

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations contained on pages 5 to 8 of this Circular apply, *mutatis mutandis*, throughout this Circular, including this cover page.

Action required

- This Circular is important and should be read in its entirety, with particular attention to the section entitled "Action required by Sentula Shareholders" which commences on page 3.
 - If you are in any doubt as to what action you should take, please consult your Broker, banker, attorney, CSDP or other professional advisor immediately.
 - If you have disposed of all of your Sentula Shares, this Circular should be handed to the purchaser of such Sentula Shares or to the Broker, CSDP, banker or other agent through whom the disposal was effected.
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SENTULA MINING LIMITED

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

Circular to Sentula Shareholders

regarding:

- **the proposed increase in the authorised ordinary share capital of the Company for the purpose of, *inter alia*, the renounceable Rights Offer;**
- **the authority to issue Shares in the authorised and unissued share capital of the Company in accordance with section 41(3) of the Companies Act; and**
- **the waiver of the requirement for the Associated Entities to make a mandatory offer in terms of Regulation 86(4) of the Companies Regulations;**

and incorporating:

- **a notice convening a General Meeting of Sentula Shareholders; and**
 - **a form of proxy (*blue*) to vote at the General Meeting (for use by Certificated and "own-name" Dematerialised Sentula Shareholders only).**
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Corporate Adviser and Transaction Sponsor



Date of issue: 13 January 2016

Copies of this Circular, in English only, may be obtained at the Company's registered office or at the offices of the Transfer Secretary, during normal business hours 08:00 to 16:00 or Sentula's website www.sentula.co.za from 13 January 2016 until 5 February 2016. The addresses of the Company and the Transfer Secretary are set out in the "Corporate information and advisers" section.

IMPORTANT NOTICE: FORWARD-LOOKING STATEMENTS

This Circular contains statements about Sentula that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements, including, without limitation those concerning: the economic outlook for the industry; Sentula's strategy, growth prospects and operational outlook; Sentula's liquidity and capital resources; and Sentula's expenditure.

These forward-looking statements are not based on historical facts, but rather reflect Sentula's current expectations concerning future results and events, and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases. Similarly, statements that describe Sentula's objectives, plans or goals are or may be forward-looking statements. Sentula's actual future performance could differ materially from these forward-looking statements and you are cautioned not to place undue reliance on them.

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

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

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

CORPORATE INFORMATION AND ADVISERS

Company Secretary and Registered Office

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

(Place of incorporation: South Africa)

(Date of incorporation: 10 April 1992)

Transfer Secretary

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

Corporate Adviser and Transaction Sponsor

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

Underwriters

JB Private Equity Investors Partnership
*an en commandite partnership, represented by
JB Private Equity Investors Trust in its capacity
as General Partner*
(Master's reference number: IT0214258/2014)
4B Atterbury Estates
29 Frikkie de Beer Street
Menlyn
Pretoria
0181
(PO Box 36819, Menlo Park, 0102)

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

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Form of proxy (<i>blue</i>)	Attached
(for use by Certificated Shareholders and "own-name" Dematerialised Shareholders only)	

ACTION REQUIRED BY SENTULA SHAREHOLDERS

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

- If you are in any doubt as to what action you should take arising from this Circular, please consult your CSDP, Broker, banker, attorney, accountant or other professional advisor immediately.
- If you have disposed of all of your Sentula Shares, please forward this Circular to the purchaser of such Sentula Shares or the CSDP, Broker, banker or other agent through whom the disposal was effected.
- The General Meeting convened in terms of the notice to Sentula Shareholders incorporated in this Circular will be held at Block 14 – Ground Floor, Woodlands Office Park, Woodmead, 2080 at 10:00 on 10 February 2016, for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions set out in the attached notice of General Meeting.

If you have Dematerialised your Sentula Shares and have elected:

1. OWN-NAME REGISTRATION

- 1.1 You are entitled to attend in person, or be represented by proxy, at the General Meeting.
- 1.2 If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*) in accordance with the instructions contained therein, to be received by the Transfer Secretary, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on 8 February 2016.

2. REGISTRATION OTHER THAN OWN-NAME REGISTRATION

- 2.1 If you wish to attend or be represented at the General Meeting, you must advise your CSDP or Broker timeously that you wish to attend or be represented at the General Meeting, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to your CSDP or Broker by the cut-off date and time advised by your CSDP or Broker for instructions of this nature. Your CSDP or Broker will be required to issue the necessary letter of representation to you to enable you to attend or to be represented at the General Meeting.
- 2.2 If you do not wish to attend or be represented at the General Meeting but wish to vote, and your CSDP or Broker has not contacted you, you are advised to contact your CSDP or Broker and provide them with your voting instructions, in the manner stipulated in the custody agreement governing the relationship between you and your CSDP or Broker. These instructions must be provided to your CSDP or Broker by the cut-off date and time advised by your CSDP or Broker for instructions of this nature. If your CSDP or Broker does not obtain instructions from you, they will be obliged to act in terms of your mandate furnished to them.
- 2.3 You must **not** complete the attached form of proxy (*blue*).

If you hold Certificated Shares:

3. CERTIFICATED SHAREHOLDERS

- 3.1 You are entitled to attend in person, or be represented by proxy, at the General Meeting.
- 3.2 If you are unable to attend the General Meeting but wish to be represented thereat, you must complete and return the attached form of proxy (*blue*), in accordance with the instructions contained therein, to be received by the Transfer Secretary, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107) by no later than 10:00 on 8 February 2016.

General

4. DEMATERIALISATION

If you wish to dematerialise your Sentula Shares, please contact your Broker.

IMPORTANT DATES AND TIMES

2016

Record date to determine which Shareholders are eligible to receive the Circular	Friday, 8 January
Circular and notice of General Meeting posted to Shareholders on	Wednesday, 13 January
Last day for shareholders to make representations relating to the waiver of the mandatory offer to the TRP	Friday, 29 February
Last day to trade in Sentula Shares in order to be entitled to attend, participate in and vote at the General Meeting	Friday, 29 January
Record date to be eligible to attend and vote at the General Meeting	Friday, 5 February
Last day for lodging forms of proxy for the General Meeting by 10:00 on	Monday, 8 February
General Meeting held at 10:00 on	Wednesday, 10 February
Announcement of results of General Meeting released on SENS on	Thursday, 11 February
Anticipated date of receipt of confirmation by the CIPC stating that the CIPC has accepted and placed on file all the relevant documents required to effect the increase in authorised share capital (Note 1)	Monday, 22 February
Expected finalisation date in respect of the Rights Offer (Note 1)	Tuesday, 23 February

Notes:

1. The above dates and times are subject to change. Any changes will be announced on SENS and published in the South African press. All times referred to in this Circular are local times in South Africa. **It should be noted that if the amendment to the MOI for the purpose of increasing the authorised share capital is approved at the General Meeting, these changes are still required to be implemented through certain filings at the CIPC. Sentula does not have control over the timing and processes at the CIPC.**
2. Dematerialised Shareholders, other than those with "own-name" registration, must inform their Broker or CSDP of their intention to attend the General Meeting in order for such Broker or CSDP to be able to issue them with the necessary letter of representation to enable them to attend the General Meeting. Alternatively, should Dematerialised Shareholders wish to vote but not attend the General Meeting, they should provide their Broker or CSDP with their voting instructions. This must be affected in terms of the custody agreement entered into between the Dematerialised Shareholder and their Broker or CSDP.
3. Share certificates may not be dematerialised or rematerialised between 29 January 2016 and 5 February 2016, both days inclusive.

DEFINITIONS

In this Circular (inclusive of the pages preceding these definitions) and the appendix hereto, unless otherwise stated or clearly indicated by the context, the words in the first column have the meanings stated opposite them in the second column, words in the singular include the plural and vice versa, words incorporating one gender include the other gender and expressions denoting natural persons include juristic persons and associations of persons:

“Associated Entities”	collectively, Regarding Capital Management, on behalf of clients, and the Partnership;
“BOMS”	Benicon Opencast Mining Proprietary Limited (Registration number 1993/007616/07), a private company registered and incorporated in accordance with the laws of South Africa, 83% of the shares in which are held, indirectly, by Sentula;
“Broker”	any person registered as a broking member (equities) in terms of the rules of the JSE made in accordance with the provisions of the Financial Markets Act;
“Business Day”	any day other than a Saturday, Sunday or public holiday in South Africa;
“CCT”	Classic Challenge Trading Proprietary Limited (Registration number 2001/025633/07), a private company registered and incorporated in accordance with the laws of South Africa, 83% of the shares in which are held, indirectly, by Sentula;
“Certificated Shares”	Sentula Shares represented by a share certificate or other physical document of title, which have not been surrendered for Dematerialisation in terms of the requirements of Strate;
“Certificated Shareholders”	registered holders of the Certificated Shares;
“CIPC”	Companies and Intellectual Property Commission;
“Circular”	this bound document, dated 13 January 2016, the annexure, the Notice of General Meeting and the Proxy Form;
“Companies Act” or “Act”	the Companies Act, No 71 of 2008, as amended;
“Companies Regulations”	the Companies Regulations, 2011, published in terms of the Companies Act, as amended;
“Conditions Precedent”	conditions precedent to the launch of the Rights Offer, being: <ol style="list-style-type: none">i. the approvals of the Proposed Resolutions by the requisite majorities of Shareholders in general meeting;ii. Sentula having received a receipt from the CIPC stating that the CIPC has placed on file all the relevant documents required to effect the increase in authorised share capital; andiii. the granting by the TRP of an exemption from the requirement to make a mandatory offer;
“Corporate Adviser and Transaction Sponsor”	Questco Proprietary Limited (Registration number 2002/005616/07), a private company duly registered and incorporated in accordance with the laws of South Africa;
“CSDP”	the Central Securities Depository Participant, registered in terms of the Financial Markets Act and appointed by the respective Dematerialised Shareholders to record the ownership of their Dematerialised Shares in its sub-register;

“DRZ Family Trust”	Dalikhaya Rain Zihlangu Family Trust with Master’s reference IT871/06, a trust incorporated under the laws of South Africa;
“DRZ Family Trust Underwriting Agreement”	the agreement entered into between Sentula and the DRZ Family Trust, dated 18 December 2015, in terms of which the DRZ Family Trust has agreed, subject to certain limitations, to subscribe for 55 555 555 Rights Offer Shares (with a total capital subscription of R10 000 000) in the event that such number of shares are not taken up by, firstly, the Qualifying Shareholders and/or their renounces and secondly, the Partnership, in terms of the Rights Offer and the Partnership Underwriting Agreement respectively;
“Dematerialise” or “Dematerialisation”	the process by which Certificated Shares are converted into electronic form as Dematerialised Shares and are recorded in the Uncertificated Securities Register forming part of Sentula’s Securities Register;
“Dematerialised Shares”	Sentula Shares that have been Dematerialised and are recorded in the Uncertificated Securities Register forming part of Sentula’s Securities Register;
“Dematerialised Shareholders”	all registered holders of Dematerialised Shares;
“Directors”	the directors of Sentula at the Last Practicable Date, details of whom are set out on page 9 to this Circular;
“Financial Markets Act”	the Financial Markets Act, No 19 of 2012, as amended or replaced from time to time;
“General Meeting”	the general meeting of Sentula Shareholders to be held at Block 14 – Ground Floor, Woodlands Office Park, Woodmead, 2080 on 10 February 2016 at 10:00 to consider and, if deemed fit, pass the Proposed Resolutions;
“the Group”	Sentula and its subsidiary companies;
“Independent Board”	the directors of Sentula other than JC Badenhorst;
“JEF”	JEF Drill and Blast Proprietary Limited (Registration number 1996/017991/07), a private company registered and incorporated in accordance with the laws of South Africa, 83% of the shares in which are held, indirectly, by Sentula;
“JSE”	JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the laws of South Africa, listed on the JSE and licensed as an exchange under the Financial Markets Act;
“Last Practicable Date”	the last practicable date prior to finalisation of this Circular, being Monday, 4 January 2016;
“Listings Requirements”	the Listings Requirements of the JSE in force as at the Last Practicable Date;
“MOI”	the memorandum of incorporation of Sentula;
“Ordinary Resolution”	the ordinary resolution, to be proposed at the General Meeting, waiving the requirement for the Associated Entities to make a mandatory offer in terms of Regulation 86(4) of the Companies Regulations;
“Nkomati”	Nkomati Anthracite Proprietary Limited (Registration number 1980/008581/07), a private company registered and incorporated in accordance with the laws of South Africa, 60% of the shares in which are held, indirectly, by Sentula;
“Notice of General Meeting”	the notice of General Meeting attached to and forming part of this Circular;

“Partnership”	JB Private Equity Investors Partnership number 01, an <i>en commmandite</i> partnership between: <ul style="list-style-type: none"> i. Calibre Capital Proprietary Limited (Registration number 2004/001095/07) a company incorporated under the laws of South Africa; ii. RAC; iii. JB Capital Proprietary Limited (Registration number 2014/129256/07) a company incorporated under the laws of South Africa; and iv. JB Private Equity Investors Trust with Masters reference IT 0214258/2014, a trust incorporated under the laws of South Africa, represented by JB Private Equity Investors Trust in its capacity as General Partner;
“Partnership Underwriting Agreement”	the agreement entered into between Sentula and the Partnership, dated 16 December 2015, in terms of which the Partnership has agreed, subject to certain limitations, to subscribe for 58 000 000 Rights Offer Shares (with a total capital subscription of R10 440 000) in the event that such number of shares are not taken up by Qualifying Shareholders and/ or their renounees in terms of the Rights Offer;
“Proposed Resolutions”	collectively, the Ordinary Resolution, the Special Resolutions and the general enabling resolution;
“Qualifying Shareholders”	Sentula Shareholders registered as such on the Rights Offer Record Date;
“RAC”	RECM & Calibre Limited (Registration number 2009/012403/06), a public company incorporated in South Africa, the preference shares in which are listed on the JSE under share code RACP;
“Rand” or “R”	South African Rand, the lawful currency of South Africa;
“Regarding Capital Management”	Regarding Capital Management Proprietary Limited (Registration number 2004/007733/07, and FSP License No 18834), an ordinary shareholder of RAC, a private company duly registered and incorporated under the laws of South Africa;
“Rights Offer”	the renounceable rights offer which the Company proposes to launch, subject to the fulfilment of the Conditions Precedent, in terms of which Shareholders will be entitled to subscribe for the Rights Offer Shares at the Rights Offer Price, enabling the Company to raise a maximum of R105.58 million;
“Rights Offer Price”	the issue price of the Rights Offer Shares of 18 cents per Share;
“Rights Offer Record Date”	the date on which Sentula Shareholders must be registered as such in order to participate in the Rights Offer, which date will be determined immediately after the fulfilment of the Conditions Precedent and published on SENS and in the press;
“Rights Offer Shares”	the 586 559 181 new Sentula Shares to be issued in terms of the Rights Offer;
“Ritchie”	Ritchie Crane Hire Proprietary Limited (Registration number 2007/006831/07), a private company registered and incorporated in accordance with the laws of South Africa, 83% of the shares in which are held, indirectly, by Sentula;
“Securities Register”	the securities register of Sentula Shareholders maintained by Sentula in terms of the Companies Act including the register of Certificated Sentula Shareholders and the sub-registers of Dematerialised Sentula Shareholders maintained by the relevant CSDPs in accordance with the Companies Act;

“SENS”	the Stock Exchange News Service of the JSE;
“Sentula” or “the Company”	Sentula Mining Limited (Registration number 1992/001973/06), a public company incorporated in accordance with the laws of South Africa, the Shares of which are listed on the JSE under the share code SNU;
“Sentula Board”	collectively, the Directors of Sentula;
“Sentula Shares” or “Shares”	ordinary shares of no par value in the authorised and issued share capital of Sentula;
“Sentula Shareholders” or “Shareholders”	collectively, Dematerialised Shareholders and Certificated Shareholders;
“South Africa”	the Republic of South Africa;
“Special Resolutions”	collectively, <ul style="list-style-type: none"> i. the special resolution to create new Shares in the authorised but unissued share capital of Sentula; and ii. the special resolution to issue Shares in the authorised and unissued share capital of the Company in an amount which exceeds 30% of the Shares currently in issue, in terms of section 41(6) of the Companies Act;
“Strate”	Strate Proprietary Limited (registration number 1998/022242/07), a limited liability 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;
“Transfer Secretaries”	Computershare Investor Services Proprietary Limited (Registration number 2004/003647/07), a private company registered and incorporated in accordance with the laws of South Africa, full details of which are set out in the “Corporate information and advisers” section of this Circular;
“TRP”	the Takeover Regulation Panel established by section 196 of the Companies Act;
“Uncertificated Security Register”	the sub-register of Dematerialised Shareholders forming part of the Securities Register and maintained by the relevant CSDPs in accordance with the Companies Act;
“Undertaking”	the undertaking by the Associated Entities to follow their rights under the Rights Offer, subject to the approval by Shareholders of the Waiver and the granting by the TRP of an exemption from making a mandatory offer;
“Underwriters”	collectively, the Partnership and the DRZ Family Trust; and
“Underwriting Agreements”	collectively, the Partnership Underwriting Agreement and the DRZ Family Trust Underwriting Agreement.

Sentula

MINING

SENTULA MINING LIMITED

Incorporated in the Republic of South Africa

(Registration number 1992/001973/06)

Share code: SNU ISIN: ZAE000107223

("Sentula" or "the Company")

Directors of Sentula

Executive

JC Badenhorst (*Acting Chief Executive Officer*)

JC Lemmer (*Financial Director*)[^]

Non-Executive

RB Patmore (*Chairman*)^{*^}

DR Zihlangu^{*^}

SP Naudé^{*^}

M Gama^{*^}

*Independent

[^]Member of the Independent Board

CIRCULAR TO SENTULA SHAREHOLDERS

1. BACKGROUND AND INTRODUCTION

Shareholders are referred to the cautionary announcement released on SENS on 25 November 2015, in which shareholders were advised that the Company had commenced discussions with its existing lenders with a view to concluding a debt restructuring agreement and that the Board intends to raise additional capital through a partially underwritten renounceable rights offer. This debt restructuring, together with the funds raised through the Rights Offer, will result in a sustainable long-term capital structure for the Company.

Shareholders are further referred to the announcement released on SENS on 17 December 2015, setting out additional information regarding the proposed Rights Offer and the salient terms thereof.

The Rights Offer will be launched on fulfilment of the Conditions Precedent set out in paragraph 6.4, following which Shareholders registered as such on the Record Date of the Rights Offer, which will be announced on SENS and in the press in due course, will be entitled to subscribe for 100 Rights Offer Shares for every 100 Sentula shares held at a subscription price of 18 cents per Rights Offer Share.

To the extent that the Rights Offer is fully subscribed, a maximum of 586 559 181 Rights Offer Shares will be issued, thereby raising R105.58 million.

In order to facilitate the Rights Offer, it is necessary for Sentula to increase its authorised share capital and obtain the approval of Shareholders in relation to the issue of a portion thereof in terms of section 41(3) of the Companies Act.

Sentula Shareholders will therefore be requested to approve the special resolutions necessary to increase in the number of authorised Sentula Shares from 1 000 000 000 to 2 000 000 000, by the creation of an additional 1 000 000 000 Sentula Shares of no par value.

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

- the Partnership shall underwrite R10.44 million of the Rights Offer; and
- the DRZ Family Trust shall underwrite R10 million of the Rights Offer.

2. WAIVER OF THE MANDATORY OFFER

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

In addition, these Associated Entities have conditionally undertaken to follow their rights pursuant to the Rights Offer. Depending on the outcome of the Rights Offer, there is a possibility that the combined shareholding of Associated Entities may exceed 35%. Accordingly, independent Sentula Shareholders, being the Sentula Shareholders other than the Associated Entities, will be asked to waive a mandatory offer made by the Associated Entities in terms of Regulation 86(4) of the Companies Regulations, as a condition of the Underwriting Agreement and the Undertaking.

In addition to the Partnership Underwriting Agreement and the Undertaking (the salient terms and conditions of which are set out in paragraphs 6.2 and 6.3 respectively and which are available for inspection as per paragraph 13), Sentula has entered into a consultancy agreement with JB Private Equity Investors Trust, whereby Mr J Badenhorst has been seconded to Sentula in the position of Acting Chief Executive Officer. A monthly amount of R206 670 is payable in terms of the consultancy agreement which can be terminated with one month's written notice by either Sentula or Mr J Badenhorst. Mr J Badenhorst is a trustee of JB Private Equity Investors Trust.

Save as set out above, no other agreements have been entered into between the Associated Entities, or any person acting in concert with the Associated Entities, and –

- the Company;
- the Directors (including any persons that were directors in the preceding 12 months); and/or
- any Shareholder or person that was a shareholder of Sentula in the preceding 12 months and that agreement is considered to be material to a decision regarding the waiver of the mandatory offer to be taken by Shareholders.

The TRP has indicated that it is willing to consider the application to grant an exemption from the obligation to make the mandatory offer by the Associated Entities at a mandatory offer price of 18 cents per Share if the majority of independent Sentula Shareholders waive their entitlement to receive the mandatory offer as aforesaid. Any Sentula Shareholder who wishes to make representations to the TRP relating to the exemption shall have 10 Business Days from the date of the posting of this Circular to make such representations to the TRP before the TRP ruling is considered. Representations should be made in writing and delivered by hand, posted or faxed to:

If delivered by hand or courier:

The Executive Director
Takeover Regulation Panel
1st Floor, Building B
Sunnyside Office Park
32 Princess of Wales Terrace
Parktown
2193

If posted:

The Executive Director
Takeover Regulation Panel
PO Box 91833
Auckland Park
2006

If faxed:

The Executive Director
Takeover Regulation Panel
+27 11 642 9284

In order to be considered, the representations should reach the TRP by no later than the close of business on 29 January 2016. If any representations are made to the TRP within the permitted timeframe, the TRP will consider the merits thereof before making a ruling.

3. PURPOSE OF THIS CIRCULAR

The purpose of the Circular is to:

- provide Shareholders with information regarding the Rights Offer;
- provide Shareholders with information regarding the Special Resolutions;
- provide Shareholders with information in respect of the mandatory offer and waiver; and
- convene a General Meeting to consider and, if deemed fit, approve with or without modification, the Proposed Resolutions.

4. STRATEGIC REVIEW

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

- investment in growth opportunities in its Drilling and Blasting and Mobile Crane Hire operations;
- taking advantage of secured work for its bulk earthmoving businesses through continued restructuring and limited capital expenditure to realise current equipment values;

- rightsizing the exploration business, by limiting capital expenditure and only entering into contracts where targeted returns are achievable;
- continuing to pursue opportunities to dispose of the Group's stake in Nkomati whilst re-establishing profitable mining operations without significant additional investment; and
- increasing the emphasis on overhead reduction across the Group.

The Group is targeting three key strategic objectives that will reposition the business to deliver sustainable growth over the long term. These are to:

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

The Rights Offer, together with the debt restructuring, is expected to result in a sustainable long-term capital structure for the Company.

5. PURPOSE OF THE RIGHTS OFFER AND UTILISATION OF PROCEEDS

Capital raised through the Rights Offer will allow for:

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

5.1 Debt restructuring

Sentula has commenced discussions with its existing lenders with a view to concluding a debt restructuring agreement on the following basis.

Sentula's main source of debt is a Standard Bank Consortium ("SBC") merged term facility. The outstanding balance of the facility as at 30 September 2015 amounted to R81.5 million. The facility is repayable in two remaining tranches: R7 million on or before 31 December 2015 and R74.5 million on or before 2 March 2016. The interest rate applicable to these liabilities is based on a margin of 900 basis points above the three-month Johannesburg Interbank Agreed Rate ("JIBAR") (15.14% as at 30 September 2015).

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

In terms of the proposed debt restructuring, the outstanding term debt amounting to R74.5 million as at 31 December 2015 will be amortised over a three-year term. The debt will be repaid in quarterly instalments. As part of the proposed debt restructuring agreement, Sentula will ring fence cash proceeds from the Rights Offer to the amount of 50% of the outstanding term debt, or R37 million, as additional collateral for a maximum period of 12 months, after which the ring fenced cash will be available and accessible to the Group.

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

Working capital investment of R123 million as at 30 September 2015 is funded through an overdraft facility of R95 million. The average utilisation of the facility over this six-month period amounted to 83%. The high utilisation has placed significant constraints on the ability of the Company to fund revenue growth, accommodate unexpected events and the restructuring of non-profitable operations. An estimated additional R32 million investment in working capital is required over the next six to 12 months to allow for growth in the Group's revenue base. An estimated R8 million is required to fund restructuring costs in underperforming operations. R18 million is required for capital investment in growth opportunities in Mobile Crane Hire and Overburden Drilling and Blasting and approximately R5 million is required to finalise various legal matters.

5.2.1 JEF

JEF generates approximately one third of its revenue from BOMS. The other two thirds come from drilling and blasting services provided to other opencast mining companies. JEF has consistently delivered a return-on-assets in excess of 20%. As part of the executive management restructuring at BOMS, the roles of Chief Executive Officer and Chief Financial

Officer of JEF was combined with those of BOMS. By combining the executive roles of the two companies, management is confident that JEF will be a direct beneficiary of the successful restructuring of BOMS. The additional working capital required as a result is estimated at R10 million over six months. In addition, JEF has completed the design for the building of its own customised drill rigs, which should enable it to expand its fleet of drill rigs at a fraction of the cost of new standard hard currency priced drill rigs. The investment required is estimated at R8 million.

5.2.2 **Ritchie**

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

5.2.3 **BOMS**

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

5.2.4 **CCT**

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

5.2.5 **Nkomati**

Nkomati has an off-take agreement with Glencore Alloys for all output from the mine. Operations were re-commenced in November 2014 and steady state output was achieved in September 2015. Sentula is currently in discussion with Glencore for the expansion of production at the mine. Open pit contract mining work previously outsourced will be performed by BOMS as from March 2016. The additional working capital required as a result, is estimated at R4 million over three months.

5.2.6 **Legal cost**

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

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

5.3 **Summary**

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

Split per category		Split per entity	
Collateral for debt restructuring	R37 million	Group	R47 million
Working capital finance	R32 million	JEF	R18 million
Restructuring	R8 million	Ritchie	R18 million
Capital investment	R18 million	BOMS	R10 million
Legal costs	R5 million	CCT	R8 million
General provision and costs	R5 million	Nkomati	R4 million
Total	R105 million	Total	R105 million

6. THE RIGHTS OFFER

6.1 Terms of the Rights Offer

The Rights Offer will be launched on fulfilment of the Conditions Precedent set out in paragraph 6.4, following which Shareholders registered as such at the Rights Offer Record Date will be entitled to subscribe for 100 Rights Offer Shares for every 100 Shares held at a subscription price of 18 cents per Rights Offer share.

To the extent that the Rights Offer is fully subscribed, a maximum of 586 559 181 Rights Offer Shares will be issued.

6.2 The Underwriting Agreements

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

- the Partnership shall underwrite R10.44 million of the Rights Offer; and
- the DRZ Family Trust shall underwrite R10 million of the Rights Offer.

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

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

The Underwriting Agreements are available for inspection as set out in paragraph 13.

6.3 Shareholder commitments

As at the Last Practicable Date, the following Shareholders have irrevocably undertaken to vote in favour of the Special Resolutions and to follow their rights in terms of the Rights Offer:

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

**Includes 5 553 871 treasury shares.*

In terms of the irrevocable letters of undertaking, a commission equal to 1.5% of the Rand value of the Rights Offer shares for which they've committed to subscribe will be payable by the Company to the Associated Entities.

6.4 Conditions Precedent to the implementation of the Rights Offer

The launch of the Rights Offer is conditional upon:

- the receipt of the requisite approvals of Shareholders of the Ordinary Resolution and the Special Resolutions;
- Sentula having received a receipt from the CIPC stating that the CIPC has placed on file all the relevant documents required to effect the increase in authorised share capital; and
- the granting by the TRP of an exemption from the requirement to make a mandatory offer.

In terms of section 125(3)(b)(ii) of the Companies Act, the Ordinary Resolution must be approved by disinterested Shareholders. Accordingly, the Associated Entities may not vote on the Ordinary Resolution.

6.5 Further announcements and Rights Offer circular

The outcome of the General Meeting will be published on SENS on or about 11 February 2016, together with additional information regarding the Rights Offer, including expected salient dates and times. Should the conditions set out in paragraph 6.4 above be fulfilled, a further circular containing information regarding the implementation of the Rights Offer will be posted to shareholders in accordance with the Listings Requirements of the JSE.

7. AUTHORITIES SOUGHT

7.1 The waiver of mandatory offer

As set out in paragraph 1, the Associated Entities have agreed to follow their rights under the Rights Offer, subject to the approval of the waiver of mandatory offer by the requisite majority of Shareholders in General Meeting and subject to the granting by the TRP of an exemption from the obligation to make a mandatory offer in the event that the issue of the Rights Offer Shares results in the aggregate shareholding of the Associated Entities exceeding 35%. In addition, the Partnership Underwriting Agreement is subject to the same conditions. Accordingly, the Notice of General Meeting contains Ordinary Resolution Number 1, which must be passed by 50% of disinterested shareholders present at the general meeting and entitled to vote thereon, before application will be made to the TRP for such exemption.

The Associated Entities may not vote on Ordinary Resolution Number 1.

Section 86(7) of the Companies Regulations provides that a waiver of a mandatory offer requires a fair and reasonable opinion to be included in the circular in all instances *other than a rights offer at a discount to the prevailing market price at the date of announcement*. On 15 December 2015, being the last trading date prior to the announcement of the terms of the Rights Offer and related Waiver, the prevailing Sentula share price was 19 cents per share. At 18 cents per share, the Rights Offer is therefore priced at a discount to the prevailing share price on the date of the announcement and accordingly, no fair and reasonable opinion is therefore required.

7.2 The creation of new shares in the authorised but unissued share capital of Sentula

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

	Rm
<hr/>	
<i>Authorised</i>	
1 000 000 000 ordinary shares of no par value	–
<i>Issued</i>	
586 559 181 ordinary shares of no par value	5 866
<i>Treasury shares</i>	
5 553 871 ordinary shares of no par value	56
<hr/>	

At the Last Practicable Date, the Company only has 413 440 819 authorised but unissued shares available for issue. In terms of the Rights Offer, a maximum of 586 559 181 new ordinary shares may be issued. Accordingly, in terms of sections 26(2) and 36(3) of the Act and the provisions of its MOI, the Company seeks authority to amend its MOI to reflect an increase in its authorised share capital from 1 000 000 000 ordinary shares to 2 000 000 000 ordinary shares, so that it is able to satisfy the maximum issue of Shares under the Rights Offer and to enable future issues of shares as and when it is so authorised.

Accordingly, the Notice of General Meeting, which is attached to and forms part of this Circular, contains Special Resolution Number 1, which, if passed by the requisite majority, will authorise the amendment of the Company's MOI to reflect 2 000 000 000 authorised no par value shares.

The Board has not been granted the approval to issue ordinary shares, or sell treasury shares, for cash, without the consent of the Shareholders.

7.3 Authority to issue more than 30% of the Shares currently in issue

In terms of section 41(3) of the Act, an issue of shares requires approval of the shareholders by special resolution if the voting power of the class of shares that are issued or issuable as a result of the transaction will be equal to or exceed 30% of the voting power of all the shares of that class held by shareholders immediately before the transaction. The Rights Offer Shares represent 100% of the Sentula Shares currently in issue. Accordingly, the Notice of General Meeting contains Special Resolution Number 2, which, if passed by the requisite majority, will authorise the Board to issue the Rights Offer Shares.

8. DEALINGS BY THE ASSOCIATED ENTITIES AND DIRECTORS AND/OR TRUSTEES OF THE ASSOCIATED ENTITIES

During the preceding six-month period commencing on 13 July 2015, being the date that is six months prior to the date of the publication of this Circular, there have been no dealings in Sentula Shares by the Associated Entities (or directors and/or trustees of the Associated Entities (as applicable)), save as set out below:

Name	Date	Nature of trade	Price per share	Volume traded and percentage	Total value
Regarding Capital Management (<i>on behalf of its clients</i>)	16 July 2015	on-market acquisition	18 cents	2 583 290 (0.44%)	R464 992.20
Jacques Badenhorst (<i>A director of JB Capital Proprietary Limited and a trustee of the JB Private Equity Investors Trust</i>)	6 August 2015	on-market acquisition	18 cents	4 514 269 (0.77%)	R812 568.42

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors and the Independent Board, whose names are set out on page 9 of this Circular, collectively and individually, accept full responsibility for the accuracy of the information given and certify that to the best of their knowledge and belief there are no other facts the omission of which, would make any statement false or misleading and that they have made all reasonable enquiries to ascertain such facts have been made and that this Circular contains all the information required by law and the Listings Requirements.

10. OPINIONS AND RECOMMENDATIONS

The Independent Board has considered the terms and conditions of the waiver of mandatory offer and is of the opinion that the terms and conditions thereof are fair to Sentula Shareholders.

The Independent Board accordingly recommends that Sentula Shareholders vote in favour of all the resolutions as tabled in the Notice of General Meeting and advise that, in respect of their own shareholdings in Sentula, they intend to vote in favour of all the resolutions contained in such notice.

The Independent Board has, in making its recommendations to the Sentula Shareholders, complied with the provisions of section 75 of the Companies Act and all Directors who have a personal financial interest or know a related person who has a personal financial interest in the matters to which the Proposed Resolutions relate, have not taken part in the consideration of the matters.

11. NOTICE OF GENERAL MEETING

A General Meeting of Sentula Shareholders will be held on 10 February 2016, at 10:00, to consider, and, if deemed fit, pass, with or without modification, the resolutions contained in the notice of General Meeting.

A notice convening the General Meeting and a form of proxy (*blue*), for use by Shareholders holding Certificated Shares and Dematerialised Shares with "own-name" registration, are attached to and form part of this Circular. Duly completed forms of proxy (*blue*) must be received by the Transfer Secretaries by no later than 10:00 on Monday, 8 February 2016.

12. CONSENTS

The Corporate Adviser and Sponsor and Transfer Secretary have each consented, in writing, to act in the capacities stated and to their names being used in this Circular and have not withdrawn their consents prior to the publication of this Circular.

13. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents, or copies thereof, will be available for inspection by the Shareholders at the registered offices of Sentula during business hours from 08:00 until 17:00 from 13 January 2016 until 10 February 2016, at the address set out in the "Corporate information and advisers" section of this Circular:

- the MOI of Sentula and its subsidiaries;
- the audited annual financial statements of Sentula for the financial years ended 31 March 2013, 31 March 2014 and 31 March 2015 and the unaudited interim financial statements for the six months ended 30 September 2015;
- a copy of the Underwriting Agreement;
- copies of the Undertakings;
- the letter of approval from the TRP;
- the letters of consent referred to in paragraph 12 above;
- a signed copy of this Circular; and
- the consultancy agreement entered into between Sentula and Mr J Badenhorst as disclosed in paragraph 2.

By order of the Board

Johann Lemmer
Financial Director

13 January 2016
Woodmead

Annexure 1

ADDITIONAL INFORMATION ON THE ASSOCIATED ENTITIES

Name of the Partnership	JB Private Equity Investors Partnership, <i>an en commandite partnership, represented by JB Private Equity Investors Trust in its capacity as General Partner</i>
Partners to the JB Private Equity Investors Partnership	<ol style="list-style-type: none">JB Private Equity Investors Trust (General Partner) <i>The trustees of which are Jacques Christiaan Badenhorst and Theunis de Bruyn</i>JB Capital Proprietary Limited (Limited Partner) <i>The sole director of which is Jacques Christiaan Badenhorst</i>RECM and Calibre Limited (Limited Partner) <i>Which is managed by Regarding Capital Management Limited, the directors of which are Pieter Gerhardt Viljoen, Theunis de Bruyn, Johannes Cornelis van Niekerk, Johannes Gerhardus Swiegers, Zanele Matlala and Trent Rossin</i>Calibre Capital Proprietary Limited (Limited Partner) <i>The directors of which are Pieter Gerhardt Viljoen, Theunis de Bruyn and Jan van Niekerk</i>



SENTULA MINING LIMITED

Incorporated in the Republic of South Africa

(Registration number 1992/001973/06)

Share code: SNU ISIN: ZAE000107223

("Sentula" or "the Company")

NOTICE OF GENERAL MEETING

All terms in the Circular on pages 5 to 8 to which this notice of General Meeting is attached shall bear the same meanings when used in this Notice of General Meeting.

Notice is hereby given that a General Meeting of Shareholders of Sentula will be held at 10:00 on 10 February 2016, at Block 14 – Ground Floor, Woodlands Office Park, Woodmead, 2080 to consider and, if deemed fit, pass, with or without modification, the resolutions set out below.

The record date on which Sentula Shareholders must be recorded in the Securities Register maintained by the Transfer Secretaries for the purposes of being entitled to attend and vote at the General Meeting is 5 February 2016. Accordingly, the last day to trade to be eligible to attend and vote at the General Meeting is 29 January 2016.

In terms of section 63(1) of the Companies Act, 71 of 2008 ("Act"), any person attending or participating in a meeting of shareholders must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of any person to participate in and vote (whether as a shareholder or a proxy of a shareholder) has been reasonably verified. Accordingly, all Sentula Shareholders will be required to provide identification reasonably satisfactory to the chairman of the General Meeting in order to participate in and vote at the General Meeting.

ORDINARY RESOLUTION NUMBER 1

"RESOLVED THAT, subject to the passing of Special Resolution Number 1 below, and in in terms of regulation 86(4) of the Companies Regulations, independent Sentula Shareholders hereby waive the benefits of a mandatory offer by the Associated Entities to acquire the shares of all other Shareholders in the Company at 18 cents per share."

In terms of the Companies Regulations, the abovementioned ordinary resolution will require the approval of independent Sentula Shareholders (being Sentula Shareholders other than the Associated Entities) holding more than 50% of the general voting rights of all the issued shares of the Company, present in person or represented by proxy.

SPECIAL RESOLUTION NUMBER 1

"RESOLVED THAT, in terms of sections 16(1), 26(2) and 36(3) of the Companies Act, 71 of 2008 and the provisions of its MOI, the number of authorised shares of the Company be and is hereby increased from 1 000 000 000 ordinary shares of no par value to 2 000 000 000 ordinary shares of no par value, and that the MOI of the Company be amended accordingly."

In order to be adopted, the abovementioned special resolution must be supported by more than 75% of the voting rights exercised on such resolution.

SPECIAL RESOLUTION NUMBER 2

"RESOLVED THAT in terms of section 41(3) of the Act, the Company seeks Shareholders to approve an issue of 586 559 181 authorised but unissued shares available for issue, which as a result of the Rights Offer, will be equal to or exceed 30% of the voting power of all the shares of that class held by Shareholders immediately before the Rights Offer."

In order to be adopted, the abovementioned special resolution must be supported by more than 75% of the voting rights exercised on such resolution.

ORDINARY RESOLUTION NUMBER 2

“RESOLVED THAT any director of the Company and/or the Company Secretary be and is hereby authorised to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the ordinary and special resolutions approved in accordance with the provisions of this Notice of General Meeting.”

In order to be adopted, the abovementioned special resolution must be supported by more than 50% of the voting rights exercised on such resolution.

VOTING

On a show of hands, every Sentula Shareholder who is present in person, by proxy or represented at the General Meeting shall have one vote (irrespective of the number of Sentula Shares held) and on a poll, every Sentula Shareholder shall have for each share held by him that proportion of the total votes in Sentula which the aggregate amount of the nominal value of that share held by him bears to the aggregate of the nominal value of all shares issued by Sentula.

PROXIES

A Sentula Shareholder entitled to attend and vote at the General Meeting may appoint one or more persons as its proxy to attend, speak and vote in its stead. A proxy need not be a shareholder of Sentula.

Sentula Shareholders are referred to the attached form of proxy (*blue*) in this regard.

If you are a Certificated Shareholder or a Dematerialised Shareholder with own-name registration and unable to attend the General Meeting and wish to be represented thereat, it is requested that you complete and return the attached form of proxy (*blue*) in accordance with the instructions therein to be received by the Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), by not later than 10:00 on Monday, 8 February 2016. If you have dematerialised your shares with a CSDP or Broker, other than with own-name registration, you must arrange with them to provide you with the necessary letter of representation to attend the General Meeting or you must instruct them as to how you wish to vote in this regard. This must be done in terms of the agreement entered into between you and the CSDP or Broker, in the manner and cut-off time stipulated therein.

Additional forms of proxy are obtainable from Sentula's Company Secretary and must be deposited at the Transfer Secretaries not less than 48 hours before the meeting, that is by 10:00 on Monday, 8 February 2016.

By order of the Board

13 January 2016

Registered office
Block 14 – Ground Floor, Woodlands Office Park, Woodmead, 2080



SENTULA MINING LIMITED

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

FORM OF PROXY – GENERAL MEETING

For use by Certificated Shareholders or Dematerialised Shareholders with own-name registration at the General Meeting to be held at 10:00 on 10 February 2016 at Block 14 – Ground Floor, Woodlands Office Park, Woodmead, 2080.

If Sentula Shareholders have dematerialised their shares with a CSDP or Broker, other than with own-name registration, they must arrange with the CSDP or Broker to provide them with the necessary letter of representation to attend the General Meeting or the Sentula Shareholder must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the Sentula Shareholder and the CSDP or Broker, in the manner and cut-off time stipulated therein.

Please read the notes on the reverse hereof carefully, which, amongst other things, set out the rights of Sentula Shareholders with regard to the appointment of proxies.

For the General Meeting

I/We _____

(Name/s in block letters)

of (Address in block letters) _____

being a shareholder of Sentula and holding _____ shares in Sentula, and entitled to vote, do hereby appoint (refer to note 1 at the end of this proxy form):

- 1. _____ or failing him/her,
- 2. _____ or failing him/her,
- 3. the chairman of the General Meeting as my/our proxy(ies),

to vote on a poll on my/our behalf at the General Meeting of Sentula to be held at 10:00 on 10 February 2016, and at any postponement or adjournment thereof.

Please indicate with an "X" in the spaces below how you wish your proxy to vote in respect of the resolutions to be proposed, as contained in the notice of the abovementioned General Meeting.

*I/We desire my/our proxy to vote on the resolutions to be proposed, as follows:

	For	Against	Abstain
Ordinary resolution 1: Approval of the waiver of the requirement for the Associated Entities to make a mandatory offer in terms of Regulation 86(4) of the Companies Regulations			
Special resolution 1: Approval of the increase in authorised share capital			
Special resolution 2: Authority to issue 586 559 181 shares in the authorised but unissued share capital of the Company pursuant to a renounceable Rights Offer			
Ordinary resolution 2: General enabling resolution			

Signed by me/us this day of 2016 _____

Signature _____

Assisted by me (where applicable) (see note 9 on reverse of form of proxy) _____

Full name/s of signatory if signing in a representative capacity (see note 8 on reverse of form of proxy) _____

Telephone number/Cellphone number: _____

* If this form of proxy is returned without any indication of how the proxy should vote, the proxy will exercise his/her discretion both as to how he/she votes and as to whether or not he/she abstains from voting.

Notes:

1. A Sentula Shareholder entitled to attend and vote at the abovementioned meeting is entitled to appoint one or more proxies to attend, speak and, on a poll, vote in his/her stead or abstain from voting. The proxy need not be a shareholder of Sentula. A Sentula Shareholder may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different Sentula Shares held by the Sentula Shareholder.
2. A proxy may delegate the proxy's authority to act on behalf of the Sentula Shareholder to another person, subject to any restriction set out in the instrument appointing the proxy.
3. The completion and lodging of this form of proxy will not preclude the relevant Sentula Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Sentula Shareholder wish to do so. Accordingly, the appointment of a proxy in terms hereof is suspended at any time and to the extent that the Sentula Shareholder chooses to act directly and in person in the exercise of any rights as a Sentula Shareholder.
4. A proxy is entitled to exercise, or abstain from exercising, any voting right of the Sentula Shareholder without direction, except to the extent that the instrument appointing the proxy provides otherwise.
5. The appointment of a proxy shall remain valid until the end of the meeting contemplated in this appointment, unless revoked in the manner contemplated in 6 below.
6. A Sentula 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 Sentula. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Sentula Shareholder as of the later of (i) the date stated in the revocation instrument, if any, or (ii) the date on which the revocation instrument was delivered to Sentula.
7. Please insert the number of Sentula Shares in the relevant space on the proxy form. If you wish to cast your votes in respect of a lesser number of Sentula Shares exercisable by you, insert the number of Sentula Shares held in respect of which you wish to vote. Failure to comply with the above will be deemed to authorise and compel the chairman, if the chairman is an authorised proxy, to vote in favour of the resolutions, or to authorise any other proxy to vote for or against the resolutions or abstain from voting as he/she deems fit, in respect of all the Sentula Shareholder's votes exercisable thereat. A Sentula Shareholder or its/his/her proxy is not obliged to use all the votes exercisable by the Sentula Shareholder or its/his/her proxy, but the total of the votes cast and in respect whereof abstention is recorded may not exceed the total of the votes exercisable by the Sentula Shareholder or its/his/her proxy.
8. To be valid, this form of proxy must be completed and returned to Sentula's Transfer Secretaries, Computershare Investor Services Proprietary Limited, at 70 Marshall Street, Johannesburg, 2001 (PO Box 61051, Marshalltown, 2107), to be received by no later than 10:00 on Monday, 8 February 2016.
9. Any alteration or correction made to this form of proxy must be initialled by the signatory(ies).
10. In the case of a joint holding, the first-named only is required to sign.
11. The authority of a person signing a proxy in a representative capacity must be attached to the proxy unless that authority has already been recorded by Sentula.
12. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian as applicable, unless the relevant documents establishing capacity are produced or have been registered with the Transfer Secretaries.
13. If the instrument appointing a proxy or proxies has been delivered to Sentula, as long as that appointment remains in effect, any notice that is required by the Companies Act or Sentula's MOI to be delivered by Sentula to the Sentula Shareholder must be delivered by Sentula to (i) the Sentula Shareholder or (ii) the proxy or proxies, if the Sentula Shareholder has directed Sentula in writing to do so and paid any reasonable fee charged by Sentula for doing so.

Summary of the rights established in terms of section 58 of the Act:

For purposes of this summary, "shareholder" shall have the meaning ascribed thereto in the Act.

1. At any time, a shareholder of a company is entitled to appoint an individual, including an individual who is not a shareholder of that company, as a proxy, to participate in, and speak and vote at, a shareholders' meeting on behalf of the shareholder.
2. A proxy appointment must be in writing, dated and signed by the relevant shareholder, and such proxy appointment remains valid for one year after the date upon which the proxy was signed, or any longer or shorter period expressly set out in the appointment, unless it is revoked in a manner contemplated in section 58(4)(c) of the Act or expires earlier as contemplated in section 58(8)(d) of the Act.
3. Except to the extent that the Memorandum of Incorporation of a company provides otherwise:
 - 3.1 a shareholder of the relevant company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to different securities held by such shareholder;
 - 3.2 a proxy may delegate his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing the proxy; and
 - 3.3 a copy of the instrument appointing a proxy must be delivered to the relevant company, or to any other person on behalf of the relevant company, before the proxy exercises any rights of the shareholder at a shareholders' meeting.
4. Irrespective of the form of instrument used to appoint a proxy, the appointment of the proxy is suspended at any time and to the extent that the shareholder who appointed that proxy chooses to act directly and in person in the exercise of any rights as a shareholder of the relevant company.
5. Unless the proxy appointment expressly states otherwise, the appointment of a proxy is revocable. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and the Company.
6. 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: (a) stated in the revocation instrument, if any; or (b) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Act.
7. If the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Act or the relevant company's Memorandum of Incorporation to be delivered by such company to the shareholder, must be delivered by such company to the shareholder, or to the proxy or proxies, if the shareholder has directed the relevant company to do so in writing and paid any reasonable fee charged by the Company for doing so.
8. 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, or the instrument appointing the proxy provide otherwise.
9. If a company issues an invitation to shareholders to appoint one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
 - 9.1 such invitation must be sent to every shareholder who is entitled to notice of the meeting at which the proxy is intended to be exercised;
 - 9.2 the invitation, or form of instrument supplied by the relevant company, must: (a) bear a reasonably prominent summary of the rights established in section 58 of the Act; (b) contain adequate blank space, immediately preceding the name or names of any person or persons named in it, to enable a shareholder to write in the name and, if so desired, an alternative name of a proxy chosen by such shareholder; and (c) provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour or against the applicable resolution/s to be put at the relevant meeting, or is to abstain from voting;
 - 9.3 the Company must not require that the proxy appointment be made irrevocable; and
 - 9.4 the proxy appointment remains valid only 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 Act.