

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, throughout this Circular, including this cover page and the Form of Acceptance (*pink*) attached to and forming part of this Circular, unless specifically defined otherwise, or the context indicates a contrary intention.

Action required by Shareholders

- If you have disposed of all your Shares, then this Circular should be forwarded to the purchaser of your Shares or to the Broker, CSDP, banker or other financial intermediary through whom such disposal was effected.
- Shareholders are referred to page 5 of this Circular, which sets out the action required by them.
- If you are in any doubt about the action to be taken, you should consult your CSDP, Broker, banker, legal advisor, accountant, other financial intermediary or other professional advisor immediately.

Neither Bauba nor Raubex accepts responsibility, or will be held liable, for any action of, or omission by, any CSDP, Broker, legal advisor, accountant, banker, other financial intermediary or other professional advisor including, without limitation, any failure on the part of a CSDP, Broker, legal advisor, accountant, banker, other financial intermediary or other professional advisor of any beneficial owner of Shares to notify such beneficial owner of the Offer set out in this Circular or to take any action on behalf of such beneficial owner.



BAUBA RESOURCES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1986/004649/06)
Share code: BAU ISIN: ZAE000145686
("Bauba")



RAUBEX PROPRIETARY LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1978/004596/07)
("Raubex")

COMBINED CIRCULAR TO SHAREHOLDERS

regarding:

- an Offer by Raubex (Acting in Concert with Pelagic) to Minority Shareholders to acquire all of their Shares for an Offer Consideration of R0.42 per Share; and
- a Response Circular by the Independent Board containing their views in respect of the Offer;

and incorporating:

- the Independent Expert's Report regarding the Offer (*Annexure 1*);
- details of dealings in Shares (*Annexure 2*);
- historical financial information of Bauba (*Annexure 3*);
- an extract of section 124 of the Companies Act dealing with compulsory acquisitions (*Annexure 4*); and
- a Form of Acceptance (*pink*) for use by Certificated Shareholders only.

Legal advisor to Bauba



Sponsor to Bauba



Independent Expert



Legal advisor to Raubex



Financial advisor and sponsor to Raubex



Date of issue: Friday, 25 March 2022

This Circular is available in English only. Copies may be obtained from the registered offices of Bauba, whose registered address is set out in the "Corporate information and advisors" section of this Circular during normal business hours from the date of issue of this Circular to the Closing Date and is also available on Bauba's website at www.baubaresources.co.za and on the Raubex website at <https://www.raubex.com>.

CORPORATE INFORMATION AND ADVISORS

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, to this section on *corporate information and advisors* (unless the context indicates otherwise).

IN RESPECT OF BAUBA

Company secretary

Merchantec Proprietary Limited
(Registration number: 1986/004649/06)
Cube Workspace
1 Wedgewood Link
Bryanston
Johannesburg, South Africa, 2191
(PO Box 71036, Bryanston, South Africa, 2021)

Registered offices

Cube Workspace
1 Wedgewood Link
Bryanston
Johannesburg, South Africa, 2191
(PO Box 71036, Bryanston, South Africa, 2021)

Date of incorporation: 14 November 1986

Place of incorporation: South Africa

Legal advisor

Webber Wentzel
90 Rivonia Road
Sandton
Johannesburg, South Africa, 2196
(PO Box 61771, Marshalltown, South Africa, 2107)

Sponsor

Merchantec Capital
(Registration number: 2008/027362/07)
13th Floor, Illovo Point
68 Melville Road
Illovo
Sandton, South Africa, 2196
(PO Box 41480, Craighall, South Africa, 2024)

Transfer Secretaries

Computershare Investor Services Proprietary Limited
(Registration number: 2004/003647/07)
Rosebank Towers
15 Biermann Avenue
Rosebank, Johannesburg, South Africa, 2196
(Private Bag X9000, Saxonwold, South Africa, 2132)

Independent Expert

Mazars Corporate Finance Proprietary Limited
(Registration number: 2003/029561/07)
Mazars House
54 Glenhove Road
Melrose Estate, South Africa, 2196
(PO Box 6697, Johannesburg, South Africa, 2000)

IN RESPECT OF RAUBEX

Company secretary

Grace Miriam Chemaly
Building 1, Highgrove Office Park
50 Tegel Avenue
Highveld
Centurion, South Africa, 0169
(PO Box 66192, Highveld, South Africa, 0169)

Registered offices

Building 1, Highgrove Office Park
50 Tegel Avenue
Highveld
Centurion, South Africa, 0169
(PO Box 66192, Highveld, South Africa, 0169)

Date of incorporation: 21 November 1978

Place of incorporation: South Africa

Legal advisor

DLA Piper Advisory Services Proprietary Limited
(Registration number: 2015/222271/07)
6th Floor
61 Katherine Street
Sandton, Johannesburg
South Africa, 2196
(Private Bag X17, Benmore, South Africa, 2010)

Financial advisor and sponsor

Investec Bank Limited
(Registration number: 1969/004763/06)
100 Grayston Drive
Sandown
South Africa, 2196
(PO Box 785700, Sandton, South Africa, 2146)

IMPORTANT LEGAL NOTICES AND DISCLAIMERS

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, to this section on *important legal notices and disclaimers* (unless the context indicates otherwise).

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION. NOT FOR GENERAL RELEASE IN THE UNITED STATES – SEE FURTHER INFORMATION BELOW.

IMPORTANT INFORMATION FOR FOREIGN SHAREHOLDERS

This Circular is governed by the laws of South Africa, is subject to all applicable laws and regulations of South Africa and has been prepared for the purposes of complying with the Companies Act in conjunction with the Takeover Regulations and is published in terms thereof. The information disclosed in this Circular may not be the same as that which would have been disclosed if this Circular had been prepared in accordance with the laws and regulations of any jurisdiction outside of South Africa.

The legality of the Offer to non-resident Offerees may be affected by the laws of any jurisdiction relevant to them. Such Offerees should inform themselves about any applicable legal requirements, which they are obliged to observe. It is the responsibility of any such Offeree wishing to accept the Offer to satisfy himself as to the full observance of the laws of any relevant jurisdiction in connection with the Offer. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction.

This Circular and the Offer does not and will not constitute an offer to purchase, or the solicitation of an offer to sell, any Shares in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of such jurisdiction. Without limiting the generality of the above, the Offer is not being made, directly or indirectly, in or into or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national securities exchange of any jurisdiction if it is illegal for the Offer to be made or accepted in that jurisdiction (a “**Restricted Jurisdiction**”) and the Offer cannot be accepted by any such use of mails, means, instrumentality or facility or from within a Restricted Jurisdiction. Shareholders are advised to read this Circular, which contains the full terms and conditions of the Offer, with care. Any decision to accept the Offer or other response to the proposals should only be based on the information in this Circular.

The Offer, which is the subject of this Circular, may be affected by the laws of the relevant jurisdictions of non-resident Offerees. Such Offerees must satisfy themselves as to the full observance of any applicable laws concerning the receipt of the Offer Consideration, including (without limitation) obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any transfer or other taxes due in such jurisdiction. Non-resident Offerees who are in any doubt as to their positions should consult their professional advisors immediately.

Neither copies of this Circular nor any related documentation are being or may be mailed or otherwise distributed or sent in or into or from a Restricted Jurisdiction, and, if received in any Restricted Jurisdiction, this Circular and any related documentation should be treated as being received for information purposes only.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The Offer relates to the securities of a South African public company and will be effected in terms of South African law. This Circular and certain other documents relating to the Offer have been, or will be prepared, in accordance with South African law, the Companies Act, the Takeover Regulations and South African disclosure requirements, format and style, all of which differ from those in the US in certain material respects.

The Offer is being made in the United States pursuant to applicable US tender offer rules and securities laws, including any applicable exemptions under the US Securities Exchange Act of 1934 and otherwise in accordance with the requirements of South African law. The Offer is being made in the United States by Raubex and no one else. Accordingly, the Offer will be subject to disclosure and other procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments that are different from those applicable under United States domestic tender offer procedures and laws. US investors should closely read Part A of this document for further details.

Neither the US Securities and Exchange Commission nor any US state securities commission has determined if this Circular is accurate or complete. Any representation to the contrary is a criminal offence in the US.

To the extent permitted by applicable law and in accordance with normal South African practice, Raubex or its affiliates, may, from time to time, make certain purchases of, or arrangements to purchase, Shares outside the United States, other than pursuant to the Offer, during the period in which the Offer remains open for participation. These purchases, or other arrangements, may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed in accordance with the Companies Act and the Takeover Regulations.

Financial statements, and all financial information that is included in this Circular or any other documents relating to the Offer, have been or will be prepared in accordance with International Financial Reporting Standards or other reporting standards or accounting practice which may not be comparable to financial statements of companies in the US or other companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US.

The disposal of Shares pursuant to the Offer and the receipt of the Offer Consideration generally will be taxable transactions for US federal income tax purposes and may also be taxable under applicable US state and local, as well as non-US and other, tax laws. Each Offer Participant is urged to consult its independent professional advisor immediately regarding the tax consequences of the Offer as applicable to them. US Offer Participants should note that no analysis has been made with respect to Bauba or Raubex's passive foreign investment company ("PFIC") status for any taxable year and such persons should therefore consult their tax advisors as to whether the PFIC rules may apply to any of the transactions contemplated hereby.

It may be difficult for Offer Participants who are resident in the US to enforce their rights and claims arising out of the US federal securities laws, since Bauba and Raubex are located in countries other than the US, and the majority or all of their officers and directors are residents of non-US jurisdictions. Judgments of US courts are generally, subject to certain requirements, enforceable in South Africa. Offer Participants who are resident in the US may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement. In addition, it may be difficult to enforce in South Africa original actions, or actions for the enforcement of judgments of US courts, based on the civil liability provisions of the US federal securities laws.

FORWARD LOOKING STATEMENTS

This Circular contains statements about Bauba, Raubex and/or the Group that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity and capital resources and expenditure. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified using forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditure, acquisition strategy, and expansion prospects for future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Each of Bauba and Raubex caution that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industry in which Bauba and/or Raubex operate may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All forward-looking statements in respect of Bauba, Raubex and/or the Group are based on estimates and assumptions made by Bauba, Raubex and/or the Group which, although Bauba, Raubex and/or the Group believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. There are factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, assumptions or statements. These factors include other matters not yet known to Bauba, Raubex and/or the Group or not currently considered material by Bauba, Raubex and/or the Group.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Bauba, Raubex and/or the Group not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Bauba, Raubex and/or the Group has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of issue of this Circular, except as may be required by law.

RESPONSIBILITY

This Circular is published by, and is the joint responsibility of, Raubex and the Independent Board, provided that the Independent Board is not responsible for Part A and Raubex is not responsible for Part B, respectively, of this Circular.

ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE OFFER

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, to this section on *action required by Shareholders in respect of the Offer* (unless the context indicates otherwise).

Please take careful note of the following provisions regarding the action required by Shareholders:

- if you have disposed of all your Shares, then this Circular should be forwarded to the purchaser to whom, or the Broker, CSDP, banker or other financial intermediary through whom, you disposed of your Shares;
- if you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, Broker, banker, legal advisor, accountant, other financial intermediary or other professional advisor; and
- if you wish to reject the Offer, you do not need to take any further action.

If you are a Certificated Shareholder

Acceptance of Offer, surrender of Documents of Title and Offer Consideration

- If you are a Certificated Shareholder and you wish to accept the Offer in respect of all or some of your Shares, you must complete the attached Form of Acceptance (*pink*) in accordance with its instructions and return it, together with the relevant Documents of Title, to the Transfer Secretaries as follows (to be received by the Transfer Secretaries by no later than 12:00 on the Closing Date):

If delivered by hand

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, Johannesburg, South Africa
2196

If sent by electronic mail

Computershare Investor Services Proprietary Limited
corporate.events@computershare.co.za

If sent by post

Computershare Investor Services Proprietary Limited
Private Bag X3000
Saxonwold, South Africa
2132

- Please note that should you elect to send your Form of Acceptance (*pink*) by electronic mail you will nonetheless be required to submit your relevant Documents of Title by hand or post.
- Certificated Shareholders are required to indicate their acceptance of the Offer on the Form of Acceptance (*pink*). Should there be any doubt or dispute as to whether you have accepted the Offer or not, then you will be deemed not to have accepted the Offer.
- If you accept the Offer in respect of all or some of your Shares and surrender the relevant Documents of Title, you will not be able to trade such Shares from the date of your acceptance of the Offer and surrender of the relevant Documents of Title in respect thereof.
- If you wish to reject the Offer, you need not take any action.

Offer Consideration

- If the Offer becomes Unconditional and you have both: (i) forwarded your completed Form of Acceptance (*pink*); and (ii) surrendered your Documents of Title, to the Transfer Secretaries on or before 12:00 on the Closing Date, you will be paid the Offer Consideration by way of EFT into your bank account on record with the Transfer Secretaries or the bank account nominated by you in the Form of Acceptance (*pink*), as the case may be, in cash on the Payment Date.
- If the Offer becomes Unconditional and you forwarded your completed Form of Acceptance (*pink*) to the Transfer Secretaries on or before 12:00 on the Closing Date, but you surrender your Documents of Title after 12:00 on the Closing Date, the Offer Consideration will be paid to you by way of EFT within six Business Days of receipt of your Documents of Title by the Transfer Secretaries.
- If you do not have banking details on record with the Transfer Secretaries and you have failed to provide your banking details in the completed Form of Acceptance (*pink*), the Offer Consideration due to you will be held in trust by the Transfer Secretaries on your behalf, but only for a period of five years after the Payment Date after which the Offer Consideration due to you will be paid to the Guardian's Fund of the Master of the High Court of South Africa for your benefit.

- In this regard such Offer Participants irrevocably authorise and appoint each of Raubex and the Transfer Secretaries (or their respective agents, as appointed by each of them) in *rem suam* (that is irrevocably for Raubex's and the Transfer Secretaries' benefit and advantage), with full power of substitution, to act as agent in the name, place and stead of such Offer Participants to pay the Offer Consideration to the Guardian's Fund of the Master of the High Court of South Africa for their benefit in the aforesaid manner.
- No interest shall accrue for the benefit of Offer Participants on the Offer Consideration.
- Documents of Title surrendered prior to 12:00 on the Closing Date, subject to the Offer becoming Unconditional, will be held in trust by the Transfer Secretaries.
- If Documents of Title relating to any Shares to be surrendered are lost or destroyed, Certificated Shareholders should nevertheless return the attached Form of Acceptance (*pink*) duly signed and completed to the Transfer Secretaries by hand to Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, South Africa, 2196 or by electronic mail to corporate.events@computershare.co.za, or by post to Private Bag X3000 Saxonwold, South Africa, 2132 together with an indemnity form, which is obtainable on request from the Transfer Secretaries. Certificated Shareholders who have applied for a lost scrip indemnity will only receive the Offer Consideration due to them upon finalisation of the lost scrip process.
- If you have any queries in relation to the action required by Certificated Shareholders, please contact the Transfer Secretaries' helpline via email at corporate.events@computershare.co.za or telephonically on 0861 100 634 if calling from within South Africa and on +27 11 370 5000 if calling from outside of South Africa.

If you are a Dematerialised Shareholder

Acceptance of Offer

- If you are a Dematerialised Shareholder, you will be contacted by your duly appointed Broker or CSDP in the manner stipulated in your Custody Agreement to ascertain whether or not you wish to accept the Offer. If you wish to accept the Offer, you must notify your Broker or CSDP of your acceptance of the Offer in the time and manner stipulated in your Custody Agreement in order to constitute a valid acceptance.
- If you are a Dematerialised Shareholder and wish to accept the Offer but have not been contacted by your Broker or CSDP, it would be advisable for you to contact and furnish your Broker or CSDP with instructions in regard to the acceptance of the Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in your Custody Agreement.
- **You must not complete the attached Form of Acceptance (*pink*).**
- If you notify your Broker or CSDP of your desire to accept the Offer, you will not be able to trade your Shares from the date on which you notify your Broker or CSDP of your acceptance of the Offer.

Offer Consideration

- If the Offer becomes Unconditional, and you have accepted the Offer, you will have your account at your CSDP or Broker credited with the Offer Consideration and debited with the Shares that you are transferring to Raubex on the Payment Date.
- No interest shall accrue for the benefit of Offer Participants on the Offer Consideration.

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IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, to this section on *important dates and times* (unless the context indicates otherwise).

2022

Posting Record Date	Friday, 11 March
Circular distributed to Shareholders	Friday, 25 March
Opening Date of the Offer at 09:00 on	Monday, 28 March
TRP compliance certificate expected on	Thursday, 12 May
Finalisation date announcement (including the timetable in respect of the Offer and Closing Date) published on SENS	Friday, 13 May
Earliest Payment Date from	Friday, 13 May
Finalisation date announcement published in the press	Monday, 16 May
Last Day to Trade for Shareholders wishing to accept the Offer	Tuesday, 24 May
Shares trade “ex” the Offer	Wednesday, 25 May
Closing Date of Offer at 12:00 on	Friday, 27 May
Record Date for Offer	Friday, 27 May
Results of Offer to be announced on SENS	Monday, 30 May
Payment Date	Monday, 30 May

Notes:

- Certificated Shareholders are required to complete and return the attached Form of Acceptance (*pink*) in accordance with the instructions contained therein to be received by the Transfer Secretaries by no later than 12:00 on the Closing Date.
- Any change to the above dates and times will be agreed upon by Bauba and Raubex, approved by the JSE and the TRP (as required), and announced on SENS and, if required, publication in the South African press, provided that any extension of the Closing Date shall be at Raubex’s sole discretion.
- No Dematerialisation or rematerialisation of Shares will take place between the trading ex-date, Wednesday, 25 May 2022 and the Record Date for Offer, Friday, 27 May 2022 (both days inclusive).
- In the event that the fulfilment of the Condition Precedent is unduly delayed, the above dates and times relating to the payment of the Offer Consideration will be amended. Such amended dates and times will be announced on SENS and, if required, published in the South African press.
- Offerees should note that acceptance of the Offer will be irrevocable.
- Although the above important dates and times are stated to be subject to change, such statement shall not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act, the Takeover Regulations and the Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
- All times referred to in this Circular are references to South African Standard Time.
- No payment of the Offer Consideration will be made prior to fulfilment of the Condition Precedent.
- In accordance with regulation 102(12) of the Takeover Regulations, the Offer Consideration must be settled within six Business Days after the later of: (i) the Offer being declared wholly unconditional; and (ii) acceptance thereof by a holder. Accordingly the latest Payment Date will be by no later than Monday, 6 June 2022.

DEFINITIONS AND INTERPRETATIONS

In this Circular and its Annexures, unless otherwise stated or the context indicates otherwise, the words and expressions in the first column shall have the meanings stated opposite them in the second column, and words and expressions in the singular shall include the plural and *vice versa*, words importing natural persons shall include juristic persons and unincorporated associations of persons and *vice versa*, and any reference to one gender shall include the other genders.

“Act in Concert”	means any action pursuant to an agreement between or amongst two or more Persons (as defined in the Companies Act), in terms of which all or any of them co-operate for the purpose of entering into or proposing an Affected Transaction, and “Acts in Concert” or “Acting in Concert” shall bear corresponding meanings;
“Affected Transaction”	has the meaning set out in section 117(1)(c) of the Companies Act, and specifically includes a mandatory offer in terms of section 123 of the Companies Act;
“Annexures”	the annexures attached to this Circular;
“Authorised Dealer”	a person authorised to deal in foreign exchange as contemplated in the Exchange Control Regulations;
“Bauba”	Baubu Resources Limited, registration number: 1986/004649/06, a public company incorporated in accordance with the laws of South Africa, the shares of which are listed on the Main Board of the JSE, whose further details are set out in the section of this Circular titled “Corporate information and advisors”;
“Board” or “Directors”	the board of directors of Bauba as at the Last Practicable Date, whose details are set out on page 23 of this Circular;
“Broker”	any person registered as a “ <i>broking member (equities)</i> ” in terms of the requirements of the JSE and in accordance with the provisions of the Financial Markets Act, including any nominee of such person;
“Business Day”	any day other than a Saturday or Sunday or official public holiday in South Africa;
“CEO”	Chief Executive Officer;
“Certificated Shareholder”	a Shareholder who has not Dematerialised his Shares, title to which is represented by a share certificate or other physical Document of Title;
“Circular”	this combined offer circular dated Friday, 25 March 2022, including the Annexures hereto and incorporating a Form of Acceptance (<i>pink</i>);
“Closing Date”	the closing date of the Offer as described in paragraph 4.5.2 of Part A of this Circular;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini;
“Companies Act”	the Companies Act, No. 71 of 2008, as amended;
“Condition Precedent”	the condition precedent set out in paragraph 4.4 of Part A of this Circular;
“CSDP”	a Central Securities Depository Participant, being a “ <i>participant</i> ” as defined in the Financial Markets Act, including any nominee of such participant and with whom a beneficial owner of shares holds a Dematerialised share account;
“Custody Agreement”	the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker, governing their relationship in respect of Dematerialised Shares held on the Register and administered by a CSDP or Broker on behalf of that Dematerialised Shareholder;
“Dematerialise” or “Dematerialised” or “Dematerialisation”	the process whereby physical share certificates and/or other Documents of Title are replaced with electronic records evidencing ownership of shares, for purposes of Strate, as contemplated in the Financial Markets Act, and reflected in the Register;
“Dematerialised Shareholder”	a registered holder and/or beneficial owner of Shares that have been Dematerialised in accordance with the rules of Strate, evidencing ownership of shareholding in electronic format, which Shares may be traded on the JSE;
“Documents of Title”	share certificates and/or certificated transfer deeds and/or balance receipts or any other document/s of title acceptable to Bauba and Raubex in respect of the Shares;

“EFT”	electronic funds transfer;
“Exchange Control Regulations”	the Exchange Control Regulations, 1961, as amended, promulgated in terms of section 9 of the Currency and Exchanges Act, No. 9 of 1933, as amended, and all directives and rulings issued thereunder;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended;
“Firm Intention Announcement”	the joint firm intention announcement released on SENS on Thursday, 3 February 2022, advising Shareholders of the Offer, as referred to in paragraph 1.1 of Part A of this Circular;
“Form of Acceptance (<i>pink</i>)”	the form of acceptance, transfer and surrender (<i>pink</i>) for use by Certificated Shareholders only, which is attached to and forms part of this Circular;
“Group”	Bauba and its Subsidiaries;
“Independent Board”	the independent board of Bauba, consisting of Dr. Nakedi Mathews Phosa, Eugene Nel and Vincent Sean Edwards, constituted in accordance with regulation 108(8) of the Takeover Regulations in order to consider the terms and conditions of the Offer, all of whom are independent Directors;
“Independent Expert”	Mazars Corporate Finance Proprietary Limited, registration number: 2003/029561/07, a private company incorporated in accordance with the laws of South Africa, whose further details are set out in the section of this Circular titled “ <i>Corporate information and advisors</i> ”, appointed as the independent expert by the Independent Board in terms of regulation 110 of the Takeover Regulations to opine on the fairness and reasonableness of the Offer and provide the Independent Board with appropriate external advice;
“Independent Expert’s Report”	the fair and reasonable opinion prepared by the Independent Expert, in the form of a report contemplated in regulations 90 and 110 of the Takeover Regulations regarding the Offer, a copy of which is set out in Annexure 1 to this Circular;
“Issued Share Capital”	the issued share capital of Bauba, consisting of 749 817 498 Shares (Bauba holds no treasury shares);
“JSE”	the JSE Limited, registration number: 2005/022939/06, a public company incorporated in accordance with the laws of South Africa and licensed under the Financial Markets Act;
“Last Day to Trade”	the last day to trade in Shares in order to be recorded in the Register on the Closing Date and therefore be able to accept the Offer and receive the Offer Consideration;
“Last Practicable Date”	Monday, 14 March 2022, being the last practicable date prior to the finalisation of this Circular;
“Listings Requirements”	the Listings Requirements of the JSE, as amended from time to time;
“Minority Shareholders”	all Shareholders, other than Raubex and its concert party, Pelagic;
“Non-accepting Shareholders”	Minority Shareholders who do not accept the Offer in respect of all of the Offer Shares held by them and who as at the Closing Date hold the remaining Offer Shares, subject to the provisions of section 124(1) of the Companies Act, and “ Non-accepting Shareholder ” shall mean any one of them as the context may require;
“Offer”	the mandatory offer by Raubex, in terms of section 123 of the Companies Act, to acquire, on the terms set out in this Circular, from the Minority Shareholders, all or some of their Offer Shares for the Offer Consideration;
“Offer Consideration”	the cash consideration to be paid to the Offer Participants by Raubex, being R0.42 per Share held by such Offer Participants;
“Offer Participants”	the Minority Shareholders who validly and lawfully accept the Offer by the Closing Date, and who are thus entitled to receive the Offer Consideration;
“Offer Period”	the period from 09:00 on the Opening Date up to 12:00 on the Closing Date;
“Offer Shares”	in relation to any Offeree, the Shares in respect of which the Offer is accepted by that Offeree;

“Offerees”	the Minority Shareholders to whom the Offer is made, who are recorded in the Register as at the date of acceptance of the Offer, provided that Minority Shareholders may not accept the Offer after 12:00 on the Closing Date;
“Opening Date”	the opening date of the Offer as described in paragraph 4.5.1 of Part A of this Circular;
“Payment Date”	<p>means, subject to the Offer becoming Unconditional:</p> <p>(i) in respect of Certificated Shareholders who accept the Offer, within six Business Days of the later of:</p> <ul style="list-style-type: none"> i. the Offer being declared Unconditional; and i. the date on which such Certificated Shareholders forward both: <ul style="list-style-type: none"> a. the Form of Acceptance (<i>pink</i>); and a. the Documents of Title, to the Transfer Secretaries; <p>(ii) and in respect of Dematerialised Shareholders who accept the Offer, within six Business Days after the later of:</p> <ul style="list-style-type: none"> i. the Offer being declared Unconditional; and i. the date on which the CSDP or Broker of such Dematerialised Shareholder notifies the Transfer Secretaries of their acceptance of the Offer, <p>with the payment date being Monday, 30 May 2022, and in accordance with regulation 102(12) of the Takeover Regulations, with the latest Payment Date being by no later than Monday, 6 June 2022;</p>
“Pelagic”	Pelagic Resources PTE LTD, registration number: 201713062N, a limited liability private company incorporated in accordance with the laws of the Republic of Singapore and which, as at the Last Practicable Date, holds 165 215 366 Shares, representing c.22% of the issued share capital of Bauba;
“Posting Record Date”	the record date to determine which Shareholders are entitled to receive this Circular, being Friday, 11 March 2022;
“R” or “Rand”	the South African Rand, the lawful currency of South Africa;
“Raubex”	Raubex Proprietary Limited, registration number: 1978/004596/07, a private company incorporated in accordance with the laws of South Africa and a wholly-owned Subsidiary of RBX, which, as at the Last Practicable Date, holds 382 881 113 Shares, representing c.51% of the issued share capital of Bauba, whose further details are set out in the section of this Circular titled “ <i>Corporate information and advisors</i> ”;
“Raubex Board” or “Raubex Directors”	the board of directors of Raubex as at the Last Practicable Date, whose details are set out on page 14 of this Circular;
“RBX”	Raubex Group Limited, registration number: 2006/023666/06, a public company incorporated in accordance with the laws of South Africa, the ordinary shares of which are listed on the Main Board of the JSE;
“Record Date for Offer”	the last date by which a Minority Shareholder must be recorded in the Register in order to accept the Offer, which as at the date of this Circular is anticipated to be Friday, 27 May 2022;
“Register”	Bauba’s securities register, including the relevant sub-registers of the CSDP(s) administering the sub-registers of Bauba, and the register of disclosures in relation to Bauba;
“Response Circular”	the response circular by the Independent Board, as set out in Part B of this Circular;
“SENS”	the Stock Exchange News Service of the JSE;
“Shareholders”	means the holders of Shares;
“Shares”	ordinary shares of no par value in the issued share capital of Bauba;
“South Africa”	the Republic of South Africa;

“Sponsor”	Merchantec Proprietary Limited, registration number: 2008/027362/07, a private company incorporated in accordance with the laws of South Africa, whose further details are set out in the section of this Circular titled “ <i>Corporate information and advisors</i> ”;
“Strate”	Strate Proprietary Limited, registration number: 1998/022242/07, a private company incorporated in accordance with the laws of South Africa, a central securities depository licensed in terms of the Financial Markets Act and responsible for the electronic clearing and settlement of trades on the JSE;
“Subsidiary”	a subsidiary as defined in the Companies Act;
“Takeover Regulations”	the regulations set out in chapter 5 of the Companies Regulations, 2011, promulgated under the Companies Act;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited, registration number: 2004/003647/07, a private company incorporated in accordance with the laws of South Africa, whose further details are set out in the section of this Circular titled “ <i>Corporate information and advisors</i> ”;
“TRP”	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act;
“Unconditional”	means, in relation to the Offer, when the Condition Precedent has been fulfilled; and
“US” or “United States”	the United States of America.

PART A: THE OFFER – OFFER TO ALL MINORITY SHAREHOLDERS



RAUBEX PROPRIETARY LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1978/004596/07)
("Raubex")

Raubex Directors

Freddie Kenney – *Chairman* of the RBX board of directors and non-executive Raubex Director

Jacobus Andries Louw – *Group Financial Manager* of RBX and executive Raubex Director

Louis Johannes Raubenheimer – *Group Roads and Earthworks Divisional Head* of RBX and executive Raubex Director

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1 Shareholders are referred to the Firm Intention Announcement wherein it was advised that as a result of the completion of various off-market share purchase transactions (Raubex acquired, in aggregate, 185 026 743 Shares from Absalom Limited, the Dunkeld Trust, the Kumane Trust and Tomarnic Limited constituting c.24.7% of the Issued Share Capital, on 31 January 2022 at a purchase consideration of R0.36 per Share) Raubex's shareholding in Bauba increased from 197 854 370 Shares, being c.26.38% of the Issued Share Capital, to an aggregate number of 382 881 113 Shares, being c.51% of the Issued Share Capital, resulting in Raubex being required to make a mandatory offer in terms of section 123 of the Companies Act (read with section 117 of the Companies Act and regulation 86 of the Takeover Regulations) as a result of Raubex being in a position where it is able to exercise, directly and/or indirectly, 35% or more of the voting rights attaching to the Shares.
- 1.2 The Offer is being made in compliance with Raubex's obligations in terms of the Companies Act and the Takeover Regulations.
- 1.3 For purposes of the Offer, Raubex is Acting in Concert with Pelagic. As at the Last Practicable Date, Pelagic's shareholding in Bauba amounted to 165 215 366 Shares, being c.22% of the Issued Share Capital.
- 1.4 As at the Last Practicable Date, Raubex and its concert party, Pelagic, had an aggregate shareholding in Bauba of 548 096 479 Shares, being c.73% of the Issued Share Capital.
- 1.5 The purpose of this Circular is:
 - 1.5.1 to set out the terms on which Raubex makes the Offer to the Minority Shareholders to purchase all or some of their Shares;
 - 1.5.2 to provide the Minority Shareholders with information on Bauba and Raubex; and
 - 1.5.3 to inform the Minority Shareholders of the manner in which the Offer may be accepted by them and the manner in which the Offer will be implemented, and how the Offer Consideration will be paid.

2. INFORMATION OF RAUBEX

- 2.1 Raubex is a wholly-owned Subsidiary of RBX, one of South Africa's leading infrastructure development and construction materials supply groups, established in 1974. RBX, which listed on the JSE in March 2007, operates across South Africa as well as throughout southern Africa. The group consists of three divisions, namely the Mining and Materials Division, Roads and Earthworks Division and Infrastructure Division. For further details of RBX, please see RBX's website at <https://www.raubex.co.za/>.
- 2.2 The names of the Raubex Directors are set out on this page 14 above (see shareholding details at paragraph 8 of Part A of this Circular). Further details of Raubex, including its company secretary, date and place of incorporation and registered offices, are set out in the section of this Circular titled "*Corporate information and advisors*".

3. RATIONALE FOR THE OFFER AND RAUBEX'S INTENTIONS REGARDING BAUBA AND THE BOARD

- 3.1 As noted in paragraph 1 of Part A of this Circular, Raubex has acquired a beneficial interest in additional Shares such that Raubex now holds and/or controls the voting rights in respect of an aggregate number of 382 881 113 Shares, being c.51% of the Issued Share Capital. Consequently, Raubex is obliged to make a mandatory offer in terms of section 123 of the Companies Act (read with section 117 of the Companies Act and regulation 86 of the Takeover Regulations) as Raubex is in a position to exercise more than 35% of the voting rights attaching to the Shares.
- 3.2 Raubex hereby advises that, pursuant to the implementation of the Offer, it is currently intended that:
- 3.2.1 Bauba shall continue with its business substantially in accordance with past and present practice;
 - 3.2.2 the Directors shall continue in office;
 - 3.2.3 the remuneration of the Directors shall not be affected by the Offer;
 - 3.2.4 as described more fully in paragraph 11 of Part A of this Circular, should Minority Shareholders accept the Offer in respect of so many Offer Shares as will result in Raubex acquiring 90% or more of the Shares held by Minority Shareholders, Raubex intends to rely on the provisions of section 124 of the Companies Act, which will result in the Non-accepting Shareholders being compelled to dispose of their Shares to Raubex; and
 - 3.2.5 as described more fully in paragraph 12 of this Circular, the listing of the Shares on the JSE will be terminated in terms of paragraph 1.17(a) of the Listings Requirements should Raubex be able to invoke the provisions of section 124 of the Companies Act. Shareholders will be advised as applicable in the manner and form prescribed in section 124 of the Companies Act. Please refer to paragraph 11 of Part A of this Circular for further details on the section 124 of the Companies Act compulsory acquisition process.

4. TERMS OF THE OFFER

4.1 The offeror

The offeror is Raubex.

4.2 The Offer

Raubex hereby offers to purchase from the Minority Shareholders, at the election of each Offeree, all or some of their Shares on the terms set out in this Circular.

4.3 The Offer Consideration

- 4.3.1 In terms of regulation 111(2) of the Takeover Regulations, if an offer is made and Raubex or its concert party has acquired relevant securities in Bauba within the six month period before the commencement of the offer period, the consideration paid, per security, to the minorities of the same class must be identical to, or where appropriate, similar to the highest consideration paid, excluding commission, tax and duty, for those acquisitions.
- 4.3.2 On 30 September 2021 and on 1 October 2021 Raubex acquired 95 000 and 5 016 171 Shares, respectively, on-market through the order book of the JSE for a price of R0.42 per share.
- 4.3.3 The Offer Consideration per Share will be R0.42, being the highest price at which Raubex or its concert party, Pelagic, acquired Shares in the six month period before the date of the Firm Intention Announcement. Dealings in Shares by Raubex and Pelagic during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date are detailed in **Annexure 2** to this Circular.
- 4.3.4 The Offer Consideration is payable in cash.

4.4 Condition Precedent to the Offer

The implementation of the Offer is subject to the fulfilment of the following Condition Precedent, namely the receipt of a compliance certificate issued by the TRP in respect of the Offer in terms of section 119(4)(b) of the Companies Act.

4.5 Offer Period

- 4.5.1 In accordance with regulation 102(4) of the Takeover Regulations, the Offer will remain open for acceptance for at least 30 Business Days after the Opening Date of the Offer, being the day after posting of this Circular.
- 4.5.2 The Offer is unconditional as to acceptances but is subject to the fulfilment of the Condition Precedent. In accordance with regulation 105(5) of the Takeover Regulations, after the Offer becomes Unconditional and that fact is announced on SENS, the Offer will remain open for at least 10 Business Days thereafter (subject to paragraph 4.5.1 above).

4.5.3 Raubex reserves the right, in its sole and absolute discretion, but in accordance with the Companies Act and the Takeover Regulations, to extend the Closing Date. If Raubex so elects, the amended Closing Date will be announced on SENS (and published in the South African press, if required).

4.6 Applicable law

4.6.1 The Offer is made in compliance with the requirements of the Companies Act in conjunction with the Takeover Regulations and is governed by and subject to the provisions of the laws of South Africa and will be subject to the exclusive jurisdiction of the South African courts.

4.6.2 Each Offer Participant will be deemed by its acceptance to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Offer and acceptance thereof.

4.7 Offer not made where illegal

4.7.1 The legality of the Offer to persons resident in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction.

4.7.2 Such persons should acquaint themselves with any applicable legal requirements which they are obligated to observe.

4.7.3 It is the responsibility of any Offeree wishing to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith.

4.7.4 If the Offer is received in any jurisdiction where it is illegal for the Offer to be made or accepted, this Circular should be treated as being received for information purposes only.

4.8 Ownership, risk and benefit

4.8.1 The Offer Shares in respect of which the Offer is accepted will be acquired by Raubex together with all rights and benefits thereto, including without limitation the right to receive all dividends, distributions, benefits or rights which accrue or are declared by Bauba after the Closing Date.

4.8.2 Offer Participants warrant and undertake that they will deliver the Offer Shares to Raubex free of all liens, equities, mortgages, options, rights of pre-emption, charges, encumbrances and other third-party rights and interests of any nature whatsoever.

4.8.3 Subject to the Condition Precedent having been fulfilled, the acquisition by Raubex of the Offer Shares shall be deemed to take place on the date of acceptance of the Offer.

4.9 Approvals, consents and undertakings received

4.9.1 Raubex has obtained the necessary authorisations and approvals from the Raubex Board to proceed with the Offer.

4.9.2 The TRP and JSE have both approved this Circular.

4.9.3 The TRP does not express any view or opinion on the commercial advantages or disadvantages of the Offer.

4.10 Tax implications for Offerees

The tax treatment of Offerees is dependent on the individual circumstances and the jurisdiction applicable to such Offerees. It is recommended that, if Offerees are uncertain about the tax treatment in respect of the disposal of their Offer Shares and the receipt of the Offer Consideration, they seek appropriate advice in this regard.

4.11 Confirmation of cash resources

4.11.1 In terms of regulation 111(4) of the Takeover Regulations, Raubex is required to provide a bank guarantee to the TRP from a South African registered bank unconditionally and irrevocably guaranteeing settlement of the full cash consideration payable in terms of the Offer, or an irrevocable, unconditional cash confirmation in favour of the Offerees.

4.11.2 Accordingly, to determine the cash consideration required, the following is applicable:

Shares in issue	749 817 498
Shares held or controlled by Raubex and its concert party, Pelagic	(548 096 479)
Treasury shares	(0)
Shares for which cash confirmation is required	201 721 019

Accordingly, the amount of the cash required is R84 722 828 (being the 201 721 019 Shares multiplied by an Offer Consideration of R0.42 per Share).

- 4.11.3 The TRP has been furnished with an irrevocable, unconditional bank guarantee from Nedbank Limited in the amount of R84 722 828, in favour of the Offerees, for the sole purpose of Raubex fully satisfying the Offer Consideration.
- 4.11.4 Raubex hereby confirms that the aggregate Offer Consideration will be sourced and settled from Raubex's existing cash resources.

5. PROCEDURE FOR ACCEPTANCE OF THE OFFER

5.1 Acceptance irrevocable

All acceptances of the Offer received by the Transfer Secretaries, Raubex or the relevant CSDP or Broker prior to the Closing Date shall be irrevocable.

5.2 Certificated Shareholders

5.2.1 Certificated Shareholders who wish to accept the Offer in respect of some or all of their Shares are required to complete the attached Form of Acceptance (*pink*) and return it to the Transfer Secretaries together with their Documents of Title in respect of their Shares, at their own risk, to be received by no later than 12:00 on the Closing Date. If a Form of Acceptance (*pink*) is not received by 12:00 on the Closing Date, such Certificated Shareholder will be deemed to have declined the Offer. No late acceptances will be considered if received by the Transfer Secretaries after 12:00 on the Closing Date.

5.2.2 The Form of Acceptance (*pink*) may be delivered by hand, sent by electronic mail or sent by post to the Transfer Secretaries as follows:

If delivered by hand

Computershare Investor Services
Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, Johannesburg, South Africa
2196

If sent by electronic mail

Computershare Investor Services
Proprietary Limited
corporate.events@computershare.co.za

If sent by post

Computershare Investor Services Proprietary Limited
Private Bag X3000
Saxonwold, South Africa
2132

Please note that should you elect to send your Form of Acceptance (*pink*) by electronic mail you will nonetheless be required to submit your relevant Documents of Title by hand or post.

5.2.3 No late acceptances will be considered. Acceptances of the Offer that are sent by post are sent at the risk of the Certificated Shareholders concerned. Accordingly, Certificated Shareholders should take note of the postal delivery times so as to ensure that acceptances of the Offer are received timeously. It is therefore recommended that such acceptances be sent by registered mail or delivered by hand or sent by electronic mail (subject to paragraph 5.2.2 above) to the Transfer Secretaries.

5.2.4 If the Documents of Title relating to the Offer Shares held by a Certificated Shareholder have been lost or destroyed, Shareholders should nevertheless return a duly completed Form of Acceptance (*pink*) together with an indemnity on terms satisfactory to Bauba and Raubex. Raubex and Bauba may, in their sole discretion, dispense with the surrender of such Documents of Title upon production of satisfactory evidence that the Documents of Title have been lost or destroyed and upon provision of an indemnity on terms acceptable to Raubex and Bauba. Unless otherwise agreed by Raubex and Bauba, only indemnity forms obtained from the Transfer Secretaries (available on request) will be regarded as suitable. Certificated Shareholders who have applied for a lost scrip indemnity will only receive their Offer proceeds upon finalisation of the lost scrip process. Raubex and Bauba shall be entitled, in their absolute discretion, by way of agreement to waive the requirement of an indemnity.

5.2.5 Raubex reserves the right, in its sole and absolute discretion (following consultation with Bauba), to:

- 5.2.5.1 in respect of Certificated Shares, treat as invalid Forms of Acceptance (*pink*) not accompanied by valid Documents of Title;
- 5.2.5.2 treat as invalid Forms of Acceptance (*pink*) not properly completed;
- 5.2.5.3 require proof of the authority of the person signing the Form of Acceptance (*pink*) where such proof has not been lodged with or recorded by the Transfer Secretaries; or
- 5.2.5.4 without prejudice to any of its rights, Raubex reserves the right to condone, in its sole discretion, the non-performance by any Offeree of any of the terms of the Offer.

5.3 Dematerialised Shareholders

- 5.3.1 Dematerialised Shareholders will be contacted by their appointed Broker or CSDP in the manner stipulated in the Custody Agreement entered into between such Shareholder and its Broker or CSDP, as the case may be, in order to ascertain whether or not such Shareholder wishes to accept the Offer. Dematerialised Shareholders who wish to accept the Offer are required to notify their CSDPs or Brokers of their acceptance in the manner and by the deadline stipulated in the Custody Agreement. If no instruction is given to their CSDPs or Brokers, or if there is any doubt or dispute in respect of their acceptance, such Dematerialised Shareholders will be deemed to have declined the Offer.
- 5.3.2 Dematerialised Shareholders must **not** complete the attached Form of Acceptance (*pink*).
- 5.3.3 If a Dematerialised Shareholder notifies its Broker or CSDP of its desire to accept the Offer, it will not be able to trade its Shares from the date on which it notifies its Broker or CSDP of its acceptance of the Offer.
- 5.3.4 All acceptances of the Offer received by the Transfer Secretaries, CSDPs or Brokers and treated as valid by them, shall be irrevocable.

5.4 Settlement of the Offer Consideration if the Offer becomes Unconditional

- 5.4.1 In respect of Certificated Shareholders:
 - 5.4.1.1 Certificated Shareholders who accept the Offer will be paid the Offer Consideration by way of EFT into the bank account on record with the Transfer Secretaries or the bank account nominated by them in the Form of Acceptance (*pink*), as the case may be, in cash by no later than the Payment Date; and
 - 5.4.1.2 if the Offer Consideration is not paid to a Shareholder entitled thereto because the relevant Shareholder does not have banking details on record with the Transfer Secretaries and failed to provide banking details in the completed Form of Acceptance (*pink*), the Offer Consideration will be held by the Transfer Secretaries in trust, on behalf of and for the benefit of such Certificated Shareholders, until claimed by any person legally entitled to it, for a maximum period of five years, after which period, such funds shall be made over to the Guardian's Fund of the Master of the High Court of South Africa. No interest will accrue on any of the aforementioned Offer Consideration so held in trust.
- 5.4.2 Dematerialised Shareholders who accept the Offer will have their accounts at their CSDP or Broker credited with the Offer Consideration and debited with the Shares that they are transferring to Raubex by no later than the Payment Date.
- 5.4.3 The settlement of the Offer Consideration to which any Offeree becomes entitled in terms of the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or any other analogous right to which Raubex may be entitled.
- 5.4.4 The settlement of the Offer Consideration for both Dematerialised Shareholders and Certificated Shareholders will be made subject to the Exchange Control Regulations.

5.5 South African Exchange Control Regulations

- 5.5.1 The settlement of the Offer Consideration for both Certificated Shareholders and Dematerialised Shareholders will be subject to the Exchange Control Regulations.
- 5.5.2 The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which may apply to Shareholders in relation to the Offer Consideration. Shareholders who have any queries regarding the Exchange Control Regulations should contact their own professional advisors without delay.
- 5.5.3 The Exchange Control Regulations provide for restrictions on the exportation of capital from the Common Monetary Area. The Common Monetary Area consists of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and eSwatini. Transactions between residents of South Africa and residents outside of the Common Monetary Area are subject to Exchange Control Regulations, which are administered by the Financial Surveillance Department of the South African Reserve Bank ("**SARB**").
- 5.5.4 Certain powers have been delegated to Authorised Dealers in foreign exchange appointed by the SARB. The delegated powers of Authorised Dealers are contained in the Currency and Exchanges Manual for Authorised Dealers ("**AD Manual**") and transactions that may be approved by Authorised Dealers without the SARB's prior approval are contained in the AD Manual, which is updated from time to time through the release of circulars by the SARB.

- 5.5.5 The concept of “*emigration*” as recognised by the SARB is being phased out and commenced with effect from 1 March 2021 and is replaced by a verification process. Exchange Control Circular 6/2021 dated 26 February 2021 and Circular 8/2021 dated 21 May 2021 set out the changes in relation to emigrants and changes to the AD Manual with effect from 1 March 2021.
- 5.5.6 Until 28 February 2021, the Exchange Control Regulations read with the AD Manual distinguished between residents, non-residents and emigrants. As of 1 March 2021, under the new framework, natural person residents and natural person emigrants are treated identically. To ensure a smooth transition from the old framework to the new framework, natural persons who applied to be emigrants under the old framework, by obtaining a MP336(b) form that was attested by an Authorised Dealer on or before 28 February 2021, are dealt with in terms of the exchange control procedures relating to emigration for exchange control purposes prior to 1 March 2021 provided their emigration applications were approved on or before 28 February 2021.
- 5.5.7 For the purposes of the Exchange Control Regulations:
- 5.5.7.1 a resident means any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa;
- 5.5.7.2 a non-resident is a person, being a natural person or a legal entity, whose normal place of residence, domicile or registration is outside the Common Monetary Area; and
- 5.5.7.3 an emigrant means a South African resident who has left South Africa to take up permanent residence or has been granted permanent residence in any country outside of the Common Monetary Area. For purposes of the Exchange Control Regulations read with the AD Manual, a South African resident will only be regarded as an emigrant if he placed his emigration on record with the SARB under the exchange control policy which applied up to 28 February 2021.
- 5.5.8 Shareholders who are uncertain as to whether they are residents or non-residents or South African non-tax residents (emigrants) for purposes of the Exchange Control Regulations read with the AD Manual, are advised to approach their relevant Authorised Dealer to request confirmation.
- 5.5.9 **Residents of the Common Monetary Area (and emigrants from the Common Monetary Area under the previous framework)**
- 5.5.9.1 From 1 March 2021, natural person emigrants and natural person residents of the Common Monetary Area are treated identically, save in the context of securities control as indicated in paragraph 5.5.9.5 below.
- 5.5.9.2 The Offer Consideration is not freely transferable from South Africa and must be dealt with in terms of the Exchange Control Regulations read with the AD Manual.
- 5.5.9.3 The distinction between South African assets and non-resident assets remains extant.
- 5.5.9.4 There are no restrictions on dealings in securities in South African companies by residents of the Common Monetary Area.
- 5.5.9.5 In the context of the exchange control rules regarding securities control, the SARB has indicated in Exchange Control Circulars 6/2021 and 8/2021 that the rules applicable to natural person emigrants will temporarily apply until discussions with the relevant stakeholders have been finalised. As such, a distinction must still be drawn between residents and emigrants for the time being and the following applies in respect of emigrants who formally emigrated before 1 March 2021:
- 5.5.9.5.1 Certificated Shareholders whose registered addresses in the Register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Offer will be paid by way of EFT and credited to their accounts held at their CSDP or Broker, as applicable;
- 5.5.9.5.2 in respect of a Shareholder who holds certificated Shares and who is an emigrant from South Africa, whose registered address is outside the Common Monetary Area and whose Documents of Title are held in certificated form and have been restrictively endorsed under the Exchange Control Regulations, the Offer Consideration will be deposited in the Offer Participant’s capital account with the Authorised Dealer to whose order the Offer Participant’s Dematerialised Shares have been held, since the formalisation of the Offer Participant’s emigration, against delivery of the relevant Documents of Title;

- 5.5.9.5.3 the Authorised Dealer surrendering the Documents of Title in terms of the Offer Consideration must countersign the Form of Acceptance (*pink*) thereby indicating that the Offer Consideration will be placed directly in its control. The attached Form of Acceptance (*pink*) makes provision for the details and signature of the Authorised Dealer concerned to be provided;
- 5.5.9.5.4 in respect of Shareholders who hold Dematerialised Shares and who are emigrants from South Africa and whose registered address is outside the Common Monetary Area, the Offer Consideration will be credited to the CSDP controlling the Offer Participant's remaining share account; and
- 5.5.9.5.5 in terms of current exchange controls, emigrants may externalise the Offer Consideration by making application to the Authorised Dealer controlling the emigrant's remaining assets.
- 5.5.10 All other non-residents of the Common Monetary Area**
- 5.5.10.1 The provisions of this paragraph should be read together with paragraph 5.4 above.
- 5.5.10.2 In the case of an Offer Participant who is a Certificated Shareholder whose registered address is outside the Common Monetary Area and who is not a South African tax resident, and whose Documents of Title have been restrictively endorsed under the Exchange Control Regulations, the Offer Consideration will, against delivery of the relevant Documents of Title, be transferred to the Offer Participant's duly appointed Broker or CSDP. The Form of Acceptance (*pink*) makes provision for the nomination of a Broker or CSDP.
- 5.5.10.3 In the case of an Offer Participant who is a Dematerialised Shareholder whose registered address is outside the Common Monetary Area and who is not a South African tax resident, the Offer Consideration will be transferred to its duly appointed Broker or CSDP.
- 5.5.11 Information not provided**
- If the information regarding Authorised Dealers is not given or the instructions are not given and no bank account or address details for the Shareholder in question appears in the Register, the Offer Consideration will be held in trust by the Transfer Secretaries on behalf of Raubex.

6. IRREVOCABLE UNDERTAKINGS

No Shareholder has provided any irrevocable undertaking in respect of the Offer.

7. INTERESTS OF RAUBEX AND ITS CONCERT PARTY IN BAUBA

- 7.1 As at the Last Practicable Date, Raubex and its concert party, Pelagic, held the following direct beneficial interests in Bauba:

Raubex Proprietary Limited	382 881 113
Pelagic Resources PTE LTD	165 215 366
Total	548 096 479

- 7.2 Pursuant to the implementation of the Offer, Raubex will become the beneficial owner of the Offer Shares sold pursuant to the acceptances of the Offer.

8. INTERESTS OF THE RAUBEX DIRECTORS IN RAUBEX AND BAUBA

- 8.1 No Raubex Director has any beneficial interest in the issued share capital of Raubex.
- 8.2 The direct and indirect beneficial interests of the Raubex Directors in the issued share capital of RBX as at the Last Practicable Date is as follows:

Raubex Director	Beneficial direct interests (number of shares)	Beneficial indirect interests (number of shares)	Percentage of issued share capital (%)
Louis Johannes Raubenheimer	1 687 575	–	0.92
Freddie Kenney	–	4 065 384	2.24
Jacobus Andries Louw	10 000	–	0.00
Total	1 697 575	4 065 384	3.16

- 8.3 No Raubex Director has dealt for value in the shares of Raubex in the six month period ending on the Last Practicable Date.
- 8.4 No Raubex Director has dealt for value in the shares of RBX in the six month period ending on the Last Practicable Date.
- 8.5 No Raubex Director has dealt for value in the Shares in the six month period ending on the Last Practicable Date.
- 8.6 Dealings in Shares by Raubex during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date are detailed in **Annexure 2**.
- 8.7 Dealings in Shares by Pelagic during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date are detailed in **Annexure 2**.

9. AGREEMENTS IN RELATION TO THE OFFER

- 9.1 No agreement exists between Raubex, or any person Acting in Concert with Raubex, and:
 - 9.1.1 Bauba;
 - 9.1.2 any of the Directors, or persons who were Directors within the preceding 12 months; or
 - 9.1.3 holders of Shares (as at the Last Practicable Date), or persons who were holders of Shares within the preceding 12 months,which agreement is considered to be material to the decision to be taken by Shareholders regarding the Offer.

10. CONCERT PARTY ARRANGEMENT

Raubex and its concert party, Pelagic, entered into an agreement titled “*Co-operation Agreement*” on or about 31 January 2022 in terms of which they agreed, amongst others, to cooperate with each other in respect of the Offer. Therefore, Raubex and Pelagic are considered to be concert parties in relation to the Offer and have therefore made declarations in the required form to Bauba and the TRP, as applicable, as required by regulation 84(5) of the Takeover Regulations.

11. COMPULSORY ACQUISITION

- 11.1 In the event that the Offer is accepted by Minority Shareholders in respect of so many Offer Shares as will result in Raubex acquiring 90% or more of the Shares held by Minority Shareholders (being, 201 721 019 Shares constituting 26.9% of the Issued Share Capital), Raubex intends to invoke the provisions of section 124 of the Companies Act, to compulsorily acquire all the Shares held by the Non-accepting Shareholders, as further detailed in **Annexure 4** to this Circular. The prescribed notice will be sent to the Non-accepting Shareholders, as envisaged in section 124(1)(a) of the Companies Act, and will incorporate a form of surrender for use by Certificated Shareholders only.
- 11.2 A copy of section 124 of the Companies Act is set out in **Annexure 4** to this Circular.

12. LISTING ON THE JSE

- 12.1 Should Raubex be able to invoke the provisions of section 124 of the Companies Act as described in paragraph 11 above, then Raubex intends to apply for a delisting of the Shares from the Main Board of the JSE in terms of paragraph 1.17(a) of the Listings Requirements. Raubex will apply for the requisite approval from the South African Reserve Bank in respect of the delisting, if applicable.
- 12.2 In the event that Raubex is unable to invoke the provisions of section 124 of the Companies Act, the Shares will remain listed on the Main Board of the JSE.

13. RESPONSE CIRCULAR BY BAUBA AND INDEPENDENT EXPERT’S REPORT

The Response Circular by the Independent Board which contains, amongst others, its views in respect of the Offer and the substance of the opinion given to it by the Independent Expert in terms of the Takeover Regulations, is set out in **Part B** of this Circular.

14. CONSENTS

Each of the advisors set out in the “*Corporate information and advisors*” section of this Circular has consented in writing to act in the capacity stated in this Circular and to their names being stated in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

15. DIRECTORS' RESPONSIBILITY STATEMENT

Each member of the Raubex Board, individually and collectively:

- 15.1 has considered all statements of fact and opinion in **Part A** of this Circular;
- 15.2 accepts full responsibility for the accuracy of the information given in **Part A** of this Circular;
- 15.3 certifies that, to the best of their knowledge and belief, the information in **Part A** of this Circular is true; and
- 15.4 certifies that, to the best of their knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in **Part A** of this Circular false or misleading or would likely affect the importance of any information contained in **Part A** of this Circular.

16. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents or copies thereof will be available for inspection during normal business hours at the registered offices of Bauba, from the date of issue of this Circular until the Closing Date:

- 16.1 a signed copy of this Circular;
- 16.2 the signed Independent Expert's Report;
- 16.3 a signed copy of the Co-operation Agreement referred to in paragraph 10 of Part A of this Circular;
- 16.4 the issued audited annual financial statements of Bauba for the three financial years ended 30 June 2019, 30 June 2020 and 30 June 2021; and
- 16.5 the signed letters of consent referred to in paragraph 14 of Part A of this Circular.

SIGNED FOR AND ON BEHALF OF RAUBEX PROPRIETARY LIMITED

Robert Leonard Shedlock
Authorised Signatory

Friday, 25 March 2022

PART B: BAUBA RESPONSE CIRCULAR



BAUBA RESOURCES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1986/004649/06)
Share code: BAU ISIN: ZAE000145686
("Bauba")

Directors

Vincent Sean Edwards* (*Chairperson*)
Jonathan Anthony Knowlden (*Acting CEO*)
Dr. Nakedi Mathews Phosa*
Eugene Nel*
Jurie Hendrik Wessels[§]
Johan Jacques Le Roux[§]
Robert Leonard Shedlock[§]
Thomas Edward Baring[§]

[§] *Non-executive Director*

* *Independent non-executive Director*

RESPONSE CIRCULAR TO MINORITY SHAREHOLDERS

The definitions and interpretations commencing on page 10 of this Circular apply, *mutatis mutandis*, to this **Part B** of this Circular (unless the context indicates otherwise).

17. INTRODUCTION AND PURPOSE OF THE RESPONSE CIRCULAR

- 17.1 This Response Circular contains the response by the Independent Board to the Offer proposed by Raubex, the terms of which are set out in **Part A** of this Circular.
- 17.2 Minority Shareholders are referred to paragraphs 1 to 3 of **Part A** of this Circular for information on Raubex and the rationale of the Offer, respectively.

18. INFORMATION OF BAUBA

18.1 Overview

Bauba, which was established in July 2010 and has been listed on the Main Board of the JSE since September 2010, is a junior mining company focusing on the mining of chrome ore and the exploration of platinum group metals ("**PGMs**"). Bauba's primary focus areas are the following:

18.1.1 *Moeijelijk Chrome Mine*

Bauba holds a 30-year chrome mining right over the farm Moeijelijk 412KS. The Moeijelijk Chrome Mine is an operating and expanding project exploiting underground chrome resources. It is situated on the Eastern Limb of the Bushveld Igneous Complex in the province of Polokwane, approximately 57 kilometres northwest of Burgersfort, with LG2, LG6A/6 and LG7 chrome ore-bearing reefs. The existing mining right was granted on 13 July 2016 to mine chrome ore on the Moeijelijk farm.

18.1.2 *Bauba Platinum Project*

The Bauba platinum project is a high-quality PGM prospecting project that is situated within a prime segment of the Eastern Limb of the Bushveld Igneous Complex. The project lies in the heart of the world's best-known platinum region, where several neighbouring companies are successfully prospecting and mining platinum group elements ("**PGEs**") from the Merensky and UG2 reefs.

Bauba holds PGE mineral rights over eight farms which make up the Bauba PGM exploration assets that extend across approximately 14 390 hectares within the Leolo mountain range in the Limpopo province, some 40 kilometres northwest of the town of Steelpoort and 245 kilometres northeast of Johannesburg. The properties are grouped into the Northern and Southern Clusters.

18.1.3 Kookfontein Chrome Project

On 19 July 2019, the Group entered into a *Sale of Shares and Claims Agreement* to acquire the majority shareholding in Nuco Chrome Bophuthatswana Proprietary Limited ("**Nuco Chrome**") for an aggregate purchase consideration of R60 million which represents 74% of Nuco Chrome's issued share capital. The transaction was completed on 2 July 2021.

Nuco Chrome is an exploration company with mineral rights for various minerals, including chrome ore and PGMs. The project is considered an advanced exploration project where exploration work was conducted during 2015 and 2016.

The Kookfontein mineral right areas are approximately five kilometres north, northeast of the town of Rustenburg and lie directly east and adjacent to the town of Phokeng.

The mining right was granted in September 2016 for UG2 and UG1 chrome ore bearing reefs and an additional mining right application was accepted in March 2020 for MG and LG chrome ore bearing reefs ("**Mining Right Application**").

The Kookfontein UG2 project has an anticipated 18-month life. Thereafter, Bauba will, subject to being granted a mining right pursuant to the Mining Right Application, commence mining the opencast LG/MG and UG1 chrome ore seams on this project.

18.1.4 Hartebeesfontein Chrome Project

Bauba owns, through a private company, 70% in the Hartebeesfontein project. Exploration work is still being conducted with no chrome discovered to date, however, a high-level study and conceptual tonnage estimate was completed during 2018 and 2019 over the Brits prospecting right portion.

The Hartebeesfontein mineral right areas are approximately eight kilometres south of Brits and five kilometres north of Schoemansville in the magisterial districts of Bojanala Platinum District Municipality and Madibeng Magisterial District.

In March 2020, Bauba was granted a prospecting right to explore for chrome and PGMs over 13 portions of the Hartebeesfontein Farm.

18.2 Major Shareholders

The following Shareholders had a 5% or more beneficial (direct or indirect) interest in the Issued Share Capital as at the Last Practicable Date:

Name	Number of Shares	% holding of Issued Share Capital*
Raubex Proprietary Limited	382 881 113	51.00
Pelagic Resources PTE LTD	165 215 366	22.03
Russell Brooks Limited	96 543 116	12.88
Total	644 639 595	85.91

* Based on an Issued Share Capital of 749 817 498 Shares (Bauba holds no treasury shares).

18.3 Financial information

18.3.1 Extracts from the audited financial information of Bauba for the financial years ended 30 June 2019, 30 June 2020 and 30 June 2021 are included in **Annexure 3** to this Circular. The full annual financial statements of Bauba for the three financial years ended 30 June 2019, 30 June 2020 and 30 June 2021 can be obtained from Bauba's website (<https://www.baubaresources.co.za/investors-downloads/>) and will also be available for inspection as set out in paragraph 16 of Part A of this Circular.

18.3.2 In terms of regulations 106(d)(ii) and 106(7)(c) of the Takeover Regulations, since the Offer Consideration will be settled in cash, and not via an offer of securities, no *pro forma* financial effects are required.

19. COMPOSITION OF THE INDEPENDENT BOARD

- 19.1 In accordance with the requirements of the Takeover Regulations, the Board has constituted an Independent Board comprising of the following independent non-executive Directors:
- 19.1.1 Dr. Nakedi Mathews Phosa;
 - 19.1.2 Eugene Nel; and
 - 19.1.3 Vincent Sean Edwards.
- 19.2 Accordingly, the purpose of this Response Circular is to:
- 19.2.1 provide Shareholders with information regarding the Offer;
 - 19.2.2 provide Minority Shareholders with the Independent Expert's Report in respect of the Offer, issued by the Independent Expert so appointed by the Independent Board to opine on whether or not the terms of the Offer are fair and reasonable to the Minority Shareholders, in conformity with the applicable requirements of regulation 90 of the Takeover Regulations; and
 - 19.2.3 advise Minority Shareholders of the Independent Board's opinion in respect of the Offer (which opinion was reached after the Independent Board received and considered the Independent Expert's Report).
- 19.3 The terms of the Offer are set out in **Part A** of this Circular.

20. OPINION OF THE INDEPENDENT EXPERT

- 20.1 The full text of the Independent Expert's Report is provided in **Annexure 1** to this Circular and has not been withdrawn prior to publication of this Circular.
- 20.2 Having considered the terms and conditions of the Offer, based on the conditions set out in its report, the Independent Expert has concluded that the terms and conditions of the Offer are fair and reasonable to Minority Shareholders.

21. OPINION AND RECOMMENDATION OF THE INDEPENDENT BOARD

- 21.1 As stated above, the Independent Board appointed the Independent Expert to compile the Independent Expert's Report on the Offer.
- 21.2 The Independent Board, after due consideration of the Independent Expert's Report, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Offer and the Offer Consideration, as contemplated in regulation 110(3)(b) of the Takeover Regulations. The Independent Board has formed a view on the value of the Shares, which accords with the value of the Shares contained in the Independent Expert's Report, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in regulation 110(6) of the Takeover Regulations).
- 21.3 The Independent Board, taking into account the Independent Expert's Report, has considered the terms and conditions of the Offer and the Offer Consideration and the members of the Independent Board are unanimously of the opinion, in agreement with the Independent Expert, that the terms and conditions thereof are fair and reasonable to Minority Shareholders and unanimously recommends that Minority Shareholders accept the Offer.
- 21.4 The Independent Board has not received any other offers relating to the Shares during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date.
- 21.5 The Independent Board has reviewed the statements made by Raubex in the relevant parts of the Circular regarding the intentions of Raubex contained in **Part A** of this Circular. The Independent Board has no objection to the intentions of Raubex in respect of Bauba or to the statements contained in **Part A** of this Circular insofar as they pertain to Bauba.

22. INTERESTS OF BAUBA IN RAUBEX, INTERESTS OF THE DIRECTORS IN RAUBEX AND IN THE SHARES

22.1 Shareholdings

22.1.1 As at the Last Practicable Date, Bauba had no direct or indirect beneficial interest in Raubex.

22.1.2 As at the Last Practicable Date, the Directors, and persons who were Directors of Bauba within the preceding 12 months, had the following direct or indirect beneficial interests in the Shares:

Director	Beneficial direct interests (number of Shares)	Beneficial indirect interests (number of Shares)	Percentage of Issued Share Capital (%)
N.P.J van der Hoven/ N.W. van der Hoven ¹	–	24 540 443	3.27
King T.V. Thulare ²	–	9 933 033	1.32
J.A. Knowlden	300 735	–	0.04
M. E. Luyt ³	–	238 800	0.03
Total	300 735	34 712 276	4.66

Notes:

¹ N.P.J. van der Hoven and N.W. van der Hoven are both beneficiaries of The Kumane Trust.

² Passed away on 6 January 2021.

³ Resigned on 30 July 2021.

22.1.3 No Director has any beneficial interest in the shares of Raubex.

22.1.4 All the Directors, in respect of their own beneficial holdings of Offer Shares, intend to accept the Offer.

22.2 Share dealings

22.2.1 To the best of the knowledge of Bauba, the dealings of the Directors in Shares during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date are detailed in **Annexure 2**.

22.2.2 Neither Bauba nor the Directors have traded in the securities of Raubex during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date.

22.3 Agreements in relation to the Offer

There are no agreements between Bauba and:

22.3.1 Raubex and its concert party, Pelagic;

2.3.2 any of the Raubex Directors, or persons who were Raubex Directors or equivalent of Raubex within the preceding 12 months; or

22.3.3 any shareholders in Raubex (as at the Last Practicable Date) or persons who were holders of shares in Raubex or interested therein within the preceding 12 months,

which agreement is considered to be material to the decision regarding the Offer to be taken by Shareholders.

23. DIRECTORS' INTERESTS IN RAUBEX

No Directors, other than in their capacity as Minority Shareholders, will derive any benefit directly or indirectly in any manner as a consequence of the implementation of the Offer.

24. DIRECTORS' SERVICE CONTRACTS

24.1 The material particulars of the service contract of the acting CEO (executive Director) are set out below. No amendments to this service contract will be made as a result of the Offer.

Jonathan Anthony Knowlden (as the acting CEO) has a service contract with, and his remuneration is paid for by, the Group. Furthermore, Mr Knowlden has concluded a service contract with Bauba on terms and conditions that are broadly consistent with market standards for such appointments. The principal terms of his service agreement are set out below:

Name	Position	Date of appointment to current role	Notice period	Restraint
J.A. Knowlden	Acting CEO	16 September 2021	Three calendar months	None

- 24.2 The particulars of the service contract that was entered into or amended during the period beginning six months prior to date of the Firm Intention Announcement and ending on the Last Practicable Date is set out below:

Name	Position	Date of resignation/appointment to current role
N.W. van der Hoven	CEO resignation	15 September 2021

- 24.3 Save as set out above, there are no other written service contracts between Bauba (or any of its Subsidiaries) and its Directors or proposed directors.

25. LISTING ON THE JSE

Please refer to paragraph 12 of **Part A** of this Circular.

26. FINANCIAL INFORMATION OF BAUBA

Please refer to paragraph 18.3 of **Part B** of this Circular.

27. CONSENTS

Each of the advisors set out in the “*Corporate information and advisors*” section of this Circular has consented in writing to act in the capacity stated in this Circular and to their names being stated in this Circular and, in the case of the Independent Expert, reference to their report in the form and context in which it appears and have not withdrawn their consent prior to the publication of this Circular.

28. DIRECTORS’ RESPONSIBILITY STATEMENT

The Independent Board:

- 28.1 has considered all statements of fact and opinion in **Part B** of this Circular;
- 28.2 accepts full responsibility for the accuracy of the information given in **Part B** of this Circular;
- 28.3 certifies that, to the best of its knowledge and belief, the information in **Part B** of this Circular is true; and
- 28.4 certifies that, to the best of its knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in **Part B** of this Circular false or misleading or would likely affect the importance of any information contained in **Part B** of this Circular (including the Independent Expert’s Report).

29. IRREVOCABLE UNDERTAKINGS

Please refer to paragraph 6 of **Part A** of this Circular.

30. DOCUMENTS AVAILABLE FOR INSPECTION

Please refer to paragraph 16 of **Part A** of this Circular.

SIGNED FOR AND ON BEHALF OF THE INDEPENDENT BOARD

Vincent Sean Edwards

Chairperson and independent non-executive Director

Friday, 25 March 2022

INDEPENDENT EXPERT'S REPORT



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22 March 2022

The Independent Board of directors of Bauba Resources Limited

Bauba Resources Limited
Cube Workspace
1 Wedgewood Link
Bryanston
2191
South Africa

Dear Sirs and Madams,

INDEPENDENT EXPERT OPINION TO THE INDEPENDENT BOARD OF DIRECTORS OF BAUBA RESOURCES LIMITED (“BAUBA”) IN TERMS OF REGULATIONS 90 AND 110 OF THE REGULATIONS SET OUT IN CHAPTER 5 OF THE COMPANIES REGULATIONS, 2011 (“TAKEOVER REGULATIONS”) PROMULGATED UNDER THE COMPANIES ACT, 71 OF 2008 (“COMPANIES ACT”) IN RESPECT OF THE OFFER BY RAUBEX PROPRIETARY LIMITED (“RAUBEX”) TO ACQUIRE ALL THE ISSUED ORDINARY SHARES IN BAUBA (“SHARES”) NOT ALREADY HELD BY RAUBEX AND ITS CONCERT PARTY (“PROPOSED TRANSACTION”)

INTRODUCTION

The independent board of directors of Bauba (“Bauba Independent Board”) has appointed Mazars Corporate Finance Proprietary Limited (“Mazars”) as the independent expert in accordance with regulation 110 of the Takeover regulations read together with section 117(c)(vi) of the Companies Act to advise the shareholders of Bauba (“**Bauba Shareholders**”) whether, in our opinion, the Proposed Transaction is fair and reasonable to the Bauba Shareholders.

Raubex has acquired, in aggregate, 185 026 743 Shares from Absalom Limited, the Dunkeld Trust, the Kumane Trust and Tomarnic Limited constituting c.24.7% of the issued ordinary share capital of Bauba, on 31 January 2022 at a purchase consideration of R0.36 per Share resulting in Raubex holding, in aggregate, c.51% of the Shares.

Consequently, in terms of section 123 of the Companies Act, Raubex is obliged to make an offer to all Bauba Shareholders other than its concert party to acquire all of the Shares that Raubex and its concert party, being Pelagic Resources PTE LTD, registration number 201713062N, a limited liability private company incorporated in accordance with the laws of the Republic of Singapore (“Pelagic”) do not already own (“Offer Shares”) (“Mandatory Offer”).

Raubex, as the offeror in terms of the Proposed Transaction, is the ultimate proposed purchaser of all of the Offer Shares. Raubex and Pelagic have delivered a declaration in the required form of their concert party relationship to Bauba and the Takeover Regulation Panel (“TRP”) in compliance with regulation 84(5) of the Takeover Regulations.

The Proposed Transaction will be implemented by way of:

- A Mandatory Offer to acquire all the Offer Shares at a price of R0.42 per Offer Share in cash (“Consideration Payable”);
- Should at least 90% of the Offer Shares held by the Bauba Shareholders accept the Mandatory Offer, Raubex reserves the right to implement a compulsory acquisition of the remaining Offer Shares in accordance with section 124 of the Companies Act; and

- Raubex intends to apply for a delisting of Bauba from the Main Board of the Johannesburg Stock Exchange (“JSE”) in terms of paragraph 1.17(a) of the JSE Listings Requirements once the Proposed Transaction has been implemented. In the event that Raubex is unable to invoke the provisions of section 124 of the Companies Act, the Shares will remain listed on the Main Board of the JSE.

Full details of the Proposed Transaction, along with a copy of section 124 of the Companies Act is contained in the circular to Bauba Shareholders dated 25 March 2022, which will include a copy of this opinion.

EFFECTS OF THE PROPOSED TRANSACTION

The effect of the Mandatory Offer will result in Raubex acquiring an additional 201,721,019 Shares.

As a result of the Mandatory Offer, participants will be compensated in cash in exchange for their rights and interests in Bauba.

Having analysed the effects of the Proposed Transaction, we have concluded that there will be no material adverse effects of the Proposed Transaction against the compensation received by the Bauba Shareholders.

The implementation of the Proposed Transaction is not anticipated to have any material adverse effects on the business and prospects of Bauba, having considered the rationale of the Proposed Transaction.

There are no material interests of any director of Bauba and the Proposed Transaction is not anticipated to have any material impact on the directors of Bauba.

EXPLANATION OF THE TERMS “FAIR” AND “REASONABLENESS”

The term “fairness” is defined as being primarily based on quantitative issues. Therefore, the consideration payable by Raubex would be considered fair to the minorities if the fair value range of each Share is equal to or less than the R0.42 per Share payable by Raubex.

The assessment of “reasonableness” is based on qualitative considerations. Therefore, when all the circumstances surrounding the transaction are taken into account, it may be reasonable for the shareholders to proceed with the transaction, even though the transaction may not be fair on a quantitative basis.

SOURCES OF INFORMATION

In the course of our analysis, we relied upon financial and other information obtained from Bauba’s management and from various public, financial and industry sources. Our conclusion is dependent on such information being accurate in all material respects. For the purpose of compiling this report and the opinion contained herein, we have considered information relevant to the securities affected by the Proposed Transaction.

The principal sources of information used in formulating our opinion regarding the Proposed Transaction are as follows:

- Audited annual financial statements of Bauba for the periods ended 30 June 2019, 30 June 2020 and 30 June 2021;
- Unaudited year-to-date management accounts of Bauba for the 6-month period ended 30 December 2021;
- SAMREC compliant Mineral resource estimations for the Moeijelijk Chrome Operation and Kookfontein Chrome Project and SAMREC compliant Mineral reserve for the Moeijelijk Chrome Operation;
- Eight-year forecasted financial information for the 12 monthly periods ending 30 June 2022 to 30 June 2029 of Bauba;
- Historic cost information relating to the Kookfontein Chrome operations;
- Information and assumptions made available by the management of Bauba in respect of the forecasted revenue, Earnings before Interest, Tax, Depreciation and Amortisation (“EBITDA”), working capital and capital expenditure for the eight-year forecasted period;
- Relevant signed offtake agreements entered into by Bauba;
- Specialist studies performed by competent persons on the Moeijelijk and Kookfontein Chrome operations;
- Publicly available information relating to Bauba and other comparable companies in the sector that we deemed to be relevant; and
- The terms and conditions of the Proposed Transaction.

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

LIMITING CONDITIONS AND RELATED PARTY RELATIONSHIPS

We have relied upon the accuracy of information provided to us or otherwise reviewed by us, for the purposes of this opinion, whether in writing or obtained through discussion with the management of Bauba. We express no opinion on this information.

There were no limiting conditions, or any restrictions of scope imposed by Bauba whilst this opinion was being prepared.

Our opinion is based on the current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion, which we are under no obligation to update, review or re-affirm.

We hereby confirm that Mazars is qualified, and has the competence and necessary experience to (i) understand the type of arrangement proposed, (ii) evaluate the consequences of the arrangement and (iii) assess the effect of the arrangement on the value of securities and on the rights and interests of a holder of any securities.

This opinion is provided to the Bauba Independent Board solely to assist the Bauba Independent Board in forming and expressing an opinion for the benefit of the Bauba Shareholders in connection with and for the purposes of their consideration in respect of the Proposed Transaction.

Mazars is independent with regards to the Proposed Transaction and has no relationship or direct interest in Bauba and the Shares or any other parties involved in the Proposed Transaction ("**Relationship**"), has had no such Relationship within the immediately preceding two years and is not related to a person who has or has had a Relationship. Mazars' fee in respect of this opinion is R550,000 excluding VAT and is not payable in Shares and is not contingent or related to the outcome of the Proposed Transaction.

Each Bauba Shareholder's individual decision may be influenced by such Bauba Shareholder's particular circumstances and accordingly each shareholder should consult an independent advisor if in any doubt as to the merits or otherwise of the Proposed Transaction.

Our procedures and enquiries did not constitute an audit in terms of International Standards on Auditing. Accordingly, we cannot express any opinion on the financial data or other information used in arriving at our opinion.

ASSESSMENT OF REASONABLENESS

The Proposed Transaction arose as a result of Raubex's recent acquisition of Bauba shares on 31 January 2022, the acquisition on 31 January 2022 resulted in Raubex's shareholding in Bauba increasing from c.26.38% to c.51%.

In terms of section 123 of the Companies Act read with the Takeover Regulations, Raubex is obligated to make an offer to all other Bauba Shareholders other than its concert party to acquire all of the ordinary shares of Bauba that Raubex and its concert party do not already own.

Raubex and Pelagic in aggregate hold c.73% of the Shares, which constitutes a majority stake. Raubex and Pelagic through their concert party relationship, which has been delivered to Bauba and the TRP, jointly have 'control' of Bauba.

A key element of the assessment of reasonableness is the influence of the voting rights of the minority shareholders. Due to the concert relationship, the minority shareholders are unlikely to be able to exert significant influence on the decision making of Bauba. As a result of the Mandatory Offer, participants will be compensated in cash in exchange for their rights and interests in Bauba and there will be no material adverse effects of the Proposed Transaction against the compensation received by the Bauba Shareholders.

The Proposed Transaction is considered to be reasonable as the minority shareholders are unlikely to be able to influence the decision making of Bauba as a result of the majority shareholding stake held by Bauba and its concert party.

PROCEDURES

In order to assess the fairness of the terms and conditions relating to the Proposed Transaction, we have performed, amongst others, the following procedures:

- Considered the audited annual financial statements of Bauba for the periods ended 30 June 2019, 30 June 2020 and 30 June 2021;
- Considered the unaudited year-to-date management accounts of Bauba for the 6-month period ended 30 December 2021;
- Reviewed the SAMREC compliant Mineral resource estimations for the Moejelijik Chrome Operation and Kookfontein Chrome Project and the SAMREC compliant Mineral resource estimations for the Moejelijik Chrome Operation;
- Considered the eight-year forecasted financial information for the 12 monthly periods ending 30 June 2022 to 30 June 2029 of Bauba;
- Considered the historic cost information relating to the Kookfontein Chrome Project;
- Considered the information and assumptions made available by the management of Bauba around the forecasted revenue, EBITDA, working capital and capital expenditure for the eight-year forecasted period;

- Reviewed the relevant signed offtake agreements entered into by Bauba;
- Reviewed the mining studies performed by competent persons on the Moejelijik and Kookfontein Chrome operations;
- Considered information made available by and from discussions held with the management of Bauba;
- Reviewed general economic, market and related conditions in which Bauba operates in; and
- Reviewed the terms and conditions of the Proposed Transaction.

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

VALUATION

We have performed a valuation of Bauba to determine whether the Consideration Payable for the Shares represents fair value to the Bauba shareholders. We confirm that we have performed a sum of the parts valuation of Bauba.

The Moejelijik Chrome Operation and Kookfontein Chrome Project have been valued utilising appropriate valuation methods. The Moejelijik Chrome Operation was valued using the income approach and applying a Discounted Cashflow methodology as a primary basis of valuation respectively and the market approach as a secondary valuation methodology. The Kookfontein Chrome Project was valued using the cost approach as a primary valuation methodology and the market approach as secondary methodology. The values of the Moejelijik Chrome Operation and Kookfontein Chrome Project have been aggregated to arrive at an equity value for Bauba.

Assumptions:

We arrived at our opinion based on the following assumptions:

- That reliance can be placed on the audited annual financial statements of Bauba for the periods ended 30 June 2019, 30 June 2020 and 30 June 2021;
- That reliance can be placed on the unaudited year-to-date management accounts of Bauba for the 6-month period ended 30 December 2021;
- That reliance can be placed on the SAMREC compliant Mineral resource estimations for the Moejelijik Chrome Operation and Kookfontein Chrome Project and the SAMREC compliant Mineral Reserve estimation for the Moejelijik Chrome Operation;
- That reliance can be placed on the eight-year forecasted financial information for the 12 monthly periods ending 30 June 2022 to 30 June 2029 of Bauba;
- That reliance can be placed on the historic cost information relating to the Kookfontein Chrome Project;
- That reliance can be placed on the information and assumptions made available by the management of Bauba around the forecasted revenue, EBITDA, working capital and capital expenditure for the eight-year forecasted period;
- That reliance can be placed on the relevant signed offtake agreements entered into by Bauba;
- That reliance can be placed on the specialist studies performed by the competent persons and other consultants on the Moejelijik Chrome Operation and Kookfontein Chrome Project;
- That reliance can be placed on the presentations prepared by management;
- That reliance can be placed on trading and market data obtained from external data providers;
- That reliance can be placed on the terms and conditions of the Proposed Transaction; and
- That forecasted assumptions provided by Bauba management are achievable.

The valuation was performed taking cognisance of Bauba's current and planned operations as well as other market factors affecting these operations. Using the value derived from the above valuation, a comparison was made between the purchase consideration and the fair value range of Bauba.

The following analyses were performed on the key value drivers:

- An analysis and review of the forecast chrome prices. This included sensitivity analyses performed on the forecast revenue and assessed the impact thereof on the valuation;
- An analysis and review of the forecast profit margins. This included a sensitivity analysis performed on the forecast EBITDA margins and assessed the impact thereof on the valuation;
- An analysis and review of the impact of the discount rate and perpetuity rate. This included a sensitivity analysis performed on the discount rate and perpetuity rate and assessed the impact thereof on the valuation; and
- An analysis and review of the costs incurred. This included a sensitivity analysis performed on the costs and assessed the impact thereof on the valuation.

The outcome of the valuation of the Shares resulted in an indicative valuation range of between R0.16 and R0.35, with a core value of R0.25 per Share. The Purchase Consideration of R0.42 per Share is above the valuation range and is therefore fair and reasonable to the Bauba Shareholders.

OPINION

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

We have considered the terms and conditions of the Proposed Transaction, and based upon and subject to the foregoing, we are of the opinion that the Proposed Transaction is fair and reasonable to the Bauba Shareholders in terms of the Companies Act.

CONSENT

We hereby consent to the inclusion of this opinion and references hereto, in the form and context in which it appears in any required regulatory announcement or document.

Yours faithfully

Anoop Ninan
Director

Mazars Corporate Finance (Pty) Ltd
54 Glenhove Road
Melrose Estate, 2196

DEALINGS IN SHARES

To the best of the knowledge of Bauba, the Directors had no dealings in Shares during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date, other than as set out below:

Director name	Date of transaction	Number of Shares	Share price (c)	Total value of transaction (R)	Nature of transaction
Dr. N.M. Phosa (associate dealing by the Math-Pin Trust)	4 October 2021	4600	42	1 932.00	Sale of shares on market
Dr. N.M. Phosa (associate dealing by the Math-Pin Trust)	4 October 2021	1 250 528	37	462 695.36	Sale of shares on market

Raubex dealt in Shares as follows during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date:

Date of transaction	Number of Shares	Share price (c)	Total value of transaction (R)	Nature of transaction
30 September 2021	95 000	42	39 900.00	Purchase of shares on market
1 October 2021	5 016 171	42	2 104 218.64	Purchase of shares on market
4 October 2021	1 196 148	37	442 574.76	Purchase of shares on market
11 October 2021	1 126	35	394.10	Purchase of shares on market
19 October 2021	2 000 000	37	740 000.00	Purchase of shares on market
1 December 2021	41 734 852	31	12 937 804.00	Rights issue
31 January 2022	185 217 699	36	66 678 371.64	Purchase of shares off market

Pelagic dealt in Shares as follows during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date:

Date of transaction	Number of Shares	Share price (c)	Total value of transaction (R)	Nature of transaction
1 December 2021	51 532 032	0.31	15 974 930.04	Rights issue

EXTRACTS OF THE AUDITED CONSOLIDATED FINANCIAL INFORMATION OF BAUBA FOR THE FINANCIAL YEARS ENDED 30 JUNE 2019, 30 JUNE 2020 AND 30 JUNE 2021

The report of historical financial information is the responsibility of the Directors. Full copies of the audited historical financial statements of Bauba for the three financial years ended 30 June 2019, 30 June 2020 and 30 June 2021:

- (i) will be made available to Shareholders, on request;
- (ii) are accessible on Bauba's website (<https://www.baubaresources.co.za/investors-downloads/>), as to:
 - FY2019: <https://www.baubaresources.co.za/wp-content/uploads/2020/10/Bauba-Resources-Limited-Condensed-Consolidated-Results-2019.pdf>;
 - FY2020: <https://www.baubaresources.co.za/wp-content/uploads/2020/12/Bauba-provisional-condensed-results-2020.pdf>; and
 - FY2021: <https://www.baubaresources.co.za/wp-content/uploads/2021/09/Bauba-Resources-provisional-results-SENS-booklet-2021.pdf>; and
- (iii) are available for inspection, at the registered offices of Bauba, in accordance with the provisions of paragraph 16 of Part A of the Circular.

GROUP

	2021 R'000	2020 R'000	2019 R'000
FINANCIAL PERFORMANCE			
Revenue	277 100	260 394	302 122
Cost of sales	(224 259)	(249 325)	(190 475)
Gross profit	52 841	11 069	111 647
Other income	–	–	71
Operating and administrative expenses	(86 364)	(69 390)	(67 834)
Net finance (cost)/income	(9 362)	(1 120)	3 865
Foreign exchange gain	12 324	–	–
Share of loss of associate	(519)	(54)	–
(Loss)/profit before tax	(31 080)	(59 495)	47 749
Income tax	3 853	14 219	(14 718)
(Loss)/profit for the year	(27 227)	(45 276)	33 031
Diluted (loss)/earnings per share (cents)	(4,73)	(8,07)	4,71
FINANCIAL POSITION			
Intangible assets	132 136	141 838	145 315
Property, plant and equipment	285 892	180 621	139 829
Investment in associate	9 427	9 946	–
Other non-current assets	45	–	–
Inventory	85 997	64 985	87 033
Trade and other receivables	19 708	14 600	10 899
Loan to associate	7 072	–	–
Cash and cash equivalents	4 812	48 514	32 822
Total assets	545 089	460 504	415 898
Stated capital	602 432	512 500	512 500
Reverse asset acquisition reserve	(282 988)	(282 988)	(282 988)
Share-based payment reserve	–	6 973	4 345
Retained (loss)/earnings	(35 309)	(13 454)	17 138
Non-controlling interest	49 968	55 340	70 024
Environmental rehabilitation provision	5 078	5 794	6 650
Deferred tax	12 674	16 527	30 746
Share-based payment liability	6 691	–	–
Borrowings	53 573	70 637	–
Lease liability	42 032	5 075	–
Trade and other payables	69 225	54 354	32 610
Other financial liabilities	1 036	17 911	7 449
Loans from shareholders	20 677	10 194	–
Prepayment	–	–	13 364
Current tax payable	–	1 641	4 060
Total equity and liabilities	545 089	460 504	415 898
Net asset value per share (cents)	52,16	73,44	84,70
Tangible net asset value per share (cents)	31,53	36,02	46,36

GROUP

	2021 R'000	2020 R'000	2019 R'000
CASH FLOW			
Cash from operating activities	(26 331)	6 503	4 627
Acquisition of intangible assets	-	-	-
Acquisition of property, plant and equipment	(85 573)	(45 673)	(59 185)
Acquisition of investment in associate	-	(10 000)	-
Advance of loan to associate	(7 072)	-	-
Investment in long-term deposits	(45)	-	-
Finance income	1 122	885	3 939
Proceeds from prepayment	-	-	73 500
Repayment of prepayment	-	(13 364)	(60 136)
Proceeds from issue of shares	89 932	-	-
Proceeds from borrowing	21 155	68 853	-
Repayment of borrowings	(25 895)	-	-
Loans from shareholders	20 500	10 000	-
Repayment of loans from shareholders	(10 000)	-	-
Principal paid on lease liability	(11 579)	(910)	-
Finance cost paid – lease liability	(4 557)	(375)	-
Finance cost paid – other	(5 359)	(227)	-
Total cash movement for the year	(43 702)	15 692	(37 255)
Cash and cash equivalents at the beginning of the year	48 514	32 822	70 077
Cash and cash equivalents at the end of the year	4 812	48 514	32 822
NON-FINANCIAL			
Chrome volumes			
RoM production (tonnes)	294 480	205 950	332 882
Chrome ore (RoM and concentrate) sold (tonnes)	182 390	147 700	209 050
People and safety			
Total employees	499	470	403
Safety – fatalities	0	1	0
Social metrics			
Corporate social investment	10,124	10,520	6 125
% of employees from local communities	82	77	80

SECTION 124: COMPULSORY ACQUISITIONS AND SQUEEZE OUTS

- (1) If, within four months after the date of an offer for the acquisition of any class of securities of a regulated company, that offer has been accepted by the holders of at least 90 percent of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or persons acting in concert, or a nominee or subsidiary of any such person or persons:
 - (a) within two further months, the offeror may notify the holders of the remaining securities of the class, in the prescribed manner and form:
 - (i) that the offer has been accepted to that extent; and
 - (ii) that the offeror desires to acquire all remaining securities of that class; and
 - (b) subject to subsection (2), after giving notice in terms of paragraph (a), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (2) Within 30 business days after receiving a notice in terms of subsection (1)(a), a person may apply to a court for an order:
 - (a) that the offeror is not entitled to acquire the applicant's securities of that class; or
 - (b) imposing conditions of acquisition different from those of the original offer.
- (3) If an offer to acquire the securities of a particular class has not been accepted to the extent contemplated in subsection (1):
 - (a) the offeror may apply to a court for an order authorising the offeror to give a notice contemplated in subsection (1)(a); and
 - (b) the court may make the order applied for, if:
 - (i) after making reasonable enquiries, the offeror has been unable to trace one or more of the persons holding securities to which the offer relates;
 - (ii) by virtue of acceptances of the original offer, the securities that are the subject of the application, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1);
 - (iii) the consideration offered is fair and reasonable; and
 - (iv) the court is satisfied that it is just and equitable to make the order, having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
- (4) If an offer for the acquisition of any class of securities of a regulated company has resulted in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90 percent of the securities of that class:
 - (a) the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent;
 - (b) within three months after receiving a notice in terms of paragraph (a), a person may demand that the offeror acquire all of the person's securities of the class concerned; and
 - (c) after receiving a demand in terms of paragraph (b), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (5) If an offeror has given notice in terms of subsection (1), and no order has been made in terms of subsection (3), or if the offeror has received a demand in terms of subsection (4)(b):
 - (a) six weeks after the date on which the notice was given or, if an application to a court is then pending, after the application has been disposed of, or after the date on which the demand was received, as the case may be, the offeror must:
 - (i) transmit a copy of the notice to the regulated company whose securities are the subject of the offer, together with an instrument of transfer, executed on behalf of the holder of those securities by any person appointed by the offeror; and
 - (ii) pay or transfer to that company the consideration representing the price payable by the offeror for the securities concerned,

- (b) subject to the payment of prescribed fees or duties, the company must thereupon register the offeror as the holder of those securities.
- (6) An instrument of transfer contemplated in subsection (5) is not required for any securities for which a share warrant is for the time being outstanding.
- (7) A regulated company must deposit any consideration received under this section into a separate interest bearing bank account with a banking institution registered under the Banks Act and, subject to subsection (8), those deposits must be:
 - (a) held in trust by the company for the person entitled to the securities in respect of which the consideration was received; and
 - (b) paid on demand to the person contemplated in paragraph (a), with interest to the date of payment.
- (8) If a person contemplated in subsection (7)(a) fails for more than three years to demand payment of an amount held in terms of that paragraph, the amount, together with any accumulated interest, must be paid to the benefit of the Guardian's Fund of the Master of the High Court, to be held and dealt with in accordance with the rules of that Fund.
- (9) In this section any reference to a "holder of securities who has not accepted the offer" includes any holder who has failed or refused to transfer their securities to the offeror in accordance with the offer.



BAUBA RESOURCES LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1986/004649/06)
Share code: BAU ISIN: ZAE000145686
("Bauba")

FORM OF ACCEPTANCE, TRANSFER AND SURRENDER (*PINK*) ("FORM")

THIS FORM IS FOR USE BY CERTIFICATED SHAREHOLDERS ONLY

All terms used in this Form shall, unless the context otherwise requires or they are otherwise defined herein, have the meanings attributed to them in the Circular to which this Form is attached.

Important notes concerning this Form:

- this Form is attached for the convenience of Certificated Shareholders who wish to accept the Offer;
- if you have any queries in relation to the action required by Certificated Shareholders, please contact the Transfer Secretaries' helpline via email at corporate.events@computershare.co.za or telephonically on 0861 100 634 if calling from within South Africa and on +27 11 370 5000 if calling from outside of South Africa; and
- if you are in any doubt about the action to be taken, you should consult your CSDP, Broker, banker, legal advisor, accountant, other financial intermediary or other professional advisor immediately.

HOLDERS OF DEMATERIALISED SHARES MUST NOT COMPLETE THIS FORM.

INSTRUCTIONS

1. A separate Form is required for each Shareholder.
2. **Part A** must be completed by all Shareholders who wish to accept the Offer.
3. **Part B** must be completed by all Certificated Shareholders who wish to accept the Offer and who emigrated from the Common Monetary Area on or before 28 February 2021 and whose Shares are controlled in terms of the Exchange Control Regulations by an Authorised Dealer (*refer to note 3 below*).
4. **Part C** must be completed by all Certificated Shareholders who wish to accept the Offer and who are non-residents of the Common Monetary Area or who are emigrants whose Shares are not controlled in terms of the Exchange Control Regulations and wish for the Offer Consideration to be paid to an Authorised Dealer.
5. **Part D** must be completed by all Certificated Shareholders who completed Part A and who wish to receive the Offer Consideration by way of EFT.
6. The completed Form and the Documents of Title in respect of the Shares tendered must be returned to the Transfer Secretaries, so as to be received by not later than 12:00 on the Closing Date.
7. Persons who have acquired Shares after the date of issue of the Circular to which this Form is attached, may obtain copies of the Form and the Circular from the Transfer Secretaries.
8. **The Offer Consideration will not be delivered and/or paid to Certificated Offer Participants unless and until Documents of Title in respect of the relevant Offer Shares have been surrendered to the Transfer Secretaries.**

To: Transfer Secretaries

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, Johannesburg, South Africa
2196
(Private Bag X3000, Saxonwold, South Africa, 2132)
corporate.events@computershare.co.za

Dear Sirs

PART A: TO BE COMPLETED BY ALL CERTIFICATED SHAREHOLDERS WHO RETURN THIS FORM.

I/We, the undersigned Offer Participant wish to accept the Offer in respect of _____ Shares held by me/us and I/we hereby surrender and enclose the undermentioned Documents of Title attached hereto, representing all the Shares, registered in my/our name and authorise the Transfer Secretaries to register the surrender of these Shares into the name of Raubex as follows:

Name of Shareholder	Certificate number/s (in numerical order)	Number of Shares covered by each certificate enclosed
Total		

Name in full: _____

Title (Mr., Mrs, Miss, Ms., etc.): _____

Address in South Africa: _____

Telephone number: _____

Email address: _____

Account number/Investor Code (IVC): _____

Name of juristic person/name of trust together with the name of each trustee: _____

Identify number/registration number/Master's reference number and identify numbers of each trustee: _____

Signature of Offer Participant	Stamp and address of agent lodging this Form (if any)
Assisted by me (if applicable):	
(State full name and capacity):	
Date:	
Telephone number (Home): ()	
Telephone number (Work): ()	
Cell phone number:	

Notes:

In order to comply with the Financial Intelligence Centre Act, No. 38 of 2001, as amended ("FICA"), the Transfer Secretaries will be unable to record any change of address unless the following documentation is received:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- an original or original certified copy of a service bill to verify your residential address.

PART B: TO BE COMPLETED BY ALL SHAREHOLDERS WHO ARE EMIGRANTS FROM THE COMMON MONETARY AREA AND WHOSE SHARES ARE CONTROLLED IN TERMS OF THE EXCHANGE CONTROL REGULATIONS

The Offer Consideration will be transferred (at the risk of the Certificated Shareholders) to the Authorised Dealer nominated by the Certificated Shareholders below for its control and credited to the emigrant's capital account. Accordingly, non-residents who are emigrants must provide the following information:

Name of Authorised Dealer:	Stamp and address of agent lodging this Form (if any)
Account number:	
Address:	
Signature of Authorised Dealer:	

If emigrants make no nomination above Bauba (or any third party nominated by Bauba for this purpose, which may include the Transfer Secretaries) will hold the Offer Consideration in trust for the benefit of the emigrants concerned until a written instruction is received as to the disposal of such amount.

PART C: TO BE COMPLETED BY SHAREHOLDERS WHO ARE NON-RESIDENTS OF THE COMMON MONETARY AREA OR EMIGRANTS WHOSE SHARES ARE NOT CONTROLLED IN TERMS OF THE EXCHANGE CONTROL REGULATIONS AND WHO WISH TO HAVE THE OFFER CONSIDERATION PAID TO AN AUTHORISED DEALER

The Offer Consideration due to Shareholders who have registered addresses outside South Africa (other than Shareholders who are emigrants from the Common Monetary Area and whose Shares have not been released) and whose share certificates are endorsed non-resident will be posted to the relevant Shareholder, unless that Shareholder nominates an Authorised Dealer to which such Offer Consideration should be paid:

Name of Authorised Dealer:	Stamp and address of agent lodging this Form (if any)
Account number:	
Address:	
Signature of Authorised Dealer:	

PART D: TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS WHO ELECT TO RECEIVE THE OFFER CONSIDERATION BY WAY OF EFT.

To be completed in BLOCK CAPITALS by Certificated Shareholders wishing to receive payment of the Offer Consideration comprising in cash by means of EFT.

I/We, being a holder/s of Shares hereby request that the Offer Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third-party accounts): _____

Bank name: _____

Branch name: _____

Branch code: _____

Account number: _____

Swift number: _____

IBAN number: _____

Signature of Shareholder:

Assisted by me (if applicable): _____

(State full name and capacity): _____

Date: _____

Tel (Home): () Tel (Work): () Cell phone: _____

In terms of FICA, the Transfer Secretaries will only be able to record the bank details if certified true copies of the Shareholder's identity document and bank statement or account confirmation letter are submitted with this Form.

Bauba and/or the Transfer Secretaries undertake no responsibility for verification of the banking details provided above nor for the authenticity of the signature above. Certificated Shareholders warrant the correctness of the above banking details and indemnify and hold Bauba and the Transfer Secretaries harmless against any loss for funds having been paid into the account, details of which have been provided above.

In the case of Certificated Shareholders who fail to provide updated and valid bank details: the Offer Consideration will be paid into the bank account of such Certificated Shareholder on record with Bauba, at the risk of such Certificated Shareholder.

Notes:

1. Offer Participants should consult their professional advisors in case of doubt as to the correct completion of this Form.
2. All other non-residents of the Common Monetary Area must complete **Part B** if they wish the Offer Consideration to be paid to an Authorised Dealer in South Africa.
3. Emigrants from the Common Monetary Area who emigrated on or before 28 February 2021 and that obtained a MP336(b) form that was attested by an Authorised Dealer must, in addition to **Part A**, also complete **Part B**. If **Part B** is not properly completed, the Offer Consideration will be held in trust by Bauba or the Transfer Secretaries pending receipt of the necessary nomination or instruction. No interest will accrue or be paid on any Offer Consideration so held in trust.
4. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form.
5. Persons who are emigrants from the Common Monetary Area should nominate the Authorised Dealer in foreign exchange in South Africa which has control of their remaining assets in **Part B** of this Form. Failing such nomination, the Offer Consideration due to such Offer Participants in accordance with the provisions of the Offer will be held by Bauba or the Transfer Secretaries, pending instructions from the Offer Participants concerned.
6. If this Form is not signed by the Offer Participant, the Offer Participant will be deemed to have irrevocably appointed the Transfer Secretaries to implement the Offer Participant's obligations under the Offer on his behalf.
7. Any alteration to this Form must be signed in full and not initialled.
8. If this Form is signed under a power of attorney, then such power of attorney, or a notarial certified copy thereof, must be sent with this Form for noting (unless it has already been noted by Bauba or the Transfer Secretaries).
9. Where the Offer Participant is a company or a close corporation, unless it has already been registered with Bauba or the Transfer Secretaries, a certified copy of the directors' or members' resolution authorising the signing of this Form must be submitted if so requested by Bauba.
10. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the Transfer Secretaries.
11. Where there are any joint holders of any Offer Shares, only that holder whose name stands first in the Register in respect of such Offer Shares need sign this Form.
12. Notes 8, 9 and 10 do not apply in the event of this form bearing a JSE Broker's stamp.



www.baubaresources.co.za