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

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## GENERAL ISSUE OF SHARES FOR CASH AND WITHDRAWAL OF CAUTIONARY

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### 1. Introduction

Shareholders are referred to the cautionary announcement released on SENS on 1 March 2021, wherein it was advised that the Company had entered into negotiations with an interested party to raise further equity capital.

The board of directors of Bauba ("**Board**") is pleased to advise shareholders that it has entered into a binding subscription agreement with Raubex Proprietary Limited ("**Raubex**" or "**the Subscriber**"), a wholly owned subsidiary of the Raubex Group Limited ("**Subscription Agreement**") in terms of which Raubex will subscribe for 147 811 073 ordinary shares of the Company ("**Subscription Shares**").

### 2. Salient Terms of the Subscription Agreement

The issue of the Subscription Shares is subject to the fulfilment or waiver, as the case may be, of various conditions precedent, to be fulfilled on or before 22 March 2021 ("**Fulfilment Date**"), including *inter alia*:

- The satisfactory completion of a due diligence process of the Company by the Subscriber.
- Approval by the board of directors of Raubex.
- The major shareholders of the Company providing irrevocable undertakings, agreeing to vote in favour of the implementation of a dividend policy for Bauba of not less than 30% per annum of the profit after tax of the Company, subject to the availability of free cash flow and the relevant requirements of the Companies Act (No 71 of 2008) as amended ("**Dividend Policy**").

The implementation of the Dividend Policy is subject to the memorandum of incorporation of the Company being amended, which amendment(s) will require approval from shareholders and the JSE Limited ("**JSE**"), which process will commence after the Fulfilment Date.

### 3. General Authority

Subject to the fulfilment of the various conditions precedent, the Subscription Shares will be issued in terms of the Company's general authority to issue shares for cash, one business day after the Fulfilment Date. This general authority was obtained at the annual general meeting of Bauba held on

Wednesday, 3 March 2021 where the requisite majority of shareholders approved the ordinary resolution authorising the Board to issue up to 30% of the Company's issued share capital for cash in accordance with paragraph 5.52 of the JSE Listings Requirements ("**General Authority**").

In terms of paragraph 11.22 of the JSE Listings Requirements, shareholders are hereby advised that Bauba will issue more than 5% of its shares in issue under the General Authority.

The Subscription Shares represent 30.00% of the issued share capital of the Company prior to the issue thereof and will be issued at a price of 37 cents per share, being a 30.5% premium to the 30-day volume weighted average price at the close of business on Thursday, 4 March 2021, the date immediately preceding the signature of the Subscription Agreement, amounting in aggregate to R54 690 097.

The capital raised by the Company will be used to fund working capital and expansionary capital expenditure relating to the Kookfontein project and the development of the Moeijelijk underground mine.

#### **4. Withdrawal of Cautionary**

As the terms of the general issue of shares for cash have been disclosed herein, shareholders are no longer required to exercise caution when trading in the Company's securities.

Johannesburg  
11 March 2021

**Sponsor**  
Merchantec Capital