

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, throughout this Circular, including this cover page and the Form of Acceptance, Transfer and Surrender (*pink*) attached to and forming part of this Circular, unless specifically defined otherwise or the context indicates a contrary intention.

Action required by Brikor Shareholders

- If you have disposed of all your Brikor Shares, then this Circular should be forwarded to the purchaser of your Brikor Shares or to the Broker, CSDP, banker or other financial intermediary through whom such disposal was effected.
- Shareholders are referred to page 3 of this Circular, which sets out the action required by them.
- If you are in any doubt about the action to be taken, you should consult your CSDP, Broker, banker, legal advisor, accountant, other financial intermediary or other professional advisor immediately.

Neither Brikor nor Nikkel Trading accepts responsibility, or will be held liable, for any action of, or omission by, any CSDP, Broker, legal advisor, accountant, banker, other financial intermediary or other professional advisor including, without limitation, any failure on the part of a CSDP, Broker, legal advisor, accountant, banker, other financial intermediary or other professional advisor of any beneficial owner of Brikor Shares to notify such beneficial owner of the Offer set out in this Circular or to take any action on behalf of such beneficial owner.



BRIKOR LIMITED

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



NIKKEL TRADING 392 PROPRIETARY LIMITED

Incorporated in the Republic of South Africa
Registration number: 2013/235810/07
("Nikkel Trading" or the "Offeror")

COMBINED CIRCULAR TO SHAREHOLDERS

regarding

- a mandatory offer by Nikkel Trading to Brikor Shareholders to acquire all of the ordinary shares in the share capital of Brikor not already owned by Nikkel Trading for an Offer Consideration of R0,17 (17,0 cents) per ordinary share;
- a Response Circular by the Independent Board of Brikor containing their views in respect of the Offer;

and incorporating

- a report prepared by the Independent Expert in terms of regulations 90 and 110 of the Takeover Regulations in respect of the Offer; and
- a Form of Acceptance, Transfer and Surrender (*pink*) for use by Certificated Shareholders only.

Legal Advisor to Brikor



Designated Advisor to Brikor



Independent Expert



Legal Advisor to Nikkel Trading



Date of issue: **Friday, 1 December 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 Friday, 1 December 2023 up to and including Monday, 15 January 2024. 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 AND ADVISORS

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this section on corporate information and advisors (unless the context indicates otherwise).

REGISTERED OFFICES OF BRIKOR

1 Marievale Road
Vorsterskroon
Nigel
1490

PO Box 884
Nigel
1490

Telephone: 011 739 9000
Fax: 011 739 9021

BRIKOR 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

LEGAL ADVISOR TO NIKKEL TRADING

Webber Wentzel
90 Rivonia Road
Sandton
2196

PO Box 61771
Marshalltown
Johannesburg
2107

DESIGNATED ADVISOR TO BRIKOR

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

PO Box 411216
Craighall
2024

REGISTERED OFFICES OF NIKKEL TRADING

17 Midas Avenue
Olympus
0081

PostNet Suite 790
Private Bag X37
Lynnwood Ridge
0040

LEGAL ADVISOR TO BRIKOR

Werksmans Attorneys
The Central, 96 Rivonia Road
Sandton
Johannesburg
2196

Private Bag 10015
Sandton
2146
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

AcaciaCap Advisors (Pty) Ltd
20 Stirrup Lane
Woodmead Office Park
Woodmead
2191

Suite # 439
Private Bag X29
Gallo Manor
2052

IMPORTANT LEGAL NOTICES AND DISCLAIMERS

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this section on **important legal notices and disclaimers** (unless the context indicates otherwise).

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

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 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.

RESPONSIBILITY

This Circular is published by, and is the joint responsibility of, Nikkel Trading and the Independent Board.

ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE OFFER

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this section on “**Action Required by Shareholders in respect of the Offer**” (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. Please take careful note of the following provisions regarding the action required by Brikor Shareholders.

If you have disposed of all your Brikor Shares, then this Circular should be forwarded to the purchaser to whom, or the Broker, CSDP, banker or other financial intermediary through whom, you disposed of your Brikor Shares.

1. CERTIFICATED SHAREHOLDERS

Acceptance of Offer, surrender of Documents of Title and Offer Consideration

- 1.1 If you are a Certificated Shareholder and you wish to accept the Offer in respect of all or some of your Brikor Shares, you must complete the attached Form of Acceptance, Transfer and Surrender (*pink*) in accordance with its instructions and return it, together with the relevant Documents of Title, to the Transfer Secretaries as follows (to be received by the Transfer Secretaries by no later than 12:00 on the Closing Date):

If delivered by hand

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

If sent by post

PO Box 4844
Johannesburg
2000

- 1.2 Certificated Shareholders are required to indicate their acceptance of the Offer on the Form of Acceptance (*pink*). Should there be any doubt or dispute as to whether you have accepted the Offer or not, then you will be deemed not to have accepted the Offer.
- 1.3 If you accept the Offer in respect of all or some of your Brikor Shares and surrender the relevant Documents of Title, you will not be able to trade such Brikor Shares from the date of your acceptance of the Offer and surrender of the relevant Documents of Title in respect thereof.
- 1.4 If you wish to reject the Offer, you need not take any action.

Offer Consideration

- 1.5 If you have both: (i) forwarded your completed Form of Acceptance (*pink*); and (ii) surrendered your Documents of Title, to the Transfer Secretaries on or before 12:00 on the Closing Date, you will be paid the Offer Consideration by way of EFT into your bank account on record with the Transfer Secretaries or the bank account nominated by you in the Form of Acceptance (*pink*), as the case may be, in cash on the Payment Date.
- 1.6 If you forwarded your completed Form of Acceptance (*pink*) to the Transfer Secretaries on or before 12:00 on the Closing Date, but you surrender your Documents of Title after 12:00 on the Closing Date, the Offer Consideration will be paid to you by way of EFT within six Business Days of receipt of your Documents of Title by the Transfer Secretaries.

ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE OFFER

continued

2. DEMATERIALISED SHAREHOLDERS

Acceptance of Offer

- 2.1 If you are a Dematerialised Shareholder, you will be contacted by your duly appointed Broker or CSDP.
- 2.2 If you wish to accept the Offer, you must notify your Broker or CSDP of your acceptance of the Offer in the time and manner stipulated in your Custody Agreement in order to constitute a valid acceptance.
- 2.3 If you are a Dematerialised Shareholder and wish to accept the Offer but have not been contacted by your Broker or CSDP, it would be advisable for you to contact and furnish your Broker or CSDP with instructions in regard to the acceptance of the Offer. These instructions must be provided in the manner and by the cut-off date and time stipulated in your Custody Agreement.
- 2.4 **You must not complete the attached Form of Acceptance (pink).**
- 2.5 If you notify your Broker or CSDP of your desire to accept the Offer, you will not be able to trade your Brikor Shares from the date on which you notify your Broker or CSDP of your acceptance of the Offer.

Offer Consideration

- 2.6 If you have accepted the Offer, you will have your account at your CSDP or Broker credited with the Offer Consideration and debited with the Offer Shares that you are transferring to the Offeror on the Payment Date.
- 2.7 No interest shall accrue for the benefit of Offer Participants on the Offer Consideration.

TABLE OF CONTENTS

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this table of contents (unless the context indicates otherwise).

	Page
CORPORATE INFORMATION AND ADVISORS	1
IMPORTANT LEGAL NOTICES AND DISCLAIMERS	2
ACTION REQUIRED BY SHAREHOLDERS IN RESPECT OF THE OFFER	3
1. Certificated Shareholders	3
2. Dematerialised Shareholders	4
TABLE OF CONTENTS	5
IMPORTANT DATES AND TIMES	7
DEFINITIONS AND INTERPRETATIONS	8
PART A: THE OFFER – OFFER TO ALL REMAINING SHAREHOLDERS	12
1. Introduction and purpose of this Circular	12
2. Information on the Offeror	13
3. Background to and reasons for the Offer	13
4. Terms of the Offer	13
5. Procedure for acceptance of the Offer	15
6. Irrevocable undertaking	16
7. Interests of the Offeror in Brikor	17
8. Interests of Nikkel Trading directors in Nikkel Trading and Brikor	17
9. Agreements in relation to the Offer	17
10. Compulsory acquisition	17
11. Listing on the AltX	17
12. Response Circular by the independent Board of Brikor and Independent Expert's Report	17
13. Consents	17
14. Directors' responsibility statement	17
15. Documents available for inspection	18
PART B: BRIKOR RESPONSE CIRCULAR	19
Response Circular to remaining shareholders	19
1. Introduction and purpose of the Response Circular	19
2. Information on Brikor	19
3. Share information	19
4. Major shareholders	19
5. Financial information	20
6. Composition of the Independent Board	20
7. Independent Expert	20
8. Opinion of the Independent Expert	20
9. Opinion and recommendation of the Independent Board	21

TABLE OF CONTENTS

continued

	Page
10. Interests of Brikor in Nikkel Trading, interests of the directors of Brikor in Nikkel Trading and Brikor	21
11. Directors' interests in the Offeror	22
12. Directors' service contracts	22
13. Exchange control regulations	22
14. Listing on the AltX	23
15. Approvals received	23
16. Consents	23
17. Directors' responsibility statement	23
18. Irrevocable undertaking	23
19. Documents available for inspection	24
Annexure 1: Independent Expert's Report	25
Annexure 2: Extracts of the audited consolidated financial information	31
Annexure 3: Section 124: Compulsory acquisitions and squeeze outs	35
Annexure 4: Extract of summary circular to Brikor shareholders	37
FORM OF ACCEPTANCE, TRANSFER AND SURRENDER (PINK) ("FORM")	<i>Attached</i>

IMPORTANT DATES AND TIMES

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this section on *important dates and times* (unless the context indicates otherwise).

2023/2024	
Posting Record Date	Friday, 24 November
Circular distributed to Shareholders	Friday, 1 December
Opening Date of the Offer at 09:00 on	Monday, 4 December
Announcement declaring the Offer unconditional (including the timetable in respect of the Offer and Closing Date) published on SENS	Monday, 4 December
Earliest Payment Date from	Tuesday, 12 December
TRP compliance certificate expected on	Tuesday, 9 January
Finalisation date announcement (including the timetable in respect of the Offer and Closing Date) published on SENS	Tuesday, 9 January
Last Day to Trade for Shareholders wishing to accept the Offer	Tuesday, 16 January
Shares trade "ex" the Offer	Wednesday, 17 January
Record Date for Shareholders to accept the Offer	Friday, 19 January
Closing Date of Offer at 12:00 on	Friday, 19 January
Results of Offer to be announced on SENS	Monday, 22 January
Last Payment Date	Monday, 22 January

Notes:

- Certificated Shareholders are required to complete and return the attached Form of Acceptance (*pink*) in accordance with the instructions contained therein to be received by the Transfer Secretaries by no later than 12:00 on the Closing Date.
- Any change to the above dates and times will be agreed upon by Brikor and Nikkel Trading, approved by the JSE and the TRP (as required), and announced on SENS, provided that any extension of the Closing Date shall be at Nikkel Trading's sole discretion.
- No Dematerialisation or rematerialisation of Shares will take place between the trading ex-date, Wednesday, 17 January 2024 and the Record Date for the Offer, Friday, 19 January 2024 (both days inclusive).
- Offerees should note that acceptance of the Offer will be irrevocable.
- Although the above important dates and times are stated to be subject to change, such statement shall not be regarded as consent or dispensation for any change to time periods which may be required in terms of the Companies Act, the Takeover Regulations, and the Listings Requirements, where applicable, and any such consents or dispensations must be specifically applied for and granted.
- All times referred to in this Circular are references to South African Standard Time.
- In accordance with regulation 102(12) of the Takeover Regulations, the Offer Consideration must be settled within six Business Days after the later of: (i) the Finalisation Date; and (ii) acceptance thereof by a holder. Accordingly, the latest Payment Date will be by no later than Monday, 22 January 2024.

DEFINITIONS AND INTERPRETATIONS

In this Circular and its annexures, unless otherwise stated or the context indicates otherwise, the words and expressions in the first column shall have the meanings stated opposite them in the second column, and words and expressions in the singular shall include the plural and vice versa, words importing natural persons shall include juristic persons and unincorporated associations of persons and *vice versa*, and any reference to one gender shall include the other genders.

"AltX"	the Alternative Exchange of the JSE;
"Brikor" or "Company"	Brikor Limited, registration number 1998/013247/06, a public company incorporated in accordance with the laws of South Africa and the shares of which are listed on AltX;
"Brikor Board"	the board of directors of Brikor at the Last Practicable Date, whose details are set out on page 19 of this Circular;
"Brikor Shares"	the no par value shares in the share capital of Brikor;
"Brikor Shareholders"	the holders of Brikor Shares, from time to time;
"Broker"	any person registered as a <i>"broking member (equities)"</i> in terms of the requirements of the JSE and in accordance with the provisions of the Financial Markets Act, including any nominee of such person;
"Business Day"	any day other than a Saturday or Sunday or official public holiday in South Africa;
"Certificated Share"	a Brikor Share that has not been Dematerialised, and title to which is evidenced by a Document of Title;
"Certificated Shareholder"	a Brikor Shareholder who holds Certificated Shares;
"Circular"	this combined offer circular dated Friday, 1 December 2023, including the Annexures hereto and incorporating a Form of Acceptance, Transfer and Surrender (pink);
"Closing Date"	the last date on which Brikor Shareholders will be able to accept the Offer, which date will be Friday, 19 January 2024;
"Companies Act"	the Companies Act, No. 71 of 2008, as amended;
"Company Secretary"	the company secretary of Brikor;
"CSDP"	a Central Securities Depository Participant, being a "participant" as defined in the Financial Markets Act, including any nominee of such participant and with whom a beneficial owner of shares holds a Dematerialised share account;
"Custody Agreement"	the custody mandate agreement between a Dematerialised Shareholder and a CSDP or Broker, governing their relationship in respect of Dematerialised Shares held on the Register and administered by a CSDP or Broker on behalf of that Dematerialised Shareholder;
"Dematerialise" or "Dematerialised" 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;
"Designated Advisor"	Exchange Sponsors (2008) Proprietary Limited, registration number: 2008/019553/07, a private company incorporated in accordance with the laws of South Africa, whose further details are set out in the section of this Circular titled <i>"Corporate information and advisors"</i> ;
"Directors"	the directors of Brikor at the Last Practicable Date;
"Documents of Title"	share certificates and/or certificated transfer deeds and/or balance receipts or any other document/s of title acceptable to Brikor in respect of Brikor Shares;

DEFINITIONS AND INTERPRETATIONS

continued

"EFT"	electronic funds transfer;
"Excluded Shares"	15 476 000 unallocated Brikor Shares held by the Brikor Share Incentive Scheme Trust;
"Firm Intention Announcement"	the firm intention announcement released on SENS on Tuesday, 12 September 2023, advising Shareholders of the Offer, as referred to in paragraph 1 of Part A of this Circular;
"Form of Acceptance (pink)"	the form of acceptance, transfer and surrender (<i>pink</i>) for use by Certificated Shareholders only, which is attached to and forms part of this Circular;
"Ilangabi"	Ilangabi Investments 12 Proprietary Limited, registration number 2004/019972/07, a private company incorporated in accordance with the laws of South Africa, a wholly owned subsidiary of Brikor;
"Independent Board"	the independent board of Brikor consisting of Steve Naudé, Allan Pellow and Mamsy Mokate, constituted in accordance with regulation 108(8) of the Takeover Regulations in order to consider the terms and conditions of the Offer, all of whom are independent directors;
"Independent Expert"	AcaciaCap Advisors Proprietary Limited, registration number 2006/033725/07, a private company incorporated in accordance with the laws of South Africa, whose further details are set out in the section of this Circular titled "Corporate information and advisors", appointed as the independent expert by the Independent Board in terms of regulation 110 of the Takeover Regulations to opine on the fairness and reasonableness of the Offer and provide the Independent Board with appropriate external advice;
"Independent Expert's Report"	the fair and reasonable opinion prepared by the Independent Expert, in the form of a report contemplated in regulations 90 and 110 of the Takeover Regulations regarding the Offer, a copy of which is set out in Annexure 1 to this Circular;
"Issued Share Capital"	the issued share capital of Brikor, being 838 242 031 Brikor Shares;
"Interim Consulting Agreement"	an interim consulting agreement entered into between Brikor and TCQ Mining with effect from 20 June 2023 for an amount of R13,7 million, details of which were provided in the circular issued to Shareholders regarding the Related Party Agreement;
"JSE"	the JSE Limited, registration number: 2005/022939/06, a public company incorporated in accordance with the laws of South Africa and licensed under the Financial Markets Act;
"Kopanela"	Kopanela Mining Proprietary Limited, registration number 2020/807241/07, a private 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%);
"Last Day to Trade"	the last day to trade in Brikor Shares in order to be recorded in the Register on the Closing Date and, therefore, be able to accept the Offer and receive the Offer Consideration;
"Last Practicable Date"	Thursday, 30 November 2023, being the last practicable date prior to the finalisation of this Circular;
"Listings Requirements"	the Listings Requirements of the JSE, as amended from time to time;
"Nikkel Trading" or "the Offeror"	Nikkel Trading 392 Proprietary Limited, registration number 2013/235810/07, a private company incorporated in accordance with the laws of South Africa;
"Non-accepting Shareholders"	Remaining Shareholders who do not accept the Offer in respect of the Offer Shares held by them and who as at the Closing Date hold the remaining Offer Shares, subject to the provisions of section 124(1) of the Companies Act, and "Non-accepting Shareholder" shall mean any one of them as the context may require;

DEFINITIONS AND INTERPRETATIONS

continued

"Offer"	the mandatory offer by Nikkel Trading as contemplated in terms of section 123 of the Companies Act, to acquire the Offer Shares from all the Remaining Shareholders for the Offer Consideration on the terms set out in this Circular;
"Offer Consideration"	the cash consideration to be paid to the Offer Participants by the Offeror, being R0,17 (17 cents) per Brikor Share held by such Offer Participants;
"Offer Participants"	the Remaining Shareholders who validly and lawfully accept the Offer by the Closing Date, and who are thus entitled to receive the Offer Consideration;
"Offer Period"	the period from 09:00 on the Opening Date up to 12:00 on the Closing Date;
"Offer Shares"	in relation to the Offer, the Brikor Shares held by the Remaining Shareholders, which for the avoidance of doubt, excludes the Brikor Shares currently held by the Offeror and the Excluded Shares;
"Offerees"	the Remaining Shareholders to whom the Offer is made, who are recorded in the Register as at the date of acceptance of the Offer, provided that Remaining Shareholders may not accept the Offer after 12:00 on Friday, 19 January 2024 on the Closing Date;
"Opening Date"	the opening date of the Offer as described in paragraph 4.4.1 of Part A of this Circular;
"Payment Date"	means: <ul style="list-style-type: none">i. in respect of Certificated Shareholders who accept the Offer, within six Business Days of the later of the date of acceptance of the Offer by such Certificated Shareholder. Acceptance will take place by forwarding both:<ul style="list-style-type: none">a. the Form of Acceptance (<i>pink</i>); andb. the Documents of Title, to the Transfer Secretaries;ii. in respect of Dematerialised Shareholders who accept the Offer, within six Business Days after the later of the date on which the CSDP or Broker of such Dematerialised Shareholder notifies the Transfer Secretaries of their acceptance of the Offer, with the earliest payment date being Tuesday, 12 December 2023, and in accordance with regulation 102(12) of the Takeover Regulations, with the latest Payment Date being Monday, 22 January 2024;
"Posting Record Date"	the record date to determine which Shareholders are entitled to receive this Circular, being Friday, 24 November 2023;
"R" or "Rand"	the South African Rand, the official currency of South Africa;
"Record Date for Offer"	the last date by which a Remaining Shareholder must be recorded in the Register in order to accept the Offer, which as at the date of this Circular is anticipated to be Friday, 19 January 2024;
"Register"	Brikor's securities register, including the Uncertificated Securities Register;
"Related Party Agreement"	the proposed contract mining and coal offtake agreement between TCQ, a wholly-owned subsidiary of Nikkel Trading, and Brikor, Ilangabi and Kopanela as detailed in the circular issued to Brikor Shareholders on 19 September 2023, which agreement, at the Last Practicable Date, remains subject to Shareholder approval. Refer to Annexure 4 for further details;
"Remaining Shareholders"	all Brikor Shareholders other than Nikkel Trading and the Excluded Shares;
"Remaining Shares"	all Brikor Shares other than shares owned by Nikkel Trading and the Excluded Shares;

DEFINITIONS AND INTERPRETATIONS

continued

"Response Circular"	the response circular by the Independent Board, as set out in Part B of this Circular;
"SB(SA)"	Schalk Burger (SA) Group of Companies;
"SENS"	the Stock Exchange News Service of the JSE;
"South Africa"	the Republic of South Africa;
"Takeover Regulations"	the regulations set out in chapter 5 of the Companies Regulations, 2011, promulgated under the Companies Act;
"Transfer Secretaries"	JSE Investor Services Proprietary Limited, registration number 2000/007239/07, a private company incorporated in accordance with the laws of South Africa;
"TCQ"	TCQ Mining Proprietary Limited, registration number 2022/64792/07, a private company incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of Nikkel Trading;
"TRP"	the Takeover Regulation Panel, established in terms of section 196 of the Companies Act; and
"Uncertificated Securities Register"	the record of Dematerialised Shares administered and maintained by a CSDP and which forms part of the Register.

PART A: THE OFFER – OFFER TO ALL REMAINING SHAREHOLDERS

nt392

**NIKKEL TRADING 392
PROPRIETARY LIMITED**

Incorporated in the Republic of South Africa
Registration number: 2013/235810/07
("Nikkel Trading" or the "Offeror")

NIKKEL TRADING DIRECTOR

Schalk Willem Burger

CIRCULAR TO BRIKOR SHAREHOLDERS

1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1** Brikor Shareholders are referred to the Firm Intention Announcement released by Brikor on SENS on 12 September 2023 wherein Brikor Shareholders were advised that Nikkel Trading acquired 250 444 334 Brikor Shares at a price of 17,0 cents per share, constituting 29,83% of the entire issued share capital of Brikor. Nikkel Trading then held a total of 537 371 338 Brikor Shares constituting 64,11% of the issued share capital of Brikor.
- 1.2** On 10 October 2023 a further SENS announcement was released by Brikor that Nikkel Trading had acquired additional Brikor Shares at a price of 17,0 cents per Brikor Share, Nikkel Trading having acquired 32 039 364 Brikor Shares in accordance with the arrangements announced on SENS by Brikor on 17 April 2023 and a further 665 334 Brikor Shares in the open market at the Offer Price of 17 cents per Brikor Share in full compliance with section 127(1)(b) and regulation 98 of the Takeover Regulations.
- 1.3** On 16 October 2023 a further SENS announcement was released by Brikor that Nikkel Trading has acquired additional Brikor shares at a price of 17,0 cents per Brikor Share so that Nikkel Trading now owns 68,01% of the issued shares of Brikor.
- 1.4** Accordingly, at the Last Practicable Date, Nikkel Trading owns 570 076 036 Brikor Shares constituting 68,01% of the Issued Share Capital.
- 1.5** The purpose of this Circular is:
- to set out the terms on which the Offeror extends the Offer to the Remaining Shareholders;
 - to provide the Remaining Shareholders with information on the Offeror; and
 - to inform the Remaining Shareholders of the manner in which the Offer and the Offer Consideration pursuant to the Offer may be accepted by them, the manner in which the Offer will be implemented, and how the Offer Consideration will be paid to Offer Participants.

2. INFORMATION ON THE OFFEROR

- 2.1** Nikkel Trading is a member of SB(SA), a private equity and venture capital group of companies with diversified holdings in Mining, Financial Services, Agricultural, Properties, and Commercial and Industrial sectors. SB(SA) has operations in Gauteng, Mpumalanga, Northwest, Limpopo, Western Cape and Botswana.
- 2.2** Nikkel Trading is the divisional holding company for SB(SA)'s mining assets, with extensive holdings and expertise primarily in the mining of coal reserves and andalusite reserves, opencast contract mining, plant hire, quantity surveying and commodity trading.

3. BACKGROUND TO AND REASONS FOR THE OFFER

- 3.1** As noted in paragraph 1 of this Circular, the Offeror has acquired a beneficial interest in additional Brikor Shares such that the Offeror holds voting rights in respect of an aggregate number of 570 076 036 Brikor Shares, being 68.01% of the Issued Share Capital.
- 3.2** Consequently, the Offeror is able to exercise more than 35% of the voting rights attached to the Issued Share Capital and is required to make an Offer to all the Remaining Shareholders of Brikor pursuant to section 123 of the Companies Act.

4. TERMS OF THE OFFER

4.1 The Offeror

- 4.1.1 Nikkel Trading hereby makes the offer with effect from the Opening Date until the Closing Date to purchase the Brikor Shares held by the Remaining Shareholders for the Offer Consideration; provided that each Remaining Shareholder may, at their election, accept the Offer in respect of all or some of their Brikor Shares on the terms set out in this Circular.
- 4.1.2 Nikkel Trading owns the following Brikor Shares at the Last Practicable Date:

	Number of Shares	% of issued Shares
Total	570 076 036	68,01

4.2 Offer and Offer Consideration

- 4.2.1 The Offeror hereby makes the Offer to acquire all of the Brikor Shares held by Remaining Shareholders, for the Offer Consideration of 17,0 cents per Share. Remaining Shareholders may elect to accept the Offer in whole or part.
- 4.2.2 In terms of regulation 111(2) of the Takeover Regulations, if an offer is made and the Offeror has acquired relevant securities in Brikor within the six-month period before the commencement of the Offer Period, the consideration paid, per security, to the minorities of the same class must be identical to, or where appropriate, similar to the highest consideration paid, excluding commission, tax and duty, for those acquisitions.
- 4.2.3 The Offer Consideration is payable in cash only.
- 4.2.4 Settlement of the Offer Consideration will be implemented in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against any Remaining Shareholder which holds Offer Shares.
- 4.2.5 The Offeror reserves the right to invoke the compulsory acquisition provisions set out in section 124 of the Companies Act. Should the Offeror hold at least 90% of the Issued Share Capital following implementation of the Offer, the Offeror shall be entitled to acquire the remaining Offer Shares in respect of which the Offer was not accepted on the same terms applied to the Offer Shares whose holders accepted the terms of the Offer in accordance with the provisions of section 124 of the Companies Act.

4.3 Condition to the implementation of the Offer

The implementation of the Offer is subject to the issue of a compliance certificate by the TRP in respect of the Offer in terms of section 119(4)(b) of the Companies Act.

4.4 Offer Acceptance Period

4.4.1 The Offer is unconditional and, in accordance with regulation 102(4) of the Takeover Regulations, the Offer will remain open for acceptance for 30 Business Days after the Opening Date of the Offer, being the day after posting of this Circular, until up to and including the Closing Date.

4.4.2 Settlement of the Offer Consideration will take place after receipt of the relevant TRP compliance certificate and in compliance with the transaction timetable set out in the *"Important Dates and Times"* section of this Circular. For more information refer to paragraph 5.4 below.

4.4.3 The Offeror reserves the right, in its sole and absolute discretion, but in accordance with the Companies Act and the Takeover Regulations, to extend the Closing Date. If the Offeror so elects, the amended Closing Date will be announced on SENS.

4.5 Applicable law

4.5.1 The Offer is made in compliance with the requirements of the Takeover Regulations and is governed by and subject to the provisions of the laws of South Africa and will be subject to the exclusive jurisdiction of a South African court.

4.5.2 Each Offeree will be deemed, by their full or partial acceptance of the Offer, to have consented and submitted to the jurisdiction of the courts of South Africa in relation to all matters arising out of or in connection with the Offer and acceptance thereof.

4.6 Ownership, Risk, and Benefit

4.6.1 The Offer Shares in respect of which the Offer is accepted will be acquired by the Offeror together with all rights and benefits thereto, including, without limitation, the right to receive all dividends, distributions, benefits or rights which accrue or are declared by Brikor as Offer Shares are acquired by the Offeror pursuant to the timetable set out in the *"Important Dates and Times"* section of this Circular.

4.6.2 Offer Participants warrant and undertake that they will deliver the Offer Shares to the Offeror free of all liens, equities, mortgages, options, rights of pre-emption, charges, encumbrances and other third-party rights and interests of any nature whatsoever.

4.7 Approvals Received

4.7.1 The Offeror has obtained the necessary authorisations and approvals from the Nikkel Trading board of directors to proceed with the Offer.

4.7.2 The TRP has approved this Circular.

4.7.3 The TRP does not express any view or opinion on the commercial advantages or disadvantages of the Offer.

4.8 Confirmation of Cash Resources

4.8.1 In terms of regulation 111(4) of the Takeover Regulations, the Offeror is required to provide a bank guarantee to the TRP from a South African registered bank unconditionally and irrevocably guaranteeing settlement of the full cash consideration payable in terms of the Offer, or an irrevocable, unconditional cash confirmation in favour of the Offerees.

4.8.2 In order to determine the cash consideration required, the Brikor Shares held by Nikkel Trading and the Excluded Shares are deducted from the Brikor Shares in issue (as set out in **Part B** of this Circular). This number of Shares constitute the Offer Shares.

Accordingly, the amount of the cash resources required is R42 958 999,15 (being the Offer Shares multiplied by an Offer Consideration of R0,17 per Share).

4.8.3 The TRP has been furnished with an irrevocable, unconditional bank guarantee from Bidvest Bank Limited in the amount of R42 958 999,15, in favour of the Offerees, for the sole purpose of the Offeror fully satisfying the Offer Consideration.

5. PROCEDURE FOR ACCEPTANCE OF THE OFFER

5.1 Acceptance Irrevocable

All acceptances of the Offer received by the Transfer Secretaries or the relevant CSDP or Broker prior to the Closing Date shall be irrevocable.

5.2 Certificated Shareholders

5.2.1 Certificated Shareholders who wish to accept the Offer in respect of some or all of their Offer Shares are required to complete the attached Form of Acceptance (*pink*) and return it to the Transfer Secretaries together with their Documents of Title in respect of their Offer Shares, at their own risk, to be received by no later than 12:00 on the Closing Date. If a Form of Acceptance (*pink*) is not received by 12:00 on the Closing Date, such Certificated Shareholder will be deemed to have declined the Offer. No late acceptances will be considered if received by the Transfer Secretaries after 12:00 on the Closing Date.

5.2.2 The Form of Acceptance (*pink*) may be delivered by hand or sent by post to the Transfer Secretaries as follows:

If delivered by hand

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

If sent by post

PO Box 4844
Johannesburg
2000

5.2.3 No late acceptances will be considered. Acceptances of the Offer that are sent by post are sent at the risk of the Certificated Shareholders concerned. Accordingly, Certificated Shareholders should take note of the postal delivery times so as to ensure that acceptances of the Offer are received timeously. It is, therefore, recommended that such acceptances be sent by registered mail or delivered by hand to the Transfer Secretaries.

5.2.4 If the Documents of Title relating to the Offer Shares held by a Certificated Shareholder have been lost or destroyed, Brikor Shareholders should nevertheless return a duly completed Form of Acceptance (*pink*) together with an indemnity on terms satisfactory to Brikor and the Offeror. Brikor and the Offeror may, in their sole discretion, dispense with the surrender of such Documents of Title upon production of satisfactory evidence that the Documents of Title have been lost or destroyed and upon provision of an indemnity on terms acceptable to Brikor and the Offeror. Unless otherwise agreed by Brikor and the Offeror, only indemnity forms obtained from the Transfer Secretaries (available on request) will be regarded as suitable. Certificated Shareholders who have applied for a lost scrip indemnity will only receive their Offer proceeds upon finalisation of the lost scrip process. Brikor and the Offeror shall be entitled, in their absolute discretion, by way of agreement to waive the requirement of an indemnity.

5.2.5 The Offeror reserves the right, in its sole and absolute discretion (following consultation with Brikor), to:

5.2.5.1 in respect of Certificated Shares, treat as invalid Forms of Acceptance (*pink*) not accompanied by valid Documents of Title;

5.2.5.2 treat as invalid Forms of Acceptance (*pink*) not properly completed;

5.2.5.3 require proof of the authority of the person signing the Form of Acceptance (*pink*) where such proof has not been lodged with or recorded by the Transfer Secretaries; or

5.2.5.4 without prejudice to any of its rights, the Offeror reserves the right to condone, in its sole discretion, the non-performance by any Offeree of any of the terms of the Offer.

5.3 Dematerialised Shareholders

- 5.3.1 Dematerialised Shareholders will be contacted by their appointed Broker or CSDP in the manner stipulated in the Custody Agreement entered into between such Brikor Shareholder and its Broker or CSDP, as the case may be, in order to ascertain whether or not such Brikor Shareholder wishes to accept the Offer. Dematerialised Shareholders who wish to accept the Offer are required to notify their CSDPs or Brokers of their acceptance in the manner and by the deadline stipulated in the Custody Agreement. If no instruction is given to their CSDPs or Brokers, or if there is any doubt or dispute in respect of their acceptance, such Dematerialised Shareholders will be deemed to have declined the Offer.
- 5.3.2 Dematerialised Shareholders must **not** complete the attached Form of Acceptance (*pink*).
- 5.3.3 If a Dematerialised Shareholder notifies its Broker or CSDP of its desire to accept the Offer, it will not be able to trade its Brikor Shares from the date on which it notifies its Broker or CSDP of its acceptance of the Offer.
- 5.3.4 All acceptances of the Offer received by the Transfer Secretaries, CSDPs or Brokers and treated as valid by them, shall be irrevocable.

5.4 Settlement of the Offer Consideration

- 5.4.1 In respect of Certificated Shareholders:
 - 5.4.1.1 Certificated Shareholders who accept the Offer will be paid the Offer Consideration by way of EFT into the bank account on record with the Transfer Secretaries or the bank account nominated by them in the Form of Acceptance (*pink*), as the case may be, in cash by no later than the Payment Date; and
 - 5.4.1.2 if the Offer Consideration is not paid to a Brikor Shareholder entitled thereto because the relevant Brikor Shareholder does not have banking details on record with the Transfer Secretaries and failed to provide banking details in the completed Form of Acceptance (*pink*), the Offer Consideration will be held by the Transfer Secretaries in trust, on behalf of and for the benefit of such Certificated Shareholders, until claimed by any person legally entitled to it, for a maximum period of five years, after which period, such funds shall be made over to the Guardian's Fund of the Master of the High Court of South Africa. No interest will accrue on any of the aforementioned Offer Consideration so held in trust.
- 5.4.2 Dematerialised Shareholders who accept the Offer will have their accounts at their CSDP or Broker credited with the Offer Consideration and debited with the Offer Shares that they are transferring to the Offeror by no later than the Payment Date.
- 5.4.3 The settlement of the Offer Consideration to which any Offeree becomes entitled in terms of the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or any other analogous right to which the Offeror may be entitled.
- 5.4.4 **Information not provided**

If the relevant settlement information is not given or the instructions are not given and no bank account or address details for the Brikor Shareholder in question appears in the Register, the Offer Consideration will be held in trust by the Transfer Secretaries on behalf of the Offeror.

6. IRREVOCABLE UNDERTAKINGS

G Parkin, the chief executive officer of Brikor, holds 107 167 923 Brikor Shares. G Parkin has entered into an undertaking with Nikkel Trading in terms of which he irrevocably undertook not to accept the Offer until the earliest of the date on which the Mandatory Offer being completed or 30 November 2023 (the "**CEO's Irrevocable Undertaking**"). The CEO's Irrevocable Undertaking expires on Thursday, 30 November 2023. Following the expiry of the CEO's Irrevocable Undertaking, G Parkin advised that he will accept the Offer.

7. INTERESTS OF THE OFFEROR IN BRIKOR

- 7.1 As at the Last Practicable Date, the Offeror held in aggregate 570 076 036 Shares, constituting 68,01% of the entire issued share capital of Brikor; thus, holding a direct beneficial interest in Brikor.
- 7.2 Pursuant to the implementation of the Offer, the Offeror will become the beneficial owner of the Offer Shares sold pursuant to the acceptances of the Offer.

8. INTERESTS OF NIKKEL TRADING DIRECTORS IN NIKKEL TRADING AND BRIKOR

Nikkel Trading is a wholly-owned subsidiary of Que Dee Trading 83 Proprietary Limited, trading as SB(SA). SB(SA) is, in turn, owned by the Burger Familie Trust, of which the sole director of Nikkel Trading is a trustee and beneficiary.

9. AGREEMENTS IN RELATION TO THE OFFER

- 9.1 Save as disclosed in relation to the CEO's Irrevocable Undertaking in paragraph 6 above, the Interim Consulting Arrangement and the Related Party Agreement, there are no arrangements, agreements or undertakings between Nikkel Trading, Brikor, and any director of Brikor or any person who was a director of Brikor in the previous 12 months, or any shareholder of Brikor or any person who was a shareholder of Brikor in the previous 12 months, that is material to the Offer.

10. COMPULSORY ACQUISITION

- 10.1 In the event that the Offer is accepted by Remaining Shareholders in respect of so many Offer Shares as will result in the Offeror acquiring 90% or more of the Brikor Shares held by Remaining Shareholders, the Offeror may invoke the provisions of section 124 of the Companies Act, to compulsorily acquire all the Brikor Shares held by the Non-accepting Shareholders. The prescribed notice may then be sent to the Non-accepting Shareholders, as envisaged in section 124(1)(a) of the Companies Act and will incorporate a form of surrender for use by Certificated Shareholders only.
- 10.2 A copy of section 124 of the Companies Act is set out in **Annexure 3** to this Circular.

11. LISTING ON THE ALTX

Refer to paragraph 14 of **Part B** of this Circular.

12. RESPONSE CIRCULAR BY THE INDEPENDENT BOARD OF BRIKOR AND INDEPENDENT EXPERT'S REPORT

The Response Circular by the Independent Board which contains, *inter alia*, its views in respect of the Offer and the substance of the opinion given to it by the Independent Expert in terms of the Takeover Regulations, is set out in **Part B** of this Circular.

13. CONSENTS

Each of the advisors set out in the "Corporate information and advisors" section of this Circular has consented in writing to act in the capacity stated in this Circular and to their names being stated in this Circular in the form and context in which they appear and have not withdrawn their consents prior to the publication of this Circular.

14. DIRECTORS' RESPONSIBILITY STATEMENT

The member of the board of directors of the Offeror, individually and collectively:

- 14.1 has considered all statements of fact and opinion in **Part A** of this Circular;
- 14.2 accepts full responsibility for the accuracy of the information given in **Part A** of this Circular;
- 14.3 certifies that, to the best of their knowledge and belief, the information in **Part A** of this Circular is true; and
- 14.4 certifies that, to the best of their knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in **Part A** of this Circular false or misleading or would likely affect the importance of any information contained in **Part A** of this Circular.

15. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the documents listed in paragraph 19 of **Part B** of this Circular, the following documents or copies thereof will be available for inspection during normal business hours at the registered offices of Brikor, or can be made available through a secure electronic manner at the election of the person requesting inspection by emailing the Company Secretary at melinda@fusioncorp.co.za, from the date of issue of this Circular until the Closing Date:

- 15.1 a signed copy of **Part A** of this Circular;
- 15.2 signed copies of the CEO's Irrevocable Undertaking noted in paragraph 6; and
- 15.3 the signed letters of consent referred to in paragraph 14 of **Part A** of this Circular to the extent it relates to advisors of Nikkel Trading.

SIGNED FOR AND ON BEHALF OF NIKKEL TRADING 392 PROPRIETARY LIMITED

Schalk Willem Burger

1 December 2023

PART B: BRIKOR RESPONSE CIRCULAR



BRIKOR LIMITED

Incorporated in the Republic of South Africa

Registration number: 1998/013247/06

JSE share code: BIK ISIN: ZAE000101945

("Brikor" or the "Company")

BRIKOR 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) *

* Denotes members of the Independent Board appointed for purposes of regulation 108(9).

All directors are South African.

RESPONSE CIRCULAR TO REMAINING SHAREHOLDERS

The definitions and interpretations commencing on page 8 of this Circular apply, *mutatis mutandis*, to this **Part B** of this Circular (unless the context indicates otherwise).

1. INTRODUCTION AND PURPOSE OF THE RESPONSE CIRCULAR

- 1.1** This Response Circular contains the response by the Independent Board to the Offer proposed by the Offeror, the terms of which are set out in **Part A** of this Circular.
- 1.2** Remaining Shareholders are referred to paragraphs 2 and 3 of **Part A** of this Circular for information on the Offeror and the rationale of the Offer, respectively.

2. INFORMATION ON BRIKOR

Brikor is listed on the AltX board operated by the JSE and is a manufacturer and supplier of building and construction materials for projects ranging from low-cost housing to residential, commercial, industrial, civil engineering and infrastructure, through two manufacturing and beneficiation plants in Nigel, Gauteng.

3. SHARE INFORMATION

As at the Last Practicable Date, the issued Shares and Brikor Share Incentive Scheme Trust is as per the below:

Shares in issue	838 242 031
Brikor Share Incentive Scheme Trust	15 900 000

4. MAJOR SHAREHOLDERS

The following Brikor Shareholders had a 5% or more beneficial (direct or indirect) interest in the Issued Share Capital as at the Last Practicable Date:

Beneficial shareholders holding 5% or more	Number of Brikor Shares held	% of Issued Share Capital
Nikkel Trading	570 076 036	68,01
G Parkin	107 167 923	12,78

5. FINANCIAL INFORMATION

- 5.1** The Company has obtained the requisite exemption from the TRP to include extracts of the audited historical financial information of Brikor for the last three financial years ended 28 February 2023, 28 February 2022, and 28 February 2021 (collectively, the "**Historical Financial Information**"), attached hereto in **Annexure 2**, and to incorporate the Historical Financial Information into this Circular by reference for the purposes of complying with the prescribed financial information disclosures.
- 5.2** The full annual financial statements of Brikor for the three financial years ended 28 February 2023, 28 February 2022 and 28 February 2021 can be obtained from Brikor's website <https://brikor.net/investor-centre/>, and will also be available for inspection as set out in paragraph 15 of **Part A** of this Circular.
- 5.3** In terms of regulation 106(7)(c) of the Takeover Regulations, as the Offer Consideration will be settled in cash, and not via an offer of securities, no *pro forma* financial effects are required.
- 5.4** The Related Party Agreement was approved by Brikor shareholders at a meeting held on 18 October 2023. The financial results of Brikor as a result of entering into the Related Party Agreement are reflected in **Annexure 4**.

6. COMPOSITION OF THE INDEPENDENT BOARD

- 6.1** In accordance with the requirements of the Takeover Regulations, the Brikor Board has constituted an Independent Board consisting of Steve Naudé, Allan Pellow and Mamsy Mokate.
- 6.2** Accordingly, the purpose of this Response Circular is to:
- 6.2.1 provide Remaining Shareholders with information regarding the Offer;
- 6.2.2 provide Remaining Shareholders with the Independent Expert's Report in respect of the Offer, issued by the Independent Expert so appointed by the Independent Board to opine on whether or not the terms of the Offer are fair and reasonable to the Remaining Shareholders, in conformity with the applicable requirements of regulation 90 of the Takeover Regulations; and
- 6.2.3 advise Remaining Shareholders of the Independent Board's opinion in respect of the Offer (which opinion was reached after the Independent Board received and considered the Independent Expert's Report).
- 6.3** The terms of the Offer are set out in **Part A** of this Circular.

7. INDEPENDENT EXPERT

- 7.1** The Independent Board of Brikor has appointed AcaciaCap as its Independent Expert to provide the Independent Board with its opinion as to whether the terms of the Offer are fair and reasonable in terms of section 114(2) and (3) of the Companies Act, read with Takeover Regulation 90.
- 7.2** AcaciaCap meets the requirements set out in section 114(2) of the Companies Act.

8. OPINION OF THE INDEPENDENT EXPERT

- 8.1** The full text of the Independent Expert's Report is provided in Annexure 1 to this Circular and has not been withdrawn prior to publication of this Circular.
- 8.2** AcaciaCap delivered to the Independent Board of directors of Brikor an opinion to the effect that, as of the date of the opinion, and based upon and subject to the factors and assumptions detailed in its letter, the terms and conditions of the Offer are unfair and reasonable in terms of section 114(2) and (3) of the Companies Act, read with Takeover Regulation 90.
- 8.3** The opinion is annexed hereto as **Annexure 1** and has not been withdrawn prior to the publication of this Circular.

9. OPINION AND RECOMMENDATION OF THE INDEPENDENT BOARD

- 9.1 As stated above, the Independent Board appointed the Independent Expert to compile the Independent Expert's Report on the Offer.
- 9.2 The Independent Board, after due consideration of the Independent Expert's Report, has determined that it will place reliance on the valuation performed by the Independent Expert for the purposes of reaching its own opinion regarding the Offer and the Offer Consideration, as contemplated in regulation 110(3)(b) of the Takeover Regulations. The Independent Board has formed a view on the value of the Brikor Shares, which accords with the value of the Brikor Shares contained in the Independent Expert's Report, in considering its opinion and recommendation. The Independent Board is not aware of any factors which are difficult to quantify or are unquantifiable (as contemplated in regulation 110(6) of the Takeover Regulations).
- 9.3 The Independent Board, taking into account the Independent Expert's Report, has considered the terms and conditions of the Offer and the Offer Consideration and the members of the Independent Board are unanimously of the opinion, in agreement with the Independent Expert, that the terms and conditions thereof are unfair but reasonable to Remaining Shareholders and taking into account the note contained in paragraph 9.4, unanimously recommends that Remaining Shareholders accept the Offer.
- 9.4 Remaining Shareholders should consider the liquidity in Brikor Shares after the Offer, as liquidity may be severely impacted as it is anticipated that Nikkel Trading will most likely own more than 80% of the Brikor Shares after completion of the Offer.

10. INTERESTS OF BRIKOR IN NIKKEL TRADING, INTERESTS OF THE DIRECTORS OF BRIKOR IN NIKKEL TRADING AND BRIKOR

10.1 Shareholdings

- 10.1.1 As at the Last Practicable Date, Brikor had no direct or indirect beneficial interest in the Offeror.
- 10.1.2 As at the Last Practicable Date, the Brikor Directors, and persons who were Directors of Brikor within the preceding 12 months, had the following direct or indirect beneficial interests in the Brikor Shares:

Director	Beneficial direct interests (number of Shares)
G Parkin	107 167 923

- 10.1.3 No Director has any beneficial interest in the shares of the Offeror.
- 10.1.4 The only director who owns shares in Brikor, G Parkin, has signed an irrevocable undertaking not to accept the Offer (the "**CEO's Irrevocable Undertaking**"). The CEO's Irrevocable Undertaking expires on 30 November 2023 and as the Closing Date is after the said date, G Parkin has indicated that he will participate in the Offer in respect of all his Brikor Shares.

10.2 Share dealings

- 10.2.1 There were no dealings of the Directors in Brikor Shares during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date.
- 10.2.2 Neither Brikor nor the Directors have traded in the securities of Nikkel Trading during the period beginning six months before the date of the Firm Intention Announcement and ending with the Last Practicable Date.

10.3 Agreements in relation to the Offer

There are no agreements between Brikor and the Offeror other than the Interim Consulting Agreement and the Related Party Agreement.

11. DIRECTORS' INTERESTS IN THE OFFEROR

No Director of Brikor owns any shares directly or indirectly in the Offeror.

12. DIRECTORS' SERVICE CONTRACTS

No amendments to the service contracts of the executive directors will be made as a result of the Offer.

13. EXCHANGE CONTROL REGULATIONS

The settlement of the Offer Consideration to Remaining Shareholders who have accepted the Offer will be made subject to the Exchange Control Regulations. The following is a summary, and not a comprehensive statement, of the applicable Exchange Control Regulations which may apply to the Remaining Shareholders in relation to the Offer Consideration. The Remaining Shareholders that are to receive the Offer Consideration who are not resident in South Africa, or who have registered addresses outside (as the case may be), must satisfy themselves as to the full observance of the laws of the relevant jurisdiction concerning the receipt of the Offer Consideration. This includes obtaining any required governmental or other consents, observing any other required formalities and paying any transfer or other taxes due in that jurisdiction. If any Remaining Shareholder is in any doubt, he should consult his professional advisers without delay.

13.1 Residents of the common monetary area

In the case of:

13.2 Certificated Shareholders whose registered addresses in the Brikor register are within the Common Monetary Area and whose Documents of Title are not restrictively endorsed in terms of the Exchange Control Regulations, the Offer Consideration will be paid by way of EFT or posted to such Brikor Shareholders in accordance with paragraph 9; or

13.3 Dematerialised Shareholders whose registered addresses in the Brikor register are within the Common Monetary Area and have not been restrictively designated in terms of the Exchange Control Regulations, the Offer Consideration will be credited directly to the accounts nominated for the relevant Brikor Shareholders by their duly appointed CSDP or Broker in terms of the provisions of the Custody Agreement with their CSDP or Broker.

13.4 Emigrants from the Common Monetary Area

In the case of Brikor Shareholders who are emigrants from the Common Monetary Area and whose Shares form part of their remaining assets, the Offer Consideration will:

13.4.1 in the case of Certificated Shareholders whose Documents of Title are restrictively endorsed in terms of the Exchange Control Regulations, be forwarded to the authorised dealer in foreign exchange in South Africa controlling such Brikor Shareholders' remaining assets in terms of the Exchange Control Regulations. The attached Form of Surrender and Transfer (pink) makes provision for details of the authorised dealer concerned to be given; or

13.4.2 in the case of Dematerialised Shareholders whose registered address in the register are within the Common Monetary Area and have not been restrictively designated in terms of the Exchange Control Regulations, be paid to their CSDP or Broker, which shall arrange for same to be credited directly to the capital account of the Brikor Shareholder concerned with their authorised dealer in foreign exchange in South Africa.

13.5 All other non-residents of the Common Monetary Area

The Offer Consideration accruing to non-resident Brikor Shareholders whose registered address is outside the Common Monetary Area and who are not emigrants from the Common Monetary Area will:

13.5.1 in the case of Certificated Shareholders whose Documents of Title have been restrictively endorsed in terms of the Exchange Control Regulations, be paid by way of EFT or posted to their registered address in accordance with paragraph 9. The attached form of Surrender and Transfer (pink) makes provision for a substitute address or bank details; or

13.5.2 in the case of Dematerialised Shareholders, be paid to their duly appointed CSDP or Broker and credited to such Shareholders in terms of the provisions of the Custody Agreement with their CSDP or Broker.

13.6 Information not provided

If the information regarding authorised dealers is not given or the instructions are not given, the Offer Consideration will be held in trust by the Company Secretary on behalf of the Remaining Shareholders concerned, pending receipt of the necessary information or instructions. Should no information or instructions be received for three years after the closing date, the Offer Consideration will be donated to a charitable organisation of Brikor's choice.

14. LISTING ON THE ALT X

14.1 Subject to meeting the minimum public shareholding requirements under the JSE Listings Requirements, Brikor will remain listed on the AltX following implementation of the Offer. Remaining Shareholders should, however, consider the liquidity in Brikor Shares after the Offer, as liquidity may be severely impacted as it is anticipated that Nikkel Trading will most likely own more than 80% of the Brikor Shares after completion of the Offer.

15. APPROVALS RECEIVED

15.1 Brikor has obtained the necessary authorisations and approvals from the Independent Board to issue this Circular.

15.2 The TRP has approved this Circular in accordance with the Companies Act.

15.3 The JSE has approved the timetable outlined on page 7 of this Circular.

16. CONSENTS

Each of the advisors set out in the "*Corporate information and advisors*" section of this Circular has consented in writing to act in the capacity stated in this Circular and to their names being stated in this Circular and, in the case of the Independent Expert, reference to their report in the form and context in which it appears and have not withdrawn their consent prior to the publication of this Circular.

17. DIRECTORS' RESPONSIBILITY STATEMENT

17.1 The Independent Board:

17.1.1 has considered all statements of fact and opinion in **Part B** of this Circular;

17.1.2 accepts full responsibility for the accuracy of the information given in **Part B** of this Circular;

17.1.3 certifies that, to the best of its knowledge and belief, the information in **Part B** of this Circular is true; and

17.1.4 certifies that, to the best of its knowledge and belief, there are no omissions of material facts or considerations which would make any statement of fact or opinion contained in **Part B** of this Circular false or misleading or would likely affect the importance of any information contained in **Part B** of this Circular (including the Independent Expert's Report).

18. IRREVOCABLE UNDERTAKINGS

Please refer to paragraph 6 of **Part A** of this Circular.

19. DOCUMENTS AVAILABLE FOR INSPECTION

In addition to the documents listed in paragraph 15 of **Part A** of this Circular, the following documents or copies thereof will be available for inspection during normal business hours at the registered offices of Brikor, from the date of issue of this Circular until the Closing Date:

- 19.1** a signed copy of **Part B** of this Circular;
- 19.2** the signed Independent Expert's Report;
- 19.3** the issued annual financial statements of Brikor for the years ended 28 February 2023, 28 February 2022 and 28 February 2021;
- 19.4** unaudited financial results for the six months ended 31 August 2023; and
- 19.5** the signed letters of consent referred to in paragraph 15 of **Part B** of this Circular to the extent it relates to advisors of Brikor.

SIGNED FOR AND ON BEHALF OF THE INDEPENDENT BOARD

Allan Pellow

Chairperson and Independent Non-Executive Director

1 December 2023

INDEPENDENT EXPERT'S REPORT

23 November 2023

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

Dear Sirs and Madam

REPORT OF THE INDEPENDENT EXPERT IN RESPECT OF THE MANDATORY OFFER BY NIKKEL TRADING 392 PROPRIETARY LIMITED ("NT392") TO MINORITY SHAREHOLDERS OF BRIKOR LIMITED ("BRIKOR" OR "THE COMPANY")

INTRODUCTION

Brikor shareholders are referred to the Firm Intention announcement published by the company on 12 September 2023 wherein Brikor Shareholders were informed that Nikkel Trading 392 Proprietary Limited ("**Offeror**" or "**NT392**") had acquired a 250 444 334 Brikor shares at a price of 17 cents per share ("**the Acquisition**"), constituting 29.83% of the entire issued share capital of Brikor, increasing the shareholding of NT392 to a total of 537 371 338 Brikor shares constituting 64,11% of the issued share capital of Brikor. As NT392 has acquired more than 35% of the entire share capital of the Company, the Offeror is required to make a mandatory offer to all the remaining shareholders of the Company ("**Mandatory Offer**") pursuant to section 123 of the Companies Act, No.71 of 2008, as amended ("**Companies Act**").

In terms of Section 123 of the Companies Act read with the Takeover Regulations promulgated in terms of the Companies Act ("**the Takeover Regulations**"), the Acquisition represents a change in control of Brikor and an affected transaction as defined in section 117(1)(c)(vi) of the Companies Act, which is subject to the provisions of the Companies Regulations. NT392 is accordingly required to extend a mandatory offer ("**the Offer**") to all the remaining ordinary shareholders of Brikor ("**the Brikor Minorities**"), to acquire the ordinary shares not already held by NT392 at the same price paid by the Offeror for the acquisition shares, specifically excluding 15 476 000 shares shown as unallocated by the Brikor Share Incentive Trust and owned by the Brikor Share Incentive Trust.

The Brikor Minorities who accept the offer will receive a cash consideration of 17 cents per ordinary share ("**the Offer Consideration**").

As at the date of this opinion, the ordinary share capital of the Company comprises of the following:

- Authorised ordinary share capital comprising 1 000 000 000 no par value ordinary shares;
- Issued ordinary share capital comprising 838 242 031 no par value ordinary shares, of which 15 900 000 are owned by the Brikor Share Incentive Trust.

Full details of the offer are contained in the Mandatory Offer circular to Brikor shareholders ("**the Mandatory Offer Circular**") to be dated on or about 29 November 2023, which will include a copy of this letter. The material interests of the directors of Brikor and the effect of the offer on those interests and persons are set out in the Mandatory Offer Circular.

SCOPE

An Independent Expert is required to be obtained by the independent board of directors of Brikor ("**the Brikor Independent Board**") to provide an independent expert report in terms of Regulation 90 of the Takeover Regulations published in terms of section 120 of the Companies Act ("**Regulation 90**") with regard to the Offer.

AcaciaCap Advisors (Pty) Ltd ("**AcaciaCap Advisors**") has been appointed by the Brikor Independent Board as the independent expert to advise on whether the terms and conditions of the Offer are fair and reasonable to the Brikor Minorities.

RESPONSIBILITY

The compliance with the Companies Act is the responsibility of the Brikor Independent Board. Our responsibility is to report on the terms and conditions of the Offer.

We confirm that our fair and reasonable opinion has been provided to the Brikor Independent Board for the sole purpose of assisting the Brikor Independent Board in forming and expressing an opinion for the benefit of Brikor shareholders.

DEFINITION OF THE TERMS “FAIR” AND “REASONABLE”

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

The assessment of fairness is primarily based on quantitative issues. The Offer may be considered fair if the consideration to be received by Brikor shareholders is considered to be equal to or greater than the value surrendered by Brikor shareholders.

The assessment of reasonableness is generally based on qualitative considerations surrounding the Offer. Therefore, even though the consideration received by Brikor shareholders may be less than the value surrendered by Brikor shareholders, the Offer may still be reasonable in certain circumstances after considering other significant qualitative factors.

DETAILS AND SOURCES OF INFORMATION

In arriving at our opinion, we have relied upon the following principal sources of information:

- the terms of the unconditional Mandatory Offer and the Offer Consideration;
- the SENS announcement detailing the Firm Intention and Mandatory Offer;
- the circular to Brikor shareholders detailing the Mandatory Offer;
- the annual financial statements of Brikor for the three financial years ended 28 February 2023, 28 February 2022 and 28 February 2021 noting that the audited annual financial statements for the year ended 28 February 2023 incorporated an updated Competent Persons Report (“Report”) prepared by Minxcon Proprietary Limited in order to comply with regulations of the Johannesburg Stock Exchange (“JSE”), with the purpose to update the Mineral and Coal Resources and re-value the mineral assets. The Report was compiled in compliance with the South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves (2016 Edition) (“SAMREC Code”), and the South African Code for the Reporting of Mineral Asset Valuation (2016 Edition) (“SAMVAL Code”). The Report complied with all the requirements of the JSE Section 12 Listing Requirements for Mineral Companies, the SAMREC Code and SAMVAL Code. The Report has an effective date of 28 February 2023;
- extracts from the management accounts for the five month period ended 31 August 2023;
- the draft interim results for the six months ended 30 September 2023;
- Forecast financial information for the years ending 28 February 2024 to 28 February 2029;
- the Budget Presentation to the Board for FY2024 before the outsourcing contract, for the Pre-Outsourcing Business;
- The recent circular to Brikor shareholders detailing related party transactions (“Related Party Circular”) which required shareholder approval in General Meeting on 18 October 2023;
- Discussions with the financial director and other Board members regarding the historical and forecast financial information of Brikor;
- Publicly available information for businesses similar to Brikor, both locally and internationally; and
- Publicly available information relating to Brikor that we deemed to be relevant, including company announcements and media articles.

The information above was secured from:

- Executive and non-executive directors and management of Brikor and their advisors; and
- Third party sources, including information related to publicly available economic, market and other data which we considered applicable to, or potentially influencing Brikor.

PROCEDURES

We performed the following procedures and have considered the following factors in order to assess the fairness and reasonableness of the terms and conditions relating to the Mandatory Offer:

- Reviewed the terms of the Unconditional Mandatory Offer;
- Reviewed the audited and unaudited financial information of Brikor;

- Reviewed and obtained an understanding from management as to the forecast financial information of Brikor and assessed the achievability thereof by considering historic information, the impact on the related party transactions as detailed in a circular to Brikor shareholders dated 19 September 2023 as well as recent macro-economic and sector-specific data;
- Due to the timing of the Firm Intention announcement ahead of the pending shareholders meeting to approve the related party transactions on 18 October 2023, we requested that additional forecast information be prepared assuming that shareholders did not approve the related party transactions to assess the valuation of the business before such approval, termed "**Pre-Outsourcing Business**"
- The forecast information assuming that shareholder approval was obtained on 18 October 2023 was obtained with the outsourcing of all the coal mining operations and sales is termed the "**Outsource Business**".
- Held discussions with directors of Brikor and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends as well as current market conditions and risks surrounding the brick and coal industries;
- Compiled forecast cash flows in respect of the two Brikor segments by using the forecast financial information as detailed above and by applying management's assumptions in respect of growth in revenue and operating profits.
- In accordance with Section 90(5) of the Companies Regulations, 2011, reviewed and relied upon the Competent Persons' Report dated 28 February 2023 and considered the life of mine for the outsourced coal operations as detailed in the Competent Persons Report provided by the Company as well as the expected mining rate in terms of the Outsourced Business;
- Applied our assumptions of cost of capital to the forecast cash flows to produce discounted cash flow valuations of Brikor's owned operations;
- Separately considered the carrying value of the 40% investment in associate;
- Compiled Earnings Before Interest Taxation Depreciation and Amortisation ("**EBITDA**") valuations of Brikor's underlying operations by using adjusted historical financial information and applied earnings multiples based on market comparables to EBITDA;
- Considered the Net Asset Value underpin of Brikor, as well as considering intangible assets;
- Assessed the long-term potential of Brikor;
- Performed a sensitivity analysis on key assumptions included in the discounted cash flow valuations, specifically related to cost of capital and growth in the businesses;
- Evaluated the relative risks associated with Brikor and the industry in which it operates, noting that the main focus of the business and historical profitability related to the brick making operations, with the intention to outsource the coal mining and sales on a cost plus R20 per tonne basis;
- Reviewed certain publicly available information relating to Brikor and the Construction Sector that we deemed to be relevant, including company announcements, recent circulars and media articles;
- Where relevant, representations made by management and/or directors were corroborated to source documents or independent analytical procedures were performed by us, to examine and understand the industry in which Brikor operates, and to analyse external factors that could influence the business of Brikor;
- Reviewed the unaudited interim results announcement for the six months ended 31 August 2023 and considered its impact on our valuation work; and
- Held discussions with the directors as to the strategy of Brikor, the rationale for the recent related party outsourcing transaction and considered such other matters as we considered necessary, including assessing the prevailing economic and market conditions and trends in the Construction Sector and Mining Sector for coal.

OTHER CONSIDERATIONS

A key consideration was the timing of the Mandatory Offer and Firm Intention announcement, which were in place before the approval of the related party transactions to be approved in General Meeting on 18 October 2023.

Accordingly, we performed two separate valuations for both the Pre-Outsourcing Business, being the business prior to the approval of the related party transactions on 18 October 2023 and the Outsourced Business, which considered the approval of the related party transactions at the General Meeting.

We accordingly have expressed two separate opinions below.

ASSUMPTIONS

We arrived at our findings based on the following assumptions:

- that the Mandatory Offer will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by representatives and advisors of Brikor and the Mandatory Offer will be legally enforceable;
- that reliance can be placed on the financial information of Brikor; and
- for the Outsourced Business opinion, that shareholders approved the related party transactions on 18 October 2023 as detailed in the Related Party Circular and that the outsource agreement will be implemented as planned.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION

We satisfied ourselves as to the appropriateness and reasonableness of the information and assumptions employed in arriving at our opinion by:

- Placing reliance on audit reports in the financial statements of Brikor;
- Placing reliance on the Competent Person's Report prepared by Minxcon Proprietary Limited effective 28 February 2023 and forming part of the suite of reports referred to in the Integrated Annual Report of the Company for the year ended 28 February 2023;
- Conducting analytical reviews on the historical financial results, management accounts and forecast financial information and other financial information, such as key ratio and trend analyses for Brikor;
- Specifically considering the potential impact of the Related Party Circular on the future operations of Brikor;
- Performing sensitivity analyses on key assumptions included in the DCF valuation of Brikor, particularly the weighted average cost of capital and growth assumptions;
- Enquiring as to the reasons for significant variations in historical information and forecast information and securing reasonable explanations therefore from Brikor representatives;
- Determining the extent to which representations from Brikor representatives confirmed by documentary evidence, including the Related Party Circular, as well as our understanding of Brikor and the economic environment in which they operate; and
- Considering the recently published unaudited results for the six months ended 31 August 2023.

LIMITING CONDITIONS

This opinion is provided to the Brikor Independent Board in connection with and for the purposes of the Offer. This opinion is prepared solely for the Brikor Independent Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights.

This opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of Brikor shareholders. Should a shareholder be in any doubt as to what action to take, he or she should consult his/her financial advisor.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of Brikor, by reference to publicly available or independently obtained information.

While our work has involved an analysis of, inter alia, the annual financial statements and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

We have also assumed that the Offer will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of Brikor and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the Offer will be legally enforceable.

There were no limiting conditions, or any restrictions of scope imposed by the client whilst this opinion was being prepared.

Our opinion is based on current economic, regulatory, market as well as other conditions. Subsequent developments may affect this opinion and we are under no obligation to update, review or re-affirm our opinion based on such developments.

VALUATION METHODOLOGY

We performed two separate valuations of Brikor to determine whether the Mandatory Offer represents fair value to the Brikor shareholders based on the Pre-Outsourcing Business (which was in effect at the date that the mandatory offer was triggered) and the Outsourced Business (post Shareholder approval of the outsourcing contract on 18 October 2023).

The valuations included the independent valuation of the group's mineral resources by Minxcon at 28 February 2023, which Competent Person's Report was prepared in compliance with the SAMREC Code and SAMVAL Code. The valuation of the Outsourced Business was substantially higher based on the discounted cash flow valuation due to the outsourcing contract approved on 18 October 2023, as the value to Brikor lies in the profit from the outsource contract.

The valuation methodologies employed in respect of Brikor included the discounted cash flow methodology as the primary valuation methodology and an EBITDA multiple as a secondary methodology. We also considered the underlying net asset value of Brikor, which incorporated the recent independent revaluation of the mineral resources at 28 February 2023.

These valuations were performed taking cognisance of Brikor's current and planned operations, specifically the intention to outsource the coal mining operations which historically operated at a loss, as well as other market factors and risks affecting these operations. Additionally, sensitivity analyses were performed considering key value drivers.

Using the values determined from the two valuations, a comparison was made to the Offer Consideration to be paid by the Offeror.

The following key value drivers were assessed for each of the valuations:

Internal:

- Revenue growth rates – forecasted revenue growth rates were considered against historic revenue trends, noting that the brick manufacturing operations have reliably operated at full capacity and are expected to continue.
- For the Outsourced Business, it was noted that the rate of mining was set to increase substantially due to the inherent experience of the operator and that a minimum of 150 000 tonnes per month had been warranted on a cost plus R20 basis. All capex and operating costs are to be borne by the contractor.
- The outsource contract provides for the delivery of clay to the brick making operations at no cost.
- The expected increase in tonnes to be mined will shorten the time frame of the life of mine, which has a finite number of estimated tonnes;
- Forecasted profit margins were considered against recent historic profit margins, which had shown an improvement from the recent financial years, noting specifically that the coal mining operations had been rendering a loss to the Brikor group.

Whilst working capital and capital expenditure requirements were considered, these are not key internal value drivers to the valuations due to the recent replacement of a large portion of the plant and equipment, the nature of the business and the intended outsource model.

External:

- State of the economy and prevailing market and industry conditions; and
- prevailing market and industry conditions in respect of the Construction sector were also considered in assessing the forecast cash flows and risk profile of Brikor

Our DCF valuation results are sensitive to the weighted average cost of capital ("**WACC**") and the long-term cash flow growth applied in our DCF valuation analysis and we performed sensitivity analyses based on a reasonable range for these assumptions, including:

- increasing and decreasing the WACC rate by up to 2%; and
- decreasing and increasing the long-term cash flow growth by 1%.

Other valuation methods considered were the EBITDA multiple and comparison of net asset value. The comparison of the EBITDA valuation supported the outcome of the DCF valuation for the Pre-Outsourcing Business.

The net asset value method provided a substantial underpin to the valuation, representing primarily tangible assets.

VALUATION RESULTS

In undertaking the valuation exercise above, we determined the following:

Pre-Outsourcing Business (before the General Meeting held on 18 October 2023)

A valuation range for Brikor Shares of R104 million to R141 million or 12,5 cents to 16,8 cents per Brikor Share, with a net asset value of R106 million or 12,7 cents per share at 28 February 2023 increasing to 15,7 cents per share at 31 August 2023, with a most likely value of 16 cents per Brikor Share. The Discounted Cash Flow valuation rendered a lower value due to the ongoing difficulties being experienced with the mining operations on an insourced basis, before the involvement of the outsourced service provider. The net asset value incorporates the valuation of the mineral resources in accordance with SAMREC Code and SAMVAL Code.

Outsourced Business (after the General Meeting held on 18 October 2023)

A valuation range for Brikor Shares of 27 cents to 31 cents per Brikor Share, with a most likely value of R265 million or 29 cents per Brikor Share, noting the approval of the related party transactions on 18 October 2023. This valuation is based on the Discounted Cash Flow Valuation, with a net asset value underpin of 15.7 cents as per above.

The valuation ranges above are provided solely in respect of this Fair and Reasonable Opinion and should not be used for any other purposes.

REASONABLENESS OF MANDATORY OFFER

The Offer Consideration represents a premium of 0.5% to the 30-day volume weighted average traded price ("**VWAP**") of Brikor Shares on the Johannesburg Stock Exchange ("**JSE**") for the 30 days up to and including 11 September 2013 of 16.9 cents, being the day before the date of announcement of the Firm Intention Announcement of the Mandatory Offer on the JSE stock exchange news service ("**SENS**").

The Offer Consideration is also at a premium of 5.9% to the VWAP of 16 cents for the 12 months prior to the Firm Intention announcement published on SENS.

The Offer Consideration is also the price at which the Mandatory Offer was triggered.

OPINION

Whilst the terms and conditions of the Mandatory Offer based on the valuation of Pre-Outsourcing Business would have been considered fair had the Mandatory Offer been made prior to the General Meeting held on 18 October 2023, the approval of the outsource contract by Shareholders is expected to have a material impact on the Brikor business going forward. Accordingly, we do not express an opinion on the fairness of the Mandatory Offer in relation to the Pre-Outsourcing Business.

We have considered the proposed terms and conditions of the Mandatory Offer, based upon and subject to the conditions set out herein, and are of the opinion that the terms and conditions of the Mandatory Offer, based on quantitative considerations, are:

- unfair to the Brikor Minority Shareholders based on the valuation of the Outsource Business.

Accordingly, the Brikor Minority Shareholders should carefully consider the impact of the approval of the related party transactions at the General Meeting on 18 October 2023.

We are of the opinion that the proposed terms and conditions of the Mandatory Offer are **reasonable** from the perspective of the Brikor shareholders, as the Mandatory Offer is at a premium to the 30 day and 360 day VWAP of a Brikor Share.

Our opinion is based upon the market, regulatory and trading conditions as they currently exist and can only be evaluated at the date of this letter. It should be understood that subsequent developments may affect our opinion, which we are under no obligation to update, revise or re-affirm.

INDEPENDENCE, COMPETENCE AND CONSENT TO PUBLICATION

We confirm that there is no relationship between Acaciacap Advisors and any other parties involved in the Mandatory Offer. Acaciacap Advisors has no shares in Brikor or any other party involved in the Mandatory Offer. Acaciacap Advisors has not provided any services to Brikor or any other party associated with Brikor prior to this appointment.

We will receive a fixed fee of R180 000 (excluding VAT), in cash, for the services provided in connection with the preparation of this opinion, which fee is not contingent on or related to the outcome of the Mandatory Offer.

We confirm that we have the necessary qualifications, experience and competence to provide this fair and reasonable opinion on the Mandatory Offer.

We hereby consent to this letter being made available for inspection at the registered office of Brikor for a period of 28 days from the date of this opinion.

Yours faithfully

MJ Krastanov

Acaciacap Advisors Proprietary Limited
20 Stirrup Lane
Woodmead Office Park
Woodmead
2191

**EXTRACTS OF THE AUDITED CONSOLIDATED FINANCIAL
INFORMATION OF BRIKOR FOR THE FINANCIAL YEARS ENDED
28 FEBRUARY 2023, 28 FEBRUARY 2022 AND 28 FEBRUARY 2021**

The financial information presented in this Annexure has been extracted and compiled from the consolidated annual financial statements of Brikor. The extraction of the aforementioned annual financial statements and interim financial results is the responsibility of the directors of Brikor.

**ABRIDGED HISTORICAL FINANCIAL INFORMATION OF BRIKOR FOR THE FINANCIAL YEARS ENDED
28 FEBRUARY 2022, 29 FEBRUARY 2021 AND 28 FEBRUARY 2020.**

The abridged consolidated statements of financial position, statements of comprehensive income, statements of changes in equity, cash flow statements and notes of Brikor for the financial years ended 28 February 2023, 2022 and 2021, have been extracted, and compiled from the audited consolidated annual financial statements of Brikor. The preparation of this **Annexure 1** is the responsibility of the directors of Brikor.

The historical financial information of Brikor was audited by Nexia SAB&T and was reported on without qualification for all of the aforementioned financial periods.

AUDITED RESULTS OF BRIKOR AND ITS SUBSIDIARIES FOR THE YEARS ENDED 28 FEBRUARY 2023, 2022 AND 2021

Condensed Statement of Financial Position

	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000	Audited as at 28 February 2021 R'000
ASSETS			
Non-current assets	217 023	177 308	121 656
Property, plant and equipment	109 908	66 435	67 060
Intangible assets	3 731	3 258	3 284
Investment in associate	54 906	56 077	–
Restricted financial assets	26 696	26 469	23 846
Deferred tax asset	21 782	25 069	27 466
Current assets	93 120	80 794	76 156
Inventories	63 787	41 318	29 170
Trade and other receivables	27 582	29 140	29 702
Cash and cash equivalents	463	9 054	15 287
Taxation	1 288	1 282	1 997
Non-current assets held-for-sale	4 792	4 608	4 461
Total assets	314 935	262 710	202 273
EQUITY			
Share capital	257 192	257 192	228 242
Accumulated loss	(150 766)	(144 898)	(147 732)
	106 426	112 294	80 510
LIABILITIES			
Non-current liabilities	84 365	67 381	53 274
Lease liability	13 517	1 574	2 171
Shareholders' loans	–	1 587	6 271
Vendor loans	6 720	10 972	–
Loans and borrowings	8 013	–	–
Provisions for environmental restoration	55 166	52 418	51 767
Deferred tax liability	949	830	6 019
Current liabilities	121 552	80 627	53 274
Short-term portion of lease liability	18 863	3 738	2 084
Shareholders' loans	2 017	5 124	4 386
Short-term portion of vendors loans	5 125	5 703	–
Short-term portion of loans and borrowings	9 974	–	–
Trade and other payables	75 572	56 051	40 602
Taxation	6 355	6 120	6 202
Bank overdraft	3 646	3 891	–
Liabilities directly associated with assets held-for-sale	2 592	2 408	2 261
Total liabilities	208 509	150 416	121 763
Total equity and liabilities	314 935	262 710	202 273

Condensed Group Statement of Comprehensive Income

	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000	Audited as at 28 February 2021 R'000
Revenue	311 733	272 707	257 914
Cost of sales	(261 218)	(233 084)	(192 934)
Gross profit	50 515	39 623	64 980
Other income	7 678	8 513	7 472
Administrative expenses	(35 851)	(37 713)	(36 000)
Distribution expenses	(8 193)	(7 327)	(6 687)
Other expenses	(4 251)	(3 394)	(8 791)
– Expenses	(4 434)	(3 541)	(8 875)
– Impairment reversals	183	147	84
Operating profit/(loss) before interest, taxation and earnings from associate	9 898	(298)	20 974
Finance income	425	548	889
Finance costs	(11 614)	(6 204)	(5 601)
(Loss)/profit before taxation and earnings from associate	(1 291)	(5 954)	16 262
Taxation	(3 406)	2 711	(4 288)
(Loss)/profit before earnings from associate	(4 697)	(3 243)	11 974
Share of (loss)/income from associate	(1 171)	6 077	–
(Loss)/profit for the year	(5 868)	2 834	11 974
Total comprehensive (loss)/income for the year attributable to owners of the Company	(5 868)	2 834	11 974
Basic (loss)/earnings per share (cents)	(0,7)	0,3	1,9
Diluted (loss)/earnings per share (cents)	(0,7)	0,3	1,9

Condensed Consolidated Statement Of Cash Flows

	Audited as at 28 February 2023 R'000	Audited as at 28 February 2022 R'000	Audited as at 28 February 2021 R'000
Cash flows from operating activities			
Cash generated from operations	16 844	9 465	22 833
Finance income	368	435	672
Finance costs	(6 111)	(2 182)	(1 365)
Net tax received/(paid)	–	344	342
	11 101	8 062	22 482
Cash flows (to)/from investing activities			
Additions to property, plant and equipment	(4 928)	(8 732)	(5 519)
Proceeds on disposal of plant and equipment	3 106	1 505	16
Additions to intangible assets	(845)	(480)	(194)
Proceeds from fixed deposits	188	–	–
	(2 479)	(7 707)	(5 697)
Cash flows from financing activities			
Lease capital repayments	(7 269)	(2 159)	(56)
Shareholder and vendor loans repaid	(9 524)	(8 320)	(5 411)
Loans received	2 500	–	–
Loans and borrowings repaid	(2 675)	–	–
	(16 968)	(10 479)	(5 467)
Net (decrease)/increase in cash and cash equivalents	(8 346)	(10 124)	11 318
Cash and cash equivalents at beginning of year	5 163	15 287	3 969
Cash and cash equivalents at end of year	(3 183)	5 163	15 287

Condensed Group Statement of Changes in Equity

	Stated capital R'000	Treasury shares R'000	Accumulated loss R'000	Total equity R'000
Balance at 28 February 2020	244 142	(15 900)	(159 706)	68 536
Total comprehensive income for the year	–	–	11 974	11 974
Balance at 28 February 2021	244 142	(15 900)	(147 732)	80 510
Shares issued – Purchase of Zingaro Holdings (Pty) Ltd	28 950	–	–	28 950
Total comprehensive income for the year	–	–	2 834	2 834
Balance at 28 February 2022	273 092	(15 900)	(144 898)	112 294
Total comprehensive income for the year	–	–	(5 868)	(5 868)
Balance at 28 February 2023	273 092	(15 900)	(150 766)	106 426

SECTION 124: COMPULSORY ACQUISITIONS AND SQUEEZE OUTS

- (1) If, within four months after the date of an offer for the acquisition of any class of securities of a regulated company, that offer has been accepted by the holders of at least 90 percent of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or persons acting in concert, or a nominee or subsidiary of any such person or persons-
 - (a) within two further months, the offeror may notify the holders of the remaining securities of the class, in the prescribed manner and form-
 - (i) that the offer has been accepted to that extent; and
 - (ii) (that the offeror desires to acquire all remaining securities of that class; and
 - (b) subject to subsection (2), after giving notice in terms of paragraph (a), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.
- (2) Within 30 business days after receiving a notice in terms of subsection (1)(a), a person may apply to a court for an order-
 - (a) that the offeror is not entitled to acquire the applicant's securities of that class; or
 - (b) imposing conditions of acquisition different from those of the original offer.
- (3) If an offer to acquire the securities of a particular class has not been accepted to the extent contemplated in subsection (1)-
 - (a) the offeror may apply to a court for an order authorising the offeror to give a notice contemplated in subsection (1)(a); and
 - (b) the court may make the order applied for, if –
 - (i) after making reasonable enquiries, the offeror has been unable to trace one or more of the persons holding securities to which the offer relates;
 - (ii) by virtue of acceptances of the original offer, the securities that are the subject of the application, together with the securities held by the person or persons referred to in subparagraph (i), amount to not less than the minimum specified in subsection (1);
 - (iii) the consideration offered is fair and reasonable; and
 - (iv) the court is satisfied that it is just and equitable to make the order, having regard, in particular, to the number of holders of securities who have been traced but who have not accepted the offer.
- (4) If an offer for the acquisition of any class of securities of a regulated company has resulted in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90 percent of the securities of that class-
 - (a) the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent;
 - (b) within three months after receiving a notice in terms of paragraph (a), a person may demand that the offeror acquire all of the person's securities of the class concerned; and
 - (c) after receiving a demand in terms of paragraph (b), the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.

- (5) If an offeror has given notice in terms of subsection (1), and no order has been made in terms of subsection (3), or if the offeror has received a demand in terms of subsection (4)(b)-
 - (a) six weeks after the date on which the notice was given or, if an application to a court is then pending, after the application has been disposed of, or after the date on which the demand was received, as the case may be, the offeror must-
 - (i) transmit a copy of the notice to the regulated company whose securities are the subject of the offer, together with an instrument of transfer, executed on behalf of the holder of those securities by any person appointed by the offeror; and
 - (ii) pay or transfer to that company the consideration representing the price payable by the offeror for the securities concerned,
 - (b) subject to the payment of prescribed fees or duties, the company must thereupon register the offeror as the holder of those securities.
- (6) An instrument of transfer contemplated in subsection (5) is not required for any securities for which a share warrant is for the time being outstanding.
- (7) A regulated company must deposit any consideration received under this section into a separate interest bearing bank account with a banking institution registered under the Banks Act and, subject to subsection (8), those deposits must be-
 - (a) held in trust by the company for the person entitled to the securities in respect of which the consideration was received; and
 - (b) paid on demand to the person contemplated in paragraph (a), with interest to the date of payment.
- (8) If a person contemplated in subsection (7)(a) fails for more than three years to demand payment of an amount held in terms of that paragraph, the amount, together with any accumulated interest, must be paid to the benefit of the Guardian's Fund of the Master of the High Court, to be held and dealt with in accordance with the rules of that Fund.
- (9) In this section any reference to a "holder of securities who has not accepted the offer" includes any holder who has failed or refused to transfer their securities to the offeror in accordance with the offer.

EXTRACT OF SUMMARY CIRCULAR TO BRIKOR SHAREHOLDERS

Brikor Shareholders are referred to the Summary circular issued on 19 September 2023 regarding the Related Party Agreement. At the general meeting held on 18 October 2023, Brikor Shareholders voted in favour of entering into the Related Party Agreement.

Extracts of the critical information are as follows:

“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 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 Vlaktefontein 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 Vlaktefontein Mining Right granted to Ilangabi to mine coal in, on, or under the Vlaktefontein 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.

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
--	---

8.2 Pro forma financial effects of the Agreement as extracted from the circular dated 19 September 2023.

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	Pro forma 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.



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 ACCEPTANCE, TRANSFER AND SURRENDER (PINK) ("FORM")

THIS FORM IS FOR USE BY CERTIFICATED SHAREHOLDERS ONLY

All terms used in this Form 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 is attached.

Important notes concerning this Form:

- **this Form is attached for the convenience of Certificated Shareholders who wish to accept the Offer; and**
- **if you are in any doubt about the action to be taken, you should consult your CSDP, Broker, banker, legal advisor, accountant, other financial intermediary or other professional advisor immediately.**

HOLDERS OF DEMATERIALIZED SHARES MUST NOT COMPLETE THIS FORM.

INSTRUCTIONS

1. A separate Form is required for each Brikor Shareholder.
2. **Part A** must be completed by all Brikor Shareholders who return this Form.
3. **Part B** must be completed by those Brikor Shareholders who accept the Offer.
4. **Part C** must be completed by all Certificated Shareholders who completed Part A and who wish to receive the Offer Consideration by way of EFT.
5. The completed Form and the Documents of Title in respect of the Brikor Shares tendered must be returned to the Transfer Secretaries, so as to be received by not later than 12:00 on the Closing Date.
6. Persons who have acquired Brikor Shares after the date of issue of the Circular to which this Form is attached may obtain copies of the Form and the Circular from the Transfer Secretaries.
7. **The Offer Consideration will not be delivered and/or paid to Certificated Offer Participants unless and until Documents of Title in respect of the relevant Offer Shares have been surrendered to the Transfer Secretaries.**

To: Transfer Secretaries

JSE Investor Services (Pty) Ltd
 JSE Limited
 One Exchange Square
 2 Gwen Lane
 Sandown
 Sandton
 2196

PO Box 4844
 Johannesburg
 2000

PART A: TO BE COMPLETED BY ALL CERTIFICATED SHAREHOLDERS WHO RETURN THIS FORM

I/We, the undersigned Offer Participant wish to accept the Offer in respect of Brikor Shares held be me/us and I/we hereby surrender and enclose the undermentioned Documents of Title attached hereto, representing all the Shares, registered in my/our name and authorise the Transfer Secretaries to register the surrender of these Shares into the name of Nikkel Trading 392 Proprietary Limited as follows:

Name of Shareholder	Certificate number/s (in numerical order)	Number of Shares covered by each certificate enclosed
Total		

Name in full:	Title (Mr, Mrs, Miss, Ms, etc.):
Address in South Africa:	
Telephone number:	Email address:
Account number/Investor Code (IVC):	
Name of juristic person/name of trust together with the name of each trustee:	
Identify number/registration number/Master's reference number and identify numbers of each trustee:	

Signature of Offer Participant	Stamp and address of agent lodging this Form (if any)
Assisted by me (if applicable):	
(State full name and capacity):	
Date:	
Telephone number (Home): ()	
Telephone number (Work): ()	
Cell phone number:	

Notes:

In order to comply with the Financial Intelligence Centre Act, No. 38 of 2001, as amended ("**FICA**"), the Transfer Secretaries will be unable to record any change of address unless the following documentation is received:

- an original certified copy of your identity document;
- an original certified copy of a document issued by the South African Revenue Services to verify your tax number. If you do not have one, please submit this in writing and have the letter signed by a Commissioner of Oaths; and
- an original or original certified copy of a service bill to verify your residential address.

PART B: ACCEPTANCE OF THE OFFER

Shareholders who accept the mandatory offer must please complete Part B.

I/We hereby accept the mandatory offer in respect of Brikor Shares held by me/us.

(Failure to state the number of shares shall be deemed to indicate acceptance of the mandatory offer in respect of all shares indicated by the Documents of Title surrendered by that shareholder or his/her representative.)

PART C: TO BE COMPLETED BY CERTIFICATED SHAREHOLDERS WHO ELECT TO RECEIVE THE OFFER CONSIDERATION BY WAY OF EFT.

To be completed in BLOCK CAPITALS by Certificated Shareholders wishing to receive payment of the Offer Consideration comprising in cash by means of EFT.

I/We, being a holder/s of Brikor Shares hereby request that the Offer Consideration be electronically deposited into my/our bank account, the details of which are as follows:

Name of account holder (no third-party accounts):		
Bank name:		
Branch name:		
Branch code:		
Account number:		
Swift number:		
IBAN number:		
Signature of Shareholder:		
Assisted by me (if applicable):		
(State full name and capacity):		
Date:		
Tel (Home): ()	Tel (Work): ()	Cell phone:

In terms of FICA, the Transfer Secretaries will only be able to record the bank details if certified true copies of the Shareholder's identity document and bank statement or account confirmation letter are submitted with this Form.

Brikor and/or the Transfer Secretaries undertake no responsibility for verification of the banking details provided above nor for the authenticity of the signature above. Certificated Shareholders warrant the correctness of the above banking details and indemnify and hold Brikor and the Transfer Secretaries harmless against any loss for funds having been paid into the account, details of which have been provided above.

In the case of Certificated Shareholders who fail to provide updated and valid bank details: the Offer Consideration will be paid into the bank account of such Certificated Shareholder on record with Brikor, at the risk of such Certificated Shareholder.

Notes:

1. Offer Participants should consult their professional advisors in case of doubt as to the correct completion of this Form.
2. No receipts will be issued for documents lodged unless specifically requested. In compliance with the requirements of the JSE, lodging agents are requested to prepare special transaction receipts, if required. Signatories may be called upon for evidence of their authority or capacity to sign this Form.
3. If this Form is not signed by the Offer Participant, the Offer Participant will be deemed to have irrevocably appointed the Transfer Secretaries to implement the Offer Participant's obligations under the Offer on their behalf.
4. Any alteration to this Form must be signed in full and not initialled.
5. If this Form is signed under a power of attorney, then such power of attorney, or a notarial certified copy thereof, must be sent with this Form for noting (unless it has already been noted by Brikor or the Transfer Secretaries).
6. Where the Offer Participant is a company or a close corporation, unless it has already been registered with Brikor or the Transfer Secretaries, a certified copy of the directors' or Brikor resolution authorising the signing of this Form must be submitted if so requested by Brikor.
7. A minor must be assisted by his parent or guardian, unless the relevant documents establishing his legal capacity are produced or have been registered by the Transfer Secretaries.
8. Where there are any joint holders of any Offer Shares, only that holder whose name stands first in the Register in respect of such Offer Shares need sign this Form.
9. Notes 5, 6 and 7 do not apply in the event of this form bearing a JSE Broker's stamp.

