

Sable Exploration and Mining Limited

(Incorporated in the Republic of South Africa)

(Registration number: 2001/006539/06)

(Share Code: SXM ISIN Code: ZAE000303319)

("SEAM" or "the company")

Establishment of Joint Venture for the beneficiation of Dense Medium Separation grade magnetite for coal beneficiation

Shareholders are advised that Sable Platinum Holdings (Pty) Limited ("SPH"), a wholly owned subsidiary of SEAM has on 31 August 2023 entered into an agreement, with IPace (Pty) Limited ("IPace"), for the establishment of an unincorporated joint venture to conduct the business of commissioning, operating and maintaining of a Dense Medium Separation ("DMS") beneficiation plant and to sell the product ("UJV").

IPace is a joint venture between Ironveld Mining (Pty) Limited ("Ironveld Mining"), a subsidiary of Ironveld Plc (listed on the AIM market in London) and Pace SA (Pty) Limited. The plant will be based on Ironveld Mining's Lapon mining right and will utilise ore from the mining operations to supply the plant. IPace is the operating partner and will be responsible to erect, operate and maintain the plant and the marketing of the product. It is estimated that at full production the plant could produce approximately 10 000 tonnes per month of DMS grade magnetite.

The beneficiation plant will be owned by Lapon Plant (Pty) Limited ("Lapon Plant"), a wholly owned subsidiary of SPH, and the UJV will lease the plant from Lapon Plant. The estimated capital cost of the beneficiation plant is R 15 million and SPH will provide the funding to Lapon Plant. Once the funding plus interest has been recovered by SPH it will transfer at R 1 per share 50% of Lapon Plant to IPace.

The funding of R 15 million will be obtained by SEAM from the already announced rights issue of R 52,2 million. To commence the process of erecting and commissioning the beneficiation plant, SEAM has agreed with PBNJ Trading and Consulting (Pty) Limited, a material shareholder in SEAM, to advance a loan of R 17 million to SEAM to be repaid from the proceeds of the rights issue.

This is an exciting opportunity for SEAM to invest in a cashflow generating business. SPH and IPace have agreed that an investment in a larger plant will be considered once the proposed plant has reached its full capacity. This announcement is a voluntary announcement.

1 September 2023

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