

**SABLE EXPLORATION AND MINING LIMITED**  
**INTEGRATED ANNUAL REPORT 2022**

# Scope and boundary (IFC)

The boundary of our report is the financial reporting entity of Sable Exploration and Mining Limited (SEAM) (previously Middle East Diamond Resources Limited) and its subsidiaries. The report framework is in line with International Financial Reporting Standards (IFRS), the King Report on Corporate Governance in South Africa (King IV™) and the Companies Act 2008 (Act 71 of 2008), as amended and the JSE Listings Requirements. The audited financial statements are prepared in accordance with IFRS.

This integrated annual report covers the financial year from 1 March 2021 to 28 February 2022.

Our report aims to provide our stakeholders with balanced, accurate and understandable information about our financial, economic, social and environmental performance on matters material to our strategy and our ability to create and sustain value in the short and medium term. The priority of the Board is to lift the current suspension and restore value to shareholders.

## Assurances

The group did not receive external assurance for this report, other than from the external auditors in terms of the annual financial statements.

## Forward looking statements

According to the JSE Listing Requirements, forward looking statements have to be reviewed by the group's auditors. No forward-looking forecasts have intentionally been included in this report. Certain statements in this report may however be perceived as 'forward-looking'. Words such as 'forecasts', 'believes', 'expects', 'intends', 'plans', 'will', 'may', 'should', 'could', 'anticipates', 'estimates', 'seeks', 'continues' or similar expressions or the negative thereof, are typically indicative of forward-looking statements. These statements should not be seen as guarantees of SEAM's future operating, financial or other results and involves certain risks, uncertainties and assumptions.

## Board approval

The Sable Exploration and Mining Limited board of directors acknowledges its responsibility to ensure the integrity of the integrated report for the financial year ended 28 February 2022, and in the board's opinion, this report addresses the group's material issues and presents fairly its integrated performance and its impacts.



**James Allan**  
30 June 2022

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## Highlights

- The agreement with Moopetsi (Pty) Ltd was re-negotiated resulting in SEAM increasing the share of the joint venture to 44% from 41%.
- On 24 March 2021 the company announced that Susannooholdings (Pty) Ltd ("Susannoo") would acquire the 50% interest in the Stepford Gold Project in Ghana in exchange for a loan of R10m to the company and a 1,5% Net Smelter Revenue payable to the company. Susannoo also agreed to fund the \$3.2m exploration programme required for the project.
- Unfortunately, on 10 May 2021, the company announced the cancellation of the transactions with Susannoo and Stepford in Ghana due to non-fulfilment of conditions precedent by Susannoo
- The Financial Results for FY2021 were published at the end of September 2021 and the Interim Results to August 2021 were published on 5 October 2021.
- The AGM was held on 2 November and all resolutions were passed with the requisite majority with the exception of the re-election of Sheikh Abdulla Khalfan Humaid Nasser.
- On 24 November an agreement was reached with Magni Investment Holdings (Pty) to acquire various mining assets from Magni for R820m through an issue of shares for cash at R5 each. At the same time the proposed rights issue was changed to R50m with Magni agreeing to underwrite R20m of the rights issue.
- Application was made to the JSE to lift the suspension of the trading in the shares that had commenced in December 2016. Trading resumed on 16 February 2022.
- On 2 March 2022 it was announced that the rights issue would be in the ratio of 12 shares for every 1 held at a price of R1 per share and that the directors were underwriting, directly and indirectly R25,36m of the rights issue of R52,21m.
- Unfortunately, on 24 May 2022, after the year-end, it was announced that due to certain conditions precedent not being fulfilled that the transaction with Magni was not proceeding.
- The company also announced that it had been approached by a number of companies with a view to reverse listing their assets into SEAM.

## Our values

- Acting with **integrity**
- Leading with **courage**
- Serving with **pride**
- Caring because there is **respect** for one another
- Growing **shareholder value** through innovation and superior performance

## Our philosophy and principles

- Our conduct shall at all times conform to the SEAM values
- We are committed to complying with all applicable legislation and regulations
- We share, protect and maintain the property and information of SEAM and its stakeholders
- We shall manage and mitigate all conflicts or perceived conflicts of interests
- We are committed to fostering and maintaining an equitable and sustainable employer-employee relationship, including the provision of a safe, healthy and productive working environment



# Corporate profile

SEAM operates in the minerals industry and is seeking to acquire projects at various stages of development. SEAM was originally listed as Sable Metals and Minerals Limited, as the Company was in the business of acquiring prospecting rights for platinum group metals.

Drilling was done on various project areas, but it was found that either the platinum bearing reefs were too deep, or too low in grade, to be economically viable.

The Company acquired various prospecting rights for the Vanadium Magnetite Reef on the same properties and the rights of these were sold.

Subsequently, the Company was approached by Middle Eastern investors that wished the Company to acquire various diamond properties in South Africa. The funds to acquire these projects were not forthcoming from the Middle Eastern investors and this strategy was put on hold when trading in the shares of the Company on the Johannesburg Stock Exchange was suspended in December 2016.

The company changed its name to Sable Exploration and Mining Limited in November 2021, consolidated the shares on a 100:1 basis resulting in 4.35m shares in issue. At the same time the company increased the authorised share capital to 1.5bn shares, enabling the company to issue shares to effect acquisitions.

The Annual Financial Statements have been brought up to date and trading in the shares resumed in February 2022. Following the publication of this Integrated Report the company intends to proceed with a rights issue to raise capital and convert debt into equity.

In the interim the company continues to investigate various projects where it can acquire an equity stake in conjunction with a mining contractor in order to generate cashflow.

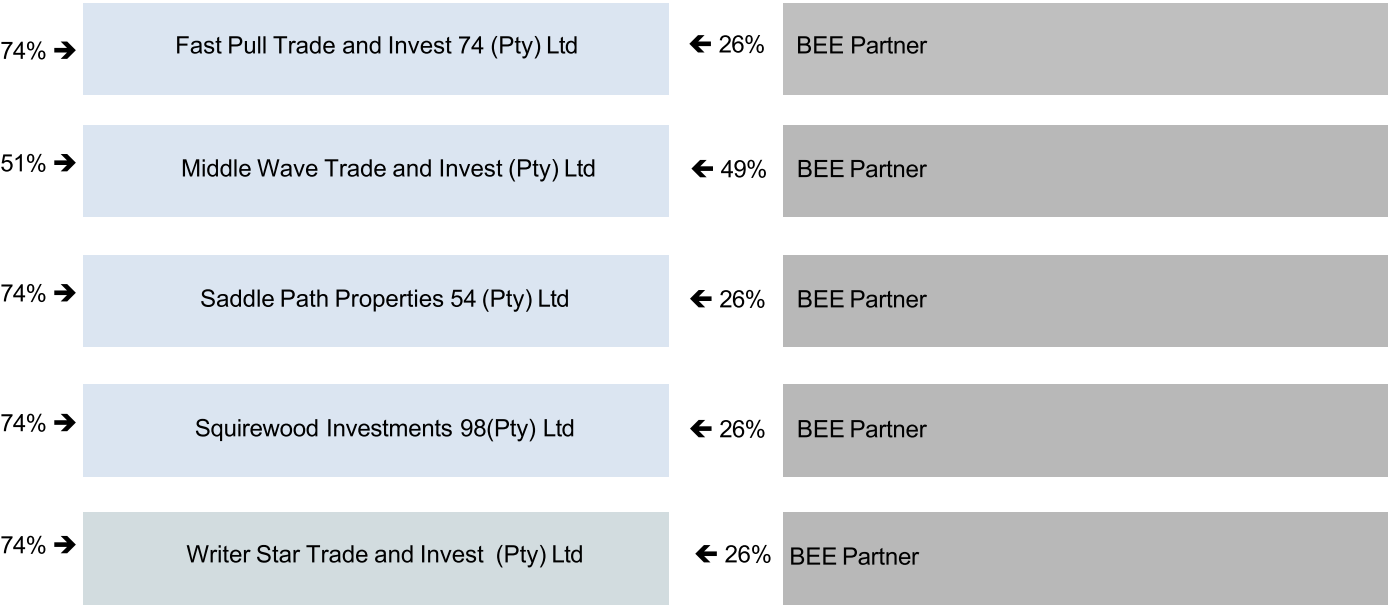
The company continues to investigate the acquisition of suitable assets, inside, and outside South Africa.

# Operational structure

Sable Exploration and Mining Limited

↓ 100%

Sable Platinum Holdings (Pty) Ltd



# Tenure report

Company name	% held	Prospecting right reference	Status
Middelwave Trade and Invest 4 Proprietary Limited	51	LP 30/5/1/1/2/12527PR Iron Ore, Rutile, Phosphate ore, Platinum Group Metals, Gold, Chrome, Copper, Nickel and Cobalt. Farms Kaalvlakte 416 KQ and Leeuwkopje 415 KQ	Application made to DMR. The application was made at least 7 years ago. The application is in progress.
Squirewood Investments 98 Proprietary Limited	74	LP 30/5/1/1/2/1043PR Gold, Chrome, Nickel, Copper, Molybdenum, Rare Earths, Silver, Cobalt, Zinc, Lead, Heavy Minerals, Vanadium and Iron. Farm Portion 2 Leeuwkopje 415 KQ	Right granted pending provision of R200 000 guarantee provision relating to rehabilitation of the property.
Squirewood Investments 98 Proprietary Limited	74	LP 30/5/1/4/2/1101 PR Vanadium, Tin, Rutile and Iron ore. Farm Einde 420KQ	Right granted subject to provision of R200 000 guarantee relating to rehabilitation of the property.
Squirewood Investments 98 Proprietary Limited	74	LP30/5/1/1/2/11032 PR Iron, Vanadium, Rutile and Lead. Farm Governementsplaats 417 KQ	Application accepted and in progress at the DMR. The application has not been granted but it also has not been rejected.
Squirewood Investments 98 Proprietary Limited	74	LP30/5/1/1/2/11000PR Iron, Vanadium, Rutile and Lead Farm Witvley 423 KQ	Right granted subject to provision of R200 000 guarantee provision relating to rehabilitation of the property.
Fast Pull Trade and Invest Proprietary Limited	74	NW 30/5/1/1/2/1227 PR Iron Ore. Farm Bierkraal 120 JQ	Right granted subject to provision of R200 000 guarantee provision relating to rehabilitation of the property.
Writer Star Trade and Invest Proprietary Limited	74	NW 30/5/1/1/2/546 PR Iron Ore Farms Zandbult 119 JQ and Zandfontein 124 JQ	Application accepted and in progress

The company is following up with the Department of Minerals and Energy on all of these applications.

Whilst the presence of the Vanadium Magnetite Reef (“VMR”) has been located on all of these farms it is not possible to declare any Resources until the Prospecting Rights have been executed and the project areas drilled to SAMREC requirements. Therefore, it is not possible to prepare a Competent Persons Report on these resources.

SEAM has increased the share of the Joint Venture with Moopetsi to 44% and is renegotiating with a mining contractor to fund the development of the mine. SEAM will be responsible for marketing the ore from the mine. SEAM has agreed with a mining contractor that the mining

contractor will provide the working capital required in order to bring the mine into production in exchange for 15% equity in the project.

The structure of the agreement is such that section 11 approval is not required from the Department of Minerals and Energy and should provide welcome cashflow to the company.

The granting of the Mining Permit to Moopetsi Chrome is anticipated in the next few months. However, it is known that the backlog of applications at the DMRE makes this timing uncertain.

The company is currently not incurring any costs associated with these mineral right applications.



# Chief executive officer's letter 2022

Following the agreement in November 2020 to acquire 50% of the Stepford Gold Project in Ghana the company set about finding a funding partner for this project. Unfortunately, during this search, on 24 March 2021, Resolute Mining announced that the Ghanaian government had unilaterally cancelled the Mining Lease for Bibiani Gold Mine. Therefore a decision was made not to proceed with the transaction.

As a result of this the company pursued the interest in the project to a South African company, Susannooholdings (Pty) Ltd, for a R10m loan and a royalty on future gold sales. Despite showing great interest in the project Susannooholdings failed to deliver the promised R10m and the Stepford Project was cancelled. This was a major disappointment as the geology of the project looked promising.

The name change to Sable Exploration and Mining was approved in general meeting by shareholders in November 2021.

The company signed a joint venture agreement with Moopetsi Chrome wherein SEAM will acquire 41% of Moopetsi Chrome in exchange for mobilizing and managing a mining fleet. SEAM will be responsible for marketing the ore from the mine. SEAM has agreed with a mining contractor that the mining contractor will provide the working capital required in order to bring the mine into production in exchange for 15% equity in the project. It transpired that some of the documentation submitted to the Department of Minerals and Energy did not meet their minimum requirements and the company had to re-submit documentation. The documentation now meets the requirements of the DMRE and a guarantee of approximately R1.8m has been requested by the Department prior to the granting of the right. The funds for this guarantee will come from the announced rights issue.

At the end of November 2021, the company announced the acquisition of a number of mining assets from Magni Investment Holdings (Pty) and Lurco Metals (Pty) Ltd for R1.2bn through an issue of shares at R5 per share. Magni undertook to subscribe for R20m in the R50m rights issue at R1 per share. At the beginning of February 2022, the company announced an amendment to the acquisition. The transaction was amended to the acquisition of the Lurco Eswatini (Pty) Ltd and Vastek Trading (Pty) Ltd for a combined amount of R820m. Vastek owns a chrome beneficiation plant and various prospecting rights for chrome in the Brits area and Lurco Eswatini holds the prospecting right over a high-quality Anthracitic coal site in Eswatini that was previously mined by Gencor. On 25 May 2022 the company announced that the transaction with Magni had lapsed due to non-fulfilment of various conditions precedent by Magni. In the same announcement shareholders were informed that various companies had approached SEAM with a view to a reverse listing of their assets.

The company acquired 49% of Swing Curve 345 (Pty) Ltd and 49% of AEE Thabametsi for the payment of R98 (98 shares at R1 each to be issued to Magni). Both companies hold various prospecting rights granted by the DMRE and details are in the SENS announcement dated 11 February 2022.

Application was made to the Johannesburg Stock Exchange for the suspension in the trading of shares to be lifted given the Financial Statements were up to date, the company was in the process of undertaking a partially underwritten rights issue and had valid prospecting rights and was in the process of acquiring mining assets. The suspension was lifted on 16 February 2022.

Subsequent to year-end on 2 March 2022 the company announced that the Board of Directors had approved a rights issue of 52 215 180 ordinary shares at R1 per share to raise R52 215 180. This is the ratio of 12 shares per ordinary share held. Of this amount the directors have underwritten directly or indirectly 25 364 907 shares.

Shareholders have the first right of subscribing for shares at R1 per share which is considered to be a deep discount to the traded price and the price at which the transaction with Magni was proposed. Directors will only be able to

subscribe for shares **after** shareholders have taken up shares in the rights issue.

I would like to thank the Board for their ongoing assistance and support in the process of getting the company to this important juncture.

Various service providers have provided support during this difficult period and, in particular, I thank Exchange Sponsors for their unwavering support during the various investigations into various acquisition targets.

The company continues to evaluate various acquisitions.

Material risks to the company identified as follows:

1. Although a substantial portion of the rights issue is underwritten there is a risk that additional capital may not be raised.
2. The Mining Permit to be granted to Moopetsi Chrome is subject to the payment of the rehabilitation guarantee and there is mining and price risk in the chrome project although this is mitigated by the use of a mining contractor carrying the mining risk.
3. Various acquisitions currently being investigated do not come to fruition.

I am confident that the company will grow following the successful conclusion of the rights issue and acquisition of assets in 2022.

A handwritten signature in black ink, appearing to read 'James Allan', with a long horizontal stroke extending to the left.

James Allan

30 June 2022

# Corporate Governance Report

## Board of directors

**Charles Philip Mostert (66)**

**Lead independent non-executive director and non-executive Chairman**

**BCom (Hons), MBL, Certificate in Mining Taxation, MDP**

**Appointed 7 February 2017**

Charles Mostert has 34 years' experience in the mining industry, which includes 22 years with South African mining majors, and 11 years with Australian and Canadian junior mining companies. He has served as chairman / chief executive director / director of 12 resource companies listed on the Australian or Canadian Stock Exchanges with over USD400 million in capital raisings. His resources experience includes gold, diamonds, coal, copper, platinum and iron ore. He served as President – African Business Development for Forbes and Manhattan Inc., a Canadian Merchant Bank where he was actively involved in co-leading transactions for Slater Coal, Sable Metals and Minerals, Bengwenyama Platinum, Savary Gold and Transnet / Richards Bay Coal logistics. His current and immediate past directorships include Savary Gold (TSX-V), Sable Metals and Minerals Ltd, Keras Capital Proprietary Limited (Aus), Kombat Copper Inc. (TSX-V), Minxcon Proprietary Limited, Rera Diamonds (Private) Limited and SunRanch Solar Proprietary Limited.

Charles resigned as an independent non-executive director on 29 July 2016 and was re-appointed on 7 February 2017. He was appointed as Chairman in 2021.

**James Gordon Allan (63)**

**Chief executive officer**

**BSc (Eng) (Mining) MBA**

**Appointed 23 November 2012**

James Allan is a co-founder and a director of Sable Platinum Holdings Proprietary Limited. He has been involved in the mining and financial service industries for the past 40 years. During this time, he has been a partner at Anderson Wilson and Partners, Barnard Jacobs Mellet and became a top-rated diamond analyst. He has started a number of companies in the mining industry. In 2006 he formed Allan Hochreiter Proprietary Limited with René Hochreiter and Sable Platinum Mining Proprietary Limited with René Hochreiter and David Levithan. Sable was listed in 2012.

James was appointed to the Board on 23 November 2012.

**Deon Botha (58)**

**Part time Financial Director**

**Chartered Accountant**

**Appointed 4 November 2020**

Deon Botha started his career as a Trainee Accountant and has fulfilled many roles in the corporate sector at institutions such as Cullinan Holdings Limited, Halewood International South Africa and Financial and Accounting industry with Ecovis ARB. His broad career path has given him a solid business grounding and escalated to him running his successful accounting, audit, taxation and consulting practice for the past three years.

**Eshaan Singh (39)****Independent non-executive director****BCompt****Appointed 7 February 2017**

Eshaan Singh holds a BCompt degree from the University of South Africa and has worked at various audit and securities firms, including Citi Bank group, Deutsche Securities South Africa, Glass Tucker and Venter and STA Travel International Limited in the UK, Eshaan currently holds the position of Financial Director at Noah Capital. Eshaan resigned as part-time financial director on 29 July 2016 and was appointed as a non-executive director on 7 February 2017. The remuneration and nomination committee considered and concluded that Eshaan is independent in terms of the definition of the Companies Act.

**Mohamed Said Tinawi (64)****Non-executive director****MBA****Appointed 16 February 2016**

Mohamed Said Tinawi holds an MBA degree from the Damascus University of Economic and Commerce Syria and is currently a Technical and Commercial Consultant for Lojain Trading and Contracting Company, and a Consultant at Telal Oil Refinery Saudi Arabia. He is also a consultant for industrial projects for international companies in the Middle East region. He has in excess of 35 years' experience in the fields of crude oil, petroleum products, trading, virgin and recycled base oil trading.

**Mohamad Bassam Al Mojarkesh (65)****Independent non-executive director****DCE Diploma in Civil Engineering****Appointed 29 July 2016**

Mohamad is a geologist with a diploma in civil engineering having trained in both disciplines at Damascus University. He has worked extensively in the Middle East in the oil and gas and construction industries. Mohamad is currently working as a consultant and business development director to a number of companies in the Middle East. He has 37 years' experience in his fields of expertise.

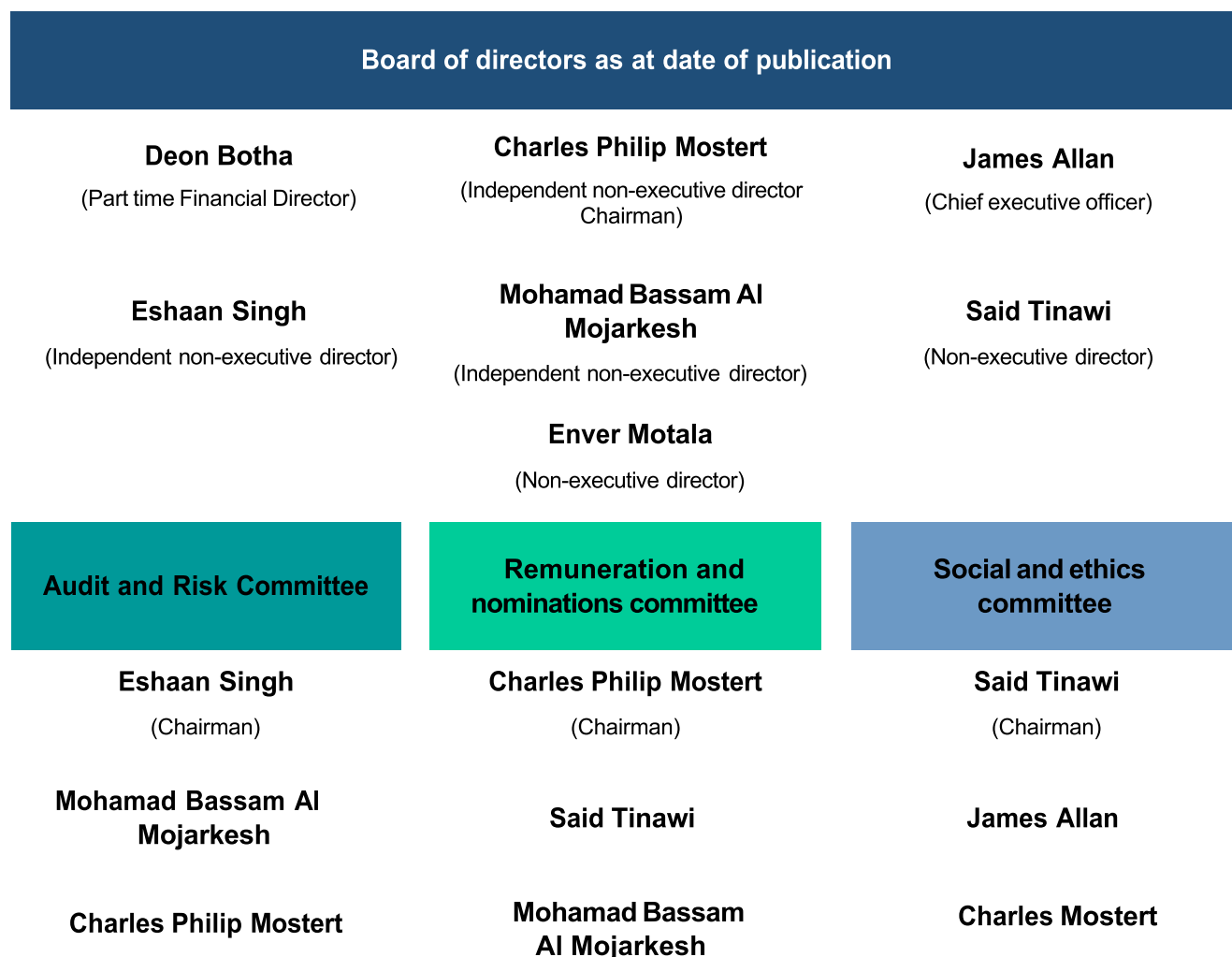
Mohamad was appointed as independent non-executive director on 29 July 2016.

**Enver Mohamed Motala (69)****Non-executive director****Appointed 1 February 2021**

Enver is a prominent Liquidator with 23 years' experience as a practicing Liquidator / Trustee / Judicial Manager. He has considerable legal knowledge of both substantive and procedural aspects of South African Law, including the New Companies Act of 2008. He holds a certificate with distinction in Corporate Company Law, which has been underwritten jointly by the Centre for Business Law of the Law Society of South Africa and the University of South Africa, this is a NQF Level 7 qualification, which is the equivalent of a bachelor's degree. He also holds a certificate in Advanced Short Course in Business Rescue Practice, which has been underwritten jointly by the Centre for Business Law of the Law Society of South Africa and the University of South Africa, this is a NQF Level 8 qualification, which is the equivalent of an Honours Degree. During 2003, he was requested and mandated by the then Minister of Justice and Constitutional Development to advise and assist in recommendations in reference to important amendments to the Companies Act, the Insolvency Act and the Labour Relations Act, pertaining to the liquidation / insolvency industry. He has been at the forefront of advocating and promoting much needed transformation in the insolvency / liquidation industry.

## Governance Reporting structure

Structure of the highest governing body and committees responsible for decision-making on sustainable issues:



## Custodians of Governance

The Board accepts its responsibility as the custodian of corporate governance within the Group and is therefore accountable to stakeholders for the provision of value-enabling governance. The Board is constituted in terms of the company's memorandum of incorporation and in line with King IV™. The majority of the Board members are independent non-executive directors who bring diversity to Board deliberations and create value by constructively challenging management.

A clear division of responsibilities between the directors is maintained to ensure that no single director has unfettered decision-making powers. A Delegation of Authority Framework is in place and reviewed to ensure the necessary authority to management to implement and execute the short-term strategy. The Board is satisfied that the Delegation of Authority Framework contributes to role clarity and the effective exercise of authority and responsibilities.

The Board is the highest decision-making body in the Group. It approves the Group's strategy and ensures that it is aligned with the Group's values. The Board assumes collective responsibility for steering and monitoring strategy implementation as well as any risks involved in the implementation of the strategy. It is collectively responsible for the Group's medium and long-term success.

The Board confirms that the company is –

- (a) in compliance with the provisions of the Companies Act or relevant laws of establishment, specifically relating to its incorporation and
- (b) operating in conformity with its Memorandum of Incorporation.

The Board strives to balance the interests of the Group and those of its various stakeholders. All directors are continuously taking steps to ensure that they have sufficient working knowledge of the Group and industry.

The directors have access to the advice and services of the company secretary. They are entitled, at the company's expense, to seek independent professional advice about the affairs of the company regarding the execution of their duties as directors.

## Board composition

During the reporting period, there was one change to the board, summarised below:

Director	Position	
Abdulla Khalfan Humaid Nasser	Non-executive Director	Not re-elected at the previous AGM

All the directors are South African citizens, except for Messrs Tinawi and Al Mojarkesh who are Saudi Arabian residents.

## Appointment, rotation and re-election of directors

The Board has a formal and transparent policy regarding the appointment of directors to the Board. While the appointments are a matter for the Board, the authority to oversee the nomination and to carry out the interview process have been delegated to the remuneration and nominations committee.

Apart from a candidate's experience, knowledge, skills, availability and likely fit, the committee also considers a candidate's integrity, as well as other directorships and commitments to ensure that the candidate will have sufficient time to discharge his/her role properly. The remuneration and nominations committee will also consider race and gender diversity in its assessment in line with its race and gender diversity policy. The committee reviewed and adopted targets of 20% for both black and female representatives on the Board. These targets will be taken into consideration when new appointments are being made.



New appointees are appropriately familiarised with the Group's business through an induction programme. The composition of the Board is reviewed on a regular basis to ensure ongoing compliance with the requirements set out in the Companies Act, 71 of 2008 as amended (the Companies Act) and King IV™.

The company does not have an annual compliance report prepared in terms of section 13G(2) of the BEE Act. This will be reviewed once the company is operational.

In accordance with the company's memorandum of incorporation, a director, having been appointed by the Board since the last annual general meeting of the company, is obliged to retire and being eligible, offers him/herself for election at the next annual general meeting.

In line with the memorandum of incorporation, one-third of the directors are required to retire, and if available and eligible, stand for re-election at the company's annual general meeting. Those directors who have been in office for the longest, as calculated from the last re-election or appointment date, are required to stand for re-election.

At the annual general meeting in 2022, Messrs Charles Mostert and Mohamad Bassam Al Mojarkesh will retire and be eligible for re-election. The professional profiles of Messrs Charles Mostert and Mohamad Bassam Al Mojarkesh can be found on pages 10 and 11 in the Integrated Annual Report.

## **Leadership roles and functions**

### **Non-executive directors**

All members of the Board have a fiduciary responsibility to represent the best interest of the Group and all of its stakeholders. The Group's non-executive directors are individuals of a high calibre and credibility who make a significant contribution to the Board's deliberations and decisions. They have the necessary skills and experience to exercise judgement on areas such as strategy and performance.

### **The Chairman**

The chairman's role is to set the ethical tone for the Board and to ensure that the Board remains efficient, focused and operates as a unit. Charles Mostert is the independent non-executive chairman and his role is separate from that of the chief executive officer, James Allan.

### **Chief executive officer**

The Board appoints the chief executive officer to lead and implement the execution of the approved strategy. James Allan presents progress against the implementation of the strategy. The remuneration and nominations committee evaluates the performance of the chief executive officer.

### **Company secretary**

The company secretary plays a vital role in the corporate governance of the Group and is responsible for ensuring Board compliance with procedures and regulations of a statutory nature. The company secretary ensures compliance with the JSE Listings Requirements and is responsible for the submission of the annual compliance certificate to the JSE Limited (JSE).

The company secretary ensures that, in accordance with the pertinent laws and regulatory framework, the proceedings and affairs of the Board and its members and the company itself are properly administered. Despite the suspension, resolutions were still passed to find opportunities to bring operational assets into the business and lift the suspension to create value for shareholders.

The Board satisfied itself regarding Claire Middlemiss' work experience, performance, technical skills and overall competence in fulfilling her role as company secretary at the previous meeting of the Board (during which time she was excused from the meeting). She is an independent consultant and maintains an arm's length relationship with the Board. She reports to the chairman on all statutory duties and functions performed relating to the Board.

The company secretary's primary responsibilities are to:

- ensure that Board procedures are followed and reviewed regularly
- ensure applicable rules and regulations for the conduct of the affairs of the Board are complied with
- maintain statutory records in accordance with legal requirements
- guide the Board as to how its responsibilities should be properly discharged in the best interest of the company
- keep abreast of, and inform, the Board of current and new developments regarding best practice corporate governance thinking and practice.

## **Ethical and effective leadership**

The Board is committed to achieving its goals with integrity, high ethical standards and in compliance with all applicable laws, while being a responsible corporate citizen. The Board has adopted a Code of Ethics and Business Conduct which is continuously reviewed and sets the tone for an ethical culture within the Group. The directors are fully committed to these principles, which ensures that the business is managed according to the highest ethical standards, even beyond mere legal compliance, within its operating environment, as well as social, political and physical environment within which the Group operates.

No material ethical leadership and corporate citizenship deficiencies were noted. The Board, through the Audit and Risk Committee as well as the social and ethics committee, monitors compliance with SEAM's Code of Ethics and Business Conduct through various reporting.

SEAM received no requests in terms of the Promotion of Access to Information Act, 2000 during the reporting period.

## **Independence and conflicts**

During the year ended 28 February 2022, none of the directors had a significant interest in any contract or arrangement entered by the company or its subsidiaries, other than as disclosed in note 17 to the annual financial statements.

During the reporting period, the Declaration and Conflict of Interest Policy was reviewed and updated. Directors are required to inform the Board timeously of conflicts or potential conflicts of interest that they may have in relation to particular items of business.

Directors are obliged to excuse themselves from discussions or decisions on matters in which they have a conflict of interest, in accordance with the declaration and conflict of interest policy that is in place. A standard agenda item is included for members to declare whether any of them have any conflict of interest in respect of a matter on the agenda. This is minuted accordingly.

## **Insider trading**

No employee of the Group may deal directly or indirectly in the company's shares based on unpublished price-sensitive information regarding business. No director or officer of the Group may disclose trade information regarding business. Directors or officers of the Group are precluded from trading in the shares of the Group during a closed period or prohibited period, as determined by the Board. Notification to this effect is communicated to the Group's employees. A price-sensitive information group policy is in place in line with the JSE Listings Requirements.

Processes are in place for any director wishing to trade in ordinary shares of the company to obtain clearance from the chairman of the Board or, in his absence, the chief executive officer when trading is permitted. The directors keep the company secretary advised of all their dealings in securities and details of dealings are placed on SENS in line with the JSE Listings Requirements.

### **Assessment of the Board and monitoring performance**

The chairman is appointed on an annual basis by the board, with the assistance of the remuneration and nominations committee. The remuneration and nominations committee also assess the independence of non-executive directors annually.

In line with recommendations of King IV, in 2022, a detailed self-assessment of the performance of the board and its committees was conducted and the results thereof were considered in order to identify areas for improvement. The assessments found the structures and processes governing the board and its committees were well established and functioning satisfactorily. It also found that the board had fulfilled its role and responsibilities and had discharged its responsibility to the Group, shareholders and other stakeholders in a suitable manner.

### **Commitment to the governance principles set out in King IV™**

The Board remains committed to the principles of King IV™ and ensures that its recommendations are materially entrenched into the Board's internal controls, policies, terms of reference and overall procedures and processes. A King IV™ Application Register, setting out how the company has applied the principles of King IV™, is available on our website, [www.sablemetals.co.za](http://www.sablemetals.co.za).

### **Integrated effective control**

As the custodian of governance, the Board is ultimately responsible for ensuring there is effective control within the business. The Board ensures effective control through a number of mechanisms, including:

### **Compliance with applicable laws, regulations and governance practices**

The decisions and actions taken by the Board ensures that the company subscribes to full compliance with applicable laws, regulations and governance practices. This function is delegated to the Social and Ethics Committee with financial compliance overseen by the Audit and Risk Committee. Despite the company being suspended up until 15 February 2022, the company was still required to comply with the relevant legislation with the requirements of the Companies Act and JSE Listings Requirements.

### **The Board Charter**

The roles and responsibilities of the Board and individual directors are set out in the Board Charter which is aligned with the provisions of relevant statutory and regulatory requirements and is reviewed on an annual basis. The Charter regulates the parameters within which the Board operate and ensures the application of the principles of good governance in all its dealings, in line with King IV™.

### **Governance structures and delegation**

The company's governance structure provides for delegation of authority, while enabling the Board to retain effective control. Such structures similarly support and enable the informed oversight exercised by the Board. The Board delegates authority to established Board committees, as well as the chief executive officer, with clearly defined mandates.

## Board committees

The roles, responsibilities and composition of the Board committees are described below. The responsibilities delegated to these committees are formally documented in each committee's terms of reference, which are approved by the Board and reviewed on an annual basis. After each committee meeting, committee chairmen report back to the Board, which facilitates transparent communication between directors and ensures that all aspects of the Board's mandate are addressed.

The terms of reference are subject to change as and when required by the Board in order to accommodate the company's changing needs. Roles and associated responsibilities and the composition of membership across committees are considered holistically. All committees have, as a whole, the necessary knowledge, skills, experience and capacity to execute their duties effectively. The chairman of each Board committee reports at each scheduled meeting of the Board, and minutes of Board committee meetings are provided to the Board.

Both the directors and the members of the Board committees are supplied with full and timely information that enables them to properly discharge their responsibilities. All directors have unrestricted access to all Group information.

The chairman of each Board committee is required to attend annual general meetings to answer questions raised by shareholders.

### Audit and Risk Committee

In reviewing the committee composition during the year, it was decided that, due to the size of the company, the Audit Committee and Risk Committee would remain one committee. However, the agenda is divided into two separate sections so as to ensure that both audit and risk management responsibilities are attended to.

Mr Eshaan Singh was appointed as independent chairman. Although King IV™ recommend that the chairman of the Board should not be a member of the Committee, the Board agreed that due to the experience of Charles Mostert, he be appointed as a member of the Committee. The committee comprises Eshaan Singh (chairman), Charles Mostert and Mohamad Bassam Al Mojarkesh.

The chief executive officer, part-time financial director and external audit partner attend meetings by invitation. The Board is satisfied that the independence, experience and qualifications of each member enable them to fulfil the committee's mandate. The committee meets at least once a year with the company's external auditors, without management being present.

Nexia SAB&T Inc., with Aneel Darmalingam as designated Auditor, was appointed as external auditors, effective 22 May 2020. In 2022 Shamira Mahomed was appointed as designated Auditor.

### Summarised roles and responsibilities

- Providing the Board with additional assurance regarding the efficiency and reliability of the financial information used by the directors to assist them in the discharge of their duties
- Reviewing interim and annual financial statements, the Integrated Annual Report and any other external reports issued by the organisation
- Ensuring that significant business, financial and other risks have been identified and are being managed suitably
- Ensuring independence of external audit and overseeing the external audit process
- Ensuring good standards of governance, reporting and compliance are in operation
- Overseeing the Group's risk management profile
- Considered the impact of Covid-19 in terms of the financial results.

During the 2022 financial year, the committee met three times, although meetings are scheduled quarterly in line with the Group's financial reporting cycle. The committee is however satisfied that it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period, including considerations of the impact of Covid-19 on the operational and financial risks.

Refer to page 20 for the Audit and Risk Committee report, there are a number of material risks to the company identified as follows:

4. Although a substantial portion of the rights issue is underwritten there is a risk that additional capital may not be raised
5. The Mining Permit to be granted to Moopetsi Chrome is subject to the payment of the rehabilitation guarantee, refer to the CEO report, and there is mining and price risk in the chrome project although this is mitigated by the use of a mining contractor carrying the mining risk
6. Various acquisitions currently being investigated do not come to fruition

## **Social and Ethics Committee**

The composition comprises Said Tinawi (chairman), Charles Mostert and James Allan. The committee's role and responsibilities as well as its composition are set out below:

Summarised roles and responsibilities

- Planning, implementing and monitoring the Group's strategy for transformation
- Monitoring compliance with legislation
- Monitoring employment equity and fair labour practices
- Monitoring good corporate citizenship and the Group's contribution to the development of communities in which it operates
- Monitoring ethics and business conduct.

The Social and Ethics Committee met twice during the reporting period and meetings are held twice per annum. The committee is satisfied that, as far as possible, it has fulfilled its responsibilities in accordance with its terms of reference for the reporting period.

Refer to page 27 of the Integrated Annual Report for the Social and Ethics Committee report.

## **Remuneration and Nominations Committee**

In reviewing the committee composition during the year, it was decided that, due to the size of the company, the Remuneration Committee and Nominations Committee would remain one committee.

The Committee comprises of Charles Mostert (chairman), Said Tinawi and Mohamad Bassam Al Mojarkesh.

Summarised roles and responsibilities

- Identifying and nominating new directors for approval by the Board
- Ensuring that appointments to the Board are formal and transparent
- Approving the classification of directors as independent
- Overseeing induction and training of directors and conducting annual performance reviews of the Board and Board committees
- Overseeing an appropriate separation between executive, non-executive and independent directors
- Ensuring proper and effective functioning of the Group's Board committees
- Reviewing the Board's structure, the size and composition of the various Board committees and making recommendations
- Oversees the remuneration philosophy and practices

The Remuneration and Nominations Committee met three times during the reporting period and the committee composition remained the same. The committee is satisfied that it has fulfilled its necessary responsibilities in accordance with its terms of reference for the reporting period.

Refer to pages 24 to 27 for the remuneration report by the Remuneration and Nominations Committee, including the remuneration policy and remuneration implementation report.

**Below is a summary of all the Board members' attendance at Board and committee meetings since 1 March 2021 to 28 February 2022:**

Director	Classification	Board	ARC	RNC	SEC
<b>Number of Meetings</b>		<b>4</b>	<b>3</b>	<b>3</b>	<b>2</b>
James Allan	Chief executive officer	4/4			2/2
Mohamad Bassam Al Mojarkesh	Non-executive director / shareholder representative	4/4	3/3	3/3	
Charles Mostert	Independent non-executive director	4/4	2/3	3/3	2/2
Eshaan Singh	Non-executive director	4/4	3/3		
Said Tinawi	Non-executive director	3/4		3/3	2/2
Deon Botha	Part-time Financial Director	4/4	3/3		
Enver Motala	Non-executive Director	4/4			

**It is noted that the Company did hold the requisite number of Board and committee meetings during the financial year ended 28 February 2022, via Zoom, taking into consideration Covid-19 restrictions.**

## **Audit and Risk Committee Report**

### **Annual financial statements for the year ended 28 February 2022**

The Audit and Risk Committee has pleasure in submitting this report, which has been approved by the Board and has been prepared in accordance with section 94(7)f of the Companies Act No 71 of 2008 ("the Act") and incorporating the recommendations of the Report on corporate governance for South Africa, 2016 ("King IV™").

In summary, this committee assists the Board in its responsibilities covering the:

- internal and external audit process for the Group taking into account the significant risks
- adequacy and functioning of the Group's internal controls
- integrity of the financial reporting
- risk management and information technology.

The committee has performed all the duties required in section 94(7) of the Companies Act 71 of 2008.

In reviewing the Committee's composition during the year, it was decided that, due to the size of the company, the Audit Committee and Risk Committee would remain one Committee and attend to both audit and risk responsibilities. However, the agenda is divided into two separate sections so as to ensure that both audit and risk management responsibilities are attended to.

In terms of Section 3.84(g)(ii) of the JSE Listings Requirements, the committee believes that appropriate financial reporting procedures exist and are working and has access to all the financial information of the issuer to allow the issuer to effectively prepare and report on the financial statements of the issuer.

### **Members of the Audit and Risk Committee and attendance at meetings**

The Audit and Risk Committee consists of three independent non-executive directors listed below. The Chief Executive Officer, Managing Director, Part-time Financial Director and partner of the External Auditors attend



meetings by invitation and attended all meetings held during the reporting period. The Board is satisfied that the independence, experience and qualifications of each member enable them to fulfil the committee's mandate. In addition to scheduled meetings, the committee meets at least once a year with the company's External Auditors, without management being present.

Three meetings were held from 1 March 2021 to 28 February 2022. The committee composition and meeting attendance are below:

Name	Position	Qualification	Meetings attended
Eshaan Singh	Independent chairman	BCompt	3/3
Charles Mostert	Independent member	BCom (Hons), MBL, Certificate in mining taxation	2/3
Mohamad Bassam Al Mojarkesh	Independent member	DCE Diploma in Civil Engineering	3/3

The committee, as a whole, has the necessary financial literacy, skills and experience to execute their duties effectively.

### Role of the Audit and Risk Committee

The Audit and Risk Committee reviewed its Terms of Reference, setting out its duties and responsibilities as prescribed in the Act, King IV™ and incorporating additional duties delegated to it by the Board.

The committee:

- fulfils the duties that are assigned to it by the Act and as governed by other legislative requirements
- assists the Board in overseeing the quality and integrity of the Group's integrated reporting process, including the financial statements and sustainability reporting, and announcements in respect of the financial results
- monitors that an effective control environment in the Group is maintained
- provides the Part-time Financial Director, External Auditors and the Head of Internal Audit with unrestricted access to the committee and its Chairman as is required in relation to any matter falling within the ambit of the committee
- meets with the External Auditors and Executive Directors as the committee may elect
- meets confidentially with the External Auditors without other Executive Board members and the company's Part-time Financial Director being present
- reviews and recommends to the Board the Interim Financial Results and Annual Financial Statements
- fulfils the duties that are assigned to it by the Act and as governed by other legislative requirements, including the statutory audit committee functions required for subsidiary companies
- receives and deals with any complaints concerning accounting practices, Internal Audit or the content and audit of its financial statements or related matters
- conduct annual reviews of the Audit and Risk Committee's Work Plan and Terms of Reference
- assesses the performance and effectiveness of the Audit and Risk Committee and its members on a regular basis
- reviewed the proactive monitoring process in terms of the most recent letter from the JSE
- considered the impact of Covid-19 on the financial results.

### Execution of functions during the year

The committee is satisfied that, for the 2022 financial year, it has performed all the possible functions under the suspension as set out in the Act, JSE Listings Requirements, King IV™ and the committee's Terms of Reference.

The Audit and Risk Committee discharged its functions in terms of its terms of reference and ascribed to it in terms of the Act during the year under review as follows:

## External audit

Nexia SAB&T Inc. was appointed as External Auditors effective 22 May 2020.

The committee among other matters:

- agreed to nominate Nexia SAB&T Inc. and Shamira Mahomed as the external auditor and designated auditor respectively to shareholders for appointment as auditor for the financial year ending 28 February 2022, and ensured that the appointment complied with all applicable legal and regulatory requirements for the appointment of an auditor
- nominated the External Auditor and the independent auditor for each material subsidiary company for re-appointment
- requested from Nexia SAB&T Inc, the formal letter of their latest inspection performed by IRBA on the firm and Shamira Mahomed, including any findings to the firm and/or individual in line with paragraph 22.15(h) of the JSE Listings Requirements
- reviewed the audit effectiveness and evaluated the External Auditor's internal quality control procedures
- obtained an annual confirmation from the auditor that their independence was not impaired
- maintained a policy setting out the categories of non-audit services that the External Auditor may and may not provide, split between permitted, permissible and prohibited services
- confirmed that no non-audit services were conducted by Nexia SAB&T Inc
- approved the external audit engagement letter, the plan and the budgeted audit fees payable to the external auditor
- obtained assurances from the external auditor that adequate accounting records were being maintained by the company and its subsidiaries
- considered whether any reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, No. 26 of 2005
- considered any reported control weaknesses, management's response for their improvement and assessed their impact on the general control environment.

## Adequacy and functioning of the Group's internal controls

The committee reviewed the plans and work outputs of the external auditors and concluded that these were adequate to address all significant financial risks facing the business.

As noted above, it also reviewed the reporting around the adequacy of the internal controls and based on this concluded that there had been no material breakdowns in internal control, including financial controls, business risk management and maintenance of effective material control systems.

## Financial reporting

The Audit and Risk Committee ensures that the financial reporting to stakeholders fairly presents the state of affairs of the Group. This covers the Annual Financial Statements, Integrated Annual Report, interim and preliminary reporting.

The committee among other matters:

- confirmed the going concern as the basis of preparation of the Annual Financial Statements, taking into consideration the impact of Covid-19
- reviewed compliance with the financial conditions of loan covenants and determined that the capital of the company was adequate
- examined and reviewed the Interim and Annual Financial Statements, as well as all financial information disclosed prior to the submission to the Board for their approval and then for disclosure to stakeholders
- overseen that the Annual Financial Statements fairly present the financial position of the company and of the Group as at the end of the financial year and the results of operations and cash flows for the financial year and considered the basis on which the company and the Group was determined to be a going concern
- considered the appropriateness of the accounting policies adopted and changes thereto
- reviewed the external auditor's audit report and key audit matters included
- reviewed the representation letter relating to the annual financial statements which was signed by management
- considered any problems identified and reviewed any significant legal and tax matters that could have a material impact on the financial statements
- considered accounting treatments, significant unusual transactions, and accounting judgments.

## Significant areas of judgement

In arriving at the figures disclosed in the financial statements there are many areas where judgement is needed. These are outlined in the critical accounting estimates and judgements in the accounting policies to the annual financial statements. The Audit and Risk Committee has looked at the quantum of the assets and liabilities on the statements of financial position and other items that require significant judgement and decided that no judgements are required.

The committee:

- oversaw the value delivery on IT
- monitored that intellectual property contained in information systems is protected
- monitored that adequate business arrangements are in place for disaster recovery
- monitored that all personal information is treated by the company as an important business asset and is identified
- reviewed and recommended to the Board for approval any policies proposed by management and relevant to the areas of responsibility of the committee.

## Legal and regulatory requirements

To the extent that these may have an impact on the Annual Financial Statements, the committee:

- reviewed legal matters that could have a material impact on the Group
- reviewed the adequacy and effectiveness of the Group's procedures, including its risk management framework, to ensure compliance with legal and regulatory responsibilities
- considered reports provided by management and the external auditors regarding compliance with legal and regulatory requirements.

## Expertise and experience of Financial Director and the financial function

As required by 3.84(h) of the JSE Limited Listings Requirements, the committee has satisfied itself that the part-time financial director, Deon Botha, has the appropriate expertise and experience. In addition, the committee satisfied itself that the composition, experience and skills set of the finance function met the Group's requirements.

## Election of committee at the annual general meeting

Pursuant to the provisions of section 94(2) of the Companies Act, which required that a public company must elect an audit committee at each annual general meeting, it is proposed in the notice of annual general meeting to be held on Friday 19 August 2022 that Eshaan Singh (chairman), Charles Mostert and Mohamad Bassam Al Mojarkesh be re-appointed as members of the Audit and Risk Committee until the next annual general meeting in 2023.

## Assessment of the committee

The committee agreed to only conduct self-evaluations every second year. A detailed self-assessment of the performance of the committee was conducted and the results thereof were considered in order to identify areas for improvement. The assessment found the structure and processes governing the committee were well established and functioning satisfactorily.

## Integrated report

Following the review by the committee of the Consolidated Annual Financial Statements of Sable Exploration and Mining Limited for the period ended 28 February 2022, the committee is of the view that in all material aspects they comply with the relevant provisions of the Act and International Financial Reporting Standards and fairly present the consolidated and separate financial positions at that date and the results of operations and cash flows for the year then ended. The committee has also satisfied itself of the integrity of the Integrated Annual Report to be posted to Shareholders around 8 July 2022.

## Recommendation of the Annual Financial Statements for approval by the Board

The committee recommended the Annual Financial Statements for the year ended 28 February 2022 for approval to the Board. The Board has subsequently approved the reports, which will be open for discussion at the forthcoming annual general meeting.



Eshaan Singh  
Audit and Risk Committee chairman  
30 June 2022

# Remuneration and Nomination committee report

This report comprises three sections:

- matters considered by the remuneration and nomination committee;
- remuneration policies and principles for shareholders' vote and the annual general meeting;
- implementation report of the remuneration policy

In reviewing the committee's composition during the year, it was decided that, due to the size of the company, the remuneration committee and nomination committee would remain one committee.

## Appointment of directors to the board

Apart from a candidate's experience, availability and likely fit, the committee also considers a candidate's integrity, as well as other directorships and commitments to ensure that the candidate will have sufficient time to discharge his/her role properly. The remuneration and nomination committee also consider race and gender diversity in its assessment in line with its race and gender diversity policy. The board adopted targets of 20% for both race and gender representation on the board and will be considered for new appointments.

The committee operates under formal terms of reference in terms of which it is required to meet at least twice a year in order to fulfil the functions assigned to it.

## Remuneration and nomination committee members

During the reporting period, Charles Mostert was the chairman of the Nominations Committee matters and Said Tinawi of the Remuneration committee matters. The chief executive officer attends meetings by invitation.

The chairman of the board is not eligible for appointment as chairman of the committee but presides as chairman when the committee fulfils its oversight responsibilities on nomination matters and board/director interactions.

Since 1 March 2021 to date of publication, the committee met three times to confirm the matters under its ambit. The attendance of the meeting was as follows:

Name	Position	Qualification	Meetings attended
Charles Mostert	Independent member	BCom (Hons), MBL, Certificate in mining taxation	3/3
Said Tinawi	Non-executive member	MBA	3/3
Mohammed Al Mojarkesh	Independent member	DCE Diploma in Civil Engineering	3/3

## Assessment of the committee

A detailed self-assessment of the performance of the committee was conducted and the results thereof were considered in order to identify areas for improvement. The assessment found the structure and processes governing the committee were well established and functioning satisfactorily.



Charles Mostert (Nominations)



Said Tinawi (Remuneration)

**Remuneration and nomination committee chairmen**

30 June 2022

# Remuneration Policy

## Background statement

The group's remuneration policy aims to attract, retain and motivate skilled and performing employees to execute the group's strategy. Since the suspension, additional retrenchments had to be made to leave the minimum number of employees to execute the necessary functions whilst investigating new opportunities. This Policy is applicable to current and future employees.

The group offers an integrated remuneration and reward model, which comprises:

- cost-to-company benefits
- Short-term incentive
- Long-term incentive

## Short-term incentive

The group awards management and most salaried employees on an annual performance incentive. The actual value awarded is subject to the achievement of predetermined thresholds relating to the performance and position of the group, and individual performance during the reporting period. Due to the suspension, the short-term incentive was placed on hold until such time as the company's suspension was lifted.

Once operational, all payments in terms of the qualitative and quantitative portion of the short-term incentive scheme will be based on predetermined performance targets.

## Long-term incentive

The long-term incentive plan ("LTIP") forms part of the variable compensation and is used to attract, retain and motivate employees who influence the long-term sustainability and strategic objectives of the group. The purpose is to foster sustainable performance or value creation over the long term, which is aligned to the group's strategy and which enhances stakeholder value. Its main characteristic is the promise to deliver value over a future vesting period, once performance criteria are met or exceeded.

This LTIP will again be reviewed and implemented once the group is operational.

## Increases

At an individual employee level, the annual CTC increases are determined by the individual's pay relative to the band he/she is in, as well as the performance of the individual in the role.

## Non-executive directors

It is the group's policy to identify, attract and retain non-executive directors who can add significant value to SEAM. The board applies principles of good corporate governance relating to directors' remuneration and also keeps abreast of changing trends. Governance of directors' remuneration is undertaken by the committee.

The committee takes cognisance of market norms and practices as well as additional responsibilities placed on the board members by new legislation and corporate governance principles.

Non-executive directors receive a base fee for their main board membership and an attendance fee per meeting. Board members only receive fees for meetings they attend.

The policy on remuneration for non-executive directors is that this should:

- be market-related (having regard to the median fees paid and number of meetings attended by non-executive directors of companies of similar size and structure to similar sectors); and



– not be linked to the share price of SEAM.

Non-executive directors do not receive bonuses or share options, recognising that this can create potential conflicts of interest which can impair the independence which non-executive directors are expected to bring to bear in decision-making by the board.

Shareholders will be requested to approve the fees in the annual general meeting to be held in 2022 as set out in the notice of annual general meeting on page 53.

### **Voting and shareholder engagement**

In order to actively promote fair, responsible and transparent remuneration and remuneration reporting, SEAM encourages engagement with shareholders on remuneration-related matters. The remuneration policy as well as the implementation report will be tabled for two separate non-binding advisory votes by shareholders at the annual general meeting.

The committee will initiate shareholder engagement with dissenting shareholders, should 25% or more of the shareholders vote against either or both the remuneration policy or the implementation report.

## **Remuneration implementation report**

The remuneration implementation report details the outcomes following the implementation of the approved remuneration policy detailed on pages 26 to 27 of the integrated annual report.

### **Total cost of employees (“TCOE”) increases**

No increases were given to any employee since 1 March 2016.

Refer to note 18 on page 48 for a detailed breakdown of executive directors and prescribed officers’ remuneration.

The TCOE as earned by executive directors and prescribed officers for the period 2022 are as follows:

	<b>TCOE 2022</b> <b>R’000</b>	<b>TCOE 2021</b> <b>R’000</b>
Chief executive officer	Nil*	Nil*
Part-time financial director	Nil**	Nil**
Total	Nil	Nil

\* Management Fees

\*\*Billed for work done

### **Annual incentive bonus**

Due to the group not being operational, no annual incentive bonuses were paid to any employees.

### **Long-term incentives (“LTI”)**

There was no LTI remuneration made to executive directors and prescribed officers for the year 1 March 2021 to 28 February 2022.

### **Non-executive directors’ remuneration**

The participation of non-executive directors in the group is essential to the group achieving its strategic objectives and non-executive director’s fees are therefore recommended by the executive directors and remuneration and nomination committee with this in mind.

In accordance with the Companies Act, and the company's memorandum of incorporation ("MOI"), non-executive directors' fees are approved by the shareholders at the annual general meeting. The current fee levels are presented to the shareholders for approval at the annual general meeting to be held on Friday 19 August 2022 and are stated on page 59 of the notice of annual general meeting included in this integrated annual report.

The total amount spent on non-executive directors' fees from 1 March 2021 to 28 February 2022 are as follows:

	2022 R'000	2021 R'000
Non-executive directors' fees	470	Nil

### **Directors' Services Contracts**

James Allan has agreed in writing that he will not terminate his employment for one year, other than with agreement with the board.

## **Social and Ethics committee report**

The committee operates under formal terms of reference in terms of which it is required to meet at least twice a year in order to fulfil the functions assigned to it in terms of the Companies Regulations, and such other functions as are assigned to it by the board from time to time in order to assist the board in ensuring that the group remains a responsible corporate citizen.

This report, which describes how the committee has discharged its responsibilities in respect of the financial year ended 28 February 2022, will be presented to the shareholders at the annual general meeting to be held on 19 August 2022.

### **Social and ethics committee members**

During the reporting period, Said Tinawi was the chairman, Charles Mostert and James Allan as members.

### **Responsibilities**

The objectives and responsibilities of the committee, which are aligned with the committee's statutory functions as set out in the Companies Act, form the basis of an annual work plan.

The objectives that support SEAM's sustainability policy include the promotion of environmental, health and public safety and good corporate citizenship, including the promotion of equality, the prevention of unfair discrimination and the reduction of corruption.

### **Ethics**

The code of ethics and business conduct, which embodies our key principles and values, was reviewed during the year and confirmed to be relevant and effective.

### **Labour**

Our employment equity policies embody our commitment to implementing employment equity across the group, whilst the company are committed in compliance with the South African Broad-Based Black Economic Empowerment Act.

Skills development will receive additional attention once the operations of the company are at full capacity again.

### **Assessment of the committee**

A detailed self-assessment of the performance of the committee was conducted and the results thereof were considered in order to identify areas for improvement. The assessment found the structure and processes governing the committee were well established and functioning satisfactorily.

### **Sustainability**

SEAM adheres to environmental and sustainability principles as set out in the Minerals and Petroleum Resources Development Act, 28 of 2002 (MPRDA).

There have been no operations, including drilling there has been no requirement for rehabilitation during the reporting period.

### **Sustainability and corporate social awareness**

The group is fully committed to sustainability and corporate social awareness. We are cognisant of the fact that the growth and success of the company is dependent on the ability to continue to deliver value to our stakeholders. Sustainability can only be achieved through paying greater attention to the world in which we operate.

The group will continue seeking new ways in which the environment can be benefitted through efficient and effective allocation of resources, once operational.

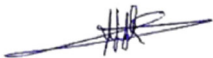
### **Safety, health and the environment**

There were no accidents or incidents during the reporting period.

Since inception in 2010, SEAM has an accumulative Lost Time Injury Frequency Rate of 3.14. (LTIFR = number of injuries \* 200 000 hours / total hours worked)

To date SEAM recorded on their exploration sites 127 554 accumulative man hours worked, of which 69 998 hours were contributed by drilling contractors in the past.

There have been no operations during the current financial year.



Said Tinawi

**Social and ethics committee chairman**

30 June 2022

## **Certification by the company secretary**

In terms of section 88(2)(e) of the Companies Act of South Africa (Act 71 of 2008), as amended (the "Act"), I certify that for the year ended 28 February 2022, Sable Exploration and Mining Limited has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.



Claire Middlemiss

Company Secretary

# Annual Financial Statements

## Directors' responsibilities and approval

### Annual Financial Statement for the year ended 28 February 2022

#### Directors' Responsibilities and Approval

The directors are required by the Companies Act 71 of 2008 to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Group and Company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with the International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and Company and places considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, they set standards for internal control aimed at reducing risk of error or loss in a cost-effective manner. These standards include proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and Company and all employees are required to maintain the highest ethical standards in ensuring the Group and Company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group and Company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and Company. While operating risk cannot be fully eliminated, the Group and Company endeavours to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.


The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal control can provide only reasonable, and not absolute, assurance against material misstatement of loss.

The external auditors are responsible for independently auditing and reporting on the Group and Company's annual financial statements have been examined by the external auditors and their report is presented on pages 34 to 36.

The annual financial statements set out on pages 37 to 52 which have been prepared on the going concern basis were approved by the directors on 30 June 2022 and were signed by:



James Gordon Allan  
Chief Executive Officer



Mohamed Said Tinawi  
Non-executive Director

## Chief Executive Officer and Financial Director Responsibility Statement

The directors, whose names are stated below, hereby confirm that-

- a) The annual financial statements set out on pages 38 to 52, fairly present in all material respects that the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- b) No facts have been omitted or untrue statements made that would make the annual financial statements false or misleading.
- c) Internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and
- d) The internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves the directors and have taken the necessary remedial action.



James Allan  
Chief Executive Officer

30 June 2022



Deon Botha  
Financial Director

30 June 2022

## Directors' Report

The Directors hereby submit their report on the Group Annual Financial statements for the year ended 28 February 2022.

### 1. Nature of business

The nature of the company's business is an investment and management company with trading subsidiaries engaged in the exploration, prospecting, development and mining of mineral resources and all aspects related thereto.

### 2. Review of financial results and activities

Full details of the financial position, results of operations and cash flows are set out in these annual financial statements.

3. Share capital	2022	2021
	Number of shares	
Authorised Ordinary shares	1 500 000 000	1 500 000 000
Issued Ordinary shares	<u>4 350 872</u>	<u>4 350 872</u>

### 4. Dividends

The directors have resolved not to declare a dividend for the year under review.

### 5. Directors

The directors in office at the date of this report are as follows:

James Gordon Allan	Chief Executive Officer
Deon Botha	Part-time Financial Director
Charles Phillip Mostert	Non-executive Chairperson
Mohamed Said Tinawi	
Mohammed Bassam Al Mojarkesh	
Eshaan Singh	
Enver Mohamed Motala	

### 6. Lifting of suspension

The JSE approved the lifting of SEAM's suspension from the commencement of trading on 16 February 2022.

### 7. Rights Issue

SEAM has previously announced it proposes to undertake a rights offer of approximately R52 million underwritten by various shareholders including the SEAM CEO, James Allan to a total of 25 364 907 shares.

The proceeds of the rights offer will be used to:

1. repay debt of R26 million.
2. pay transaction costs for the acquisition of the Assets.



## Directors' Report

### 8. Shareholder analysis

Ordinary Shareholder analysis as at 28 February 2022. The following are shareholders beneficially holding, directly or indirectly, in excess of 5% of the share capital as at 28 February 2022 and at 28 February 2021.

	Number of shares	% holding
Shenver Investments (Pty) Ltd	800 000	18,39%
Discount Toy Cash and Carry CC	333 361	7,66%
James Gordon Allan	318 497	7,32%
Legacy Platinum Corp.	315 876	7,26%
Yawara Capital	286 584	6,59%
Familia Asset Managers (Pty) Ltd	284 507	6,54%
Abbus Yunus Ally	260 000	5,98%
Total	2 598 825	59,74%

### 9. Directors' interests in shares

There have been no changes between the end of the financial year and the date of approval of the Annual Financial Statements.

The following directors hold direct and indirect beneficial interests in shares of the company:

	Number of shares			
	Direct holding	Indirect holding	Total holding	% holding
Holding at 2022				
Enver Mohamed Motala	-	800 000	800 000	18,39%
James Gordon Allan	305 768	12 729	318 497	7,32%
Charles Phillip Mostert	3 346	-	3 346	0,08%
	309 114	812 729	1 121 843	25,79%
Holding at 2021				
Enver Mohamed Motala	-	800 000	800 000	18,39%
James Gordon Allan	305 768	12 729	318 497	7,32%
Charles Phillip Mostert	3 346	-	3 346	0,08%
	309 114	812 729	1 121 843	25,79%

### 10. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the company are unlimited.

### 11. Profit and loss of subsidiaries

Profits and losses incurred by subsidiaries are:

Roan Platinum (Pty) Ltd	Profit	-	34 456
Sable Platinum Holdings (Pty) Ltd	Loss	5 203 624	<u>2 550 471</u>

### 12. Special resolutions passed by the Company

1. The company changed its name from Middle East Diamond Resources Limited to Sable Exploration and Mining Limited.
2. Remuneration of non-executive directors was approved.

3. Financial assistance in terms of Sections 44 and 45 was approved.
4. General authority to issue shares was approved.

### **13. Events after the reporting period**

On 24 May 2022 the company announced that the transaction with Magni Investment Holdings (Pty) Ltd ("Magni") referred to in SENS announcements of 28 February 2022, 1 February 2022 and 24 November 2021 was not proceeding because of certain conditions precedent not being fulfilled by Magni. Shareholders were advised that the company has been approached by a number of companies regarding a potential reverse listing into SEAM. Shareholders will be updated accordingly.

### **14. Going Concern**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The Group incurred a loss for the year ending 28 February 2022 of R6 167 739 (2021 - R3 315 903) and, as of those dates, the Group's total liabilities exceeded its total assets by R26 020 758 (2021 - R19 864 827). The Group has the right to defer payment of non-current liabilities per Note 9 of R22 941 609 (2021 - R16 249 048) until such time as the Group is able to repay the loans from available cash resources. These events or conditions, along with other matters set forth in this note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The directors will continue to source financial resources to continue as a going concern despite the historical losses incurred. The ability of the Group and Company to be a going concern is dependent on the success of the rights issue as follows:

#### **Rights issue**

The SENS announcement on 02 March 2022 informed shareholders that the SEAM board of directors approved a partially underwritten rights offer of 52 215 180 ordinary shares, in the ratio of 12 new ordinary shares for each existing ordinary share, at a price of R 1 per share. The company aims to raise R52,2 million before any costs to assist in paying outstanding creditors and assist SEAM with future acquisitions.

The directors of the company have underwritten, direct and indirectly, a total of 25 364 907 shares which in total amounts to R 25.36 million representing 48,6% of the approved rights issue. It should be noted that shareholders have the first right to subscribe for shares at R1 each and the underwriting can only be exercised if shareholders do not take up the shares being offered in the rights issue.

### **15. Independent Auditors**

Nexia SAB & T continued in office as auditors for the company for the year.

### **16. Secretary**

The Company secretary is Ms. Claire Middlemiss.

### **17. Date of authorisation for issue of financial statements**

The annual financial statements have been authorised for issue by the directors on 30 June 2022. No authority was given to anyone to amend the financial statements after date of issue.

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sable Exploration and Mining Limited and its subsidiaries

### Report on the Audit of the Consolidated and Separate Financial Statements

#### Opinion

We have audited the consolidated and separate financial statements of Sable Exploration and Mining Limited and its subsidiaries (the Group) set out on pages 37 to 52, which comprise the consolidated and separate statement of financial position as at 28 February 2022, and the consolidated and separate statement of comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group as at 28 February 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Material Uncertainty Related to Going Concern

We draw attention to Note 21 in the financial statements, which indicates that the Group incurred a net loss for the year ended 28 February 2022 and, as of that date, the Group's total liabilities exceeded its total assets by R26 020 758 (2021: R19 864 827). As stated in Note 21, these events or conditions, along with other matters as set forth in Note 21, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Except for the matter described in the Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

## Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "SEAM Integrated Annual Report 2022" and in the document titled "Sable Exploration and Mining Limited Annual Financial Statements for the year ended 28 February 2022", which includes the Directors' Report, the Audit Committee's Report, the Chief Executive Officer letter, Financial Director Responsibility Statement, and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon. The SEAM Integrated Annual Report 2022 is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Nexia SAB&T has been the auditor of Sable Exploration and Mining Limited for 6 years.

*Nexia SAB&T*

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**Nexia SAB&T**  
Shamira Mahomed  
Director  
Registered Auditor

30 June 2022

## Statements of Financial Position

Figures in Rand	Notes	GROUP		COMPANY	
		2022	2021	2022	2021
<b>Assets</b>					
<b>Non-Current Assets</b>					
Investment in associates	4	98	-	-	-
<b>Current Assets</b>					
Other receivables	6	395 145	2 056 645	-	-
Cash and cash equivalents		4 425	5 561	-	-
Total current assets		399 570	2 062 206	-	-
<b>Total Assets</b>		399 668	2 062 206	-	-
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share Capital	8	99 468 435	99 468 435	317 605 140	317 605 140
Accumulated loss		(125 488 032)	(119 320 293)	(323 276 140)	(322 239 435)
Equity attributable to owners of the parent		(26 019 597)	(19 851 858)	(5 671 000)	(4 634 295)
Non-controlling interest		(1 161)	(12 969)	-	-
<b>Total equity</b>		(26 020 758)	(19 864 827)	(5 671 000)	(4 634 295)
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Other financial liabilities	9	22 941 609	19 155 850	3 120 782	2 950 000
<b>Current Liabilities</b>					
Trade and other payables	10	3 478 564	2 757 784	2 550 218	1 684 295
Taxation		-	13 399	-	-
Bank overdraft		253	-	-	-
Total current liabilities		3 478 817	2 771 183	2 550 218	1 684 295
<b>Total Liabilities</b>		26 420 426	21 927 033	5 671 000	4 634 295
<b>Total Equity and Liabilities</b>		399 668	2 062 206	-	-

## Statements of Comprehensive Income

Figures in Rand	Notes	GROUP		COMPANY	
		2022	2021	2022	2021
Finance income		-	47 855	-	-
Operating expenses	12	(6 113 957)	(3 297 452)	(882 943)	(480 531)
<b>Operating loss</b>		(6 113 957)	(3 249 597)	(882 943)	(480 531)
Impairment loss	13	-	-	(100 000)	(3 103 437)
Finance costs		(53 782)	(52 907)	(53 762)	(50 327)
<b>Loss before Taxation</b>		(6 167 739)	(3 302 504)	(1 036 705)	(3 634 295)
Taxation		-	13 399	-	-
<b>Total comprehensive loss for the year</b>		(6 167 739)	(3 315 903)	(1 036 705)	(3 634 295)
Total comprehensive loss attributable to:					
Owners of the parent		(6 167 739)	(3 315 903)	-	-
Non-controlling interest		-	-	-	-
		(6 167 739)	(3 315 903)	(1 036 705)	(3 634 295)
<b>Earnings and diluted earnings per share</b>	23				
Loss per share (cents)		(141,76)	(76,21)		

## Statements of Changes in Equity

Figures in Rand	Share Capital	Accumulated loss	Total	Non-Controlling interest	Total equity
<b>GROUP</b>					
<b>Balance at 1 March 2020</b>	99 468 435	(116 004 390)	(16 535 955)	(12 969)	(16 548 924)
Total comprehensive loss		(3 315 903)	(3 315 903)		(3 315 903)
<b>Balance at 28 February 2021</b>	99 468 435	(119 320 293)	(19 851 858)	(12 969)	(19 864 827)
Total comprehensive loss		(6 167 739)	(6 167 739)		(6 167 739)
Adjustment to Non-controlling interest on disposal of subsidiaries				11 808	11 808
<b>Balance at 28 February 2022</b>	99 468 435	(125 488 032)	(26 019 597)	(1 161)	(26 020 758)
Notes	8				
<b>COMPANY</b>					
<b>Balance at 1 March 2020</b>	317 605 140	(318 605 140)	(1 000 000)		(1 000 000)
Total comprehensive loss		(3 634 295)	(3 634 295)		(3 634 295)
<b>Balance at 28 February 2021</b>	317 605 140	(322 239 435)	(4 634 295)		(4 634 295)
Total comprehensive loss		(1 036 705)	(1 036 705)		(1 036 705)
<b>Balance at 28 February 2022</b>	317 605 140	(323 276 140)	(5 671 000)		(5 671 000)
Notes	8				



## Statement of Cash Flows

Figures in Rand	Notes	GROUP		COMPANY	
		2022	2021	2022	2021
<b>Cash flows from operating activities</b>					
Cash utilised in operations	15	(1 333 268)	(354 005)	(17 020)	50
Finance costs		(53 782)	(52 907)	(53 762)	327
Finance income		-	47 855	-	(50 327)
<b>Net cash from operating activities</b>		(1 387 050)	(359 057)	(70 782)	-
<b>Cash flow from investing activities</b>					
Acquisition of associates		(98)	-		
Loans advanced to subsidiary				(100 000)	
Proceeds from restricted cash		-	249 517	-	-
<b>Net cash from investing activities</b>		(98)	249 517	(100 000)	-
<b>Cash flows from financing activities</b>					
Proceeds from financial liabilities	16	1 385 759	508 866	170 782	100 000
Loans advanced to subsidiary	16				(100 000)
Payment of financial liabilities		-	(395 000)	-	-
<b>Net cash from financing activities</b>		1 385 759	113 866	170 782	-
Total cash movement for the year		(1 389)	4 326	-	-
Cash at the beginning of the year		5 561	1 235	-	-
Cash at the end of the year		4 172	5 561	-	-

## Accounting Policies

### 1. Presentation of annual financial statements

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### Basis of preparation

The consolidated financial statements of Sable Exploration and Mining Limited have been prepared in accordance with International Financial Reporting Standards ("IFRS"), interpretations issued using the IFRS Interpretations Committee ("IFRIC") applicable to companies reporting under IFRS and JSE Securities Exchange ("JSE") Listings Requirements. The financial statements comply with IFRS as issued by the International Accounting Standards Board ("IASB") and in the manner required by the Companies Act, 71 of 2008 as amended.

#### Historical cost convention

The financial statements have been prepared on the historical cost basis.

### 2. Consolidation

The consolidated financial information includes the financial statements of the Group and its subsidiaries. All financial results are consolidated with similar items on a line-by-line basis.

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases.

Inter- group transactions, balances, and unrealized gains on transactions between group companies are eliminated. Unrealised losses are also eliminated but considered an impairment indication of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 3. Investment in subsidiaries

In the company's separate annual financial statements, investments in subsidiaries are carried at cost less any accumulated impairment.

The cost of an investment in subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

Any adjustment to the cost of a business combination contingent on future events is included in the cost of the combination if the adjustment is probable and can be measured reliably.

### 4. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial instruments (IFRS 9)

##### Initial recognition and measurement

Financial assets are classified, at initial recognition at fair value plus transaction costs, if any, and subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

In order for a financial asset to be classified and measured at amortised cost it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This assessment is referred to as the SPPI test and is performed at an instrument level.

## Accounting Policies

### Financial assets at amortised cost (debt instruments)

Financial assets comprise cash and cash equivalents and loans to subsidiary.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

### Derecognition

A financial asset is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, Or
- The Group has transferred its rights to receive cash flows from the asset.

### Expected Credit Loss Allowances

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, as well as consideration of various external sources of actual and forecast economic information.

Irrespective of the outcome of the above assessment, the credit risk on a financial asset is always presumed to have increased significantly since initial recognition if the contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

By contrast, if a receivable is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on the financial asset has not increased significantly since initial recognition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

## **Accounting Policies**

### **Financial liabilities (IFRS9)**

#### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include other financial liabilities, trade and other payables and bank overdrafts.

#### **Subsequent measurement**

For purposes of subsequent measurement, financial liabilities are classified as:

- Financial liabilities at amortised cost

#### **Financial liabilities at amortised cost**

This is the category most relevant to the Group. After initial recognition, interest-bearing financial liabilities are subsequently measured at amortised cost using the EIR method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### **5. Share capital and equity**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities.

Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Group's equity holders. Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the proceeds.

### **6. Taxation**

#### **Current tax assets and liabilities**

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is treated as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the reporting date.

The tax liability reflects the effect of the possible outcomes of a review by the tax authorities.

#### **Tax expenses**

Current tax expenses are recognised as income or expenses and included in profit or loss for the period.

### **7. Earnings per share**

Earnings and headline earnings per share are calculated by dividing the net profit attributable to the owners of the parent and headline earnings respectively, by the weighted average number of ordinary shares in issue during the year, excluding the ordinary shares held by the Group as treasury shares.

Headline earnings are calculated in accordance with Circular 1/2021 issued by the South African Institute of Chartered Accountants as required by the JSE Listings Requirements.

## Notes to the Annual Financial Statements

Figures in Rand	GROUP		COMPANY	
	2022	2021	2022	2021
<b>2 Standards and interpretations</b>				
No standards and interpretations effective and not yet effective would have a material impact on the financial statements of the Group and Company.				
<b>3 Investments in subsidiaries</b>				
The following is a list of entities which are controlled by the Group, either directly or indirectly through subsidiaries:				
Name of company	% holding 2022	% holding 2021	Carrying amount 2022	Carrying amount 2021
Sable Platinum Holdings (Pty) Ltd	100%	100%	152 245 645	152 245 645
Less: Impairment provision			(152 245 345)	(152 245 345)
Carrying value			-	-
<b>Held by Sable Platinum Holdings (Pty) Ltd “SPH”</b>				
Fast Pull Trade and Invest (Pty) Ltd	74%	74%		
Middlewave Trade and Invest 4 (Pty) Ltd	51%	51%		
Saddle Path Properties 54 (Pty) Ltd	74%	74%		
Squirewood Investments 98 (Pty) Ltd	74%	74%		
Writer Star Trade and Invest (Pty) Ltd	74%	74%		
Bridge Line (Pty) Ltd	0%	51%		
Coveway Trade and Invest 46 (Pty) Ltd	0%	51%		
Dotfull Trading (Pty) Ltd	0%	74%		
Rickshaw Trade and Invest 88 (Pty) Ltd	0%	74%		
Roan Platinum (Pty) Ltd	0%	74%		
<b>4 Investment in associates</b>				
AAE Thabametsi (Pty) Ltd – 49%	49	-		
Swing Curve Trade 375 (Pty) Ltd – 49%	49	-		
	98	-		
<b>5 Loan to subsidiary</b>				
Sable Platinum Holdings (Pty) Ltd			40 464 429	40 364 429
Less: Impairment provision			(40 464 429)	(40 364 429)
Carrying value			-	-
<p>The Group and its subsidiaries are exploration companies not yet in a cash generating position. The financial asset has been assessed as being in stage 3 according to the IFRS 9 general approach and as a result the loan has been credit impaired. The loan has been impaired as the subsidiary has no ability to repay the loan.</p> <p>The fair value of financial assets approximates its carrying amount due to the short-term nature of the loans.</p>				

## Notes to the Annual Financial Statements

Figures in Rand		GROUP		COMPANY	
		2022	2021	2022	2021
<b>6</b>	<b>Other receivables</b>				
	SARS – VAT receivable	395 145	2 056 645		
<b>7</b>	<b>Financial assets by category</b>	<b>GROUP</b>		<b>COMPANY</b>	
		<b>Financial assets at amortised cost</b>	<b>Non-Financial assets</b>	<b>Financial assets at amortised cost</b>	<b>Total</b>
			<b>Total</b>		
	Other receivables 2022	-	395 145	-	-
	Cash and cash equivalents	4 625	-	-	-
		4 625	395 145		
	Other receivables 2021	-	2 056 645	-	-
	Cash and cash equivalents	5 561	-	-	-
		5 561	2 056 645	-	-
<b>8</b>	<b>Share Capital</b>				
	<b>Authorised</b> - 1,500,000,000 Ordinary shares of no-par value				
	<b>Reconciliation of numbers of shares issued</b>				
	Opening balance	4 350 872	435 126 517	4 350 872	435 126 517
	Share consolidation 1:100 - 2021	-	(430 775 645)	-	(430 775 645)
	Closing balance	4 350 872	4 350 872	4 350 872	4 350 872
	<b>Issued</b>				
	Opening Balance Rand	99 468 435	99 468 435	317 605 140	317 605 140
	Closing Balance	99 468 435	99 468 435	317 605 140	317 605 140

The directors were issued with a general authority to issue shares not exceeding 20% of issued share capital at the annual general meeting that was held on 2 November 2021.

No restrictions on the rights and preferences of the shares are applicable. No restrictions on the distribution of dividend are applicable to the shares. There are no shares reserved for issue under options and contracts for the sale of shares. No shares are held by the entity or by subsidiaries and associates.

## Notes to the Annual Financial Statements

Figures in Rand		GROUP		COMPANY	
		2022	2021	2022	2021
<b>9 Other Financial liabilities</b>					
<b>At amortised cost</b>					
Sable Metals and Minerals Limited (JG Allan – director)		18 857 276	16 249 048		
J G Allan (director)		1 034 333	-	70 782	
Exchange Sponsors (Pty) Ltd		1 250 000	1 250 000	1 250 000	1 250 000
Shenver Investments (Pty) Ltd		1 000 000	856 802	1 000 000	900 000
Mohamed Said Tinawi (Director)		800 000	800 000	800 000	800 000
<b>Non-current liabilities</b>		<b>22 941 609</b>	<b>19 155 850</b>	<b>3 120 782</b>	<b>2 950 000</b>
<p>The loans are unsecured, interest-free and have no fixed terms of repayment.</p> <p>The Group has the indefinite right to defer payment until such time as it is able to repay the loans from available cash resources.</p> <p>All of the above entities have agreed that the loans are non-interest bearing.</p> <p>The fair value of the non-current liabilities approximates its carrying value, as the loans have no fixed repayment terms.</p>					
<b>10 Trade and other payables</b>					
Accrued expenses		2 478 564	1 757 184	1 550 218	684 295
Other payables – refer Note 19		1 000 000	1 000 000	1 000 000	1 000 000
		<b>3 478 564</b>	<b>2 757 784</b>	<b>2 550 218</b>	<b>1 684 295</b>
The fair value of these instruments approximates their carrying value, due to their short-term nature.					
<b>11 Financial liabilities by category</b>		<b>At amortised cost</b>	<b>Total</b>	<b>At amortised cost</b>	<b>Total</b>
	2022				
Other financial liabilities		22 941 609	22 941 609	3 120 782	3 120 782
Trade and other payables		3 478 564	3 478 564	2 550 218	2 550 218
		<b>26 420 173</b>	<b>26 420 173</b>	<b>5 671 000</b>	<b>5 671 000</b>
	2021				
Other financial liabilities		19 155 850	19 155 850	2 950 000	2 950 000
Trade and other payables		2 757 784	2 757 784	1 684 295	1 684 295
		<b>21 913 634</b>	<b>21 913 634</b>	<b>4 634 295</b>	<b>4 634 295</b>
<b>12 Operating expenses</b>					
Management fees		2 400 000	1 800 000	-	-
Audit fees		206 000	333 435	-	-
Accounting and related fees		273 990	408 675	2 740	-
Consulting fees		478 333	-	333 482	-
Directors' remuneration		470 500	-	-	-
Statutory, listing and related fees		159 457	550 334	76 222	480 531

## Notes to the Annual Financial Statements

Figures in Rand	GROUP		COMPANY	
	2022	2021	2022	2021
<b>13 Impairment provision</b>				
Opening balance			(40 364 429)	(37 260 992)
Impairment during the year			(100 000)	(3 103 437)
Closing balance			(40 464 429)	(40 364 429)
<b>14 Taxation</b>				
Current taxation – subsidiary company	-	13 399	-	-
<b>Tax rate reconciliation</b>				
Loss for the year	(6 167 739)	(3 302 504)	(936 705)	(3 634 295)
Tax at 28%	(1 726 967)	(924 701)	(262 277)	(1 017 603)
Impairment loss – loan to subsidiary	-	-	28 000	868 962
Tax losses not recognized	1 726 967	938 100	234 774	148 640
Income tax expense	-	13 399	-	-
<p>No provision has been made for taxation as the Group and the Company have no taxable income. The estimated tax losses available for the Group for set off against future taxable income is R43 002 881 (2021 - R36 891 302).</p> <p>As the Group has not earned any income since the year ended February 2018, the assessed losses may expire in the future.</p> <p>Application would need to be made to SARS to preserve the assessed losses due to the nature of the Group and Company's operations. SARS assessments do not agree to the estimated tax loss as re-assessments of capital losses need to be made.</p> <p>No deferred tax asset has been raised as there is no reasonable indication as to when the Group and Company will become profitable.</p>				
<b>15 Cash generated from operations</b>				
Loss before taxation	(6 167 739)	(3 302 504)	(1 036 705)	(3 634 295)
<b>Adjustments for:</b>				
Finance costs	53 782	52 907	53 762	50 327
Finance income	-	(47 855)	-	-
Other	(1 591)	-	-	-
Non-cash items – management fees	2 400 000	1 800 000	-	-
Non-cash items – impairment loss			100 000	3 103 437
<b>Changes in working capital</b>				
Other receivables	1 661 500	(80 586)	-	-
Trade and other payables	720 780	1 224 033	865 923	430 204
	(1 333 268)	(354 005)	(17 020)	(50 327)
<b>16 Proceeds from financial liabilities</b>				
Closing balance	22 941 609	19 155 850	3 120 782	2 950 000
Opening balance	19 155 850	14 865 182	2 950 000	-
Movement	3 785 759	4 290 668	170 782	2 950 000
Less: Non-cash items	(2 400 000)	(4 176 802)	(100 000)	(2 950 000)
Proceeds from financial liabilities	1 385 759	113 866	70 782	-



## Notes to the Annual Financial Statements

Notes to the Annual Financial Statements		GROUP		COMPANY	
17	<b>Related parties</b>				
	<b>Relationships</b>				
	Directors and members of key management	James Gordon Allan Deon Botha Mohamad Bassam Al Majorkesh Mohamed Said Tinawi		Charles Philip Mostert Enver Mohamed Motala Eshaan Singh	
	Other	Kim Botha – wife of Deon Botha			
	<b>Related party balances and transactions with entities with control, joint control or significant influence over the company</b>				
	<b>Related party balances</b>				
	<b>Transactions with subsidiaries</b>				
	Loan receivable – Sable Platinum Holdings limited			40 464 429	40 364 429
	Loan impaired			(40 464 429)	(40 364 429)
	<b>Transactions with directors</b>				
	<b>Loans payable (funds advanced to the Group) - refer to Note 9</b>				
	Sable Metals and Minerals Limited (JG Allan director)	18 857 276	16 249 048		
	James Gordon Allan	1 034 333	-	70 782	-
	Shenver Investments (Pty) Ltd (EM Motala director)	1 000 000	856 802	1 000 000	900 000
	Mahomed Said Tinawi	800 000	800 000	800 000	800 000
	<b>Trade Payables (due for services rendered)</b>				
	Eshaan Singh/ Noah Capital	252 203	252 203		
	Deon Botha	210 825	99 575		
	Kim Botha – wife of Deon Botha	114 100	119 100		
	<b>Related Party transactions</b>				
	<b>Management and accounting fees</b>				
	Sable Metals and Minerals Limited (JG Allan director)	2 400 000	1 800 000		
	Deon Botha	211 250	65 000		
	Kim Botha	45 000	29 250		
18	<b>Directors' remuneration</b>				
	<b>Executive</b>				
	JG Allan (Management fees)	-	-	-	-
	D Botha (billed for work done)	-	-	-	-
	<b>Non-Executive</b>				
	CP Mostert	116 500	-	-	-
	E Singh	99 000	-	-	-
	M Bassam	103 500	-	-	-
	MS Tinawi	78 500	-	-	-
	EM Motala	75 000	-	-	-
		470 500	-	-	-
Non-executive directors' remuneration is for the period 2017 to 2022 has been waived until such time as the company has sufficient funds available to pay the remuneration.					

## Notes to the Annual Financial Statements

### 19 Contingencies

In terms of a scheme of arrangement approved on 25 January 2016 the Group and Company have ceded and assigned all current and contingent liabilities to Sable Metals and Minerals Limited (previously Sable Platinum Mining). The exposure to the Group is limited to R1 000 000 which is included in other payables.

### 20 Risk management

#### Capital risk management

The Group and Company's objective when managing capital are to safeguard the Group and Company's ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Liabilities are planned to be settled from the proceeds from the partially underwritten rights issue as disclosed in Note 21.

There are no externally imposed capital requirements.

#### Financial risk management

The Group and Company's activities expose it to a variety of financial risks; including credit risk and liquidity risk.

#### Liquidity risk

The Group and Company's risk to liquidity is a result of the funds available to cover future commitments.

The Group and Company manages liquidity risk through an ongoing review of future commitments.

The table below analyses the Group and Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Balances within 12 months equal their carrying balances as the impact of discounting is not significant.

No finance costs are incurred on other financial liabilities.

Figures in Rand	GROUP		COMPANY	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
<b>At 28 February 2022</b>				
Other financial liabilities	-	22 941 609	-	3 120 782
Trade and other payables	3 478 564	-	2 550 218	-
<b>At 28 February 2021</b>				
Other financial liabilities	-	19 155 850	-	2 950 000
Trade and other payables	2 757 784	-	1 684 295	-

#### Credit risk

Then maximum exposure to credit risk consists mainly of cash and cash equivalents.

The Group only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

The credit risk has been assessed as low.

No losses are expected due to credit exposure.

**Figures in Rand**

**21 Going concern**

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Group incurred a loss for the year ending 28 February 2022 of R6 167 739 (2021 - R3 315 903) and, as of those dates, the Group's total liabilities exceeded its total assets by R26 020 758 (2021 - R19 864 827).

The Group has the right to defer payment of non-current liabilities per Note 9 of R22 941 609 (2021 - R16 249 048) until such time as the Group is able to repay the loans from available cash resources.

These events or conditions, along with other matters set forth in this note, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The directors will continue to source financial resources to continue as a going concern despite the historical losses incurred. The ability of the Group and Company to be a going concern is dependent on the success of the rights issue as follows:

**Rights issue**

The SENS announcement on 02 March 2022 informed shareholders that the SEAM board of directors approved a partially underwritten rights offer of 52 215 180 ordinary shares, in the ratio of 12 new ordinary shares for each existing ordinary share, at a price of R 1 per share. The company aims to raise R52,2 million before any costs to assist in paying outstanding creditors and assist SEAM with future acquisitions.

The directors of the company have underwritten, direct and indirectly, a total of 25 364 907 shares which in total amounts to R 25.36 million representing 48,6% of the approved rights issue. It should be noted that shareholders have the first right to subscribe for shares at R1 each and the underwriting can only be exercised if shareholders do not take up the shares being offered in the rights issue.

It anticipated that the rights issue circular will be sent to shareholders as soon rights offer has been approved by the JSE.

**Mining and prospecting risk**

The Group and Company works within the framework of the Mineral and Petroleum Resources Development Act, 28 of 2002 and other applicable legislation in order to remain therewith and to retain its granted rights. The failure of the Group and Company to meet its obligation to the Department of Mineral Resources (DMR) may negatively impact on its holding of the prospecting rights and hence its core business. The impact of any legislative changes as to the risk they may pose to the Group and Company's operation will be assessed as and when they occur. The communities with whom the Group and Company deals with are often fractured. The Group and Company, through ongoing negotiation with these communities, attempts to anticipate and resolve any such issues as and when they occur and prior to them becoming material.

**22 Events after the reporting period**

On 24 May 2022 the company announced that the transaction with Magni Investment Holdings (Pty) Ltd ("Magni") referred to in SENS announcements of 28 February 2022, 1 February 2022 and 24 November 2021 was not proceeding because of certain conditions precedent not being fulfilled by Magni. Shareholders were advised that the company has been approached by a number of companies regarding a potential reverse listing into SEAM. Shareholders will be updated accordingly.

## Notes to the Annual Financial Statements

		GROUP		
Figures in Rand		2022	2021	
23	<b>Earnings and Headline Earnings per share</b>			
	<b>Diluted loss and diluted headline loss per share (Cents)</b>			
	Attributable to the ordinary equity holders of the company	(141,76)	(76,21)	
	<b>Reconciliation of loss used in calculating earnings per share and headline loss per share</b>			
	Profit attributable to the ordinary equity holders of the company used in calculating basic loss per share			
	Loss for the year	(6 167 739)	(3 315 903)	
	Adjusted for: No adjustments required	-	-	
		(6 167 739)	(3 315 903)	
	<b>Weighted average number of shares used as the denominator</b>			
	Weighted average number of ordinary shares used as denominator in calculating basic earnings per share	4 350 872	4 350 872	
	Adjusted for calculation of diluted earnings per share: No adjustments required	-	-	
	Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	4 350 872	4 350 872	
24	<b>Directors interest in shares</b>			
	There have been no changes between end of financial year and date of approval of the Annual Financial Statements.			
	The following directors hold direct and indirect beneficial interests in the shares of the company:			
		Number of shares		
	Holding at 2022	Direct holding	Indirect holding	Total holding % holding
	James Gordon Allan	305 768	12 729	318 497 7,32%
	Charles Philip Mostert	3 346		3 346 0,08%
	Enver Mohamed Motala		800 000	800 000 18,39%
		309 114	812 729	1 121 843 25,79%
	Holding at 2021			
	James Gordon Allan	305 768	12 729	318 497 7,32%
	Charles Philip Mostert	3 346	-	3 346 0,08%
	Enver Mohamed Motala	-	800 000	800 000 18,39%
		309 114	812 729	1 121 843 25,79%
25	<b>Shareholder analysis</b>			
	The following directors hold direct and indirect beneficial interests in shares of the company:			
		Number of shares		
	Holding at 2022	Direct holding	Indirect holding	Total holding % holding
	Enver Mohamed Motala	-	800 000	800 000 18,39%
	James Gordon Allan	305 768	12 729	318 497 7,32%
	Charles Phillip Mostert	3 346		3 346 0,08%
		309 114	812 729	1 121 843 25,79%
	Holding at 2021			
	Enver Mohamed Motala	-	800 000	800 000 18,39%
	James Gordon Allan	305 768	12 729	318 497 7,32%
	Charles Phillip Mostert	3 346	-	3 346 0,08%
		309 114	812 729	1 121 843 25,79%
24,9% of shares are held by the Public.				

The following are shareholders holding, directly or indirectly, in excess of 3% of the share capital as at 28 February 2022	Number of shares	% holding
Shenver Investments (Pty) Ltd	800 000	18,39%
Discount Toy Cash and Carry CC	333 361	7,66%
James Gordon Allan	318 497	7,32%
Legacy Platinum Corp.	315 876	7,26%
Yawara Capital	286 584	6,59%
Familia Asset Managers (Pty) Ltd	284 507	6,54%
Abbus Yunus Ally	260 000	5,98%
Country Escapes (Pty) Ltd	200 000	4,60%
Mr Bonginkosi Andreas Mthethwa	140 000	3,22%
Total	2 938 825	67,56%

## Notice to shareholders

### Annual general meeting

#### SABLE EXPLORATION AND MINING LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2001/006539/06

JSE share code: SXMISIN: ZAE00303319

(“SEAM” or the “Company”)

The annual general meeting will be held in electronic format only.

Notice is hereby given that an annual general meeting of SEAM Shareholders will be held electronically at **10:00 on Friday 19 August 2022** to conduct the following business and adopt the following resolutions, with or without modifications:

#### Note:

- For any of the ordinary resolutions number 1 to 8 and 10 to be adopted, more than 50% of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.
- For any of the special resolutions number 1 to 3 to be adopted, 75% or more of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.
- For ordinary resolution number 9 to be adopted, 75% or more of the voting rights exercised on each such ordinary resolution must be exercised in favour thereof.

#### Purpose

The purpose of the meeting is to present, consider and adopt the financial statements of the company for the year ended 28 February 2022; to transact the business set out in this notice of annual general meeting (AGM notice) by considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions hereunder; and to transact such other business as may be transacted at the annual general meeting.

#### Record date, attendance and voting

Financial year-end	28 February 2022
Record date for the purposes of determining which shareholders are entitled to receive the Notice of Annual General Meeting	Friday, 1 July 2022
Mailing of Integrated Annual Report	Friday, 8 July 2022
Last day to trade for the purposes of being entitled to participate and vote at the Annual General Meeting	Tuesday, 08 August 2022
Record date on which members must be recorded as such in the register maintained by the transfer secretaries of the Company for the purpose of being entitled to participate in and vote at the Annual General Meeting	Friday, 12 August 2022
Last day to lodge forms of proxy for the Annual General Meeting for administrative purposes by 10h00 on	Thursday, 18 August 2022
Annual General Meeting at 10h00 on	Friday, 19 August 2022
Results of the Annual General Meeting published on SENS	Friday, 19 August 2022

## Voting and Proxies

The date on which SEAM Shareholders must be recorded in the Register to be entitled to attend and vote at the General Meeting is Friday, 12 August 2022. The last day to trade in order to be entitled to attend and vote at the General Meeting is Tuesday, 8 August 2022.

For an ordinary resolution to be approved by the shareholders, it must be supported by more than 50% of the voting rights exercised on the resolution. For a special resolution to be approved by the shareholders, it must be supported by at least 75% of the voting rights exercised on the resolution.

Voting will be via a poll; every shareholder of the Company shall have one vote for every share held in the Company by such shareholder.

A shareholder entitled to participate and vote at the annual general meeting is entitled to appoint a proxy or proxies to electronically participate, speak and vote in his/ her stead. A proxy need not be a shareholder of the Company.

The electronic platform (Zoom) to be utilised to host the annual general meeting does not provide for electronic voting during the meeting.

Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the annual general meeting, by completing the Form of Proxy and lodging this form with the Company's Transfer Secretaries by no later than 10:00 on Thursday, 18 August 2022 by:

- delivery to CTSE Registry Services (Pty) Ltd, 5<sup>th</sup> Floor, Block B, The Woodstock Exchange Building, 66-68 Albert Road, Woodstock, South Africa or
- email to [admin@4axregistry.co.za](mailto:admin@4axregistry.co.za)

Any forms of proxy not submitted by this time can still be lodged by email to [admin@4axregistry.co.za](mailto:admin@4axregistry.co.za) prior to the commencement of the meeting.

Shareholders are reminded that they are still able to vote normally through proxy submission, despite deciding to participate either electronically or not at all in the annual general meeting.

The Transfer Secretaries must be reasonably satisfied that the right of that person to participate in, speak and vote at the General Meeting as a SEAM Shareholder, as proxy or as a representative of a SEAM Shareholder, has been reasonably verified. Accepted forms of identification include original South African drivers' licenses, green barcoded identity documents or barcoded identification smart cards issued by the South African Department of Home Affairs, as well as passports.

Dematerialised shareholders, other than those with 'own name' registration, who wish to participate in the General Meeting, should instruct their Central Securities Depository Participant ("CSDP") or Broker to issue them with the necessary letter of representation to participate in the General Meeting, in the manner stipulated in the relevant custody agreement. The letter of representation will need to be submitted together with the completed Electronic voting form.

Participation Application Form to the Company's Transfer Secretaries and to SEAM in the manner and within the timeframe described above under the section titled "Electronic Participation Arrangements".

If these shareholders do not wish to participate in the General Meeting in person, they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.

Those Certificated Shareholders and Dematerialised Shareholders with 'own name' registration, who wish to participate in the General Meeting (either in person or represented by proxy), must submit a completed Electronic Participation Application Form to the Company's Transfer Secretaries and to SEAM in the manner and within the timeframe described above under the section titled "Electronic Participation Arrangements".

## **ELECTRONIC ATTENDANCE AND PARTICIPATION**

The Company's Memorandum of Incorporation authorises the conduct of shareholders' meetings entirely by electronic communication as does section 63(2)(a) of the Companies Act. The Board has decided that the General Meeting will only be accessible through a remote interactive electronic platform as detailed below.

Shareholders or their duly appointed proxies who wish to participate in the General Meeting are required to complete the Electronic Participation Application Form available immediately after the proxy form on pages 65 to 67 and email same to the Company's Transfer Secretaries at [admin@4axregistry.co.za](mailto:admin@4axregistry.co.za) as soon as possible, but in any event by no later than 10:00 on Thursday, 18 August 2022.

Shareholders or their duly appointed proxies are required to provide satisfactory identification before being entitled to participate in the General Meeting.

Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the General Meeting. The Company's Transfer Secretaries will provide the Company with the nominated email address of each verified shareholder or their duly appointed proxy to enable the Company to forward them a Zoom meeting invitation required to access the General Meeting.

Fully verified shareholders or their duly appointed proxies who have applied to participate electronically in the General Meeting are requested by no later than 09:50 on Friday, 19 August 2022 to join the lobby of the meeting by clicking on the "Join Zoom Meeting" link to be provided by SEAM's company secretary or by the secretarial office, whose admission to the meeting will be controlled by the company secretary/secretarial office.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the Annual General Meeting. Any such charges will not be for the account of the Company's Transfer Secretaries or SEAM who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such shareholder or their proxy from participating in and /or voting at the General Meeting.

## **AGENDA**

Presentation and consideration of the annual financial statements of the Group, including the reports of the directors and the Audit and Risk Committee for the year ended 28 February 2022 as set out in the company's Integrated Annual Report 2022 of which this AGM notice forms part of.

To consider and, if deemed fit, approve, with or without modification, the following special and ordinary resolutions:

### **ORDINARY RESOLUTIONS**

#### **1. Ordinary resolution number 1 - Re-election of Charles Mostert**

"Resolved that Charles Mostert, who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."



An abbreviated curriculum vitae in respect of Charles Mostert may be viewed on page 10 of this Integrated Annual Report of which this notice forms part.

The Remuneration and Nominations Committee has considered Charles Mostert's past performance and contribution to the company and in, accordance with paragraph 26.8 of the Memorandum of Incorporation of the company, recommends his re-election as a director of the company.

#### **Reason for ordinary resolution number 1**

The reason for ordinary resolutions number 3 is that paragraph 26.8 of the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, requires that a component of the directors rotate at the annual general meeting and being eligible, may offer themselves for re-election as directors.

### **2. Ordinary resolution number 2 - Re-election of Mohamad Bassam Al Mojarkesh**

"Resolved that Mohamad Bassam Al Mojarkesh , who retires by rotation in terms of the memorandum of incorporation of the company and, being eligible and offering himself for re-election, be and is hereby re-elected as director."

An abbreviated curriculum vitae in respect of Mohamad Bassam Al Mojarkesh may be viewed on page 11 of the Integrated Annual Report of which this notice forms part.

The Remuneration and Nominations Committee has considered Mohamad Bassam Al Mojarkesh's past performance and contribution to the company and in, accordance with paragraph 26.8 of the Memorandum of Incorporation of the company, recommends his re-election as a director of the company.

#### **Reason for ordinary resolution number 2**

The reason for ordinary resolutions number 3 is that paragraph 26.8 of the memorandum of incorporation of the company and, to the extent applicable, the Companies Act, requires that a component of the directors rotate at the annual general meeting and being eligible, may offer themselves for re-election as directors.

### **3. Ordinary resolution number 3 - Confirmation of the appointment of the auditors**

"Resolved that the appointment of Nexia SAB&T Inc. as independent auditors of the company for the ensuing year (the designated auditor being Shamira Mohamed) on the recommendation of the company's Audit and Risk Committee be hereby ratified."

#### **Reason for ordinary resolution number 3**

The reason for ordinary resolution number 3 is that the company, being a public listed company, must have its financial results audited and such auditor must be appointed or reappointed each year at the annual general meeting of the company as required by the Companies Act.

### **4. Ordinary resolution number 4 - Appointment of Eshaan Singh as a member and chairman to the Audit and Risk Committee**

"Resolved that Eshaan Singh be elected a member and chairman of the Audit and Risk Committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated curriculum vitae in respect of Eshaan Singh may be viewed on page 11 of the Integrated Annual Report of which this notice forms part.

### **5. Ordinary resolution number 5: Appointment of Charles Mostert as a member to the Audit and Risk Committee**

"Resolved that Charles Mostert be elected a member of the Audit and Risk Committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act."

An abbreviated curriculum vitae in respect of Charles Mostert may be viewed on page 10 of the Integrated Annual Report of which this notice forms part.

**6. Ordinary resolution number 6: Appointment of Mohamad Bassam Al Mojarkesh as a member to the Audit and Risk Committee**

“Resolved that Mohammed Al Mojarkesh be elected a member of the Audit and Risk Committee, with effect from the conclusion of this annual general meeting in terms of section 94(2) of the Companies Act.”

Subject to approval of ordinary resolution 2.

An abbreviated curriculum vitae in respect of Mohamad Bassam Al Mojarkesh may be viewed on page 11 of the Integrated Annual Report of which this notice forms part.

**Reason for ordinary resolutions number 4 to 6**

The reason for ordinary resolutions number 4 to 6 (inclusive) is that the company, being a public listed company, must appoint an Audit Committee as prescribed by sections 66(2) and 94(2) of the Companies Act, which also requires that the members of such Audit Committee be appointed, or reappointed, as the case may be, at each annual general meeting of a company.

**7. Ordinary resolution number 7 - Endorsement of remuneration policy and implementation report**

**Ordinary resolution 7.1**

“Resolved that the company’s remuneration policy, as set out in the remuneration report on pages 24 and 25 of the Integrated Annual Report of which this notice forms part, be and is hereby approved by way of a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance.”

**Ordinary resolution 7.2**

“Resolved that the remuneration implementation report, as set out on pages 27 and 28 of the Integrated Annual Report of which this notice forms part, be and is hereby endorsed as a non-binding advisory vote of shareholders of the company in terms of the King IV™ Report on Corporate Governance.”

**Reason for ordinary resolutions number 7.1 and 7.2**

The reason for ordinary resolutions number 7.1 and 7.2 is that King IV™ recommends that the remuneration policy of the company be endorsed through separate non-binding advisory votes by shareholders at the annual general meeting of a company. Failure to pass these resolutions will not have legal consequences relating to existing arrangements. However, the Board of directors of the company will take the outcome of the vote into consideration when assessing the company’s remuneration policy and implementation report.

**8. Ordinary resolution number 8: Placing unissued shares under directors’ control**

“Resolved that the unissued shares in the company, be and are hereby placed under the control of the directors until the next annual general meeting and that they be and are hereby authorised to issue any such shares as they may deem fit, subject to the Companies Act, the memorandum of incorporation of the company, and the provisions of the Listings Requirements of the JSE Limited (JSE).”

**Reason for ordinary resolution number 8**

The reason for ordinary resolution number 8 is that the Board requires authority from shareholders in terms of article 3 of its memorandum of incorporation to issue shares in the company. This general authority, once granted, allows the Board from time to time, when it is appropriate to do so, to issue ordinary shares as may be required inter alia in terms of capital raising exercises, and to maintain a healthy capital adequacy ratio that may be required from time to time.

## 9. Ordinary resolution number 9 - General authority to issue shares for cash

“Resolved that the directors of the company be and are hereby authorised by way of a general authority, to allot and issue any of its unissued shares for cash placed under their control as they in their discretion may deem fit, without restriction, subject to the provisions of the Listings Requirements of the JSE, and subject to the provision that the aggregate number of ordinary shares able to be allotted and issued in terms of this resolution, shall be limited to 30% (1 305 380 shares) of the issued share capital as at the date of the AGM , provided that:

- (a) the equity securities which are the subject of this general authority be of a class already in issue or, where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- (b) the equity securities must be issued to public shareholders, as defined in the Listings Requirements, and not to related parties;
- (c) the equity securities which are the subject of this general authority:
  - (i) may not, in aggregate, exceed 30% of the Company's listed equity securities as at the date of the AGM, being the equivalent of 1 305 380 equity securities;
  - (ii) any equity securities issued in terms of this general authority must be deducted from the initial number of equity securities available under this general authority; and
  - (iii) in the event of a subdivision or consolidation of issued equity securities during the period of this general authority, the general authority must be adjusted accordingly to represent the same allocation ratio;
- (d) the general authority shall be valid until the next AGM, or for 15 months from the date on which the general authority for such ordinary resolution was passed, whichever period is shorter subject to the Listings Requirements and any other restrictions set out in this authority;
- (e) the maximum discount at which equity securities may be issued is 10% of the weighted average traded price of such equity securities measured over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the equity securities. The JSE should be consulted for a ruling if the applicant's securities have not traded in such 30-business-day period;
- (f) an announcement giving full details, including the impact on net asset value, net tangible asset value, earnings and headline earnings per share will be published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of securities in issue prior to the general issue for cash; and
- (g) this authority includes any options/convertible securities that are convertible into an existing class of equity securities.”

### The reason for ordinary resolution number 9

For listed entities wishing to issue shares, it is necessary for the Board not only to obtain the prior authority of the shareholders as may be required in terms of their memorandum of incorporation contemplated in ordinary resolution number 10 above but it is also necessary to obtain the prior authority of shareholders in accordance with the Listings Requirements of the JSE. The reason for this resolution is accordingly to obtain a general authority from shareholders to issue shares in compliance with the Listings Requirements of the JSE. The authority granted in terms of this resolution number 9 must accordingly be read together with authority granted in terms of ordinary resolution number 8 above and any exercise thereof will be subject to the conditions contained in ordinary resolution number 9.

*Note: This resolution requires the approval of not less than 75% of the votes cast by shareholders present or represented by proxy and entitled to vote at this annual general meeting.*

## 10. Ordinary resolution number 10 - Authority to action

“Resolved that any one director of the company and/or the company secretary is hereby authorised to do all such things and sign all such documents as deemed necessary to implement the ordinary and special resolutions as set out in this notice convening the annual general meeting at which these resolutions will be considered.”

### The reason for ordinary resolution number 10

The reason for ordinary resolution number 10 is to ensure that the resolutions voted favourably upon is duly implemented through the delegation of powers provided for in terms of clause 5.3 of the company's memorandum of incorporation.

## SPECIAL BUSINESS

### 11. Special resolution number 1 - Remuneration of non-executive directors

"Resolved that the remuneration payable to the non-executive directors be approved on the following basis with effect from this annual general meeting until the next annual general meeting to be held in 2023:

Category	Recommended remuneration
Board member	R 45 000 annual retainer
Board chairman	R 15 000 per meeting attended
Board member	R 10 000 per meeting attended
<b>Audit and Risk Committee</b>	
Chairman	R 8 000 per meeting attended
Member	R 6 000 per meeting attended
<b>Remuneration and nomination committee</b>	
Chairman	R 4 500 per meeting attended
Member	R 3 500 per meeting attended
<b>Social and ethics committee</b>	
Member	R 500 per meeting attended

### Reasons for and effect of special resolution number 1

The reason for the proposed special resolution is to comply with section 66(9) of the Companies Act, which requires the approval of directors' fees prior to the payment of such fees.

The effect of special resolution number 1 is that the company will be able to pay its non-executive directors for the services they render to the company as directors without requiring further shareholder approval until the next annual general meeting.

### 12. Special resolutions number 2.1 and 2.2 - Financial assistance to related and inter-related companies

#### 2.1 Financial assistance for subscription of securities in terms of section 44

"Resolved that the board may to the extent required, in terms of and subject to section 44 of the Companies Act, as the case may be, and the company's MOI, authorise the company to provide financial assistance by way of a loan, guarantee, the provision of security or otherwise, to its subsidiaries and inter-related companies (excluding any director or prescribed officer of the company, or a person related to such director or prescribed officer), for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company, subject to the terms and conditions of section 44 of the Companies Act. No such financial assistance may be provided at any time in terms of

this authority after the expiry of two years from the date of the adoption of this special resolution”.

### **Reason and effect of special resolution number 2.1**

The purpose of this special resolution number 2.1 is to grant the board the authority to authorise the company to provide financial assistance by way of a loan, guarantee, the provision of security, or otherwise to its subsidiaries and inter-related companies (excluding any director or prescribed officer of the company, or a person related to such director or prescribed officer), for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the company or a related or inter-related company, or for the purchase of any securities of the company or a related or inter-related company as contemplated in section 44 of the Companies Act. The directors undertake that prior to the company providing the financial assistance as contemplated in section 44 of the Companies Act, the company will have satisfied the solvency and liquidity test as set out in section 4 of the Companies Act (solvency and liquidity test) and that the terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

## **2.2 Financial assistance in terms of section 45 to related and inter-related companies or corporations**

“Resolved that, in terms of section 45(3)(a)(ii) of the Companies Act, shareholders of the company hereby approve of the company providing, at any time during the period of 2 (two) years from the date of passing this special resolution, any direct or indirect financial assistance as contemplated in section 45 of the Companies Act to any 1 (one) or more related or inter-related companies or corporations of the company and/or to any 1 (one) or more members of any such related or inter-related company or corporation and/or to any 1 (one) or more persons related to any such company or corporation, provided that: (a) The recipient or recipients of such financial assistance, the form, nature and extent of such financial assistance and the terms and conditions under which such financial assistance is to be provided, are determined by the board from time to time (b) The board may not authorise the company to provide any financial assistance pursuant to this special resolution unless all the requirements of section 45 of the Companies Act to authorise the company to provide such financial assistance have been fulfilled (c) Such financial assistance to a recipient is, in the opinion of the board, required for the purpose of (i) meeting all or any of such recipient's operating expenses (including capital expenditure), and/or (ii) funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or (iii) funding such recipient for any other purpose which, in the opinion of the board, is directly or indirectly in the interests of the company”.

### **Reason and effect of special resolution number 2.2**

The reason for special resolution number 2.2 is that the company advances loans and other financial assistance to subsidiaries and other related companies or corporations in its group. Shareholders are required to pass special resolution number 1 to approve the company providing such financial assistance, subject to the board performing the solvency and liquidity test and subject further to the financial assistance falling within the category of assistance mentioned in sub-paragraph (c) of special resolution number 2.2 above. Percentage of voting rights required for special resolutions numbers 2.1 and 2.2 to be adopted: at least 75% (seventy-five percent) of the voting rights exercised in favour of the resolution by shareholders present at the AGM or represented by proxy and entitled to exercise voting rights on the resolution.

## **13. Special resolution number 3 - Authority to repurchase shares by the company**

“Resolved as a special resolution that the company and its subsidiaries be and are hereby authorised, as a general approval, to repurchase any of the shares issued by the company, upon such terms and conditions and in such amounts as the directors may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the memorandum of incorporation of the company, the Listings Requirements of the JSE and the requirements of any other stock exchange on which the shares of the company may be quoted or listed, namely that:

- the general repurchase of the shares may only be implemented on the open market of the JSE and done without any prior understanding or arrangement between the company and the counterparty;
- this general authority shall only be valid until the next annual general meeting of the company, provided that it shall not extend beyond 15 months from the date of this resolution;
- an announcement must be published as soon as the company has acquired shares constituting, on a

cumulative basis, 3% of the number of shares in issue prior to the acquisition, pursuant to which the aforesaid 3% threshold is reached, containing full details thereof, as well as for each 3% in aggregate of the initial number of shares acquired thereafter;

- the general authority to repurchase is limited to a maximum of 20% in the aggregate in any one financial year of the company's issued share capital at the time the authority is granted;
- a resolution has been passed by the Board of directors approving the purchase, that the company has satisfied the solvency and liquidity test as defined in the Companies Act and that since the solvency and liquidity test was applied there have been no material changes to the financial position or required shareholder spread of the Group;
- the general repurchase is authorised by the company's memorandum of incorporation;
- repurchases must not be made at a price more than 10% above the weighted average of the market value of the shares for five business days immediately preceding the date that the transaction is affected. The JSE should be consulted for a ruling if the applicant's securities have not traded in such five business day period;
- the company may at any point in time only appoint one agent to affect any repurchase(s) on the company's behalf;
- the company and its subsidiaries may not affect a repurchase during any prohibited period as defined in terms of the Listings Requirements of the JSE unless there is a repurchase programme in place as contemplated in terms of 5.72(g) of the Listings Requirements of the JSE."

### **Reason and effect of special resolution number 3**

The reason for and effect of special resolution number 3 is to grant the directors a general authority in terms of its memorandum of incorporation and the Listings Requirements of the JSE for the acquisition by the company and/or its subsidiaries of shares issued by it on the basis reflected in the special resolution.

In terms of the Listings Requirements of the JSE any general repurchase by the company and/or its subsidiaries must, inter alia, be limited to a maximum of 20% of the company's issued share capital in any one financial year of that class at the time the authority is granted.

### **OTHER BUSINESS**

To transact such other business as may be transacted at an annual general meeting or raised by shareholders with or without advance notice to the company.

### **INFORMATION RELATING TO THE SPECIAL RESOLUTIONS**

1. The directors of the company or its subsidiaries will only utilise the general authority to purchase shares of the company and/or the subsidiary as set out in special resolution number 3 to the extent that the directors, after considering the maximum shares to be purchased, are of the opinion that the Group position would not be compromised as to the following:
  - the Group's ability in the ordinary course of business to pay its debts for a period of 12 months after the date of this annual general meeting and for a period of 12 months after the purchase;
  - the consolidated assets of the Group will at the time of the annual general meeting and at the time of making such determination be in excess of the consolidated liabilities of the Group. The assets and liabilities should be recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements of the Group;
  - the ordinary capital and reserves of the Group after the purchase will remain adequate for the purpose of the business of the Group for a period of 12 months after the annual general meeting and after the date of the share purchase;
  - the working capital available to the Group after the purchase will be sufficient for the Group's requirements

for a period of 12 months after the date of the share repurchases and the directors have passed a resolution authorising the repurchase, resolving that the company has satisfied the solvency and liquidity test as defined in the Companies Act and resolving that since the solvency and liquidity test had been applied, there have been no material changes to the financial position of the Group.

2. For the purposes of considering special resolution number 3, and in compliance with paragraph 11.26 of the Listings Requirements, the information listed below has been included in the Integrated Annual Report, in which this notice of annual general meeting is included, at the places indicated:
  - Directors and management (pages 11 to 13)
  - Major shareholders (page 33)
  - Directors' interests in securities (page 33)
  - Share capital of the company (page 32)
  - Contingent liabilities (page 50)
  - Responsibility statement (page 31)
  - Material changes (page 62)
3. For purposes of special resolution number 2, the Board will only utilise the general authority bestowed upon them to provide direct or indirect financial assistance related to inter-related companies to the extent that the directors, after considering the amount of financial assistance to be granted, are of the opinion that:
  - immediately after providing the financial assistance, the company would satisfy the solvency and liquidity test (as defined in the Companies Act, 2008 as amended);
  - the terms under which the financial assistance is proposed to be given are fair and reasonable to the company
  - all conditions or restrictions regarding the granting of financial assistance as set out in the company's memorandum of incorporation have been satisfied and that the Board of directors have passed a resolution authorising the grant of the said financial assistance (the Board resolution) under their general authority so granted, the company which will then provide written notice of the Board resolution to all shareholders;
  - within 10 days after adoption of the Board resolution, if the total value of all loans, debts, obligations or assistance contemplated in that resolution, together with any previous such resolution(s) during the financial year, exceeds one-tenth of 1% of the company's net worth at the time of the Board resolution; or;
  - within 30 business days after the end of the financial year, in any other case.
4. The company is not involved in any legal or arbitration proceedings, nor are any proceedings pending or threatened of which the company is aware that may have or have had in the previous 12 months, a material effect on the company's financial position.
5. The directors, whose names are reflected in this Integrated Annual Report of which this notice forms part, collectively and individually accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts that have been made and that the notice contains all information required by law and the Listings Requirements of the JSE.
6. Other than the facts and developments reported on in the Integrated Annual Report, there have been no material changes in the financial or trading position of the company and its subsidiaries since the date of signature of the audit report up to the date of this AGM notice.



By order of the Board

Claire Middlemiss

Company secretary

30 June 2022

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## ELECTRONIC PARTICIPATION APPLICATION FORM

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### Instructions

Shareholders or their proxies, have the right, as provided for in the Company's Memorandum of Incorporation and the Companies Act, to participate in the General Meeting by way of electronic communication.

Shareholders or their duly appointed proxies who wish to participate in the General Meeting must complete this application form and email it (together with the relevant supporting documents referred to below) to the Company's Transfer Secretaries at [admin@4axregistry.co.za](mailto:admin@4axregistry.co.za) as soon as possible, but in any event by no later than 10:00 on Thursday 18 August 2022.

Upon receiving a completed Electronic Participation Application Form, the Company's Transfer Secretaries will follow a verification process to verify each applicant's entitlement to participate in and/or vote at the General Meeting. The Company's Transfer Secretaries will provide the Company with the email address of each verified shareholder or their duly appointed proxy (each, "a Participant") to enable the Company to forward the Participant a Zoom meeting invitation required to access the General Meeting.

SEAM will send each Participant a Zoom meeting invitation with a link to "Join the Zoom Meeting" on Thursday 18 August 2022 to enable Participants to link up and participate electronically in the AGM to be held at 10:00 on Friday 19 August 2022. This link will be sent to the email address nominated by the Participant in the table below.

### Please note

The electronic platform to be utilised for the General Meeting does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting, by completing the Form of Proxy and lodging the completed proxy form together with this Electronic Participation Application Form with the Company's Transfer Secretaries.

Participants who indicate in this form that they wish to vote during the electronic meeting, will be contacted by the Company's Transfer Secretaries to make the necessary arrangements.

Participants will be liable for their own network charges in relation to electronic participation in and/or voting at the General Meeting. Any such charges will not be for the account of the Company's Transfer Secretaries or SEAM who will also not be held accountable in the case of loss of network connectivity or other network failure due to insufficient airtime, internet connectivity, internet bandwidth and/or power outages which prevents any such Participant from participating in and /or voting at the General Meeting.

By signing this application form, the Participant indemnifies and holds the Company harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the General Meeting or any interruption in the ability of the Participant to participate in the General Meeting via electronic communication, whether or not the problem is caused by any act or omission on the part of the Participant or anyone else, including without limitation the Company and its employees.



## Information required for participation by electronic communication at the General Meeting

Full name of shareholder:
Identity or registration number of shareholder:
Full name of authorised representative (if applicable):
Identity number of authorised representative:
Email address:
<i>*Note: this email address will be used by the Company to share the Zoom meeting invitation required to access the General Meeting electronically</i>
Cell phone number:
Telephone number, including dialling codes:
<i>*Note: The electronic platform to be utilised for the General Meeting does not provide for electronic voting during the meeting. Accordingly, shareholders are strongly encouraged to submit votes by proxy in advance of the General Meeting, by completing the proxy form.</i>
<p>Indicate (by marking with an 'X') whether:</p> <p><input type="checkbox"/> votes will be submitted by proxy (in which case, please enclose the duly completed proxy form with this form); or</p> <p><input type="checkbox"/> the Participant wishes to exercise votes during the General Meeting. If this option is selected, the Company's Transfer Secretaries will contact you to make the necessary arrangements.</p>
By signing this application form, I consent to the processing of my personal information above for the purpose of participating in SEAM's General Meeting.
Signed at _____ on _____ 2022
Signed:

## Documents required to be attached to this application form

1. In order to exercise their voting rights at the General Meeting, shareholders who choose to participate electronically may appoint a proxy, which proxy may participate in the General Meeting, provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the Annual General Meeting.
2. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the Annual General Meeting, must be attached to this application.
3. A certified copy of the valid identity document/passport/ of the person attending the Annual General Meeting by electronic participation, including any person acting in a representative capacity, must be attached to this application.

Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the shareholder, its proxy or representative, and delivered as detailed above. The Company may in its sole discretion accept any incomplete application forms.

## SABLE EXPLORATION AND MINING LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2001/006539/06

JSE share code: SXM ISIN: ZAE00303319

("SEAM" or the "Company")

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### FORM OF PROXY – GENERAL MEETING

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*Note:*

*All beneficial shareholders that have dematerialised their shares through a CSDP or broker, other than those which are in "own name", must not complete this form.*

*Certificated shareholders and/or dematerialised shareholders with "own name" registration must either provide their CSDP or broker with their voting instructions, or alternatively, should they wish to attend the annual general meeting in person, they should request the CSDP or broker to provide them with a letter of representation in terms of the custody agreement entered into between themselves and the CSDP or broker.*

*For use by SEAM Shareholders at a General Meeting (which will be held and conducted entirely by electronic communication) convened in terms of the Companies Act to be held at 10:00 on Friday 19 August 2022 via Zoom, or any adjourned or postponed meeting.*

*The Board requests that completed forms of proxy are received at the office of the company's transfer secretaries, CTSE Registry Services (Pty) Ltd, 5<sup>th</sup> Floor, Block B, The Woodstock Exchange Building, 66-68 Albert Road, Woodstock, South Africa by 10:00 on Thursday 18 August 2022. Any forms of proxy not lodged by this time may still be lodged by email to [admin@4axregistry.co.za](mailto:admin@4axregistry.co.za) prior to the commencement of the meeting*

I/We (Names in full – please print) \_\_\_\_\_

of (address): \_\_\_\_\_

Telephone number: \_\_\_\_\_

Cell phone number: \_\_\_\_\_

e-mail address: \_\_\_\_\_

being the holder of  shares in SEAM hereby appoint:

1. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her,

2. \_\_\_\_\_ of \_\_\_\_\_ or failing him/her,

3. the chairman of the annual general meeting,

as my/our proxy to attend, speak and vote for me/us at the General Meeting (or any postponement or adjournment thereof) for purposes of consider and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each postponement or adjournment thereof and to vote for and/or against the resolutions and/or abstain from voting

in respect of the SEAM Shares registered in my/our name(s), in accordance with the following instructions and otherwise in accordance with the Companies Act, the MOI and the terms of the attached notes:

		Number of Shares		
		In favour of	Against	Abstain
<b>Ordinary resolution number 1</b>	Confirmation of the re-election of Charles Mostert			
<b>Ordinary resolution number 2</b>	Confirmation of the re-election of Mohamad Bassam Al Mojarkesh			
<b>Ordinary resolution number 3</b>	Confirmation of the appointment of the auditors			
<b>Ordinary resolution number 4</b>	Appointment of Eshaan Singh as a member and chairman to the Audit and Risk Committee			
<b>Ordinary resolution number 5</b>	Appointment of Charles Mostert as a member to the Audit and Risk Committee			
<b>Ordinary resolution number 6</b>	Appointment of Mohamad Bassam Al Mojarkesh as a member to the Audit and Risk Committee			
<b>Ordinary resolution number 7.1</b>	Endorsement of remuneration policy			
<b>Ordinary resolution number 7.2</b>	Endorsement of the remuneration implementation report			
<b>Ordinary resolution number 8</b>	Placing unissued shares under directors' control			
<b>Ordinary resolution number 9</b>	General authority to issue shares for cash			
<b>Ordinary resolution number 10</b>	Authority to action			
<b>Special resolution number 1</b>	Remuneration of non-executive directors			
<b>Special resolution number 2.1</b>	Financial assistance for subscription of securities in terms of section 44			
<b>Special resolution number 2.2</b>	Financial assistance in terms of section 45 to related and inter-related companies or corporations			

<b>Special resolution number 3</b>	Authority to repurchase shares by the company			
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Signed at \_\_\_\_\_ on \_\_\_\_\_ 2022

Signature \_\_\_\_\_

Capacity of signatory (where applicable) \_\_\_\_\_

**(Note: Authority of signatory to be attached – see note 2)**

Assisted by me (where applicable) \_\_\_\_\_

Full name \_\_\_\_\_

Capacity \_\_\_\_\_

Signature \_\_\_\_\_

***Please read the notes on the reverse side hereof.***

#### **NOTES TO THE FORM OF PROXY:**

1. Shareholders' instructions to the proxy must be indicated in the appropriate box provided. Failure to comply with the above will be deemed to authorise the proxy to vote or abstain from voting at the annual general meeting as he/she deems fit. A shareholder may instruct the proxy to vote less than the total number of shares held by inserting the relevant number of shares in the appropriate box provided. A shareholder who fails to do so will be deemed to have authorised the proxy to vote or abstain from voting, as the case may be, in respect of all the shareholders' votes exercisable at the annual general meeting
2. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this form of proxy.
3. Any alteration or correction made to this form of proxy must be initialled by the signatory/ies.

4. A minor must be assisted by the minor's parent or guardian, unless the relevant documents, establishing the minor's legal capacity are produced or have been registered by the share registrars of the company.
5. The chairman of the annual general meeting may accept any form of proxy which is completed other than in accordance with these notes if the chairman of the annual general meeting is satisfied as to the manner in which the shareholder wishes to vote.

#### **SUMMARY IN TERMS OF SECTION 58(8)(B)(I) OF THE COMPANIES ACT, 2008, AS AMENDED**

Section 58(8)(b)(i) provides that if a company supplies a form of instrument for appointing a proxy, the form of proxy supplied by the company for the purpose of appointing a proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, 2008, as amended, which summary is set out below:

- A shareholder of a company may, at any time, appoint any individual, including an individual who is not a shareholder of that company, as a proxy, among other things, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
- A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder.
- A proxy may delegate the proxy's authority to act on behalf of the shareholder to another person.
- A proxy appointment must be in writing, dated and signed by the shareholder; and remains valid only until the end of the meeting at which it was intended to be used, unless the proxy appointment is revoked, in which case the proxy appointment will be cancelled with effect from such revocation.
- A shareholder may revoke a proxy appointment in writing.
- A proxy appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder.
- A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction.

# Corporate information

## Registered address

Kingsley Office Park  
85 Protea Road  
Chislehurst  
Sandton, 2196  
(PO Box 411130, Craighall, 2024)

## Date and place of incorporation of the company

Incorporated on 27 June 2001 in the Republic of South Africa

## Directors

### Executive directors

James Allan (Chief Executive Officer)  
Deon Botha (Financial Director (part-time))

### Non-executive directors

Charles Mostert\* (Chairman)  
Eshaan Singh\*  
Said Tinawi\*  
Mohamad Bassam Al Mojarkesh\*  
Enver Motala\*

*\*Independent*

## Company secretary

Claire Middlemiss

## Sponsor and corporate advisor

Exchange Sponsors (2008) Proprietary  
Limited (Registration number  
2008/019553/07)  
44a Boundary  
Road  
Inanda, 2196  
(P O Box 411216, Craighall, 2024)

## Transfer secretaries

CTSE Registry Services (Pty) Ltd (previously  
named 4 Africa Exchange Registry)  
Hill on Empire  
4<sup>th</sup> floor  
Building A  
16 Empire Road  
Parktown  
2193  
SOUTH AFRICA