



(Incorporated in Zimbabwe on 5 August 2010 under Company Registration Number 2888/2010)

CIRCULAR TO SHAREHOLDERS

Relating to and seeking approvals for:

The scheme of reconstruction and restructuring of Padenga Holdings Limited to be achieved by way of a share swap through the acquisition by Padenga Holdings Limited of 8,982 Dallaglio Investments (Private) Limited shares, representing 49.9% equity shareholding in Dallaglio Investments (Private) Limited in exchange for an issuance of 253,003,361 Padenga Holdings Limited ordinary shares listed on the Victoria Falls Stock Exchange and incorporating

NOTICE OF AN EXTRAORDINARY GENERAL MEETING

Notice of an Extraordinary General Meeting of the members of Padenga Holdings Limited, to be held physically at the Royal Harare Golf Club, situated at 5th Street Extension, and virtually by electronic means via the link, "<https://escrowgm.com/eagmZim/Login.aspx>" on Wednesday, 16 August 2023, at 1000 hours, which notice was published on Wednesday, 26 July 2023 in accordance with the Listings Requirements of the Victoria Falls Stock Exchange and the Companies and Other Business Entities Act (Chapter 24:31) of Zimbabwe, as set out at the end of this Document. Shareholders are asked to complete and return the attached form of proxy in accordance with the instructions printed thereon, as soon as possible, but not later than 1600 hours, on Thursday, 10 August 2023. This Circular is neither a prospectus nor an invitation to the public to subscribe for shares in the Company but is issued in compliance with the Listings Requirements of the Victoria Falls Stock Exchange, for the purpose of giving information to the public with regard to the Transaction as more fully set out in this Circular. The Circular is only available in English. Additional copies of this Circular may be obtained from the Company Secretary at the Registered Office of Padenga Holdings Limited or Imara Edwards Securities (Private) Limited.

Financial Advisor



Sponsoring Brokers

IMARA
INVESTING
IN AFRICA

Imara Edwards Securities (Private) Limited
Members of the Victoria Falls Stock Exchange

Independent Financial Advisors



Independent Reporting Accountants



Legal Advisors



Transfer Secretaries



If you are in any doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant or other professional advisors. If you no longer hold any shares in Padenga Holdings Limited, you should send this Circular, as soon as possible, to the stockbroker, bank or other agent through whom the sale of your shareholding in Padenga Holdings Limited was executed, for onward delivery to the purchaser or transferee of your shares.

All the Directors of Padenga Holdings Limited, whose names are given in paragraph 4.1 of this document, 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 material facts, the omission of which would make any statement in the Circular false or misleading, and that they have made all reasonable enquiries to ascertain such material facts and that this Circular contains all information required by law.

The Directors confirm that the Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making enquiries) that investors and their professional advisors would reasonably require and reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer and of the rights attaching to the securities to which the Listing particulars relate.

The Padenga Holdings Limited's lead financial advisors, sponsoring broker, legal advisors, transfer secretaries and reporting accountants have consented in writing to act in the capacity stated and to their names being stated in the Circular and have not withdrawn their consents prior to the publication of this Circular.

Date of issue of this document: Wednesday, 26 July 2023

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CORPORATE INFORMATION & DETAILS OF PROFESSIONAL ADVISORS

The information below is given in compliance with the requirements of the VFEX:

Company Secretary and Registered Office

Andrew Lorimer
121 Borrowdale Road
Gunhill
Harare
Zimbabwe

Padenga derives professional services from the following:

Financial Advisors

Corporate Excellence Financial Advisory Services
(Private) Limited
3 Drummond Chaplin
Milton Park
Harare
Zimbabwe

Sponsoring Brokers

Imara Edwards Securities (Private) Limited
Block 2, Tendeseka Office Park
Samora Machel Avenue East
Harare
Zimbabwe

Independent Auditors & Reporting Accountants

KPMG (Zimbabwe) Registered Public Auditors
Mutual Gardens
100 The Chase (West)
Emerald Hill
Harare
Zimbabwe

Independent Financial Advisors

Finesse Advisory Services (Private) Limited
4th Floor North Wing, Beverly Court
100 Nelson Mandela Avenue
Harare
Zimbabwe

Legal Advisors

Dube, Manikai & Hwacha Legal Practitioners
4 Fleetwood Road
Alexandra Park
Harare
Zimbabwe

Transfer Secretaries

Corpserve Registrars (Private) Limited
2nd Floor ZB Centre
Corner 1st Street & Kwame Nkrumah Avenue
Harare
Zimbabwe

Principal Bankers

CABS
Northend Close
Northridge Park
Harare
Zimbabwe

FORWARD-LOOKING STATEMENTS

This Circular includes forward-looking statements regarding Padenga Holdings Limited. Forward looking statements are those other than statements of historical facts, included in this Circular, and include without limitation, those regarding Padenga Holdings Limited's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to Padenga Holdings Limited's products and services). Any statements preceded by, followed by or including the words "believes", "expects", "aims", "estimates", "anticipates", "may", "will", "should", "could", "intends", "plans", "seeks", or similar expressions, are forward looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause Padenga Holdings Limited's actual results, performance, or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are inherently based on numerous assumptions regarding Padenga Holdings Limited's present and future business strategies and the environment in which Padenga Holdings Limited will operate in the future. These forward-looking statements speak only as at the date of this Circular. The Directors of Padenga Holdings Limited expressly disclaim any obligation or undertaking to disseminate, after the distribution of this Document, any updates or revisions to any forward-looking statements contained herein to reflect any change in their expectations with regard thereto or any change in events, conditions, or circumstances on which any such forward looking statement is based, unless legally required to do so.

INTERPRETATIONS AND DEFINITIONS

In this document unless otherwise stated or the context otherwise requires, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and vice versa and words importing natural persons shall include juristic persons, whether corporate or incorporate and vice versa.

“Acquisition”	The Offer by Padenga Holdings Limited, pursuant to its scheme of reconstruction and restructuring, to acquire 49.9% of the issued share capital of Dallaglio Investments (Private) Limited, being 8,982 (eight thousand nine hundred and eighty-two) ordinary shares, from the Dallaglio Minorities in exchange for 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) shares in Padenga Holdings Limited to be issued to the Dallaglio Minorities or to their nominees;
“Articles”	The Articles of Association of Padenga Holdings Limited;
“Auditors” or “Independent Reporting Accountants” or “KPMG”	KPMG (Zimbabwe) Registered Public Auditors, Independent Auditors of the Company and Independent Reporting Accountants to the Proposed Transaction;
“Board” or “Directors”	The Board of Directors of Padenga Holdings Limited;
“Broker”	Any person or company registered as a member with the Victoria Falls Stock Exchange and authorised to buy and sell shares and other securities on behalf of customers;
“Circular” or “the Document”	This document dated Wednesday, 26 July 2023 including the appendices hereto, addressed to Padenga Holdings Limited Shareholders, which sets out the terms and conditions of the Proposed Transaction;
“Companies Act”	The Companies and Other Business Entities Act (Chapter 24:31);
“Conditions Precedent”	The Conditions Precedent to which the Proposed Transaction is subject as set out in paragraph 12;
“Consideration”	The consideration payable to Dallaglio Investments (Private) Limited Minority Shareholders for their shares in terms of the Proposed Transaction, being the consideration of 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) Padenga Holdings Limited shares for 49.9% issued shares of Dallaglio Investments (Private) Limited, being 8,982 (eight thousand nine hundred and eighty-two) ordinary shares. For the purposes of the Proposed Transaction, shares to be issued will be rounded to the nearest whole number;
“Corporate Excellence” or “Lead Financial Advisors”	Corporate Excellence Financial Advisory Services (Private) Limited, a licenced securities investment advisor with the Securities and Exchange Commission of Zimbabwe, and the lead financial advisors to the Proposed Transaction;
“Corpserve” or “Corpserve Registrars”	Corpserve Registrars (Private) Limited, transfer secretaries for the Proposed Transaction;
“Dallaglio Minorities”	Shareholders who currently own the 49.9% shareholding in Dallaglio Investments (Private) Limited, that Padenga Holdings Limited wishes to acquire;
“Dallaglio Shareholders”	The holders of ordinary shares in Dallaglio Investments (Private) Limited;
“Dallaglio”	Dallaglio Investments (Private) Limited, a private company incorporated in Zimbabwe under company registration number (6772/2005), a subsidiary of Padenga Holdings Limited;
“DMH” or “Legal Advisors”	Dube, Manikai & Hwacha Legal Practitioners, the legal advisors to the Proposed Transaction;
“Effective Date”	The date on which the Proposed Transaction is executed and becomes binding;
“EGM”	Extraordinary General Meeting of Padenga Holdings Limited shareholders convened in terms of the Companies and Other Business Entities Act, to be held at 10:00 hours on Wednesday, 16 August 2023, at the Royal Harare Golf Club, situated at 5th Street Extension, and via the link, “ https://escrowagm.com/eagmZim/Login.aspx ” at which Padenga Holdings Limited Shareholders will vote on the Offer;

INTERPRETATIONS AND DEFINITIONS (CONTINUED)

“Finesse” or “Independent Financial Advisor”	Finesse Advisory Services (Private) Limited, a licenced securities investment advisor with the Securities and Exchange Commission of Zimbabwe, and the independent financial advisors to the Proposed Transaction.
“Form of Proxy”	The Form of Proxy accompanying this Circular;
“IFRS”	International Financial Reporting Standards;
“Imara” or “Imara Edwards Securities” or the “Sponsoring Broker”	Imara Edwards Securities (Private) Limited, the sponsoring broker to the Proposed Transaction and a member of the Victoria Falls Stock Exchange;
“Non-Resident Shareholder(s)”	A holder(s) of Padenga Holdings Limited shares who is designated as “non-resident” in terms of the Exchange Control Regulations;
“Notice”	The notice of the Extraordinary General Meeting which was published in terms of the Companies and Other Business Entities Act on Wednesday, 26 July 2023, advising Padenga Holdings Limited Shareholders of the Proposed Transaction and which forms part of this Circular;
“Offer”	The Offer by Padenga Holdings Limited to acquire 49.9% of the issued share capital of Dallaglio Investments (Private) Limited from the Dallaglio Minorities;
“Padenga Shareholder(s)”	The holders of ordinary shares of Padenga Holdings Limited;
“Padenga” or “the Company” or “the Group”	Padenga Holdings Limited, a public company incorporated in Zimbabwe under company registration number 2888/2010 and listed on the VFEX;
“Proposed Transaction”/ “Proposed Restructuring”	Padenga’s scheme of reconstruction and restructuring by Padenga Holdings Limited to be achieved through the Acquisition of 49.9% of the issued share capital of Dallaglio Investments (Private) Limited from the Dallaglio Minorities, with the resultant effect that Dallaglio becomes a wholly owned subsidiary of Padenga;
“RBZ”	The Reserve Bank of Zimbabwe, the central bank of Zimbabwe;
“Restructuring Agreement”	The agreement between Padenga Holdings Limited, Dallaglio Investments (Private) Limited and the minority shareholders of Dallaglio Investments (Private) Limited for the reconstruction and restructuring of Padenga Holdings Limited, by way of a share swap, with the resultant effect that Dallaglio becomes a wholly owned subsidiary of Padenga Holdings Limited;
“Share Register”	The Register of Shareholders of the Company maintained by the Transfer Secretaries and the sub-register of nominee Shareholders maintained by each Broker;
“Target Shares”	49.9% shareholding of the Dallaglio Investments (Private) Limited shares not owned by Padenga Holdings Limited;
“Transfer Secretaries” or “Corpserve”	Corpserve Registrars (Private) Limited who provide share transfer secretarial services to Padenga Holdings Limited;
“US\$” or “USD”	The United States Dollar;
“VFEX” or “Victoria Falls Stock Exchange”	The Victoria Falls Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act of 2004 of Zimbabwe [Chapter 24:25] and regulates the conduct of companies whose shares are listed on the Official List and traded on the Victoria Falls Stock Exchange;
“ZIMRA”	Zimbabwe Revenue Authority;
“ZSE”	The Zimbabwe Stock Exchange, a stock exchange that is established in terms of the Securities and Exchange Act of 2004 (Chapter 24:25) and regulates the conduct of companies whose shares are listed on the Official List and traded on the Zimbabwe Stock Exchange;
“ZWL” or “ZW\$”	The Zimbabwean Dollar;

SALIENT FEATURES OF THE PROPOSED TRANSACTION

Padenga's proposed scheme of reconstruction and restructuring to be achieved through the acquisition of 49.9% of the issued share capital of Dallaglio Investments (Private) Limited, being 8,982 (eight thousand nine hundred and eighty-two) ordinary shares, from the Dallaglio Minorities in exchange for 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) ordinary shares in Padenga to be issued to the Dallaglio Minorities or their nominees ("the Acquisition"), with the resultant effect that Dallaglio becomes a wholly owned subsidiary of Padenga.

At the meeting held on 13 June 2023, the Board of Directors of Padenga considered and identified a potential opportunity for the restructuring of the Group through the acquisition of the remaining 49.9% of the issued share capital in Dallaglio following the acquisition of 50.1% of the issued share capital in Dallaglio in 2019, whereby the negotiated value of the acquisition of the 49.9% shareholding of Dallaglio is to be settled via an issuance of 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) Padenga ordinary shares that are listed on the VFEX to the Dallaglio Minorities or their nominees.

Benefits of the Proposed Transaction

The benefits of the Proposed Restructuring include, but are not limited to the following:

- Acquisition of a 49.9% shareholding in Dallaglio would result in full (100%) control of its operations which would be beneficial to Padenga.
- Dallaglio's profits would fully accrue to Padenga's Shareholders, thus increasing Padenga's earnings per share.
- Following the Proposed Restructuring, Padenga would have a larger asset base and a stronger balance sheet which can be leveraged to raise funding for business expansion.
- Acquisition of the remaining issued shares in Dallaglio would result in the combined entity trading at a higher value on the VFEX.

Timetable for the Proposed Transaction

Important Dates	
Padenga EGM Notice and Circular published	Wednesday, 26 July 2023
Record Date, Padenga share register closed (at 1600 hours)	Wednesday, 9 August 2023
Last day of lodging Proxy Forms (at 1600 hours)	Thursday, 10 August 2023
Padenga EGM (at 1000 hours)	Wednesday, 16 August 2023
Publication of Results of Padenga EGM	Thursday, 17 August 2023

Actions to be taken by Padenga Shareholders

- Read this Document in its entirety. If you are in doubt as to the action you should take, you should immediately seek advice from your stockbroker, bank manager, legal practitioner, accountant, or other professional advisors;
- Attend and vote at the EGM to be held on Wednesday, 16 August 2023; and
- Shareholders who are unable to attend the EGM, but who wish to be represented there, should complete and sign the Proxy Form included with this Document and ensure it is lodged at the registered offices of Padenga being 121 Borrowdale Road, Gunhill, Harare, Zimbabwe so that it is received by the Transfer Secretaries by 1600 hours, on Thursday, 10 August 2023. Proxy forms will be accepted at the discretion of the Chairman up to 1 (one) hour before the commencement of the EGM. Shareholders may attend the meeting in person, notwithstanding the completion and return of a proxy form.

SALIENT FEATURES OF THE PROPOSED TRANSACTION (CONTINUED)

Conditions Precedent

The implementation of the Proposed Transaction is conditional upon the following:

- The passing by Padenga's Shareholders of the resolutions detailed in Appendix 5, by the requisite majority, at an EGM to be held on Wednesday, 16 August 2023 in terms of the Notice of the EGM published in the national press dated Wednesday, 26 July 2023;
- Padenga's Director, Mr. Michael Fowler, not being permitted to vote at the EGM to avoid any potential conflict of interest, given his directorship and shareholding in both Padenga and Dallaglio.
- ZIMRA approval of the Proposed Transaction in terms of section 15 (1) (b) of the Capital Gains Tax Act, [Chapter 23:01];
- The Offer being accepted by the Dallaglio Minorities;
- The Restructuring Agreement for the scheme of reconstruction and restructuring of Padenga Holdings Limited through the acquisition of the 49.9% shareholding in Dallaglio becoming unconditional in accordance with the respective terms and conditions therein; and
- Obtaining all such other necessary regulatory approvals as may be required.

Documents Available for Inspection

The public may inspect this Circular and the documents available as listed in paragraph 14 between 0800 and 1600 hours from Thursday, 27 July 2023 to Friday, 11 August 2023 at the Financial Advisors', Sponsoring Brokers', and Padenga's Registered Offices at the addresses set out in the "Corporate Information" section of this Document.

CHAIRMAN'S STATEMENT

Dear Shareholder,

BACKGROUND

I am writing to you in my capacity as the Chairman of Padenga Holdings Limited ("*Padenga*"), duly authorised by its board of directors, to support the scheme of reconstruction and restructuring of Padenga through the acquisition of the remaining 49.9% issued share capital in Dallaglio Investments (Private) Limited ("*Dallaglio*") that Padenga currently does not own. This is to be effected via the exchange of 8,982 (eight thousand nine hundred and eighty-two) ordinary shares in Dallaglio for 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) ordinary shares in Padenga to be issued to the Dallaglio Minorities or their nominees.

From the time of the acquisition of 50.1% of Dallaglio in 2019, there have been multiple positive developments within Dallaglio. Gold production has more than doubled, reaching 1,961kgs in 2022 up from 632kgs in 2019. In 2021, Eureka mine, one of the largest and most technologically advanced gold mines in Zimbabwe was commissioned by His Excellency, President Emmerson Mnangagwa. Extensive expansionary expenditure has been underway, and the gold price has been rallying – for which the combined effect is expected to result in significant increases in profits over the next few years.

The proposed transaction will be executed by way of a swap of shares in Dallaglio for shares in Padenga with no cash alternative ("*the Offer*"). On successful completion of the transaction, Dallaglio will become a wholly owned subsidiary of Padenga. Padenga will remain listed on the Victoria Falls Stock Exchange.

1. Rationale for the Proposed Restructuring

- 1.1. The acquisition of the remaining 49.9% shares in Dallaglio by Padenga will result in the Group having full (100%) control of the mining business and its investments resulting in the alignment of its operations with those of Padenga's objectives.
- 1.2. Dallaglio's profits would fully accrue to Padenga's Shareholders, potentially improving Padenga's bottom line thus increasing Padenga's consolidated earnings per share.
- 1.3. The proposed structure would result in Padenga having a larger asset base that could be leveraged for capital raising for expansion.
- 1.4. The new consolidated entity is anticipated to trade at a value higher than the current, resulting in increased value to Padenga Shareholders.

Resultantly, the execution of the acquisition of the remaining issued shares in Dallaglio would result in great value for Padenga Shareholders.

[Signed on the Original]

Themba Sibanda
Chairman

26 July 2023

DETAILS OF THE PROPOSED TRANSACTION

1. OVERVIEW OF THE PROPOSED TRANSACTION

1.1. The Proposed Acquisition of Dallaglio by Padenga

In 2019, Padenga acquired 50.1% of the issued share capital in Dallaglio which holds and operates gold mining assets. At the meeting held on 13 June 2023, the Board of Directors of Padenga considered and identified a potential opportunity for the restructuring of the Padenga group through the acquisition of the remaining 49.9% of the issued share capital in Dallaglio. It was undertaken to conclude the Proposed transaction via an issuance of 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) Padenga ordinary shares that are listed on the VFEX to the Dallaglio Minorities or their nominees in exchange for 8,982 (eight thousand nine hundred and eighty-two) ordinary shares in the Dallaglio Minorities. Appropriate valuation methods were applied to both companies in order to determine the aforementioned swap ratio and final terms were agreed following liaison between representatives of both the Padenga and Dallaglio Boards. The terms of the Proposed Transaction have been declared Fair and Reasonable by the Independent Financial Advisors, whose report forms part of this Circular.

1.2. Benefits of the Proposed Restructuring

The Proposed Restructuring of Padenga is expected to be value accretive to existing Padenga Shareholders based on the following merits:

- 1.2.1. **Control over Dallaglio**
Padenga would extend its control of Dallaglio, resulting in full (100%) control of its business lines therefore resulting in the alignment of its operations with those of Padenga's objectives.
- 1.2.2. **Improved Bottom Line**
Acquisition of the remaining 49.9% issued equity in Dallaglio would potentially improve the bottom line as a result of mining profits fully accruing to Padenga shareholders.
- 1.2.3. **Improved Balance Sheet**
Padenga will benefit from a more robust balance sheet as a result of a larger capital base which would be able to be leveraged for capital raising.
- 1.2.4. **Increased value for shareholders**
The combined value of 100% of Padenga and 100% of Dallaglio would likely result in the trading of the combined entity at a higher value, resulting in greater value for shareholders.

1.3. Conditions to the Restructuring

The implementation of the Proposed Transaction is conditional upon the following:

- The passing by Padenga's Shareholders of the Resolutions, by the requisite majority, at an EGM to be held on Wednesday, 16 August 2023, in terms of the Notice of the EGM published in the national press dated Wednesday, 26 July 2023;
- Padenga's Director, Mr. Michael Fowler, not being permitted to vote at the EGM to avoid any potential conflict of interest, given his directorship and shareholding in both Padenga and Dallaglio.
- ZIMRA approval of the Proposed Transaction in terms of section 15 (1) (b) of the Capital Gains Tax Act, [Chapter 23:01];
- The Offer being accepted by the Dallaglio Minorities;
- The Restructuring Agreement for the scheme of reconstruction and restructuring of Padenga Holdings Limited through the acquisition of the 49.9% shareholding in Dallaglio becoming unconditional in accordance with the respective terms and conditions therein; and
- Obtaining all such other necessary regulatory approvals as may be required.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

1. OVERVIEW OF THE PROPOSED TRANSACTION (CONTINUED)

1.4. Impact on Share Capital

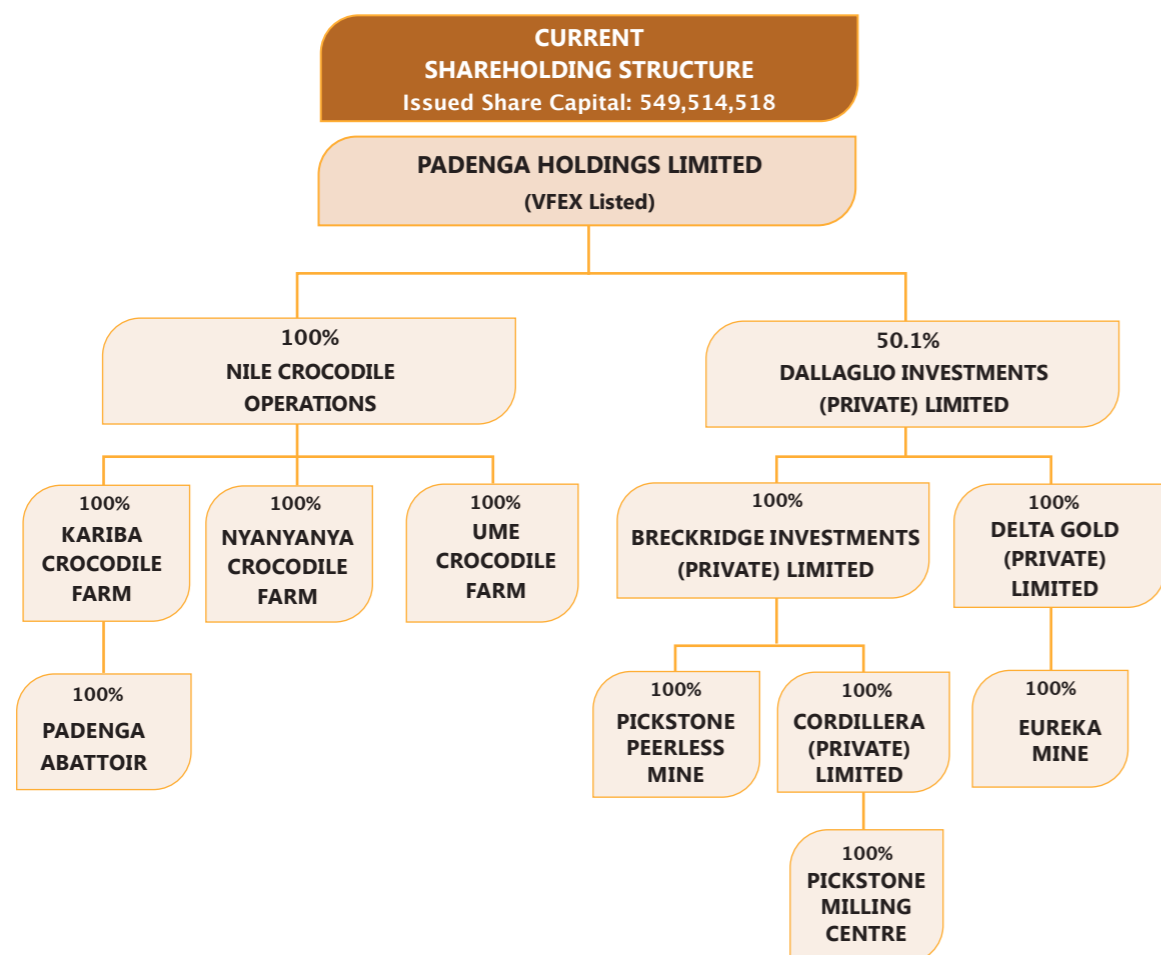
The table below shows the impact on Padenga’s current share capital structure of new shares to be issued to the Dallaglio shareholders on the Effective Date of the Dallaglio Acquisition:

Indicative Padenga share capital structure before and after share issuance on the Effective Date of the Dallaglio acquisition

	Before the New Shares are issued (reflecting NAV as at 31 December 2022)	New shares issued on the Effective Date of the Proposed Transaction	After new shares are issued (reflecting NAV as at 31 December 2022)
Authorised Share Capital	800,000,000	600,000,000	1,400,000,000
Issued share capital	549,514,518	253,003,361	802,517,879
Net asset value per share (Issued shares) (US\$)	0.1539	n/a	0.1052

Note that the impact reflected for the purposes of this Circular represents only the decrease in net asset value per share as a result of the shares issued at the Effective Date of the Dallaglio Acquisition and the related acquisition journals as reflected in the Unaudited Consolidated Proforma Statement of Financial Position detailed in Appendix 2.

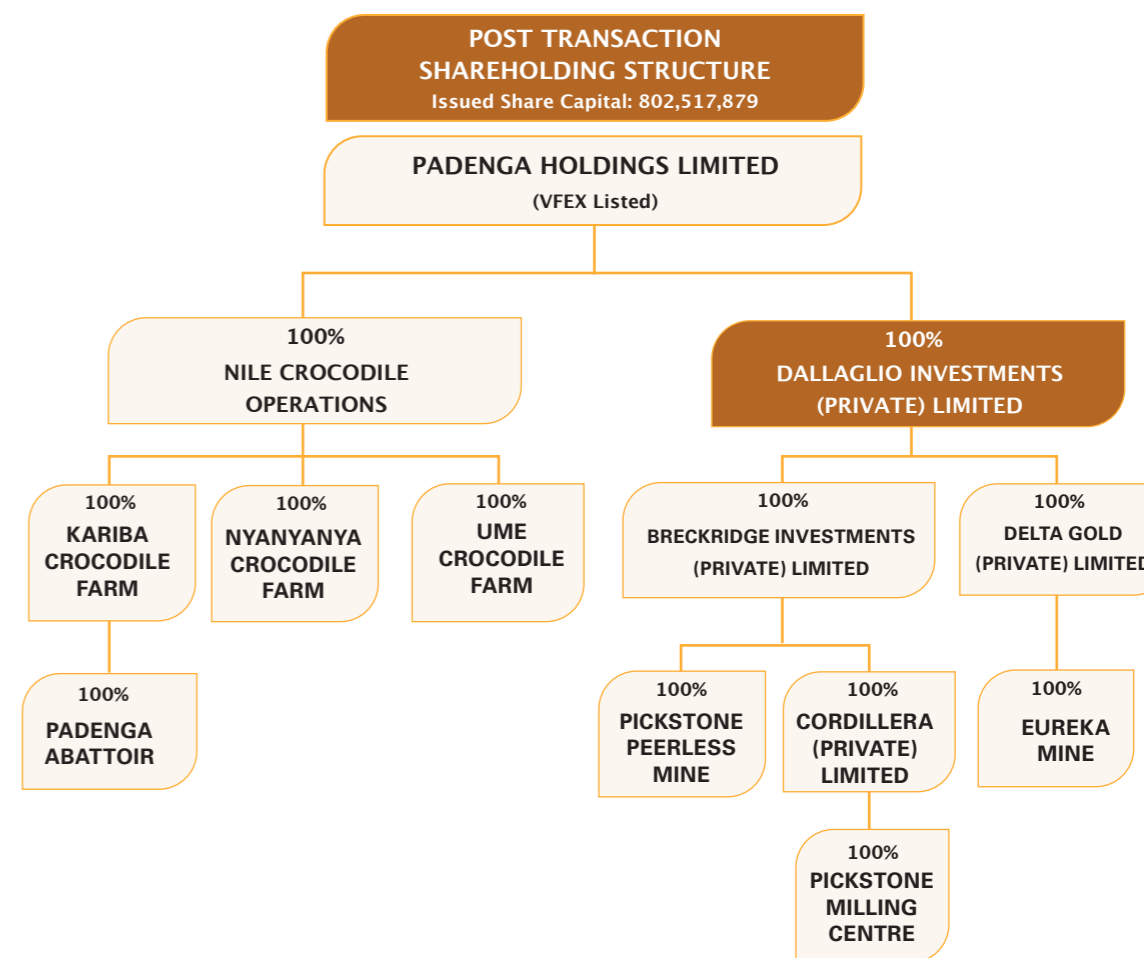
The diagram below shows the structure of Padenga pre and post the Proposed Transactions, based on the current shares in issue and following the full issuance of the new shares.



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

1. OVERVIEW OF THE PROPOSED TRANSACTION (CONTINUED)

1.4. Impact on Share Capital (continued)



1.5. Expenses of the Proposed Transaction

The expenses of the Proposed Transaction, amounting to approximately US\$200,000 which relate to legal, transfer secretaries, advisory fees, reporting accountants, various printing, distribution, regulatory fees and such other charges, will be paid by Padenga.

Expense Item	Amount US\$
Reporting Accountant Fees	28,750
Legal Fees	25,000
Transfer Secretaries	8,000
Financial Advisory Fees	90,000
Sponsoring Broker Fees	10,000
Regulatory Fees	3,400
Independent financial Advisor	25,000
Design & Printing, Distribution & Publication Fees	4,000
Other Related Expenses	5,850
Total Fees	200,000

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2. OVERVIEW OF PADENGA

2.1. History of Padenga

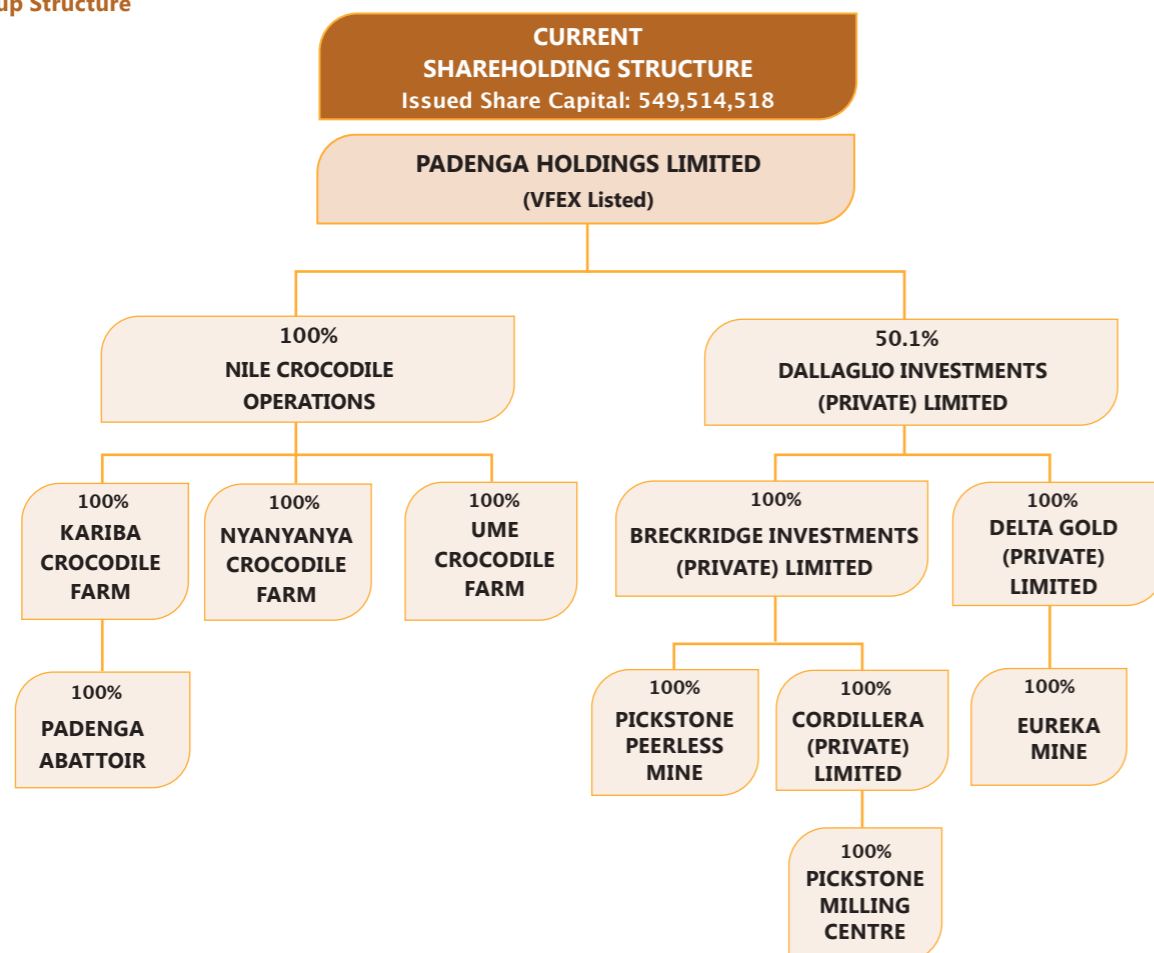
Padenga is a public company listed on the Victoria Falls Stock Exchange, as from the 9th of July 2021. Initially, Padenga was listed on the Zimbabwe Stock Exchange. In this respect, it was the first listed company in Africa whose sole business is the production and sale of crocodilian skins and meat. The Company, formerly a division of the Innscor Africa Limited Group, listed in November 2010.

Today, Padenga is one of the world’s leading suppliers of premium quality crocodilian skins, accounting for nearly 85% of the supply of Nile crocodile (*Crocodylus niloticus*) skins to high end luxury brands globally. Padenga also has the capacity to produce crocodile meat from its export approved abattoir for sale to European markets, and opportunities for the export of crocodile meat are being vigorously pursued. The Company currently operates three crocodile farms in Zimbabwe, which are located on the shores of Lake Kariba. Padenga sold its interests in an alligator farm operation in the USA.

Padenga’s Zimbabwean operations consist of three Nile crocodile farms which are all located on the shores of Lake Kariba, approximately 340 km northwest of the capital Harare. All farms operate as standalone business units and are managed as independent cost/profit centres. The abattoir at the Kariba Crocodile Farm is also an independent cost/profit centre. The three Zimbabwean farms are almost identical in size, structure, stock numbers, staffing levels and operate to consistent management systems and standards. Padenga’s Crocodile Farms were certified in 2020 by the International Crocodilian Farmer’s Association (“ICFA”) as being compliant with that organization’s international standards pertaining to animal welfare, good husbandry practices, ethical production systems, environmental sustainability, and biosecurity and in doing so became the first Nile crocodile operation worldwide to have achieved this status.

In September 2019, the Company acquired a 50.1% stake in a gold mining entity, Dallaglio Investments (Private) Limited, the holding Company to two large gold producing mines in the country, namely Pickstone Peerless and Eureka.

2.2. Group Structure



DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2. OVERVIEW OF PADENGA (CONTINUED)

2.4. Crocodile Farms

2.4.1. Kariba Crocodile Farm

Kariba Crocodile Farm (“KCF”), established in 1965, is the oldest of the three farms and operates as the mother farm. It houses the Company’s main support facilities as well as Padenga’s export approved abattoir. The farm is situated on land leased from the Zimbabwe Parks & Wildlife Management Authority (“ZPWMA”). The farm employs approximately 98 (ninety-eight) employees in permanent roles and has the capacity to deliver up to 15,300 skins on an annual basis.

2.4.2. Nyanyanya Crocodile Farm

Contiguous with KCF and situated on land leased from Zimbabwe Parks and Wildlife Management Authority, Nyanyanya Crocodile Farm (“NCF”) represents the newest of Padenga’s farming operations in Zimbabwe. Construction of the farm started in 2005 and the infrastructure was designed against knowledge gained over many years. NCF employs 96 (ninety-six) staff members in permanent roles and has the capacity to deliver up to 15,300 (fifteen thousand three hundred) skins on an annual basis. This farm also carries the responsibility for the incubation of all the domestic and wild eggs collected each year. The recently constructed incubators use state of the art climate control software to ensure that optimal conditions are maintained throughout the incubation process.

2.4.3. Ume Crocodile Farm

Located 65km away from KCF and NCF, on the Ume River, this is the second oldest of the farms having been established in 1973. UCF is located on land leased from the Nyaminyami Rural District Council. With no national grid power supplies by virtue of its remote location, and a very poor road connection, this farm presents many logistical challenges for the Company. There are however advantages such as the availability of land, close access to labour, proximity to egg collection areas and access to abundant water. The primary advantage derived from the remote location of UCF is in terms of biosecurity and the consequent reduction in disease risk. UCF has the largest labour force with 145 (one hundred and forty-five) staff in permanent roles. The farm currently has an annual harvest capacity of around 15,300 (fifteen thousand three hundred) skins and also accommodates a major proportion of Padenga’s domestic breeder stock.

2.5. Dallaglio Investments (Private) Limited

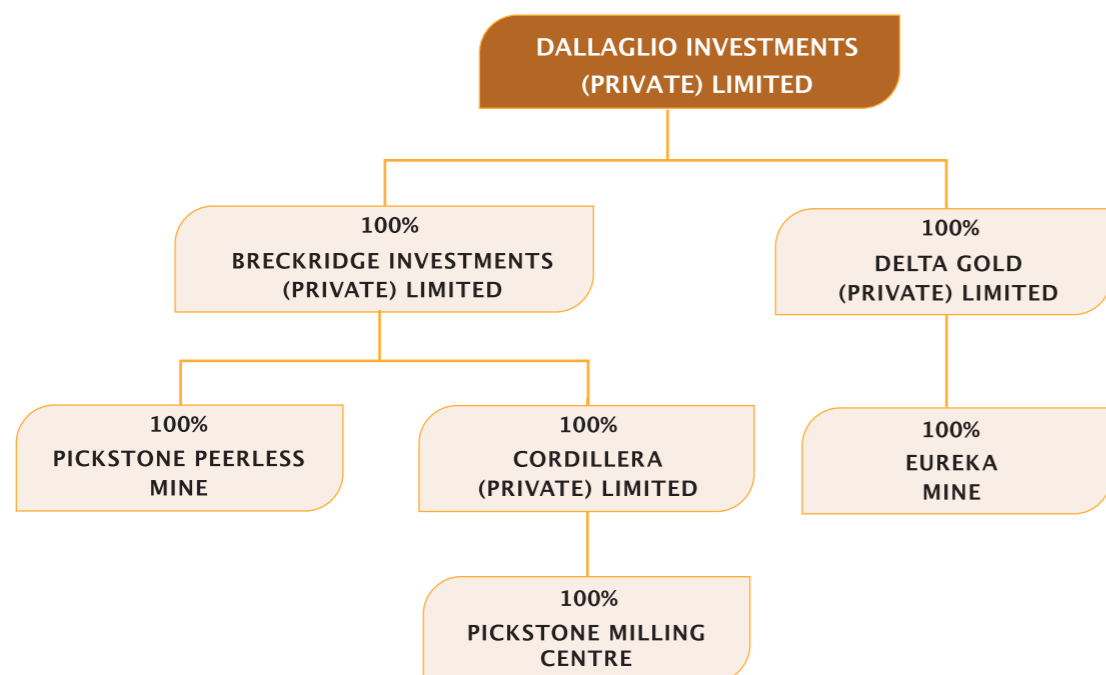
2.5.1. Background

Dallaglio develops and operates Zimbabwean commercial gold mines. Their founding shareholders were guided by the principle that they do not find mines, they build them. In 2015, they successfully delivered the brownfield mining project at Pickstone Peerless Mine near Chegutu. After the success in restoring Pickstone Peerless to life they embarked on an even more challenging acquisition being the refurbishment of the Eureka Mine located near Guruve. Average gold production at Pickstone Peerless Mine is 45kg per month and Eureka produces 130kg per month.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2. OVERVIEW OF PADENGA (CONTINUED)

2.5.2. Group Structure



2.5.3. Operations

2.5.3.1. Pickstone Peerless Mine

Pickstone Peerless Mine is located 120km southwest of Harare and 20km southeast of the town of Chegutu. Dallaglio invested in Pickstone Peerless Mine in 2014. As at 31 March 2023, the underlying claims had a total measured and indicated resource of 754,000 ounces (24,242kg), and a total resource (including inferred) of 1,170,000 ounces (37,617kg). Included within this resource were proven and probable reserves of 151,000 ounces (4,855kg). The ore body is not refractory in nature with an average recovery of approximately 82%. The current open pit mine has a strip ratio of approximately 6:1, with ore processed through a plant on site with a capacity of 31,000 tonnes/month.

The full complement of supporting infrastructure includes staff housing, offices, stores, grid power, boreholes, and road infrastructure. In the period 2015-2018 there were investments into upgrades to the processing plant to achieve its current capacity. Since 2015, over 133,000 ounces (4,300kg) of gold have been produced at the mine.

Dallaglio is currently embarked on a project to resuscitate the Pickstone Underground operation, last operated in 1971. Commercial hoisting from the underground will commence in the third quarter of 2023.

2.5.3.2. Eureka Mine

Eureka Mine, whose 100% owned holding company is Delta Gold Zimbabwe, is located 150km northwest of Harare and 4km southeast of Guruve. Eureka has had multiple owners since its discovery but most notably the Australian mining company Delta Gold Zimbabwe, who owned and operated the mine between 1995 and 2003. Delta Gold Zimbabwe was acquired by Dallaglio in April 2018.

The in-pit proven, and probable reserve is 479,000 ounces (15,400kg) and gives the mine 9 (nine) years of open pit life at 108,000 tons of ore per month. There is indicated and inferred underground resources of 869,000 ounces (27,939kg) which require further drilling to establish an underground ore reserve and add further years to the life of mine.

The Eureka refurbishment project commenced on 17 January 2020 and the new state-of-the-art carbon in leach plant currently processing 108,000 tons per month was commissioned in October 2021. The mine has created over 1,000 direct and indirect jobs for the local economy.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2. OVERVIEW OF PADENGA (CONTINUED)

2.5.3. Operations (continued)

2.5.3.3. Pickstone Milling Centre

In 2016, Dallaglio noted an increase in small scale miners on the Blue Streak claims and identified a need for a milling centre for the small-scale mining community. A one-of-a-kind processing plant was designed and built which included a small crushing circuit, 2 (two) round mills with concentrators. This facility was built at a cost of US\$579,700 and first production started in April 2017. Cordillera has since expanded to 8 (eight) round mills and mills around 3,750 tons of ore per month. This remains Dallaglio's flagship community project.

2.5.3.4. Mineral Resource and Reserve Statements

Table 1: Eureka Gold Mine Mineral Resources Estimate as at 31 December 2021

Deposit	Resource Category	Tonnage (kt)	Grade (g/t)	Ounces (kOz)
Eureka Open Pit	Measured	6,257	1.68	339
	Indicated	19,118	1.38	849
	Inferred	3,968	1.1	140
	Sub total	29,343	1.41	1,328
Eureka Underground	Measured	1	4.14	-
	Indicated	3,357	3.77	407
	Inferred	3,973	3.62	462
	Sub total	7,331	3.69	869
Eureka Mine	Measured	6,258	1.68	258
	Indicated	22,475	1.74	1,244
	Inferred	7,941	2.36	603
	Sub total	36,674	1.86	2,197

The Eureka Gold Mine Mineral Resource Estimate was compiled by Pivot Mining Consultants of South Africa, in the report dated 31st December 2021.

Table 2: Updated Eureka Gold Mine Mineral Resources Estimate as at 31 March 2023

Deposit	Resource Category	Tonnage (kt)	Grade (g/t)	Ounces (kOz)
Eureka Open Pit	Measured	4,240	1.89	258
	Indicated	18,834	1.38	837
	Inferred	3,968	1.10	140
	Sub total	27,041	1.42	1,235
Eureka Underground	Measured	1	4.14	-
	Indicated	3,357	3.77	407
	Inferred	3,973	3.62	462
	Sub total	7,331	3.69	869
Eureka Mine	Measured	4,241	1.89	258
	Indicated	22,191	1.74	1,244
	Inferred	7,941	2.36	603
	Sub total	34,372	1.90	2,105

The update shows a -4% variance on ounces which is based on depletion of the Mineral Resources due to mining production at the Eureka Open Pit from January 2022 to March 2023.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2. OVERVIEW OF PADENGA (CONTINUED)

2.5.3. Operations (continued)

2.5.3.4. Mineral Resource and Reserve Statements (continued)

Table 3: Eureka Gold Mine Mineral Resources Estimate showing 31 December 2021 declaration versus the update as at 31 March 2023

Deposit	Mineral Resources as @31 December 2021				Mineral Resources as @31 March 2023				Variance	
	Mineral Category	Tonnage (kt)	Grade (g/t)	Ounces (kOz)	Tonnage (kt)	Grade (g/t)	Ounces (kOz)	Tonnage (kt)	Ounces (kOz)	
Eureka Open Pit	Measured	6,257	1.68	339	4,240	1.89	258	-32%	-24%	
	Indicated	19,118	1.38	849	18,834	1.38	837	-1%	-1%	
	Inferred	3,968	1.1	140	3,968	1.1	140	0%	0%	
		29,343	1.41	1,328	27,042	1.42	1,235	-8%	-7%	
Eureka Underground	Measured	1	4.14	0	1	4.14	0	0%	0%	
	Indicated	3,357	3.77	407	3,357	3.77	407	0%	0%	
	Inferred	3,973	3.62	463	3,973	3.62	463	0%	0%	
		7,331	3.69	869	7,331	3.69	869	0%	0%	
Eureka Mine	Measured	6,258	1.68	339	4,241	1.89	258	-32%	-24%	
	Indicated	22,475	1.74	1,256	22,191	1.74	1,244	-1%	-1%	
	Inferred	7,941	2.36	603	7,941	2.36	603	0%	0%	
		36,674	1.86	2,197	34,373	1.90	2,104	-6%	-4%	

The Eureka Gold Mine Mineral Resource Estimate was compiled by Pivot Mining Consultants of South Africa, in the report dated 31st December 2021.

The update as @31 March 2023 shows a -4% variance on ounces which is due on depletion of the Mineral Resources by mining at the Eureka Open Pit from January 2022 to March 2023.

Table 4: Eureka Mine Ore Reserve Estimate as at 31 March 2023

Deposit	Resource Category	Tonnage (kt)	Grade (g/t)	Ounces (kOz)
Eureka Open Pit	Proven	1,765	1.14	65
	Probable	9,186	1.40	415
	Sub total	10,952	1.36	479
Eureka Underground	Proven	-	-	-
	Probable	-	-	-
	Sub total	-	-	-
Eureka Mine	Proven	194	0.79	5
	Probable	-	-	-
	Sub total	194	0.79	5
Combined Reserves	Proven	1,960	1.11	70
	Probable	9,186	1.40	415
	Sub total	11,146	1.35	484

The Eureka Gold Mine Ore Reserve estimate was completed by Delta Gold Zimbabwe in conjunction with School of Rock Mining Consultants of South Africa based on pit shells and mine design adopted in July 2022.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2. OVERVIEW OF PADENGA (CONTINUED)

2.5.3. Operations (continued)

2.5.3.4. Mineral Resource and Reserve Statements (continued)

Table 5: Pickstone Peerless Mine Mineral Resources Estimate showing 31 December 2021 and 7 July 2022 declarations versus the updates as at 31 March 2023

Deposit	Mineral Resources as @31 July 2022				Mineral Resources as @31 March 2023				Variance	
	Mineral Category	Tonnage (kt)	Grade (g/t)	Ounces (kOz)	Tonnage (kt)	Grade (g/t)	Ounces (kOz)	Tonnage (kt)	Ounces (kOz)	
PEERLESS	Measured	254	2.66	22	190	2.66	16	-25%	-27%	
	Indicated	1,050	2.5	84	1,050	2.5	84	0%	0%	
	Inferred	1,580	2.29	116	1,580	2.29	116	0%	0%	
		2,884	2.40	222	2,820	2.39	216	-2%	-3%	
PICKSTONE (OPEN PIT)	Measured	1,040	2.99	100	1,040	2.99	100	0%	0%	
	Indicated	880	2.41	68	880	2.41	68	0%	0%	
	Inferred	900	3.08	89	900	3.08	89	0%	0%	
		2,820	2.84	257	2,820	2.84	257	0%	0%	
PICKSTONE (UNDER-GROUND)	Measured	920	4.66	138	919	4.66	138	0%	0%	
	Indicated	1,740	3.8	213	1,740	3.8	213	0%	0%	
	Inferred	2,320	2.63	196	2,320	2.63	196	0%	0%	
		4,980	3.41	547	4,979	3.41	547	0%	0%	
DUCHESS HILL (OPEN PIT)	Measured				0	0	0			
	Indicated	2,645	1.59	135	2,645	1.59	135	0%	0%	
	Inferred	292	1.57	15	292	1.57	15	0%	0%	
	2,937	1.59	150	2,937	1.59	150	0%	0%		
PICKSTONE PEERLESS MINE	Measured	2,214	3.65	260	2,149	3.67	254	-3%	-2%	
	Indicated	6,315	2.46	500	6,315	2.46	500	0%	0%	
	Inferred	5,092	2.54	416	5,092	2.54	416	0%	0%	
	13,621	2.68	1,176	13,556	2.69	1,170	0%	-1%		

The Pickstone Peerless Mine Mineral Resource Estimate compiled by Adivare Consultants of Canada, in the report dated 7th July 2022 and the Duchess Hill Mineral Resource Estimate was prepared by Digital Mining Services of Harare, Zimbabwe, dated 31 December 2021.

The update as @31 March 2023 shows a -1% variance on ounces which is mainly due on depletion of the Mineral Resources by mining at the Peerless Open Pit from January 2022 to March 2023.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

2. OVERVIEW OF PADENGA (CONTINUED)

2.5.3. Operations (continued)

2.5.3.4. Mineral Resource and Reserve Statements (continued)

Table 6: Pickstone Peerless Mine Mineral Resources Estimate as at 31 March 2023

Deposit	Resource Category	Tonnage (kt)	Grade (g/t)	Ounces (kOz)
Peerless	Measured	190	2.66	16
	Indicated	1,050	2.50	84
	Inferred	1,580	2.29	116
	Sub total	2,820	2.39	216
Pickstone	Measured	1,959	3.77	238
	Indicated	2,620	3.33	281
	Inferred	3,220	2.76	285
	Sub total	7,799	3.21	804
Duchess Hill	Measured	-	-	-
	Indicated	2,645	1.59	135
	Inferred	292	1.57	15
	Sub total	2,937	1.59	150
Combined Resources	Measured	2,149	3.67	254
	Indicated	6,315	2.46	500
	Inferred	5,092	2.54	416
	Sub total	13,556	2.69	1,170

This update is based on the Pickstone Peerless Mine Mineral Resource Estimate compiled by Aduivare Consultants of Canada, dated 7th July 2022 and the Duchess Hill Mineral Resource Estimate was prepared by Digital Mining Services of Harare, Zimbabwe, dated 31 December 2021.

Table 7: Pickstone Peerless Mine Ore Reserve Estimate as at 31 March 2023

Deposit	Resource Category	Tonnage (kt)	Grade (g/t)	Ounces (kOz)
Peerless Open Pit	Proven	82	1.85	4
	Probable	-	-	-
	Sub total	82	1.85	4
Pickstone (Underground)	Proven	309	3.24	27
	Probable	1,289	3.30	116
	Sub total	1,598	3.29	143
Duchess Hill	Proven	-	-	-
	Probable	-	-	-
	Sub total	-	-	-
Stockpiles (Surface)	Proven	45	1.45	4
	Probable	-	-	-
	Sub total	45	1.45	4
Combined Reserves	Proven	436	2.79	35
	Probable	1,289	3.30	116
	Sub total	1,725	3.17	151

The Pickstone Peerless Mine Ore Reserve estimate was completed by Minxcon Consultants of Johannesburg, South Africa, in conjunction with Breckridge and based on the pit design and underground mine design adopted in October 2022.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

3. SHARE CAPITAL

The share capital of Padenga is shown below:

Authorised:

800,000,000 ordinary shares of US\$0.0001 each

Issued: (As at 13 July 2023)

549,514,518 ordinary shares of US\$0.0001 each

Authorised but unissued share capital

The authorised but unissued share capital of the Company is under the control of the directors, held in reserve and comprises 250,485,482 (two hundred and fifty thousand, four hundred and eighty-five, four hundred and eighty-five) ordinary shares.

3.1. Variation of Rights

According to the Company's Articles, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), may be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class, or with the sanction of a resolution passed by a majority of not less than three-fourths of the members of that class present at a separate general meeting of the holders of the shares of the class.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

Ordinary shares issued as a result of the Proposed Transaction will have the same rights attached according to the class of shares and will also rank *pari passu* with ordinary shares already in issue.

3.2. Voting Rights

The authorised but unissued and issued Padenga ordinary shares are the same class and rank *pari passu* in every respect.

3.3. Adequacy of Capital, Working Capital and Cash Flow

The Directors are of the opinion that for a business of this nature operating in the agriculture and gold mining industries, the Company's share capital and working capital are adequate for the foreseeable future for the current operations. The Directors are of the opinion that the available working capital is sufficient to cover the cash flow requirements of the Company for the current operations.

4. CORPORATE GOVERNANCE

4.1. Introduction

Padenga is committed to a Code of Corporate Practices and Conduct based on the principles laid out in the King Reports and the Principles of Corporate Governance in Zimbabwe as laid out in the Manual of Best Practice. The Directors recognise the need to conduct the affairs of the Group with principles of transparency, integrity, accountability and in accordance with generally accepted corporate practices, in the interests of its Shareholders, employees and other stakeholders. This process enables the Company's Shareholders and stakeholders to derive the assurance that, in protecting and adding value to Padenga's financial and human capital investment, the Company is being managed ethically, according to prudently determined risk parameters and in compliance with the best international practices.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

4. CORPORATE GOVERNANCE (CONTINUED)

4.1. Introduction (continued)

Board of Directors

The Board comprises three executive Directors and three independent non-executive Directors. The Board is made up of individuals with proven track records and a wide range of skills and experience which they employ for the benefit of the Company. The Directors are allocated responsibilities in Sub-committee's where they have strategic strengths. The Non-Executive Directors also provide crucial independence to the Company's strategic decision-making process and corporate governance practices. The primary responsibility of the Board is to discharge its fiduciary duty to the Shareholders and the Company. The Board is the highest policy organ of the Company and directs strategy. The Board meets quarterly to provide input and oversight to the strategic planning process and monitor operational performance. Padenga has adopted several practices to regulate the division of responsibilities between the Board and management.

The full names, addresses and positions of the Directors of Padenga are set out below:

Full Name	Address	Position
Thembinkosi ("Themba") Sibanda	72 Gwanda Road, Sunninghill, Bulawayo, Zimbabwe	Independent Non-Executive Chairman
Gary Sharp	135 Lagoon Drive, Kariba, Zimbabwe	Chief Executive Officer
Oliver Kamundimu	540 Camphill, Kariba, Zimbabwe	Chief Financial Officer
Michael Fowler	23 Willowmead Lane, Colne Valley, Harare, Zimbabwe	Executive Director
Sternford Moyo	13th Floor CABS Centre, 74 J Moyo Ave, Harare, Zimbabwe	Independent Non-Executive Director
Evlyn Mkondo	27228 Sunflower Street, Zimre Park, Masvingo, Zimbabwe	Independent Non-Executive Director

Thembinkosi ("Themba") Sibanda – Non-Executive Chairman

Themba graduated from the University of Zimbabwe in 1978 majoring in Accounting, and subsequently joined Barclays Bank of Botswana at its Head Office in Gaborone. Having returned to Zimbabwe in the early 1980's he completed his articles of clerkship, qualifying as a Chartered Accountant (Zimbabwe). He has remained in the same profession since and has worked in compliance and audit for the past 34 years at Schmulian and Sibanda. Thembinkosi currently sits on various boards of Stock Exchange listed Companies. Themba is also a trustee of several organisations. Themba has been a Non-Executive Director of Padenga from November 2010 and in September 2018 he was appointed as the Padenga Non-Executive Chairman.

Gary Sharp - Chief Executive Officer

Gary completed his tertiary education at the University of Zimbabwe, where he attained a Master of Science (Tropical Resource Ecology) degree in 1982. He served in the Terrestrial Branch of the Department of National Parks and Wildlife Management between 1979 and 1987. Gary's experience in the intensive husbandry of wildlife species dates back to 1988 when he joined the Lonrho Zimbabwe Group. He was engaged as Chief Executive Officer of what was then the Niloticus Division of Innscor in 2000. That entity unbundled from Innscor in November 2010 through a listing on the ZSE to become Padenga Holdings Limited and Gary has continued to serve as Chief Executive Officer since that date.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

4. CORPORATE GOVERNANCE (CONTINUED)

4.1. Introduction (continued)

Board of Directors (continued)

Oliver Kamundimu – Chief Financial Officer

Oliver completed his tertiary education at the University of Zimbabwe where he attained a Bachelor of Accountancy Honours degree in 1988. He served his articles of Clerkship with the then Coopers and Lybrand and qualified as a Chartered Accountant in 1992. Since that time, he has worked for Lonrho Africa Limited, and Manica Africa, heading up their audit departments. Oliver joined Innscor in 1999 and was tasked with setting up Innscor's internal audit department before leaving to join First Mutual Zimbabwe in 2001. He re-joined Innscor in 2004 as the Financial Director of their Niloticus Division and has continued in a similar position since the Company was separately listed in 2010. Oliver also sits on the Board of Dallaglio (Pvt) Ltd as a Non-Executive Director.

Michael Fowler - Executive Director

Michael has been involved with the companies that preceded Innscor since 1982 and has held a number of executive positions within the Innscor Group since his appointment as a director in 1994, including a period during which he served as Group Chief Executive Officer. He currently sits on three Committees of the Innscor Board. At various stages he has been a director of companies that previously constituted the Agro-Processing Division of Innscor (namely Niloticus Division and Colcom Holdings Limited), as well as National Foods Holdings Limited.

Sternford Moyo – Non-Executive Director

Sternford Moyo graduated with a Bachelor of Law and a Bachelor of Laws degrees from the University of Zimbabwe. He joined Scanlen and Holderness in December 1981. He specializes in Mining, Corporate and Commercial Law. He is, among other positions held, a former President of the Law Society of Zimbabwe, former President of the SADC Lawyers Association, former Chairman of the African Regional Forum of the International Bar Association, former Chairperson of the Human Rights Institute of the International Bar Association and former Chairperson of Stanbic Bank Zimbabwe Limited. Currently, Sternford is Senior Partner and Chairman of Scanlen & Holderness, Chairman of Schweppes Zimbabwe Limited, Chairman of Delta Corporation and Director of PPC Zimbabwe Limited. Sternford is the former Chairman of the Zimbabwe Revenue Authority and Director of Alpha Media Holdings Limited. He is also a Trustee of the Johannesburg based Southern Africa Litigation Centre, Malilangwe Conservancy, and the London based Eyewitness Trust.

Evlyn Mkondo – Non-Executive Director

Evlyn is a highly respected and experienced Chartered Accountant. She has worked for a number of companies, including Delta Corporation Limited, Star Africa Corporation Limited and African Consolidated Resources Limited, as Chief Financial Officer. She sits on the Boards of Schweppes Holdings Africa Limited, Standard Chartered Bank Zimbabwe Limited and First Mutual Holdings Limited and chairs their respective Board Audit Committees.

4.2. Directors' Interests

As at 31 December 2022 no Directors had, during or at the end of the year, any material interest in any contract of significance in relation to the Group's businesses.

Directors	Direct and Indirect shareholding	%
Oliver Kamundimu	531,164	0.10%
Gary Sharp	1,826,783	0.34%
Michael Fowler	113,006,196	20.76%
Anne Madzara (in memoriam)	150,000	0.03%
Thembinkosi ("Themba") Sibanda	175,001	0.03%
Total	115,689,144	21.26%

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

4. CORPORATE GOVERNANCE (CONTINUED)

4.2. Directors' Interests (continued)

As at 13 July 2023, the Directors interest in the Dallaglio Minorities were as follows:

Directors	Direct and Indirect shareholding
Michael Fowler	12%

4.3. Audit and Risk Committee

Padenga has an Audit and Risk Committee, currently comprising of two independent Directors and one executive Director that assists the Board in fulfilment of its duties. An independent non-executive Director chairs the Committee. The Committee deals with compliance, internal control, and risk management. The Committee meets three times a year with the internal and external auditors to, inter alia, monitor the appropriateness of accounting policies, the effectiveness of systems of internal control and to consider the findings of the internal and external auditors. To ensure their independence and objectivity both the internal and external auditors have unrestricted access to the Audit Committee. The internal audit function is currently outsourced to external service providers and the internal audit Charter and work plans have been adopted and agreed by the Committee.

4.4. Remuneration and Nominations Committee

The Remuneration and Nominations Committee comprises of three independent non-executive Directors and its mandate covers two primary responsibilities. It evaluates and sanctions the appointment of, and remuneration packages for all Board Members, Executive Directors, and senior management. In doing so, the Committee assembles the structure and strategy related to the terms of employment for employees, management, and Board members, including compensation that aims to reward in a manner that seeks and retains talented individuals, and motivates employees to constantly seek to elevate and contribute to Padenga's success. The Committee is also responsible for orchestrating succession planning within the Company particularly that of Board members and senior management. Where necessary, external remuneration advisors assist the Committee in determining the appropriate remuneration levels and practices.

4.5. Dealing in Shares

Directors, management, and staff are not permitted to deal directly or indirectly in shares of Padenga during:

- A closed period as defined by the Victoria Falls Stock Exchange Listing Requirements;
- Any period when they are aware of any negotiations which may affect the share price; and
- Any period when they are in possession of price sensitive information not within the public domain.

5. CAPITAL COMMITMENTS, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

5.1. Capital Commitments

Padenga had the following capital commitments as at 31 December 2022

	US\$
Authorised but not yet contracted	24,480,912
Authorised and contracted	-
Total	24,480,912

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

5. CAPITAL COMMITMENTS, LEASE COMMITMENTS AND CONTINGENT LIABILITIES

5.2. Long term lease agreements

Leases include leases of certain buildings and land upon which the Group's farms are located and lease of generators. The remaining lease terms vary between 1 and 5 years with options to renew for periods that range from 10 (ten) to 20 (twenty) years. Renewal is reasonably certain to be exercised as the land is not available for use for any other purpose other than crocodile rearing and extensive construction of pens was done during the years. This is not a significant judgment area as the renewals are specified in the contracts.

The lease for generators expires on the 30th June 2025 and has an option to purchase on or before the aforementioned date.

Lease liabilities	US\$
Current liabilities	
Lease liabilities	1,710,470
Non-current liabilities	
Lease liabilities	2,758,424
Total lease liabilities recognised in Statement of Financial Position	4,468,894

Lease liabilities	US\$
At the beginning of the period	5,842,942
Additions	73,120
Accretion of interest	419,196
Payments (inclusive if interest)	(1,866,364)
At the end of the period	4,468,894
Current	1,710,470
Non-Current	2,758,424

5.3. Contingent Liabilities

The Group had no contingent liabilities at 31 December 2022.

6. MATERIAL CONTRACTS

As at 31 December 2022, Padenga had not entered any material contracts, other than in the ordinary course of business.

7. LITIGATION STATEMENT

The Company is not involved in any material litigation or arbitration proceedings which may have, or which have had, during the twelve months preceding the date of this Circular, a significant effect on the financial position of Padenga nor is the Company aware that any such proceedings are pending or threatened.

8. MATERIAL CHANGES

There have been no material changes in the trading and financial position of Padenga since 31 December 2022.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

9. SHARE INFORMATION

9.1. Padenga Shareholding Structure

The table below details the top twenty shareholders of Padenga as at 11 July 2023:

Rank	Name	Number of Shares	Percentage (%)
1	Z.M.D INVESTMENTS (PVT) LTD	119,754,476	21.79
2	H M BARBOUR (PVT) LTD	105,896,539	19.27
3	STANBIC NOMINEES (PVT) LTD - NNR	39,551,151	7.20
4	NSSA-APWCS	36,381,508	6.62
5	OLD MUTUAL LIFE ASS CO ZIM LTD	28,769,064	5.24
6	SARCOR INVESTMENTS (PVT) LTD	22,480,658	4.09
7	SCB NOMINEES 033663900002	15,405,850	2.80
8	PHARAOH LIMITED	12,344,672	2.25
9	CITY AND GENERAL HOLDINGS P/L	9,822,598	1.79
10	SCHUTEX INVESTMENTS (PVT) LTD	8,715,234	1.59
11	MUSIC VENTURES PVT LTD	7,277,817	1.32
12	WINEGLASS INVESTMENTS PVT LTD	7,059,051	1.28
13	NORTON TEXTILES (PVT) LTD	6,612,271	1.20
14	MINING INDUSTRY PENSION FUND	4,398,251	0.80
15	ZIMBABWE ELECTRICITY IND. PF	4,020,407	0.73
16	FEDERATED PROPERTIES (PVT) LTD	3,940,001	0.72
17	NSSA STAFF PENSION FUND - ABC	2,880,045	0.52
18	J-SOFT (PVT) LTD	2,843,669	0.52
19	DELTA BEVERAGES PENSION FUND	2,388,728	0.43
20	TRESEMME INVESTMENTS (PVT) LTD	2,032,858	0.37
	Total Top Twenty Shareholders	442,574,848	80.54
	Other Shareholders	106,939,670	19.46
	Total Issued Shares	549,514,518	100.00

9.2. Share Price History

Daily Share Price & Volume

Date	Closing Price	Volume	Date	Closing Price	Volume
7/6/2023	0.2194	3,240	28/6/2023	0.2050	-
8/6/2023	0.2100	75	29/6/2023	0.2050	1,000
9/6/2023	0.2180	6,022	30/6/2023	0.2050	3,231
12/6/2023	0.2180	1,905	3/7/2023	0.2050	5,772
13/6/2023	0.2180	31,073	4/7/2023	0.2180	50
14/6/2023	0.2150	150	5/7/2023	0.2174	1,393
15/6/2023	0.2100	200	6/7/2023	0.2050	29,037
16/6/2023	0.2180	283	7/7/2023	0.1903	7,105
19/6/2023	0.2180	500	10/7/2023	0.1903	0
20/6/2023	0.2180	-	11/7/2023	0.2050	54
21/6/2023	0.2176	9,942	12/7/2023	0.2050	231
22/6/2023	0.2170	8,010	13/7/2023	0.2050	4,815
23/6/2023	0.2056	1,759	14/7/2023	0.2050	0
26/6/2023	0.2049	5,471	17/7/2023	0.2000	5,885
27/6/2023	0.2050	4,672	18/7/2023	0.1977	2,039

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

9. SHARE INFORMATION (CONTINUED)

9.2. Share Price History (continued)

Monthly Share Price & Volume

Date	Price (US\$)	Volume
May-22	0.2187	21,283
Jun-22	0.2550	489,060
Jul-22	0.2905	625,078
Aug-22	0.3310	281,521
Sep-22	0.3508	172,288
Oct-22	0.3241	847,430
Nov-22	0.2532	1,942,794
Dec-22	0.2315	636,905
Jan-23	0.2939	128,301
Feb-23	0.2687	251,242
Mar-23	0.2246	1,176,975
Apr-23	0.2048	304,274
May-23	0.2040	114,739
Jun-23	0.2130	85,415

Quarterly Share Price & Volume

Date	Price (US\$)	Volume
Q2 2022	0.2294	12,396,194
Q3 2022	0.3245	1,078,887
Q4 2022	0.2706	3,427,129
Q1 2023	0.2610	1,556,518
Q2 2023	0.2075	504,428

10. EXPERTS' CONSENTS

The Lead Financial Advisors, Sponsoring Brokers, Legal Advisors, Transfer Secretaries, Independent Financial Advisors, Independent Auditors, and Reporting Accountants have submitted their written consents to act in the capacities stated and to their names being stated in this Circular, which consents have not been withdrawn as at the date of this Circular. The above-mentioned consents are available for inspection by interested parties in terms of paragraph 17 below.

11. RECOMMENDATIONS

In accordance with the VFEX Listing Requirements, the Board, through its Non-Executive Directors, has appointed Finesse Advisory Services (Private) Limited as Independent Financial Advisors, to advise as to whether the terms of the Proposed Transactions are fair and reasonable to Padenga Shareholders. Taking into consideration the terms and conditions of the Proposed Transactions, the Independent Financial Advisors are of the opinion that such terms and conditions are fair and reasonable to Padenga Shareholders. The Independent Financial Advisors' opinion is included in Appendix 5 of this Circular and has not been withdrawn prior to the publication of this Circular.

The Directors, having taken into account the future prospects of the Company and the opinion of the Independent Financial Advisors, have concluded that the Proposed Transaction is fair and reasonable, and thus recommend the shareholders to consider the Proposed Transaction and vote at the EGM.

12. CONDITIONS PRECEDENT

The implementation of the Proposed Transaction is conditional upon the following:

- The passing by Padenga's Shareholders of the Resolutions, by the requisite majority, at an EGM to be held on Wednesday, 16 August 2023, in terms of the Notice of the EGM published in the national press dated Wednesday, 26 July 2023;
- Padenga's Director, Mr. Michael Fowler, not being permitted to vote at the EGM to avoid any potential conflict of interest, given his directorship and shareholding in both Padenga and Dallaglio.
- ZIMRA approval of the Proposed Transaction in terms of section 15 (1) (b) of the Capital Gains Tax Act, [Chapter 23:01];
- The Offer being accepted by the Dallaglio Minorities;
- The Restructuring Agreement for the scheme of reconstruction and restructuring of Padenga Holdings Limited through the acquisition of the 49.9% shareholding in Dallaglio becoming unconditional in accordance with the respective terms and conditions therein; and
- Obtaining all such other necessary regulatory approvals as may be required.

DETAILS OF THE PROPOSED TRANSACTION (CONTINUED)

13. REGULATORY ISSUES

- Victoria Falls Stock Exchange - The VFEX approved the distribution of this Circular on Thursday, 20 July 2023; and
- Zimbabwe Revenue Authority – All approvals pertaining to the Zimbabwe Revenue Authority have been obtained.

14. DOCUMENTS AND CONSENTS AVAILABLE FOR INSPECTION

Between Thursday, 27 July 2023 and Friday, 11 August 2023, copies of the following documents will be available for inspection, during normal working hours, at the Sponsoring Brokers, Financial Advisors and Padenga Registered Offices at the addresses set out in the "Corporate Information" section at the beginning of this document:

- The approval of the Proposed Transaction by the Padenga Board of Directors
- The Memorandum of Association of the Company;
- The Articles of Association of the Company;
- The written consents detailed in paragraph 10 of the Document;
- The signed Directors' Responsibility Statement
- The Restructuring Agreement;
- The Independent Reporting Accountant's Report on the Unaudited Consolidated Proforma Statement of Financial Position, set out in the full Circular;
- The Independent Financial Advisors' Report dated 20 June 2023;
- The audited financial statements for the three financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 for Padenga;
- The audited financial statements for the three financial years ended 31 December 2020, 31 December 2021 and 31 December 2022 for Dallaglio and its subsidiaries; and
- The Dallaglio Competent Person's Report.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors, whose names appear below, collectively, and individually accept full responsibility for the accuracy of the information provided in this Circular 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. They have made all reasonable enquiries to ascertain such facts, and that this Circular contains all information required by law.

The Directors confirm that this Circular includes all such information within their knowledge (or which it would be reasonable for them to obtain by making inquiries) that investors and their professional advisors would reasonably expect to find for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the issuer, and of the rights attaching to the securities to which the listing particulars relate.

Director's Name	Position	Signature
Thembinkosi ("Themba") Sibanda	Non-Executive Chairman	[Signed on original]
Gary Sharp	Chief Executive Officer	[Signed on original]
Oliver Kamundimu	Chief Financial Officer	[Signed on original]
Michael Fowler	Executive Director	[Signed on original]
Sternford Moyo	Non-Executive Director	[Signed on original]
Evlyn Mkondo	Non-Executive Director	[Signed on original]

APPENDIX I – PADENGA HISTORIC FINANCIAL INFORMATION

FINANCIAL REVIEW

Consolidated Results

The Group recorded a turnover of US\$127,894,086 in FY22. This was a 68% increase over the US\$76,097,089 recorded in prior year. The revenue contributions from the Group's business units were as follows: Dallaglio 82% (66% in FY21) and Zimbabwe crocodiles 18% (31% in FY21). In prior year, the now discontinued USA alligator operation contributed 3% of Group revenue. The improved Group revenue performance was predominantly propelled by the first full year contribution from Eureka gold mine in Guruve, which was commissioned in October 2021. The Group recorded EBITDA of US\$32,282,038 for the year (US\$14,168,711 in FY21).

The Group realised a fair valuation gain of US\$2,693,509 (US\$3,645,405 fair value loss in FY21) mainly emanating from higher average skin prices forecast in FY23 and an increased quantity of livestock on hand at the end of the year. A marginal reduction of 3% was recorded on interest expense for the Group at US\$9,956,327 (US\$10,178,478 in FY21) largely attributable to restructuring of borrowings by the mining business.

As a result of the revenue growth, cost containment measures and the swing from a loss to a gain in biological asset fair value, the Group realised a profit before taxation from continuing operations of US\$13,892,552 for the year compared to a loss before taxation of US\$7,263,278 recorded in FY21.

The Group generated cash amounting to US\$24,604,823 (US\$15, 502,776 in FY21) from operating activities for the year. This increase in cash generated was mainly due to improved revenues and efficiencies.

Dallaglio Financials

Dallaglio posted a strong performance, recording a profit before tax of US\$12,932,665 in the period under review (US\$4,337,858 loss FY21).

Volumes achieved of 1 961kgs (976kgs FY21) were 101% higher than volumes for the full year in 2021. This was attributable to the increased contribution from Eureka mine, which had not yet been fully operational during the same period last year coupled with improved gold prices. Consequently, cash generated from operations amounted to US\$15,746,416 (US\$10,112,478 FY21) mainly due to the increased gold sales.

Nile Crocodile Financials

Revenue for the Zimbabwean crocodile business reduced by 7% in comparison to prior year, as a result of the 17% decrease in the skin volumes partially offset by an improvement in the average realisation per skin. Global and domestic inflationary pressures impacted negatively on operating costs. Consequently, a 20% reduction in EBITDA to US\$4,256,221 was recorded compared to US\$5,686,505 in prior year.

The business recorded a biological asset fair valuation gain of US\$2,693,509 (loss of US\$3,645,405 in FY21) benefiting from higher average skin prices forecast in FY23 and an increased quantity of livestock on hand. Resultantly, a profit before taxation of US\$1,934,733 was achieved, improving from a loss before taxation of US\$2,810,321 incurred in prior year.

The Zimbabwean crocodile operation generated US\$4,936,958 in cash from operating activities for the period under review (US\$5,205,270 generated in FY21). This cash inflow was reduced owing to the shift in the timing of cashflows following the extended harvest program into the first quarter of FY23.

Alligator Financials

Consequent upon the continued oversupply in the alligator skins market coupled with skin quality issues that took a number of years to resolve, the business unit accumulated losses over several years.

The Board therefore elected to exit its alligator operations in the United States. In July 2022, the Group concluded an Asset Purchase Agreement with an offshore equity group for the sale of the operating assets of the Alligator business. Consequently, the financial results of this operation have been disclosed as a discontinued operation.

APPENDIX I – PADENGA HISTORIC FINANCIAL INFORMATION (CONTINUED)**OPERATIONAL REVIEW****Mining Operation**

Dallaglio became one of the top three gold producers nationally after registering gold sales of 1,961 kgs (976kgs FY21). The exceptional volume growth of 101% was largely driven by the impact of the first full year of operations at Eureka gold mine.

Nile Crocodile Operations

During the year under review, a total of 34,117 skins were harvested, compared to 55,136 skins that were harvested in prior year. The reduction was due to a necessary shift in the harvest season by providing additional time to allow for remedial actions implemented to positively impact skin quality. Consequently, total skin sales volumes were down 17% to 33,189 skins compared to 39,936 skins sold in prior year.

The full audited financial statements and audit report can be viewed on the Padenga website and they are also part of the documents available for inspection.

	31 December 2022 Audited US\$	31 December 2021 Audited Restated US\$	31 December 2020 Audited Restated US\$
Statement of Comprehensive Income			
Revenue	127 894 086	76 097 089	71 605 783
Other income	269 632	561 586	1 809 488
Credit impairment gains/(losses)	440	(3 387)	(5 762)
Financial income	10 830 563	3 323 778	11 457 959
Cost of goods sold	(72 662 083)	(46 730 505)	(44 145 557)
Employee benefits expense	(15 112 929)	(11 617 846)	(12 404 381)
Other operating costs	(18 937 671)	(7 462 007)	(4 557 063)
Operating Profit before depreciation and amortisation	32 282 038	14 168 708	23 760 467
Depreciation and amortisation	(11 282 001)	(7 613 581)	(7 775 069)
Operating Profit before interest and fair value adjustments	21 000 037	6 555 127	15 985 398
Fair value adjustments on biological assets	2 693 509	(3 645 405)	468 113
Profit before interest and tax	23 693 546	2 909 722	16 453 511
Monetary loss	-	-	(5 535 026)
Interest income	155 333	5 475	13 381
Interest payable - loans	(9 537 131)	(10 081 598)	(6 665 084)
Interest payable - leases	(419 196)	(96 880)	(182 406)
Profit before tax	13 892 552	(7 263 281)	4 084 376
Income tax expense	(4 557 897)	(944 850)	(877 467)
Profit/(loss) for the period from continuing operations	9 334 655	(8 208 131)	3 206 909
Discontinued operations			
(Loss)/profit after tax for the period from discontinued operations	(2 856 209)	825 871	
Total comprehensive income for the period	6 478 446	(7 382 260)	3 206 909
Profit for the period attributable to:			
Equity holders of the parent	2 669 989	(5 319 617)	1 417 119
Non-controlling interest	3 808 457	(2 062 643)	1 789 790
	6 478 446	(7 382 260)	3 206 909
Total comprehensive income for the period attributable to:			
Equity holders of the parent	2 669 989	(5 319 617)	1 417 119
Non-controlling interest	3 808 457	(2 062 643)	1 789 790
	6 478 446	(7 382 260)	3 206 909

APPENDIX I – PADENGA HISTORIC FINANCIAL INFORMATION (CONTINUED)

	31 December 2022 Audited US\$	31 December 2021 Audited Restated US\$	31 December 2020 Audited Restated US\$
Statement of Financial Position			
ASSETS			
Non-current assets			
Property, plant and equipment	70 509 518	69 654 126	58 494 615
Right of use assets	4 068 915	5 577 155	1 068 018
Mine development assets	6 716 003	6 862 092	1 320 757
Rehabilitation assets	1 532 414	1 723 074	1 536 945
Exploration and evaluation assets	148 104	-	-
Goodwill	4 594 571	4 594 571	4 594 571
Intangible assets	175 662	218 926	113 938
Other receivables	500 000	-	-
Biological assets	11 868 447	9 897 769	7 226 343
Deferred tax asset	-	2 366 838	2 631 117
	100 113 634	100 894 551	76 986 304
Current assets			
Biological assets	28 087 096	25 424 810	28 485 850
Mines inventories	10 091 079	6 557 692	2 916 713
Inventories	16 786 979	16 112 051	19 529 366
Current tax receivable	1 865 815	2 097 660	2 097 660
Trade and other receivables	23 053 113	13 285 530	17 953 694
Cash and cash equivalents	1 264 386	6 343 767	3 951 118
	81 148 468	69 821 510	74 934 401
Total assets	181 262 102	170 716 061	151 920 705
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	54 430	54 159	54 159
Share premium	27 005 023	27 004 245	27 004 245
Share based payment reserve	563 768	377 244	189 671
Retained earnings	39 903 571	37 233 582	42 553 199
Change in ownership reserve	(63 863)	(63 863)	(63 863)
Equity attributed to equity holders of the parent	67 462 929	64 605 367	69 737 411
Non- controlling interest	17 121 712	13 313 255	15 375 898
Total shareholders' equity	84 584 641	77 918 622	85 113 309
Non-current liabilities			
Interest bearing borrowings	7 932 747	29 512 807	5 000 000
Lease liabilities	2 758 424	3 983 058	585 505
Mine rehabilitation provisions	2 701 799	2 480 308	1 926 083
Deferred tax liabilities	16 353 126	11 994 664	11 652 910
	29 746 096	47 970 837	19 164 498
Current liabilities			
Bank overdraft	5 842 018	729 110	7 252 118
Customer deposits	-	740 613	1 336 925
Short-term interest-bearing borrowings	45 045 053	33 064 710	29 401 501
Trade and other payables	12 336 862	7 191 233	7 525 213
Lease liabilities	1 710 470	1 859 883	198 000
Provisions	1 444 669	65 983	63 530
Tax payable	552 293	1 175 070	1 865 611
	66 931 365	44 826 602	47 642 898
Total liabilities	96 677 461	92 797 439	66 807 396
Total equity and liabilities	181 262 102	170 716 061	151 920 705

APPENDIX I – PADENGA HISTORIC FINANCIAL INFORMATION (CONTINUED)

	31 December 2022 Audited US\$	31 December 2021 Audited Restated US\$	31 December 2020 Audited Restated US\$
Statement of Cashflows			
Cash generated from operations			
Profit/(loss) before tax	13 892 552	(6 437 410)	4 084 376
Adjusted for non-cash items			
Depreciation	6 736 247	5 150 876	3 716 975
Depreciation – right of use assets	1 581 360	1 461 186	175 813
Amortisation of intangible assets	2 964 394	1 255 430	3 882 281
Net interest expense	9 800 994	10 230 042	6 834 109
Monetary loss	-	-	5 535 026
Unrealised exchange loss/(gain)	1 981 536	366 976	(12 183 435)
Deaths of biological assets	18 323	13 906	7 522
Fair value adjustment on biological assets	(2 693 509)	3 441 013	(468 113)
Loss/profit on disposal of property, plant and equipment	194 457	(23 341)	224 880
Unwinding of rehabilitation provision	221 491	172 023	10 280
Share based option scheme adjustment	186 524	187 573	187 572
Inventory write offs	(22 476)	7 894	16 964
Provisions credited/(charged) to profit or loss	285 135	2 452	(3 514 200)
Cash generated from operations before working capital changes	35 147 028	15 828 620	8 510 050
Working capital changes			
Increase in inventories	(7 352 454)	(4 392 779)	(2 028 767)
(Increase)/decrease in biological assets	(1 027 908)	1 317 657	514 018
(Increase)/decrease in receivables	(7 291 882)	4 410 882	(251 210)
Increase/(decrease) in payables	5 130 039	(1 661 604)	(152 588)
Working capital changes	(10 542 205)	(325 844)	(1 918 547)
Cash generated from operating activities	24 604 823	15 502 776	6 591 503
Interest received	155 333	5 475	13 381
Interest paid – borrowings	(12 592 167)	(9 928 674)	(1 426 009)
Interest paid – leases	(419 196)	(42 723)	(1 310)
Taxation paid	(590 366)	(1 029 358)	(2 505 796)
Net cash generated from operations	11 158 427	4 507 496	2 671 769
Net cash utilised in investing activities	(13 677 510)	(23 295 571)	(28 717 465)
Proceeds on disposal of property, plant and equipment	39 577	96 000	9 177
Purchase of property, plant and equipment	(10 766 351)	(16 387 817)	(27 611 289)
Purchase of mine development assets	(2 571 795)	(6 607 310)	
Disposal of discontinued operation, net of cash disposed of	(122 218)	-	
Expenditure on exploration and evaluation of assets	(148 104)	-	(874 399)
Expenditure on biological assets	(96 032)	(221 740)	(119 665)
Purchase of intangible assets	(12 587)	(174 704)	(121 289)
Net cashflow before financing activities	(2 519 083)	(18 788 075)	(26 045 696)
Net cash generated in financing activities	(2 067 088)	21 386 767	11 841 668
Proceeds from share issues	1 049	-	-
Proceeds from borrowings	42 773 010	42 708 545	13 680 508
Repayments of borrowings	(43 393 979)	(21 265 501)	(1 642 150)
Lease payments	(1 447 168)	(56 277)	(196 690)
Net increase/(decrease) in cash and cash equivalents	(4 586 171)	2 598 692	(14 204 028)
Net foreign exchange difference	(493 210)	(206 043)	366 397
Effects of hyperinflation from subsidiary	-	-	8 421 990
Cash and cash equivalents at the beginning of the period	6 343 767	3 951 118	9 366 759
Cash and cash equivalents at the end of the period	1 264 386	6 343 767	3 951 118

APPENDIX 2 – PADENGA UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION

Statement of Financial Position As at 31 December 2022	Notes	Padenga Post Acquisition Unaudited US\$	Proforma Adjustments US\$	Padenga Pre Acquisition Audited US\$
ASSETS				
Non-current assets				
Property, plant, and equipment		70 509 518		70 509 518
Mine Development assets		6 716 003		6 716 003
Exploration and evaluation assets		148 104		148 104
Rehabilitation assets		1 532 414		1 532 414
Goodwill		4 594 571		4 594 571
Intangible assets		175 662		175 662
Right of use of assets		4 068 915		4 068 915
Other receivables		500 000		500 000
Biological assets		11 868 447		11 868 447
		100 113 634		100 113 634
Current assets				
Biological assets		28 087 096		28 087 096
Mines Inventories		10 091 079		10 091 079
Inventories		16 786 979		16 786 979
Trade and other receivables		23 053 113		23 053 113
Current tax receivable		1 865 815		1 865 815
Cash and cash equivalents	1	1 064 386	(200,000)	1 264 386
		80 948 468	(200,000)	81 148 468
Total assets		181 062 102	(200,000)	181 262 102
EQUITY AND LIABILITIES				
Capital and reserves				
Share capital	2	79 730	25,300	54 430
Share premium	3	84 968 093	57,963,070	27 005 023
Retained earnings	4	39 703 571	(200,000)	39 903 571
Share based payment reserve		563 768		563 768
Change in ownership reserve	5	(39 222 704)	(39,158,841)	(63 863)
Equity attributable to equity holders of the parent		86 092 458	18,629,529	67 462 929
Non-controlling interest	6	(1 707 817)	(18,829,529)	17 121 712
Total shareholders' equity		84 384 641	(200,000)	84 584 641
Non-current liabilities				
Interest-bearing borrowings		7 932 747		7 932 747
Lease liabilities		2 758 424		2 758 424
Mine rehabilitation provisions		2 701 799		2 701 799
Deferred tax liability		16 353 126		16 353 126
		29 746 096		29 746 096
Current liabilities				
Bank overdraft		5 842 018		5 842 018
Interest-bearing borrowings		45 045 053		45 045 053
Trade and other payables		12 336 862		12 336 862
Lease liabilities		1 710 470		1 710 470
Provisions		1 444 669		1 444 669
Tax Payable		552 293		552 293
		66 931 365	-	66 931 365
Total liabilities		96 677 461	-	96 677 461
Total equity and liabilities		181 062 102	(200,000)	181 262 102

APPENDIX 2 – PADENGA UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION (CONTINUED)

ASSUMPTIONS TO THE UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION AS AT 31 DECEMBER 2022

As outlined in Section 1.1 of the Circular, Padenga is proposing a restructuring of the Group through the acquisition of the remaining 49.9% of the issued share capital in Dallaglio following the acquisition of 50.1% of the issued share capital in Dallaglio in 2019.

The proforma financial statements have been prepared to illustrate how the Proposed Transaction might have affected the financial position of Padenga Holdings Limited had the transaction been effected on 31 December 2022. The actual accounting amounts for the transaction will be finalized at the effective date of the transaction. The effective date for this transaction will be in the future when the last of the conditions precedent in respect of the share swap transaction has been fulfilled. The Padenga Holdings Limited share price as at that effective date will be used to determine the final value of the purchase consideration and resulting accounting transactions in place of those applied and presented in the unaudited consolidated proforma financial information.

- i. Padenga will acquire the remaining 8,982 (eight thousand nine hundred and eighty-two) ordinary shares, from the Dallaglio Minorities in exchange for 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) ordinary shares in Padenga to be issued to the Dallaglio Minorities or their nominees ("the Acquisition"), with the resultant effect that Dallaglio becomes a wholly owned subsidiary of Padenga.
- ii. The value of the purchase consideration would illustratively be US\$57,988,370 being the value of 253,003,361 Padenga shares issued to Dallaglio minorities using a fair value of US\$0.2292 per share based on the 31 December 2022 share price.
- iii. The issuance of 253,003,361 shares by Padenga to Dallaglio Minorities would illustratively result in an increase of US\$25,300 in Padenga's share capital at a nominal value of US\$0.0001 per share and US\$57,963,070 in share premium as the premium between the US\$0.2292 share price as at 31 December 2022 and the US\$0.0001 Nominal value of the shares.
- iv. The illustrative amount recognized in Statement of Changes in Equity (changes in ownership reserve line) attributable to the owners of the parent of US\$39,158,841 is calculated as the difference between the reduction in the non-controlling interests of US\$18,829,529 and the fair value of shares received by the Dallaglio minorities of US\$57,988,370. In this instance, the purchase price exceeds the amount of the non-controlling interests held in the books of Padenga, and the transaction thus led to a reduction of the parent's equity. This is in accordance with the requirements of International Financial Reporting Standard (IFRS 10) Consolidated Financial Statements paragraphs 23 and B96.
- v. Padenga already held 9,036 shares in Dallaglio acquired in 2019, representing 50.1% shareholding, which was accounted for as a business combination under International Financial Reporting Standard 3 (IFRS 3) Business Combinations. The acquisition by Padenga of additional shares in Dallaglio, a subsidiary that it already controls does not result in any goodwill being recognized as this is considered to be a transaction between equity participants and not a business combination.
- vi. The total expenses for this proposed transaction as outlined in section 1.5 are estimated to be US\$200,000. The transaction costs of an equity transaction according to International Accounting Standard 32 (IAS 32) Financial Instruments: Presentation paragraph 37 are accounted for as a deduction directly from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

NOTES TO THE UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION AS AT 31 DECEMBER 2022

Consistent with the above stated assumptions, the following explain the respective adjustments in deriving the unaudited consolidated proforma financial information as at 31 December 2022:

Note 1: Cash and cash equivalents- (US\$200,000)

Payment of the transaction costs directly attributable to the issuing of new equity instruments to Dallaglio minority shareholders.

Note 2: Share capital - US\$25,300

Recording of nominal value of ordinary shares issued to Dallaglio minority shareholders.

APPENDIX 2 – PADENGA UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION (CONTINUED)

NOTES TO THE UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION AS AT 31 DECEMBER 2022 (CONTINUED)

Note 3: Share Premium - US\$57,963,070

Recording of share premium on the shares issued to Dallaglio minority shareholders, this being the difference between the market value of the shares issued and the nominal value.

Note 4: Retained earnings - US\$200,000

Transaction costs for the issuing of ordinary shares to Dallaglio minority shareholders being accounted for directly to equity.

Note 5: Change in Ownership reserve - US\$39,158,841

Recording a transaction between equity holders for recognizing an additional investment in subsidiary, this being the difference between the reduction in the non-controlling interests of US\$18,829,529 and the illustrative fair value of shares received by the Dallaglio minorities of US\$57,988,370 as at 31 December 2022.

Note 6: Non -controlling interest - US\$18,829,529

Elimination of the book value of the non-controlling interest in Dallaglio in the books of Padenga.

APPENDIX 3 – REPORT OF THE INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS ON THE UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION OF PADENGA



KPMG

Mutual Gardens 100 The Chase (West)
Emerald Hill, Harare, Zimbabwe
Telephone: +263 430 2600
Internet: www.kpmg.com/zw

The Directors

Padenga Holdings Limited
121 Borrowdale Road,
Gunhill
P.O. Box HG633,
Highlands Harare

Our ref BMN/emtd

26 July 2023

Dear Sir/Madam

Report of the independent reporting accountant on the unaudited consolidated pro forma financial information of Padenga Holdings Limited

Introduction

The directors of Padenga Holdings Limited (“the Company” or “Padenga”) are proposing a scheme of reconstruction and restructuring of Padenga Holdings Limited (“Padenga”) to be achieved by way of a share swap through the acquisition by Padenga Holdings Limited of 8,982 Dallaglio Investments (Private) Limited shares, representing 49.9% equity shareholding in Dallaglio Investments (Private) Limited in exchange for an issuance of 253,003,361 Padenga Holdings Limited ordinary shares listed on the Victoria Falls Stock Exchange in terms of the Securities and Exchange (Victoria Falls Stock Exchange (“VFEX”) Listing Requirements) Rules 2020, hereinafter referred to as the VFEX Listing Requirements (collectively hereinafter referred to as the proposed transaction).

We report on the unaudited consolidated pro forma financial information (referred to as “the unaudited consolidated pro forma financial information”) of Padenga Holdings Limited set out in Appendix II of the Circular dated Wednesday, 26 July 2023 (the Circular). The unaudited consolidated pro forma financial information has been prepared for illustrative purposes only, to provide information on how the proposed transaction would have impacted on the financial position of Padenga Holdings Limited had it been undertaken on 31 December 2022.

Because of its nature, the unaudited consolidated pro forma financial information may not give a fair reflection of Padenga Holdings Limited’s financial position or the effect on income going forward.

At your request, and for the purposes of the Circular, we present our report on the unaudited consolidated pro forma financial information set out in Appendix II of the Circular, in compliance with the Securities and Exchange (Victoria Falls Stock Exchange (“VFEX”)) Listing Requirements Rules 2020 (“the Victoria Falls Stock Exchange (“VFEX”) Listing Requirements”).

APPENDIX 3 – REPORT OF THE INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS ON THE UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION OF PADENGA (CONTINUED)



Responsibilities

The directors of Padenga Holdings Limited (“Padenga”) are solely responsible for the preparation of the unaudited consolidated pro forma financial information to which this independent accountants’ report relates, and for the financial statements and financial information from which it has been prepared.

It is our responsibility to form an opinion on the basis used for the compilation of the unaudited consolidated pro forma financial information and to report our opinion to you. We do not accept any responsibilities for any reports previously given by us on any financial information used in the compilation of the unaudited consolidated pro forma financial information beyond that owed to those to whom those reports were addressed at the dates of issue.

Basis of opinion

Our work, which did not involve an independent examination of any of the underlying financial information, consisted primarily of recalculating the amounts and adjustments to the unaudited consolidated pro forma financial information based on information obtained and discussing the same unaudited consolidated pro forma financial information with the directors.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing (“ISA”), we do not express any assurance on the fair presentation of the unaudited consolidated pro forma financial information. Had we performed additional procedures, or had we performed an audit or review of the financial information in accordance with ISA, other matters might have come to our attention that would have been reported to you.

The unaudited consolidated pro forma financial information was prepared using certain assumptions made by yourselves and the significant assumptions include:

- Padenga proposes to undertake a scheme of reconstruction and restructuring of Padenga Holdings Limited (“Padenga”) to be achieved by way of a share swap through the acquisition by Padenga Holdings Limited of 8,982 ((eight thousand nine hundred and eighty-two) Dallaglio Investments (Private) Limited ordinary shares, representing 49.9% equity shareholding in Dallaglio Investments (Private) Limited from Dallaglio’s Minorities in exchange for an issuance of 253,003,361 (two hundred and fifty-three million, three thousand, three hundred and sixty-one) Padenga Holdings Limited ordinary shares listed on the Victoria Falls Stock Exchange to be issued to the shareholders of Dallaglio’s Minorities or to their nominees;
- Padenga will thus, in the proposed scheme, acquire the remaining 8,982 (eight thousand nine hundred and eighty-two) ordinary shares, from the Dallaglio Minorities in exchange for 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) ordinary shares in Padenga to be issued to the Dallaglio Minorities or their nominees (“the Acquisition”), with the resultant effect that Dallaglio becomes a wholly owned subsidiary of Padenga.
- The proforma financial information has been prepared by the directors of Padenga to illustrate how the Proposed Transaction might have affected the financial position of Padenga Holdings Limited had the transaction been effected on 31 December 2022.
- The value of the purchase consideration would illustratively be US\$57,988,370 being the value of 253,003,361 Padenga shares issued to Dallaglio minorities using a fair value of US\$0.2292 per share based on the 31 December 2022 share price.

APPENDIX 3 – REPORT OF THE INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS ON THE UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION OF PADENGA (CONTINUED)

Basis of opinion (continued)

- The issuance of 253,003,361 shares by Padenga to Dallaglio Minorities would illustratively result in an increase of US\$25,300 in Padenga's share capital at a nominal value of US\$0.0001 per share and US\$57,963,070 in share premium as the premium between the US\$0.2292 share price as at 31 December 2022 and the US\$0.0001 nominal value of the shares.
- The illustrative amount recognized in Statement of Changes in Equity (changes in ownership reserve line) attributable to the owners of the parent of US\$39,158,841 is calculated as the difference between the reduction in the non-controlling interests of US\$18,829,529 and the fair value of shares received by the Dallaglio minorities of US\$57,988,370. In this instance, the purchase price exceeds the amount of the non-controlling interests held in the financial statements of Padenga as at 31 December 2022, and the transaction thus led to a reduction of the parent's equity. This is in accordance with the requirements of International Financial Reporting Standard (IFRS 10) Consolidated Financial Statements paragraphs 23 and B96.
- Padenga already holds 9,036 shares in Dallaglio acquired in 2019, representing 50.1% shareholding, which was accounted for as a business combination under International Financial Reporting Standard 3 (IFRS 3), Business Combinations. The acquisition by Padenga of additional shares in Dallaglio, a subsidiary that it already controls does not result in any goodwill being recognized as this is considered to be a transaction between equity participants and not a business combination.
- The total estimated expenses for this proposed transaction as outlined in section 1.5 are estimated to be US\$200,000. The transaction costs of an equity transaction according to International Accounting Standard 32 (IAS 32) Financial Instruments: Presentation paragraph 37, are accounted for as a deduction directly from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

As the proforma financial statements have been prepared by the directors of Padenga to illustrate how the Proposed Transaction might have affected the financial position of Padenga Holdings Limited had the transaction been effected on 31 December 2022, the actual accounting amounts for the transaction will be finalized by the directors of Padenga at the effective date of the transaction. The effective date for this transaction will be in the future when the last of the conditions precedent in respect of the share swap transaction has been fulfilled. The Padenga Holdings Limited share price as at that effective date will be applied by the directors of Padenga to determine the final value of the purchase consideration and resulting accounting amounts in place of those applied and presented in the unaudited consolidated proforma financial information.

As the purpose of the unaudited consolidated pro forma financial information differs from the purpose of financial statements prepared for members, the financial information presented is not intended to comply in full with presentation and disclosure requirements of the Companies and Other Business Entities Act [Chapter 24:31] and International Financial Reporting Standards promulgated by the International Accounting Standards Board.

APPENDIX 3 – REPORT OF THE INDEPENDENT AUDITORS AND REPORTING ACCOUNTANTS ON THE UNAUDITED CONSOLIDATED PROFORMA FINANCIAL INFORMATION OF PADENGA (CONTINUED)

Opinion

In our opinion, nothing has come to our attention that causes us to believe that, in all material respects:

- The unaudited consolidated pro forma financial information has not been compiled on the basis stated;
- Such basis is inconsistent with the accounting policies of Padenga Holdings Limited; and
- The adjustments are not appropriate for the purposes of the unaudited consolidated proforma financial information, as disclosed in terms of the proposed transaction and in terms of sections 228 to 235 of the VFEX Listing Requirements.

Yours faithfully

[Signed on the Original]

KPMG Chartered Accountants (Zimbabwe)

APPENDIX 4 – REPORT OF THE INDEPENDENT FINANCIAL ADVISOR



4th Floor North Wing, Beverley Court
100 Nelson Mandela Avenue

HARARE

Tel: +263 864 407 0184
+263 864 405 1778

Email: finesse@finesseib.co.zw

26 July 2023

The Directors
Padenga Holdings Limited
121 Borrowdale Road
Harare

Dear Sirs/Madams

PROPOSED ACQUISITION OF THE REMAINING 49,9% SHAREHOLDING DALLAGLIO INVESTMENTS (PRIVATE) LIMITED BY PADENGA HOLDINGS LIMITED

This report is prepared for the purpose of inclusion in the Padenga Holdings Limited (“Padenga”) Circular to Shareholders to be dated 20 July 2023 regarding the proposed acquisition of the outstanding 49,9% of the shareholding in Dallaglio Investments (Private) Limited (“Dallaglio”) by Padenga.

Finesse Advisory Services (Private) Limited (“Finesse”) has been retained to provide advice to the independent directors of Padenga in respect of the above transaction. Specifically, Finesse has been asked to indicate whether the terms of the proposed acquisition of Dallaglio (“the transaction”) are fair and reasonable.

The terms and conditions of the Transactions are detailed in the Circular to Padenga Shareholders, of which this opinion forms an integral part.

In arriving at an opinion, Finesse has considered, inter alia, the background against which the Transaction is being made as indicated to us by the directors of Padenga, the existing market conditions and the current macro-economic environment in which Padenga operates.

We have assumed and relied upon, without independent verification, the accuracy and completeness of the information provided to us by Padenga, or otherwise obtained discussions with other advisors and relevant parties to this Transaction. After due consideration of the details of the Proposed Transaction, it is our opinion that the proposed acquisition of 49,9% of the ordinary shares of Dallaglio by Padenga is fair and reasonable to the shareholders of Padenga as:

1. The financial terms of transaction being 0,46 Padenga shares for every Dallaglio share fall within the range of swap ratios determined by the fair value of Padenga and Dallaglio as per our valuation work; and
2. The advantages and benefits of the proposed transaction outweigh the disadvantages and risks.

APPENDIX 4 – REPORT OF THE INDEPENDENT FINANCIAL ADVISOR (CONTINUED)

Our opinion is based upon the market regulatory and trading conditions as they currently exist and can only be evaluated as at the date of this letter.

It should be understood that subsequent developments may affect our opinion which we are under no obligation to update, revise or reaffirm.

Finesse has no interest, direct or indirect, in Padenga, save for professional fees for services rendered in connection with this fair and reasonable opinion.

Yours faithfully

For and on behalf of
Finesse Advisory Services (Private) Limited

[Signed on the Original]

Emma Fundira
MANAGING DIRECTOR

APPENDIX 5 – NOTICE OF EXTRAORDINARY GENERAL MEETING



(Incorporated in Zimbabwe on 5 August 2010 under Company Registration Number 2888/2010)

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“EGM”) of the Shareholders of Padenga Holdings Limited is to be held physically at the Royal Harare Golf Club situated at 5th Street Extension and virtually, by electronic means via the link, “<https://escrowagm.com/eagmZim/Login.aspx>”, on Wednesday, 16 August 2023, at 10:00 hours, for the purpose of transacting the following business: -

TO CONSIDER and, if deemed fit, to pass, with or without modification, the following Resolutions:

SPECIAL RESOLUTION

RESOLVED

INCREASE OF THE AUTHORISED SHARES OF THE COMPANY

“THAT in terms of clause [50] of the Company’s Articles, the authorised shares of the Company be and is hereby increased, from 800,000,000 (eight hundred million) ordinary shares to 1,400,000,000 (one billion four hundred million) ordinary shares.

ORDINARY RESOLUTIONS

The Shareholders hereby approve the scheme of reconstruction and restructuring of the Company to allow for a share swap with the meaning and effect that at the end of it, minority shareholders in Dallaglio Investments (Private) Limited (“*Dallaglio Minorities*”) or their nominees will be issued with shares in Padenga Holdings Limited, in consideration for their Dallaglio Investments (Private) Limited (“*Dallaglio*”) shares, resulting in Dallaglio being a 100% owned subsidiary of Padenga.

RESOLVED

1 RESTRUCTURING OF THE COMPANY THROUGH THE ACQUISITION OF 49.9% OF THE ISSUED SHARES OF DALLAGLIO

THAT the Company be and is hereby authorized to undertake a scheme of reconstruction and restructuring of the company in terms of which 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) ordinary shares in the Company will be issued and allotted to the Dallaglio Minorities, or their nominees, constituting 46.04 percent (%) of the issued and outstanding shares of the Company, in return for the Company taking transfer of 8,982 (eight thousand nine hundred and eighty-two thousand ordinary shares in Dallaglio representing the Dallaglio Minorities’ entire shareholding in Dallaglio, being forty-nine point nine percent (49.9%) of the issued shares in Dallaglio, as and by way of a share swap, with the result and purpose that Dallaglio would become a wholly owned subsidiary of the Company.

APPENDIX 5 – NOTICE OF EXTRAORDINARY GENERAL MEETING (CONTINUED)

2 PLACEMENT OF THE BALANCE OF AUTHORISED BUT UNISSUED SHARES UNDER THE CONTROL OF DIRECTORS

THAT in terms of clause [4] of the Company’s Articles of Association, the balance of the authorised but unissued shares of the Company, after the share swap transaction with the Dallaglio Minorities, be placed under the control of the Directors, to be issued in compliance with the terms of the Memorandum and Articles of Association of the Company and the Victoria Falls Stock Exchange Listing Requirements, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of the Shareholders in a general meeting.

3 DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS

“**THAT** the Directors be and are hereby authorised to do any and all such things as may be necessary or desirable to give effect to the above resolutions.”

BY ORDER OF THE BOARD

[Signed on the Original]

COMPANY SECRETARY
Harare

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APPENDIX 6 – FORM OF PROXY

I / We

Of.....

Being member/members of Padenga Holdings Limited hereby appoint:

Mr. / Mrs. / Ms. / Dr

Or failing him or her/the Chairman of the EGM

Of.....

As my/our proxy to vote for me/us on my/our behalf at the EGM of the Company to be held on Wednesday, 16 August 2023, at 10:00 hours and at any adjournment thereof, for the purpose of considering and, if deemed fit passing, with or without modification, the resolutions to be proposed thereat in accordance with the following instructions:

SPECIAL RESOLUTION	FOR	AGAINST	ABSTAIN
SPECIAL RESOLUTION 1 – INCREASE OF THE AUTHORISED SHARES OF THE COMPANY “THAT in terms of clause [50] of the Company’s Articles, the authorised shares of the Company be and is hereby increased, from 800,000,000 (eight hundred million) ordinary shares, to 1,400,000,000 (one billion four hundred million) ordinary shares.”			
ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
ORDINARY RESOLUTION 1 – RESTRUCTURING OF THE COMPANY THROUGH THE ACQUISITION OF 49.9% OF THE ISSUED SHARES OF DALLAGLIO “THAT the Company be and is hereby authorized to undertake a scheme of reconstruction and restructuring of the company in terms of which 253,003,361 (two hundred and fifty-three million, and three thousand, three hundred and sixty-one) ordinary shares in the Company will be issued and allotted to the Dallaglio Minorities or their nominees, constituting 46.04 percent (%) of the issued and outstanding shares of the Company, in return for the Company taking transfer of 8,982 (eight thousand nine hundred and eighty-two thousand ordinary shares in Dallaglio representing the Dallaglio Minorities’ entire shareholding in Dallaglio, being forty-nine point nine percent (49.9%) of the issued shares in Dallaglio, as and by way of a share swap, with the result and purpose that Dallaglio would become a wholly owned subsidiary of the Company.”			
ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
ORDINARY RESOLUTION 2 – PLACEMENT OF THE BALANCE OF AUTHORISED BUT UNISSUED SHARES UNDER THE CONTROL OF DIRECTORS “THAT in terms of clause [4] of the Company’s Articles of Association, the balance of the authorised but unissued shares of the Company, after the share swap transaction with the Dallaglio Minorities, be placed under the control of the Directors, to be issued in compliance with the terms of the Memorandum and Articles of Association of the Company and the Victoria Falls Stock Exchange Listing Requirements, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of the Shareholders in a general meeting.”			
ORDINARY RESOLUTIONS	FOR	AGAINST	ABSTAIN
ORDINARY RESOLUTION 3 – DIRECTORS AUTHORISED TO GIVE EFFECT TO RESOLUTIONS “THAT the Directors be and are hereby authorised to do any and all such things as may be necessary or desirable to give effect to the above resolutions.”			

Signed this day of2023

Signature(s) of member

APPENDIX 6 – FORM OF PROXY (CONTINUED)

NOTE

1. In terms of Section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative and to attend and vote and speak in their place. A proxy need not also be a member of the Company.
2. Regulation 74 of the Company's Articles of Association provides that the instrument appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the time appointed for holding the meeting.
3. Shareholders in the form of a corporate body must provide documentary evidence establishing the authority of a person signing the Form of Proxy in a representative capacity; this authority must take the form of a resolution of the corporate body.

FOR OFFICIAL USE	
NUMBER OF SHARES HELD	

INSTRUCTIONS FOR SIGNING AND LODGING THIS FORM OF PROXY

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space provided, but any deletion must be initialed by the Shareholder. The person whose name appears first on the form of proxy will, unless his/her name has been deleted, be entitled to act as a proxy to the exclusion of those whose names follow.
2. A Shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space/s provided as well as by means of a cross whether the shareholder wishes to vote, for, against or abstain from the resolutions. Failure to comply with the above will be deemed to authorize the proxy to vote or abstain from voting at the EGM as he/she deems fit in respect of all the Shareholder's votes exercisable thereat. A Shareholder or his/her proxy is not obliged to use all the votes exercisable by the Shareholder or by his/her proxy or cast them in the same way.
3. Deletion of any printed matter and the completion of any blank spaces need not be signed or initialed. Any alteration or correction must be initialed by the signatory or signatories.
4. The Chairman shall be entitled to decline to accept the authority of a person signing the proxy form:
 - i. under a power of attorney
 - ii. on behalf of a company
 unless that person's power of attorney or authority is deposited at the offices of the Company's transfer secretaries, or the registered office of the Company, not less than 48 hours before the meeting.
5. If two or more proxies attend the meeting, then that person attending the meeting whose name appears first on the proxy form and whose name is not deleted shall be regarded as the validly appointed proxy.
6. When there are joint holders of shares, any one holder may sign the form of proxy. In the case of joint holders, the senior who tenders a vote will be accepted to the exclusion of other joint holders. Seniority will be determined by the order in which names stand in the register of members.
7. The completion and lodging of this form of proxy will not preclude the member who grants this proxy form from attending the EGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such member wish to do so.
8. In order to be effective, completed proxy forms must reach the Company's Transfer Secretaries or the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM.
9. Please ensure that name(s) of the member(s) on the form of proxy and the voting form are the same as those on the share register.