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

DECLARATION ANNOUNCEMENT IN RESPECT OF THE BAUBA CLAW-BACK OFFER

1. INTRODUCTION

Shareholders are referred to the announcement released on SENS on 29 September 2021 wherein they were advised that Bauba intends to raise an amount of R33 883 881.02 by way of a renounceable claw-back offer ("**Claw-Back Offer**"). In terms of the Claw-Back Offer, shareholders will be offered the right to subscribe for their *pro rata* portion of 109 302 842 new Bauba shares ("**Claw-Back Offer Shares**") at a subscription price of R0.31 per Claw-Back Offer Share ("**Claw-Back Subscription Price**") in the ratio of 17.06485 Claw-Back Offer Shares for every 100 shares held at the close of business on the initial record date for the Claw-Back Offer ("**Entitlement**"), being Friday, 12 November 2021 ("**Initial Record Date**").

In terms of the agreement entered into between Bauba, Pelagic Resources Pte Limited ("**Pelagic**") and Raubex Proprietary Limited ("**Raubex**") (Pelagic and Raubex are collectively referred to as the "**Underwriters**") ("**Underwriting and Share Subscription Agreement**"), the Underwriters, which currently hold 17.7% and 23.1% of the issued share capital of Bauba respectively, have undertaken to subscribe for and take up, at the Claw-Back Subscription Price, all the Claw-Back Offer Shares not taken up by shareholders pursuant to the Claw-Back Offer, which undertaking the Underwriters will give effect to in the respective proportions, being 43.5% in the case of Pelagic and 56.5% in the case of Raubex.

In terms of the Underwriting and Share Subscription Agreement, the proceeds of the Claw-Back Offer have been received by Bauba and no underwriting fee is payable by Bauba to the Underwriters.

The Claw-Back Offer, which enables Bauba to accelerate the raising of funds, provides shareholders with an equal opportunity to participate in the recapitalisation of the Company. The funds raised in terms of the Claw-Back Offer will be used for working capital and limited capital expenditure commitments.

2. SALIENT TERMS OF THE CLAW-BACK OFFER

In terms of the Claw-Back Offer, shareholders will receive the Entitlement to subscribe for 17.06485 Claw-Back Offer Shares for every 100 shares held on the Initial Record Date.

Shareholders who hold less than 100 shares or who do not hold a multiple of 100 shares, will be entitled, in respect of such holdings, to participate in the Claw-Back Offer in accordance with the table of entitlement to be included in the Claw-Back Offer circular ("**Circular**") which will be available to shareholders as set out in paragraph 3 below.

The allocation of Claw-Back Offer Shares will be such that shareholders will not be allocated a fraction of a Claw-Back Offer Share and as such any entitlement to receive a fraction of a Claw-Back Offer Share which:

- is less than one-half of a Claw-Back Offer Share, will be rounded down to the nearest whole number;
- is equal to or greater than one-half of a Claw-Back Offer Share but less than a whole Claw-Back Offer Share, will be rounded up to the nearest whole number.

Certificated shareholders will have their Entitlements credited to a nominee account in electronic form, which will be administered by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, on their behalf. The form of instruction accompanying the Circular ("**Form of Instruction**") will reflect the number of shares for which the certificated shareholder is entitled to subscribe. The procedure to be followed by certificated shareholders for the acceptance, sale or renunciation of their Entitlement

will be reflected on the Form of Instruction. Entitlements which lapse will be allocated to the Underwriters in terms of the Underwriting and Share Subscription Agreement.

Dematerialised shareholders will not receive a Form of Instruction and will have their Entitlement to subscribe for Claw-Back Offer Shares automatically credited in electronic form to their account held by their appointed CSDP or broker. The CSDP or broker will advise dematerialised shareholders of the procedure to be followed and the timing for the acceptance, sale, renunciation or lapsing of such Entitlements.

The renounceable (nil paid) letters of allocation to be issued to shareholders in electronic form conferring the entitlement to subscribe for the Claw-Back Shares ("**Letters of Allocation**") to which the Forms of Instruction relate, are transferrable and can be renounced or sold on the JSE Limited ("**JSE**").

Upon issue, the Claw-Back Offer Shares will rank *pari passu* in all respects with the existing Bauba shares.

Bauba shareholders may not apply for any excess Claw-Back Offer Shares.

3. SALIENT DATES AND TIMES

	2021
Claw-Back Offer Declaration Data announcement released on SENS	Tuesday, 2 November
Claw-Back Offer Finalisation announcement released on SENS	Thursday, 4 November
Publication of Circular, including Form of Instruction, on Bauba's website	Monday, 8 November
Last day to trade in Bauba shares in order to be eligible to participate in the Claw-Back Offer on	Tuesday, 9 November
Bauba shares trade <i>ex</i> the Claw-Back Offer from commencement of trade on	Wednesday, 10 November
Listing of and trading of Letters of Allocation on the JSE under JSE code "BAUN" and ISIN ZAE000304267 from commencement of trade on	Wednesday, 10 November
Circular, including Form of Instruction, distributed to certificated shareholders on	Thursday, 11 November
Record date for the Claw-Back Offer for purposes of determining the Bauba shareholders entitled to participate in Claw-Back Offer (Initial Record Date) at the close of business on	Friday, 12 November
Claw-Back Offer opens at 09:00 on	Monday, 15 November
CSDP or broker accounts credited with Entitlements in respect of holders of dematerialised shares on	Monday, 15 November
Letters of Allocation credited to an electronic account held at the Transfer Secretaries in respect of holders of certificated shares on	Monday, 15 November
Circular distributed to dematerialised shareholders	Monday, 15 November
Last day to trade in Letters of Allocation on the JSE on	Tuesday, 23 November
Last day for Form of Instruction to be lodged with the Transfer Secretaries by 12:00 in respect of certificated shareholders wishing to sell all or part of their Entitlement	Tuesday, 23 November
Listing and trading of the Claw-Back Offer Shares commences on the JSE at 09:00 on	Wednesday, 24 November
Last day for Form of Instruction to be lodged with the Transfer Secretaries by 12:00 in respect of certificated shareholders wishing to subscribe for or renounce all or part of their Entitlement on	Friday, 26 November
Record date for Letters of Allocation (Final Record Date)	Friday, 26 November

Last day for restricted shareholders to lodge qualified institutional buyers' investor letters to Bauba at 12:00 on	Friday, 26 November
Claw-Back Offer closes at 12:00 on	Friday, 26 November
CSDP or broker accounts credited with Claw-Back Offer Shares and debited with the payments due in respect of holders of dematerialised shares on	Monday, 29 November
Share certificates in terms of the Claw-Back Offer Shares posted to certificated shareholders on or about	Monday, 29 November
Claw-Back Offer Shares not subscribed for by existing Bauba shareholders in terms of the Claw-Back Offer, issued to the Underwriters on	Monday, 29 November
Results of Claw-Back Offer announced on SENS on	Monday, 29 November
Results of Claw-Back Offer published in the press on	Tuesday, 30 November

Notes:

1. All dates and times, which are local times in South Africa, are subject to change. Any such changes will be released on SENS and published in the press.
2. Holders of dematerialised Bauba shares are required to notify their CSDP or broker of the action they wish to take in respect of the Claw-Back Offer in the manner and time stipulated in the agreement governing the relationship between the dematerialised shareholder and his CSDP or broker
3. Share certificates may not be dematerialised or rematerialised between Wednesday, 10 November 2021 and Friday, 12 November 2021, both days inclusive.
4. Dematerialised shareholders will have their accounts at their CSDP or broker credited with their Entitlements and certificated shareholders will have their Entitlements generated in electronic form and held at the Transfer Secretaries on Monday, 15 November 2021.
5. Dematerialised shareholders will have their accounts at their CSDP or broker credited with the Claw-Back Offer Shares to the extent to which they have accepted the Claw-Back Offer. Share certificates will be posted, by registered post at the risk of certificated shareholders (or their renounees) to the extent to which they have accepted the Claw-Back Offer.
6. CSDPs effect payment in respect of dematerialised shareholders on a delivery-versus-payment method.

4. RESTRICTION ON THE CLAW-BACK OFFER

The distribution of the Circular and/or accompanying documents and/or the transfer of the Claw-Back Offer Shares and/or the Entitlement to subscribe for Claw-Back Offer Shares in jurisdictions other than South Africa may be restricted by law and failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction in which it is illegal to make the Claw-Back Offer. In such circumstances the Circular is not addressed to such shareholders and the Claw-Back Offer is made only to qualifying shareholders.

Any shareholder resident outside the Common Monetary Area, being the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Eswatini, who receives the Circular and Form of Instruction, should obtain advice as to whether any governmental and/or any other legal consent is required and/ or any other formality must be observed to enable such a subscription to be made in terms of the enclosed Form of Instruction.

The Claw-Back Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer ("**Restricted Territories**") and the Circular and Form of Instruction should not be forwarded or transmitted by recipients thereof to any person in any territory other than where it is lawful to make such an offer.

The Claw-Back Offer Shares have not been and will not be registered under the United States Securities Act of 1933 ("**Securities Act**"), or the securities laws of any state of the United States. The Circular does not constitute an offer to sell or a solicitation of an offer to buy any of the Claw-Back Offer Shares offered hereby within the United States, and the Claw-Back Offer Shares offered herein may not be offered, sold, resold or delivered or transferred, directly or indirectly, in or into the United States or to, or for the account or benefit of, U.S. persons unless registered under the Securities Act and applicable state

securities laws, or pursuant to an exemption from such registration requirements as described herein. “United States” and “U.S. persons” are defined in Regulation S under the Securities Act.

The Claw-Back Offer contained in the Circular does not constitute an offer in the District of Columbia, the United States, the Dominion of Canada, the Commonwealth of Australia, Japan or in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. Non-qualifying shareholders should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Claw-Back Offer, or trade their Entitlement. Shareholders holding Bauba shares on behalf of persons who are non-qualifying shareholders are responsible for ensuring that taking up the Claw-Back Offer, or trading in their Entitlements under that offer, do not breach regulation in the relevant overseas jurisdictions.

Subject to certain exceptions, shareholders with a registered address in the Restricted Territories will be treated as non-exercising holders and Bauba expects that the applicable Entitlements will be sold by the Transfer Secretaries on behalf of such shareholders.

The cash proceeds therefrom will be distributed to such shareholders (net of applicable fees, expenses, taxes and charges) in proportion to such shareholder’s Entitlement to the Claw-Back Offer Shares. There can be no assurances as to what price such shareholders will receive for such disposal or the timing or exchange rate conversion of such receipt to the extent applicable.

5. TAX CONSEQUENCES OF THE CLAW-BACK OFFER

The directors of Bauba are of the opinion that the purchase, holding and disposal of the Letters of Allocation or Claw-Back Offer Shares should, for taxation purposes, be treated according to the usual rules relating to the categorisation of an asset and its return as capital or revenue and accordingly, Bauba Shareholders are advised to consult their professional advisers regarding the tax consequences of the Claw-Back Offer.

Johannesburg
2 November 2021

Corporate Adviser and Sponsor
Merchantec Capital