

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser. The Company accepts responsibility for the information contained in this document. To the best of the knowledge of the Company (which has taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The whole of this document should be read.

If you have sold or transferred all of your Ordinary Shares, please send this document and the accompanying Forms of Proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. Such documents should, however, not be forwarded to or transmitted into any jurisdiction outside of the United Kingdom (including the United States or any other Restricted Jurisdiction) if to do so would constitute a violation of the relevant law and/or regulations of such jurisdiction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately.

This document does not constitute an offer to buy, acquire or subscribe for (or the solicitation of an offer to buy, acquire or subscribe for) Ordinary Shares. This document does not contain an offer of transferrable securities within the meaning of section 102B of FSMA and does not constitute a prospectus within the meaning of section 85 of FSMA. Accordingly, this document has not been, and will not be, reviewed or approved by the FCA, the London Stock Exchange or any other authority or regulatory body. In addition, this document does not constitute an admission document drawn up in accordance with the AIM Rules.

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## **KROPZ PLC**

*(incorporated and registered in England and Wales with registered number 11143400)*

**Subscription and REX Retail Offer of 643,873,018 New Ordinary Shares at 1.387 pence each**

**Issue of £35.1 million Convertible Loan Notes**

**Notice of General Meeting**

**and**

**Notice of Annual General Meeting**

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In due course application is anticipated to be made for the Fundraising Shares expected to be issued pursuant to the Fundraising to be admitted to trading on AIM and, on the assumption that, *inter alia*, the Fundraising Resolutions are passed and the Exchange Control Approval is obtained, dealings in the Fundraising Shares are expected to commence on 27 September 2024. Each of the Fundraising Shares will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid on or after the date on which they are used or transferred (as appropriate). AIM-traded securities are not admitted to the Official List of the FCA. Neither the London Stock Exchange nor the FCA has examined or approved the contents of this document.

You are recommended to read the whole of this document but your attention is drawn to (i) the letter from the Chairman of the Company, which is set out on pages 14 to 25 of this document and which provides details of the Restructuring and Fundraising and recommends you to vote in favour of the GM Resolutions to be proposed at the General Meeting and AGM Resolutions to be proposed at the Annual General Meeting; and (ii) the risk factors, which is set out on pages 26 to 38 of this document.

**Notice of a General Meeting of Kropz plc (“the Company” or “Kropz”) to be held at the offices of Memery Crystal, 165 Fleet Street, London EC4A 2DY at 12.30 p.m. on 20 September 2024 is set out at the end of this document. The accompanying Form of Proxy with a blue banner for use in connection with the General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by Computershare Investor Services plc by no later than 12.30 p.m. on 18 September 2024 (or, in the case of an adjournment of the General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy (with a blue banner) will not preclude Shareholders from attending and voting at the General Meeting should they so wish. Shareholders can also vote online by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To access the service, Shareholders will need the Control Number, their Shareholder Reference Number (SRN) and Personal Identification Number (PIN). These are shown on the Form of Proxy (with a blue banner) or the email notification of this document (for Shareholders with whom the Company communicates electronically).**

**Notice of the Annual General Meeting of Kropz plc (“the Company” or “Kropz”) to be held at the offices of Memery Crystal, 165 Fleet Street, London EC4A 2DY at 12.00 noon on 27 September 2024 is set out at the end of this document. The accompanying Form of Proxy with a purple banner for use in connection with the Annual General Meeting should be completed by Shareholders and returned as soon as possible but, in any event, so as to be received by Computershare Investor Services plc by no later than 12.00 noon on 25 September 2024 (or, in the case of an adjournment of the Annual General Meeting, not later than 48 hours (excluding any part of a day that is not a working day) before the time fixed for the holding of the adjourned meeting). The completion and return of a Form of Proxy (with a purple banner) will not preclude Shareholders from attending and voting at the Annual General Meeting should they so wish. Shareholders can also vote online by visiting [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To access the service, Shareholders will need the Control Number, their Shareholder Reference Number (SRN) and Personal Identification Number (PIN). These are shown on the Form of Proxy (with a purple banner) or the email notification of this document (for Shareholders with whom the Company communicates electronically).**

Grant Thornton UK LLP (“Grant Thornton”), which is authorised and regulated in the United Kingdom by the FCA, is acting as nominated adviser to the Company in connection with the Fundraising. Its responsibility as the Company’s nominated adviser under the AIM Rules for Nominated Advisers is owed solely to London Stock Exchange and is not owed to the Company or to any Director or to any other person in respect of their decision to acquire shares in the Company in reliance on any part of this document. Grant Thornton is acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the Fundraising.

H&P Advisory Limited (“H&P”), which is authorised and regulated in the United Kingdom by the FCA, is acting as a bookrunner and financial adviser to the Company in connection with the Fundraising. H&P is acting exclusively for the Company and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the contents of this document or the Fundraising.

Apart from the responsibilities and liabilities, if any, which may be imposed on Grant Thornton and/or H&P by the FSMA or the regulatory regime established thereunder or the AIM Rules, Grant Thornton and H&P do not accept any responsibility whatsoever for the contents of this document, including its accuracy, completeness or verification or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the New Ordinary Shares, the Fundraising or Admission. Grant Thornton and H&P accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) in respect of this document or any such statement. However, nothing in this document shall be effective to limit or exclude liability for fraud or which cannot otherwise, by law or regulation, be so limited or excluded.

The release, publication or distribution of this document into certain jurisdictions may be restricted by law, and any persons into whose possession this document comes should therefore inform themselves about and observe any applicable restrictions or requirements. No action has been taken by the Company, Grant Thornton or H&P that would permit possession or distribution of this document in any jurisdiction where action for that purpose is required. Any failure to comply with any such restrictions or requirements may constitute a violation of the securities laws of any such jurisdiction.

The New Ordinary Shares have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, (the "U.S. Securities Act") and may not be offered, sold or delivered in, into or from the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Subject to certain exemptions, this document does not constitute an offer of Ordinary Shares to any person with a registered address, or who is resident in, the United States. There will be no public offer in the United States. Outside of the United States, the New Ordinary Shares are being offered in reliance on Regulation S under the U.S. Securities Act. The New Ordinary Shares will not qualify for distribution under the relevant securities laws of Australia, New Zealand, Canada, the Republic of South Africa or Japan, nor has any prospectus in relation to the New Ordinary Shares been lodged with, or registered by, the Australian Securities and Investments Commission or the Japanese Ministry of Finance or any securities commission or other regulatory body in Canada or the Republic of South Africa. Accordingly, subject to certain exemptions, the New Ordinary Shares may not be offered, sold, taken up, delivered or transferred in, into or from the United States, Australia, New Zealand, Canada, the Republic of South Africa, Japan or any other jurisdiction where to do so would constitute a breach of local securities laws or regulations (each a "Restricted Jurisdiction") or to or for the account or benefit of any national, resident or citizen of a Restricted Jurisdiction. This document does not constitute an offer to issue or sell, or the solicitation of an offer to subscribe for or purchase, any Ordinary Shares to any person in a Restricted Jurisdiction and is not for distribution in, into or from a Restricted Jurisdiction. The New Ordinary Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission, or any other securities commission or regulatory authority of the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Ordinary Shares nor have they approved this document or confirmed the accuracy or adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the US. No prospectus is required to be filed with the South African Companies and Intellectual Property Commission in respect of the New Ordinary Shares. As a result, this document does not comply with the substance and form requirements for a prospectus or advertisements set out in the South African Companies Act, 2008 and the South African Companies Regulations, 2011, and has not been approved by, and/or registered with, the South African Companies and Intellectual Property Commission.

This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, otherwise dispose of, issue or purchase, any security (including, without limitation, the New Ordinary Shares). Copies of this document can be downloaded from the Company's website, [www.kropz.com](http://www.kropz.com). However, the contents of the Company's website or any hyperlinks accessible from the Company's website do not form part of this document and Shareholders should not rely on them.

This document includes statements that are, or may be deemed to be, forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "anticipates", "targets", "aims", "continues", "expects", "intends", "hopes", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not facts. They appear in a number of places through this document and include statements regarding the Directors' intentions, beliefs or current expectations concerning, amongst other things, the Company's results of operations, financial condition, liquidity, prospects, growth and strategies. By their nature, forward-looking statements contained in this document based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Subject to any requirement under the AIM Rules or other applicable legislation or regulation, neither the Company, Grant Thornton or H&P undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements, which speak only as of the date of this document. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in expectations and assumptions used and changes in the global, political, economic, business, competitive, market

and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

Nothing in this document shall be effective to limit or exclude any liability for fraud or which otherwise, by law or regulation, cannot be so limited or excluded.

This document is dated 4 September 2024.

9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST Manual (available from [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with Euroclear UK & International Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer’s agent (ID 3RA50) by 12:00 noon on 25 September 2024. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer’s agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

10. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
11. As at 2 September 2024 (being the latest practicable business day prior to the publication of this Notice of the General Meeting), the Company’s ordinary issued share capital consists of 923,718,223 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 2 September 2024 are 923,718,223.

and shall expire on the date falling 15 months from the date of the passing of this resolution or, if earlier, at the annual general meeting of the Company to be held in 2025, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

**BY ORDER OF THE BOARD**

Fusion Corporate Secretarial Services (Pty) Ltd  
(Company Secretary)

Dated: 4 September 2024

Registered office:  
Co-Work @ Midstream,  
Private Office 28,  
Midlands Office Park West,  
Mount Quray Street, Midstream,  
South Africa

Company Number: 11143400

**Notes:**

1. To be entitled to attend and vote at the annual general meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 25 September 2024. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the annual general meeting.
2. Shareholders, or their proxies, intending to attend the meeting in person are requested, if possible, to arrive at the meeting venue at least 20 minutes prior to the commencement of the meeting at 12:00 noon (UK time) on 27 September 2024 so that their shareholding may be checked against the Company’s Register of Members and attendances recorded.
3. Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.
4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company’s Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. You can vote by logging on to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions. To access the service, Shareholders will need the Control Number, their Shareholder Reference Number (SRN) and Personal Identification Number (PIN). These are shown on the Form of Proxy or the email notification of this document (for Shareholders with whom the Company communicates electronically).  
  
In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.  
  
If you have received a hard copy form of proxy with purple banner, you will need to submit the completed form of proxy by post or by hand to our registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. In each case the appointment of a proxy must be received by Computershare Investor Services PLC not less than 48 hours (excluding any part of a day that is not a business day) before the time appointed for the meeting.
7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. The return of a completed form of proxy (with purple banner), electronic filing or any CREST Proxy Instruction (as described in note 9 below) will not prevent a shareholder from attending the meeting and voting in person if he/she wishes to do so.

**TABLE OF CONTENTS**

**DIRECTORS AND ADVISERS ..... 6**

**FUNDRAISING STATISTICS ..... 7**

**EXPECTED TIMETABLE OF PRINCIPAL EVENTS ..... 8**

**DEFINITIONS ..... 9**

**LETTER FROM THE CHAIRMAN ..... 14**

**RISK FACTORS ..... 26**

**NOTICE OF GENERAL MEETING ..... 39**

**NOTICE OF ANNUAL GENERAL MEETING ..... 42**

## DIRECTORS AND ADVISERS

<b>Directors</b>	Lord Renwick of Clifton ( <i>Independent Non-Executive Chairman</i> ) Louis Loubser ( <i>Chief Executive Officer</i> ) Linda Beal ( <i>Independent Non-Executive Director</i> ) Michael Daigle ( <i>Independent Non-Executive Director</i> ) Gerrit Duminy ( <i>Non-Executive Director</i> ) Michael Nunn ( <i>Non-Executive Director</i> )
<b>Company Secretary</b>	Fusion Corporate Secretarial Services (Pty) Ltd Co-Work @ Midstream Private Office 28 Midlands Office Park West Mount Quray Street, Midstream South Africa
<b>Registered Office</b>	35 Verulam Road Hitchin Hertfordshire SG5 1QE United Kingdom
<b>Company Website</b>	<a href="http://www.kropz.com">www.kropz.com</a>
<b>Nominated Adviser</b>	Grant Thornton UK LLP 30 Finsbury Square London EC2A 1AG
<b>Bookrunner and Financial Adviser</b>	H&P Advisory Limited 2 Park Street Mayfair London W1K 2HX
<b>Solicitors to the Company</b>	RBG Legal Services Limited t/a Memery Crystal 165 Fleet Street London EC4A 2DY
<b>Registrar</b>	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE

- (i) to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
- (ii) to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange;

- (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to paragraph (a) of this Resolution 6) to any person up to an aggregate nominal amount of £156,759.1241, being 10 per cent. of the issued share capital of the Company; and
- (c) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (a) or (b) above) to any person up to an aggregate nominal amount equal to 20 per cent. of any allotment of equity securities or sale of treasury shares from time to time under paragraph (b) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in 2022,

and shall expire on the date falling 15 months from the date of the passing of this resolution or, if earlier, at the annual general meeting of the Company to be held in 2025, save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after the authority expires and the Directors may allot equity securities (or sell treasury shares) in pursuance of any such offer or agreement as if the authority had not expired.

7. THAT, subject to the passing of Resolution 5 above, the Directors be authorised in addition to any authority granted under Resolution 6 to allot equity securities (as defined in section 560 of the Act) for cash under the authority conferred by Resolution 5 and/or to sell ordinary shares held by the Company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority shall be:
- (a) limited to the allotment of equity securities or sale of treasury shares up to an aggregate nominal amount of £156,759.1241 being 10 per cent. of the issued share capital of the Company, to be used only for the purpose of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in 2022; and
  - (b) limited to the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (a) above) to any person up to an aggregate nominal amount equal to 20 per cent. of any allotment of equity securities or sale of treasury shares from time to time under paragraph (a) above, such authority to be used only for the purposes of making a follow-on offer which the Directors determine to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights published by the Pre-Emption Group in 2022,

## NOTICE OF ANNUAL GENERAL MEETING

### KROPZ PLC

#### (the “Company”)

(registered in England and Wales with company number 11143400)

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Kropz Plc (the “Company”) will be held at the offices of Memery Crystal, 165 Fleet Street, London, EC4A 2DY on 27 September 2024 at 12:00 noon to consider and, if thought fit, pass the following resolutions of which resolutions 1 to 5 will be proposed as ordinary resolutions and resolutions 6 and 7 as special resolutions.

### ORDINARY RESOLUTIONS

1. To re-appoint PKF Littlejohn LLP as auditor to act as such until the conclusion of the next annual general meeting of the Company at which the requirements of section 437 of the Companies Act 2006 (the “Act”) are complied with and to authorise the directors of the Company to fix its remuneration.
2. To re-elect Linda Beal, who retires by rotation, as a director of the Company.
3. To re-elect Michael Daigle, who retires by rotation, as a director of the Company.
4. To re-elect Michael Nunn, who retires by rotation, as a director of the Company.
5. THAT, in addition to all other powers granted to the directors of the Company (“Directors”) at the general meeting of the Company held on 20 September 2024, the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Act”) to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (“Rights”) up to an aggregate nominal amount of £522,530.414 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date falling 15 months from the date of the passing of this resolution or, if earlier, at the annual general meeting of the Company to be held in 2025 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this Resolution 5 has expired.

### SPECIAL RESOLUTIONS

6. THAT, subject to the passing of Resolution 5 above, the Directors be authorised to allot equity securities (as defined in section 560 of the Act) for cash under the authority conferred by that Resolution and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority shall be limited to:
  - (a) the allotment of equity securities in connection with an offer of equity securities:

## FUNDRAISING STATISTICS

Number of Existing Ordinary Shares	923,718,223
Issue Price	1.387 pence
Minimum number of Subscription Shares pursuant to the Subscription	515,098,414
Maximum number of REX Retail Offer Shares pursuant to the REX Retail Offer	128,774,604
Aggregate number of New Ordinary Shares to be issued pursuant to the Fundraising	643,873,018
Enlarged Issued Share Capital immediately following Admission	1,567,591,241 Ordinary Shares
Percentage of Enlarged Issued Share Capital represented by the number of Fundraising Shares following Admission	approximately 41 per cent.
Minimum gross proceeds of the Subscription	approximately £7.1 million
Maximum gross proceeds of the REX Retail Offer	up to approximately £1.8 million
Gross proceeds of the Fundraising	approximately £8.9 million
Aggregate estimated net proceeds of the Fundraising	approximately £8.7 million
Expected proceeds of Convertible Loan Notes	£35.1 million
Number of Ordinary Shares over which the Convertible Loan Notes will be issued	2,403,549,091
Aggregate net proceeds of the Fundraising and Convertible Loan Notes	£44.8 million
Ordinary Share ISIN	GB00BZ1HLP69

The statistics above assume:

- (a) the passing of the Fundraising Resolutions at the General Meeting and receipt of the Exchange Control Approval and therefore Admission of all Fundraising Shares pursuant to the Fundraising; and
- (b) that no Ordinary Shares other than the Fundraising Shares are allotted prior to Admission.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<b>2024</b>
Publication and posting of this document and Forms of Proxy	4 September
Latest time and date for receipt of Form of Proxy with blue banner	12.30 p.m. on 18 September
General Meeting	12.30 p.m. on 20 September
Announcement of the results of the General Meeting	20 September
Expected date for CREST accounts to be credited in respect of the Fundraising Shares	27 September
Dispatch of definitive share certificates in respect of Fundraising Shares to be held in certificated form	28 September
Latest time and date for receipt of Form of Proxy with purple banner	12.00 noon on 25 September
Admission and dealings in the Fundraising Shares to commence on AIM	8.00 a.m. on 27 September
Annual General Meeting	12.00 noon on 27 September
Announcement of the results of the Annual General Meeting	27 September
Long Stop Date for Admission	8:00 a.m. on 30 November

### Notes

1. Each of the times and dates above are indicative only and if any of the details contained in the timetable above should change, the revised times and dates will be notified to Shareholders by means of an announcement through a Regulatory Information Service.
2. All of the above times refer to London time unless otherwise stated.
3. All events listed in the above timetable in relation to the Fundraising are conditional, inter alia, on the passing of the Fundraising Resolutions at the General Meeting, receipt of the Exchange Control Approval and Admission.

4. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.
6. You can vote by logging on to [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy) and following the instructions. To access the service, Shareholders will need the Control Number, their Shareholder Reference Number (SRN) and Personal Identification Number (PIN). These are shown on the Form of Proxy or the email notification of this document (for Shareholders with whom the Company communicates electronically).  
  
In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below.  
  
If you have received a hard copy form of proxy, you will need to submit the completed form of proxy by post (with blue banner) or by hand to our registrar, Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. In each case the appointment of a proxy must be received by Computershare Investor Services PLC not less than 48 hours (excluding any part of a day that is not a business day) before the time appointed for the meeting.
7. If you return more than one proxy appointment, either by paper or electronic communication, the appointment received last by the registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all shareholders and those who use them will not be disadvantaged.
8. The return of a completed form of proxy with a blue banner, electronic filing or any CREST Proxy Instruction (as described in note 9 below) will not prevent a shareholder from attending the meeting and voting in person if he/she wishes to do so.
9. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting (and any adjournment of the meeting) by using the procedures described in the CREST Manual (available from [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
10. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the issuer's agent (ID 3RA50) by 12:30 pm on 18 September 2024. For this purpose, the time of receipt will be taken to mean the time (as determined by the timestamp applied to the message by the CREST application host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
11. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that no more than one corporate representative exercises powers in relation to the same shares.
13. As at 2 September 2024 (being the latest practicable business day prior to the publication of this Notice of the General Meeting), the Company's ordinary issued share capital consists of 923,718,223 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 2 September 2024 are 923,718,223.



- (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £643,873.018 in connection with the Fundraising (as defined and set out in the shareholder circular in which this Notice of General Meeting is included) and for no other purpose; and
- (b) expire on the date falling 12 months from the date of the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.
4. That, subject to the passing of Resolution 2, the Directors be empowered pursuant to section 570 of the Act to allot equity securities (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment pursuant to the authority conferred on them by Resolution 2 provided that such power shall, unless renewed, varied or revoked by the Company in general meeting:
- (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £2,403,549.091 in connection with the terms of the CLNs (as defined and set out in the shareholder circular in which this Notice of General Meeting is included) and for no other purpose; and
- (b) expire on the date falling 12 months from the date of the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors of the Company may allot equity securities in pursuance of such offer or agreement notwithstanding that the power conferred by this resolution has expired.

#### BY ORDER OF THE BOARD

Fusion Corporate Secretarial Services (Pty) Ltd  
(Company Secretary)

Dated: 4 September 2024

Registered office:  
Co-Work @ Midstream,  
Private Office 28,  
Midlands Office Park West,  
Mount Quray Street, Midstream,  
South Africa

Company Number: 11143400

#### Notes:

- To be entitled to attend and vote at the general meeting (and for the purpose of the determination by the Company of the number of votes they may cast), shareholders must be registered in the Register of Members of the Company at close of trading on 18 September 2024. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the general meeting.
- Shareholders, or their proxies, intending to attend the meeting in person are requested, if possible, to arrive at the meeting venue at least 20 minutes prior to the commencement of the meeting at 12:30 pm (UK time) on 20 September 2024 so that their shareholding may be checked against the Company's Register of Members and attendances recorded.
- Shareholders are entitled to appoint another person as a proxy to exercise all or part of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the meeting provided that each proxy is appointed to exercise the rights attached to a different ordinary share or ordinary shares held by that shareholder. A proxy need not be a shareholder of the Company.

## DEFINITIONS

<b>"2023 AGM"</b>	the annual general meeting of the Company held on 30 June 2023
<b>"Admission"</b>	admission of New Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules
<b>"Annual General Meeting" or "AGM"</b>	the annual general meeting of the Company convened for 12.00 noon on 27 September 2024 (or any adjournment thereof) at which the AGM Resolutions will be proposed, notice of which is set out at the end of this document
<b>"AGM Resolutions"</b>	the resolutions to be proposed at the Annual General Meeting and set out in the Notice of Annual General Meeting
<b>"AIM"</b>	the market of that name operated by the London Stock Exchange
<b>"AIM Rules"</b>	the AIM Rules for Companies published by the London Stock Exchange from time to time
<b>"ARC Fund"</b>	an en commandite partnership established in South Africa and represented by UBI General Partner Proprietary Limited in its capacity as general partner, a company registered in accordance with the laws of South Africa under registration number 2016/ 224437/07
<b>"BBBEE"</b>	the Broad Based Black Economic Empowerment programme launched by the Government of South Africa which embodies all Codes of Practice gazetted by the Government of South Africa and legislation
<b>"Business Day"</b>	any day on which banks are usually open for business in England and Wales for the transaction of sterling business, other than a Saturday, Sunday or public holiday
<b>"CLNs" or "Convertible Loan Notes"</b>	convertible loan notes to be issued constituting up to £35.1 million convertible loan notes in the Company
<b>"Company" or "Kropz"</b>	Kropz plc, a company incorporated in England and Wales with registered number 11143400
<b>"CREST" or "CREST system"</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the operator (as defined in those regulations)
<b>"CREST Regulations"</b>	the Uncertificated Securities Regulations 2001 (SI2001/3755)
<b>"Directors" or "Board"</b>	the directors of the Company
<b>"Elandsfontein Land"</b>	Elandsfontein Land Holdings (Pty) Ltd, a company incorporated in South Africa with registered number 2010/006795/07 having registered office at 1st Floor, 43 Plein Street, Stellenbosch, 7600

<b>“Elandsfontein Mining Right”</b>	the mining right over the Elandsfontein Mining Area granted to Kropz Elandsfontein by the Minister of Mineral Resources
<b>“Elandsfontein Project”</b>	the Elandsfontein Project, further details of which are set out in paragraph 2 of the section this document titled “Letter from the Chairman of Kropz Plc”
<b>“Elandsfontein Subsidiaries”</b>	together, Kropz Elandsfontein and Elandsfontein Land
<b>“Enlarged Issued Share Capital”</b>	the total number of Ordinary Shares in issue immediately following Admission, assuming that no other Ordinary Shares are issued prior to the Admission
<b>"Euroclear"</b>	Euroclear UK & International Limited, the operator of CREST
<b>“Exchange Control Approval”</b>	approval from the South African Reserve Bank under the South African Exchange Control Regulations, 1961 in connection with the Fundraising
<b>“Existing Ordinary Shares”</b>	the 923,718,223 Ordinary Shares in issue at the date of this document
<b>"FCA"</b>	the UK Financial Conduct Authority
<b>“Forms of Proxy”</b>	the form of proxy with a blue banner for use in connection with the General Meeting and the form of proxy for use with a purple banner in connection with the AGM, each of which accompanies this document
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended)
<b>“Fundraising”</b>	together, the proposed Subscription, the REX Retail Offer and the Underwriting Commitment
<b>“Fundraising Resolutions”</b>	Resolutions 1 and 3 as set out in the Notice of General Meeting
<b>“Fundraising Shares”</b>	together, the Subscription Shares, the REX Retail Offer Shares and the Underwritten Shares
<b>“General Meeting” or “GM”</b>	the general meeting of the Company convened for 12.30 p.m. on 20 September 2024 (or any adjournment thereof) at which the GM Resolutions will be proposed, notice of which is set out at the end of this document
<b>“GM Resolutions”</b>	the resolutions to be proposed at the General Meeting and set out in the Notice of General Meeting
<b>“Grant Thornton”</b>	Grant Thornton UK LLP, nominated adviser to the Company
<b>“Group”</b>	the Company and its subsidiary undertakings from time to time
<b>“H&amp;P”</b>	H&P Advisory Limited
<b>“HDSA”</b>	Historically Disadvantaged South Africans
<b>“Hinda Project”</b>	the Hinda Project, further details of which are set out in

## NOTICE OF GENERAL MEETING

### KROPZ PLC

#### (the “Company”)

*(registered in England and Wales with company number 11143400)*

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**NOTICE IS HEREBY GIVEN** that a General Meeting of Kropz Plc (the “**Company**”) will be held at the offices of Memery Crystal, 165 Fleet Street, London, EC4A 2DY on 20 September 2024 at 12:30 p.m. to consider and, if thought fit, pass the following resolutions of which resolutions 1 and 2 will be proposed as ordinary resolutions and resolutions 3 and 4 as special resolutions.

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### ORDINARY RESOLUTIONS

1. That, the directors of the Company (the “Directors”) be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 (the “Act”) to allot Relevant Securities (as defined below) for cash up to an aggregate nominal amount of £643,873.018 pursuant to the Fundraising (as defined and set out in the shareholder circular in which this Notice of General Meeting is included) and for no other purpose, provided that these authorities shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 12 months from the date of the passing of this resolution, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authorities hereby conferred has expired. In this Resolution 1 and in Resolution 2 below, “Relevant Securities” means any shares in the capital of the Company and the grant of any right to subscribe for, or to convert any security into, shares in the capital of the Company.
2. That, the Directors be generally and unconditionally authorised in accordance with section 551 of the Act to allot Relevant Securities for cash up to an aggregate nominal amount of £2,403,549.091 pursuant to the terms of the CLNs (as defined and set out in the shareholder circular in which this Notice of General Meeting is included) and for no other purpose, provided that this authority shall, unless renewed, varied or revoked by the Company in general meeting, expire on the date falling 12 months from the date of the passing of this resolution, save that the Company may at any time before such expiry make an offer or agreement which might require Relevant Securities to be allotted after such expiry and the directors of the Company may allot Relevant Securities in pursuance of such offer or agreement notwithstanding that the authorities hereby conferred has expired.

### SPECIAL RESOLUTIONS

3. That, subject to the passing of Resolution 1, the Directors be empowered pursuant to section 570 and section 571 of the Act to allot equity securities (as defined in section 560 of the Act) for cash as if section 561(1) of the Act did not apply to any such allotment pursuant to the authority conferred on them by Resolution 1 provided that such power shall, unless renewed, varied or revoked by the Company in general meeting:

Investors should consider carefully whether an investment in Kropz is suitable for them in light of the risk factors outlined above, their personal circumstances and the financial resources available to them. This list should not be considered an exhaustive statement of all potential risks and uncertainties.

	paragraph 2 of the section this document titled “Letter from the Chairman of Kropz Plc
<b>“Intermediaries”</b>	any financial intermediary appointed by the Company in connection with the REX Retail Offer and <b>“Intermediary”</b> shall mean any one of them
<b>“Intermediary Agreements”</b>	the agreements in the agreed form entered between each of the Intermediaries, the Company and Peel Hunt containing terms and conditions in relation to the REX Retail Offer
<b>“Issue Price”</b>	1.387 pence per Fundraising Share
<b>“Kropz Elandsfontein”</b>	Kropz Elandsfontein (Pty) Ltd, a private company registered and incorporated in South Africa with registered number 2010/006791/07
<b>“Kropz International”</b>	Kropz International SARL, a company incorporated with registered number 191463 having registered office at 58, rue Charkes Martel, L-2134 Luxembourg
<b>“Kropz SA”</b>	Kropz SA (Pty) Ltd, a company incorporated in South Africa with registered number 2010/006964/07) having registered office at 1st Floor, 43 Plein Street, Stellenbosch,7600
<b>“Loan Note Resolutions”</b>	Resolutions 2 and 4 as set out in the Notice of General Meeting
<b>“London Stock Exchange”</b>	London Stock Exchange plc
<b>“Mining Charter”</b>	the 2004 Broad-Based Socio-Economic Charter for the South African Mining Industry, as amended in 2010 and in 2018
<b>“New Ordinary Shares”</b>	the new Ordinary Shares to be issued pursuant to the Fundraising
<b>“Notice of General Meeting”</b>	the notice of General Meeting which appears at the end of this document
<b>“Ordinary Shares”</b>	ordinary shares of 0.1 pence each in the capital of the Company
<b>“Registrar” or “Computershare”</b>	Computershare Investor Services PLC, with its registered office at The Pavilions, Bridgwater Road, Bristol, BS13 8AE
<b>“Regulatory Information Service”</b>	one of the regulatory information services authorised by the FCA acting in its capacity as the UK listing authority to receive, process and disseminate regulatory information
<b>“REX Platform”</b>	the platform operated by Peel Hunt
<b>“REX Retail Offer”</b>	the proposed conditional offer of REX Retail Offer Shares to existing retail Shareholders by the Company through Intermediaries, using the REX Platform and on the basis of the terms and conditions set out in the REX Retail Offer Announcement and Intermediaries Agreements, subject to the passing of the Fundraising Resolutions, receipt of the Exchange Control Approval and Admission

<b>“REX Retail Offer Announcement”</b>	the announcement dated 3 September 2024 giving details, <i>inter alia</i> , of the REX Retail Offer
<b>“REX Retail Offer Shares”</b>	up to 128,774,604 New Ordinary Shares to be allotted and issued pursuant to the REX Retail Offer
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure for the Company if information or documentation concerning the proposals set out in this document is sent or made available to Shareholders in that jurisdiction including, without limitation, the United States of America, Canada, Australia, New Zealand, Japan and the Republic of South Africa
<b>“Restructuring”</b>	the proposed restructuring of the financing arrangements of the Group and associated steps as set out in paragraph 3 of the Letter for the Chairman
<b>“Shareholders”</b>	the holders of Ordinary Shares at the relevant time (as the context requires)
<b>“SRK (SA)”</b>	SRK Consulting (South Africa) Pty Ltd, a private company registered and incorporated in South Africa with registered number, 1995/012890/07, authors of the Elandsfontein South Africa Competent Person’s Report
<b>“Subscription”</b>	the proposed conditional subscription of 515,098,414 Subscription Shares to be issued at the Issue Price subject to the passing of the Fundraising Resolutions, receipt of the Exchange Control Approval and Admission
<b>“Subscription Shares”</b>	515,098,414 New Ordinary Shares to be allotted and issued by the Company to ARC Fund pursuant to the Subscription
<b>"uncertificated" or "in uncertificated form"</b>	recorded on the relevant register of Ordinary Shares as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST
<b>“Underwriting Agreement”</b>	the agreement dated 3 September 2024 between the Company and ARC Fund to underwrite an amount equal to the maximum proceeds of the REX Retail Offer
<b>“Underwriting Commitment”</b>	has the meaning given to it in paragraph 5 of the section this document titled “Letter from the Chairman of Kropz Plc
<b>“Underwritten Shares”</b>	has the meaning given to it in paragraph 5 of the section this document titled “Letter from the Chairman of Kropz Plc
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“United States” or “US”</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and any other area subject to its jurisdiction

Fluctuations in exchange rates between currencies in which the Group invests, reports or derives income, may cause fluctuations in the Company’s financial results that are not necessarily related to the Group’s underlying operations. This may result in additions to the Company’s reported costs or reductions in the Company’s reported revenues.

***Exchange control risk***

The Group will operate in countries that may impose foreign exchange controls, which may prevent local companies from paying dividends or repatriating profits to their foreign shareholders. Additional administrative procedures and requirements, such as the retention of a portion of foreign currency holdings in local banks, may also be imposed on local companies.

***Unanticipated tax liabilities***

The Group is subjected to the tax laws of several jurisdictions, including South Africa, the Republic of Congo and the United Kingdom. The combined effect of the application to the Group of the tax laws of more than one of these jurisdictions and/or their interpretation by the relevant tax authorities could, under certain circumstances, give rise to unanticipated tax liabilities which could have an adverse effect on the Group’s business, results of operations and financial condition.

**3 Risks relating to the Fundraising and the Ordinary Shares**

***Realisation of investment***

Potential investors should be aware that the value of shares and income from these shares can go down as well as up and that Admission should not be taken as implying that there will be a liquid market in the Ordinary Shares. An investment in the Existing Ordinary Shares and/or the New Ordinary Shares may thus be difficult to realise.

***Investment risk and AIM***

The New Ordinary Shares will be admitted to AIM and it is emphasised that no application is being made for admission of the New Ordinary Shares to the Official List or to any other stock exchange at this time. An investment in shares quoted on AIM may be less liquid and may carry a higher risk than an investment in shares quoted on the Official List. The rules of AIM are less demanding than those of the Official List. Further, London Stock Exchange has not itself examined or approved the contents of this document. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.

***Market for the Company’s shares and volatility of share price***

Prospective investors should be aware that the value of an investment in the Company may go down as well as up. In addition, the Company can give no assurance that an active trading market for its shares will develop, or if developed, be sustained in the future. If an active trading market is not developed or maintained, the liquidity and trading price of the Company’s shares could be adversely affected. Furthermore, the trading price of the Company’s shares may not reflect the underlying value of the investments held by the Company and may be subject to wide fluctuations in response to a number of events and factors, such as variations in operating results, the timing of investments, changes in the regulatory environment and stock market sentiment towards investment companies.

If the Group is not in compliance with the UK Bribery Act or other laws governing the conduct of business with indigenous governments and entities (including local laws), the Group or its Directors may be subject to criminal and civil penalties and other remedial measures.

Furthermore, any remediation measures taken in response to potential or alleged violations of the UK Bribery Act or other anti-corruption or anti-bribery laws, including any necessary changes or enhancements to the Group's procedures, policies and controls and potential personnel changes and/or disciplinary actions, may result in increased compliance costs.

Any such findings, or any alleged or actual involvement in corrupt practices or other illegal activities by the Group or its commercial partners or anyone with whom it conducts business could damage its reputation and its ability to do business, including by affecting its rights and title to assets or by the loss of key personnel, and together with any increased compliance costs, could adversely affect its business, operations, financial performance, cash flow and future prospects.

#### ***Adverse sovereign action***

The Group is exposed to the risk of adverse sovereign action by the governments of South Africa, Republic of Congo and other governments. The mining industry is important to the economies of these countries and thus can be expected to be the focus of continuing attention and debate. In similar circumstances in other developing countries, mining companies have faced the risks of expropriation and/or renationalisation, breach or abrogation of project agreements, application to such companies of laws and regulations from which they were intended to be exempt, denials of required permits and approvals, increases in royalty rates and taxes that were intended to be stable, application of exchange or capital controls, and other risks.

#### ***Deposits of strategic importance***

There can be no assurance that industries deemed of national or strategic importance to countries in Africa such as mineral production will not be nationalised. Government policy may change to discourage foreign investment, re-nationalisation of mining industries may occur and other government limitations, restrictions or requirements not currently foreseen may be implemented. There can be no assurance that the Group's assets in Africa will not be subject to nationalisation, requisition or confiscation, whether legitimate or not, by any authority or body. Similarly, the Group's operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation, mine safety and annual payments to maintain mineral properties in good standing. There can be no assurance that the laws of South Africa (or of other African states), protecting foreign investments, will not be amended or abolished or that these existing laws will be enforced or interpreted to provide adequate protection against any or all of the risks detailed above. There can be no assurance that any agreements with the governments of South Africa, the Republic of Congo and other jurisdictions that the Group may operate in will prove to be enforceable or provide adequate protection against any or all of the risks described above.

#### ***Currency risk***

While the sale of phosphate fertilizer is principally in US Dollars throughout the world, a significant portion of the Group's expenses incurred in connection with the projects will be in the local currencies of South Africa and the Republic of Congo. While the Group has entered into some hedging arrangements with respect to foreign currencies, fluctuations in currency exchange rates could have a material adverse effect on the financial condition, results of operation or cash flow of the Group.

"£", "pounds sterling",  
"pence" or "p"

are references to the lawful currency of the United Kingdom

**LETTER FROM THE CHAIRMAN  
of  
KROPZ PLC**

*(Incorporated and registered in England and Wales with registered number 11143400)*

*Directors:*  
Lord Renwick of Clifton *(Independent Non-Executive Chairman)*  
Louis Loubser *(Chief Executive Officer)*  
Linda Beal *(Independent Non-Executive Director)*  
Michael Daigle *(Independent Non-Executive Director)*  
Michael Nunn *(Non-Executive Director)*  
Gerrit Duminy *(Non-Executive Director)*

*Registered Office:*  
35 Verulam Road  
Hitchin  
Hertfordshire  
SG5 1QE  
United Kingdom

4 September 2024

*To the holders of the Ordinary Shares*

Dear Shareholder

**Subscription and REX Retail Offer of 643,873,018 New Ordinary Shares at 1.387pence each**

**Issue of £35.1 million Convertible Loan Notes**

**Notice of General Meeting**

and

**Notice of Annual General Meeting**

**1. Introduction and summary**

On 3 September 2024, Kropz, an emerging African phosphate producer and developer, announced that it proposes to raise, in aggregate, gross proceeds of approximately £8.9 million (before expenses) by way of:

- a Subscription for 515,098,414 Subscription Shares by ARC Fund; and
- a REX Retail Offer of up to 128,774,604 REX Retail Offer Shares,

in each case at an Issue Price of 1.387 pence per New Ordinary Share. The New Ordinary Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares.

ARC has agreed to subscribe for a minimum of 515,098,414 New Ordinary Shares and has agreed to underwrite, pursuant to the Underwriting Agreement, an amount equal to the REX Retail Offer to ensure that the entire amount of the Fundraising will equate to approximately £8.9 million (before expenses).

and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

The Group has operations located in South Africa and the Republic of Congo and the Group's activities may be affected in varying degrees by political stability and governmental regulations. Any changes in regulations or shifts in political attitudes in South Africa and the Republic of Congo are beyond the control of the Group and may adversely affect its operations.

***Legal systems***

Jurisdictions in which the Group might operate in the future, including Republic of Congo and South Africa, may have less developed legal systems than more established economies which could result in risks such as (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being more difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licences and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that joint ventures, licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

***Risk of crime and corruption***

Countries in Africa generally experience high levels of criminal activity and governmental and business corruption. Exploration and mining companies operating in certain areas of Africa may be particular targets of criminal actions. Criminal or corrupt action against the Group could have a material adverse effect on the Group's business, operations, financial performance, cash flow and future prospects. In addition, the fear of criminal or corrupt actions against the Group could have an adverse effect on the ability of the Group to adequately staff and/or manage its operations or could substantially increase the costs of doing so.

The Group is subject to anti-corruption and anti-bribery legislation and regulations, including the UK Bribery Act and other laws and regulations that prohibit companies and their intermediaries from making improper payments or offers of payments to foreign governments and their officials and political parties, or others for the purpose of obtaining or retaining business and other benefits.

By doing business in South Africa, the Republic of Congo and other jurisdictions in Africa, the Group could face, directly or indirectly, corrupt demands by officials, militant groups or private entities. Consequently, the Group faces the risk that one or more of its employees, agents, intermediaries or consultants may make or receive unauthorised payments given that such persons may not always be subject to its control.

Although the Company has policies and procedures designed to ensure that the Group itself, employees, agents, intermediaries and consultants comply with the UK Bribery Act and other anti-corruption legislation, there is no assurance that such policies or procedures will work effectively all of the time or protect the Group against liability under any such legislation for actions taken by its agents, employees, intermediaries and consultants with respect to its business.

There may also be unforeseen environmental liabilities resulting from mining activities, which may be costly to remedy. If the Group is unable to fully remedy an environmental problem, it may be required to stop or suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Group. The Group has not purchased insurance for environmental risks (including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production) as it is not generally available at a price which the Group regards as reasonable.

In South Africa, the Regulations Pertaining to the Financial Provision for Prospecting, Exploration, Mining or Production Operations 2015 (R1147 of 20 Nov 2015) provides that the holder of a mining right must provide for rehabilitation and remediation costs, with particular reference to when the mine is decommissioned at the end of mining, or production operations. It is expected that mining operations at Elandsfontein will cease in year 2036. The under-provision of such a rehabilitation liability could result in future liabilities being payable, which could have a material adverse impact on the financial condition of the Group.

#### ***Black economic empowerment and social development***

Under South African mining regulatory framework it is a requirement that a minimum of 30 per cent. of the shares in companies holding interests in mining rights in South Africa is held by HDSA.

The minority interests in the Elandsfontein Project are held by the ARC Fund and must continue to be held by the ARC Fund in accordance with the HDSA requirements of the Mining Charter. There can be no guarantee that the ARC Fund will retain its BBBEE status, in which case the Group would be obliged to find alternative HDSA investors and agree a transfer of the existing interest of the ARC Fund to a new HDSA partner. In regard to social development, obligations are currently imposed in terms of both the Mining Charter and the social and labour plan obligations set out in an attachment to the Elandsfontein Mining Right held by the Group. There are certain procurement and employment equity targets set out in the new Mining Charter III, gazetted in September 2018, and Kropz Elandsfontein has a period of five years within which to attain those targets. These could materially affect the financial position of the Group.

#### ***Government regulation and political risk***

The Group's operating activities are subject to laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters. While the Directors believe that the Group is in substantial compliance with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Group or its properties, which could have a material adverse impact on the Group's current operations or planned development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Group cannot assure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all.

The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Group from proceeding with any future exploration or development of its properties. Any failure to comply with applicable laws

Further details of the terms and conditions of the Underwriting Agreement is set out in paragraph 5 below.

Additionally, the Company will issue £35.1 million Convertible Loan Notes to ARC Fund, the proceeds of which is intended to be used to settle the outstanding bridge loan facilities owed to ARC Fund.

The allotment and issue of the Fundraising Shares is subject, inter alia, to the passing of the Fundraising Resolutions and the Exchange Control Approval being granted. The issue of the Convertible Loan Notes is subject to passing of the Loan Note Resolutions and the Exchange Control Approval being granted.

This document contains the Directors' unanimous recommendation that Shareholders vote in favour of the GM Resolutions. The Notice of General Meeting, at which the GM Resolutions will be proposed, is set out at the end of this document. A Form of Proxy with blue banner is also enclosed with this document for use at the General Meeting.

**The purpose of this document is to provide you with information about the background to and the reasons for the Fundraising and the Convertible Loan Notes, to explain why the Board considers the Fundraising and issue of the Convertible Loan Notes to be in the best interests of the Company and its Shareholders as a whole and why the Directors recommend that Shareholders vote in favour of the GM Resolutions to be proposed at the General Meeting.**

## **2. Background to and reasons for the Restructuring and Fundraising**

Due to a number of resource and processing issues that have been articulated to the market, the Company has required significantly more capital than was originally anticipated at the time of the Company's admission to AIM and its major shareholder, ARC Fund, has been forthcoming with funding to bring Elandsfontein Project into production and to progress the feasibility study at Hinda. However, the management of Kropz anticipate that the bridge loans advanced by ARC Fund to Kropz Elandsfontein would be re-financed by third parties through a group re-financing once the Elandsfontein Project achieved steady state production at or towards its nameplate capacity. As announced by the Company, Kropz has been in discussions with parties to re-finance the Company's loan facility with BNP (£2.8 million outstanding (US\$ 3.8 million, ZAR 66.5 million)) and to provide additional working capital funding to the Group. Due to the delays in ramp-up and consequently the stage of development of Elandsfontein, the refinancing proved to be premature and unsuccessful. Kropz Elandsfontein managed, however, to repay much of the BNP outstanding loan through direct support from ARC Fund. At 30 August 2024, the bridge loans owed to ARC Fund in Kropz Elandsfontein totalled £47.6 million (US\$ 62.9 million ZAR 1.1 billion), with only £2.8 million still owed to BNP (US\$ 3.8 million, ZAR 66.5 million). The final payment to BNP is due at the end of September 2024, which will clear the remaining balance owed.

Kropz Elandsfontein achieved production of 88,319 tonnes of phosphate concentrate and sales of 71,948 tonnes of phosphate concentrate during Q2 2024. This brings production to 162,308 tonnes and sales to 152,685 tonnes for H1 2024.

The Elandsfontein Project continues facing challenges in ramping-up operations, largely driven by higher-than-expected ore variability. Mining rates and associated delivery of ore to the plant were compromised due to the presence of competent banks of hard material ("hardbank"), "pink ore" and high slimes contents within the orebody, that were previously unknown.

Management is intently focused on addressing the various challenges. Management believes that most of the issues related to the high slimes content ore will be addressed through the recently installed centrifuge unit. The hardbank and "pink ore" solutions are currently in its testing phase. Pilot scale milling and classification equipment is being deployed as part of ongoing tests to address the ore

variability and to provide insight into the level of modifications required to the internal plant components.

From June 2023 to August 2023, the Western Cape experienced unprecedented rain which resulted in wet mining conditions at Elandsfontein, which additionally hindered ore delivery to the plant and concentrate production. Elandsfontein aimed to address this through increased in-pit drainage and intermediate ore stockpiling. These measures have yielded good results so far.

The majority of recent funding had been provided by ARC Fund to Kropz Elandsfontein via demand loans in order to mitigate regulatory complexity and foreign exchange movements and ensure a timely provision of additional capital as and when it was needed. However, the build-up of debt at Kropz Elandsfontein to both ARC Fund (as the BBBEE partner in Kropz Elandsfontein) and other Group companies, as well as the accumulation of preference share capital owned by Kropz is now a hindrance to Kropz Elandsfontein. On a stand-alone basis, Kropz Elandsfontein's balance sheet has become unsustainable and over-indebted. The current debt and preference share structures have resulted in undue complexity and negatively impact the Group's ability to attract third-party investment. The intercompany loan balances between Kropz and its South African subsidiaries have also resulted in unintended tax leakage within the Group through the high levels of cross-border interest charges in line with transfer pricing and exchange control requirements.

Furthermore, Kropz Elandsfontein was 'grandfathered' into the new Mining Charter (2017) which raised the black ownership threshold for mining firms to 30 per cent. from 26 per cent. Kropz has to date complied through indirect holding of at least 30 per cent. with the new Mining Charter. ARC's direct holding in Kropz Elandsfontein currently sits at 26 per cent. The Group therefore relies on ARC's indirect shareholding through Kropz Plc to comply with the full 30 per cent. requirement.

The Company is proposing a process of debt capitalisation / repayments and new share issues by the South African subsidiary legal entities which will result in ARC Fund becoming at least a 30 per cent. direct shareholder in each subsidiary, ensuring compliance by the Group with the new Mining Charter.

In light of the urgent need to simplify the capital structure of the Company, inject vital short-term working capital to maintain the positive production momentum and to meet the BBBEE requirements, management believes that the Restructuring is the most viable option for the Group. The purpose of the Restructuring, which is outlined in detail below, is anticipated to make the Group more attractive to financing and strategic partners, as it seeks to stabilise and grow production at Elandsfontein Project and ultimately to move towards development at its Hinda Project.

In order to fund the remaining capital needs of the Group, and to enable all shareholders to participate in the fundraising process, Kropz is raising £8.9 million, before expenses, through the Fundraising. ARC Fund has agreed to underwrite an amount equal to the REX Retail Offer pursuant to the Underwriting Agreement ensuring that the total fundraising will equate to approximately £8.9 million (before expenses). ARC Fund has agreed to subscribe for a minimum of 515,098,414 Subscription Shares in order to retain its right to maintain at least 80 per cent. of the Enlarged Issued Share Capital of the Company immediately following completion of the Fundraising. Details of the constituent elements of the Fundraising are outlined in paragraph 4 below.

*Current trading and prospects*

*Group*

	<b>4 months ended 31 July 2024</b>	<b>15 months ended 31 March 2024</b>	<b>Year ended 31 December 2022</b>

expectations could have an adverse impact on the Company's business, financial condition and results of operations. Furthermore, reserve estimates and feasibility studies using significant lower commodity prices could result in material write-downs of the Group's investment in its assets and increased amortisation, reclamation and closure charges. In addition to adversely affecting the Group's reserve estimates and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the Elandsfontein Project and the Hinda Project are ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

As a new entrant to the phosphate market all sales to date were sold at a discount to market prices as firstly establishing itself in the market and secondly works to improve its consistent production and quality

***Weather patterns and natural disasters***

Adverse weather conditions, such as natural disasters, crop disease, pests and other anomalies in regional weather conditions may have a significant and unpredictable impact on the demand for phosphate rock, and fertilizers more generally, which may impact future revenue. Agricultural production, at the regional level, is highly seasonal and farmers have narrow windows of time in a given season to cultivate and harvest crops. Should adverse weather cause unfavourable growing conditions and decrease agricultural production during these seasonal windows, the Group's revenues could be materially impacted.

***Competition***

The mineral exploration and mining business is competitive in all of its phases. The Group competes with numerous other companies, including competitors with greater financial, technical and other resources than the Group. The Group's ability to acquire exploration and development rights on properties in the future will depend not only on its ability to develop the properties on which it currently has exploration and mining rights, but also on its ability to select and acquire exploration and development rights on suitable properties for exploration and development. There is no assurance that the Group will continue to be able to compete successfully in acquiring exploration and development rights on such properties. As a result, the Group's revenues may decline over time, thereby materially and adversely affecting its results of operations and financial condition.

***Environmental regulation and environmental compliance***

Mining operations have inherent risks and liabilities associated with damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. Environmental and safety legislation and regulation (e.g. in relation to reclamation, disposal of waste products, pollution and protection of the environment, protection of wildlife and otherwise relating to environmental protection) is frequently changing and is generally becoming more restrictive with a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. Future changes could impose significant costs and burdens on the Group (the extent of which cannot be predicted) both in terms of compliance and potential penalties, liabilities and remediation. Breach of any environmental obligations could result in penalties and civil liabilities and/or suspension of operations, any of which could adversely affect the Group. Further, approval may be required for any material plant modifications or additional land clearing and for ground disturbing activities. Delays in obtaining such approvals could result in the delay to anticipated exploration programmes or mining activities.



premiums or deductibles, reduced cover and additional or expanded exclusions in connection with its insurance policies and those of operators of assets it does not itself operate.

If the Group incurs losses related to any significant events not covered by its insurance policies or incurs losses in excess of its carried coverage, such losses may have a material adverse effect on the Group's business, revenues, financial condition, results of operations or prospects or the market price of the Ordinary Shares.

#### **Unknown environmental risks**

Environmental hazards may exist on the properties in which the Group holds interests that are unknown to the Company and that have been caused by previous or existing owners or operators of the properties. To the extent the Group is subject to environmental liabilities, the payment of any liabilities or the costs that may be incurred to remedy environmental impacts would reduce funds otherwise available for operations.

#### **Limited diversification**

The Group's revenues to date are derived from the sale of phosphate rock produced by the Group's Elandsfontein Project. Consequently, if there were any change in law or policy or other circumstances arising in South Africa which materially reduced or interrupted or halted mining or processing operations at the Elandsfontein Project then the Group's results of operations and financial condition could be materially and adversely affected.

## **2 Risks relating to the Group's business**

#### **Future litigation**

The Company is not currently aware of any other material outstanding litigation, there can be no guarantee that the current or future actions of the Group will not result in further litigation. The mining industry, as with all industries, is subject to legal claims, both with and without merit, in particular in relation to environmental and health and safety liability. Defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Group's financial position or results of operations.

#### **Commodity pricing**

The future profitability and viability of the Group's operations will be dependent upon the market price of phosphate rock, to be sold by the Group. Mineral prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of mineral commodities, the global level of demand from consumers and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. Commodity prices have fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and results of operations. A significant or sustained downturn in commodity prices would adversely affect the Group's available cash and liquidity and could have a material adverse effect on the business, results of operations and financial condition of the Group in the longer term. In recent years, global phosphate rock and fertilizer supply growth has out-paced demand. As a result, sharp declines have taken place in both phosphate rock and phosphate fertilizer prices since 2011. A failure of the market price for phosphate rock to recover in line with market

	USD\$'000	US\$'000	USD\$'000
Revenue	12 895	40,087	-
EBITDA	(7,165)	(16,520)	(4,866)
Cash balances	1,970	968	2,120

#### *Elandsfontein Project*

	4 months ended 31 July 2024 USD\$'000	15 months ended 31 March 2024 US\$'000	Year ended 31 December 2022 USD\$'000
Revenue	12,895	40,087	-
EBITDA	(7,118)	(16,744)	(3,466)
Cash balances	1,873	383	1,645

	4 months ended 31 July 2024 Units	15 months ended 31 March 2024 Units	Year ended 31 December 2022 Units
Tonnes Produced	107,312	324,695	37,680
Tonnes Sold	112,752	343,366	-

#### *Hinda Project*

	4 months ended 31 July 2024 USD\$'000	15 months ended 31 March 2024 US\$'000	Year ended 31 December 2022 USD\$'000
Revenue	-	-	-
EBITDA	(97)	(235)	(215)
Cash balances	13	10	17

#### *Use of proceeds*

The net proceeds of the Fundraising and Convertible Loan Notes will be used to provide Kropz Elandsfontein with additional funds to progress the ramp-up of operations at the Elandsfontein Project in South Africa, further funding to Cominco SA which owns the Hinda Project, financing the remaining repayment of the BNP Facility, partial repayment of accumulated accrued interest on the CLNs by the Company as well as working capital for the Company for general corporate purposes.

### **3. Details of the Restructuring**

The Company proposes to undergo a restructuring to simplify the intra-group arrangements. In order to achieve this, the Company intends to:

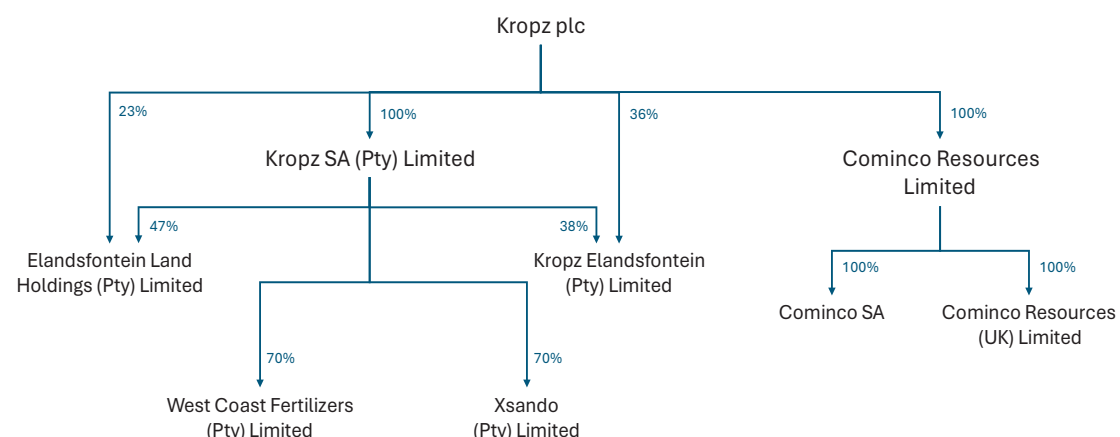
- cancel all non-redeemable preference shares between Kropz and its subsidiary, Kropz Elandsfontein. Given the accumulated losses and debt burden in Kropz Elandsfontein, these have no value;

- convert £28.2 million (US\$ 37.2 million ZAR 659.3 million) of debt held by ARC Fund in Kropz Elandsfontein and other South African subsidiaries to equity;
- convert all existing intercompany debt between Kropz, Kropz Elandsfontein, Kropz SA and Elandsfontein Land to equity; and
- settle £35.1 million (US\$ 46.3 million ZAR 821.3 million) of the debt from Kropz Elandsfontein and other South African subsidiaries to ARC Fund through the issue of new CLNs by Kropz.

Subject to entry into various Restructuring documents, these steps will eliminate all the debt accumulated within the subsidiaries and simplify the Group’s corporate structure. The Company has commissioned an independent third party to produce an independent valuation of both Kropz Elandsfontein and Elandsfontein Land (together, the “**Elandsfontein Subsidiaries**”) for the purposes of the Restructuring (the “**Independent Valuation**”) to ensure that the restructuring is implemented at arm’s length using fair value estimates for the Elandsfontein Subsidiaries.

Kropz Elandsfontein needs to fund the abovementioned repayment of £35.1 million. In order to provide Kropz Elandsfontein with these funds, and subject to shareholder authority at the General Meeting, Kropz intends to issue new Convertible Loan Notes to ARC Fund, and the proceeds will be provided to Kropz Elandsfontein by way of a subscription from Kropz. Therefore, any debt owed to ARC Fund will be held via Kropz and not at the subsidiary level.

Currently, the structure of the Group is as below:



Following the Restructuring, it is expected that the structure of the Group will be as follows:

The Company does not hold 100 per cent. of its principal operational subsidiaries and therefore its assets are not wholly owned. Minority shareholder partners in those subsidiaries may have rights under the governing documentation of such subsidiaries or under relevant local law and regulation which may, were such rights to be utilised, constrain the Company’s ability to operate through those subsidiaries in the way which it could if they were wholly owned. Whilst the Company intends to maintain good working relationships with such partners there is no guarantee that in the future such partners will not seek to exercise such rights. In such circumstances the relevant subsidiary’s performance and therefore the Company’s performance may be adversely affected.

#### **Access to infrastructure**

Mining, processing, development and exploration activities depend, to a significant degree, on adequate infrastructure. In the course of developing future mines, the Group, may need to construct and support the construction of infrastructure, which includes permanent water supplies, tailings storage facilities, power, rail and maintenance facilities and logistics services and access roads. Reliable rail facilities, roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could materially adversely affect the Group’s operations, financial condition and results of operations. Any such issues arising in respect of the supporting infrastructure or on the Group’s sites could materially adversely affect the Group’s results of operations or financial condition. Furthermore, any failure or unavailability of the Group’s operational infrastructure (for example, through equipment failure, disruption to its transportation arrangements or reduced port capacity) could materially adversely affect the production output from its mines or impact its exploration activities or development of a mine or project.

Limited port capacity at the Port of Saldanha and the port of Pointe-Noire, as well as the associated cost increase for procuring alternative logistics could have an adverse impact on the business and financial performance of the Group.

#### **Consistency of electricity supply**

Electricity supply and distribution in South Africa is solely conducted by Eskom. Eskom is currently experiencing a number of financial and operating challenges. If the Company is unable to source sufficient electricity to mine and process material at the Elandsfontein Project it would need to find alternative power sources, which may involve extra cost, senior managerial resources and delays in developing the Elandsfontein Project, and therefore a material adverse impact on the business and financial performance of the Group.

#### **Uninsured risks**

The Group may be subject to substantial liability claims due to the inherently hazardous nature of its business or for acts and omissions of contractors, sub-contractors or operators. Any indemnities the Group may receive from such parties may be limited or may be difficult to enforce if such contractors, sub-contractors or operators lack adequate resources. As discussed further in ‘Environmental regulation and environmental compliance’ below, the Group is uninsured for environmental risks, including potential liability for pollution or other hazards as a result of the disposal of waste products occurring from exploration and production. The Directors believe that the level of the Group’s insurance cover (and that of the operators of assets it does not itself operate) is reasonable based on the costs of cover, the risks associated with its business and industry practice. The Company can give no assurance that the proceeds of insurance applicable to covered risks will be adequate to cover expenses relating to losses or liabilities. Accordingly, the Group may suffer material losses from uninsurable or uninsured risks or insufficient insurance coverage. The Group will also be subject to the risk of unavailability, increased

Office for Registration and Stamp Duties, the tax administration may apply fines of 100 per cent. of the amount of registration fees due. Further, the tax administration tends to disregard any payment conventional exemption for the purpose of applying these fines.

If any of the Group's contracts are deemed unenforceable, this could have a material adverse effect on the operations and financial results of the Group.

### Exploration and development risks

The exploration for and development of mineral deposits is speculative and involves significant risks which even a combination of careful evaluation, experience and knowledge may not be eliminated. While the discovery of an ore body may result in substantial rewards, few properties that are explored are ultimately developed into producing mines. Once a mineral deposit is discovered it can take several years to determine whether mineral resources or ore reserves exist. During this time the economic viability of production may change. Substantial expenditure may be required to locate and establish mineral resources or ore reserves through drilling, metallurgical and other testing techniques, to develop metallurgical processes to extract metal from the ore and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programmes planned by the Group will result in a profitable commercial mining operation. Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: (i) the particular attributes of the deposit, such as size, grade and proximity to infrastructure; (ii) commodity prices, which are highly cyclical; and (iii) government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital and a material adverse effect on the Group's financial performance.

### Financing and commercial viability of future projects

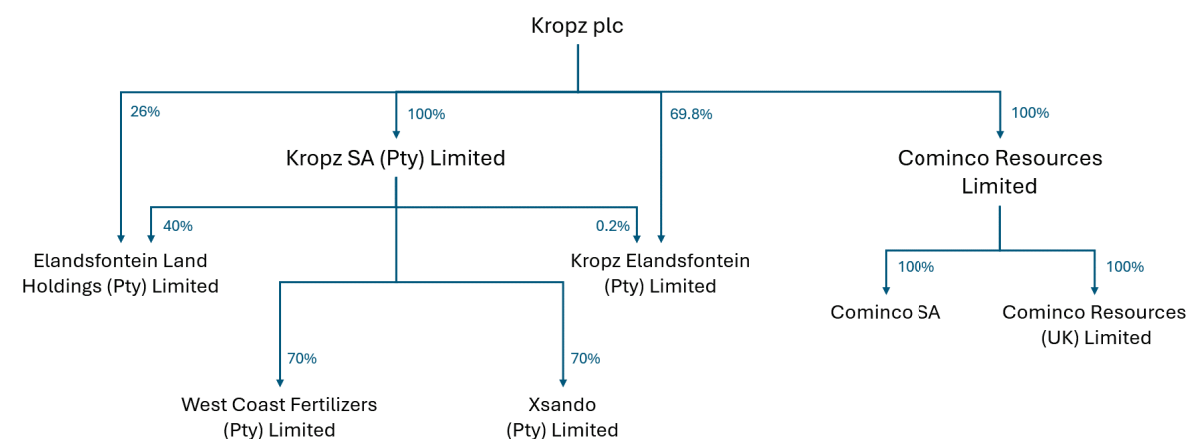
The capital expenditure plans of the Group and the further development and exploration of mineral properties in which the Group holds interests or which the Group may acquire, may depend upon the Group's ability to obtain financing through joint ventures, debt financing, equity financing or other means. No assurance can be given that the Group will be successful in obtaining any required financing as and when needed on acceptable terms or at all, which could prevent the Group from further development and exploration or additional acquisitions.

Failure to obtain additional financing on a commercial and timely basis may cause the Group to postpone its capital expenditure plans, forfeit its rights in properties or reduce or terminate operations. Reduced liquidity or difficulty in obtaining future financing could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Delays have been experienced in the ramp up of the Elandsfontein Project. The Group have been reliant on the majority shareholder support to meeting the funding requirements during the ramp up phase, however with continued delays in ramp up the Group cannot rely on the availability of such future support.

The Group's ability to obtain future financing will depend in part on its ability to achieve positive cash flows from its current operations within time and budget, an extended commissioning ramp-up period will have an adverse impact on the business and financial performance of the Group.

### Minority shareholder rights



The Restructuring will result in Kropz's direct and indirect holding moving to 70 per cent. in Kropz Elandsfontein and 66 per cent. in Elandsfontein Land respectively, with ARC Fund having a direct holding in each of the South African subsidiaries, for compliance with the South African Black Economic Empowerment requirements.

For the avoidance of doubt, the Company's ownership of Hinda Project is not affected by Restructuring and remains at 100 per cent (the Company's effective interest being 90 per cent., after taking into account the dilutionary interest of the government of the Republic of Congo).

### Detailed steps of the Restructuring

#### 1. Cancellation of non-redeemable preference shares

The Group will cancel all of the non-redeemable preference shares held by Kropz in Kropz Elandsfontein. These are valued at nil and will be fully written down in the accounts of Kropz.

#### 2. Debt for equity swap between Kropz and the Elandsfontein Subsidiaries

The Elandsfontein Subsidiaries will issue new shares to Kropz in proportion to current debt balances owed. The cumulative debt balance owed by the Elandsfontein Subsidiaries to Kropz is £29.2 million (US\$ 38.6 million, ZAR 683.7 million).

Kropz will subscribe for new shares in Kropz Elandsfontein for a total of £28.5 million (US\$ 37.7 million, ZAR 667.7 million) and in Elandsfontein Land for a total of £0.7 million (US\$0.9 million ZAR 16 million) The subscriptions will be done at a subscription price based on the Independent Valuation of each of the Elandsfontein Subsidiaries. The Elandsfontein Subsidiaries will then utilize the proceeds from the new share issue to repay the total debt balances owed to Kropz.

The resultant balance of intercompany debt between Kropz and the Elandsfontein Subsidiaries will be nil.

#### 3. Debt for equity swap between Kropz and Kropz SA

Kropz will subscribe for shares in Kropz SA for £2.1 million (US\$ 2.7 million, ZAR 48.5 million), the proceeds of which Kropz SA will utilize to repay £2.1 million (US\$ 2.7 million ZAR 48.5 million) of debt owed to Kropz. The resultant balance of intercompany debt between Kropz and Kropz SA will be nil.

#### 4. *Debt for equity swap between ARC Fund and the Elandsfontein Subsidiaries*

The Elandsfontein Subsidiaries will issue new shares to ARC Fund. The cumulative debt balance owed by the Elandsfontein Subsidiaries to ARC Fund is £63.3 million (US\$ 83.5 million ZAR 1.5 billion). ARC Fund will subscribe for new shares in Kropz Elandsfontein for a total of £27.4 million (US\$ 36.2 million ZAR 641.1 million) and in Elandsfontein Land for a total of £0.8 million (US\$ 1.0 million ZAR 18.2 million). The subscriptions will be done at a subscription price based on the Independent Valuation of each of the Elandsfontein Subsidiaries. The Elandsfontein Subsidiaries will then utilize the proceeds from the new share issue to repay £28.2 million (US\$ 37.2 million ZAR 659.3 million) of the debt balance owed to ARC Fund.

The resultant balance of debt between ARC and the Elandsfontein Subsidiaries will be £35.1 million (US\$ 46.3 million ZAR 821.3 million).

Kropz also has a remaining approximately £54.9 million (US\$ 72.5 million ZAR 1.3 billion) of existing convertible debt (the “**Existing Equity Facilities**”) with ARC Fund (including accumulated interest) which is not being settled as part of these arrangements. These are being amended to extend the repayment terms from one year after repayment of the BNP loan facility (which will occur by no later than 30 September 2024) to three years from the date of issue of the new CLNs, or such later date as confirmed by ARC Fund in writing.

#### 5. *Issue of new Convertible Loan Notes*

To raise the capital required to settle the remaining balance of the unconverted bridge loans for the Restructuring, and subject to shareholder authority at the General Meeting, Kropz intends to issue a CLN instrument to ARC Fund for £35.1 million (US\$ 46.3 million ZAR 821.3 million). The terms of the CLN are:

- the loan will be repayable after 5 years or such later date as confirmed by ARC in writing;
- interest rate will be the South African prime rate plus 6% (six percent);
- the loan will be convertible to additional Kropz shares at the prevailing 30-day volume weighted average price (VWAP) of 1.46 pence as at 23 August 2024 (being the latest practicable date prior to the date of this Announcement); and
- conversion to equity is at the lender's absolute discretion.

Kropz will utilise the proceeds of the CLNs to subscribe for new ordinary shares in Kropz Elandsfontein. Kropz Elandsfontein will in turn apply the proceeds from the share subscription to repay the outstanding portion of the bridge loans to ARC Fund, being £35.1 million (US\$ 46.3 million, ZAR 821.3 million), resulting in these being reduced to nil.

Each of these steps remains subject to entry into various Restructuring documents. As a result of the Restructuring, Elandsfontein Subsidiaries will not have any debt obligations to ARC Fund post the transaction date. Kropz will have convertible debt of £88.9 million (including accumulated interest) outstanding with ARC Fund, being the aggregate of the new CLNs and the Existing Equity Facilities.

Of the steps outlined above, the following arrangements with ARC (the “**ARC Arrangements**”) constitute related party transactions pursuant to Rule 13 of the AIM Rules:

- the debt for equity swap with Kropz Elandsfontein;
- the debt for equity swap with Elandsfontein Land;

The Group's operations may be affected by labour-related problems with its contractor workforce in the future, such as union demands and litigation for pay rises and increased benefits. There can be no assurance that work stoppages or other labour-related developments (including the introduction of new labour regulations) applicable to contractors, will not adversely affect the results of operations or the financial condition of the Group.

#### ***Dependence on maintenance of good relationships with regulatory and governmental departments***

The Group relies on the maintenance of good relationships with regulatory and governmental departments in South Africa and the Republic of Congo. Failure to maintain these relationships may adversely impact the Company's performance.

#### ***Requirements for permits and licences***

The operations of the Group require licences, permits and in some cases renewals of existing licences and permits from various governmental authorities. The Group's ability to obtain, sustain or renew licences and permits and other licences and permits that are required by it on applicable terms is subject to changes in regulations and policies and is at the discretion of the applicable governmental authorities.

#### ***Hinda Project***

The Group's focus for the Hinda Project is concerned with the project's exploration and development; however, there can be no assurance that the Hinda Project will be brought into production, or that it will ever be profitable. The commercial viability of mineral deposits of the kind located and believed to be located at the Hinda Project area is dependent upon a number of factors, including, but not limited to, the market price of phosphate, the quality, size, grade and other attributes of the deposits and the proximity to, and availability of, infrastructure necessary to develop, exploit and transport minerals on a commercial scale.

#### ***Enforcement of contractual rights in the Republic of Congo may be brought into question***

The legal system in the Republic of Congo is based on the French civil law system (the Civil Code of the former French Equatorial Africa), which has enacted the Uniform Act to harmonise business law in Africa in order to guarantee legal and judicial security for investors and companies in its Member states, as well as a Uniform Act on Arbitration Law, allowing recourse to a standard arbitration mechanism for the settlement of contractual disputes arising from civil or commercial contracts concluded in the Republic of Congo as an alternative to Republic of Congo courts for legal proceedings relating to contracts.

Under Congolese law, parties may enter into private contracts in the language of their choice, however, a French translation is always required for them to be used before any constituted authority in Congo. In addition, enforcement of contracts concluded outside of Congo before a Republic of Congo court, administrations and other constituted authorities, requires their prior registration with the Office for Registration and Stamp Duties and, in the absence of a specific exemption, payment of the applicable registration fees and stamp duties.

Certain contracts concluded in Congo (such as leases) must also be presented for registration with the Office for Registration and Stamp Duties, due to their nature and listing in the General Tax Code, Volume 2. Moreover, certain contracts (such as commercial leases) must also be notarised or authenticated by a notary if concluded as private deeds, prior being registered as described above.

If any of these processes are not strictly followed, the Republic of Congo courts and administrations may disregard the concerned contract and, as regards the requirement to register certain contracts with the

### **Mineral Resource and Mineral Reserve estimates**

The Group's reported mineral resources and reserves are only estimates, which are based on a range of assumptions. In addition, mineral resource estimates are based on limited sampling and consequently are uncertain because the samples may not be representative. There are numerous uncertainties inherent in estimating mineral resources and ore reserves, including factors beyond the control of the Group. The estimation of mineral resources and ore reserves is a subjective process and the accuracy of any such estimates is a function of the quality of available data and of engineering and geological interpretation and judgment. Results of drilling, metallurgical testing, production, evaluation of mine plans and exploration activities subsequent to the date of any estimate may justify revision (up or down) of such estimates. There is no assurance that mineral resources can be economically mined. Those portions of the mineral resources that have not been converted to ore reserves do not have demonstrated economic viability. A mineral resource is not the equivalent of a commercially mineable ore body or an ore reserve. Lower market prices, increased production costs, reduced recovery rates and other factors may render the Group's future ore reserves uneconomic to exploit and may result in revision of its future ore reserve estimates from time to time. Ore reserve data is not indicative of future results of operations. If in the future, the Group's actual mineral resources and ore reserves prove to be less than the current estimates, other than as a result of depletion through production, or if the Group fails to develop its resource base through the upgrading of Inferred mineral resources to indicated or measured resources, or by the realisation of identified new mineralised potential, the Group's results of operations and financial condition may be materially and adversely affected. The Company and the Directors cannot give any assurance that the estimated ore reserves will be recovered as the Group proceeds through production or that they will be recovered at the volume, grade and rates estimated.

### **Dependence on key personnel/employees**

The Group's future success is substantially dependent upon the continued services and performance of its senior management and other key personnel in the various areas of the Group's business and, in particular, the senior management's ability to maintain important relationships with governmental, regulatory and local communities in South Africa and the Republic of Congo. The loss of the services of certain key employees or the inability to recruit personnel of the appropriate calibre could have a material adverse effect on the business of the Group. There can be no assurance that the Group will be successful in attracting and retaining such personnel.

Although the Company believes that the Group's relations with its employees are good, there can be no assurance that a work slowdown or stoppage will not occur at any of the Group's operating units or exploration prospects. Any future work slowdowns, stoppages, disputes with employee unions or other employment-related developments or disputes, including the entry into or renegotiation of collective bargaining agreements, could result in a decrease in the Group's production levels and adverse publicity and/or increase costs, which could have a material adverse effect on the Group's business, results of operations and financial condition and the price of its shares.

### **Contractor risks**

The Group's ongoing operations depend significantly on the maintenance of good relationships with, and the solvency of, its key contractors, including exploration, mining and plant operating contractors, laboratory services, concentrate transport, logistics and export and warehousing contractors.

Failure of any of the contractors to perform the required scope of work may also pose a risk to the operational performance of the Group.

- the issue of new CLNs;
- the repayment of the outstanding bridge loans; and
- the amendment of the Existing Equity Facilities extending the repayment terms to three years from the date of issue of the new CLNs, or such later date as confirmed by ARC Fund in writing.

### **4. Details of the Fundraising**

The Company proposes to conditionally raise gross proceeds of £8.9 million (before expenses) pursuant to the Fundraising by the allotment and issue of an aggregate number of 643,873,018 New Ordinary Shares at an Issue Price of 1.387 pence per New Ordinary Share. The Issue Price represents a discount of approximately 5 per cent. to the 30-day volume weighted average share price per Existing Ordinary Share to 23 August 2024, being the last practicable date prior to the date of the announcement of the Fundraising.

ARC Fund has agreed to subscribe for a minimum of 515,098,414 New Ordinary Shares at the Issue Price to raise gross proceeds of approximately £7.1 million (before expenses).

The Company values its retail shareholder base and believes that it is appropriate to provide its existing retail Shareholders in the United Kingdom the opportunity to participate in the REX Retail Offer via participating Intermediaries. The REX Retail Offer is intended to provide minority shareholders in the Company with the opportunity to participate in the Fundraising, on the same economic terms and at the same price as ARC Fund.

Up to 128,774,604 REX Retail Offer Shares may be issued pursuant to the REX Retail Offer at the Issue Price to raise gross proceeds of up to £1.8 million (before expenses).

The Company announced on 3 September 2024 that it would be making the REX Retail Offer open to eligible investors in the United Kingdom following release of the REX Retail Offer Announcement. The REX Retail Offer is expected to close at 4.30 p.m. on 9 September 2024. Eligible investors should note that Intermediaries may have earlier closing times. The Company may, in its absolute discretion, extend the closing time or date of the REX Retail Offer.

Pursuant to the terms of the Intermediaries Agreement, the Company has made the REX Retail Offer to existing retail Shareholders through Intermediaries via the REX Platform. The obligations of the Intermediaries under the Intermediaries Agreements are conditional in all respects upon: (a) the entry into the Underwriting Agreement by each of the Company and ARC Fund; and (b) the Admission becoming effective.

Under the Intermediaries Agreements relating to the REX Retail Offer, the Company has agreed to pay commission to the Intermediaries on the basis of the amounts subscribed for by their clients under the REX Retail Offer. The Company has agreed to pay to REX commission based on the aggregate value of the REX Retail Offer Shares issued pursuant to the REX Retail Offer. It is a term of the REX Retail Offer that the total value of the REX Retail Offer Shares available for subscription at the Issue Price does not exceed £1.8 million. Full terms and conditions can be found in the REX Retail Offer Announcement.

ARC Fund has agreed to underwrite, pursuant to the Underwriting Agreement, an amount equal to the REX Retail Offer to ensure that the entire amount of the Fundraising will equate to approximately £8.9 million (before expenses). Further details of the terms and conditions of the Underwriting Agreement is set out in paragraph 5 below.

The Fundraising Shares, when issued and fully paid, will rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid in respect of such Ordinary Shares after the date of issue.

The Fundraising is conditional upon (i) the Fundraising Resolutions being duly passed at the General Meeting; (ii) the Exchange Control Approval having been granted; and (iii) Admission becoming effective at 8:00 a.m. on 27 September 2024 (or such later time and/or date as the Company and ARC Fund may agree, but in any event by no later than 8.00 a.m. on 30 November 2024).

## 5. Underwriting by ARC Fund

ARC Fund has agreed to underwrite an amount equal to the REX Retail Offer by agreeing to subscribe at the Issue Price for sufficient Ordinary Shares to satisfy the Underwriting Commitment (as defined below).

Pursuant to the Underwriting Agreement, ARC Fund has agreed to subscribe for: (i) 515,908,414 Ordinary Shares in consideration for the payment by ARC Fund to the Company of approximately £7.1 million; and (ii) such number of Ordinary Shares as is equal to 128,774,604 Ordinary Shares less the number of REX Retail Offer Shares subscribed for by retail investors (if any) (the “**Underwritten Shares**”), each such Ordinary Share to be paid for by ARC Fund to the Company at the Issue Price (the “**Underwriting Commitment**”).

The obligations of ARC Fund under the Underwriting Agreement is conditional upon (i) the Fundraising Shares having been admitted to trading on AIM by not later than 30 November 2024 or such other date as agreed between the Company and ARC Fund; (ii) the passing of the GM Resolutions by the requisite majority; and (iii) the receipt of the Exchange Control Approval.

Kropz and ARC Fund have provided customary warranties to each other in the Underwriting Agreement.

## 6. Related Party Transactions

The ARC Arrangements, the Fundraising and entry into the Underwriting Agreement are related party transactions pursuant to Rule 13 of the AIM Rules. Gerrit Duminy, a director of the Company, is the representative of ARC Fund. Mike Nunn, a director of the Company, is the beneficial owner of Kropz International SARL (“**Kropz International**”). ARC and Kropz International are treated as acting in concert for the purposes of the City Code on Takeovers and Mergers. Accordingly, neither has been involved in the approval of these arrangements by the Company's board.

The remaining directors of the Company, who are considered independent for the purposes of the arrangements, having consulted with the Company's nominated adviser, consider the terms of the arrangements to be fair and reasonable insofar as the Company's Shareholders are concerned.

## 7. Admission, settlement and dealings

Application will be made to the London Stock Exchange for admission of the Fundraising Shares to trading on AIM. It is expected that Admission will take place on or before 8.00 a.m. on 27 September 2024 and that dealings in the Fundraising Shares on AIM will commence at the same time and at which time it is also expected that the Fundraising Shares will be enabled for settlement in CREST.

## 8. General Meeting

adverse impact on the business, operations and financial performance of the Group. Further, mining and production rates might fluctuate.

Excessive overburden stripping, non-economical mining of ore, ore variability and the dilution of feed grade to the processing facility could all have an adverse impact on the processing operations. Furthermore, a high variability in the daily feed grades could also have an adverse impact on operations and financial performance of the Group.

Ore variability have been encountered with the presence of competent banks of hard material, “pink ore” and high slimes contents within the orebody, that were previously unknown. The high slimes contents is being addressed with the centrifuge unit that has been installed and brining it online. The hard bank and “pink ore” are being investigated and a pilot project is being deployed to address.

While trial production has commenced at Elandsfontein, any further unscheduled interruptions in the Group's operations due to mechanical or other failures or industrial relations related issues or problems or issues with the supply of goods or services could have a serious impact on the financial performance of those operations.

### **Mining risks**

The business of mining and mineral processing involves a number of risks and hazards, including industrial accidents, labour disputes, community conflicts, activist campaigns, unusual or unexpected geological conditions, geotechnical risks, equipment failure, changes in the regulatory environment, environmental hazards, ground water and weather and other natural phenomena such as earthquakes and floods. The Group may experience material mine or plant shutdowns or periods of reduced production as a result of any of the above factors. Such occurrences could result in material damage to, or the destruction of, mineral properties or production facilities, human exposure to pollution, personal injury or death, environmental and natural resource damage, delays in mining, monetary losses and possible legal liability, and may result in actual production differing, potentially materially, from estimates of production, whether expressly or by implication. There can be no assurance that the realisation of operating risks and the costs associated with them will not materially adversely affect the results of operations or financial conditions of the Group.

Geotechnical risks could have a material adverse impact on the safety, business and financial performance of the Group's operation.

The biggest geotechnical risk to the mining at Elandsfontein is the possibility of pit ‘basal heave failure’ below the mineralised zone. A detailed study has been conducted by SRK (SA) including numerical modelling of the pit – based on shear strength parameters determined by geotechnical test work. SRK (SA) concluded that the base of the excavation should be limited to a 50m width in order to mitigate this risk. In order to achieve this, discipline must be employed in ensuring that backfilling never lags mining and that dewatering systems remain effective.

Possible groundwater inflow into the pit has also been identified by SRK (SA) as a potential geotechnical risk as increased pore water pressures could lead to pit wall instability. This risk has been mitigated by the borehole dewatering system that has been implemented, which coupled with in-pit sump dewatering has proven to be effective to date and working as designed. Diligent and regular monitoring of the efficacy of the dewatering is required to ensure that pit wall instability is minimised.

Failure to successfully dewater the mining area and maintain water levels in the mining area at the Elandsfontein Project could have a material adverse impact on the operational performance, financial performance and financial condition of the Group.

## RISK FACTORS

Any investment in the Company is subject to a number of risks. Accordingly, prospective investors should carefully consider the risks set out below as well as the other information contained in this document and any other publicly available information about the Company before making a decision whether to invest in the Company. The risks described below are not the only risks that the Company faces. Additional risks and uncertainties that the Directors are not aware of or that the Directors currently believe are immaterial may also impair the Company's operations. Any of these risks may have a material adverse effect on the Company's business, financial condition, results of operations and prospects. In that case, the price of the Ordinary Shares could decline, and investors may lose all or part of their investment. Prospective investors should consider carefully whether an investment in the Company is suitable for them in light of the information in this document and their personal circumstances.

Before making an investment, prospective investors are strongly advised to consult an investment adviser authorised under the FSMA who specialises in investments of this kind. A prospective investor should consider carefully whether an investment in the Company is suitable in the light of his or her personal circumstances, the financial resources available to him or her and his or her ability to bear any loss which might result from such investment.

The following factors, which are not presented in any order of priority, do not purport to be a complete list or explanation of all the risks involved in investing in the Company. In particular, the Company's performance may be affected by changes in the market and/or economic conditions and in legal, regulatory, tax and operational requirements.

### 1 Risks relating specifically to the Group

#### *Transition of Elandsfontein Project from ramp up to steady state production*

The Elandsfontein Project is currently in the production ramp up phase. The term "ramp-up" in the context of mining refers to the process of gradually increasing production or operational capacity. Production gradually increases until it reaches the steady-state design capacity. The time taken for a mineral processing plant to achieve full production from first ore into the plant to when the plant has reached its designed capacity, both in terms of quantity and quality of product, is referred to as the ramp-up period. Depending on the complexity encountered in the process, the ramp-up time can range from a couple of months to years. Failure to transition from ramp-up to steady state could result in a material adverse impact on the business, and the financial performance and position of the Group.

#### *Operational targets*

The Group's principal asset, the Elandsfontein Project, is an advanced stage mining project that has limited operating track record upon which to base estimates of future production rates, operating costs, capital expenditures or financial performance. The operational targets of the Group will be subject to the completion of planned operational goals on time and according to budget, and are dependent on the effective support of personnel, systems, procedures and controls. Any failure of these may result in delays in the achievement of operational targets with a consequent material adverse impact on the business, operations and financial performance of the Group. It is, therefore, possible that mining and production rates might fluctuate. Currently while in trial production cost per tonne exceeds sales price achieved per tonne, production is not at full capacity, and this is expected until such time that full production capacity is reached.

The financial performance of the Group is subject to its ability to achieve a target concentrate specification and production efficiency at its Elandsfontein Project, according to its pre-determined budget. Failure to do this may result in failure to achieve operational targets with a consequent material

The Directors do not currently have authority and power to allot all of the Fundraising Shares or issue of the Convertible Loan Notes. Accordingly, the Board is seeking the approval of Shareholders at the General Meeting to allot the Fundraising Shares and issue the Convertible Loan Notes, together with approval to disapply pre-emption rights in respect of the Fundraising Shares and the Convertible Loan Notes.

Set out at the end of this document is a notice convening the General Meeting to be held at the offices of Memery Crystal, 165 Fleet Street, London, EC4A 2DY at 12:30 p.m. on 20 September 2024. At the General Meeting, the following resolutions will be proposed:

- Resolution 1, which is an ordinary resolution to authorise the Directors to allot relevant securities pursuant to the Fundraising (but for no other purpose) up to an aggregate nominal amount of £643,873.018, being equal to 643,873,018 Ordinary Shares;
- Resolution 2, which is an ordinary resolution to authorise the Directors to allot relevant securities pursuant to the terms of the CLNs (but for no other purpose) up to an aggregate nominal amount of £2,403,549.091, being equal to 2,403,549,091 Ordinary Shares;
- Resolution 3, which is conditional on the passing of Resolution 1 and is a special resolution to authorise the Directors to allot equity securities in the capital of the Company for cash pursuant to the Fundraising (but for no other purpose) on a non-pre-emptive basis up to a maximum aggregate nominal value of £643,873.018; and
- Resolution 4, which is conditional on the passing of Resolution 2 and is a special resolution to authorise the Directors to allot equity securities in the capital of the Company for cash pursuant to the terms of the CLNs (but for no other purpose) on a non-pre-emptive basis up to a maximum aggregate nominal value of £2,403,549.091.

The authorities to be granted pursuant to the GM Resolutions shall expire on the date falling 12 months from the date they are passed (unless renewed, varied or revoked by the Company prior to or on that date by special resolution).

### 9. Action to be taken with respect to the General Meeting

Please check that you have received a Form of Proxy with blue banner for use in relation to the General Meeting with this document. If you choose to receive your communications electronically you will have received an email notification to vote online at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To access the service, you will need the Control Number, your Shareholder Reference Number (SRN) and Personal Identification Number (PIN). These are shown on the proxy form or the email notification of this document (if the Company communicates with you electronically).

You are strongly encouraged to complete, sign and return your Form of Proxy with blue banner, or cast your vote online, in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible but in any event so as to arrive by not later than 12:30 p.m. on 18 September 2024 (or, in the case of an adjournment of the General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the General Meeting in the event of your absence. The completion and return of a Form of Proxy with

blue banner will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof, should you wish to do so.

#### **10. Annual General Meeting**

Your attention is drawn to the notice convening the Annual General Meeting to be held at the offices of Memery Crystal, 165 Fleet Street, London, EC4A 2DY at 12:00 noon on 27 September 2024. At the Annual General Meeting, the following resolutions will be proposed:

- Resolution 1, which is an ordinary resolution to re-appoint PKF Littlejohn LLP as auditor of the Company until the conclusion of the next annual general meeting and to authorise directors to fix their remuneration;
- Resolution 2, which is an ordinary resolution to re-elect Linda Beal, who retires by rotation, as a director of the Company;
- Resolution 3, which is an ordinary resolution to re-elect Michael Daigle, who retires by rotation, as a director of the Company;
- Resolution 4, which is an ordinary resolution to re-elect Michael Nunn, who retires by rotation, as a director of the Company;
- Resolution 5, which is an ordinary resolution to authorise the Directors to allot securities up to an aggregate nominal amount of £522,530.414, being equal to 522,530,414 Ordinary Shares;
- Resolution 6, which is conditional on the passing of Resolution 5 and is a special resolution to authorise the Directors to allot ordinary shares in the capital of the Company for cash on a non-pre-emptive basis up to a maximum aggregate nominal value of £156,759.1241; and
- Resolution 7, which is conditional on the passing of Resolution 5 and is a special resolution to authorise the Directors to allot ordinary shares in the capital of the Company for cash on a non-pre-emptive basis up to a maximum aggregate nominal value of £156,759.1241 to be used only in connection with the financing of an acquisition or specified capital investment.

The authorities to be granted pursuant to the AGM Resolutions shall expire on whichever is the earlier of the conclusion of the next annual general meeting of the Company and the date falling 15 months from the date they are passed (unless renewed, varied or revoked by the Company prior to or on that date by special resolution).

#### **11. Action to be taken with respect to the Annual General Meeting**

Please check that you have received a Form of Proxy with purple banner for use in relation to the Annual General Meeting with this document. If you choose to receive your communications electronically you will have received an email notification to vote online at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To access the service, you will need the Control Number, your Shareholder Reference Number (SRN) and Personal Identification Number (PIN). These are shown on the proxy form or the email notification of this document (if the Company communicates with you electronically).

You are strongly encouraged to complete, sign and return your Form of Proxy with purple banner, or cast your vote online, in accordance with the instructions printed thereon so as to be received, by post or, during normal business hours only, by hand to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible but in any event so as to arrive by not later than

12:00 noon on 25 September 2024 (or, in the case of an adjournment of the Annual General Meeting, not later than 48 hours before the time fixed for the holding of the adjourned meeting (excluding any part of a day that is not a business day)).

Appointing a proxy in accordance with the instructions set out above will enable your vote to be counted at the Annual General Meeting in the event of your absence. The completion and return of a Form of Proxy with purple banner will not preclude you from attending and voting in person at the Annual General Meeting, or any adjournment thereof, should you wish to do so.

#### **12. Board Recommendation and Irrevocable Commitments**

**The Directors consider the GM Resolutions to be proposed at the General Meeting and the AGM Resolutions to be proposed at the Annual General Meeting to be in the best interests of the Company and its Shareholders as a whole.**

**Accordingly, the Directors recommend that you vote in favour of the GM Resolutions and AGM Resolutions, as they intend to do in respect of their own holdings of Ordinary Shares.**

**The Company has received irrevocable undertakings from shareholders holding in aggregate 83.21 per cent. of the Company's issued share capital to vote in favour of the GM Resolutions.**

Yours faithfully

Lord Renwick of Clifton  
Chairman