

Raubex Group Limited

(Incorporated in the Republic of South Africa)
(Registration number: 2006/023666/06)
Share code: RBX ISIN: ZAE000093183

Bauba Resources Limited

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

JOINT FIRM INTENTION ANNOUNCEMENT OF A MANDATORY OFFER BY RAUBEX (THROUGH ITS SUBSIDIARY) TO ACQUIRE ALL THE ISSUED ORDINARY SHARES IN BAUBA NOT ALREADY HELD BY RAUBEX AND ITS CONCERT PARTY AND WITHDRAWAL OF BAUBA CAUTIONARY ANNOUNCEMENT 24 JANUARY 2022

1. INTRODUCTION

- 1.1 Shareholders are advised that Raubex Group Limited, through its wholly-owned subsidiary, Raubex Proprietary Limited ("**Raubex**"), has acquired, in aggregate, 185 026 743 ordinary shares in Bauba ("**Shares**") from Absalom Limited, the Dunkeld Trust, the Kumane Trust and Tomarnic Limited (collectively, the "**Sellers**") constituting c.24.7% of the issued ordinary share capital of Bauba ("**Acquired Shares**"), on 31 January 2022 at a purchase consideration of R0.36 per Acquired Share ("**Acquisition**") resulting in Raubex holding, in aggregate, c.51% of the Shares.
- 1.2 Consequently, in terms of section 123 of the Companies Act 71 of 2008, as amended, ("**Companies Act**") read with the regulations promulgated in terms of sections 120 and 223 of the Companies Act ("**Takeover Regulations**"), Raubex is obliged to make an offer to all Bauba shareholders other than its concert party ("**Bauba Shareholders**") to acquire all of the ordinary shares of Bauba that Raubex and its concert party do not already own ("**Offer Shares**"), on the terms and conditions as set out below ("**Offer**").
- 1.3 Raubex, as the offeror in terms of the Offer, is the ultimate proposed purchaser of all of the Offer Shares. Raubex is acting in concert with Pelagic Resources PTE LTD, registration number 201713062N, a limited liability private company incorporated in accordance with the laws of the Republic of Singapore ("**Pelagic**") for purposes of making and implementing the Offer. Each of Raubex and Pelagic has delivered a declaration of their concert party relationship to Bauba and the Takeover Regulation Panel ("**TRP**") in compliance with Regulation 84(5) of the Takeover Regulations.
- 1.4 As at the date of this announcement, Raubex and its concert party, Pelagic, directly and indirectly, hold the following beneficial interests in Bauba:
- 1.4.1 Raubex: 382 881 113 Shares, representing c.51% of the issued share capital of Bauba; and
- 1.4.2 Pelagic: 165 215 366 Shares, representing c.22% of the issued share capital of Bauba.
- 1.5 Raubex has notified the board of directors of Bauba of its interest in Shares arising from the Acquisition in terms of section 122 and its obligation to proceed with the Offer in terms of section 123 of the Companies Act.
- 1.6 The Offer is an affected transaction as defined in section 117(1)(c)(vi) of the Companies Act and, accordingly, will be regulated by the Companies Act, the Takeover Regulations and the TRP.

1.7 The purpose of this firm intention announcement is to advise Bauba Shareholders of the terms and conditions of the Offer, in compliance with Regulation 101 of Chapter 5 of the Companies Act Regulations. This announcement also serves as the notice to Bauba Shareholders required in terms of section 123(3) of the Companies Act.

2. THE OFFER

2.1 Terms of the Offer

2.1.1 Raubex shall offer to acquire all of the Offer Shares in exchange for the offer consideration of R0.42 per Offer Share in cash ("**Offer Consideration**"). Bauba Shareholders may elect to accept the Offer in whole or in part.

2.1.2 The Offer is subject only to the TRP having issued a compliance certificate in respect of the Offer in terms of section 119(4)(b) of the Companies Act.

2.1.3 The Offer Consideration is the highest price paid by Raubex and its concert party, Pelagic, for Shares in Bauba within the six-month period before the date of this announcement. No minority or marketability discount has been applied to the Offer Consideration.

2.2 Period of the Offer

The Offer is expected to open for acceptance from 09:00 on or about Wednesday, 2 March 2022, being one day after the expected posting of the combined offer circular to be distributed to Bauba Shareholders in respect of the Offer ("**Circular**"), for a minimum period of 30 business days ("**Initial Offer Period**"). Raubex expressly reserves the right, subject to approval by the TRP, to extend the Initial Offer Period in accordance with the provisions of the Takeover Regulations and other applicable laws.

2.3 Payment of the Offer consideration

Raubex has provided the TRP with an irrevocable and unconditional bank guarantee issued by Nedbank Limited in accordance with Regulation 111(4) and (5) of the Takeover Regulations. The amount of the bank guarantee is sufficient to satisfy the maximum aggregate Offer Consideration payable to Bauba Shareholders that accept the Offer.

2.4 No set-off of Offer Consideration

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

3. RATIONALE FOR THE OFFER

3.1 As a consequence of the Acquisition, Raubex's shareholding and associated voting rights in Bauba has increased from c.26.4% to c.51%, representing more than 35% of the voting rights in Bauba, obliging it to make a mandatory offer to Bauba Shareholders for the Offer Shares at the highest price paid by Raubex or its concert party, Pelagic, for a Bauba Share in the six months before the date of this announcement, being R0.42 per Share.

4. RECOMMENDATION AND INDEPENDENT EXPERT OPINION

4.1 An independent committee of the Bauba board of directors ("**Independent Board**") has been formed for the purposes of considering the Offer in accordance with the Takeover Regulations. The Independent Board is comprised of the following directors:

4.1.1 Dr Nakedi Matthews Phosa;

4.1.2 Eugene Nel; and

4.1.3 Vincent Sean Edwards.

4.2 In accordance with the Takeover Regulations, the Independent Board has appointed Mazars as an independent expert in terms of the Takeover Regulations, to provide it with independent, external advice in relation to the Offer and to make appropriate recommendations to the Independent Board for the benefit of Bauba Shareholders.

4.3 The contents of the independent expert's advice and opinion and the final views of the Independent Board will be detailed in the Circular.

5. COMPULSORY ACQUISITION

Should the Offer be accepted by Bauba Shareholders holding at least 90% of the Offer Shares, being 201 721 019 Shares, constituting 26.9% of the issued Shares, Raubex reserves the right to implement a compulsory acquisition of the remaining Offer Shares in accordance with section 124 of the Companies Act.

6. LISTING ON THE JSE

Should Raubex be able to invoke the provisions of section 124 of the Companies Act as described in paragraph 5 above, then Raubex intends to apply for a delisting of the Shares from the Main Board of the Johannesburg Stock Exchange ("**JSE**") in terms of paragraph 1.17(a) of the JSE Listings Requirements. 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.

7. DOCUMENTATION AND SALIENT DATES

7.1 Full details of the Offer will be included in the Circular, which will include a form of acceptance, surrender and transfer. The Circular is expected to be distributed to Bauba Shareholders on or about Tuesday, 1 March 2022.

7.2 The salient dates pertaining to the Offer will be published on Bauba's website (www.baubaresources.co.za) and in the press prior to the distribution of the Circular.

8. RESPONSIBILITY STATEMENT

8.1 The Raubex board of directors accepts responsibility for the information contained in this announcement insofar as it relates to Raubex (including details of the Acquisition and of the Offer). To the best of its knowledge and belief, such information contained herein is true and nothing has been omitted which is likely to affect the importance of such information.

8.2 The Independent Board accepts responsibility for the information contained in this announcement insofar as it relates to Bauba only. To the best of its knowledge and belief,

such information contained herein is true and nothing has been omitted which is likely to affect the importance of such information.

9. WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

Following the release of this announcement, Bauba Shareholders are advised that they are no longer required to exercise caution when dealing in their Shares.

Johannesburg

3 February 2022

Sponsor to Bauba
Merchantec Capital



Legal adviser to Bauba
Webber Wentzel



Financial advisor and sponsor to Raubex
Investec Bank Limited

Legal adviser to Raubex
DLA Piper Advisory Services Proprietary Limited

