

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations commencing on page 6 of this circular have, where appropriate, been used on this cover page.

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

Action required

If you have disposed of all your enX shares, then this circular, together with the accompanying notice convening the general meeting and form of proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

Beneficial shareholders who hold dematerialised shares through a CSDP or broker who wish to attend the general meeting must request their CSDP or broker to provide them with the necessary letter of representation to attend the general meeting or must instruct their CSDP or broker to vote on their behalf in terms of their respective agreements with their CSDP or broker.

enX shareholders are referred to page 3 of this circular, which sets out the detailed action required of them in respect of the corporate actions set out in this circular.

enX does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of any holder of dematerialised enX shares to notify such shareholder of the corporate actions set out in this circular.



enX Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

JSE share code: enX ISIN: ZAE00022253

("enX" or "the company")

CIRCULAR TO enX SHAREHOLDERS

relating to:

- **the restructure and recapitalisation of eXtract including:**
 - the delegation by MCC to enX of its debt owing to Eqstra Corporation under the first mezzanine loan to the value of R876 112 358 less an excluded amount of R250 000 000;
 - the voluntary redemption by MCC of the MCC preference shares held by enX for R600 million;
 - the set-off of various inter-company loans between eXtract and MCC through the issue of 1 002 234 000 new MCC shares equal in value to R501 117 000;
 - the subscription by enX for the MCC designated shares to the value of R1 877 585 979 and the set-off of MCC's aggregate indebtedness to enX against the subscription price payable by enX for the MCC designated shares;
 - the exchange by enX of all of the MCC designated shares held by it for 3 755 171 958 new eXtract shares at 50 cents per eXtract share;
 - the unbundling and distribution by enX of 3 861 041 279 eXtract shares to enX shareholders in the ratio of 21.39799 eXtract shares for every one enX share held;

and enclosing:

- a notice of general meeting of enX shareholders; and
- a form of proxy to vote at the general meeting of enX shareholders (for use by certificated shareholders and dematerialised shareholders who have elected own-name registration only).

Corporate advisor and sponsor

JAVACAPITAL

Legal advisor to enX



Independent reporting accountants

Deloitte.

Date of issue: 11 July 2017

This circular is available in English only. Copies of this circular are available on the company's website at www.enxgroup.co.za and may also be obtained from the offices of enX, situated at 61 Maple Street, Pomona, Kempton Park, 1619 during normal office hours from the date of issue of this circular up to and including the date of the general meeting.

CORPORATE INFORMATION

Company secretary and registered office

L Möller
enX Group Limited
(Registration number 2001/029771/06)
61 Maple Street
Pomona
Kempton Park, 1619
(PostNet Suite X86 Private Bag X7
Aston Manor, 1630)

Sponsor

Java Capital Trustees and Sponsors Proprietary Limited
(Registration number 2006/005780/07)
6A Sandown Valley Crescent
Sandown
Sandton, 2196
(PO Box 2087, Parklands, 2121)

Independent reporting accountants

Deloitte & Touche
Registered Auditors
(Practice number 902276)
The Woodlands
20 Woodlands Drive
Woodmead, 2196
(Private Bag X6, Gallo Manor, 2052)

Date and place of incorporation of the company

Incorporated on 12 December 2001 in the Republic of
South Africa

Corporate advisor

Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6A Sandown Valley Crescent
Sandown
Sandton, 2196
(PO Box 2087, Parklands, 2121)

Legal advisor

Edward Nathan Sonnenbergs Inc
(Registration number 2006/018200/21)
150 West Street
Sandown
Sandton, 2196
(PO Box 783347, Sandton, 2146)

Transfer secretaries

Computershare Investor Services Proprietary Limited
(Registration number 2004/003647/07)
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
(PO Box 61051, Marshalltown, 2107)

TABLE OF CONTENTS

The definitions and interpretations commencing on page 6 of this circular have been used in the following table of contents.

Page

Corporate information	Inside front cover
Action required by enX shareholders	3
Salient dates and times	5
Definitions and interpretations	6
Circular to shareholders	
1. Introduction	12
2. Overview of enX	13
3. Overview of eXtract	13
4. Prospects and strategy	13
Part I: The restructure	
5. Background	16
6. Rationale for eXtract to reposition and recapitalise	17
7. Rationale for enX to convert the designated debt to equity and unbundle eXtract shares	17
8. Material terms of the restructure	18
9. Conditions precedent	20
10. Restructure of debt facilities	20
11. Financial support granted by enX	20
12. Undertakings to vote in favour of the restructure	21
13. Vendors	21
14. Cash company	21
Part II: The unbundling	
15. Background	23
16. Procedure for the implementation of the unbundling	23
Part III: Financial information	
17. <i>Pro forma</i> financial information	25
18. Historical financial information	25
19. Share price history	25
Part IV: General	
20. General meeting	26
21. Opinion and recommendation of the enX board	26
22. Shares in issue	26
23. Major and controlling shareholders	26
24. Directors	27
25. Material borrowings	31
26. Material contracts	32
27. Material changes	32
28. Adequacy of capital	32
29. Litigation statement	32
30. Consents	33
31. Conflicts of interest	33
32. Preliminary and issue expenses	33
33. Directors' responsibility statement	33
34. eXtract circular and revised listing particulars	33
35. Documents available for inspection	34
36. Documents incorporated by reference	34

	<i>Page</i>
Annexure 1 <i>Pro forma</i> financial information of enX	35
Annexure 2 Independent reporting accountants' assurance report on the compilation of <i>pro forma</i> financial information for enX	40
Annexure 3 <i>Pro forma</i> financial information of eXtract	42
Annexure 4 Independent reporting accountant's assurance report on the compilation of <i>pro forma</i> financial information for eXtract	50
Annexure 5 Abridged shareholder and funding structure	52
Annexure 6 Share price history	54
Annexure 7 Information for foreign enX shareholders	58
Annexure 8 Taxation considerations relating to the unbundling	60
Annexure 9 Material contracts of eXtract	62
Annexure 10 Material loans and borrowings of eXtract	67
Notice of general meeting of enX shareholders	69
Form of proxy for enX shareholders	Attached

ACTION REQUIRED BY ENX SHAREHOLDERS

The definitions and interpretations commencing on page 6 of this circular apply to this section.

If you have disposed of all your enX shares, then this circular, together with the accompanying notice convening the general meeting and form of proxy, should be forwarded to the purchaser to whom, or the broker, agent, CSDP or banker through whom, you disposed of your shares.

Please take careful note of the following provisions regarding the action to be taken by shareholders.

1. THE GENERAL MEETING

A shareholders' general meeting will be held at 11:00 on Thursday, 10 August 2017 at the registered office of enX at 61 Maple Street, Pomona, Kempton Park, 1619, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions required to approve, *inter alia*, the restructure and unbundling of the unbundled eXtract shares. A notice convening such general meeting is attached hereto, and forms part of this circular.

1.1 Dematerialised shareholders who do not have own-name registration

- 1.1.1 If you wish to attend the general meeting, you should instruct your CSDP or broker to issue you with the necessary letter of representation to attend the general meeting in person, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature.
- 1.1.2 If you do not wish to, or are unable to attend the general meeting, but wish to vote thereat, you should provide your CSDP or broker with your voting instructions in the manner stipulated in the custody agreement governing the relationship between you and your broker. These instructions must be provided to the CSDP or broker by the cut-off time and date advised by the CSDP or broker for instructions of this nature. If your CSDP or broker does not obtain voting instructions from you, it will be obliged to vote in accordance with the instructions contained in the custody agreement concluded between you and your CSDP or broker.
- 1.1.3 You must **not** complete the attached form of proxy.

1.2 Dematerialised shareholders who have own-name registration

- 1.2.1 You may attend, speak and vote at the general meeting in person, subject to sections 57 and 58 of the Companies Act.
- 1.2.2 If you do not wish to or are unable to attend the general meeting but wish to be represented thereat, you should complete the attached form of proxy in accordance with the instructions contained therein and ensure that it is received by the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) (proxy@computershare.co.za) by no later than 11:00 on Monday, 7 August 2017, failing which forms of proxy may be handed to the chairman at any time.

1.3 Certificated shareholders

- 1.3.1 You may attend the general meeting and speak and vote thereat, subject to sections 57 and 58 of the Companies Act.
- 1.3.2 If you do not wish to or are unable to attend the general meeting but wish to be represented thereat, you should complete the attached form of proxy in accordance with the instructions contained therein and ensure that it is received by the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107) (proxy@computershare.co.za) by no later than 11:00 on Monday, 7 August 2017, failing which forms of proxy may be handed to the chairman at any time.

1.4 **Electronic participation at the general meeting**

Shareholders or their proxies may participate in the general meeting by way of a teleconference call and, if they wish to do so:

- 1.4.1 must contact the company (by email to info@enxgroup.co.za) by no later than 11:00 on Monday, 7 August 2017 in order to obtain a secure code and instructions to access the conference call;
- 1.4.2 will be required to provide reasonably satisfactory identification; and
- 1.4.3 will be billed separately by their own telephone service providers for their telephone call to participate in the general meeting,

provided that shareholders and their proxies will not be able to vote telephonically at the general meeting and will still need to appoint a proxy to vote on their behalf at the general meeting.

The company does not accept responsibility and will not be held liable for any failure or omission on the part of the CSDP or broker of a dematerialised shareholder to notify such shareholder of the general meeting or any business to be conducted thereat. The company does not accept responsibility for the failure of any shareholder to comply with any of the procedures set out above.

SALIENT DATES AND TIMES

The definitions and interpretations commencing on page 6 of this circular apply to this section.

2017

Record date to receive circular (together with the notice convening the general meeting)	Friday, 30 June
Circular (together with the notice convening the general meeting) posted	Tuesday, 11 July
Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS	Tuesday, 11 July
Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press	Wednesday, 12 July
Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 25 July
Voting record date	Friday, 28 July
Last day forms of proxy should be lodged with the transfer secretaries for the general meeting (by 11:00), failing which forms of proxy may be handed to the chairman at any time	Monday, 7 August
General meeting held at 11:00	Thursday, 10 August
Results of the general meeting released on SENS	Thursday, 10 August
Special resolutions and CIPC documents for eXtract relating to the consolidation and the authorised share increase submitted to CIPC on	Friday, 11 August
Expected date special resolution for eXtract relating to the consolidation and the authorised share increase filed by CIPC	Friday, 25 August
Expected date the restructure is implemented	Monday, 28 August
Expected date the unbundling finalisation announcement is released on SENS by 11:00 on	Tuesday, 29 August
Expected last day to trade in enX shares in order to participate in the unbundling	Tuesday, 5 September
Expected date trading in enX shares 'ex' the entitlement to receive the unbundled eXtract shares commences	Wednesday, 6 September
Expected date the price for fractional entitlements and the ratio apportionment of expenditure and market value in respect of the unbundling is announced on SENS by 11:00 on	Thursday, 7 September
Expected record date for the unbundling at close of business on	Friday, 8 September
Expected date dematerialised enX shareholders will have their accounts at their CSDP or broker updated to reflect the unbundled eXtract shares	Monday, 11 September
Expected date of issue of new eXtract share certificates to certificated enX shareholders, provided that the old share certificates have been lodged by 12:00 on Friday, 8 September 2017 (share certificates received after this time will be posted within 5 business days of receipt)	Monday, 11 September

Notes:

1. All dates and times in this circular are local dates and times in South Africa.
2. The above dates and times are subject to change. Any changes will be released on SENS and, if required, published in the press.
3. Shareholders should note that as transactions in enX shares are settled in the electronic settlement system used by Strate, settlement of trades takes place three business days after such trade. Therefore, shareholders who acquire enX shares after Tuesday, 25 July 2017 will not be eligible to vote at the general meeting.
4. In order to ensure an orderly arrangement of affairs at the general meeting, forms of proxy should be lodged with the transfer secretaries by 11:00 on Monday, 7 August 2017, failing which forms of proxy may be handed to the chairman at any time.
5. If the general meeting is adjourned or postponed, forms of proxy submitted for the initial general meeting will remain valid in respect of any adjournment or postponement of the general meeting.

DEFINITIONS AND INTERPRETATIONS

In this circular and the annexures hereto, unless inconsistent with the context, an expression which denotes a gender includes the other genders, a natural person includes a juristic person and *vice versa*, the singular includes the plural and *vice versa* and the expressions set out in the first column bear the meaning assigned to them in the second column.

“Act” or “Companies Act”	the South African Companies Act, No 71 of 2008, as amended from time to time;
“Austro”	Austro Proprietary Limited (Registration number 1974/003305/07) a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary of enX;
the “board” or “enX board”	the board of directors of enX;
“business day”	any day other than a Saturday, Sunday or official public holiday in South Africa;
“CapLeverage”	CapLeverage Proprietary Limited (Registration number 2012/104071/07) a private company duly incorporated in accordance with the laws of South Africa. The shareholders of CapLeverage are Paul Baloyi (as to 45%), O’Flaherty Projects Proprietary Limited (of which Paul O’Flaherty is a director) (as to 25%), Nombulelo Moholi (as to 20%), Alon Fowler (as to 5%), Paul Kibuka (as to 2.5%) and Letu Matlala (as to 2.5%);
“certificated shareholders” or “certificated enX shareholders”	shareholders who hold certificated shares;
“certificated shares” or “certificated enX shares”	shares which have not yet been dematerialised into the Strate system, title to which is represented by physical documents of title;
“CIPC”	the Companies and Intellectual Property Commission;
this “circular” or “category 1 circular” or “enX circular”	this circular, dated Tuesday, 11 July 2017, including all annexures thereto;
“CGT”	capital gains tax as levied in terms of Schedule 8 of the Income Tax Act;
“closing date”	the fifth business day following the date upon which the restructure agreement becomes unconditional in all respects, unless a different date is agreed by the parties to the restructure agreement;
“CMPR division”	the Contract Mining and Plant Rental division of eXtract, which was the sole remaining asset of eXtract after the implementation of the Eqstra transaction;
“Common Monetary Area”	South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland;
“Common Terms Agreement”	the common terms agreement entered into on 21 October 2016 between <i>inter alia</i> , the lenders, eXtract and MCC, as amended from time to time;
“conditions precedent to the restructure”	the outstanding conditions precedent to the restructure as set out in paragraph 9 of this circular;
“consolidation” or “share consolidation”	the consolidation of the authorised and issued shares of eXtract on a 200 to 1 basis as detailed in the eXtract circular;
“consolidation finalisation announcement”	the announcement to be released on SENS notifying eXtract shareholders that CIPC has filed the special resolution relating to the consolidation, and further notifying shareholders of the salient dates for the consolidation;
“CSDP”	Central Securities Depository Participant;
“dematerialised shareholders” or “dematerialised enX shareholders”	shareholders who hold dematerialised shares;
“dematerialised shares” or “dematerialised enX shares”	shares which have been incorporated into the Strate system, title to which is no longer represented by physical documents of title;

“designated debt”	an amount equal to the aggregate balance of the second mezzanine loan, the redemption loan and the enX claim, being an amount of R1 877 585 979;
“director”	a director of enX;
“documents of title”	share certificates, certified transfer deeds, balance receipts and any other documents of title to enX shares acceptable to the enX board;
“enX” or the “company”	enX Group Limited (Registration number 2001/029771/06), a public company listed on the JSE and duly incorporated in accordance with the laws of South Africa;
“enX claim”	an amount equal to the outstanding balance of the first mezzanine loan, less the excluded amount, which is delegated by MCC to enX and in relation to which MCC credits a loan account in the name of enX in its books of account in an amount equal to the outstanding balance of the first mezzanine loan less the excluded amount;
“enX Forfeitable Share Scheme”	the enX forfeitable share plan adopted by enX shareholders on 22 September 2016;
“enX group”	enX and its subsidiaries as at the last practical date;
“EPS”	earnings per share;
“Eqstra Botswana”	Eqstra Botswana Proprietary Limited (in Liquidation), a wholly-owned subsidiary of eXtract, (Registration number 2001/1350) a private company registered and incorporated in accordance with the laws of the Republic of Botswana;
“Eqstra Corporation”	Eqstra Corporation Limited (Registration number 1984/007045/06), a public company duly incorporated in accordance with the laws of South Africa and wholly-owned by enX;
“Eqstra transaction”	the acquisition by enX through a series of related and inter-conditional transactions during November 2016, of the IE division and the FML division from eXtract, as detailed in Annexure 9 to this circular;
“excess assets”	mining equipment (including the Tharisa assets), immovable property (including the MCC properties) and moveable property, leasing assets, inventory, investments and other related assets owned by the eXtract group, that are no longer required by eXtract group for its operational needs, as a result of the termination of mining operations and/or assets being under-utilised;
“excess asset disposal”	the proposed disposal by the eXtract group of the excess assets in one or more transactions, including the Tharisa transaction, the Sandton Plant transaction and the Indonesia transaction;
“Exchange Control Regulations”	the Exchange Control Regulations, promulgated in terms of section 9 of the Currency and Exchanges Act, No 9 of 1933, as amended from time to time;
“excluded amount”	an amount of R250 000 000 which will remain a debt due and owing by MCC to Eqstra Corporation on substantially the same terms of the first mezzanine loan save that it shall be subordinated to the lenders and shall be interest free, with repayment subject to a waterfall agreed with the lenders and eXtract;
“eXtract”	eXtract Group Limited (Registration number 1998/011672/06) (formerly Eqstra Holdings Limited), a public company listed on the JSE and duly incorporated in accordance with the laws of South Africa;
“eXtract board”	the board of directors of eXtract;
“eXtract circular”	the circular dated Tuesday, 11 July 2017, to be issued by eXtract to eXtract shareholders in respect of the restructure and excess asset disposal;
“eXtract consideration shares”	the 3 755 171 958 eXtract shares to be allotted and issued to enX in terms of the restructure at an issue price of 50 cents per eXtract share;
“eXtract group”	eXtract and its subsidiaries as at the last practical date;
“Financial Markets Act”	Financial Markets Act, No. 19 of 2012, as amended or replaced from time to time;

“first mezzanine loan”	the loan advanced by Eqstra Corporation to MCC in terms of a written mezzanine loan agreement entered into between MCC and Eqstra Corporation on 21 October 2016. As at the last practical date, the outstanding balance is R876 112 358;
“FML division”	eXtract’s Fleet Management and Logistics division, comprising various eXtract subsidiaries, acquired by enX as part of the Eqstra transaction;
“foreign shareholder”	an enX shareholder who is a non-resident of South Africa, as contemplated in the Exchange Control Regulations;
“general meeting”	the general meeting of enX shareholders (including any adjournment or postponement thereof), to be held at 11:00 on Thursday, 10 August 2017 at the registered office of the company, called for the purpose of passing, with or without modification, the resolutions set out in the notice of general meeting attached to this circular;
“HEPS”	headline earnings per share;
“IE division”	eXtract’s Industrial Equipment division, comprising various eXtract subsidiaries, acquired by enX as part of the Eqstra transaction;
“IFRS”	International Financial Reporting Standards;
“Income Tax Act”	the Income Tax Act, No. 58 of 1962, as amended from time to time;
“independent reporting accountants” or “Deloitte”	Deloitte & Touche (practice number 902276), a limited partnership established in South Africa, full details of which are set out in the corporate information section;
“Indonesia transaction”	the acquisition by Buildmax Limited (Registration number 1995/012209/06) a public company duly incorporate in accordance with the laws of South Africa and listed on the main board of the JSE, of 99% of the issued shares in PT MCC from eXtract, as set out more fully in Part II of the eXtract circular;
“Investment Fund”	an investment company to be established by eXtract to identify funding opportunities;
“Java Capital”	in its capacity as sponsor to the company, Java Capital Trustees and Sponsors Proprietary Limited (Registration number 2006/005780/07), and in its capacity as corporate advisor to the company, Java Capital Proprietary Limited (Registration number 2012/089864/07), both private companies duly incorporated in accordance with the laws of South Africa;
“joint restructure announcement”	the joint announcement released on SENS on 18 April 2017 by eXtract and enX in respect of the restructure and excess asset disposal, as read with a further joint announcement, setting out the revised terms of the restructure, which was released on SENS on 21 June 2017;
the “JSE”	JSE Limited (Registration number 2005/022939/06), a public company duly incorporated in accordance with the laws of South Africa and licensed as an exchange under the Financial Markets Act;
“K2015296141”	K2015296141 Proprietary Limited (Registration number 2015/296141/07), a private company duly incorporated in accordance with the laws of South Africa. The David Brouze Trust is the shareholder of K2015296141. David Brouze and his immediate family are the beneficiaries of The David Brouze Trust;
the “last practical date”	Friday, 30 June 2017, being the last practical date prior to the finalisation of this circular;
“legal advisor” or “ENS”	Edward Nathan Sonnenberg Inc. (Registration number 2006/018200/21), a personal liability company duly incorporated in accordance with the laws of South Africa;
“lenders”	ABSA Bank Limited (acting through its Corporate and Investment Banking division), HSBC Bank plc (acting through its Johannesburg branch), Nedbank Limited (acting through its Corporate and Investment Banking division), FirstRand Bank Limited (acting through its Rand Merchant Bank division) and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking division);

“Listings Requirements”	the Listings Requirements as amended from time to time by the JSE, whether by way of practice note or otherwise;
“MCC”	MCC Contracts Proprietary Limited (Registration number 1983/008084/07), a private company duly incorporated in accordance with the laws of South Africa, a wholly-owned subsidiary of eXtract;
“MCC designated shares”	3 755 171 958 ordinary no par value shares in the authorised but unissued share capital of MCC;
“MCC preference shares”	400 cumulative redeemable non-participating preference shares having a value of R1 500 000 each in the authorised and issued share capital of MCC held by enX having an aggregate issue price of R600 million;
“MCC properties”	the following immovable properties registered in the name of MCC, situated at 60 Rodio Place, Midrand Industrial Park, Gauteng: (1) portion 188 of the Farm Allandale 10; (2) Portion 1 of Erf 15 Commercia Extension 15; (3) Erf 2685 Commercia Extension 5; and (4) Erf 2686 Commercia Extension 8;
“NAV”	net asset value;
“NTAV”	net tangible asset value;
“own name dematerialised shareholders” or “own name dematerialised enX shareholders”	dematerialised shareholders who/which have elected own-name registration;
“own name registration”	dematerialised shareholders who have instructed their CSDP to hold their enX shares in their own name on the uncertificated securities register;
“PPM”	Pilanesberg Platinum Mines Proprietary Limited (Registration number 2002/015572/07), a private company duly incorporated in accordance with the laws of South Africa;
“PT MCC”	PT MCC Extraction Solutions Proprietary Limited (Registration number 127/1/IP/PMA/2017), a private company duly incorporated in accordance with the laws of Indonesia and a wholly-owned subsidiary of eXtract;
“R” or “Rand”	South African Rand;
“redemption amount”	an amount of R600 million in respect of the MCC preference shares;
“register”	enX’s securities register, including the uncertificated securities register;
“restructure”	the series of inter-conditional transactions between eXtract, MCC, Eqstra Corporation and enX, as more fully provided for in the restructure agreement in respect of the restructuring of the eXtract group’s debt and recapitalisation of eXtract and the subsequent unbundling, as detailed in Part I of this circular;
“restructure agreement”	the agreement entered into between eXtract, MCC, Eqstra Corporation and enX dated 13 April 2017 in respect of the restructure, as varied by a first addendum thereto dated 1 June 2017, the second addendum thereto dated 21 June 2017 and the third addendum thereto dated 5 July 2017, the salient features of which are set out in Part I of this circular;
“revised listing particulars”	the revised listing particulars of eXtract dated Tuesday, 11 July 2017 accompanying the eXtract circular and providing additional information in relation to the eXtract group after the implementation of the restructure and excess asset disposal;
“Samvenice Trading”	Samvenice Trading Proprietary Limited (Registration number 2014/234760/07), a private company duly incorporated in accordance with the laws of South Africa and a wholly-owned subsidiary fo CapLeverage;

“Sandton Plant transaction”	the disposal by MCC of the MCC properties to Sandton Plant Hire (East) Proprietary Limited (Registration number 2006/020554/07), a private company duly incorporated in accordance with the laws of South Africa, for an aggregate consideration of R52 million;
“SARB”	the South African Reserve Bank;
“second mezzanine loan”	the loan advanced by enX to in terms of a written mezzanine loan agreement entered into between MCC and enX on 21 October 2016. As at the last practical date the outstanding balance is R651 473 621;
“SENS”	the Stock Exchange News Service, the news service operated by the JSE;
“share” or “ordinary share” or “enX share”	an ordinary share of no par value of the company;
“shareholders”, “ordinary shareholders” or “enX shareholders”	the registered holders of shares;
“South Africa”	the Republic of South Africa;
“Strate”	Strate Proprietary Limited (Registration number 1998/022242/07), a private company duly incorporated in accordance with the laws of South Africa, which is a registered central securities depository and which is responsible for the electronic settlement system used by the JSE;
“STT”	securities transfer tax levied in terms of the Securities Transfer Act, No. 25 of 2007;
“Takeover Regulations”	Chapter 5 of the Regulations to the Companies Act, 2011, published in terms of the Companies Act;
“Tharisa”	Tharisa Minerals Proprietary Limited (Registration number 2006/009544/07), a private company duly incorporated in accordance with the laws of South Africa. Tharisa is a subsidiary of Tharisa plc;
“Tharisa agreement”	the binding term sheet concluded between MCC, Tharisa plc and Tharisa on 10 May 2017 in respect of the disposal of the Tharisa assets and which term sheet will be encompassed and superseded by a definitive legal agreement to be entered into by the aforesaid parties;
“Tharisa assets”	MCC’s existing equipment, strategic components, site infrastructure and spare parts at the Tharisa Mine together with additional excess assets not situated at the Tharisa mine being disposed of for an aggregate consideration of R303 468 428;
“Tharisa transaction”	the disposal of the Tharisa assets to Tharisa in terms of the Tharisa agreement;
“transfer secretaries” or “Computershare”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company duly incorporated in accordance with the laws of South Africa;
“TRP”	the Takeover Regulation Panel, established pursuant to section 196 of the Companies Act;
“unbundled eXtract shares”	the 3 861 041 279 eXtract shares to be unbundled by enX to enX shareholders in terms of the unbundling, being 3 755 171 958 eXtract consideration shares, 101 400 000 eXtract shares enX acquired pursuant to the Eqstra transaction and 4 469 321 eXtract shares held by Eqstra Corporation, which are to be sold by Eqstra Corporation to enX for a purchase consideration of 50 cents per eXtract share;
“unbundling”	the unbundling on the unbundling date of the unbundled eXtract shares to enX shareholders registered as such on the unbundling record date, by way of a distribution <i>in specie</i> in terms of section 46 of the Companies Act, in the ratio of 21.39799 eXtract shares for every one enX share held at the close of business on the unbundling record date;

”unbundling date”	the date that enX announces on SENS that it will unbundle and distribute the unbundled eXtract shares, and being a date which is not later than 30 days following the closing date (or such later date as the parties may agree in writing), which is expected to be at the commencement of trade on Monday, 11 September 2017;
“unbundling finalisation announcement”	the date upon which all conditions precedent to the unbundling are fulfilled and the unbundling becomes irrevocable, which is expected to be Tuesday, 29 August 2017;
“unbundling record date”	the date upon which an enX ordinary shareholder must be recorded in the register in order to participate in the unbundling on the unbundling date, which is expected to be at the close of trade on Friday, 8 September 2017;
“uncertificated securities register”	the record of dematerialised enX shareholders administered and maintained by a CSDP and which forms part of the register;
“voting record date”	the date on, and the time at which a shareholder must be recorded in the securities register of the company in order to vote at the general meeting, being the close of business on the Friday of the week immediately preceding the date of the general meeting, or such other date or time as the JSE may direct;
“VAT”	value added tax as defined in the Value Added Tax Act, 1991, as amended;
“VWAP”	volume weighted average traded price per enX share; and
“Wild Rose Capital”	Wild Rose Capital Proprietary Limited (Registration number 2012/069330/07) a private company duly incorporated in accordance with the laws of South Africa. The shareholders of Wild Rose Capital are Paul Mansour, The David Brouze Trust, The JSF Family Trust (of which Jarrod Friedman is a trustee and beneficiary), Christian Neuberger and The SADES Family Trust (of which Steven Joffe is a trustee and beneficiary).



enX Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

JSE share code: enX ISIN: ZAE000222253

("enX" or "the company")

Directors

Steven Joffe[#] (Chairman)

Paul Mansour (Executive Deputy Chairman)

Jannie Serfontein (Chief Executive Officer)

Irwin Lipworth (Financial Director)

Mpho Makwana* (Lead)

Paul Baloyi[#]

Steve Booysen*

Lerato Molefe*

Tyrone Moodley[#]

Paul O'Flaherty[#]

Tony Phillips*

Louis von Zeuner*

[#] Non-executive director

* Independent non-executive director

CIRCULAR TO SHAREHOLDERS

1. INTRODUCTION

- 1.1 In the joint restructure announcement released on SENS on 18 April 2017, and the further joint announcement released on SENS on 21 June 2017, enX and eXtract shareholders were informed of the proposed eXtract restructure, recapitalisation and unbundling of eXtract shares to enX shareholders, as set out more fully in Part I of this circular.
- 1.2 The restructure, recapitalisation and unbundling comprises a series of inter-conditional transactions which includes the capitalisation of debt owing by eXtract group to enX group of in excess of R1.878 billion and the unbundling of all enX shares in eXtract (at a point in time when enX will hold in excess of 90% of eXtract's share capital). The subscription by enX for the MCC designated shares and the subsequent exchange by enX of the MCC designated shares for the eXtract subscription shares, as set out in steps 4 and 5 of the restructure, constitute a category 1 transaction for enX in terms of the Listings Requirements, requiring the approval of enX's shareholders by way of an ordinary resolution passed at a general meeting.
- 1.3 As part of the restructure, enX intends to unbundle all the eXtract shares held by it to enX shareholders in the ratio of 21.39799 eXtract shares for every one enX share held on the unbundling record date.
- 1.4 In order to give effect to the restructure, eXtract intends to increase its authorised share capital by the creation of an additional 8.5 billion no par value shares. Following the implementation of the restructure and the unbundling, eXtract intends to consolidate its authorised and issued shares in the ratio of 200 to 1 (such that each eXtract shareholder will hold 1 share post-consolidation for every 200 shares held before the consolidation).
- 1.5 The purpose of this circular is, *inter alia*, to:
 - 1.5.1 provide shareholders with information regarding the restructure and the unbundling and the manner in which they will be implemented; and
 - 1.5.2 convene a general meeting of shareholders to be held at 11:00 on Thursday, 10 August 2017.

2. OVERVIEW OF enX

enX is a diversified industrial group that provides quality branded industrial, petrochemical, and fleet management and logistics products and services. enX is organised into three business segments as follows:

2.1 enX Equipment (“Equipment”):

- 2.1.1 EIE provides distribution, rental and value added services for industrial and materials handling equipment in South Africa, other African countries, the United Kingdom (“UK”) and Ireland. EIE in South Africa is the market leader in materials handling and the sole distributor of Toyota Forklifts, BT warehousing equipment and Konecranes heavy duty forklifts and container handling equipment in Sub-Saharan Africa. Its UK operation, Impact, is the exclusive distributor for Cat Lift Trucks and Konecranes heavy duty forklifts and container handling equipment in the UK and Ireland (“EIE”);
- 2.1.2 New Way Power manufactures, installs and maintains diesel generators as well as provides temporary power through Genmatics. It distributes a range of industrial and marine engines and components through PowerO2 which is the sole distributor of John Deere and Mitsubishi industrial engines in South Africa (“Power”); and
- 2.1.3 Austro distributes professional woodworking equipment, tooling, edging and provision of associated services such as blade sharpening and equipment maintenance. It is the sole distributor of Biesse equipment and Leitz tooling in South Africa (“Wood”).

2.2 enX Fleet (“Fleet”):

Eqstra Fleet Management and Logistics business provides a full spectrum of passenger vehicle services including leasing, fleet management, outsourcing solutions, maintenance, warranty management and vehicle tracking solutions. It also provides fleet management solutions for commercial vehicle fleet owners and logistics solutions. Its footprint is in South Africa and sub-Saharan Africa. The commercial vehicle operations are supported by a nationwide network of workshops and panel repair shops (“EFML”).

2.3 enX Petrochemicals (“Petrochemicals”):

- 2.3.1 Centlube and African Group Lubricants produce and market oil lubricants in South Africa. They are the sole distributors of ExxonMobil lubricants (excluding marine and aviation); and
- 2.3.2 West African International and enX Polymers distribute plastics, polymers, rubber and speciality chemicals into Southern African. They are the sole agents and distributors of ExxonMobil chemicals in South Africa.

enX has a proven track record of acquiring quality industrial assets that have strong market positions, represent leading global brands with committed customer partnerships. enX instils entrepreneurial management to drive returns through the disciplined allocation of capital. enX was founded in 2007, operates in 14 countries and has over 2 400 employees.

3. OVERVIEW OF EXTRACT

The eXtract group comprises mainly MCC’s CMPR division. MCC is a provider of opencast contract mining services including drilling, blasting, load hauling and rehabilitation. This business has one of the largest opencast contract mining equipment fleets in South Africa. The plant renting and leasing component of the business provides customised short and long term renting and leasing of heavy earth moving equipment within the mining sector.

4. PROSPECTS AND STRATEGY

4.1 Prospects and strategy of enX

4.1.1 Strategy

enX’s goal is to build a growing, cash generative industrial business which over time consistently delivers returns on equity in excess of its cost of capital. enX aims to do this by investing in assets and opportunities that:

- drive differentiation and scale;
- strengthen its partnerships with leading global brand owners;
- expand its businesses geographically;
- build an entrepreneurial culture;

- maintain strong financial disciplines; and
- ensure an ongoing social license to do business.

The specific initiatives which enX intends to pursue so as to deliver on these strategic priorities are as follows:

4.1.1.1 *Equipment*

EIE will seek to grow its South Africa share of the forklift market in line with Toyota's aspirations.

EIE aims to expand its UK market share through the acquisition of complementary forklift businesses and strengthen its long-term partnership with Mitsubishi, the supplier of Cat Lift Trucks.

Power will drive its contract manufacturing volumes while continuing to consolidate its operations to reduce costs and improve efficiencies. Over time it will aim to generate new sources of power related revenues by moving into prime power and solar activities.

Wood aims to maintain its leading market share and gradually build a leasing and rental business.

4.1.1.2 *Fleet*

EFML is focused on growing revenues derived from value added products, which are not-capital intensive. Capital will be made available to this division to pursue new leasing contracts. The implementation of Quest will present opportunities to offer outsourced processing and fleet management services and drive operational efficiencies.

4.1.1.3 *Petrochemicals*

The lubricants component will focus on growing its distribution and contract manufacturing volumes. It will also seek new product distribution opportunities through its relationship with ExxonMobil. These growth opportunities have been enabled through the successful commissioning of its new inland blending plant.

The chemicals business will focus on growing volumes in selected polymer and speciality chemicals. The business will also seek new distributorships, whereby it can sell more volume through its existing infrastructure.

The broader industrial focus of enX may in time result in the addition of new segments should the business be aligned with its strategic priorities.

4.1.2 **Outlook**

enX expects EIE to marginally improve on its first half reported performance as the fruit harvesting season drives sales and short-term rentals. enX's UK operations are expected to perform in line with plan. The effect of these earnings on enX's full year results will be dependent on currency fluctuations. The order book that Power has built up over the past six months will begin to translate into revenues resulting in a marked improvement in 2017 second half performance, while performance of Wood should continue to be stable.

EFML expects to perform in line with its current performance, although profit before tax (PBT) margins may come down as a result of higher low-margin revenues.

Petrochemicals to continue with its strong half year performance. Higher contract manufacturing volumes, the integration of the enX group's lubricant businesses, increased activity the mining clients, the take-on of the ExxonMobil polymer agency business and improved polymer distribution volumes should all contribute to this result.

Risks to enX's business are posed by the macroeconomic impact on growth, currency and interest rates of recent sovereign debt downgrades. It is still too early to assess the effect that these may have on enX's businesses. Whilst recognising this, enX believes its business model and current portfolio of businesses have defensive characteristics given the annuity generating nature of its assets, strong market positions, brand partnerships and long-term client commitments. enX has an experienced management team who

will maintain the strong relationships with its original equipment manufacturers, drive cost efficiencies and be alert to the opportunities to grow that macro-events present.

4.2 Prospects and strategy for eXtract

- 4.2.1 Following the Eqstra transaction, the operating environment for contract mining has been difficult, with the eXtract group continuing to report operational losses at key operations.
- 4.2.2 The contract mining business has been under pressure due to several factors, notably the decline in commodity prices in 2015 resulting in mining companies reducing production and in a highly competitive market resulting in lower contract mining rates, wherein the pricing power resides with the mining company and the risks of the operations often reside with the contract miner. During the fourth quarter of 2016, the negative impact was further felt by the opencast mining contract with Boteti Mining Proprietary Limited in Botswana being terminated (as announced on SENS on 5 December 2016). Together with the PPM contract proving to be sub-optimal and Tharisa notifying the eXtract group of its intention to pursue an owner-operator model.
- 4.2.3 The remaining contracts currently operate under a satisfactory model and will be continued until the contracts expire, are terminated by mutual agreement, or the assets within such remaining contracts are disposed of as a going concern, whereby, in management's view, the value realised by sale is greater than the value of ongoing operations. These elements naturally led to the board of directors and management of eXtract performing a strategic review of the group's business model and contractual arrangements in order to align the eXtract group's capital allocations with the current mining environment. eXtract will look to allocate capital to areas where the eXtract board of directors believe eXtract can deliver appropriate returns and create shareholder value.
- 4.2.4 Pursuant to this strategic review process, a number of key outcomes, as detailed below, have been identified and eXtract is currently engaging with various stakeholders in this regard. Key outcomes of the strategic review include:
- 4.2.4.1 the termination of non-profitable contracts and transitioning the counterparties to such contracts to an owner/operator model where the contracts and underlying assets are sold by eXtract (or, where appropriate, MCC) to such counterparties as a going concern;
 - 4.2.4.2 the disposal of the excess assets;
 - 4.2.4.3 significantly reducing the eXtract group's overhead costs, including a reduction in headcount;
 - 4.2.4.4 changes to the management of eXtract;
 - 4.2.4.5 significantly restructuring eXtract group's debt levels; and
 - 4.2.4.6 exploring a funding model for potential future investments.
- 4.2.5 The approval by the eXtract board of this strategy has resulted in the eXtract group impairing a material amount of the value of leasing assets, assets held for sale and inventory as the plan is to realise the majority of its assets through sale as opposed to continuing use. As part of the strategic review, the eX board has agreed to convert the designated debt into equity in eXtract to facilitate this strategy and ensure the ongoing solvency and liquidity of eXtract. It is the intention of management to apply proceeds received from the excess asset disposal to repay its banking and remaining eX debts over the next 12 to 24 months.
- 4.2.6 It is further the intention of management, led by Bernard Swanepoel and Clinton Halsey, to reposition eXtract as a diverse investment company. This new strategy is as a result of the consensus amongst the management team that there may be opportunities whereby the listed nature of eXtract may be used to unlock value. The eXtract board is open to considering any opportunity, on a case-by-case basis, and smaller fund-like investments will have certain parameters and hurdle expectations before cash is invested.

PART I: THE RESTRUCTURE

5. BACKGROUND

- 5.1 Pursuant to the Eqstra transaction, implemented during November 2016, enX acquired the IE division and the FML division from eXtract, known at the time as Eqstra Holdings Limited, for an aggregate consideration of approximately R7.8 billion, which enX settled by:
- 5.1.1 the allotment and issue to eXtract of 52 715 390 new enX shares at R21.00 per enX share post the placement;
 - 5.1.2 assuming approximately R5.2 billion of eXtract group's debt obligations, of which R4.8 billion was within the IE and FML divisions, inclusive of approximately R900 million of senior debt owing by MCC to Eqstra Corporation under and in terms of the first mezzanine loan; and
 - 5.1.3 the recapitalisation of eXtract to the value of approximately R1.4 billion by way of enX:
 - 5.1.3.1 subscribing for 101 400 000 new eXtract ordinary shares at R1.00 per share (being 20% of eXtract's issued ordinary shares);
 - 5.1.3.2 subscribing for 400 new MCC preference shares for an aggregate subscription price of R600 million; and
 - 5.1.3.3 advancing an amount of R700 million to MCC under the second mezzanine loan.
- 5.2 The enX shares referred to in paragraph 5.1.1 were subsequently unbundled by eXtract to its shareholders. As a result of the disposals mentioned in 5.1, eXtract's sole remaining operation was the CMPR division carried on by MCC. The name of Eqstra Holdings Limited was then changed to eXtract.
- 5.3 The following key events materialised between the date upon which the Eqstra transaction closed and 18 April 2017 (the date on which the restructure was announced on SENS):
- 5.3.1 a dispute in respect of a major contract in Botswana with Eqstra Botswana, namely the Boteti contract, resulted in the customer withholding payment due and owing to Eqstra Botswana towards the end of November 2016. On 21 December 2016 a petition was lodged with the High Court of Botswana for the winding up of Eqstra Botswana and on 24 February 2017 it was placed in final liquidation. This negatively impacted cash flows and overhead recovery in South Africa and resulted in the need to purchase the liquidation dividend attributable to a secured lender to Eqstra Botswana out of the South African asset pool in April 2017 to the value of R153 million. This purchase was funded from eXtract's available cash resources (as to R113 million) and a cash guarantee from RMB (as to R40 million);
 - 5.3.2 the contract mining agreement with PPM remained sub-optimal. Accordingly, the parties agreed that this contract will be terminated by mutual agreement with effect from 30 June 2017;
 - 5.3.3 Tharisa notified eXtract of its intention to pursue an owner-operator model. On 10 May 2017 MCC concluded an agreement with Tharisa to give effect to this;
 - 5.3.4 a season of heavy summer rains from December 2016 to February 2017 hampered mining production on certain of eXtract's contracts, resulting in lost revenue of approximately R37 million;
 - 5.3.5 the current and future capital expenditure required by eXtract to maintain its fleet on key contracts exceeded the cash being generated from those contracts, resulting in net cash outflows; and
 - 5.3.6 fewer mining contracts together with reduced profitability and cash flows could no longer support the eXtract engineering and group support infrastructure which had been established to manage what was previously a much larger operation.
- 5.4 Despite the recent improvement in commodity prices, the long-term outlook for the contract mining sector remains poor. There is an oversupply of contract mining services in the market and the eXtract board does not believe that the pricing power of contractors will improve sufficiently in the medium term to provide an acceptable return on capital.

6. RATIONALE FOR EXTRACT TO REPOSITION AND RECAPITALISE

- 6.1 As a result of the events and conclusions reached, the eXtract board critically assessed the long-term vision of eXtract with a view to maximising shareholders' returns.
- 6.2 The eXtract board has accordingly concluded that it wishes to:
 - 6.2.1 engage in a structured exit of its sub-optimal contract mining contracts over time which includes:
 - 6.2.1.1 the disposal of all excess assets;
 - 6.2.1.2 a significant reduction in the eXtract group's overhead costs, including a reduction in head-count;
 - 6.2.1.3 the restructure and repayment within 18 months of eXtract's R665 million lending facility; and
 - 6.2.1.4 the conversion of the designated debt into equity and the subsequent unbundling by enX to its shareholders of the unbundled eXtract shares;
 - 6.2.2 create an exciting sustainable future for eXtract by establishing a new funding model for future diverse investments, via the creation of the Investment Fund. The Investment Fund will be open to considering any opportunity on a case-by-case basis and smaller fund-like investments will have certain parameters and hurdle expectations before cash is invested; and
 - 6.2.3 The restructure of eXtract's banking facilities and the conversion of the designated debt to equity has enabled and will enable eXtract to:
 - 6.2.3.1 attract credible and experienced management talent to oversee the repositioning;
 - 6.2.3.2 align eXtract's long term capital structure with the new strategy; and
 - 6.2.3.3 create the necessary time for management to execute their repositioning plan and to unlock value for shareholders.

7. RATIONALE FOR enX TO CONVERT THE DESIGNATED DEBT TO EQUITY AND UNBUNDLE EXTRACT SHARES

- 7.1 enX has worked closely with eXtract to create greater certainty regarding its investment in eXtract and to unlock value for enX shareholders. In support of the outcome of eXtract's strategic review process, enX believes that the recapitalisation of eXtract and the subsequent unbundling of enX's shareholding in eXtract:
 - 7.1.1 moulds enX into a pure-play industrial company with high quality industrial assets;
 - 7.1.2 unlocks value in enX by removing the uncertainty for investors created by enX's investment in eXtract;
 - 7.1.3 simplifies the analysis of enX's performance;
 - 7.1.4 enables easier access to debt and equity capital markets;
 - 7.1.5 improves enX's ability to use its shares as acquisition currency;
 - 7.1.6 improves enX's return on equity;
 - 7.1.7 leaves R250 million as debt owing by MCC to Eqstra Corporation which will strengthen enX's balance sheet and support enX's goal towards achieving an A-rated debt capital markets programme. This will further strengthen enX's initiatives to diversify its sources of funding; and
 - 7.1.8 focuses management time and attention on enX's industrial businesses and growth opportunities.
- 7.2 Following the completion of the unbundling of the unbundled eXtract shares:
 - 7.2.1 enX shareholders will have:
 - 7.2.1.1 direct see-through to eXtract's net asset value;
 - 7.2.1.2 the opportunity and option to participate in the value that the eXtract board aims to create through the repositioning of eXtract;
 - 7.2.1.3 the support of a credible and experienced eXtract leadership team to execute the repositioning plan and create the Investment Fund to identify funding opportunities; and
 - 7.2.1.4 a liquidity option to directly monetise their investment in eXtract should they so choose;
 - 7.2.2 the consolidation will proceed and be implemented.

8. MATERIAL TERMS OF THE RESTRUCTURE

8.1 On 13 April 2017, eXtract, MCC, enX and Eqstra Corporation concluded the restructure agreement in terms of which, *inter alia*:

- 8.1.1 all of the debt owed by MCC to Eqstra Corporation under the first mezzanine loan (less the excluded amount of R250 million) will be delegated to enX, as a result of which MCC will be indebted to enX in an amount equal to the debt so delegated;
- 8.1.2 the designated debt will be discharged in full by enX subscribing for the MCC designated shares for a consideration which equates to the aggregate value of such debt and the subscription price payable by enX for these MCC shares will be set off against MCC's aforementioned debt;
- 8.1.3 enX will exchange the MCC designated shares for 3 755 171 958 ordinary no par value shares in the authorised but unissued share capital of eXtract at an issue price of 50 cents per eXtract share in terms of an asset for share transaction under section 42 of the Income Tax Act; and
- 8.1.4 enX will unbundle and distribute to its shareholders, the unbundled eXtract shares, being 3 755 171 958 eXtract consideration shares, the 101 400 000 eXtract shares enX acquired pursuant to the Eqstra transaction and 4 469 321 eXtract shares held by Eqstra Corporation, which are to be sold on the closing date by Eqstra Corporation to enX for a purchase consideration of 50 cents per eXtract share.

8.2 The restructure agreement is constituted by a single composite indivisible transaction made up of the under mentioned steps, the cumulative effect of which will be as follows:

8.2.1 ***Step 1 – MCC delegation***

MCC delegates to enX its debt owing to Eqstra Corporation under the first mezzanine loan, less the excluded amount, in an amount of R626 112 358, as a result of which MCC will be indebted to enX in an amount equal to the enX claim (created as a result of the aforesaid delegation). enX will, following the assumption by it of the first mezzanine loan (less the excluded amount), owe the first mezzanine loan (less the excluded amount) to Eqstra Corporation. Eqstra Corporation will continue to have a separate claim against MCC for the excluded amount.

8.2.2 ***Step 2 – Redemption of the MCC preference shares***

MCC voluntarily redeems for cash the MCC preference shares held by enX in accordance with their terms, for the redemption amount, totalling R600 million. Such redemption will be facilitated using the proceeds of a refinancing in the form of an intra-day bridge loan to be advanced to MCC by a third party financier, for the redemption amount. Upon enX receiving the redemption amount, enX will assume responsibility for discharging MCC's indebtedness to the aforesaid third-party financier for which purpose MCC shall delegate to enX its liability to such third-party financier. The delegation shall include all liabilities whatsoever (including on the account of fees and other charges) which MCC incurs in respect of the aforementioned funding which it raises. No dividends have been declared or paid on the MCC preference shares since their issue in November 2016. In terms of the restructure agreement to the extent that any dividends may have been accrued or accumulated, enX waives the entitlement to any accrued or accumulated dividends.

8.2.3 ***Step 3 – eXtract intercompany loans and set-off***

The inter-company loan between eXtract and MCC to the value of R501 117 000 is settled by MCC by the issue to eXtract of 1 002 234 000 new shares in MCC to the value of R501 117 000. The aforementioned shares shall be pledged to the debt guarantor (as defined in the Common Terms Agreement) on the terms of a security cession and pledge for the benefit of the lenders, who already hold under pledge the existing shares which eXtract holds in MCC.

8.2.4 ***Step 4 – MCC subscription and set-off***

enX will subscribe for the MCC designated shares at a subscription price which equates to the aggregate value of MCC's debt to enX totalling R1 877 585 978.90. The excluded amount of R250 million will remain a debt owing by MCC to Eqstra Corporation, as agreed between the parties. Payment of the subscription price for the MCC designated shares (namely an amount of R1 877 585 979) will be set-off against an equivalent amount owing by MCC to enX.

8.2.5 **Step 5 – Asset for share exchange**

- 8.2.5.1 enX exchanges all of the MCC designated shares acquired under step 4, in consideration for the issue by eXtract to enX of the eXtract consideration shares (being 3 755 171 958 new eXtract ordinary shares at an issue price of 50 cents per eXtract share) in terms of an asset for share transaction under section 42 of the Income Tax Act. As a consequence of this transaction, eXtract will hold the entire issued share capital of MCC (all of which shares shall be subject to the security cession and pledge referred to in paragraph 8.2.3 above) and enX will hold approximately 90% of eXtract's issued share capital;
- 8.2.5.2 enX gives eXtract normal customary title warrants in respect of the MCC shares it is exchanging. In addition to normal and customary title warranties, eXtract is also warranting its unaudited consolidated interim financial statements as at 31 December 2016 (published on SENS on 18 April 2017), which have been prepared in accordance with, IFRS in respect of the business, *inter alia*, and affairs of the eXtract group as at 31 December 2016 and the 6 month period ended on 31 December 2016; and
- 8.2.5.3 immediately following the completion of step 4, enX acquires from Eqstra Corporation 4 469 321 eXtract shares held by Eqstra Corporation, for a consideration of 50 cents per eXtract share.

8.2.6 **Step 6 – enX unbundles the eXtract shares to its shareholders**

On the unbundling date, enX unbundles and distributes to enX shareholders registered as such on the unbundling record date (in compliance with section 46 of the Income Tax Act and section 46 of the Companies Act), 3 861 01 279 eXtract shares, which enX then holds in eXtract. enX shareholders will receive 21.39799 eXtract shares for every enX share held.

8.3 The restructure agreement further includes the following material terms:

- 8.3.1 **interim period undertakings:** for the period from the signature date of the restructure agreement to the closing date, each of eXtract and MCC undertake to use its reasonable commercial endeavours to conduct its business and affairs in a manner consistent with the repositioning plan approved at the eXtract board meeting held on 7 April 2017 in good faith and in the best interests of its business and the eXtract group as a whole, subject to changes made to that plan by the lenders. Further interim period restrictions were given by eXtract and MCC which are normal and customary in the circumstances, including providing enX upon request, all information reasonably required by enX to monitor the execution of the aforesaid repositioning plan. Any breach of the interim period undertakings carries with it the same consequences attaching to a breach of the warranties in step 5, as set out in paragraph 8.2.5;
- 8.3.2 **no cancellation:** no cancellation of the restructure agreement is permitted after 08h00 on the closing date of the restructure; and
- 8.3.3 **indemnity:** if enX has not cancelled or rescinded the restructure agreement, then eXtract and MCC indemnify enX against all direct loss and damage which enX suffers as a result of any breach by eXtract or MCC of any of the warranties and undertaking in the restructure agreement, subject to the following:
- 8.3.3.1 written notice must be given by enX within 12 months following the closing date and enX must institute legal proceedings prior to the expiry of 18 months following the closing date; and
- 8.3.3.2 enX is deemed to have suffered a loss in an amount equal to all direct loss and damages suffered as a result of the applicable breach.

8.4 The restructure agreement includes normal and customary warranties and undertakings pertaining to the restructure generally and to enX's subscription for shares in MCC and eXtract. In particular, enX gives eXtract normal customary title warrants in respect of the MCC shares it is exchanging. In addition, eXtract is also warranting its unaudited consolidated interim financial statements as at 31 December 2016 (published on SENS on 18 April 2017), which have been prepared in accordance with IFRS in respect of the business and affairs of the eXtract group as at 31 December 2016 and the 6 month period ended on 31 December 2016. This warranty survives for 12 months from closing of the restructure. If any claim is notified within the applicable time period, enX must institute legal proceedings within 18 months of such closing. If any warranty is breached in terms of step 5, enX and/or eXtract may, on written notice, elect to cancel or rescind the restructure agreement.

8.5 The abridged shareholding and funding structure of the enX and eXtract groups before and after the restructure are set out in **Annexure 5**.

9. CONDITIONS PRECEDENT

The restructure in its entirety remains conditional on, *inter alia*, the following:

- 9.1 to the extent legally necessary, approval of the restructure by the South African Competition Authorities;
- 9.2 eXtract shareholders agreeing to waive the benefit of a mandatory offer in the manner provided for in section 123 of the Companies Act as read with paragraph 86(4) of the Takeover Regulations, inasmuch as immediately prior to the unbundling in step 6 of the restructure enX will hold more than 35% of the eXtract shares in issue;
- 9.3 the TRP approving the restructure, to the extent legally required;
- 9.4 the shareholders of MCC, eXtract and enX passing the requisite resolutions (including in terms of the JSE Listings Requirements and the Companies Act) to authorise and approve the restructure and its implementation;
- 9.5 eXtract achieving certain commercial milestones regarding the disposal of its excess assets in terms of the excess asset disposals, including, *inter alia*, the Tharisa transaction;
- 9.6 the majority lenders consenting in writing to the restructure;
- 9.7 the signature of an intra-day bridge loan agreement with a third-party bank to enable MCC to voluntarily redeem the MCC preference shares in cash;
- 9.8 the agreements between eXtract, the lenders, MCC, enX and Eqstra Corporation being amended to capture the terms of a repayment waterfall in respect of the cash to be received by eXtract and MCC from the disposal of excess assets; and
- 9.9 the South African Revenue Service furnishing a binding advanced tax ruling in respect of the tax effect and consequences of the restructure, which is not adverse to the parties to the restructure.

The restructure is required to become unconditional in all respects by no later than 19h00 on 2 October 2017 or such other time and date as may be agreed in writing by the parties thereto. All conditions which are not regulatory in nature may be waived by the parties to the restructure agreement.

10. RESTRUCTURE OF DEBT FACILITIES

Information regarding the restructure of enX and eXtract's debt facilities are set out in **Annexure 9** of this circular.

11. FINANCIAL SUPPORT GRANTED BY enX

FirstRand Bank Limited, acting through its Rand Merchant Bank division, ("**RMB**") has furnished a guarantee in favour of Standard Chartered Bank Botswana Limited ("**SCB**") for its exposure to Eqstra Botswana as a secured creditor, in respect of the payment by MCC of an outstanding amount of approximately R44 million. MCC has already paid SCB R113 million as part consideration for MCC's purchase of SCB's liquidation dividend expected in due course from Eqstra Botswana. To facilitate the issue of the aforementioned guarantee, enX deposited cash collateral of approximately R44 million into an account in its name with RMB before RMB issued the aforesaid guarantee and over which RMB holds a security cession. enX's deposit will be reduced by the amount of a liquidation dividend to be received by SCB from Eqstra Botswana.

12. UNDERTAKINGS TO VOTE IN FAVOUR OF THE RESTRUCTURE

enX shareholders are informed that enX has obtained undertakings from shareholders representing 66.81% of the total issued share capital of enX to vote in favour of the resolutions as may be required of enX shareholders to implement the restructure. The following parties have furnished undertakings to vote the number of enX shares stated below:

Party	Shares subject to undertaking	Percentage holding in enX
Peregrine Equities	32 943 373	18.26
K2015269141 (South Africa)	25 116 403	13.92
Prudential Investment Managers	16 162 471	8.96
Samvenice Trading	12 785 271	7.09
Protea Asset Managers LLC	12 103 778	6.71
Sentio Capital Management Proprietary Limited	8 671 430	4.81
PSG Asset Management	8 612 747	4.77
Conduit Capital Limited	1 840 227	1.02
K20166229947	1 712 686	0.95
Paul Mansour	303 095	0.17
Jannie Serfontein	264 849	0.15
Total	120 516 330	66.81

13. VENDORS

- 13.1 eXtract and MCC are the vendors in respect of the restructure. The eXtract group has not purchased any material assets in the last three years.
- 13.2 Save as set out in step 5 referred to in paragraph 8.2.5 above, the restructure agreement contains warranties which are usual and normal for transactions of this nature.
- 13.3 There are no liabilities for accrued taxation that will be settled in terms of the restructure agreement.
- 13.4 Any tax liabilities of eXtract, including tax liabilities for accrued taxation to date of the restructure, will be settled in the ordinary course by eXtract from available cash reserves.
- 13.5 The restructure agreement does not preclude enX from carrying on business in competition with eXtract after the implementation of the restructure nor does the restructure agreement impose any other restrictions on enX. No payment in cash or otherwise has been made in relation to the foregoing.
- 13.6 Other than in their capacity as shareholders (both directly and indirectly) of enX and eXtract as at the last practical date, no director or promoter of eXtract (or any partnership, syndicate or other association in which a promoter or director had an interest) has any beneficial interest, direct or indirect in the restructure.
- 13.7 In respect of the restructure no cash or securities have been paid or benefit given to any director within the three preceding years of this circular or is proposed to be paid or given to any promoter (not being a director).
- 13.8 Pursuant to the restructure, enX will acquire the eXtract consideration shares which it will thereafter unbundle and distribute to enX shareholders in the manner explained in Part II of this circular. As such, the eXtract consideration shares to be acquired in terms of the restructure have not been (and will not prior to the restructure agreement becoming unconditional in all respects, and as part of its implementation, be) transferred to enX. The eXtract consideration shares have not as at the last practical date been ceded or pledged to any third party. In terms of the restructure agreement the eXtract consideration shares will only be issued to enX on the closing date in the context of implementation of step 5 (referred in paragraph 8.2.5 above).

14. CASH COMPANY

- 14.1 Pursuant to the excess asset disposal, as detailed in Part II of the eXtract circular, eXtract intends to dispose of its contract mining business over a 24 month period. eXtract intends establishing a new funding model for future diverse investments, via the creation of the Investment Fund.
- 14.2 Shareholders are advised that to the extent that eXtract's assets consist wholly or mainly of cash due to the excess asset disposal, eXtract will be classified as a cash company by the JSE.

- 14.3 In accordance with paragraph 3.26 of the Listings Requirements:
- 14.3.1 should a cash company, within six months after classification as a cash company fail to enter into an agreement and make an announcement relating to the acquisition of viable assets that satisfy the conditions of listing set out in section 4 of the Listings Requirements, its listing will be suspended; and
 - 14.3.2 if a cash company fails, within three months of suspension, to obtain approval from the JSE for a circular relating to the acquisition of viable assets that satisfy the conditions of listing set out in section 4 of the Listings Requirements, its listing will be terminated.
- 14.4 Whilst it is not eXtract's intention to become a cash company, the possibility exists that eXtract may become a cash company and may in future be delisted enX shareholders will be asked at the general meeting to approve the unbundling, taking full cognisance of this possibility.

PART II: THE UNBUNDLING

15. BACKGROUND

- 15.1 The enX board has resolved to unbundle all the eXtract shares held by it after the restructure to enX shareholders in the ratio of 21.39799 eXtract shares for every one enX share held on the unbundling record date.
- 15.2 The unbundling will be effected as a distribution in specie in compliance with the provisions of section 46(1)(a)(ii) of the Companies Act and section 46 of the Income Tax Act.
- 15.3 The unbundling will:
 - 15.3.1 mould enX into a pure-play industrial company with high quality industrial assets; and
 - 15.3.2 unlock value in enX by removing the uncertainty for investors created by enX's investment in eXtract.
- 15.4 Following the unbundling of the unbundled eXtract shares to enX shareholders, enX shareholders will have:
 - 15.4.1 direct see-through to eXtract's net asset value;
 - 15.4.2 the opportunity and option to participate in the value that the eXtract board aims to create through the repositioning of eXtract;
 - 15.4.3 the support of a credible and experienced eXtract leadership team to execute the repositioning plan and create the Investment Fund to identify funding opportunities; and
 - 15.4.4 a liquidity option to directly monetise their investment in eXtract should they so choose.

16. PROCEDURE FOR THE IMPLEMENTATION OF THE UNBUNDLING

- 16.1 Certificated shareholders are advised to pay special attention to the provisions of the following paragraphs since eXtract will not issue any individual eXtract share certificates in relation to the unbundling to which they are entitled. If you are in any doubt as to what action to take, please consult your CSDP.
- 16.2 For purposes of the unbundling, enX shareholders will be issued their respective unbundled eXtract shares in dematerialised form only. Accordingly, all enX shareholders must appoint a CSDP, directly or through a broker to receive the unbundled eXtract shares on their behalf. Should an enX shareholder require a physical share certificate in respect of its unbundled eXtract shares it will have to rematerialise the unbundled eXtract shares and should contact its CSDP to do so. All enX shareholders who elect to convert their dematerialised eXtract shares into certificated eXtract shares will have to dematerialise their certificated eXtract shares should they wish to trade in them in accordance with the rules of Strate.
- 16.3 Should any enX shareholder wish to claim their unbundled eXtract shares, they will have to instruct their CSDP or broker to receive the unbundled eXtract shares from Computershare, and the transfer secretaries will verify the validity of the unbundled eXtract shares to be transferred. The transfer secretaries may require supporting documentation and will advise the enX shareholder accordingly. The unbundled eXtract shares will then be transferred into such account with the CSDP or broker as may have been specified by the enX shareholder concerned provided that such account must be within South Africa in the case of resident shareholders but may be outside South Africa in the case of non-resident shareholders.
- 16.4 Documents of title in respect of enX shares held are not required to be surrendered in order to receive the unbundled eXtract shares.
- 16.5 **Fractions**

In implementing the unbundling, enX is required by the JSE to apply the JSE's rounding principle. As such, if an enX shareholder becomes entitled to a fraction of an unbundled eXtract share arising from the unbundling, such unbundled eXtract share will be rounded down to the nearest whole number, resulting in the allocation of whole unbundled eXtract shares and a cash payment for the fraction. The value of such cash payment will be the volume weighted average traded price of eXtract shares less 10% on the first day of trade after enX shares trade 'ex' the entitlement to receive the unbundled eXtract shares, and will be announced on SENS on the second day of trade after enX shares trade 'ex' the entitlement to receive the unbundled eXtract shares.

16.6 Governing law

The unbundling will be governed by South African law.

16.7 Offer not made where not legally permitted

- 16.7.1 The legality of the unbundling to persons in jurisdictions outside of South Africa may be affected by the laws of the relevant jurisdiction. Such persons should be informed about any applicable legal requirements, which they are obliged to observe. It is the responsibility of any such person wishing to participate in the unbundling to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith.
- 16.7.2 In particular, the unbundling is not being made, directly or indirectly, in or into any jurisdiction where it is not legally permitted for the unbundling to be made or accepted (the “**affected jurisdictions**”) including, *inter alia*, the United States of America, Canada, Australia, Japan and the Republic of Ireland.
- 16.7.3 Persons wishing to participate in the unbundling should not use the mail of the affected jurisdictions or any such means, instrumentality or facility for any purpose, directly or indirectly, relating to the unbundling. Envelopes containing forms of proxy or other documents relating to the unbundling should not be post-marked in any of the affected jurisdictions or otherwise dispatched from any of the affected jurisdictions and all participants must provide addresses outside the affected jurisdictions for receipt of the unbundled eXtract shares.
- 16.7.4 Foreign-excluded enX shareholders’ unbundled eXtract shares will be aggregated and disposed of on the JSE by the transfer secretaries for the benefit of the foreign-excluded enX shareholders. The transfer secretaries will determine which certificated enX shareholders are foreign shareholders. The transfer secretaries will deem all enX shareholders who are resident or whose registered addresses are in any country other than in the Common Monetary Area to be foreign-excluded enX shareholders, unless such enX shareholders provide them with proof, either personally, through a representative or CSDP, satisfactory to the enX board, that they are entitled to receive the unbundled eXtract shares, or to contact the enX board to make an alternative arrangement, by not later than the unbundling record date.
- 16.7.5 Foreign-excluded enX shareholders will, in respect of their shareholdings, receive the average consideration per unbundled eXtract share (net of costs) at which all foreign-excluded enX shareholders’ unbundled eXtract shares were disposed of. The average consideration will be calculated and the consideration due to each foreign-excluded enX shareholder will be paid only once all these shares have been disposed of. enX shareholders who are not residents of South Africa or whose registered address falls outside of South Africa should contact the CSDP or broker if they are uncertain of the impact of the unbundling on them.

16.8 Foreign enX shareholders

- 16.8.1 The distribution of the unbundled eXtract shares to foreign enX shareholders in terms of the unbundling may be affected by the laws of the foreign enX shareholders’ relevant jurisdiction. Those foreign enX shareholders should consult professional advisors as to whether they require any governmental or other consent to observe other formalities to enable them to realise their entitlement in terms of the unbundling.
- 16.8.2 enX ordinary shareholders are referred to paragraph 16.7 above and **Annexures 7 and 8** of this circular for further information on the restrictions applicable to foreign enX shareholders.

16.9 Exchange control

enX ordinary shareholders whose registered addresses are outside the Common Monetary Area will need to comply with the Exchange Control Regulations set out in **Annexure 7** of this circular. If enX shareholders are in any doubt as to what action to take they should consult their professional advisors.

16.10 Taxation considerations relating to the unbundling

enX intends to rely on the provisions of section 46 of the Income Tax in respect of the unbundling. This section provides relief from income tax, capital gains tax, dividends tax and securities transfer tax which would ordinarily be payable in respect of an unbundling of this nature. enX shareholders are referred to **Annexure 8** of this circular for information on the tax consequences relating to the unbundling.

PART III: FINANCIAL INFORMATION

17. **PRO FORMA FINANCIAL INFORMATION**

- 17.1 The *pro forma* statement of financial position and statement of comprehensive income of enX, after the restructure are set out in **Annexure 1** of this circular.
- 17.2 The *pro forma* statement of financial position and statement of comprehensive income of enX, including the assumptions on which they are based and the financial information from which they have been prepared, are the responsibility of the board of enX.
- 17.3 The independent reporting accountants' assurance report on the compilation of *pro forma* statement of financial position and statement of comprehensive income of enX is set out in **Annexure 2** of this circular.
- 17.4 The *pro forma* statement of financial position and statement of comprehensive income after the restructure, excess asset disposal and the consolidation are set out in **Annexure 3** of this circular.
- 17.5 The *pro forma* statement of financial position and statement of comprehensive income of eXtract, including the assumptions on which they are based and the financial information from which they have been prepared, are the responsibility of the board eXtract.
- 17.6 The independent reporting accountants' assurance report on the compilation of *pro forma* statement of financial position and statement of comprehensive income of eXtract is set out in **Annexure 4** of this circular.

18. **HISTORICAL FINANCIAL INFORMATION**

- 18.1 The audited historic consolidated financial statements of eXtract for the years ended 30 June 2016, 30 June 2015 and 30 June 2014 have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on enX's website at the following link: www.enxgroup.co.za/sens/circulars.
- 18.2 The unaudited consolidated financial statements of eXtract for the six months ended 31 December 2016 have been incorporated by reference in terms of paragraph 11.61 of the Listings Requirements and are available on enX's website at the following link: www.enxgroup.co.za/sens/circulars.

19. **SHARE PRICE HISTORY**

The share price history of enX and eXtract shares on the JSE are set out in **Annexure 6**.

PART IV: GENERAL

20. GENERAL MEETING

A general meeting of enX shareholders will be held at 11:00 on Thursday, 10 August 2017 at the offices of the company for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions set out in the notice of general meeting. A notice convening such general meeting is attached hereto and forms part of this circular.

21. OPINION AND RECOMMENDATION OF THE enX BOARD

21.1 The enX board, after evaluating the rationale for and the terms and conditions of the restructure and unbundling, is of the opinion that the restructure and unbundling are beneficial to enX shareholders and recommends that enX shareholders vote in favour of the resolutions necessary to implement the restructure and unbundling.

21.2 The directors who hold enX shares intend voting their shares in favour of all resolutions proposed at the general meeting.

22. SHARES IN ISSUE

enX's share capital as at the last practical date is set out below.

	R'000
<i>Authorised</i>	
1 000 000 000 ordinary shares of no par value each	
<i>Issued</i>	
180 439 427 ordinary shares of no par value each	
Stated capital	3 128 767
Total issued	3 128 767

2 282 700 enX shares are held in treasury.

23. MAJOR AND CONTROLLING SHAREHOLDERS

23.1 Set out below are the names of shareholders (other than directors) that are directly or indirectly, beneficially interested in 5% or more of the issued shares of enX shares as at the last practical date. There will be no change in the major shareholders of enX as a result of the restructure or the unbundling.

Name of shareholder	Beneficial			% of shares in issue
	Directly	Indirectly	Total	
K2015269141	25 116 403	–	25 116 403	13.92
Peregrine Groups Proprietary Limited	14 984 338	–	14 984 338	8.30
Samvenice Trading	12 785 271	–	12 785 271	7.09
Wild Rose Capital	11 549 018	–	11 549 018	6.40
Government Employees Pension Fund	11 327 659	–	11 327 659	6.28
Protea Asset Management	9 324 244	–	9 324 244	5.17
Prudential	9 213 421	–	9 213 421	5.11
Total	94 300 354		94 300 354	52.27

23.2 As at the last practical date enX did not have a controlling shareholder. Assuming implementation of the restructure and unbundling, it is anticipated that enX will not have a controlling shareholder.

24. DIRECTORS

24.1 Directors and management

24.1.1 Pursuant to the implementation of the Eqstra transaction, Jannie Serfontein was appointed as Chief Executive Officer, Louis Von Zeuner and Steve Booysen were appointed to the enX board as independent non-executive directors and Paul Mansour assumed the role of Executive Deputy Chairman of enX.

24.1.2 Lerato Molefe was appointed as an independent non-executive director of enX and Tyrone Moodley was appointed as a non-executive director of enX with effect from 21 October 2016. Further information in respect of these directors is set out below:

Name and age	Lerato Molefe (41)
Business address	61 Maple Street, Pomona, Kempton Park 1619
Qualification	Masters in Law and Diplomacy (MALD), Juris Doctor (Harvard)
Position	Independent non-executive director
Experience	Lerato is the founding principal of Naaya Consulting, a legal strategy firm that helps clients manage and navigate legal risks in transactions and operations across Africa. Prior to establishing Naaya Consulting in 2012, Lerato practised mergers and acquisitions law at the leading law firms of Shearman& Sterling LLP in New York and Paris and Bowman Gilfillan in Johannesburg. She also gained experience at international organisations such as the World Bank in Washington DC and Africare in Dakar, Senegal.

Name and age	Tyrone Moodley (31)
Business address	61 Maple Street, Pomona, Kempton Park 1619
Qualification	BCom Finance
Position	Non-executive director
Experience	Tyrone is a co-founder and CEO of Midbrook Lane Proprietary Limited (“ Midbrook ”), a private investment company and is Senior Advisor to Protea Investments LLC, an investment advisor based in the United States. His career began at Sasfin Securities before leaving to start Midbrook. Tyrone obtained a Bachelor of Commerce from the University of Johannesburg. He currently serves as an executive director of Conduit Capital Limited and a non-executive director of Taste Holdings Limited. He is also a non-executive director of Constantia Insurance Company, Constantia Life & Health Limited and Constantia Life Limited.

Save as set out above, there have been no changes to the directors and management of the enX group.

24.2 Directors' emoluments

There will be no changes to the emoluments of enX directors as a result of the restructure and unbundling.

24.3 enX directors' interests in enX shares

24.3.1 The direct and indirect beneficial interests of directors of enX (and their associates), including any director who resigned during the last 18 months, in the issued share capital of enX as at the last practical date were as follows.

Director	Direct holding	Indirect holding	Total shares held	% of issued shares
Paul Mansour	303 095	577 451 [^]	880 546	0.5
Jannie Serfontein [@]	264 849	469 464	734 313	0.4
Irwin Lipworth [@]	–	80 357	80 357	–
Jarrood Friedman [§]	462 302	577 451 [^]	1 039 753	0.6
Steven Joffe	314 335	4 042 156 [*]	4 356 491	2.4
Paul O'Flaherty	–	3 196 318 [§]	3 196 318	1.8
Paul Baloyi	–	5 753 372 [#]	5 753 372	3.2
Tyrone Moodley [∞]	–	–	–	–
Total	1 344 581	14 696 569	16 041 150	8.9

§ Resigned as a director with effect from 15 April 2016.

[^] Held indirectly by virtue of a 5% shareholding in Wild Rose Capital.

^{*} Held indirectly by virtue of a 35% shareholding in Wild Rose Capital.

[§] Held indirectly by virtue of a 25% shareholding in CapLeverage.

[#] Held indirectly by virtue of a 45% shareholding in CapLeverage.

[@] Includes the enX shares indirectly beneficially held pursuant to the enX Forfeitable Share Scheme

[∞] Although Tyrone Moodley has no direct or indirect beneficial interest in enX shares, he is a shareholder in entities which he controls, including Midbrook Lane, Protea Asset Management (which, although itself not a beneficial shareholder, advises certain funds and managed accounts), Riskowitz Capital Management (which is the general partner of Ithuba Investments and the Riskowitz Value Fund LP) and Conduit Capital Limited, which between them own or control an aggregate of 14 233 806 enX Shares.

24.3.2 There have been no dealings in enX shares by the directors between 31 August 2016 and the last practical date, save for:

24.3.2.1 the grant and acceptance by Irwin Lipworth of 80 357 enX shares on 15 December 2016 pursuant to the enX Forfeitable Share Scheme for an aggregate consideration of R1 462 376.8645, being the total deemed value, calculated using the 30 day VWAP prior to the transaction date, being R18.1985 per enX share. The shares were acquired pursuant to the grant and acceptance of options pursuant to the enX Forfeitable Share Scheme. The shares are registered in his name but are held in escrow subject to the rules of the enX Forfeitable Share Scheme. They will vest in Irwin Lipworth on 14 December 2019 provided that Irwin Lipworth remains on that day in the full time employ of enX, with no breaks in his employment prior to that date. Pending their vesting and release from escrow, Irwin Lipworth retains all shareholder rights attaching to the shares including the right to vote and the right to participate in distributions, subject only to the forfeiture and disposal restrictions stipulated in the rules of the aforesaid scheme. If, prior to vesting, Irwin Lipworth ceases to be employed as a result of death, redundancy, medical disability or retirement, he will be entitled to a pro-rata portion of his scheme shares, determined in accordance with the rules of the scheme;

24.3.2.2 the grant and acceptance by Jannie Serfontein of 429 612 enX shares on 15 December 2016 pursuant to the enX Forfeitable Share Scheme for an aggregate consideration of R7 818 293.982, being the total deemed value, calculated using the 30 day VWAP prior to the transaction date, being R18.1985 per enX share. The shares were acquired pursuant to the grant and acceptance of options pursuant to the enX Forfeitable Share Scheme. The shares are registered in his name but are held in escrow subject to the rules of the enX Forfeitable Share Scheme. They will vest in Serfontein on 14 December 2019 provided that Serfontein remains on that day in the full time employ of enX, with no breaks in his employment prior to that date. Pending their vesting and release from escrow, Serfontein retains all shareholder rights attaching to the shares including the right to vote and the right to participate in distributions, subject only to the forfeiture and disposal restrictions stipulated in the rules of the aforesaid scheme. If, prior to vesting, Serfontein ceases to be employed as a result of death, redundancy, medical disability or retirement, he will be entitled to a pro-rata portion of his scheme shares, determined in accordance with the rules of the scheme;

- 24.3.2.3 the acquisition by Jannie Serfontein of 199 329 enX shares on 20 December 2016 at R21.00 per share for an aggregate consideration of R4 185 909 pursuant to an on-market acquisition;
- 24.3.2.4 the acquisition by Protea Asset Management LLC (“**Protea**”) of 39 840 enX shares on 16 May 2017 at R15.00 per share for an aggregate consideration of R597 600, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.5 the acquisition by Protea, for the benefit of accounts managed by it, of 250 000 enX shares on 17 May 2017 at R15.30 per share for an aggregate consideration of R3 825 000, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.6 the acquisition by Protea, for the benefit of accounts managed by it, of 100 357 enX shares on 22 May 2017 at a weighted average traded price of R15.29333 per share for an aggregate consideration of R1 534 789.71, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.7 the acquisition by Protea, for the benefit of accounts managed by it, of 9 840 enX shares on 25 May 2017 at R15.30 per share for an aggregate consideration R150 552, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.8 the acquisition by Protea, for the benefit of accounts managed by it, of 49 918 enX shares on 2 June 2017 at R16.25 per share for an aggregate consideration of R811 167.50, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.9 the transfer of 14 092 enX shares from the Horatio Share Trust to Paul Mansour on 2 June 2017 at R16.40 per share, for a total value of R231 108.80. The Horatio Share Trust held the enX shares as a nominee for Paul Mansour following the unbundling of enX consideration shares to Eqstra Group Limited (renamed eXtract Group Limited) shareholders. Accordingly, Paul Mansour’s interest in these enX shares ceased to be an indirect beneficial interest and became a direct beneficial interest;
- 24.3.2.10 the acquisition by Protea, for the benefit of accounts managed by it, of 156 256 enX shares on 5 June 2017 at R16.50 per share for an aggregate consideration of R2 578 244, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.11 the acquisition by Protea, for the benefit of accounts managed by it, of 36 814 enX shares on 6 June 2017 at R16.50 per share for an aggregate consideration of R607 431, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.12 the acquisition by Protea, for the benefit of accounts managed by it, of 398 558 enX shares on 7 June 2017 at a weighted average traded price of R16.4975 per share for an aggregate consideration of R6 426 732.72, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.13 the acquisition by Protea, for the benefit of accounts managed by it, of 100 000 enX shares on 8 June 2017 at a weighted average traded price of R16.49282 per share for an aggregate consideration of R1 649 280, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.14 the acquisition by Protea, for the benefit of accounts managed by it, of 400 000 enX shares on 14 June 2017 at R15.59 per share for an aggregate consideration of R6 196 000.00, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.15 the acquisition by Protea, for the benefit of accounts managed by it, of 150 000 enX shares on 21 June 2017 at R15.76 per share for an aggregate consideration of R2 364 000, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.16 the acquisition by Protea, for the benefit of accounts managed by it, of 55 861 enX shares on 22 June 2017 at a weighted average traded price of R15.2999 per share for an aggregate consideration of R854 667.71, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.17 the acquisition by Protea, for the benefit of accounts managed by it, of 446 739 enX shares on 23 June 2017 at R15.75 per share for an aggregate consideration of R7 036 139.25, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;

- 24.3.2.18 the acquisition by Protea, for the benefit of accounts managed by it, of 171 313 enX shares on 26 June 2017 at a weighted average traded price of R15.6269 per share for an aggregate consideration of R2 677 091.12, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.19 the acquisition by Protea, for the benefit of accounts managed by it, of 395 442 enX shares on 27 June 2017 at a weighted average traded price of R16.1981 per share for an aggregate consideration of R6 405 409.06, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.20 the acquisition by Protea, for the benefit of accounts managed by it, of 27 594 enX shares on 28 June 2017 at R16.26 per share for an aggregate consideration of R448 678.44, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.3.2.21 the acquisition by Protea, for the benefit of accounts managed by it, of 120 000 enX shares on 30 June 2017 at R16.5992 per share for an aggregate consideration of R1 991 904, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;

These shares are included in the numbers reflected in paragraph 24.3.1 above.

- 24.3.3 There will be no change in the interests of the directors of enX in enX shares pursuant to the implementation of the restructure.

24.4 enX directors' interests in eXtract shares

- 24.4.1 The direct and indirect beneficial interests of directors (and their associates), including any director who resigned during the last 18 months, in the issued shares of eXtract as at the last practical date were as follows.

Director	Direct holding	Indirect holding	Total shares held	% of issued shares
Paul Mansour	108 400	–	108 400	–
Jannie Serfontein	504 000	–	504 000	0.1
Jarrold Friedman [§]	2 000 000	–	2 000 000	0.4
Steven Joffe	300 000	–	300 000	0.1
Tyrone Moodley [∞]	–	–	–	–
Total	2 912 400	–	2 912 400	0.6

[§] Resigned as a director with effect from 15 April 2016.

[∞] Although Tyrone Moodley has no direct beneficial interest in eXtract shares, he is a shareholder in entities which he controls, including Midbrook Lane, Protea Asset Management (which, although itself not a beneficial shareholder, advises certain funds and managed accounts), Riskowitz Capital Management (which is the general partner of Ithuba Investments and the Riskowitz Value Fund LP) and Conduit Capital Limited, which between them own or control an aggregate of 88 957 498 eXtract Shares.

- 24.4.2 There have been no dealings in eXtract shares by the directors of enX in the period commencing six months before the date of the joint restructure announcement and ending on the last practical date save for:
- 24.4.2.1 the acquisition by Protea of 100 000 eXtract shares on 19 October 2016 at 2.89 per share for an aggregate consideration of R289 000, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.4.2.2 the acquisition by Protea of 28 747 eXtract shares on 21 October 2016 at 2.80 per share for an aggregate consideration of R80 491.60, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.4.2.3 the acquisition by Protea of 250 000 eXtract shares on 28 October 2016 at 2.65 per share for an aggregate consideration of R662 500, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;
- 24.4.2.4 the acquisition by Protea of 200 000 eXtract shares on 7 November 2016 at 2.55 per share for an aggregate consideration of R510 000, pursuant to an on-market purchase of shares. Tyrone Moodley is a senior advisor of Protea;

- 24.4.2.5 the delivery of 306 555 eXtract shares to Jannie Serfontein on 8 November 2016, pursuant to a deferred bonus plan and matching scheme in terms of which eXtract was obliged to deliver eXtract shares to participants;
- 24.4.2.6 the disposal by Jannie Serfontein of 306 555 eXtract shares on 7 December 2016 at 35 cents per share, for an aggregate consideration of R107 294.25. The shares were disposed off pursuant to an on-market transaction in order to settle tax expenses in respect of the aforesaid deferred bonus plan and matching scheme; and
- 24.4.2.7 the transfer of 108 400 eXtract shares from the Horation Share Trust to Paul Mansour on 2 June 2017 at 9 cents per share, for an aggregate value of R9 756. The Horation Share Trust held the eXtract shares as nominee for Paul Mansour following the unbundling of enX consideration shares to Eqstra Group Limited (renamed eXtract Group Limited) shareholders. Accordingly, Paul Mansour's interest in these eXtract shares ceased to be an indirect beneficial interest and became a direct beneficial interest.
- 24.4.3 Pursuant to the implementation of the restructure (including the unbundling) and the consolidation, the directors of enX will have the following interests in eXtract shares:

Director	Direct holding	Indirect holding	Total shares held	% of issued shares
Paul Mansour	32 970	61 781 [^]	94 751	0.3
Jannie Serfontein	30 856	50 228	81 084	0.3
Irwin Lipworth	–	8 597	8 597	–
Jarrold Friedman§	59 462	61 781 [^]	121 243	0.4
Steven Joffe	35 131	432 470 [*]	467 601	1.6
Paul O'Flaherty	–	341 974 [§]	341 974	1.2
Paul Baloyi	–	615 553 [#]	615 553	2.2
Total	158 419	1 572 384	1 730 803	6.0

§ Resigned as a director with effect from 15 April 2016.

[^] Held indirectly by virtue of a 5% shareholding in Wild Rose Capital.

^{*} Held indirectly by virtue of a 35% shareholding in Wild Rose Capital.

[§] Held indirectly by virtue of a 25% shareholding in CapLeverage.

[#] Held indirectly by virtue of a 45% shareholding in CapLeverage.

24.5 Directors' interests in transactions

Jannie Serfontein is a non-executive director of eXtract. enX directors who hold enX shares will receive eXtract shares pursuant to the unbundling. Save as aforesaid, there will be no changes to the directors' interests in transactions pursuant to the restructure and unbundling.

24.6 Directors' service contracts

The executive directors of enX have entered into executive service agreements with enX. The contracts with Paul Mansour and Irwin Lipworth are terminable on three months' written notice by either party and are subject to a non-compete undertaking for a period of 12 months from the date of termination of his employment with enX. Jannie Serfontein has a six month notice period but no non-compete undertaking is in place.

25. MATERIAL BORROWINGS

- 25.1 Save for the restructure, full details of which are set out in Part I of this circular, there will be no changes to the material loans and borrowing of enX pursuant to the restructure.
- 25.2 The material borrowings of eXtract as at the last practical date and after the restructure are set out in **Annexure 10**.
- 25.3 It is noted that the designated debt, in the amount of R1 877 585 979, owing by the eXtract group to the enX group will be extinguished pursuant to the restructure. The excluded amount of R250 million will remain owing by MCC to eXtract pursuant to an interest-free loan. Further information regarding the designated debt before and after the restructure is set out in **Annexure 10**.

26. MATERIAL CONTRACTS

26.1 The eXtract group has the following material contracts:

26.1.1 MCC had a contract mining agreement with PPM, which contract terminated on 30 June 2017; and

26.1.2 MCC has a contract mining agreement with Tharisa. This agreement will terminate automatically upon the implementation of the Tharisa agreement.

26.2 The details of the remaining material contracts of eXtract are set out in **Annexure 9** of this circular.

26.3 Save as aforesaid and as set out in **Annexure 9** and the restructure as detailed in Part I of this circular, there are no material contracts which have been entered into in writing by the eXtract group, being restrictive funding arrangements, a contract entered into otherwise than in the ordinary course of the business carried on, within the two years prior to the date of this circular; or entered into at any time and containing an obligation or settlement that is material to the eXtract group.

27. MATERIAL CHANGES

27.1 There have been no material changes in the financial or trading position of the enX group since the publication of enX's interim results for the six months ended 28 February 2017 to the date of this circular.

27.2 The termination of the eXtract group's existing mining contracts, as indicated in Part II of the eXtract circular will have a substantial effect on the MCC business when comparing year-on-year revenue and profit as disclosed in eXtract's interim results for the six months ended 31 December 2016. The proceeds of the excess asset disposal will be used to repay the material loans of eXtract.

27.3 Save as detailed in the revised listing particulars issued by enX on 24 August 2016:

27.3.1 there has been no change in the business or trading objects of enX during the past five years;

27.3.2 there has been no major change in the nature of property, plant and equipment and in the policy regarding the use thereof; and

27.3.3 there has been no material change in the nature of business of enX.

27.4 There has been no material fact or circumstance that has occurred between 28 February 2017, being the latest interim financial period of enX and the date of this circular, other than as disclosed in this circular.

28. ADEQUACY OF CAPITAL

The directors have considered the effects of the restructure and unbundling and are of the opinion that the working capital available to the enX group is sufficient for the group's present requirements, that is, for at least the next 12 months from the date of issue of this circular.

29. LITIGATION STATEMENT

29.1 The board of directors of enX are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past (being the previous 12 months) a material effect on the enX group's financial position.

29.2 A dispute in respect of a major contract in Botswana with eXtract's subsidiary, Eqstra Botswana, resulted in the customer withholding payment towards the end of November 2016. On 21 December 2016 a petition was lodged with the High Court of Botswana for the winding up of Eqstra Botswana and on 24 February 2017 it was placed in final liquidation.

29.3 An urgent application was instituted in the High Court of South Africa, Gauteng Division, Johannesburg, on about 19 May 2017 for an order that MCC be placed in final liquidation, alternatively provisional liquidation. The claim which founds the liquidation application is based on an alleged failure by MCC to pay for consultancy services. MCC believes that the application is vexatious, spurious and opportunistic and is aimed at scuppering the transaction which is presently underway. Furthermore, MCC has a defence on the merits of the claim and is able to pay its debts as and when they fall due. Moreover, should it be unsuccessful in defending the monetary claim, which is unlikely, it will be able to settle the applicant's alleged claim. The parties are currently exploring settlement of the matter, alternatively, the possibility of referring the dispute to arbitration. Should the matter not become settled or referred to arbitration, it is anticipated that the application will be heard on 11 July 2017 in the High Court where MCC will continue to oppose the application.

29.4 Save as set out above, the board of directors of eXtract are not aware of any legal or arbitration proceedings, including any proceedings that are pending or threatened, that may have or have had in the recent past (being the previous 12 months) a material effect on the eXtract group's financial position.

30. CONSENTS

30.1 Each of the corporate advisor sponsor, independent reporting accountants, transfer secretaries, legal advisor and company secretary have consented in writing to act in the capacities stated and to their names appearing in this circular and have not withdrawn their consent prior to the publication of this circular.

30.2 The independent reporting accountants have consented to the inclusion of their reports in the form and context in which they appear in this circular, which consents have not been withdrawn prior to the publication of this circular.

31. CONFLICTS OF INTEREST

Java Capital is acting as corporate advisor and sponsor to both enX and eXtract in respect of the restructure. In order to ensure that eXtract's interests in the restructure are adequately protected, BSM Black Proprietary Limited has been appointed as joint corporate advisor to eXtract. Java Capital's role as corporate advisor in respect of the restructure is limited to the documentation of the terms of the restructure agreed between the enX group, the eXtract group and their other advisors and advising enX and eXtract jointly on the JSE Listings Requirements. Java Capital has confirmed its view that this does not affect its independence. However, as required in terms of the JSE Listings Requirements, it is confirmed that in order to manage any potential or perceived conflicts of interest that might arise, Java Capital has in place appropriate checks and balances to manage any potential or perceived conflicts of interests, including procedures to assess the independence of Java Capital in respect of a transaction (and, should it be determined that Java Capital is not independent, the appointment of an independent transaction sponsor).

32. PRELIMINARY AND ISSUE EXPENSES

The expenses (excluding VAT) relating to the restructure and unbundling which have been incurred or that are expected to be incurred are presented in the table below.

Expense	Recipient	Amount (R'000)
Corporate advisor and sponsor fees	Java Capital	500
Independent reporting accountants' fees	Deloitte	92
Legal fees*	ENS	7 000
JSE documentation inspection fees	JSE	133
Printing, publication and distribution costs	Ince	100
Transfer secretary	Computershare	10
Settlement fees	Strate	10
Other costs		55
Contingency costs		100
Total		8 000

* The joint fee of R7 million is payable by enX and eXtract in respect of the restructure.

33. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of enX, collectively and individually accept full responsibility for the accuracy of the information given in relation to enX, certify that to the best of their knowledge and belief there are no facts in relation to enX the omission of which would make any statement false or misleading, certify that they have made all reasonable enquiries to ascertain such facts; and certify that this circular contains all information in relation to enX required by law and the Listings Requirements.

34. eXtract CIRCULAR AND REVISED LISTING PARTICULARS

eXtract has issued a circular regarding the restructure and excess asset disposal as well as revised listing particulars. Copies of the eXtract circular and revised listing particulars are available on eXtract's website (www.eXtractgroup.com).

35. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at any time during normal business hours on business days from the date of issue of this circular to the date of the general meeting at the registered office of enX:

- 35.1 the MOI of enX and its major subsidiaries;
- 35.2 the restructure agreement;
- 35.3 the material contracts set out in **Annexure 9**;
- 35.4 the shareholder undertakings;
- 35.5 a signed copy of this category 1 circular;
- 35.6 the independent reporting accountants' reports, copies of which are set out in **Annexure 2** and **Annexure 4**;
- 35.7 the letters of consent referred to in paragraph 30;
- 35.8 the service contracts of the directors of enX;
- 35.9 the audited consolidated financial statements of eXtract for the years ended 30 June 2016, 30 June 2015 and 30 June 2014 and the unaudited interim results of eXtract for the six months ended 31 December 2016;
- 35.10 the unaudited interim consolidated results of enX for the six months ended 28 February 2017; and
- 35.11 the audited consolidated financial statements of enX for the years ended 31 August 2016, 31 August 2015 and 31 August 2014.

36. DOCUMENTS INCORPORATED BY REFERENCE

The following information has been incorporated by reference and is available for viewing on the company's website at www.enxgroup.co.za/sens/circulars and is available for inspection at the company's registered office in accordance with the provision of paragraph 35 above.

- 36.1 the audited consolidated financial statements of eXtract for the years ended 30 June 2016, 30 June 2015 and 30 June 2014;
- 36.2 the unaudited interim results of eXtract for the six months ended 31 December 2016;
- 36.3 the unaudited interim consolidated results of enX for the six months ended 28 February 2017; and
- 36.4 the audited consolidated financial statements of enX for the years ended 31 August 2016, 31 August 2015 and 31 August 2014.

For and on behalf of enX Group Limited

This circular was signed in Johannesburg on behalf of all the directors in terms of a written resolution signed by each of the directors on or about 3 July 2017.

Signed on behalf of the board

Irwin Lipworth

11 July 2017

PRO FORMA FINANCIAL INFORMATION OF enX

The *pro forma* statement of financial position and statement of comprehensive income of enX (the “*pro forma financial information*”) of the restructure and unbundling (the “**transaction**”) are set out below.

The *pro forma* financial information is the responsibility of the directors of enX and has been prepared for illustrative purposes only to provide enX’s shareholders with information on how the transaction may have impacted on the financial position and financial performance of enX. Due to their nature, the *pro forma* financial information may not provide a fair reflection of enX’s financial position, changes in equity, results of operations and cash flows subsequent to the transaction.

The *pro forma* financial information is presented in accordance with the Companies Act, the JSE Listings Requirements, the Guide on *Pro forma* Financial Information issued by The South African Institute of Chartered Accountants and the measurement and recognition requirements of IFRS.

The *pro forma* financial information has been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of enX’s accounting policies as at 28 February 2017.

The *pro forma* financial information has been reviewed by the independent reporting accountants whose report thereon is set out in **Annexure 2**.

Pro forma statement of financial position as at 28 February 2017

	enX at 28 February 2017 <i>Note 1</i> Rm	Debt conversion <i>Notes 2.1, 2.2</i> Rm	Fair value adjustment <i>Note 2.3</i> Rm	Unbundling <i>Note 3</i> Rm	Reclassification of 'Assets held for sale' <i>Note 4</i> Rm	<i>Pro forma</i> after the transaction Rm
ASSETS						
Non-current assets	6 480	–	–	–	250	6 730
Property, plant and equipment	380	–	–	–	–	380
Leasing assets	5 115	–	–	–	–	5 115
Goodwill	481	–	–	–	–	481
Intangible assets	442	–	–	–	–	442
Trade and other receivables	12	–	–	–	–	12
Investment in associate	1	–	–	–	–	1
Other investments and loans	12	–	–	–	250	262
Deferred taxation	37	–	–	–	–	37
Current assets	3 847	–	(113)	(792)	(250)	2 692
Inventories	1 208	–	–	–	–	1 208
Trade and other receivables	1 116	–	–	–	(20)	1 096
Taxation receivable	12	–	–	–	–	12
Bank and cash balances	376	–	–	–	–	376
Assets held for sale (**)	1 135	–	(113)	(792)	(230)	–
– Ordinary shares	21	884	(113)	(792)	–	–
– Loans and preference shares	1 114	(884)	–	–	(230)	–
Total assets	10 327	–	(113)	(792)	–	9 422
EQUITY AND LIABILITIES						
Equity	3 274	(5)	(113)	(792)	–	2 364
Stated capital	3 087	–	–	–	–	3 087
Other reserves	(10)	–	–	(792)	–	(802)
Accumulated profits	167	(5)	(113)	–	–	49
Equity attributable to equity holders of the parent	3 244	(5)	(113)	(792)	–	2 334
Non-controlling interests	30	–	–	–	–	30
Non-current liabilities	4 832	–	–	–	–	4 832
Interest-bearing liabilities	4 307	–	–	–	–	4 307
Vendor loans payable	42	–	–	–	–	42
Deferred taxation	483	–	–	–	–	483
Current liabilities	2 221	5	–	–	–	2 226
Interest-bearing liabilities	453	–	–	–	–	453
Vendor loans payable	24	–	–	–	–	24
Trade and other payables	1 537	5	–	–	–	1 542
Taxation payable	144	–	–	–	–	144
Bank overdrafts	63	–	–	–	–	63
	10 327	–	(113)	(792)	–	9 422

	enX at 28 February 2017	Debt conversion	Fair value adjustment	Unbundling	Reclassification of 'Assets held for sale'	Pro forma after the transaction
	<i>Note 1</i>	<i>Notes 2.1, 2.2</i>	<i>Note 2.3</i>	<i>Note 3</i>	<i>Note 4</i>	
	Rm	Rm	Rm	Rm	Rm	Rm
Number of shares in issue at the end of the period	180 439 447					180 439 447
Number of shares in issue at the end of the period (net of treasury shares)	178 156 747					178 156 747
NAV per share (cents)	1 820.6					1 310.2
NTAV per share (cents)	1 367.8					857.6
**'Assets held for sale' comprise:						
Ordinary shares	21					
Loans and preference shares	1 114					
Loans in MCC	1 505					
Preference shares in MCC	600					
	2 105					
Impairments raised	(991)					
	1 135					

Notes and assumptions:

1. Extracted, without adjustment, from the condensed unaudited interim results of enX for the six months ended 28 February 2017.
2. Represents the following adjustments on the assumption that the debt conversion was implemented on 28 February 2017:
 - 2.1 enX converts its existing preference shares and loans in MCC, except for an amount of R250 million, into 3 755 171 958 eXtract shares. enX's total shareholding in eXtract amounts to 3 861 041 279 after taking into account the 105 869 321 existing shares held prior to the conversion;
 - 2.2 Once off transaction cost of R5 million have been accounted for; and
 - 2.3 The 3 755 171 958 eXtract shares held by enX are fairly valued at 20c per share (being the closing price at 28 February 2017) resulting in a negative 'fair value adjustment' of R113 million.

For noting purposes, the eXtract share price at the actual transaction effective date may be different from the share price at 28 February 2017, which would result in a different fair value adjustment. If the eXtract share price at close of business on 30 June 2017, being 6 cents per share, was used, the negative 'fair value adjustment' would have been R653.1 million. This negative fair value adjustment would be recorded in the statement of profit and loss and other comprehensive income. To illustrate the sensitivity, every 1 cent movement (either up or down) in the eXtract share price away from the carrying value of the eXtract shares of 23.5 cents per eXtract share at 28 February 2017, will result in an increase or decrease in EPS and HEPS as set out in the "After the transaction" column of 24.9 cents per share. The amount of the in specie dividend would however change by an equivalent amount of this fair value adjustment, with the result that there would be no impact on NAV per share and NTAV per share.
3. Represents the adjustments for the unbundling on the assumption that all of enX's 3 861 041 279 eXtract shares are unbundled to existing enX shareholders on 28 February 2017.
4. Reallocation of the amounts included in 'Assets held for sale' and 'Trade and other receivables' to 'Other investments and loans' as the amounts will only be receivable after 12 months from reporting date.
5. There are no other subsequent events that require adjustments to the pro forma financial information.

Pro forma statement of comprehensive income for the six months ended 28 February 2017

	enX for the six months ended 28 February 2017 <i>Note 1</i> Rm	Debt conversion <i>Note 2</i> Rm	Unbundling <i>Note 3</i> Rm	<i>Pro forma</i> after the transaction Rm
Revenue	2 400	–	–	2 400
Net operating expenses	(1 708)	(5)	–	(1 713)
Profit from operations before depreciation, amortisation and profit on disposals	692	(5)	–	687
Depreciation and amortisation	(410)	–	–	(410)
IFRS 2 charges	(2)	–	–	(2)
Foreign exchange losses	(8)	–	–	(8)
Operating profit	272	(5)	–	267
Fair value adjustment – eXtract	(13)	–	13	–
Profit before interest and taxation	259	(5)	13	267
Net interest paid	(82)	(61)	–	(143)
Interest received	66	(61)	–	5
Interest paid	(148)	–	–	(148)
Share losses from associates	(2)	–	2	–
Net profit before taxation	175	(66)	15	124
Taxation	(58)	17	–	(41)
Profit for the period	117	49	15	83
Attributable to:				
– Equity holders of the parent	114	(49)	15	80
– Non-controlling interest	3	–	–	3
Profit for the period	117	(49)	15	83
Headline earnings	114	(49)	15	80
There are no adjustments between earnings and headline earnings				
Number of shares in issue during the period	180 439 447			180 439 447
Weighted average number of shares during the period	155 154 559			155 154 559
Diluted number of shares	156 867 245			156 867 245
EPS (cents)	73.6			51.7
HEPS (cents)	73.6			51.8
Diluted EPS (cents)	72.8			51.2
Diluted HEPS (cents)	72.8			51.2

Notes and assumptions:

1. Extracted, without adjustment, from the condensed unaudited interim results of enX for the six months ended 28 February 2017.
2. Represents the following adjustments on the assumption that the debt conversion was implemented on 1 September 2016:
 - 2.1 The income earned on the designated debt of R61 million (and tax thereon of R17 million), is reversed, which adjustment is of a continuing nature; and
 - 2.2 Once off transaction cost of R5 million have been accounted for.
3. Represents the following adjustments on the assumption that the unbundling was implemented on 1 September 2016:
 - 3.1 The loss from the associate investment in eXtract of R2 million is reversed, which adjustment is of a continuing nature; and
 - 3.2 The designated debt was advanced and issued on 1 September 2016, as part of the transaction that was detailed in an announcement released on SENS on 30 June 2016. The negative fair value adjustment of R13 million recognised in enX's condensed unaudited interim financial results for the six months ended 28 February 2017, which relates to valuing the existing 105 869 321 eXtract shares held by enX to their fair value at 28 February 2017, has been reversed as this adjustment would not have been incurred should the transaction have been effective on 1 September 2016. This adjustment is once-off.
4. There are no other subsequent events that require adjustments to the *pro forma* financial information.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION FOR enX**

“4 July 2017
The Directors
enX Group Limited
61 Maple Street
Pomona
Kempton Park, 1619

Dear Sirs

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

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of enX Group Limited (the Company) by the directors. The *pro forma* financial information, as set out in **Annexure 1** of the circular, to be dated on or about 11 July 2017, consists of the statement of comprehensive income and the statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (JSE) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or events, described in Part I of the circular, on the company's financial position as at 28 February 2017 and the company's financial performance for the period then ended, as if the corporate action had taken place at 1 September 2016, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 28 February 2017, being the last day of the financial period for the purposes of the statement of financial position. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's unaudited interim financial results for the six months ended 28 February 2017.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 1** of the circular.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

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

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

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

As the purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 28 February 2017 would have been as presented.

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

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

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

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

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 1** of the circular.

Deloitte & Touche

Registered Auditor

Per: Sebastian Benedikt Field Carter

Partner

Deloitte & Touche

Registered Auditors

(Practice number 902276)

The Woodlands

20 Woodlands Drive

Woodmead, 2196

(Private Bag X6, Gallo Manor, 2052)

PRO FORMA FINANCIAL INFORMATION OF EXTRACT

The *pro forma* statement of financial position and statement of comprehensive income of eXtract (the “***pro forma financial information***”) after the excess asset disposal, restructure and share consolidation (the “**transaction**”) is set out below. The *pro forma* financial information is the responsibility of the directors of eXtract and has been prepared for illustrative purposes only to provide eXtract’s shareholders with information on how the transaction may have impacted financial position and financial performance of eXtract. Due to their nature, the *pro forma* financial information may not provide a fair reflection of eXtract’s financial position, changes in equity, results of operations and cash flows subsequent to the transaction.

The *pro forma* financial information is presented in accordance with the Companies Act, the JSE Listings Requirements, the Guide on *Pro forma* Financial Information issued by The South African Institute of Chartered Accountants and the measurement and recognition requirements of IFRS.

The *pro forma* financial information has been prepared using accounting policies that are consistent with IFRS and with the basis on which the historical financial information has been prepared in terms of eXtract’s accounting policies as at 31 December 2016.

The *pro forma* financial information has been reviewed by the independent reporting accountants whose report thereon is set out in **Annexure 4**.

PRO FORMA STATEMENT OF FINANCIAL POSITION

The *pro forma* statement of financial position of eXtract set out below has been prepared on the assumption that the transaction was implemented on 31 December 2016.

	eXtract as at 31 December 2016 (unaudited) Note 1	Excess asset disposal Note 2	Restructure Note 3	Share consolidation Note 4	<i>Pro forma</i> after the excess asset disposal and restructure	<i>Pro forma</i> after the transaction
	Rm	Rm	Rm	Rm	Rm	Rm
ASSETS						
Non-current assets						
Property, plant and equipment	762	(762)	-	-	-	-
Leasing assets	85	(85)	-	-	-	-
	677	(677)	-	-	-	-
Current assets	1 625	69	-	-	1 694	1 694
Inventories	78	(78)	-	-	-	-
Trade and other receivables and derivatives	515	-	-	-	515	515
Cash and cash equivalents	162	1 017	-	-	1 179	1 179
Assets held for sale	870	(870)	-	-	-	-
Total assets	2 387	(693)	-	-	1 694	1 694
EQUITY AND LIABILITIES						
Capital and reserves						
Stated capital	1 891	-	1 878	-	3 769	3 769
Other reserves	374	-	-	-	374	374
Accumulated loss	(3 256)	(120)	-	-	(3 376)	(3 376)
(Deficit)/equity attributable to owners of the parent	(991)	(120)	1 878	-	767	767
Total equity	(991)	(120)	1 878	-	767	767
Non-current liabilities						
Interest-bearing borrowings	2 294	-	(1 878)	-	416	416
Deferred tax liabilities	2 256	-	(1 878)	-	378	378
	38	-	-	-	38	38

	eXtract as at 31 December 2016 (unaudited) Note 1	Excess asset disposal Note 2	Restructure Note 3	Share consolidation Note 4	Pro forma after the excess asset disposal and restructure	Pro forma after the transaction
	Rm	Rm	Rm	Rm	Rm	Rm
Current liabilities	1 084	(573)	–	–	510	510
Current portion of interest-bearing borrowings	465	(465)	–	–	–	–
Trade and other payables, provisions and derivatives	420	90	–	–	510	510
Liabilities directly associated with assets held for sale	199	(199)	–	–	–	–
Total equity and liabilities	2 387	(693)	–	–	1 694	1 694
Number of shares in issue (million)	507	–	3 755	(4 241)	4 262	21
Number of shares in issue (net of treasury) (million)	499	–	3 755	(4 233)	4 254	21
NAV per share (cents)	(198.8)	(198.8)	–	–	18	3 605.9
TNAV per share (cents)	(198.8)	(198.8)	–	–	18	3 605.9

Notes:

1. Extracted, without adjustment, from the unaudited interim results of eXtract for the six months ended 31 December 2016.
2. Represents the following adjustments for the excess asset disposal:
 - 2.1 As set out in paragraph 16.2, the excess assets comprise property, plant and equipment, leasing assets, inventory and assets held for sale with a combined carrying value of R1 710 million at 31 December 2016.
 - 2.2 The excess assets are assumed to be sold for an aggregate consideration of R1 681 million received in cash comprising:
 - 2.2.1 for the Tharisa assets, a consideration of R303 million reduced by de-establishment costs and leave and severance pay deductions of R24 million;
 - 2.2.2 for the MCC properties in terms of the Sandton Plant transaction, a consideration of R52 million;
 - 2.2.3 for 99% of the issued shares of PT MCC, a nominal consideration of R1; and
 - 2.2.4 for the balance of the excess assets, an assumed consideration of R1 350 million, being their carrying value at 31 December 2016.
 - 2.3 A loss on sale of assets of R29 million, being the difference between the aggregate consideration of R1 681 million and the carrying value of the excess assets at 31 December 2016 of R1 710 million, is recognised.
 - 2.4 The aggregate proceeds of R1 681 million are applied to settle interest-bearing borrowings of R465 million and liabilities directly associated with assets held for sale of R199 million, with the balance of R1 017 million being allocated to cash and cash equivalents.
 - 2.5 Accumulated loss is increased by R120 million comprising:
 - 2.5.1 the loss on sale of assets of R29 million; and
 - 2.5.2 a provision of R91 million relating to the retrenchment of employees, other restructure related costs and eXtract's portion of once-off transaction costs.
3. Represents the following adjustments for the restructure:
 - 3.1 enX subscribes for new ordinary shares in MCC at a subscription price of approximately R1 878 million, which equates to the aggregate value of MCC's debt owing to enX being the designated debt.
 - 3.2 The subscription proceeds are utilised by MCC to reduce the designated debt in full. enX exchanges all of the shares it holds in MCC for 3 755 171 958 eXtract shares at 50 cents per share.
4. Represents the adjustment for the share consolidation in the ratio of 200 to 1.
5. There are no other subsequent events that require adjustments to the *pro forma* statement of financial position.

PRO FORMA STATEMENT OF COMPREHENSIVE INCOME

The *pro forma* statement of comprehensive income of eXtract set out below has been prepared on the assumption that the transaction was implemented on 1 July 2016.

	eXtract for the six months ended 31 December 2016 (unaudited) Note 1	Excess asset disposal Note 2	Restructure Note 3	Share consolidation Note 4	<i>Pro forma</i> after the excess asset disposal and restructure	<i>Pro forma</i> after the transaction
	Rm	Rm	Rm	Rm	Rm	Rm
Continuing operations						
Revenue	1 152	(1 152)	-	-	-	-
Profit from operations before depreciation, amortisation and recoupments	200	(200)	-	-	-	-
Depreciation and amortisation	(171)	171	-	-	-	-
Provision for retrenchment costs	-	(91)	-	-	(91)	(91)
Provision for head office costs	-	(10)	-	-	(10)	(10)
Recoupments	-	-	-	-	-	-
Operating profit	29	(130)	-	-	(101)	(101)
Net foreign exchange (losses) gains	-	-	-	-	-	-
Net impairment of assets	(1 141)	-	-	-	(1 141)	(1 141)
Loss before net finance costs	(1 112)	(130)	-	-	(1 242)	(1 242)
Net finance costs	(134)	17	117	-	-	-
Finance costs including fair value gains	(144)	27	117	-	-	-
Finance income	10	(10)	-	-	-	-
Loss on sale of assets	-	(29)	-	-	(29)	(29)
(Loss) profit before taxation	(1 246)	(142)	117	-	(1 271)	(1 271)
Income tax expense	(47)	40	(33)	-	(40)	(40)
(Loss) profit for the period from continuing operations	(1 293)	(102)	84	-	(1 311)	(1 311)
Discontinued operations						
(Loss) profit for the period from discontinued operations	(240)	261	-	-	21	21
(Loss) profit for the period	(1 533)	159	84	-	(1 290)	(1 290)

	eXtract for the six months ended 31 December 2016 (unaudited)		Excess asset disposal		Restructure		Pro forma after the excess asset disposal and restructure		Share consolidation		Pro forma after the transaction	
	Note 1	Rm	Note 2	Rm	Note 3	Rm	Note 4	Rm	Note 4	Rm	Rm	Rm
Attributable to:												
Owners of the parent		(1 535)		159		84		(1 292)		–		(1 292)
– (Loss) profit for the period from continuing operations		(1 293)		(102)		84		(1 311)		–		(1 311)
– (Loss) profit for the period from discontinued operations		(242)		261		–		19		–		19
Non-controlling interests		2		–		–		2		–		2
(Loss) profit for the period		(1 533)		159		84		(1 290)		–		(1 290)
Weighted average number of shares (net of treasury shares) (million)		405		–		3 755		4 160		(4 139)		21
		Cents		Cents		Cents		Cents		Cents		Cents
(Loss) earnings per share from continuing operations		(319.4)		1 265.4		(1 337.6)		(31.5)		(6 271.7)		(6 303.2)
– Basic and diluted (loss) earnings per share												
(Loss) earnings per share from discontinued operations		(59.8)		60.2		–		0.5		90.9		91.3
– Basic and diluted (loss) earnings per share												
Headline (loss) earnings per share from continuing operations		(116.5)		1 625.4		(1 520.8)		(11.3)		(2 241.3)		2 232.6
– Basic and diluted (loss) headline earnings per share												
Headline (loss) earnings per share from discontinued operations		109.0		(97.8)		–		11.2		2 236.2		2 247.5
– Basic and diluted (loss) headline earnings per share												

	eXtract for the six months ended 31 December 2016 (unaudited) <i>Note 1</i>	Excess asset disposal <i>Note 2</i>	Restructure <i>Note 3</i>	Pro forma after the excess asset disposal and restructure	Share consolidation <i>Note 4</i>	Pro forma after the transaction
	Rm	Rm	Rm	Rm	Rm	Rm
Reconciliation						
Basic earnings	(1 293)	(102)	84	(1 311)	-	(1 311)
<i>Add back:</i> Impairment of leasing assets	1 141	-	-	1 141	-	1 141
<i>Add back:</i> Loss on sale of assets	-	29	-	29	-	29
Tax effect	(319)	(8)	-	(328)	-	(328)
Headline earnings	(471)	(81)	84	(469)	-	(469)

	eXtract for the six months ended 31 December 2016 (unaudited) Note 1	Excess asset disposal Note 2	Restructure Note 3	Share consolidation Note 4	Pro forma after the excess asset disposal and restructure	Pro forma after the transaction
	Rm	Rm	Rm	Rm	Rm	Rm
Discontinued operations						
Revenue	2 459	(583)	-	-	1 876	1 876
Profit from operations before depreciation, amortisation and recoupments	613	(55)	-	-	558	558
Depreciation and amortisation	(21)	21	-	-	-	-
Operating profit	592	(34)	-	-	558	558
Net foreign exchange gains (losses)	(24)	12	-	-	(12)	(12)
Net impairment of assets	(248)	239	-	-	(9)	(9)
IFRS 5 Adjustment	(439)	-	-	-	(439)	(439)
(Loss) profit before net finance costs	(119)	217	-	-	98	98
Net finance costs	(130)	14	-	-	(116)	(116)
Finance costs	(231)	14	-	-	(217)	(217)
Finance income	101	-	-	-	101	101
(Loss) profit before taxation	(249)	231	-	-	(18)	(18)
Income tax income (expense)	75	(33)	-	-	42	42
(Loss) profit for the period	(174)	198	-	-	24	24
Loss on sale of subsidiaries	(3)	-	-	-	(3)	(3)
Deconsolidation of subsidiary	(63)	63	-	-	-	-
Total loss for the period from discontinued operations	(240)	261	-	-	21	21

	eXtract for the six months ended 31 December 2016 (unaudited) Note 1	Excess asset disposal Note 2	Restructure Note 3	Share consolidation Note 4	Pro forma after the excess asset disposal and restructure	Pro forma after the transaction
	Rm	Rm	Rm	Rm	Rm	Rm
Amounts represented to show comparative results from discontinued operations.						
Reconciliation						
Basic earnings	(242)	261	–	–	19	19
<i>Add back:</i> Impairment of leasing assets	248	(239)	–	–	9	9
IFRS 5 fair value adjustment	439	–	–	–	439	439
Loss on sale of subsidiaries	3	–	–	–	3	3
Deconsolidation of subsidiary	63	(63)	–	–	–	–
Taxation effect	(69)	66	–	–	(3)	(3)
Headline earnings	442	25	–	–	467	467

Notes:

1. Extracted, without adjustment, from the unaudited interim results of eXtract for the six months ended 31 December 2016.
2. Represents the following adjustments for the excess asset disposal:
 - 2.1 A loss on sale of assets of R29 million, being the difference between the aggregate consideration of R1 681 million and the carrying value of the excess assets at 31 December 2016 of R1 710 million, is recognised. The carrying value at 31 December 2016 is after a net impairment charge of R1 141 million which is therefore left unchanged.
 - 2.2 The aggregate proceeds of R1 681 million are applied to settle interest-bearing borrowings of R465 million and liabilities directly associated with assets held for sale of R199 million, with the balance of R1 017 million being allocated to cash and cash equivalents, resulting in a reduction of net finance costs by R27 million.
 - 2.3 All income and expenses related to the excess assets comprising revenue of R1 152 million, profit from operations of R200 million, depreciation and amortisation of R171 million and finance income of R10 million are reversed.
 - 2.4 A provision of R91 million relating to the retrenchment of employees as well as other restructure related costs, together with assumed ongoing head office costs of R10 million have been provided for.
 - 2.5 The tax impact of the adjustments is calculated based on the statutory tax rate of 28%.
3. Represents the following adjustments for the restructure:
 - 3.1 enX subscribes for new ordinary shares in MCC at a subscription price of approximately R1 878 million, which equates to the aggregate value of MCC's debt owing to enX being the designated debt less the excluded amount of R250 million.
 - 3.2 The subscription proceeds are utilised by MCC to reduce the designated debt in full. enX exchanges all of the shares it holds in MCC for 3 755 171 958 eXtract shares at 50 cents per share.
 - 3.3 Net finance costs relating to the designated debt of R117 million, together with taxation thereon, is reversed.
4. Represents the adjustment for the share consolidation in the ratio of 200 to 1.
5. There are no other subsequent events that require adjustments to the *pro forma* statement of comprehensive income.
6. All adjustments other than loss on sale of assets, provisions for retrenchment and restructure related costs and transaction costs are expected to have a continuing effect.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION FOR EXTRACT**

“4 July 2017

The Directors
eXtract Group Limited
61 Maple Street
Pomona
Kempton Park, 1619

Dear Sirs

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

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of eXtract Group Limited (the company) compiled by the directors. The *pro forma* financial information, as set out in **Annexure 3** of the JSE Circular (“**the circular**”), to be dated on or about 11 July 2017, consists of the statement of comprehensive income and the statement of financial position and related notes. The *pro forma* financial information has been compiled on the basis of the applicable criteria specified in the JSE Limited (“**JSE**”) Listings Requirements.

The *pro forma* financial information has been compiled by the directors to illustrate the impact of the corporate action or event, described in Part I, II and III of the eXtract circular, on the company's financial position as at 31 December 2016 and the company's financial performance for the period then ended, as if the corporate action had taken place at 1 July 2016, being the commencement date of the financial period for the purposes of the statement of comprehensive income and at 31 December 2016, being the last day of the financial period for the purposes of the statement of financial position. As part of this process, information about the company's financial position and financial performance has been extracted by the directors from the company's unaudited interim financial results for the six months ended 31 December 2016.

Directors' responsibility for the *pro forma* financial information

The directors are responsible for compiling the *pro forma* financial information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in **Annexure 3** of the circular.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

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

Reporting accountants' responsibility

Our responsibility is to express an opinion about whether the *pro forma* financial information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements based on our procedures performed. We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the *pro forma* financial information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

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

As the purpose of *pro forma* financial information included in a prospectus is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action had occurred or had been undertaken at an earlier date selected for purposes of the illustration, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2016 would have been as presented.

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

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

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

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

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

Opinion

In our opinion, the *pro forma* financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements and described in **Annexure 3** of the circular.

Deloitte & Touche

Registered Auditor

Per: Mark Rayfield

Partner

Deloitte & Touche

Registered Auditors

(Practice number 902276)

The Woodlands

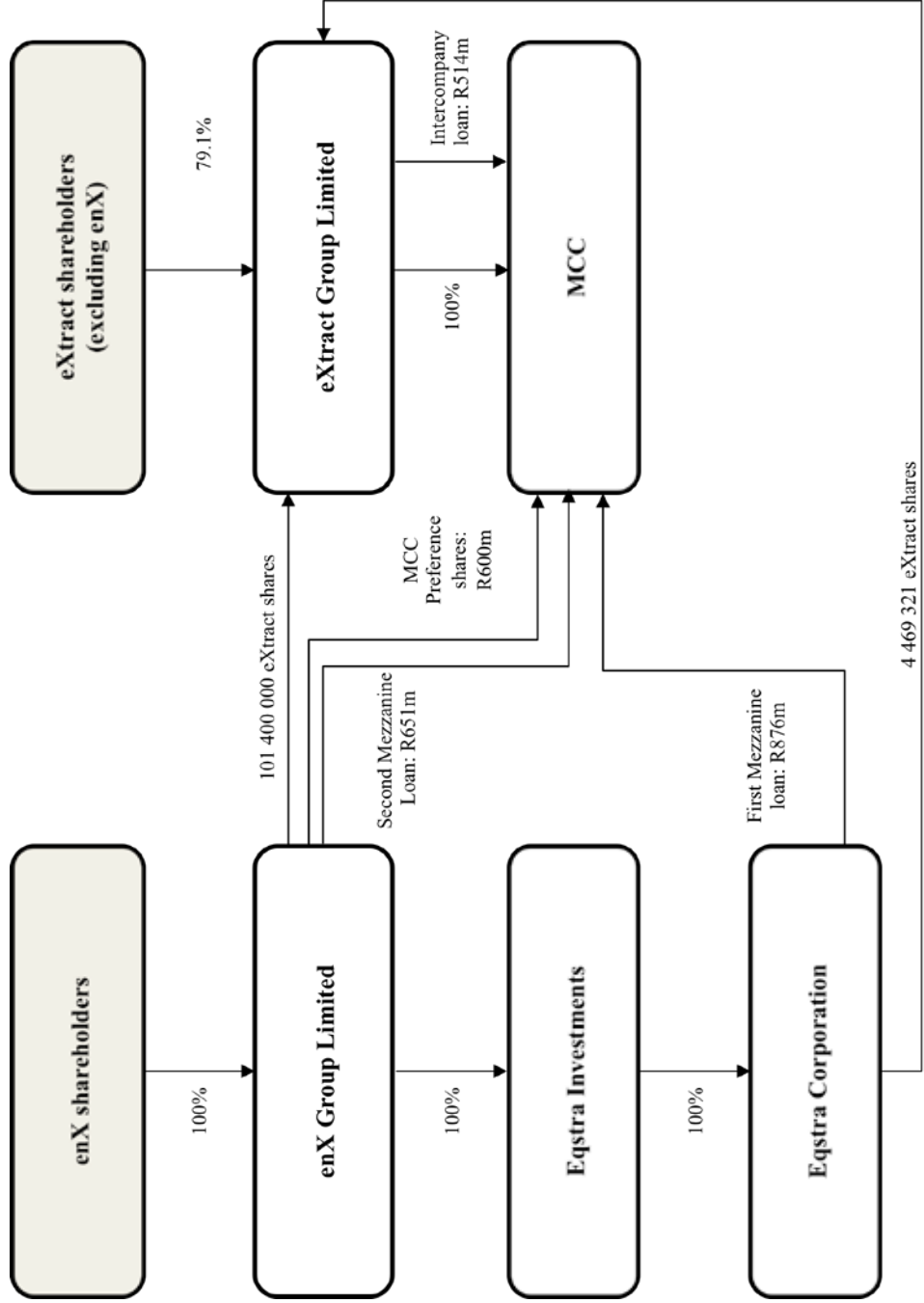
20 Woodlands Drive

Woodmead, 2196

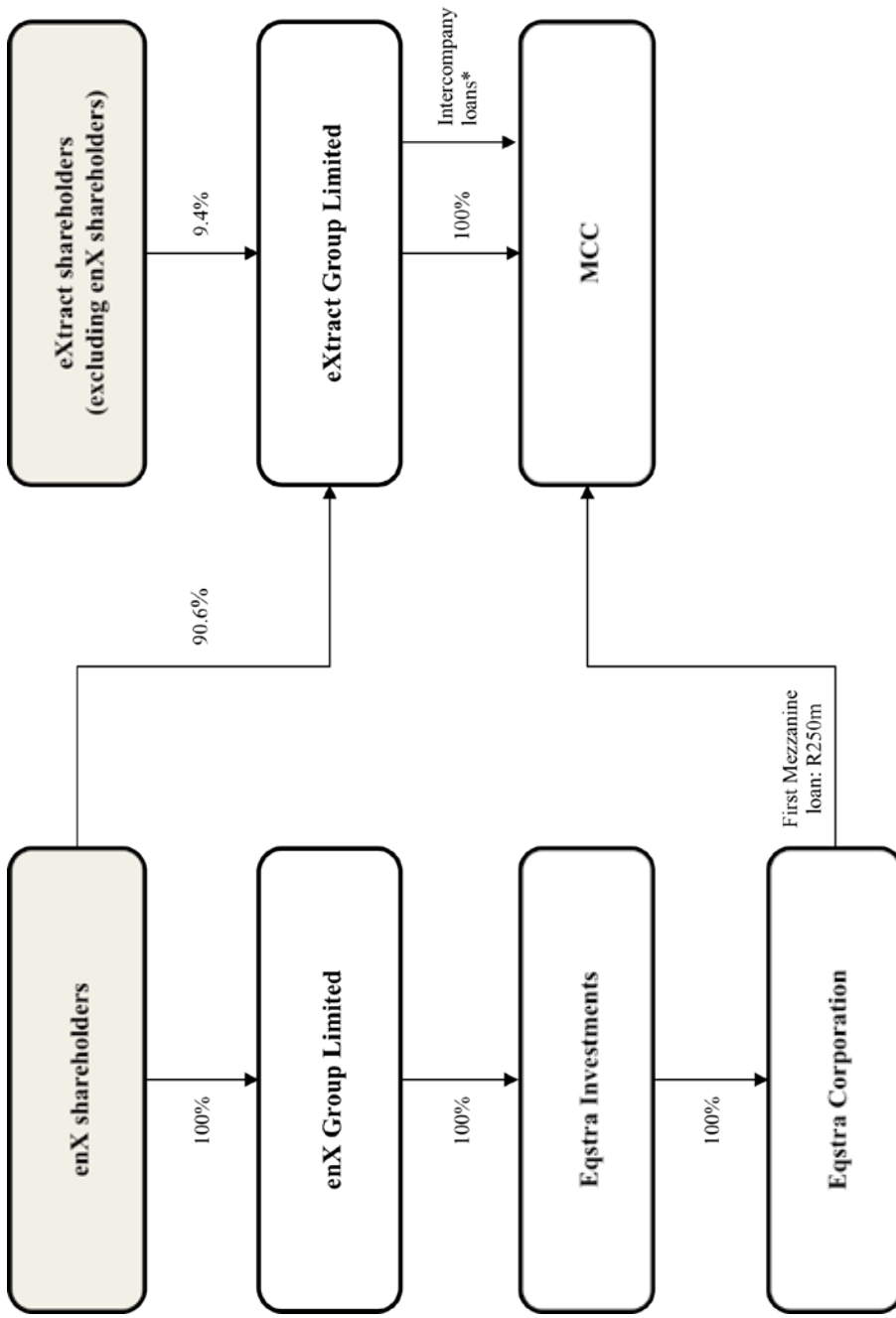
(Private Bag X6, Gallo Manor, 2052)”

ABRIDGED SHAREHOLDER AND FUNDING STRUCTURE

The abridged shareholder and funding structure of the enX and eXtract groups as at the last practical date and after the restructure are set out below.
ABRIDGED GROUP STRUCTURE AS AT THE LAST PRACTICAL DATE



ABRIDGED GROUP STRUCTURE AFTER THE RESTRUCTURE AND UNBUNDLING



* eXtract will continue to advance funds to MCC on inter-company loan account in the ordinary course

SHARE PRICE HISTORY

enX

A table of the aggregate volumes and values traded and the highest and lowest prices traded in enX shares for each month over the 12 months prior to the date of issue of the circular and for each day over the 30 days preceding the last practicable date prior to the date of the circular is set out below.

Date	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
Monthly					
2016					
May	2 089	1 611	1 978	138 856	2 585 594
June	2 500	1 911	2 311	132 163	2 941 551
July	2 256	1 889	2 033	177 959	3 631 123
August	2 133	1 778	2 056	1 024 817	20 165 125
September	2 056	1 944	2 000	157 735	3 128 616
October	2 111	1 833	1 995	270 855	5 328 504
November	1 993	1 680	1 850	4 489 267	83 918 352
December	1 839	1 700	1 740	5 298 637	97 933 358
2017					
January	1 830	1 671	1 785	1 782 968	31 393 493
February	2 014	1 725	1 820	3 874 811	70 630 050
March	1 855	1 702	1 740	3 785 051	67 426 157
April	1 771	1 580	1 649	1 236 032	21 114 465
Daily					
2 May	1 600	1 563	1 600	22 860	365 754
3 May	1 600	1 550	1 590	32 263	502 620
4 May	1 565	1 500	1 565	25 391	391 902
5 May	1 550	1 515	1 550	9 535	145 087
8 May	1 550	1 500	1 549	7 699	116 914
9 May	1 633	1 538	1 550	26 378	409 507
10 May	1 633	1 500	1 560	9 688	150 326
11 May	1 560	1 520	1 560	34 124	531 278
12 May	1 600	1 520	1 600	7 652	116 940
15 May	1 600	1 520	1 575	13 182	208 676
16 May	1 539	1 500	1 533	1 733 640	26 579 343
17 May	1 545	1 525	1 530	1 235 510	18 902 947
18 May	1 535	1 450	1 500	157 250	2 395 974
19 May	1 600	1 467	1 520	791 558	11 869 834
22 May	1 550	1 500	1 550	945 561	14 595 274
23 May	1 575	1 535	1 550	54 232	840 613
24 May	1 600	1 550	1 565	23 574	365 847
25 May	1 600	1 530	1 600	11 346	174 644
26 May	1 589	1 550	1 589	10 353	160 512
29 May	1 625	1 542	1 600	273 530	4 364 563
30 May	1 625	1 575	1 601	26 547	424 833
31 May	1 660	1 590	1 602	78 556	1 266 082
1 June	1 630	1 600	1 622	3 135 504	50 230 385
2 June	1 640	1 575	1 640	102 177	1 648 075
5 June	1 671	1 600	1 671	204 228	3 366 826

Date	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
6 June	1 675	1 649	1 670	392 634	6 478 558
7 June	1 650	1 600	1 650	393 842	6 496 071
8 June	1 684	1 610	1 650	328 404	5 461 905
9 June	1 650	1 600	1 645	441 331	7 116 515
12 June	1 644	1 601	1 634	1 008	16 363
13 June	1 670	1 630	1 650	286 286	4 720 032
14 June	1 683	1 650	1 680	456 534	7 143 301
15 June	1 680	1 650	1 680	2 634	44 030
19 June	1 680	1 600	1 650	290 483	4 797 680
20 June	1 650	1 620	1 620	226 934	3 698 716
21 June	1 610	1 510	1 510	569 513	8 916 186
22 June	1 575	1 500	1 575	247 893	3 757 395
23 June	1 580	1 550	1 575	452 054	7 119 365
26 June	1 585	1 500	1 585	182 310	2 849 536
27 June	1 634	1 560	1 634	395 723	6 409 814
28 June	1 661	1 566	1 661	62 266	1 019 515
29 June	1 700	1 592	1 675	14 419	243 587
30 June	1 695	1 600	1 669	133 442	22 213 025

eXtract

A table of the aggregate volumes and values traded and the highest and lowest prices traded in eXtract shares for each month over the 12 months prior to the date of issue of the circular and for each day over the 30 days preceding the last practicable date prior to the date of the circular is set out below.

Date	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
Monthly					
2016					
May	228	191	205	7 781 076	16 182 423
June	295	202	260	32 571 692	84 807 126
July	300	240	278	82 334 927	222 164 747
August	286	265	270	28 888 859	78 519 286
September	292	230	275	13 331 643	36 028 467
October	299	245	262	10 526 510	29 611 822
November	269	36	36	85 896 243	38 757 768
December	41	31	35	11 893 274	4 366 374
2017					
January	36	28	30	25 493 025	7 907 848
February	32	20	20	17 602 763	5 002 680
March	26	20	21	9 369 052	2 138 184
April	25	10	11	10 054 708	1 435 331
Daily					
2 May	14	10	14	5 554 419	620 200
3 May	14	11	14	842 080	116 423
4 May	14	14	14	–	–
5 May	13	10	13	152 319	17 462
8 May	14	12	13	300 132	39 140
9 May	13	11	13	42 972	5 171
10 May	14	13	13	80 400	10 456
11 May	12	9	9	1 519 500	175 650
12 May	14	10	14	5 554 419	620 200
15 May	14	11	14	842 080	116 423
16 May	12	9	9	1 519 500	175 650
17 May	11	9	10	840 950	87 668
18 May	10	9	9	4 841 658	437 430
19 May	9	8	8	1 050 229	91 656
22 May	9	8	9	1 486 000	132 774
23 May	10	9	9	198 062	18 269
24 May	10	9	9	409 746	36 917
25 May	9	8	9	210 079	18 857
26 May	9	8	9	272 767	23 966
29 May	10	9	9	105 199	9 789
30 May	9	8	9	498 600	44 830
31 May	10	9	10	92 900	9 090
1 June	9	9	9	18 112	1 630
2 June	9	9	9	117 282	10 555
5 June	9	9	9	231 559	20 840
6 June	10	9	9	435 575	39 290
7 June	9	8	8	97 338	8 110
8 June	9	8	8	2 213 872	177 749
9 June	9	7	9	270 127	21 546
12 June	9	7	9	344 596	26 452
13 June	9	8	9	11 292	963

Date	High (cents)	Low (cents)	Close (cents)	Volume	Value (Rand)
14 June	9	8	8	1 094 451	88 000
15 June	8	7	8	1 899 863	151312
19 June	8	7	7	1 088 584	76 261
20 June	8	7	7	924 448	64 903
21 June	8	7	7	4 808 130	337 549
22 June	9	9	9	231 559	20 840
23 June	7	6	7	7 741 700	465 919
26 June	7	6	6	3 936 533	237 645
27 June	7	5	5	33 814 780	1 706 612
28 June	6	5	5	7 322 457	366 212
29 June	6	5	5	8 518 762	460 900
30 June	6	6	6	217 651	13 059

INFORMATION FOR FOREIGN enX SHAREHOLDERS

1. DISTRIBUTIONS TO FOREIGN enX SHAREHOLDERS

The distribution of the unbundled eXtract shares to foreign enX shareholders, in terms of the unbundling, may be affected by the laws of such foreign shareholders' relevant jurisdiction. Those foreign enX shareholders should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their rights.

This section sets out the restrictions applicable to enX shareholders who have registered addresses outside South Africa, who are nationals, citizens or residents of countries other than South Africa, or who are persons (including, without limitation, custodians, nominees and trustees) who have a contractual or legal obligation to forward this document to a jurisdiction outside South Africa or who hold enX shares for the account or benefit of any such foreign enX shareholder.

It is the responsibility of any foreign enX shareholder (including, without limitation, nominees, agents and trustees for such persons) receiving this circular and wishing to take up their entitlement to the unbundled eXtract shares to satisfy themselves as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or taxes due in such territories. Foreign enX shareholders are obliged to observe the applicable legal requirements of their relevant jurisdictions.

Receipt of this circular will not constitute an offer of the unbundled eXtract shares (“offer”) in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this circular if sent, will be sent for information only and should not be copied or redistributed. No person receiving a copy of this circular in any territory, other than South Africa, may treat the same as constituting an offer to such person unless, in the relevant territory, such offer could lawfully be made to him without contravention of any registration or other legal requirements.

Accordingly, persons (including, without limitation, nominees, agents and trustees) receiving a copy of this circular should not distribute or send the same to any person in, or citizen or resident of, or otherwise into any other jurisdiction where to do so would or might contravene local securities laws or regulations. Any person who does distribute this circular into any such territory (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this annexure.

enX reserves the right, but shall not be obliged, to treat as invalid any distribution of unbundled eXtract shares, in terms of the unbundling, which appears to enX or its agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction or if enX believes or its agents believe the same may violate applicable legal or regulatory requirements.

An “excluded foreign shareholder” includes any foreign enX shareholder who is unable to receive any of the unbundled eXtract shares to be distributed to him because of the laws of the jurisdiction of that shareholder, or any foreign enX shareholder that enX is not permitted to distribute any of the unbundled eXtract shares to because of the laws of the jurisdiction of that shareholder. The unbundled eXtract shares to which excluded foreign enX shareholders would be entitled in terms of the unbundling may be aggregated and disposed of on the JSE by the transfer secretaries on behalf of and for the benefit of excluded foreign enX shareholders as soon as it is reasonably practical after the implementation of the unbundling at the best price that can reasonably be obtained at the time of sale. CSDPs will be responsible for informing the transfer secretaries of all dematerialised shares held by them on behalf of such excluded foreign enX shareholders. The transfer secretaries will determine which foreign certificated shareholders are excluded foreign shareholders.

Excluded foreign enX shareholders will, in respect of their entitlement to the unbundled eXtract shares, receive the average consideration per unbundled eXtract share (net of transaction and currency conversion costs) received by the transfer secretaries pursuant to the sale process as set out in the preceding paragraph. The average consideration per unbundled eXtract share due to each excluded foreign enX shareholder will only be paid once all such unbundled eXtract shares have been disposed of.

2. EXCHANGE CONTROL

The unbundled enX shares are not freely transferable from the Common Monetary Area and must be dealt with in terms of the Exchange Control Regulations. The following is a summary of the Exchange Control Regulations, is not comprehensive and is intended as a guide only. In the event that enX shareholders have any doubts in respect of their obligations in terms of the Exchange Control Regulations, they should consult their professional advisers.

2.1 Emigrants from the Common Monetary Area

The unbundled eXtract shares received by the enX shareholders who are emigrants from the Common Monetary Area and whose registered address is outside the Common Monetary Area will:

- 2.1.1 in the case of dematerialised shareholders be credited to their blocked share accounts at the CSDP controlling their blocked portfolios; or
- 2.1.2 in the case of certificated shareholders whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be endorsed “non-resident” and will be sent to the authorised dealer in foreign exchange controlling their blocked assets.

The CSDP or broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether shares are held in dematerialised or certificated form.

2.2 All other non-residents of the Common Monetary Area

The unbundled eXtract shares received by the enX shareholders who are not non-residents of the Common Monetary Area and who have never resided in the Common Monetary Area and whose registered address is outside of the Common Monetary Area will:

- 2.2.1 in the case of dematerialised shareholders be credited to their share accounts at the CSDP controlling their portfolios; or
- 2.2.2 in the case of certificated shareholders whose documents of title have been restrictively endorsed under the Exchange Control Regulations, be deposited with an authorised dealer in foreign exchange in South Africa nominated by such shareholder. It will be incumbent on the enX shareholder concerned to nominate the authorised dealer and to instruct the nominated authorised dealer as to the disposal of the relevant shares. If the information regarding the authorised dealer is not given, the unbundled eXtract shares will be held in trust for the shareholder concerned pending the receipt of the necessary information or instruction.

The CSDP or broker will ensure that all requirements of the Exchange Control Regulations are adhered to in respect of their clients falling into this category of investor, whether shares are held in dematerialised or certificated form.

TAXATION CONSIDERATIONS RELATING TO THE UNBUNDLING

The summary below is a general guide and is not intended to constitute a complete analysis of the taxation consequences of the unbundling provisions in terms of South African taxation law. It is not intended to be, nor should it be considered as legal or taxation advice. enX and its advisers cannot be held responsible for the taxation consequences of the unbundling and therefore, enX shareholders are advised to consult their own taxation advisers in this regard.

The unbundling will constitute a disposal by enX of the eXtract unbundled shares to enX shareholders. The disposal will be effected utilising the tax concessions provided for in Section 46 of the Income Tax Act.

The concessions provided for in Section 46 of the Income Tax Act are outlined below:

1. DISPOSAL OF THE UNBUNDLED EXTRACT SHARES BY enX

The distribution of unbundled eXtract shares enX, in terms of the unbundling, will be disregarded by enX in determining its taxable income or assessed loss in the tax year that the unbundling takes place. On the basis that enX holds the unbundled eXtract shares as capital assets, the unbundling should not attract CGT.

2. ENX SHARES HELD AS TRADING STOCK

Any enX shareholder holding enX shares as trading stock will be deemed to acquire the unbundled eXtract shares as trading stock. The combined expenditure of such enX shares and unbundled eXtract shares will be the amount originally taken into account by the enX shareholder in respect of those ordinary shares, as contemplated in Section 11(a), Section 22(1), or Section 22(2) of the Income Tax Act.

The expenditure to be allocated to the unbundled eXtract shares will be determined by applying the ratio that the market value of the unbundled eXtract shares bears to the sum of the market value of the unbundled eXtract shares and the enX shares at the end of the day after the unbundling (i.e. the day after the last day to trade in order to participate in the unbundling). enX will advise the enX shareholders of the specified ratio by way of an announcement to be released on SENS on or about Thursday, 7 September 2017. This ratio must be used in the determination of any profits or losses derived on any future disposals of the unbundled eXtract shares or enX shares.

3. ENX SHARES HELD AS CAPITAL ASSETS

Any enX shareholder holding enX shares as capital assets will be deemed to acquire the unbundled eXtract shares as capital assets. The original expenditure incurred in respect of the enX shares, in terms of paragraph 20 of the eighth schedule to the Income Tax Act, and (where applicable) the CGT valuation of the enX shares, as contemplated in paragraph 29 of the eighth schedule to the Income Tax Act, will be apportioned between the unbundled eXtract shares and the enX shares by applying the ratio that the market value of the unbundled eXtract shares bears to the sum of the market values of the unbundled eXtract shares and enX shares at the end of the day after the unbundling (i.e. the day after the last day to trade in order to participate in the unbundling). enX will advise enX shareholders of the specified ratio by way of an announcement to be released on SENS on or about Thursday, 7 September 2017. This ratio must be used in the determination of the capital gain or loss derived on any future disposals of the unbundled eXtract shares or enX shares.

The base cost so allocated to the unbundled eXtract shares will reduce the base cost of the enX shares held, thus allocating the base cost between the enX shares and the unbundled eXtract shares.

enX shareholders will be deemed to have acquired the unbundled eXtract shares on the date on which the enX shares were originally acquired.

4. SECURITIES TRANSFER TAX

The registration of the unbundled eXtract shares in the names of the enX shareholders will be exempt from the payment of any STT.

5. DIVIDENDS TAX AND RETURNS OF CAPITAL

In terms of Sections 46(5) and 46(5A) of the Income Tax Act, the distribution of the unbundled eXtract shares must be disregarded for dividends tax purposes and must also not be treated as a return of capital for the purposes of paragraph 76B of the eighth schedule to the Income Tax Act.

6. EXEMPT PERSONS

The provisions of Section 46 of the Income Tax Act will not apply to any unbundling of the unbundled eXtract shares to an enX shareholder who is not a resident, the government, provincial administration or a municipality, a Public Benefit Organisation (as defined in Section 30 of the Income Tax Act), a recreational club (as defined in Section 30A of the Income Tax Act), a company or trust contemplated in Section 37A of the Income Tax Act, a fund contemplated in Section 10(1)(d)(i) or (ii) of the Income Tax Act or a person contemplated in Section 10(1)(cA) or (t) of the Income Tax Act who either alone or together with any connected person in relation to that enX shareholder, immediately after the unbundling, holds 20% or more of the ordinary issued share capital of enX.

7. NON-RESIDENT SHAREHOLDERS

enX shareholders who are non-resident for tax purposes in South Africa are advised to consult their own professional tax advisers regarding the tax treatment of the unbundling in their respective jurisdictions, having regard to the tax laws in their jurisdiction and any applicable tax treaties between South Africa and their country of residence.

MATERIAL CONTRACTS OF EXTRACT

1. THE EQSTRA TRANSACTION

The salient terms of the agreement entered into between enX and Eqstra Holdings Limited (“**Eqstra**”) dated 29 June 2016 (as amended) are set out below.

1.1 The IE and FML division acquisitions

enX acquired all of the issued shares of newly incorporated subsidiary of Eqstra Investments Proprietary Limited (“**Eqstra NewCo**”) that owns all of the companies comprising Eqstra’s IE division and all of the companies comprising Eqstra’s FML division and Eqstra, post the transaction renamed as eXtract Group Limited (eXtract group), for an aggregate consideration of R7.8 billion, settled by enX by:

- 1.1.1 allotting and issuing to eXtract 52 715 390 new enX shares at R21.00 per enX share and post the placement;
- 1.1.2 assuming approximately R5.2 billion of eXtract group’s debt obligations, of which R4.8 billion was within the IE and FML divisions, and that included enX through its subsidiary Eqstra Corporation, assuming approximately R900 million of senior debt owing by MCC to Eqstra under and in terms of the first mezzanine loan;
- 1.1.3 undertaking a private placement to achieve an equity capital raise of R1.5 billion of which R1.4 billion was applied towards the recapitalisation of eXtract by way of enX:
 - 1.1.3.1 subscribing for 101 400 000 new Eqstra ordinary shares at R1.00 per share;
 - 1.1.3.2 subscribing for 400 new MCC preference shares for an aggregate subscription price of R600 million; and
 - 1.1.3.3 advancing an amount of R700 million to MCC under the second mezzanine loan.

1.2 The Eqstra ordinary share subscription

enX subscribed for 101 400 000 Eqstra ordinary shares at R1.00 per Eqstra ordinary share at an aggregate subscription price of R101 400 000, constituting approximately 20% of the enlarged issued ordinary shares of eXtract. Eqstra used all of the aforesaid subscription proceeds to subscribe for additional ordinary shares in MCC. These subscription monies were then applied in full by MCC to reduce its debt obligations to its existing lenders.

1.3 The MCC preference shares

- 1.3.1 enX subscribed for 400 MCC preference shares at R1 500 000 each, for an aggregate subscription price of R600 million (constituting 100% of the issued preference shares of MCC). These subscription monies were applied in full by Eqstra to reduce its debt obligations to its existing lenders.
- 1.3.2 The MCC preference shares comprise unlisted cumulative, redeemable, preference shares that have the following salient rights and privileges:
 - 1.3.2.1 the holders of the MCC preference shares are be entitled to a coupon equivalent to an after tax rate of 13% n.a.c.q.;
 - 1.3.2.2 the MCC preference shares are subordinate to and rank behind all bank debt but rank *pari passu* as to payment with the enX loan and rank ahead of the Eqstra ordinary shares;
 - 1.3.2.3 no dividends may be declared or paid on any Eqstra ordinary share for so long as any dividend on the MCC preference shares is in arrears and for so long as the MCC preference shares have not been redeemed in full;
 - 1.3.2.4 the MCC preference shares may be redeemed at the option of enX after the third anniversary plus one day of the date of their issue;
 - 1.3.2.5 MCC is entitled on any date to voluntarily redeem the MCC preference shares;

- 1.3.2.6 the MCC preference shares are compulsorily redeemable on the fifth anniversary of the date of their issue, to the extent that they have not already been redeemed by them; and
- 1.3.2.7 the MCC preference shares do not enjoy any voting rights unless and in such event, only for so long as one or more of the following circumstances prevails, *inter alia*, (i) the MCC preference shares are not redeemed in accordance with their terms; or (ii) a special resolution of MCC proposed in terms of section 112 as read with section 115 of the Companies Act in relation to the disposal of all or the greater part of MCC's assets or undertaking; or a resolution of MCC is proposed which affects the rights attached to the MCC preference shares or the interest of the MCC preference shareholder, in which event the MCC preference shares shall in aggregate carry that number of votes which would entitle the MCC preference shareholder to exercise, in aggregate, 95% of the total votes exercisable at a general meetings of MCC.

1.4 enX call option

eXtract granted enX a call option to subscribe in one or more tranches for Eqstra ordinary shares (at R1.50 per Eqstra ordinary share) to the value of R600 million. The enX call option may be exercised by enX at any time after all of the MCC preference shares have been redeemed or, if the MCC preference shares have not been redeemed by the 5th anniversary after their issue date, by no later than 30 days after the expiry of the 5th anniversary. The enX call option will lapse on the 30th day following the 5th year from the date of issue of the MCC preference shares, to the extent it has not previously been exercised. This option will fall away as a consequence of the restructure.

1.5 The enX loan

enX lent MCC R700 million under the second mezzanine loan, and the proceeds of this loan were applied by MCC to reduce its debt obligations to its existing lenders. The loan is subject to the following principal terms:

- 1.5.1 the loan is subordinate to and ranks behind the claims of the banks against MCC;
- 1.5.2 the loan benefits from a revisionary security package, ranking second to the security for the bank debt;
- 1.5.3 the loan accrues interest at the rate of three month JIBAR + 450 bps; and
- 1.5.4 the loan and interest are repayable from the proceeds of free cash flow of MCC.

In addition to the foregoing, MCC used R1.8 billion of new bank borrowings to *pro tanto* repay Eqstra Corporation the amount owing by MCC to Eqstra Corporation, leaving a net balance owing by MCC to Eqstra Corporation of approximately R900 million (the outstanding balance in terms of the first mezzanine loan is currently R876 112 358). The aforesaid debt, totalling approximately R900 million, is the subject matter of the first mezzanine loan agreement, which terms and conditions are the same *mutatis mutandis* as those which attach to the second mezzanine loan. The claims of Eqstra Corporation under the aforesaid loan will rank *pari passu* with the claims of enX in terms of the second mezzanine loan.

1.6 Ancillary provisions

- 1.6.1 The agreement includes warranties, indemnities and undertakings which are usual and normal for a transaction of this nature.
- 1.6.2 Upon completion of the Eqstra transaction, eXtract assigned, ceded, transferred and made over to enX all of its right, title and interest in and to all its trademarks and intellectual property relating to the IE division and the FML division.

2. RESTRUCTURE OF DEBT FACILITIES

2.1 Pre-Restructure indebtedness

2.1.1 MCC indebtedness

As at the last practical date MCC is indebted to the lenders, Eqstra Corporation, enX and eXtract as follows:

2.1.1.1 eXtract

eXtract has intercompany loans to MCC (the “eXtract Intercompany Loan”) in an amount equal to approximately R514 million.

2.1.1.2 Eqstra Corporation

On or about 21 October 2016 Eqstra Corporation (as lender) and MCC (as borrower) entered into a loan instrument which recorded the terms of an existing loan advanced by Eqstra Corporation to MCC, (being the first mezzanine loan). As at the last practical date, this debt totalled R876 112 358.

2.1.2 enX

2.1.2.1 In terms of the Eqstra transaction agreement (and the preference share subscription agreement contained therein) dated on or about 29 June 2016, enX agreed to subscribe for 400 MCC preference shares at R1 500 000 each, for an aggregate subscription price of R600 million (constituting 100% of the issued preference shares). The preference share subscription price was applied by MCC to partially discharge its obligations under the various facilities granted by the lenders, pursuant to the Common Terms Agreement. As at the last practical date, enX holds 400 MCC preference shares, as aforesaid.

2.1.2.2 On or about 21 October 2016 enX entered into a loan instrument with MCC in terms of which enX advanced a loan in the principal amount of R700 million to MCC (being the second mezzanine loan) in order for MCC to partially discharge its obligations under the various facilities granted by the lenders, pursuant to the Common Terms Agreement. As at the last practical date, this debt amounts to R651 473 621.

2.1.3 Lenders

In terms of the Common Terms Agreement, the lenders granted credit facilities to MCC in the amount of approximately R1.8 billion in respect of which the following amounts remain outstanding as at the last practical date:

2.1.3.1 R465 million owing to all lenders under an amortising term loan facility, to be repaid over a period of six years with a 33-month capital repayment moratorium ("**Senior Facility A**");

2.1.3.2 an aggregate amount of R200 million under separate 365-day notice period general banking facilities ("**MCC GSTBF**"); and

2.1.3.3 an aggregate amount of approximately R50 million under separate 180-day notice period indirect banking facilities ("**MCC Indirect Facilities**"),

(collectively the "**Senior Loans**").

2.1.4 The proceeds of the Senior Loans were applied *inter alia* to partially discharge the first mezzanine loan and for general working and corporate purposes.

2.2 Eqstra Corporation indebtedness

2.2.1 Eqstra Common Terms Agreement

In terms of an Eqstra Common Terms Agreement dated 21 October 2016, the lenders granted Eqstra Corporation credit facilities in amount of approximately R2.7 billion in respect of which the following amounts remain outstanding as at the last practical date -

2.2.1.1 an amount of approximately R2 320 500, in respect of all lenders, under an amortising term loan facility, to be repaid over a period of six years with a 33-month capital repayment moratorium ("**Eqstra Senior Facility A**");

2.2.1.2 an amount of approximately R600 000 000 under an amortising term loan facility, to be repaid on the earlier of three years from the first utilisation date or two years from the second utilisation date ("**Eqstra Senior Facility B**");

2.2.1.3 an aggregate amount of approximately R400 000 000 under a 365-day notice period general banking facilities ("**Eqstra GSTBF**"); and

2.2.1.4 an undrawn aggregate amount of approximately R850 480 000 under an 180-day notice period indirect banking facilities ("**Eqstra Indirect Facilities**"),

(collectively the "**Eqstra Loans**").

- 2.2.2 The proceeds of the Eqstra Loans were applied, *inter alia*, to discharge existing debt of Eqstra Corporation, fees, the principal due under the notes issued in terms of Eqstra Corporation's note programme and for general working and corporate purposes.

2.3 Other Arrangements Pre-Restructure

2.3.1 Financial support

- 2.3.1.1 Pursuant to the liquidation of Eqstra Botswana and with effect from 10 April 2017, MCC, eXtract and Standard Chartered Bank Botswana Limited ("**SCB Botswana**") entered into an agreement in terms of which MCC purchased the proceeds of a liquidation dividend in respect of SCB Botswana's secured claim for a purchase price of approximately R153 400 000.
- 2.3.1.2 The purchase price was partially discharged by MCC making a payment to SCB Botswana of R113 million. The balance of the purchase price is to be paid on the first anniversary of the implementation date (being 10 April 2017). MCC has a right to prepay the outstanding amount at any time.
- 2.3.1.3 The outstanding balance is guaranteed by FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("**RMB**"). To facilitate the issue of such guarantee, enX deposited cash collateral in an amount of R44 036 000, being equal to the outstanding purchase price plus interest, into a bank account with RMB. This deposit serves as cash collateral for the obligations of RMB under the guarantee. enX has secured its contingent claims against MCC by way of a security interest in all amounts paid to MCC in the liquidation of Eqstra Botswana.

2.3.2 Letter Agreement

- 2.3.2.1 In terms of a letter agreement entered into on or about 4 April 2017 between enX, MCC, Eqstra Corporation and the Majority Lenders (as such term is defined in the Common Terms Agreement) as amended, (the "**Letter Agreement**"), the Facility Agent (acting on the instructions of the Majority Lenders) consented to:
- 2.3.2.1.1 the restructuring of the repayment profile of MCC's Senior Loans such that such Senior Loans will be repaid in full by no later than 30 September 2018;
- 2.3.2.1.2 the suspension of any repayment of the first mezzanine loan or second mezzanine loan and any redemption of the MCC preference shares until 30 September 2018, being the date on which the Senior Loans shall be discharged in full in terms of the Letter Agreement, provided that if the steps set out in the restructure agreement are implemented (i) the first mezzanine loan (less the excluded amount) and the second mezzanine loan shall be discharged and (ii) the MCC preference shares shall be redeemed, in each case in accordance with the provisions of the steps;
- 2.3.2.1.3 the increase in the interest rate of the MCC GSTBF;
- 2.3.2.1.4 the disposal of certain assets and inventory of MCC and eXtract, which disposal proceeds shall be applied in accordance with the provisions of the Letter Agreement;
- 2.3.2.1.5 the release of the financial covenants set out in the Common Terms Agreement and the substitution therefor with a loan to value ratio in accordance with agreed thresholds;
- 2.3.2.1.6 the redemption of the MCC preference shares;
- 2.3.2.1.7 the lenders taking additional security in the form of (i) pledge and cessions over the intercompany loans advanced by each of eXtract and MCC to Eqstra Mozambique; and (ii) a first ranking mortgage bond over the immovable property owned by MCC and situated in Midrand; and
- 2.3.2.1.8 eXtract establishing and making capital contributions into the Investment Fund.

- 2.3.2.1.9 upon repayment of all amounts owing to the lenders, the proceeds of the excess asset disposal and amounts repatriated from Mozambique or Botswana will be applied as follows:
 - 2.3.2.1.9.1 first, towards discharging the excluded amount owing by MCC to Eqstra Corporation, up to an amount of R100 million;
 - 2.3.2.1.9.2 second, an amount of up to R80 million will be paid to eXtract; and
 - 2.3.2.1.9.3 third, the remainder of the excluded amount will be paid to Eqstra Corporation.

2.4 Post-Restructure indebtedness

- 2.4.1 Pursuant to the implementation of the restructure as contemplated in the restructure agreement:
 - 2.4.1.1 MCC's obligation to repay the enX claim and the second mezzanine loan is fully discharged as a result of the set-off under Step 4 of the restructure agreement;
 - 2.4.1.2 the MCC preference shares are redeemed and the obligation to redeem the MCC preference shares is discharged in accordance with Step 2 of the restructure agreement; and
 - 2.4.1.3 the following entities will be indebted as described below:
 - 2.4.1.3.1 MCC and eXtract shall be indebted to the lenders under the Common Terms Agreement in an amount of R665 million;
 - 2.4.1.3.2 Eqstra Corporation shall be indebted to the lenders under the Eqstra Common Terms Agreement in an amount of R3.828 billion;
 - 2.4.1.3.3 MCC shall be indebted to Eqstra Corporation in an amount of R250 million; and
 - 2.4.1.3.4 enX shall be indebted to Eqstra Corporation as a result of the delegation of MCC's obligations under the first mezzanine loan to enX in an amount of R626 112 375.51.

2.5 Senior loans

Security was taken from MCC, as follows:

- 2.5.1 Pre-Restructure security
 - A pledge and cession over the MCC preference shares held by enX which security is released upon the redemption of the MCC preference shares on the closing date (as defined in the restructure agreement).
- 2.5.2 General Security (Pre- and Post-Restructure)
 - 2.5.2.1 a first ranking debt guarantee issued by the debt guarantor in favour of the lenders and a second ranking debt guarantee in favour of enX and Eqstra Corporation;
 - 2.5.2.2 a security cession of all rights, title and interest in and to *inter alia* the trade debtors, bank accounts and insurance proceeds of eXtract and MCC (as obligors), including a collection account opened and maintained pursuant to the terms of the Letter Agreement;
 - 2.5.2.3 a pledge and cession of loan accounts to all subsidiary companies, associates and investments of eXtract;
 - 2.5.2.4 a general notarial bond over all moveable assets of MCC and eXtract;
 - 2.5.2.5 a special notarial bond over certain moveable assets;
 - 2.5.2.6 a limited guarantee provided by eXtract in favour of the lenders;
 - 2.5.2.7 a pledge and cession over the intercompany loans advanced by each of eXtract and MCC to Eqstra Mozambique; and
 - 2.5.2.8 a first ranking mortgage bond over the property by MCC and situated in Midrand.

MATERIAL LOANS AND BORROWINGS OF EXTRACT

1. MATERIAL BORROWINGS OF THE EXTRACT GROUP

Set out in the table below are details of the eXtract group's funding facilities as at the last practical date. None of the loans have conversion or redemption rights save the MCC preference shares. The redemption and conversion rights in respect of the MCC preference shares are set out in paragraph 1.3 of **Annexure 9**.

Lender	Description	Origination	Capital amount outstanding	Interest rate	Capital repayments	Security	Maturity date
The lenders	Term loan	Common terms agreement concluded pursuant to the Eqstra transaction	R465 million	JIBAR + 2.9%	To be repaid via a cash sweep from the excess asset disposal. Any amount outstanding on 30 September 2018 will be repaid in a final bullet payment	See note (1) below	30 September 2018
The lenders	General banking facility	Common terms agreement concluded pursuant to the Eqstra transaction	R200 million	Prime – 1.2%	To be repaid via a cash sweep from the excess asset disposal. Any amount outstanding on 30 September 2018 will be repaid in a final bullet payment	See note (1) below	30 September 2018
enX	Preference shares/redemption loan	Eqstra transaction	R600 million	A coupon equivalent to an after tax rate of 1.3% n.a.c.q.	None	None	None
Eqstra Corporation	First mezzanine loan	Eqstra transaction	R876 112 358	Three-month JIBAR + 4.5%	None	None	None
enX	Second mezzanine loan	Eqstra transaction	R651 473 621	Three-month JIBAR + 4.5%	None	None	None

Notes:

1. MCC and eXtract have granted the following security to the lenders:
 - 1.1 a general and special notarial bond over all moveable assets;
 - 1.2 a pledge of shares and cession of loan accounts to all subsidiary companies, associates and investments of eXtract;
 - 1.3 a cession of receivables, bank accounts and insurances granted by MCC and eXtract;
 - 1.4 a pledge and cession of MCC preference shares;
 - 1.5 the debt guarantor (as defined in the Common Terms Agreement) to take a mortgage bond over the Midrand property; and
 - 1.6 Rand Merchant Bank ("RMB") has furnished a guarantee in favour of Standard Chartered Bank Botswana Limited ("SCB") for its exposure to Eqstra Botswana as a secured creditor, in respect of the payment by MCC of an outstanding amount of approximately R44 million. To facilitate the issue of the aforementioned guarantee, enX deposited cash collateral of approximately R44 million into an account in its name with RMB.
2. In terms of the Common Terms Agreement, if the aggregate amount outstanding in terms of the term facility and general banking facility is more than R332 500 000 as at 11 April 2018, the interest rate on the term facility and general banking facility will be increased to JIBAR plus 4% and prime plus 4% respectively.

2. MATERIAL BORROWINGS OF THE EXTRACT GROUP AFTER THE RESTRUCTURE AND EXCESS ASSET DISPOSAL

Set out in the table below are details of the eXtract group's funding facilities after the restructure and excess asset disposal.

Lender	Description	Origination	Capital amount outstanding (R'000)	Interest rate	Capital repayments (quarterly/ monthly)	Security	Maturity Date
The lenders	Term loan	Common Terms Agreement concluded pursuant to the Eqstra transaction	Nil (See note 2)	JIBAR + 2.9%	To be repaid via a cash sweep from the excess asset disposal. Any amount outstanding on 30 September 2018 will be repaid in a final bullet payment	See note (1) below	30 September 2018
The lenders	General banking facility	Common Terms Agreement concluded pursuant to the Eqstra transaction	Nil (See note 2)	Prime – 1.2%	To be repaid via a cash sweep from the excess asset disposal. Any amount outstanding on 30 September 2018 will be repaid in a final bullet payment	See note (1) below	30 September 2018
Eqstra Corporation	Excluded amount	Restructure	R250 000	Interest-free	To pre repaid from the proceeds of the excess asset disposal	None	None

Notes:

- MCC and eXtract have granted the following security to the lenders:
 - a general and special notarial bond over all moveable assets;
 - a pledge of shares and cession of loan accounts to all subsidiary companies, associates and investments of eXtract;
 - a cession of receivables, bank accounts and insurances granted by MCC and eXtract;
 - the debt guarantor (as defined in the Common Terms Agreement) to take a mortgage bond over the Midrand property; and
 - Rand Merchant Bank ("**RMB**") has furnished a guarantee in favour of Standard Chartered Bank Botswana Limited ("**SCB**") for its exposure to Eqstra Botswana as a secured creditor, in respect of the payment by MCC of an outstanding amount of approximately R44 million. To facilitate the issue of the aforementioned guarantee, enX deposited cash collateral of approximately R44 million into an account in its name with RMB.
- In terms of the Common Terms Agreement, if the aggregate amount outstanding in terms of the term facility and general banking facility is more than R332 500 000 as at 11 April 2018, the interest rate on the term facility and general banking facility will be increased to JIBAR plus 4% and prime plus 4% respectively.



enX Group Limited

(Incorporated in the Republic of South Africa)

(Registration number 2001/029771/06)

JSE share code: enX ISIN: ZAE000222253

("enX" or "the company")

NOTICE OF GENERAL MEETING OF SHAREHOLDERS

Notice is hereby given that the general meeting of shareholders of the company ("**shareholders**") will be held at 11:00 on Thursday, 10 August 2017 at the office of enX, 61 Maple Street, Pomona, Kempton Park, 1619 (the "**general meeting**") for the purposes of considering and, if deemed fit, adopting with or without modification, the resolutions set out below.

IMPORTANT DATES TO NOTE

	2017
Record date to receive circular (together with the notice convening the general meeting)	Friday, 30 June
Circular (together with the notice convening the general meeting) posted	Tuesday, 11 July
Announcement relating to the issue of the circular (together with the notice convening the general meeting) released on SENS	Tuesday, 11 July
Announcement relating to the issue of the circular (together with the notice convening the general meeting) published in the press	Wednesday, 12 July
Last day to trade in order to be eligible to vote at the general meeting	Tuesday, 25 July
Voting record date	Friday, 28 July
Last day to lodge forms of proxy for the general meeting (by 11:00) with the transfer secretaries	Monday, 7 August
General meeting held at 11:00	Thursday, 10 August
Results of the general meeting released on SENS	Thursday, 10 August

In terms of section 62(3)(e) of the Companies Act:

- a shareholder who is entitled to attend and vote at the general meeting is entitled to appoint a proxy, or two or more proxies, to attend and participate in and vote at the general meeting in the place of the shareholder; and
- a proxy need not be a shareholder of the company.

Kindly note that meeting participants (including proxies) are required to provide reasonably satisfactory identification before being entitled to attend or participate in a meeting. All shareholders recorded in the register of the company on the voting record date will be required to provide identification satisfactory to the chairman of the general meeting. Forms of identification include valid identity documents or smart cards, drivers' licences and passports.

Definitions and incorporation of provisions of the circular

Where appropriate and applicable, unless the converse appears from the context, terms defined in the circular to which this notice of general meeting is attached ("**the circular**") bear the same meanings when used in this notice of general meeting. This notice of general meeting shall be read together with the contents of the circular.

Inter-conditionality of certain resolutions

All of the ordinary resolutions pertaining to the restructure set out in this notice of general meeting are inter-conditional. Ordinary resolution number 1 is conditional on ordinary resolution number 2 being passed and *vice versa*. Accordingly, the failure to pass ordinary resolution number 1 or ordinary resolution number 2, as the case may be, shall (unless otherwise determined by the company) cause the other inter-conditional resolutions to fail, notwithstanding that the particular resolution may have been passed by the requisite majority of shareholders.

ORDINARY RESOLUTION NUMBER 1: APPROVAL OF THE RESTRUCTURE, SUBSCRIPTION AND EXCHANGE

“RESOLVED THAT:

1. the conclusion and implementation of the restructure on the terms of the restructure agreement be and is hereby ratified and approved;
2. the board of directors of enX be and is hereby authorised to do all such things and sign all such documents as are necessary or requisite for the conclusion and implementation of the restructure, on the terms of the restructure agreement;
3. subject to the passing of the resolution in paragraph 1 above, the company be and is hereby authorised to subscribe 3 755 171 958 (three billion seven hundred and fifty five million one hundred and seventy one thousand nine hundred and fifty eight) ordinary no par value shares in the authorised but unissued share capital of MCC (the “**MCC Designated Shares**”) for an aggregate subscription price of R1 877 585 979 (one billion eight hundred and seventy seven million five hundred and eighty five thousand nine hundred and seventy nine Rand), which shall be set-off, on a Rand-for-Rand basis, against MCC’s indebtedness to the company in an equivalent amount; and
4. subject to the passing of resolution in paragraph 3 above, the company be and is hereby authorised to exchange on the terms set out in the restructure agreement, the MCC Designated Shares, for 3 755 171 958 (three billion seven hundred and fifty five million one hundred and seventy one thousand nine hundred and fifty eight) ordinary no par value shares in the authorised but unissued share capital of eXtract (the “**eXtract Consideration Shares**”), in terms of an asset-for-share transaction under section 42 of the Income Tax Act.”

Voting requirements

Ordinary resolution number 1 requires for its approval the support of the holders of more than 50% of the voting rights exercised thereon at the general meeting, present in person or represented by proxy.

Reason for and effect of ordinary resolution number 1

Ordinary resolution number 1 is required by virtue of the fact that the restructure under the restructure agreement is classified as a category 1 transaction for enX in terms of section 9 of the JSE Listings Requirements. In particular, the subscription by the company for the MCC Designated Shares constitutes a category 1 transaction and the subsequent exchange by enX of the MCC Designated Shares for the eXtract Consideration Shares also constitutes for enX a category 1 transaction. The effect of the resolutions being passed will result in the company having the necessary shareholder approval to be able to proceed to implement the restructure as a category 1 transaction.

ORDINARY RESOLUTION NUMBER 2: UNBUNDLING

“RESOLVED THAT:

subject to the passing of ordinary resolution number 1 above, the company be and is hereby authorised to unbundle and distribute to its shareholders who are registered as such on the record date for the unbundling, on the terms set out under the restructure agreement and in compliance with section 46 of the Companies Act, the unbundled shares (being the eXtract Consideration Shares together with all of the eXtract shares which the company and Eqstra Corporation acquired in terms of the Eqstra Transaction and held on the unbundling date), as a dividend *in specie* in terms of section 46 of the Income Tax Act, in the ratio of 21.39799 eXtract shares for every enX share held at the close of business on the unbundling record date.”

Voting requirements

Ordinary resolution number 2 requires for its approval the support of the holders of more than 50% of the voting rights exercised thereon at the general meeting, present in person or represented by proxy.

Pursuant to the excess asset disposal, as detailed in Part II of the eXtract circular, eXtract intends to dispose of its entire contract mining business over a 24-month period. eXtract intends establishing a new funding model for future diverse investments, via the creation of the Investment Fund.

Shareholders are advised that to the extent that eXtract’s assets consist wholly or mainly of cash due to the excess asset disposal, eXtract will be classified as a cash company by the JSE.

In accordance with paragraph 3.26 of the Listings Requirements:

- should a cash company, within six months after classification as a cash company fail to enter into an agreement and make an announcement relating to the acquisition of viable assets that satisfy the conditions of listing set out in section 4 of the Listings Requirements, its listing will be suspended; and
- if a cash company fails, within three months of suspension, to obtain approval from the JSE for a circular relating to the acquisition of viable assets that satisfy the conditions of listing set out in section 4 of the Listings Requirements, its listing will be terminated.

Whilst it is not eXtract's intention to become a cash company, the possibility exists that eXtract may become a cash company and may in future be delisted. As such, enX shareholders will be asked at the general meeting to approve the unbundling taking full cognisance of this possibility.

Reason for and effect of ordinary resolution number 2

Ordinary resolution number 2 is required by virtue of the fact that the possibility exists that eXtract may become a cash company and may in future be delisted. The effect of this resolution being passed will result in the company having the necessary shareholder approval to be able to proceed with and implement the unbundling of all shares held by the enX group in eXtract, being 3 861 041 279 eXtract shares, as a category 1 transaction.

QUORUM

A quorum for the purposes of considering the resolutions proposed at the general meeting shall consist of at least three shareholders personally present (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting. In addition:

- a quorum shall comprise at least 25% of the voting rights that are entitled to be exercised by shareholders in respect of at least one matter to be decided at the general meeting; and
- a matter to be decided at the general meeting may not begin to be considered unless sufficient persons are present to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of the matter at the time the matter is called on the agenda.

The date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, for the purposes of being entitled to attend, participate in and vote at the general meeting is Friday, 28 July 2017.

SHAREHOLDERS

General instructions

Shareholders are encouraged to attend, speak and vote at the general meeting.

Electronic participation

The company has made provision for shareholders or their proxies to participate electronically in the general meeting by way of telephone conferencing. Should you wish to participate in the general meeting by telephone conference call as aforesaid, you, or your proxy, will be required to advise the company thereof by no later than 11:00 on Monday, 7 August 2017, by submitting by email to the company secretary at info@enxgroup.co.za, relevant contact details, including an email address, cellular number and landline as well as full details of the shareholder's title to securities issued by the company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shares) and written confirmation from the shareholder's Central Securities Depository Participant ("**CSDP**") confirming the shareholder's title to the dematerialised shares (in the case of dematerialised shares). Upon receipt of the required information, the shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the general meeting. Shareholders must note that access to the electronic communication will be at the expense of the shareholders who wish to utilise the facility.

Shareholders and their appointed proxies attending by conference call will not be able to cast their votes at the general meeting through this medium.

Proxies and authority for representatives to act

A form of proxy is attached for the convenience of any shareholder holding certificated shares, who cannot attend the general meeting but wishes to be represented thereat.

The attached form of proxy is only to be completed by those shareholders who are:

- holding shares in certificated form; or
- recorded on the company's sub-register in dematerialised electronic form with "own-name" registration.

All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the general meeting, must instruct their CSDP or broker to provide them with the necessary letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. These shareholders must not use a form of proxy.

In order to ensure an orderly arrangement of affairs at the general meeting, forms of proxy should be deposited at the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 (PO Box 61051, Marshalltown, 2107), faxed to +27 11 370 5238 or emailed to proxy@computershare.co.za, to be received by no later than 11:00 on Monday, 7 August 2017, failing which forms of proxy may be returned to the chairman at any time. Any shareholder who completes and lodges a form of proxy will nevertheless be entitled to attend, speak and vote in person at the general meeting should the shareholder decide to do so.

A proxy shall be deemed to have the right to demand or join in demanding a poll.

A vote given in accordance with the terms of a proxy shall be valid notwithstanding the previous death or incapacity of the shareholder concerned or revocation of the proxy or of the authority under which the proxy was executed or the transfer of shares in respect of which the proxy was given, provided that no intimation in writing of such death, incapacity or revocation shall have been received by the company at the office of its transfer secretaries more than, and that the transfer has been given effect to by the company less than, 30 (thirty) minutes before the commencement of the general meeting.

A company that is a shareholder, wishing to attend and participate at the general meeting should ensure that a resolution authorising a representative to so attend and participate at the general meeting on its behalf is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company's transfer secretaries prior to the general meeting.

The company does not accept responsibility and will not be held liable for any failure on the part of the CSDP or broker of a dematerialised unitholder to notify such shareholder of the general meeting or any business to be conducted thereat.

GENERAL NOTES

1. A shareholder entitled to attend and vote at the general meeting may appoint a proxy to attend, speak and vote in his or her stead. A proxy need not be a shareholder of the company.
2. In order to ensure an orderly arrangement of affairs at the general meeting, all forms of proxy or other instruments of authority should be deposited with the transfer secretaries, so as to be received by no later than 11:00 on Monday, 7 August 2017, failing which forms of proxy may be handed to the chairman at any time.
3. A shareholder which is a company or other body corporate may, by resolution of its directors or other governing body, authorise any person to act as its representative at the general meeting.
4. Shareholders who have not dematerialised their shares and "own-name" dematerialised shareholders who are unable to attend the general meeting and wish to be represented thereat, should complete the attached form of proxy in accordance with the instructions therein and return it to the transfer secretaries, so as to be received by no later than 11:00 on Monday, 7 August 2017, failing which forms of proxy may be handed to the chairman at any time.
5. Shareholders who have dematerialised their shares with a CSDP or broker, other than with "own-name" registration, should advise their CSDP or broker with their voting instruction in terms of the agreement entered into between them and their CSDP or broker. Shareholders who have dematerialised their shares and wish to attend the general meeting must contact their CSDP or broker who will furnish them with the necessary authority to attend the general meeting.
6. Shareholders who have dematerialised their shares, other than with "own-name" registration, must not return the form of proxy to the transfer secretaries. Their instructions must be sent to their CSDP or broker for action.
7. On a show of hands, any person present and entitled to vote shall only have one vote, irrespective of the number of shares he holds or represents.
8. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to one vote for each share of which he is the registered holder or representative.
9. A resolution put to the vote at the general meeting shall be decided by way of a poll.

By order of the board

enX Group Limited

11 July 2017



enX Group Limited
(Incorporated in the Republic of South Africa)
(Registration number 2001/029771/06)
JSE share code: enX ISIN: ZAE000222253
("enX" or "the company")

FORM OF PROXY FOR enX SHAREHOLDERS

THIS FORM OF PROXY IS ONLY FOR USE BY:

- registered shareholders who have not yet dematerialised their enX shares;
- registered shareholders who have already dematerialised their enX shares and which shares are registered in their own names in the company's sub-register.

For completion by the aforesaid registered shareholders of enX who are unable to attend the general meeting of the company to be held at the office of the company at 61 Maple Street, Pomona, Kempton Park, 1619 at 11:00 on Thursday, 10 August 2017 (the "general meeting").

If you are a dematerialised shareholder, other than with "own name" registration, do not use this form. Dematerialised shareholders, other than with "own name" registration, should provide instructions to their appointed Central Securities Depository Participant ("CSDP") or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP or broker.

I/We (BLOCK LETTERS PLEASE)

of (ADDRESS)

Telephone number:

Cell phone number:

Email address:

being the holder/s of

enX shares hereby appoint:

1. _____ or failing him/her,
2. _____ of failing him/her,
3. the chairman of the general meeting,

as my/our proxy to attend and speak and to vote for me/us and on my/our behalf at the general meeting and at any adjournment or postponement thereof, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed at the general meeting, and to vote on the resolutions in respect of the ordinary shares registered in my/our name(s).

Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast. Unless this is done the proxy will vote as he/ she thinks fit.

	In favour of	Against	Abstain
Ordinary resolution number 1: Approval of the restructure, subscription and exchange			
Ordinary resolution number 2: Unbundling			

*One vote per share held by enX shareholders recorded in the register on the voting record date.

Unless otherwise instructed, my/our proxy may vote or abstain from voting as he/she thinks fit.

Signed this

day of

2017

Signature

Assisted by me (where applicable)

(State capacity and full name)

A shareholder entitled to attend and vote at the general meeting is entitled to appoint a proxy to attend, vote and speak in his/her stead. A proxy need not be a shareholder of the company. Each shareholder is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in place of that shareholder at the general meeting.

In order to ensure an orderly arrangement of affairs at the general meeting, forms of proxy should be deposited at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, posted to PO Box 61051, Marshalltown, 2107, faxed to +27 11 370 5238 or emailed to proxy@computershare.co.za, so as to arrive by no later than 11:00 on Monday, 7 August 2017, failing which forms of proxy may be handed to the chairman at any time.

Please read the notes on the reverse side hereof

NOTES TO THE FORM OF PROXY

1. Only shareholders who are registered in the register of the company under their own name on the date on which shareholders must be recorded as such in the register maintained by the transfer secretaries, Computershare Investor Services Proprietary Limited, being Friday, 28 July 2017 (the “**voting record date**”), may complete a form of proxy or attend the general meeting. This includes shareholders who have not dematerialised their shares or who have dematerialised their shares with “own name” registration. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow. A proxy need not be a shareholder of the company.
2. Certificated shareholders wishing to attend the general meeting have to ensure beforehand with the transfer secretaries of the company (being Computershare Investor Services Proprietary Limited) that their shares are registered in their own name.
3. Beneficial shareholders whose shares are not registered in their “own name”, but in the name of another, for example, a nominee, may not complete a proxy form, unless a form of proxy is issued to them by a registered shareholder and they should contact the registered shareholder for assistance in issuing instruction on voting their shares, or obtaining a proxy to attend, speak and, on a poll, vote at the general meeting.
4. Dematerialised shareholders who have not elected “own name” registration in the register of the company through a Central Securities Depository Participant (“**CSDP**”) and who wish to attend the general meeting, must instruct the CSDP or broker to provide them with the necessary authority to attend.
5. Dematerialised shareholders who have not elected “own name” registration in the register of the company through a CSDP and who are unable to attend, but wish to vote at the general meeting, must timeously provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between that shareholder and the CSDP or broker.
6. A shareholder may insert the name of a proxy or the names of two or more alternative proxies of the shareholder’s choice in the space, with or without deleting “the chairman of the general meeting”. The person whose name stands first on the form of proxy and who is present at the general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
7. The completion and lodging of this form will not preclude the relevant shareholder from attending the general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such shareholder wish to do so. In addition to the foregoing, a shareholder may revoke the proxy appointment by (i) cancelling it in writing, or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the company.
8. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy’s authority to act on behalf of the relevant shareholder as of the later of the date:
 - 8.1 stated in the revocation instrument, if any; or
 - 8.2 upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act.
9. Should the instrument appointing a proxy or proxies have been delivered to the company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the company’s memorandum of incorporation to be delivered by the company to the shareholder must be delivered by the company to:
 - 9.1 the shareholder, or
 - 9.2 the proxy or proxies if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so.
10. A proxy is entitled to exercise, or abstain from exercising, any voting right of the relevant shareholder without direction, except to the extent that the memorandum of incorporation of the company or the instrument appointing the proxy provide otherwise.
11. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 11.1 such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
 - 11.2 the company must not require that the proxy appointment be made irrevocable; and
 - 11.3 the proxy appointment remains valid until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
12. Any alteration or correction made to this form of proxy must be initialed by the signatory/ies. A deletion of any printed matter and the completion of any blank space(s) need not be signed or initialed.
13. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form unless previously recorded by the transfer secretaries of the company or waived by the chairman of the general meeting.
14. A minor must be assisted by his/her parent/guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the transfer secretaries.
15. A company holding shares in the company that wishes to attend and participate at the general meeting should ensure that a resolution authorising a representative to act is passed by its directors. Resolutions authorising representatives in terms of section 57(5) of the Companies Act must be lodged with the company’s transfer secretaries prior to the general meeting.
16. Where there are joint holders of shares any one of such persons may vote at any meeting in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present or represented at the meeting, that one of the said persons whose name appears first in the register of shareholders of such shares or his proxy, as the case may be shall alone be, shall be entitled to vote in respect thereof.
17. On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll a shareholder who is present in person or represented by a proxy shall be entitled to that proportion of the total votes in the company which the aggregate amount of the nominal value of the shares held by him bears to the aggregate amount of the nominal value of all the shares of the relevant class issued by the company. A resolution put to the vote at the general meeting shall be decided by way of a poll.
18. The chairman of the general meeting may reject or accept any proxy which is completed and/or received other than in accordance with the instructions, provided that he shall not accept a proxy unless he is satisfied as to the matter in which a shareholder wishes to vote.
19. A proxy may not delegate his/her authority to act on behalf of the shareholder, to another person.
20. A shareholder’s instruction to the proxy must be indicated by the insertion of the relevant number of shares to be voted on behalf of that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the chairperson of the general meeting, if the chairperson is the authorised proxy, to vote in favour of the resolutions at the general meeting or other proxy to vote or to abstain from voting at the general meeting as he/she deems fit, in respect of the shares concerned. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or the proxy, but the total votes cast in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
21. In order to ensure an orderly arrangement of affairs at the general meeting, it is requested that this form of proxy be lodged or posted or faxed to the transfer secretaries, Computershare Investor Services Proprietary Limited at Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 by fax on +27 11 370 5238 or by email to proxy@computershare.co.za, to be received by the company no later than 11:00 on Monday, 7 August 2017, failing which forms of proxy may be handed to the chairman at any time. A quorum for the purposes of considering the ordinary resolutions shall comprise 25% of all the voting rights that are entitled to be exercised by shareholders in respect of each matter to be decided at the general meeting. In addition, a quorum shall consist of three shareholders of the company personally present or represented by proxy (and if the shareholder is a body corporate, it must be represented) and entitled to vote at the general meeting.
22. This form of proxy may be used at any adjournment or postponement of the general meeting, including any postponement due to a lack of quorum, unless withdrawn by the shareholder.
23. The foregoing notes contain a summary of the relevant provisions of section 58 of the Companies Act, as required in terms of that section.

