

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and abbreviations commencing on page 5 of this Circular apply *mutatis mutandis* throughout this Circular, including this cover page.

The Shares issued in terms of the Rights Offer will not be registered for purposes of the Rights Offer with the Securities and Exchange Commission, Washington, D.C., the Canadian Provincial Securities Commission, or the Australian Securities Commission under the Australian Corporation Law, as amended. Accordingly, the Rights Offer will not be made to or be open for acceptance by persons with registered addresses in the United States of America or any of its territories, dependencies, possessions or commonwealths or in the District of Columbia or in the Dominion of Canada or in the Commonwealth of Australia, its states, territories or possessions or in Japan. The CSDP or Broker will ensure that where such persons are holding Ordinary Shares in Dematerialised form that the CSDP or Broker adheres to the above restrictions. Please refer to paragraph 7 of this Circular for further details in this regard.

Action required

- This Circular is important and should be read in its entirety, with particular attention to the section entitled "Action required by Shareholders in relation to the Rights Offer" which commences on page 3.
- If you are in any doubt as to what action you should take, please consult your Broker, banker, attorney, CSDP or other professional adviser immediately.

If you have disposed of all your Sentula Shares, this Circular should be handed to the purchaser of such Sentula Shares or to the Broker, CSDP, banker or other agent through whom the disposal was affected.



CIRCULAR TO SENTULA SHAREHOLDERS

regarding:

- a partially underwritten renounceable rights offer by Sentula of 581 005 310 new ordinary shares of no par value ("Rights Offer Shares"), to Shareholders who are recorded in the Register at the close of business on Friday, 4 March 2016 ("Record Date"), excluding holders of treasury shares, at a Subscription Price of 18 cents per Rights Offer Share, in the ratio of 100 Rights Offer Shares for every 100 Shares held on the Record Date;

and, in the case of Certificated Shareholders, enclosing

- a Form of Instruction in respect of a Letter of Allocation providing for the acceptance and/or renunciation and/or sale of all or part of the Rights Offer Entitlement embodied in the Letter of Allocation in terms thereof for the use by Certificated Shareholders only.

Rights Offer opens at 09:00 on

Monday, 7 March 2016

Rights Offer closes at 12:00 on

Friday, 18 March 2016

Corporate Adviser and Sponsor

Transfer Secretaries



This Circular is available in English only. Copies of this Circular may be obtained at the registered office of the Company or at the offices of the Corporate Adviser and Sponsor, during normal business hours 08:00 to 16:00 or Sentula's website www.sentula.co.za from 1 March 2016 until 18 March 2016. The addresses of the Company and the Corporate Adviser and Sponsor are set out on the "Corporate information" section.

A copy of this Circular, together with the Form of Instruction, were lodged and approved by the JSE.

The Corporate Adviser and Sponsor, whose name is included in this Circular, has given and has not, prior to publication of this Circular, withdrawn its written consent for the inclusion of its name in the form and context in which it appears.

Date of issue: 1 March 2016

CORPORATE INFORMATION

Directors

Ralph Patmore (Chairman) ^{**}
Dalikhaya Rain Zihlangu ^{**}
Stephen Naude ^{**}
Mdu Gama ^{**}
Jacques Badenhorst (Acting Chief Executive Officer)
Johann Lemmer (Financial Director)

* Independent

Non-executive

Company Secretary and Registered Office

GC Cross
Sentula Mining Limited
(Registration number 1992/001973/06)
Block 14 - Ground Floor,
Woodlands Office Park
Woodmead, 2080

(Place of incorporation: South Africa)

(Date of incorporation: 10 April 1992)

Corporate Adviser and Sponsor

Questco Proprietary Limited
(Registration number 2002/005616/07)
The Pivot
Entrance D, 2nd Floor
No 1 Montecasino Boulevard
Fourways, 2055
(PO Box 98956, Sloane Park, 2152)

Transfer Secretaries

Computershare Investor Services Proprietary
Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
(PO Box 61051, Marshalltown, 2107)

Underwriters

JB Private Equity Investors Partnership
an en commandite partnership, represented by
JB Private Equity Investors Trust in its capacity as
General Partner
(Master's Reference number: IT 0214258/2014)
4B Atterbury Estates
29 Frikkie de Beer street
Menlyn
Pretoria, 0181
(PO Box 36819, Menlo Park, 0102)

and Dalikhaya Rain Zihlangu Family Trust
(Master's Reference number: IT871/06)
31 Salix South Road
Willowild, 2196
(PO Box 699, Wits, 2050)

FORWARD LOOKING STATEMENT DISCLAIMER

The definitions commencing on page 5 of this Circular apply, *mutatis mutandis*, to this forward-looking statement disclaimer.

This Circular contains statements about Sentula 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: the economic outlook for the industry; Sentula's strategy, growth prospects and operational outlook and Sentula's liquidity and capital resources.

These forward-looking statements are not based on historical facts, but rather reflect Sentula's 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. Similarly, statements that describe Sentula's objectives, plans or goals are or may be forward-looking statements. Sentula's actual future performance could differ materially from these forward-looking statements and you are cautioned not to place undue reliance on them.

By their very nature, these forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Sentula's actual results, performance or achievements expressed or implied by these forward-looking statements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although Sentula believes that the expectations reflected in these forward-looking statements are reasonable, no assurance can be given that such expectations will prove to be correct.

Shareholders should carefully review all information contained in this Circular. The forward-looking statements included in this Circular are made only as at the Last Practicable Date. Sentula expressly disclaims any obligation or undertaking to disseminate and/or publicly release any update or revisions to any forward-looking statements contained herein to reflect any changes in its expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

All written and oral forward-looking statements attributable to Sentula or any director, employee, adviser or agent of Sentula or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above.

CONTENTS

The definitions commencing on page 5 of this Circular apply, *mutatis mutandis*, to this contents page.

Page

CORPORATE INFORMATION	Inside front cover
FORWARD LOOKING STATEMENT DISCLAIMER	1
ACTION REQUIRED BY SHAREHOLDERS IN RELATION TO THE RIGHTS OFFER	3
DEFINITIONS AND ABBREVIATIONS	5
SALIENT DATES AND TIMES RELATING TO THE RIGHTS OFFER	10
CIRCULAR TO SHAREHOLDERS	11
1. Introduction and purpose	11
2. Nature of the business and prospects	12
3. Rationale for the Rights Offer	12
4. Particulars of the Rights Offer	14
5. Action required	15
6. Exchange Control Regulations	17
7. Other relevant considerations for Non-residents	18
8. South African law	21
9. Tax consequences	21
10. Documents of title	21
11. Share capital	21
12. Directors	22
13. Estimated expenses of the Rights Offer	24
14. Directors' responsibility statement	24
15. Advisers' consents	25
16. Litigation statement	25
17. Material changes	25
18. Material contracts	25
19. Corporate governance	26
20. Documents available for inspection	26
ANNEXURE 1 – Information on Directors	27
ANNEXURE 2 – Share price history	32
ANNEXURE 3 – Additional information on the Underwriters	33
FORM OF INSTRUCTION - issued to Certificated Shareholders only	Enclosed

ACTION REQUIRED BY SHAREHOLDERS IN RELATION TO THE RIGHTS OFFER

The definitions and abbreviations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this section.

Please take careful note of the following provisions regarding the action required by Shareholders

1. If you are in any doubt as to what action to take, you should consult your Broker, CSDP, banker, accountant, attorney or other professional adviser.
2. If you have disposed of all your Shares, please forward this Circular and accompanying Form of Instruction to the purchaser of such Sentula Shares or to the CSDP, Broker, banker or other agent through whom the disposal was effected.
3. Shares in companies listed on the JSE can no longer be traded on the JSE unless they have been Dematerialised onto the Strate system. It is therefore suggested that Certificated Shareholders Dematerialise their Documents of Title and replace them with electronic records of ownership. In this regard, Shareholders may contact either a CSDP or Broker, details of which are available from Strate.
4. Certificated Shareholders wishing to Dematerialise their Shares are advised that the Dematerialisation process can take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.
5. The rights that are represented by Letters of Allocation are valuable and may be traded on the JSE. Letters of Allocation can, however, only be traded in Dematerialised form and accordingly, all Letters of Allocation will be issued in Dematerialised form.

Qualifying Dematerialised Shareholders

Qualifying Shareholders who **have** Dematerialised their Shares:

1. will NOT receive a “printed” Form of Instruction, but will have their accounts updated with their Rights Offer Entitlement by their CSDP or Broker;
2. should timeously instruct their CSDP or Broker as to whether they wish to subscribe for all or part of their Rights Offer Entitlement, sell all or part of their Rights Offer Entitlement or renounce all or part of their Rights Offer Entitlement, in the manner and by the time stipulated in the Custody Agreement;
3. who do not issue instructions to their CSDP or Broker, will result in the CSDP or Broker acting in accordance with the Custody Agreement;
4. should note that Sentula assumes no responsibility and will not be held liable for any failure on the part of their CSDP or Broker to notify them of the Rights Offer and to receive instruction in regard thereto;
5. who do not take up their rights will continue to own the same number of Shares, but their percentage holding in Sentula will be diluted. Subject to exceptions applicable to those Shareholders domiciled in Excluded Territories, rights not exercised will be deemed to have been declined and will lapse and the relevant Qualifying Shareholder shall not receive any economic benefit in respect of such lapsed rights.

Qualifying Certificated Shareholders

Qualifying Shareholders who **have not** Dematerialised their Shares:

1. will have their Letter of Allocation created in electronic form with the Transfer Secretaries to ensure that Certificated Shareholders have the same rights and opportunities in respect of the Rights Offer as those who have already Dematerialised their Shares;
2. will receive a printed Form of Instruction in relation to the Letter of Allocation, providing for the subscription for all or part of their Rights Offer Entitlement, sale of all or part of their Rights Offer Entitlement or renouncement all or part of their Rights Offer Entitlement and must act in accordance with the instructions thereon; and

3. who wish to subscribe for all of their Rights Offer Entitlement, must complete blocks 5 and 6 of the Form of Instruction in accordance with the instructions contained therein, attach their cheques, bankers' draft or EFT Reference Document reflecting the appropriate amount and lodge same with the Transfer Secretaries in the manner as set out below so as to reach the Transfer Secretaries by no later than 12h00 on Friday, 18 March 2016;

By hand to:

Sentula Mining Limited
c/o Computershare Investor Services (Pty) Ltd
Ground Floor, 70 Marshall Street
Johannesburg, 2001

By email to:

corporate.events@computershare.co.za

By post to:

Sentula Mining Limited
c/o Computershare Investor Services (Pty) Ltd
PO Box 61763
Marshalltown, 2107

By fax to:

+27 11 688 5210

(Payment of the Subscription Price may be effected by means of an EFT. Qualifying Certificated Shareholders may contact the Company's Call Centre - Corporate Actions on 0861 100 634 to obtain banking details and the EFT reference number for the deposits.)

4. will receive certificated Share certificates in respect of the Rights Offer Shares;
5. will only be able to trade their Rights Offer Shares on the JSE once they have been Dematerialised; this could take between 1 (one) and 10 (ten) days, depending on the volume being processed at the time;
6. who wish to sell all or part of their Rights Offer Entitlement, must complete Form A of the enclosed Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein so as to reach the Transfer Secretaries by no later than 11 March 2016;
7. who wish to renounce their Rights Offer Entitlement in favour of any named Renouncee must complete Form B on the enclosed Form of Instruction and the Renouncee must complete Form C on the enclosed Form of Instruction and return it to the Transfer Secretaries in accordance with the instructions contained therein so as to reach the Transfer Secretaries by no later than 12h00 on Friday, 18 March 2016, together with a cheque, bankers draft or EFT Reference Document indicating the EFT payment for the appropriate amount;
8. who do not take up their rights will continue to own the same number of Shares, but their percentage holding in Sentula will be diluted. Subject to exceptions applicable to those Shareholders domiciled in Excluded Territories, rights not exercised will be deemed to have been declined and will lapse and the relevant Qualifying Shareholder shall not receive any economic benefit in respect of such lapsed rights.

DEFINITIONS AND ABBREVIATIONS

In this Circular, unless otherwise stated or the context so requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words denoting one gender include the other and expressions denoting natural persons include juristic persons and associations of persons:

“Associated Entities”	collectively, Regarding Capital Management, on behalf of clients, and JB Private Equity Investors Partnership;
“Blocked Rand”	funds that, in terms of the Exchange Control Regulations, cannot be transferred outside of South Africa;
“the Board” or “the Directors”	the present board of directors of Sentula Mining Limited, further details of whom appear in Annexure 1 of this Circular;
“BOMS”	Benicon Opencast Mining Proprietary Limited (Registration number 1993/007616/07), a private company registered and incorporated in accordance with the laws of South Africa, 83.325% of the shares in which are held, indirectly, by Sentula and the remaining 16.675% by Shanike;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“CCT”	Classic Challenge Trading Proprietary Limited (Registration number 2001/025633/07), a private company registered and incorporated in accordance with the laws of South Africa, 83.325% of the shares in which are held, indirectly, by Sentula and the remaining 16.675% by Shanike;
“Certificated Shareholders”	holders of Certificated Shares;
“Certificated Shares”	Sentula Shares represented by a share certificate or other physical document of title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
“Circular”	this bound document, dated 1 March 2016, the annexures and, in case of Certificated Shareholders, the Form of Instruction;
“the Common Monetary Area”	the Republics of South Africa and Namibia and the Kingdoms of Lesotho and Swaziland;
“Companies Act” or “Act”	the Companies Act, No 71 of 2008, as amended;
“Companies Regulations”	the Companies Regulations, 2011, published in terms of the Companies Act, as amended;
“Computershare” or “Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07) a private company duly registered and incorporated in accordance with the laws of South Africa;
“Corporate Adviser and Sponsor”	Questco Proprietary Limited (Registration number 2002/005616/07), a private company duly registered and incorporated in accordance with the laws of South Africa;
“CSDP”	Central Securities Depository Participant as defined in the Financial Markets Act, No. 19 of 2012;

“Custody Agreement”	the agreement which regulates the relationship between the CSDP or Broker and each beneficial holder of Dematerialised Shares;
“Dematerialisation” or “Dematerialise”	the process by which Certificated Shares are converted into electronic form as Dematerialised Shares and are recorded in the uncertificated securities register forming part of Sentula’s Securities Register;
“Dematerialised Shareholders”	all registered holders of Dematerialised Shares;
“Dematerialised Shares”	shares which have been incorporated into the Strate system and which are no longer evidenced by certificates or other physical Documents of Title;
“Designated Bank Account”	the bank account, the details of which will be provided on request from the representative of the Transfer Secretaries, contactable during ordinary business hours on 0861 100 634;
“Disposal”	the disposal of certain international assets by Sentula and the Sellers in terms of the Disposal Agreement, as announced on SENS on 21 October 2014;
“Disposal Agreement”	the sale of assets agreement entered into between the Sellers and Orezone Drilling Mauritius Limited (a company registered and incorporated in the DRC), dated 20 October 2014, in terms of which the Sellers disposed of certain idle property, plant and equipment and associated inventory currently located in the DRC, as one indivisible transaction, for a purchase consideration of US\$2 400 000. An amount totalling US\$965 000 is still owed by Orezone Drilling Mauritius as a result of the transaction. The outstanding balance accrues interest at a rate of 5% per annum and is repayable in quarterly instalments of US\$150 000;
“DRC”	the Democratic Republic of Congo;
“DRZ Family Trust”	Dalikhaya Rain Zihlangu Family Trust with Masters reference IT871/06, a trust incorporated under the laws of South Africa, the trustees of which are DR Zihlangu, a non-executive director of the Company, and L O Zihlangu;
“DRZ Family Trust Underwriting Agreement”	the agreement entered into between Sentula and the DRZ Trust, dated 18 December 2015, in terms of which the DRZ Family Trust has agreed to subscribe for 55 555 555 Rights Offer Shares (with a total capital subscription of R10 000 000) to the extent that the Rights Offer is not fully subscribed by Qualifying Shareholders and after the Partnership has fulfilled its obligations in terms of the Partnership Underwriting Agreement 1. The underwriting commitment in terms of this agreement does not include Rights Offer Shares which the DRZ family trust takes up as a Qualifying Shareholder;
“EFT”	Electronic Funds Transfer;
“EFT Reference Document”	the proof of EFT into the Designated Bank Account, that must contain the EFT reference number and swift reference number (if applicable);
“Exchange Control Regulations”	the Exchange Control Regulations of South Africa issued under the Currency and Exchanges Act No. 9 of 1933, as amended;
“Excluded Territories”	the United States, Australia, Canada, Japan, Australia, Canada, the Republic of Ireland, New Hampshire and Hong Kong and any other jurisdiction where the extension or making of the Rights Offer would be unlawful or in contravention of certain regulations;
“Financial Markets Act”	the Financial Markets Act, No. 19 of 2012, as amended or replaced from time to time;

“Form of Instruction”	the enclosed form of instruction in respect of a Letter of Allocation reflecting the entitlement of Certificated Shareholders to subscribe for Rights Offer Shares and on which Certificated Shareholders must indicate to the Transfer Secretaries whether they wish to take up, renounce or sell all or part of their Rights Offer Entitlement or apply for additional Rights Offer Shares;
“Group”	Sentula and its subsidiary companies;
“Identification Document”	in respect of natural persons, valid identity documents, drivers licences and passports and, in respect of juristic persons, a certified copy of a resolution by the relevant entity authorising one or more individual/s in terms of a power of attorney and a certified copy of the identity documents and/or passport of the persons who passed the relevant resolution;
“JEF”	JEF Drill and Blast Proprietary Limited (Registration number 1996/017991/07), a private company registered and incorporated in accordance with the laws of South Africa, 83.325% of the shares in which are held, indirectly, by Sentula and the remaining 16.675% by Shanike;
“JSE”	JSE Limited (Registration number 2005/022939/06), a public company registered and incorporated in accordance with the laws of South Africa and licensed as an exchange in terms of the Financial Markets Act;
“the JSE Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;
“King III”	the King III code, the revised code of and report on governance principles for South Africa;
“Last Practicable Date”	17 February 2016, being the last practicable date prior to the finalisation of this Circular;
“Letters of Allocation”	the renounceable (nil paid) Letters of Allocation issued by Sentula in electronic form to Qualifying Shareholders conferring the right to subscribe for Rights Offer Shares pursuant to the Rights Offer;
“LoA Record Date”	the record date for Letters of Allocation, being 12:00 on Friday, 4 March 2016, which is the last day for Shareholders and/ or their Renounees to be recorded in the Register of Sentula in order to be entitled to subscribe for the Rights Offer Shares;
“LTIP”	a conditional right to receive a cash award equal to the market value of a number of notional Sentula issued ordinary shares on the date the award becomes unconditional given to selected executives and employees;
“Megacube”	Megacube Mining Proprietary Limited (Registration number: 1989/000748/07), a private company registered and incorporated in accordance with the laws of South Africa, 100% of the shares are held by Sentula;
“Memorandum of Incorporation” or “MOI”	the memorandum of incorporation of Sentula;
“Nkomati”	Nkomati Anthracite Proprietary Limited (Registration number 1980/008581/07), a private company registered and incorporated in accordance with the laws of South Africa, 60% of the shares in which are held, indirectly, by Sentula and the remaining 40% by the Mpumalanga Economic Growth Agency;
“Non-resident”	a person whose registered address is outside the Common Monetary Area;

“Partnership”	<p>JB Private Equity Investors Partnership number 01, an <i>en commmandite</i> partnership between:</p> <ol style="list-style-type: none"> 1. Calibre Capital Proprietary Limited (Registration number 2004/001095/07) a private company registered and incorporated under the laws of South Africa; 2. RECM and Calibre Limited (Registration number 2009/012403/06) a public company registered and incorporated under the laws of South Africa; 3. JB Capital Proprietary Limited (Registration number 2014/129256/07) a public company registered and incorporated under the laws of South Africa; and 4. JB Private Equity Investors Trust with Masters reference IT 0214258/2014 a trust incorporated under the laws of South Africa, <p>represented by JB Private Equity Investors Trust in its capacity as General Partner;</p>
“Partnership Underwriting Agreement 1”	<p>the agreement entered into between Sentula and the Partnership, dated 16 December 2015, in terms of which the Partnership has agreed to subscribe for 58 000 000 Rights Offer Shares (with a total capital subscription of R10 440 000) to the extent that the Rights Offer is not fully subscribed by Qualifying Shareholders. The underwriting commitment in terms of this agreement does not include Rights Offer Shares which the Partnership takes up as a Qualifying Shareholder;</p>
“Partnership Underwriting Agreement 2”	<p>the agreement entered into between Sentula and the Partnership, dated 18 February 2016, in terms of which the Partnership has agreed to subscribe for 85 000 000 Rights Offer Shares (with a total capital subscription of R15 300 000) to the extent that the Rights Offer is not fully subscribed by Qualifying Shareholders and after each of the Partnership and the DRZ Family Trust have fulfilled their obligations in terms of the Partnership Underwriting Agreement 1 and the DRZ Family Trust Underwriting Agreement. The underwriting commitment in terms of this agreement does not include Rights Offer Shares which the Partnership takes up as a Qualifying Shareholder;</p>
“Qualifying Shareholders”	<p>shareholders entitled to participate in the Rights Offer, being those shareholders registered as such on the Rights Offer Record Date;</p>
“Questco”	<p>refer to the definition of Corporate Adviser and Sponsor above;</p>
“Rand” or “R”	<p>South African Rand;</p>
“Regarding Capital Management”	<p>Regarding Capital Management Proprietary Limited (Registration number 2004/007733/07), a private company registered and incorporated under the laws of South Africa and whose shareholders include Theunis de Bruyn, Piet Viljoen and Jan van Niekerk;</p>
“Record Date”	<p>the record date for the Rights Offer Entitlement, being close of business on Friday, 4 March 2016, which is the last day for Shareholders to be recorded in the Register in order to be entitled to participate in the Rights Offer and qualify as Qualifying Shareholders;</p>
“Renouncee”	<p>the person in whose favour a Qualifying Shareholder of Sentula who has received a Letter of Allocation, has renounced their Rights Offer Entitlement;</p>
“Restricted Shareholders”	<p>shareholders with registered addresses or who are resident or located in the United States or in any other Excluded Territory at 17:00 Johannesburg time on the Record Date;</p>
“Rights Offer”	<p>the partially underwritten renounceable rights offer by the Company to its Qualifying Shareholders of the Rights Offer Shares at the Subscription Price, seeking to raise a maximum amount of R104.58 million;</p>

“Rights Offer Entitlement”	a Qualifying Shareholder’s entitlement to subscribe for Rights Offer Shares in the Company;
“Rights Offer Shares”	581 005 310 new Sentula Shares to be issued in terms of the Rights Offer;
“Ritchie”	Ritchie Crane Hire Proprietary Limited (Registration number 2007/006831/07), a private company registered and incorporated in accordance with the laws of South Africa, 83.325% of the shares in which are held, indirectly, by Sentula and the remaining 16.675% by Shanike;
“SARS”	the South African Revenue Services;
“SBC”	the Standard Bank Consortium;
“Securities Register” or “Register”	the securities register of Sentula Shareholders maintained by Sentula in terms of the Companies Act including the register of Certificated Sentula Shareholders and the sub-registers of Dematerialised Sentula Shareholders maintained by the relevant CSDPs in accordance with the Companies Act;
“the Sellers”	collectively, Sentula’s wholly owned subsidiaries, Sentula Mining Mauritius Limited, which was incorporated in Mauritius, and Senex S.A.RL, which was incorporated in the DRC;
“SENS”	Stock Exchange News Service of the JSE;
“Sentula” or “the Company”	Sentula Mining Limited (Registration number 1992/001973/06), a public company registered and incorporated in accordance with the laws of South Africa, the Shares of which are listed on the JSE under the share code SNU;
“Sentula B-BBEE Transaction”	Sentula’s B-BBEE transaction, with an effective date of Wednesday, 9 May 2012, as announced on SENS;
“Sentula Shares” or “Shares”	ordinary shares of no par value in the authorised and issued share capital of Sentula;
“Sentula Shareholders” or “Shareholders”	collectively, Dematerialised Shareholders and Certificated Shareholders;
“Shanike”	Shanike Investments No 171 Proprietary Limited (Registration number 2011/133782/07), a private company duly registered and incorporated in accordance with the laws of South Africa, which was established as the vehicle through which the Sentula Mining Employee Trust, the Sentula Mining Empowerment Trust and Anglo American Khula Mining Fund Proprietary Limited (Registration number 2002/017946/07) indirectly subscribed for 16.675% of the issued ordinary share capital of Sentula in order to implement Sentula’s B-BBEE Transaction;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly registered and incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“Subscription Price”	the issue price of the Rights Offer Shares of 18 cents per Share;
“TRP”	the Takeover Regulation Panel established by section 196 of the Companies Act;
“Underwriters”	collectively, the Partnership and the DRZ Family Trust;
“Underwriting Agreements”	collectively, the Partnership Underwriting Agreement 1, the Partnership Underwriting Agreement 2 and the DRZ Family Trust Underwriting Agreement.

A reference in this Circular to a numbered Annexure is a reference to an annexure to this Circular.

SALIENT DATES AND TIMES RELATING TO THE RIGHTS OFFER

The definitions and abbreviations commencing on page 5 of this Circular apply, *mutatis mutandis*, to this section.

2016

Last day to trade in Shares in order to settle trades by the Record Date for the Rights Offer and to qualify to participate in the Rights Offer (<i>cum</i> rights) on	Friday, 26 February
Shares commence trading <i>ex</i> rights on the JSE at 09:00 under JSE code SNU and ISIN ZAE000107223 on	Monday, 29 February
Listing of and trading in the Letters of Allocation commences under JSE code SNUN and ISIN ZAE000213187 at 09:00 on	Monday, 29 February
Circular and Form of Instruction posted to Qualifying Certificated Shareholders on	Tuesday, 1 March
Record Date for purposes of determining the Shareholders entitled to participate in the Rights Offer, and qualify as Qualifying Shareholders, at the close of business on	Friday, 4 March
Holders of Dematerialised Shares will have their accounts at their CSDP or Broker automatically credited with their Letters of Allocation on	Monday, 7 March
Holders of Certificated Shares will have their Letters of Allocation credited to an electronic register at the Transfer Secretaries on	Monday, 7 March
Rights Offer opens at 09:00 on	Monday, 7 March
Circular posted to Qualifying Dematerialised Shareholders who have requested to receive such circulars	Tuesday, 8 March
Last day to trade in Letters of Allocation in order to settle trades by the LoA Record Date for the Rights Offer and participate in the Rights Offer at the close of business on	Friday, 11 March
Last day for Form of Instruction to be lodged with the Transfer Secretaries by Qualifying Certificated Shareholders wishing to sell all or part of their Rights Offer Entitlement by 12:00 on	Friday, 11 March
Listing and trading of Rights Offer Shares commences on the JSE at 09:00 on	Monday, 14 March
Last day for payments to be made and Forms of Instruction to be lodged with the Transfer Secretaries by Qualifying Certificated Shareholders wishing to subscribe for or renounce all or part of their Rights Offer Entitlement by 12:00 on (see note 2)	Friday, 18 March
Rights Offer closes at 12:00 and payment to be made on	Friday, 18 March
LoA Record Date on	Friday, 18 March
Results of Rights Offer announced on SENS on	Tuesday, 22 March
CSDP/Broker accounts credited with Rights Offer Shares and debited with the Subscription Price in respect of holders of Dematerialised Shares on	Tuesday, 22 March
Rights Offer Share certificates in terms of the Rights Offer posted to Qualifying Certificated Shareholders (or their Renounees') on or about	Tuesday, 22 March

Notes:

1. All times referred to in the announcement are local times in South Africa.
2. Holders of Dematerialised Shares are required to notify their CSDP or Broker of the action they wish to take in respect of the Rights Offer in the manner and by the time stipulated in the Custody Agreement.
3. CSDPs effect payment in respect of Dematerialised Shareholders (or their Renounees) on a delivery versus payment basis.
4. To the extent that the rights are accepted, Qualifying Dematerialised Shareholders (or their Renounees) will have their accounts at their CSDP automatically credited with their rights and Qualifying Certificated Shareholders (or their Renounees) will have their rights credited to an account at Computershare.


Sentula
MINING
SENTULA MINING LIMITED
Incorporated in the Republic of South Africa
(Registration number 1992/001973/06)
Share code: SNU ISIN: ZAE000107223
(“Sentula” or “the Company”)

Directors

Ralph Patmore (Chairman) ^{#*}
Dalikhaya Rain Zihlangu ^{**}
Stephen Naude ^{**}
Mdu Gama ^{**}
Jacques Badenhorst (Acting Chief Executive Officer)
Johann Lemmer (Financial Director)

* Independent

Non-executive

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION AND PURPOSE

Shareholders are referred to the announcements released by the Company on SENS on 19 February 2016 and 23 February 2016 in terms of which Shareholders were advised that the Board intends to raise up to R104.58 million through a partially underwritten renounceable Rights Offer, which will contribute towards creating a sustainable long term capital structure for the Company.

In order to secure a portion of the funds to be raised through the Rights Offer, the Company has entered into the Underwriting Agreements with the Underwriters, in terms of which –

- the Partnership shall underwrite R25.74 million of the Rights Offer; and
- the DRZ Family Trust shall underwrite R10 million of the Rights Offer.

The Partnership and Regarding Capital Management (on behalf of clients) (collectively, “the Associated Entities”), currently own, or control, the voting rights in relation to, 19.59% and 7.89%, respectively, of the Shares in issue and are considered to be related persons in terms of the Companies Act.

In addition, these Associated Entities have undertaken to follow their rights pursuant to the Rights Offer. Depending on the outcome of the Rights Offer, there is a possibility that the combined shareholding of Associated Entities may exceed 35%.

As announced on SENS on Friday, 12 February 2016, the TRP has granted an exemption to the Associated Entities from the obligation to make a mandatory offer, following the acceptance by the majority of independent Shareholders of Sentula on Wednesday, 10 February 2016, to waive their entitlement to receive the mandatory offer.

The purpose of this Circular is to furnish Shareholders with information concerning the Rights Offer and the implications thereof in terms of the JSE Listings Requirements.

The enclosed Form of Instruction, where applicable, contains details of the rights to which Qualifying Certificated Shareholders are entitled, as well as the procedures for acceptance of rights or the sale or renunciation of their Letters of Allocation.

Qualifying Dematerialised Shareholders will be advised of their Rights Offer Entitlement as well as the procedure for acceptance of rights or the sale or renunciation of their Letters of Allocation by their CSDP or Broker.

2. NATURE OF THE BUSINESS AND PROSPECTS

The Group operates mainly in five operating segments, broadly defined as Opencast Mining Services, Overburden Drilling and Blasting, Mobile Crane Hire, Exploration Drilling and Coal Mining. The Group's strategy in the current challenging macro-economic environment is that of growth and value preservation through:

- investment in growth opportunities in its Drilling and Blasting and Mobile Crane Hire operations;
- taking advantage from secured work for its bulk earthmoving businesses through continued restructuring and limited capital expenditure to realise current equipment values;
- rightsizing the exploration business, by limiting capital expenditure and only entering into contracts where targeted returns are achievable;
- continuing to pursue opportunities to dispose of the Group's stake in Nkomati whilst re-establishing profitable mining operations without significant additional investment; and
- increasing the emphasis on overhead reduction across the Group.

The Group is targeting three key strategic objectives which is expected to re-position the business to deliver sustainable growth over the long term. These are to:

- strengthen the balance sheet;
- restructure debt; and
- grow earnings before interest, tax, depreciation and amortisation ("EBITDA").

3. RATIONALE FOR THE RIGHTS OFFER

It is expected that capital raised through the Rights Offer will allow for:

- an improved capital structure and cash flows which will provide stability to the Group's operations;
- the restructuring of Group debt to achieve an improved debt maturity and interest rate profile;
- increased profitability through restructuring of underperforming operations and investment in performing operations.

3.1 Debt restructuring

Sentula's main source of debt is a SBC merged term facility. The outstanding balance of the facility as at 1 January 2016 amounted to R74.5million.

The Group's obligations under the SBC merged term facility are secured by registered notarial bonds over the bulk of the Group's plant and equipment with a book value of R540 million. In addition, Sentula provided a cession and pledge of all the shares it holds in the Company's subsidiaries, for the due and punctual fulfilment of all obligations by the Company. The subsidiaries have subordinated all claims which they may have against one another to the claims which the lenders may have against Sentula and such other subsidiaries of Sentula.

As announced on SENS on Monday, 8 February 2016, R37.25 million of the proceeds from the Rights Offer will be utilised to reduce the SBC merged term facility by 31 March 2016. The remaining balance of the term debt of R37.25 million will be repaid as follows:

- four instalments of R3.75 million per quarter, with the first of these quarterly instalments due on 30 June 2016; and
- a final bullet payment of R22.25m on 31 March 2017.

The applicable interest rate will be the Johannesburg Interbank Agreed Rate ("JIBAR") plus a margin of 425 basis points.

3.2 Working capital finance, subsidiary restructuring cost, investment and legal costs

Working capital investment of R123 million as at 30 September 2015 is funded through an overdraft facility of R95 million. The average utilisation of the facility over this six month period amounted to 83%. The high utilisation has placed significant constraints on the ability of the Company to fund revenue growth, accommodate unexpected events and the restructuring of non-profitable operations. An estimated additional R32 million investment in working capital is required over the

next six to twelve months to allow for growth in the Group's revenue base. An estimated R8 million is required to fund restructuring costs in underperforming operations. R18 million is required for capital investment in growth opportunities in mobile crane hire and overburden drilling and blasting operations and approximately R5 million is required to finalise various pending legal matters.

3.3 **JEF**

JEF generates approximately one third of its revenue from BOMS. The other two thirds come from drilling and blasting services provided to other opencast mining companies. JEF has consistently delivered a return-on-assets in excess of 20%. As part of the executive management restructuring at BOMS, the roles of Chief Executive Officer and Chief Financial Officer of JEF were combined with those of BOMS. By combining the executive roles of the two companies, management is confident that JEF will be a direct beneficiary of the successful restructuring of BOMS. The additional working capital required as a result is estimated at R10 million over six months. In addition, JEF has completed the design to enable them to build their own customised drill rigs, which should allow it to expand its fleet of drill rigs at a fraction of the cost of new standard hard currency priced drill rigs. The investment required is estimated at R8 million.

3.4 **Ritchie**

Ritchie provides mobile crane lifting services to key clients around the Middelburg area through its fleet of 32 cranes. Its customer base is relatively stable and its safety record impeccable. It has consistently delivered a return-on-assets in excess of 15%. It has recently won a new contract from Anglo Thermal Coal and is currently in negotiations with three other large mining houses for new contracts. Based on our current estimates, Ritchie would require at least three new cranes over the next 12 months at a total estimated investment of R10 million. The additional working capital required as a result is estimated at R8 million over eight months.

3.5 **BOMS**

BOMS has a three year contract to provide contract mining services on six different Anglo American Coal sites. Contract mining work previously outsourced on some of these sites will in future again be performed by BOMS, this combined with executive staff and senior management changes will require investment in working capital. The additional working capital required to ensure successful restructuring of BOMS is estimated at R10 million over six months.

3.6 **CCT**

CCT performs contract mining services for Samancor, the second largest ferrochrome producer in the world, in the Steelpoort area on four different mining sites. CCT is currently the only opencast contract mining services supplier to Samancor's subsidiary, Eastern Chrome Mines. On two of the four sites, CCT is facing significant geological and rock formation challenges, which have resulted in these two sites consistently being mined at a loss to CCT. As a result the parties have agreed to enter into discussions with a view to restructure the current agreement. This will either require additional working capital finance or retrenchment cost funding. The finance facility required to ensure successful restructuring of CCT is estimated at R8 million over four months.

3.7 **Nkomati**

Nkomati has an off-take agreement with Glencore Alloys for all output from the mine. Operations re-commenced in November 2014. Sentula has successfully negotiated an additional off-take with Glencore which would result in increased production at the mine over the next three to six months. Open pit contract mining work previously outsourced is now being performed by BOMS. The additional working capital required is estimated at R4 million over three months.

3.8 **Legal costs**

Subsidiaries of Sentula are currently involved in various litigation matters as disclosed in the 2015 Integrated Annual Report.

Independent legal opinion obtained suggested a high probability of success in all of the matters. The Board estimates that R50–R100 million could most likely be recovered at an estimated cost of R5 million in legal fees.

3.9 Summary

In summary, capital raised through the Rights Offer will be utilised as follows:

Categories		Entities	
Debt restructuring	R37 million	Group	R47 million
Working capital finance	R32 million	JEF	R18 million
Restructuring	R8 million	Ritchie	R18 million
Capital investment	R18 million	BOMS	R10 million
Legal costs	R5 million	CCT	R8 million
General provisions and costs	R5 million	Nkomati	R4 million
Total	R105 million	Total	R105 million

4. PARTICULARS OF THE RIGHTS OFFER

4.1 Terms of the Rights Offer

Qualifying Shareholders are hereby offered the right to acquire 100 Rights Offer Shares for every 100 Shares held on the Record Date at a subscription price of 18 cents per Rights Offer Share.

To the extent that the Rights Offer is fully subscribed, a maximum of 581 005 310 Rights Offer Shares will be issued, raising R104.58 million.

The Record Date for purposes of determining which Shareholders constitute Qualifying Shareholders and are entitled to participate in the Rights Offer is Friday, 4 March 2016.

Upon issue, the Rights Offer Shares will rank *pari passu* in all respects with the existing ordinary Shares.

The Letters of Allocation in respect of the Rights Offer are negotiable and will be listed on the JSE on Monday, 29 February 2016 under JSE share code SNUN and ISIN ZAE000213187.

The Rights Offer Shares cannot be traded before such Shares are listed on the JSE on Monday, 14 March 2016.

The Rights Offer does not constitute an offer in any jurisdiction in which it is illegal to make such an offer and in such circumstances, this Circular and accompanying Form of Instruction, where applicable, are distributed for information purposes only.

The enclosed Form of Instruction, where applicable, contains details of the rights to which holders of Certificated Shares are entitled, as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those rights. Qualifying Dematerialised Shareholders will be advised of the rights to which they are entitled as well as the procedure for acceptance and/or sale and/or renunciation of all or part of those rights by their CSDP or Broker in terms of the Custody Agreement.

4.2 The Underwriting Agreements

The Company has entered into the Underwriting Agreements with the Underwriters, in terms of which –

- the Partnership shall underwrite R25.74 million of the Rights Offer; and
- the DRZ Family Trust shall underwrite R10 million of the Rights Offer.

In terms of the Underwriting Agreements, an underwriting fee equal to 3.0% of the underwritten amount will be payable by the Company to each of the Partnership and the DRZ Family Trust.

The underwriting fees are, in the opinion of the Board, not greater than the current market rate charged by independent underwriters. The underwriting fees are payable upon the Underwriters fulfilling their commitments in terms of the respective Underwriting Agreements. The Board has made due and careful enquiry to confirm that the Underwriters are able to meet their commitments in terms of the Underwriting Agreements.

4.3 Shareholder commitments

As at the Last Practicable Date, the following Shareholders have irrevocably undertaken to follow their rights in terms of the Rights Offer.

Name of shareholder	Number of ordinary shares held in Sentula before the Rights Offer	Shareholding (%)
JB Private Equity Investors Partnership	114 919 610	19.59
Regarding Capital Management, on behalf of clients	46 269 161	7.89
Total	161 188 771	27.48

In terms of the irrevocable letters of undertaking, a commission equal to 1.5% of the Rand value of the Rights Offer Shares for which they have committed to subscribe will be payable by the Company to the providers of the Irrevocable Commitments. The irrevocable commission, in the opinion of the Board, is not greater than the current market rate charged for such commissions.

4.4 Opening and closing dates of the Rights Offer

The Rights Offer will open at 09:00 on Monday, 7 March 2016, and will close at 12:00 on Friday, 18 March 2016.

4.5 Excess applications

Excess applications will not be permitted.

4.6 JSE Listings

The Issuer Regulation Division of the JSE has granted listings for:

- 581 005 310 Letters of Allocation with code: SNUN and ISIN ZAE000213187 with effect from 09:00 on Monday, 29 February 2016, to the close of business on Friday, 11 March 2016 (both days inclusive); and
- 581 005 310 Rights Offer Shares with effect from the commencement of trade on Monday, 14 March 2016.

4.7 Minimum subscription

The Rights Offer is not conditional on any minimum subscription being obtained.

5. ACTION REQUIRED

5.1 Procedures for acceptance of Rights Offer Entitlements

5.1.1 *In respect of Qualifying Certificated Shareholders*

Qualifying Certificated Shareholders who wish to subscribe for only a portion of their Rights Offer Entitlement must indicate the number of Rights Offer Shares for which they wish to subscribe on the accompanying Form of Instruction.

Payment of the Rand value of the Subscription Price may be made -

- by cheque (crossed "not transferable" and with the words "or bearer" deleted) made payable to Sentula-Rights Offer Account;
- by bankers' draft (drawn on a registered bank in the RSA) payable to Sentula-Rights Offer Account; or
- by EFT into the Designated Bank Account.

Properly completed Forms of Instruction together with the cheque (crossed "non-transferable" and with the words "or bearer" deleted), bankers' drafts (drawn on a registered bank in South Africa) or valid EFT Reference Document, in payment of the Rights Offer Shares being taken up must reach the Transfer Secretaries by no later than 12:00 on Friday, 18 March 2016.

Payment in compliance with this paragraph will, once the cheque or bankers' draft has been cleared for payment or the EFT has reflected in the Designated Bank Account, constitute an irrevocable acceptance of the Rights Offer upon the terms and conditions set out in this Circular and in the Form of Instruction. Should any cheque or bankers' draft be dishonoured, Sentula, in its sole discretion, may treat the acceptance of the Form of Instruction by the acceptor concerned as void.

If any Form of Instruction, cheque, bankers' draft or EFT is not received as set out above, the Shareholder or Renounee concerned will be deemed to have declined the offer to acquire Rights Offer Shares pursuant to the Rights Offer.

If the required documentation and payment have not been received in accordance with the instructions contained in this Circular and the Form of Instruction (either from the Qualifying Shareholder or from any Renounee), then the Rights Offer Entitlement and the relevant number of unsubscribed Rights Offer Shares will be deemed to have been declined and the Rights Offer Entitlement will lapse.

Qualifying Certificated Shareholders are advised to take into consideration postal delivery times when posting their Forms of Instruction, as no late postal deliveries will be accepted. Shareholders are advised to deliver their completed Forms of Instruction together with their bank-guaranteed cheques, bankers' drafts or EFT Reference Document by hand or by courier, where possible.

5.1.2 ***In respect of Qualifying Dematerialised Shareholders***

Qualifying Dematerialised Shareholders will not receive a printed Form of Instruction but should receive notification from their CSDP or Broker regarding the rights to which they are entitled in terms of the Rights Offer.

Qualifying Dematerialised Shareholders who wish to follow all or part of their rights in respect of the Rights Offer, are required to notify their duly appointed CSDP or Broker accordingly in the manner and by the time stipulated in the Custody Agreement.

If the required documentation and payment have not been received in accordance with the instructions contained in this Circular (either from the Qualifying Shareholder or from any Renounee) then the Rights and the relevant number of unsubscribed Rights Offer Shares will be deemed to have been declined and the Rights Offer Entitlement will lapse.

Sentula does not take responsibility and will not be held liable for any failure on the part of any CSDP or Broker to notify Qualifying Dematerialised Shareholders of the Rights Offer and/or to obtain instructions from them to subscribe for the Rights Offer Shares and/or to sell the Letters of Allocation.

5.2 **Procedures for sale or renunciation of Rights Offer Entitlement**

5.2.1 ***In respect of Qualifying Certificated Shareholders***

Qualifying Certificated Shareholders who do not wish to subscribe for all of their Rights Offer Entitlement (as reflected in the Form of Instruction), may either dispose of or renounce all or part of their Rights Offer Entitlement as follows:

- Qualifying Certificated Shareholders who wish to **sell** all or part of their Rights Offer Entitlement, must complete Form A of the enclosed Form of Instruction and return it to the Transfer Secretaries to be received by no later than 12:00 on Friday, 11 March 2016. Note that the Transfer Secretaries will endeavour to procure the sale of rights on the JSE on the Shareholder's behalf and remit the net proceeds thereof in accordance with the instructions received, provided that such proceeds are not less than R1. Please note that the closer to the deadline that you instruct the Transfer Secretaries to sell your Letters of Allocation, the less opportunity the Transfer Secretaries will have to sell your Letters of Allocation on the JSE at a profit or at all. In this regard, neither the Transfer Secretaries nor Sentula will have any obligation or be responsible for any loss or damage whatsoever in relation to or arising from the timing of such sales, the price obtained, or the failure to dispose of such entitlements; and

- Qualifying Certificated Shareholders who wish to **renounce** their Rights Offer Entitlement in favour of any named Renounee, must complete Form B of the enclosed Form of Instruction, and the Renounee must complete Form C of the enclosed Form of Instruction and return it to the Transfer Secretaries, to be received by no later than 12:00 on Friday, 18 March 2016, together with a bank-guaranteed cheque, bankers' draft or EFT Reference Document reflecting the appropriate amount. Renounees must attach a certified true copy of their Identification Document to the Form of Instruction, where Forms B and C are completed.

5.2.2 ***In respect of Qualifying Dematerialised Shareholders***

Qualifying Dematerialised Shareholders should timeously instruct their CSDP or Broker as to whether they wish to subscribe for all or part of their Rights Offer Entitlement, or sell all or part of their Rights Offer Entitlement or renounce all or part of their Rights Offer Entitlement, in the manner and by the time stipulated in the Custody Agreement. If they do not so instruct their CSDP or Broker in the manner as set out in their Custody Agreement, then the Rights Offer Entitlement and the relevant number of unsubscribed Rights Offer Shares will be deemed to have been declined and the Rights Offer Entitlement will lapse.

5.3 **Payment**

5.3.1 ***Payment procedure for Qualifying Certificated Shareholders***

The amount due on acceptance of the Rights Offer is payable in full in Rand and may be made by:

- bank guaranteed cheque (crossed "not transferable" and with the words "or bearer" deleted) made payable to Sentula Rights Offer Account;
- bankers' draft (drawn on a registered bank in South Africa) payable to Sentula Rights Offer Account; or
- EFT into the Designated Bank Account.

The cheque, bankers' draft or EFT Reference Document in respect of the total amount due, together with a properly completed Form of Instruction, should be clearly marked "**Sentula -Rights Offer**" so as to reach the Transfer Secretaries by no later than 12:00 on Friday, 18 March 2016.

Please note that the Transfer Secretaries will affect delivery of share certificates against payment and should a cheque, banker's draft or EFT Reference Document not accompany the Form of Instruction, the application will be treated as invalid.

No acknowledgement of receipt will be given for a cheque, banker's draft or EFT received in accordance with the Rights Offer.

Blocked Rand may be used by emigrants and Non-residents of the Common Monetary Area for payment in terms of the Rights Offer. In this regard, reference should be made to paragraph 6, which deals with Exchange Control Regulations.

5.3.2 ***Payment procedure for Qualifying Dematerialised Shareholders***

Qualifying Dematerialised Shareholders must timeously instruct their CSDP or Broker as to the action they must take to enable the CSDP or Broker to act on their behalf in terms of the Custody Agreement.

5.4 **Lapsing of Rights**

Qualifying Shareholders who do not take up their Rights Offer Entitlements will continue to own the same number of Shares, but their percentage holding in Sentula will be diluted.

Subject to exceptions applicable to those Shareholders domiciled in Excluded Territories, rights not exercised will be deemed to have been declined and will lapse and the relevant Qualifying Shareholder shall not receive any economic benefit in respect of such lapsed rights.

6. **EXCHANGE CONTROL REGULATIONS**

Non-residents must be aware that any acquisition or transfer of the Rights Offer Shares and Letters of Allocation will have to be dealt with in terms of the Exchange Control Regulations, a guideline of which is set out below. The following guideline is not a comprehensive statement of Exchange Control Regulations. If Shareholders (or their Renounees) are in any doubt as to the action they must take, they are advised to consult their professional advisers immediately.

In terms of the Exchange Control Regulations, Non-residents, excluding former residents of the Common Monetary Area (“emigrants”), will be allowed to:

- take up the Rights Offer Entitlement;
- purchase Letters of Allocation on the JSE; and
- subscribe for Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE;

provided payment is received either through normal banking channels from abroad or from a Non-resident account.

All applications by Non-residents for the above purposes must be made through an authorised dealer in foreign exchange. Electronic statements issued in terms of Strate and any Rights Offer Share certificates issued pursuant to such applications will be endorsed “Non-resident”.

Where a Rights Offer Entitlement in terms of the Rights Offer falls due to an emigrant, which Rights Offer Entitlement is based on shares blocked in terms of the Exchange Control Regulations, only Blocked Rands may be used to take up these Rights Offer Shares and may be used to:

- take up the Rights Offer Entitlement allocated to them in terms of the Rights Offer;
- purchase Letters of Allocation on the JSE; and
- subscribe for the Rights Offer Shares arising in respect of the Letters of Allocation purchased on the JSE.

All applications by emigrants using Blocked Rands for the above purposes must be made through the authorised dealer in South Africa controlling their blocked assets. Electronic statements issued in terms of Strate and Rights Offer share certificates issued to such emigrants, will be endorsed “Non-resident” and placed under the control of the authorised dealer through whom the payment was made.

The proceeds arising from the sale of Letters of Allocation or arising from the sale of blocked Rights Offer Shares will be credited to the Blocked Rand accounts of the emigrant concerned.

Any Shareholder resident outside the Common Monetary Area who receives this Circular and Form of Instruction, should obtain advice as to whether any governmental and/or any other legal consent is required and/or any other formality must be observed to enable such a subscription to be made in terms of such Form of Instruction.

The use of proceeds for investments outside the Common Monetary Area requires prior approval of the Financial Surveillance Department.

7. OTHER RELEVANT CONSIDERATIONS FOR NON-RESIDENTS

The Rights Offer does not constitute an offer in the Excluded Territories and this Circular and Form of Instruction should not be forwarded or transmitted by you to any person in any territory other than where it is lawful to make such an offer.

Although Letters of Allocation may be credited to the CSDP or Broker securities accounts of Dematerialised Shareholders registered as such on the Record Date: (i) with a registered address, or resident, in one of the Excluded Territories, (ii) in the United States or (iii) with a registered address, or who hold on behalf of persons located in the United States, or who hold on behalf of any person on a non-discretionary basis who is in the United States, or any state of the United States, such crediting of Letters of Allocation do not constitute an offer to Restricted Shareholders and such Restricted Shareholders will not be entitled to take up or transfer Letters of Allocation in the Rights Offer or acquire Rights Offer Shares unless such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Restricted Shareholders should consult their professional advisers to determine whether any governmental or other consents are required or other formalities need to be observed to allow them to take up the Rights Offer, or trade their Rights Offer Entitlements and Letters of Allocation. Shareholders holding Shares on behalf of persons who are Restricted Shareholders are responsible for ensuring that taking up the Rights Offer, or trading in their entitlements under that offer, do not breach regulations in the relevant overseas jurisdictions.

Specific restrictions relating to certain jurisdictions are set out below.

7.1 Member states of the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) with effect from and including the relevant implementation date, no Rights Offer Shares or Letters of Allocation have been offered or will be offered pursuant to the Rights Offer to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Rights Offer Shares or Letters of Allocation which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, except that, with effect from and including the relevant implementation date, offers of Rights Offer Shares or Letters of Allocation which will be made in that Relevant Member State:

- to any person or legal entity which is a qualified investor as defined under the Prospectus Directive;
- to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State subject to obtaining the prior consent of the Managers; or
- in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such Rights Offer Shares or Letters of Allocation shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this paragraph, the expression “an offer of Rights Offer Shares or Letters of Allocation to the public” in relation to any Rights Offer Shares or Letters of Allocation in any Relevant Member State means the communication, in any form and by any means, of sufficient information on the terms of the Rights Offer and the Rights Offer Shares and Letters of Allocation to be offered, so as to enable an investor to decide to purchase or subscribe for the Rights Offer Shares or Letters of Allocation, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State. The expression “Prospectus Directive” means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

In the case of any Rights Offer Shares or Letters of Allocation being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the Rights Offer Shares or Letters of Allocation acquired by it in the Rights Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in a Relevant Member State in circumstances which may give rise to an offer of any Rights Offer Shares or Letters of Allocation to the public other than their offer or resale in a Relevant Member State to qualified investors as defined under the Prospectus Directive.

The Company and its affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

7.2 United Kingdom

This Circular is only being distributed to, and is only directed at, persons in the United Kingdom who are “qualified investors” as defined in Section 86(7) of the Financial Services and Markets Act 2000, as amended (the “FSMA”) or otherwise in circumstances which do not require the publication by the Company of a prospectus pursuant to section 85(1) of the FSMA.

In the United Kingdom, this Circular is only being distributed to, and is only directed at, and any investment or investment activity to which this Circular relates is available only to, and will be engaged in only with, persons (i) having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”); or (ii) who are high net worth entities falling within Article 49(2)(a) to (d) of the Order, or (iii) other persons to whom it may otherwise be lawfully communicated (all such persons together being referred to as “relevant persons”). Persons who are not relevant persons should not take any action on the basis of this Circular and should not act or rely on it.

Persons located in the United Kingdom who satisfy such requirements will be able to exercise their rights under the Rights Offer provided that any such person, by subscribing for all or some of their Rights Offer Entitlement, will be deemed to represent, warrant, agree and confirm that such person is a “qualified investor” as defined in Section 86(7) of the FSMA and a relevant person.

7.3 Canada, Australia and the Republic of Ireland

This Circular will not be sent and should not be forwarded to Shareholders with registered addresses in Canada, Australia or the Republic of Ireland. Letters of Allocation may not be transferred, sold or delivered in or into any of Canada, Australia or the Republic of Ireland.

The Letters of Allocation have not been and will not be registered under the Securities Act of Canada or with any security regulatory authority of any state or other jurisdiction in Canada and, subject to certain exceptions, may not be offered or sold within Canada.

In addition, due to restrictions under the securities laws of Australia and the Republic of Ireland, no offer of the Letters of Allocation are being offered nor is the Rights Offer being made in terms of this circular to Shareholders with registered addresses in, or to residents of Australia or the Republic of Ireland.

7.4 United States of America

This Circular, the Letters of Allocation and the Rights Offer Shares have not been approved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of such regulatory authorities passed upon or endorsed the merits of the Rights Offer or the accuracy or adequacy of this Circular. Any representation to the contrary is a criminal offence in the United States.

The Letters of Allocation and the Rights Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States, except pursuant to exemptions from the U.S. Securities Act.

Accordingly, the Company is not offering the Letters of Allocation or the Rights Offer Shares into the United States unless an exemption from the registration requirements of the U.S. Securities Act is available and, subject to certain exceptions, this Circular does not constitute nor will it constitute an offer or an invitation to apply for, or an offer or an invitation to acquire, any Letters of Allocation or Rights Offer Shares in the United States. Subject to certain exceptions, this Circular will not be sent to any Shareholder in, or with a registered address in, the United States.

Subject to certain exceptions, any person who acquires Letters of Allocation or Rights Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Circular, exercising their rights, selling or renouncing their Letters of Allocation or accepting delivery of the Letters of Allocation or the Rights Offer Shares that it is not, and that at the time of acquiring the Letters of Allocation or the Rights Offer Shares it will not be, in the United States or acting on behalf of, or for the account or benefit of, a person on a non-discretionary basis in the United States or any state of the United States.

In addition, until 40 days after the commencement of the Rights Offer, an offer, sale or transfer of the Rights Offer Shares or the Letters of Allocation within the United States by a dealer (whether or not participating in the Rights Offer) may violate the registration requirements of the U.S. Securities Act.

7.5 Notice to New Hampshire Residents

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES (“RSA”) WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

8. SOUTH AFRICAN LAW

The offer under this Circular is only being made to Qualifying Shareholders of the Company, and their renounees and as such will not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and subscribe for, shares to the public as defined in the Companies Act, or otherwise. All transactions arising from the provisions of this Circular and the accompanying Form of Instruction shall be governed by and be subject to the laws of South Africa.

9. TAX CONSEQUENCES

Shareholders are advised to consult their professional advisers regarding the tax implications of the Rights Offer.

10. DOCUMENTS OF TITLE

Share certificates to be issued to Qualifying Certificated Shareholders pursuant to the Rights Offer will be posted to persons entitled thereto by registered post, at the risk of the Shareholders concerned (or their Renounees), on or about Tuesday, 22 March 2016.

Qualifying Certificated Shareholders (or their Renounees) receiving new Certificated Shares must note that they will not be able to trade such Shares on the JSE until these Shares have been Dematerialised, which could take between 1 (one) and 10 (ten) days, depending on the volumes being processed at the time.

Qualifying Dematerialised Shareholders (or their Renounees) will have their accounts updated at their CSDP or Broker in respect of the Rights Offer Shares to be issued to them on or about Tuesday, 22 March 2016.

CSDPs will effect payment on a "delivery versus payment basis" in respect of the holders of Dematerialised Shares (or their Renounees).

11. SHARE CAPITAL

11.1 Sentula's authorised and issued share capital as at the Last Practicable Date is set out in the table below.

	R'm
<i>Authorised</i>	
2 000 000 000 ordinary shares of no par value	–
<i>Issued</i>	
586 559 181 ordinary shares of no par value	5 866
Treasury shares	
5 553 871 ordinary shares of no par value	56

Treasury shares comprise approximately 1% of Sentula's issued share capital. The treasury shares will not have any rights allocated to them pursuant to the Rights Offer.

11.2 Major Shareholders

At the Last Practicable Date, to the best of the Directors' knowledge and belief, the following Shareholders, are beneficially interested in 5% or more of the issued share capital of Sentula:

	Number of Shares held	Percentage held (%)*
JB Private Equities Investor Partnership	114 919 610	19.59
Peregrine Group	41 992 077	7.16
Regarding Capital Management, on behalf of clients	33 094 284	5.64
Allan Gray	32 109 023	5.47
Nedbank Group	30 187 301	5.15
TOTAL	252 302 295	43.01

*Including treasury shares

12. DIRECTORS

12.1 Directors' information

The full names, qualifications and business address of the Directors is included in Annexure 1.

The following directors resigned within the 18 months prior to the Last Practicable Date:

- Jonathan Best, who was the chairman of the Board, resigned on 8 August 2014.
- Nomfundo Qangule, who was an independent non-executive director, resigned on 2 October 2014;
- Robin Berry, who was the Chief Executive Officer, resigned on 7 October 2015.

Brief profiles on each of the Directors are included in Annexure 1 to this Circular. A complete list of other directorships held by the Directors is also included in Annexure 1. All Directors are South African citizens.

None of the Directors have been convicted of an offence involving dishonesty, declared bankrupt, insolvent or entered into voluntary compromise of arrangements, nor have they been publicly criticised by any statutory or regulatory authorities or disqualified by a court from acting as a director, manager or conducting the affairs of a company.

There were no business rescue plans and/or resolutions proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of Section 129(7) of the Act, receiverships, compulsory liquidations, creditors' voluntary liquidations, administrations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors in any company where any Director is, or was within 12 months preceding such events, a director with an executive function of such company.

The composition of the Board will not be varied as a result of the Rights Offer.

12.2 Interest of Directors

At the Last Practicable Date (and following implementation of the Rights Offer), the following Directors of Sentula (and their associates), including those directors who have resigned during the last 18 months, held, in aggregate, directly and indirectly, approximately 20.48% of the issued Shares, as follows:

	Number of shares			Percentage*
	Direct beneficial	Indirect beneficial	Total	
JC Lemmer	1 540 000	–	1 540 000	0.26%
DR Zihlangu	3 000 000	–	3 000 000	0.51%
J Badenhorst (appointed 8 May 2015)	–	115 559 138	115 559 138	19.70%
Total	4 540 000	115 559 138	120 099 138	20.48%

Each of the Directors have indicated that they intend to follow their rights allocated.

12.3 Directors' interests in transactions

Save as set out below, no Director (including any director who has resigned in the last 18 months) has or had any beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of Sentula and which was effected by Sentula during the current financial year or the immediately preceding financial year or in respect of any previous financial year which remains in any respect outstanding or unperformed:

- DR Zihlangu is a trustee and beneficiary of the DRZ Family Trust; and
- J Badenhorst is a trustee of the Partnership.

12.4 Directors' remuneration and terms of appointment

The remuneration of the Directors will not be varied as a result of the Rights Offer.

None of the service contracts in place between Sentula (or any other entities within the Group) and the Directors contain any terms or conditions that are abnormal in nature.

For the financial year ended 31 March 2015, emoluments paid to the Directors (including directors of major subsidiaries) were as follows:

Amounts in Rands	Directors' fees	Basic salary	Retirement benefits	Other benefits	LTIP	Discretionary performance bonuses	Total
Executive Directors							
RC Berry (resigned 7 October 2015)		4 327 000	–	384 000	283 000	–	4 994 000
JC Lemmer		2 028 000	–	39 000	104 000	570 000	2 741 000
JH Pieterse (resigned 31 May 2014)		285 083	–	74 771	–	772 637	1 132 491
JP Minnaar		1 790 936	–	449 156	136 896	737 692	3 114 680
JC Beyers		1 782 470	–	457 622	136 896	737 692	3 114 680
PL Van Vuuren (appointed 1 May 2014 resigned 10 November 2015)		2 520 000	–	263 160	154 560	–	2 937 720
ML De Jager (appointed 7 August 2014 resigned 3 December 2015)		2 054 850	–	122 808	127 788	–	2 305 446
GH van Heerden (resigned 1 May 2014)		713 776	–	559 211	–	–	1 272 987
E Devenish (resigned 31 July 2014)		556 618	–	389 800	–	70 280	1 016 698
Non-Executive Directors							
JG Best (resigned 8 August 2014)	187 000	–	–	–	–	–	187 000
RB Patmore (Chairman)	449 000	–	–	–	–	–	449 000
DR Zihlangu	380 000	–	–	–	–	–	380 000
SP Naude (appointed 27 May 2014)	291 000	–	–	–	–	–	291 000
NV Qangule (appointed 27 May 2014; resigned 2 October 2014)	123 000	–	–	–	–	–	123 000
ME Gama	59 000	–	–	–	–	–	59 000
	1 489 000	16 058 733	–	2 739 528	943 140	2 888 301	24 118 702

Save for the above, no management, consulting, technical or other fees are paid, either directly or indirectly, to Directors and/or management companies, a part of which is thereafter paid to Directors.

No expense allowances or other material benefits (including commissions, gains or profit-sharing agreements), other than as set out above, are paid or payable to Directors.

Sentula executive directors received LTIP bonuses. These bonuses were in relation to the 2014 financial year, but paid in 2015.

Jacques Badenhorst was appointed as the acting Chief Executive Officer on 7 October 2015, pending the identification and appointment of a new Chief Executive Officer, at a remuneration package of R206 670 per month.

12.5 Executive management

The composition of the executive management team will not be varied as a result of the Rights Offer.

The full names, current functions and addresses of the senior management of Sentula (and its subsidiaries) other than the executive Directors, are set out below:

Full name	Capacity	Business Address
Ina Cross	Group Company Secretary and Legal Adviser	Ground Floor Building 14
Catherine Wolmarans	Group Financial Manager and Treasurer	Woodlands Office Park
Khumo Mphake	Group Manager: Transformation and Human Resources	Woodmead Johannesburg 2080
Wimpie Greyling	Chief Executive Officer, CCT and Nkomati	
Jaap Beyers	Chief Executive Officer, JEF and BOMS	
Zander Potgieter	Chief Financial Officer, JEF and BOMS	
Danie Jacobs	Chief Executive Officer, Ritchie	
Ernst Laubscher	Chief Financial Officer, Ritchie	

13. ESTIMATED EXPENSES OF THE RIGHTS OFFER

The estimated expenses of the Rights Offer, excluding VAT are as follows:

Nature of expense	Paid/payable to	R'000
Sponsor fee and corporate advisory fee	Questco	300
JSE listing fee	JSE	27
JSE documentation fee	JSE	50
Printing, Publication and distribution	Ince	30
Transfer Secretaries, Strate and Exchange Control Fees	Computershare, Strate and RMB	25
Underwriting commission	DRZ Family Trust	300
	The Partnership	772
Irrevocable commission payable in respect of the irrevocable undertaking	JB Equities Investor Partnership	310
	Regarding Capital Management	125
TRP documentation inspection fee	TRP	50
Miscellaneous		11
Total		2000

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names are given in Annexure 1 of this Circular, collectively and individually accept full responsibility for the accuracy of the information given in this Circular and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statements false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by law and the JSE Listings Requirements.

15. **ADVISERS' CONSENTS**

The Transfer Secretaries and the Corporate Adviser and Sponsor, whose names appear on the inside front cover, have consented in writing to act in the capacity stated and to the inclusion of their names in this Circular in the form and context in which they appear and have not withdrawn their consent prior to the publication of this Circular.

16. **LITIGATION STATEMENT**

During the 2013 financial year, Megacube instituted legal action proceedings against Keaton Mining Proprietary Limited for the recovery of R41.5 million owing to Megacube for work performed on their Vanggatfontein operation. Subsequent to the above claim, a demand for payment of R119.9 million was brought against Megacube in respect of an alleged breach of contract and sub-standard mining practices adopted by Megacube, which allegedly resulted in coal losses. A date for the arbitration has been set for 29 February 2016 to 11 March 2016. The Company and its attorneys believe that there is a strong case in support of the initial claim, and that there is a good defence against the alleged counterclaim and are not able to estimate the probable loss or possible loss.

Furthermore, as part of the winding up process in the insolvent estate of the Golden Autumn Trust (Jason Holland's Family Trust) the trustees (plaintiffs) instituted action against Argent Industrial (defendant) for R8.8 million plus interest. Thereafter, Argent delivered a third party notice claiming R8.8 million and interest against Sentula, alternatively Megacube.

On 4 March 2015, judgement was granted in favour of the plaintiff for payment of R8.8 million with interest, as well as costs, which costs included the cost of two counsel.

The defendant's claim against Sentula and/or Megacube was dismissed with costs, which costs included the cost of two counsel. Argent applied for leave to appeal which was granted on 8 May 2015. Notice of Appeal was delivered and application for a date for the hearing of the appeal was made.

The Group is currently disputing income tax administration penalties and interest raised by SARS. SARS is of the opinion that the CCT did not perform mining activities and subsequently did not qualify for mining capital allowances claimed during the period 2008 to 2011. SARS has commenced legal action against CCT. SARS claims a total of R18 million excluding interest, of which R13 million relates to tax on disallowed mining allowances and a further R4.5 million in understatement penalties. The matter was referred to the Tax Court and the parties are in the process of preparing and serving the relevant documents. Indications are that the matter will be heard during the 2016.

Other than as disclosed above, the Group is not party to any legal or arbitration proceedings, nor, as far as the directors of the Group are aware and there any legal or arbitration proceedings pending or threatened against the Group, which may have, or have had in the 12 months preceding the date of this Circular, a material effect on the Group's financial position.

17. **MATERIAL CHANGES**

The Directors confirm that, save for the effects of the Disposal, to the best of their knowledge and belief, there have been no material changes in the assets or liabilities of the Company or any subsidiary that have occurred between:

- the end of the financial year of the Company, or any subsidiary of the Company, in respect of its annual financial statements, being 31 March 2015, and its most recent reviewed condensed consolidated interim results, being 30 September 2015; and
- the Last Practicable Date.

18. **MATERIAL CONTRACTS**

Save for the Disposal Agreement (the details pertaining to which are included in the definition of "Disposal Agreement" in the definitions section of the Circular) and the Underwriting Agreements, there have been no material contracts entered into by the Company, other than in the ordinary course of business within the two years prior to the date of the Circular, or entered into at any time and containing an obligation or settlement that is material to Sentula or its subsidiaries at the Last Practicable Date.

19. CORPORATE GOVERNANCE

The Directors are committed to the principles of openness, integrity and accountability and the provision of timeous, meaningful reporting to stakeholders.

20. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection at the registered office of Sentula at the address indicated in the "Corporate Information" section of this Circular, during normal business hours, from the date of this Circular up to and including 18 March 2016:

- the Memorandum of Incorporation, as well as the memoranda of incorporation of the Company's subsidiaries;
- the audited consolidated annual financial statements of Sentula for the three consecutive financial years ended 31 March 2013, 31 March 2014 and 31 March 2015;
- the letters of consent from the Transfer Secretaries and the Corporate Adviser and Sponsor referred to in paragraph 15;
- the signed Circular and the Form of Instruction;
- the power of attorneys signed by the Directors;
- the Partnership Underwriting Agreement 1;
- the Partnership Underwriting Agreement 2;
- the DRZ Family Trust Underwriting Agreement;
- directors service contracts;
- the signed irrevocable undertaking from JB Private Equity Investors Partnership; and
- the signed irrevocable undertaking from Regarding Capital Management, on behalf of its clients.

SIGNED BY JC LEMMER ON 1 MARCH 2016 IN WOODMEAD FOR AND ON BEHALF OF ALL THE OTHER DIRECTORS, IN TERMS OF POWERS OF ATTORNEY GRANTED TO HIM BY SUCH DIRECTORS

Johann Lemmer

Financial Director

Woodmead

INFORMATION ON DIRECTORS

The abridged *curricula vitae* of the Directors are included below:

Director	Business address	Abridged <i>Curricula Vitae</i>
<p>Ralph Patmore BCom (Wits), MBL (SBL) (UNISA), Stanford Executive Programme (Stanford University, USA), Accredited Associate of the Institute for Independent Business International</p>	<p>Ground Floor Building 14 Woodlands Office Park Woodmead Johannesburg 2080</p>	<p>Independent non executive chairman</p> <p>Ralph obtained his BCom and MBL from the University of the Witwatersrand and Unisa Graduate School of Business Leadership respectively, and was the co-founder of Iliad Africa Limited, a listed company focused on building materials, where he served as Chief Executive Officer for 10 years.</p> <p>He has also served as Managing Director to various companies and held the position of director on the board of Group Five Limited, a listed company operating in the integrated construction services and materials sector.</p> <p>Ralph is the Chairman of the Board, Chairman of the Nomination Committee, the Chairman of the Investment Committee and a member of the Remuneration Committee.</p>
<p>Dalikhanya “Rain” Zihlangu BSc (Mining) Engineering, MBA</p>	<p>Ground Floor Building 14 Woodlands Office Park Woodmead Johannesburg 2080</p>	<p>Independent non-executive director</p> <p>Rain obtained his degree in Mining Engineering through the University of the Witwatersrand in 1989 to become the second black mining engineer in South Africa. He joined the Anglo American Corporation graduate training programme at Vaal Reefs Exploration and Mining Company and obtained his mine manager’s government certificate of competence. His professional membership includes South African Institute of Mining and Metallurgy, Engineering Council of South Africa and Association of Mine Managers of South Africa.</p> <p>Rain is a member of the Audit and Risk Committee, the Investment Committee, the Remuneration Committee and the Nomination Committee.</p>

Director	Business address	Abridged <i>Curricula Vitae</i>
<p>Stephen (Steve) Naudé BCom (Wits), CA(SA), MBA (Chicago Booth)</p>	<p>Ground Floor Building 14 Woodlands Office Park Woodmead Johannesburg 2080</p>	<p>Independent non-executive director</p> <p>Steve is a chartered accountant and obtained his MBA from the University of Chicago Graduate School of Business. Steve has more than 30 years' experience in corporate finance and investment banking in both the domestic and cross-border markets. Currently Steve is a non-executive director and Audit Committee Chairperson of a private technology company and non-executive director of a listed company. He is also a member of the Institute of Directors South Africa.</p> <p>He is the Chairman of the Audit and Risk committee and the Chairman of the Remuneration Committee and a member of the Nomination Committee.</p>
<p>Mdu Gama BCom (Accounting) (University of Lesotho), MBA (University of Durban – Westville), PhD (University of Johannesburg)</p>	<p>Ground Floor Building 14 Woodlands Office Park Woodmead Johannesburg 2080</p>	<p>Independent non-executive director</p> <p>Mdu is an accountant with 10 years' experience in the financial and business sector. Currently, Mdu is a non-executive director of a listed company and serves as Chairperson and Executive Committee member of a number of private companies.</p> <p>He is a member of the Audit and Risk Committee.</p>
<p>Jacques Christiaan Badenhorst BCom (Honours) (UNISA), CA(SA)</p>	<p>Ground Floor Building 14 Woodlands Office Park Woodmead Johannesburg 2080</p>	<p>Acting Chief Executive Officer</p> <p>Jacques is a chartered accountant with 20 years' experience in the financial services sector and has served as an independent non-executive director of a listed company. He is a director of various entities where he provides advice to investment companies on restructuring, corporate finance, mergers and acquisitions and debt capital markets.</p>
<p>Johann (JC) Casper Lemmer CA(SA)</p>	<p>Ground Floor Building 14 Woodlands Office Park Woodmead Johannesburg 2080</p>	<p>Financial Director</p> <p>Johann is a chartered accountant with more than 10 years' experience. Prior to his appointment in 2012 as Chief Financial Officer of the Geosearch Group of Companies ("Geosearch"), a wholly owned subsidiary of Sentula, he was an audit partner at BDO.</p> <p>He attends various Board committee meetings <i>ex officio</i>.</p>

Other directorships

The table below sets out the names of the companies and other entities of which the Directors are or have been directors, members or partners during the five years preceding the Last Practicable Date.

Director	Directorships/Trustee/Associate	Registration number	Status
Jacques Christiaan Badenhorst	Odin Trading CC	1990/024278/23	Company Deregistered
	Sweet Waters Properties 39 CC	2004/009838/23	In Business
	Modderbee Project Developers Proprietary Limited	2013/093611/07	In Business
	JB Capital Proprietary Limited	2014/129256/07	In Business
	Toad Capital Investments Proprietary Limited	2009/015225/07	In Business
	Clorpique 241 Proprietary Limited	2009/020114/07	In Business
	JB Trust	IT0214258/2014	In Business
Johann Casper Lemmer	Varsity Property Ventures Proprietary Limited	2013/161805/07	In Business
	BDO South Africa Incorporated	1999/002310/21	In Business
	Loots Trust	IT4679/2012	In Business
Ralph Patmore	Moma Marketing CC	2004/031813/23	In Business
	EP Capital Finance CC	2006/139637/23	In Business
	Lull Storm Trading Proprietary Limited	2011/145860/07	In Business
	Summertime Enterprises Proprietary Limited	2013/070150/07	In Business
	Everite Irrigation Proprietary Limited	1905/035622/07	Final Deregistration
	Delta Roofing Proprietary Limited	1974/001980/07	In Business
	ARB Holdings Proprietary Limited	1986/002975/07	In Business
	Mustek Proprietary Limited	1987/070161/07	In Business
	PSV Holdings Proprietary Limited	1998/004365/07	In Business
	Zelpy 1977 Proprietary Limited	2003/013119/07	In Business
	Accentuate Proprietary Limited	2004/029691/07	In Business
	Calgro M3 Holdings Proprietary Limited	2005/027663/07	In Business
	Erbacon Investment Holdings Proprietary Limited	2007/014490/07	Deregistration process
	Aptophase Proprietary Limited	2010/009852/07	AR Final Deregistration
	The Strategy Shop Proprietary Limited	2011/007926/07	Deregistration process

Director	Directorships/Trustee/Associate	Registration number	Status
Stephen Naude	Street Investments CC	1987/025245/23	AR Final Deregistration
	Charmaine Management Proprietary Limited	1955/002861/07	AR Final Deregistration
	One Chapman's Peak Holdings Proprietary Limited	1982/005444/07	Dissolved
	Charmaine Investments Proprietary Limited	1989/005227/07	AR Final Deregistration
	CIBCF Investments Proprietary Limited	1990/001761/07	AR Final Deregistration
	Teksbou Building and Mining Supplies Proprietary Limited	1990/006668/07	Dissolved
	Laingstraat Eiendomme Proprietary Limited	1990/006901/07	In Business
	Coshelf NO 70 Proprietary Limited	1997/003116/07	AR Final Deregistration
	Anhorprops 78 Proprietary Limited	2000/005323/07	Deregistration final
	Sizwe Africa IT Group Proprietary Limited	2000/02058/07	In Business
	Aardvark Partners Limited – UK	5098563	In Business
	Variable Pitch Partners	OC362230	In Business
	Digicore Holdings Limited	1998/012601/06	In Business
Mdu Gama	Safeway Trade and Invest 1013 Proprietary Limited	2008/116358/07	In Business
	Mustek Proprietary Limited	1987/070161/07	In Business
	Nano Investments Holdings Proprietary Limited	1997/005811/07	Deregistration final
	Kwamashu Community Village Proprietary Limited	1998/002360/07	deregistration process
	Bokamoso Technology Consulting Proprietary Limited	1999/022582/07	AR deregistration
	Kayloi Proprietary Limited	2000/012043/07	Deregistration final
	Resultant Finance Proprietary Limited	2002/020588/07	In Business
	Majestic Warrior Investments 13 Proprietary Limited	2003/011423/07	Deregistration final
	Mdugama Investments Proprietary Limited	2003/015436/07	In Business
	Calgro M3 Holdings Proprietary Limited	2005/027663/07	In Business
Xpedia Innovations Proprietary Limited	2005/040216/07	Deregistration final	

Director	Directorships/Trustee/Associate	Registration number	Status
Dalikhaya Rain Zihlangu	Exxaro Resources Proprietary Limited	2000/011076/07	In Business
	Zihlangu Investments Proprietary Limited	2002/016889/07	In Business
	Eyabantu Capital Proprietary Limited	2003/011672/07	In Business
	Main Street 333 Proprietary Limited	2005/025692/07	In Business
	Eyabantu Capital Consortium Proprietary Limited	2005/031587/07	In Business
	Eyabantu Investment Holdings Proprietary Limited	2005/043147/07	In Business
	Eyabantu Petroleum Proprietary Limited	2006/001878/07	In Business
	Umtutu Coal SPV Proprietary Limited	2006/008731/07	In Business
	Intambanane Mining Proprietary Limited	2007/001906/07	In Business
	Zibulo Mining Proprietary Limited	2008/005800/07	In Business
	Tsoma Investments Proprietary Limited	2008/013670/07	In Business
	Mactransco Lephalale Proprietary Limited	2009/000375/07	In Business
	Alizay Properties 31 Proprietary Limited	2009/003975/07	In Business
	8 Mile Investments 562 Proprietary Limited	2009/014970/07	In Business
	Moepi Mining SPV Proprietary Limited	2009/023737/07	In Business
	Lime-Chem Resources (Pty) Proprietary Limited	2005/012219/07	In Business
	Lime-Chem Minerals Proprietary Limited	2005/012247/07	In Business
	The Ntambanane Trust	IT 4304/06	In Business
	Dalikhaya Rain Zihlangu Family Trust	IT871/06	In Business
	The Petroleum Oil & Gas Corporation of SA Proprietary Limited	1970/008130/07	In Business
Royale Energy Limited	2003/011910/06	In Business	

SHARE PRICE HISTORY

The high, low and closing prices of the Shares on the JSE, and the volumes and value traded, monthly from December 2014 to January 2016 and daily from 6 January 2016 to the Last Practicable Date were as follows:

	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rands)
Month ended					
December 2014	24	17	21	22 774 314	4 520 467
January 2015	22	18	21	6 326 384	1 215 949
February 2015	27	18	20	19 372 150	3 993 163
March 2015	21	16	17	59 646 109	9 838 442
April 2015	24	17	19	207 697 404	39 612 815
May 2015	28	16	25	13 030 762	2 566 590
June 2015	25	18	20	5 384 815	1 157 469
July 2015	22	15	18	11 544 011	2 059 224
August 2015	24	16	24	18 511 019	3 612 600
September 2015	25	20	24	3 283 203	753 056
October 2015	26	21	25	33 246 593	7 746 726
November 2015	26	18	18	8 372 935	1 916 792
December 2015	18	17	18	3 12 138	55 744
January 2016	18	12	16	36 337 946	5 288 796
Daily					
6 January 2016	–	–	17	–	–
7 January 2016	18	14	18	2 042 466	314 791
8 January 2016	18	15	18	1 669 910	268 135
11 January 2016	17	16	17	278 765	44 790
12 January 2016	17	16	16	545 000	87 250
13 January 2016	17	15	17	2 751 490	440 629
14 January 2016	17	15	17	7 558 759	1 253 244
15 January 2016	17	15	17	1 830 458	283 536
18 January 2016	16	14	16	2 750 000	400 510
19 January 2016	16	14	14	2 830 588	403 555
20 January 2016	16	13	13	2 745 536	367 189
22 January 2016	14	12	14	1 038 600	137 968
25 January 2016	15	13	14	2 890 572	379 080
26 January 2016	16	12	15	126 766	17 574
27 January 2016	16	12	16	3 183 910	408 676
28 January 2016	16	13	16	1 997 975	266 422
29 January 2016	16	14	16	860 432	126 281
1 February 2016	–	–	16	–	–
2 February 2016	16	15	16	1 041 000	156 560
3 February 2016	16	14	16	64 950	9 759
4 February 2016	16	15	16	12 250	1 885
5 February 2016	16	14	16	44 089	6 753
8 February 2016	16	15	16	560 293	87 144
9 February 2016	16	15	16	3 721 924	563 408
10 February 2016	16	15	15	2 828 835	426 614
11 February 2016	15	14	15	2 727 323	402 973
12 February 2016	17	15	17	15 304 765	2 334 869
15 February 2016	19	16	18	4 009 092	681 668
16 February 2016	25	19	21	21 168 655	4 265 850
17 February 2016	24	21	22	15 239 431	3 379 431

ADDITIONAL INFORMATION ON THE UNDERWRITERS

1. THE PARTNERSHIP

- 1.1 An en commandite partnership agreement was entered into on 14 April 2015 with the purpose of investing in Sentula for income generation and capital gains. This partnership, the JB Private Equity Investors Partnership number 01, has entered into an agreement to underwrite a portion of the Rights Offer to the extent that it is not fully subscribed by Qualifying Shareholders. The parties to this partnership agreement are detailed below.

JB Private Equity Investors Trust (General Partner)

Place and date of incorporation	South Africa, 2 September 2014
Master's reference	IT 0214258/2014
Trustees	Jacques Christiaan Badenhorst and Theunis de Bruyn
Beneficiaries	JB Capital Proprietary Limited and RECM and Calibre Limited
Bankers	First National Bank

JB Capital Proprietary Limited

Place and date of incorporation	South Africa, 8 July 2014
Registration number	2014/129256/07
Director	Jacques Christiaan Badenhorst
Company secretary	Not applicable
Bankers	First National Bank
Authorised share capital	4000 ordinary shares
Issued share capital	120 ordinary shares

RECM and Calibre Limited

Place and date of incorporation	South Africa, 24 June 2009
Registration number	2009/012403/06
Directors	This company is managed by Regarding Capital Management Limited, the directors of which are Pieter Gerhardt Viljoen, Theunis de Bruyn, Johannes Cornelis van Niekerk, Johannes Gerhardus Swiegers, Zanele Matlala and Trent Rossin
Company secretary	Guy Simpson
Bankers	The Standard Bank of South Africa
Authorised share capital	5 000 000 ordinary shares of R0.01 each
Issued share capital	5 000 000 ordinary shares of R0.01 each

- 1.2 The Partnership Underwriting Agreement 1 and the Partnership Underwriting Agreement 2 will become irrevocable no later than 16:30 on Monday, 22 February 2016.
- 1.3 The Partnership is in a position, at the date of entering into the Partnership Underwriting Agreement 1 and the Partnership Underwriting Agreement 2, to meet its commitments in terms of the Underwriting Agreements.
- 1.4 The underwriting commission payable to the Partnership will not be paid until the underwriting commitments have been met.

2. **SECOND UNDERWRITER**

The Dalikhaya Rain Zihlangu Family Trust

Place and date of incorporation	South Africa, 18 August 2010
Master's reference	IT871/06
Trustees	Dalikhaya Rain Zihlangu and Lungisa Octavia Zihlangu
Beneficiaries	Dalikhaya Rain Zihlangu and Lungisa Octavia Zihlangu and all decents of the trust
Bankers	The Standard Bank of South Africa

- 2.1 The DRZ Underwriting Agreement will become irrevocable no later than 16:30 on Monday, 22 February 2016.
- 2.2 The DRZ Family Trust is a position, at the date of entering into the DRZ Underwriting Agreement, to meet its commitments in terms of the Underwriting Agreement.
- 2.3 The underwriting commission payable to the DRZ Family Trust will not be paid until the underwriting commitment has been met.

