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Proprietary Limited**

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Private and confidential

17 November 2022

The Directors
Copper 360 Limited
1 Main Road
Nababeep
Northern Cape
8310

Dear Sirs,

INDEPENDENT FAIR AND REASONABLE REPORT IN RESPECT OF COPPER 360 LIMITED'S (FORMALLY KNOWN AS BIG TREE COPPER LIMITED) ACQUISITION OF SHIRELY HAYES – IPK PROPRIETARY LIMITED RESULTING IN A REVERSE TAKEOVER OF COPPER 360 LIMITED.

INTRODUCTION

In terms of the communications sent by Copper 360 Limited ("COPPER 360"), shareholders were informed that COPPER 360 had made an offer to acquire 91% of the issued ordinary share capital of Shirley Hayes – IPK Proprietary Limited ("SHIP") ("Scheme Shares") from SHIP shareholders ("SHIP Shareholders") not already held (the "Proposed Transaction"). In turn SHIP shareholders will receive 69.8% of the shareholding in COPPER 360 as compensation for the 91% interest which will result in a reverse takeover in terms of Chapter 5 of the Takeover regulations.

The Proposed Transaction is an "affected transaction" in terms of Section 117(1)(c)(vi) of the Companies Act, that will give rise to a mandatory offer to the remaining shareholders in terms of Section 123 of the Companies Act, read with Regulation 86 of the Takeover regulations, to be proposed by the COPPER 360 board of directors (the "Board") between COPPER 360 and the COPPER 360 Shareholders.

Full particulars of the Proposed Transaction are contained in the sale of share agreements distributed to the shareholders.

SCOPE

In terms of Regulation 86 of Chapter 5 of the Takeover Regulations read with Section 125(3)(b)(ii) of the Companies Act., the Board will propose a waiver of the benefit of a mandatory offer to the remaining shareholders as part of the proposed transaction. Moore Professional Services JHB ER (Pty) Limited ("Moore") has been appointed by COPPER 360 as the independent expert to provide a fair and reasonable opinion ("Opinion") in compliance with Regulation 86(7) and Regulation 90 of the Takeover Regulations, in respect of the Proposed Transaction.

RESPONSIBILITY

Compliance with the Companies Act and the Takeover Regulations is the responsibility of the Board. Our responsibility is to report on the Proposed Transaction in compliance with the related provisions of the Companies Act and the Takeover Regulations, as appropriate. We confirm that our Opinion has been provided to the Board for the sole purpose of assisting them in forming and expressing an opinion for the benefit of the COPPER 360 Shareholders, as required in terms of Regulation 110 of the Takeover Regulations, as applicable.

DEFINITION OF THE TERMS “FAIR” AND “REASONABLE”

Market value is defined as the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The “fairness” of a transaction is primarily based on quantitative issues. A transaction will generally be considered “fair” to the company’s shareholders if the benefits received by shareholders, as a result of a transaction, are equal to or greater than the value surrendered.

The assessment of “reasonableness” is generally based on qualitative issues. Even though the consideration attributable to the transaction may differ from the market value of the shares subject to a transaction, a transaction may still be reasonable after considering other significant qualitative factors.

We have applied the aforementioned principles in preparing our Opinion.

SOURCES OF INFORMATION

In the course of our valuation analysis, we relied upon financial and other information, including prospective financial information, obtained from COPPER 360’s management (“Management”) and from various public, financial and industry sources. Our conclusion is dependent on such information being complete and accurate in all material respects.

The principal sources of information used in performing our indicative valuation of SHIP and COPPER 360 include:

- The terms and conditions of the Proposed Transaction, as set out in the sale of shares and share subscription agreements (“agreements”);
- The audited annual financial statements of SHIP and COPPER 360 for Financial year (“FY”) FY2020 to FY2022;
- Management’s 5-year forecast for COPPER 360 and SHIP for the starting for the year ending 2023 (“FY2023”) and 2024 (“FY2024”);
- Other financial and non-financial information and assumptions made by Management;
- Discussions with Management regarding COPPER 360’s and SHIP’s operations, as well as prevailing market, economic, legal and other conditions which may affect the underlying value of the Company;
- Comparative publicly available financial information on suitable peer-listed companies;
- Publicly available information relating to the industries in which COPPER 360 and SHIP operates that we deemed relevant, including company announcements, analysts’ reports and media articles; and
- Competent Persons Report.

ASSUMPTIONS

We have arrived at our opinion based on the following assumptions:

- That all agreements that have been entered into in terms of the Scheme are legally enforceable as between the relevant parties thereto;
- That reliance can be placed on the historical and forecast financial information of COPPER 360 and SHIP;
- That the current economic, regulatory and market conditions will not change materially;
- COPPER 360 and SHIP are not involved in any material legal proceedings, nor has any outstanding disputes with any regulatory body, other than as set out in the notes to its' annual financial statements;
- All parties to the agreements agreed that both COPPER 360 and SHIP will be solvent after the transaction;
- There are no undisclosed contingencies that could affect the value of COPPER 360 and SHIP;
- The structure of the Scheme will not give rise to any undisclosed tax liabilities;
- Reliance can be placed on the representations made by Management during the course of forming this opinion.
- The Purchase Price Parity Method was used.

APPROPRIATENESS AND REASONABLENESS OF UNDERLYING INFORMATION AND ASSUMPTIONS

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

- Considering the historical trends of information and assumptions on COPPER 360 and SHIP;
- Comparing and corroborating such information and assumptions with external sources of information, where such information is available;
- Determining the extent to which representations from Management were corroborated by documentary evidence as well as our understanding of COPPER 360 and SHIP and the economic environment in which the Company operates.

PROCEDURES

In arriving at our opinion, we relied upon financial and other information, obtained from Management together with industry-related and other information in the public domain. Our conclusion is dependent on such information being complete and accurate in all material respects.

In arriving at our opinion, we have, inter alia, undertaken the following procedures in evaluating the fairness and reasonableness of the Proposed Transaction:

- Reviewed the terms and conditions of the Scheme as set out in the agreements;
- Reviewed and obtained an understanding from Management of the aforementioned financial information of COPPER 360 and SHIP, as detailed above;
- Reviewed the reasonableness of the information made available by and from discussions held with Stephan De Plessis and Management, inter alia:
 - the rationale for the Proposed Transaction;
 - the events leading up to receipt of the Firm Intention Letter;
 - the current market conditions relating to COPPER 360 and SHIP;
- Where relevant, corroborated representations made by Management to source documents;

- Obtained letters of representation from Stephan De Plessis and Management asserting that we have been provided with all relevant information, that no material information was omitted and that all such information provided to us is complete and accurate in all respects;
- Performed an independent valuation on the share of COPPER 360 and SHIP Shares;
- Concluded on a value range for the COPPER 360 and SHIP Shares for the proposed transaction; and
- Considered other relevant facts and information in concluding this opinion.

VALUATION METHODOLOGY

In considering the Proposed Transaction, Moore performed an independent valuation of COPPER 360 and SHIP as at 07 November 2022.

For our valuation of COPPER 360 and SHIP, we have applied the discounted cash flow (“DCF”) valuation method as our primary valuation methodology.

Key external and internal value drivers identified in the valuation of COPPER 360 and SHIP include, inter alia:

- Revenue growth;
- EBITDA margins;
- Net profit/loss margins;
- Capital expenditure requirements;
- Working capital requirements;
- Weighted Average Cost of Capital with ranges between 21.7% and 23.8%;
- Copper price growth at 3% average year on year;
- ZAR devaluing at 3.10% to the USD; and
- RSA inflation with an expected outlook of 6.4%
- US Inflation with an expected outlook of 2.9%

The key value drivers as set out above are influenced by various factors, including, inter alia:

- the growth opportunities in the industry in which COPPER 360 and SHIP operate;
- the ability of COPPER 360 to achieve the forecasted revenue and EBITDA growth.

Sensitivity analyses were conducted, where practical, utilising key value drivers, which included, inter alia, a variance range of 1.0% in the discount rate applied and a 1.0% variance range in the growth in revenue and margin. The results of this sensitivity analysis are immaterial to the conclusions contained in this opinion.

The multiples method was used as a reality check on the DCF valuation method applied.

Qualitative Considerations

In arriving at our opinion with respect to the reasonability of the Proposed Transaction, we considered, inter alia, the following other key qualitative factors:

- The rationale for the Proposed Transaction;
- The potential growth of the combined group.

FINDINGS

Based on Moore's analysis, subject to a foregoing and after taking into account all financial and non-financial considerations, we calculated an indicative valuation range of SHIP to be R12 967 207 to R13 344 677 per paid-up Scheme Share, with a most likely value of R13 147 075 per paid-up Scheme Share and the indicative valuation range of COPPER 360 to be R7.26 to R7.58 per paid-up Scheme Share, with a most likely value of R7.41 per paid-up Scheme Share.

The Scheme Consideration of R13 049 582 per paid-up Scheme Share represents a discount of 0.74% to the valuation price of R13 147 075 per ordinary SHIP share on 07 November 2022.

The transaction value placed on COPPER 360 was R10.75 per share, which equates to a share premium of 44.2% compared to the most likely value determined at R7.41 pre-transaction.

OPINION

Based on the results of our procedures performed, our valuation work and qualitative considerations, and subject to the conditions set out herein, we are of the opinion that the Proposed Transaction is fair and reasonable insofar as the COPPER 360 Shareholders are concerned.

LIMITING CONDITIONS

This opinion is provided to the Board in connection with and for the purpose of the Proposed Transaction, for the sole purpose of assisting the Board in forming and expressing an opinion for the benefit of COPPER 360 Shareholders. This opinion is prepared solely for the Board and therefore should not be regarded as suitable for use by any other party nor give rise to third party rights.

The forecasts relate to future events and are based on assumptions, which may not remain valid for the whole of the relevant period. Consequently, this information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely actual results will correspond to those forecasted for COPPER 360.

We relied upon the completeness and accuracy of the information used by us in deriving our opinion, albeit that, where practicable, we have corroborated the reasonableness of such information and assumptions through, amongst other things, reference to historic precedent and our knowledge and understanding. Whilst our work has involved an analysis of the annual financial statements, forecasts and other information provided to us, our engagement does not constitute nor does it include an audit conducted in accordance with applicable auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us in respect of the Proposed Transaction.

The opinion expressed is necessarily based upon information available to us, the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us up to and including 07 November 2022. We have furthermore assumed that all conditions precedent, including any material regulatory and other approvals required in connection with the Proposed Transaction have been or will be properly fulfilled. Subsequent developments may affect our opinion; however, we are under no obligation to update, revise, re-affirm or otherwise report such.

This fair and reasonable opinion does not purport to cater for an individual shareholder's position but rather the general body of shareholders subject to the Scheme. A shareholder's decision regarding fairness and reasonableness of the terms of the Scheme may be influenced by their particular circumstances. Should a shareholder be in any doubt as to what action to take, he or she should consult an independent advisor.

INTEREST OF DIRECTORS OF COPPER 360

The shareholding of directors, directly and indirectly are as follows:

- SA Hayes 16.00%
- JP Nelson 11.90%
- LAS du Plessis 1.80%
- R Smith 12.10%
- HM Mathe 1.50%

COPPER 360 ORDINARY SHAREHOLDERS

The current COPPER 360 ordinary shareholders interest, will be diluted by 69.8%, due to the proposed transaction and the transaction value of the COPPER 360 shares will be increased with a premium of 44.2%.

INDEPENDENCE AND ADDITIONAL REGULATORY DISCLOSURES

We confirm that Moore holds no shares in SHIP or COPPER 360, directly or indirectly. We have no interest, direct or indirect, beneficial or non-beneficial, and to the best of our knowledge we are not related to a person who has or has had such interest in SHIP or COPPER 360 within the immediately preceding two years or in the outcome of the Proposed Transaction.

The directors, partners, officers and employees of Moore engaged in this assignment, have the necessary qualifications, expertise and competencies to:

- (i) understand the Proposed Transaction;
- (ii) evaluate the consequences of the Proposed Transaction; and
- (iii) assess the effect of the Proposed Transaction on the value of the shares, the rights and interests of the COPPER 360 Shareholders and are able to express opinions, exercise judgement and make decisions impartially in carrying out this assignment.

We also confirm that we have the necessary qualifications and competence to provide this opinion.

Furthermore, we confirm that our professional fee for the opinion is R270 000 (excluding VAT), payable in cash, and is not contingent on the outcome of the Proposed Transaction.

CONSENT

We hereby consent to the inclusion of this opinion and references thereto, in whole or in part, in the form and context in which they appear to be included in any required regulatory announcement or documentation regarding the Proposed Transaction.

Yours faithfully,



Moore Professional Services
Director: L.B. Roberts CA(SA) RA