

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The interpretations and definitions commencing on page 4 of this summary have, where appropriate, been used on this cover page.

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

Action required

Sable shareholders are referred to page 2 of this summary circular, which sets out the detailed action required of them in respect of this summary circular.

Sable does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised shares to notify such shareholder of the contents of this summary circular.

Sable Metals & Minerals

Sable Metals and Minerals Limited

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

SUMMARY CIRCULAR TO SABLE SHAREHOLDERS

relating to:

- the proposed specific issue of a minimum of in aggregate 24 278 317 Sable shares for cash to Orange Oak at an issue price per subscription share being the lesser of R0.5409529 per share and a 10% discount to the 30 day VWAP of Sable shares as at the date of receipt of the relevant subscription amount,

and enclosing:

- a notice of general meeting of Sable shareholders; and
- a form of proxy to vote at the general meeting of Sable shareholders (for use by certificated Sable shareholders and dematerialised Sable shareholders who have elected “own-name” registration only).

THIS SUMMARY CIRCULAR IS ONLY A SUMMARY OF THE INFORMATION IN THE CIRCULAR AND DOES NOT CONTAIN FULL OR COMPLETE DETAILS. THE CIRCULAR IS AVAILABLE ON THE COMPANY’S WEBSITE (www.sablemetals.co.za) FROM THE DATE OF ISSUE OF THIS SUMMARY CIRCULAR.

Sponsor

JAVACAPITAL

Reporting accountants

 **Grant Thornton**

Independent expert

 **PSG CAPITAL**

Date of issue: Friday, 26 September 2014

CORPORATE INFORMATION

Registered office

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

Company secretary

Juba Statutory Services Proprietary Limited
(represented by Sirkien van Schalkwyk)
(Registration number 2010/006409/07)
No 1 Carlsberg
430 Nieuwenhuyzen Street
Erasmuskloof Ext 2, 0181
(PO Box 4896, Rietvalleirand, 0174)

Reporting accountants

Grant Thornton (JHB) Inc
Registered Auditors
Chartered Accountants (SA)
(Registration number 1994/001166/21)
137 Daisy Street
Corner Grayston Drive
Sandown
Johannesburg, 2196
(Private Bag X10046, Sandton, 2146)

Incorporation of Sable

Incorporated on 27 June 2001 in the Republic
of South Africa

Sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
2 Arnold Road
Rosebank
Johannesburg, 2196
(PO Box 2087, Parklands, 2121)

Independent expert

PSG Capital Proprietary Limited
(Registration number 2006/015817/07)
1st Floor, Ou Kollege Building
35 Kerk Street
Stellenbosch, 7600
South Africa
(PO Box 7403, Stellenbosch, 7599)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Ground Floor, 70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

TABLE OF CONTENTS

	Page
Corporate information	Inside front cover
Action required by Sable shareholders	2
Salient dates and times	3
Interpretations and definitions	4
Summary circular to Sable shareholders	
1. Introduction	7
2. Nature of business	9
3. Prospects	9
4. Rationale for the specific issue of shares for cash	9
5. Terms of the specific issue of shares for cash	10
6. Undertakings to vote in favour of the specific issue of shares for cash	12
7. Financial information in respect of the specific issue of shares for cash	13
8. General meeting	13
9. Related parties	14
10. Consents	14
Annexure 1 – Independent expert’s opinion	15
Annexure 2 – <i>Pro forma</i> financial information	21
Annexure 3 – Independent reporting accountants’ report on the <i>pro forma</i> financial information	24
Notice of general meeting of Sable shareholders	26
Form of proxy for Sable shareholders	Attached

ACTION REQUIRED BY SABLE SHAREHOLDERS

The interpretations and definitions commencing on page 4 of this circular apply *mutatis mutandis* to this section.

THE GENERAL MEETING

The implementation of the specific issue of shares for cash is subject to, *inter alia*, Sable shareholders passing the requisite resolutions at the general meeting of Sable shareholders to be held at 10:00 on Monday, 27 October 2014 at the offices of Sable (Block A, Kingsley Office Park, 85 Protea Road, Chislehurst, Sandton, 2196).

A notice convening the general meeting to be held at 10:00 on Monday, 27 October 2014 is attached to and forms part of this summary circular.

FORM OF PROXY

Certificated and dematerialised “own-name” shareholders

Certificated shareholders and dematerialised shareholders who have elected “own-name” registration in the sub-register of Sable maintained by a CSDP, who are unable to attend the general meeting but who wish to be represented thereat, are requested to complete and return the attached form of proxy in accordance with the instructions contained therein. The duly completed forms of proxy must be received by the transfer secretaries by no later than 10:00 on Thursday, 23 October 2014 in respect of the general meeting of Sable shareholders.

Other dematerialised shareholders

Dematerialised shareholders who have not elected “own-name” registration in the sub-register of Sable maintained by a CSDP, and who wish to attend the general meeting, must instruct their CSDP or broker timeously in order that such CSDP or broker may issue them with the necessary letter of representation or equivalent authority to attend.

Dematerialised shareholders who have not elected “own-name” registration in the sub-register of Sable maintained by a CSDP, and who do not wish to attend the general meeting, must provide their CSDP or broker with their instruction for attendance or voting at the general meeting in the manner stipulated in the agreement between the shareholder concerned and the CSDP or broker governing the relationship between such shareholder and his CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.

Sable does not accept responsibility and will not be held liable for any failure on the part of the CSDP of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat.

SALIENT DATES AND TIMES

2014

Summary circular posted to Sable shareholders (recorded in the register on Friday, 19 September 2014) and announcement relating to the issue of this summary circular and the notice convening the general meeting released on SENS on	Friday, 26 September
Announcement relating to the issue of this summary circular and the notice convening the general meeting published in the press on	Monday, 29 September
Last day to trade in Sable shares in order to be recorded in the register on the voting record date (see note 2 below) on	Friday, 10 October
Voting record date being 17:00 on	Friday, 17 October
Last day for receipt of proxies for the Sable shareholders' general meeting by 10:00 (see note 3 below) on	Thursday, 23 October
Sable shareholders' general meeting to be held at 10:00 on	Monday, 27 October
Results of the general meeting released on SENS on	Monday, 27 October
Anticipated listing date of subscription shares	Tuesday, 4 November

Notes:

1. All dates and times in this summary circular are local dates and times in South Africa. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
2. Sable shareholders should note that as transactions in shares are settled in the electronic settlement system used by Strate, settlement of trades takes place five business days after such trade. Therefore persons who acquire Sable shares after the voting last day to trade will not be eligible to vote at the general meeting.
3. If a form of proxy is not received by the time and date shown above or not less than 48 hours before recommencement of any adjourned or postponed meeting, it may be handed to the Chairman of the general meeting not later than ten minutes before the general meeting is due to commence or recommence.
4. Sable shareholders are referred to page 2 of this summary circular for information on the action required to be taken by them.

DEFINITIONS AND INTERPRETATIONS

In this summary circular and the annexures hereto, unless inconsistent with the context, an expression which denotes one gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

“ Botha Schabort ”	Philip Botha Schabort, a non-executive director of Sable;
“ BC ” or “ Bushveld Complex ”	The Bushveld Complex, a large 300km x 200km igneous intrusion within the earth’s crust which has been eroded and now outcrops what appears to be the edge of a great geological basin located in the north-eastern part of South Africa. The Bushveld Complex contains some of the richest ore deposits on earth. The reserves and resources of PGM’s are the world’s largest;
“ business day ”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“ certificated shareholders ”	Sable shareholders who hold certificated shares;
“ certificated shares ”	Sable shares which have not been dematerialised into the Strate system, title to which is represented by share certificates or other physical documents of title;
“ circular ”	the full circular dated Friday, 26 September 2014, including the annexures thereto and the notice of general meeting and the form of proxy attached thereto, available at the company’s website (www.sablemetals.co.za);
“ Companies Act ” or “ Act ”	the Companies Act, 71 of 2008, as amended;
“ commission ”	the commission payable to Orange Oak as more fully detailed in paragraph 5.10;
“ conditions precedent ”	the conditions precedent to which the specific issue of shares for cash is subject, as set out in paragraph 5.17 of this summary circular;
“ Critical Zone ”	the zone within the BC containing PGM bearing reefs;
“ CSDP ”	Central Securities Depository Participant;
“ dematerialised shareholders ”	Sable shareholders who hold dematerialised shares;
“ dematerialised shares ”	Sable shares which have been incorporated into the Strate system, title to which is not represented by share certificates or other physical documents of title;
“ directors ” or “ board ”	the board of directors of Sable;
“ DMR ”	the South African Department of Mineral Resources;
“ general meeting ”	the general meeting of Sable shareholders to be held at the offices of Sable at Block A, Kingsley Office Park, 85 Protea Road, Chislehurst, Sandton, 2196 at 10:00 on Monday, 27 October 2014, convened for the purpose of shareholders passing with or without modification the resolutions required to implement the specific issue of shares for cash;
“ independent expert ”	PSG Capital Proprietary Limited (Registration number 2006/015817/07), a private company duly incorporated in South Africa, the independent expert appointed by the board to advise as to whether the terms of the specific issue of shares for cash are fair and reasonable to shareholders, full details of which are set out in the “Corporate information” section of this summary circular;

“JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in South Africa and licensed as an exchange under the Financial Markets Act, 19 of 2012, as amended;
“last practical date”	Monday, 15 September 2014, being the last practical date prior to the finalisation of the circular;
“Listings Requirements”	the JSE Listings Requirements, as amended from time to time;
“Orange Oak”	Orange Oak Investments 16 Proprietary Limited (Registration number 2007/021756/07), a private company duly incorporated in South Africa, in which company Botha Schabort holds a 33% indirect beneficial interest;
“own-name dematerialised shareholders”	dematerialised shareholders who/which have elected “own-name” registration;
“penalty”	the penalty payable by Sable to Orange Oak in the event that Sable or a subsidiary of Sable has not been granted a mining right and has not concluded an off-take agreement for the sale of a minimum of 50 000 tonnes of ore per month, as detailed in paragraph 5.11 below;
“PGM”	platinum group metals (elements) which comprise platinum, palladium, rhodium, ruthenium, iridium and osmium and the metals and minerals mineralogically associated therewith including gold, chrome, silver, copper, nickel and cobalt which occur together with any such metals and minerals and which may be extracted from the normal mining of PGMs;
“R” or “Rand”	South African Rand;
“reporting accountants”	Grant Thornton (JHB) Inc (Registration number 1994/001166/21), registered accountants and auditors duly registered and incorporated with limited liability under the company laws of South Africa, being the auditors and accountants of the Sable group;
“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 whose shares are listed on the exchange operated by the JSE;
“Sable group”	collectively, Sable, its subsidiaries and associate companies;
“Sable register”	Sable’s share register, including all sub-registers;
“Sable shareholders” or “shareholders”	holders of Sable shares;
“Sable shares” or “shares”	ordinary shares in the share capital of the company with no par value;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“subscription amount”	up to a maximum in aggregate amount of R10 000 000 made up of Tranche A, Tranche B, Tranche C, Tranche D and Tranche E;

“subscription price”	the subscription price per subscription share, which shall be the lesser of R0.5409529 (being a 10% discount to the 30 day VWAP at which Sable’s shares traded on the JSE up to and including the business day immediately prior to the business day the board agreed such subscription price in writing) and a 10% discount to the 30 day VWAP of Sable shares as at the date of receipt of the relevant subscription amount, which subscription price in respect of each of Tranche A, Tranche B, R1 500 000 of Tranche C and Tranche D is set out in paragraphs 5.4.1, 5.4.2, 5.4.3 and 5.4.4 of this circular, respectively;
“subscription shares”	a minimum of in aggregate 24 278 317 Sable shares equal to the subscription amount divided by the relevant subscription price to be issued to Orange Oak, pursuant to the specific issue of shares for cash, which number of subscription shares in respect of each of Tranche A, Tranche B, part of Tranche C and Tranche D is set out in paragraphs 5.4.1, 5.4.2, 5.4.3 and 5.4.4 of this circular, respectively;
“summary circular”	this summary circular dated Friday, 26 September 2014, including the annexures hereto and the notice of general meeting and the form of proxy attached hereto;
“Tranche A”	R1 500 000 received, by way of loan account, on 2 June 2014;
“Tranche B”	R1 500 000 received, by way of loan account, on 23 June 2014;
“Tranche C”	R4 500 000 to be received, by way of loan account, on 23 July 2014. R1 500 000 of Tranche C was received by way of loan account on 23 July 2014 and the remaining R3 000 000 is receivable by Sable upon demand by the company;
“Tranche D”	R1 500 000 received, by way of loan account, on 22 August 2014;
“Tranche E”	R1 000 000 receivable on 23 September 2014;
“transaction” or “specific issue of shares for cash”	the specific issue of a minimum of in aggregate 24 278 317 Sable shares at the subscription price to Orange Oak in return for the subscription amount including the commission and the penalty;
“specific issue of shares for cash agreement”	the agreement entered into between Orange Oak and Sable, dated 19 August 2014, which agreement governs the terms of the specific issue of shares for cash;
“transfer secretaries”	Computershare Investor Services Proprietary Limited, a limited liability private company duly incorporated in South Africa, full details of which are set out in the “Corporate Information” section of this summary circular;
“Upper Zone”	the zone in the BC situated above the Critical Zone;
“VMR”	Vanadium Magnetite Reef, being a vanadium and iron rich reef up to 20m thick outcropping on the surface of the ground in the Upper Zone in the BC;
“voting last day to trade”	Friday, 10 October 2014, being the last day to trade in Sable shares in order to be registered in the Sable register on the voting record date;
“voting record date”	Friday, 17 October 2014, being the day on which Sable shareholders must be registered in the Sable register in order to be able to vote at the general meeting; and
“30 day VWAP”	30 day volume weighted average price.

Sable Metals & Minerals



Sable Metals and Minerals Limited

(formerly Sable Platinum Limited)

(Share code: SMM)

(ISIN: ZAE000185674)

("Sable" or the "company")

(Registration number 2001/006539/06)

(Incorporated in the Republic of South Africa)

DIRECTORS OF SABLE

Executive

James Gordon Allan (*Chief executive officer*)

Marietjie van Tonder (*Financial director*)

René Carlo Hochreiter

David Norton Levithan

Non-executive

Michael Howard Rogers* (*Chairman*)

Philip Botha Schabort

Charles Philip Mostert*

Willie Sibusiso Thabe*

* *Independent director*

SUMMARY CIRCULAR TO SABLE SHAREHOLDERS

THIS SUMMARY CIRCULAR IS ONLY A SUMMARY OF THE INFORMATION IN THE CIRCULAR AND DOES NOT CONTAIN FULL OR COMPLETE DETAILS. THE CIRCULAR IS AVAILABLE ON THE COMPANY'S WEBSITE (www.sablemetals.co.za) FROM THE DATE OF ISSUE OF THIS SUMMARY CIRCULAR.

This summary circular and the circular should be read together in their entirety for a complete understanding of the specific issue of shares for cash. This summary circular is issued in compliance with the Listings Requirements for the purposes of furnishing Sable shareholders with information relating to the specific issue of shares for cash and convening the general meeting to consider and, if deemed fit, pass with or without modification the resolutions contained in the notice of general meeting attached to this summary circular.

1. INTRODUCTION

- 1.1 It was announced on SENS on 4 June 2014 that the board has concluded a funding arrangement with Botha Schabort in terms of which, in return for a capital subscription up to a maximum of R10 000 000, Botha Schabort will subscribe for Sable shares at a subscription price of the lesser of R0.5409529 per Sable share (which equates to a 10% discount to the 30 day VWAP at which Sable's shares traded on the JSE up to and including the business day prior to the business day the board agreed the subscription price) and a 10% discount to the 30 day VWAP of Sable's shares as at the date of receipt of the relevant subscription amount, equating to a minimum of now 24 278 317 Sable shares, should the total capital subscription of R10 000 000 be received.

- 1.2 Pursuant to the conclusion of the funding arrangement detailed above, the specific issue of shares for cash agreement was entered into between Orange Oak (in which Botha Schabort holds an indirect beneficial interest of 33%) and Sable in terms of which, in return for a capital subscription up to a maximum of R10 000 000, Orange Oak will now subscribe for Sable shares at a subscription price of the lesser of R0.5409529 per Sable share (which equates to a 10% discount to the 30 day VWAP at which Sable's shares traded on the JSE up to and including the business day prior to the business day the board agreed the subscription price) and a 10% discount to the 30 day VWAP of Sable's shares as at the date of receipt of the relevant subscription amount, equating to a minimum of now 24 278 317 Sable shares, should the total capital subscription of R10 000 000 be received.
- 1.3 Accordingly, the subscription amount/s has been or is to be received from Orange Oak as follows:
- 1.3.1 Tranche A, being R1 500 000, received by way of loan account on 2 June 2014;
 - 1.3.2 Tranche B, being R1 500 000, received by way of loan account on 23 June 2014;
 - 1.3.3 Tranche C, being R4 500 000, of which R1 500 000 was received by way of loan account on 23 July 2014 and the balance of R3 000 000 is receivable on demand by Sable;
 - 1.3.4 Tranche D, being R1 500 000, received by way of loan account on 22 August 2014; and
 - 1.3.5 Tranche E, being R1 000 000, receivable on 23 September 2014.
- 1.4 In respect of those tranches where the subscription amount has already been received by Sable, as set out above, the number of subscription shares to be issued and the subscription price therefor are as detailed in paragraph 5.4 below.
- 1.5 In addition, in consideration for subscribing for the subscription shares, Orange Oak shall be entitled to receipt of the commission on the sales of ore from any of the properties over which the Sable group has a mineral right. The commission is determined as follows:
- 1.5.1 2% immediately upon the receipt of Tranche A (already received); and
 - 1.5.2 a further 3% to be granted *pro rata* pursuant to the receipt of each of Tranche B, Tranche C, Tranche D and Tranche E.
- If Sable sells the rights to an orebody or sells a company holding a mineral right, then Orange Oak shall be entitled to a percentage of the proceeds equivalent to the commission percentage to which it is entitled at that time, being a maximum of 5%.
- 1.6 Certain penalties are payable by Sable to Orange Oak should Sable or a subsidiary of Sable not be granted a mining right and not conclude an off-take agreement for the sale of a minimum of 50 000 tonnes of ore per month within certain prescribed periods as more fully detailed in paragraph 5.11 below.
- 1.7 The subscription shares will be issued at the lesser of R0.5409529 per subscription share (which equates to a 10% discount to the 30 day VWAP at which Sable's shares traded on the JSE up to and including the business day prior to the business day the board agreed to the subscription price) and a 10% discount to the 30 day VWAP of Sable's shares as at the date of receipt of the relevant subscription amount.
- 1.8 The specific issue of shares for cash is an issue of shares to a related party, as defined in the Listings Requirements. As the subscription price is at a discount to the 30 day VWAP for the business day immediately prior to the Sable board agreeing such subscription price in writing, in terms of paragraph 5.51(f) of the Listings Requirements, the board of Sable is required to include a statement by the board confirming whether the issue is fair insofar as the shareholders (excluding the related party/ies if it/they are equity securities holders) of the issuer are concerned and that the board has been so advised by an independent expert acceptable to the JSE. The board must obtain a fairness opinion prepared in accordance with Schedule 5 of the Listings Requirements before making this statement. The independent expert's opinion has been provided in **Annexure 1** to this summary circular.

- 1.9 The purpose of this summary circular is to, *inter alia*, provide Sable shareholders with information regarding the specific issue of shares for cash and to convene a general meeting of Sable shareholders at 10:00 on Monday, 27 October 2014 at the offices of Sable (Block A, Kingsley Office Park, 85 Protea Road, Chislehurst, Sandton, 2196) to consider and, if deemed fit, pass with or without modification the resolutions contained in the notice of general meeting attached to this summary circular.

2. NATURE OF BUSINESS

- 2.1 Sable Platinum Holdings Proprietary Limited reverse listed into New Corpcapital Limited on 23 November 2012. New Corpcapital Limited 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.
- 2.2 The Sable 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.

3. PROSPECTS

- 3.1 Sable has been granted prospecting rights for vanadium and iron ore on the Abrina and Doornpoort project areas.
- 3.2 A prospecting right with permission for bulk sampling for vanadium has been granted on Uitvalgrond Portion 3, subject to the conclusion of a shareholders agreement with the affected community. Sable has been informed by the DMR that the letter of grant for iron ore on this property will be issued shortly.
- 3.3 A bulk sampling application has been submitted for the Doornpoort property. It is anticipated that a bulk sample from the Uitvalgrond Portion 3 project will be processed by a potential customer before the end of the year and a further bulk sample from the Doornpoort project area will be processed by the same potential customer as soon as the requisite authorisation is in place. There is no reason to believe that neither samples will meet the required specifications. An ore supply contract should result from these metallurgical tests, and Sable should be in a cash generating position within the year 2015.

4. RATIONALE FOR THE SPECIFIC ISSUE OF SHARES FOR CASH

- 4.1 In the process of conducting its exploration programme for PGMs, Sable discovered that many of the properties over which it has a prospecting right contained the VMR in what appear to be significant proportions. Following a preliminary report prepared by one of the company's executive directors, René Hochreiter, the decision was taken that Sable should apply for the rights to explore the VMRs for vanadium, iron ore and rutile.
- 4.2 Prospecting rights for these minerals were granted in June and July 2013 on the Abrina and Doornpoort project areas, respectively. A prospecting right for vanadium was granted on Portion 3 of the farm Uitvalgrond in March 2014. These grants are considered to be significant because VMR outcrops on the Abrina and Doornpoort project areas are close to existing railway lines and the Uitvalgrond property is contiguous with that of Evraz Vametco Alloys Proprietary Limited which has been mining and processing the reef for 40 years.
- 4.3 Whilst further exploration of these reefs will be required, Sable is of the view that the reefs have the potential to add significant value to shareholders. It is the opinion of the board that the vanadium and magnetite reefs could represent an earlier entry to cash flow than the longer term platinum projects. The potential for this situation is now expedited by the grant of the bulk sampling application on Uitvalgrond Portion 3 and the bulk sampling application that has been submitted on Doornpoort. The company aims to conduct a capital raise programme which, when completed, will provide the company with sufficient cash to bring at least one mining operation into production, after the necessary licences are granted.

- 4.4 Sable's integrated annual report for the year ended 28 February 2014 indicates that the group incurred a net loss of R10 701 271 for the year and had accumulated losses of R85 592 340. These conditions, along with other matters, indicate the existence of a material uncertainty which may cast significant doubt on Sable's ability to continue as a going concern.
- 4.5 Sable is an exploration company, not yet in a cash-generating position, which is obliged to fund its exploration activities by equity. Sable is currently raising capital in order to continue its exploration programme and to cover all general and administration costs. Sable's future prospects and stability relies on its ability to raise capital for the ensuing year. The specific issue of shares for cash ensures that Sable is able to continue its exploration programme and cover expected costs for the remainder of the year.

5. TERMS OF THE SPECIFIC ISSUE OF SHARES FOR CASH

- 5.1 Subject to the fulfilment of the conditions precedent detailed below, Orange Oak will subscribe for a minimum of now 24 278 317 Sable shares and Sable shall issue the subscription shares to Orange Oak for the subscription amount.
- 5.2 The subscription amount/s has been or is to be received by Sable as follows:
- 5.2.1 Tranche A, being R1 500 000, was received by way of loan account on 2 June 2014;
- 5.2.2 Tranche B, being R1 500 000, was received by way of loan account on 23 June 2014;
- 5.2.3 Tranche C, being R4 500 000, of which R1 500 000 was received by way of loan account on 23 July 2014 and the balance of R3 000 000 is receivable on demand by Sable;
- 5.2.4 Tranche D, being R1 500 000, was received by way of loan account on 22 August 2014; and
- 5.2.5 Tranche E, being R1 000 000, is receivable on 23 September 2014.
- 5.3 In respect of the tranches where the subscription amount is received by Sable prior to the approval of the specific issue of shares for cash by shareholders (i.e. Tranche A, Tranche B, R1 500 000 of Tranche C and Tranche D), the amount received has been or is to be credited to a loan account in Orange Oak's name, to be capitalised and converted into subscription shares and issued within 5 business days after the fulfilment of all conditions precedent, including receipt of shareholder approval for the specific issue of shares for cash.
- 5.4 Accordingly, Sable shall within 5 business days of the conditions precedent being fulfilled:
- 5.4.1 issue 3 184 354 Sable shares in respect of Tranche A at a subscription price of 47.10531 cents per subscription share;
- 5.4.2 issue 3 607 588 Sable shares in respect of Tranche B at a subscription price of 41.57903 cents per subscription share;
- 5.4.3 issue 5 225 013 Sable shares in respect of the R1 500 000 of Tranche C received by Sable at a subscription price of 28.70806 cents per subscription share; and
- 5.4.4 issue 4 869 975 Sable shares in respect of Tranche D at a subscription price of 30.63115 cents per subscription share.
- 5.5 The remaining R3 000 000 of Tranche C is receivable by Sable upon demand and the subscription shares in respect of the remaining R3 000 000 of Tranche C will be issued at the subscription price applicable at that time.
- 5.6 In respect of Tranche E, where the subscription amount is receivable by Sable before the approval of the specific issue of shares for cash by shareholders but after the last practical date, Sable shall within 5 business days of the conditions precedent being fulfilled issue the subscription shares in respect of Tranche E at the subscription price applicable on 23 September 2014, subject to paragraph 5.7.

- 5.7 Sable has the option exercisable entirely and only at its discretion to raise alternative capital in respect of Tranche E and part or all of R3 000 000 in respect of Tranche C and elect not to receive any further payment from Orange Oak in respect of Tranche E and part or all of the R3 000 000 in respect of Tranche C. Should Sable elect to raise alternative capital, it shall notify Orange Oak thereof at any time prior to the receipt of Tranche E (being 23 September 2014), subject to what is stated below.
- 5.8 Should Sable elect to raise alternative capital, as contemplated in paragraph 5.7 above, no further payment will be due from Orange Oak, and the commission detailed in paragraph 5.10 below, shall be confined to 2% plus the *pro rata* share of the 3% entitlement at the time of Sable providing notification to Orange Oak of its election to raise alternative capital. For illustrative purposes, should Sable elect to raise alternative capital after receipt of R7 500 000 of the total subscription amount of R10 000 000, Orange Oak will be entitled to a commission of 4.12%, being the 2% entitlement on receipt of Tranche A and the *pro rata* entitlement awarded of 2.12% (calculated as 3% multiplied by 6 000 000/8 500 000) on receipt of Tranche B, part of the R3 000 000 still due on Tranche C and Tranche D.
- 5.9 Orange Oak will have the option to accelerate payment of the balance of R3 000 000 of Tranche C and Tranche E at any time prior to notice being received as contemplated in paragraph 5.7 above (i.e. should Orange Oak wish to pay the remainder of the subscription amount prior to the scheduled payment of all tranches by 23 September 2014). Such option is exercisable at the election of Orange Oak until receipt of notification from Sable that it elects to raise alternative capital.
- 5.10 In addition, in consideration for subscribing for the subscription shares, Orange Oak is entitled to the commission determined as follows:
- 5.10.1 2% on sales of ore from any of the properties over which the Sable group has a mineral right on receipt of Tranche A on 2 June 2014 (already received); and
- 5.10.2 a further 3% on sales of ore from any of the properties over which the Sable group has a mineral right, awarded on a *pro rata* basis on receipt of each of Tranche B, Tranche C, Tranche D and Tranche E.
- If Sable sells the rights to an orebody or sells a company holding a mineral right, then Orange Oak shall be entitled to a percentage of the proceeds equivalent to the commission percentage to which it is entitled at that time, being a maximum of 5%. Orange Oak's entitlement to the commission shall endure in perpetuity and Sable shall not be entitled to cancel the provision of the specific issue of shares for cash agreement relating to the commission. As set out in the independent expert's report in **Annexure 1**, the independent expert is of the view that the likely present value attributable to the commission amounts to between R26.5 million and R47.9 million.
- 5.11 If Sable or a subsidiary of Sable has not been granted a mining right and has not concluded an off-take agreement for the sale of a minimum of 50 000 tonnes of ore per month, which ore is to be supplied from the property holding the mining right:
- 5.11.1 within a period of two years and six months from the date of payment of Tranche A, Sable shall pay Orange Oak a penalty of R2 500 000, which amount shall be credited to a loan account in its name;
- 5.11.2 within a period of two years and nine months from the date of payment of Tranche A, a further penalty of R2 500 000 shall be payable by Sable to Orange Oak, which amount shall be credited to the loan account as contemplated in paragraph 5.11.1 above;
- 5.11.3 within a period of three years from the date of payment of Tranche A, a further penalty of R5 000 000 shall be payable by Sable to Orange Oak, which amount shall be credited to the loan account as contemplated in paragraph 5.11.1 above; and
- 5.11.4 the loan account shall be payable upon demand after three years from the date of payment of Tranche A, that is being payable from 2 June 2017.
- 5.12 Assuming that 24 278 317 subscription shares are issued pursuant to the specific issue of shares for cash, the subscription shares will comprise 8.60% of Sable's issued share capital after implementation of the specific issue of shares for cash.

- 5.13 The proceeds of the specific issue of shares for cash are to be utilised to continue to fund Sable’s general and administrative costs for the remainder of the year, and may further be used for drilling and making applications for bulk sampling permits.
- 5.14 Botha Schabort is, as a result of being a director of Sable, considered a non-public shareholder in terms of paragraph 4.25(a) of the Listings Requirements. The specific issue of shares for cash is, from a Sable perspective, being treated as a specific issue of shares for cash to a related party under the Listing Requirements, requiring:
- 5.14.1 a statement by the directors of Sable confirming whether the specific issue of shares for cash is fair insofar as shareholders are concerned; and
- 5.14.2 shareholder approval at the general meeting.
- 5.15 As required in terms of the Listings Requirements, having had regard to the fairness opinion prepared by the independent expert, a copy of which is contained in **Annexure 1**, the directors hereby confirm that they are of the view that the terms and conditions of the specific issue of shares for cash are unfair to Sable shareholders. However, based on key qualitative considerations, specifically the inability of management to attract any alternative funding for the operations of Sable, the directors are of the opinion that the terms and conditions of the specific issue of shares for cash are reasonable insofar as shareholders are concerned.
- 5.16 Although Orange Oak and its associates may be taken into account in determining a quorum at the general meeting, the votes of Orange Oak and its associates as Sable shareholders will not be taken into account in determining the validity of the resolution authorising the specific issue of shares for cash.
- 5.17 In addition to any and all regulatory approvals being obtained by Sable, the specific issue of shares for cash remains subject to the fulfilment of the condition precedent that in terms of the Listings Requirements, approval by ordinary resolution (by achieving a minimum of 75% of the votes cast in favour of such resolution) of the specific issue of shares for cash is obtained.

6. UNDERTAKINGS TO VOTE IN FAVOUR OF THE SPECIFIC ISSUE OF SHARES FOR CASH

- 6.1 Each of the shareholders set out in the table below, together representing 84.2% of Sable shares eligible to vote, have undertaken to attend the general meeting and vote in favour of all resolutions required to implement the specific issue of shares for cash.
- 6.2 The shareholding of each of the parties which has provided undertakings is set out below:

Shareholder	Voting shares	% of voting rights
Legacy Platinum Corporation	23 634 375	16.3
James Gordon Allan	11 669 057	13.6
Yawara Capital Proprietary Limited	17 370 184	12.0
Platanoides Holdings Limited	13 000 108	9.0
Flagship Asset Management discretionary	11 391 246	7.8
Propalux 43 Proprietary Limited	9 750 000	6.7
René Hochreiter	8 065 975	5.6
Gail Hochreiter	8 065 975	5.6
Philippa Poulsom	8 065 975	5.6
Discount Toy Cash & Carry CC	4 030 000	2.8
Newstead Investment Holdings	2 718 419	1.9
Allan Hochreiter Investment Proprietary Limited	1 824 153	1.3
Nassar Gutta	1 620 000	1.1
Polo Capital Proprietary Limited	769 500	0.5
Charles Mostert	239 857	0.2
Total	122 214 824	84.2

7. FINANCIAL INFORMATION IN RESPECT OF THE SPECIFIC ISSUE OF SHARES FOR CASH

- 7.1. The *pro forma* financial effects of the specific issue of shares for cash on Sable's net asset value and net tangible asset value per share, earnings/(loss) per share, headline earnings/(loss) per share, diluted earnings/(loss) per share and headline diluted earnings/(loss) per share for the twelve months ended 28 February 2014 are set out below.
- 7.2. The *pro forma* financial effects are the responsibility of the directors of Sable and have been prepared for illustrative purposes only, to provide information on how the specific issue of shares for cash may have impacted on the historical financial results of Sable for the twelve months ended 28 February 2014.
- 7.3. The *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of comprehensive income of Sable for the twelve months ended 28 February 2014 and the explanatory notes thereto are set out in **Annexure 2** to this summary circular and should be read in conjunction with the independent reporting accountants' report thereon contained in **Annexure 3** to this summary circular.
- 7.4. Due to its nature, the *pro forma* financial information (collectively, the *pro forma* financial effects, *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of comprehensive income) may not give a fair reflection of Sable's financial position, changes in equity, results of operations and cash flows subsequent to the specific issue of shares for cash.
- 7.5. The table below reflects the audited *pro forma* financial effects of the specific issue of shares for cash on a Sable shareholder:

	Before the specific issue of shares for cash	After the specific issue of shares for cash	% change
Net asset value per share (cents)	0.10	5.60	5 349.28
Net tangible asset value per share (cents)	(0.69)	4.91	808.73
Earnings/(loss) per share (cents)	(7.22)	(6.03)	16.45
Diluted earnings/(loss) per share (cents)	(7.22)	(6.03)	16.45
Headline earnings/(loss) per share (cents)	(7.22)	(6.03)	16.45
Diluted headline earnings/(loss) per share (cents)	(7.22)	(6.03)	16.45

Notes and assumptions:

- The amounts set out in the "Before the specific issue of shares for cash" column have been extracted, without adjustment, from the published audited integrated report of Sable for the twelve months ended 28 February 2014.
- The amounts set out in the "After the specific issue of shares for cash" column reflect the impact on the historical financial results of Sable for the twelve months ended 28 February 2014 assuming that the specific issue of shares for cash was implemented on 28 February 2014 for purposes of net asset value and net tangible asset value and on 1 March 2013 for purposes of earnings/(loss), headline earnings/(loss) and diluted headline earnings/(loss) per share.

8. GENERAL MEETING

- 8.1. A general meeting of Sable shareholders will be held at 10:00 on Monday, 29 October 2014 at the offices of Sable (Block A, Kingsley Office Park, 85 Protea Road, Chislehurst, Sandton, 2196) to consider and, if deemed fit, pass with or without modification the proposed resolutions necessary to implement the specific issue of shares for cash.
- 8.2. Details of the action required by Sable shareholders are set out on page 2 of this summary circular.

9. RELATED PARTIES

- 9.1 Other than Botha Schabort, who holds a 33% indirect interest in Orange Oak, to whom the subscription shares are being issued pursuant to the specific issue of shares for cash, no director of the Sable group, including any director who has resigned during the last 18 months, has any direct or indirect beneficial interest in the specific issue of shares for cash or any transactions effected by Sable during the current or preceding financial year or effected during an earlier financial year which remains in any respect outstanding or unperformed.
- 9.2 Botha Schabort indirectly holds 10 091 137 Sable shares (representing 5.13% of the issued share capital of Sable). Pursuant to the specific issue of shares for cash, assuming that 24 278 317 subscription shares are issued, Botha will have an indirect beneficial interest in 18 183 909 Sable shares (representing 8.22% of the issued share capital of Sable).
- 9.3 The directors who directly or indirectly hold shares in Sable intend to vote in favour of the resolutions authorising the specific issue of shares for cash and the board recommends that shareholders vote in favour of the resolutions authorising the specific issue of shares for cash.
- 9.4 There will be no changes to the board pursuant to the specific issue of shares for cash.

10. CONSENTS

- 10.1 Each of the sponsor, the reporting accountants, the independent expert, the company secretary and the transfer secretaries whose names are included in this summary circular have consented in writing to act in the capacities stated and to their names appearing in this summary circular and have not withdrawn their consent prior to the publication of this summary circular.
- 10.2 The reporting accountants and independent expert have consented to the inclusion of their reports in the form and context in which they are included in this summary circular, which consents have not been withdrawn prior to the publication of this summary circular.

Signed at Johannesburg by James Allan, an executive director of Sable, and on behalf of all of the directors of the company on 26 September 2014 in terms of powers of attorney granted by them.

James Allan

INDEPENDENT EXPERT'S OPINION

17 September 2014

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

Dear Sirs,

INDEPENDENT FAIR AND REASONABLE REPORT IN RESPECT OF THE PROPOSED SPECIFIC ISSUE OF SHARES FOR CASH BY SABLE METALS AND MINERALS LIMITED

1. INTRODUCTION

In an announcement on SENS on 4 June 2014, Sable Metals and Minerals Limited (“**Sable**”) announced the conclusion of a funding arrangement with Philip Botha Schabort (“**Schabort**”) in terms of which ordinary shares are to be issued to and subscribed for by Schabort for a cash consideration of up to R10 million.

Pursuant to the conclusion of the funding arrangement detailed above, a funding agreement (“**Funding Agreement**”) was entered into between Orange Oak Investments 16 Proprietary Limited (“**Orange Oak**”), an associate of Schabort and Sable in terms of which ordinary shares are to be issued to and subscribed for by Orange Oak (“**Subscription Shares**”) for a cash consideration of up to R10 million (“**the Specific Issue**”). The Subscription Shares will be issued at the lower of 54 cents per share or a 10% discount to the 30 day volume weighted average price applicable at each payment date. The subscriptions amount is to be received from Orange Oak as follows:

- R1 500 000, received by way of loan account on 2 June 2014 (“**Tranche A**”);
- R1 500 000, received by way of loan account on 23 June 2014 (“**Tranche B**”);
- R4 500 000, of which R1 500 000 was received by way of loan account on 23 July 2014 and the remaining R3 000 000 to be received by Sable on demand (“**Tranche C**”);
- R1 500 000, received by way of loan account on 22 August 2014 (“**Tranche D**”); and
- R1 000 000, receivable on 23 September 2014 (“**Tranche E**”).

In addition, in consideration for subscribing for the Subscription Shares, Orange Oak shall be entitled to a commission on the sales of ore from any of the properties over which Sable has a mineral right (“**Commission**”). Orange Oak shall also be entitled to the commission if Sable disposes the rights to an orebody or disposes a company holding a mineral right. The Commission is determined as follows:

- 2% immediately upon the receipt of Tranche A; and
- a further 3% to be awarded *pro rata* pursuant to the receipt of Tranche B, Tranche C, Tranche D and Tranche E.

In terms of the Funding Agreement, should Sable not be granted a mining right and concluded an offtake agreement for the sale of a minimum of 50 000 tonnes of ore per month at specified dates, penalties of up to R10 million shall become payable to Orange Oak (“**the Penalty**”).

Full particulars of the Specific Issue are contained in the circular to Sable shareholders (“**the Circular**”) to be dated on or about 26 September 2014, of which this opinion forms part.

2. SCOPE

Schabort is a non-executive director of Sable and accordingly in terms of section 10.1(b) the JSE Limited (“**JSE**”) Listings Requirements Orange Oak, being an associate of Schabort is considered to be a related party to Sable. Accordingly, the board of directors of Sable (“**the Sable Board**”) is required in terms of section 5.51(f) of the JSE Listings Requirements to obtain a fairness opinion from an independent professional expert as to whether the terms of the Specific Issue are fair as far as the shareholders of Sable are concerned as the Specific Issue subscription price may be at a discount of more than 10% to the 30 day volume weighted average price of Sable calculated up to the business day immediately prior to the Sable Board agreeing such subscription price in writing.

PSG Capital Proprietary Limited (“**PSG Capital**”) has been appointed by the Sable Board as the independent professional expert to advise on whether the terms and conditions of the Specific Issue are fair and reasonable as far as Sable shareholders are concerned (“**the Opinion**”).

3. RESPONSIBILITY

Compliance with the JSE Listings Requirements is the responsibility of the Sable Board. Our responsibility is to report on the fair and reasonableness of the terms and conditions of the Specific Issue as they relate to Sable shareholders.

4. DEFINITION OF THE TERMS “FAIR” AND “REASONABLE”

In terms of Schedule 5 of the JSE Listings Requirements, fairness is primarily based on quantitative issues. The Specific Issue will generally be considered to be fair to Sable shareholders if the consideration received from Orange Oak is equal to or more than the value surrendered by shareholders in terms of the Specific Issue.

The assessment of reasonableness is generally based on qualitative considerations surrounding the Specific Issue. Hence, even though the consideration received by Sable shareholders may be less than the value surrendered by them, the Specific Issue may still be reasonable in certain circumstances after considering other significant qualitative factors.

We have applied the aforementioned principles in preparing our Opinion. The Opinion does not purport to cater for individual shareholders’ positions but rather the general body of shareholders subject to the Specific Issue. A shareholder’s decision regarding fair and reasonableness of the terms of the Specific Issue may be influenced by his or her particular circumstances. Should a shareholder be in doubt, he or she should consult an independent adviser as to the merits of the Specific Issue, considering his/her personal circumstances.

5. SOURCES OF INFORMATION

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from Sable management and from various public, financial and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our indicative valuation include:

- A copy of the signed Funding Agreement;
- The audited financial results of Sable and its subsidiary companies (“**the Sable Group**”) for the years ended 31 August 2012, 28 February 2013 and 28 February 2014;
- Other financial and non-financial information and assumptions made by Sable management and discussions held with management, directors and senior staff of Sable;
- The draft circular to Sable shareholders relating to the Specific Issue;

- The independent competent person’s report prepared by Minxcon (Pty) Limited (“**Minxcon**”) dated 14 May 2012 based on the Sable assets (“**the Minxcon CPR**”) in respect of the following projects:
 - the Abrina project;
 - the Bank project;
 - the Syferfontein project;
 - the Klipfontein project ; and
 - the Roan project (also referred to as the Doornpoort platinum exploration project).
 (collectively “**the Sable Assets**”);
- The Sable management report on capital raising roadshows held by management and feedback received thereon;
- The Sable management reports on the total project capital expenditure incurred by Sable in relation to the Sable Assets up to June 2014 (“**Sable Assets Management Report**”);
- Discussions with Sable directors and management regarding the financial information relating to prevailing market, economic, legal and other conditions which may affect the underlying value and the rationale for the Specific Issue;
- Publicly available information relating to Sable that we deemed to be relevant, including company announcements, analysts’ reports and media articles; and
- Historic share price and trading activity of the shares of Sable on the JSE.

6. ASSUMPTIONS

We have arrived at our Opinion based on the following assumptions:

- That the terms, conditions and structure of the Specific Issue are legally enforceable;
- That reliance can be placed on the historical audited financial information of Sable used in the analysis;
- The current economic, regulatory and market conditions will not change materially;
- Sable is not involved in any material legal proceedings, other than disclosed in the Circular to Sable shareholders;
- Sable has no outstanding disputes with any regulatory body, including the South African Revenue Service, other than disclosed in the Circular to Sable shareholders;
- There are no undisclosed contingencies that could affect the value of Sable;
- That Sable would not be able to continue as a going concern without raising capital in the short term;
- Reliance can be placed on the Sable Assets Management Report and that there were no material changes to the value proposition;
- That the Minxcon CPR analysis is regarded as reasonable and appropriate and that there were no material changes to the value proposition;
- The structure of the Specific Issue will not give rise to any undisclosed tax liabilities; and
- Representations made by Sable management and their advisors during the course of forming this opinion.

7. 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 Sable management during the course of forming this opinion;
- Placing reliance on input data and assumptions applied in the Minxcon CPR;
- 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 management and other industry experts were confirmed by documentary evidence as well as our understanding of Sable and the economic environment in which they operate.

8. PROCEDURES

In arriving at our Opinion, we relied upon financial and other information, obtained from management, extracted and assessed for reasonability from the Minxcon CPR, together with industry-related and other information in the public domain. Our conclusion is dependent on such information being accurate in all material respects.

In arriving at our Opinion we have, *inter alia*, undertaken the following procedures in evaluating the fair and reasonableness of the Specific Issue:

- Reviewed and analysed the audited financial results of the Sable Group for the years ended 31 August 2012, 28 February 2013 and 28 February 2014;
- Reviewed the terms and conditions of the Funding Agreement;
- Reviewed the reasonableness of the information made available by and from discussions held with management of Sable such as, *inter alia*:
 - the rationale for the Specific Issue;
 - the events leading up to the Specific Issue;
 - the current appetite in the market for junior miners/exploration entities to raise capital;
 - such other matters as we considered necessary; and
 - the current market conditions relating to Sable;
- Reviewed the Minxcon CPR and the basis of the assumptions therein in regards to the Sable Assets by means of detailed discussion with independent competent person and the detailed analysis of assumptions and valuation methodologies, as well as a high-level determination of valuations utilised in the Minxcon CPR to ensure the reasonability and appropriateness of same and that we are satisfied with the outcome of the Minxcon CPR valuations for purposes of our Opinion;
- Reviewed the Sable Assets Management Report to analyse additional expenses incurred by Sable in relation to the Sable Assets subsequent to the Minxcon CPR and up to June 2014;
- Confirmed that the valuing of the Sable Assets, as set out in the Minxcon CPR, complies with the SAMREC and SAMVAL Codes;
- Considered the inability of management to attract any alternative funding in the short to medium term for Sable;

- Determined the present value of the Commission payable to Orange Oak by discounting the potential cash flows probable to the Commission based on various scenarios;
- Where relevant, corroborated representations made by management to source documents;
- Reviewed certain publicly available information relating to Sable that we have deemed relevant, including announcements, analysts' reports and media articles, where applicable;
- Obtained letters of representation from Sable management asserting that we have been provided with all relevant information and that no material information was omitted and that all such information provided to us is accurate in all respects;
- Considered other relevant facts and information relevant to concluding this Opinion;
- Broadly examined the qualitative aspects applicable to the Specific Issue;
- Considered key external and internal value drivers for the evaluation of Sable. Key external value drivers identified were mineral prices and the operating environment for junior miners/exploration companies in South Africa. Key internal value drivers identified were the level of historic and future exploration capital expenditure, working capital requirements and mining/prospecting activity levels. A sensitivity analysis was conducted where practical, utilising existing and forecast key value drivers to analyse the historic exploration capital incurred in relation to the Sable Assets and the probable exploration capital expenditure required for the Sable Assets to commence mining operations; and
- Considered key external and internal value drivers for the evaluation of the Commission. Key external value drivers identified were mineral prices and the operating environment for junior miners/exploration companies in South Africa. Key internal value drivers identified were the level of exploration capital expenditure, working capital requirements, mining/prospecting activity levels and operating margins and costs. A sensitivity analysis was conducted where practical, utilising existing and forecast key value drivers to analyse the probable exploration capital and working capital expenditure, being approximately R10 million, required for the Sable Assets to commence mining operations, the level of mining operation activity, being an expected 300 tons to 600 tons per annum and profitability subsequent to commencement of mining operations, based on median expected revenue of R340 per ton.

9. VALUATION APPROACH

In considering the Specific Issue, PSG Capital performed an independent valuation of Sable to determine whether the consideration received by Sable in terms of the Specific Issue represents fair value to Sable shareholders. PSG Capital furthermore considered the terms of the Specific Issue, specifically considering the Commission as well as the Penalty to the capital raised by Sable in terms of the Specific Issue.

For purposes of our independent valuation of Sable we used the net asset value approach, as determined by the historical cost approach on the value of the Sable Assets, as primary method in determining the intrinsic value of Sable. In addition we utilised the market comparative analysis valuation as determined on the Sable Assets in accordance with the same valuation methodology applied in the Minxcon CPR.

10. OPINION

We have considered the terms and conditions of the Specific Issue as set out above, and our Opinion is based on the current economic, market, regulatory and other conditions and the information made available to us by Sable management.

Based on the results of our procedures and analysis performed and after taking into account all financial and non-financial considerations, we are of the view, subject to the limiting conditions as set out below, that the terms and conditions of the Specific Issue are unfair to Sable shareholders, which opinion has been determined irrespective of the Minxcon CPR or whether an updated competent persons report could be utilised.

Based on the results of our procedures performed on the Commission, we believe that the likely present value attributable to the Commission payable by Sable to Orange Oak amounts to between R26.5 million and R47.9 million compared to the R10 million cash received by Sable in terms of the Specific Issue.

However, based on the other key qualitative considerations, specifically the inability of management to attract any alternative funding for the operations of Sable, we are of the opinion that the terms and conditions of the transaction are reasonable under these circumstances.

11. LIMITING CONDITIONS

This Opinion is provided to the Sable Board in connection with and for the purpose of the Specific Issue for the sole purpose of assisting the Sable Board in forming and expressing an opinion for the benefit of the Sable shareholders. This opinion is prepared solely for the Sable Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

We relied upon the accuracy of the information used by us in deriving our Opinion, albeit that, where practicable, we have corroborated the reasonableness of such information and assumptions through, amongst other things, reference to historic precedent and our knowledge and understanding. Whilst our work has involved an analysis of the annual financial statements and other information provided to us, our engagement does not constitute nor does it include an audit conducted in accordance with applicable auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of the Specific Issue.

The Opinion expressed is necessarily based upon information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us as at the date hereof. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals required in connection with the Specific Issue have been or will be properly fulfilled. Subsequent developments may affect our opinion, however we are under no obligation to update, revise or re-affirm such.

12. INDEPENDENCE

We have been retained by the Sable Board as an independent professional expert to advise the Sable Board in connection with the Specific Issue. We confirm in terms of Schedule 5 of the Listings Requirements of the JSE that we have no material interest, direct or indirect, beneficial or non-beneficial in Sable and that our fees are not contingent upon the success or failure of the Specific Issue.

13. CONSENT

We hereby consent to the inclusion of this Opinion and references thereto, in whole or in part, in the form and context in which they appear to be included in the Circular to be issued to the shareholders of Sable and in any required regulatory announcement.

Yours faithfully

PSG Capital
Riaan van Heerden

PSG Capital
John-Paul Dicks

PRO FORMA FINANCIAL INFORMATION

The *pro forma* consolidated statement of financial position and consolidated statement of comprehensive income are the responsibility of the directors of Sable and have been prepared for illustrative purposes only, in order to provide information about the financial position and results of Sable, assuming the specific issue of shares for cash had been implemented on 28 February 2014 and 1 March 2013, respectively. Due to its nature, the *pro forma* financial information may not give a fair reflection of Sable's financial position and results of operations subsequent to the specific issue of shares for cash. The independent reporting accountants' report on the *pro forma* financial information in respect of the specific issue of shares for cash is set out in **Annexure 3**.

PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Set out below is the *pro forma* consolidated statement of financial position of Sable reflecting the effects of the specific issue of shares for cash.

	Before specific issue audited as at 28 February 2014 ¹	Specific issue adjustments	After specific issue
	R	R	R
Non-current assets	2 340 402	–	2 340 402
Plant and equipment	576 896	–	576 896
Intangible assets	1 200 000	–	1 200 000
Investments in subsidiaries	–	–	–
Loans to subsidiaries	–	–	–
Other financial assets	563 506	–	563 503
Current assets	1 021 561	9 645 000	10 666 561
Current tax receivable	–	–	–
Trade and other receivables	990 794	–	990 794
Cash and cash equivalents	30 767	9 645 000 ^{2,3}	9 675 767
Total assets	3 361 963	9 645 000	13 006 963
Equity			
Stated capital	85 747 232	9 645 000 ^{2,3}	95 392 232
Accumulated loss	(85 592 340)	–	(85 592 340)
Equity attributable to equity holders of the parent	154 892	9 645 000 ^{2,3}	9 799 892
Non-controlling interest	(87 855)	–	(87 855)
Total equity	67 037	9 645 000	9 712 037
Non-current liability	523 014	–	523 014
Loans from subsidiaries	–	–	–
Other financial liabilities	523 014	–	523 014
Current liabilities	2 771 912	–	2 771 912
Trade and other payables	1 547 159	–	1 547 159
Loan from director	1 100 000	–	1 100 000
Bank overdraft	124 753	–	124 753
Total liabilities	3 294 926	–	3 294 926
Total equity and liabilities	3 361 963	–	13 006 963
Net asset value per share (cents)	0.10		5.60
Net tangible asset value per share (cents)	(0.69)		4.91
Number of shares in issue	196 869 837	24 278 317	221 148 154

Notes and assumptions:

1. The “*Before Specific Issue*” column has been extracted, without adjustment, from Sable’s integrated annual report for the twelve months ended 28 February 2014.
2. Cash received from the specific issue of shares for cash of R10 million in terms of which a minimum of 24 278 317 Sable shares are issued to Orange Oak.
3. Transaction costs of R355 000 have been allocated to the stated capital in accordance with IAS 32.
4. No adjustments have been made to the *pro forma* financial information in respect of:
 - the commission payable to Orange Oak as no sales of ore from any of the properties over which Sable Group has a mineral right has occurred.
 - the potential penalty payment of R10 million that will become payable to Orange Oak should Sable not be granted a Mining Right and not have concluded an off-take agreement for the sale of a minimum of 50 000 tonnes of ore per month, which ore is to be supplied by the property holding the Mining Right.
5. The proceeds of the specific issue of shares for cash are to be utilised to continue to fund Sable’s general and administrative costs for the remainder of the year, and may further be used for drilling and making applications for bulk sampling permits.

PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Set out below is the *pro forma* consolidated statement of comprehensive income for Sable reflecting the effects of the specific issue of shares for cash.

	Before specific issue twelve months to 28 February 2014 ¹	Specific issue adjustments	After specific issue
	R	R	R
Revenue			
Revenue	247 847	–	247 847
Other income	18 261	–	18 261
Operating expenses	(586 812)	–	(586 812)
Exploration costs	–	–	–
General and administration costs	(10 448 392)	–	(10 448 392)
Operating loss	(10 769 096)	–	(10 769 096)
Investment revenue	66 118	–	66 118
Finance costs	(533)	–	(533)
Loss before specific issue of shares for cash	(10 703 511)	–	(10 703 511)
Taxation	–	–	–
Loss for the year	(10 703 511)	–	(10 703 511)
Other comprehensive income	–	–	–
Total comprehensive loss for the year	(10 703 511)	–	(10 703 511)
Loss attributable to:			
Owners of the parent	(10 701 271)	–	(10 701 271)
Non-controlling interest	(2 240)	–	(2 240)
Number of shares in issue	196 869 837	24 278 317 ²	221 148 154
Weighted average number of shares	196 869 837	24 278 317 ²	221 148 154
Diluted weighted average number of shares (cents)	196 869 837	24 278 317 ²	221 148 154
Earnings/(loss) per share (cents)	(7.22)	–	(6.03)
Diluted earnings/(loss) per share (cents)	(7.22)	–	(6.03)
Headline earnings/(loss) per share (cents)	(7.22)	–	(6.03)
Diluted headline earnings/(loss) per share (cents)	(7.22)	–	(6.03)
<i>Headline earnings/(loss) are calculated as follows:</i>			
Profit for the period attributable to equity shareholders of the parent	(10 701 271)	–	(10 701 271)
Impairment of investment in associate	–	–	–
Headline earnings/(loss)	(10 701 271)	–	(10 701 271)

Notes and assumptions:

- The “*Before Specific Issue*” column has been extracted, without adjustment, from Sable’s integrated annual report for the twelve months ended 28 February 2014.
- Increase in Sable’s issued share capital pursuant to the specific issue of shares for cash.
- No adjustments have been made to the *pro forma* financial information in respect of:
 - the commission payable to Orange Oak as no sales of ore from any of the properties over which Sable Group has a mineral right has occurred.
 - the potential penalty payment of R10 million that will become payable to Orange Oak should Sable not be granted a Mining Right and not have concluded an off-take agreement for the sale of a minimum of 50 000 tonnes of ore per month, which ore is to be supplied by the property holding the Mining Right.
- The proceeds of the specific issue of shares for cash are to be utilised to continue to fund Sable’s general and administrative costs for the remainder of the year, and may further be used for drilling and making applications for bulk sampling permits.
- All adjustments, with the exception of transaction costs, are assumed to have a continuing effect.

INDEPENDENT REPORTING ACCOUNTANT'S REPORT ON THE *PRO FORMA* FINANCIAL INFORMATION

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

17 September 2014

Dear Sirs

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

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 **Annexure 2** of the circular to Sable shareholders to be issued on or about 26 September 2014 ("**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 Specific Issue, as described in the circular ("**the transactions**"), on the company's financial position as at 28 February 2014, and the company's financial performance for the period then ended, as if the transactions had taken place at 28 February 2014 for purposes of the *pro forma* statement of financial position and at 28 February 2014 for purposes of the *pro forma* statement of comprehensive income. As part of this process, information about the company's financial position has been extracted by the directors from the company's audited published financial information for the year ended 28 February 2014.

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 paragraph 7 and **Annexure 2** 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 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 paragraph 7 and **Annexure 2** of the circular.

Consent

This report on the audited *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 (Jhb) Inc.

Duncan Church

Director

Registration number 1994/001166/21

Registered Auditors

Chartered Accountants (SA)

137 Daisy Street

Sandown

2196

Sable Metals & Minerals



Sable Metals and Minerals Limited

(formerly Sable Platinum Limited)

(Incorporated in the Republic of South Africa)

(Registration number: 2001/006539/06)

JSE share code: SMM ISIN: ZAE000185674

(“Sable” or “the company”)

NOTICE OF GENERAL MEETING OF SABLE SHAREHOLDERS

Notice is hereby given that a general meeting of Sable shareholders will be held at the offices of the company, Block A, Kingsley Office Park, 85 Protea Road, Chislehurst, Sandton, 2196 at 10:00 on Monday, 27 October 2014 (the “**general meeting**”) for the purpose of considering and, if deemed fit, passing with or without modification, the resolutions set out below.

Important dates to note

2014

Circular posted to Sable shareholders (recorded in the register on Friday, 19 September 2014) and announcement relating to the issue of the circular and the notice convening the general meeting released on SENS on	Friday, 26 September
Announcement relating to the issue of the circular and the notice convening the general meeting published in the press on	Monday, 29 September
Last day to trade in Sable shares in order to be recorded in the register on the voting record date on	Friday, 10 October
Voting record date being 17:00 on	Friday, 17 October
Last day for receipt of proxies for the Sable shareholders’ general meeting by 10:00 on	Thursday, 23 October
Sable shareholders’ general meeting to be held at 10:00 on	Monday, 27 October
Results of the general meeting released on SENS on	Monday, 27 October
Anticipated listing date of subscription shares	Tuesday, 4 November

Where appropriate and applicable the terms defined in the circular to which this notice of general meeting is attached and forms part of bear the same meanings in this notice of general meeting, and in particular in the resolutions set out below.

In terms of section 62(3)(e) of the Companies Act, 71 of 2008 (“**the Companies Act**” or “**the Act**”):

- A shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy or two or more proxies to attend and participate in and vote at the general meeting in the place of the shareholder, by completing the proxy in accordance with the instructions set out therein;
- A proxy need not be a shareholder of the company;
- Sable shareholders recorded in the register of the company on the voting record date (including shareholders and their proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in the general meeting: in this regard, all Sable shareholders recorded in the register of the company on the voting record date will be required to provide identification satisfactory to the chairman of the general meeting. Forms of identification include valid identity documents, driver’s licences and passports.

WHEREAS:

An agreement (the “**specific issue of shares for cash agreement**”) was concluded between the company and Orange Oak on or about 19 August 2014 in terms of which:

- Subject to the conditions precedent set out therein, Orange Oak has undertaken to subscribe for the subscription shares at the subscription price in return for payment of the subscription amount;
- The subscription amount is made up of the following:
 - R1,5 million paid on 2 June 2014 (“**Tranche A**”);
 - R1,5 million paid on 23 June 2014 (“**Tranche B**”);
 - R4,5 million was payable on 23 July 2014 (“**Tranche C**”). The parties however agreed that R1,5 million of Tranche C would be payable and was paid on 23 July 2014 (“**Tranche C1**”) and the remaining R3 million of Tranche C would be payable on demand by the company (“**Tranche C2**”);
 - R1,5 million paid on 22 August 2014 (“**Tranche D**”);
 - R1 million payable on 23 September 2014 (“**Tranche E**”);
- In respect of those subscription amounts paid to Sable prior to the fulfilment of the conditions precedent, the amounts so received have been or will be credited to a loan account in Orange Oak’s name, to be capitalised and converted into the relevant subscription shares and issued within 5 business days after the fulfilment of all conditions precedent, including receipt of shareholder approval for the specific issue of shares for cash;
- Accordingly, Sable shall within 5 business days of the conditions precedent being fulfilled:
 - allot and issue 3 184 354 Sable shares in respect of Tranche A at a subscription price of 47.10531 cents per subscription share;
 - allot and issue 3 607 588 Sable shares in respect of Tranche B at a subscription price of 41.57903 cents per subscription share;
 - allot and issue 5 225 013 Sable shares in respect of the R1 500 000 of Tranche C1 received by Sable at a subscription price of 28.70806 cents per subscription share; and
 - allot and issue 4 896 975 Sable shares in respect of Tranche D at a subscription price of 30.63115 cents per subscription share.
- The remaining R3 000 000 of Tranche C2 is payable to Sable upon demand by Sable and the subscription shares in respect of the remaining R3 000 000 of Tranche C2 will be issued at the subscription price applicable at that time.
- In respect of Tranche E, where the subscription amount is payable to Sable on 23 September 2014 (before the general meeting but after the last practical date of the circular), Sable shall within 5 business days of the conditions precedent being fulfilled issue the subscription shares in respect of Tranche E at the subscription price applicable on 23 September 2014, subject to what is stated below;
- Sable has the option exercisable entirely and only at its discretion to raise alternative capital in respect of Tranche E and part or all of Tranche C2 and elect not to receive any further payment from Orange Oak in respect of Tranche E and part or all of Tranche C2. Should Sable elect to raise alternative capital, it shall notify Orange Oak thereof at any time prior to 23 September 2014;
- Should Sable elect to raise alternative capital, as contemplated above, no further payment will be payable by Orange Oak, and the commission, referred to below, shall be confined to 2% plus the *pro rata* share of the 3% entitlement at the time of Sable providing notification to Orange Oak of its election to raise alternative capital. For illustrative purposes, should Sable elect to raise alternative capital after receipt of R7 500 000 of the total subscription amount of R10 000 000, Orange Oak will be entitled to a commission of 4.12%, being the 2% entitlement on receipt of Tranche A and the *pro rata* entitlement awarded of 2.12% (calculated as 3% multiplied by 6 000 000/8 500 000) on receipt of Tranche B, part of Tranche C2 and Tranche D;

- Orange Oak will have the option to accelerate payment of Tranche C2 and Tranche E at any time prior to notice being received from Sable as contemplated above (i.e. should Orange Oak wish to pay the remainder of the subscription amount prior to the scheduled payment of all tranches by 23 September 2014). Such option is exercisable at the election of Orange Oak until receipt of notification from Sable that it elects to raise alternative capital;
- In addition, in consideration for subscribing for the subscription shares, Orange Oak is entitled to the commission determined as follows:
 - 2% on sales of ore from any of the properties over which the Sable group has a mineral right on receipt of Tranche A on 2 June 2014 (already received); and
 - a further 3% on sales of ore from any of the properties over which the Sable group has a mineral right, awarded on a pro rata basis on receipt of each of Tranche B, Tranche C, Tranche D and Tranche E.

If Sable sells the rights to an orebody or sells a company holding a mineral right, then Orange Oak shall be entitled to a percentage of the proceeds equivalent to the commission percentage to which it is entitled at that time, being a maximum of 5%;
- If Sable or a subsidiary of Sable has not been granted a mining right and has not concluded an off-take agreement for the sale of a minimum of 50 000 tonnes of ore per month, which ore is to be supplied from the property holding the mining right:
 - within a period of two years and six months from the date of payment of Tranche A, Sable shall pay Orange Oak a penalty of R2 500 000, which amount shall be credited to a loan account in its name;
 - within a period of two years and nine months from the payment of Tranche A, a further penalty of R2 500 000 shall be payable by Sable to Orange Oak, which amount shall be credited to the loan account as contemplated above;
 - within a period of three years from the date of payment of Tranche A, a further penalty of R5 000 000 shall be payable by Sable to Orange Oak, which amount shall be credited to the loan account as contemplated above; and
 - the loan account shall be payable upon demand after three years from the date of payment of Tranche A, that is being payable from 2 June 2017.

NOW THEREFORE:

ORDINARY RESOLUTION NUMBER 1 – APPROVAL OF SPECIFIC ISSUE OF SHARES FOR CASH TO ORANGE OAK IN TERMS OF THE SPECIFIC ISSUE OF SHARES FOR CASH AGREEMENT

“Resolved that the directors of the company be and are hereby authorised by way of a specific authority in terms of paragraph 5.51 of the Listings Requirements, to allot and issue the subscription shares (being a minimum of 24 278 317 ordinary shares with no par value), for the subscription price (being a cash consideration of the lesser of R0.5409529 per subscription share and a 10% discount to the 30 day volume weighted average traded price of Sable shares as at the date of receipt of the relevant subscription amount), in terms of a specific issue of shares for cash to Orange Oak, so as to comply with the company’s obligations set out in the specific issue of shares for cash agreement on the basis set out therein and in the circular to which this notice of general meeting is attached and forms part of.”

Voting requirement

In order for Ordinary Resolution Number 1 to be adopted, in compliance with the Listings Requirements, votes in favour of the resolution must represent at least 75% of the voting rights exercised at the general meeting in respect of this Ordinary Resolution Number 1, excluding any shares controlled by Orange Oak or any of its associates.

ORDINARY RESOLUTION NUMBER 2 – UNISSUED SABLE SHARES PLACED UNDER THE CONTROL OF THE DIRECTORS FOR SPECIFIC AUTHORITY TO GIVE EFFECT TO THE SPECIFIC ISSUE OF SHARES FOR CASH

“Resolved that the authorised and unissued ordinary share capital of the company be and is hereby placed under the control of the directors of the company which directors are, subject to the Listings Requirements and the provisions of the Companies Act, authorised to allot and issue any number of Sable shares at such time or times, to Orange Oak, and upon such terms and conditions of Ordinary Resolution Number 1 set out above in order to give effect to and implement the issue of shares for cash agreement.”

Voting requirement

In order for Ordinary Resolution Number 2 to be adopted, votes in favour of the resolution must represent at least 50% of the voting rights exercised at the general meeting in respect of this Ordinary Resolution 2.

ORDINARY RESOLUTION NUMBER 3 – AUTHORISATION OF DIRECTORS

“Resolved that any of the directors of Sable be and are hereby authorised to do all things and sign all documents required to give effect to Ordinary Resolution Number 1 and Ordinary Resolution Number 2.”

Voting requirement

In order for Ordinary Resolution Number 3 to be adopted, votes in favour of the resolution must represent at least 50% of the voting rights exercised at the general meeting in respect of this Ordinary Resolution Number 3.

Quorum

A quorum for the purposes of considering the above resolutions shall consist of three shareholders of the company personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting. In addition, a quorum shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the general meeting.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries Computershare Investor Services Proprietary Limited (Ground Floor, 70 Marshall Street, Johannesburg), for the purposes of being entitled to attend, participate in and vote at the general meeting is Friday, 17 October 2014 (the “**record date**”).

Proxies and authority for representatives to act

A form of proxy is attached for the convenience of any Sable shareholder holding certificated shares who cannot attend the general meeting but who wishes to be represented thereat. Forms of proxy may also be obtained on request from the company’s offices. The completed form of proxy must be deposited at or posted to the office of the transfer secretaries of the company, Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) to be received by not later than 10:00 on Thursday, 23 October 2014. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the general meeting should the Shareholder subsequently decide to do so.

Attached to the proxy form is an extract of section 58 of the Companies Act, to which shareholders are referred.

Shareholders who have already dematerialised their shares through a CSDP or broker and who wish to attend the general meeting must instruct their CSDP or broker to issue them with the necessary letter of representation to attend.

Dematerialised shareholders, who have elected “own-name” registration in the sub-register through a CSDP and who are unable to attend but who wish to vote at the general meeting must complete and return the attached form of proxy and lodge it with the transfer secretaries, Computershare Investor Services Proprietary Limited, PO Box 61051, Marshalltown, 2107 to be received by no later than 10:00 on Thursday, 23 October 2014.

All beneficial owners whose shares have been dematerialised through a CSDP or broker other than with “own name” registration, must provide the CSDP or broker with their voting instructions in terms of their custody agreement should they wish to vote at the general meeting. Alternatively, they may request the CSDP or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the general meeting. Such shareholder must not complete the attached form of proxy.

In terms of section 63(1) meeting participants will be required to provide identification to the reasonable satisfaction of the chairman of the meeting and the chairman must be reasonably satisfied that the right of any person to participate in and vote (whether as a Shareholder or as a proxy for a Shareholder) has been reasonably satisfied.

Electronic Participation

The company has made provision for shareholders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 10:00 on Thursday, 23 October 2014, by submitting by e-mail to the financial director at marietjie@sablemetals.co.za or by fax to be faxed to 086 580 4297, for the attention of the financial director, relevant contact details, including an e-mail address, cellular number and landline as well as full details of the shareholder’s title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders) and (in the case of dematerialised shareholders) written confirmation from the shareholder’s CSDP confirming the shareholder’s title to the dematerialised shares. Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the annual general meeting through this medium. Such shareholders, should they wish to have their vote counted at the general meeting, must, to the extent applicable: (i) complete the form of proxy; or (ii) contact their CSDP or broker, in both instances as set out above.

Sable Metals and Minerals Limited

Registered address

Block A
Kingsley Office Park
85 Protea Road
Chislehurst
Sandton
2196

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 & Minerals



Sable Metals and Minerals Limited

(formerly Sable Platinum Limited)

(Incorporated in the Republic of South Africa)

(Registration number: 2001/006539/06)

JSE share code: SMM ISIN: ZAE000185674

("Sable" or "the company")

FORM OF PROXY FOR SABLE SHAREHOLDERS

For use by certificated shareholders and dematerialised shareholders who have elected "own-name" registration ("shareholders") at the meeting of Sable shareholders to be held at the offices of the company, Block A, Kingsley Office Park, 85 Protea Road, Chislehurst, Sandton, 2196 at 10:00 on Monday, 27 October 2014 (the "general meeting").

I/We (FULL NAMES IN BLOCK LETTERS PLEASE)

of (Address)

Telephone number

Cellphone number

Email address

being the holder(s) of Sable shares hereby appoint:

1. _____ or failing him/her

2. _____ of failing him/her

3. the chairperson of the meeting of Sable shareholders

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting and at any adjournment thereof in the following manner:

	Number of votes		
	*For	*Against	*Abstain
Ordinary Resolution Number 1 – approval of specific issue of shares for cash			
Ordinary Resolution Number 2 – unissued sable shares placed under the control of the directors			
Ordinary Resolution Number 3 – authorisation of directors			

**Mark "For" or "Against" or "Abstain" as required. If no options are marked the proxy will be entitled to vote as he/she thinks fit.*

Unless otherwise instructed my proxy may vote or abstain from voting as he/she thinks fit.

Signed this _____ day of _____ 2014

Signature

Assisted by me (where applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend vote and speak in his/her stead. A proxy need not be a shareholder of Sable.

Forms of proxy must be deposited at Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051 Marshalltown 2107) to be received by not later than 10:00 on Thursday, 23 October 2014.

Please read notes on the reverse side hereof

Notes:

1. 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. The person whose name appears first on this 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.
2. A proxy appointed by a shareholder in terms hereof may not delegate his authority to act on behalf of the shareholder to any other person.
3. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the general meeting as he deems fit in respect of all the shareholder's votes exercisable thereat.
4. Forms of proxy must be lodged at or posted to Computershare Investor Services Proprietary Limited, Ground Floor, 70 Marshall Street, Johannesburg 2001 (PO Box 61051 Marshalltown 2107) to be received by not later than 10:00 on Thursday, 23 October 2014 or not less than 48 hours before the commencement of any adjourned or postponed meeting, or 10 minutes before the general meeting is due to commence or recommence.
5. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such shareholder wish to do so. In addition to the foregoing, 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. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as at the later of the date stated in the revocation instrument, if any; or the date on which the revocation instrument was delivered in the required manner.
6. The Chairman of the general meeting may reject or accept any form of proxy which is completed and/or received otherwise than in accordance with these notes, provided that, in respect of acceptances, he is satisfied as to the manner in which the shareholder(s) concerned wish(es) to vote.
7. Each shareholder is entitled to appoint one or more proxies (none of whom need be a member of Sable) to attend, speak and vote in place of that shareholder at the general meeting.
8. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by Sable or Computershare Investor Services Proprietary Limited or waived by the Chairman of the general meeting.
9. Any alteration or correction made to this form of proxy must be initiated by the signatory(ies).
10. Where there are joint holders of shares:
 - 10.1 any one holder may sign the form of proxy; and
 - 10.2 the vote of the senior (for that purpose seniority will be determined by the order in which the names of shareholders appear in the register of members) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint holder(s) of Sable shares.
11. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
12. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section. In addition, an extract from the Companies Act reflecting the provisions of section 58 of the Companies Act is set out below.

Extract from the Companies Act**"58. Shareholder right to be represented by proxy**

- (1) At any time, a shareholder of a company may appoint any individual, including an individual who is not a shareholder of that company, as a proxy to:
 - (a) participate in, and speak and vote at, a shareholders meeting on behalf of the shareholder; or
 - (b) give or withhold written consent on behalf of the shareholder to a decision contemplated in section 60.
- (2) A proxy appointment:
 - (a) must be in writing, dated and signed by the shareholder; and
 - (b) remains valid for:
 - (i) one year after the date on which it was signed; or
 - (ii) any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in subsection (4)(c), or expires earlier as contemplated in subsection (8)(d).
- (3) Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - (a) a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder;
 - (b) a proxy may delegate the proxy's authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - (c) a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders meeting.
- (4) Irrespective of the form of instrument used to appoint a proxy:
 - (a) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
 - (b) the appointment is revocable unless the proxy appointment expressly states otherwise; and
 - (c) if the appointment 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.
- (5) The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
 - (a) the date stated in the revocation instrument, if any; or
 - (b) the date on which the revocation instrument was delivered as required in subsection (4)(c)(ii).
- (6) If the instrument appointing a proxy or proxies has been delivered to a company, as long as that appointment remains in effect, any notice that is required by this Act or the company's Memorandum of Incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - (a) the shareholder; or
 - (b) the proxy or proxies, if the shareholder has:
 - (i) directed the company to do so, in writing; and
 - (ii) paid any reasonable fee charged by the company for doing so.
- (7) A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the Memorandum of Incorporation, or the instrument appointing the proxy, provides otherwise.
- (8) If a company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
 - (a) the invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - (b) the invitation, or form of instrument supplied by the company for the purpose of appointing a proxy, must:
 - (i) bear a reasonably prominent summary of the rights established by this section;
 - (ii) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by the shareholder; and
 - (iii) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or is to abstain from voting;
 - (c) the company must not require that the proxy appointment be made irrevocable; and
 - (d) the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to subsection (5).
- (9) Subsection (8)(b) and (d) do not apply if the company merely supplies a generally available standard form of proxy appointment on request by a shareholder."