

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 7 of this Circular apply throughout this Circular.

If you are in any doubt as to the action you should take, please consult your broker, CSDP, attorney, accountant, banker, or other professional advisor immediately.

If you have disposed of all your Brikor Shares, then this Circular, together with the accompanying Notice of General Meeting and Form of Proxy (yellow), should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your Brikor Shares.

Brikor Shareholders should note that, whilst the entire Circular is important and should be read in its entirety, particular attention should be paid to the section entitled "Action required by Brikor Shareholders" commencing on page 4 of this Circular.

Brikor accepts no responsibility and will not be held liable for any failure on the part of any CSDP or broker of a Dematerialised Shareholder to notify such Dematerialised Shareholder of the General Meeting or any business to be concluded thereat.

The distribution of this Circular and accompanying documents in certain jurisdictions other than South Africa may be restricted by law and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. Refer to the Circular for further details.

The Transaction does not constitute an offer in any jurisdiction in which it is illegal to enter into such Transaction and in such circumstances, this Circular, if sent, is sent for information purposes only.

The directors of Brikor collectively and individually accept full responsibility for the accuracy of the information given herein and certify that, to the best of their knowledge and belief, no facts have been omitted which would make any statement false or misleading, and that they have made all reasonable enquiries to ascertain such facts and that this Circular contains all information required by law and the JSE Listings Requirements.

This Circular is issued in compliance with the Listings Requirements of the JSE, for the purpose of providing information to Brikor Shareholders with regard to Brikor and the Agreement.



BRIKOR LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/013247/06

JSE share code: BIK ISIN: ZAE000101945

("Brikor" or the "Company")

SUMMARY CIRCULAR TO BRIKOR SHAREHOLDERS

regarding

- a contract mining and coal purchase agreement entered into with TCQ Mining, which is a related party transaction and category 1 transaction under the JSE Listings Requirements;

and incorporating

- a fairness opinion prepared by the Independent Expert;
- a Notice of General Meeting; and
- a Form of Proxy (yellow) for use by Certificated Shareholders and "own-name" Dematerialised Shareholders only.

Designated Advisor to Brikor



Legal Advisor to TCQ Mining



Independent Expert



Transfer Secretaries



Reporting Accountant



Date of issue: **Tuesday, 19 September 2023**

This Circular is only available in English. Additional copies of this Circular, in its printed format, may be obtained from the Company or the Designated Advisor at their respective addresses set out in the section of this Circular entitled "Corporate Information", during normal business hours from **Tuesday, 19 September 2023** up to and including **Monday, 2 October 2023**. An electronic copy of this Circular will also be available on the Brikor website www.brikor.net, and can be made available through a secure electronic manner at the election of the person requesting inspection.

CORPORATE INFORMATION

BRIKOR LIMITED

Date of incorporation: 10 July 1998

Place of incorporation: Gauteng, South Africa

Website: www.brikor.net

Registered Office

1 Marievale Road
Vorsterskroon
Nigel
1490

PO Box 884
Nigel
1490

Telephone: 011 739 9000

Fax: 011 739 9021

COMPANY SECRETARY

Fusion Corporate Secretarial Services (Pty) Ltd

Registration number 2007/008376/07

Melinda Gous

Suite E014
Midlands Office Park East
Mount Quray Street
Midlands Estate
Midstream
1692

PO Box 68528
Highveld
0169

Telephone: 012 749 6793

Fax: 086 616 6545

DESIGNATED ADVISOR TO BRIKOR

Exchange Sponsors (2008) (Pty) Ltd
44a Boundary Road
Inanda
Sandton
2196

PO Box 411216
Craighall
2024

Telephone: 011 880 2113

REPORTING ACCOUNTANTS TO BRIKOR

Nexia SAB&T
119 Witch-Hazel Avenue
Highveld Technopark
Centurion
0046

LEGAL ADVISOR TO TCQ MINING

Webber Wentzel
90 Rivonia Road
Sandton
Johannesburg
2196
South Africa

PO Box 61771
Marshalltown
Johannesburg
2107
South Africa

TRANSFER SECRETARIES TO BRIKOR

JSE Investor Services (Pty) Ltd
Registration number 2000/007239/07

JSE Limited
One Exchange Square
2 Gwen Lane
Sandown
Sandton
2196

PO Box 4844
Johannesburg
2000

INDEPENDENT EXPERT

Valeo Capital (Pty) Ltd
Registration number 2021/834806/07
Unit 12 Paardevlei Specialist Medical Centre
Paardevlei
Somerset West
Western Cape
7130

Postnet Suite 272
Private Bag X29
Somerset West
Western Cape
7129

Telephone: 021 851 0091

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IMPORTANT LEGAL NOTICES

The definitions and interpretations commencing on page 7 of this Circular apply, *mutatis mutandis*, to this section (unless the context indicates otherwise).

This Circular is governed by the laws of South Africa and, including the Companies Act, and has been prepared in accordance with the Listings Requirements.

This Circular contains statements about Brikor that are, or may be, forward-looking statements. All statements (other than statements of historical fact) are, or may be deemed to be, forward-looking statements, including, without limitation, those concerning: strategy; the economic outlook for the industry; production; cash costs and other operating results; growth prospects and outlook for operations, individually or in the aggregate; liquidity, capital resources and expenditure and the outcome and consequences of any pending litigation proceedings. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, anticipated levels of growth, estimates of capital expenditures, acquisition strategy, expansion prospects or future capital expenditure levels and other economic factors, such as, *inter alia*, interest rates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Brikor cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity, and the developments within the industry in which Brikor operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions, as regards Brikor, made by Brikor, as communicated in publicly available documents by the Company, all of which estimates and assumptions, although Brikor believes them to be reasonable, are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to Brikor or not currently considered material by Brikor.

Brikor Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of Brikor not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. Brikor has no duty to, and do not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law.

Any forward-looking statement has not been reviewed nor reported on by the external auditors or the Reporting Accountant.

ACTION REQUIRED BY BRIKOR SHAREHOLDERS

The definitions and interpretations commencing on page 7 of this Circular apply, *mutatis mutandis*, to this "Action required by Brikor Shareholders" section (unless the context indicates otherwise).

If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, attorney, or other professional adviser immediately.

If you have disposed of all your Brikor Shares, then this Circular, together with the accompanying Notice of General Meeting and Form of Proxy (*yellow*) should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your Brikor Shares.

Please take careful note of the following provisions regarding the action to be taken by Brikor Shareholders:

A General Meeting of Brikor Shareholders will be held at 1 Marievale Road, Vorsterskroon, Nigel, 1490 on Wednesday, 18 October 2023 at 10:00 for the purpose of considering and, if deemed fit, passing the resolutions required to enable the implementation of the Agreement for the purposes of the Listings Requirements. A Notice of General Meeting is attached to, and forms part of, this Circular.

1. DEMATERIALISED SHAREHOLDERS WHO ARE "OWN-NAME" DEMATERIALISED SHAREHOLDERS

1.1 Voting at the General Meeting

1.1.1 If you wish to attend the General Meeting, you should instruct your CSDP or broker to issue you with the necessary letter of representation to attend the General Meeting in person, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.

1.1.2 If you do not wish to or are unable to attend the General Meeting, but wish to vote thereat, you should provide your CSDP or broker with your voting instructions in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.

1.1.3 You must **not** complete the attached Form of Proxy (*yellow*).

2. DEMATERIALISED SHAREHOLDERS WHO ARE "OWN-NAME" DEMATERIALISED SHAREHOLDERS

2.1 Voting at the General Meeting

2.1.1 You may attend the General Meeting or be represented by proxy at the General Meeting and vote thereat. You must not, however complete the attached Form of Proxy if you want to attend the General Meeting.

2.1.2 If you do not wish to or are unable to attend the General Meeting, but wish to be represented thereat, you must complete the attached Form of Proxy (*yellow*) in accordance with the instructions contained therein and return it to the Transfer Secretaries, JSE Investor Services (Pty) Ltd, JSE Limited, One Exchange Square, 2 Gwen Lane, PO Box 4844, Johannesburg, 2000, to be received by them by no later than Monday, 16 October 2023 on 10:00. Alternatively, the Form of Proxy (*yellow*) may be handed to the chairperson of the General Meeting before the General Meeting commences at 10:00 on Wednesday, 18 October 2023.

ACTION REQUIRED BY BRIKOR SHAREHOLDERS

continued

3. CERTIFICATED SHAREHOLDERS

You are entitled to attend or be represented by proxy at the General Meeting. However, if your shares are held through a nominee or broker, you must inform that nominee or broker of your intention to attend the General Meeting and obtain the necessary Letter of Representation from that nominee or broker or provide your nominee or broker with your voting instructions should you not be able to attend the General Meeting in person.

If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached Form of Proxy, in accordance with the instructions contained therein, to be received by the Transfer Secretaries by no later than 10:00 on Monday, 16 October 2023, for administrative purposes, or prior to the commencement of the General Meeting.

If you wish to Dematerialise your Brikor Shares, please contact your CSDP or broker. Brikor Shareholders are advised that no Dematerialisation or rematerialisation of Brikor Shares may take place between Wednesday, 4 October 2023 and Friday, 6 October 2023.

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 7 of this Circular apply, *mutatis mutandis*, to this section (unless the context indicates otherwise).

	2023
Record date to determine which Brikor Shareholders are entitled to receive the Circular	Friday, 8 September
Circular posted to Brikor Shareholders and Notice of General Meeting released on SENS on	Tuesday, 19 September
Last day to trade Brikor Shares in order to be recorded in the Register to vote at the General Meeting (see note 3 below) on	Tuesday, 3 October
Record date to be eligible to vote at the General Meeting, by close of trade on	Friday, 6 October
Last day to lodge Forms of Proxy in respect of the General Meeting with the Transfer Secretaries	Monday, 16 October
General Meeting to be held at 10:00 on	Wednesday, 18 October
Results of the General Meeting released on SENS on	Wednesday, 18 October

Notes:

1. All times referred to in this Circular are local times in South Africa.
2. All dates and times may be changed by Brikor (subject to the approval of the JSE, if required). Any change in the dates and times will be released on SENS.
3. There will be no rematerialisation or dematerialisation between Wednesday, 4 October 2023 and Friday, 6 October 2023 (both days) inclusive as the Register will be closed for this period.
4. A Shareholder may submit the Form of Proxy at any time before the commencement of the General Meeting (or any adjournment of the General Meeting).
5. If the General Meeting is adjourned or postponed, Forms of Proxy (*yellow*) submitted for the initial General Meeting will remain valid in respect of any adjournment or postponement of the General Meeting.

DEFINITIONS AND INTERPRETATIONS

In this Circular, the Annexures hereto, the Notice of General Meeting, and the Form of Proxy (*yellow*), unless the context otherwise indicates, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and the words in the first column hereunder have the meaning stated opposite them in the second column, as follows:

"Agreement" or "the Transaction"	the contract mining and coal purchase agreement dated 30 June 2023 concluded between Brikor, TCQ Mining, Nikkel Trading, Ilangabi and Kopanela, subsidiaries of Brikor;
"AltX"	the Alternative Exchange of the JSE;
"Brikor" or "the Company"	Brikor Limited, registration number 1998/013247/06, a company incorporated in accordance with the laws of South Africa and the shares of which are listed on AltX;
"Brikor Shares"	the no par value shares in the share capital of Brikor;
"Brikor Shareholders"	the holders of Brikor Shares, from time to time;
"Certificated Share"	a Brikor Share that has not been Dematerialised, and title to which is evidenced by a Document of Title;
"Contract Mining Costs"	<p>Contract Mining costs include:</p> <ol style="list-style-type: none"> 1) All operational costs which include all costs, expenses and liabilities including but not limited to: <ul style="list-style-type: none"> • Mining site establishment costs, • Diesel costs, • Surface right rental costs – amount of rent payable by the Group in respect of surface right lease agreements pertaining to the mining areas, • All equipment and wash plant costs, • Drilling and blasting costs, • All cost associated with ensuring that the Group complies with applicable laws, environmental laws and rehabilitation obligations including the filing of final void/s, as measured on a monthly basis but excluding any cost incurred the Group to establish maintain and/or increase the Rehabilitation Fund. 2) Personnel costs which include all full-time, part time, temporary and other employee costs incurred in the operation of the mine and the mining of coal excluding: <ul style="list-style-type: none"> • Any cost associated with employment of the Group's mine representative, mine safety office and mine surveyor, • Any costs associated with employment of any of the Group employees, management or Board members not directly involved in the delivery of the services, • Any costs and/or expenses not directly related to the rendering of Mining Services by the Group's employees in their capacity as employees. 3) Insurance includes: <ul style="list-style-type: none"> • The necessary insurance in respect of its contractors and the personnel to the extent that such persons do not fall within the ambit of COIDA or under applicable laws, • A public liability insurance policy. 4) Other expenses incurred by TCQ Mining to perform its Mining Services
"Certificated Shareholder"	a Brikor Shareholder who holds Certificated Shares;
"Circular"	this bound document, dated Tuesday, 19 September 2023, including the Annexures hereto and incorporating a notice convening the General Meeting and a Form of Proxy (<i>yellow</i>);
"COIDA"	Compensation for Occupational Injuries and Diseases Act, 130 of 1993;

DEFINITIONS AND INTERPRETATIONS

continued

"Companies Act"	the Companies Act, 71 of 2008, as amended;
"CSDP"	Central Securities Depository Participant, accepted as a participant in terms of the Financial Markets Act;
"Dematerialise" or "Dematerialisation"	the process by which Certificated Shares are converted into electronic format as Dematerialised Shares and recorded in Brikor's Uncertificated Securities Register;
"Dematerialised Share"	a Brikor Share that has been Dematerialised or has been issued in Dematerialised form, and recorded in Brikor's Uncertificated Securities Register;
"Dematerialised Shareholder"	a Brikor Shareholder who holds Dematerialised Shares;
"Directors of Brikor" or "Brikor Board" or "Board"	the board of directors of Brikor at the Last Practicable Date, whose details are set out on page 11 and Annexure 4 of this Circular;
"Effective Date"	the first business day following the date on which the Agreement becomes effective and unconditional;
"Finalisation Date"	the date on which all the conditions shall have been fulfilled or waived, as the case may be;
"Financial Markets Act"	Financial Markets Act, 19 of 2012, as amended;
"General Meeting"	the general meeting of Brikor Shareholders to be held at 10:00 on Wednesday, 18 October 2023 at 1 Marievale Road, Vorsterskroon, Nigel, 1490, to be convened in terms of the Notice of General Meeting for Brikor Shareholders to consider and, if deemed fit, approve, with or without modification, the resolutions contained in the Notice of General Meeting in connection with the Agreement;
"Grootfontein Mining Area"	a Portion of Portion 85 of the farm Grootfontein 165 IR and a Portion of the remainder of the farm Vogelstruisbult 127 IR, in the Magisterial District of Nigel, Gauteng Province which measures 96,3384 ha in extent;
"Grootfontein Mining Right"	the mining right under reference number GP30/5/1/2/2 (10059) MR granted to Brikor in terms of Section 23 of the MPRDA;
"the Group"	Brikor and its subsidiaries Ilangabi and Kopanela;
"Independent Committee"	a committee of the Brikor Board consisting of members of the Brikor Board that have no conflict of interest in relation to the Transaction and are able to make impartial decisions in relation to the Transaction. The members are Steve Naudé, Allan Pellow and Mamsy Mokate;
"Independent Expert" or "Valeo Capital"	Valeo Capital Proprietary Limited, registration number 2021/834806/07, a limited liability private company duly incorporated in accordance with the laws of South Africa and appointed to provide a fairness opinion to the Brikor Board in respect of the Agreement in accordance with the Listings Requirements;
"Ilangabi"	Ilangabi Investments 12 Proprietary Limited, registration number 2004/019972/07, a company incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of Brikor;
"JSE"	the securities exchange operated by the JSE Limited (registration number 2005/022939/06), a public company duly incorporated with limited liability in accordance with the laws of the Republic of South Africa, a licenses financial exchange in terms of the Financial Markets Act;
"Kopanela"	Kopanela Mining Proprietary Limited, registration number 2020/807241/07, a company incorporated in accordance with the laws of South Africa, a 70% owned subsidiary of Brikor. The balance of 30% is owned by BBBEE ownership structure being Mulilo Ventures Proprietary Limited (10%), 37 Coal and Gravity Company Proprietary Limited (5%), Anzi Holdings Proprietary Limited (5%) and Employee and Community Trust (10%);

DEFINITIONS AND INTERPRETATIONS

continued

"Last Practicable Date"	Monday, 18 September 2023 being the last practicable date prior to the finalisation of this Circular;
"Life of Mine Plan"	the plan prepared and amended from time to time by the Group setting out, <i>inter alia</i> , the tonnage of coal left to be mined on the Mining Areas, the period to complete the mining of the coal in consultation with TCQ Mining;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"MHSA"	Mine Health and Safety Act, 29 of 1996, and the Regulations promulgated thereunder;
"Mining Areas"	collectively the Grootfontein Mining Area and the Vlakfontein Mining Area;
"Mining Rights"	the Grootfontein Mining Right and the Vlakfontein Mining Right collectively;
"Mining Services"	all activities related and incidental to the conduct, management, operation and administration of the Mining Areas;
"Mining Services fee"	the fee payable by the Group to TCQ Mining for the performance of the Mining Services, which fee may be set-off by the Group against the Purchase Consideration payable by TCQ Mining;
"MPRDA"	Mineral and Petroleum Resources Development Act, 29 of 2002;
"Nikkel Trading" or the "Guarantor"	Nikkel Trading 392 Proprietary Limited, registration number 2013/235810/07, a company incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of Que Dee Trading 83 Proprietary Limited, trading as SB(SA);
"Notice of General Meeting"	the notice of General Meeting attached hereto and forming part of this Circular;
"Pending Prospecting Right"	the prospecting rights for coal and clay on Portion 9 of the farm Vlakfontein 281 JR, in respect whereof the application for prospecting rights has been accepted by the Department of Mineral Resources and is currently undergoing the formal process of being officially granted to Ilangabi in terms of section 17(1) of the MPRDA;
"Purchase Consideration"	includes the following: <ul style="list-style-type: none"> • Contract Mining Costs incurred by TCQ Mining; and • Contract Mining Costs incurred by the Group, which will be reimbursed by TCQ Mining to the Group; and • an amount of R20,00 (twenty rand) plus VAT per tonne of coal mined by TCQ Mining payable by TCQ Mining to the Group;
"Que Dee Trading 83 (Pty) Ltd" or "SB(SA)"	Que Dee Trading 83 Proprietary Limited, trading as Schalk Burger (SA) Group of Companies; which owns 100% of Nikkel Trading;
"Ramp Up Period"	a period of six consecutive months commencing on the Effective Date increasing coal production from existing volumes to the agreed Tonnage Target by increasing equipment, personnel and related infrastructure and resources;
"Rand" or "R"	South African Rand, the official currency of South Africa;
"Rehabilitation Obligation"	all and any obligations to rehabilitate the Mining Areas and to manage negative environmental impacts associated with the mining operations;
"Register"	Brikor's securities register, including the Uncertificated Securities Register;
"Regulations"	the Companies Regulations, 2011, published in terms of the Companies Act;

DEFINITIONS AND INTERPRETATIONS

continued

"Reporting Accountant"	Nexia SAB&T, an accredited accounting specialist responsible for preparing the work of and issuing the reporting accountant's report of the historical financial information and the <i>pro forma</i> financial information of the Company;
"ROM"	run of mine, which refers to coal and such incombustible waste rock as is reasonably expected to occur in coal when such coal is mined;
"SENS"	the Stock Exchange News Service of the JSE;
"Signature Date"	30 June 2023, being the date on which the Agreement has been signed by all parties;
"South Africa"	the Republic of South Africa;
"TCQ Mining"	TCQ Mining Proprietary Limited, registration number 2022/624792/07, a private company incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of Nikkel Trading;
"Termination Date"	the earlier of the date on which the last of the Mining Rights lapses, the date on which the last tonne of coal is mined from the Mining Areas or the date on which the Agreement is terminated or cancelled. If TCQ Mining fails to meet the Underpin Tonnage Target three times in a rolling 12-month period, then the Group will be entitled to terminate the Agreement;
"Tonnage Target"	the minimum quantity of coal, in tonnes, that TCQ Mining is required to produce in each month per the Agreement;
"Transfer Secretaries"	JSE Investor Services Proprietary Limited, registration number 2000/007239/07, a private company incorporated in accordance with the laws of South Africa;
"Uncertificated Securities Register"	the record of Dematerialised Shares administered and maintained by a CSDP and which forms part of the Register;
"Underpin Tonnage Target"	150 000 tonnes of clean ROM coal in each month;
"Vlakfontein Mining Area"	the remainder of the Farm Vlakfontein 281 IR in the Magisterial District of Nigel, Gauteng Province, which measures 84,7579 ha in extent and which includes the mining area contemplated in the Pending Prospecting Rights;
"Vlakfontein Mining Right"	the Pending Prospective Rights as well as the mining right under reference number GP30/5/1/2/2 (219) MR granted to Ilangabi in terms of Section 23 of the MPRDA; and
"Voting Record Date"	the last date to be recorded in the Register in order for Brikor Shareholders to be eligible to attend, speak and vote at the General Meeting (or any adjournment or postponement thereof), being Friday, 6 October 2023.



BRIKOR LIMITED

Incorporated in the Republic of South Africa
Registration number: 1998/013247/06
JSE share code: BIK ISIN: ZAE000101945

DIRECTORS

Executive

Garnett Parkin (Chief Executive Officer)
Joaret Botha (Financial Director)

Non-executive

Allan Pellow (Independent Non-Executive Chairperson)
Mamsy Mokate (Lead Independent Director)
Funeka Mtsila (Independent Non-Executive Director)
Steve Naudé (Independent Non-Executive Director)

All directors are South African.

SUMMARY CIRCULAR TO BRIKOR SHAREHOLDERS

1. INTRODUCTION

- 1.1** Brikor Shareholders are referred to the announcement released on SENS on 3 July 2023, wherein Brikor Shareholders were advised that Brikor has entered into the Agreement, in terms of which TCQ Mining will provide Mining Services to Brikor; and Brikor, Ilangabi and Kopanela will sell all coal mined by TCQ Mining in on or under the Mining Areas to TCQ Mining.
- 1.2** Brikor Shareholders are referred to the same announcement wherein Brikor Shareholders were advised that TCQ Mining and Brikor have with effect from 20 June 2023 entered into the interim consulting agreement for an amount of R13,7 million, for the purposes of advising and supporting Brikor in improving its current mining operations in preparation of a planned large-scale upscaling of its mining operations pursuant to the Transaction.
- 1.3** The Agreement constitutes a category 1 transaction and a related party transaction in terms of the Listings Requirements as Nikkel Trading is a material shareholder in Brikor and TCQ Mining is a wholly owned subsidiary of Nikkel Trading.

2. PURPOSE OF THIS CIRCULAR

The purpose of this Circular is to provide Brikor Shareholders with the relevant information regarding the Agreement, including, *inter alia*:

- the terms and conditions of the Agreement;
- the fairness opinion prepared by the Independent Expert in accordance with the Listings Requirements;
- to provide Brikor shareholders with information on the Transaction, so as to enable them to make an informed decision whether or not to vote in favour of the resolutions required for their approval; and
- to give notice convening the General Meeting where Brikor Shareholders will consider and, if deemed fit, pass the resolutions approving the Transaction in accordance with the Listings Requirements.

The General Meeting will be convened in terms of the Notice of General Meeting, which is attached to, and forms part of, this Circular.

3. BACKGROUND INFORMATION ON TCQ MINING

TCQ Mining is a wholly owned subsidiary of Nikkel Trading, which is the divisional holding company of all mining assets and operations of SB(SA). SB(SA) is a family-owned venture capital and private equity corporation, with diversified holdings in mining, financial services, agriculture, commercial and industrial, property investments.

SB(SA) has been involved in the opencast mining and related industries for more than 15 years, with various operating companies in mining reserve ownership, contract mining, plant hire, commodity trading, mine surveying and mining shared services.

4. RELATED PARTY DISCLOSURE

- 4.1** The Transaction is a related party transaction pursuant to section 10.1 of the Listings Requirements, as Nikkel Trading is a material shareholder of Brikor and TCQ Mining is a wholly owned subsidiary of Nikkel Trading and requires the approval of Brikor shareholders.
- 4.2** Nikkel Trading currently owns 537 371 338 Brikor Shares, constituting 64,11% of the entire issued share capital of Brikor. The JSE ruled that shares owned by Nikkel Trading will be excluded from voting at the General Meeting.
- 4.3** Shares owned by Nikkel Trading will be counted for the purposes of determining a quorum at the General Meeting but these shares will not be taken into account to determine the result of the voting at the General Meeting to approve the necessary resolutions to approve the Transaction. Other than in relation to the Agreement and Nikkel Trading's shareholding in Brikor, Nikkel Trading and TCQ Mining have no relationship with Brikor.
- 4.4** An independent fairness opinion relating to the Transaction in terms of section 10.4(f) of the Listings Requirements is required. Valeo Capital has been appointed to provide the fairness opinion.

5. RATIONALE FOR THE AGREEMENT

- 5.1** Brikor's core business and expertise is brickmaking. Although Brikor (including its subsidiaries) owns substantial coal reserves, to date Brikor has not been able to exploit these reserves to their full potential. It is believed that Brikor will benefit from TCQ Mining's deep mining expertise, financial resources and equipment to achieve the Company's objective of commercially exploiting its mining rights.
- 5.2** In order to fully exploit the resources, the Board was of the opinion that there were two aspects that needed attention; the expansion of the mining operation to ensure that it was of an economic size and then secondly to establish a sales network to ensure that the coal extracted would be sold at a level that ensured a profit to Brikor. Taking into account the substantial capital commitment that Brikor would require to expand the mining operations to their full potential, as well as develop the sales network required for the quality of coal that would be extracted, the Board took a strategic decision that it would be in the best interests of shareholders if the entire mining operation and sales be sub-contracted to a third party. TCQ Mining offered a solution to both aspects whereas other contractors only offered a solution to one of them. The benefit to shareholders would be that for a fixed return per tonne as well as the receipt of the clay needed for the brickmaking operation, all of the risk associated with, and the capital required for the expansion of the mining operation, as required to exploit the resource, would be taken over by the third party.
- 5.3** The Transaction will, therefore, ensure that the Brikor mining operations will be professionalised, will be fully funded, will be profitable and cashflow positive and will ensure a secure supply of clay for its core business. A detailed financial and analytical review was undertaken to support this view.

6. TERMS AND CONDITIONS OF THE AGREEMENT

6.1 Terms of the Agreement and consideration

The Group has appointed TCQ Mining as an independent contractor to perform the Mining Services in, or under the Mining Areas and the Pending Prospecting Right on behalf of the Group on the terms of the Agreement until the Termination Date. Once the Pending Prospecting Right has been granted and/or converted into a mining right, TCQ Mining shall exercise its option to provide Mining Services to the Group in respect of the Pending Prospecting Right.

An application for the Pending Prospecting Right has been accepted by the DMRE and is currently undergoing the process of being officially granted to Ilangabi in terms of Section 17(1) of the MPRDA, and which may be incorporated into the Vlakfontein Mining Right by means of Section 102 of the MPRDA, if granted.

Brikor is the holder of the Grootfontein Mining Right granted to Brikor to mine coal in, on, or under the Grootfontein Mining Area. It is anticipated that the Grootfontein Mining Right will be transferred from Brikor to Kopanela pursuant to an application in terms of Section 11(1) of the MPRDA. This transfer will be subject to the Listings Requirements.

Ilangabi is the holder of the Vlakfontein Mining Right granted to Ilangabi to mine coal in, on, or under the Vlakfontein Mining Area.

As part of this Agreement, and in addition to the performance by TCQ Mining of the Mining Services, TCQ Mining will purchase from the Group all coal mined in, on, or under the Mining Areas for the Purchase Consideration. TCQ Mining shall be responsible for the conduct and overall management of all prospecting activities and mining and rehabilitation of the Mining Areas. TCQ Mining will be utilising the Group's equipment commissioned on the Mining Areas as at the Effective Date and acquiring and providing, at its own cost and expense, all additional equipment necessary for the provision of the Mining Services.

The Group will be responsible for the following legal appointments at its own expense:

- The chief executive officer in terms of section 2A of the MHSA;
- The mine representative or general manager in terms of sections 4(1) and 7(2) of the MHSA;
- The safety officer; and
- Mine surveyor.

The Group will be responsible for any costs and/or expenses not directly related to the rendering of Mining Services by the Group's employees in their capacity as employees, and pay any taxes, including any statutory mining royalty tax.

TCQ Mining and the Group shall meet at least once every year, with the first meeting to be scheduled 18 months after the Effective Date and thereafter at least every 12 months. During each meeting TCQ Mining and the Group shall engage in negotiating in good faith in order to determine whether the Purchase Consideration is still commercially viable or should be adjusted based on any reasonable factors including but not limited to, the geology of the Mining Areas, conversion of the Pending Prospecting Rights into additional or expanded mining rights, local and international coal prices, changes to TCQ Mining own off-take agreements, prevailing economic, environmental, logistical or relevant factors reasonably impacting the economic interests of either TCQ Mining or the Group. The said revision will be subject to compliance with the Listings Requirements.

Clay shall be mined by TCQ Mining as a by-product from the mining of the coal at no additional cost to the Group. The clay will be delivered by TCQ Mining to the Group on a monthly basis. Each mining right holder shall retain ownership of all clay mined and will be entitled to sell same for its own benefit.

TCQ Mining shall, subject to the Ramp Up Period, increase coal production from existing volumes to no less than 150 000 tonnes of clean ROM coal in each month provided that TCQ Mining shall mine no less than a total of 400 000 tonnes of coal during the Ramp Up Period. TCQ Mining may apply to Brikor to increase the above to a maximum of 300 000 tonnes of clean ROM coal in each month.

Nikkel Trading has agreed to guarantee to the Group the punctual performance by TCQ Mining and undertakes to the Group that whenever TCQ Mining does not pay any amount or perform any obligation as the case may be, when due under or in connection with the Agreement, Nikkel Trading shall immediately pay that amount or perform that obligation.

The Agreement is subject to normal warranties that are customary for transactions of this nature and will be made available for inspection in accordance with the Listings Requirements.

6.2 Condition Precedent

The Agreement is not subject to any outstanding conditions.

7. QUORUM AND VOTING AT THE GENERAL MEETING

- 7.1 The votes of all the issued shares will be taken into account in determining a quorum for the General Meeting.
- 7.2 Ordinary resolutions will be subject to a 50% majority of the votes cast by the Company's ordinary shareholders, present in person or represented by proxy at the General Meeting, being cast in favour thereof.
- 7.3 The votes of all the shareholders present in person, or represented by proxies, will be taken into account for purposes of voting in respect of all other resolutions as per the notice of General Meeting. Any shares owned by Nikkel Trading will be counted for the purposes of determining a quorum at the General Meeting but these shares will not be taken into account to determine the result of the voting at the General Meeting to approve ordinary resolution number 1 relating to the approval of the Agreement.

8. FINANCIAL INFORMATION

In terms of the Listings Requirements, a category 1 transaction requires the disclosure of historical financial information and the pro forma financial information showing the effects of the Agreement on Brikor's consolidated statement of financial position and consolidated income statement.

8.1 Historical financial information of Brikor

The historical financial information of Brikor for the financial year ended 28 February 2023 is incorporated by reference into this Circular and can be accessed on the link below:

Annual Financial Statements of Brikor for the year ended 28 February 2023	https://brikor.net/wp-content/uploads/2023/05/BrikorAFS2023.pdf
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8.2 Pro forma financial effects of the Agreement

The *pro forma* financial information, including the *pro forma* financial effects of the Agreement on the financial information of Brikor as at and for the year ended 28 February 2023, is set out in **Annexure 2** of this Circular and is presented in accordance with the provisions of the Listings Requirements and the *Guide on Pro Forma Financial Information issued by the South African Institute of Chartered Accountants*. The *pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Brikor Board.

The accounting policies used in the preparation of the *pro forma* financial effects are compliant with IFRS and are consistent with those applied in the annual financial statements of Brikor for the financial year ended 28 February 2023.

The *pro forma* financial information has been prepared for illustrative purposes only, to provide information on how the Agreement may have affected the financial position of Brikor. Due to its nature, the *pro forma* financial information may not fairly represent Brikor's financial position, comprehensive income, changes in equity or cash flows after implementation of the Agreement.

The table below is a summary of the detailed *pro forma* financial information as set out in **Annexure 2**.

	Before the Agreement	<i>Pro forma</i> results after the Agreement	% change
Earnings per share ("EPS")			
– Basic EPS (cents)	(0,7)	3,8	>100%
– Diluted EPS (cents)	(0,7)	3,8	>100%
Headline earnings per share ("HEPS")			
– Basic HEPS (cents)	(0,1)	4,4	>100%
– Diluted HEPS (cents)	(0,1)	4,4	>100%
Net Asset Value per ordinary share (cents)	12,9	12,6	(2,38%)
Net Tangible Asset Value per ordinary share (cents)	9,8	9,4	(4,08%)
Shares in issue (million)	822 342	822 342	
Weighted average shares in issue for basic (million)	822 342	822 342	
Weighted average shares in issue for diluted (million)	822 342	822 342	

The above *pro forma* financial effects should be read in conjunction with the *pro forma* consolidated financial information of Brikor and the accompanying report prepared by the Independent Reporting Accountant in relation to such *pro forma* financial information, as contained in **Annexure 3** to this Circular.

8.3 Responsibility and confirmation

The financial information set out in this document is the responsibility of the Directors.

The Reporting Accountant has provided confirmation to the JSE that they have reviewed this Circular and that they have provided the necessary advice on the applicable Listings Requirements regarding the *pro forma* financial information for Brikor as described in this Circular submitted to the JSE and have ensured that their advice has been applied.

9. WORKING CAPITAL STATEMENT

The Directors, having considered the effect of the Agreement, consider that there are reasonable grounds for believing that:

- the Group will be able, in the ordinary course of business, to pay its debts for a period of 12 months after the date of this Circular;
- the assets of the Group will exceed the liabilities of the Group for a period of 12 months after the date of this Circular. For this purpose, the assets and liabilities have been recognised and measured in accordance with the accounting policies used in the latest audited Brikor financial statements;
- the ordinary share capital and reserves of the Group shall be adequate for ordinary business purposes for a period of 12 months after the date of this Circular; and
- the working capital available to the Group is sufficient for the Group's present requirements, which is at least the next 12 months from the date of this Circular.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are set out on page 11 and **Annexure 4** of this Circular 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 have been made and that the Circular contains all information required by law and the Listings Requirements.

11. CHANGES TO THE BOARD AS A RESULT OF THE AGREEMENT

There will be no changes to the Board of Directors as a result of the Agreement.

12. SHARE CAPITAL

The Transaction will not result in any change to the share capital of Brikor.

On the last practical date, the authorised and issued share capital of Brikor was:

	Number '000	R'000
Authorised		
Ordinary no par value shares	1 000 000	–
Issued		
Ordinary no par value shares	822 342	257 192

There are 15 900 000 treasury shares in issue held by the Brikor Share Incentive Scheme Trust.

13. INDEPENDENT EXPERT

13.1 The Brikor Board has appointed Valeo Capital as its Independent Expert to provide the Independent Committee with its opinion as to whether the terms of the Agreement are fair to shareholders in terms of section 10.4(f) of the Listings Requirements.

13.2 Valeo Capital has been approved by the JSE as the Independent Expert.

13.3 The report of the Independent Expert in terms of section 10.4(f) of the Listings Requirements is set out in **Annexure 1** of this Circular.

13.4 Valeo Capital has considered the terms and conditions of the Agreement and are of the opinion, that the Purchase Consideration charged by the Company is market related and that the benefits, terms and conditions of the Agreement are fair to Shareholders.

14. VIEWS OF THE INDEPENDENT COMMITTEE ON THE AGREEMENT

14.1 The Independent Committee has considered the terms and conditions of the Agreement as well as the opinion of the Independent Expert.

14.2 The Independent Committee places reliance on the Independent Expert's report prepared by the Independent Expert after performing the requisite amount of work that satisfies the Independent Committee that it is justified in placing reliance on the report.

14.3 The Independent Committee, taking into account the above considerations, concurs with the Independent Expert's report and are of the unanimous opinion that the Agreement is fair to Brikor and is in the interests of Brikor and Brikor Shareholders.

14.4 The Independent Committee recommend that Brikor Shareholders vote in favour of all the resolutions to be proposed at the General Meeting.

15. MAJOR SHAREHOLDERS

15.1 At the last practicable date, the only shareholders, holding directly or indirectly 5% or more of the Company's shares were:

Name	Number of shares	% of total shares
Nikkel Trading	537 371 338	64,11
Parkin, G	107 167 923	12,78
Total	644 539 261	76,89

15.2 The above shareholding will not change as a result of the Transaction.

16. DIRECTORS' AND FORMER DIRECTORS' INTERESTS IN SECURITIES

16.1 The directors of Brikor and their associates and directors that have resigned in the last 18 months, in aggregate, directly and indirectly held the following interests in Brikor as at 28 February 2023:

Director	Beneficially Direct	Beneficially Indirect	Total	Percentage
G Parkin	107 167 923	17 563 067	124 730 990	14,88%
	107 167 923	17 563 067	124 730 990	14,88%

There has been no change in the above interests between 28 February 2023 and the date of approval of the Circular save for:

On 27 February 2023, Garnett Parkin through his associate, The Elgar Trust, sold 17 563 067 shares at 17 cents per share.

The only director who owns shares in Brikor, Garnett Parkin, will vote in favour of the Transaction.

17. MATERIAL CHANGES

17.1 The following material changes in the financial or trading position of the Group that have occurred between 28 February 2023 and the Last Practicable Date are:

- The Agreement entered into on 30 June 2023;
- An interim consulting agreement for an amount of R13,7 million entered into between TCQ Mining and Brikor with effect from 20 June 2023 for an amount of R13,7 million, for the purposes of advising and supporting Brikor in improving its current mining operations in preparation of a planned large-scale upscaling of its mining operations pursuant to the Transaction.

17.2 Brikor Shareholders are referred to the SENS announcement dated 7 September 2023 and the Firm Intention announcement dated 12 September 2023 wherein Brikor Shareholders were advised that Nikkel Trading now owns more than 35% of the entire share capital of the Company and, therefore, Nikkel Trading is required to make a mandatory offer to all the remaining shareholders of the Company for a cash offer consideration of 17 cents per Brikor ordinary share. The mandatory offer will be made in terms of section 123 of the Companies Act and Regulations 86.

18. CONSENTS

The Designated Advisor, Legal Advisor to TCQ Mining, Independent Expert, Reporting Accountant and the Transfer Secretaries listed in the section entitled "Corporate Information" have consented in writing to act in the capacities stated and to their names being stated in this Circular and, where applicable, to the inclusion of their reports in the form and context in which they have been reproduced in this Circular, and have not, prior to the Last Practicable Date, withdrawn their consents prior to publication of this Circular.

19. GENERAL MEETING

The General Meeting of Brikor shareholders will be held in order to consider and, if deemed fit, pass with or without modification, the ordinary resolutions required to approve the Transaction and all the other resolutions proposed to be passed at the General Meeting.

Attached to and forming part of this Circular is a notice convening the General Meeting of shareholders. A Form of Proxy for use by registered holders of certificated shares and holders of dematerialised shares in their own name who are unable to attend the General Meeting of shareholders and wish to be represented thereat, is included in this Circular.

Shareholders who have dematerialised their Brikor shares and do not have own-name registration must inform their CSDP or stockbroker of their intention to attend the General Meeting of shareholders and request their CSDP or stockbroker to issue them with the necessary Letter of Representation to attend or provide their CSDP or stockbroker with their voting instructions should they not wish to attend the General Meeting in person but who wish to be represented thereat.

20. COSTS

The total estimated costs of the Transaction, which amount to approximately R655 000 (excluding value-added tax), are detailed in the table below:

	Amount
Printing and publication	47 000
JSE documentation fees	108 000
Designated Advisor – Exchange Sponsors	240 000
Reporting accountants – Nexia SAB&T	75 000
Independent professional expert – Valeo Capital	135 000
Sundries	50 000
Estimated total	655 000

21. DOCUMENTS INCORPORATED BY REFERENCE

The full CPR, executive summary of the CPR, and historical financial information of Brikor for the last financial year ended 28 February 2023 have been incorporated into this Circular by reference below.

Independent CPR of Brikor for the year ended 28 February 2023	https://brikor.net/wp-content/uploads/2023/06/COMPETENT-PERSONS-REPORT-2023-FINAL.pdf
Executive Summary of the Independent CPR of Brikor for the year ended 28 February 2023	https://brikor.net/wp-content/uploads/2023/06/BRIKOR-EXECUTIVE-SUMMARY-OF-COMPETENT-PERSONS-REPORT-2023-FINAL.pdf
Annual Financial Statements of Brikor for the year ended 28 February 2023	https://brikor.net/wp-content/uploads/2023/05/BrikorAFS2023.pdf

22. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered offices of Brikor, whose registered office details can be found in the "Corporate Information" section of this Circular, on business days during normal business hours or can be made available through a secure electronic manner at the election of the person requesting inspection by emailing the Company Secretary from the date of issue of this Circular up to and including the date of the General Meeting:

- a copy of the Agreement;
- the annual financial statements of Brikor for the years ended 28 February 2023 and 28 February 2022;
- the memorandum of incorporation of Brikor and its subsidiaries;
- the written consents of the Company's professional advisers;
- signed copy of the Independent Expert report; and
- the Competent Person's Report.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS OF BRIKOR

Allan Pellow

Chairman of the Board

14 September 2023

FAIRNESS OPINION BY THE INDEPENDENT EXPERT

14 September 2023

The Board
Brikor Limited ("**Brikor**" or the "**Company**")
3 Marievale Road
Vorsterskroon
Nigel
1491

Dear Sirs and Madams,

INDEPENDENT EXPERT REPORT IN RESPECT OF THE PROPOSED RELATED PARTY TRANSACTION

1. Introduction

As announced by the Company on the Stock Exchange News Service ("**SENS**") of the Johannesburg Stock Exchange ("**JSE**") on 03 July 2023, Brikor has entered into a contract mining and coal purchase agreement (the "**Agreement**") on 30 June 2023 with TCQ Mining Proprietary Limited ("**TCQ Mining**"), a wholly-owned subsidiary of Nikkel Trading 392 Proprietary Limited ("**Nikkel Trading**"), Ilangabi Investments 12 Proprietary Limited ("**Ilangabi**") and Kopanela Mining Proprietary Limited ("**Kopanela**"), both Ilangabi and Kopanela being subsidiaries of Brikor, in terms of which:

- TCQ Mining will provide contract mining services to Brikor; and
- Brikor, Ilangabi and Kopanela will sell all coal mined by TCQ Mining in, on or under the Grootfontein Mining Area and the Vlakfontein Mining Area (collectively referred to as the "**Mining Areas**") (the "**Proposed Transaction**").

In terms of the Agreement:

- Brikor, Ilangabi and Kopanela will jointly appoint TCQ Mining as an independent contractor to provide mining services, including all activities related and incidental to the conduct, management, operation and administration of the mining operations in, on or under the Mining Areas ("**Mining Services**"); and
- TCQ Mining will purchase from Brikor, Ilangabi and Kopanela all coal mined in, on or under the Mining Areas.

TCQ Mining will be liable for all contract mining costs of the mining in, on or under the Mining Areas and shall pay Brikor a purchase consideration for all coal mined by TCQ Mining as follows:

- All contract mining costs incurred by TCQ Mining; plus
- All contract mining costs incurred by Brikor, Ilangabi and Kopanela; plus
- R20 per tonne of coal mined ("**Net Consideration**"), plus VAT

collectively referred to as (the "**Purchase Consideration**").

The Purchase Consideration for coal mined is subject to an annual revision by the contracting parties. Said revision will be subject to compliance with the Listings Requirements of the JSE (the "**Listings Requirements**").

Clay shall be mined by TCQ Mining as a by-product from the mining of the coal and shall be delivered to Brikor, Ilangabi and Kopanela at no additional cost. The Company shall be responsible for any statutory mining royalty tax which shall be payable from the Net Consideration received.

Nikkel Trading currently own 34% of the issued share capital of Brikor and thus constitutes a material shareholder in terms of the Listings Requirements. As TCQ Mining is a wholly-owned subsidiary of Nikkel Trading, TCQ Mining is a related party to the Company in terms of paragraph 10.1(b)(viii) of the Listings Requirements.

Full details of the Proposed Transaction are contained in the circular to holders of ordinary shares in Brikor ("**Shareholders**") dated 19 September 2023 ("**Circular**"), of which this opinion forms part.

2. Scope

In terms of the Listings Requirements, the Proposed Transaction is classified as a category 1 related party transaction. In compliance with paragraph 10.4(f), the board of directors of Brikor (the "**Board**") is required to appoint an independent expert ("**Independent Expert**") in order to opine on the fairness of the Proposed Transaction ("**the Opinion**").

Valeo Capital Proprietary Limited ("**Valeo Capital**") has been appointed by the Board as the Independent Expert to assess the terms of the Proposed Transaction and to provide the Opinion to the Board.

3. Responsibility

Compliance with the Listings Requirements is the responsibility of the Board. Valeo Capital's responsibility is to report to the Board on the terms of the Proposed Transaction.

We confirm that this Opinion will be provided to the Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of Shareholders pertaining to the Proposed Transaction. The Opinion will be distributed to Shareholders prior to the relevant resolutions required to approve the Proposed Transaction being tabled for consideration by Shareholders.

4. Definition of the terms "fair"

A transaction will generally be considered fair to a company's shareholders if the benefits received by shareholders, as a result of a transaction, are equal to or greater than the value surrendered by a company or its shareholders.

The assessment of fairness is primarily based on quantitative considerations. Given that the nature of the Proposed Transaction does not entail the acquisition or disposal of a business/asset, but rather the provision of services, a value cannot be attributed to the Mining Services to be rendered, as would be done for an acquisition or disposal of a business/asset, by applying a recognised valuation technique (such as a discounted cash flow valuation). We have therefore given due consideration as to whether the terms of the Agreement are fair in the circumstances (i.e. by assessing whether entering into the Proposed Transaction will be beneficial to shareholders vs. retaining the status quo (ie. Brikor continue mining themselves) or entering into an outsourced mining arrangement whilst Brikor then sells the mined coal.

We have applied the aforementioned principles in preparing our Opinion. The Opinion does not purport to cater for an individual Shareholder's position but rather the general body of Shareholders. An individual Shareholder's decision regarding the terms of a transaction may be influenced by its particular circumstances (such as taxation and the original price paid for the shares).

5. Sources of information

In the course of our work, we relied upon information obtained from Brikor management ("**Management**") and from various public sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our work include:

- the Agreement;
- historic coal market pricing data from 2018 to 2022;
- independent contract mining quotes from third-party service providers;
- breakdown of Brikor mining costs for the previous two years;
- the 2023 executive summary Minxcon competence person's report ("**CPR Report**");
- detailed management accounts of Brikor's mining division for the previous two years;
- one-year financial forecast on the assumption that the Agreement will be implemented;
- one-year financial forecast on the assumption that the Agreement will not be implemented;
- the draft Circular;
- discussions with Management on prevailing market, economic, legal and other conditions which may affect the underlying value and the rationale for the Proposed Transaction;
- comparative, publicly available financial and market information on appropriate peer issuers in South Africa;
- economic outlooks prepared by leading South African banks; and
- online and subscription databases covering financial markets, share prices, volumes traded and news.

6. Assumptions

We have arrived at our Opinion based on the following assumptions:

- that the terms of the Proposed Transaction are legally enforceable with no material amendments;
- that reliance can be placed on the historical and forecast financial information of Brikor;
- the structure of the Proposed Transaction will not give rise to any undisclosed tax liabilities;
- that Brikor is not involved in any material legal proceedings or disputes with regulatory bodies;
- there are no undisclosed contingencies that could affect the value of the relevant securities;
- reliance can be placed on Management representations made; and
- the current regulatory and market conditions will not change materially.

7. Procedures

In arriving at our Opinion, we have undertaken the following procedures in evaluating the fairness and reasonableness of the Proposed Transaction:

- considered the rationale for the Proposed Transaction including, inter alia, the de-risking of the current loss-making coal mining operations and coal take-off secured, as presented by Management;
- reviewed the terms of the Proposed Transaction;
- reviewed the CPR Report which report noted the combined coal projects were valued at R14,51/t and obtained comfort on the qualification and experience of Minxcon whom compiled the CPR Report;
- analysed the historical and forecasted information as provided by Management;
- where relevant, corroborated representations made by Management to source documents;
- compared Brikor's effective mining costs to outsourced mining quotes received vs. tonnage to be mined and Brikor's market demand and pricing for coal;
- compared historical and forecasted profits per tonne coal achieved by Brikor vs. the Net Consideration to be received by Brikor as part of the Purchase Price, taking into account that the Net Consideration can be renegotiated by the parties should, *inter alia*, coal market pricing change;
- performed an analysis of the financial effect the implementation of the Agreement will have on Brikor going forward;
- obtained letters of representation from Management confirming that Valeo Capital has been provided with all relevant material information and that all such information provided to us is accurate and complete in all material respects; and
- we determined the fairness of the Proposed Transaction based on the results of the procedures mentioned above. We believe that these considerations justify the Opinion outlined below.

8. Opinion

We have considered the terms and conditions of the Agreement and, based on the aforementioned, we are of the opinion, subject to the limited conditions as set out below, that the terms and conditions of the Agreement are fair to Shareholders.

We are not aware of any material adverse effects of the Agreement, given that the terms and conditions of the Agreement are market related. We are not aware of any significant effects on the Company's business by entering into the Agreement.

9. Limiting conditions

This Opinion is provided to the Board in connection with and for the purpose of the Proposed Transaction, for the sole purpose of assisting the Board in forming and expressing an opinion for the benefit of Shareholders. This Opinion is prepared solely for the Board and, therefore, should not be regarded as suitable for use by any other party or give rise to third-party rights.

We have relied upon and assumed the accuracy of the information provided to and obtained by us in determining our Opinion. Where practical, we have corroborated the reasonableness of the information provided to us for the purpose of reaching our Opinion, whether in writing or obtained in discussion with Management, with reference to publicly available or independently obtained information.

While our work has involved a review of, *inter alia*, various sets of annual financial statements and other information provided to us, our engagement does not constitute an audit conducted in accordance with generally accepted auditing standards.

The forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to Management forecasts.

This Opinion is provided in terms of the Listings Requirements. It does not constitute a recommendation to any Shareholder as to how to vote at any Shareholders' meeting relating to the Proposed Transaction or on any matter relating to it. It should not, therefore, be relied upon for any other purpose. We assume no responsibility to anyone if this Opinion is used or relied upon for anything other than its intended purpose. Should an individual Shareholder have any doubts as to what action to take, such Shareholder should consult an independent advisor.

Subsequent developments may affect our Opinion and we are under no obligation to update, review or re-affirm it based on such developments. We have assumed that all conditions precedent referred to in the Circular, including any material regulatory and other approvals, if any, will be properly fulfilled/obtained.

10. Independence and additional regulatory disclosures

We confirm that Valeo Capital has no direct or indirect interest in any transacting party or the Proposed Transaction, nor do we have any relationship with Brikor or, to the best of our knowledge, to any person related to the Company such as would lead a reasonable and informed third party to conclude that our integrity, impartiality or objectivity has been compromised by such relationship. We also confirm that we have the necessary competence and experience to provide this Opinion. Furthermore, we confirm that our professional fee for the Opinion is not contingent upon the outcome of the Proposed Transaction.

The directors, employees or consultants of Valeo Capital allocated to this assignment have the necessary qualifications, expertise and competencies to (i) understand the Proposed Transaction; (ii) evaluate the Proposed Transaction; and (iii) determine the effect of the Proposed Transaction on Brikor and on the rights and interests of Shareholders or a creditor of Brikor and are able to express opinions, exercise judgement and make decisions impartially in carrying out this assignment.

11. Consent

We hereby consent to the inclusion of this Opinion and references thereto, in whole or in part, in the form and context in which they appear to be included in any required regulatory announcement or documentation regarding the Proposed Transaction.

Yours faithfully

Riaan van Heerden

Valeo Capital Proprietary Limited

PRO FORMA FINANCIAL INFORMATION OF BRIKOR LIMITED

BASIS OF PREPARATION

The definitions commencing on page 7 of the Circular have been used throughout this **Annexure 2**.

Set out below are the *pro forma* consolidated statement of financial position and *pro forma* consolidated statement of financial performance of Brikor, showing the *pro forma* financial effects of the Transaction (the "*Pro Forma* Financial Information").

The *Pro Forma* Financial Information of Brikor has been prepared for illustrative purposes only and because of its nature may not fairly present Brikor's financial position, changes in equity and results of operations.

The *Pro Forma* Financial Information is based on the audited published financial information of Brikor as at and for the twelve months ended 28 February 2023.

The *Pro Forma* Financial Information has been prepared to illustrate the impact of Transaction on the audited published financial information of Brikor on the assumption that the Transaction occurred on 1 March 2022 for statement of profit or loss and other comprehensive income purposes and on 28 February 2023 for statement of financial position purposes.

The *Pro Forma* Financial Information has been prepared using the accounting policies of Brikor which comply with IFRS, in accordance with the applicable criteria of the JSE Listings Requirements and in terms of the *Guide on Pro Forma Financial Information* issued by SAICA, and are consistent with those applied in the audited published financial information.

The *Pro Forma* Financial Information is the responsibility of the directors.

Nexia SAB&T's independent reporting accountant's report on the *Pro forma* Financial Information is set out in **Annexure 3** to this Circular.

Pro forma Statement of Profit or Loss and Other Comprehensive Income for the twelve months ended 28 February 2023:

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
	Group before the Transaction Audited R'000	Coal segment Audited R'000	Contract mining and coal purchase Pro forma R'000	Transaction costs Pro forma R'000	Adjustment as a result of expected change in life of mine Pro forma R'000	Group after the Transaction Pro forma R'000
Revenue	311 733	(100 108)	536 272	–	–	747 897
Cost of sales	(261 218)	110 313	(500 154)	–	(3 139)	(654 198)
Gross profit	50 515	10 205	36 118	–	(3 139)	93 699
Other income	7 678	–	–	–	–	7 678
Administrative expenses	(35 851)	–	–	(655)	–	(36 509)
Distribution expenses	(8 193)	1 997	–	–	–	(6 196)
Other expenses	(4 251)	–	–	–	–	(4 251)
– Expenses	(4 434)	–	–	–	–	(4 434)
– Impairments	183	–	–	–	–	183
Operating profit before interest, taxation and earnings from associate	9 899	12 202	36 118	(655)	(3 139)	54 421
Finance income	425	–	–	–	–	425
Finance costs	(11 614)	–	–	–	–	(11 614)
(Loss)/profit before taxation and earnings from associate	(1 291)	12 202	36 118	(655)	(3 139)	43 232
Taxation	(3 406)	–	(8 247)	184	879	(10 590)
(Loss)/profit for the year before earnings from associate	(4 697)	12 202	27 871	(471)	(2 260)	32 642
Share of loss from associate	(1 171)	–	–	–	–	(1 171)
(Loss)/profit for the year	(5 868)	12 202	27 871	(471)	(2 260)	31 471
Total comprehensive income for the period attributable to owners of the Company	(5 868)	12 202	27 871	(471)	(2 260)	31 471
Earnings per share (cents) – note 7						
Basic and diluted earnings per share	(0,7)					3,8
Headline and diluted headline earnings per share	(0,1)					4,4

Notes to the Pro Forma Statement of Profit or Loss and Other Comprehensive Income for the twelve months ended 28 February 2023:

1. Column 1 presents the historical statement of profit or loss and other comprehensive income of Brikor, which has been extracted, without adjustment, from the audited published statement of profit or loss and other comprehensive income of Brikor for the twelve months ended 28 February 2023, as presented in the audited published financial information of Brikor. The audited published financial information can be viewed in full on Brikor's website or at the Company's registered office.
2. Column 2 presents the elimination of the statement of profit or loss and other comprehensive income of the Coal segment being, elimination of profit or loss and other comprehensive income relating to Ilangabi Investments 12 Proprietary Limited ("Ilangabi") for the twelve months ended 28 February 2023. The eliminations are due to Ilangabi no longer undertaking any mining operations itself as all mining operations related to the mineral deposit will be undertaken by TCQ Mining in accordance with the terms of the Transaction. This information is extracted from the audited consolidated statement of profit or loss and other comprehensive income of the Company for the twelve months ended 28 February 2023.

These adjustments will have a continuing effect on Brikor's *pro forma* statement of profit or loss and other comprehensive income.

3. Column 3 presents the financial effects on the statement of profit or loss and other comprehensive income as a result of the contract mining and coal purchase agreement:
 - In terms of the Transaction TCQ Mining is appointed on a sole and exclusive basis to perform the contract mining services. All current and future mining activities will, therefore, be performed by TCQ Mining;
 - Coal production, subject to the Ramp Up Period, is expected to gradually increase from the current existing volumes of 45 000 tonnes to no less than 150 000 tonnes per month within six months. The *pro forma* financial effect on the statement of profit or loss and other comprehensive income is based on management's best estimate of production during the Ramp Up Period. Based on management's best estimate it is expected that the total coal production for the first year would amount to approximately 1 600 000 tonnes;
 - Revenue as a result of the Transaction is expected to amount to R536,3 million, equal to the total contract mining cost plus an additional amount of R20 per tonne as contractually agreed with TCQ Mining;
 - Cost of sales as a result of the Transaction is expected to amount to R500,2 million which represents an agreed estimated contract mining cost for TCQ Mining to achieve the tonnage targets. The agreed estimated contract mining cost, as per the Annexure to the Agreement, was used to determine the expected contract mining cost and related cost of sales; and
 - The Transaction is expected to yield an estimated profit after normal taxation of R27,9 million based on the minimum tonnages as per the contract mining and coal purchase agreement.

This adjustment will have a continuing effect on Brikor's *pro forma* statement of profit or loss and other comprehensive income.

4. Column 4 presents the financial effects relating to the transaction costs, amounting to R0,7 million, as per paragraph 20 of this Circular. This adjustment will not have a continuing effect on Brikor's *pro forma* statement of profit or loss and other comprehensive income.

5. Column 5 presents the effect of the Transaction on the environmental rehabilitation provision, depreciation on the decommissioning asset (included in property, plant and equipment) as well as amortisation on the intangible assets. The life of mine* is expected to decrease as a result of the increased production associated with the Transaction.

The decrease in the life of mine is expected to have the following impact on the statement of profit or loss and other comprehensive income:

	Column 5
	Adjustment as a result of expected change in life of mine Pro forma R'000
Provision for environmental restoration	
Change in estimate **	2 139
– Relating to the Grootfontein mining area	301
– Relating to the Vlakfontein mining area	1 838
Increase in depreciation expense	593
Increase in amortisation expense ***	407
Total adjustment before taxation	3 139
Taxation	(879)
Adjustment after taxation	2 260

* The Group is required to determine and report mineral reserves and resources in accordance with the South African Code for the Reporting of Explorations Results, Mineral Resources and Mineral Reserves (SAMREC Code). In order to calculate mineral reserves and resources and ultimately the life of mine, estimates and assumptions are required about a range of geological, technical and economic factors, including but not limited to quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates. Estimating the quantity and/or grade of mineral reserves and resources requires the size, shape and depth of reclamation sites to be determined by analysing geological data such as the logging and assaying of drill samples. This process may require complex and difficult geological judgements and calculations to interpret the data. Because the assumptions used to estimate mineral reserves and resources change from period to period and because additional geological data is generated during the course of operations, estimates of mineral reserves and resources may change from period to period. Mineral reserves and resource estimates determined by management are reviewed by an independent mineral resources expert and disclosed in the Competent Person's Report on an annual basis as part of the Integrated Annual Report of the Company.

** As a result of the decrease in the life of mine, the provision for environmental restoration was discounted over a short period using a higher discount rate. This change is, therefore, as a result of the change in period and rate used when discounting the provision.

*** The amortisation expense is expected to increase due to the fact that the mining right, included in Intangible Assets, is amortised over a shorter life of mine.

This adjustment will have a continuing effect on Brikor's *pro forma* statement of profit or loss and other comprehensive income.

6. Column 6 presents the *pro forma* statement of profit or loss and other comprehensive income of Brikor subsequent to the Transaction. In addition to the above, the Transaction is not expected to have an impact on the earnings from the associate.

7. **Reconciliation of earnings per share**

	Group before the Transaction Audited R'000	Group after the Transaction <i>Pro forma</i> R'000
Basic and diluted (loss)/profit	(5 868)	31 471
Loss on scrapping of property, plant and equipment	386	386
Impairment of assets classified as held-for-sale	(183)	(183)
Profit on sale of property, plant and equipment	(962)	(962)
Loss on disposal of property, plant and equipment by associate (net of tax)	5 448	5 448
Headline and diluted headline (loss)/profit	(1 179)	36 160

Number of shares

	Group before the Transaction Audited '000	Group after the Transaction <i>Pro forma</i> '000
Weighted average number of shares	822 342	822 342
Diluted weighted average number of shares	822 342	822 342

Pro Forma Statement of Financial Position as at 28 February 2023:

	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6
	Group before the Transaction Audited R'000	Coal segment Audited R'000	Contract mining and coal purchase <i>Pro forma</i> R'000	Transaction costs <i>Pro forma</i> R'000	Adjustment as a result of expected change in life of mine <i>Pro forma</i> R'000	Group after the Transaction <i>Pro forma</i> R'000
ASSETS						
Non-current assets	217 023	-	-	184	3 125	220 332
Property, plant and equipment	109 908	-	-	-	2 767	112 675
Intangible assets	3 731	-	-	-	(407)	3 324
Investment in associate	54 906	-	-	-	-	54 906
Restricted financial assets	26 696	-	-	-	-	26 696
Deferred tax asset	21 782	-	-	184	765	22 731
Current assets	93 120	-	-	-	-	93 120
Inventories	63 787	-	-	-	-	63 787
Trade and other receivables	27 582	-	-	-	-	27 582
Cash and cash equivalents	463	-	-	-	-	463
Taxation	1 288	-	-	-	-	1 288
Non-current assets held-for-sale	4 792	-	-	-	-	4 792
Total assets	314 935	-	-	184	3 125	318 244
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the Company	106 426	-	-	(471)	(2 260)	103 695
Stated capital	257 192	-	-	-	-	257 192
Accumulated loss	(150 766)	-	-	(471)	(2 260)	(153 497)
Total liabilities	208 509	-	-	-	5 385	214 549
Non-current liabilities	84 365	-	-	-	5 499	89 864
Lease liability	13 517	-	-	-	-	13 715
Vendor loans	6 720	-	-	-	-	6 720
Loans and borrowings	8 013	-	-	-	-	8 013
Provisions for environmental restoration	55 166	-	-	-	5 499	60 665
Deferred tax liability	949	-	-	-	-	949
Current liabilities	121 552	-	-	655	(114)	122 093
Short-term portion of lease liability	18 863	-	-	-	-	18 863
Shareholders' loans	2 017	-	-	-	-	2 017
Short-term portion of vendor loans	5 125	-	-	-	-	5 125
Short-term portion of loans and borrowings	9 974	-	-	-	-	9 974
Trade and other payables	75 572	-	-	-	-	75 572
Taxation	6 355	-	-	-	(114)	6 241
Bank overdraft	3 646	-	-	655	-	4 301
Liabilities directly associated with assets held-for-sale	2 592	-	-	-	-	2 592
Total equity and liabilities	314 935	-	-	184	3 125	318 244
Shares in issue at period-end ('000)	822 342					822 342
Net asset value per share (cents)	12,9					12,6
Net tangible asset value per share (cents)	9,8					9,4

Notes to the Pro Forma Statement of Financial position as at 28 February 2023:

- Column 1 presents the historical statement of financial position of Brikor, which has been extracted, without adjustment, from the audited published statement of financial position of Brikor as at 28 February 2023, as presented in the audited published financial information of Brikor. The audited published financial information can be viewed in full on Brikor's website or at the Company's registered office.
- Column 2 presents the elimination of the statement of financial position of the Coal segment. As no assets or liabilities are being disposed of or acquired as part of the Transaction there is no financial impact on the statement of financial position from the Coal segment on implementation of the agreement.
- Column 3 presents the financial effects on the statement of financial position due to the Transaction. As no assets or liabilities are being disposed of or acquired as part of the Transaction there is no financial impact on the statement of financial position from the contract mining and coal purchase agreement on implementation of the agreement.
- Column 4 presents the financial effects relating to Transaction costs. Transaction costs, amounting to R0,7 million, relate directly to the contract mining and coal purchase agreement.
- Column 5 presents the effect of the Transaction on the environmental rehabilitation provision (IAS 37), decommissioning asset (included in property, plant and equipment) (IAS 16) as well as intangible assets (IAS 38). The life of mine is expected to decrease as a result of the increased production associated with the Transaction and the impact thereof is illustrated below:

	R'000
Property, plant and equipment	
Property, plant and equipment before the Transaction	109 908
Column 5 adjustment:	2 767
– Increase as a result of increase in provision for environmental rehabilitation	3 360
– Increase in depreciation expense	(593)
Property, plant and equipment after the Transaction	112 675
Intangible assets	
Intangible assets before the Transaction	3 731
– Increase in amortisation expense	(407)
Intangible assets after the Transaction	3 324
Provision for environmental restoration	
Provision for environmental restoration before the Transaction	55 166
Increase in provision for environmental restoration:	
Relating to the Grootfontein mining area	2 545
– Recognised in profit or loss	301
– Recognised in property, plant and equipment	2 244
Relating to the Vlakfontein mining area	2 954
– Recognised in profit or loss	1 838
– Recognised in property, plant and equipment	1 116
Provision for environmental restoration after the Transaction	60 665

- Column 6 presents the *pro forma* statement of financial position of Brikor subsequent to the Transaction.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN A CIRCULAR

To the Directors of Brikor Limited

1 Nigel Marievale Road
Nigel
South Africa

REPORT ON THE ASSURANCE ENGAGEMENT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION INCLUDED IN THIS CIRCULAR

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Brikor Limited by the directors. The *pro forma* financial information, as set out in paragraph 8.2 and **Annexure 2** of the Circular ("the Circular"), to be dated on or about 19 September 2023, consists of the *pro forma* statement of profit or loss and other comprehensive income for the twelve months ended 28 February 2023 and the *pro forma* statement of financial position as at 28 February 2023, and related notes. The applicable criteria on the basis of which the directors have compiled the *pro forma* financial information are specified in the Johannesburg Stock Exchange Limited (JSE) Listings Requirements and described in the basis of preparation paragraph of **Annexure 2**.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the proposed corporate action or event, described in paragraph 5 to the Circular, on the Company's financial position as at 28 February 2023, and the Company's financial performance for the year then ended, as if the corporate action or event had taken place at 1 March 2022, and for the period then ended. As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 28 February 2023, on which an unmodified audit report was issued on 31 May 2023.

Directors' Responsibility for the Financial Information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis of preparation paragraph of **Annexure 2** of the Circular.

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors*, issued by the Independent Regulatory Board for Auditors' (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. 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).

Nexia SAB&T applies International Standard on Quality Management ("ISQM") 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis of the applicable criteria specified in the basis of preparation paragraph described in **Annexure 2** of the Circular based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the International Auditing and Assurance Standards Board. This standard requires that we plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *pro forma* financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *pro forma* financial information.

The purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant Transaction on unadjusted financial information of the entity as if the Transaction had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction would have been as presented.

A reasonable assurance engagement to report on whether the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *pro forma* financial information provide a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *pro forma* financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgement, having regard to our understanding of the nature of the company, the Transaction in respect of which the *pro forma* financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *pro forma* financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in the basis for preparation paragraph of **Annexure 2** of the Circular.

Consent

This report on the *pro forma* financial information is included solely for the information of the Shareholders. We consent to the inclusion of our report on the *pro forma* financial information, and the references thereto, in the form and context in which they appear.

Nexia SAB&T

Johandre Engelbrecht

Director

Registered Auditor and Reporting Accountant Specialist

14 September 2023

119 Witch-Hazel Avenue, Highveld Technopark, Centurion, 0046

DIRECTORS' INFORMATION

1. DETAILS OF DIRECTORS AND MANAGEMENT

The full names, ages, occupation and business addresses of the directors of Brikor and its major subsidiaries are as follows:

Director	Age	Occupation	Business address	Curriculum Vitae
Garnett Parkin	41	Chief Executive Officer	1 Marievale Road Vorsterskroon Nigel 1490	<p>Garnett's academic record includes Cambridge University syllabus matriculation, an Entrepreneurship Certificate from Potchefstroom University with Financial Management and Business Management as main subjects, International Hotel School Tourism and Front Office Management (accredited by the American Hotel & Lodging Association), a Leadership Development and Junior Management Certificate from the University of Stellenbosch's Business School as well as completed Business Management, Public Administration, English, Communications and Economics at Unisa.</p> <p>In 2003, Garnett started his career at Brikor as administration manager where, over time, he contributed to the establishment of Brikor's procurement department, successfully managed the debtors and creditors portfolios throughout Brikor and attended to cash flow and capital expenditure management, as well as procurement across all the divisional businesses. On the passing of the late Garnett van Niekerk Parkin in January 2015, Garnett, was appointed as acting Chief Executive Officer and as Chief Executive Officer on 11 November 2015. Garnett became a member of The Institute of Directors South Africa in 2017.</p> <p>During his tenure as Chief Executive Officer, Garnett has successfully implemented Brikor's turnaround strategy and, under his leadership, Brikor became one of the first companies listed on the JSE to successfully trade out of provisional liquidation and, subsequently, the suspension of Brikor's listing on the AltX of the JSE was uplifted in July 2020. Under his leadership Kopanela Mining Company (Pty) Ltd was formed, aligning the Brikor Group with the 2018 Mining Charter. Kopanela is a 30% black-owned company, which will contribute to future growth and sustainability for the Group.</p>
Joaret Botha	35	Financial Director	1 Marievale Road Vorsterskroon Nigel 1490	<p>Joaret is a Chartered Accountant and completed her articles at KPMG Inc. She was part of the Brikor audit team, where she gained a deep understanding of the Group. Joaret has been the Financial Manager of Brikor since November 2019 and was appointed as Financial Director on 29 June 2020.</p>

Director	Age	Occupation	Business address	Curriculum Vitae
Allan Pellow	73	Independent Non-Executive Chairperson	Braveheart 40 William Road Norwood Johannesburg	Allan has extensive executive management experience across a wide range of industries. He joined Westrust in 1985 and was appointed to the Board of Directors of that company in 1994. Allan was appointed to the Master of the High Court's Panel in 1991 and has extensive experience in winding up many complicated and large, often listed companies, covering probably the full spectrum of the economy. Allan also assisted the duly appointed provisional liquidators of Brikor during the period in which the Company was in provisional liquidation and oversaw the subsequent discharge of the provisional order of liquidation.
Mamsy Mokate	63	Lead Independent Director	21 10th Avenue Orange Grove 2192	Mamsy has been in the finance profession for thirty years, having spent her career in the banking industry, an accounting firm and state-owned entities. She is a registered Associated General Accountant. She has previously served on audit committees of municipalities as well as held trustee positions of a medical aid and currently of various family trusts. Appointed Employer Trustee of the PRASA Provident Fund effective April 2019. On 17 July 2020, Mamsy was appointed as Lead Independent Director of Brikor.
Funeka Mtsila	55	Independent Non-Executive Director	401 Frangipani Place Thatchfield Gardens The Reeds Centurion 0157	Funeka is the founder of Anzi Holdings. With hard work and perseverance, she started the business in 2012. Challenging herself continuously and working through the ranks from an occupational health nurse, to the Manager of Medical Services at the South African Bureau of Standards (SABS), to the Manager of Medical Services at the Nuclear Energy Corporation of South Africa (Necsa). Today her passion lies in inspiring, coaching and mentoring other women to excel in previously male-dominated environments. She is a community developer: training, mentoring and coaching over 100 SMMEs in the rural areas of Gauteng and Eastern Cape. She has a distinct leadership style and approach for her business namely what she calls: "a participative leadership style where everyone's idea counts with collective ownership, responsibility and accountability on the outcomes". Her experience includes: Management – Occupational Health and Wellness; ISO standards auditing 18000; Served on SANS Standards Committees; corporate risk management; Board member – South African Women in Nuclear Association (WINSA); and small business development. On 21 January 2021, Funeka was appointed as Chairperson of the Kopanela Mining Company (Pty) Ltd Board of Directors.
Steve Naudé	72	Independent Non-Executive Director	16 Sinsaunt Crescent Hurlingham Manor Sandton 2196	Steve is a Chartered Accountant and obtained his MBA from the University of Chicago Graduate School of Business. Steve has more than 40 years' experience in corporate finance and investment banking locally and internationally.

All directors are South African.



BRIKOR LIMITED

Incorporated in the Republic of South Africa
Registration number: 1998/013247/06
JSE share code: BIK ISIN: ZAE000101945
("Brikor" or the "Company")

NOTICE CONVENING THE GENERAL MEETING

The "Definitions and Interpretation" commencing on page 7 of the Circular to which this Notice of General Meeting of Shareholders is attached and form part, apply *mutatis mutandis* to this Circular of General Meeting of Shareholders.

If you are in any doubt as to what action you should take in respect of the General Meeting and/or the following resolutions, please consult your CSDP, broker, banker, attorney, accountant or other professional advisor immediately.

Brikor Shareholders are reminded that:

- **a Brikor Shareholder entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and vote in its stead at the General Meeting in the place of that Brikor Shareholder, and Brikor Shareholders are referred to the attached Form of Proxy in this regard a proxy need not also be a Brikor Shareholder; and**
- **in terms of section 63(1) of the Companies Act, any person attending or participating in a meeting of Brikor Shareholders must present reasonably satisfactory identification to the Chairperson, and the Chairperson must be reasonably satisfied that the right of any person to participate in and vote (whether as a Brikor Shareholder or as proxy for a Brikor Shareholder) has been reasonably verified.**

A. NOTICE

Notice is hereby given that a General Meeting of Brikor Shareholders, as at the Voting Record Date of Friday, 6 October 2023, will be held at 10:00 on Wednesday, 18 October 2023 at 1 Marievale Road, Vorsterskroon, Nigel, 1490 for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereafter.

B. WHO MAY ATTEND AND VOTE?

Record Date

The Brikor Board determined that, in accordance with the requirements of section 62(3)(a), read with section 59 of the Companies Act, the Voting Record Date, being the date on which Brikor Shareholders who are entitled to attend and vote at the General Meeting will be determined, will be Friday, 6 October 2023. Accordingly, the last day to trade Brikor Shares in order to be recorded in the Register to vote at the General Meeting will be Tuesday, 3 October 2023.

Attending in person or by proxy

If you hold Dematerialised Shares which are registered in your own-name or if you are the registered holder of Certificated Shares:

- you may attend the General Meeting in person; or
- alternatively, you may appoint a proxy to represent you at the General Meeting by completing the attached Form of Proxy (*yellow*) in accordance with the instructions contained therein and returning it to the Transfer Secretaries to be received by not later than 10:00 on Monday, 16 October 2023 (or 48 hours before the resumption of an adjourned General Meeting which date, if necessary, will be released on SENS), being 48 hours, excluding Saturdays, Sundays and South African public holidays, before the time of the General Meeting). Alternatively, the Form of Proxy (*yellow*) may be handed to the Chairperson of the General Meeting before the General Meeting commences at 10:00 on Wednesday, 18 October 2023. A proxy need not be a Brikor Shareholder.

The attached Form of Proxy (*yellow*) is only to be completed by those Brikor Shareholders who:

- hold Brikor Shares in Certificated form; or
- are recorded on the Uncertificated Securities Register in "own-name" dematerialised form.

If you hold Dematerialised Shares which are not registered in your name:

- and wish to attend the General Meeting, you must obtain the necessary letter of representation from your CSDP or broker to attend the General Meeting in person or by proxy and vote;
- and do not wish to attend the General Meeting but would like your vote to be recorded at the meeting, you should contact your CSDP or broker and furnish them with your voting instructions in terms of the relevant custody agreement entered into between you and your CSDP or broker; and
- you must not complete the attached Form of Proxy (*yellow*).

C. PURPOSE OF THE GENERAL MEETING

The purpose of the General Meeting is to consider, and if deemed fit, pass, with or without modification, all resolutions set out below.

ORDINARY RESOLUTION 1: APPROVAL OF THE AGREEMENT

Resolved that the Agreement between Brikor, Ilangabi, Kopanela and TCQ Mining, which is a category 1 transaction and related party transaction for the purposes of the Listings Requirements, be and is hereby approved in all respects and the implementation thereof by Brikor be and is hereby approved."

The JSE ruled that shares owned by Nikkel Trading will be excluded from voting at the General Meeting. Accordingly, votes of shares owned by Nikkel Trading will be counted for the purposes of determining a quorum at the General Meeting but these shares will not be taken into account to determine the result of the voting at the General Meeting to approve the necessary resolutions to approve the Transaction.

The quorum requirement for the ordinary resolution to be adopted is at least three Brikor Shareholders present and sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the ordinary resolution.

The percentage of voting rights required for the ordinary resolution to be adopted: more than 50% of the voting rights that are entitled to be exercised on such ordinary resolution.

ORDINARY RESOLUTION 2: AUTHORITY GRANTED TO DIRECTORS

Resolved that each director of Brikor and be and is hereby individually authorised to sign all such documents and do all such other things as may be necessary for or incidental to the implementation of, *inter alia*, the above ordinary resolution and Agreement.”

The quorum requirement for the ordinary resolution to be adopted is at least three Brikor Shareholders present and sufficient persons being present to exercise, in aggregate, at least 25% of all voting rights that are entitled to be exercised on the ordinary resolution.

The percentage of voting rights required for the ordinary resolution to be adopted: more than 50% of the voting rights that are entitled to be exercised on such ordinary resolution.

By order of the Board

Fusion Corporate Secretarial Services (Pty) Ltd

Per: Melinda Gous
Company Secretary

14 September 2023

Registered office of Company Secretary

Fusion Corporate Secretarial Services (Pty) Ltd
Registration Number 2007/008376/07
Melinda Gous

Suite E014
Midlands Office Park East
Mount Quray Street
Midlands Estate
Midstream
1692

PO Box 68528
Highveld
0169

Telephone: 012 749 6793
Fax: 086 616 6545

Transfer Secretaries to Brikor

JSE Investor Services (Pty) Ltd
Registration number 2000/007239/07
JSE Limited
One Exchange Square
2 Gwen Lane
Sandown
Sandton
2196

PO Box 4844
Johannesburg
2000



BRIKOR LIMITED

Incorporated in the Republic of South Africa
Registration number: 1998/013247/06
JSE share code: BIK ISIN: ZAE000101945
("Brikor" or the "Company")

FORM OF PROXY

All terms used in this Form of Proxy shall, unless the context otherwise requires or they are otherwise defined herein, have the meanings attributed to them in the Circular to which this Form of Proxy is attached.

For use only by Brikor Shareholders that hold shares in certificated form (Certificated Shareholders) or Brikor Shareholders who have dematerialised their shares (Dematerialised Shareholders) and are registered with "own-name" registration, at the General Meeting of Brikor to be held at 1 Marievale Road, Vorsterskroon, Nigel, 1490 at 10:00 on Wednesday, 18 October 2023.

Dematerialised Shareholders holding shares other than with "own-name" registration, must inform their CSDP or broker of their intention to attend the General Meeting and request their CSDP or broker to issue them with the necessary letter of representation and/or proxy form to attend the General Meeting in person and vote or provide their CSDP or broker with their voting instructions should they not wish to attend the General Meeting in person. Letters of representation must be lodged with Brikor's registrars by the commencement of the General Meeting (or any adjournment or postponement thereof). These Brikor Shareholders must not use this Form of Proxy.

I/We (full name/s in block letters)

of (address)

being the holders of shares in the capital of Brikor, and entitled to vote, do hereby appoint (see note):

1. _____ or failing him/her

2. _____ or failing him/her

3. the Chairperson of the General Meeting, as my/our proxy to represent and act for me/us at the General Meeting for purposes of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof; and to vote for and/or against the resolutions and/or abstain from voting in respect of the shares in the issued share capital of Brikor registered in my/our name in accordance with the following instructions:

		Number of shares		
		For	Against	Abstain
Ordinary resolution number 1	Approval of the Agreement			
Ordinary resolution number 2	Authority granted to Directors			

Please indicate in the appropriate spaces provided above how you wish your vote to be cast. If no indication is given, the proxy will be entitled to vote or abstain as he/she deems fit.

For the purpose of resolutions now proposed in terms of the Listings Requirements wherein any votes are to be excluded from that resolution, any proxy given by a holder of securities to the holder of such an excluded vote shall also be excluded from voting for the purposes of that resolution.

Signed at _____ on _____ 2023

Signature _____

Assisted by (where applicable) _____

Each Brikor Shareholder is entitled to appoint one or more proxies (who need not be a shareholder of Brikor but must be natural persons) to attend, speak at and vote in place of that Brikor Shareholder at the meeting.

Please read the notes on the reverse side hereof.

NOTES TO THE FORM OF PROXY

1. The Form of Proxy must only be used by Certificated Shareholders or Dematerialised Shareholders who hold Dematerialised Shares in their "own name".
2. Dematerialised Shareholders who hold Dematerialised Shares other than in their "own name" and who wish to attend the meeting in person may do so by requesting the registered holder, being their CSDP, broker or nominee, to issue them with a letter of representation and/or Form of Proxy.
3. Dematerialised Shareholders who hold Dematerialised Shares other than in their "own name" and who do not wish to attend the meeting in person but wish to vote thereat must provide the registered holder, being the CSDP, broker or nominee, with their voting instructions. The voting instructions must reach the registered holder in sufficient time to allow the registered holder to exercise such vote on your behalf.
4. Brikor Shareholders are reminded that the onus is on them to communicate with their CSDP or broker.
5. A Brikor Shareholder entitled to attend and vote may insert the name of a proxy or the names of two alternative proxies of the Brikor Shareholder's choice in the space/s provided, with or without deleting "the Chairperson of the General Meeting", but any such deletion or insertion must be initialled by the Brikor Shareholder. Any insertion or deletion not complying with the foregoing will, subject to 10, be declared not to have been validly effected. A proxy need not be a shareholder of Brikor. The person whose name stands first on the Form of Proxy and who is present at the meeting will be entitled to act as proxy to the exclusion of those whose names follow. In the event that no names are indicated, the proxy shall be exercised by the Chairperson of the meeting.
6. Please note that the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a Brikor Shareholder, or as a proxy for a Brikor Shareholder, has been reasonably verified. Accordingly, meeting participants (including shareholders and proxies) must provide satisfactory identification.
7. A Brikor Shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each share held. A shareholder's instructions to the proxy must be indicated by inserting the relevant number of votes exercisable by the Brikor Shareholder in the appropriate box(es). An "X" in the appropriate box indicates the maximum number of votes exercisable by that Brikor Shareholder. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the meeting as he/she deems fit in respect of all the shareholder's votes. A Brikor Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Brikor Shareholder or by his/her/its proxy, but the total of the votes cast and in respect of which abstention is recorded, may not exceed the maximum number of votes exercisable by the Brikor Shareholder or by his/her proxy.
8. The proxy shall (unless this sentence is struck out and countersigned) have the authority to vote, as he/she deems fit, on any other resolution which may validly be proposed at the meeting, including in respect of any proposed amendment to the above resolutions. If the foregoing sentence is struck out, the proxy shall be deemed to be instructed to vote against any such proposed additional resolution and/or proposed amendment to an existing resolution as proposed in the notice to which this form is attached.
9. A vote given in terms of an instrument of proxy shall be valid in relation to the meeting notwithstanding the death of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the vote is given, unless an intimation in writing of such death, revocation or transfer is received by the transfer secretaries not less than 48 (forty-eight) hours before the commencement of the meeting.
10. The Chairperson of the meeting may reject or accept any Form of Proxy which is completed and/or received other than in compliance with these notes.
11. The completion and lodging of this Form of Proxy will not preclude the relevant Brikor Shareholder from attending the meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Brikor Shareholder wish to do so.
12. Documentary evidence establishing the authority of a person signing the Form of Proxy in a representative or other legal capacity must be attached to this Form of Proxy, unless previously recorded by Brikor or unless this requirement is waived by the Chairperson of the meeting.
13. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by Brikor.
14. Where there are joint holders of shares:
 - Any one holder may sign the Form of Proxy.
 - The vote(s) of the senior Brikor Shareholder s (for that purpose seniority will be determined by the order in which the names of Brikor Shareholders appear in Brikor's register of shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint Brikor Shareholder (s).
15. To be effective, completed Forms of Proxy should be lodged with or mailed to JSE Investor Services (Pty) Ltd.:

Hand deliveries to:

JSE Limited, One Exchange Square
2 Gwen Lane, Sandown, Sandton, 2196

E-mail to: meetfax@jseinvestorservices.co.za

Postal deliveries to:

PO Box 4844
Johannesburg, 2000, South Africa

to be received at any time before the commencement of the General Meeting (or any adjournment or postponement of the General Meeting) or must be handed to the Chairperson before the appointed proxy exercises any of the relevant Brikor Shareholder's shareholder rights at the General Meeting (or any adjournment or postponement of the General Meeting), provided that, should the relevant Brikor Shareholder return such Form of Proxy to such Transfer Secretaries at any of the above addresses less than 48 hours before the General Meeting, the relevant Brikor Shareholder will also be required to furnish a copy of such Form of Proxy to the Chairperson of the General Meeting before the appointed proxy exercises any of the relevant Brikor Shareholder's shareholder rights at the General Meeting (or any adjournment or postponement of the General Meeting).

16. Any alteration or correction made to this Form of Proxy, other than the deletion of alternatives, must be initialled by the signatory/ies.
17. A proxy may not delegate his/her authority to act on behalf of the Brikor Shareholder, to another person.

