

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Action required

- **No action is required if you wish to receive the Scrip Dividend Alternative as you will be deemed to have elected the Scrip Dividend Alternative if you do not make an election for the Cash Dividend.**
- If you have disposed of your ordinary and 'N' ordinary shares in Brimstone ("**Brimstone Shares**") on or before Friday, 2 March 2018, you should forward this circular, together with the attached form of election, to the purchaser to whom, or the broker, CSDP or agent through whom, you disposed of your Brimstone Shares.
- If you are in any doubt as to what action to take, please consult your broker, CSDP, banker, legal advisor, accountant or other professional advisor.

Brimstone does not accept responsibility, and will not be held liable for any action of or omission by any CSDP or broker including, without limitation, any failure on the part of any CSDP or broker of any beneficial owner of Brimstone Shares to notify such beneficial owner of the information set out in this circular.



Brimstone Investment Corporation Limited

(Incorporated in the Republic of South Africa)

(Registration number 1995/010442/06)

Share code: BRT ISIN: ZAE000015277

Share code: BRN ISIN: ZAE000015285

("Brimstone" or the "Company")

Directors: F Robertson (*Executive Chairman*), MA Brey (*Chief Executive Officer*) GG Fortuin (*Financial Director*) MI Khan (*Chief Operating Officer*) MJT Hewu*# KR Moloko*# LA Parker*# PL Campher (*Lead Independent Director*)*# FD Roman*# MK Ndebele*# N Khan*#
* Independent # Non-executive

CIRCULAR TO BRIMSTONE SHAREHOLDERS

regarding

The declaration of a cash dividend ("**Cash Dividend**") incorporating the election to receive the Cash Dividend or a scrip dividend as an alternative (the "**Scrip Dividend Alternative**"), with the default election being the Scrip Dividend Alternative

2018

Record date to determine which shareholders are eligible to receive this circular	Friday, 2 March
Announcement of audited results for the year ended 31 December 2017 and the Cash Dividend with the Scrip Dividend Alternative	Tuesday, 6 March
Circular and form of election posted to Brimstone shareholders and posting of circular announced on SENS	Thursday, 8 March
Announcement of Scrip Dividend Alternative ratio and finalisation information (" Finalisation Date ") released on SENS by 11:00	Tuesday, 10 April
Last day to trade (" LDT ") in order to be eligible for the Cash Dividend and Scrip Dividend Alternative	Tuesday, 17 April
Brimstone Shares commence trading ex Cash Dividend and Scrip Dividend Alternative	Wednesday, 18 April
Listing of maximum possible number of Brimstone Shares in respect of the Scrip Dividend Alternative commences on the JSE	Wednesday, 18 April
Announcement in respect of the cash payment applicable to fractional entitlements, based on the volume weighted average price of Brimstone Shares on Wednesday, 18 April 2018, discounted by 10% released on SENS	Thursday, 19 April
Last day to elect to receive the Cash Dividend (no late forms of election will be accepted) by 12:00	Friday, 20 April
Record date of Cash Dividend and Scrip Dividend Alternative (" Record Date ")	Friday, 20 April
Announcement of results of Cash Dividend and Scrip Dividend Alternative on SENS	Monday, 23 April
Cheques posted to certificated shareholders and accounts credited by CSDP or broker to dematerialised shareholders electing the Cash Dividend on	Monday, 23 April
Share certificates posted to certificated shareholders and accounts credited by CSDP or broker to dematerialised shareholders deemed to have elected the Scrip Dividend Alternative on	Monday, 23 April
Announcement of results of Cash Dividend and Scrip Dividend Alternative in the press	Tuesday, 24 April
Adjustment to Brimstone Shares listed on	Tuesday, 24 April

Notes:

1. All dates and times indicated in this circular are South African dates and times.
2. All dates and times indicated in this circular are subject to change. Any change will be announced on SENS.
3. Brimstone Shares may not be dematerialised or rematerialised between commencement of trade on Wednesday, 18 April 2018 and the close of trade on Friday, 20 April 2018, both dates included.

Investment Bank, Corporate Advisor and Sponsor



Legal advisor to Brimstone



Date of issue: 8 March 2018

This circular is available in English only. Copies may be obtained from the registered office of Brimstone (1st Floor, Slade House, Boundary Terraces, 1 Mariendahl Lane, Newlands, Cape Town) and from Nedbank Corporate and Investment Banking (attention: Doris Thiele, 3rd Floor, F Block, 135 Rivonia Road, Sandown), or on the Company's website www.brimstone.co.za from Wednesday, 8 March 2018 to Friday, 20 April 2018.

CIRCULAR TO BRIMSTONE SHAREHOLDERS

1. INTRODUCTION AND BACKGROUND

Brimstone's results for the year ended 31 December 2017 were released on SENS on Tuesday, 6 March 2018. Brimstone shareholders were advised in these results that the directors of Brimstone have declared the Cash Dividend of 42 cents per Brimstone Share in respect of the year ended 31 December 2017. In addition, shareholders have been provided with an election to receive the Cash Dividend or the Scrip Dividend Alternative, with the default election being the Scrip Dividend Alternative.

By electing the Scrip Dividend Alternative, Brimstone ordinary shareholders and Brimstone "N" ordinary shareholders will increase their shareholding in either Brimstone ordinary Shares or Brimstone "N" ordinary Shares respectively, without incurring securities transfer tax and other dealing costs.

Brimstone shareholders are entitled, in respect of all or part of their shareholding, to receive the Scrip Dividend Alternative to the extent that such shareholders have not elected to receive the Cash Dividend. The number of Brimstone Shares to which shareholders are entitled in terms of the Scrip Dividend Alternative will be determined by reference to:

- 1.1 for Brimstone ordinary Shares : the ratio that 42 cents per Brimstone ordinary Share bears to the ratio price, being the fifteen day volume weighted average traded price ("VWAP") less the dividend of 42 cents, of a Brimstone ordinary share on the JSE prior to the Finalisation Date; and
- 1.2 for Brimstone "N" ordinary Shares : the ratio that 42 cents per Brimstone "N" ordinary Share bears to the ratio price, being the fifteen day VWAP less the dividend of 42 cents, of a Brimstone "N" ordinary share on the JSE prior to the Finalisation Date.

The directors of Brimstone, at their discretion, may withdraw the Scrip Dividend Alternative should market conditions warrant such action and such withdrawal will be communicated to shareholders prior to the finalisation announcement to be published by 11:00 on Tuesday, 10 April 2018.

2. PURPOSE OF THE CIRCULAR

The purpose of this circular is to provide shareholders with information regarding the Cash Dividend and the Scrip Dividend Alternative.

3. THE CASH DIVIDEND AND THE SCRIP DIVIDEND ALTERNATIVE

3.1 Procedure for shareholders who elect to receive the Cash Dividend

Shareholders who hold certificated Brimstone Shares and wish to elect to receive the Cash Dividend must complete the attached form of election in accordance with the instructions contained therein and lodge it with the transfer secretaries, Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, or post it to their postal address PO Box 61763, Marshalltown, 2107, to be received no later than 12:00 on the Record Date (being Friday, 20 April 2018). Forms of election may also be emailed to corporate.events@computershare.co.za.

Shareholders who have dematerialised their Brimstone Shares through a CSDP or broker must not complete the attached form of election, but should instruct their CSDP or broker with regard to their election in terms of the custody agreement entered into between them and their CSDP or broker.

Shareholders may make the election in respect of all or part of their Brimstone Shares held on the Record Date. If an election is made in respect of part of a shareholding, shareholders will receive the Scrip Dividend Alternative in respect of the Brimstone Shares for which no election is made.

If no election is made to participate in the Cash Dividend, shareholders will receive the Scrip Dividend Alternative in respect of all the Brimstone Shares held on the Record Date, being Friday, 20 April 2018.

3.2 Payment of the Cash Dividend

The Cash Dividend of 42 cents per Brimstone Share will be paid via electronic transfer into the personal bank accounts of certificated shareholders who have elected the Cash Dividend, only in the event that the transfer secretaries are already in possession of their banking details. Where the transfer secretaries do not have the banking details of the aforesaid certificated shareholders, dividend cheques will be dispatched at the risk of such shareholders on or about Monday, 23 April 2018, to their registered addresses, or in accordance with the instructions given to the transfer secretaries, or in the case of dematerialised shareholders the cash will be credited to their accounts held at their CSDP or broker.

3.3 Procedure for shareholders to receive the Scrip Dividend Alternative

Shareholders who wish to receive the Scrip Dividend Alternative do not need to take any further action.

If no election is made to participate in the Cash Dividend, shareholders will receive the Scrip Dividend Alternative in respect of all the Brimstone Shares held on the Record Date, being Friday, 20 April 2018.

3.4 Posting of share certificates and crediting of CSDP or broker accounts

Share certificates in respect of the Brimstone Shares relating to the Scrip Dividend Alternative will be dispatched to certificated shareholders at the risk of such shareholders on or about Monday, 23 April 2018, to the registered addresses or in accordance with instructions given to the transfer secretaries via registered post. Dematerialised shareholders' CSDP or broker accounts will be credited on Monday, 23 April 2018 in respect of the Scrip Dividend Alternative.

4. FRACTIONS

Trading in the Strate environment does not permit fractions or fractional entitlements. Accordingly, where a shareholder's entitlement to Brimstone Shares in relation to the Scrip Dividend Alternative calculated in accordance with the formula mentioned in paragraph 1 above gives rise to a fraction of a new Brimstone Share, such fraction will be rounded down to the nearest whole number and the cash balance will be paid to the shareholder. The cash balance will be determined based on the volume weighted average price of Brimstone Shares on Wednesday, 18 April 2018, discounted by 10%.

5. TAX IMPLICATIONS

In terms of the Income Tax Act, No. 58 of 1962 ("Income Tax Act"), the Cash Dividend and the Scrip Dividend Alternative are likely to have tax implications for both resident and non-resident shareholders. Shareholders are therefore encouraged to consult their professional advisors should they be in any doubt as to the appropriate action to take.

5.1 Tax implications for South African resident shareholders

In terms of the Income Tax Act, the Cash Dividend, unless exempt, will be subject to dividend taxation at a rate of 20%. South African shareholders that are not exempt from dividend taxation will have such amount withheld from the Cash Dividend, resulting in South African shareholders receiving a net amount of 33.6 cents per Brimstone Share in respect of the Cash Dividend.

The Scrip Dividend Alternative is not subject to dividend taxation in terms of the Income Tax Act. However, any subsequent disposal of Brimstone Shares obtained as a result of the Scrip Dividend Alternative may have income tax or capital gains tax implications.

5.2 Tax implications for non-resident shareholders

Non-resident shareholders may be subject to dividend taxation at 20%, unless the rate is reduced in terms of any applicable agreement for the avoidance of double taxation between South Africa and the country of residence of the non-resident shareholders.

6. OTHER INFORMATION

6.1 As at the date of this circular, the number of Brimstone ordinary Shares and "N" ordinary Shares eligible for the Cash Dividend and/or the Scrip Dividend Alternative is 40 620 604 and 207 509 954 respectively (this excludes 20 402 000 "N" ordinary Shares held by The Brimstone Black Executives Investment Trust, The Brimstone General Staff Investment Trust and The Brimstone Broad-Based BEE Trust which are not eligible to receive the Cash Dividend and/or the Scrip Dividend Alternative).

6.2 The Income Tax Reference Number of Brimstone is 9397002719.

6.3 The Cash Dividend has been declared out of income reserves.

6.4 The new Shares issued in terms of the Scrip Dividend Alternative will be settled by way of capitalisation of Brimstone's distributable retained profits.

6.5 All new Brimstone Shares issued in terms of the Scrip Dividend Alternative will, upon their issue, rank *pari passu* in all respects with the other Brimstone Shares already in issue.

7. LISTING OF NEW BRIMSTONE SHARES

Application will be made to the JSE for the maximum possible number of Brimstone Shares to be issued in terms of the Scrip Dividend Alternative to be listed with effect from the commencement of trade on Wednesday, 18 April 2018. A further application will be made to the JSE to adjust the maximum number of new Brimstone Shares listed to take into account the actual number of Brimstone Shares issued to shareholders under the Scrip Dividend Alternative on or about Tuesday, 24 April 2018.

8. FOREIGN SHAREHOLDERS

The distribution of this circular and/or accompanying documents and the right to receive the Scrip Dividend Alternative in jurisdictions other than the Republic of South Africa may be restricted by law and failure to comply with any of these restrictions may constitute a violation of the securities laws of any such jurisdictions. Accordingly, shareholders will not be entitled to receive the Scrip Dividend Alternative, directly or indirectly, in those jurisdictions and shall be deemed to have elected the Cash Dividend. More specifically, the Brimstone Shares have not been and will not be registered for the purposes of the Scrip Dividend Alternative under the securities laws of the United Kingdom, European Economic Area or EEA, Canada, United States of America, Japan or Australia and accordingly are not being offered, sold, taken up, re-sold or delivered directly or indirectly to recipients with registered addresses in such jurisdictions.

9. EXCHANGE CONTROL

In terms of the Exchange Control Regulations of South Africa:

9.1 In the case of certificated shareholders:

- any new share certificate that might be issued to non-resident shareholders will be endorsed "non-resident";
- any new share certificates and cash dividend payments based on emigrants' Brimstone Shares controlled in terms of the Exchange Control Regulations will be forwarded to the authorised dealer in foreign exchange controlling their blocked assets. The election by emigrants for the above purpose must be made through the authorised dealer in foreign exchange controlling their blocked assets. Such new share certificates will be endorsed "non-resident"; and
- cash dividend payments due to non-residents are freely transferable from South Africa. In respect of all non-residents of the common monetary area (collectively the Republic of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Swaziland), the cash dividend payments due will be sent to the registered address of the shareholder concerned or in accordance with instructions given to the transfer secretaries;

9.2 In the case of dematerialised shareholders:

- any Brimstone Shares issued to emigrants from the common monetary area and all other non-residents of the common monetary area, will be credited to their CSDP or broker's account and a "non-resident" annotation will appear in the CSDP or broker's register;
- any cash dividend paid to emigrants from the common monetary area, will be credited to their CSDP or broker's accounts which will arrange for the same to be credited directly to the shareholder's blocked Rand account held by that shareholder's authorised dealer and held to the order of that authorised dealer; and
- any cash dividend paid to non-resident shareholders who are not emigrants from the common monetary area, will be credited directly to the bank account nominated for the relevant shareholders, by their duly appointed CSDP or broker.

Non-resident and emigrant dematerialised shareholders will have all aspects relating to exchange control managed by their CSDP or broker.

10. CONSENTS

Nedbank Corporate and Investment Banking, Cliffe Dekker Hofmeyr Inc. and Computershare have provided their written consents to act in the capacities stated and to their names being used in this circular in the form and context in which they appear and have not withdrawn their consents prior to the posting of this circular.

This circular is signed on behalf of all the directors in terms of the powers of attorney granted on 5 March 2018.

MA Brey
Chief Executive Officer



Brimstone Investment Corporation Limited

(Incorporated in the Republic of South Africa)
(Registration number 1995/010442/06)
Share code: BRT ISIN: ZAE000015277
Share code: BRN ISIN: ZAE000015285
("Brimstone" or the "Company")

FORM OF ELECTION FOR CERTIFICATED BRIMSTONE SHAREHOLDERS ELECTING TO RECEIVE THE CASH DIVIDEND

For use only by shareholders who hold Brimstone Shares in certificated form ("Certificated Shareholders") and who elect to receive the Cash Dividend, for all or part of their shareholding in Brimstone (the "Election").

All terms defined in the circular to which this form of election is attached shall bear the same meanings herein.

Dematerialised shareholders must instruct their CSDP or broker accordingly in terms of the custody agreement entered into between them and their CSDP or broker. These shareholders must therefore not use this form of election.

Shareholders will be entitled, in respect of all or part of their shareholding, to elect to participate in the Cash Dividend failing which they will receive the Scrip Dividend Alternative.

Accordingly, shareholders who wish to receive the Scrip Dividend Alternative must not complete this form of election and no further action is required.

I/we

(Full names in BLOCK letters please)

regarding the election:

- hereby irrevocably elect to receive the Cash Dividend of 42 cents per Brimstone Share in respect of the number of Brimstone Shares in the capital of Brimstone as reflected in block (4) overleaf and on the terms and conditions contained in this form of election and in the accompanying circular;
- acknowledge that this form of election is applicable only in respect of Brimstone Shares of which I/we was/were the registered holder(s) on the close of business on the Record Date, being Friday, 20 April 2018; and
- acknowledge that I/we am/are not entitled to the Scrip Dividend Alternative in respect of Brimstone Shares for which the Cash Dividend is elected.

Signed at _____ on _____ 2018

Signature/s _____

Assisted by (where applicable) _____

PLEASE READ THE NOTES OVERLEAF

Forms of election must be lodged with, posted or emailed to the transfer secretaries, Computershare Investor Services Proprietary Limited:

Hand deliveries to:

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank, 2196

Postal deliveries to:

Computershare Investor Services Proprietary Limited
PO Box 61763
Marshalltown, 2107

Emails to:

corporate.events@computershare.co.za

Computershare Investor Services Proprietary Limited will not be responsible for any loss and/or damage whatsoever in relation to or arising from the late or non-receipt of faxed or emailed forms of election or owing to forms of election being forwarded to any other facsimile or email address other than those provided above. Forms of election shall be deemed to be received on the date reflected in Computershare's electronic or facsimile systems. Notwithstanding anything to the contrary it is the shareholder's responsibility to ensure that their form of election is received by Computershare Investor Services Proprietary Limited.

To be received by no later than 12:00 on Friday, 20 April 2018.

TO BE COMPLETED BY BRIMSTONE ORDINARY SHAREHOLDERS ONLY

Name and address of registered Brimstone ordinary shareholder	Serial number
(1)	Enquiries in connection with this form of election should be addressed to the transfer secretaries, quoting this serial number

Account number	Number of Brimstone ordinary Shares held or deemed to be held on the Record Date, Friday, 20 April 2018, based on your shareholding of Brimstone ordinary Shares at close of business on Friday, 2 March 2018	Maximum Cash Dividend to which you will become entitled based on your deemed shareholding of Brimstone ordinary Shares at close of business on Friday, 20 April 2018, should you elect not to participate in the Scrip Dividend Alternative
	(2)	(3)

Number of Brimstone ordinary Shares for which the Cash Dividend is elected. The maximum number of Brimstone ordinary Shares for which the Cash Dividend can be made is that reflected in block 2 above, or, if Brimstone ordinary Shares have been transacted in the period from Friday, 2 March 2018, then the number of Brimstone ordinary Shares registered in Brimstone's register on the Record Date.

(4)

TO BE COMPLETED BY BRIMSTONE "N" ORDINARY SHAREHOLDERS ONLY

Name and address of registered Brimstone "N" ordinary shareholder	Serial number
(1)	Enquiries in connection with this form of election should be addressed to the transfer secretaries, quoting this serial number

Account number	Number of Brimstone "N" ordinary Shares held or deemed to be held on the Record Date, Friday, 20 April 2018, based on your shareholding of Brimstone "N" ordinary Shares at close of business on Friday, 2 March 2018	Maximum Cash Dividend to which you will become entitled based on your deemed shareholding of Brimstone "N" ordinary Shares at close of business on Friday, 20 April 2018, should you elect not to participate in the Scrip Dividend Alternative
	(2)	(3)

Number of Brimstone "N" ordinary Shares for which the Cash Dividend is elected. The maximum number of Brimstone "N" ordinary Shares for which the Cash Dividend can be made is that reflected in block 2 above, or, if Brimstone "N" ordinary Shares have been transacted in the period from Friday, 2 March 2018, then the number of Brimstone "N" ordinary Shares registered in Brimstone's register on the Record Date.

(4)

Applicant's signature _____ Telephone number () _____

Email address _____ Mobile number () _____ Date _____

Notes:

1. The election may be made in respect of all or any of the Brimstone Shares registered in the name of the shareholder at the close of business on the Record Date.
2. The signature on the form of election of any person who is under legal disability shall be accompanied by the signature of such person's parent or guardian or legal representative, as the case may be.
3. In order to be valid, this form of election must be properly completed and lodged with, or posted to the transfer secretaries of Brimstone at the address indicated above, to be received by them by no later than 12:00 on Friday, 20 April 2018. **Late forms of election will not be accepted.**
4. Brimstone reserves the right in its discretion to:
 - a. treat as invalid (in which case the Scrip Dividend Alternative will be paid) any form of election not complying with the terms of the election or any instruction contained herein; and/or
 - b. require proof of the authority of the person signing this form of election where such proof has not yet been lodged with or recorded by the transfer secretaries, Computershare Investor Services Proprietary Limited.
5. In the case of a joint holding, the first-named only is required to sign.
6. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian as applicable, unless the relevant documents establishing capacity are produced or have been registered with the transfer secretaries.

Any and every alteration or correction made to this form of election must be initialled by the signatory(ies).