

MANTENGU MINING LIMITED
Incorporated in the Republic of South Africa
(Registration number 1987/004821/06)
Share code: MTU ISIN: ZAE000320347
("Mantengu" or "the Company")

R500 MILLION SHARE SUBSCRIPTION FACILITY AGREEMENT

1. INTRODUCTION AND INTENDED USE OF FUNDS

The board of directors of Mantengu ("**the Board**") is pleased to inform shareholders that on 25 October 2023 ("**Signature Date**"), Mantengu entered into a share subscription facility agreement with unrelated third parties, GEM Global Yield LLC SCS ("**the Investor**") and GEM Yield Bahamas Limited ("**GYBL**") ("**Agreement**").

In terms of the Agreement, the Investor will make available to Mantengu a share subscription facility of up to a maximum of R500 million ("**the Facility**") pursuant to which Mantengu will (i) be entitled to draw down from the Facility against the issuance to the Investor of ordinary shares in Mantengu ("**Ordinary Shares**") ("**Consideration Shares**"); (ii) issue warrants to the Investor ("**Warrants**") to subscribe for up to 20 million Ordinary Shares ("**Warrant Shares**"); (iii) pay GYBL a commitment fee in an amount of R10 million, which fee will be payable in cash or Ordinary Shares ("**Commitment Fee Shares**"), or a combination of both; and (iv) issue a promissory note in favour of GYBL in relation to such commitment fee ("**Promissory Note**") ("**Proposed Transaction**").

For the avoidance of doubt, the Facility is not a debt facility as there are no repayment obligations on Mantengu. Rather, it is a commitment by the Investor to subscribe for equity in Mantengu of up to a maximum value of R500 million against the delivery of subscription notices by Mantengu to the Investor, and the issue of Consideration Shares to the Investor by Mantengu during the "**Commitment Period**", being the period of three years from the Signature Date ("**Execution Date**"), such that Mantengu controls the timing and amount of any draw down under the Facility.

The proceeds of the subscription monies from the issue of the Consideration Shares and the Warrants will be used by Mantengu primarily for working capital and capital expenditure purposes. The Warrant Payment Shares and the Commitment Fee Shares will be issued to settle the payment and the Fee as set out in paragraphs 2.2.15 and 2.2.19, respectively, as the case may be.

2. THE PROPOSED TRANSACTION

2.1 Nature of the Investor and GYBL

Global Emerging Markets ("**GEM**") is a \$3.4 billion, alternative investment group with operations in Paris, New York, and Bahamas. GEM manages a diverse set of investment vehicles focused on emerging markets and has completed over 500 transactions in 70 countries. Each investment vehicle has a different degree of operational control, risk-adjusted return, and liquidity profile. The family of funds and investment vehicles provide GEM and its partners with exposure to: Small-Mid Cap Management Buyouts, Private Investments in Public Equities and select venture investments.

The Investor and GYBL are two of the investment vehicles within the GEM family of funds.

For more information: <http://www.gemny.com>.

2.2 Summary of terms of the Proposed Transaction

Consideration Shares

- 2.2.1 From time to time, and on any day on which Ordinary Shares trade on the exchange operated by the JSE Limited (“**JSE**”) (“**Trading Days**”) during the Commitment Period, Mantengu will be entitled, subject to certain conditions (including but not limited to those set out in paragraph 2.3 below) having been and remaining satisfied, to deliver a subscription notice to the Investor to subscribe for Consideration Shares (“**Subscription Notice**”). Each Subscription Notice will specify the price below which the Company does not wish to issue the Consideration Shares (“**Floor Price**”) and the aggregate number of Consideration Shares that the Company wishes the Investor to subscribe for (“**Draw Down Amount**”).
- 2.2.2 The Investor will (i) be obliged, with respect to the Subscription Notice and the “**Pricing Period**”, being a period of 15 consecutive Trading Days following the date of delivery of the Subscription Notice (“**Notice Date**”), to subscribe for such number of Consideration Shares which is at least 50% of the “**Pricing Period Obligation**”, being a number of Consideration Shares equal to the Draw Down Amount divided by 15 and multiplied by the number of Trading Days during the Pricing Period which is not a “**Knockout Day**”, as detailed in paragraph 2.2.3 below; and (ii) be entitled, at its sole discretion, to elect to subscribe for up to 200% of the Pricing Period Obligation.
- 2.2.3 The Subscription Price will be 90% of the average closing bid prices during a Pricing Period, excluding any “**Knockout Day**”, being any Trading Day during a Pricing Period: (a) on which (i) the amount equal to 90% of the closing bid price is less than the applicable Floor Price; or (ii) the Ordinary Shares are not traded on the JSE or trading thereon is suspended for more than one hour; or (b) in respect of which the Investor elects to treat a Trading Day on which a material adverse event has occurred as a Knockout Day.
- 2.2.4 On the first Trading Date following each Pricing Period, the Investor will deliver to the Company a notice stating the exact number of Consideration Shares for which it wishes to subscribe and the applicable subscription price (“**Closing Notice**”), subject to a maximum aggregate amount of R500 million in respect of all prior Closing Notices.
- 2.2.5 The number of Consideration Shares to be subscribed for by the Investor on a Closing Date will be referred to as the “**Issue Amount**”, which cannot be less than 50% of the Pricing Period Obligation.
- 2.2.6 In terms of the Agreement, “**Share Providers**”, being existing shareholders of Mantengu, will be notified by the Company by no later than five Trading Days prior to the delivery of a Subscription Notice, of its intention to deliver a Subscription Notice notification (“**Intention Notification**”) specifying the proposed Draw Down Amount and date of delivery of the applicable Subscription Notice (“**Notice Day**”).
- 2.2.7 The Share Providers shall be deemed, upon receipt of any Intention Notification, to offer (“**Offer**”) to provide Ordinary Shares to the Investor on the following terms:
- 2.2.7.1 the total number of Ordinary Shares (“**Provided Shares**”) which will be offered will be equal to the Draw Down Amount;
 - 2.2.7.2 the Investor will be deemed to accept the full amount of the Provided Shares unless it has notified the Share Providers by no later than three Trading Days prior to the Notice Date of a lesser amount; and
 - 2.2.7.3 the Share Providers will deliver the Provided Shares which are to be provided (“**Share Provision**”) to the settlement system account of the Investor prior to the Notice Date.
- 2.2.8 In the event that the Company does not proceed to issue a Subscription Notice following the Intention Notification, on the Notice Date or within three Trading Days thereafter, the Offer will be terminated, and the Investor will, at the cost of the Share Providers, procure

the return of any Provided Shares which have been delivered to the Investor's settlement system account to the relevant Share Providers.

- 2.2.9 Where the number of Provided Shares that have been transferred to the Investor by the Share Providers in connection with a Subscription Notice is greater than the Issue Amount specified in the corresponding Closing Notice, the Investor will transfer to the Share Providers such number of Ordinary Shares equal to the number by which the Provided Shares exceeds the Issue Amount by no later than the first Business Day following the Closing Date.
- 2.2.10 On acceptance of an Offer, the Investor will be deemed, in consideration of the provision of the Provided Shares, to assign to the Share Providers its right to receive such number of Consideration Shares issued pursuant to the relevant Subscription Notice as is equal to the lesser of the Issue Amount and the number of Provided Shares so that the Company shall issue such number of Ordinary Shares direct to the Share Providers in accordance with paragraph 2.2.13 below.
- 2.2.11 If the Issue Amount set out under the applicable Closing Notice is greater than the Provided Shares delivered according to the respective Subscription Notice, the Company will procure that the Share Providers deliver to the Investor's settlement system account additional Ordinary Shares up to the Issue Amount and in the amount required ("**Additional Provided Shares**") to cover any difference between the applicable Provided Shares and the Issue Amount.
- 2.2.12 On acceptance of the Additional Provided Shares, the Investor will be deemed, in consideration of the Additional Provided Shares, to assign to the Share Providers its right to receive such number of Consideration Shares issued pursuant to the relevant Closing Notice as is equal to the number of Additional Provided Shares delivered, so that the Company shall issue such number of Ordinary Shares direct to the Share Providers in accordance with paragraph 2.2.13 below.
- 2.2.13 Within twelve months of any Closing Date, the Company will issue to the Investor, by crediting the account designated by the Investor, such number of Consideration Shares subscribed for by the Investor on the relevant Closing Date, save that the Company will book the requisite number of Ordinary Shares to the account/s designated by the Share Providers to whom the Investor has assigned the rights in connection with the Provided Shares.

Warrants

- 2.2.14 The delivery of a Subscription Notice to the Investor will be subject to Mantengu having issued Warrants to the Investor within 90 days of the Execution Date ("**Warrant Delivery Date**"). Such Warrants are exercisable at any time and from time to time until the third anniversary of the date on which they are issued, at an exercise price of R4.00 per Ordinary Share ("**Exercise Price**"), subject to certain adjustments as set out in the Agreement, as the case may be. However, if on the first anniversary of the Warrant Delivery Date, the current market price of the Ordinary Shares is less than 90% of the Exercise Price, the Exercise Price shall be a sum equal to 105% of such current market price.
- 2.2.15 Regardless of whether there is a subscription for or issue of Consideration Shares under the Agreement, if the Warrants are not issued and delivered by the Warrant Delivery Date, the Company will pay the Investor a cash payment equal to the Black Scholes Value of any unissued Warrants as calculated by the Investor on a Trading Day during the three year term of the Warrant ("**Warrants Payment**"). The Warrants Payment may be payable in cash or in unrestricted Ordinary Shares ("**Warrant Payment Shares**"), or a combination of both. In order to calculate the number of Warrants Payment Shares to be delivered by the Company to the Investor, the shares will be valued at 90% of the volume weighted average price for the 15 Trading Days immediately prior to the Warrant Delivery Date.

- 2.2.16 Notwithstanding the foregoing, the Investor agrees not to exercise the Warrants such that the Investor will be issued with Ordinary Shares in excess of 10% of the Ordinary Shares then in issue until such time that the Company has obtained the requisite regulatory and shareholder approvals.
- 2.2.17 The Warrants may be assigned without Mantengu's written consent, subject to applicable regulatory and other approvals.
- 2.2.18 In terms of its obligations to deliver Warrant Shares to the persons in whose names the Warrants are registered ("**Holders**"), Mantengu will be entitled to agree that a third party lends Ordinary Shares to the Holder for delivery on the "**Relevant Effective Date**", being the date on which the Holder delivers a notice to the Company of the Holder's election to exercise the Warrant, or, if later, the date on which the exercise price is received by the Company.

Fee

- 2.2.19 At the Execution Date, Mantengu will be liable to pay GYBL a commitment fee equal to 2% of the Facility, being R10 million ("**the Fee**"), which will be discharged as set out hereafter.
- 2.2.19.1 As of the Execution Date, unless the Company has deposited in escrow a cash amount sufficient to pay the Fee in full, the Company will deposit such number of Commitment Fee Shares as is equal to the Fee, divided by the closing price on the Execution Date, with an escrow agent. If on the 90th, 180th or 270th day after the Execution Date, the closing price is lower than the price at which the Commitment Fee Shares were priced, the Company will issue to GYBL additional Commitment Fee Shares such that the aggregate value of such shares (including those already deposited in escrow), when valued at 90% of the prevailing market price on such date, is no less than the Fee.
- 2.2.19.2 Prior to the 12-month anniversary of the Execution Date ("**One Year Anniversary**"), on the relevant Closing Date, the Company will pay the Fee by having released from the escrow account and issuing to GYBL such number of Commitment Fee Shares as is equal in value to 2% of the Subscription Price under the relevant Subscription Notice ("**Pro Rata Portion**"), or a cash amount equal to the Pro Rata Portion subject to a cap of R10 million.
- 2.2.19.3 To the extent that the total Fee has not been paid by the One Year Anniversary, the outstanding Fee will become immediately payable by Mantengu either in Commitment Fee Shares or cash, as the case may be.

2.3 Conditions precedent to the delivery of a Subscription Notice

The delivery of a Subscription Notice by Mantengu to the Investor will be subject to:

- 2.3.1 the Ordinary Shares remaining listed;
- 2.3.2 the Warrants having been issued in favour of and a warrant certificate in respect thereof having been delivered to the Investor;
- 2.3.3 the Company having nominated, by written notice to the Investor, person/s who shall have adhered to and remain bound by the terms of the Agreement as Share Provider/s pursuant to a deed of adherence;
- 2.3.4 the Company having sufficient authorised capital to satisfy the Subscription Notice;
- 2.3.5 the Share Providers having delivered the Ordinary Shares to which the Subscription Notice relates in electronic form into the Investor's brokerage account;
- 2.3.6 the requisite regulatory and shareholder approvals having been obtained;
- 2.3.7 all representations and warranties of Mantengu and the Share Providers as contained in the Agreement having remained true and correct as at the Notice Date;

- 2.3.8 no material adverse event having occurred or being reasonably expected to occur at that point in time;
- 2.3.9 no material change in ownership of Mantengu having occurred;
- 2.3.10 in respect of Mantengu and its subsidiaries, no inquiry, investigation or other proceeding having commenced, been announced or threatened, nor any order having been issued by any governmental or regulatory organisation or stock exchange, or any change in law that would hinder the implementation of the Agreement;
- 2.3.11 no event having occurred giving rise to the Investor's termination rights under the Agreement;
- 2.3.12 the issuance of Ordinary Shares to the Investor not resulting in the Investor holding more than 29.9% of the outstanding share capital of the Company, excluding any Warrants;
- 2.3.13 if the Subscription Notice is issued on or after the One Year Anniversary, Mantengu having paid the Fee in full, or if the Subscription Notice is issued before the One Year Anniversary, Mantengu having deposited, and there remaining in escrow, with an escrow agent, either (i) a cash amount sufficient to pay the balance of the Fee in full; (ii) Commitment Fee Shares, the aggregate value of which, when valued at 90% of the prevailing market price at the time of issuance of the Subscription Notice, is at least equal to the balance of the Fee; or (iii) a combination of cash and Commitment Fee Shares (valued at 90% of the prevailing market price at the time of issuance of the Subscription Notice) which is sufficient to pay the balance of the Fee in full.

As at the date of this announcement, Mantengu has issued the Promissory Note in favour of GYBL.

2.4 Obligations of Mantengu

Mantengu is obliged, within three months of the Execution Date, to obtain the requisite regulatory and shareholder approvals necessary for the Proposed Transaction.

The entry into the Agreement was approved by the Financial Surveillance Department of the South African Reserve Bank on 17 October 2023.

3. IRREVOCABLE LETTERS OF UNDERTAKING

At the date of this announcement, the Company has obtained irrevocable undertakings from shareholders who will be entitled to vote on the Proposed Transaction including, but not limited to, the resolutions to issue the Consideration Shares, the Warrants, the Commitment Fee Shares, and the Warrant Payment Shares, as the case may be, at a general meeting to be convened pursuant to the notice of general meeting to be included in the circular referred to in paragraph 4 below ("**General Meeting**"), holding or representing a total of 137 922 019 Ordinary Shares, equivalent to 89.63% of all Ordinary Shares eligible for voting (which Ordinary Shares exclude those held as treasury shares).

All such shareholders or representatives have indicated that they will vote in favour or recommend to their clients to vote in favour of the Proposed Transaction, to the extent that they are permitted to do so under the JSE Listings Requirements.

Shareholder	Number of shares	Percentage shareholding (%)
Gamsy Family Trust	33 993 034	22.09%
Disruptioncapital (Pty) Ltd	22 169 548	14.41%
Alistair Collins Family Trust	16 713 702	10.86%
Kianalily (Pty) Ltd	14 118 334	9.17%
Its Really Me (Pty) Ltd	10 819 875	7.03%
Pinotage Trustees SARL in its capacity as trustee of the Mvikelu Trust	7 286 125	4.73%
Susan Tarr	7 015 157	4.56%

Dev Maharaj Family Trust	6 905 250	4.49%
Rock Ore (Pty) Ltd	3 749 625	2.44%
Keith Lee-Shew	2 599 102	1.69%
Simeka Capital Holdings (Pty) Ltd	2 499 750	1.62%
Jennifer Geyer	2 154 609	1.40%
Parkview Trust	1 819 507	1.18%
CCAAC Investments (Pty) Ltd	1 729 750	1.12%
Gravy Holdings (Pty) Ltd	1 159 125	0.75%
Summa Investments (Pty) Ltd	1 159 125	0.75%
LWS Family Office (Pty) Ltd	1 050 026	0.68%
Amolo Holdings (Pty) Ltd	980 375	0.64%
Total	137 922 019	89.63%

4. FURTHER DOCUMENTATION

The issue of the Consideration Shares, the Warrants, the additional Commitment Fee Shares, and the Warrant Payment Shares, as the case may be, each constitute, in terms of the JSE Listings Requirements, a specific issue of shares for cash and will be subject to, *inter alia*, the approval thereof by at least 75% of the votes of Mantengu shareholders, other than the participants and their associates, being cast in favour of such resolutions. Accordingly, a circular to shareholders incorporating details of the Proposed Transaction and a notice to convene the General Meeting will be distributed to shareholders in due course.

Johannesburg
26 October 2023

Designated Adviser
Merchantec Capital

Legal Adviser to Mantengu
Baker McKenzie Inc.