

The purpose of the circular is to:

- explain the board's reasons for entering into the agreements;
- explain the suite of transactions;
- provide shareholders with information in respect of the transactions in terms of the Listings Requirements and the Companies Act, so as to enable them to make an informed decision whether or not to vote in favour of the resolutions as detailed in the notice of general meeting;
- provide shareholders with information in respect of the specific issue and the waiver of the mandatory offer in terms of Regulation 86(4) so as to enable them to make an informed decision whether or not to vote in favour of the specific issue and the waiver resolution;
- provide shareholders with information in respect of the escrow agreement, so as to enable them to make an informed decision whether or not to vote in favour of the ordinary resolution to authorise the release of the escrow shares;
- provide shareholders with information in respect of an amendment to the Sable Platinum Performance Share Rights Scheme, so as to enable them to make an informed decision whether or not to vote in favour of the special resolution to amend the Sable Platinum Performance Share Rights Scheme;
- provide shareholders with information in respect of the scheme in terms of section 114 of the Act, so as to enable them to make an informed decision whether or not to vote in favour of the scheme resolution;
- provide shareholders with information in respect of the disposal of the loan to a related party, so as to enable them to make an informed decision whether or not to vote in favour of the resolution to dispose of the loan;
- provide shareholders with information in respect of the disposal in terms of section 112 of the Act, the Takeover Regulations and the Listings Requirements, so as to enable them to make an informed decision whether or not to vote in favour of the disposal resolution;
- convene a general meeting of Sable shareholders in order to pass, with or without amendment, the special and ordinary resolutions set out in the notice of general meeting attached to and forming part of this circular;
- set out the opinion of the independent expert in respect of the fairness and reasonableness of the waiver of the offer, the scheme and the disposal and the fairness of the disposal of the loan to a related party;
- set out the views of the independent board in respect of the fairness and reasonableness of the waiver of the offer, the scheme and the disposal and the fairness of the disposal of the loan to a related party;
- explain the consequences if all the resolutions are not passed and all the conditions are not met; and
- inform dissenting shareholders of their appraisal rights and the manner in which they may exercise those rights.

4. THE SPECIFIC ISSUE OF SHARES, OFFER AND WAIVER

4.1 Background

- 4.1.1 BLA or its nominee will subscribe for 200 000 000 (two hundred million) new shares of Sable for a cash consideration of 4 (four) cents per share for an aggregate amount of R8 000 000 (eight million Rand), subject to certain conditions precedent in paragraph 4.3 below.
- 4.1.2 The current authorised shares of Sable comprise 1 000 000 000 (one billion) ordinary shares of no par value.
- 4.1.3 The current issued shares of Sable comprise 227 911 808 (two hundred and twenty seven million nine hundred and eleven thousand and eight hundred and eight) ordinary shares of no par value, of which 41 648 396 (forty one million six hundred and forty eight thousand and three hundred and ninety six) shares are being held in escrow.
- 4.1.4 Therefore sufficient authorised unissued shares are available for the specific issue.
- 4.1.5 As the shares issued in terms of the specific issue will comprise more than 35% of the issued voting securities of Sable (87.75% of the current issued shares including the escrow shares; 46.73% after the specific issue and release of the escrow shares, but before the vesting of the share rights), the specific issue will trigger a mandatory offer to other shareholders in terms of section 123 of the Act, read with Companies Regulation 86(1). BLA therefore requires such shareholders to waive the right to receive a mandatory offer, followed by a waiver of such offer by the TRP.
- 4.1.6 The number of shares issued in terms of the specific issue will exceed 30% of the voting power of all the ordinary shares held by shareholders immediately before the transaction, and will therefore require approval of the shareholders as contemplated in section 41(3) of the Act.
- 4.1.7 After the specific issue and release of the escrow shares but before the vesting of the share rights, BLA or its nominee will hold 46.73% of the increased issued share capital of Sable.

4.2 Waiver

BLA and its directors do not hold any shares of Sable and have not dealt in the securities of Sable during the six months preceding the last practicable date. Regulation 106(6)(a) TRP

No agreement exists between BLA, or any person acting in concert with it, and Sable, its directors (or persons who were directors within the preceding 12 months) or shareholders of Sable (or persons who were shareholders of Sable within the previous 12 months). Regulation 106(4)(e). TRP

After the specific issue and release of the escrow shares but before the vesting of the share rights, BLA or its nominee will hold 200 000 000 of the 427 911 808 shares in issue, being 46.73% of the issued shares. The proposed specific issue to BLA will therefore be an affected transaction as defined in the Act as well as in Chapter 5 of the Regulations and will trigger a mandatory offer to minorities at the same price of four cents per share.

The specific issue is, however, subject to a waiver of the benefit of a mandatory offer by independent holders of more than 50% of shareholders present and voting, in terms of Regulation 86(4).

The waiver requires a fair and reasonable opinion by an independent expert to be included in the circular. The opinion is attached as **Annexure 3**.

The TRP has advised that it is willing to consider the application to grant an exemption from the obligation to make a mandatory offer if the majority of independent shareholders of Sable waive their entitlement to receive the mandatory offer from BLA, in accordance with Regulation 86(4).

Any shareholder of Sable who wishes to make representations relating to the exemption shall have 10 business days from the date of the posting of this circular to make such representations to the TRP before the ruling is considered.

Representations should be made in writing and delivered by hand, posted or faxed to:

If delivered by hand or courier:

The Executive Director
Takeover Regulation Panel
1st floor, Building B
Sunnyside Office Park
32 Princess of Wales Terrace
Parktown, 2193

If posted:

The Executive Director
Takeover Regulation Panel
PO Box 91833
Auckland Park, 2006

If faxed:

The Executive Director
Takeover Regulation Panel
+27 11 642 9284

and should reach the TRP by no later than the close of business on 31 December 2015 in order to be considered.

If any representations are made to the TRP within the permitted timeframe, the TRP will consider the merits thereof before making a ruling.

Included in the circular is the notice of general meeting and *inter alia* the resolution for the waiver of the mandatory offer for shareholders to consider, and if deemed fit, to approve at the general meeting.

After the shareholders' meeting has been held and the waiver resolution has been passed, Sable will inform the TRP with supporting documents that the requisite resolution has been passed in terms of Regulation 86(4).

The TRP will then consider the application for the waiver and make a ruling.

Sable will then announce the ruling and inform shareholders that they may request the Takeover Special Committee to review the ruling within five business days of the announcement.

After expiry of the five business days' notice period, the TRP waiver proceedings will be regarded as completed.

4.3 **More information in respect of the specific issue**

The shares issued in terms of the specific issue will be issued in terms of the MOI and rank *pari passu* in every respect with the existing shares in issue.

The financial effects of the specific issue of shares are set out in **Annexure 1**.

The trading history of Sable shares on the JSE are set out in **Annexure 8**.

The specific issue of shares is not being made to a related party. Therefore an independent fairness opinion will not be required.

The specific issue of shares will be at an issue price of four cents per ordinary share, which equates to a discount of 52.7% to the weighted average share price of Sable for the 30-day period ended 11 August 2015 of 8.46 cents, the date the issue price was agreed in writing between Sable and BLA. The issue price of four cents per share equates to a discount of 83% to the weighted average share price of Sable for the 30-day period ended on 3 December 2015, namely 24 cents per share. It should, however, be borne in mind that this date is three months after the date of the announcement of the transactions.

The shares issued in terms of the specific issue will comprise 87.75% of the current issued shares and 46.73% of the increased share capital after the specific issue and release of the escrow shares, but before the vesting of the share rights.

In terms of section 44(2) of the Act shareholders may authorise the board to provide financial assistance to any person for the purpose of, or in connection with, the subscription of any securities of the company, provided that the provisions of sections 44(3) and 44(4) of the Act are complied with. The ambit of section 44(2) of the Act is very wide. Under the circumstances it is regarded as prudent, out of utmost caution, to request shareholders to grant the directors the authority to provide “financial assistance” as defined, to BLA by making certain representations and furnishing certain warranties to BLA in respect of Sable and SPH, to facilitate the subscription in terms of the specific issue. The warranties relate to the share capital of Sable, its MOI, the subscription shares, legal capacity to perform obligations and authorisations.

The specific issue will not affect the remuneration of the directors of Sable.

4.4 Conditions precedent

4.4.1 The specific issue is an affected transaction as defined in the Act and will be subject to fulfilment of the following conditions precedent:

- 4.4.1.1 completion of the restructuring transactions set out in paragraph 5;
- 4.4.1.2 approval and implementation of the scheme set out in paragraph 6;
- 4.4.1.3 approval by shareholders in terms of section 5.51(g) of the Listings Requirements by a resolution passed by a 75% majority of votes cast in favour by those shareholders present in person or by proxy, excluding the votes of BLA to whom the shares will be issued in terms of the specific issue, and its associates;
- 4.4.1.4 approval by shareholders of issuing more than 30% of new shares by a special resolution in terms of section 41(3) of the Act;
- 4.4.1.5 approval by shareholders of financial assistance by a special resolution in terms of section 44(3) of the Act, out of utmost caution, as certain undertakings and warranties given by Sable to BLA in the subscription agreement referred to in 4.3 above, may be construed as “financial assistance” as defined in section 44(2) of the Act;
- 4.4.1.6 waiver by shareholders of a mandatory offer as per Regulation 86(4) by a resolution passed by independent holders of more than 50% of the voting rights;
- 4.4.1.7 waiver of the mandatory offer by the TRP; and
- 4.4.1.8 the listing of the newly issued shares by the JSE.

4.4.2 Irrevocable undertakings, to vote in favour of all resolutions to approve the specific issue and waiver, have been obtained from the following shareholders of Sable holding 47.4% of its current issued shares less the escrow shares and excluding the share options to vote:

Name	Number of shares	Percentage
James Allan and his wife	19 735 032	10.6
René Hochreiter	8 065 975	4.3
Yawara Capital (D Levithan)	17 370 184	9.3
Allan Hochreiter Investments	1 824 153	0.9
Gail Hochreiter	8 065 975	4.3
Legacy Platinum	22 375 000	12.0
Propalux 43	9 750 000	5.2
Partners Drilling	1 100 000	0.6
Total	88 286 319	47.4

4.4.3 The disposal and its successful implementation and the name change are not conditions precedent for the specific issue and the scheme.

4.5 Voting at the general meeting

The specific issue contemplated in this circular must be approved by the following resolutions:

- a resolution in accordance with section 5.51(g) of the Listings Requirements requiring a 75% majority of votes cast;

- a special resolution in terms of section 41(3) of the Act;
- a special resolution in terms of section 44(3) of the Act, each adopted by at least 75% of shareholders exercising their voting rights at the general meeting, at which sufficient shareholders must be present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised; as well as
- a waiver of the mandatory offer in terms of Regulation 86(4) by a resolution passed by independent holders of more than 50% of the voting rights.

4.6 **Opinions and recommendations**

The specific issue constitutes a fundamental transaction in terms of sections 114 of the Act and an independent valuation by an appropriate independent expert is therefore required in terms of section 114(2) of the Act as a result of the triggering of a mandatory offer.

Effortless Corporate Finance, which complies with the provisions of section 114(2), was appointed as independent expert.

Effortless Corporate Finance concluded that the waiver of the mandatory offer is fair and reasonable to shareholders.

A copy of the fair and reasonable opinion is annexed as **Annexure 3**.

The independent board of Sable accepts responsibility for the information included in this circular, confirms that to the best of its knowledge and belief that the information contained in the circular is true, and that **Annexure 3** does not omit anything likely to affect the importance of such information.

The independent board has considered the terms and conditions of the specific issue and the waiver, as well as the opinion of the independent expert.

The independent board places reliance on the opinion of the independent expert, after performing the requisite amount of work that satisfies the independent board that it is justified in placing reliance upon that opinion.

The specific issue and waiver are to be viewed as part of the suite of transactions. Should the specific issue, waiver of the mandatory offer and the scheme not be approved, it will in all probability result in Sable being placed in business rescue or provisional liquidation.

The independent board, taking into account the above considerations, concurs with the independent expert's report and is unanimously of the opinion that the waiver of the offer is fair in terms of the Listings Requirements and fair and reasonable in terms of the Act.

The independent board recommends that Sable shareholders vote in favour of the resolutions to be proposed at the general meeting in respect of the waiver of the offer, which is a condition precedent for the specific issue.

Those members of the independent board who own shares in their own right intend to vote in favour of the resolutions proposed in respect of the waiver.

Additional information required by the Panel and Takeover Regulations in terms of the Act

4.7 **Disclosure of interests, holdings and dealings**

At the last practicable date and during the period six months prior to the announcement of the specific issue, the directors of Sable had the direct or indirect beneficial interests in Sable as disclosed in paragraph 12.3 below.

During the last six months prior to the last practicable date, no Sable directors dealt in Sable shares save as disclosed in paragraph 12.3 below.

The members of the independent board who hold shares in the issued share capital of Sable, are, in the opinion of the independent board, free of conflict of interest and are able to make an impartial decision relating to the specific issue for the purposes of the Takeover Regulations. Therefore, none of the members of the independent board have any conflict of interest or potential conflict of interest with reference to the specific issue that renders them non-independent for the purposes of the Takeover Regulations and disqualifies them from taking part in obtaining independent advice from an appropriate external expert on the terms and conditions of the specific issue and the mandatory

offer in terms of Takeover Regulation 110. The independent board of the company in respect of the specific issue and mandatory offer accordingly consists of all of the directors of the company.

4.8 **No set-off**

Should the specific issue be approved by shareholders and implemented upon fulfilment of the conditions precedent, the shares will be issued in accordance with the terms and conditions of issue thereof, without regard to any lien, right of set-off, counterclaim or other analogous right to which anybody may otherwise be, or claim to be, entitled against Sable.

4.9 **Special arrangements, undertakings or agreements**

There are no arrangements, undertakings or agreements between Sable or persons acting in concert with it in relation to the specific issue or the waiver.

4.10 **Directors of Sable**

As at the last practicable date no changes to the board of Sable are envisaged as a result of the specific issue.

5. **RESTRUCTURING**

5.1 The specific issue and the scheme require certain actions to be taken by Sable, SPH and SPM, some prior to and others upon the effective date of the scheme.

5.2 Sable undertook to do the following:

5.2.1 to complete the liquidation process of Corpcapital Investments Proprietary Limited, Withdrawn Limited and Corpcapital Investments 2 Proprietary Limited, or, if possible, to transfer those shares owned by SPH to SPM, which will complete the deregistration of the said companies;

5.2.2 to request its shareholders to pass a resolution to authorise the board to release the 41 648 396 Sable shares held in escrow by Java Capital Limited, to the Principal Sellers. Ordinary resolution number 3 to be proposed at the general meeting, the full terms of which are set out in the notice of general meeting attached to and forming part of this circular, is the resolution in this regard.

The escrow agreement was entered into in 2012 when JG Allan, PA Poulsom, RC Hochreiter, GL Hochreiter, Yawara Capital Proprietary Limited (D Levithan), PSG Nominees (B Schabort), CP Mostert, J Louw, Allan Hochreiter Investments Proprietary Limited and Legacy Platinum Corporation ("the vendors") sold all the issued shares in Sable Platinum Holdings Proprietary Limited to New Corpcapital Limited (currently known as "Sable").

The escrow agreement was entered into between the vendors, Sable and Sable Platinum Holdings Proprietary Limited in terms of which a total number of 41 648 396 Sable consideration shares issued to the vendors, were to be held in escrow by Java Capital Limited pending the resolution of two matters:

(a) The Syferfontein litigation: referred to in the litigation statement on page 38 of Sable's 2015 IAR and in paragraph 11.5 of this circular;

(b) The Bank litigation: An internal appeal initiated by the Royal Bafokeng Nation against, *inter alia*, Mineral Capital Assets Proprietary Limited in terms of section 96 of the MPRDA and any additional litigation as the Royal Bafokeng Nation may thereafter initiate in respect of the Bank Prospecting Right, which may result in the cancellation in whole or in part of the Bank Prospecting Right. This prospecting right was granted to Mineral Capital Assets in respect of the farms Zandbult 119 JQ, Swartbank JQ and Zandfontein 124 JQ, Magisterial District Rustenburg, North West Province, under DMR reference number NW/30/5/1/1/2/978 PR and which prospecting right (save for the property Swartbank JQ) was ceded to Coveway Trade and Invest 46 Proprietary Limited in terms of a Notarial Deed of Cession dated 9 November 2011.

The current status of these two matters are as follows:

(a) Syferfontein: the matter has been set down for trial on 16 June 2016;

(b) Bank: Two boreholes were drilled on the Bank project and when the deepest at 2 100 metres had not intersected platinum reefs and the geology did indicate that these reefs would intersect in the next 200 to 300 metres, Sable decided to abandon this project.

The provisions of the escrow agreement did not provide for a change in control of Sable before the matters had been resolved and the escrow shares had been released. The parties to the escrow agreement are keen to amend the escrow agreement in order to allow the release of the escrow shares. Before doing so, the parties want shareholders of Sable to approve such amendment and release in principle. Consequently, shareholders of Sable will be requested to consider and pass ordinary resolution 3 as follows:

Authorisation of release of escrow shares

“Resolved that, subject to the passing of ordinary resolutions numbers 1 and 2, 4 and 5, and special resolutions numbers 1 to 4, the shareholders hereby authorise the board of directors to release the 41 648 396 Sable shares held in escrow by Java Capital Limited to the following parties, who will not be entitled to vote on this resolution:

Name	Number of escrow shares
JG Allan	4 460 067
PA Poulsom	4 460 067
RC Hochreiter	4 460 067
GL Hochreiter	4 460 067
Yawara Capital (Pty) Ltd [D Levithan]	9 604 816
PSG Nominees (B Schabort)	3 992 305
CP Mostert	94 893
J Louw	9 489
Allan Hochreiter Investments (Pty) Ltd	721 680
Legacy Platinum Corporation	9 384 945
Total	41 648 396

”.

In terms of Sable’s MOI holders of more than 50% of the general voting rights of all shareholders present and voting have to vote in favour of this resolution in order for it to be passed.

Upon the passing of the resolution, the escrow agreement will be amended and the escrow shares will be released;

- 5.2.3 to request its shareholders to pass a resolution to authorise the remuneration and nominations committee of the board to amend the Sable Platinum Performance Share Rights Scheme and to do whatever may be necessary to allow the 7 214 709 remaining share rights granted by Sable, to vest immediately to the following directors:

Participant	% of grant	Shares vesting	Notional value	Current value*
James Allan	40	3 847 845	R2 000 897	R961 961
René Hochreiter	17.5	1 683 432	R875 385	R420 858
David Levithan	17.5	1 683 432	R875 385	R420 858
Total		7 214 709	R3 751 667	R1 803 677

Note:

* Based on the Sable share price as at 4 December 2015 of 25 cents per share.

Special resolution number 3 to be proposed at the general meeting, the full terms of which are set out in the notice of general meeting attached to and forming part of this circular, is the resolution in this regard.

In terms of paragraph 1.10 of the Sable Platinum Performance Share Rights Scheme, the votes attaching to all equity securities which had been acquired in terms of the scheme and which are owned or controlled by James Allan, René Hochreiter and David Levithan will be excluded from voting.

In terms of the provisions of the Sable Platinum Performance Share Rights Scheme, the rights to shares would vest in the event that the company is taken over, delisted or becomes

the subject of a merger. The Remuneration Committee is of the opinion that the specific issue and scheme constitute such an event and determined the number of rights per director that they felt is appropriate to vest. The shareholders resolution above needs to be approved by shareholders, to amend the scheme is deemed necessary for the sake of transparency and the avoidance of any doubt.

- 5.3 SPH undertook to request its shareholders, prior to the effective date of the scheme:
- 5.3.1 to vote in favour of a special resolution to convert SPM into a public company, to enable SPM to issue the scheme consideration shares to the shareholders of Sable upon the effective date of the scheme;
 - 5.3.2 to vote in favour of a special resolution to increase SPM's authorised share capital from 1000 to 300 000 000 shares with no par value, to enable SPM to have enough authorised shares to enable it to issue the scheme consideration shares to the shareholders of Sable upon the effective date of the scheme;
 - 5.3.3 to vote in favour of a special resolution of SPM to adopt a new memorandum of incorporation of a public company with increased authorised shares of no par value prior to the effective date of the scheme; and
 - 5.3.4 to authorise the board of SPM to issue 235 126 517 scheme consideration shares to the shareholders of Sable on the effective date of the scheme (which will exclude BLA or its nominee).

The resolutions have been passed and the resolutions in 5.3.1 to 5.3.3 above have been submitted to and registered by the CIPC.

- 5.4 SPM paid or will pay (as the case may be) the following fees, costs and expenses of Sable and its subsidiaries:
- 5.4.1 for the month of August 2015: JSE fees; Strate fees; fees of the transfer secretaries, Computershare; auditors' fees; salary of the bookkeeper; fees of the company secretary, Juba Statutory Services Proprietary Limited; which costs will thereafter again be borne by Sable and funded by BLA, subject to the passing of all the ordinary and special resolutions set out in the notice of general meeting;
 - 5.4.2 after 1 September 2015: preparing the interim accounts of the group, all auditors' fees in respect thereof and announcing the interim results.

- 5.5 The restructuring transactions referred to above:
- 5.5.1 are all inter-conditional; and
 - 5.5.2 are subject to all the necessary board, shareholder and regulatory approvals being obtained.

- 5.6 Although not a condition precedent for the subscription or the scheme, SPM undertook to use its best endeavours to sell all the Project Companies' Shares. The disposal agreement was entered into and is presented to shareholders for approval in paragraph 7. Should such disposal take place before or on the effective date of the scheme:

- 5.6.1 it will be a disposal by a subsidiary of Sable of all its assets and therefore a fundamental transaction as defined in section 112 of the Act, requiring approval by 75% of votes of shareholders of the holding company, Sable, in terms of section 112(2) read with section 115(2)(a) and (b) of the Act;
- 5.6.2 Sable will no longer be able to fulfil its obligations to Familia in terms of the Familia Agreement, resulting in a liability towards Familia (repayment of R10 million on demand from 2 June 2017) by Sable to repay the funding advanced by Familia on 2 June 2017, which liability would have to be dealt with by the scheme. The liability towards Familia is not secured.

Should the disposal only take place after the effective date of the scheme, Sable and its shareholders will no longer be involved or affected.

- 5.7 For the sake of completeness, the following information in respect of Familia Agreement, which appeared in Sable's 2015 IAR, is repeated here:

- 5.7.1 Familia Asset Managers Proprietary Limited was formerly known as Orange Oak Investment 16 Proprietary Limited.
- 5.7.2 Familia is an investment company in which one of the former directors of Sable, Mr Botha Schabort, who resigned on 31 August 2015, held (and to the best of Sable's knowledge, still holds) a one third interest.
- 5.7.3 Familia offered to provide funding of R10 million to Sable, and the terms of the funding were approved by shareholders of Sable on 27 October 2014.
- 5.7.4 The funds were utilised in the operations of the group companies.
- 5.7.5 The company entered into a specific issue of shares for cash agreement with Familia as a result of which 31 041 971 ordinary Sable shares were issued to Familia in tranches and at different prices from June to October 2014.
- 5.7.6 The conditions relating to the issue are as follows: Familia will be entitled to a receipt of a commission on the sales of ore from any of the properties over which the Sable group has a mineral right. If Sable sells the right to an ore body or sells a company holding a mineral right, then Familia shall be entitled to a maximum of 5% of the proceeds. If the group has not been granted a mining right and concluded an off-take agreement for the sale 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 2 June 2014, a penalty of R2.5 million will accrue to Familia, which amount shall be credited to a loan account;
 - within a period of two years and nine months from 2 June 2014, a further penalty of R2.5 million will accrue and be credited to Familia's loan account;
 - within a period of three years from 2 June 2014, a further penalty of R5 million will accrue and be credited to Familia's loan account;
 - the loan account will be payable upon demand from 2 June 2017.

6. SCHEME OF ARRANGEMENT

6.1 Objective

The objective of the scheme of arrangement proposed by BLA between Sable, SPH, SPM and their respective shareholders will be:

- for Sable to divest itself of all its liabilities and obligations;
- for SPH to divest itself of all its liabilities and obligations, and to acquire SPM's shares in the retained companies;
- for SPM to repurchase its shares issued to SPH; and
- for the issue of certificated shares in SPM to all shareholders of Sable (with the exception of BLA) *pro rata* to their shareholdings in Sable.

Sable and SPH will effectively be transferring all their liabilities and obligations to SPM, and the shares of SPM will be unbundled to the shareholders of Sable in certificated form.

Sable shareholders will therefore retain their shares in Sable and receive the same number of certificated shares in the unlisted SPM.

6.2 Terms and conditions of the scheme

In order to achieve the objective in paragraph 6.1, BLA hereby proposes the following scheme of arrangement to Sable and its shareholders on the scheme record date between Sable, SPH, SPM and their respective shareholders in terms of section 114 read with section 115 of the Act, subject to the conditions precedent in paragraph 6.3:

- 6.2.1 the loan claim by SPH against SPM (in an amount of approximately R80 075 917 as at 31 August 2015) will be sold to all shareholders of Sable on the scheme record date (excluding, for the avoidance of doubt, BLA or its nominee) for R100 000. For practical purposes this will be effected in the following manner and on the following terms and conditions:
 - 6.2.1.1 the loan claim will be sold to James Allan acting as the agent and intermediary for and on behalf of all the Sable shareholders on the scheme record date for R100 000 in cash, payable on the scheme effective date, subject to 6.2.1.2 to 6.2.1.5 below;

- 6.2.1.2 all shareholders of Sable on the scheme record date (excluding, for the avoidance of doubt, BLA or its nominee) shall be entitled to claw back and acquire their *pro rata* portion of the said loan claim from James Allan against payment of the *pro rata* portion of the purchase price;
- 6.2.1.3 shareholders who wish to exercise their claw-back rights have to notify the company secretary of their wish to do so by sending an email to that effect to the company secretary of Sable at sirkien@juba.co.za within 150 calendar days after the scheme effective date;
- 6.2.1.4 within 160 days after the scheme effective date, the company secretary shall inform all such shareholders by email of the names of the shareholders who requested to acquire their *pro rata* portion of the loan claim, the Rand amount of the portion of the claim allocated to them, the purchase price payable, the bank account details and by when the amount has to be reflected in the said account;
- 6.2.1.5 within 180 days after the scheme effective date, the company secretary shall inform the shareholders who have paid, of the Rand amount of the claim acquired by each of them.

James Allan is a director and shareholder of Sable. Even though he will be acting as agent and intermediary in the disposal and clawback of the loan, he is regarded as a related party by the JSE, and shareholders' approval will be required by separate ordinary resolution. The votes of the related party and his associates will be excluded. A fairness opinion in respect of the disposal of the loan is included in **Annexure 3**.

- 6.2.2 all other loans liabilities receivable by Sable and SPH from other subsidiaries in the Sable group will be sold to SPM for one Rand;
- 6.2.3 all other remaining current and contingent liabilities of Sable and SPH will be ceded and assigned to SPM, with prior written approval of the creditors concerned, which shall include the following:
 - 6.2.3.1 the Familia Agreement and Sable's liability of R10 million towards Familia;
 - 6.2.3.2 Sable's contingent obligation to pay arrear non-executive directors' fees of approximately R2 million to SPM;
 - 6.2.3.3 Sable and SPH's obligation to repay three unsecured loans of an aggregate amount of approximately R1.1 million to Allan Hochreiter Investments Proprietary Limited, Platanoides Limited and James Allan;
 - 6.2.3.4 Sable's contingent obligation to repay the loan of R6 million to Lemur. As at last practicable date the obligation was R6 million;
 - 6.2.3.5 the following fees, costs and expenses of Sable and its subsidiaries for the month of August 2015: JSE fees, Strate fees, fees of the transfer secretaries, auditors' fees, the salary of the bookkeeper and fees of the company secretary; as well as, after 1 September 2015, the costs and fees of Sable preparing the interim accounts of the Sable group, all auditors' fees in respect thereof and announcing the interim results;

in consideration for which Sable shall pay SPM an amount of R6 000 000 (six million Rand).

- 6.2.4 SPM will sell all its shares in the retained companies to SPH for one Rand;
- 6.2.5 SPM will on the effective date of the scheme repurchase the 370 issued SPM shares held by SPH for a consideration of R5 (five Rand), subject to the simultaneous issue of the shares to Sable shareholders referred to in 6.2.8 below;
- 6.2.6 SPM will, on the effective date of the scheme, issue 235 126 517 new unlisted shares in certificated form, one share to every shareholder of Sable (at the record date) for every one share in Sable held by such shareholder as at the record date of the scheme, resulting in the body of shareholders and their respective shareholdings in SPM being identical to that of Sable; for the avoidance of doubt it is recorded that BLA or its nominee will not be entitled to such shares;

- 6.2.7 it will be attempted to reconstitute the board of directors of SPM to be identical to the board of Sable as at the effective date of the scheme, subject to the completion of the necessary consent forms by the directors;
- 6.2.8 should, on or after the effective date of the scheme, it transpire that Sable or SPH has liabilities and obligations which were not dealt with in the scheme, resulting in the objective in paragraph 6.1 not being met, the shareholders shall authorise the Chief Executive Officer of Sable to do whatever may be necessary to divest Sable or SPH of the remaining liabilities and obligations;
- 6.2.9 SPM will indemnify Sable and SPH against any liabilities and obligations referred to in paragraph 6.2.8 above.

6.3 **Conditions precedent for the scheme**

The scheme is an affected transaction as defined in the Act and will:

- 6.3.1 be subject to approval by shareholders in terms of section 115 of the Act;
- 6.3.2 be subject to section 164 of the Act (dissenting shareholders' appraisal rights); and
- 6.3.3 be subject to approval by the TRP in terms of the Act.

6.4 **Post the effective date of the scheme**

- 6.4.1 The shares of SPM will after the effective date of the scheme not be listed on the JSE, but will be freely transferable in certificated form.
- 6.4.2 The shares of Sable will after the effective date of the scheme remain listed and be freely transferable but certain major shareholders holding at least 47.4% of the issued shares before the release of the escrow shares of Sable have given written undertakings:
 - 6.4.2.1 not to dispose of the shares for a period of at least three months after the effective date of the scheme;
 - 6.4.2.2 should they wish to dispose of the shares during the fourth, fifth and sixth months after the effective date of the scheme, they undertook to offer such shares for sale to BLA or its nominee at a price per share; should BLA or its nominee not exercise its pre-emptive right, they undertook not to sell such shares in the market at a lower price during the said period;
 - 6.4.2.3 not to revoke this undertaking before the six-month period referred to in paragraphs 6.4.2.1 and 6.4.2.2 has expired.

6.5 **Resultant position after scheme**

Should the scheme and the disposal of a loan to a related party be approved, the resultant position for a shareholder will be as follows:

- 6.5.1 the shareholder will retain all his listed shares in Sable;
- 6.5.2 the loan referred to in 6.2.1 will be disposed to James Allan and the shareholder will be entitled to claw back and acquire his *pro rata* portion of the loan on the basis set out in 6.2.1;
- 6.5.3 Sable will hold all the issued shares in SPH;
- 6.5.4 SPH will hold 74% of the issued shares of Roan as well as all the retained shares;
- 6.5.5 all other liabilities of Sable and SPH will have been ceded and assigned to SPM;
- 6.5.6 the shareholder in Sable will hold the same number of shares in SPM as in Sable;
- 6.5.7 SPM will be de-linked from the Sable group, be unlisted and chart its own course in future.

Sable and SPH will effectively be transferring all their liabilities to SPM, and the shares of SPM will be unbundled to the shareholders of Sable in certificated form.

The mineral rights in SPH post the transactions are summarised in **Annexure 13**.

6.6 Opinions and recommendations

The scheme constitutes a fundamental transaction in terms of sections 114 of the Act and an independent valuation by an appropriate independent expert is therefore required in terms of section 114(2) of the Act.

Effortless Corporate Finance, which complies with the provisions of section 114(2), was appointed as independent expert in respect of the scheme as well as the disposal of the loan to the related party.

Effortless Corporate Finance concluded that the scheme is fair and reasonable to shareholders and that the disposal of the loan to a related party is fair. A copy of the fair and reasonable opinion is annexed as **Annexure 3**.

The independent board of Sable accepts responsibility for the information included in this circular, confirms that to the best of its knowledge and belief that the information contained in the circular is true, and that **Annexure 3** does not omit anything likely to affect the importance of such information.

The independent board has considered the terms and conditions of the scheme and the disposal of a loan to a related party, as well as the opinion of the independent expert.

The independent board places reliance on the opinion of the independent expert, after performing the requisite amount of work that satisfies the independent board that it is justified in placing reliance upon that opinion.

The scheme and the disposal of the loan are to be viewed as part of the suite of transactions. Should the specific issue, waiver of the mandatory offer, the scheme and the disposal of the loan not be approved, it will in all probability result in Sable being placed in business rescue or provisional liquidation.

The independent board, taking into account the above considerations, concurs with the independent expert's report and is unanimously of the opinion that the scheme and the disposal of the loan are fair in terms of the Listings Requirements and fair and reasonable in terms of the Act.

The independent board recommends that Sable shareholders vote in favour of the resolutions to be proposed at the general meeting in respect of the scheme and the disposal of the loan.

Those members of the independent board who own shares in their own right intend to vote in favour of the resolutions proposed in respect of the scheme and the disposal of the loan.

Additional information required by the Panel and Take-over Regulations in terms of the Act

6.7 Disclosure of interests, holdings and dealings

At the last practicable date and during the period six months prior to the announcement of the scheme, the directors of Sable had the direct or indirect beneficial interests in Sable as disclosed in paragraph 12.3 below.

During the last six months prior to the last practicable date, no Sable directors dealt in Sable shares save as disclosed in paragraph 12.3 below.

The members of the independent board who hold shares in the issued share capital of Sable, are, in the opinion of the independent board, free of conflict of interest and are able to make an impartial decision relating to the scheme for the purposes of the Takeover Regulations. Therefore, none of the members of the independent board have any conflict of interest or potential conflict of interest with reference to the scheme that renders them non-independent for the purposes of the Takeover Regulations and disqualifies them from taking part in obtaining independent advice from an appropriate external expert on the terms and conditions of the scheme in terms of Takeover Regulation 110. The independent board of the company in respect of the scheme accordingly consists of all of the directors of the company.

6.8 No set-off

Should the scheme be approved by shareholders and implemented upon fulfilment of the conditions precedent, the scheme consideration shares will be issued in accordance with the terms of the scheme without regard to any lien, right of set-off, counterclaim or other analogous right to which anybody may otherwise be, or claim to be, entitled against Sable.

6.9 Special arrangements, undertakings or agreements

There are no arrangements, undertakings or agreements between Sable or persons acting in concert with it in relation to the scheme.

6.10 Directors of Sable

As at the last practicable date no changes are envisaged to the board of Sable as a result of the scheme.

6.11 Voting at the general meeting

The scheme must be approved by a special resolution in accordance with sections 112 and 115 of the Act, adopted by at least 75% of shareholders exercising their voting rights on the scheme at the general meeting, at which sufficient shareholders must be present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on the scheme.

Although James Allan is only facilitating the buying of the loan claim in 6.2.1 by all shareholders of Sable, he may be perceived to have a conflict of interest and benefit from such acquisition. He will therefore not be voting in respect of the scheme nor in respect of the disposal of the loan.

His votes will also be disregarded for the purposes of determining the quorum at the meeting in accordance with section 115(4) of the Act.

6.12 Dissenting vote

6.12.1 Shareholders are advised that in terms of sections 112 and 115 of the Act, Sable may not proceed to implement the special resolution required to approve of the scheme referred to in paragraph 6.11 above, despite the fact that it has been adopted at the general meeting without the approval of a court if:

6.12.1.1 the special resolution was opposed by at least 15% of the voting rights that were exercised on that special resolution, and any dissenting shareholder who voted against the special resolution requires Sable to seek court approval, within five business days of the vote; or

6.12.1.2 the court, on an application by any dissenting shareholder, within 10 business days of the vote, grants that dissenting shareholder leave to apply to a court for a review of the scheme under circumstances where the court is satisfied that the dissenting shareholder:

6.12.1.2.1 is acting in good faith;

6.12.1.2.2 appears prepared and able to sustain the court proceedings; and

6.12.1.2.3 has alleged facts which, if proved, would support a court order setting aside the special resolution on the following grounds:

- that the special resolution is manifestly unfair to any class of Sable shareholders; or
- that the vote at the general meeting was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the MOI, or any applicable rules of the company, or other significant and material procedural irregularity.

6.13 For the purposes of paragraph 6.12 above, any voting rights controlled by Sable or any person related to it or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights present in satisfaction of the general meeting quorum requirement, or voted in support of the special resolution.

6.14 If a special resolution requires approval by a court in terms of paragraph 6.12 above, Sable must either apply to the court for approval of the special resolution, and bear the costs of that application, or treat the special resolution as a nullity.

6.15 A shareholder who is entitled to vote at the general meeting is entitled to seek relief in terms of section 164 of the Act, as set out in paragraph 6.16 below, if that shareholder notified the company

in advance of the intention to oppose the special resolution, was present at the general meeting and voted against the special resolution.

6.16 Statement informing shareholders of their rights under section 164 of the Act

6.16.1 Notice of objection to special resolution by dissenting shareholder

At any time before a special resolution is to be voted on, a dissenting shareholder may give the company a written notice objecting to the special resolution. A dissenting shareholder must vote against the transaction at the meeting.

6.16.2 Notice of adoption of special resolution by company

Within 10 business days after the company has adopted the special resolution to approve the scheme contemplated in this circular, the company must send a notice that the special resolution has been adopted (“notice of adoption of special resolution”) to each shareholder who:

6.16.2.1 gave the company a written notice of objection as set out in paragraph 6.16.1 above; and

6.16.2.2 has neither withdrawn that notice, nor voted in support of the special resolution.

6.16.3 Demand for fair value by dissenting shareholder

A dissenting shareholder may demand that the company pay the fair value for all of the shares of the company held by that dissenting shareholder (“demand”) if:

6.16.3.1 that dissenting shareholder sent the company a notice of objection;

6.16.3.2 the company has adopted the special resolution;

6.16.3.3 the dissenting shareholder voted against that resolution and has complied with all of the procedural requirements of section 164 of the Act; and

6.16.3.4 that dissenting shareholder delivers a written notice to the company, either:

- within 20 business days after receiving a notice of adoption of special resolution; or
- if the dissenting shareholder did not receive a notice of adoption of special resolution, within 20 business days after learning that the resolution has been adopted.

6.16.4 Contents of demand

The demand referred to in paragraph 6.16.3 above must also be delivered to the Panel and must state:

6.16.4.1 the dissenting shareholder’s name and address;

6.16.4.2 the number and class of shares in respect of which the dissenting shareholder seeks payment; and

6.16.4.3 a demand for payment of the fair value of those shares.

6.16.5 Dissenting shareholder’s rights

A dissenting shareholder who has sent a demand has no further rights in respect of those shares, other than to be paid their fair value, unless:

6.16.5.1 the dissenting shareholder withdraws that demand before the company makes an offer as set out in paragraph 6.16.6 below, or allows an offer made by the company to lapse, as set out in paragraph 6.16.6.2.2 below;

6.16.5.1.1 the company fails to make an offer as set out in paragraph 6.16.6 below and the dissenting shareholder withdraws the demand; or

6.16.5.1.2 the company, by a subsequent special resolution, revokes the adopted special resolution that gave rise to the dissenting shareholder’s rights under section 164 of the Act.

If any of the events contemplated in paragraphs 6.16.5.1 to 6.16.5.3 above occur, all of the dissenting shareholder’s rights in respect of the shares are reinstated without interruption.

6.16.6 Offer by company

6.16.6.1 Within five business days after the later of:

- 6.16.6.1.1 the day on which the scheme approved by the special resolution becomes effective;
- 6.16.6.1.2 the last day for the receipt of demands from the dissenting shareholder/s in terms of paragraph 6.16.3.4 above; or
- 6.16.6.1.3 the day the company received a demand in terms of paragraph 6.16.3.4 above,

the company must send to each dissenting shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, being the fair value determined as at the date on which, and time immediately before, the company adopted the special resolution, and accompanied by a statement showing how that value was determined.

6.16.6.2 Every offer made in terms of section 164 of the Act as set out in paragraph 6.16.6.1 above:

- 6.16.6.2.1 in respect of shares of the same class, must be made on the same terms; and
- 6.16.6.2.2 lapses if it has not been accepted by the dissenting shareholder within 30 business days after it was made.

6.16.6.3 If a dissenting shareholder accepts the offer made as set out in paragraph 6.16.6.1 above, that dissenting shareholder must either in the case of certificated shares, tender the relevant share certificates to the company or its transfer secretaries, or in the case of dematerialised shares, instruct its CSDP accordingly and direct the transfer of those shares to the company or the company's transfer secretaries; and the company must pay that dissenting shareholder the agreed amount within 10 business days after the shareholder accepted the offer and tendered the share certificates or directed the transfer to the company of dematerialised shares, as the case may be.

6.16.7 Court determination of fair value

6.16.7.1 A dissenting shareholder who has made a demand may apply to a court to determine a fair value in respect of the relevant shares and an order requiring the company to pay the shareholder the fair value so determined, if the company has failed to make such an offer or made an offer that the dissenting shareholder considers to be inadequate, and that offer has not lapsed.

6.16.7.2 All dissenting shareholders who have not accepted an offer from the company as at the date of the application referred to in paragraph 6.16.7.1 above must be joined as parties and are bound by the decision of the court and the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings.

6.16.7.3 The court may determine whether any other person is a dissenting shareholder who should be joined as a party.

6.16.7.4 The court will determine a fair value in respect of the shares of all dissenting shareholders, having regard to the date on which, and time immediately before, the company adopted the special resolution.

6.16.7.5 The court may in its discretion appoint one or more appraisers to assist it in determining the fair value in respect of the shares or may allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the disposal is effective, until the date of payment. It may also make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court.

6.16.7.6 The court must make an order:

- 6.16.7.6.1 requiring the dissenting shareholders to either withdraw their respective demands, in which case the shareholders will be reinstated to their full rights as shareholders, or

6.16.7.6.2 to tender their share certificates or direct the transfer of their dematerialised shares and the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with such order, subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.

6.16.7.7 If there are reasonable grounds to believe that compliance by Sable of the abovementioned court order would result in Sable being unable to pay its debts as they fall due and payable for the ensuing 12 months, the company may apply to a court for an order varying its obligations in terms of the relevant subsection and the court may make an order that is just and equitable, having regard to the financial circumstances of Sable and that ensures that the dissenting shareholder to whom Sable owes money in terms of section 164 of the Act is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

Shareholders are referred to the provisions of sections 115 and 164 of the Act, the wording of which is attached to this circular as **Annexure 7**.

7. THE DISPOSAL

7.1 Background

7.1.1 As is clear from the organogram in 1.9 above, SPM holds shares in the following companies:

- Sable Platinum Joint Venture Proprietary Limited (51%);
- Gemsbok Magnetite Proprietary Limited (74%);
- Middlewave Trade and Invest 4 Proprietary Limited (74%);
- Fast Pace Trade and Invest 32 Proprietary Limited (74%);
- Coveway Trade and Invest 46 Proprietary Limited (51%);
- Ochre Shimmer Trade and Invest 72 Proprietary Limited (51%);
- Caber Trade and Invest 1 Proprietary Limited (100%);
- Rickshaw Trade and Invest 86 Proprietary Limited (74%);
- Squirewood Investments 98 Proprietary Limited (74%);
- Bridge Line Proprietary Limited (51%);
- Saddle Path Props 54 Proprietary Limited (74%);
- Fast Pull Trade and Invest Proprietary Limited (74%);
- Dotfull Trading Proprietary Limited (74%);
- Writer Star Trade and Invest Proprietary Limited (74%); and
- Great 1 Line Invest Proprietary Limited (65%).

7.1.2 The tenure report in respect of these companies is to be found on pages 8 to 11 of the 2015 IAR. They can be summarised as follows:

- Sable Platinum JV: various platinum prospecting rights in the Klipfontein project;
- Gemsbok Magnetite: see 7.2 below;
- Middlewave: application made to the DMR for LP 30/5/1/1/12527PR;
- Fast Pace Trade: retention permit application granted;
- Coveway: right abandoned and handed back to BEE partners, pending S11 transfer;
- Ochre Shimmer: prospecting rights expired but renewal applications had been lodged with DMR;
- Caber Trade: see 7.2 below;
- Rickshaw: dormant;
- Squirewood: 4 prospecting right applications accepted by and in process at DMR;
- Bridge Line: application for mining right not accepted by DMR because of existing rights of Caber Trade;

- Saddle Path: dormant;
 - Fast Pull: prospecting right abandoned; SPM directors resigned; transfer of shares to BEE partner pending section 11 approval;
 - Dotfull: dormant;
 - Writer Star: prospecting right for vanadium and iron ore pending at DMR; and
 - Great 1 Line Invest: see 7.2 below.
- 7.1.3 The shares in the retained companies will be transferred to SPH as part of the scheme on the effective date of the scheme.
- 7.1.4 The shares held by SPM in the following companies:
- 65% of the issued shares of Great 1 Line Invest;
 - 74% of the issued shares of Gemsbok Magnetite; and
 - 100% of the issued shares of Caber Trade
- will be referred to herein as “the Project Companies’ Shares” and the companies will be referred to as “the Project Companies”.
- 7.1.5 In terms of the Lemur loan agreement Lemur has as at the last practicable date loaned an amount of R6 000 000 (six million Rand) to Sable on certain terms and conditions. As at 31 August 2015, the amount was R5 million. The Lemur loan agreement provided, *inter alia*, that the parties would explore the possibility of Lemur acquiring the Project Companies’ Shares. The amount so loaned is to be off-set against any agreed purchase price for the acquisition of the Project Companies’ Shares.
- 7.1.6 On 12 August 2015 Sable and Lemur signed a term sheet for the disposal by SPM of the Project Companies’ Shares to Lemur.
- 7.1.7 On 3 November 2015 Sable and Lemur signed the disposal agreement for the disposal by SPM of the Project Companies’ Shares to Lemur, the salient features of which are set out below.
- 7.1.8 Sable’s contingent obligation to repay the R6 million loan to Lemur will be ceded and assigned to SPM in terms of the scheme.
- 7.1.9 After the disposal of the Project Companies’ Shares, SPM will hold no shares in any companies and consequently have no mineral, mining or prospecting rights.
- 7.1.10 Lemur’s directors are Anthony Viljoen, Fortune Mojapelo, Ryan Rockwood and Shannon Coates.

7.2 Information in respect of the Project Companies

Great 1 Line Invest has been granted a prospecting right under DMR reference NW 30/5/1/1/2/11069 PR in respect of Portion 3 of the farm Uitvalgrond 431 JQ North West for iron and titanium. This right although granted has not yet been executed as fees payable to the DMR are outstanding. In addition, it is the holder of a prospecting right under DMR reference NW 30/5/1/1/2/11124 PR for vanadium over the same property. This right endures from 4 November 2014 to 3 November 2019.

Gemsbok Magnetite holds a prospecting right DMR reference GP 30/5/1/1/02/10142 PR in respect of the remainder of the farm Doornpoort 295 JR, Gauteng, for iron ore, vanadium ore and rutile for the period 13 November 2013 to 12 November 2018.

Caber Trade is the applicant for a mining right under DMR reference NW 30/5/1/1/2/10004 MR in respect of the farm Syferfontein 430 JQ and Portion 2 of the farm Uitvalgrond 431 JQ for all minerals. The prospecting right expired and the application for the mining right stalled pending the outcome of litigation/negotiations.

7.3 Terms and conditions of the disposal

- 7.3.1 SPM will sell all the Project Companies’ Shares to Lemur for US\$600 000 (six hundred thousand United States Dollars) as one indivisible transaction, subject to the conditions precedent being fulfilled, with effect from the disposal signature date.

- 7.3.2 The purchase price is payable in instalments (through loan advances per the Lemur loan agreement) as follows:
- R1 000 000 (one million Rand) was paid on 22 March 2015;
 - R1 000 000 (one million Rand) was paid on 8 May 2015;
 - R1 500 000 (one million five hundred thousand Rand) was paid in terms of the addendum to the loan agreement on 7 August 2015;
 - R1 500 000 (one million five hundred thousand Rand) was paid on 22 August 2015;
 - R1 000 000 (one million Rand) was paid on 17 November 2015;
 - the balance on the last practicable date amounted to approximately R2 640 000 or US\$183 333 at an exchange rate of R14.40 to the US dollar;
 - the final balance will be calculated, based on the prevailing Rand/US Dollar exchange rate quoted by National Australia Bank as on the date of the shareholders' meeting scheduled for 25 January 2016, and will be paid within two days of that date.
- 7.3.3 Ownership of the shares shall pass when the purchase price has been paid in full. It was agreed in the Lemur loan agreement that should the Project Companies' Shares be acquired by Lemur, the outstanding Lemur loan amount shall be set off against the purchase price.
- 7.3.4 In addition to the purchase price, Lemur shall pay SPM a royalty of an amount equal to 1.75% of the gross sales of products yielded from the Projects, quarterly in arrears, subject to a certain maximum and minimum per tonne of product sold in perpetuity. The minimum will be 1.75% of the minimum price required to give a 15% real rate of return over a 20-year life of mine. The maximum will be R9.62 escalated by the consumer price index.
- 7.3.5 SPM will apply the sales proceeds to repay the Lemur loan referred to in paragraphs 7.1.4 above and to redeem debt.
- 7.3.6 Should the disposal not be approved, the Lemur loan will be repayable as follows:
- R1 000 000 within 30 days;
 - R1 000 000 within 30 days thereafter;
 - R1 500 000 within 30 days thereafter; and
 - R1 500 000 within 30 days thereafter.

7.4 **Conditions of the disposal**

The disposal is subject to the condition precedent that the disposal is approved by shareholders of Sable by special resolution in terms of section 115 of the Act.

Should the disposal take place on or before the effective date, it will be an affected transaction which came into effect on the disposal signature date, but the continued operation thereof shall be subject to the following resolute conditions:

- 7.4.1 that section 11 approval in respect of the change in ownership of the Project Companies be granted within 4 (four) years from the signature date of the disposal agreement (or such later date as SPM and Lemur may agree to in writing prior to that date);
- 7.4.2 that within 90 (ninety) business days of the signature date of the disposal agreement (or such later date as may be agreed to by SPM and Lemur in writing prior to that date), SPM furnishes Lemur with written notice setting out the date on which notice of the applicable sale transaction was furnished to the remaining shareholders, and confirmation regarding whether or not any of the remaining shareholders effectively exercised any of their pre-emptive rights to acquire shares in that Project Company; it being specifically agreed that:
- 7.4.3 in the event that any of the remaining shareholders of Great 1 Line effectively exercises their pre-emptive rights, then the disposal agreement (other than certain excluded provisions) shall by written notice from Lemur to Sable forthwith lapse and cease to be of no force and effect;

- 7.4.4 if the remaining shareholders of Great 1 Line do not effectively exercise their pre-emptive rights; but the remaining shareholders of Gemsbok Magnetite do effectively exercise their pre-emptive rights, then the provisions of the disposal agreement in respect of Gemsbok Magnetite shall fall away, and be *pro non scripto*, and the purchase price shall be reduced by US\$175 000 (one hundred and seventy five thousand United States Dollars);
- 7.4.5 if the remaining shareholders of Great 1 Line do not effectively exercise their pre-emptive rights; but the remaining shareholders of Caber Trade do effectively exercise their pre-emptive rights, then the provisions of the disposal agreement in respect of Gemsbok Magnetite shall fall away and be *pro non scripto*, and the purchase price shall be reduced by US\$25 000 (twenty five thousand United States Dollars);
- 7.4.6 that within 10 (ten) business days of the conditions referred to in 7.4.2, or 7.4.3, or 7.4.4, or 7.4.5 above being fulfilled (or such later date as may be agreed to by SPM and Lemur in writing prior to that date) Lemur binds itself to the terms and conditions of the shareholders agreement governing the shareholders' relationship in the relevant Project Company, as required thereby;
- 7.4.7 that within 10 (ten) business days of the signature date of the disposal agreement (or such later date as may be agreed to by SPM and Lemur in writing prior to that date) the boards of directors and shareholders (to the extent required by law) of each of the parties other than Sable, respectively authorise and approve the entering into of the transactions contemplated in the disposal agreement, and authorise their respective representatives to enter into the agreement for and on behalf of each of the parties;
- 7.4.8 that all prospecting reports which are required to be submitted by Gemsbok Magnetite and Great 1 Line to the DMR, be so submitted on behalf of the Project Companies by Sable by no later than 13 November 2015;
- 7.4.9 that should the disposal take place before or on the effective date of the scheme, it will:
- 7.4.9.1 be a Category 1 transaction as defined in section 9.20 of the Listings Requirements, requiring approval by 50% of votes of shareholders; and will also
- 7.4.9.2 be a disposal by SPM, a subsidiary of Sable, of most of its assets and therefore a fundamental transaction as defined in section 112 of the Act, requiring approval by 75% of votes of shareholders of the holding company, Sable, in terms of section 112(2) and section 115(2)(a) and (b) of the Act;
- 7.4.9.3 in terms of section 112(4) of the Act, require a fair and reasonable opinion per Regulation 90(4), an executive summary of which is set out in the circular.
- To date none of the resolute conditions have been fulfilled.

7.5 Completion of the disposal

On the completion date of the disposal, SPM shall deliver to an escrow agent agreed to in writing by Lemur, pending final payment of the purchase price:

- 7.5.1 its share certificates in respect of the Project Companies' Shares;
- 7.5.2 share transfer forms in respect of the Project Companies' Shares, duly signed by SPM as the transferor and blank as to transferee;
- 7.5.3 the written resignations of all of Sable's appointees as directors of the Project Companies;
- 7.5.4 resolutions by the boards of directors of the Project Companies:
- authorising registration of transfer of the relevant Project Companies' Shares to Lemur, the issue of new share certificates to Lemur, and the updating of the relevant Project Company's register of members accordingly; and
 - appointing Lemur's nominee(s) as directors of the Project Companies.

7.6 Financial information in respect of disposal

The historical information in respect of the subject of the disposal is set out in **Annexure 4** and is the responsibility of the directors.

The value of the net assets that are the subject of the disposal has been assessed by Minxcon as US\$600 000 (six hundred thousand United States Dollars) plus a net present value of US\$2100 000 (two million one hundred thousand United States Dollars) on a real discount rate of 10%. There are currently no profits attributable to the net assets that are the subject of the disposal.

7.7 **Opinions and recommendations**

The disposal, if it becomes effective on or before the effective date of the scheme, constitutes a fundamental transaction in terms of sections 112 and 115 of the Act and an independent valuation by an appropriate independent valuer was therefore required in terms of section 112(4) of the Act.

Minxcon was appointed to prepare a CPR in terms of paragraph 12.8(a) of the Listings Requirements. Included in the CPR is a valuation performed by a Competent Valuator in terms of and in compliance with the SAMREC Code.

The CPR was reviewed and updated for purposes of the disposal.

Minxcon has concluded that its preferred valuation of the subject of the disposal (i.e. the prospecting and mining rights held by the Project Companies) is a best-estimated value of between US\$3.04 million and US\$8.01 million. An executive summary of the CPR is annexed as **Annexure 6**.

Effortless Corporate Finance, which complies with the provisions of section 114(2), was appointed as independent expert.

Effortless Corporate Finance concluded that the disposal is fair and reasonable to shareholders. A copy of the fair and reasonable opinion is annexed as **Annexure 3**.

The independent board accepts responsibility for the information included in this circular, confirms that to the best of its knowledge and belief that the information contained in the circular is true, and that **Annexures 3** and **6** do not omit anything likely to affect the importance of such information.

The independent board has considered the terms and conditions of the disposal as well as the opinion of the independent expert.

The independent board places reliance on the valuation of the independent expert, after performing the requisite amount of work that satisfies the independent board that it is justified in placing reliance upon that valuation.

The approval of the specific issue, waiver of the offer and the scheme are not conditions precedent for the disposal. However, should the specific issue, the waiver and the scheme not be approved, it will in all probability result in Sable being placed in business rescue or provisional liquidation. Whether the disposal will be able to be implemented under such circumstances, is unknown and undeterminable at this stage.

The independent board, taking into account the above considerations, concurs with the independent expert's opinion and is unanimously of the opinion that the disposal is fair in terms of the Listings Requirements and fair and reasonable in terms of the Act.

The independent board recommends that Sable shareholders vote in favour of the resolutions to be proposed at the general meeting in respect of the disposal.

Those members of the independent board who own shares in their own right intend to vote in favour of the resolutions proposed in respect of the disposal.

7.8 **Legal proceedings and legal titles**

With the exception of the Syferfontein litigation, the directors are not aware of any legal proceedings that may have an influence on the rights to explore or mine the assets being disposed of as part of the disposal. Save as stated above, Sable is in possession of the necessary legal title or ownership rights to explore, mine or explore and mine.

Additional information required by the Panel and Takeover Regulations in terms of the Act

7.9 **Disclosure of interests, holdings and dealings**

At the last practicable date and during the two years prior to the announcement of the disposal, neither Sable nor any of the directors of Sable nor Minxcon nor any of its directors nor Effortless Corporate Finance nor any of its directors had any direct or indirect beneficial interest in Lemur

or Bushveld Minerals or the Project Companies, nor did Lemur or Bushveld Minerals or any of its directors or shareholders or any parties acting in concert with Lemur or Bushveld Minerals have any interest in Sable or Minxcon or the Project Companies or Effortless Corporate Finance.

During the last six months prior to the last practicable date, no Sable directors dealt in Sable shares save as disclosed in paragraph 12.3 below.

During the last six months prior to the last practicable date, neither Lemur nor any Lemur directors nor Bushveld Minerals nor Bushveld Minerals directors nor Effortless Corporate Finance nor any of its directors dealt in Sable shares.

The members of the independent board who hold shares in the issued share capital of the company, are, in the opinion of the independent board, free of conflict of interest and are able to make an impartial decision relating to the disposal for the purposes of the Takeover Regulations. Therefore, none of the members of the independent board have any conflict of interest or potential conflict of interest with reference to the disposal that renders them non-independent for the purposes of the Takeover Regulations and disqualifies them from taking part in obtaining independent advice from an appropriate external expert on the terms and conditions of the disposal in terms of Takeover Regulation 110. The independent board of the company in respect of the disposal accordingly consists of all of the directors of the company.

7.10 Set-off

Should the disposal be approved by shareholders and implemented upon fulfilment of the disposal conditions, the outstanding portion of the disposal consideration will be paid in full in accordance with the terms of the disposal agreement which will include the set-off of the Lemur loan against the disposal consideration.

7.11 Special arrangements, undertakings or agreements

There are no arrangements, undertakings or agreements between Sable and Lemur and persons acting in concert with either of them in relation to the disposal consideration. There are further no agreements, arrangements or understanding between Lemur or any person acting in concert with it and any of the directors of Sable, or any persons who were directors of Sable in the 12 months preceding the disposal agreement or with Sable shareholders or persons who were Sable shareholders in the 12 months preceding the disposal agreement, which has any connection with or dependence upon the disposal.

7.12 Directors of Sable

There will be no changes to the board as a result of the disposal.

7.13 Voting at the general meeting

The disposal must be approved:

- by an ordinary resolution in terms of section 9.20 of the Listings Requirements; and
- by a special resolution in accordance with sections 112 and 115 of the Act, adopted by at least 75% of shareholders exercising their voting rights on the disposal at the general meeting, at which sufficient shareholders must be present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised on the disposal.

7.14 Dissenting vote

7.14.1 Shareholders are advised that in terms of sections 112 and 115 of the Act, Sable may not proceed to implement the special resolution required to approve of the disposal referred to in paragraph 7.13 above, despite the fact that it has been adopted at the general meeting without the approval of a court if:

- 7.14.1.1 the special resolution was opposed by at least 15% of the voting rights that were exercised on that special resolution, and any dissenting shareholder who voted against the special resolution requires Sable to seek court approval, within five business days of the vote; or

7.14.1.2 the court, on an application by any dissenting shareholder, within 10 business days of the vote, grants that dissenting shareholder leave to apply to a court for a review of the disposal under the following circumstances where the court is satisfied that the dissenting shareholder:

7.14.1.2.1 is acting in good faith;

7.14.1.2.2 appears prepared and able to sustain the court proceedings; and

7.14.1.2.3 has alleged facts which, if proved, would support a court order setting aside the special resolution on the following grounds:

- that the special resolution is manifestly unfair to any class of Sable shareholders; or
- that the vote at the general meeting was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation, or any applicable rules of the company, or other significant and material procedural irregularity.

7.15 For the purposes of paragraph 7.14 above, any voting rights controlled by Lemur or any person related to it or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights present in satisfaction of the general meeting quorum requirement, or voted in support of the special resolution.

7.16 If a special resolution requires approval by a court in terms of paragraph 7.15 above, Sable must either apply to the court for approval of the special resolution, and bear the costs of that application, or treat the special resolution as a nullity.

7.17 A shareholder who is entitled to vote at the general meeting is entitled to seek relief in terms of section 164 of the Act, as set out in paragraph 7.19 below, if that shareholder notified the company in advance of the intention to oppose the special resolution, was present at the general meeting and voted against the special resolution.

7.18 **Statement informing shareholders of their rights under section 164 of the Act**

7.18.1 **Notice of objection to special resolution by dissenting shareholder**

At any time before a special resolution is to be voted on, a dissenting shareholder may give the company a written notice objecting to the special resolution. A dissenting shareholder must vote against the transaction at the meeting.

7.18.2 **Notice of adoption of special resolution by company**

Within 10 business days after the company has adopted the special resolution contemplated in this circular, the company must send a notice that the special resolution has been adopted (“notice of adoption of special resolution”) to each shareholder who:

7.18.2.1 gave the company a written notice of objection as set out in paragraph 7.18.1 above; and

7.18.2.2 has neither withdrawn that notice, nor voted in support of the special resolution.

7.18.3 **Demand for fair value by dissenting shareholder**

A dissenting shareholder may demand that the company pay the fair value for all of the shares of the company held by that dissenting shareholder (“demand”) if:

7.18.3.1 that dissenting shareholder sent the company a notice of objection;

7.18.3.2 the company has adopted the special resolution;

7.18.3.3 the dissenting shareholder voted against that resolution and has complied with all of the procedural requirements of section 164 of the Act; and

7.18.3.4 that dissenting shareholder delivers a written notice to the company, either:

- within 20 business days after receiving a notice of adoption of special resolution; or
- if the dissenting shareholder did not receive a notice of adoption of special resolution, within 20 business days after learning that the resolution has been adopted.

7.18.4 **Contents of demand**

The demand referred to in paragraph 7.18.3 above must also be delivered to the Panel and must state:

- 7.18.4.1 the dissenting shareholder's name and address;
- 7.18.4.2 the number and class of shares in respect of which the dissenting shareholder seeks payment; and
- 7.18.4.3 a demand for payment of the fair value of those shares.

7.18.5 **Dissenting shareholder's rights**

A dissenting shareholder who has sent a demand has no further rights in respect of those shares, other than to be paid their fair value, unless:

- 7.18.5.1 the dissenting shareholder withdraws that demand before the company makes an offer as set out in paragraph 7.18.6 below, or allows an offer made by the company to lapse, as set out in paragraph 7.18.6.2.2 below;
- 7.18.5.2 the company fails to make an offer as set out in paragraph 7.18.6 below and the dissenting shareholder withdraws the demand; or
- 7.18.5.3 the company, by a subsequent special resolution, revokes the adopted special resolution that gave rise to the dissenting shareholder's rights under section 164 of the Act.

If any of the events contemplated in paragraphs 7.18.5.1 to 7.18.5.3 above occur, all of the dissenting shareholder's rights in respect of the shares are reinstated without interruption.

7.18.6 **Offer by company**

7.18.6.1 Within five business days after the later of:

- 7.18.6.1.1 the day on which the disposal approved by the special resolution becomes effective;
- 7.18.6.1.2 the last day for the receipt of demands from the dissenting shareholder/s in terms of paragraph 7.18.4 above; or
- 7.18.6.1.3 the day the company received a demand in terms of paragraph 7.18.4 above,

the company must send to each dissenting shareholder who has sent such a demand a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, being the fair value determined as at the date on which, and time immediately before, the company adopted the special resolution, and accompanied by a statement showing how that value was determined.

7.18.6.2 Every offer made in terms of section 164 of the Act as set out in paragraph 7.18.6.1 above:

- 7.18.6.2.1 in respect of shares of the same class, must be made on the same terms; and
- 7.18.6.2.2 lapses if it has not been accepted by the dissenting shareholder within 30 business days after it was made.
- 7.18.6.2.3 If a dissenting shareholder accepts the offer made as set out in paragraph 7.18.6.1 above, that dissenting shareholder must either in the case of certificated shares, tender the relevant share certificates to the company or its transfer secretaries, or in the case of dematerialised shares, instruct its CSDP accordingly and direct the transfer of those shares to the company or the company's transfer secretaries; and the company must pay that dissenting shareholder the agreed amount within 10 business days after the shareholder accepted the offer and tendered the share certificates or directed the transfer to the company of dematerialised shares, as the case may be.

7.18.7 Court determination of fair value

- 7.18.7.1 A dissenting shareholder who has made a demand may apply to a court to determine a fair value in respect of the relevant shares and an order requiring the company to pay the shareholder the fair value so determined, if the company has failed to make such an offer or made an offer that the dissenting shareholder considers to be inadequate, and that offer has not lapsed.
- 7.18.7.2 All dissenting shareholders who have not accepted an offer from the company as at the date of the application referred to in paragraph 7.18.7.1 above must be joined as parties and are bound by the decision of the court and the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings.
- 7.18.7.3 The court may determine whether any other person is a dissenting shareholder who should be joined as a party.
- 7.18.7.4 The court will determine a fair value in respect of the shares of all dissenting shareholders, having regard to the date on which, and time immediately before, the company adopted the special resolution.
- 7.18.7.5 The court may in its discretion appoint one or more appraisers to assist it in determining the fair value in respect of the shares or may allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the disposal is effective, until the date of payment. It may also make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court.
- 7.18.7.6 The court must make an order:
- 7.18.7.6.1 requiring the dissenting shareholders to either withdraw their respective demands, in which case the shareholders will be reinstated to their full rights as shareholders, or
 - 7.18.7.6.2 to tender their share certificates or direct the transfer of their dematerialised shares and the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with such order, subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- 7.18.7.7 If there are reasonable grounds to believe that compliance by Sable of the abovementioned court order would result in Sable being unable to pay its debts as they fall due and payable for the ensuing 12 months, the company may apply to a court for an order varying its obligations in terms of the relevant subsection and the court may make an order that is just and equitable, having regard to the financial circumstances of Sable and that ensures that the dissenting shareholder to whom Sable owes money in terms of section 164 of the Act is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

Shareholders are referred to the provisions of sections 115 and 164 of the Act, the wording of which is attached to this circular as **Annexure 7**.

7.19 Information relating to the purchaser

Lemur is a private company incorporated in Australia which is 100% owned by Bushveld Minerals Limited, incorporated in Australia, listed on the AIM market.

8. NAME CHANGE

Sable wishes to change its name to herald the beginning of a new chapter. The name Middle East Diamond Resources Limited has been reserved by the CIPC. The company announced its first acquisition in the diamond sector on 7 December 2015.

Shareholders will be requested to pass the necessary special resolution to change the company's name accordingly.

The name change is subject to the condition precedent that all the other ordinary and special resolutions are passed.

9. SHARE CAPITAL

9.1 Authorised and issued share capital before the transactions

	R
Authorised share capital	
1 000 000 000 ordinary shares of no par value	–
Total authorised share capital	–
Issued share capital	
227 911 808 ordinary shares of no par value (including 41 648 396 shares held in escrow)	91 594 801
Total issued share capital: 227 911 808	91 594 801

9.2 Authorised and issued share capital after the transactions

	R
Authorised share capital	
1 000 000 000 ordinary shares of no par value	–
Total authorised share capital	–
Issued share capital	
Reconciliation:	
227 911 808 ordinary shares of no par value (including 41 648 396 shares held in escrow)	91 594 801
200 000 000 no par value shares issued at four cents each	–
7 214 709 share rights vested	–
Resulting in:	
435 126 517 ordinary shares with no par value	8 000 000
Total issued share capital	99 594 801

- The table assumes that all resolutions proposed in the attached notice of general meeting had been passed and that the share rights had vested.
- There were no changes in the authorised share capital of the company since it listed on the JSE, save for the conversion of par value shares into no par value shares as approved by shareholders at the annual general meeting held on 17 July 2012.

All authorised but unissued shares have been placed under the control of the directors until the next annual general meeting subject to the provisions of the Act and the Listings Requirements.

Directors were granted a general authority to issue shares not exceeding 34 186 771 shares at the annual general meeting held on 16 July 2015. Sable issued the following shares pursuant to this general authority:

Date	Number of shares	Issue price per share (cents)
5 March 2014	105 277	47.50
5 March 2014	1 111 250	47.69
13 March 2014	2 718 419	48.28
13 March 2014	542 647	48.37
Total number of shares	4 477 593	

Sable entered into a specific issue of shares for cash agreement with Familia, which was approved by shareholders on 27 October 2014. Application was made for the additional listing of 31 041 971 ordinary shares comprising:

- 3 184 354 ordinary shares at an issue price of 47.11 cents per share equal to a 10% discount to the VWAP for the 30-day period prior to 2 June 2014;
- 3 607 588 ordinary shares at an issue price of 41.58 cents per share equal to a 10% discount to the VWAP for the 30-day period prior to 24 June 2014;
- 5 225 013 ordinary shares at an issue price of 28.71 cents per share equal to a 10% discount to the VWAP for the 30-day period prior to 25 July 2014;
- 4 896 975 ordinary shares at an issue price of 30.63 cents per share equal to a 10% discount to the VWAP for the 30-day period prior to 22 August 2014;
- 14 128 041 ordinary shares at an issue price of 28.31 cents per share equal to a 10% discount to the VWAP for the 30-day period prior to 14 October 2014.

The shares were issued in terms of the circular to shareholders dated 26 September 2014, which inter alia provides;

- that if the Sable group has not been granted a mining right and has not concluded an off-take agreement for the sales of a minimum of 50 000 tonnes of ore per month, supplied from the property holding the right, amounts totalling R10 million will be credited to a loan account over a period of three years, to the shareholder Familia, and will be payable on demand from 2 June 2017; and in addition
- that Familia will be entitled to the receipt of commission on the sales of ore from any of the properties over which the Sable group has a mineral right. If the group sells the right of the company holding the mineral right, Familia will be entitled to a percentage of the proceeds with a maximum of 5%.

Escrow shares relate to shares allotted to an escrow account held by Java Capital Limited pending the outcome of the Syferfontein litigation, whereupon these shares will be transferred to the previous shareholders of Sable Holdings Proprietary Limited, or cancelled if the claim is unsuccessful.

10. FINANCIAL INFORMATION

10.1 FINANCIAL INFORMATION ON THE TRANSACTIONS:

10.1.1 *Pro forma* financial effects of the disposal

The *pro forma* financial effects of the disposal on Sable shareholders set out below are based on the published unaudited results of Sable for the six months ended 31 August 2015. The *pro forma* financial effects are the responsibility of the board of directors of Sable and have been prepared for illustrative purposes only and because of their *pro forma* nature may not fairly present Sable's financial position or results of operations after the disposal. The directors of Sable are responsible for the preparation of the *pro forma* financial effects.

	“Before the disposal” unaudited 31 August 2015	<i>Pro forma</i> “After the disposal” 31 August 2015	Change %
Loss per share (cents)	(1.81)	1.85	202.21
Headline loss per share (cents)	(1.81)	(1.91)	(5.52)
Net asset value per share (cents)	(4.86)	(1.22)	74.89
Tangible net asset value per share (cents)	(5.38)	(1.75)	67.47
Weighted average number of shares in issue ('000)	227 911 808	227 911 808	
Total shares in issue ('000)	227 911 808	227 911 808	

Note: Refer to **Annexure 1** for detailed notes.

10.1.2 **Pro forma financial effects of the specific issue, vesting of share rights and scheme**

The *pro forma* financial effects of the specific issue, vesting of share rights and scheme on Sable shareholders set out below are based on the published unaudited results of Sable for the six months ended 31 August 2015. The *pro forma* financial effects are the responsibility of the board of directors of Sable and have been prepared for illustrative purposes only and because of their *pro forma* nature may not fairly present Sable's financial position or results of operations after the specific issue and scheme. The directors of Sable are responsible for the preparation of the *pro forma* financial effects.

	“Before the specific issue, vesting of share rights and scheme” unaudited 31 August 2015	<i>Pro forma</i> “After the specific issue, vesting of share rights and scheme” 31 August 2015	Change %
Loss per share (cents)	(1.81)	(0.53)	70.71
Headline loss per share (cents)	(1.81)	(2.19)	(20.99)
Net asset value per share (cents)	(4.86)	0.48	109.88
Tangible net asset value per share (cents)	(5.38)	0.21	103.90
Weighted average number of shares in issue ('000)	227 911 808	435 126 517	
Total shares in issue ('000)	227 911 808	435 126 517	

Note: Refer to **Annexure 1** for detailed notes

10.1.3 **Combined pro forma financial effects of the disposal, specific issue, vesting of share rights and the scheme**

The combined *pro forma* financial effects of the disposal, specific issue, vesting of share rights and the scheme on Sable shareholders set out below are based on the published unaudited results of Sable for the six months ended 31 August 2015. The *pro forma* financial effects are the responsibility of the board of directors of Sable and have been prepared for illustrative purposes only and because of their *pro forma* nature may not fairly present Sable's financial position or results of operations after the disposal, specific issue and the scheme. The directors of Sable are responsible for the preparation of the *pro forma* financial effects.

	“Before the disposal,” unaudited 31 August 2015	<i>Pro forma</i> “After the disposal” 31 August 2015	change %	<i>Pro forma</i> “After the disposal, specific issue and scheme” 31 August 2015	Change %
Loss per share (cents)	(1.81)	1.85	202.21	(0.64)	134.59
Headline loss per share (cents)	(1.81)	(1.91)	(5.52)	(2.24)	(17.28)
Net asset value per share (cents)	(4.86)	(1.22)	74.89	0.35	128.69
Tangible net asset value per share (cents)	(5.38)	(1.75)	67.47	0.07	104
Weighted average number of shares in issue ('000)	227 911 808	227 911 808		435 126 517	
Total shares in issue ('000)	227 911 808	227 911 808		435 126 517	

Note: Refer to **Annexure 1** for detailed notes.

10.1.4 **Pro forma statement of comprehensive income and statement of financial position on the transactions**

The *pro forma* statements of financial position and comprehensive income, before and after the transactions, together with notes regarding the adjustments, are set out in **Annexure 1**.

The independent reporting accountants' report on the *pro forma* financial information in respect of the transactions are set out in **Annexure 2**.

On 7 December 2015, Sable announced to shareholder on SENS that it had acquired the sale assets of Blain Capital Solutions (Pty) Ltd. The *pro forma* financial effect of this acquisition will be released on SENS prior to the general meeting.

10.2 FINANCIAL INFORMATION ON SPM:

10.2.1 *Pro forma* financial effects of the scheme

The *pro forma* financial effects of the scheme on SPM shareholders set out below are based on the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015. The *pro forma* financial effects are the responsibility of the board of directors of Sable and have been prepared for illustrative purposes only and because of their *pro forma* nature may not fairly present SPM's financial position or results of operations after the scheme. The directors of Sable are responsible for the preparation of the *pro forma* financial effects.

	“Before the scheme” 31 August 2015	<i>Pro forma</i> “After the scheme” 31 August 2015	Change %
Loss per share (cents)	(904 033)	(2 .93)	100
Headline loss per share (cents)	(904 003)	(1.42)	100
Net asset value per share (cents)	(22 421 258)	(36.79)	100
Tangible net asset value per share (cents)	(22 421 258)	(36.79)	100
Weighted average number of shares in issue ('000)	370	235 126 517	
Total shares in issue ('000)	370	235 126 517	

Note: Refer to **Annexure 11** for detailed notes.

10.2.2 **Combined *Pro forma* financial effects of the disposal and the scheme [s7E.12] / [s 11.19] / [s8.11(j)] / [s8.16] / [s8.18a – s8.18c]**

The combined *pro forma* financial effects of the disposal and the scheme on SPM shareholders set out below are based on the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015. The *pro forma* financial effects are the responsibility of the board of directors of Sable and have been prepared for illustrative purposes only and because of their *pro forma* nature may not fairly present SPM's financial position or results of operations after the disposal and the scheme. The directors of Sable are responsible for the preparation of the *pro forma* financial effects.

	“Before the disposal and scheme” 31 August 2015	<i>Pro forma</i> “After the disposal, and scheme” unaudited 31 August 2015	Change %
(Loss)/earnings per share (cents)	(904 033)	0.62	100
Headline loss per share (cents)	(904 003)	(1.42)	100
Net asset value per share (cents)	(22 421 258)	(33.24)	100
Tangible net asset value per share (cents)	(22 421 258)	(33.24)	100
Weighted average number of shares in issue ('000)	370	235 126 517	
Total shares in issue ('000)	370	235 126 517	

Note: Refer to **Annexure 11** for detailed notes.

10.2.3 ***Pro forma* statement of comprehensive income and statement of financial position on SPM**

The *pro forma* statements of financial position and comprehensive income, before and after the disposal and scheme, together with notes regarding the adjustments, are set out in **Annexure 11**.

The independent reporting accountants' report on the *pro forma* financial information in respect of SPM are set out in **Annexure 12**.

10.3 Historical financial information

The historical financial information relating to the subject of the disposal, is set out in **Annexure 4**.

The independent reporting accountants' report on the historical financial information relating to the subject of the disposal, is set out in **Annexure 5**.

10.4 Adequacy of capital

The board, having considered the effect of the transactions consider that, with the assistance of BLA, the new controlling shareholder, after approval and implementation of the specific issue:

10.4.1 Sable and its subsidiaries will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of the JSE approval of this circular;

10.4.2 the assets of Sable will exceed its liabilities of the group for a period of 12 months after the date of the JSE approval of this circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited Sable financial statements;

10.4.3 the ordinary share capital and reserves of Sable and its subsidiaries shall be adequate for ordinary business purposes for a period of 12 months after the date of the JSE approval of this circular; and

10.4.4 the working capital available to Sable and its subsidiaries is sufficient for the group's present requirements, which is at least the next 12 months from the date of approval of this circular.

10.5 Material changes

The directors' report that, other than the transactions, there have been no material changes in the financial or trading position or the assets and liabilities of Sable between 22 May 2015, the date of the interim results for the six months ended 31 August 2015 and the last practicable date, save for the acquisition of the sale assets of Blain Capital Solutions Proprietary Limited as announced on SENS on 7 December 2015 and described in paragraph 11.3 of the circular.

10.6 Material borrowings of Sable and its subsidiaries

Details of the group's material borrowings are set out below:

Lender	Loan amount R	Interest rate	Secured	Repayment terms
Allan Hochreiter Investments ⁴	281 529	0%	No	After 12 months notice
Platanoides Limited ⁵	1 000 000	3-month JIBAR rate	No	On demand after 30 January 2016 Depends on whether Sable has sufficient funds in the view of the board to repay
James Allan ⁶	1 056 138	Prime	Subordinated	As set out in 7.3 above
Lemur Resources	5 000 000	Prime	No	On demand from 2 June 2017
Familia Loan	6 951 382	0%	No	

Notes:

1. There is no material difference between the fair value of other borrowings and their book value except for the Familia Loan that has an initial loan value of R10 000 000 which has been discounted to its present value.
2. In terms of the MOI of the company the borrowing powers of the directors shall be unlimited.
3. Repayments within one year will be funded by utilising cash balances and by future cash inflows.
4. Allan Hochreiter Investments paid rental and various other expenses on behalf of Sable for a period of time.
5. Platanoides lent the money to Sable.
6. James Allan lent the money to Sable.

No shares have any conversion or redemption rights.

10.7 Financial director

As required by the Listings Requirements, the company has an incumbent part-time executive financial director and the Audit and Risk Committee has satisfied itself of the appropriateness of his experience and expertise.

11. INFORMATION RELATING TO SABLE

11.1 Nature of business

The Sable's group's primary business objective is the exploration, evaluation and development of several exploration projects, situated mainly on the western limb of the Bushveld Complex.

11.2 History

Sable Platinum Holdings Proprietary Limited reverse listed into New CorpCapital Limited on 23 November 2012. New CorpCapital duly changed its name to Sable Platinum Limited and on 3 March 2014 changed its name to Sable Metals and Minerals Limited, to more fully reflect the diverse nature of the company.

11.3 Prospects

As reported in Sable's 2015 IAR, the group's financial position is dire:

- its total liabilities exceed its total assets;
- it continues to incur losses; and
- it burns cash at a rate of R620 000 per month. This figure has, however, been reduced significantly since then.

Consequently the group has been negotiating with a number of parties. However, as a result of a difficult mining environment, Sable found it difficult to raise capital.

Should the specific issue, waiver of the mandatory offer and the scheme not be approved and implemented, Sable will probably have no other option but to place itself in business rescue or provisional liquidation.

Should all the resolutions be passed, Sable and its wholly-owned subsidiary, SPH, will be companies without any liabilities and with a 74% shareholding in Roan and the retained shares.

Sable requires an amount of approximately R1 million to fund continued exploration. BLA, the new controlling shareholder after the approval and implementation of the transactions, undertook to supply such funds to Sable, whether in the form of equity or loan, once the conditions precedent to the proposed series of transactions contained in the circular, have been met.

Should Sable require further working capital for its operations, BLA undertook to supply such funds to Sable, whether in the form of equity or loan, once the conditions precedent to the proposed series of transactions contained in the circular, have been met.

BLA would like Sable to make acquisitions in the diamond mining sector, once the conditions precedent to the proposed series of transactions contained in the circular, have been met. In this regard shareholders are referred to the announcement released on SENS on 7 December 2015 in respect of the Heads of Agreement entered into on 4 December 2015 by SPH with Blain Capital Solutions Proprietary Limited in respect of the acquisition by SPH of the Kamfersdam dumps and equipment on the farm Roode Pan No. 70, Kimberley.

11.4 Major shareholders

At the last practical date, the only shareholders, other than directors, holding directly or indirectly 5% or more of the company's shares (including the escrow shares) were:

Name	Number of shares	%
Familia Asset Managers	31 041 971	13.6
Legacy Platinum Corporation	23 400 000	10.3

This situation will change as a result of the specific issue to the following, after release of the escrow shares but before the vesting of the rights (427 911 808 shares then in issue):

Name	Number of shares	%
BLA	200 000 000	46.7
Familia Asset Managers	31 041 971	7.3
Legacy Platinum Corporation	23 400 000	5.3

As is clear from the table above, there will be a change in controlling shareholder resulting from the specific issue.

There have been no changes in the controlling shareholders and trading objectives of Sable and its subsidiaries since incorporation.

11.5 Litigation statement

The company is not aware of any legal or arbitration proceedings (including any such proceedings which are pending or threatened), which may have or may have had, in the last 12 months, a material effect on the group's financial position save for the Syferfontein litigation and the Bank litigation.

11.5.1 The Syferfontein litigation;

This litigation concerns a joint venture agreement concluded between Caber Trade and Invest 1 (Pty) Ltd ("Caber") and MKR Bakwena Tribal Minerals NPC ("MKR") on 19 February 2008. It was envisaged that the prospecting right issued by the Department of Mineral Resources DMR to MKR in respect of all minerals to be found over the farms Portion 2 Uitvalgrond and Syferfontein ("the Syferfontein properties") would be ceded to Caber. The transaction was subject to section 11 Approval being obtained. Section 11 Approval was duly granted.

The section 11 Approval has been placed in issue by MKR, alleging that the party who concluded the joint venture agreement and the addenda thereto in respect of the Syferfontein properties with SPM on MKR's behalf was not authorised to do so. Accordingly, so MKR alleges, section 11 Approval ought not to have been granted.

The aforesaid allegations have been made by MKR despite a two-year investigation conducted by the DMR prior to recommending that section 11 Approval be granted. This investigation confirmed that both MKR and the community whom it purports to represent were in agreement with the grant of section 11 approval. In the application brought by SPM in the North Gauteng High Court under case number 26513/2011 and heard on 27 and 28 February 2012, SPM sought to entrench its pre-emption right to apply for a mining right over the Syferfontein properties based upon section 19(1)(b) of the MPRDA. This litigation is currently pending. This matter has been set down for trial on 14 June 2016. Caber applied for a mining right in August 2011.

Although negotiations with the affected parties have taken place from time to time these negotiations have now stalled and the matter has been enrolled for hearing on 14 June 2016.

11.5.2 The Bank litigation:

An internal appeal initiated by the Royal Bafokeng Nation against, *inter alia*, Mineral Capital Assets Proprietary Limited in terms of section 96 of the MPRDA and any additional litigation as the Royal Bafokeng Nation may thereafter initiate in respect of the Bank Prospecting Right, which may result in the cancellation in whole or in part of the Bank Prospecting Right. This prospecting right was granted to Mineral Capital Assets in respect of the farms Zandbult 119 JQ, Swartbank JQ and Zandfontein 124 JQ, Magisterial District Rustenburg, North West province, under DMR reference number NW/30/5/1/1/2/978 PR and which prospecting right (save for the property Swartbank JQ) was ceded to Coveway Trade and Invest 46 Proprietary Limited in terms of a Notarial Deed of Cession dated 9 November 2011.

Two boreholes were drilled on the Bank project and when the deepest at 2 100 metres had not intersected platinum reefs and the geology did indicate that these reefs would intersect in the next 200 to 300 metres, Sable decided to abandon this project.

11.6 Material contracts

No other material contracts have been entered into (either verbally or in writing) by Sable and its subsidiaries, other than in the ordinary course of business, during the two years preceding the last practicable date, save for the following:

- the Familia agreement entered into with Familia on 19 August 2014;
- the Lemur loan agreement entered into with Lemur on 19 March 2015;
- the subscription agreement entered into with BLA on 14 September 2015;
- the cession of the loan referred to in paragraphs 6.2.1 entered into on 4 December 2015;
- the cession and assignment of the loans referred to in paragraph 6.2.2 to SPM entered into on 4 December 2015;
- the cession and assignment of all other remaining liabilities of Sable and SPH referred to in paragraph 6.2.3 to SPM entered into on 4 December 2015;
- the sale of the retained shares referred to in paragraph 6.2.4;
- the share repurchase by SPM referred to in paragraph 6.2.5 entered into on 4 December 2015;
- the disposal agreement entered into with Lemur on 3 November 2015 and its addendum dated 7 December 2015.

No other agreements have been entered into which contain an obligation or settlement that is material to the group.

At the last practicable date, the company had not entered into any agreements relating to the payment of technical, administration or secretarial fees nor is it a party to any material restraint of trade agreement.

11.7 Corporate governance

The group's corporate governance policy is set out in **Annexure 9**.

11.8 Share price information

A table setting out the price history of the company's shares is included in **Annexure 8**.

11.9 Goodwill

No goodwill payment is being made to any party.

12. INFORMATION RELATING TO THE DIRECTORS

12.1 Directors

Details relating to the directors of Sable and its major subsidiaries are set out in **Annexure 10** hereto. Their business address is 85 Protea Road, Chistlehurston.

All directors are South African citizens.

12.2 Changes to the board of directors

The following change to the board took place during the previous audited financial year and up to the last practicable date:

- Tom Wixley – resigned as director on 12 June 2014;
- Neil Lazarus – resigned as director on 10 July 2014;
- Mike Rogers – appointed 12 June 2014;
- Michaeline Mpho Mokgathe – appointed on 7 August 2014;
- David Levithan – changed from executive to non-executive director on 14 January 2015;
- Marietjie van Tonder – resigned as financial director on 27 February 2015;
- René Hochreiter – changed from executive to non-executive director on 1 June 2015;
- Willie Thabe – resigned as a non-executive director on 16 July 2015;
- Eshaan Singh – appointed as part-time financial director on 31 August 2015; and
- Botha Schabort – resigned as non-executive director on 31 August 2015.

No changes are expected to the board as a result of the transactions.

12.3 Directors' interests in securities and transactions

The directors' interests in the issued ordinary share capital of the company as at 28 February 2015 are set out below:

Director	Beneficially Direct R	Beneficially Indirect R	Non-beneficial Indirect R	Total R	Percentage
Botha Schabort	–	20 444 461		20 444 461	8.97
David Levithan	–	17 370 184		17 370 184	7.62
James Allan	11 669 057	912 076		12 581 133	5.52
René Hochreiter	8 065 975	912 077		8 978 052	3.94
Charles Mostert	239 857	–		239 857	0.11
	19 974 889	39 638 798		59 613 687	26.16

The company has not been advised of any changes in the above interest of the directors between the year-end and the date of this circular save for the following transactions:

Director	Beneficially direct	Date sold
Botha Schabort (via Channel Life Limited)	680 000 indirect	19 August 2015

More information in respect of the Familia transaction and Botha Schabort's interest in Familia, are to be found in paragraph 5.7.

No director has or had any interest, directly or indirectly, in any transaction, which is, or was, material to the business of Sable and which was effected by the company in the current or preceding financial year or during an earlier financial year, which remains in any respect outstanding or underperformed, with the exception of the former director Botha Schabort's interest in the Familia transaction and the related party loan claim disposal to James Allan as detailed in paragraph 6.2.1 of the circular.

12.4 Directors' remuneration

Remuneration and benefits paid to directors, all of which were paid by Sable, for the year ended 28 February 2015 were as follows:

Fees	Basic R	Medical aid and provident fund R	Performance bonus R	Total R
Executive directors				
James Allan	990 000	–	–	990 000
René Hochreiter	720 000	–	–	720 000
David Levithan	672 000	–	–	672 000
Marietjie van Tonder	525 000	–	–	525 000
	2 907 000	–	–	2 907 000

The directors' remuneration and benefits include all remuneration and benefits received from Sable, its subsidiaries and joint ventures. No fees were paid to non-executive directors. No fees have been agreed with or paid to E Singh to date.

David Levithan and René Hochreiter changed from executive director to non-executive director, but did not receive any non-executive director fees. Legal fees are paid to David Levithan Attorneys as invoiced on a monthly basis.

No sums were paid by way of expense allowance. No other material benefits were received. No contributions were paid under any pension scheme. There are no commission, gain or profit sharing arrangements other than the Sable Platinum Performance Share Rights Scheme.

No emoluments have been paid to the non-executive directors to date. These fees are contingent on the group obtaining sufficient funding, where after these fees may be paid at the discretion of the board, as referred to in paragraph 6.2.4.

No options were issued to directors during the financial year ended 28 February 2015 and the latest practicable date.

No shares were acquired by directors under the Sable Platinum Performance Share Rights Scheme during the current financial year. Such rights will, however, be acquired if special resolution number 3 is passed, to give effect to paragraph 5.2.3 above.

There will be no variation in the remuneration receivable by any of the directors as a direct consequence of the transactions.

No director has any material beneficial interest, direct or indirect, in the promotion of Sable or in any property acquired by Sable during the three years preceding the date of this circular.

12.5 **Directors' service contracts**

James Allan and René Hochreiter have both agreed in writing that they will not terminate their employment for a period of five years, other than with agreement with the board, commencing on 23 July 2012. The board of directors accepted the change of René Hochreiter from executive to non-executive director and his contract therefore terminated 1 June 2015. James Allan had agreed to be bound by a 24-month restraint-of-trade agreement commencing from the date on which his employment terminates.

13. **APPLICABLE LAWS**

The tax implications of the scheme on shareholders, and in particular the receipt of the scheme consideration shares, will depend on the individual circumstances of each shareholder. Shareholders should seek advice from appropriate professional advisors if they are in any doubt whatsoever about their tax position.

The transactions shall be governed by the laws of South Africa only. Each shareholder shall be deemed to have irrevocably submitted to the non-exclusive jurisdiction of the court in relation to all matters arising out of or in connection with the transactions.

14. **EXCHANGE CONTROL REGULATIONS**

The settlement of the scheme consideration for both the certificated shareholders and dematerialised shareholders will be made subject to the Exchange Control Regulations. The following is a summary of the applicable Exchange Control Regulations. The shareholders that are to receive the scheme consideration shares who are not resident in South Africa, or who have registered addresses outside (as the case may be), must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the scheme consideration shares. This includes obtaining any required governmental or other consents, observing any other required formalities and paying any transfer or other taxes due in that jurisdiction. If any remaining shareholder is in any doubt, he should consult his professional advisors without delay.

14.1 **Residents of the common monetary area**

In the case of:

14.1.1 certificated shareholders whose registered addresses in the register are within the common monetary area and whose documents of title are not restrictively endorsed in terms of the Exchange Control Regulations, the offer consideration will be posted to such certificated shareholders, in accordance with paragraph 14; or

14.1.2 dematerialised shareholders whose registered addresses in the register are within the common monetary area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, the offer consideration will be credited directly to the accounts nominated for the relevant dematerialised shareholders by their duly appointed CSDP or broker in terms of the provisions of the custody agreement with their CSDP or broker.

14.2 **Emigrants from the common monetary area**

In the case of shareholders who are emigrants from the common monetary area and whose shares form part of their blocked assets, the offer consideration will:

- 14.2.1 in the case of certificated shareholders whose documents of title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling the offeree's blocked assets in terms of the Exchange Control Regulations, against delivery of the relevant documents of title. The attached form of acceptance, transfer and surrender makes provision for the details of the authorised dealer concerned to be given; or
- 14.2.2 in the case of dematerialised shareholders whose registered addresses in the register are within the common monetary area and whose accounts with their CSDP or broker have not been restrictively designated in terms of the Exchange Control Regulations, be paid to their CSDP or broker which shall arrange for same to be credited directly to the blocked Rand bank account of the shareholder concerned with their authorised dealer in foreign exchange in South Africa.

14.3 All other non-residents of the common monetary area

The offer consideration accruing to non-resident remaining shareholders whose registered addresses are outside the common monetary area and who are not emigrants from the common monetary area will, in the case of:

- 14.3.1 certificated shareholders whose documents of title have been restrictively endorsed in terms of the Exchange Control Regulations, be deposited with their authorised dealer in foreign exchange in South Africa nominated by such certificated shareholder; or
- 14.3.2 dematerialised shareholders, be paid to their duly appointed CSDP or broker and credited to such remaining shareholders in terms of the provisions of the custody agreement with their CSDP or broker.

14.4 Information not provided

If the information regarding authorised dealers is not given or the instructions are not given, the offer consideration will be held in trust by Sable or the transfer secretaries on behalf of the company for the remaining shareholders concerned, pending receipt of the necessary information or instructions.

15. GENERAL

15.1 Directors' responsibility statement

The board of directors of Sable, whose names appear in paragraph 12.1, collectively and individually accept full responsibility for the accuracy and truth of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this circular contains all information required by the Listings Requirements and the Act.

15.2 Expenses

The estimated costs of implementing the transactions, exclusive of Value-Added Tax, are as follows:

	Amount R
Printing and publication	50 000
TRP fees	171 000
JSE documentation fees	54 468
JSE CPR reader fees	12 150
Sponsor and Corporate Adviser – Exchange Sponsors	1 500 000
Reporting accountants – Grant Thornton	90 000
Independent expert for the offer and scheme – Effortless Corporate Finance	67 500
Revised Competent Person's Report for disposal – Minxcon	55 000
Legal fees – David Levithan	250 000
Sundries	50 382
Estimated total	2 300 500

No additional preliminary expenses were incurred during the past three years.

15.3 Consents

Each of the company's advisers and the transfer secretaries has consented in writing to act in the capacity stated and to the inclusion of their names and reports in this circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this circular.

16. GENERAL MEETING, IRREVOCABLE UNDERTAKINGS AND VOTING RIGHTS

A notice convening a general meeting of Sable shareholders is contained in this circular, as well as a form of proxy for those shareholders who will be unable to attend the general meeting but wish to be represented thereat. The meeting will be held at 10:00 on Monday, 25 January 2016 at Block A, Kingsley Office Park, 85 Protea Road, Chistlehurst, Sandton.

Certificated or own name dematerialised shareholders who are unable to attend the general meeting but wish to be represented thereat are required to complete and return the form of proxy so as to be received by the transfer secretaries of Sable, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on Friday, 22 January 2016.

In terms of the custody agreements entered into by dematerialised shareholders and their CSDP's or brokers:

- dematerialised shareholders, other than own name shareholders, who wish to attend the general meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend the general meeting;
- dematerialised shareholders, other than own name shareholders, who wish to be represented at the general meeting by way of proxy must provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

The following Sable shareholders holding 47.4% of Sable's currently issued share capital (less the escrow shares and excluding the share options) have irrevocably undertaken to vote all their Sable shares in favour of all resolutions to be proposed at the general meeting:

Name	Number of shares	Percentage
James Allan and his wife	19 735 032	10.6
René Hochreiter	8 065 975	4.3
Yawara Capital (D Levithan)	17 370 184	9.3
Allan Hochreiter Investments	1 824 153	0.9
Gail Hochreiter	8 065 975	4.3
Legacy Platinum	22 375 000	12.0
Propalux 43	9 750 000	5.2
Partners Drilling	1 100 000	0.6
Total	88 286 319	47.4

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on business days (excluding Saturdays, Sundays and public holidays) at the registered offices of Sable from the issue date of this circular up to and including the date of the general meeting:

- the MOI of the company and its subsidiaries;
- interim results of the group for the period ended 31 August 2015;
- the audited financial statements of the group for the preceding three years;
- the signed escrow agreement;
- the signed subscription agreement;
- the signed Lemur loan agreement;
- the signed Familia agreement;
- the signed share buyback and issue agreement;
- the signed cessions;
- the signed disposal agreement;

- the Sable Platinum Performance Share Rights Scheme;
- the signed independent reporting accountants' reports on the *pro forma* financial information;
- the signed independent reporting accountants' reports on the historical financial information for the subject of the disposal;
- the signed independent expert opinion on the waiver of the offer, the scheme, the disposal of a loan to a related party and the disposal;
- the signed Competent Person's Report;
- the Executive Summary of the CPR;
- the executive directors' service contracts entered into;
- written consents from each of the advisers referred to in paragraph 15.3 above;
- the irrevocable undertakings referred to in paragraph 16 above;
- approval of the circular by the TRP; and
- this signed circular.

There is no trust deed or agreement affecting the governance of Sable or the interests of shareholders.

Signed at Sandton on 18 December 2015 on behalf of all the directors of Sable in terms of powers of attorney by:



James Allan

In his capacity as a director

Signed at Sandton on 18 December 2015 on behalf of all the directors of Sable Platinum Holdings Proprietary Limited in terms of powers of attorney by:



James Allan

In his capacity as a director

Signed at Sandton on 18 December 2015 on behalf of all the directors of Sable Platinum Mining Limited in terms of powers of attorney by:



James Allan

In his capacity as a director

PRO FORMA FINANCIAL INFORMATION OF SABLE

1. THE DISPOSAL

The *pro forma* financial information of Sable below is based on the unaudited interim results of Sable for the period ended 31 August 2015, and was prepared in order to provide the illustrative financial effects of the disposal assuming that the disposal took place on 1 March 2015 for the purposes of the *pro forma* statement of comprehensive income and on 31 August 2015 for the purposes of the *pro forma* statement of financial position. The *pro forma* financial information is based on the assumptions set out below.

The accounting policies of Sable for the period ended 31 August 2015 have been used in preparing the *pro forma* financial information.

The *pro forma* financial information is the responsibility of the directors and was prepared for illustrative purposes only and may not, because of its nature, fairly present Sable's financial position and results of its operations as at the relevant reporting date. It does not purport to be indicative of what the financial results would have been, had the disposal been implemented on a different date.

Refer to **Annexure 2** for the report by the independent reporting accountant on the *pro forma* financial statements.

Consolidated Statement of Comprehensive Income

	Sable 31 August 2015 "before" ⁽¹⁾ R	The disposal adjustments ⁽²⁾ R	Sable 31 August 2015 "after" ⁽³⁾ R
Revenue	–	–	–
Cost of sales	–	–	–
Gross profit	–	–	–
Other operating income	167 700	8 582 057	8 749 757
Operating expenses	(4 296 661)	(230 050)	(4 526 711)
Operating (loss)/profit	(4 128 961)	8 352 007	4 223 046
Finance income	–	–	–
Finance costs	–	–	–
(Loss)/profit before taxation	(4 128 961)	8 352 007	4 223 046
Taxation	–	–	–
(Loss)/profit for the year	(4 128 961)	8 352 007	4 223 046
(Loss)/profit for the year attributable to:			
Owners of the parent	(4 128 961)	8 352 007	4 223 046
Non-controlling interest	–	–	–
(Loss)/profit for the year	(4 128 961)	8 352 007	4 223 046
Reconciliation of headline loss			
Net (loss)/profit for the year	(4 128 961)	8 352 007	4 223 046
Less: Profit on sale of assets	–	(8 582 057)	(8 582 057)
Less: Non-controlling interest	–	–	–
Headline loss to ordinary shareholders	(4 128 961)	(230 050)	(4 359 011)
Basic (loss)/earnings per share (cents)	(1.81)		1.85
Diluted (loss)/earnings per share (cents)	(1.81)		1.85
Headline loss per share (cents)	(1.81)		(1.91)
Diluted headline loss per share (cents)	(1.81)		(1.91)
Weighted average number of ordinary shares in issue	227 911 808		227 911 808
Weighted average number of diluted ordinary shares in issue	227 911 808		227 911 808

Notes:

- The "before" column has been extracted without adjustment from the unaudited interim results of Sable for the period ended 31 August 2015.
- The disposal adjustments column includes:
 - Other income includes the profit on sale of the Project Companies using the value of assets and liabilities of the Project companies according to the reviewed interim consolidated results of 31 August 2015 against the proceeds of US\$600 000 at a rate of US\$/R14.40 as per paragraph 7.3.2 of the circular.
 - Estimated transaction costs of R230 050 have been expensed, which equate to 10% of the total transaction costs of R2 300 500 per paragraph 15.2 of the circular.
 - The disposed Project Companies did not have income statement activity according to the reviewed consolidated results for the period ended 31 August 2015 year and were dormant.
 - No taxation has been provided for as Sable due to significant tax losses in Sable.
 - None of the adjustments are expected to have a continuing effect.
- The (loss)/earnings per share and headline loss per share were calculated as if the disposal took place on 1 March 2015.

Consolidated Statement of Financial Position

	Sable 31 August 2015 "before" ⁽¹⁾ R	The disposal adjustments ⁽²⁾ R	Sable 31 August 2015 "after" ⁽³⁾ R
Assets			
Non-current assets	2 172 980	(283 737)	1 889 243
Property, plant and equipment	143 316	–	143 316
Intangibles	1 200 000	–	1 200 000
Other financial assets	829 664	(283 737)	545 927
Current assets	1 670 515	3 409 650	5 080 165
Tax receivable	54 229	–	54 229
Trade and other receivables	70 000	–	70 000
Cash and cash equivalents	1 546 286	3 409 650	4 955 936
Total assets	3 843 495	3 125 913	6 969 408
Equity and liabilities			
Equity	(11 158 844)	8 351 902	(2 806 942)
Stated capital	91 594 801	–	91 594 801
Reserves	1 779 585	–	1 779 585
Accumulated loss	(105 058 822)	8 289 172	(96 769 650)
Cash received for shares sold	614 170	–	614 170
Non-controlling interest	(88 578)	62 730	(25 848)
Liabilities			
Non-current liabilities	8 289 049	(225 989)	8 063 060
Loan from Familia	6 951 382	–	6 951 382
Other financial liabilities	281 529	(225 989)	55 540
Loan from director	1 056 138	–	1 056 138
Current liabilities	6 713 290	(5 000 000)	1 713 290
Trade and other payables	713 290	–	713 290
Other financial liabilities	6 000 000	(5 000 000)	1 000 000
Bank overdraft	–	–	–
Total equity and liabilities	3 843 495	3 125 913	6 969 408
Number of shares in issue	227 911 808		227 911 808
Net asset value per share (cents)	(4.86)		(1.22)
Net tangible asset value per share (cents)	(5.38)		(1.75)

Notes:

1. The "before" column has been extracted without adjustment from the unaudited interim results of Sable for the period ended 31 August 2015.
 2. The "disposal adjustments" column relates to the following:
 - The proceeds from the sale of the Project Companies amounts to US\$600 000 at a rate of US\$/R14.40 as per paragraph 7.3.2 of the circular, amounting to R8 640 000.
 - An amount of R5 million has been advanced to Sable by Lemur up to 31 August 2015, according to the interim consolidated results for the period ended 31 August 2015. These advances (reflected as a reduction against Other Financial liabilities) has been set off against the purchase consideration.
 - The remaining R3 640 000 as at 31 August 2015, calculated i.t.o paragraph 7.3.2 of the circular is payable by Lemur and to be settled by post August advances and cash.
 - The assets and liabilities disposed of by the Project Companies is based on 31 August 2015 reviewed interim results.
 - The cash movement is represented by the transaction costs allocated to the disposal, remaining cash to be received from Lemur of R3 640 000 as well as the cash balances of the disposed Project Companies.
 - Other financial assets (mainly restricted cash) have been reduced by R283 737 relating to the disposal of other financial assets of the Project Companies.
 - Non-controlling interest has been adjusted by R62 730 relating to the removal of non-controlling interests of the Project Companies using 31 August 2015 reviewed interim results.
 - Current and non-current liabilities have been adjusted by R225 989 relating to disposal of the Project Companies, which relate to loans from René Hochreiter Investments Limited.
 - The adjustments to equity of R8 289 172 relate to:

Transaction costs	(R230 050)
Profit on disposal of subsidiaries	R8 582 057
Reversal of non-controlling interest against opening distributable reserves	(R62 835)
- | | |
|---------------------|-------------------|
| Net movement | R8 289 172 |
|---------------------|-------------------|
- None of the adjustments are expected to have a continuing effect.
 3. The net asset value and net tangible asset value per share were calculated as if the disposal took place on 31 August 2015.

3. THE SPECIFIC ISSUE, VESTING OF SHARE RIGHTS AND SCHEME

The *pro forma* financial information of Sable below is based on the unaudited results of Sable for the period ended 31 August 2015, and was prepared in order to provide the illustrative financial effects of the specific issue, vesting of share rights and scheme assuming that the specific issue, vesting and scheme took place on 1 March 2015 for the purposes of the *pro forma* statement of comprehensive income and on 31 August 2015 for the purposes of the *pro forma* statement of financial position. The *pro forma* financial information is based on the assumptions set out below.

The accounting policies of Sable for the year ended 31 August 2015 have been used in preparing the *pro forma* financial information.

The *pro forma* financial information is the responsibility of the directors and was prepared for illustrative purposes only and may not, because of its nature, fairly present Sable's financial position and results of its operations as at the relevant reporting date. It does not purport to be indicative of what the financial results would have been, had the specific issue and scheme been implemented on a different date.

Refer to **Annexure 2** for the report by the independent reporting accountant on the *pro forma* financial statements.

Consolidated Statement of Comprehensive Income

	Sable 31 August 2015 "before" ⁽¹⁾	The specific issue and vesting of share rights adjustments ⁽²⁾	The scheme adjustments ⁽³⁾	Sable 31 August 2015 "after" ⁽⁴⁾
	R	R	R	R
Revenue	–	–	–	–
Cost of sales	–	–	–	–
Gross profit	–	–	–	–
Other operating income	167 700	–	7 588 626	7 756 326
Operating expenses	(4 296 661)	(3 557 236)	(2 186 977)	(10 040 874)
Operating loss	(4 128 961)	(3 557 236)	5 401 649	(2 284 548)
Finance income	–	–	–	–
Finance costs	–	–	–	–
Loss before taxation	(4 128 961)	(3 557 236)	5 401 649	(2 284 548)
Taxation	–	–	–	–
Loss for the year	(4 128 961)	(3 557 236)	5 401 649	(2 284 548)
Loss for the year attributable to:				
Owners of the parent	(4 128 961)	(3 557 236)	5 401 649	(2 284 548)
Non-controlling interest	–	–	–	–
Loss for the year	(4 128 961)	(3 557 236)	5 401 649	(2 284 548)
Reconciliation of headline loss				
Net loss for the year	(4 128 961)	(3 557 236)	5 401 649	(2 284 548)
Less: Profit on sale of assets	–	–	(7 242 049)	(7 242 049)
Less: Non-controlling interest	–	–	–	–
Headline loss to ordinary shareholders	(4 128 961)	(3 557 236)	(1 840 400)	(9 526 597)
Basic loss per share (cents)	(1.81)			(0.53)
Diluted loss per share (cents)	(1.81)			(0.53)
Headline loss per share (cents)	(1.81)			(2.19)
Diluted headline loss per share (cents)	(1.81)			(2.19)
Weighted average number of ordinary shares in issue	227 911 808	207 214 709	–	435 126 517
Weighted average number of diluted ordinary shares in issue	227 911 808	207 214 709	–	435 126 517

Notes:

1. The "before" column has been extracted without adjustment from the unaudited interim results of Sable for the period ended 31 August 2015.
2. The specific issue and vesting of share rights adjustments column includes:
 - An increase of 200 000 000 ordinary Sable shares in terms of the specific issue at four cents per share per paragraph 4.1 of the circular.
 - In terms of paragraph 5.2.3, shareholders are requested to approve the immediate vesting of 7 214 709 share rights granted. The immediate vesting, which normally takes places over a three-year period, creates an acceleration of the IFRS 2 share-based payment charge and the remaining cost for the period of R3 557 236 has been recorded against profit and loss and created a reciprocal share-based payment reserve.
 - No other adjustments have been made to the loss and headline line loss per share as the specific issue of shares did not affect the statement of comprehensive income, save for the dilutive effect of the new shares issued.
3. The scheme adjustments column calculated i.t.o paragraph 6.2 of the circular using the interim results for the period ended 31 August 2015, includes:

Operating income of R7 588 626 comprises the following:	
Profit on intercompany claim between SPH and SPM sold to J Allan on behalf of shareholders of Sable	R100 000
Profit on the cession and assignment of contingent and actual liabilities of Sable/ SPH to SPM	R7 063 060
Profit on buyback of SPM of its share capital	R5
Profit on disposal of remaining Sable/SPH group liabilities	R425 561
Total	R7 588 626

• The movement in operating expenditure of R2 186 977 includes:	
Transaction costs equating to 80% of total transaction costs of R2 300 500 per paragraph 15.2 of the circular.	R1 840 400
Loss on disposal of SPM from Sable group.	R346 577
Total	R2 186 977

 - No taxation has been provided as Sable has significant tax losses.
 - The headline loss has been adjusted with net of the profit on sale of assets of R7 588 626 and the loss on the SPM disposal of R346 577.
 - None of the adjustments are expected to have a continuing effect.
4. The loss per share and headline loss per share were calculated as if the specific issue, vesting of share rights and the scheme took place on 1 March 2015.

Consolidated Statement of Financial Position

	Sable 31 August 2015 "before" ⁽¹⁾ R	The specific issue and vesting of share rights adjustments ⁽²⁾ R	The scheme adjustments ⁽³⁾ R	Sable 31 August 2015 "after" ⁽⁴⁾ R
Assets				
Non-current assets	2 172 980	–	(243 244)	1 929 736
Property, plant and equipment	143 316	–	(100 613)	42 703
Intangibles	1 200 000	–	–	1 200 000
Other financial assets	829 664	–	(142 631)	687 033
Current assets	1 670 515	7 769 950	(9 357 446)	83 019
Tax receivables	54 229	–	(30 641)	23 588
Trade and other receivables	70 000	–	(70 000)	–
Cash and cash equivalents	1 546 286	7 769 950	(9 256 805)	59 431
Total assets	3 843 495	7 769 950	(9 600 690)	2 012 755
Equity and liabilities				
Equity	(11 158 844)	7 769 950	5 401 649	2 012 755
Stated capital	91 594 801	7 769 950	–	99 364 751
Reserves	1 779 585	3 557 236	–	5 336 821
Accumulated loss	(105 058 822)	(3 557 236)	5 401 649	(103 214 409)
Cash received for shares to be sold	614 170	–	–	614 170
Non-controlling interest	(88 578)	–	–	(88 578)
Liabilities				
Non-current liabilities	8 289 049	–	(8 289 049)	–
Loans from Familia	6 951 382	–	(6 951 382)	–
Other financial liabilities	281 529	–	(281 529)	–
Loan from director	1 056 138	–	(1 056 138)	–
Current liabilities	6 713 290	–	(6 713 290)	–
Trade and other payables	713 290	–	(713 290)	–
Loan from Lemur	6 000 000	–	(6 000 000)	–
Bank overdraft	–	–	–	–
Total equity and liabilities	3 843 495	7 769 950	(9 600 690)	2 012 755
Number of shares in issue	227 911 808	207 214 709		435 126 517
Net asset value per share (cents)	(4.86)			0.48
Net tangible asset value per share (cents)	(5.38)			0.21

Notes:

- The "before" column has been extracted without adjustment from the unaudited interim results of Sable for the period ended 31 August 2015.
- The "specific issue adjustments" column relates to the following:
 - Stated capital has been adjusted for the specific issue of 200 000 000 ordinary Sable shares at four cents per share according to paragraph 4.1 of the circular less capitalised transaction costs of R230 050.
 - Cash and cash equivalents have been adjusted for the cash received from the specific issue of 200 000 000 ordinary Sable shares at four cents per share, equating to R8 000 000 less transaction costs of R230 050.
 - share based payment reserve has increased with R3 557 618 and the Accumulated loss has increased with the reciprocal amount representing the effect of the accelerated vesting of the 7 214 709 share rights granted in terms of paragraph 5.2.3 of the circular;
 - None of the adjustments are expected to have a continuing effect.

3. The "scheme adjustments" column based on the 31 August 2015 reviewed consolidated results relates to the following:

	Cession and assignment of liabilities to SPM	Disposal of SPM as subsidiary	Dispose of remaining group liabilities in terms of 6.1	Total
Property, plant and equipment		R100 613		R100 613
Other financial assets (restricted cash)		R142 631		R142 631
Tax receivable		R30 641		R30 641
Trade and other receivables (prepayments)		R70 000		R70 000
Familia loan	R6 951 382			R6 951 382
A Hochreiter loans	R55 540		R225 989	R281 529
Loan from director	R1 056 138			R1 056 138
Trade and other payables		R513 178	R199 572	R713 290
Lemur and Platanoides loans	R5 000 000	R1 000 000		R6 000 000

- Cash movement adjusted for paragraph 6.2 of the circular, is represented by the following:

Proceeds for SPH loan to SPM	R100 000
Payment of consideration to SPM for cession and assignment of liabilities	(R6 000 000)
Disposal of SPM as subsidiary	(R1 516 405)
Transaction costs at 80% allocation	(R1 840 400)
	(R9 256 805)

- Equity movement relates to:

Profit on sale of SPH/SPM loan to shareholders	R100 000
Profit on cession and assignment of liabilities to SPM	R7 063 060
Loss on disposal of SPM as subsidiary	(R346 572)
Profit on clear out of group liabilities i.t.o paragraph 6.1	R425 561
Transaction costs at 80% allocation	(R1 840 400)

4. The net asset value and net tangible asset value per share were calculated as if the specific issue, vesting of share rights and the scheme took place on 31 August 2015.

4. **THE COMBINED FINANCIAL STATEMENT FOR THE DISPOSAL, SPECIFIC ISSUE, VESTING OF SHARE RIGHTS AND SCHEME**

The *pro forma* financial information of Sable below is based on the unaudited interim results of Sable for the period ended 31 August 2015, and was prepared in order to provide the illustrative financial effects of the disposal, specific issue, vesting of share rights and scheme assuming that the disposal, specific issue, vesting and scheme took place on 1 March 2015 for the purposes of the *pro forma* statement of comprehensive income and on 31 August 2015 for the purposes of the *pro forma* statement of financial position. The *pro forma* financial information is based on the assumptions set out below.

The accounting policies of Sable for the period ended 31 August 2015 have been used in preparing the *pro forma* financial information.

The *pro forma* financial information is the responsibility of the directors and was prepared for illustrative purposes only and may not, because of its nature, fairly present Sable's financial position and results of its operations as at the relevant reporting date. It does not purport to be indicative of what the financial results would have been, had the specific issue and scheme been implemented on a different date.

Refer to **Annexure 2** for the report by the independent reporting accountant on the *pro forma* financial statements.

Consolidated Statement of Comprehensive Income

	Sable 31 August 2015 "before" ⁽¹⁾		The disposal adjustments ⁽²⁾		31 August 2015 "after the disposal"		The specific issue and vesting of share rights adjustments ⁽³⁾		The scheme 31 August 2015 adjustments ⁽⁴⁾		Sable 31 August 2015 "after" ⁽⁵⁾	
	R	R	R	R	R	R	R	R	R	R	R	R
Revenue	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	-	-	-	-	-	-	-	-	-	-	-	-
Gross profit	-	-	-	-	-	-	-	-	-	-	-	-
Other operating income	167 700	8 582 057	8 749 757	-	8 749 757	-	-	-	(1 277 363)	7 472 394	-	7 472 394
Operating expenses	(4 296 661)	(230 050)	(4 526 711)	(3 557 236)	(4 526 711)	(3 557 236)	(3 557 236)	(3 557 236)	(2 186 977)	(10 270 924)	-	(10 270 924)
Operating (loss)/profit	(4 128 961)	8 352 007	4 223 046	(3 557 236)	4 223 046	(3 557 236)	(3 557 236)	(3 557 236)	(3 464 340)	(2 798 530)	(2 798 530)	(2 798 530)
Finance income	-	-	-	-	-	-	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-
(Loss)/profit before taxation	(4 128 961)	8 352 007	4 223 046	(3 557 236)	4 223 046	(3 557 236)	(3 557 236)	(3 557 236)	(3 464 340)	(2 798 530)	(2 798 530)	(2 798 530)
Taxation	-	-	-	-	-	-	-	-	-	-	-	-
(Loss)/profit for the year	(4 128 961)	8 352 007	4 223 046	(3 557 236)	4 223 046	(3 557 236)	(3 557 236)	(3 557 236)	(3 464 340)	(2 798 530)	(2 798 530)	(2 798 530)
(Loss)/profit for the year attributable to:												
Owners of the parent	(4 128 961)	8 352 007	4 223 046	(3 557 236)	4 223 046	(3 557 236)	(3 557 236)	(3 557 236)	(3 464 340)	(2 798 530)	-	(2 798 530)
Non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-
(Loss)/profit for the year	(4 128 961)	8 352 007	4 223 046	(3 557 236)	4 223 046	(3 557 236)	(3 557 236)	(3 557 236)	(3 464 340)	(2 798 530)	(2 798 530)	(2 798 530)
Reconciliation of headline loss												

	Sable 31 August 2015 "before" ⁽¹⁾	The disposal adjustments ⁽²⁾	Sable 31 August 2015 "after the disposal"	The specific issue and vesting of share rights adjustments ⁽³⁾	The scheme 31 August 2015 adjustments ⁽⁴⁾	Sable 31 August 2015 "after" ⁽⁵⁾
	R	R	R	R	R	R
Net (loss)/profit for the year	(4 128 961)	8 352 007	4 223 046	(3 557 236)	(3 464 340)	(2 798 530)
Less: Profit on sale of assets	–	(8 582 057)	(8 582 057)	–	1 623 940	(6 958 117)
Less: Non-controlling interest	–	–	–	–	–	–
Headline (loss)/profit to ordinary shareholders	(4 128 961)	(230 050)	(4 359 011)	(3 557 236)	(1 840 400)	(9 756 647)
Basic (loss)/earnings per share (cents)	(1.81)		1.85			(0.64)
Diluted (loss)/earnings per share (cents)	(1.81)		1.85			(0.64)
Headline loss per share (cents)	(1.81)		(1.91)			(2.24)
Diluted headline loss per share (cents)	(1.81)		(1.91)			(2.24)
Weighted average number of ordinary shares	227 911 808		227 911 808	207 214 709	–	435 126 517
Weighted average number of diluted ordinary shares in issue	227 911 808		227 911 808	207 214 709	–	435 126 517

Notes

- The "before" column has been extracted without adjustment from the unaudited interim results of Sable for the period ended 31 August 2015.
- The disposal adjustments column includes:
 - Other income includes the profit on sale of the Project Companies using the value of assets and liabilities of the Project Companies according to the reviewed interim consolidated results of 31 August 2015 against the proceeds of US\$600 000 at a rate of US\$/R14.40 as per paragraph 7.3.2 of the circular;
 - Estimated transaction costs of R230 050 have been expensed, which equate to 10% of the total transaction costs of R2 300 500 per paragraph 15.2 of the circular;
 - The disposed Project Companies did not have income statement activity according to the reviewed consolidated results for the period ended 31 August 2015 year and were dormant.
 - No taxation has been provided for as Sable due to significant tax losses in Sable;
 - None of the adjustments are expected to have a continuing effect.
- The specific issue and vesting of share rights adjustments column includes:
 - An increase of 200 000 000 ordinary Sable shares in terms of the specific issue at four cents per share; per paragraph 4.1 of the circular.
 - In terms of paragraph 5.2.3, shareholders are requested to approve the immediate vesting of 7 214 709 share rights granted. The immediate vesting, which normally takes place over a three-year period, creates an acceleration of the IFRS 2 share-based payment charge and the remaining cost for the period of R3 557 236 has been recorded against profit and loss and created a reciprocal share-based payment reserve.
 - No other adjustments have been made to the loss and headline line loss per share as the specific issue of shares did not affect the statement of comprehensive income, save for the dilutive effect of the new shares issued.

4. The scheme adjustments column as adjusted for by paragraph 6.2 of the circular using the interim results for the period ended 31 August 2015 includes:

• The decrease in operating income of R1 277 363 comprises the following:	
Profit on intercompany claim between SPH and SPM sold to J Allan on behalf of shareholders of Sable	R100 000
Profit on the cession and assignment of contingent and actual liabilities of Sable/ SPH to SPM adjusted for disposal adjustments already presented	R2 063 060
Profit on buyback of SPM of its share capital	R5
Profit on disposal of remaining Sable/SPH group liabilities	R425 561
Disposal adjustments – presented as part of disposal	(R3 865 989)
Total	(R1 277 363)

• The movement in operating expenditure of R2 186 977 includes:

Transaction costs equating to 80% of total transaction costs of R2 300 500 per paragraph 15.2 of the circular	R1 840 400
Loss on disposal of SPM from Sable group	R346 577
Total	R2 186 977

• No taxation has been provided as Sable has significant tax losses.

• None of the adjustments are expected to have a continuing effect.

4) The loss per share and headline loss per share were calculated as if the disposal, specific issue, vesting of share rights and the scheme took place on 1 March 2015.

Consolidated Statement of Financial Position

	Sable 31 August 2015 "before" ⁽¹⁾	The disposal adjustments ⁽²⁾	Sable 31 August 2015 "after disposal"	The specific issue adjustments and vesting of share rights ⁽³⁾	The scheme adjustments ⁽⁴⁾	Sable 31 August 2015 "after" ⁽⁵⁾
	R	R	R	R	R	R
Assets						
Non-current assets	2 172 980	(283 737)	1 889 243	–	(243 244)	1 645 999
Property, plant and equipment	143 316	–	143 316	–	(100 613)	42 703
Intangibles	1 200 000	–	1 200 000	–	–	1 200 000
Other financial assets	829 664	(283 737)	545 927	–	(142 631)	403 296
Current assets	1 670 515	3 409 650	5 080 165	7 769 950	(12 997 446)	(147 331)
Tax receivable	54 229	–	54 229	–	(30 641)	23 588
Trade and other receivables	70 000	–	70 000	–	(70 000)	–
Cash and cash equivalents	1 546 286	3 409 650	4 955 936	7 769 950	(12 896 805)	(170 919)
Total assets	3 843 495	3 125 913	6 969 408	7 769 950	(13 240 690)	1 498 668
Equity and liabilities						
Equity	(11 158 844)	8 351 902	(2 806 942)	7 769 950	(3 464 340)	1 498 668
Stated capital	91 594 801	–	91 594 801	7 769 950	–	99 364 751
Reserves	1 779 585	–	1 779 585	3 557 236	–	5 336 821
Accumulated loss	(105 058 822)	8 289 172	(96 769 650)	(3 557 236)	(3 464 340)	(103 791 226)
Cash received on shares to be sold	614 170	–	614 170	–	–	614 170
Non-controlling interest	(88 578)	62 730	(25 848)	–	–	(25 848)
Liabilities						
Non-current liabilities	8 289 049	(225 989)	8 063 060	–	(8 063 060)	–
Loan from Familia	6 951 382	–	6 951 382	–	(6 951 382)	–
Other financial liabilities	281 529	(225 989)	55 540	–	(55 540)	–
Loan from director	1 056 138	–	1 056 138	–	(1 056 138)	–
Current liabilities	6 713 290	(5 000 000)	1 713 290	–	(1 713 290)	–
Trade and other payables	713 290	–	713 290	–	(713 290)	–
Other financial liabilities	6 000 000	(5 000 000)	1 000 000	–	(1 000 000)	–
Bank overdraft	–	–	–	–	–	–
Total equity and liabilities	3 843 495	3 125 913	6 969 408	7 769 950	(13 240 690)	1 498 668
Number of shares in issue	227 911 808		227 911 808	207 214 709		435 126 517

	Sable 31 August 2015 "before" ⁽¹⁾	The disposal adjustments ⁽²⁾	Sable 31 August 2015 "after disposal"	The specific issue adjustments and vesting of share rights ⁽⁶⁾	The scheme adjustments ⁽⁴⁾	Sable 31 August 2015 "after" ⁽⁵⁾
	R	R	R	R	R	R
Net asset value per share (cents)	(4.86)		(1.22)			0.35
Net tangible asset value per share (cents)	(5.38)		(1.75)			0.07
1) The "before" column has been extracted without adjustment from the unaudited interim results of Sable for the period ended 31 August 2015.						
2) The "disposal adjustments" column relates to the following: <ul style="list-style-type: none"> The proceeds from the sale of the Project Companies amounts to US\$600 000 at a rate of US\$/R14.40 as per paragraph 7.3.2 of the circular, amounting to R8 640 000. An amount of R5 million has been advanced to Sable by Lemur up to 31 August 2015, according to the interim consolidated results for the period ended 31 August 2015. These advances (reflected as a reduction against Other Financial liabilities) has been set off against the purchase consideration. The remaining R3 640 000 as at 31 August 2015, calculated in terms of paragraph 7.3.2 of the circular is payable by Lemur and to be settled by post August advances and cash. The assets and liabilities disposed of by the Project Companies is based on the 31 August 2015 reviewed interim results. The cash movement is represented by the transaction costs allocated to the disposal, remaining cash to be received from Lemur of R3 640 000 as well as the cash balances of the disposed Project companies. Other financial assets (mainly restricted cash) have been reduced by R283 737 relating to the disposal of other financial assets of the Project Companies. Non-controlling interest has been adjusted by R62 730 relating to the removal of non-controlling interests of the Project Companies using 31 August 2015 reviewed interim results. Current and non-current liabilities have been adjusted by R225 989 relating to disposal of the Project Companies, which relate to loans from René Hochreiter Investments Limited. The adjustments to equity of R8 289 172 relate to: <ul style="list-style-type: none"> Transaction costs Profit on disposal of subsidiaries Reversal of non-controlling interest against opening distributable reserves 						
						(R230 050)
						R8 582 057
						(R62 835)
						R8 289 172

• None of the adjustments are expected to have a continuing effect.

3) The "specific issue adjustments" column relates to the following:

- Stated capital has been adjusted for the specific issue of 200 000 000 ordinary Sable shares at four cents per share as per paragraph 4.1 of the circular, less capitalised transaction costs of R230 050;
- Cash and cash equivalents have been adjusted for the cash received from the specific issue of 200 000 000 ordinary Sable shares at four cents per share, equating to R8 000 000 less transaction costs of R230 050;
- share based payment reserve has increased with R3 557 618 and the Accumulated loss has increased with the reciprocal amount representing the effect of the accelerated vesting of the 7 214 709 share rights granted, as per paragraph 5.3.2 of the circular.
- None of the adjustments are expected to have a continuing effect.

4) The "scheme adjustments" column are based on the 31 August 2015 consolidated reviewed results relate to the following:

	Cession and assignment of liabilities to SPM as subsidiary	Disposal of SPM as subsidiary	Disposal of remaining group liabilities in terms of 6.1	Total
Property, plant and equipment		R100 613		R100 613
Other Financial assets (restricted cash)		R142 631		R142 631
Tax receivable		R30 641		R30 641
Trade and other receivables (prepayments)		R70 000		R70 000
Familia loan	R6 951 382			R6 951 382
A Hochreiter loans	R 55 540			R55 540
Loan from director	R1 056 138			R1 056 138
Trade and other payables		R513 178	R199 572	R713 290
Platanoides Loans		R1 000 000		R1 000 000

• Cash movement adjusted for paragraph 6.2 of the circular, is represented by the following:

Proceeds for SPH loan to SPM	R100 000
Payment of consideration to SPM for cession and assignment of liabilities	(R6 000 000)
Disposal of SPM as subsidiary	(R1 516 405)
Transaction costs at 80% allocation	(R1 840 400)
Adjustment for disposal proceeds for SPM	(R3 640 000)
	(R12 896 805)

• Equity movement relates to:

Profit on sale of SPH/SPM loan to shareholders	R100 000
Profit on cession and assignment of liabilities to SPM (adjusted for disposal transaction)	R2 063 060
Loss on disposal of SPM as subsidiary	(R346 572)
Profit on clear out of group liabilities i.t.o paragraph 6.1	R425 561
Transaction costs at 80% allocation	(R1 840 400)
Adjustment for disposal proceeds for SPM	(R3 865 989)

4) The net asset value and net tangible asset value per share were calculated as if the specific issue, vesting of share rights and the scheme took place on 31 August 2015.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE UNAUDITED *PRO FORMA* FINANCIAL INFORMATION IN RESPECT OF THE TRANSACTIONS

The Directors
Sable Metals and Minerals Limited
Block A Kingsley Office Park
85 Protea Road
Chistlehurst
Sandton
2196

11 December 2015

Dear Sirs

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF SABLE METALS AND MINERALS LIMITED ("SABLE" OR THE "GROUP")

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of Sable by the directors. The *pro forma* financial information, as set out in paragraph 10 and **Annexure 1** of the circular to be issued by Sable on or about 21 December 2015 ("the circular"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("JSE") Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the proposed transactions as described in paragraph 2 of the circular ("the transactions"), on Sable's financial position as at 31 August 2015, and Sable's financial performance for the period then ended, as if the transactions had taken place at 31 August 2015 for purposes of the *pro forma* statement of financial position and at 1 March 2015 for purposes of the *pro forma* statement of comprehensive income. As part of this process, information about Sable's financial position has been extracted by the directors from the company's published interim financial information for the period ended 31 August 2015.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 1** of the circular.

Reporting accountant's responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular* which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 1** of the circular.

Consent

This report on the *pro forma* financial information is included solely for the information of the Sable shareholders. We consent to the inclusion of our report on the *pro forma* financial information, and the references thereto, in the form and context in which they appear in the circular.

Yours faithfully

Grant Thornton Johannesburg

Ryan Stoler

Director

Practice number 903485E

Registered Auditors

Chartered Accountants (SA)

52 Corlett Drive

Wanderers Office Park

Illovo

INDEPENDENT EXPERT OPINION ON THE FAIRNESS AND REASONABLENESS OF THE WAIVER OF THE MANDATORY OFFER, THE SCHEME, THE DISPOSAL OF A LOAN TO A RELATED PARTY AND THE DISPOSAL

The Independent Board

Sable Metals and Minerals Limited

Kingsley Office Park
Block A, Ground Floor
85 Protea Rd
Chislehurst
Sandton

11 December 2015

Dear Sirs/Madams

Report to the Independent Board of Sable Metals and Minerals Limited (“Sable”) concerning the waiver of the mandatory offer triggered by the specific issue of 200 000 000 ordinary shares in Sable at four cents per share (“Waiver”); a scheme of arrangement in terms of section 114 of the Companies Act, 2008 (“Act”) proposed by Broken Land Adventures Proprietary Limited (“BLA”) between Sable and two of its subsidiaries, Sable Platinum Holdings Proprietary Limited (“SPH”) and Sable Platinum Mining Proprietary Limited (“SPM”), and their respective shareholders including the restructure of loan accounts (“Scheme of arrangement” or “scheme”); the disposal of a loan claim to a related party; and a disposal of shares in Great 1 Line Invest Proprietary Limited, Gemsbok Magnetite Proprietary Limited and Caber Trade and Invest 1 Proprietary Limited (“the Project Companies”) by SPM for US\$600 000, in terms of section 112 of the Act (“the Disposal”)

INTRODUCTION

This Fair and Reasonable opinion relates to:

- the waiver of a mandatory offer in terms of Companies Regulation 86(4) which will be triggered by a specific issue of 200 000 000 shares by Sable for cash at four cents per share, resulting in an affected transaction as defined by the Act, which waiver of such mandatory offer to shareholders is a precondition for the specific issue;
- a scheme of arrangement in terms of section 114 of the Act proposed by BLA between Sable and two of its subsidiaries, SPH and SPM, and their respective shareholders;
- the disposal of a loan claim in an amount of approximately R86 203 907 by SPH against SPM to James Allan, as agent and intermediary for all shareholders of Sable on the scheme record date for an amount of R100 000, subject to the clawback provisions of the scheme set out in paragraphs 6.2.1 to 6.2.5 of the circular; and
- the disposal of shares by SPM in the Project Companies.

The requirement to prepare this Fair and Reasonable opinion is triggered by the following provisions of the Act:

- The specific issue of shares by Sable is subject to a waiver of the benefit of a mandatory offer by independent holders of more than 50% of shareholders present and voting, in terms of Companies Regulation 86(4). The waiver requires a fair and reasonable opinion by an independent expert to be included in the circular.
- The scheme of arrangement constitutes a fundamental transaction in terms of sections 114 of the Act and an independent valuation by an appropriate independent expert is therefore required in terms of section 114(2) of the Act.
- The disposal constitutes a fundamental transaction in terms of sections 114 of the Act and an independent valuation by an appropriate independent expert is therefore required in terms of section 114(2) of the Act.

The requirement to prepare a fairness opinion in respect of the disposal of a loan to a related party, is triggered by section 10.4(e) of the Listings Requirements.

We confirm that this opinion is given to the Independent Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of holders of the shares on the waiver of the mandatory offer, the scheme, the disposal of the loan to a related party and the disposal to the shareholders.

Effortless Corporate Finance (Pty) Ltd ("ECF"), which complies with the provisions of section 114(2), was appointed as independent expert. The independent board has appointed Effortless Corporate Finance as its independent expert to provide the independent board with its opinion as to whether the terms of the waiver, the scheme and the disposal are fair in terms of section 1.14(d) read with Schedule 5 of the Listings Requirements and whether the disposal of the loan to a related party is fair in terms of section 10.4(e) of the Listings Requirements.

SOURCE DOCUMENTATION AND INFORMATION CONSIDERED

We have considered all the following prescribed information that is relevant to the value of the ordinary shares in Sable in formulating our opinion:

- Information on Sable, including the history, the nature of business, services, key customers, industry and competitors;
- the financial statements of Sable for the 2011, 2012, 2013, 2014 and 2015 financial years which were audited up to 2015;
- interim results of the group for the period ended 31 August 2015;
- the financial statements of the subsidiaries for the three years to 2015;
- the agreements relating to the waiver, scheme of arrangement and the disposal including the escrow, subscription, Lemur loan, Familia, share buyback, share issue, cessions, disposal and the Sable Platinum Performance Share Rights Scheme agreements;
- SENS Announcements and circulars;
- share price and trading history;
- The Minxcon (Pty) Ltd Independent Competent Persons' Report on the Sable Vanadium Exploration Projects issued on 31 August 2015;
- the circular including the *pro forma* financial information;
- discussions with management of Sable, including discussions regarding the rationale for and the perceived benefits to be obtained from the waiver of the offer, the scheme of arrangement, the disposal of a loan to a related party, the disposal and prospects for Sable;

Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion including publically available information, whether in writing or obtained in discussions with the management and the Independent Board.

DEFINITION OF FAIRNESS AND REASONABLENESS

In terms of Schedule 5 of the JSE Listings Requirements fairness is primarily based on quantitative issues. For illustrative purposes, in the case of a disposal it may be said to be fair if the cash payable for the disposal is equal to or greater than the value of the assets disposed.

Reasonableness is primarily based on qualitative issues. For illustrative purposes, in the case of a waiver of an offer to minorities or a scheme of arrangement these relate to the financial context of the company and its dire financial straits.

WORK DONE AND PROCEDURES

In arriving at our opinion, we have, inter alia:

- Reviewed the audited annual financial statements;
- Reviewed the agreements;
- Taken into account that the scheme results in SPH acquiring SPM's shares in Sable Platinum JV, Fast Pace Trade, Middlewave, Coveway, Ochre Shimmer, Rickshaw, Squirewood, Bridge Line, Saddle Path, Fast Pull Trade, Dotfull and Writer Star. Sable shareholders will be receiving a similar number of shares in the unlisted SPM;

- Taken into account the summary of mineral rights in SPH post the transactions as set out in **Annexure 13**;
- Reviewed the SENS announcements;
- Considered information made available by and from discussions held with the management of Sable;
- We have used the discounted cash flow and net assets value method to value Sable, and as a reality check we reviewed the share price trading history on the JSE;
- Considered the valuations of Sable prepared by us;
- Reviewed the general economic, market and related conditions in which Sable operates;
- Conducted appropriate sensitivity analysis given a reasonable range of key assumptions on the valuations mentioned above;
- Considered the evaluation provided in the Minxcon (Pty) Ltd Independent Competent Persons' Report on the Sable Vanadium Exploration Projects issued on 31 August 2015 of mineral rights and obtained evidence of the following:
 - the valuation approach and methodology complies with the SAMVAL code;
 - the professional competence of the Competent Person, in particular, membership of an appropriate professional body and experience and reputation in the field;
 - the independence of the competent person, including confirmation from them that there were no actual or apparent conflicts of interest that might impair, or be perceived to impair, his objectivity;
 - that the scope of the Competent Person's work was adequate for the purposes of determining the value of the mining rights; and
 - the appropriateness of the competent person's work regarding the value.

We believe that the above procedures commercially justify the conclusion outlined below.

VALUATIONS

We performed three valuations:

1. We have performed a valuation of Sable to determine whether the waiver of a mandatory offer at four cents per share, as well as the scheme, are fair and reasonable to the Sable shareholders. We have reviewed the methodologies available for performing valuations of businesses operating in this industry. The Net Asset Value and Discounted Cash Flow models were used as the primary methods. In addition we have reviewed the share price and trading volumes.

Key value drivers of the Sable valuation

Key Internal Driver

The most significant element affecting the valuation relates to solvency and historical losses.

Quantify/Discuss

The company is insolvent and without the current proposal in place, could face closure.

As at 28 February 2015 the liabilities exceeded the assets by R1 348 997 and there were accumulated losses of R100 928 894.

In the year ended 28 February 2015 there was a loss for the year of R15 337 277 (2014: R10 703 511).

Sensitivities

The situation of the company is dire and a significant restructure is essential.

The balance sheet, Income Statement and Cash Flows indicate a need for an extensive turn around before there would be any value in Sable.

Key external value drivers

Mineral prices

Quantify/Discuss

Mineral prices are depressed and uncertain. Platinum prices are 55% below their levels in September 2006.

Sensitivities

The resources price drop needs a significant turnaround before there is value in Sable without a restructure.

Additionally, we performed sensitivity analyses considering key assumptions in arriving at the valuation range set out below. The valuation involved a stress test and sensitivity analysis on the key value drivers.

The outcome of the valuation of the Sable shares resulted in a valuation range between 0 (zero) cent and ½ (one-half) cent per Sable share. The most likely value that represents the core value of a Sable share is 0 (zero) cent per share. The specific issue price of four cents per Sable share is far beyond this range. The waiver of an offer at such an attractive price is therefore, if viewed in isolation, unfair and unreasonable

to shareholders of Sable. However, such an offer is not extended to shareholders. The waiver of such an offer is a condition precedent for the specific issue and the scheme. Except for the precondition, Sable will probably be liquidated. The waiver and scheme are fair and reasonable. The shareholders are advised to vote in favour of the waiver as it allows Sable to continue as a solvent listed entity.

2. We also considered the disposal of the loan claim with a face value of R86.2 million by SPH to James Allan as agent and intermediary for the Sable shareholders on the record date of the scheme, subject to the clawback provisions in favour of all the other shareholders as set out in paragraphs 6.2.1.1 to 6.2.1.5 of the circular. The net effect if the clawback provisions is that every shareholder is entitled to his *pro rata* portion of the loan claim, provide he pays James Allan his *pro rata* portion of the purchase price of R100 000. We valued the loan claims at the net asset value of the underlying assets. The loan claims have a value of zero and shareholders are therefore not prejudiced by the disposal or clawback mechanism. On the contrary, provided that they exercise their claw back, they are in exactly the same position as before.
3. We valued the Project Companies to determine whether the Disposal offer at US\$680 000 is fair and reasonable to the Sable shareholders. We have reviewed the methodologies available for performing valuations of The Project Companies. The market and cost approaches were used by the Competent Person to value Sable.

The key value drivers and sensitivities for the valuation of the disposal are discussed above.

The outcome of the valuation of the Disposal by the Competent Person resulted in a valuation range between US\$13 980 000 and US\$800 000. The price of US\$680 000 is below this range and the price is therefore technically not "fair" as defined. However, the context of this transaction is a fire sale, the company has incurred heavy losses, the company is insolvent, and the resources market is in a process of steep decline. It is in this context that the company was unable to find a better offer and they were forced to take this offer. In our opinion, although the disposal price is technically unfair and reasonable, it is fair and reasonable taking this context into account.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Placing reliance on representations made by directors and senior employees during the course of forming these opinions;
- Considering the historical trends of such information and assumptions;
- Comparing and corroborating such information and assumptions with external sources of information, if such information is available; and
- Determining the extent to which representations from directors and senior employees could be relied upon.

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purpose of this valuation, whether in writing or obtained in discussion with the executive directors, non-executive directors and management of Sable. We have relied on the audit reports and reviewed the information for reasonableness and consistency. We express no opinion on this information.

INDEPENDENCE, COMPETENCE AND LIMITING CONDITIONS

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purpose of this opinion, whether in writing or obtained in discussion with the executive directors of Sable. We express no opinion on this information.

We confirm that ECF has no independence issues relating to directorships, employment, owning shares, management and ECF has not earned any other fees in Sable. ECF will also be reasonably perceived to be independent.

We confirm that ECF and the directors responsible for this assignment have the necessary competencies relating to internal control systems, quality control, experience and qualifications.

We confirm that we have no financial interest and no relationship in Sable, the waiver, the scheme of arrangement, the disposal of the loan and the disposal. Furthermore, we confirm that our professional fees are not contingent upon the success of the scheme of arrangement and waiver and amount to R67 500.

We confirm that the scope of our procedures and work performed were not subject to any limiting conditions or restrictions of scope.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

The effect of the scheme of arrangement and the waiver on individual shareholders of Sable may vary depending on their particular circumstances. We suggest that shareholders should consult an independent advisor if they are in any doubt as to the effect of the waiver, the scheme of arrangement, the disposal of the loan and the disposal, considering their personal circumstances.

OPINION, SECTION 114(3) REPORT FINDINGS AND CRITICAL MATTERS

In our opinion the Waiver, the Scheme of Arrangement and the Disposal are Fair and Reasonable. We also regard the terms and conditions of the disposal of the loan as fair.

We explained our valuation of the ordinary shares above and refer to our source documentation, information considered, work done and procedures relating to our valuation of the ordinary shares in Sable.

Sable shares are all ordinary shares. The ordinary shares are affected by the scheme of arrangement and may be indirectly affected by the waiver. The waiver is however a condition precedent to the specific issue and the scheme, both of which transactions are vital for its continuation.

The material effect of the waiver on shareholders is that they will allow the specific issue of cash to be effected, resulting in a vital cash injection of R8 million into the company, but that they will, as shareholders, forego the benefit of receiving four cents per share in cash. The company has disposed the saleable assets at a consideration that is fair and reasonable.

The material effects of the scheme of arrangement are that the company will divest itself of all its liabilities and will be able to continue as a going concern listed on the JSE. The loan claim disposal to a related party is a vital part of the scheme. All Sable shareholders are entitled to claw back their *pro rata* part of the loan claim.

We have evaluated the waiver, the scheme of arrangement, the disposal of the loan claim and the disposal and have found that the benefits of the waiver, the scheme, the disposal of the loan claim and the disposal far outweigh the adverse effects of forgoing the offer of receiving four cents per share. In the specific issue, the issue price of four cents per share is very generous. The waiver of the offer, if viewed in isolation, is not fair and reasonable. It has to be borne in mind, however, that such an offer is not available to shareholders. Should the waiver be voted down, the specific issue will not proceed. The material terms of the scheme of arrangement are fair and reasonable. The disposal of the loan claim is in effect a disposal to all shareholders of Sable on the scheme record date, provided that they claw back and pay for their *pro rata* portion of the loan. The disposal is at a price that is fair and reasonable. Therefore, from an overall perspective, and bearing in mind the fact that the waiver is a precondition to the specific issue and the scheme, the transactions are regarded as fair and reasonable to shareholders.

Only the disposal of the loan claim is a related party transaction. The current directors of Sable have the following shareholdings in Sable before and after the transaction:

Director	Nature of holding	Shares held before the transaction	Shares held after the transaction
David Levithan	Ordinary shares	17 370 184	17 370 184
James Allan	Ordinary shares	12 581 133	12 581 133
René Hochreiter	Ordinary shares	8 978 052	8 978 052
Charles Mostert	Ordinary shares	239 857	239 857

CONSENT

We hereby consent to the inclusion of this letter and references thereto, in the form and context in which they appear in the circular to Sable shareholders.

Yours faithfully
 Paul Austin
 Director
 Effortless Corporate Finance (Pty) Ltd
 23 Nicholi Avenue
 Kommetjie
 7975

HISTORICAL FINANCIAL INFORMATION RELATING TO THE SUBJECTS OF THE DISPOSAL

The historical financial information set out below is the responsibility of the directors.

A: Gemsbok Magnetite Proprietary Limited

1. ADDRESS AND INCORPORATION DATE

Block A
Kingsley Office Park
85 Protea Road
Chistlehurst
Sandton, 2196
(PO Box 411130, Craighall, 2024)

Date of incorporation: 24 February 2010

2. NATURE OF BUSINESS

The company has changed its name from Gemsbok Platinum Proprietary Limited to Gemsbok Magnetite Proprietary Limited to reflect the operations of the company.

The company is engaged in the exploration, prospecting, development and mining of mineral resources and all aspects related thereto and operates principally in South Africa.

3. EXPLORATION ACTIVITIES

The company holds the following prospecting right: GP 30/5/1/1/02/10142 PR.

The exploration, general and administration costs to the amount of Rnil (2014: R2 000 000) was spent on the project. Exploration costs are borne by Sable Platinum Mining Proprietary Limited to the maximum detail in the various shareholders' agreements and where appropriate will be transferred to the respective subsidiary once mining commences. This is in agreement with the respective shareholders' agreement.

4. MATERIAL LOANS

Sable Platinum Mining Proprietary Limited	31 August 2015 R160 210
---	----------------------------

The above loan is unsecured, interest free and repayable subject to a 12-month notice period by mutual agreement. As at 31 August 2015, no notice for payment has been received.

The loan has been subordinated in favour of other creditors until such time as the assets of the company, fairly valued exceed the liabilities.

5. LITIGATION

The directors are not aware of any litigation.

6. MATERIAL CHANGES

There have been no material changes in the financial or trading position post 31 August 2015.

7. MATERIAL CONTRACTS

Save for the disposal agreement, no other material contracts have been entered into within two years prior to the date of the circular.

8. STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income has not been presented as the company was dormant during the period under review and did not trade.

Statement of Financial Position as at 31 August 2015

	Notes	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Assets					
Non-current assets					
Financial assets	4	160 210	160 210	160 210	–
Current assets					
Cash and cash equivalents	5	100	100	100	100
Total assets		160 310	160 310	160 310	100
Equity and liabilities					
Equity					
Share capital	6	100	100	100	100
Accumulated loss		(217 089)	(217 089)	(217 089)	(217 089)
		(216 989)	(216 989)	(216 989)	(216 989)
Liabilities					
Non-current liabilities					
Loan from group company	3	160 210	160 210	160 210	–
Other financial liabilities	7	217 089	217 089	217 089	217 089
		377 299	377 299	377 299	217 089
Total equity and liabilities		160 310	160 310	160 310	100

Statement of Changes in Equity

	Share capital R	Accumulated loss R	Total equity R
Balance at 1 March 2013	100	(217 089)	(216 989)
Balance at 1 March 2014	100	(217 089)	(216 989)
Balance at 28 February 2015	100	(217 089)	(216 989)
Balance at 31 August 2015	100	(217 089)	(216 989)

Statement of Cash Flows

	Note	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Cash flows from operating activities					
Cash flows from investing activities		–	–	–	–
Cash used in operations		–	–	–	–
Proceeds from loans from group companies		–	–	160 210	–
Purchase of financial assets		–	–	(160 210)	–
Net cash from investing activities		–	–	–	–
Total cash movement for the period/year		–	–	–	–
Cash at the beginning of the period/year		100	100	100	100
Total cash and cash equivalents at end of the period/year	5	100	100	100	100

NOTES TO THE FINANCIAL INFORMATION

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Initial recognition and measurement

Financial instruments are initially measured at the transaction price. This includes transaction costs, except for financial instruments which are measured at fair value through profit or loss.

Subsequent measurement

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised.

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

Loans to/(from) group companies

These include loans to and from holding companies, fellow subsidiaries and subsidiaries, and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.2 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014	The impact of the amendment is not material.
• IFRIC 21 Levies	1 January 2014	The impact of the interpretation is not material.
• Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	The impact of the amendment is not material.
• Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities	1 January 2014	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 March 2015 or later periods:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments	1 January 2018	The impact of the standard is not material.
• Amendment to IFRS 2: Share-based Payment: Annual improvements project	1 July 2014	The impact of the amendment is not material.
• Amendment to IFRS 3: Business Combinations: Annual improvements project	1 July 2014	The impact of the amendment is not material.
• Amendment to IFRS 8: Operating Segments: Annual improvements project	1 July 2014	The impact of the amendment is not material.
• Amendment to IAS 24: Related Party Disclosures: Annual improvements project	1 July 2014	The impact of the amendment is not material.

3. LOAN FROM GROUP COMPANY

Holding company

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Sable Platinum Mining Proprietary Limited	(160 210)	(160 210)	(160 210)	-

The above loan is unsecured, interest free and repayable subject to a 12-month notice period by mutual agreement. As at 31 August 2015, no notice for payment has been received.

The loan has been subordinated in favour of other creditors until such time as the assets of the company, fairly valued exceed the liabilities.

4. FINANCIAL ASSETS

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Restricted cash	160 210	160 210	160 210	-

The restricted cash represents an environmental guarantee which was issued on the 18 July 2013, secured by a cash call held by Standard Bank. The letter of guarantee number M552187 for the amount as above is in respect of the financial guarantee for the rehabilitation of land disturbed by prospecting or mining activities for the property in respect of certain portion of the farm Doornpoort 295 JR, district of Cullinan.

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Non-current assets				
At fair value	160 210	160 210	160 210	–
5. CASH AND CASH EQUIVALENTS				
	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Cash and cash equivalents consist of:				
Cash on hand	100	100	100	100
6. SHARE CAPITAL				
	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Authorised				
1 000 ordinary shares of R1 each	1 000	1 000	1 000	1 000
900 unissued ordinary shares are under the control of the directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.				
	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Issued				
100 ordinary shares of R1 each	100	100	100	100
7. OTHER FINANCIAL LIABILITIES				
Held at amortised cost				
Allan Hochreiter Investments Proprietary Limited	217 089	217 089	217 089	217 089
The above loan is unsecured, interest free and repayable subject to a 12-month notice period by mutual agreement. As at 31 August 2015, no notice for payment has been received.				
The loan has been subordinated in favour of other creditors until such time as the assets of the company, fairly valued exceed the liabilities.				
	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Non-current liabilities				
At amortised cost	217 089	217 089	217 089	217 089
8. TAXATION				
No provision has been made for 2015 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R217 089 (2014: R217 089).				

9. RELATED PARTIES

Relationships

Ultimate holding company

Holding company

Fellow subsidiaries

Sable Metals and Minerals Limited

Sable Platinum Mining Proprietary Limited

Bridge Line Trade and Invest Proprietary Limited

Caber Trade and Invest 1 Proprietary Limited

Dotfull Trading Proprietary Limited

Coveway Trade and Invest 46 Proprietary Limited

Fast Pace Trade and Invest 32 Proprietary Limited

Fast Pull Trade and Invest Proprietary Limited

Ochre Shimmer Trade and Invest 72 Proprietary Limited

Rickshaw Trade and Invest 86 Proprietary Limited

Roan Platinum Proprietary Limited

Sable Platinum Joint Venture Proprietary Limited

Saddle Path Properties 54 Proprietary Limited

Squirewood Investments 98 Proprietary Limited

Writer Star Trade and Invest Proprietary Limited

Great 1 Trade and Invest Proprietary Limited

Company in which James Allan and

René Hochreiter are directors

Members of key management

Allan Hochreiter Investments Proprietary Limited

James Allan

René Hochreiter

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Related party balances				
Loan accounts – Owing (to)/by related parties				
Allan Hochreiter Investments Proprietary Limited	(217 089)	(217 089)	(217 089)	(217 089)
Sable Platinum Mining Proprietary Limited	(160 210)	(160 210)	(160 210)	-

10. DIRECTORS' EMOLUMENTS

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

11. GOING CONCERN

We draw attention to the fact that at 31 August 2015, the company had accumulated losses of R217 089 (2014: R217 089) and that the company's total liabilities exceed its assets by R216 989 (2014: R216 989).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations for the company and that the subordination agreement referred to in note 2 and 6 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company.

B: Caber Trade and Invest 1 Proprietary Limited

1. ADDRESS AND INCORPORATION DATE

Block A

Kingsley Office Park

85 Protea Road

Chistlehurst

Sandton, 2196

(PO Box 411130, Craighall, 2024)

Date of incorporation: 29 November 2007

2. **NATURE OF BUSINESS**

The company is engaged in the exploration, prospecting, development and mining of mineral resources and all aspects related thereto and operates principally in South Africa.

3. **EXPLORATION EXPENDITURE**

The company holds the following mining right which has been suspended due to litigation: NW 30/5/1/1/2/10004 MR. Negotiations with the community are ongoing.

Exploration, general and administration costs to the amount of Rnil (2014: R400 000) was spent on the project.

Exploration costs are borne by Sable Platinum Mining Proprietary Limited to the maximum detailed in the various shareholders' agreements and where appropriate will be transferred to the respective subsidiary once mining commences. This is in agreement with the respective shareholders' agreements.

4. **MATERIAL LOANS**

	31 August 2015
	R
Sable Platinum Mining Proprietary Limited	(3 645)
Sable Platinum Holdings Proprietary Limited	(500)
	(4 145)

The above loans are unsecured, interest free and repayable subject to a 12-month notice period, or earlier by mutual agreement. As at 31 August 2015, no notice for payment has been received.

The loans have been subordinated in favour of other creditors until such time as the assets of the company, fairly valued exceed the liabilities.

5. **LITIGATION**

Refer to note 13 for details of the litigation.

6. **MATERIAL CHANGES**

There have been no material changes in the financial or trading position post 31 August 2015.

7. MATERIAL CONTRACTS

Save for the disposal agreement, no other material contracts have been entered into within two years prior to the date of the circular.

Statement of Financial Position as at 31 August 2015

	Notes	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Assets					
Current assets					
Cash and cash equivalents	4	100	100	318	321
Total assets		100	100	318	321
Equity and liabilities					
Equity					
Share capital	5	100	100	100	100
Accumulated loss		(13 045)	(13 045)	(12 682)	(11 679)
		(12 945)	(12 945)	(12 582)	(11 579)
Liabilities					
Non-current liabilities					
Loans from group companies	3	4 145	4 145	4 000	3 000
Other financial liabilities	6	8 900	8 900	8 900	8 900
		13 045	13 045	12 900	11 900
Total equity and liabilities		100	100	318	321

Statement of Comprehensive Income

	Note	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Operating expenses		–	(363)	(1 000)	(1 054)
Operating loss		–	(363)	(1 000)	(1 054)
Finance costs	7	–	–	(3)	–
Loss for the period/year		–	(363)	(1 003)	(1 054)
Other comprehensive income		–	–	–	–
Total comprehensive loss for the period/year		–	(363)	(1 003)	(1 054)

Statement of Changes in Equity

	Share capital R	Accumulated loss R	Total equity R
Balance at 1 March 2013	100	(11 679)	(11 579)
Loss for the year	–	(1 003)	(1 003)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	(1 003)	(1 003)
Balance at 1 March 2014	100	(12 682)	(12 582)
Loss for the year	–	(363)	(363)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	–	(363)	(363)
Balance at 28 February 2015	100	(13 045)	(12 945)
Loss for the period/year	–	(363)	(363)
Other comprehensive income	–	–	–
Balance at 31 August 2015	100	(13 408)	(13 308)
Note	5		

Statement of Cash Flows

	Notes	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Cash flows from operating activities					
Cash used in operations	9	–	(363)	(1 000)	(1 054)
Finance costs		–	–	(3)	–
Net cash from operating activities					
		–	(363)	(1 003)	(1 054)
Cash flows from investing activities					
Loans advanced to group companies		–	145	1 000	500
Loans from group companies		–	–	–	–
Net cash from investing activities					
		–	145	1 000	500
Total cash movement for the period/year					
		–	(218)	(3)	(554)
Cash at the beginning of the period/year		100	318	321	875
Total cash and cash equivalents at end of the period/year					
		100	100	318	321

Accounting Policies

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Loans to/(from) group companies

These include loans to and from holding companies, fellow subsidiaries and subsidiaries, and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

1.2 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences and for the carry forward of unused tax losses and unused tax credits.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date.

Tax expenses

Tax expense is recognised in the same component of total comprehensive income (i.e. continuing operations, discontinued operations, or other comprehensive income) or equity as the transaction or other event that resulted in the tax expense.

1.3 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014	The impact of the amendment is not material.
• IFRIC 21 Levies	1 January 2014	The impact of the interpretation is not material.
• Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014	The impact of the amendment is not material.
• Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities	1 January 2014	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 1 March 2015 or later period

Standard/Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments	1 January 2018	The impact of the standard is not material.
• Amendment to IFRS 2: Share-based Payment: Annual improvements project	1 July 2014	The impact of the amendment is not material.
• Amendment to IFRS 3: Business Combinations: Annual improvements project	1 July 2014	The impact of the amendment is not material.
• Amendment to IFRS 8: Operating Segments: Annual improvements project	1 July 2014	The impact of the amendment is not material.
• Amendment to IAS 24: Related Party Disclosures: Annual improvements project	1 July 2014	The impact of the amendment is not material.

3. LOANS FROM GROUP COMPANIES

Holding company

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Sable Platinum Holdings Proprietary Limited	(500)	(500)	(500)	(500)
Sable Platinum Mining Proprietary Limited	(3 645)	(3 645)	(3 500)	(2 500)
	(4 145)	(4 145)	(4 000)	(3 000)

The above loans are unsecured, interest free and repayable subject to a 12-month notice period, or earlier by mutual agreement. As at 31 August 2015, no notice for payment has been received.

The loans have been subordinated in favour of other creditors until such time as the assets of the company, fairly valued exceed the liabilities.

4. CASH AND CASH EQUIVALENTS

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Cash and cash equivalents consist of:				
Cash on hand	100	100	100	100
Bank balances	–	–	218	221
	100	100	318	321

5. SHARE CAPITAL

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Authorised				
1 000 ordinary shares of R1 each	1 000	1 000	1 000	1 000
900 unissued ordinary shares are under the control of the director in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.				
	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Issued				
100 ordinary shares of R1 each	100	100	100	100

6. OTHER FINANCIAL LIABILITIES

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Held at amortised cost				
Allan Hochreiter Investments Proprietary Limited	8 900	8 900	8 900	8 900

The above loan is unsecured, interest free and repayable subject to a 12-month notice period, or earlier by mutual agreement. As at 31 August 2015, no notice for payment has been received.

The loan has been subordinated in favour of other creditors until such time as the assets of the company, fairly valued exceed the liabilities.

6. OTHER FINANCIAL LIABILITIES (continued)

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Non-current liabilities				
At amortised cost	8 900	8 900	8 900	8 900

7. FINANCE COSTS

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Bank	–	–	3	–

8. TAXATION

No provision has been made for 2015 tax as the company has no taxable income. The estimated tax loss available for set off against future taxable income is R13 045 (2014: R12 682).

9. CASH USED IN OPERATIONS

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Loss before taxation	–	(363)	(1 000)	(1 054)
Adjustments for:				
Finance costs	–	–	(3)	–
	–	(363)	(1 003)	(1 054)

10. RELATED PARTIES

Relationships	
Ultimate holding company	Sable Metals and Minerals Limited
Holding company	Sable Platinum Mining Proprietary Limited
Fellow subsidiaries	Bridge Line Trade and Invest Proprietary Limited Coveway Trade and Invest 46 Proprietary Limited Dotfull Trading Proprietary Limited Fast Pace Trade and Invest Proprietary Limited Fast pull Trade and Invest Proprietary Limited Gemsbok Magnetite Proprietary Limited Ochre Shimmer Trade and Invest 72 Proprietary Limited Rickshaw Trade and Invest 86 Proprietary Limited Widebeest Platinum Proprietary Limited Sable Platinum Joint Venture Proprietary Limited Saddle Path Properties 54 Proprietary Limited Squirewood Investments 98 Proprietary Limited Writer Star Trade and Invest Proprietary Limited Great 1 Line Invest Proprietary Limited
Company in which James Allan and René Hochreiter are directors	Allan Hochreiter Investments Proprietary Limited
Members of key management	James Allan

Related party balances

	31 August 2015 R	28 February 2015 R	28 February 2014 R	28 February 2013 R
Loan accounts owing to related parties				
Sable Platinum Holdings Proprietary Limited	(500)	(500)	(500)	(500)
Sable Platinum Mining Proprietary Limited	(3 645)	(3 645)	(3 500)	(2 500)
Allan Hochreiter Investments Proprietary Limited	(8 900)	(8 900)	(8 900)	(8 900)

11. DIRECTORS' EMOLUMENTS

No emoluments were paid to the director or any individuals holding a prescribed office during the period.

12. GOING CONCERN

We draw attention to the fact that at 31 August 2015, the company had accumulated losses of R13 045 (2014: R12 682) and that the company's total liabilities exceed its assets by R12 945 (2014: R12 582).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the director continues to procure funding for the ongoing operations for the company and that the subordination agreement referred to in notes 2 and 5 of these annual financial statements will remain in force for so long as it takes to restore the solvency of the company.

13. LITIGATION

The company is not aware of any legal or arbitration proceedings (including any such proceedings which are pending or threatened), which may have or may have had, in the last 12 months, a material effect on the group's financial position, save for the Syferfontein litigation:

13.1 This litigation concerns a joint venture agreement concluded between Caber Trade and Invest 1 (Pty) Ltd ("Caber") and MKR Bakwena Tribal Minerals NPC ("MKR") on 19 February 2008. It was envisaged that the prospecting right issued by the Department of Mineral Resources DMR to MKR in respect of all minerals to be found over the farms Portion 2 Uitvalgrond and Syferfontein ("the Syferfontein properties") would be ceded to Caber. The transaction was subject to section 11 Approval being obtained. Section 11 Approval was duly granted.

13.2 The section 11 Approval has been placed in issue by MKR, alleging that the party who concluded the joint venture agreement and the addenda thereto in respect of the Syferfontein properties with SPM on MKR's behalf was not authorised to do so. Accordingly, so MKR alleges, section 11 Approval ought not to have been granted.

13.3 The aforesaid allegations have been made by MKR despite a two-year investigation conducted by the DMR prior to recommending that section 11 Approval be granted. This investigation confirmed that both MKR and the community whom it purports to represent were in agreement with the grant of section 11 Approval. In the application brought by SPM in the North Gauteng High Court under case number 26513/2011 and heard on 27 and 28 February 2012, SPM sought to entrench its pre-emption right to apply for a mining right over the Syferfontein properties based upon section 19(1)(b) of the MPRDA. This litigation is currently pending. This matter has been set down for trial on 14 June 2016. Caber applied for a mining right in August 2011.

13.4 Although negotiations with the affected parties have taken place from time to time these negotiations have now stalled and the matter has been enrolled for hearing on 14 June 2016.

C: GREAT 1 LINE INVEST PROPRIETARY LIMITED

1. ADDRESS AND INCORPORATION DATE

Block A
Kingsley Office Park
85 Protea Road
Chistlehurst
Sandton, 2196
(PO Box 411130, Craighall, 2024)

Date of incorporation: 27 January 2012

2. NATURE OF BUSINESS

The company is engaged in the application of prospecting rights and operates principally in South Africa.

3. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The operating results and state of affairs of the company are set out below. The company only began operating in 2014.

4. PROSPECTING RIGHTS

The entity has the following prospecting rights:

NW 30/5/1/1/2/11069

NW 30/5/1/1/2/11124

5. MATERIAL LOANS

Sable Platinum Mining Proprietary Limited

31 August 2015
(R123 527)

The above loans are unsecured, interest free and repayable subject to a 12-month notice period, or earlier by mutual agreement. As at 31 August 2015, no notice for payment has been received.

The loans have been subordinated in favour of other creditors until such time as the assets of the company, fairly valued exceed the liabilities.

6. LITIGATION

The directors are not aware of any litigation.

7. MATERIAL CHANGES

There have been no material changes in the financial or trading position post 31 August 2015.

8. MATERIAL CONTRACTS

Save for the disposal agreement, no other material contracts have been entered into within two years prior to the date of the circular.

9. STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF CASH FLOWS

No statement of comprehensive income or statement of cash flows has been presented as the company was dormant during the period under review and did not trade.

Statement of Financial Position as at 31 August 2015

	Notes	31 August 2015 R	28 February 2015 R	28 February 2014 R
Assets				
Non-current assets				
Financial assets	3	123 527	123 527	–
Current assets				
Cash and cash equivalents	4	100	100	100
Total assets		123 627	123 627	100
Equity and liabilities				
Equity				
Share capital	5	100	100	100
Accumulated loss		(867)	–	–
		(767)	100	100
Liabilities				
Current liabilities				
Bank overdraft		267	–	–
Loan from group company	2	124 127	123 527	–
Total equity and liabilities		123 627	123 627	100

Statement of Comprehensive Income

	Note	31 August 2015 R	28 February 2015 R	28 February 2014 R
Operating expenses		(853)	–	–
Operating loss		–	–	–
Finance costs	7	(14)	–	–
Loss for the period/year		–	–	–
Other comprehensive income		–	–	–
Total comprehensive loss for the period/year		(867)	–	–

Statement of Cash Flows

	Notes	31 August 2015 R	28 February 2015 R	28 February 2014 R
Cash flows from operating activities				
Cash used in operations	9	(853)	–	–
Finance costs		(14)	–	–
Net cash from operating activities		(867)	–	–
Cash flows from investing activities				
Loans advanced to group companies		–	–	–
Loans from group companies		600	–	–
Net cash from investing activities		600	–	–
Total cash movement for the period/year		(267)	–	–
Cash at the beginning of the period/year		100	–	–
Total cash and cash equivalents at end of the period/year	4	(167)	–	–

Notes to the Annual Financial Statements

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Companies Act 71 of 2008. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

These accounting policies are consistent with the previous period.

1.1 Financial instruments

Financial instruments at amortised cost

Debt instruments, as defined in the standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At the end of each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If so, an impairment loss is recognised

Financial instruments at cost

Commitments to receive a loan are measured at cost less impairment.

Equity instruments that are not publicly traded and whose fair value cannot otherwise be measured reliably are measured at cost less impairment. This includes equity instruments held in unlisted investments.

1.2 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as equity.

	31 August 2015 R	28 February 2015 R	28 February 2014 R
2. LOAN FROM GROUP COMPANY			
Holding company			
Sable Platinum Mining Proprietary Limited	(123 527)	(123 527)	–
3. FINANCIAL ASSETS			
Restricted cash	123 527	123 527	–
The restricted cash represents an environmental guarantee secured by a cash call held by Standard Bank. The letter of guarantee for the amount as above is in respect of the financial guarantee for the rehabilitation of land disturbed by prospecting or mining activities.			
Non-current assets			
At fair value	123 527	123 527	–
4. CASH AND CASH EQUIVALENTS			
Cash and cash equivalents consist of:			
Cash on hand	(167)	100	100
5. SHARE CAPITAL			
Authorised			
1 000 ordinary shares of R1 each	1 000	1 000	1 000
900 unissued ordinary shares are under the control of the director in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.			
Issued			
100 ordinary shares of R1 each	100	100	100
6. TAXATION			
No provision has been made for 2015 tax as the company has no taxable income.			

7. **RELATED PARTIES**

Relationships	
Ultimate holding company	Sable Metals and Minerals Limited
Holding company	Sable Platinum Mining Proprietary Limited
Fellow subsidiaries	Caber Trade and Invest 1 Proprietary Limited
	Coveway Trade and Invest 46 Proprietary Limited
	Dotfull Trading Proprietary Limited
	Fast Pace Trade and Invest Proprietary Limited
	Fast pull Trade and Invest Proprietary Limited
	Gemsbok Magnetite Proprietary Limited
	Ochre Shimmer Trade and Invest 72 Proprietary Limited
	Rickshaw Trade and Invest 86 Proprietary Limited
	Wildebeest Platinum Proprietary Limited
	Writer Star Trade and Invest Proprietary Limited
	Saddle Path Props 54 Proprietary Limited
	Squirewood Investments 98 Proprietary Limited
	Bridgeline Trade and Invest Proprietary Limited
	Sable Platinum Joint Venture Proprietary Limited
Members of key management	James Allan

	31 August 2015 R	28 February 2015 R	28 February 2014 R
Related party balances			
Loan accounts – Owing to related party			
Sable Platinum Mining Proprietary Limited	(123 527)	(123 527)	–

8. **DIRECTORS' EMOLUMENTS**

No emoluments were paid to the director or any individuals holding a prescribed office during the year.

INDEPENDENT REPORTING ACCOUNTANTS' REPORT RELATING TO THE SUBJECTS OF THE DISPOSAL

The Directors
Sable Metals and Minerals Limited
Block A Kingsley Office Park
85 Protea Road
Chistlehurst
Sandton
2196

11 December 2015

INDEPENDENT REPORTING ACCOUNTANTS' REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF GEMSBOK MAGNETITE PROPRIETARY LIMITED ("GEMSBOK") AND CABER TRADE AND INVEST 1 PROPRIETARY LIMITED ("CABER") FOR THE PERIOD ENDED 31 AUGUST 2015 AND FINANCIAL YEARS ENDED 28 FEBRUARY 2015, 2014 AND 2013 AND GREAT 1 LINE INVEST PROPRIETARY LIMITED ("GREAT 1"), FOR THE PERIOD ENDED 31 AUGUST 2015 AND FINANCIAL YEARS ENDED 28 FEBRUARY 2015 AND 2014

At your request and for the purposes of the circular to be dated on or about 21 December 2015 ("the Circular"), we present our report on the historical financial information of Gemsbok and Caber for the period ended 31 August 2015 and the financial years ended 28 February 2015, 2014 and 2013 and Great 1 for the period ended 31 August 2015 and the financial years ended 28 February 2015 and 2014 in compliance with the JSE Limited Listings Requirements.

Directors responsibility for the financial statements

The directors are responsible for the preparation, contents and presentation of the Circular and the fair presentation of the historical financial information in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the historical financial information of Gemsbok and Caber for the period ended 31 August 2015 and financial years ended 28 February 2015, 2014 and 2013 and Great 1 for the period ended 31 August 2015 and financial years ended 28 February 2015 and 2014, included in the Circular, based on our audits of the financial information for the financial year ended 28 February 2015 for Gemsbok, Caber and Great 1 and our review of the financial information for the period ended 31 August 2015 and financial years ended 28 February 2014 and 2013 for Gemsbok and Caber and period ended 31 August 2015 and financial year ended 28 February 2014 for Great 1.

Scope of the audit

We conducted our audits of the historical financial information of Gemsbok, Caber and Great 1 for the financial year ended 28 February 2015 in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial information. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial information, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial information.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Scope of the review

We conducted our review of the historical financial information of Gemsbok and Caber for the period ended 31 August 2015 and financial years ended 28 February 2014 and 2013 and Great 1 for the period ended 31 August 2015 and financial year ended 28 February 2014 in accordance with the International Standards on Review Engagements 2400, "Engagements to review financial statements". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the historical financial information is free of material misstatement. A review is limited primarily to enquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit in respect of the period ended 31 August 2015 and financial years ended 28 February 2014 and 2013 and, accordingly, we do not express an audit opinion in respect of these periods.

Audit opinion

In our opinion the historical financial information of Gemsbok, Caber and Great 1 for the financial year ended 28 February 2015 presents fairly, in all material respects, for the purposes of the Circular, the financial position of Gemsbok, Caber and Great 1 at that date and the results of its operations and cash flows for the period then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Review conclusion

Based on our review nothing has come to our attention that causes us to believe that the historical financial information of Gemsbok and Caber for the period ended 31 August 2015 and financial years ended 28 February 2014 and 2013 and Great 1 for the period ended 31 August 2015 and financial year ended 28 February 2014 are not fairly presented, in all material respects, for the purposes of the Circular, in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of South Africa and the JSE Listings Requirements.

Consent

We consent to the inclusion of this report and the reference to our opinion in the Circular in the form and context in which it appears.

Yours faithfully

Grant Thornton Johannesburg Partnership

David Reuben
Director
Practice number 903485E
Registered Auditors
Chartered Accountants (SA)
52 Corlett Drive
Wanderers Office Park
Illovo

EXECUTIVE SUMMARY OF THE CPR [S12.9]

EXECUTIVE SUMMARY

Purpose (T1.1 (ii), 12.9 (h)(i), SV T 2.1)

Minxcon (Pty) Ltd (“Minxcon”) was commissioned by Sable Metals & Minerals Limited (“Sable” or “the Client”) to complete an Independent Competent Person’s Report (“CPR” or the “Report”) on the Sable vanadium and iron ore projects (Abrina/KVL (“Abrina”), Uitvalgrond Portion 3 and Doornpoort Projects), (“Sable Projects” or “Projects”), situated in the Bushveld Complex (“BC”) of South Africa. All figures are attributable with respect to ownership. Sable also held interest in the Syferfontein Project located adjacent to Uitvalgrond Portion 3. Owing to suspension of this mineral licence, Minxcon has not described or determined the geology, mineralisation and mineral asset valuation for this project. The Report has an effective date of 1 June 2015.

The Report is fully compliant with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2007 Edition, as amended July 2009) (“the SAMREC Code”) and the South African Code for the Reporting of Mineral Asset Valuation (2008 Edition, as amended July 2009) (“the SAMVAL Code”) and section 12 of the Johannesburg Stock Exchange listing requirements. The Competent Person of the Report deems this summary a true reflection of the content of the full CPR.

The current ownership structure of Sable at the time of this Report is displayed on the next page. The holding companies of the areas under consideration are highlighted in brown.

Project outline T1.2 and 12.9 (h)(ii)

All related projects are located along the Western Limb of the BC, whilst the mineral assets (mineralised horizons) are located near the lower portion within the Upper Zone of the Rustenburg Layered Suite (“RLS”) of the BC. Sable holds its indirect interests in the Vanadium projects through its 100% subsidiary Sable Platinum Holdings (Pty) Ltd, who in turn holds 100% of Sable Platinum Mining (Pty) Ltd. Sable has the following interests in the various projects:

- Abrina: Through its 74% interest in Fast Pace Trade and Invest 4 (Pty) Ltd;
- Doornpoort: Through its 74% interest in Gemsbok Magnetite (Pty) Ltd;
- Uitvalgrond Portion 3: Through its 65% interest in Great 1 Line Invest (Pty) Ltd; and
- Syferfontein: Through its 100% interest in Caber Trade and Invest 1 (Pty) Ltd.

Abrina

The Project Area consists of various portions of the farms Kaalvlakte 416KQ and Leeuwkopje 415KQ which covers an area in extent of 3 568.57 ha in the Limpopo Province. The Project Area is situated adjacent to the western town boundary and extending northwards along the main road (R510) connecting Northam with Thabazimbi.

Doornpoort

The Project Area consists of the Remainder of the farm Doornpoort 295 JR, which is bordered to the south by the N4 freeway and continues across the N1 freeway. The property is situated approximately 20 km NE from the Pretoria CBD/City of Tshwane, Gauteng Province and covers an area in extent of 2 779.65 ha.

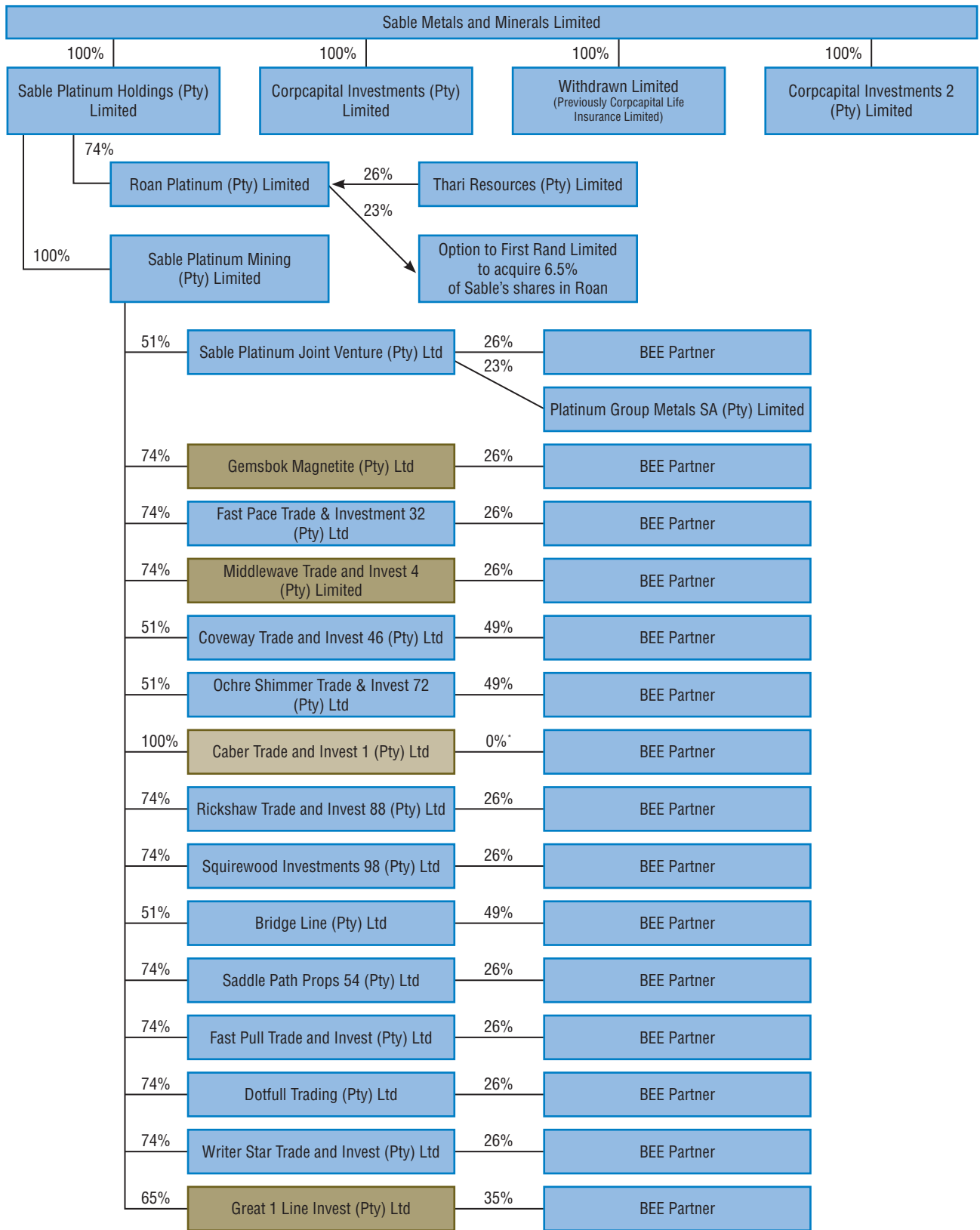
Uitvalgrond Portion 3

The Project Area consists of the farm Uitvalgrond Portion 3 that lies adjacent to Portion 1 to the west and Portion 2 to the east, and covers an area of 801.17 ha approximately 20 km northeast of the town of Brits, North West Province. The Project Area lies adjacent to the Evraz Vametco Mine to the west and other gabbro norite quarries towards the far south, which are established along the Pyramid Gabbro Norite koppies.

Syferfontein

The Project Area consists of the farm Uitvalgrond Portion 2 and Syferfontein, bordering the Uitvalgrond Portion 3 Project Area to the east. The total area encompassed is some 4 800.75 ha.

Current Sable ownership structure

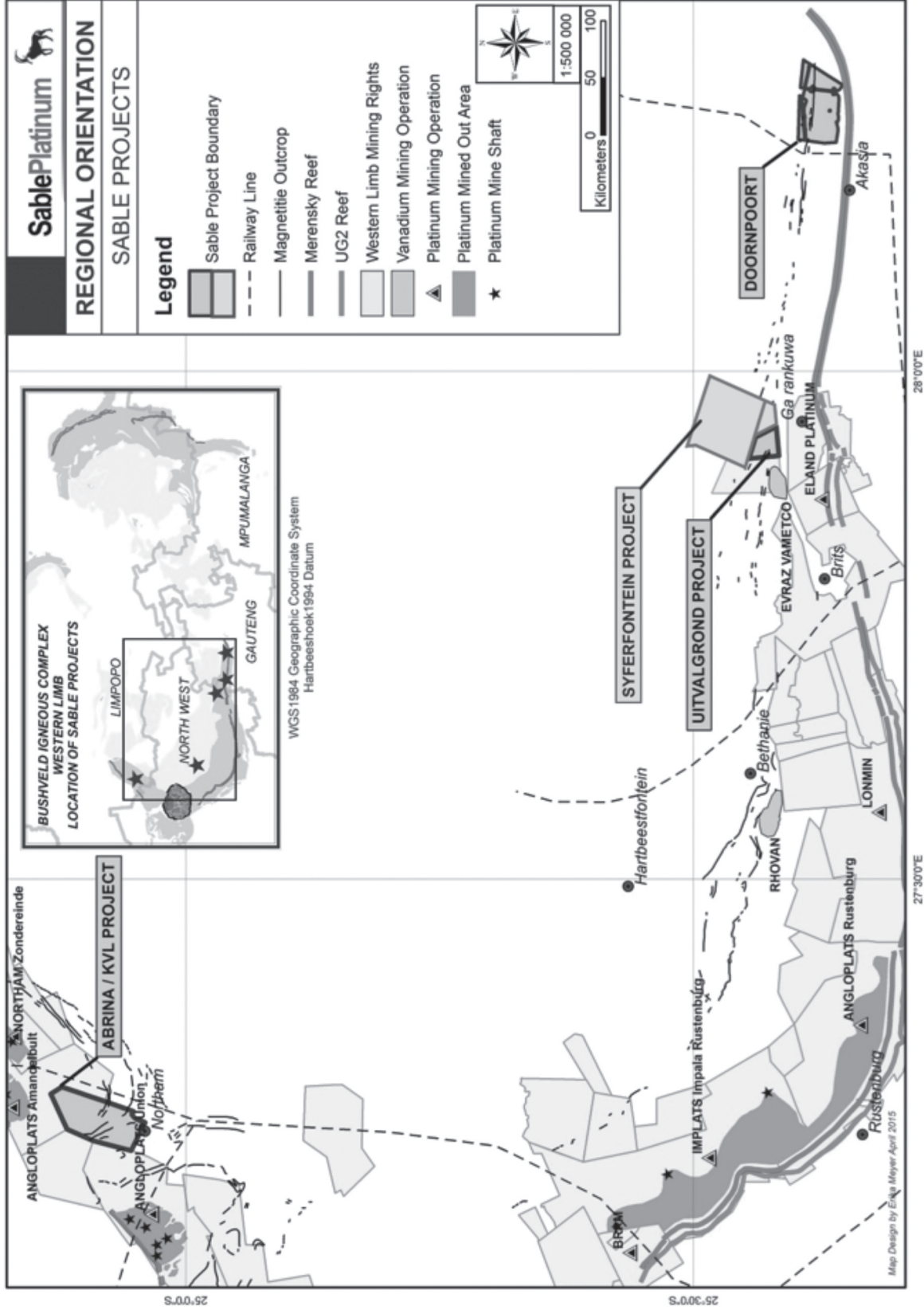


*Shareholding will be resolved on resolution of dispute

Source: Sable
Current Sable Ownership Structure June 2015

Location map and area of interest 12.9 (h)(iii)

Location of project areas – map showing platinum, chrome and vanadium operations



Location of Project Areas – Map showing Platinum, Chrome and Vanadium Operations June 2015

Legal aspects and tenure 12.9 (h)(iv)

A summary of the legal aspects and tenure relating to these areas is detailed in the following.

Prospecting rights

All legal aspects have been reviewed and verified by the Competent Person. Prospecting rights exists for Doornpoort and Uitvalgrond Portion 3. The rights for Abrina have expired and a new application (KVL) has been lodged. As a result the value is showed excluding and including Abrina. The rights for Syferfontein are under dispute and application for a mining rights on the properties has been suspended.

Surface rights

A surface use agreement with the farm owner is currently being negotiated for Doornpoort. Great 1 Line Invest (Pty) Ltd has now been granted the right to prospect the Vanadium Magnetite Reef (“VMR”) for vanadium on portion 3 of the Uitvalgrond project after it concluded an appropriate shareholders’ agreement with the executive committee of the land owners on the property. This agreement was concluded in October 2014. The access to Syferfontein is determined by the lawful farm owners, namely a tribal community.

Geological setting description 12.9 (h)(v)

The Project Areas fall within the Western Limb of the BC. The BC is a world renowned deposit for its platinum group element (“PGE”), chromite and vanadium content. The BC is dated at between 2.06 Ga to 2.058 Ga and is the largest layered igneous complex in the world. Situated within the north-central Kaapvaal Craton, this massive Proterozoic intrusive body consists of a mafic-ultramafic succession of layered and massive rocks known as the RLS.

The true thickness of the mafic-ultramafic layered rocks in the BC varies from 7 000 to 12 000 m. The BC was intrusively emplaced within and exhibits a transgressive relationship to the Transvaal Supergroup sequence, a large sedimentary basin of late Archaean-Proterozoic age located within the north-central Kaapvaal Craton. The mafic-ultramafic layered rocks of the RLS outcrop in three main complexes or limbs, namely the Western, Eastern and Northern Limbs.

When viewed in plan, the Eastern and Western Limbs of the BC show a broad ellipse measuring approximately 200 km north to south and 370 km east to west. Granites and related felsic volcanics occur in the central area between these limbs. Post BC sedimentary successions of the Waterberg Group and Karoo Supergroup, as well as more recent alluvial deposits of Holocene age, cover large parts of the BC. PGE mineralisation (as well as chromium and vanadium mineralisation) is hosted within the RLS. The RLS stratigraphy is divided into five major units, which are, from deepest to shallowest – the Marginal Zone, Lower Zone, Critical Zone, Main Zone and Upper Zone.

Vanadium (or V_2O_5) is associated with the Upper Zone (“UZ”) which is dominated by gabbros. However, layered anorthosite and magnetite sequences are also present. The magnetite seams and plugs of the Upper Zone are host to the bulk of South Africa’s vanadium resources. The magnetite layers vary considerably in thickness, magnetite, vanadium and titanium content. The most economic V_2O_5 grades over reasonable widths are found in the Main Magnetite Layer (“MML”) at the base of the UZ.

The highest vanadium content occurs in the lowermost layers, ranging from approximately 1.6% V_2O_5 in the lowermost layers to approximately 0.25% V_2O_5 in the uppermost layers. The titanium content varies in inverse proportion to the vanadium from approximately 11% in the lowermost layers to approximately 18% TiO_2 in the uppermost layers.

The three project areas, Abrina, Uitvalgrond and Doornpoort, are located around the western limb of the BC. All the Project Areas are likely to include shallow (0-50 m depth below surface) vanadium mineralisation of the MML.

The thick lower magnetite layers, which include the Main Magnetite Layer, extend from north of Pretoria westwards towards Rustenburg, and then north-westwards to the Pilanesberg complex. North of the Pilanesberg, the magnetite layers trend in a north-easterly direction through Northam to near the town of Thabazimbi.

The current geological models for all three Project Areas are very similar. All seem to have two magnetite layers with middling’s ranging from approximately 30 m to 90 m between them. In the case of Doornpoort and Uitvalgrond, the dip is towards the north at 20 degrees and in the case of Abrina, it dips at 15 degrees to the south. The lower magnetite layer observed was termed S1 which seems to correlate to the Lower Layer 1 (“LL1”) of the generalised BC stratigraphy and the Upper Magnetite Layer was termed S2, which has been

interpreted to be the MML. S1 was observed to be thinner: between 40 cm and 1 m wide. The S1 also reflected higher vanadium grades compared to S2, which was thicker and estimated between 1 m and 2 m in thickness but with lower vanadium grades. At Uitvalgrond a layer of disseminated magnetite-rich gabbro was observed to be the middling between the two magnetite layers. This layer did contain elevated vanadium grades but at reduced levels compared to the two magnetite layers.

Exploration programme and budget 12.9(h)(vi)

The historical exploration cost up until February 2014 is R6.4 million. At this stage the future exploration plan (timing and actual activities) and expenditure are uncertain due to the lack of funds. This could change once new funds are made available.

However, additional exploration and drilling will most certainly be required to increase the confidence in the project and resource. The current prospecting work programmes (“PWP”) available for all the areas are as stated below:-

Doornpoort

The latest amended PWP application (Sept 2014) indicated a total of 10 planned boreholes. Eight (8) will be drilled to 30 m whilst another two (2) would be drilled to 100 m. Boreholes are drilled along strike, and 500 m apart. Four bulk sampling areas with individual dimensions of 50 m x 10 m x 4 m are also applied for.

The original trenches with dimensions of 30 m x 4 m x 3 m would be normally sampled, whilst the trench material could also be used for the approved bulk sample. The PWP states an amount of R 4.54 million to finance the work programme of which R426 645 was included for closure and rehabilitation.

Abrina

The application is not yet approved. A total of nine boreholes are planned, of which four would be drilled by percussion drilling along strike, 500 m apart. The remaining four would be diamond drilling, drilled down dip at 30 m, with another one at 60 m. Three trenches are planned with individual dimensions of 100 m x 2 m x 3 m and would be normally sampled as no bulk sampling was applied for.

The PWP states an amount of R1.64 million to finance the work programme of which R276 556 was included for closure and rehabilitation.

Brief description of individual key modifying factors 12.9(h)(vii)

The Project is still in early exploration phase.

Brief description of key environmental issues 12.9(h)(viii)

Bateleur Environmental & Monitoring Services CC (“Bateleur”) is responsible for external site rehabilitation checks, whilst the two remaining Sable sites on hold (RDP 001 and BSB 001), will soon undergo rehabilitation. These two drilling sites would be formally rehabilitated as soon as drilling resumes to remove the rods. Various environmental companies, i.e. Bateleur, Digby Wells, Prism EMS and lately EnviroGistics (Pty) Ltd, were responsible or involved with the compilation of environmental compliance reports whilst BathoEarth conducted “interested and affected party” consultations.

Mineral resource and mineral reserve statement 12.9(h)(ix)

Doornpoort Exploration Target

Area	Seam	Min strike (m)	Max strike (m)	Ave Dip	Pit depth (m)	True width (m)	Down dip length (m)	Min Tons (Mt)	Max Tons (Mt)	Min V ₂ O ₅ (%)	Max V ₂ O ₅ (%)	Min Fe (%)	Max Fe (%)	Min T ₁ O ₂ (%)	Max T ₁ O ₂ (%)
Doornpoort	S2 (upper)	1 700	5 500	20	200	1.0	585	3.70	11.96	1.73	2.02	53.40	55.30	13.00	13.70
Doornpoort	S1 (lower)	1 700	5 500	20	200	0.5	585	1.85	5.98	2.13	2.21	50.70	52.00	14.00	14.30

Abrina exploration target

Area	Seam	Min strike (m)	Max strike (m)	Ave Dip	Pit depth (m)	True width (m)	Down dip length (m)	Min Tons (Mt)	Max Tons (Mt)	Min V ₂ O ₅ (%)	Max V ₂ O ₅ (%)	Min Fe (%)	Max Fe (%)	Min T ₁ O ₂ (%)	Max T ₁ O ₂ (%)
Abrina – East block	S2 (upper)	1 600	1 800	15	150	1.8	580	6.09	6.85	1.49	1.61	48.70	52.90	12.00	13.70
Abrina – East block	S1 (lower)	1 600	1 800	15	200	0.4	773	1.74	1.96	2.19	2.29	50.08	52.55	13.11	13.37
Abrina – West block	S (Unknown upper)	100	1 800	15	100	0.4	386	0.05	0.98	<i>Not available</i>					
Abrina – Mag plug	Pipe	200	400	90	200	200.0	200	32.62	65.23	1.06	1.10	42.90	46.60	23.80	29.10

Uitvalgrond portion 3 exploration target

Area	Seam	Min strike (m)	Max strike (m)	Ave Dip	Pit depth (m)	True width (m)	Down dip length (m)	Min Tons (Mt)	Max Tons (Mt)	Min V ₂ O ₅ (%)	Max V ₂ O ₅ (%)	Min Fe (%)	Max Fe (%)	Min T ₁ O ₂ (%)	Max T ₁ O ₂ (%)
Uitvalgrond portion 3	Seam 2 (upper)	1 000	3 000	20	170	1.9	497	3.39	10.17	1.44	1.76	48.97	59.85	11.61	14.19
Uitvalgrond portion 3	Seam 1b (Intermediate)	250	750	20	150	1.0	439	0.41	1.22	1.04	1.27	38.27	46.77	8.71	10.65
Uitvalgrond portion 3	Seam 1a (lower)	250	750	20	150	0.4	439	0.16	0.49	1.57	1.91	46.84	57.24	10.17	12.43
Uitvalgrond portion 3	Diss. Layer	250	750	20	200	29.1	585	10.88	32.64	0.41	0.50	16.08	19.66	3.70	4.52

Uitvalgrond portion 3 inferred resource

Area	Seam	Strike (m)	True width (m)	On dip length (m)	Tons (Mt)	Grade V ₂ O ₅ (%)	Grade Fe (%)	Grade T ₁ O ₂ (%)
Uitvalgrond portion 3	Seam 2 (upper)	1 200	1.88	135	1.10	1.60	54.41	12.90
Uitvalgrond portion 3	Seam 1b (Intermediate)	550	1.01	210	0.42	1.15	42.52	9.68
Uitvalgrond portion 3	Seam 1a (lower)	550	0.38	210	0.16	1.74	52.04	11.30

The Exploration Targets have a low level of confidence and are conceptual in nature. No Mineral Reserves were stated for any of the Sable Projects because it is in early exploration stage.

Reference to Risk paragraph in the full Competent Persons' Report 12.9(h)(x)

Owing to the stage of development, Minxcon did not perform a detailed risk analysis on the Project Areas.

One risk that needs to be highlighted is the confidence in the grade for the following reasons:

- Core recovery of the drilling and the affect it could have on the sampling accuracy;
- Grades are based on outcrop grab sampling only;
- Grade for the S1 and to a lesser extent the S2 is considerably higher than what would be expected for the MML of the BC. Expected grade should be in the region of $1.6\% \pm 0.2\% V_2O_5$. However, the field sampling is returning grades above $2\% V_2O_5$.

Statement by the Competent Person that the summary is a true reflection of the full competent persons' report 12.9(h)(xi)

The Executive Summary is considered, by the Competent Person, to represent a true reflection of the overall content of the Report.

Summary valuation table (12.9(h)(xii))

The valuator performed an independent valuation on Sable and its Mineral Resources and Mineral Reserves. Two valuations were done on Sable Projects and are described in the following:

Valuation 1

For the first valuation method, the market approach was used on the total Mineral Resources and exploration results, to determine the full values of the Projects. The attributable values were then calculated for Sable.

Valuation 2

For the second valuation method, the cost approach was used on the total expenditure incurred, to determine the full values of the Projects. The attributable values were then calculated for Sable.

The Mineral Resources contain vanadium as well as iron and valuations were done on both of the metals. Owing to mining constraints, it is unlikely to recover both the minerals during the mining operation and values were reported separately for the respective commodities.

One of the major constraints of the iron ore deposits of Sable is not necessarily the grade or size of the deposits but the location of the iron ore relative to the market and seam width. This led to the decision that the vanadium values would be a more representative value of the current resource and it is believed that the mining and recovery of the vanadium would be more economical although potential upside exists for the iron.

Valuation results

The value for the total vanadium resource statement that is based on the Comparative Method (Valuation 1) is displayed in the table below.

To be compliant with SAMREC the legal tenure should be verified to the satisfaction of the Competent Person and the security of tenure held at the time of reporting should be reasonably expected to be granted in the future. Abrina prospecting right expired and a new application (KVL) was lodged. The application lodged for Abrina still needs to be accepted by the Department of Mineral Resources ("DMR"). After acceptance the right will be granted and then executed before Sable becomes the holder of the right. Because of the status of the mineral tenure Abrina's value is therefore displayed as a combined value and excluded value.

The combined attributable value based on the vanadium resource was calculated between US\$2.38 million and US\$6.59 million excluding Abrina and between US\$6.36 million and US\$13.98 when Abrina is included.

Sable Combined Value (Valuation 1)

Area	Resource category	Full value					Attributable value to Sable		
		Min V ₂ O ₅ t	Max V ₂ O ₅ t	V ₂ O ₅ Value (US\$/t)	Min V ₂ O ₅ Value (US\$)	Max V ₂ O ₅ Value (US\$)	Min V ₂ O ₅ Value (US\$)	Max V ₂ O ₅ Value (US\$)	%
Doornpoort	Exploration Target	103 317	373 725	11.27	1 164 742	4 213 197	861 909	3 117 766	74
Uitvalgrond portion 3	Exploration Target	99 631	365 314	11.46	1 128 667	4 138 446	733 634	2 689 990	65
Uitvalgrond portion 3	Inferred Resource	25 289	25 289	47.1	1 201 827	1 201 827	781 188	781 188	65
Total value*	Excluding Abrina	228 237	764 328		3 495 236	9 553 470	2 376 730	6 588 943	
Abrina	Exploration Target	474 541	872 641	11.62	5 382 858	9 990 824	3 983 315	7 393 210	74
Total value	Combined	702 778	1 636 969		8 878 095	19 544 294	6 360 045	13 982 153	

Note:
1. Abrina Application lodged but not yet accepted.
2. V₂O₅ Value based on US\$/tonne of metal content.

This historical value was used in the cost approach to derive a best estimated value of US\$1.5 million (US\$1.009 million attributable) excluding the Abrina portion.

Sable Project Values (Valuation 2)

Area	Phase description	PEM (Low)	PEM (Fair)	PEM (High)	Historical cost (US\$'000)	Full value			Attributable value to Sable			
						Low value (US\$'000)	High value (US\$'000)	Best estimated value (US\$'000)	Low value (US\$'000)	Best estimated value (US\$'000)	High value (US\$'000)	
Abrina	Early stage exploration	2	3	4	259	518	777	1 036	383	575	767	74
Doornpoort	Early stage exploration	2	3	4	38	75	113	151	56	84	112	74
Uitvalgrond portion 3	Classification of Inferred Resources	4.5	5.5	6.5	259	1 165	1 424	1 683	757	926	1 094	65
Total	Combined	3.2	4.2	5.2	556	1 758	2 314	2 869	1 196	1 584	1 972	68
Total*	Excluding Abrina	4.2	5.2	6.2	297	1 240	1 537	1 833	813	1 009	1 206	66

Note: * Abrina Application lodged but not yet accepted.

The value from the cost approach is less than the market approach because of the small expense on exploration on the Project Area by Sable.

Range of values

A range of values was calculated for the comparative valuation by determining an upper and lower range of tonnes that can be contained in the exploration targets. By applying these ranges, a lower and upper value was determined for the total exploration target model as displayed in the table below. Valuation 2 used the cost approach to determine the second full value of the Project with the range of values being calculated by the prospectivity enhancement multiplier ("PEM") that is a factor applied to the total cost of exploration, the magnitude of which is determined by the level of sophistication of the exploration for which positive exploration results have been obtained. The attributable values were then calculated for Sable.

Valuation 1	Min V ₂ O ₅ Tonnes (Mt)	Max V ₂ O ₅ Tonnes (Mt)	Average V ₂ O ₅ US\$/t [#]	Full value		Attributable value to Sable	
				Lower value	Higher value	Lower value	Higher value
				US\$m	US\$m	US\$m	US\$m
Market approach 1	0.228	0.764	12.5	3.49	9.55	2.38	6.59
Market approach 2	0.703	1.637	12.1	8.88	19.54	6.36	13.98

Valuation 2	Historic Expenditure (US\$ '000)	PEM low	PEM high	Full value		Attributable value to Sable	
				Lower value	Higher value	Lower value	Higher value
				US\$m	US\$m	US\$m	US\$m
Cost approach 1	297	4.2	5.2	1.24	1.83	0.8	1.2
Cost approach 2	556	3.2	5.2	1.76	2.87	1.2	2.0

Notes: 1 Value Excluding Abrina
2 Value Including Abrina
Average V₂O₅ Value based on US\$/tonne of metal content

Because of higher confidence on the market approach valuation – based on actual transactions that took place – Minxcon placed a higher weighting on it. By applying a weighting of 80% to Valuation 1 and 20% to Valuation 2 a best-estimated attributable value of between US\$2.06 million and US\$5.51 million was calculated excluding Abrina and US\$5.33 million and US\$11.58 million including Abrina.

Currently the adjacent Evraz Vametco operation is not treating the upper seams the reason expected being that the ± 30 m middling between the Disseminated Zone and the Upper Seam has too much waste to be economically extracted.

However, the assumption made in the Minxcon calculation is that Sable will be able to treat all the seams including the Upper Seam. The reason for this is the fact that the middling that is evident at Evraz Vametco does not seem to exist for the Sable areas and the Upper Seam, Disseminated Zone and Lower Seam might all be treated as one package without any dilution from the middling. The combined attributable value based on the vanadium resource was calculated between US\$2.38 million and US\$6.59 million based on this assumption that the Upper Seam can be treated. By excluding the Upper Seam, the value range of Sable decreases to between US\$0.91 million and US\$2.64 million.

MINXCON PROPRIETARY LIMITED
31 August 2015

EXCERPTS FROM THE ACT – SECTIONS 112, 115 AND 164

Companies Act, 2008 (Act No. 71 of 2008)**CHAPTER 5: FUNDAMENTAL TRANSACTIONS, TAKEOVERS AND OFFERS****Paragraph 4: Approval for certain fundamental transactions****112. Proposals to dispose of all or greater part of assets or undertaking**

- (1) This section and section 115 do not apply to a proposal to dispose of all or the greater part of the assets or undertaking of a company, if that disposal would constitute a transaction:
 - (a) that is pursuant to or contemplated in a business rescue plan adopted in accordance with Chapter 6;
 - (b) between a wholly-owned subsidiary and its holding company; or
 - (c) between or among:
 - (i) two or more wholly-owned subsidiaries of the same holding company; or
 - (ii) a wholly-owned subsidiary of a holding company, on the one hand, and its holding company and one or more wholly-owned subsidiaries of that holding company, on the other hand.
- (2) A company may not dispose of all or the greater part of its assets or undertaking unless:
 - (a) the disposal has been approved by a special resolution of the shareholders, in accordance with section 115; and
 - (b) the company has satisfied all other requirements set out in section 115, to the extent those requirements are applicable to such a disposal by that company.
- (3) A notice of a shareholders meeting to consider a resolution to approve a disposal contemplated in subsection (2)(a) must:
 - (a) be delivered within the prescribed time, and in the prescribed manner to each shareholder of the company, subject to section 62 read with any changes required by the context;
 - (b) include or be accompanied by a written summary of:
 - (i) the precise terms of the transaction or series of transactions, to be considered at the meeting; and
 - (ii) the provisions of sections 115 and 164, in a manner that satisfies the prescribed standards.
- (4) Any part of the undertaking or assets of a company to be disposed of, as contemplated in this section, must be fairly valued, as calculated in the prescribed manner, as at the date of the proposal, which date must be determined in the prescribed manner.
- (5) A resolution contemplated in subsection (2)(a) is effective only to the extent that it authorises a specific transaction.

115. Required approval for transactions contemplated in paragraph 4

- (1) Despite section 65, and any provision of a company's Memorandum of Incorporation, or any resolution adopted by its board or holders of its securities, to the contrary, a company may not dispose of, or give effect to an agreement or series of agreements to dispose of, all or the greater part of its assets or undertaking, implement an amalgamation or a merger, or implement a scheme of arrangement, unless:
 - (a) the disposal, amalgamation or merger, or scheme of arrangement:
 - (i) has been approved in terms of this section; or
 - (ii) (is pursuant to or contemplated in an approved business rescue plan for that company, in terms of Chapter 6; and

- (b) to the extent that Parts B and C of this Chapter, and the Takeover Regulations, apply to a company that proposes to:
 - (i) dispose of all or the greater part of its assets or undertaking;
 - (ii) amalgamate or merge with another company; or
 - (iii) implement a scheme of arrangement,
 the Panel has issued a compliance certificate in respect of the transaction in terms of section 119(4)(b), or exempted the transaction in terms of section 119(6).
- (2) A proposed transaction contemplated in subsection (1) must be approved:
 - (a) by a special resolution adopted by persons entitled to exercise voting rights on such a matter, at a meeting called for that purpose and at which sufficient persons are present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on that matter, or any higher percentage as may be required by the company's Memorandum of Incorporation, as contemplated in section 64(2); and
 - (b) by a special resolution, also adopted in the manner required by paragraph (a), by the shareholders of the company's holding company if any, if:
 - (i) the holding company is a company or an external company;
 - (ii) the proposed transaction concerns a disposal of all or the greater part of the assets or undertaking of the subsidiary; and
 - (iv) having regard to the consolidated financial statements of the holding company, the disposal by the subsidiary substantially constitutes a disposal of all or the greater part of the assets or undertaking of the holding company; and
 - (c) by the court, to the extent required in the circumstances and manner contemplated in subsections (3) to (6).
- (3) Despite a resolution having been adopted as contemplated in subsections (2)(a) and (b), a company may not proceed to implement that resolution without the approval of a court if:
 - (a) the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution, and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - (b) the court, on an application within 10 business days after the vote, by any person who voted against the resolution, grants that person leave, in terms of subsection (6), to apply to a court for a review of the transaction in accordance with subsection (7).
- (4) For the purposes of subsections (2) and (3), any voting rights controlled by an acquiring party, a person related to an acquiring party, or a person acting in concert with either of them, must not be included in calculating the percentage of voting rights:
 - (a) required to be present, or actually present, in determining whether the applicable quorum requirements are satisfied; or
 - (b) required to be voted in support of a resolution, or actually voted in support of the resolution.
- (4A) In subsection (4), 'act in concert' has the meaning set out in section 117(1)(b).
- (5) If a resolution requires approval by a court as contemplated in terms of subsection (3)(a), the company must either:
 - (a) within 10 business days after the vote, apply to the court for approval, and bear the costs of that application; or
 - (b) treat the resolution as a nullity.
- (6) On an application contemplated in subsection (3)(b), the court may grant leave only if it is satisfied that the applicant:
 - (a) is acting in good faith;
 - (b) appears prepared and able to sustain the proceedings; and
 - (c) has alleged facts which, if proved, would support an order in terms of subsection (7).

- (7) On reviewing a resolution that is the subject of an application in terms of subsection (5)(a), or after granting leave in terms of subsection (6), the court may set aside the resolution only if:
 - (a) the resolution is manifestly unfair to any class of holders of the company's securities; or
 - (b) the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Act, the Memorandum of Incorporation or any applicable rules of the company, or other significant and material procedural irregularity.
- (8) The holder of any voting rights in a company is entitled to seek relief in terms of section 164 if that person:
 - (a) notified the company in advance of the intention to oppose a special resolution contemplated in this section; and
 - (b) was present at the meeting and voted against that special resolution.
- (9) If a transaction contemplated in this Part has been approved, any person to whom assets are, or an undertaking is, to be transferred, may apply to a court for an order to effect:
 - (a) the transfer of the whole or any part of the undertaking, assets and liabilities of a company contemplated in that transaction;
 - (b) the allotment and appropriation of any shares or similar interests to be allotted or appropriated as a consequence of the transaction;
 - (c) the transfer of shares from one person to another;
 - (d) the dissolution, without winding-up, of a company, as contemplated in the transaction;
 - (e) incidental, consequential and supplemental matters that are necessary for the effectiveness and completion of the transaction; or
 - (f) any other relief that may be necessary or appropriate to give effect to, and properly implement, the amalgamation or merger.

Companies Act, 2008 (Act No. 71 of 2008)

CHAPTER 7: REMEDIES AND ENFORCEMENT

Paragraph 5: Rights to seek specific remedies

164. Dissenting shareholders appraisal rights

- (1) This section does not apply in any circumstances relating to a transaction, agreement or offer pursuant to a business rescue plan that was approved by shareholders of a company, in terms of section 152.
- (2) If a company has given notice to shareholders of a meeting to consider adopting a resolution to:
 - (a) amend its Memorandum of Incorporation by altering the preferences, rights, limitations or other terms of any class of its shares in any manner materially adverse to the rights or interests of holders of that class of shares, as contemplated in section 37(8); or
 - (b) enter into a transaction contemplated in section 112, 113 or 114,
 that notice must include a statement informing shareholders of their rights under this section.
- (3) At any time before a resolution referred to in subsection (2) is to be voted on, a dissenting shareholder may give the company a written notice objecting to the resolution.
- (4) Within 10 business days after a company has adopted a resolution contemplated in this section, the company must send a notice that the resolution has been adopted to each shareholder who:
 - (a) gave the company a written notice of objection in terms of subsection (3); and
 - (b) has neither:
 - (i) withdrawn that notice; or
 - (ii) voted in support of the resolution.

- (5) A shareholder may demand that the company pay the shareholder the fair value for all of the shares of the company held by that person if:
- (a) the shareholder:
 - (i) sent the company a notice of objection, subject to subsection (6); and
 - (ii) in the case of an amendment to the company's Memorandum of Incorporation, holds shares of a class that is materially and adversely affected by the amendment;
 - (b) the company has adopted the resolution contemplated in subsection (2); and
 - (c) the shareholder:
 - (i) voted against that resolution; and
 - (ii) has complied with all of the procedural requirements of this section.
- (6) The requirement of subsection (5)(a)(i) does not apply if the company failed to give notice of the meeting, or failed to include in that notice a statement of the shareholders rights under this section.
- (7) A shareholder who satisfies the requirements of subsection (5) may make a demand contemplated in that subsection by delivering a written notice to the company within:
- (a) 20 business days after receiving a notice under subsection (4); or
 - (b) if the shareholder does not receive a notice under subsection (4), within 20 business days after learning that the resolution has been adopted.
- (8) A demand delivered in terms of subsections (5) to (7) must also be delivered to the Panel, and must state:
- (a) the shareholder's name and address;
 - (b) the number and class of shares in respect of which the shareholder seeks payment; and
 - (c) a demand for payment of the fair value of those shares.
- (9) A shareholder who has sent a demand in terms of subsections (5) to (8) has no further rights in respect of those shares, other than to be paid their fair value, unless:
- (a) the shareholder withdraws that demand before the company makes an offer under subsection (11), or allows an offer made by the company to lapse, as contemplated in subsection (12)(b);
 - (b) the company fails to make an offer in accordance with subsection (11) and the shareholder withdraws the demand; or
 - (c) the company, by a subsequent resolution, revokes the adopted resolution that gave rise to the shareholder's rights under this section.
- (10) If any of the events contemplated in subsection (9) occur, all of the shareholder's rights in respect of the shares are reinstated without interruption.
- (11) Within five business days after the later of:
- (a) the day on which the action approved by the resolution is effective;
 - (b) the last day for the receipt of demands in terms of subsection (7)(a); or
 - (c) the day the company received a demand as contemplated in subsection (7)(b), if applicable,
- the company must send to each shareholder who has sent such a demand, a written offer to pay an amount considered by the company's directors to be the fair value of the relevant shares, subject to subsection (16), accompanied by a statement showing how that value was determined.
- (12) Every offer made under subsection (11):
- (a) in respect of shares of the same class or series must be on the same terms; and
 - (b) lapses if it has not been accepted within 30 business days after it was made.
- (13) If a shareholder accepts an offer made under subsection (12):
- (a) the shareholder must either in the case of:
 - (i) shares evidenced by certificates, tender the relevant share certificates to the company or the company's transfer agent; or

- (ii) uncertificated shares, take the steps required in terms of section 53 to direct the transfer of those shares to the company or the company's transfer agent; and
 - (b) the company must pay that shareholder the agreed amount within 10 business days after the shareholder accepted the offer and:
 - (i) tendered the share certificates; or
 - (ii) directed the transfer to the company of uncertificated shares.
- (14) A shareholder who has made a demand in terms of subsections (5) to (8) may apply to a court to determine a fair value in respect of the shares that were the subject of that demand, and an order requiring the company to pay the shareholder the fair value so determined, if the company has:
- (a) failed to make an offer under subsection (11); or
 - (b) made an offer that the shareholder considers to be inadequate, and that offer has not lapsed.
- (15) On an application to the court under subsection (14):
- (a) all dissenting shareholders who have not accepted an offer from the company as at the date of the application must be joined as parties and are bound by the decision of the court;
 - (b) the company must notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to participate in the court proceedings; and
 - (c) the court:
 - (i) may determine whether any other person is a dissenting shareholder who should be joined as a party;
 - (ii) must determine a fair value in respect of the shares of all dissenting shareholders, subject to subsection (16);
 - (iii) in its discretion may:
 - (aa) appoint one or more appraisers to assist it in determining the fair value in respect of the shares; or
 - (bb) allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective, until the date of payment;
 - (iv) may make an appropriate order of costs, having regard to any offer made by the company, and the final determination of the fair value by the court; and
 - (v) must make an order requiring:
 - (aa) the dissenting shareholders to either withdraw their respective demands or to comply with subsection (13)(a); and
 - (bb) the company to pay the fair value in respect of their shares to each dissenting shareholder who complies with subsection (13)(a), subject to any conditions the court considers necessary to ensure that the company fulfils its obligations under this section.
- (15.A) At any time before the court has made an order contemplated in subsection (15)(c)(v), a dissenting shareholder may accept an offer made by the company in terms of subsection (11), in which case:
- (a) that shareholder must comply with the requirements of subsection (13)(a); and
 - (b) the company must comply with the requirements of subsection (13)(b).
- (16) The fair value in respect of any shares must be determined as at the date on which, and time immediately before, the company adopted the resolution that gave rise to a shareholder's rights under this section.

- (17) If there are reasonable grounds to believe that compliance by a company with subsection (13)(b), or with a court order in terms of subsection (15)(c)(v)(bb), would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months:
- (a) the company may apply to a court for an order varying the company's obligations in terms of the relevant subsection; and
 - (b) the court may make an order that:
 - (i) is just and equitable, having regard to the financial circumstances of the company; and
 - (ii) ensures that the person to whom the company owes money in terms of this section is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.
- (18) If the resolution that gave rise to a shareholder's rights under this section authorised the company to amalgamate or merge with one or more other companies, such that the company whose shares are the subject of a demand in terms of this section has ceased to exist, the obligations of that company under this section are obligations of the successor to that company resulting from the amalgamation or merger.
- (19) For greater certainty, the making of a demand, tendering of shares and payment by a company to a shareholder in terms of this section do not constitute a distribution by the company, or an acquisition of its shares by the company within the meaning of section 48, and therefore are not subject to:
- (a) the provisions of that section; or
 - (b) the application by the company of the solvency and liquidity test set out in section 4.
- (20) Except to the extent:
- (a) expressly provided in this section; or
 - (b) that the Panel rules otherwise in a particular case,
- a payment by a company to a shareholder in terms of this section does not obligate any person to make a comparable offer under section 125 to any other person.

TRADING HISTORY OF SABLE SHARES ON THE JSE

The lowest, highest and closing market prices and volumes traded of Sable shares on the JSE during each of the following periods were as follows:

Monthly price data**Last 12 months' trading history**

Date	High (cps)	Low (cps)	Close (cps)	Volume (Shares)
October 2015	34	0	24	3 395 998
September 2015	32	0	16	8 055 961
August 2015	35	0	27	13 597 853
July 2015	11	0	11	264 213
June 2015	14	0	6	4 666 888
May 2015	15	0	10	431 665
April 2015	19	0	13	306 064
March 2015	19	0	19	143 999
February 2015	23	0	13	1 582 145
January 2015	24	0	24	3 501
December 2014	25	0	25	355 500
November 2014	30	0	30	15 981
October 2014	34	0	29	306 123

Daily price data**Last 30 days' trading history**

Date	High (cps)	Low (cps)	Close (cps)	Volume (Shares)
2015/12/02	25.00	25.00	25.00	20 442
2015/12/01	25.00	25.00	25.00	23 600
2015/11/30	14.00	14.00	14.00	1 027
2015/11/27	12.00	12.00	12.00	50 000
2015/11/26	20.00	20.00	20.00	1 962
2015/11/25	–	–	22.00	–
2015/11/24	–	–	22.00	–
2015/11/23	22.00	20.00	22.00	78 166
2015/11/20	–	–	20.00	–
2015/11/19	–	–	20.00	–
2015/11/18	–	–	20.00	–
2015/11/17	–	–	20.00	–
2015/11/16	20.00	20.00	20.00	1 000
2015/11/13	17.00	17.00	17.00	40 000
2015/11/12	19.00	17.00	19.00	27 569
2015/11/11	20.00	20.00	20.00	2 392
2015/11/10	20.00	20.00	20.00	15 000
2015/11/09	–	–	17.00	–
2015/11/06	17.00	17.00	17.00	1 115 000
2015/11/05	22.00	22.00	22.00	50 000
2015/11/04	28.00	22.00	22.00	1 224 762
2015/11/03	–	–	24.00	–
2015/11/02	–	–	24.00	–
2015/10/30	24.00	24.00	24.00	762
2015/10/29	29.00	26.00	26.00	360 621
2015/10/28	29.00	29.00	29.00	87 446
2015/10/27	30.00	23.00	24.00	91 617
2015/10/26	34.00	29.00	30.00	784 444
2015/10/23	29.00	29.00	29.00	163 100
2015/10/22	–	–	21.00	–

CORPORATE GOVERNANCE [S7.F.5A,B]

The board recognises that good corporate governance is essential to protect and balance the interests of all its stakeholders. The group is committed to the principles of transparency, fairness, integrity and accountability in its dealings with all stakeholders.

The board endorses and applies King III and has satisfied itself that Sable has conformed to all principles of the code and the listings requirements of the JSE, except where it has applied the principle of “apply or explain” as indicated in this report.

A detailed summary of the application of the King III principles is listed on the company’s website (www.sablemetals.co.za).

1. ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP

The group is committed to achieving its goals with integrity, high ethical standards and in compliance with all applicable laws. The board has adopted a code of ethics and business conduct which is continuously reviewed and updated as appropriate. The directors are fully committed to these principles, which ensure that the business is managed according to its highest standards within the mining industry, as well as social, political and physical environment within which the group operates. No material ethical leadership and corporate citizenship deficiencies were noted.

Sable did not receive any requests in terms of the Promotion of Access to Information Act. Until issuing of this circular, Sable complied in all material aspects with all relevant legislation and was not subject to any material penalties, fines or criminal procedures.

2. BOARD OF DIRECTORS

The board acts as the focal point and custodian of corporate governance. Substance above form is effective at all levels, and is an integral part of the group’s corporate culture.

2.1 Composition of the board

The board is based on a unitary structure and exercises full and effective control over the group. It comprises seven members, two executive directors and five non-executive directors, three of whom are independent.

Subsequent to year-end on 28 February 2015, Willie Thabe and Botha Schabort resigned on 16 July 2015 and 31 August 2015 respectively. Eshaan Singh was appointed as part-time financial director effective 31 August 2015. René Hochreiter changed from executive to non-executive director effective 1 June 2015, resulting in his employment contract being terminated.

The board comprises a majority of non-executive directors, who bring specific skills and experience to the board. The majority of non-executive directors are independent. The responsibility of all directors is clearly divided to ensure a balance of power and authority to prevent unfettered powers of decision-making. The executive directors have an overall responsibility for implementing the group’s strategy and managing its day-to-day operations. The board is of the view that all non-executive directors bring independent judgement to bear on material decisions of the company.

Members of the board are appointed by the group’s shareholders, although the board also has the authority to appoint directors to fill any vacancy that may arise from time to time. These appointments, which are a matter for the board as a whole, are made in terms of a formal and transparent procedure within the appointments to the board policy and subject to ratification by shareholders at the next annual general meeting.

Members are appointed on the basis of skills, experience and their level of contribution to the activities of the group. The remuneration and nominations committee is mandated to identify and recommend candidates for the board’s consideration through a formal and transparent process. New appointments are appropriately familiarised with the group’s business through an induction programme. The composition of the board is reviewed on a regular basis to ensure ongoing compliance with the requirements entailed in the Act and King III.

The strategy of the group is mapped by the board in conference with the executive team and the group's strategic objectives are reviewed at each meeting.

The Board is responsible for monitoring and reporting on the effectiveness of the company's system of internal control. It is assisted by the audit and risk committee in the discharge of this responsibility.

The non-executive directors derive no benefit from the company other than their fees and emoluments as proposed by the board through the remuneration committee and approved by shareholders at the group's annual general meeting.

2.2 **The chairman**

The chairman's role is to set the ethical tone for the board and to ensure that the board remains efficient, focussed and operates as a unit. Mike Rogers is an independent non-executive chairman and his role is separate from that of the chief executive officer.

He provides overall leadership to the board and chief executive officer without limiting the principle of collective responsibility for board decisions. He is also a member of the remuneration and nomination committee as well as the audit and risk committee. The chairman is also responsible for the annual appraisal of the chief executive officer's performance and he oversees the formal succession plan for the board.

2.3 **The chief executive officer**

The chief executive officer reports to the board and is responsible for the day-to-day business of the group and implementation of policies and strategies approved by the board. Board authority conferred on management is delegated through the chief executive officer, against approved authority levels.

2.4 **Non-executive directors**

All members of the board have a fiduciary responsibility to represent the best interest of the group and all of its stakeholders. The group's non-executive directors are individuals of high calibre and credibility who make a significant contribution to the board's deliberations and decisions. They have the necessary skill and experience to exercise judgment on areas such as strategy, performance, transformation, diversity and employment equity.

2.5 **Company secretary**

The company secretary plays a vital role in the corporate governance of the group and is responsible for ensuring board compliance with procedures and regulations of a statutory nature. The company secretary ensures compliance with the listings requirements of the JSE.

The company secretary ensures that, in accordance with the pertinent laws and regulatory framework, the proceedings and affairs of the board and its members, the company itself and, where appropriate, the owners of securities in the company, are properly administered. The company secretary is the secretary of all the board committees.

Through an evaluation, the board satisfied itself regarding Sirkien van Schalkwyk's, representing JUBA Statutory Services (Pty) Ltd, work experience, performance and technical skills in fulfilling her role as company secretary. She is a consultant and maintains an arms-length relationship with the Board and individual directors in terms of section 3.84(j) of the JSE Listings Requirements.

2.6 **Board processes**

The directors have access to the advice and services of the company secretary. They are entitled, at the company's expense, to seek independent professional advice about the affairs of the company regarding the execution of their duties as directors.

A board charter is in place and outlines the responsibilities of the board. A copy of the charter is available on the company's website. The charter also addresses issues such as the composition and size of the board, board procedures, matters reserved for board decision and the frequency and proceedings of board meetings.

When subsidiaries become operational, a formal governance framework for wholly-owned and partly-owned subsidiaries will be developed.

2.7 **Interest in contracts**

No director had a significant interest in any contract or arrangement entered into by the company subsequent to the year-end on 28 February 2015.

Directors are required to inform the board timeously of conflicts or potential conflicts of interest they may have in relation to particular items of business. Directors are obliged to excuse themselves from discussions or decisions on matters in which they have a conflict of interest. The procedures around conflict of interests are included in the board charter.

2.8 **Directors' dealings in shares**

Directors of the company and its major subsidiaries may not deal in the company's shares without first advising and obtaining clearance from the chairman and/or chief executive officer. The chief executive officer and financial director may not deal in the company's shares without first advising and obtaining clearance from the chairman. No director or executive may trade in Sable shares during closed periods as defined in the JSE Listings Requirements. The directors of the company keep the company secretary advised of all their dealings in securities and details of dealings are placed on SENS in line with the JSE Listings Requirements. No shares have been traded by the directors during the year under review.

2.9 **Evaluation of board performance**

The company secretary conducted a self-evaluation exercise of the board's performance, mix of skills and individual contributions of directors, its achievements in terms of corporate governance and the effectiveness of its board committees. The results were reviewed by the board, who were satisfied that the overall assessment indicated a best practice board.

3. **BOARD COMMITTEES**

While the board remains accountable and responsible for the performance and affairs of the company, it delegates to management and board committees certain functions to assist it in properly discharging its duties. The nature and scope of authority of each committee is detailed in its terms of reference which is approved by the board.

The chairman of each board committee reports at each scheduled meeting of the board and minutes of board committee meetings are provided to the board. All the members of each board committee are independent, non-executive directors, except for the social and ethics committee which include an executive director as a member.

Both the directors and the members of the board committees are supplied with full and timely information that enable them to properly discharge their responsibilities. All directors have unrestricted access to all group information.

The chairman of each board committee is required to attend the annual general meeting to respond to issues or answer questions raised by shareholders.

The established board committees are:

3.1 **Audit and risk committee**

The members of the audit and risk committee are Mpho Mokgathe (chairman), Charles Mostert and Mike Rogers, all independent non-executive directors. Willie Thabe resigned on 16 July 2015 and subsequently stepped down as a member of the committee.

In reviewing the committee composition during the year, it was decided that, due to the size of the company, the audit committee and risk committee remain one committee. The agenda is divided into two sections to be able to attend to both audit and risk management responsibilities. The composition of the committee meets the requirements of the Companies Act and King III, consisting of a minimum of three non-executive directors, acting independently. Acting in accordance with the requirements of King III, the financial director and external auditors attend by invitation.

3.1.1 **Roles and responsibilities**

The committee's roles and responsibilities include its statutory duties as defined in the Act and the responsibilities assigned to it by the board. The committee reports to both the board and shareholders.

3.1.2 **Statutory duties**

The committee perform the following statutory duties:

- Nominate, for appointment the external auditors of the company under section 90;
- Determine the fees to be paid to the external auditors and their terms of engagement;
- Ensure that the appointment of the external auditors complies with the provisions of the Act and any other legislation relating to the appointment of external auditors;
- Determine, subject to the provisions of chapter 3 of the Act, the nature and extent of any non-audit services that the external auditors may provide to the company or that the external auditor must not provide to the company, or any related company;
- Adopt a non-audit services policy to pre-approve any proposed agreement with the external auditors for the provision of non-audit services to the company.

3.1.3 **External auditor**

The committee has satisfied itself that the external auditor, Grant Thornton, are independent of the company, which includes consideration of compliance with criteria relating to the Independent Regulatory board for Auditors. The committee sought assurance that internal governance processes within Grant Thornton support and demonstrate their claim to independence and this was provided.

The committee, in consultation with executive management, agreed to the engagement letter, terms, audit plan and budgeted audit fees.

The committee recommended the appointment of Grant Thornton Inc. as external auditors and David Reuben as designated auditor, for the 2016 financial year. It has further satisfied itself that the audit firm and designated auditor are JSE accredited auditors.

3.1.4 **Internal audit function**

Due to the size and phase of development of the company, no internal audit function currently exists. The appropriateness of an internal audit function is reviewed on a yearly basis. The executive directors are actively involved in the management of the company and thereby co-ensure the effective governance, risk management and internal control of the company.

3.1.5 **Internal financial controls**

No matters have been brought to the attention of the committee which would cause the committee to believe that the current systems of internal financial controls are not effective.

3.1.6 **Financial statements**

The committee has reviewed the financial statements for the year ended 28 February 2015 and was satisfied that they comply with IFRS and that areas of judgement were discussed to confirm accounting estimates.

3.1.7 **Duties assigned by the board**

The committee oversees the company's integrated annual report and the reporting process, including the system of internal financial controls. The committee meets with the external auditor without management present. The committee is satisfied that it has complied with its legal, regulatory and other responsibilities.

3.1.8 **Risk management**

The board has assigned oversight of the company's risk management function to the committee and the risk register, consisting of strategic, operational and IT risks and is tabled at each meeting for discussion. A risk management plan is in place.

3.1.9 **Information technology management**

The board delegated the oversight function in terms of information technology (IT) to the committee. These responsibilities include IT risk management, related controls, business continuity and data recovery. An IT policy is in place and implemented by management.

3.2 **Remuneration and nomination committee**

The committee comprises Charles Mostert (chairman), Mike Rogers and Mpho Mokgathe. The chief executive officer and financial director attend by invitation. Following the resignation of Willie Thabe, Charles Mostert took over as chairman of the committee and Willie Thabe stepped down as member.

The committee operates under formal terms of reference in terms of which it is required to meet at least twice a year in order to fulfil the functions assigned to it. The chairman of the board is not eligible for appointment as chairman of the committee, but will preside as chairman when the committee fulfils its oversight responsibilities on nomination matters and board/director interactions.

Although the board evaluates the chairman annually, election of the chairman does not occur annually, but only when required.

3.2.1 **Policy on directors' remuneration**

The directors are appointed to the Board to bring competencies and experience appropriate to achieving the group's objectives.

3.2.2 **Non-executive directors' fees**

In line with section 66(9) of the Companies Act, the remuneration of non-executive directors were approved by shareholders at the annual general meeting that was held on 16 July 2015.

Despite the approval, non-executive directors were not remunerated for the years ended 28 February 2014 and 28 February 2015 due to cash constraints. The arrears will be paid when funds are available and at the discretion of the board.

3.2.3 **Executive directors**

Executive directors have accepted a reduced salary in order to preserve cash until funds are available.

3.2.4 **Directors' services contracts**

James Allan and René Hochreiter have both agreed in writing that they will not terminate their employment for a period of five years, other than with agreement with the board, commencing on 23 July 2012. René Hochreiter's contract was terminated when he changed from executive to non-executive director on 1 June 2015. James Allan has agreed to be bound by a 24 month restraint-of-trade agreement commencing from the date on which their employment terminates.

3.3 **Social and ethics committee**

The members comprise of Charles Mostert (chairman), James Allan and René Hochreiter. The financial director attends by invitation. Willie Thabe stepped down as member following his resignation on 16 July 2015. Charles Mostert was appointed as independent chairman in order to comply with the requirements of the Companies Act, 2008 as amended.

The committee operates under formal terms of reference in terms of which it is required to meet at least twice a year in order to fulfil the functions assigned to it in terms of the Companies Regulations and such other functions as are assigned to it by the board from time to time in order to assist the board in ensuring that the group remains a responsible corporate citizen.

3.3.1 **Responsibilities**

The objectives and responsibilities of the committee, which are aligned with the committee's statutory functions as set out in the Companies Act, form the basis of an annual work plan.

The objectives that support Sable's sustainability policy include the promotion of environmental health and public safety and good corporate citizenship, including the promotion of equality, the prevention of unfair discrimination and the reduction of corruption.

3.3.2 **Ethics**

The code of ethics and business conduct, which embodies our key principles and values, was reviewed during the year and confirmed to be relevant and effective.

3.3.3 **Labour**

The Group's employment equity policies embody our commitment to implementing employment equity across the group. During the year under review, particular attention was given to the Group's compliance with the South African Broad-Based Black Economic Empowerment Act.

Skills development remains an area of focus and will receive additional attention once the operations of the company are at full capacity again.

3.3.4 **Sustainability**

Sable adheres to environmental and sustainability principles as set out in the Minerals and Petroleum Resources Development Act, 28 of 2002 (MPRDA). In the prospecting phase, borehole and drill site rehabilitation was carried out.

3.3.5 **Sustainability and corporate social awareness**

The group is fully committed to sustainability and corporate social awareness. The board is cognisant of the fact that the growth and success of the company is dependent on the ability to continue to deliver value to Sable's stakeholders. Sustainability can only be achieved through paying greater attention to the world in which Sable operate. This was evident in the decision to again print the 2015 integrated annual report on CD's and not in hard copy format. In addition to this reports for internal purposes are printed in booklet format to save paper and the directors of the company fly only economic class (domestic and international) to save costs for the company.

The group continuously seeks new ways in which the environment can be benefitted through efficient and effective allocation of resources.

3.3.6 **Safety, health and the environment**

There were no accidents or incidents during the reporting period.

Since inception in 2010, Sable has an accumulative Lost Time Injury Frequency Rate of 3.14. (LTIFR = number of injuries x 200 000 hours/total hours worked)

Four staff members attended and passed the Level 1 First Aid training during September 2015. The designated site safety coordinator attended an Occupational Health and Safety course during November 2014.

3.3.7 **Environmental**

Bateleur Environmental & Monitoring Services CC is still responsible for external site rehabilitation checks, whilst the two remaining sites on hold (RDP 001 & BSB 001) are periodically visited by staff, to ensure environmental and safety compliance. These two drilling sites would be formally rehabilitated as soon as drilling resumes to remove the rods.

Bateleur Environmental and to a minor extent, Digby Wells are also involved with the compilation of environmental compliance reports and also involved with "interested and affected party" consultations.

CV'S OF DIRECTORS

The following is summarised curricula vitae of the current directors:

Michael Howard Rogers (71)

Independent non-executive chairman

BSc (Rand) Min. Eng. 1967, Pr. Eng., FSAIMM

Mike Rogers is a graduate in mining engineering from the University of the Witwatersrand. He has some 50 years' experience in operational, technical and executive capacities in the coal, platinum, gold and antimony mines and business in South Africa and in copper in Namibia. At present he is an independent non-executive director of Royal Bafokeng Platinum Limited and the independent non-executive chairman of Fox Consultants and Project Managers Proprietary Limited. He is chairman of the PAC Mining of the Engineering Council of SA and a past President of the Southern African Institute of Mining and Metallurgy.

James Gordon Allan (57)

Chief executive officer

BSc (Eng) (Mining) MBA

James Allan is a co-founder and a director of Sable Platinum Holdings Proprietary Limited. He has been involved in the mining and financial service industries for the past 32 years. During this time he has been a partner at Anderson Wilson and Partners, Barnard Jacobs Mellet and became a top rated diamond analyst. He has started a number of companies in the mining industry. In 2006 he formed Allan Hochreiter Proprietary Limited with René Hochreiter and Sable Platinum Mining Proprietary Limited with René Hochreiter and David Levithan.

René Carlo Hochreiter (58)

Non-executive director

BSc (Eng) Mining and Geology

René Hochreiter is a co-founder and a director of Sable Platinum Holdings Proprietary Limited. He has been involved in mining and financial services industries for the past 32 years. He has been a partner at Anderson Wilson and Partners, a director at Barnard Jacobs Mellet and an Investment Banker at Nedbank. He was rated the top platinum analyst for 10 consecutive years. In 2006 he formed Allan Hochreiter Proprietary Limited with James Allan and Sable Platinum Mining Proprietary Limited with James Allan and David Levithan.

Michaeline Mpho Mokgatlhe (37)

Independent non-executive director

CA (SA)

Mpho Mokgatlhe started her career in 2000 as a trainee accountant with Gobodo Incorporated after completing her BCom degree at the University of the North West. She completed her BCompt (Hons) at the University of South Africa and later qualified as a CA (SA). On completion of her articles, Mpho joined Eskom Distribution as head of accounts receivables and was later promoted to senior advisor: financial planning and performance. Mpho later joined Anglo Platinum and worked in different departments including shared services, joint ventures and business development. Mpho is currently commercial project manager at Siemens in the Wind Power division. She is also an independent non-executive director of Fox Consultants and Project Managers Proprietary Limited.

Charles Philip Mostert (59)

Independent non-executive director

B.Com (Hons), MBL, Certificate in Mining Taxation

Charles Mostert has 33 years' experience in the mining industry which includes 22 years with South African mining majors and 11 years with Australian and Canadian junior mining companies. He has served as chairman/chief executive director/director of 12 resource companies listed on the Australian or Canadian Stock Exchanges with over US\$400 million in capital raisings. His resources experience includes gold, diamonds, coal, copper, platinum and iron ore. He currently serves as President – African Business Development for Forbes and Manhattan Inc. ("Forbes"), a Canadian Merchant Bank which focuses on investment in the resources sector. Since joining Forbes in 2008, he has been actively involved in co-leading transactions for Slater Coal, Sable Metals and Minerals, Bengwenyama Platinum, Savary Gold and Transnet/Richards Bay Coal logistics. His current directorships include Savary Gold (TSX-V), Sable Metals and Minerals Ltd, Keras Capital Proprietary Limited (Aus), Kombat Copper Inc. (TSX –V), Minxcon Proprietary Limited and Rera Diamonds (Private) Limited.

David Norton Levithan (59)

Non-executive director

BA LLB

David Levithan is a co-founder and a director of Sable Platinum Holdings Proprietary Limited. He has been an admitted attorney for some 31 years. For the last 16 years he has specialised in minerals law and has experience in several aspects of commercial law including mergers and acquisitions, corporate reconstruction and litigation.

Eshaan Singh (32)

Part-time financial director

B.Compt

Eshaan Singh has worked at various audit and securities firms including Citi Bank group, Deutsche Securities South Africa, Glass Tucker and Venter and STA Travel International Limited in the UK. Eshaan currently holds the position of Financial Manager – Noah Capital.

PRO FORMA FINANCIAL INFORMATION ON SPM

1. THE SCHEME

The *pro forma* financial information of SPM below is based on the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015, and was prepared in order to provide the illustrative financial effects of the scheme assuming that the scheme took place on 1 March 2015 for the purposes of the *pro forma* statement of comprehensive income and on 31 August 2015 for the purposes of the *pro forma* statement of financial position. The *pro forma* financial information is based on the assumptions set out below.

The accounting policies of SPM for the period ended 31 August 2015 have been used in preparing the *pro forma* financial information.

The *pro forma* financial information is the responsibility of the directors and was prepared for illustrative purposes only and may not, because of its nature, fairly present SPM's financial position and results of its operations as at the relevant reporting date. It does not purport to be indicative of what the financial results would have been, had the scheme been implemented on a different date.

Refer to **Annexure 12** for the report by the independent reporting accountant on the *pro forma* financial statements of SPM.

Consolidated Statement of Comprehensive Income

	SPM 31 August 2015 "before" ⁽¹⁾	The scheme adjustments ⁽²⁾	SPM 31 August 2015 "after" ⁽³⁾
	R	R	R
Revenue	–	–	–
Cost of sales	–	–	–
Gross profit	–	–	–
Other operating income	168 900	365	169 265
Operating expenses	(3 513 823)	(3 539 265)	(7 053 088)
Operating loss	(3 344 923)	(3 538 900)	(6 883 823)
Finance income	–	–	–
Finance costs	–	–	–
Loss before taxation	(3 344 923)	(3 538 900)	(6 883 823)
Taxation	–	–	–
Loss for the year	(3 344 923)	(3 538 900)	(6 883 823)
Loss for the year attributable to:			
Owners of the parent	(3 344 923)	(3 538 900)	(6 883 823)
Non-controlling interest	–	–	–
Loss for the year	(3 344 923)	(3 538 900)	(6 883 823)
Reconciliation of headline loss			
Net loss for the year	(3 344 923)	(3 538 900)	(6 883 823)
<i>Plus:</i> loss on sale of subsidiaries	–	3 538 900	3 538 900
<i>Less:</i> Non-controlling interest	–	–	–
Headline loss to ordinary shareholders	(3 344 923)	–	(3 344 923)
Basic loss per share (cents)	(904 033)		(2.93)
Diluted loss per share (cents)	(904 033)		(2.93)
Headline loss per share (cents)	(904 033)		(1.42)
Diluted headline loss per share (cents)	(904 033)		(1.42)
Weighted average number of ordinary shares in issue	370	235 126 147	235 126 517
Weighted average number of diluted ordinary shares in issue	370	235 126 147	235 126 517

Notes:

- The "before" column represents the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015.
- The scheme adjustments column using values based on the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015 includes:
 - operating income has been adjusted for the profit on the repurchase of the SPM shares, as detailed in paragraph 6.2.5 of the circular;
 - the movement in operating expenditure relates to losses incurred on the disposals of investments in subsidiaries to SPH and acquisition of liabilities in accordance with paragraph 6 of the circular as follows;

	Acquisition of liabilities from cession and assignment	Sale of Retained Companies to SPH	Total
Proceeds	R6 000 000	R1	R6 000 001
Familia loan	(R6 951 382)		(R6 951 382)
A Hochreiter loans	(R180 450)		(R180 450)
Loan from director	(R1 056 138)		(R1 056 138)
Carrying value of investment		(R486)	(R486)
Carrying value of loans receivable		(R1 350 810)	(R1 350 810)
Net loss	(R2 187 970)	(R1 351 295)	(R3 539 265)

- no taxation has been provided as SPM has significant tax losses; and
 - none of the adjustments are expected to have a continuing effect.
- The loss per share and headline loss per share were calculated as if the scheme took place on 1 March 2015.

Consolidated Statement of Financial Position

	SPM 31 August 2015 "before"⁽¹⁾	The scheme adjustments⁽²⁾	SPM Group 31 August 2015 "after"⁽³⁾
	R	R	R
Assets			
Non-current assets			
Property, plant and equipment	1 888 389	(1 351 296)	537 093
Investment in subsidiaries	100 613	–	100 613
Loans to group companies	537	(486)	51
Loan to Roan	1 638 792	(1 350 810)	287 982
Other financial assets	5 816	–	5 816
	142 631	–	142 631
Current assets	1 617 051	5 999 996	7 617 047
Trade and other receivables	70 000	–	70 000
Tax receivable	30 641	–	30 641
Cash and cash equivalents	1 516 410	5 999 996	7 516 406
Total assets	3 505 440	4 648 700	8 154 140
Equity and liabilities			
Equity			
Stated capital	(82 958 656)	(3 539 270)	(86 497 926)
Accumulated loss	370	(370)	–
	(82 959 026)	(3 538 900)	(86 497 926)
Liabilities			
Non-current liabilities			
Loan – A Hochreiter	79 951 017	8 187 970	88 138 987
Shareholders' loans	(125 000)	180 450	55 450
Loan from Familia	–	80 076 017	80 076 017
Loan from director	–	6 951 382	6 951 382
Loan from Sable/SPH	–	1 056 138	1 056 138
	80 076 017	(80 076 017)	–

	SPM 31 August 2015 "before" ⁽¹⁾	The scheme adjustments ⁽²⁾	SPM Group 31 August 2015 "after" ⁽³⁾
	R	R	R
Current liabilities	6 513 079	–	6 513 079
Trade and other payables	513 079	–	513 079
Loan – Platanoides	1 000 000	–	1 000 000
Loan – Lemur	5 000 000	–	5 000 000
Total equity and liabilities	3 505 440	4 648 700	8 154 140
Number of shares in issue	370	235 126 147	235 126 517
Net asset value per share (cents)	(22 421 258)		(36.79)
Net tangible asset value per share (cents)	(22 421 258)		(36.79)

Notes:

- The "before" column represents the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015.
- The "scheme adjustments" column using values based on the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015, relate to the following:
 - SPH acquires the Retained Companies, as defined, from SPM for a consideration of R1. The movement in investments of R486 and the loan amounts owing to SPM by the Retained Companies of R1 350 810 are reflected.
 - SPM has received a consideration of R6 million from Sable for the cession and assignment of the following contingent and actual liabilities, in accordance with paragraph 6 of the circular.
 - Familia Loan of R6 951 382 which represents the present value of the liability which will be payable upon demand in 2 June 2017.
 - Arrear directors' fees amounting to R2 000 000; this liability will remain contingent in the hands of SPM as the amount to be paid is uncertain and based on the availability of cash flows and has not been recorded in the SPM accounts.
 - Unsecured loans from A Hochreiter of R180 450 as well as the loan from director – J Allan of R1 056 18.
 - The loan owing to SPH of R80 076 017 will be acquired by James Allan on behalf of shareholders in accordance with paragraph 6.2.1 of the circular. The liability only changes from a counterparty perspective.
 - The majority of the cash movement is represented by the receipt of R6 million for the assignment and cession of certain contingent and actual liabilities from Sable and SPH.
 - The movement in stated capital related to the buyback of its share capital from SPH by SPM.
 - SPM has issued 236 126 517 shares to Sable shareholders to replicate their shareholding in Sable in SPM.
 - Equity movement is represented by the loss incurred on the cession and assignment of liabilities from Sable and the sale of Retained companies, as defined, to SPH. See detail of table in note 2 to Statement of Comprehensive Income.
- The net asset value and net tangible asset value per share were calculated as if the scheme took place on 31 August 2015.

2. THE COMBINED FINANCIAL STATEMENT FOR THE DISPOSAL AND SCHEME

The *pro forma* financial information of SPM below is based on the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015, and was prepared in order to provide the illustrative financial effects of the disposal and scheme assuming that the disposal and scheme took place on 1 March 2015 for the purposes of the *pro forma* statement of comprehensive income and on 31 August 2015 for the purposes of the *pro forma* statement of financial position. The *pro forma* financial information is based on the assumptions set out below.

The accounting policies of SPM for the period ended 31 August 2015 have been used in preparing the *pro forma* financial information.

The *pro forma* financial information is the responsibility of the directors and was prepared for illustrative purposes only and may not, because of its nature, fairly present SPM's financial position and results of its operations as at the relevant reporting date. It does not purport to be indicative of what the financial results would have been, had the specific issue and scheme been implemented on a different date.

Refer to **Annexure 12** for the report by the independent reporting accountant on the *pro forma* financial statements of SPM.

Consolidated Statement of Comprehensive Income

	SPM Group 31 August 2015 "before" ⁽¹⁾ R	The disposal adjustments ⁽²⁾ R	The scheme adjustments ⁽³⁾ R	SPM 31 August 2015 "after" ⁽⁴⁾ R
Revenue	–	–	–	–
Cost of sales	–	–	–	–
Gross profit	–	–	–	–
Other operating income	168 900	8 351 967	365	8 521 232
Operating expenses	(3 513 823)	–	(3 539 265)	(7 053 088)
Operating (loss)/profit	(3 344 923)	8 351 967	(3 538 900)	1 468 144
Finance income	–	–	–	–
Finance costs	–	–	–	–
(Loss)/profit before taxation	(3 344 923)	8 351 967	(3 538 900)	1 468 144
Taxation	–	–	–	–
(Loss)/profit for the year	(3 344 923)	8 351 967	(3 538 900)	1 468 144
Loss for the year attributable to:	(3 344 923)	8 351 967	(3 538 900)	1 468 144
Owners of the parent	–	–	–	–
Non-controlling interest	(3 344 923)	8 351 967	(3 538 900)	1 468 144
(Loss)/profit for the year				
Reconciliation of headline loss				
Net loss for the year	(3 344 923)	8 351 967	(3 538 900)	1 468 144
Less: Profit/(loss) on sale of assets	–	(8 351 967)	3 538 900	(4 813 067)
Less: Non-controlling interest	–	–	–	–
Headline loss to ordinary shareholders	(3 344 923)	–	–	(3 344 923)
Basic (loss)/earnings per share (cents)	(904 033)			0.62
Diluted (loss)/earnings per share (cents)	(904 033)			0.62
Headline loss per share (cents)	(904 033)			(1.42)
Diluted headline loss per share (cents)	(904 033)			(1.42)
Weighted average number of ordinary shares in issue	370		235 126 517	235 126 517
Weighted average number of diluted ordinary shares in issue	370		235 126 517	235 126 517

Notes

- The "before" column represents the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015.
- The disposal adjustments column includes:
 - other income which represents the profit on sale of the Project companies against the proceeds of \$600 000 at an expected rate of \$/R14.40 per paragraph 7.3.2 of the circular against the cost of the investments of R51 and loan accounts receivable R287 982 which is based on of the unconsolidated reviewed results of SPM for the period ended 31 August 2015.
- The scheme adjustments column is based on the unconsolidated reviewed results of SPM for the period ended 31 August 2015 includes:
 - operating income has been adjusted for the profit on the repurchase of the SPM shares, as detailed in paragraph 6.2.5 of the circular.
 - the movement in operating expenditure relates to losses incurred on the disposals of investments in subsidiaries and acquisition of liabilities in accordance with paragraph 6 of the circular as follows:

	Acquisition of liabilities from cession and assignment	Sale of Retained Companies to SPH	Total
Proceeds	R6 000 000	R1	R6 000 001
Familia loan	(R6 951 382)		(R6 951 382)
A Hochreiter loans	(R180 450)		(R180 450)
Loan from director	(R1 056 138)		(R1 056 138)
Carrying value of investment		(R486)	(R486)
Carrying value of loans receivable		(R1 350 810)	(R1 350 810)
Net loss	(R2 187 970)	(R1 351 295)	(R3 539 265)

- No taxation has been provided for due to significant tax losses in SPM.
- None of the adjustments are expected to have a continuing effect.

4. The loss per share and headline loss per share were calculated as if the disposal and the scheme took place on 1 March 2015.

Consolidated Statement of Financial Position

	SPM 31 August 2015 “before” ⁽¹⁾	The disposal adjustments ⁽²⁾	The scheme adjustments ⁽³⁾	SPM Group 31 August 2015 “after” ⁽⁴⁾
	R	R	R	R
Assets				
Non-current assets	1 888 389	(288 033)	(1 351 296)	249 060
Property, plant and equipment	100 613	–	–	100 613
Investment in subsidiaries	537	(51)	(486)	–
Loans to group companies	1 638 792	(287 982)	(1 350 810)	–
Loan to Roan	5 816	–	–	5 816
Other financial assets	142 631	–	–	142 631
Current assets	1 617 051	3 640 000	5 999 996	11 257 047
Trade and other receivables	70 000	–	–	70 000
Tax receivable	30 641	–	–	30 641
Cash and cash equivalents	1 516 410	3 640 000	5 999 996	11 156 406
Total assets	3 505 440	3 351 967	4 648 700	11 506 107
Equity and liabilities				
Equity	(82 958 656)	8 351 967	(3 539 270)	(78 145 959)
Stated capital	370	–	(370)	–
Accumulated loss	(82 959 026)	8 351 967	(3 538 900)	(78 145 959)
Liabilities				
Non-current liabilities	79 951 017	–	8 187 970	88 138 987
Loan – A Hochreiter	(125 000)	–	180 450	55 450
Shareholders’ loans	–	–	80 076 017	80 076 017
Loan from Familia	–	–	6 951 382	6 951 382
Loan from director	–	–	1 056 138	1 056 138
Loan from Sable/SPH	80 076 017	–	(80 076 017)	–
Current liabilities	6 513 079	(5 000 000)	–	1 513 079
Trade and other payables	513 079	–	–	513 079
Loan – Platanoides	1 000 000	–	–	1 000 000
Loan – Lemur	5 000 000	(5 000 000)	–	–
Total equity and liabilities	3 505 440	3 351 967	4 648 700	11 506 107
Number of shares in issue	370		235 126 517	235 126 517
Net asset value per share (cents)	(22 421 258)			(33.24)
Net tangible asset value per share (cents)	(22 421 258)			(33.24)

Notes:

1. The "before" column represents the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015.
2. The "disposal adjustments" column based on the unconsolidated reviewed results of SPM for the period ended 31 August 2015, relates to the following:
 - The reduction in investments of R51 and loans to group companies owing to SPM totalling R287 982 relates to the disposal of the Project companies to Lemur.
 - The proceeds from the sale of the Project companies amounts to \$600 000 at a rate of \$/R14.40 as per paragraph 7.3.2 of the circular, amounting to R8 640 000.
 - An amount of R5 million has been advanced to SPM by Lemur up to 31 August 2015. These advances (reflected as a reduction against Lemur loan payable) has been set off against the purchase consideration.
 - The remaining R3 640 000 payable by Lemur is to be settled by post-August 2015 through the receipt of cash.
3. The "scheme adjustments" column, based on the unconsolidated reviewed interim results of SPM for the period ended 31 August 2015 relate to the following:
 - SPH acquires the Retained Companies, as defined, from SPM for a consideration of R1.
 - The movement in investments of R486 and the loan amounts owing to SPM by the Retained Companies of R1 350 810 are reflected.
 - SPM has received a consideration of R6 million from Sable for the cession and assignment of the following contingent and actual liabilities, in accordance with paragraph 6 of the circular.
 - Familia Loan of R6 951 382 which represents the present value of the liability which will be payable upon demand in 2 June 2017.
 - Arrear directors' fees amounting to R2 000 000; this liability will remain contingent in the hands of SPM as the amount to be paid is uncertain and based on the availability of cash flows and has not been recorded in the SPM accounts.
 - Unsecured loans from A Hochreiter of R180 450 as well as the loan from director – J Allan of R1 056 18.
 - The loan owing to SPH by SPM of R80 076 017 will be acquired by James Allan on behalf of shareholders in accordance with paragraph 6.2.1 of the circular. The liability only changes from a counterparty perspective.
 - The majority of the cash movement is represented by the receipt of R6 million for the assignment and cession of certain contingent and actual liabilities from Sable and SPH.
 - The movement in stated capital related to the buyback of its share capital from SPH by SPM.
 - SPM has issued 236 126 517 shares to Sable shareholders to replicate their shareholding in Sable in SPM.
 - Equity movement is represented by the loss incurred on the cession and assignment of liabilities from Sable and the sale of Retained Companies, as defined, to SPH. See detail of table in note 3 to Statement of Comprehensive Income.
4. The net asset value and net tangible asset value per share were calculated as if the disposal and the scheme took place on 31 August 2015.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF THE *PRO FORMA* FINANCIAL INFORMATION OF SABLE PLATINUM MINING LIMITED ("SPM" OR "THE COMPANY")

The Directors
Sable Metals and Minerals Limited
Block A Kingsley Office Park
85 Protea Road
Chistlehurst
Sandton
2196

11 December 2015

Dear Sirs

Independent Reporting Accountants' Assurance Report on the compilation of the *pro forma* financial information of Sable Platinum Mining Limited ("SPM" or "the company")

We have completed our assurance engagement to report on the compilation of the *pro forma* financial information of SPM by the directors of Sable Metals and Minerals Limited ("Sable"). The *pro forma* financial information, as set out in paragraph 10 and **Annexure 11** of the circular to be issued by Sable on or about 21 December 2015 ("the circular"), consists of the *pro forma* statement of financial position, the *pro forma* statement of comprehensive income and related notes. The *pro forma* financial information has been compiled at the request of the JSE Limited and on the basis of the applicable criteria specified in the JSE Listings Requirements.

The *pro forma* financial information has been compiled by the Sable directors to illustrate the impact of the proposed transactions as described in paragraph 2 of the circular ("the transactions"), on SPM's financial position as at 31 August 2015, and SPM's financial performance for the period then ended, as if the transactions had taken place at 31 August 2015 for purposes of the *pro forma* statement of financial position and at 1 March 2015 for purposes of the *pro forma* statement of comprehensive income. As part of this process, information about SPM's financial position has been extracted by the Sable directors from the SPM's reviewed interim financial information for the period ended 31 August 2015.

Directors' Responsibility for the *Pro Forma* Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 11** of the circular.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of *Pro Forma* Financial Information Included in a Circular which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

As the purpose of *pro forma* financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *pro forma* financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- the related *pro forma* adjustments give appropriate effect to those criteria; and
- the *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 11** of the circular.

Consent

This report on the *pro forma* financial information is included solely for the information of the Sable shareholders. We consent to the inclusion of our report on the *pro forma* financial information, and the references thereto, in the form and context in which they appear in the circular.

Yours faithfully

Grant Thornton Johannesburg
Ryan Stoler
Director
Practice number 903485E
Registered Auditors
Chartered Accountants (SA)
52 Corlett Drive
Wanderers Office Park
Illovo

SUMMARY OF MINERAL RIGHTS IN SPH POST TRANSACTIONS

Company name	% held	Prospecting right reference	Status
Sable Platinum Joint Venture	51	GP 30/5/1/1/2/332PR And GP 30/5/181/2/349 PR Platinum Group Metals and associated minerals	Valid until 15 November 2016
Middlewave Trade and Invest 4 Proprietary Limited	74	LP 30/5/1/1/2/12527PR Iron Ore, Vanadium Rutile, Phosphate ore, Platinum Group Metals, Gold, Chrome, Copper, Nickel and Cobalt,	Application made to DMR
Fast Pace Trade and Invest Proprietary Limited	74	LP 30/5/1/1/2/603PR Platinum Group Metals and Vanadium and Iron Ore	Application for a Retention Permit accepted by the DMR subject to the provision of various documentation by the end of November 2015. Documentation supplied to the DMR. Retention permit valid for three years
Coveway Trade and Invest 46 Proprietary Limited	51	NW 30/5/1/1/2/978 PR Platinum Group Metals, Copper, Cobalt, Gold and Dimension Stone	Right abandoned and handed back to BEE parties
Ochre Shimmer Trade and Invest 72 Proprietary Limited	51	NW 30/5/1/1/2/1439PR NW 30/5/1/1/2/1385PR Platinum Group Metals, Copper, Chrome, Nickel, Cobalt, Gold	Renéwal of Prospecting Rights lodged and awaiting grant.
Rickshaw Trade and Invest 86 Proprietary Limited	74	Dormant	
Squirewood Investments 98 Proprietary Limited	74	LP 30/5/1/1/2/10434PR Gold, Chrome, Nickel, Copper, Molybdenum, Rare Earths, Silver, Cobalt, Zinc, Lead, Heavy Minerals, Vanadium and Iron	Right granted pending provision of R200 000
Squirewood Investments 98 Proprietary Limited	74	LP 30/5/1/1/2/1101PR Vanadium, Rutile, Tin and Iron	Right granted subject to provision of R200 000
Squirewood Investments 98 Proprietary Limited	74	LP 30/5/1/1/2/11032PR Iron, Vanadium, Rutile and Lead	Application accepted and in process
Squirewood Investments 98 Proprietary Limited	74	LP 30/5/1/1/2/11000PR Vanadium, Rutile, Tin and Iron	Right granted subject to provision of R200 000

Company name	% held	Prospecting right reference	Status
Bridge Line Proprietary Limited	51	NW 30/5/1/1/2/10027 MR Platinum Group Metals, chrome, Iron, Lead, Molybdenum, Nickel, rare Earths, Vanadium, Zinc	Mining Right application submitted in case agreement cannot be reached on Caber Trade Mining Right application
Saddle Path Props 54 Proprietary limited	74	Dormant	
Fast Pull Trade and Invest Proprietary Limited	74	NW 30/5/1/1/2/1095 PR Iron, Tin, Vanadium, Rutile	Right abandoned and handed back to BEE partners
Fast Pull Trade and Invest Proprietary Limited	74	NW 30/5/1/1/2/1227 PR Iron Ore	Right granted subject to provision of R200 000
Dotfull Trading Proprietary Limited	74	Dormant	
Writer Star Trade and Invest Proprietary Limited	74	NW 30/5/1/1/2/11270 PR	Application accepted and in process
Roan Platinum Proprietary Limited	74 held by Sable Platinum Holdings	GP 30/5/1/1/2/546 PR Platinum Group Metals, Copper Nickel, Chrome, Cobalt, Pyrite	Expired March 2015. Decision made not to renew



Sable Metals and Minerals Limited

(formerly Sable Platinum Limited)
(Incorporated in the Republic of South Africa)
(Registration number 2001/006539/06)
(JSE code: SABLE ISIN: ZAE000185674)
("Sable" or "the company")

NOTICE OF A GENERAL MEETING OF SABLE SHAREHOLDERS

The "Definitions and Interpretation" commencing on page 10 of the circular to which this notice of general meeting of shareholders is attached and forms part, apply *mutatis mutandis* to this notice of general meeting of shareholders.

Notice is hereby given that a general meeting of Sable shareholders recorded in the register as at Friday, 8 January 2016, will be held at Block A, Kingsley Office Park, 85 Protea Road, Chistlehurst, Sandton at 10:00 on Monday, 25 January 2016, for the purpose of considering, and if deemed fit, passing, with or without modification, the special and ordinary resolutions set out below in the manner required by the Act.

In terms of the Act read with the company's Memorandum of Incorporation, the passing of the special resolutions require the approval of a 75% majority of votes to be cast in favour thereof.

In terms of the Listings Requirements the passing of ordinary resolution number 1 requires a 75% majority of votes to be cast in favour thereof. The other ordinary resolutions only require a 50% majority vote.

At this general meeting sufficient persons must be present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised.

Shareholders are advised that:

- a shareholder entitled to attend and vote at the meeting is entitled to appoint a proxy to attend, participate in and vote at the meeting in the place of the shareholder, or two or more proxies if the articles or Memorandum of Incorporation, as the case may be, of the company permits;
- a proxy need not also be a shareholder of the company;
- in terms of section 63(1) of the Act, before any person may attend or participate in a shareholders meeting such as the meeting convened in terms of this notice of general meeting, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified;
- **ordinary resolutions 1 to 4 and 6 and special resolutions 1 to 4 have to be approved in order for the specific issue, the waiver of the offer, and the release of the escrow shares, the amendment of the Sable Platinum Performance Share Rights Scheme, the scheme of arrangement and the disposal of the loan to James Allan to be implemented;**
- **the disposal is subject to the passing of ordinary resolutions 5 and 6 and special resolution 5;**
- **the name change (special resolution number 5) is subject to the passing of all the other resolutions.**

ORDINARY RESOLUTION NUMBER 1

Approval required for the specific issue of shares for cash in terms of section 11.19 read with section 5.51 of the Listings Requirements

“Resolved that, subject to the passing of ordinary resolutions numbers 2 to 4 and 6, and special resolutions numbers 1 to 4, the issue of 200 000 000 ordinary shares to Broken Land Adventures Proprietary Limited or its nominee at four cents each in terms of the specific issue, for an aggregate subscription price of R8 000 000, on the material terms and conditions set out in the subscription agreement initialled by the chairman for identification purposes, be and is hereby approved in terms of section 11.19 read with section 5.51 of the Listings Requirements”.

A 75% majority is needed to pass the above ordinary resolution in terms of the Listings Requirements.

SPECIAL RESOLUTION NUMBER 1

Approval required for the specific issue of shares in terms of section 41(3) of the Companies Act

“Resolved that, subject to the passing of ordinary resolutions numbers 1 to 4 and 6, and special resolutions numbers 2 to 4, the issue of 200 000 000 ordinary shares to Broken Land Adventures Proprietary Limited or its nominee at four cents each in terms of the specific issue, for an aggregate subscription price of R8 000 000, on the material terms and conditions set out in the subscription agreement initialled by the chairman for identification purposes, be and is hereby approved in terms of section 41(3) of the Companies Act, 2008 (as amended)”.

In terms of section 62(3)(c) of the Act, the percentage of voting rights that will be required for this special resolution to be approved is at least 75% of the voting rights present and exercised on the special resolution.

SPECIAL RESOLUTION NUMBER 2

Approval required for financial assistance in respect of the specific issue of shares in terms of section 44(3) of the Companies Act

“Resolved that, subject to the passing of ordinary resolutions numbers 1 to 4 and 6, and special resolutions numbers 1, 3 and 4, the board of directors of the company is authorised, in terms of section 44(3) of the Companies Act, 2008 (as amended) (“the Act”) to provide financial assistance as contemplated in section 44(2) of the Act to Broken Land Adventures (Pty) Limited (“BLA”) by making certain representations and giving certain warranties to BLA, on the terms and conditions set out in the subscription agreement, on the basis that the board of directors of the company is satisfied that the requirements of section 44(3)(b) of the Act are met and accordingly pass a resolution to this effect”.

In terms of section 62(3)(c) of the Act, the percentage of voting rights that will be required for this special resolution to be approved is at least 75% of the voting rights present and exercised on the special resolution.

ORDINARY RESOLUTION NUMBER 2

Waiver of mandatory offer

“Resolved that, subject to the passing of ordinary resolution numbers 1 and 3 to 6, and special resolutions numbers 1 to 4, the shareholders hereby waive the benefits of a mandatory offer by Broken Land Adventures Proprietary Limited or its nominee to acquire the shares of all other shareholders in Sable at four cents per share”.

In terms of Companies Regulation 86(4) independent holders of more than 50% of the general voting rights of all shareholders present and voting have to vote in favour of this resolution in order for it to be passed and submitted to the Takeover Regulation Panel for granting of the exemption.

ORDINARY RESOLUTION NUMBER 3

Authorisation of release of escrow shares

“Resolved that, subject to the passing of ordinary resolutions numbers 1 and 2, and 4 to 6, and special resolutions numbers 1 to 4, the shareholders hereby authorise the board of directors to release the 41 648 396 Sable shares held in escrow by Java Capital Limited to the following parties, who will not be entitled to vote on this resolution:

Name	Number of escrow shares
JG Allan	4 460 067
PA Poulson	4 460 067
RC Hochreiter	4 460 067
GL Hochreiter	4 460 067
Yawara Capital (Pty) Ltd [D Levithan}	9 604 816
PSG Nominees (B Schabort)	3 992 305
CP Mostert	94 893
J Louw	9 489
Allan Hochreiter Investments (Pty) Ltd	721 680
Legacy Platinum Corporation	9 384 946
Total	41 648 396

”

In terms of Sable’s MOI holders of more than 50% of the general voting rights of all shareholders present and voting have to vote in favour of this resolution in order for it to be passed.

Upon the passing of the resolution, the escrow agreement will be amended and the escrow shares will be released.

SPECIAL RESOLUTION NUMBER 3

Authorisation of vesting of rights to shares

In terms of paragraph 1.9 of the Sable Platinum Performance Rights Scheme, rights to shares would vest in the event that the company is taken over, delisted or become the subject of a merger. There will be a change of control as a result of the specific issue and scheme of arrangement. The Remuneration and Nominations Committee has determined the numbers of rights that would vest.

Shareholders are therefore requested, for the avoidance of doubt, to amend the Sable Platinum Performance Share Rights Scheme by adding a new clause 1.14 to enable 7 214 709 rights to shares to vest in the directors concerned.

In terms of paragraph 1.10 of the Sable Platinum Performance Share Rights Scheme, the votes attaching to all equity securities which had been acquired in terms of the Scheme and which are owned or controlled by James Allan, René Hochreiter and David Levithan, will be excluded from voting.

Vesting of rights

“Resolved that, subject to the passing of ordinary resolutions numbers 1 to 4 and 6, and special resolutions numbers 1, 2 and 4, the shareholders hereby authorise the Remuneration and Nomination Committee of the board of directors to amend the Sable Platinum Performance Share Rights Scheme by adding the following new clause:

“1.14. In the light of the specific issue and the scheme set out in the circular to shareholders dated on or about 27 November 2015, the following rights in respect of shares which have as at the effective date of the scheme not vested, will then vest and be issued to such participant:

Name	Number of rights to shares
James Allan	3 847 845
René Hochreiter	1 683 432
David Levithan	1 683 432

”

In terms of the JSE Listings Requirements holders of more than 75% of the general voting rights of all shareholders present and voting have to vote in favour of this resolution in order for it to be passed. Votes attaching to all equity securities which had been acquired in terms of the scheme and which are owned or controlled by James Allan, René Hochreiter and David Levithan, will be excluded from voting.

SPECIAL RESOLUTION NUMBER 4

Approval of the scheme in terms of section 115 of the Act

“Resolved that, subject to the passing of ordinary resolutions numbers 1 to 3 and 5, and special resolutions numbers 1 to 3, the scheme of arrangement proposed by Sable in terms of section 114 of the Companies Act, 2008 (as amended) (“the Act”) between Sable, Sable Platinum Holdings Proprietary Limited, Sable Platinum Mining Limited and their respective shareholders, as more fully described in the circular containing this notice of general meeting of which this resolution forms a part, a copy of which signed scheme has been tabled at the general meeting at which this resolution is considered, be and is hereby approved in terms of the provisions of section 115 of the Act, but subject to the provisions of section 164 of the Act.”

In terms of section 62(3)(c) of the Act, the percentage of voting rights that will be required for this special resolution to be approved is at least 75% of the voting rights present and exercised on the special resolution. At this general meeting sufficient persons must be present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised. James Allan will not be voting his shares and if he does, his votes will not be counted.

ORDINARY RESOLUTION NUMBER 4

Approval of disposal of a loan to a related party in terms of section 10.4(e) of the Listings Requirements

“Resolved that, subject to the passing of ordinary resolutions numbers 1 to 3 and 6, and special resolutions numbers 1 to 3, the disposal by Sable of a loan claim (in an amount of approximately R86 203 9070) by Sable Platinum Holdings Proprietary Limited to James Allan, a related party, acting as agent and intermediary for and on behalf of all the Sable shareholders on the scheme record date for R100 000 cash, payable on the scheme effective date, subject to the additional claw-back provisions set out in paragraphs 6.2.1.2 to 6.2.1.5 of the circular, to which the notice of meeting containing this resolution is attached, be and is hereby approved as required by section 10.4 (e) of the JSE’s Listings Requirements.”

In terms of section 9.20 of the Listings Requirements the related party disposal must be approved by a resolution being passed by 50% of Sable shareholders exercising their voting rights, provided that James Allan and his associates will not be entitled to vote. If they do, their votes will not be counted.

ORDINARY RESOLUTION NUMBER 5

Approval of disposal to Lemur in terms of section 9.20 of the Listings Requirements

“Resolved that, subject to the passing of special resolution number 5, and ordinary resolution number 6, the disposal by Sable Platinum Mining Limited of the Project Companies Shares to Lemur Resources Limited on the terms and conditions of the disposal agreement for a cash consideration of US\$600 000 plus a royalty of an amount equal to 1.75% of the gross sales of products yielded from the Projects, quarterly in arrears, subject to a certain maximum and minimum per tonne of product sold, as more fully described in the circular containing this notice of general meeting of which this resolution forms a part, a copy of which signed agreement has been tabled at the general meeting at which this resolution is considered, be approved in terms of the provisions of section 9.20 of the Listings Requirements.”

In terms of section 9.20 of the Listings Requirements the disposal is a Category 1 transaction and must be approved by a resolution being passed by 50% of Sable shareholders exercising their voting rights on the disposal, at the general meeting at which sufficient persons must be present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised on the disposal.

SPECIAL RESOLUTION NUMBER 5

Approval of disposal to Lemur in terms of sections 112 and 115 of the Act

“Resolved that, subject to the passing of ordinary resolution number 5, the disposal by Sable Platinum Mining Proprietary Limited of the Project Companies Shares to Lemur Resources Limited on the terms and conditions of the disposal agreement for a cash consideration of US\$600 000 plus a royalty of an amount equal to 1.75% of the gross sales of products yielded from the Projects, quarterly in arrears, subject to a certain maximum and minimum per tonne of product sold, as more fully described in the circular containing

this notice of general meeting of which this resolution forms a part, a copy of which signed agreement has been tabled at the general meeting at which this resolution is considered, be and is hereby approved in terms of the provisions of sections 112 and 115, but subject to the provisions of section 164, of the Companies Act, 2008 (as amended).”

In terms of section 62(3)(c) of the Act, the percentage of voting rights that will be required for this special resolution to be approved is at least 75% of the voting rights present and exercised on the special resolution. At this general meeting sufficient persons must be present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised.

SPECIAL RESOLUTION NUMBER 6

Approval of change of name

“Resolved that, subject to the passing of all the other ordinary and special resolutions, the company’s change of name to Middle East Diamond Resources Limited, be and is hereby approved.”

In terms of section 62(3)(c) of the Act, the percentage of voting rights that will be required for this special resolution to be approved is at least 75% of the voting rights present and exercised on the special resolution. At this general meeting sufficient persons must be present to exercise, in aggregate, at least 25% of all of the voting rights that are entitled to be exercised.

ORDINARY RESOLUTION NUMBER 6

Director’s authority

“Resolved that any director of the company be and is hereby authorised, instructed and empowered to take all such steps, sign all such documents and procure the doing of all such things as are necessary to implement ordinary and special resolutions set out in this notice of general meeting.”

VOTING AND PROXIES

Each shareholder who, being a natural person is present in person or by proxy, or, being a company, is present by representative proxy at the general meeting is entitled to one vote on a show of hands. On a poll, each shareholder, whether present in person or by proxy, or by representation, is entitled to one vote for each share held.

A form of proxy is attached for use by certificated or “own name” Shareholders who are unable to attend the general meeting but wish to be represented thereat. They are required to complete and return the form of proxy so as to be received by the South African transfer secretaries of the company, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by no later than 10:00 on Friday, 22 January 2016.

In terms of the custody agreements entered into by dematerialised Shareholders and their CSDP’s or brokers:

- dematerialised Shareholders other than own name Shareholders who wish to attend the general meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend the general meeting;
- dematerialised Shareholders other than own name Shareholders who wish to be represented at the general meeting by way of proxy must provide their CSDP or broker with their voting instructions by the cut-off time or date advised by their CSDP or broker for transactions of this nature.

Each certificated or own name dematerialised shareholder entitled to attend and vote at the general meeting may appoint one or more proxies (none of whom need be a Sable shareholder) to attend, speak and vote in his/her stead. The completion and lodging of a form of proxy will not preclude a shareholder from attending the meeting and speaking and voting thereat to the exclusion of the proxy so appointed.

NOTIFICATION OF SHAREHOLDER RIGHTS

The scheme, referred to in special resolution number 4, and the disposal, referred to in special resolution number 5, each has to be approved in the manner required by sections 112, 114 and 115 of the Act.

The approval requirements are set out in section 115 of the Act, excerpts of which are set out in **Annexure 7**. Shareholders have to approve the scheme and the disposal by special resolution at a meeting called for that purpose. A quorum of 25% of all voting rights is required.

In terms of section 115 (3), despite a resolution having been adopted, a company may not proceed to implement the said special resolutions without the approval of court if:

- the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within 5 business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
- the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave to apply to a court for a review of the transaction in accordance with section 115(7).

In addition to the foregoing, the holder of any voting rights in the company is entitled to seek relief in terms of section 164 of the Act. In order to avail himself of the appraisal rights in terms of section 164, a dissenting shareholder must do the following:

- notify the company in advance of his intention to oppose the special resolution proposed;
- be present at the meeting;
- vote against the special resolution;
- within 20 business days after being notified that the company has adopted the resolution, notify the company and the Takeover Regulation Panel in writing that he demands that the company pay him fair value for his shares.

The notice of demand must comply with the requirements of section 164(8).

Within five business days after the later of the day on which the resolution became effective, or the last day for receipt of demands, or the day the company received a demand, the company must send to each such dissenting shareholder who has timeously sent such a demand and has met all the other requirements of section 164 (“demanding shareholder”), a written offer to pay an amount considered by the directors to be the fair value of the relevant shares. The offer must be accompanied by a statement showing how that value was determined.

In terms of section 164(14) a demanding shareholder may apply to court to determine a fair value in respect of the shares that were the subject of that demand, and to issue an order requiring the company to pay the shareholder the fair value so determined, if the company has failed to make an offer, or made an offer that the shareholder considers to be inadequate and that offer has not lapsed.

In terms of section 164(15) upon such application being made, all dissenting shareholders who have not accepted the offer by the company must be joined as parties and are bound by the decision of the court.

The rights of the court are set out in section 164(15) of the Act.

At any time before the court has made an order, a dissenting shareholder may accept the offer in terms of section 164(15A) of the Act.

In terms of section 164(17), if there are reasonable grounds to believe that payment by a company for the shares would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months, the company may apply to a court for an order varying the company’s payment obligations. The court may make an order that is just and equitable, having regard to the financial circumstances of the company, and ensures that the demanding shareholder is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

By order of the board,
Juba Statutory Services (Pty) Ltd
Company Secretary
Sandton

18 December 2015

Registered office

Sable Metals and Minerals Limited
Block A, Kingsley Office Park,
85 Protea Road, Chislehurst,
Sandton, 2196
(PO Box 411130, Craighall, 2024)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)



Sable Metals and Minerals Limited

(formerly Sable Platinum Limited)
 (Incorporated in the Republic of South Africa)
 (Registration number 2001/006539/06)
 (JSE code: SABLE ISIN: ZAE000185674)
 ("Sable" or "the company")

FORM OF PROXY – GENERAL MEETING

Only for use by certificated shareholders or dematerialised shareholders of Sable who have selected "own-name" registration.

For use by Sable shareholders at a general meeting to be convened in terms of a Notice of General Meeting held at Block A, Kingsley Office Park, 85 Protea Road, Chistlehurst, Sandton, at 10:00 on 25 January 2016.

If you have dematerialised your shares with a Central Securities Depository Participant ("CSDP") or broker and have not selected "own-name" registration, you must arrange with your CSDP or broker to provide you with the necessary Letter of Representation to attend the general meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or broker.

I/We (Names in full – please print)

of (address):

Telephone number

Cellphone number

e-mail address

being the holder of shares in Sable hereby appoint:

1. _____ of _____ or failing him/her,

2. _____ of _____ or failing him/her,

3. the chairman of the general meeting,

as my/our proxy to attend and vote for me/us at the general meeting, and at any adjournment thereof, for purposes of considering and, if deemed fit, passing, with or without modification, the ordinary resolutions to be proposed thereat in accordance with the following instructions (see notes):

	Number of Shares		
	In favour of	Against	Abstain
Ordinary resolution number 1 Approval of the specific issue in terms of the Listings Requirements			
Special resolution number 1 Approval of the specific issue of shares for cash in terms of section 41(3) of the Act			

	Number of Shares		
	In favour of	Against	Abstain
Special resolution number 2 Approval of financial assistance in terms of section 44(3) of the Act			
Ordinary resolution number 2 Waiver of the mandatory offer in terms of Regulation 86(4)			
Ordinary resolution number 3 Release of escrow shares			
Ordinary resolution number 4 Approval of disposal of loan to related party			
Special resolution number 3 Vesting of rights to shares			
Special resolution number 4 Approval of the scheme			
Ordinary resolution number 5 Approval of disposal to Lemur in terms of Listings Requirements			
Special resolution number 5 Approval of disposal to Lemur in terms of the Act			
Special resolution number 6 Approval of change of name			
Ordinary resolution number 6 Director's authority			

Signed at _____ on _____ 2016

Signature _____

Capacity of signatory (where applicable) _____

(Note: Authority of signatory to be attached – see note 12)

Assisted by me (where applicable) _____

Full name _____

Capacity _____

Signature _____

Please read the notes on the reverse side hereof.

Notes:

1. Summary of rights contained in section 58 of the Act:
 - a shareholder may, at any time and in accordance with the provisions of section 58 of the Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders meeting on behalf of such shareholder;
 - a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
 - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder (see note 5);
 - any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
 - if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company; and
 - a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's memorandum of incorporation, or the instrument appointing the proxy, provides otherwise (see note 6).
2. Each shareholder is entitled to appoint one or more proxies (none of whom need be a shareholder of Sable) to attend, speak, vote or abstain from voting in place of that shareholder at the general meeting.
3. A shareholder may insert the name of a proxy or the names of two alternative proxies of the shareholder's choice in the space/s provided, with or without deleting "the chairman of the general meeting" but any such deletion must be initialled by the shareholder. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. Forms of proxy must be lodged with or posted to the transfer secretaries, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by no later than 10:00 on Friday, 22 January 2016.
5. The completion and lodging of this form of proxy will not preclude the shareholder from attending the general meeting and speaking and voting in person to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so.
6. If the signatory does not indicate in the appropriate place on the face hereof how he/she wishes to vote in respect of any resolutions, his/her proxy shall be entitled to vote as he/she deems fit in respect of that resolution.
7. The chairman shall be entitled to decline to accept the authority of the signatory:
 - under the power of attorney; and
 - on behalf of a company;unless the power of attorney or authority is deposited at the office of Sable's transfer secretaries, not less than 24 hours before the time appointed for the holding of the general meeting.
8. The chairman of the general meeting may reject or accept any form of proxy, which is completed and/or received other than in accordance with these notes, provided that the chairman is satisfied as to the manner in which the shareholder concerned wishes to vote.
9. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alterations must be signed, not initialled.
10. If the shareholding is not indicated on the form of proxy, the proxy will be deemed to be authorised to vote the total shareholding registered in the shareholder's name.
11. A vote given in terms of an instrument of proxy shall be valid in relation to the general meeting, notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in Sable in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries no less than 48 hours before the commencement of the general meeting.
12. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy unless previously recorded by Sable or its transfer secretaries or waived by the chairman of the general meeting.
13. Where this form of proxy is signed under power of attorney, such power of attorney must accompany this form of proxy, unless it has previously been registered with Sable or the transfer secretaries.
14. Where there are joint holders of shares and if more than one such joint holder be present or represented thereat, then the person whose name appears first in the register of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.
15. Where shares are held jointly, all joint holders are required to sign.
16. A minor must be assisted by his/her parent or guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries of Sable.
17. Dematerialised shareholders who have not selected "own-name" registration and who wish to attend the general meeting or to vote by way of proxy, must advise their CSDP or broker who will issue the necessary authorisation in writing for a dematerialised shareholder or proxy to do so.
18. The disposal is a disposal of the greater part of the assets of a subsidiary of the company. It is a condition precedent that the disposal has to be approved in the manner required by section 112 of the Act.
19. The scheme is also a fundamental transaction in terms of section 114 of the Act.

20. The approval requirements for the scheme and the disposal are set out in section 115 of the Act. Shareholders have to approve the scheme and the disposal by special resolutions at a meeting called for that purpose. A quorum of 25% of all voting rights is required.
21. Despite a resolution having been adopted, a company may not proceed to implement the scheme or disposal resolutions without the approval of court if:
 - the resolution was opposed by at least 15% of the voting rights that were exercised on that resolution and, within five business days after the vote, any person who voted against the resolution requires the company to seek court approval; or
 - the court, on an application within 10 business days after the vote by any person who voted against the resolution, grants that person leave to apply to a court for a review of the transaction.
22. In addition to the foregoing, the holder of any voting rights in the company is entitled to seek relief in terms of section 164 of the Act. In order to avail himself of the appraisal rights in terms of section 164, a dissenting shareholder must do the following:
 - notify the company in advance of his intention to oppose the special resolution proposed;
 - be present at the meeting;
 - vote against the special resolution; and
 - within 20 business days after being notified that the company has adopted the resolution, notify the company and the TRP in writing that he demands that the company pay him fair value for his shares.
23. The notice of demand must comply with the requirements of section 164(8).
24. Within five business days after the later of the day on which the resolution became effective, or the last day for receipt of demands, or the day the company received a demand, the company must send to each such dissenting shareholder who has timeously sent such a demand and has met all the other requirements of section 164 ("demanding shareholder"), a written offer to pay an amount considered by the directors to be the fair value of the relevant shares. The offer must be accompanied by a statement showing how that value was determined.
25. A demanding shareholder may apply to court to determine a fair value in respect of the shares that were the subject of that demand, and to issue an order requiring the company to pay the shareholder the fair value so determined, if the company has failed to make an offer, or made an offer that the shareholder considers to be inadequate and that offer has not lapsed.
26. In terms of section 164(15) upon such application being made, all dissenting shareholders who have not accepted the offer by the company must be joined as parties and are bound by the decision of the court.
27. The rights of the court are set out in section 164(15) of the Act.
28. At any time before the court has made an order, a dissenting shareholder may accept the offer.
29. In terms of section 164(17), if there are reasonable grounds to believe that payment by a company for the shares would result in the company being unable to pay its debts as they fall due and payable for the ensuing 12 months, the company may apply to a court for an order varying the company's payment obligations. The court may make an order that is just and equitable, having regard to the financial circumstances of the company, and ensures that the demanding shareholder is paid at the earliest possible date compatible with the company satisfying its other financial obligations as they fall due and payable.

