THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Document or the action you should take, you are recommended to seek your own financial advice immediately from an appropriately authorised stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

This Document comprises a prospectus relating to Bluebird Merchant Ventures Ltd (the "Company") prepared in accordance with the Prospectus Rules of the Financial Conduct Authority (the "FCA") made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This Document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the FCA for 184,963,840 ordinary shares in the Company (issued and to be issued in connection with the Placing) (the "Shares") to be admitted to the Official List of the UK Listing Authority (the "Official List") (by way of a standard listing under Chapter 14 of the listing rules published by the UK Listing Authority under section 73A of FSMA as amended from time to time (the "Listing Rules") and to the London Stock Exchange plc (the "London Stock Exchange") for such Shares to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "Admission"). It is expected that Admission will become effective, and that dealings in the Shares will commence, at 8.00 a.m. on 11 April 2016.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY PROSPECTIVE INVESTORS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH AN INVESTMENT IN THE SHARES, AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 15 OF THIS DOCUMENT.

The Directors, whose names appear in the Prospectus, and the Company accept responsibility for the information contained in this Document. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Document is in accordance with the facts and contains no omissions likely to affect its import.

Bluebird Merchant Ventures Ltd

(incorporated in the British Virgin Islands
in accordance with the laws of the British Virgin Islands with company number 1815373)

Placing of 30,260,870 New Shares of no par value at a placing price of
£0.0575 per Share

Admission to the Official List of 184,963,840 Shares of no par value
(by way of a Standard Listing under Chapter 14 of the Listing Rules)
and to trading on the London Stock Exchange's main market for listed securities

Financial Adviser and Broker

Optiva Securities Limited

Optiva Securities Limited, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser and broker to the Company in connection with the proposed Placing and Admission and is not acting for any other person (including any recipient of this Document) or otherwise responsible to any person for providing the protections afforded to clients of Optiva Securities Limited or for advising any other person in respect of the proposed Placing and Admission or any transaction, matter or arrangement referred to in this Document.

Optiva Securities Limited is not making any representation, express or implied, as to the contents of this Document, for which the Company and the Directors are solely responsible. Without limiting the statutory rights of any person to whom this Document is issued, no liability whatsoever is accepted by Optiva Securities Limited for the accuracy of any information or opinions contained in this Document or for any omission of information, for which the Company and the Directors are solely responsible. The information contained in this Document has been prepared solely for the purpose of the Placing and Admission and is not intended to be relied upon by any subsequent purchasers of Shares (whether on or off exchange) and accordingly no duty of care is accepted in relation to them. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

The New Shares will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary shares of the Company and will rank *pari passu* in all other respects with all other Shares in issue on Admission.

This Document does not constitute an offer to sell, or the solicitation of an offer or invitation to buy or subscribe for, Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or under the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, the Philippines, Japan, the Republic of South Africa or the Republic of Ireland. Subject to certain exceptions, the Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, and this Document may not be distributed by any means including electronic transmission within, into, in or from the United States or to or for the account or benefit of persons in the United States, Australia, the Republic of South Africa, the Republic of Ireland, Canada, the Philippines, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction. This Document does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States. The Company has not been and will not be registered under the US Investment Company Act of 1940 ("US Investment Company Act") pursuant to the exemption provided by Section 3(c)(7) thereof, and investors will not be entitled to the benefits of the US Investment Company Act.

The distribution of this Document in or into jurisdictions other than the UK may be restricted by law and therefore persons into whose possessions this Document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Shares have been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Shares or the accuracy or the adequacy of this Document. Any representation to the contrary is a criminal offence in the United States.

Application will be made for the Shares to be admitted to the Official List by way of a Standard Listing. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that is afforded to investors in companies with Premium Listing on the Official List, which are subject to additional obligations under the Listing Rules.

It should be noted that the UK Listing Authority will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules and/or any provision of the Model Code, that the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.

The date of this Document is 6 April 2016.

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SUMMARY INFORMATION

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A-E (A.1 - E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element might be required to be inserted in the summary because of the type of securities and issuer, it is possible that no relevant information can be given regarding a particular Element. In this case, a short description of the relevant Element is included in the summary with the mention of the words "not applicable".

SECTION A – INTRODUCTION AND WARNINGS		
A.1	Introduction and warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the securities should be based on consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable; there will be no resale or final placement of securities by financial intermediaries.
SECTION B – ISSUER		
B.1	Legal and commercial name	Bluebird Merchant Ventures Ltd
B.2	Domicile, legal form, legislation and country of incorporation	The Company is incorporated in the British Virgin Islands under BVI Companies Act as a BVI Business Company limited by shares, existing under the laws of BVI, having its registered address at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, VG1110, BVI.

B.3	Current operations, principle activities and markets	The Company was initially formed to invest in exploration, mining and commodity trading opportunities in the resource-rich Republic of the Philippines. Due to the current capital market's rather negative view of funding pure greenfield exploration projects, the Company divested itself from two early stage exploration projects in Australia and the Philippines which it or its founding promoters had invested in, and it is now concentrated on three main activities: 1. Firstly, the BGP, where the Company has a farm-in option (the JVA) to acquire up to 50.1%. RMMS has completed a Scoping Study and is working on its DFS with a view to developing a profitable gold mine; 2. Secondly, a copper concentrates trading business. On 25th October 2015 the first shipment of high-grade copper concentrate was shipped to the Philippines' only copper smelter with which the Group has a supply agreement. The smelter is majority owned by a major international mining company. The copper concentrate also contains gold and silver. The agreement with the smelter expired in December 2015. The smelter has confirmed to the Company that it is willing to renew the agreement on the same terms and conditions as that of the original agreement. The Directors expect to execute the renewal of the agreement by mid-April 2016; and 3. Thirdly, further acquisitions and expansion of commodity trading. Whilst the Company has a long-term strategy of investing in further projects, the Company is not expected to enter into any further acquisitions in the 12 months from the date of this Document.
B.4a	Recent and significant trends	The most significant recent trends affecting the Company are as follows: (i) In the gold industry (*this section is based on the information that is prepared and published by the World Gold Council and is publicly available on the official web site of the organization*) • Demand for gold: Demand for gold totalled 4,212.2 MT in 2015. Annual demand for jewellery declined 66 MT (-3%) to 2,414.9 MT from 2,480.8 MT in 2014. Investment demand in 2015 was up 8% on 2014 (878.3 MT vs 815.4 MT). Net purchases by central banks and official institutions in 2015 reached 588.4 MT, 1% higher than 2014' total of 583.9 MT. Volume of gold demand in Technology shrank further resulting in full year demand by 5% lower than in 2014 (330.7 MT vs 346.4 MT). Mine production in 2015 saw its first quarterly decline and its slowest annual growth rate since 2008. Annual gold recycling dropped again, hitting its lowest level since 2007. • Supply of gold: Total supply of gold in 2015 fell 4% to 4,258.3 MT – its lowest level since 2009 – as mine production contracted and recycling reached multi-year lows in the fourth quarter. Mine production fell 2% in Q4 2015, due to reduced output at a number of large established mines; de-hedging of 15 MT further reduced supply available to the market. Recycling continues to be squeezed in a lacklustre price environment – 227.4 MT was the lowest quarterly figure since 2007.

		• The gold price: the price of gold has shown a downward trend over the last few years. However, since January 2016 the price of gold has witnessed an upward trend. According to the London Bullion Market Association, the LBMA spot gold price closed at US$ 1,266.50 per troy ounce on 10 March 2016. (ii) In the copper industry (*this section is based on the information that is prepared and published by the International Copper Study Group and is publicly available on the official web site of the organization*) • The refined copper balance for the first eleven months of 2015 indicates a production surplus of around 50,000 MT (and a seasonally adjusted surplus of about 170,000 MT). This compares with a production deficit of around 545,000 MT (a seasonally adjusted deficit of about 430,000 MT) for the same period of 2014. In the first eleven months of 2015, world apparent usage is estimated to have declined by around 1% (260,000) compared with that in the same period of 2014. • Projections for 2015 indicate that the market should essentially remain balanced, while in 2016 a small deficit of around 130,000 MT is expected as demand growth outpaces production growth. However, Directors believe that such projections may be affected negatively in case of decrease of copper demand in China. Despite announced production cuts, higher growth of around 4% is expected in 2016 as additional supply is expected to arise from expansions at existing operations, ramp-up in production from mines that have recently come on stream and output from a few new mine projects. In 2016, world refined copper production is expected to grow by around 2.5% to 23.2 mmt, as larger growth of 4% in primary electrolytic production will be partially offset by a further 4% decline in SX-EW production.
B.5	Group structure	The Group currently consists of: • Bluebird Merchant Ventures Ltd, incorporated on 12th March 2014, company number 1815373, existing under the laws of BVI, having its registered address at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, VG1110, BVI; and • a subsidiary of Bluebird Merchant Ventures Ltd being: Blue Bird Merchant Ventures Inc., a company, incorporated and existing under the laws of Philippines on 8th September 2014, company number CS201417350, having its registered address at Ground Floor, CJV Bldg., 108 Aguirre St., Legaspi Village, Makati 1229, Philippines; and • one associate company: White Tiger Mineral Resources Inc., a company, incorporated and existing under the laws of Philippines on 17th November 2014, company number CS201422508, having its registered address at G/F

		Dr No 14B, Suarez Building, Mabini Street, Magugpo South, Tagum City, Davao Del Norte, Philippines.
B.6	Notifiable interests, different voting rights and controlling interests	Save as set out below, as of the date of this Prospectus the Company is not aware of any person who, directly or indirectly, holds an interest of 3 per cent or more of the Company's Existing Shares, save for as disclosed below: ***Immediately before the Admission*** / ***% of Shares immediately after the Admission*** ***Name of Shareholder*** / ***Number of Shares*** / ***% of Shares*** / ***% of Shares immediately after the Admission*** Monza Capital Ventures Ltd — 50,952,500 — 32.94 — 27.55 LDOA Holdings Ltd — 36,216,512 — 23.41 — 19.58 Harwood Capital LLP — 15,000,000 — 9.70 — 9.99 Red Mountain Mining Ltd — Nil — - — 4.70 James Hay Pension Trustees — 7,500,000 — 4.85 — 4.05 K.C. Investments Limited — 6,750,000 — 4.36 — 3.65 Christopher Search — 5,625,000 — 3.64 — 3.04 The Company's authorised shares consist of one class of Shares with equal voting rights (subject to the Articles). All shareholders have the same voting rights and no major shareholder has any different voting rights from the other shareholders. On 6th April 2016 the Key Shareholders, Oyster Trust SARL, Aidan Bishop and the Company entered into the Relationship Agreement, which governs the relationship between the Key Shareholders and the Company to ensure that the Company is able to carry on its business independently. Save for the Shareholders who hold 3 per cent or more of the Existing Shares at the date of this Document, the Company is not aware of any person who exercises, or could exercise, directly or indirectly, jointly or severally control over the Company. There are no arrangements in place of which may at a subsequent date result in a change in control of the Company, as far as the Company is aware.
B.7	Selected historical key financial information	The selected financial information set out below has been extracted without material adjustment from the audited Financial Information, as disclosed in Part VI, of the Group for the periods ended 30 June 2015 and 31 December 2014 respectively. There is no significant change to the Group's financial condition and operating results during or subsequent to the period covered by the historical key financial information.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
CONTINUING OPERATIONS		
Revenue	-	-
Administration costs	24,726	16,397
Exploration and development costs	-	15,616
Finance costs	4,310	-
Share of loss of associates	4,428	348
LOSS BEFORE INCOME TAX	33,464	32,361
Income tax expense	-	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	33,464	32,361
DISCONTINUED OPERATIONS		
Loss for the period from discontinued operations	41,529	-
Loss for the period	74,993	-
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	74,993	32,361
Loss attributable to:		
Members of the parent entity	66,687	27,505
Non-controlling interest	8,306	4,856
TOTAL LOSS	74,993	32,361

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 June 2015 USD	31 December 2014 USD
ASSETS		
Current Assets		
Trade and other receivables	24,145	34,905
Cash and cash equivalents	7,748	23,305
Total Current Assets	31,893	58,210
Non Current Assets		
Investments	996,528	-
Investments in Associates	6,344	10,772
Total Non Current Assets	1,002,872	10,772
Total Assets	1,034,765	68,982
LIABILITIES		
Current Liabilities		
Trade and other payables	135,321	101,341
Borrowings	716,528	-
Total Current Liabilities	851,849	101,341
Non Current Liabilities	-	-

Total Liabilities	851,849 101,341
NET ASSETS	182,916 (32,359)
EQUITY	
Issued capital	290,270 2
Retained earnings	(94,192) (27,505)
Non-controlling interest	(13,162) (4,856)
TOTAL EQUITY	182,916 (32,359)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary Shares USD	Retained Earnings USD	Attributable to owners of parent USD	Non Controlling USD	Totals USD
Balance - 1 January 2015	2	(27,505)	(27,503)	(4,856)	(32,359)
Attributable loss	-	(66,687)	(66,687)	(8,306)	(74,993)
Total comprehensive loss	-	(66,687)	(66,687)	(8,306)	(74,993)
Issue of shares or held for subscription	290,268	-	290,268	-	290,268
Balance -30 June 2015	290,270	(94,192)	196,078	(13,162)	182,916

COMPARATIVES

	Ordinary Shares USD	Retained Earnings USD	Attributable to owners of parent USD	Non Controlling USD	Totals USD
Balance - 12 March 2014	-	-	-	-	-
Attributable loss	-	(27,505)	(27,505)	(4,856)	(32,361)
Total comprehensive loss	-	(27,505)	(27,505)	(4,856)	(32,361)
Issue of shares or held for subscription	2	-	2	-	2
Balance - 31 December 2014	2	(27,505)	(27,503)	(4,856)	(32,359)

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(24,427)	(38,018)
Net cash flows provided by (used in) operating activities	(24,427)	(38,018)
Cash flows from investing activities		

		Purchase of property, plant and equipment - - Purchase of other current assets 7,464 (33,023) Purchase of investments (280,000) - Purchase of interest in associates - (11,121) **Net cash used by investing activities** (287,464) (44,144) **Cash flows from financing activities** Proceeds from borrowings 6,066 105,465 Proceeds from subscription to capital 290,268 2 Net cash used by financing activities 296,334 105,467 Net (decrease) increase in cash and cash equivalents (15,557) 23,305 Cash and cash equivalents at beginning of the period 23,305 - Cash and cash equivalents at end of the period 7,748 23,305 There has been no significant change in the financial or trading position of the Company subsequent to 30 June 2015, being the end of the last financial period of the Company covered by the selected historical financial information set out in the tables above.
B.8	Selected key pro-forma financial information	There was no significant change in the financial position of the Group that has occurred since the end of the last financial period for which financial information has been published. Thus, a pro-forma profit and loss statement is not required.
B.9	Profit forecasts	Not applicable; no profit forecast or estimate is made.
B.10	Qualifications in the audit report	Not applicable: there are no qualifications in the short form report for the period under review.
B.11	Insufficient working capital	The Company is of the opinion that, taking into account the Minimum Net Proceeds, the working capital available to the Company is sufficient for its present requirements, that is for at least 12 months from the date of this Document. If the Minimum Net Proceeds are not raised, the Admission and Placing will not proceed and monies received under the Placing will be returned to investors. If the Minimum Net Proceeds are not raised, the Admission and Placing may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the FCA.
SECTION C – SECURITIES		
C.1	Description of type and class of securities being offered	Each prospective investor will be offered one New Share of no par value, in exchange for every GBP 0.0575 invested. The Shares have been registered with ISIN number VGG118701058 and SEDOL number BYN4G53.
C.2	Currency of securities	The Shares have no par value.

C.3	Number of Shares issued and par value	Immediately prior to Admission, the issued shares of the Company was 154,702,970 fully paid up Shares of no par value in the Company. The Company has no partly paid Shares in issue.
C.4	Rights attaching to the Shares	The Shares rank equally for voting purposes. Each shareholder entitled to attend and being present in person or by proxy at a meeting will, upon a show of hands, have one vote and upon a poll each such shareholder present in person or by proxy will have one vote for each Share held by him. In the case of joint holders of Shares, if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of members and may speak as a member, if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners, and if two or more of the joint owners are present in person or by proxy they must vote as one. Each Share ranks equally for any dividend declared. Each Share ranks equally for any distributions made on a winding up of the Company.
C.5	Restrictions on free transferability of the Shares	The Shares are freely transferable and there are no restrictions on transfer.
C.6	Admission	Application has been made to the FCA for the Shares to be admitted to the Official List by way of a Standard Listing and to trading on the London Stock Exchange's Main Market for listed securities, which is a regulated market. No application has been made or currently intends to be made for the Shares to be admitted to listing or trading on any other regulated market.
C.7	Dividend policy	The Company intends to reinvest any profits made from its trading operations back into the business in order to promote the growth of the Group. Once the BGP produces positive cash flow then the Directors intend to assess the paying dividends. However, the declaration and payment by the Company of any dividends and the amount thereof will depend primarily upon the results of the Company's operations and its financial position and other factors deemed to be relevant at the time.
SECTION D – RISKS		
D.1	Information on the key risks that are specific to the Company or its industry	The Directors believe that the key risks specific to the Company are the following: • The Group may require additional capital 13 months from Admission should it wish to increase its interest in RMMS to 50.1% or to make new acquisitions or expand its trading business. • The Company's ability to increase its stake to 50.1% in RMMS in the period following after the 12 months from Admission will largely depend upon the level of profitability of its trading operations and its ability to raise additional development capital, 13 months from Admission, should the trading profits not be sufficient to cover both the operational expenses and to fund the increase of its stake to 50.1% in RMMS.

		• In order for the construction of the mine to commence at the Batangas Gold Project, further permits and approvals are required to be obtained from the Philippine government. No assurance can be given that these will be obtained in a timely manner or at all. • The terms of the JVA also include the requirement that the shareholders in RMMS, namely the Company and RMX will enter into a formal joint venture agreement to more fully document the terms of the joint venture. At present no such joint venture agreement has been formally entered into and no guarantees can be given that such agreement will be entered into and if entered into will be on terms that will be more favourable to the Company. • RMMS Group is subject to government licensing and regulation in the Philippines where it operates and failure to obtain or renew, maintain or comply with the terms of the requisite licences or approvals could affect adversely RMMS Group's business and operations. • The Group entered into an agreement with a Philippine smelter but this agreement expired in December 2015. This is the Group's sole customer at present. The Group expects to renew the agreement and ship 54 dry MT by mid-April 2016. However no assurance can be given that the agreement will be renewed in a timely fashion or at all. • The Group's copper concentrate trading business is dependent upon its relationship with CRRR and subsequently CRRRs contractual arrangements with permitted small-scale producers to obtain sufficient supply of copper ores in order to produce the required quality and quantity to the Group. • The Group operates in the Philippines where the government is seeking to change mining policy, particularly to increase the amount of revenue the government receives. Whilst the Directors do not believe that this will affect its copper concentrate business, any changes in legislation, if enacted could have an impact on the Batangas Gold Project.
D.3	Information on the key risks that are specific to the Shares	Prospective investors should carefully consider the risks relating to the Shares: • There is currently no market for the Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Shares may not develop, which would affect adversely the liquidity and price of the Shares. • Investors may not be able to realise returns on their investment in Shares within a period that they would consider to be reasonable. • The proposed Standard Listing of the Shares will afford Investors a lower level of regulatory protection than a Premium Listing. • The sale or availability for sale of substantial amounts of the Company's securities could affect adversely the price of the Shares. • Any further issues of Shares may dilute investors' shareholdings.
SECTION E – OFFER		
E.1	Net proceeds and expenses	The Minimum Gross Proceeds of the Placing will be approximately GBP 1,675,000. The Minimum Net Proceeds of the Placing will be GBP 1,426,016 after estimated placing expenses of approximately

		GBP 248,984. The Maximum Gross Proceeds will be GBP 2,000,000 and the Maximum Net Proceeds after estimated placing expenses will be GBP 1,734,766. In the event that the Minimum Net Proceeds of GBP 1,426,016 is not subscribed for then the Admission and Placing will not proceed and money will be returned to investors.
E.2a	Reasons for the Offer and estimated net amount of the proceeds	The Directors of the Company intend to use the Placing proceeds (presented in the order of priority), taking into account the Minimum Net Proceeds, in order to primarily increase its stake in the BGP as follows: **Minimum Gross Proceeds** **GBP 1,675,000** Less: Cash outflows Estimated placing costs GBP 248,984 **Minimum Net Proceeds** **GBP 1,426,016** 1. Repayment of RMX debt facility/Stage 1 B GBP 830,760 2. Funding 25% of JV Stage at BGP over 12 months GBP 69,240 3. Board and Management Salaries GBP 332,940 4. General and Administrative – Company GBP 159,929 5. Working Capital – WTMR GBP 20,007 6. General and Administrative – BBMV GBP 13,140 **Maximum Gross Proceeds** **GBP 2,000,000** Less: Cash outflows Estimated placing costs GBP 265,234 **Maximum Net Proceeds** **GBP 1,734,766** 1. Repayment of RMX debt facility/Stage 1 B GBP 830,760 2. Funding 25% of JV Stage at BGP over 12 months GBP 69,240 3. Board and Management Salaries GBP 332,940 4. General and Administrative – Company GBP 405,679 5. Working Capital – WTMR GBP 20,007 6. General and Administrative – BBMV GBP 13,140 7. Repayment of the Bishop-Tarr Loan Facility GBP 63,000
E.3	Terms and conditions of the Offer	The Placing Agreement is conditional, inter alia, on: (i) Admission having taken place not later than 8.00 a.m. on 8 April 2016 or such later time and date, being not later than 30 April 2016, as the Company and Optiva may agree; (ii) the Placing Agreement not having been terminated in accordance with its terms prior to Admission; and

		(iii) the Minimum Net Proceeds being raised. The Subscription Agreements are conditional, inter alia, on Admission having taken place not later than 8.00 a.m. on or before 8th April 2016 or such later time and date, being not later than 30th April 2016, as the Company and the independent Placees may agree.
E.4	Interests material to the Offer	Monza Capital Ventures Ltd, which owns 50,952,500 Shares, is ultimately owned and controlled by Oyster Trust SARL as trustee of Marco Polo Trust of which Aidan Bishop is a discretionary beneficiary. Charles Barclay, subject to the Board approval, is entitled to a bonus consisting of the Shares amounting to GBP 20,000 after the Admission, calculated at the market price of the Shares. Colin David Patterson is a sole beneficiary of the Sub Fund 283 of IS&P (Singapore) Retirement Fund for which Vistra is a trustee. In accordance with the Vistra Loan Vistra is entitled to the Shares in the Company amounting to USD220,000 to be converted at the Vistra Shares Issue Price within five business days after Admission. In addition the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan.
E.5	Offerors and lock-up arrangements	The Company intends to raise the Minimum Net Proceeds through the Placing (including a direct subscription by the independent Placees under the Subscription Agreements), pursuant to which Placing will be placed with (i) investors via placing letters with the Company and (ii) the independent Placcees under the Subscription Agreements, conditional on Admission. The Placing will not be underwritten. Certain shareholders, certain Directors and their connected persons have undertaken to the Company and Optiva in separate lock-in agreements subject to certain exceptions in accordance with the Listing Rules, not to dispose of or transfer and Shares in which they are interested for the period of six months from Admission.
E.6	Dilution	The issue of 30,260,870 New Shares under the Placing will mean that existing shareholders will experience dilution of 16.36%.
E.7	Expenses	Not applicable; no expenses will be directly charged to investors in connection with Admission.

RISK FACTORS

An investment in the Company involves a high degree of risk and is suitable only for individuals who are financially able to withstand a complete loss of their investment. Accordingly, prospective investors should carefully consider the specific risk factors set out below and elsewhere in this Document before investing into the Shares.

If any one or more of the following risks occur, the Company's business, financial condition, capital resources, results or future operations could be affected adversely. In such a case, the trading price of the Shares could decline significantly and investors may lose all or part of their investment.

Prospective investors should note that the risks relating to the Group, its industry and the Shares summarised in the section of this document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Shares. However, as the risks which the Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

The risks referred to below are those risks the Company and the Directors consider to be the current material risks relating to the Group and RMMS Group. These risks could be divided in the following principal groups of risks: (1) Group risks; (2) Risks of the mining industry; (3) Risks arising from the nature of the Group's commodity supply operations; (4) Local economic, political and other risks; (5) Risks relating to the Shares. However, there may be additional risks that the Company and the Directors do not consider to be material or of which the Company and the Directors are not aware currently that may affect adversely the Group's and RMMS Group's business, financial condition, results of operations or prospects.

1. Group risks

1.1. *The Group's business is dependent on the skills of its Directors and key personnel across the Group*

The executive directors and key personnel are responsible for both the daily operations and the strategic management of the Group. The knowledge of trading and processing copper, how to extract gold economically and the knowledge gained in doing so in the Philippines is one of the key strengths of the Group. Aidan Bishop's success in setting up the copper ore concentrate operation is of particular importance to the Group as it provides the single source of cash flow until the BGP comes on stream. The loss of the services of certain key employees of the Group, particularly Aidan Bishop, Charles Barclay or Colin Patterson or the inability to recruit personnel of a similar calibre and with similar knowledge and experience could have a material adverse effect on the prospects of the Group. The Group may also face competition for qualified personnel from larger, better financed organisations. Should the Group be unable to secure the services of suitable personnel, it may not be able to develop fully its assets or secure new assets.

Should the Group expand and grow in complexity, additional personnel will need to be employed and additional information technology and systems may need to be acquired. While the Directors consider that the Group will be able to identify and recruit such people and acquire and install management information systems, including computer systems, the Group may have to bear additional and potentially substantial costs and disruption.

1.2. ***The Group may require additional capital***

The Group may require additional capital 13 months from Admission should it wish to increase its interest in RMMS to 50.1% or to make new acquisitions or expand its trading business. The Group expects that after the 12-month period following Admission that it will be able to continue to fund its ongoing business from the profits generated from its copper trading business. However the Group does expect that in order to increase its interest in RMMS to 50.1% it is likely that it will need to raise some additional capital should the profits from the copper trading business not be substantial enough to pay for both operating expenses and the Sole Funding or Stage 2 Options. The Group does expect that it will be able to raise additional capital if required due to the fact that the DFS would have been completed at the BGP during the 12-month period following Admission. The Group believes that the completion of the DFS significantly increases its prospects of raising additional development capital if required to increase its participation in the BGP. Whilst the Directors expect the outcomes of the DFS to be positive, no assurance can be given that the DFS will result in demonstrating an economically viable mining operation at the BGP. The Group may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Group's activities and future projects may result in delay and/or indefinite postponement of exploration and development of the BGP or even loss or dilution of an interest in the BGP.

There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Group and might involve substantial dilution to shareholders. Furthermore, the Group, in the ordinary course of its operations, may be required to issue financial assurances, particularly insurances and guarantee instruments to secure statutory and environmental performance undertakings and commercial arrangements. The Group's ability to provide such assurances is subject to external financial and credit market assessment, and its own financial position. Loan agreements and other financing arrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security arrangements) that may be entered into by the Group may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Group would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Group or default under a finance lease could also result in the loss of assets. The Directors have been successful in raising capital for other projects in the past and will endeavour to run the Group in a way that may appeal to new investors.

1.3. ***Internal controls risks***

Future growth and prospects for the Company will depend on the Directors' ability to manage the Company and to continue to expand and improve operational, financial and management information and quality control systems on a timely basis, whilst at the same time maintaining effective cost controls. Any failure to expand and improve operational, financial and management information and quality control systems in line with the Company's growth could have a material adverse effect on the Company's business, financial condition and results of operations. Notwithstanding anything in this risk factor, this risk factor should not be taken as implying that the Company will be unable to comply with its obligations as a company with securities admitted to the Official List.

1.4. ***Aidan Bishop and Mitchell Tarr indirectly hold the majority of voting rights in the Company and it may conflict with the interest of investors***

Following the Placing, Mr. Bishop and Mr. Tarr jointly control approximately 47% of the votes cast at the general meeting of the Company through Monza Capital Ventures Ltd (being held in the trust of which Aidan Bishop is a discretionary beneficiary) and LDOA Holdings Ltd (being held in the trust of which Mitchell Tarr is one of the discretionary beneficiaries together with Kim Tarr, Mia McCarthy and

Bobby Thorpe) respectively. This level of voting power means that Mr. Bishop and Mr. Tarr exercise substantial control over the Company and have the power to influence resolutions passed by the Company. In addition Mr. Bishop is an executive Director of the Company.

Each of Monza Capital Ventures Ltd and LDOA Holdings Ltd entered into a relationship agreement with the Company to take effect on or around the date of Admission, pursuant to which all transactions and arrangements between the Company, Monza Capital Ventures Ltd and LDOA Holdings Ltd will be at arm's length and on normal commercial terms.

Although the Relationship Agreement is entered to prevent Mr. Bishop and Mr. Tarr from abusing their joint indirect control of the Company, the interest of Mr. Bishop and Mr. Tarr may not be the same as the interests of minority shareholders or investors in the Company and they may make decisions which may have an adverse effect on investments in Shares and/or on the business operations of the Group. Minority shareholders may have a limited ability to block or challenge such decisions through the constitutional documents of the Company and the Relationship Agreements.

1.5. ***Early stage business***

The business of the Company is at an early stage as the Company was incorporated in March 2014. Therefore it has no significant trading history and very limited financial information upon which prospective investors can evaluate the Company. The Company currently has generated no revenue. The Company's ability to increase its stake to 50.1% in RMMS in the period following after the 12 months from Admission will largely depend upon the level of profitability of its trading operations and its ability to raise additional development capital, 13 months from Admission, should the trading profits not be sufficient to cover both the operational expenses and to fund the increase of its stake to 50.1% in RMMS.

Should the Company not be able to increase its stake to 50.1% in RMMS it would seek to renegotiate with RMX to vary and extend the terms by which it may increase its interest to 50.1%. Should this not be possible then the Company would continue to co-manage the BGP with RMX and RMMS Group as a 25% shareholder.

1.6. ***Risk of damage to reputation and negative publicity***

The Company's ability to attract further investment, develop its copper concentrate trading business and maintain its good standing with local authorities in the Philippines is dependent on the Group maintaining a good reputation. The Group is vulnerable to adverse market perception as it operates in a country where strong opposition to mining exists in certain areas and in an industry where a high level of integrity and trust is paramount. Any perceived, actual or alleged mismanagement, fraud or failure to satisfy the Group's responsibilities, or the negative publicity resulting from such activities or the allegation by a third party of such activities (whether well founded or not) associated with the Group, could have a material adverse effect on the financial condition, results or operations of the Group.

1.7. ***Litigation may be brought against the Group in the future***

The Group has not in the past been subject to litigation and resolved all of its disputes with its former venture partners amicably. The Directors believe and will seek to ensure that there are no circumstances that could give rise to any material litigation related to or arising from its business operations. However, the Group cannot preclude the possibility that disputes leading to litigation may arise, and if and when litigation or disputes do arise, the Group will access the merits of each dispute and defend itself accordingly. The causes of potential litigation cannot be known and may arise from

its commodity supply business, environmental, health and safety concerns, share price volatility or failure to comply with disclosure obligations.

The results of any dispute resolution process cannot be predicted and may range from amicable settlement to fines, loss of mineral rights or copper concentrate sales contracts. Such dispute resolution may materially and adversely affect the Group's business and/or its financial and/or operational results.

1.8. *Insurance Risks*

Mining generally involves various types of risks and hazards, including: environmental hazards, industrial accidents, metallurgical and other processing problems, unusual or unexpected rock formations, structure cave-ins or slides, flooding, fires and interruption due to inclement or hazardous weather conditions. Currently the Group does not have insurance arrangements in place for any of its operations, however the Group intends to insure its operations in accordance with the industry practice at appropriate times. However, in certain circumstances, the Group's insurance may not be of a nature or level to provide adequate insurance cover. In particular, the Group does not intend to take a business interruption insurance. Its other insurance policies may not include all events, occurrence of which could have a material adverse effect on the business, financial condition and results of the Group. Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive. Cost of obtaining some forms of insurance may depend on political, economic and other factors outside of the Group's control and the Group may not be in position to obtain or renew such policies.

1.9. *Taxation Risk*

The Company is resident outside of the UK for tax purposes and will continue to be managed and controlled from outside of the UK. Tax residency is a matter of fact and whilst the Company intends to take legitimate practical steps to ensure that the Company is managed and controlled from outside of the UK it is nevertheless possible for HM Revenue & Customs in the UK to determine that they regard the Company as resident in the UK for tax purposes. Whilst the Company is confident that it will be able to resist any such assertions of UK tax residence, if HM Revenue & Customs were to succeed in arguing that the Company was resident in the UK for tax purposes, it would be taxed accordingly. This is likely to reduce significantly post tax returns for the Group, the share price and future for the Group.

1.10. *BVI company law risks*

The Company is incorporated under the BVI Companies Act. The rights of Shareholders are governed by BVI law and the Company's Articles. The rights of shareholders under BVI law differ in certain respects from the rights of shareholders of companies incorporated in the UK. The risks faced by Shareholders by holding shares in a BVI incorporated company include (but are not limited to):

- The Company may give financial assistance to any person in connection with the acquisition of its own shares pursuant to the BVI Companies Act.

- There are statutory pre-emption rights under section 46 of the BVI Companies Act which only apply if a company incorporates expressly such provisions into its memorandum and articles of association. The Company has elected to include provisions on pre-emption rights similar to those contained in section 46 of the BVI Companies Act into its Articles.

- Under the BVI Companies Act, shareholders are not obliged to disclose their interests in a company in the same way as shareholders of public companies incorporated in the United Kingdom are

required to do. In particular, the Transparency Obligations Directive (Disclosure and Transparency Rules) Instrument 2006 introduced by the FCA does not apply. The Articles incorporate provisions equivalent to those contained in the Disclosure and Transparency Rules, but may be amended by a resolution of the Shareholders or the directors in accordance with the Articles.

1.11. *Enforcement of foreign judgments*

Uncertainty exists as to whether courts in the BVI will enforce judgements obtained in other jurisdictions against the Company and/or the Directors or officers under the securities laws of those jurisdictions or entertain actions in BVI against the Company or the Directors or officers under the securities laws of other jurisdictions.

2. Risks of the mining industry

2.1. *Joint venture risk*

RMMS is the 100% owner of MRL, which has a direct interest of 40% in EGPI and has a TSA with EGPI. The current structure ensures that decision-making is done by RMMS via MRL under a TSA. Following grant of the ECC and DMF, MRL will apply for a mineral processing permit. MRL has the exclusive right to enter into agreements with EGPI. Pursuant to these agreements RMMS via MRL will finance development and construction of the mine and associated infrastructure and will purchase all mined ore on the "cost plus" basis. These agreements will ensure that the Group has the necessary degree of control to effectively manage the construction and production stages of the BGP. However no guarantees can be given that such agreements will provide the necessary degree of control to effectively manage the construction and production stages of the BGP. If for any reason the terms of such agreements with EGPI cannot be agreed upon with MRL then the degree of influence that MRL may exert in relation to the BGP will remain as defined under the terms of the TSA.

The Group has a JVA with RMMS in relation to the development of the BGP. The JVA provides for a staged increase of the Company's stake in RMMS up to 50.1%. The Group gains more influence at each stage of the farm-in. On the completion of the farm-in, the Group, through its majority interest and appointment of three directors to RMMS Board, will have operational control of BGP. However, the balance of the ownership interest will be held by RMX who will influence the subsequent management and control of RMMS. Upon completion of Stage 1 A investment the Company will nominate one director to the Board of RMMS. All key operational decisions in the BGP from this point will require the approval of the Company's nominated director.

Each increase in equity stake of the Company in RMMS requires RMMS board approval. The increase in equity stake is legally required under the terms of the JVA subject to the Company meeting the terms of the JVA. For this reason the Directors believe that the risk of the RMMS board blocking the Group's investments into RMMS is minimal. However no assurance can be given that the board of RMMS would approve the increase of the share capital in RMMS and issue of additional shares to the Company.

Upon the Company being issued Stage 1 A RMMS Shares, under the terms of the JVA, the Company will form a joint venture with RMX and RMMS governing the joint management of all aspects of the BGP. The terms of the JVA also include the requirement that the shareholders in RMMS, namely the Company and RMX will enter into a formal joint venture agreement to more fully document the terms of the joint venture and which shall be on terms which are consistent with the terms already set out in the legally binding JVA. The joint venture agreement will remain in place following the Company being issued further RMMS Shares under subsequent stages of the farm-in. At present no such joint venture agreement has been formally entered into and no guarantees can be given that such agreement will be entered into and if entered into will be on terms that will be more favourable to the

Company. If for any reason additional terms cannot be agreed upon with RMX and RMMS then the degree of influence that the Company may exert in relation to the BGP will remain as defined under the terms of the JVA.

If RMX attempts to exercise undue influence on the management of the BGP contrary to the Company's interests and plans, this may affect the ability of the Company to implement its strategy. The Group currently has good working relationships with RMX. On completion of all farm-in stages it will have operational and shareholder control over the BGP. In addition, the Group has engaged senior operational executives with decades of experience in managing and operating gold mines, Charles Barclay and Colin Patterson to manage the development of BGP, both of whom have decades of experience in managing and operating gold mines. However, successful development of the BGP will require the Group to work within a joint venture relationship with RMX, governed by a formal joint venture agreement that will include management and dispute resolution mechanisms that are already laid out in the current JVA. However, no assurance can be given that the Group will be able to maintain this joint venture relationship and there is always a risk that disputes between the Company and RMX over management of the BGP will not be successfully resolved under the terms of the current JVA or the subsequent joint venture agreement.

Provisions of the current JVA dealing with the continuing development and operation of the BGP may not be sufficient for the development and operational stages of the project and absence of a clear set of rules governing the relationship of the joint venture parties may cause disputes. Any litigation or arbitration resulting from any such disputes may increase the Company's expenses and distract the Directors from focusing their time on implementing the Company's strategy.

RMX might become insolvent or fail to fund its share of any capital contribution that might be required. However, due to the fact that RMX is listed on the ASX, the Group expects to have sufficient warning of any events that could lead to RMX becoming insolvent. This should enable the Group to minimise the impact of insolvency of RMX on the BGP. As at the time of this document the Company does not believe that there is a significant risk of RMX becoming insolvent. Under the JVA should RMX become insolvent then the Company would control all BGP decision-making processes. The Group would consider acquiring RMX's interest in the BGP should RMX become insolvent. However, in the event that the Group would want to acquire RMX's interest should it become insolvent, it is likely that the Group would require additional capital in order to do so. Whilst the Group expects that it would be able to source additional funding to acquire RMX's interest no assurance can be given that the required funding could be sourced.

2.2. ***RMMS Group is subject to government licensing and regulation in the Philippines where it operates and failure to obtain or renew, maintain or comply with the terms of the requisite licences or approvals could affect adversely RMMS Group's business and operations***

The BGP is located in the Philippines and RMMS Group will need regulatory approval from the Philippine government for RMMS Group's planned development, mining and processing activities.

Obtaining governmental permits necessary to conduct all mining operations in the Philippines is a complex, lengthy and time-consuming process and may require substantial expenditure. The duration and success of permit applications are contingent on many factors, some of which are beyond RMMS Group's control, particularly where local authorities' consents are required to be obtained prior to the issue of the relevant permit by the MGB. Delay in obtaining the required permits and authorisations will impact the Group's operations and may have a negative affect on working capital.

Renewal and/or extension of RMMS Group's EPs and EPAs or the subsequent rights to develop and operate cannot be guaranteed and failure to obtain or renew a necessary licence or permit could mean that the Group is unable to proceed with the exploration, development or continued operation of

a project, which, in turn, may have a material adverse effect on the Group's business prospects, results of operations and financial condition. However, the EPs and EPAs are not considered material or part of the BGP.

2.3. ***RMMS Group needs additional governmental permits and approvals to continue the development of the Batangas Gold Project***

In order to commence construction of the mine at the BGP, RMMS Group requires an ECC to be issued as a precedent to the assessment and approval of the DMF. An ECC is issued based upon approval of the EIA. Technical evaluation of the EIA is well advanced and it is expected that the final review of the EIA by the expert Review Committee appointed by the EMB will be completed in July-August 2016. It is also expected that the final recommendation by the EMB for the DENR Secretary to sign and approve the ECC will be issued by September 2016. The Directors believe that the final review of the EIA will result in a recommendation to issue the ECC. However, no guarantees can be given that the final review of the EIA will result in a positive recommendation to issue the ECC or, if a positive recommendation is given, that it will result in the issuance of the ECC in a timely fashion.

In respect of the Archangel and Lobo MPSAs the key stage of development approval is for RMMS Group to obtain a DMF. In order to obtain the DMF, RMMS needs the endorsement of two of the three LGUs as well as the issuance of the ECC. In January 2015, all of the ten potentially affected Barangays endorsed the BGP, which collectively constitutes one LGU endorsement. The second LGU endorsement from the LMGC, for project development, was given in April 2015. However, the LMGC withdrew its previous endorsement for the Project in July 2015, citing environmental and social acceptability concerns. RMMS Group lodged a "Motion for Reconsideration" with the LMGC in August 2015 and has been informed that the LMGC will consider such after the national elections due to be held in May 2016. The Motion for Reconsideration will be put for a vote and if carried then the endorsement will be re-confirmed. This is expected to take place between June and early August 2016. Should the LMGC vote not to re-confirm the endorsement then RMMS Group will need to lobby the LMGC until they do re-confirm their previous endorsement of the BGP. The Directors have good local relationships and are confident that they and RMMS Group will be able to secure the endorsement of the LMGC for the BGP in due course. However, no assurance can be given that the remaining LMGC endorsement will be obtained or that and the ECC will be issued in a timely manner or obtained at all.

The Directors are also confident that given the stage of development of Archangel and Lobo MPSAs, granting of the ECC is a question of due process and timing, rather than of substance. Following the issue of the ECC and two of the three LGU endorsements, the DMF will be elevated from the regional office of the MGB where it was submitted with supporting documentation in March 2014, to the central office of the MGB for final assessment and approval and signing by the Secretary of the DENR.

Whilst the Company is confident that, following the issuance of the ECC, re-confirmation by the LMGC of their previous endorsement of the BGP and elevation of the DMF to the central office of the MGB, that the DMF will be approved in due course, there is a risk that the approval and signing of the DMF will not be achieved in a timely manner or not obtained at all. This would have a significant negative impact on the Group’s operations.

Each permit is issued for a specific term and carries with it annual expenditure and reporting obligations during the specific term. Extension or renewal of each permit is mostly a technical process that requires the payment of renewal or extension fees.

The Mining Act sets out the requirements for the granting of land access rights to mineral permit holders. Legal land tenants are required to reach agreement with mining companies over appropriate compensation. Should the tenants and the mining company fail to agree the level of compensation

the mining company can ask the Court to set it. No guarantees can be given that Philippine courts will consider such applications promptly and it may take considerable time to obtain. Any delays in agreeing the level of compensation would cause delays in the construction of the gold mine and cause additional expenditure. At present no agreement is in place with land tenants other than for exploration purposes. RMMS Group intends to seek agreement with land tenants once the DMF is issued.

In addition to the ECC and DMF, which are the most significant permits and approvals required, auxiliary local permits and agreements are also required to allow various components of the development of the BGP to proceed. These are principally tree cutting permits, water take and discharge permits, construction and building permits. It is premature to apply for these permits at this stage and they will be applied for once the decision is taken to construct the mine. Whilst these permits are not a prerequisite to the signing of the DMF and are applied for at local government level and are largely administrative in nature, no assurance can be given that this will be done in a timely manner.

The Group and RMMS believe that the EPs and the EPAs are not material to the development of the BGP. The Group and RMMS have elected to divest itself of the EPs and EPAs. Should it not be able to divest then RMMS Group will relinquish the EPs and EPAs. Therefore no value is attached to the EPs and EPAs and no expenditure is budgeted for any work to be done on these tenements. The divestment or relinquishment of the EPs or EPAs will have no impact on either the BGP or the Company.

2.4. ***RMMS Group is involved in the exploration for, and development of, gold, which is a highly speculative activity involving a high degree of risk***

The long-term success of the Group's mineral exploration and resource development business depends on its ability to identify, define reserves and resources and extract the reserves and resources that exists on acreages in which it has an interest. Even if reserves and resources are located, in order for them to be economically recoverable they need to be accessible and be of sufficient quality and quantity. As the exploration for, and development of, gold is a highly speculative and high-risk activity it is not guaranteed to result in success. Should the Group fail to locate sufficient economically recoverable reserves the Group will be unable to commence commercial production and the value of the Company's interest in RMMS and its own share price are likely to decline.

The DFS of the future development of a mining operation at the BGP is dependent on, and may be affected by, a number of factors including, but not limited to, failure to determine feasibility to economically recover ore reserves, determination of unfavourable geological conditions, unanticipated technical and operational factors encountered when examining extraction and production methods.

2.5. ***RMMS Group's reported resources are estimates based on various assumptions that may change and the actual quantities of RMMS Group's resources may be lower than estimated***

Mineral resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when calculated originally, may alter significantly when new information or techniques become available or when unforeseen technical difficulties or unusual or unexpected geological formations are encountered. Mineral resources are reported as general indicators and should not be interpreted as assurances of minerals or the profitability of any operations. Material changes in mineral resources or recovery rates may affect the economic viability of projects, projects could become commercially unviable as a result of any material reduction in estimates of resources.

2.6. *Environmental and Safety Risks*

The operations and activities of RMMS Group are subject to laws and regulations concerning the environment. The Philippines Government and public are concerned with preserving the Philippines for amongst other things, tourism. Therefore, there is a risk that more stringent environmental requirements will be imposed on RMMS Group that curtail operations or make them prohibitively expensive. As the Group anticipates employing open pit mining techniques at the BGP it is particular sensitive to enhanced controls on air pollution and/or reclamation requirements (particularly in respect of drilling and sampling sites), which are likely to have a negative impact on the Group.

Significant liabilities could be imposed on RMMS Group for damages, clean up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations, illegal mining or non-compliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations become more onerous making RMMS Group's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities. The Group believes that these are primarily future risks, and intends to obtain an appropriate insurance cover on commencement of environmentally hazardous works.

2.7. *Infrastructure*

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable ports, roads, bridges, power sources, power transmission facilities and water supply are critical to the Group's business operations and affect capital and operating costs. Third parties whose operational activities are outside of the Group's control often provide this infrastructure and these services. The Philippines suffers from power shortage and transmission issues and in some areas these are more pronounced. Adverse weather such as typhoons may also impact infrastructure.

Some of the roads leading from the Archangel and Lobo Properties are currently unpaved and could be affected by regional rains and typhoons although it is expected that these roads will be improved at the time that the mine moves into the construction phase and there is some level of general improvement to some of the roads that is undertaken by the local government periodically.

The CRRR plant that produces the Group's copper concentrate product is located in an area where there is frequent disruption to power supply. This is mitigated by the use of diesel-powered generators.

3. Risks arising from the nature of the Group's commodity supply operations

3.1. *Trading risk*

If the price of copper concentrate drops significantly and/or the Group is unable to sell its copper concentrate then this will negatively impact the Group's financial position and it may need to raise further capital or curtail its work programme.

The Company entered into an agreement with the smelter for the sales of copper concentrates contain provisions that required the Group to deliver copper concentrates having certain specified characteristics. A failure to meet any of these specifications or other quality thresholds could result in economic penalties. The agreement with the smelter expired in December 2015. This is the Group's sole customer at present. The Group expects to renew the agreement and ship 54 dry MT by mid-April 2016. However no assurance can be given that the agreement will be renewed in a timely fashion or at all.

In the event that the Group is unable to effect shipments of the required specification, the loss of revenue would affect adversely its business, results of operations and financial condition. To manage this risk, the Group has the copper ore assayed before enrichment to approve it for concentration, and after enrichment to approve it for shipment. All shipments of copper concentrate sent by the Group to the smelter are insured. However, no assurances could be given that the Group will be able to acquire copper ore or have it processed to the required standard.

Although the smelter is a well-established and owned and operated by a large global mining company, no assurance can be given should the agreement be renewed that this customer will continue to purchase the Company's copper concentrate and/or continue to operate its smelter for any substantial period of time. The Company has had approaches from other potential buyers for its product however its current preference is to focus on building its relationship with the smelter and the copper concentrate supply chain.

Should the current buyer cease to operate the smelter or not renew the agreement with the Company, no assurance can be given that the Group will be able to enter into arrangements similar to those it currently has with the smelter or if entered into, no assurance can be given that such new arrangements will give the Group the same rate of return as the current arrangements.

3.2. *Copper Concentrate Supply and Process Risk*

The Group is reliant on one source of copper concentrate. It has entered into a copper concentrate purchase contract with a government accredited mineral trader, who aggregates copper ore from permitted small-scale producers. The Group has lent CRRR funds sufficient to upgrade its processing facility to enable this facility to concentrate ore to required specification. The Group conducts quality control checks on each shipment prepared by the supplier. The Group intends to have its controller permanently on site to monitor quality and consistency. However, the Group has no control over the purchase process of copper ore from the small-scale producers by CRRR and in the future those small-scale producers may be unable to supply ore of sufficient quality or volume to CRRR for concentration and subsequent sale to the Group. In such circumstances the Group may be unable to receive the repayment of the loan that was made to CRRR. Alternatively the small-scale producers may materially raise its prices and the Company may be unable to source material of the required quality at similar prices. CRRR is also reliant upon the small-scale producers maintaining their permits that are issued by the local government in good standing. Any loss of supply would hamper the Company's ability to generate profits from its trading activities and have a negative impact on the Company's finances.

The Group is currently solely reliant upon its relationship and agreement with CRRR for its supply of copper concentrate. The Group is also reliant upon CRRR maintaining its Accredited Trader permit. CRRR's Accredited Trader Permit expired on 8th January 2016 and was subsequently renewed on 29th January 2016 for a further two-year period.

Should for any reason the relationship deteriorate with CRRR, the Group will need to source an alternative supplier and also an alternative processor of the ore. It could be difficult to locate such a processor and in the event that a suitable replacement was not found it could affect adversely the Group's business, financial condition and results of trading operations. To mitigate such risks the Group seeks to not only ensure a good relationship with CRRR but also to provide technical assistance to ensure that CRRR is able to operate profitably. To further mitigate the risk of being reliant upon a single supplier the Group intends to replicate the business model once it has achieved trading of consistent monthly volumes. In order to replicate the business model the Group would need to identify an additional processing partner who had ore supply arrangements with a different group of permitted small-scale producers. The Directors believe that whilst it is realistic to expect that

the Group would be able to replicate its business model it is realistic to expect that it could take several months to do so and the Group would have to assess whether it was in a financial position to do so.

The Directors are not aware of any other suppliers of copper concentrate who currently operate within the vicinity of the Group's trading operations. However there can be no guarantee that other suppliers will not set up a similar business, which could possibly negatively impact the price the Group pays for its copper concentrate.

Success of the trading operations also depends on the ability of the Group's trading partner to secure OTPs for shipment of the copper concentrate to the smelter. No assurance can be given that the Group's trading partner will be able to secure such transportation permits for all or any number of shipments on time or at all.

3.3. *Commodity Price, Smelter Charges and Exchange Rate Risks*

Commodity Price Risk

The value of the Company's resources is dependent upon the prevailing price of gold and the profit margin on Group's trading operation will be affected by changes in the price of copper. World commodity prices are outside of the Group's control. Despite this the Directors do not presently intend to enter into hedging arrangements in respect future copper or gold prices or exchange rate risks as the Directors' believe these costs will be more effectively deployed elsewhere.

World copper prices are currently at their lowest levels for the last 12 months and have fluctuated significantly over the past 10 years. No assurances can be given that world copper prices will continue to be at the level where the Group will be able to continue the profitable sale of copper concentrate. No assurance could also be given that the current level of global demand for copper would allow the Group to continue trading operations for any substantial period of time.

A sustained period of volatility in the gold price will affect the Group's ability to plan its future expenditure, which may delay the Group's operations. Furthermore if the price of gold or copper falls materially this is likely to impact the Company's ability to raise finance and is likely to negatively affect the share price of the Company. In extreme circumstances in the case of the gold price it may make the BGP uneconomic. In this scenario the Group may need to suspend or curtail operations.

Smelter Charges Risk

A smelter levies a Treatment Cost and Refining Charge to suppliers of copper concentrate. The Treatment Cost is made on the basis of every ton of copper concentrate and the Refining Charge is based on every pound of refined copper and if present, every ounce of gold and silver.

TCs and RCs are the largest deductions to the prices received for the Company's products. The Company generally negotiates TCs and RCs with smelters periodically, based upon the smelters' and the Company's expectations of future market conditions. In any given year, TCs and RCs tend to settle around benchmarks, established through negotiations between the industry's major buyers and sellers of concentrate. RCs are deducted for the refining of copper, gold and silver.

The TCs and RCs includes typically a base treatment charge, which is negotiated at the then prevailing world market terms. In addition, contracts will usually contain formulas that vary depending on the purity of the copper content. Both the cost of TCs and RCs vary from time to time.

In some cases, the concentrate contains impurities, such as arsenic or antimony, which cause difficulties in the refining process or are hazardous. In these cases, smelters levy penalty charges, which are deductions from the price paid for the products. The Group sends samples for analysis of its product prior to shipment to determine if any penalty elements are present.

Exchange Rate Risk

The international price of gold and copper is denominated in US Dollars, whereas the operating expenditure of the Group are and will be incurred primarily in Philippine Pesos, exposing the Group to the fluctuations and volatility of the rate of exchange between the US Dollar, the British Pound Sterling and the Philippine Peso as determined in international markets. If the Philippine Peso appreciated significantly against the US Dollar this will have a negative effect on the Group's financial position.

3.4. *Actions of third parties, including contractors and partners*

The Group will be reliant to a significant extent on third parties to provide contracting services. There can be no assurance that these business relationships will continue to be maintained or that if such relationships end that new ones will be formed successfully. A breach or disruption in these relationships could be detrimental to the future business, operating results and/or profitability of the Group. To the extent that the Group cannot engage contractors according to its plans and budgets, its profit may be impaired adversely.

In certain circumstances, the Group may be liable for the acts or omissions of its partners. If a third party pursues claims against the Group as a result of the acts or omissions of the Group's partners, the Group's ability to recover from such partners may be limited. Recovery under such arrangements may involve delays, management time, costs and expenses or may not be possible at all that in each case could affect adversely the Group's financial performance and condition.

4. Local economic, political and other risks

4.1. *Political uncertainty in the Philippines*

The Philippines is due to have a general election on 9th May 2016. A change of government may result in the revision of laws and regulations that could affect the Group's ability to execute and continue its operations. There can also be no assurance that the current or future administrations will adopt economic policies conducive to the Group's operations.

For instance the government may revoke or alter significantly the conditions of the applicable exploration and mining authorisations of RMMS Group or approvals, licences and permits, or extensions thereto may not be forthcoming. Furthermore, the increased heath and safety requirements may increase costs, delay construction and/or complicate design and/or operating of an open pit mine at the BGP. Failure to comply with such laws, could lead to, amongst other things, a suspension of all or any part of RMMS Group's operations or the imposition of expensive compliance measures. Such measures could have a material adverse effect on RMMS Group's ability to complete development of BGP.

The Government of the Philippines is seeking to increase revenues from the mining sector by introducing legislation to this effect. While the Group does not expect any adverse effect on its operations in relation to its MPSAs in the immediate future or medium term, no assurance can be given that such legislation, if passed, will not have a material adverse effect on the business of the Group and the Group's mining licences at any time in the future.

4.2. ***A slowdown in the Philippine economy could affect adversely the Group***

Results of operations of the Group have been and will continue to be influenced generally by the performance of the Philippine economy as substantially all of the Group's operations and assets are based in the Philippines. A slowdown in economic growth in the Philippines could cause a drop in demand for copper and copper products, which could affect the Group's business, financial condition and results of operations adversely. This risk is beyond the control of the Group. The Company's management experience of doing business in the Philippines should aid the Group to successfully operate within economic environment of the country.

4.3. ***Local Competition***

There are a number of mining companies that operate in the Philippines which are larger and have much more substantial resources than the Group. This gives them a competitive advantage in terms of economies of scale and ability to respond to legislative change, which might be used to gain commercial advantage over the Group. Larger competitors are also likely to be given priority in terms of supplies and equipment and access to infrastructure such as power and transport. Therefore in the event of a conflict arising with such a competitor the Group's operations are likely to suffer.

4.4. ***Philippines' legal system***

The Philippines has a less developed legal system than more established economies which means that (i) more difficult and time consuming to obtain effective legal redress in the courts in particular against governmental entities or in respect of an ownership dispute (ii) more uncertainty in terms of the judicial interpretation applicable laws, regulations, decrees, orders and resolutions and the laws, regulations, decrees, orders and resolutions themselves. A less effective judicial system means there is less deterrent to breach legal requirements, which creates a greater risk of the Group's rights particularly in respect of its licences being infringed, revised or cancellation without sufficient and timely legal redress

There are more prevalent levels of crime and corruption in the Philippines than in Western economies. This increases the risk of legal claims being brought against the Group with little or no merit to disrupt the Group's operations and extort money. If such actions are brought against the Group in the future the defence and settlement costs can be substantial, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Group's financial position, results or operations.

4.5. ***Philippine Foreign Acquisition Laws***

An entity not of Philippine nationality may only acquire up to 40% of an MPSA or the equivalent interest in the holder of an MPSA. The restriction on foreign ownership relates to the ownership of an MPSA and/or its holder, the operation of an MPSA, the total physical area that may be held by a foreign held entity and the role that a foreign person may have in an entity that has more than 40% of an MPSA or MPSA holder. The Company believes that the staged farm-in arrangements, when duly completed, will give it a majority economic interest in RMMS Group, but no assurance can be given that these arrangements, if challenged, could be defended successfully in a court of law.

4.6. ***Weather conditions in the Philippines***

The Global Climate Risk Index 2015 created by German based environmental think tank, German Watch, rated the Philippines as the country most affected by extreme weather in 2013 of the 160

countries assessed. The Philippines experience intense floods, droughts and fierce typhoons. The Philippines is also located in an earthquake and volcanic zone.

The future exploration activities of the Group may be affected by seasonal weather patterns, which may create unanticipated operational and technical difficulties and accidents. They may also cause cost overruns, delays and access problems all of which will negatively affect the Company.

Disruption of shipping caused by severe weather conditions could have adverse effect on the ability of the Group to deliver copper concentrate to the smelter in a timely fashion and/or export extracted gold doré from the BGP. The BGP is located on the same island as the Taal Volcano. In the case of an eruption or an earthquake the Group's operations are likely to suffer some disruption, the Group's equipment may be damaged and the Group's personnel suffer injury or loss of life. Natural catastrophes may disrupt the Group's ability to deliver its services and impair the economic conditions in the affected areas, as well as the overall Philippine economy.

It may not be possible to insure fully against risks of natural hazards and should such events occur liabilities may arise which could reduce or eliminate any future profitability, result in increasing costs or the loss of the Group's assets and a decline in the value of the Company's Shares.

4.7. ***Corruption, Bribery and Kidnapping***

Bribery and corruption are more prevalent in the Philippines than in the United Kingdom. There can be no assurance that the Group will not be exposed to corruption that delays the Group's activities and/or potential liability.

Kidnap of foreign nationals or Filipinos working for overseas companies is also more prevalent in the Philippines than the UK due to Islamic extremists including the al-Qaeda linked, Abu Sayyat militants that are active in the south of the country where the Company's trading operations are based. Anti-government rebel groups such as the New People's Army also operate in various parts of the Philippines and have been known to launch attacks on large operating mining companies particularly targeting the destruction of machinery and equipment. If any of the Company's senior executives are kidnapped it would hamper the effectiveness of the Group.

Whilst the BGP is situated on the island of Luzon in the north of the country, where Islamic extremists are not known to operate, the Group's trading operations are in the general region affected by such activity. The Group believes that the strength of the local relationships makes risks of kidnappings and attacks on the Group's personnel theoretical.

4.8. ***Territorial and other disputes with China and a number of Southeast Asian countries may disrupt the Philippine economy and business environment***

The Philippines has been engaged in a series of long-standing territorial disputes over certain islands in the West Philippine Sea (a.k.a. the South China Sea) with China as well as several other Southeast Asian nations.

Should such disputes (territorial or otherwise) between the Philippines and other countries continue or escalate further, the Philippines and its economy may be disrupted and the Group's operations could be affected adversely as a result. In particular, further disputes between the Philippines and other countries may lead to reciprocal trade restrictions on the other's imports or suspension of visa-free access and/or overseas foreign workers permits. Any impact from these disputes could affect adversely the Group's business, financial condition and results of operations, especially by limiting the Group's ability to export copper concentrate at competitive prices.

5. Risks Relating to the Shares

5.1. *There is currently no market for the Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Shares may not develop, which would affect adversely the liquidity and price of the Shares*

There is currently no market for the Shares. Therefore, investors cannot benefit from information about prior market history when making their decision to invest. The price of the Shares after the Placing also can vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange, it cannot assure you that it will always do so. In addition, an active trading market for the Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Shares may decline.

5.2. *Investors may not be able to realise returns on their investment in Shares within a period that they would consider to be reasonable*

Investments in Shares may be relatively illiquid. There may be a limited number of Shareholders and this factor, together with the number of Shares to be issued pursuant to the Placing, may contribute both to infrequent trading in the Shares on the London Stock Exchange and to volatile Share price movements. Investors should not expect that they necessarily would be able to realise their investment in Shares within a period that they would regard as reasonable. Accordingly, the Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Shares. Even if an active trading market develops, the market price for the Shares may fall below the Placing Price.

5.3. *The proposed Standard Listing of the Shares will afford Investors a lower level of regulatory protection than a Premium Listing*

Application will be made for the Shares to be admitted to a Standard Listing on the Official List. A Standard Listing will afford Investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Shares.

5.4. *The sale or availability for sale of substantial amounts of the Company's securities could affect adversely the price of the Shares*

Future issuances or sales of the Company's shares or securities convertible into or exchangeable for shares, or even the perception that such issuances or sales might occur, could affect adversely the market price of the Shares. Sales of a substantial number of shares or Shares in the public markets following Admission, or the perception that these sales may occur, could have a material adverse effect on the price of the Shares or could impair the Company's ability to obtain further capital through an offering of equity securities.

Future issuances of shares by the Company may also reduce an investor's percentage ownership interest in the Company if that investor does not duly exercise its pre-emptive rights in respect of any new issue of shares. Furthermore, the Company may issue other classes of securities with rights, preferences or privileges that are more favourable.

5.5. ***Dilution of Shareholders' interest as a result of additional equity fundraising***

The Company may need to raise additional funds in the future to finance, amongst other things, working capital, expansion of the business, new developments relating to existing operations and/or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro-rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may also experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to the Shares. The Company may also issue Shares as consideration shares for acquisitions or investments, which would also dilute Shareholders' respective shareholdings.

5.6. ***Shares holders may have limited recourse against the Company, its directors***

The Company is a company organised under the laws of BVI. All of the Company's directors reside outside the United Kingdom. All of the Company's assets are located outside the United Kingdom. Investors may not be able to effect service of process within the United the United Kingdom upon the Company or its directors or to enforce U.K. court judgments obtained against the Company or its directors in jurisdictions outside the United Kingdom. In addition, it may be difficult for investors to enforce, in original actions brought in courts in jurisdictions outside the United Kingdom, liabilities predicated upon U.K. securities laws.

5.7. ***Corporate governance standards in the BVI, including takeover protections, are not of the same standard as those in Western Europe***

The Company has chosen not to adopt the UK Corporate Governance Code and instead there are fewer protections for investors than would otherwise be the case were the Company to comply with the UK Corporate Governance Code principles on corporate governance.

Since Company is incorporated in the BVI, the City Code does not apply to it. The Company is also not subject to the jurisdiction of the Panel on Takeovers and Mergers in the United Kingdom.

Since the Company is incorporated under the BVI Companies Act, BVI law and the Articles of Association will govern the rights of Shareholders. The rights of shareholders under BVI law, and the corresponding remedies available, differ from the rights of shareholders of companies incorporated in other jurisdictions. For instance, BVI law does not make a distinction between public and private companies and some of the protections and safeguards that investors may expect to find in relation to a public company are not provided for under BVI law. There is also limited statutory protection for minority shareholders, other than the provisions of the BVI Companies Act permitting derivative actions and providing remedies for unfairly prejudicial, oppressive or unfairly discriminatory conduct.

5.8. ***The Company may be unable to transfer to a Premium Listing or other appropriate listing venue***

The Company is not eligible currently for a Premium Listing under Chapter 6 of the Listing Rules and does not intend to seek to transfer to either a Premium Listing or other listing venue at this time. Even if the Company did determine to seek a transfer to a Premium Listing in the future there is no guarantee that it would able to fulfil the relevant eligibility criteria.

The Company will therefore not be obliged to comply with the higher standards of corporate governance or other requirements to which it would be subject upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing.

5.9. ***Dividend payments on the Shares are not guaranteed***

The Company has never paid out any dividends. The Company does not expect to declare any dividends in 2016. In future years, the Company will consider the pay out of dividends, taking into account the amount of profits, the need for cash for capital expenditure and further expansion. Whilst the Company's policy is to eventually pay out dividends in the appropriate circumstances, there is no immediate prospect of dividends being paid out, nor can there be any assurance as to when and in what amount any dividends may be paid out eventually. The trading price of the Shares may be affected adversely if the Company continues not to declare and pay dividends.

DEFINITIONS AND GLOSSARY

"Admission"	means admission of the Shares to the standard segment of the Official List and to trading on the Main Market for listed securities of the London Stock Exchange;
"Ag"	means silver, a chemical element with symbol Ag;
"Archangel Property"	means a property that is the area included within the Archangel MPSA that includes the Kay Tanda deposit and the Kay Tanda West Mineral Resources;
"Articles of Association" or "Articles"	means the articles of association of the Company in force from time to time;
"ASX"	means Australian Securities Exchange;
"Au"	means gold, a chemical element with the symbol Au;
"Avocet"	means Avocet Mining plc;
"Barangay"	means the smallest administrative division in the Philippines or local village;
"BGP" or "Batangas Gold Project"	means a project in the area included within the Archangel and Lobo MPSAs;
"BBMV"	means Blue Bird Merchant Ventures Inc., a company, duly incorporated and existing under the laws of Philippines, company number CS201417350, having its registered address at Unit 6C LPL Tower Building,112 Legaspi Street, Legaspi Village, Makati City, Philippines;
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks are open for business in London and the British Virgin Islands;
"BVI"	means the British Virgin Islands;
"BVIBC"	means BVI Business Company;
"BVI Companies Act"	means the BVI Business Companies Act No. 16, 2004 (as amended);
"CCO"	means Chemical Control Order;
"City Code"	means the City Code on Takeovers and Mergers;
"COMEX"	means Commodity Exchange, Inc.;
"Company"	means Bluebird Merchant Ventures Ltd, a company, duly incorporated and existing under the laws of BVI, company number 1815373, having its registered address at Akara Building, 24 De Castro Street,

	Wickhams Cay 1, Road Town, Tortola, VG1110, BVI;
"CPO"	means Conditional Purchase Order for copper concentrate;
"CREST" or "CREST System"	means the paperless settlement system operated by Euroclear enabling securities to be evidenced otherwise than by certificates and transferred otherwise than by written instruments;
"CRRR"	means "CRRR Mineral Trading" company;
"DAO"	means DENR Administrative Order;
"Deed Poll"	means the deed poll dated 26th November 2015 and executed by the Depositary in favour of the holders of the Depositary Interests from time to time;
"DFS"	means the Definitive Feasibility Study;
"DENR"	means the Department of Environment and Natural Resources;
"Depositary Agreement"	means the depositary agreement dated 27th November 2015 between the Company and the Depositary under which the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll (as outlined above), a series of Depositary Interests representing the Shares and to provide certain other services in connection with such Depositary Interests;
"Depositary Interests"	means the dematerialised depositary interests in respect of the Shares issued or to be issued by the Depositary;
"Depositary"	means Computershare Investor Services PLC;
"Directors" or "Board" or "Board of Directors"	means the directors of the Company, whose names appear in "Directors, Senior Managers And Corporate Governance", or the board of directors from time to time of the Company, as the context requires, and "Director" is to be construed accordingly;
"Disclosure and Transparency Rules"	means the disclosure and transparency rules of the FCA made pursuant to section 73A of FSMA as amended from time to time;
"DMF"	means Declaration of Mining Feasibility;
"DMO"	means DENR Memorandum Order;
"DTR"	means Disclosure and Transparency Rules;
"DTR5"	means Chapter 5 of the Disclosure and Transparency Rules;
"ECC"	means Environmental Compliance Certificate;
"EEA"	means the European Economic Area;
"EGPI"	means Egerton Gold Philippines Inc.;

"EIA"	means Environmental Impact Assessment;
"EMB"	means Environmental Management Bureau;
"EO 79"	means Executive Order 079;
"EP"	means Exploration Permit;
"EPA"	means Exploration Permit Application;
"EPO"	means Environmental Protection Order;
"EU"	means European Union;
"Euroclear"	means Euroclear UK & Ireland Limited;
"Existing Shares"	means 154,702,970 existing Shares of the Company with no par value;
"FCA"	means the UK Financial Conduct Authority;
"FDC"	means Fox-Davies Capital;
"Founding Members"	means collectively Aidan Bishop and Mitchell Tarr, each of them the "Founding Member";
"FSMA"	means the Financial Services and Markets Act 2000 of the UK, as amended;
"FTAA"	means Financial or Technical Assistance Agreement;
"FTSE"	means Financial Times Stock Exchange;
"GBP", "Pound Sterling" or "£"	means Great Britain Pound, the currency of the United Kingdom;
"Group"	means the Company, any subsidiary and/or associate of the Company;
"Hazardous Waste Act"	means Philippines Toxic Substances and Hazardous and Nuclear Wastes Control Act No. 6969 of 1990;
"IRR"	means Implementing Rules and Regulations of the Mining Act;
"ISIN"	means International Security Identification Number;
"JRC"	means Jiwon Resources Corp.;
"JORC"	means Australasian Joint Ore Reserves Committee;
"JORC Code"	means the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves;
"JVA"	means the Subscription and Joint Venture Agreement between the Company, RMMS and RMX dated 14 October 2015 as amended giving the Company an option to acquire up to 50.1% interest in the BGP;

"Key Shareholders"	means Monza Capital Ventures, a company incorporated in the BVI with registration number 1849474 and LDOA Holdings Limited, a company registered in the BVI with registration number 1849472;
"LGU"	means Local Government Unit;
"Listing Rules"	means the listing rules of the FCA made pursuant to section 73A of FSMA as amended from time to time;
"LME"	means London Metals Exchange;
"LME Price"	means LME Settlement price for Grade A Copper;
"LMGC"	means Lobo Municipal Government Council;
"London PM price"	means the price quoted as the London Gold Market p.m. gold fixing;
"Lobo Property"	means the area included within the Lobo MPSA that includes the South West Breccia, Japanese Tunnel and West Drift Mineral Resources as well as the Camo, Pica, Tamarind and other targets within the Lobo MPSA that have been the subject of previous exploration programmes or where exploration programmes may be proposed for future potential Mineral Resource expansion;
"London Stock Exchange"	means London Stock Exchange plc;
"Main Market"	means the Main Market operated by London Stock Exchange;
"Member"	means any person or persons entered on the Register of Members from time to time as the holder of a Share and/or where the context permits any person entered on the register of Depositary Interests from time to time as the holder of a Depositary Interest;
"Memorandum of Association" or "Memorandum"	means the memorandum of association of the Company in force from time to time;
"MGB"	means Mines and Geosciences Bureau of Philippines;
"Mindoro"	means Mindoro Resources Ltd.;
"Minimum Gross Proceeds"	means the minimum gross proceeds of the Placing, being GBP 1,675,000;
"Minimum Net Proceeds"	means the minimum net proceeds of the Placing, being GBP 1,426,016;
"Mining Act"	means Philippine Mining Act of 1995 (Republic Act No. 7942);
"mmt"	means million MT;
"MOA"	means Memorandum of Agreement;
"MOU"	means Memorandum of Understanding;

"MPSA"	means Mineral Production Sharing Agreement;
"MRL"	means MRL Gold Phils Inc.;
"MT"	means metric ton which is equal to 1,000 kilograms;
"NCIP"	means National Commission on Indigenous Peoples;
"New Shares"	means new Shares issued pursuant to the Placing on the terms and subject to the conditions in this Document;
"Official List"	means the official list maintained by the UK Listing Authority;
"Optiva"	means Optiva Securities Limited, a company incorporated in England with company number 03068464;
"OTP"	means Ore Transport Permit;
"OÜ Sycamore"	means OÜ Sycamore, a company incorporated and existing under the laws of Estonia, with a company number 12459347, having its registered address at Lai tn 15-8, Tallinn, Harju county, 10133, Estonia;
"PCL"	means Priority Chemicals List;
"PHP" or peso	means Philippine peso, the currency of Philippines;
"PICCS"	means Philippine Inventory of Chemicals and Chemical Substances;
"Placee"	means a person subscribing for Placing Shares (whether pursuant to the Placing Agreement or pursuant to the Subscription Agreements);
"Placing"	means (i) the conditional placing of the Placing Shares (excluding the Placing Shares to be subscribed by the independent Placees under the Subscription Agreements) at the Placing Price pursuant to the Placing Agreement; and (ii) the conditional subscription of the Placing Shares at the Placing Price by the independent Placees pursuant to the Subscription Agreements;
"Placing Price"	means GBP 0.0575 per New Share;
"Placing Shares"	means the New Shares for which placees are being invited to subscribe at the Placing Price pursuant to the Placing;
"Post Admission Shares"	means 10,349,923 Shares to be issued shortly after Admission;
"Premium Listing"	means a listing on the Premium Listing Segment of the Official List under Chapter 6 of the Listing Rules;
"Prospectus Rules"	means the prospectus rules of the FCA made pursuant to section 73A of FSMA, as amended from time to time;
"Prospectus" or "Document"	means this prospectus of the Company;

"RC"	means Refining Charge;
"Register of Members"	means the register of the Members of the Company required to be kept pursuant to the Act;
"Resolution of Directors"	means a resolution approved at a duly constituted meeting of Directors or of a committee of Directors of the Company, by affirmative vote of a majority of the Directors present at the meeting who voted and did not abstain;
"Resolution of Members"	means a resolution approved at a duly constituted meeting of the Members of the Company by the affirmative vote of a simple majority, of the votes of the Shares that were present at the meeting and entitled to vote thereon and were voted and did not abstain;
"Review Committee"	means Review Committee of the Philippines EMB;
"RMMS"	means Red Mountain Mining Singapore Ltd., a company incorporated and existing under the laws of Singapore, with a company number 201218066C, having its registered address at 8 Temasek Boulevard, # 35-03 Suntec Tower 3, Singapore, 038988;
"RMMS Group"	means RMMS and any of its subsidiary and any company or business it acquires or has the right to acquire (directly or indirectly) from time to time;
"RMX"	means Red Mountain Mining Ltd, a company incorporated in Australia, with a company number ACN 119 658 106, having its registered address at Unit 1, 2 Richardson Street, West Perth, WA 6005, Australia;
"RMX Loan Facility"	means a loan agreement between RMX, RMMS and the Company dated 10th June 2015 as amended;
"SDRT"	means stamp duty reserve tax;
"SEC"	means the U.S. Securities and Exchange Commission;
"Senior Management"	means the members of the senior management of the Company, whose names appear on page 49 of this Document and "Senior Manager" is to be construed accordingly;
"Sentra"	means Sentra Capital Investments Limited, a company incorporated and existing under the laws of England, with a company number 09598530, having its registered address at 1st Floor 2 Woodberry Grove, Finchley, London, N12 0DR, England;
"Securities Act"	means the U.S. Securities Act of 1933, as amended;
"Shareholders"	means the holders of the Shares;

"Shares"	means the ordinary shares of the Company of no par value including, if the context requires, the New Shares;
"SHFE"	means Shanghai Futures Exchange;
"Sole Funding Option"	means an option for the Company subject to the completion of Stage 1 B investment, to sole fund all costs, expenses and liabilities incurred in connection with the exploration, development and mining of the Tenements by an investment of USD1,700,000 to earn a further 25.1% interest in RMMS for a total interest of 50.1% in RMMS under the JVA terms;
"Solid Waste Act"	means Philippines Ecological Solid Waste Management Act No. 9003 of 2000;
"Stage 1 A"	means the payment by the Company of USD1,000,000 to RMMS in consideration for the number of RMMS shares that equates to a 15% interest in RMMS to the Company under the JVA terms;
"Stage 1 A RMMS Shares"	means a 15% stake in RMMS;
"Stage 1 B"	means the payment by the Company of USD700,000 to RMMS in consideration for a further issue of RMMS Shares equal to a 10% interest in RMMS to the Company, for a total undivided interest of 25% in RMMS under the JVA terms;
"Stage 1 B RMMS Shares"	means a 10% stake in RMMS;
"Stage 2 End Date"	means 28 February 2017 or 13 months following Admission, whichever is later;
"Stage 2 Option"	means, in case the Sole Funding Option was not elected and subject to the completion of Stage 1 B and Stage 2 Conditions Precedent being met, the investment of USD3,800,000 in consideration for a further issue of RMMS Shares equal to a 25.1% interest in RMMS, for a total interest of 50.1% in RMMS;
"Stage 2 Conditions Precedent"	means, under the JVA, the following conditions precedent to be satisfied for the settlement of the Stage 2 Option, being: 1) production of an economic model for the mine that demonstrates an internal rate of return of 25%; 2) delineation of 100,000 oz of gold as proven and probable reserves; and 3) achievement of the issuance of the ECC and the approval of the DMF;
"Standard Listing"	means a listing on the Standard Listing Segment of the Official List under Chapter 14 of the Listing Rules;
"Subscription Agreements"	means the subscription agreements relating to the subscription of 12,347,829 Placing Shares at the Placing Price upon Admission by the

	independent Placees;
"SWB"	means South West Breccia;
"SX-EW"	means solvent extraction-electrowinning;
"TC"	means Treatment Charge;
"Tenements"	means BGP tenements;
"TEPO"	means Temporary Environmental Protective Order;
"The Effective Date"	means 25 years from the date on which the FTAA is registered;
"TSA"	means Technical Services Agreement between MRL and EGPI;
"UK Corporate Governance Code"	means the UK Corporate Governance Code published by the UK Financial Reporting Council in September 2014;
"UK Listing Authority"	means the FCA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA;
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland;
"US dollars", "US$", "USD" or "$"	means United States Dollar, the currency of the United States;
"Vistra"	means Vistra Trust (Singapore) Pte. Limited;
"Vistra Loan"	means a convertible loan agreement between Vistra, RMX, RMMS and the Company dated 25th May 2015 as amended;
"Vistra Shares Issue Price"	means the lower of: a. the price determined by dividing the assumed valuation of the Company (being GBP 5,000,000) by the number of Shares on issue as at the date of Admission; or b. the price which is equal to a 50% discount to the Placing Price;
"Vistra Warrant"	means a warrant over each Share to be issued to Vistra under the Vistra Loan which: a. is exercisable at the Placing Price; b. cannot be exercised for a period of 12 months from the date of Admission; and c. expires 36 months from the date of Admission;
"WTMR"	means White Tiger Mineral Resources Inc., a company, duly incorporated and existing under the laws of Philippines, company number CS201422508, having its registered address at G/F Dr No 14B, Suarez Building, Mabini Street, Magugpo South, Tagum City, Davao Del Norte.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Shares to be admitted to listing on the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings.

While the Company has a Standard Listing, it is not required to comply with the following provisions which apply to the Premium Listing, inter alia:

- The Listing Principles contained in Listing Rule 7.2.1A. However, the Company will be subject to, and will comply with, Listing Principles 1 and 2 set out in Chapter 7 of the Listing Rules;

- Chapter 8 of the Listing Rules regarding the appointment of a sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not and does not intend to appoint such a sponsor in connection with the Admission;

- Chapter 10 of the Listing Rules relating to significant transaction;

- Chapter 11 of the Listing Rules regarding related party transactions;

- Chapter 12 of the Listing Rules regarding purchases by the Company of its Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2; and

- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Directors have no current plans to seek the transfer of the Company from a Standard Listing to either a Premium Listing or other appropriate listing venue.

It should be noted that the UK Listing Authority will not have the authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company would at any moment in the future intend to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company so to comply.

IMPORTANT INFORMATION

In deciding whether or not to invest in the Shares, prospective investors should rely only on the information contained in this Document. No person has been authorised to give any information or make any representations other than as contained in this Document and, if given or made, such information or representations must not be relied on as having been authorised by the Company or the Directors, or the Financial Adviser. Without prejudice to the Company's obligations under the FSMA, the Prospectus Rules, Listing Rules and Disclosure and Transparency Rules, neither the delivery of this Document nor any subscription made under this Document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Document or any subsequent communications from the Company or the Directors or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" should be read as an introduction to this Document. Any decision to invest in the Shares should be based on consideration of this Document as a whole by the prospective investors. In particular, Investors must read the section headed "Section D – Risks" of the Summary together with the risks set out in the section headed "Risk Factors" beginning on page 15 of this Document.

Neither Financial Adviser, nor any person acting on its behalf makes any representations or warranties, express or implied, with respect to the completeness, accuracy or verification of this Document nor does any such person authorise the contents of this Document. No such person accepts any responsibility or liability whatsoever for the contents of this Document or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Placing or Admission. The Financial Adviser and any person acting on its behalf disclaims accordingly all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Document or any such statement. Neither the Financial Adviser, nor any person acting on its behalf accepts any responsibility or obligation to update, review or revise the information in this Document or to publish or distribute any information which comes to its attention after the date of this Document, and the distribution of this Document shall not constitute a representation by the Financial Adviser or any such person that this Document will be updated, reviewed, revised or that any such information will be published or distributed after the date hereof.

This Document is being furnished by the Company for the purpose of admission of the Shares to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's regulated market for listed securities and in connection with an offering exempt from registration under the Securities Act to enable prospective investors to consider the purchase of the Shares. Any reproduction or distribution of this Document, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Shares offered hereby is prohibited. Each offeree of Shares, by accepting delivery of this Document, agrees to the foregoing.

This Document is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Company that any recipient of this Document should purchase or subscribe for the Shares.

The Company has included its own estimates, assessments, adjustments and judgments in preparing some market information, which has not been verified by an independent third party. Market information included herein is, unless otherwise attributed to a third-party source, subjective to a certain degree. While the Company believes that its own estimates, assessments, adjustments and judgments are reasonable and that the market information prepared by the Company reflects approximately the industry and the markets in

which the Company operates, there is no assurance that its own estimates, assessments, adjustments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included herein.

The information appearing in this Document is accurate only as of its date. The Group's business, financial condition, results of operations, prospects and the information set forth in this Document may have changed since the date of this Document.

It is the responsibility of any person into whose possession this Document comes to satisfy himself as to his full observance of the laws of the relevant jurisdiction in connection with Admission and the distribution of this document, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

This Document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Document and the offering of the Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom who obtain possession of this document are required by the Company, the Directors and the Financial Adviser to inform themselves about, and to observe any restrictions as to the offer or sale of Shares and the distribution of, this Document under the laws and regulations of any territory in connection with any applications for Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company, the Directors or the Financial Adviser that would permit a public offering of the Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Document other than in any jurisdiction where action for that purpose is required. Neither the Company, the Directors, nor the Financial Adviser accepts any responsibility for any violation of any of these restrictions by any other person.

The Shares have not been and will not be registered under the Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, the Philippines, Japan, the Republic of South Africa or the Republic of Ireland. Subject to certain exceptions, the Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, the Republic of South Africa, the Republic of Ireland, Canada, the Philippines or Japan or to or for the account or benefit of persons in the United States, Australia, the Republic of South Africa, the Republic of Ireland, Canada, the Philippines, Japan or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction.

The Shares have not been approved or disapproved by the US SEC, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Shares or confirmed the accuracy or determined the adequacy of the information contained in this Document. Any representation to the contrary is a criminal offence in the United States.

Enforcement of judgments

The Company is incorporated in the British Virgin Islands. All of the directors and executive officers named in this Prospectus reside outside of the United Kingdom. The Company's assets are located outside of the United Kingdom. Thus, it may not be possible to effect service of process within the United Kingdom upon the directors and executive officers of the Company or to enforce UK court judgments obtained against the

directors and executive officers of the Company in jurisdictions outside of the United Kingdom. In addition, it may be difficult to enforce, in original actions brought in courts in jurisdictions outside the United Kingdom, liabilities predicated upon United Kingdom securities laws. The courts of other states may not enforce a judgment obtained in a court established in other country unless a treaty is in effect between such country and the United Kingdom providing for reciprocal enforcement of judgments (and, in that case, only in accordance with the conditions set out in such treaty or local laws). A judgment may only be enforced if it is not contrary to public policy of the states where processing is claimed. Further, since a review of whether the judgment conflicts with these countries public policy is a matter for local courts to decide, foreign court judgments might not be enforceable in these countries without the their previous local courts re-examining the merits of the judgment.

Data protection

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs.

Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of an investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the British Virgin Islands, the United Kingdom or elsewhere; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to investors; and
- transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

Investment considerations

In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, this Document and the terms of the Placing, including the merits and risks involved. The contents of this Document are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Shares or distributions by the Company, either on a liquidation and distribution or otherwise. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved. It should be remembered that the price of the Shares, and any income from such Shares, can go down as well as up.

This Document should be read in its entirety before making any investment in the Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles of the Company, which investors should review.

Forward-looking statements

Certain statements in this Prospectus are not historical facts and are '*forward-looking*'. Forward-looking statements include statements concerning plans, objectives, goals, strategies, future events or performance, and underlying assumptions and other statements, which are other than statements of historical facts. The words '*believe*', '*expect*', '*anticipate*', '*intend*', '*estimate*', '*forecast*', '*project*', '*will*', '*may*', '*should*' and similar expressions identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements appear in a number of places in this Prospectus, including, without limitation, "Risk Factors", "Information on the Group" and "Operating and Financial Review", and may include statements regarding:

- strategies, outlook and growth prospects;
- future plans, expectations, projections and potential for future growth;
- plans or intentions relating to acquisitions;
- future revenues and performance;
- integration of its businesses, including recently acquired businesses;
- liquidity, capital resources and capital expenditures;
- growth in demand for its products;
- economic outlook and industry trends;

- developments of its markets;
- the impact of regulatory initiatives;
- its competitive strengths and weaknesses; and
- the strengths of its competitors.

The forward-looking statements in this Prospectus are based upon various assumptions, many of which are based, in turn, upon further assumptions, including, without limitation, management's examination of historical operating trends, data contained in its records and other data available from third parties. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and which are beyond its control, and the Company may not achieve or accomplish these expectations, beliefs or projections. In addition to these important factors and matters discussed elsewhere herein, important factors that, in the Company's view, could cause actual results to differ materially from those discussed in the forward-looking statements include:

- changes in political, social, legal or economic conditions in Philippines (or other countries in which the Company conducts its operations), including significant declines in the Philippines' (or other countries in which the Company conducts its operations) gross domestic product;
- changes in the policies of the government of Philippines (or other countries in which the Company conducts its operations);
- increased interest rates and operating costs in Philippines (or other countries in which the Company conducts its operations);
- its ability to service any future indebtedness;
- its ability to fund its future operations and capital needs through borrowing or otherwise;
- its ability to implement successfully any of its business strategies;
- its ability to obtain necessary regulatory approvals;
- changes in demand for its products;
- its ability to identify properties to acquire and to complete successfully acquisitions and developments;
- competition in the marketplace;
- changes in tax rates;
- changes in accounting standards or practices;
- inflation, fluctuation in exchange rates and the availability of foreign currencies; the impact of general business and global economic conditions; and

- its success in identifying other risks relating to its business and managing the risks of the aforementioned factors.

The foregoing list is not exhaustive. When relying on forward-looking statements, the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which the Company operates, should be carefully considered. Such forward-looking statements speak only as of the date on which they are made. Except to the extent required by law, neither the Company nor any of its agents, employees or advisors intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this Prospectus. Information within this document will be updated to the extent required by the FCA Prospectus Rules, Listing Rules and Disclosure and Transparency Rules, as appropriate.

Investors should carefully review the "Risk Factors" section of this Prospectus for a discussion of additional factors that could cause the Company's or the Group's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in section 12 of "Part XIII – Additional Information".

Market data

Where information contained in this Document has been sourced from a third party, the Company and the Directors confirm that such information has been reproduced accurately and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currencies and exchange rates

In this Prospectus, references to "US Dollars", "US$" or "$" are to the lawful currency of the United States, references to "Philippine Peso" or "PHP" are to the lawful currency of the Philippines, references to "Pound Sterling", "GBP" or "£" are to the lawful currency of the United Kingdom.

The following tables show, for the periods indicated, certain information regarding the exchange rate between the Philippine peso and the US dollar, based on the exchange rate quoted by www.oanda.com. These rates differ from the actual rates used in the preparation of the Group's financial statements and other financial information appearing in this Prospectus.

Year end	Philippine Peso per US Dollar	Philippine Peso per Pound Sterling
2015	46.7844	69.2507
2014	44.6938	69.6008
2013	44.2914	73.1645

Average	Philippine Peso per US dollar	Philippine Peso per Pound Sterling
2015	45.4422	69.4513
2014	44.3149	72.9868
2013	42.3634	66.2986

No incorporation of website

The contents of any website of the Company or any other person do not form part of this Document.

Rounding

Certain figures included in this Document have been subject to rounding adjustments. Accordingly, any discrepancy in tables between the totals and the sums of the relevant amounts may be due to rounding.

Definitions

A list of defined terms used in this Document is set out in "Definitions and Glossary" beginning at page 32.

EXPECTED TIMETABLE

Each of the times and dates is subject to change without further notice. References to time and day are to time in London, United Kingdom.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this Document	on 6 April 2016
Results of Placing announced	by 7.00 a.m. on 8 April 2016
Admission and commencement of dealings in Shares	8.00 a.m. on 11 April 2016
CREST members' accounts credited in respect of Depositary Interests	8.00 a.m. on 11 April 2016
Share certificates (if requested) will be delivered	8.00 a.m. on 18 April 2016
Issues of Post Admission Shares	midnight on 18 April 2016

PLACING STATISTICS

Total number of Shares issued pursuant to the Placing	30,260,870
Total number of Shares in issue following the Placing and Admission	184,963,840
Placing Price per Share	GBP 0.0575
Estimated Net Proceeds receivable by the Company	GBP 1,491,016
Estimated transaction costs	Approximately GBP 248,984

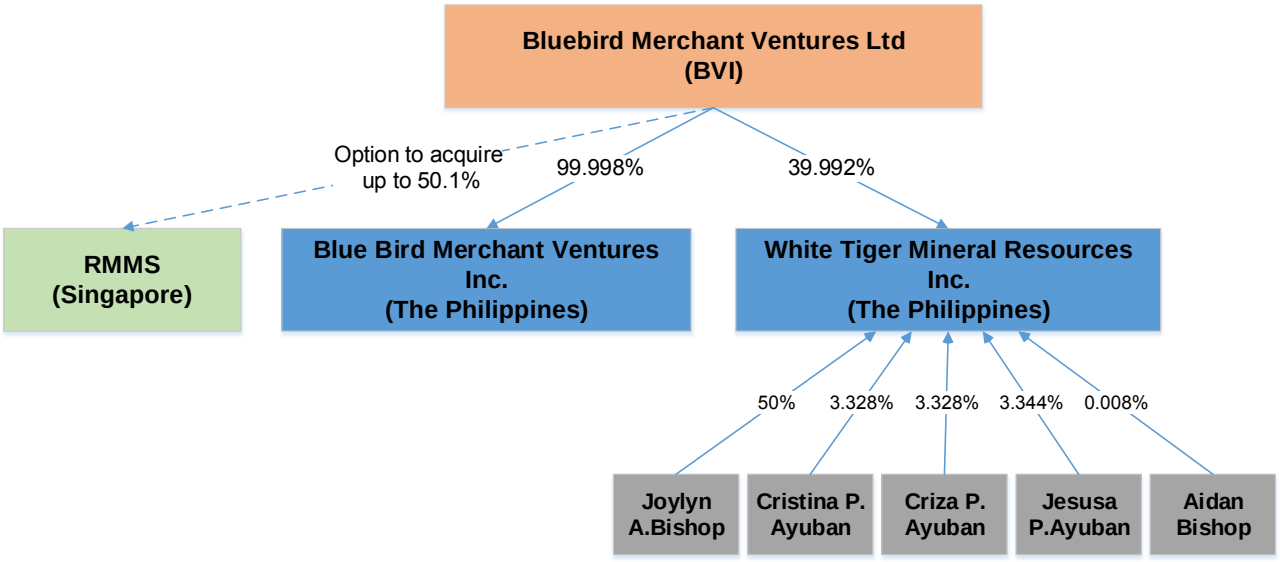
DIRECTORS, SECRETARY, REGISTERED OFFICE AND ADVISERS

Directors	Jonathan Charles Rowell Morley-Kirk	*Non-Executive Chairman*
	Aidan Bishop	*Executive Director*
	Colin David Patterson	*Executive Director*
	Daniel Kesdan Fox-Davies	*Non-Executive Director*
	Clive Sinclair Poulton	*Non-Executive Director*
Senior Management	Charles Alexander Fordyce Barclay	*Chief Executive Officer*
	Andrew David Lincoln Wright	*Chief Financial Officer*
Company Secretary	Oyster Trust Sarl 2nd Floor 3-5 Rue Du Conseil General CH-1205 Geneva Switzerland	
Registered office of the Company	Akara Building 24 De Castro Street Wickhams Cay 1 Road Town Tortola VG1110 British Virgin Islands	
Broker and Financial Adviser	Optiva Securities Ltd 2 Mill Street London W1S 2AT United Kingdom	
Legal adviser to the Company	Sayenko Kharenko One Berkeley Street Mayfair London W1J 8DJ United Kingdom	
BVI legal adviser to the Company	Walkers 171 Main Street PO Box 92 Road Town Tortola VG1110 British Virgin Islands	
Philippine legal adviser to the Company	Cayentano, Sebastian Ata Dado & Cruz 12th Floor NDC Building 116 Tordesillas St Salcedo Village Makati City Metro Manila 1227 Philippines	

English legal adviser to the Financial Adviser	Thrings LLP Kinnaird House 1 Pall Mall East London SW1Y 5AU United Kingdom
Reporting Accountants to the Company	Price Bailey LLP 7th Floor Dashwood House 69 Old Broad Street London EC2M 1QS United Kingdom
Competent Person	Optiro Pty Ltd Level 1 16 Ord Street West Perth WA 6005 Australia
PR Agents	Walbrook PR Ltd 4 Lombard Street London EC3V 9HD United Kingdom
Registrars	Computershare Investor Services (BVI) Ltd Woodbourne Hall PO Box 3162 Road Town Tortola British Virgin Islands
Depositary	Computershare Investor Services PLC The Pavilions Bridgwater Road Bristol BS13 8AE United Kingdom
Printers	Absolute Creative Print Ltd 9 Starnes Court Union Street Maidstone Kent ME14 1EB United Kingdom

PART I. INFORMATION ON THE GROUP

Group Structure



The holding company of the Group is the Company. It was incorporated on 12th March 2014 in the BVI with company number 1815373, with registered address at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, VG1110, BVI. The Shares will be listed on the Standard Segment of the Official List.

Blue Bird Merchant Ventures Inc. is 99.998% owned by the Company. It was incorporated on 8th September 2014 in the Philippines with company number CS201417350, having its registered address at Ground Floor, CJV Bldg., 108 Aguirre St., Legaspi Village, Makati 1229, Philippines. At the date of this Document BBMV's total paid up share capital is PHP10,000,000. This subsidiary company is currently dormant.

White Tiger Mineral Resources Inc. is 39.992% owned by the Company. It was registered on 17th November 2014 in the Philippines with company number CS201422508, having its registered address at G/F Dr No 14B, Suarez Building, Mabini Street, Magugpo South, Tagum City, Davao Del Norte. At the date of this Document the total paid up share capital of WTMR is PHP1,250,000. Under Philippine law, in some sectors, 100% foreign ownership is permitted if the paid up share capital is greater than USD200,000. The Group plans to increase its shareholding to 100% within 12 months after Admission.

WTMR is currently the main operating company of the Group. It provides logistical and other support to the Group's copper concentrate trading business in the Philippines.

Red Mountain Mining Singapore Ltd. is a company, incorporated and existing under the laws of Singapore, company number 201218066C, having its registered address at 8 Temasek Boulevard, No. 35-03 Suntec Tower 3, Singapore, 038988. RMMS has an interest in and controls the BGP, which is described on page 66 of this Document. RMMS is not a member of the Group, but the Group has an option to acquire 50.1% of RMMS.

Business Overview

Previous business of the Group

Until September 2015 the Group had an 80% interest in Currawong Resources Pty Ltd and a joint venture with Flitegold Pty Limited. These investments were related to the exploration of two exploration license areas

in Central Victoria, Australia. The Group exited these investments by mutual agreement and no longer has any interest in these licence areas.

The Group's ongoing business

The main ongoing business of the Group is:

- The BGP; and
- Copper Concentrate Trading.

1. The BGP

The BGP will on Admission be the flagship project of the Group and is an advanced gold exploration asset. The Company's interest in the BGP is through a JVA with RMMS that holds and controls the BGP. In addition to the farm-in option, the JVA has basic provisions governing the Company's and RMX relationship as shareholders in RMMS.

The BGP has total indicated and inferred resources of 445,000 oz Au. The Company has an option to farm-in up to 50.1% of RMMS that controls and operates the BGP.

The farm-in option has the following three stages:

- Stage 1 A: acquire 15% of RMMS by making a USD1,000,000 investment in the BGP;
- Stage 1 B: acquire 10% of RMMS by making a USD700,000 investment in the BGP, increasing the Company's stake to 25%;

  followed by either:

- Sole Funding Option of USD 1,700,000 **OR** Stage 2 Option of USD3,800,000 investment in the BGP for an additional 25.1% in RMMS, bringing the total Company's stake to 50.1%.

Stage 1 A

The Company will be issued a 15% equity share in RMMS within 5 business days of the Admission as the initial farm-in stage. RMX and the Company have agreed to form a joint venture to operate the BGP after the Company is issued its 15% stake in RMMS. This separate joint venture agreement between the parties will complement the current JVA and will govern all aspects of the joint management of the BGP. Under the current JVA, following the issue of 15% equity interest in RMMS, the Company will appoint one director to its Board, who will have a power of veto over RMMS key decisions. In particular, the Company nominated director must approve all work programmes, budgets and operations.

Stage 1 B

Pursuant to the JVA, the Company has to complete Stage 1 B investment in order to increase its stake in RMMS to 25%, which shall be paid by the Company within 5 business days following Admission. Following the increase of its stake to 25%, should RMMS require additional funding, RMX and the Company will contribute equity to RMMS in accordance with their respective level of ownership. The funds will be used primarily to complete the DFS on Lobo and Archangel MPSAs and to advance the permitting process.

Should the Company not complete Stage 1 B investment for any reason, then the Company would be required to contribute 15% of any funding requirements, which represents its level of interest at the completion of Stage 1 A, in order to maintain its stake without experiencing any subsequent dilution. From this point project expenditure would continue to be funded in proportion to the parties relevant interests in the BGP.

Sole Funding Option and Stage 2 Option

Upon completing Stage 1 B investment, the Company may choose to increase its stake to 50.1% by electing either a Sole Funding Option or a Stage 2 Option.

The Sole Funding Option can be elected at any time leading up to or upon Stage 2 End Date, which is 28 February 2017 or 13 months following Admission, whichever is later. Should the Option be elected prior to Stage 2 End Date then it may be paid in instalments subject to a mutually agreed budget schedule with RMX and RMMS with the balance payable upon Stage 2 End Date.

If the Company elects not to pursue the Sole Funding Option, the alternative is a Stage 2 Option, which subject to Stage 2 Conditions Precedent being met, may be exercised on Stage 2 End Date. Stage 2 End Date may be extended by mutual agreement between the Company and RMX if Stage 2 Conditions Precedent have not been achieved.

Should the Stage 2 Option be elected then contributions made under the joint venture after the Company has increased its stake to 25% would be considered to be part of the Stage 2 Option payment.

Upon exercising either the Sole Funding or Stage 2 Options the Company's interest in RMMS will increase to 50.1% and the parties will continue to fund the BGP in proportion to their respective interests.

Should neither Option be exercised the Company will be required to contribute 25% of any funding requirements in order to maintain its stake without experiencing any subsequent dilution.

Should the Company elect either Option and then default, then the Company would maintain its 25% interest and would be required to contribute any further funding requirements in proportion to its interest in order to maintain its stake without subsequent dilution.

Upon exercising either the Sole Funding or Stage 2 Options, the Company will nominate two more directors to the RMMS Board, which will enable the group to determine key decisions governing the BGP.

The BGP has total indicated and inferred resource of 445,000 oz Au. The Company's 15% share of RMMS gives it an effective interest in resource of 66,750 oz Au, which will increase to 222,945 oz Au on completion of the farm-in under the JVA.

Bringing the BGP to the construction stage is the principal objective of the Company for the next 24 to 36 months. The Directors believe that following the completion of the farm-in it should take some 18 to 24 months to bring the BGP to production.

Other key terms of the JVA

The Company gains more influence, and ultimately, control over the BGP as its respective stake in RMMS increases.

Upon completion of Stage 1 A investment the Company is able to elect a director to the Board of RMMS. At this stage the composition of the Board would be one nominee from the Company and two nominees from RMX.

Key decision making at this point in the BGP cannot be made without the approval of the Company's nominated director. This specifically includes programs and budgets for the mining exploration and operations of RMMS in relation to the tenements; DFS development plans including processing plant

specifications, plant location, mining schedule, general strategy and timeframes; and utilization of the funds invested by the Company.

Upon exercise of either the Sole Funding or Stage 2 investment options, the Company will nominate two more directors to the RMMS Board thus giving the Company control of the Board and enabling it to determine key decisions governing the BGP. At this point the Company will hold a majority 50.1% stake in RMMS.

Permitting and Approvals

In addition to the DFS, the overriding objective is to secure the grant of the ECC and approval of the DMF that will allow the construction of the gold mine at the BGP to commence. Whilst the Company expects the ECC and DMF to be issued, the Company notes that it is difficult to accurately predict the timeframe for completion of the permitting and approvals process. Should the issuance of the ECC and approval of the DMF be delayed beyond the first quarter of 2017 then the Company and RMMS will continue to maintain the BGP through minimal expenditure of USD 100,000 per annum, focussed on community development programmes and environmental monitoring until such permits and approvals are granted.

To obtain the ECC RMMS Group has submitted a draft EIA, to be technically evaluated by an expert Review Committee selected by, and to report its recommendation to, the EMB, before the EMB recommends issuance of the ECC by the DENR. The EIA was initially submitted in March 2014 for both Lobo and Archangel MPSAs. Technical evaluation of the EIA is well advanced and the expert Review Committee is expected to complete the final review by July-August 2016. It is expected that the final recommendation by the EMB for the DENR Secretary to sign and issue the ECC will be by September 2016, and that the ECC will be issued shortly thereafter.

The DMF is the main permit required to allow construction of the mine at the BGP and commence gold extraction. The DMF and supporting technical documents were submitted to the regional office of the MGB for both the Lobo and Archangel MPSAs in March 2014. Final technical evaluation of the DMF by the central office of the MGB begins after an ECC is signed by the DENR Secretary. In addition, endorsements are required by two out of the three relevant LGU's, both to be provided to the MGB, in conjunction with the ECC, to allow the DMF to be elevated to the central office of the MGB for technical evaluation. Various MGB experts in resources, metallurgy, dam construction, water management and mine processes technically evaluate the DMF and supporting technical documents prior to recommendation to the DENR Secretary to approve the DMF.

The project received endorsement from all of the ten potentially affected Barangays in January 2015, which collectively constitutes one of the required LGU endorsements. The project received the second endorsement, which was from the LMGC in April 2015. However, the LMGC withdrew its previous endorsement for the project in July 2015, citing environmental and social acceptability concerns. RMMS Group lodged a "Motion for Reconsideration" with the LMGC in July 2015. RMMS Group has been informed that the LMGC will consider the Motion for Reconsideration following the national election in May 2016. RMMS Group expects this to be in the period between June and early August 2016. The Motion for Reconsideration will be put to a vote by the LMGC and if the motion is carried the endorsement will be re-confirmed. RMMS group will continue to consult with the LMGC throughout this process and ensure that the "environmental and social acceptability concerns" are satisfied prior to the Motion for Reconsideration being put to the LMGC. Should the LMGC vote to not re-confirm its previous endorsement then RMMS Group will continue to lobby the LMGC until such time they do re-confirm the endorsement.

RMMS Group anticipates that the delivery of both the signed ECC and the two endorsements to the MGB in support of the DMF will be by September 2016. Whilst there have been some delays caused by the process of gaining endorsement of two of the three LGU's, and through processing responses from the Review Committee of the EMB with respect to the EIA assessment, RMMS Group anticipates that the delivery of

both the signed ECC and the two endorsements to the MGB in support of the DMF will be completed by September 2016 which concurs with the normal timeframe for processing applications for a development such as proposed for the BGP.

Following the issuance of the ECC and two LGU endorsements the final technical evaluation of the DMF by the central office of the MGB will take place. It is expected that this will be completed by Q4 2016. The MGB will then be in a position to recommend the DMF for approval by the Secretary of the DENR, which is expected no earlier than Q1 2017, potentially immediately preceding the Stage 2 End Date.

Other auxiliary local permits and agreements are required to allow various components of the development to proceed, principally tree cutting permits, water take and discharge permits, construction and building permits and land access agreements.

Tree cutting permits and water take and discharge permits are granted by the Department of Environment and Natural Resources and involve a routine process of application, inspection and granting. These permits are of moderate significance to certain parts of the BGP where some tree removal is required and as pertains to water discharge management. An application for these permits will incur minimal cost, which has been budgeted for. These permits will be applied for prior to signing of the DMF with the objective that they are in place when the DMF is signed. However they are not a prerequisite to the signing of the DMF.

Construction and building permits are granted at the Lobo Municipal Government level. These require clearance from the relevant Barangay upon sighting the land title and/or lease agreements, following which; an application for a building and/or construction permit is made to the Municipal Office. The Municipal Office then grants the permits following a statutory period of between 1 and 21 days. These permits will be applied for once the DMF is signed. The cost of application is nominal and has been budgeted for

Land access and/or purchase or lease agreements are required to undertake development and/or operational activities on the relevant lands. All land required for the project at Lobo is "government forestry land" and is occupied by local people through the grant of tax paid certificates that provide the right to benefit from the land for agricultural purposes as long as annual land taxes are paid, however the government retains ownership of the land. The Mining Act sets out the requirements for the granting of land access rights to mineral permit holders. Legal land tenants are required to reach agreement with mining companies over appropriate compensation. Should the legal land tenants and RMMS Group fail to agree the level of compensation then RMMS Group can seek the assistance of the Panel of Arbitrators composed in the regional office of the DENR or ultimately seek legal (Court) arbitration to set the level of compensation or purchase/lease cost. RMMS Group has commenced negotiating access and/or purchase or lease agreements with legal tax paid land tenants and the Company and RMMS anticipates a successful outcome to these negotiations, given that previous access agreements for exploration purposes have been in place for a number of years. It is anticipated that the land access and/or purchase or lease agreements will be in place prior to the signing of the DMF. The funding will not be required to purchase or lease any land until such time that the construction of the mine is ready to commence.

The Mining Act decrees that the land and other auxillary permits must be granted to holders of MPSAs.

Once the DMF is approved and the other auxiliary local permits and agreements are in place, the development and construction of the mine and processing facilities may commence at the BGP.

2. Copper Concentrate Trading

The Group entered into a MOA with Richard B. Garbo on 19th November 2014, which was superseded by a MOA entered into on 16th November 2015. Richard B. Garbo is trading under the name of CRRR Mineral Trading, a sole proprietorship.

CRRR is an accredited trader of mineral products by the MGB. Accreditation is given for a period of two years by the local office of the MGB and then is required to be renewed which is a formal administrative process. CRRR's accreditation expired on 8th January 2016 and was subsequently renewed on 29th January 2016 for a further two-year period.

The Group provided CRRR with a loan of PHP1,865,000 which enabled CRRR to build a copper concentration plant using a gravity separation process. The Group holds the plant and the land upon which it is located as security for that loan.

The Group's agreement with CRRR is an exclusive agreement whereby the Group will be buying copper concentrates for a period of 10 years. CRRR selects and buys high-grade copper ore from permitted small-scale producers in regions in close proximity to its plant. This copper ore is then crushed and undergoes a gravity separation process to produce a high-grade concentrate product. The current output capacity of the plant is approximately 500 MT of copper concentrate per month. There is also additional machinery and equipment at the plant site which, when completely installed, can increase the output capacity to up to 2,000 MT per month. At present this additional machinery has been partially installed. The Directors expect that the capacity upgrade would be completed by Q2 2016. Once the Group has achieved monthly shipments of 500 MT then the Group will consider how best to increase monthly shipments. The Group realistically expects that it would take at least 12 to 18 months in order to significantly increase shipments beyond 500 MT per month and, should the Group choose to do so, then the Group would take a staggered approach to increasing volume.

CRRR buys high-grade copper ores from permitted small-scale producers that operate within permitted small-scale mining areas. These producers neither have the ability to produce a concentrate nor have direct market access to a smelter. CRRR doesn't have direct market access to a smelter due to its reliance upon receiving advance funds from the Group in order to operate and buy ores. A smelter will not typically enter into such advance funding arrangements with small processors. CRRR aggregates copper ores from permitted small-scale producers using funds from the Group that are advance payments on CPOs for copper concentrate and then moves the ore to its plant, where it produces the concentrate and prepares it for sale. CRRR discovers the grade of ore prior to purchase through the analysis of samples it receives from the small-scale producers that is performed by laboratories in the region. CPOs specify a target grade of copper concentrate and the Group pays an advance of 50% with the balance of 50% upon the Group possessing shipping documentation. The target grade will be estimated based upon the grade of copper ore of the samples CRRR receives from the small-scale producers. The balance of the payment is based upon the results of analysis of the Group's sampling of the concentrate once it is bagged in preparation for shipment. Further payment adjustments are made based upon the analysis and confirmation of the actual delivered copper content in the concentrate by the smelter or independent surveyor. The analysis performed by the smelter or independent surveyor takes precedence should there be any discrepancy in results.

The Group buys copper concentrate at prices that are typical in the region. The price is based upon two factors – copper content and weight. The base against which the price is calculated is fixed at PHP2.50 per kilo and PHP1 per kilo for every 1% grade of copper content. The PHP2.50 per kilo is to cover CRRR's costs of trucking and obtaining OTPs. This pricing formula price means that the Group is buying concentrate based upon a fixed copper price of PHP102,500 per MT (100% copper content equals PHP100 per kilo plus PHP2.50 per kilo equates to PHP102,500 per MT), which is approximately USD2,180 per MT and thus ensures that the Group has a significant degree of protection against fluctuations between its buying price and the LME Price. All CPOs are considered conditional until the copper concentrate has been received and analysis performed by the smelter to confirm the respective grades of copper. Upon receipt of the final analysis the Group provides evidence of delivered grades to CRRR and if necessary price adjustments are made to the CPO, which is then considered final.

The Group buys copper concentrate using Philippine Pesos due to it being the operating currency of both CRRR and the permitted small-scale producers. Copper concentrate is typically priced by smelters in US Dollars hence the Group sells the concentrate to smelters in US Dollars. The Group buying price formula is typical in the region and is used by the small-scale producers, local traders and small processors in the region and has been so for a number of years. The Group notes that there is a significant difference between the current LME Price and the lower fixed copper price based on which the Group buys concentrate.

Concentrate is bagged into 1 MT bulker bags and is placed in 20-foot containers and trucked to the Port of Davao, which is approximately 2.5 hours, away by truck. A 20-foot container holds approximately 18 MT of copper concentrate. The product is then sent via ship to the smelter as insured cargo. Currently ships to the smelter leave every week from the Port of Davao.

The Group has an agreement to sell copper concentrates to a local smelter, which pays the Group based upon the metal content. Copper concentrate can also contain gold and silver and as such are also considered payable metals. The formula used by the smelter and most of the world's concentrate buyers is to pay based upon the percentage of copper content subject to a deduction of 1% and then to calculate a gross payment of 96.5% of the copper value based on the LME Price. The grade of copper content is determined by the smelter or independent surveyor based upon analysis that is undertaken upon delivery of each shipment. The TC and RC are then deducted from the gross copper value. The TC is presently USD107 per MT of concentrate treated and the RC is USD 0.107 per pound of refined copper. The smelter also pays based upon gold and silver content in the copper concentrate.

Whilst the Group currently only has one buyer for its product, the Group notes that copper concentrate is an internationally recognized commodity. Typical buyers of concentrates are copper smelters as well as commodity traders, who would then sell to a copper smelter. The Group also received two bids for its product from two global traders. Should the Group target selling its product to smelters in China, which is the world's biggest consumer of copper, it would need to identify and engage those smelters and send product samples for analysis and upon approval, such contracts could be negotiated. In addition to China, smelters in Japan and South Korea are also known to buy Philippine copper concentrates.

The initial 17.76 MT of copper concentrate was transported to a local smelter on 25th October 2015. The Group has experienced delays in sending its metallurgist to the smelter so that an independent survey and analysis can be performed on its product. At present the Group has not been paid for its initial copper concentrate shipment and therefore has generated no profits. The results of the first shipment revealed a copper content of 12.367%; gold content of 6.56 grams per ton; and silver content of 57.4 grams per ton. The Group's current agreement with the smelter expired in December 2015. The Group expects to renew the agreement and ship 54 dry MT by mid-April 2016. The smelter has requested pre-shipment assay results for 54 MT, which will be ready in April 2016 and once received then the smelter will confirm renewal of the agreement and payment of the first shipment. Whilst the Group expects this agreement to be renewed no assurances can be given that this will be completed in a timely manner or at all.

The Group's key agreement with CRRR allows for the Group to provide a credit line to CRRR in order for CRRR to buy gold ores from permitted small-scale producers and to process the gold ores and then the Group would earn a subsequent share of the profits. At present the equipment and machinery to enable gold processing is only partially installed. It is expected that the installation will be completed in Q2 2016. The Group has decided not to engage in the business of gold trading and to maintain its focus on copper concentrates for at least the period of 12 months following Admission. The Group will review its business from time to time and once its copper concentrate business is firmly established it may decide to enter into gold trading.

The Group Strategy

The Group has three main business strategies:

- Development of the BGP;
- Trading copper concentrate; and
- Further acquisitions and expansion of trading activities.

1. Development of the BGP

The BGP is the key mining project for the Company with over USD 15 million spent historically on its exploration. The main bulk of detailed geological work, including extensive drilling and field studies have already been completed. The main work programmes going forward include the completion of a DFS, which includes a mining plan and economic model for the initial life of the mine, and governmental permission to allow construction and operation of the mine to commence. RMMS Group targets the completion of the DFS in Q3 2016.

A summary of the Company's strategy over the next two financial years for the BGP is to achieve the completion of the DFS, the issuance of the ECC and DMF and to commence construction of the mine. It is only upon the necessary permits and approvals being granted and subject to the availability of funding from the period after 12 months from Admission that the Company strategy would shift towards the construction of the mine at the BGP.

The Company intends to use part of the proceeds of the Placing to increase its interest in RMMS to 25%. Whilst the Company, having acquired a 25% interest, ultimately plans to increase its interest to 50.1%; the Company will determine the most appropriate time to do so. The Company does not currently intend to exercise the Sole Funding Option within the 12 months following Admission. The timing will be governed by the results of the DFS and by the Company's monitoring and assessment of the permitting approval process and the availability of funding. In order to exercise either the Sole Funding or Stage 2 Options the Company expects that it will require additional funding via a further issuance of equity.

The key objectives during the 12 months following Admission are to complete the DFS and for the DFS to demonstrate an economically viable mine and processing operation and to advance the permitting process to the stage where the DMF is presented for final technical evaluation by the MGB. The DFS is of key importance as this type of document is often used by equity and debt providers when assessing viability of providing finance for the construction of the mine and the processing plant. Based on the results of previous studies published by RMX, the Company expects the DFS to confirm the economic and operational viability of mining reserves to allow the processing and production of at least 100,000 oz of gold.

The Company and RMMS Group also aims to conduct further exploration on the territory covered by MPSAs with a view of increasing the amount of resources and ore reserves, following completion of the DFS.

The Company expects to generate sufficient profits from the copper trading business that will ensure that there will be no working capital shortfall in the 12-month period following Admission. Furthermore, the Company expects that profits from the copper trading will be used to partly fund the Sole Funding Option. The Directors believe that the completion of the DFS is a significant milestone for the BGP which will advance the project and the Directors further believe that the Company will be able to source additional development capital if required.

The key assumptions that the strategy is based upon are the successful results of the DFS, that the required permits and approvals are granted that allow for the construction of the mine and, ultimately, gold production to commence, and the ability of the Company to raise sufficient funds in the period after 12 months from

Admission to exercise either the Sole Funding or Stage 2 Options in order to increase its stake to 50.1% in RMMS.

Should the Company not increase its stake to 50.1% in RMMS in the period after 12 months following Admission for any reason then the Company intends to continue to operate the BGP as a 25% shareholder and management partner. The Company intends to finance its contribution in the joint venture from the profits of copper concentrate trading. However, should insufficient or no profits be generated from the copper trading business then additional capital would be required in order for the Company to maintain its stake without dilution.

The Company faces no direct competition with regards to the BGP as the MPSAs that cover the project area are granted exclusively to companies controlled by RMMS and thus do not allow other mining companies to operate therein. Companies which apply for gold exploration tenements that may be applied for in open tenders or which are looking for gold prospects which are otherwise available for acquisition, in general would be considered to be competitors as well as other junior mining companies that operate in the Philippines. These competitors consist of both Philippine mining companies and foreign exploration and mining companies. The majority of foreign exploration and mining companies that operate in the Philippines are companies listed on various exchanges predominantly in Australia, Canada and London.

Once constructed, the mine at the BGP will produce a gold doré product. The gold doré product may be sold to a gold refinery in the Philippines or elsewhere, or directly to the Central Bank of the Philippines. It is located in Metro Manila approximately 120 kilometres from the BGP. The Central Bank of the Philippines places no limits to the volume of its gold buying activities, subject to such regulations as the Monetary Board may issue, and despite Philippine based or overseas refineries being supplied by other producers the Company does not expect that it will experience difficulties in selling its gold doré product to the Central Bank, or refineries in the Philippines or overseas, should it choose to do so. Gold doré produced in areas covered by MPSAs may be exported to overseas refineries; therefore the Company and RMMS believe that they will have numerous avenues to sell its product.

The Directors do further note that once production commences the Company and RMMS Group could potentially be dependent upon the equipment, machinery and expertise of third party contractors in the construction and operation of the mine. However, given the experience of the management of the Company, in particular Colin Patterson and Charles Barclay, the Company is confident that it is able to mitigate any potential risks in this regard.

The detailed information on the BGP is described in Part II of this Document.

2. Trading in Copper Concentrate

A summary of the Group's strategy over the next two financial years for the trading business is to increase and maintain consistent monthly shipments of 500 MT of copper concentrate. Once this has been achieved the Group will seek to further increase monthly volumes and seek to replicate its business model in other regions.

The Company intends to increase its stake in WTMR from approximately 40% to 100% immediately following Admission. The Company made loans totalling PHP 750,000 to Joylyn Bishop, Cristina Ayuban, Criza Ayuban and Jesusa Ayuban on 15th November 2014 in order to enable them to purchase approximately 60% shareholding in WTMR in order to comply with foreign ownership restrictions of companies that have a paid-up share capital of less than USD 200,000. The loans are interest free and repayable upon demand to be paid in the form of the stock that was purchased. Upon Admission when the loans are repaid in the form of WTMR's stock and the Company increases the paid-up capital from the current level of PHP 1,250,000 to the equivalent of USD 200,000 in order to comply with foreign ownership rules then the Company will own

100% of WTMR. The Company intends to use the Placing proceeds in order to increase the paid-up capital, which shall then form part of the working capital of the Group.

WTMR and the Company have a 10-year exclusive agreement with CRRR to buy copper concentrates and to provide technical assistance for the operation of the processing plant. The Group is investigating various opportunities to acquire copper concentrate from other producers. This may be a lengthy process as there are many aspects to take into account. These include logistics, quality, pricing and timescales. At present the Group is solely reliant upon the plant that is owned and operated by CRRR for its copper concentrate product.

The Group entered into an agreement with a local smelter to supply concentrates at a competitive market price, which expired in December 2015 and is in the process of being renewed. The Group started trial shipments of concentrate to the smelter on 25th October 2015. It plans to increase its monthly shipment volumes to 500 MT over the next 12 months. Independent analysis of the first shipment took place on 9th December 2015 and results revealed a copper content of 12.367%; gold content of 6.56 grams per ton; and silver content of 57.4 grams per ton. The smelter has requested pre-shipment assay results for the second shipment, which will be 54 MT, which are expected to be available during April 2016. The Directors expect that payment will be made once the second shipment of 54 dry MT of concentrate, which the Company has fully paid for, has been shipped to the smelter. At present the Group has derived no income or profits from its trading business.

The Group presently supplies its product to the only smelter in the Philippines. The Group has had several approaches and bids from global trading companies in relation to potential purchases of its copper concentrate. As copper concentrate is a recognized global commodity the Group is confident that it can acquire additional customers for its product if need be.

The initial agreement with the local smelter expired in December 2015 and the Group is negotiating its renewal. The timing of renewal is expected to be upon the results becoming known from the analysis of the pre-shipment sample of the second shipment, which is expected in April 2016. The Group expects to renew the agreement and the Directors aim to execute the relevant documentation by mid-April 2016. Should the agreement not be renewed for any reason then the Group would seek to re-engage the other parties that made bids for the copper concentrate previously.

The key assumption that the strategy is based upon is that it is able to build up monthly volumes of shipments to 500 MT with grades acceptable to be delivered under contract to a smelter. Other key assumptions are that the Group maintains good relationships with CRRR and that CRRR is able to produce a product for the Group to the required specifications. Should any of these assumptions not be realized then it would have an adverse impact on the Group's business and its ability to operate.

The Group does not anticipate any direct competition for its product. Copper concentrate is a global commodity and as such there are many potential outlets for its product. There are several traders of copper ores in the region where the Group operates that buy ores from small-scale producers who then export the unprocessed copper ore primarily to China. To the Directors' knowledge there are no other copper concentrate gravity plants in the region where the CRRR plant is located. Whilst other companies may seek to buy ore from local small producers in the future, the Group does not expect this to have an impact on its operation given the large volume of copper ores that are available in the region.

The Group intends to increase its provision of technical assistance at the plant to ensure that it buys a product of the right specification for the smelter. This includes providing assistance relating to efficiency of plant operating equipment, accuracy of product sampling and recording of such and to utilize existing equipment to develop a small laboratory which will enable the Group to perform analysis of its product at the plant site. The Group is currently dependent upon the plant and machinery owned and operated by CRRR

for the production of its copper concentrate product. The Group is also dependent upon the staff of CRRR to operate the plant although the Group does provide technical assistance.

Once the Group has demonstrated that consistent monthly shipments of 500 MT of copper concentrate can be achieved then expansion opportunities will be sought. This includes increasing volumes further under the current agreement with CRRR and seeking to replicate the model in other regions, which will be investigated once volume targets are met.

3. Further acquisitions and expansion of trading activities

At present the Group has no specific plans to make any acquisitions or to expand its trading activities in the 12-month period following Admission. The Group's strategy over the next two financial years with regards to acquisitions and expansion of trading is very much dependent upon the successful implementation of its strategy at the BGP and the successful implementation of the current strategy of the trading business.

Whilst no specific acquisitions have been targeted at present the Group is seeking to acquire projects that it deems attractive. These would primarily be advanced exploration stage gold projects with granted MPSAs and further mineral trading opportunities, which could be copper concentrate or other commodities. The Group considers advanced exploration projects to be those with established resources where sufficient historical technical information is available in order to adequately assess the potential. The Group seeks to identify such acquisitions primarily through its local knowledge and contact base. Should such acquisition be identified, then a process of rigorous technical and legal due diligence will take place. These acquisitions are likely to include new mining licence areas and mining related activities. The Group will need to consider sources of funding for these acquisitions at the appropriate times. The Group does expect to have competition from other mining companies, both local and international, who may also try to acquire the said target.

The Group is waiting until consistent monthly trading volumes of copper concentrate have been achieved; and all logistical issues identified and controlled before it will look to expand its trading activities. At present no formal specific expansion target has been identified but the Board is aware of where small-scale copper producers operate currently and where demand for these products is located.

The key assumptions on which this particular strategy is based are that suitable acquisitions and trading expansion opportunities can be identified and that the Group is able to successfully negotiate contractual terms with the respective parties that are favourable to the Group. The other key assumptions are that the Group would be able to secure funding to implement its expansion plans at the appropriate time. In the event that any of these key assumptions were not realized then it would be unlikely that the Group would be able to expand its business.

Environmental Issues

There are no current mining operations at the BGP. Environmental compliance is currently limited to issues of construction and rehabilitation of drilling and sampling sites, in accordance with best environmental practice.

In order for the DMF to be approved, the endorsement of two out of the three LGUs is required and the issuance of the ECC is required.

To obtain the issuance of the ECC, RMMS Group has submitted a draft EIA, to be technically evaluated by an expert Review Committee selected by, and to report its recommendation to, the EMB, before the EMB recommends issuance of the ECC by the DENR. The draft EIA was initially submitted in March 2014 for both Lobo and Archangel MPSAs. Technical evaluation of the EIA is well advanced and the expert Review Committee is expected to complete the final review by July-August 2016. It is expected that the final

recommendation by the EMB for the DENR Secretary to sign and issue the ECC will be by September 2016, and that the ECC will be issued shortly thereafter.

RMMS received the first LGU endorsement in January 2015. The second endorsement from the LMGC was granted in April 2015. However, the LMGC withdrew its endorsement in July 2015 citing environmental and social acceptability concerns. RMMS Group filed a Motion for Reconsideration in July 2015 and has been informed by the LMGC that this will be considered after the national elections due to held in May 2016.

In order for construction of the mine to commence at the BGP, tree cutting permits and water take and discharge permits are required. These are granted by the Department of Environment and Natural Resources and involve a routine process of application, inspection and granting.

Key Strengths

The Directors believe that the key strengths of the Group include:

- Potential for immediate cash generation through copper concentrate trading business;
- BGP has sufficient size and is at an advanced exploration stage to generate industry interest both locally and internationally;
- Management has extensive successful business experience in the Philippines including developing and operating producing gold mines;
- Management has a great deal of local contacts and knowledge, which will be useful in sourcing new business opportunities;
- The Board of Directors has plenty of experience in the operation and funding of various businesses in emerging economies.

Reasons for admission to the Official List

- To facilitate Placing that will allow the Company to initially increase its ownership of RMMS to 25% and, subject to positive results of the DFS and government permitting and approvals, to enable increasing the Group's ownership to 50.1% in the period after 12 months following Admission;
- To fund an increase in paid up capital in WTMR to allow the Company to increase its stake from 40% to 100%;
- To facilitate further equity issues to raise additional working capital and financial flexibility for investigating additional acquisition targets;
- To increase the profile of the Company, which may help in securing additional customers for its copper concentrate product and also may help it raise additional funding, if required, for other acquisitions after the 12 month period following Admission.

Important events in the development of the Company's business

- Establishment of the Company on 12th March 2014;
  Establishment of WTMR on 17th November 2014;
- Obtaining an interest in Currawong Resources Pty Ltd and a joint venture with Flitegold Pty Limited in relation to exploration and development of two mining licence areas in Central Victoria, Australia on 14th October 2014;
- First purchase of copper concentrate on 16th June 2015;
- Signing of the agreement for sale of copper concentrate to the local smelter dated 15th September 2015;
- Second purchase of copper concentrate on 28th September 2015;
- Disposal of the Company's interest in Currawong Resources Pty Ltd by termination of the joint venture agreement with Flitegold Pty Limited on 29th September 2015;

- Execution of JVA with RMX giving the Company an option to acquire up to 50.1% interest in RMMS dated 14th October 2015 as amended;
- First shipment of copper concentrate to the local smelter on 25th October 2015;
- Signing of MOA for the purchase of copper concentrate from CRRR on 16th November 2015.

Directors, management and employees of operating Group companies

The Company

- Jonathan Charles Rowell Morley-Kirk - Non-Executive Chairman;
- Aidan Bishop - Executive Director;
- Colin David Patterson - Executive Director;
- Daniel Kesdan Fox-Davies - Non-Executive Director;
- Clive Sinclair Poulton - Non-Executive Director;
- Charles Alexander Fordyce Barclay - Chief Executive Officer;
- Andrew David Lincoln Wright - Chief Financial Officer;
- Peter Wallwin - Consultant.

The detailed information on Directors of the Company is described in Part III of this Document.

Management and employees of WTMR include:

- Aidan Bishop - director;
- Joylyn A. Bishop - director;
- Cristina P. Ayuban - director;
- Criza P. Ayuban - director;
- Jesusa P. Ayuban - director;
- Jose Angelito B. Bulao – corporate secretary.

Dividends and dividend policy

The Company intends to reinvest any profits made from its trading operations back into the business in order to promote the growth of the Group. Once the BGP produces positive cash flow then the Directors intend to assess the paying dividends. However, the declaration and payment by the Company of any dividends and the amount thereof will depend primarily upon the results of the Company's operations and its financial position and other factors deemed to be relevant at the time.

PART II. INVESTMENTS OF THE GROUP

Principal future investments

Pursuant to the JVA between the Company, RMX and RMMS dated 14th October 2015 as amended, the Company has the option to acquire up to a 50.1% interest in RMMS in the 3 stages outlined below.

- *Stage 1 A*

The Company has agreed to invest USD1,000,000 which will give it a 15% stake in RMMS.

At present USD1,000,000 has been invested as follows:

- USD280,000 was invested by the Company in RMMS. USD220,000 was invested for and on behalf of the Company by Vistra. Vistra has agreed to accept USD220,000 Shares in the Company at the Vistra Shares Issue Price within five business days of Admission in repayment of funds advanced on behalf of the Company. In addition the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan. If Admission does not occur before 15th April 2016, shares in RMX will be issued to Vistra for the extinguishment of the liability between the Company and Vistra, then there is no obligation for the Company to repay RMX in respect of USD220,000; and

- USD500,000 was loaned by RMX to RMMS as a partial payment towards the Company's Stage 1 A commitment, which should be repaid by the Company to RMMS upon Admission. RMMS will then repay its loan to RMX.

The Company will be issued Stage 1 A RMMS Shares upon repayment of USD500,000 loan (plus interest and costs) to RMX.

Should the Company fail to repay the outstanding amount of USD500,000 borrowed from RMX on or within 5 business days following Admission, the amount of funds which have been paid by the Company prior to default, shall be converted into RMX shares and the JVA shall be terminated.

- *Stage 1 B*

At this stage the Company will invest USD700,000 which will convert into an additional 10% of RMMS increasing its stake in RMMS to 25%.

USD700,000 has been borrowed from RMX as a payment towards the Company's Stage 1 B commitment, which shall be repaid upon Admission. Stage 1 B funding shall be used for completing the DFS and advancing the permitting process.

Following completion of Stage 1 B the Company will have a 25% equity stake in RMMS.

Should the Company fail to meet Stage 1 B investment within 5 business days from Admission, the Company will only have a 15% interest in RMMS. Should the Group choose not to invest any further in the BGP then any further external investment into RMMS would see the Group's interest diluted.

The purpose of Stage 1 A and Stage 1 B investments is to fund the completion of the DFS and to complete specific project and business goals, also termed the Stage 2 Conditions Precedent as outlined in the JVA.

The Company then has two alternative options to acquire a further 25.1% interest in RMMS, which will increase its aggregate stake to 50.1%:

Sole Funding Option

The Company may elect the sole funding of RMMS in the total amount of USD1,700,000 by Stage 2 End Date. Should this Option be elected prior to Stage 2 End Date then it may be paid in monthly instalments based on a budget schedule to be mutually agreed with RMX and RMMS with the balance paid upon Stage 2 End Date.

Stage 2 Option

Should the Company choose not to elect the Sole Funding Option then subject to the Stage 2 Conditions Precedent being met, the Company could elect the Stage 2 Option by paying USD3,800,000 by Stage 2 End Date. Should Stage 2 Conditions Precedent not be met at the Stage 2 End Date then the date may be extended by mutual agreement with RMX.

Stage 2 Conditions Precedent are:

- completion of a DFS demonstrating a minimum internal rate of return of 25%;
- receipt of the DMF and ECC; and
- definition of proven and probable ore reserves of at least 100,000 oz's of gold.

Should the Company elect either the Sole Funding or Stage 2 Options and then default, then the Company would maintain its interest of 25% and would be required to contribute any further funding requirements in proportion to its interest in order to maintain its stake without subsequent dilution.

Should neither the Sole Funding nor Stage 2 Options be elected by the Company then the Company may continue to operate in the joint venture with its respective stake of 25% as at the completion of Stage 1 B by contributing any future funding in proportion to its interest without experiencing subsequent dilution.

The Company does not currently intend to increase its ownership to 50.1% in the 12 months following Admission. The Company will consider the results of the DFS and will monitor progress of the permitting process. The key milestone for the Company is the signing of the DMF, which will allow construction of a gold mine on the BGP to commence. The Company does not expect the DMF to be signed during the 12 months following Admission. Whilst the Company has no control over the issue of permits it does note that 2016 is an election year in the Philippines. Issue of government permits is usually delayed during a national election year. Should permits be issued sooner than expected then the Company would need to consider and assess how it would finance either the Sole Funding or Stage 2 Options or continue to operate as a minority partner in the BGP.

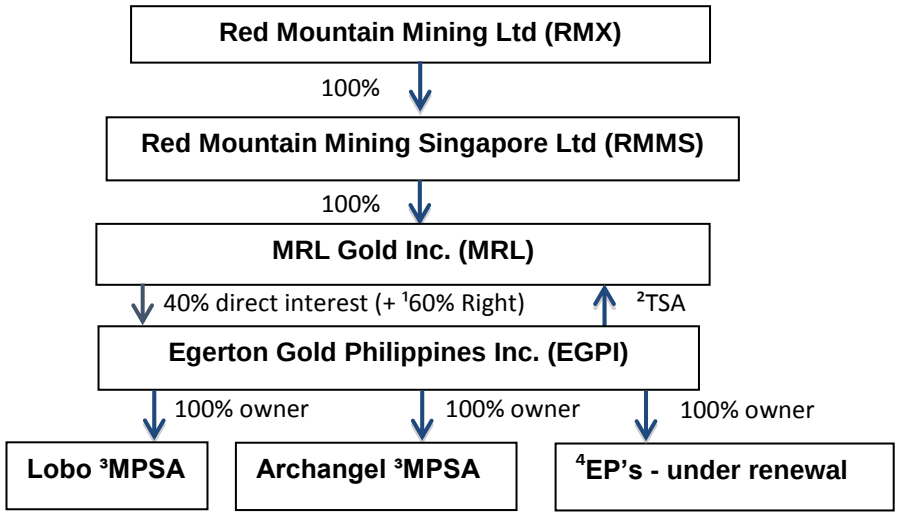
The following table represents the Company's share of the BGP's current attributable Mineral Resources at the following stages of the farm-in process, based upon the current and most recent mineral resource statement:

		Au Oz	
Stage 1 A	*15%*	*66,750*	*ounces of indicated and inferred resources (subject to the 40% ownership rule described in more detail on page 27).*
Stage 1 B	*25%*	*111,250*	*ounces of indicated and inferred resources (subject to the 40% ownership rule described in more detail on page 27).*
Stage 2 / Sole Funding Option	*50.1%*	*222,945*	*ounces of indicated and inferred resources (subject to the 40% ownership rule described in more detail on page 27).*

Following the completion of the farm-in, RMMS board will comprise of six directors being:

- three directors nominated by the Company;
- two directors nominated by RMX;
- one director, independent of the Company and RMX to be appointed jointly by the shareholders to satisfy Singapore Resident Company requirements. This director would abstain from key decisions.

RMMS Ownership and Operational Structure



¹60% Right: MRL has the contractual right to a further 60% interest in the tenements held by EGPI, subject to a legal structure being established that complies with the Philippine Constitution and Mining Act and its Implementing Rules and Regulations.
*²**TSA**: Technical Services Agreement, allows MRL Gold Inc. to provide technical services to EGPI and manage the operations.*
*³**MPSA**: Mineral Production Sharing Agreement.*
*⁴**EPs**: Exploration Permits, under renewal application. These are not of material value.*

RMMS manages and operates the BGP through its 100% owned subsidiary, MRL. The BGP tenements are held by EGPI. MRL directly owns 40% of EGPI and has, through the exercise of an option agreement dated 28th November 2008, the "irrevocable and exclusive" contractual right to a further interest of 60% of EGPI, currently held in trust by two individual Filipino shareholders, Mr Manuel Artificio and Ms Pauline de Guzman. A residual one-time payment of USD1,000,000 at the commencement of production from the BGP, and a 1% net smelter royalty on all metals produced from the BGP, are to be paid and distributed between the 60% shareholders of EGPI and two original shareholders of EGPI, Mr Gary Powell and Mr Peter Draper.

As the BGP tenements, are held by EGPI, management of operations is undertaken by MRL pursuant to an exclusive TSA with EGPI. The terms of the TSA prevents EGPI from cancelling the TSA and appointing new management.

In order for MRL to take-up the contractual right to a further interest of 60% of EGPI, the holder of the Lobo and Archangel MPSA's, an ownership structure must be established that complies with the nationality restrictions imposed under the Philippine Constitution and the Mining Act and its implementing rules and regulations that restrict the total direct foreign equity ownership over MPSAs to no more than 40%. This may be effectively achieved in one of two ways:

(a) RMMS Group may apply for an FTAA to cover the BGP. An FTAA may be legally 100% foreign owned. However the Company and RMMS Group does not currently consider that the fiscal

requirements under an FTAA and the timeframe for application and grant of the FTAA are favourable to the BGP. Or,

(b) RMMS Group, through MRL, may apply for a Mineral Processing Permit. A Mineral Processing Permit may be legally 100% foreign owned and the issuance of this permit would allow MRL to operate a mineral processing plant under contract with EGPI and, in addition, MRL would enter into an ore supply agreement with EGPI on a costs plus basis. MRL has the exclusive right to enter into such contracts with EGPI. The Company and RMMS Group consider that this will be the most favourable structure in order to develop and operate the BGP.

The structure (b) that involves MRL holding a Mineral Processing Permit is the usual structure that is created by a 100% owned foreign entity that is seeking to operate a mining project in the Philippines on the basis of MPSAs. The Company is aware of very similar arrangements set up by other mining companies in the Philippines, which operate their assets on the basis of MPSAs, rather than an FTAA. Mineral processing permits are routinely granted by the MGB and it is anticipated that RMMS Group will apply for this permit and establish the ore sales agreement with EGPI prior to the signing of the DMF. The purpose of these agreements and arrangements will be to retain as close as is possible a 100% economic interest in the BGP for RMMS Group.

The Company has a JVA with RMX and RMMS in relation to the development of the BGP. The JVA provides for a staged increase of the Company's stake in RMMS up to 50.1% and provides for the company's participation in decision making related to the management and operation of the BGP.

Once the company's stake increases to 15% the Company will appoint one director to the Board of RMMS and all key decisions will be taken only with the approval of the Company's nominated director. Once the Company is issued Stage 1 A Shares then the Company will form a joint venture regarding the joint management of the BGP.

Should the Company increase its stake to 50.1% then under the current JVA two additional directors to the Board of RMMS will be appointed by the Company, at which point the Company will control the Board and determine all management and operational decisions relating to the BGP. RMX will continue to participate in the management and operation of the BGP and will retain two directors on the RMMS Board. RMX will retain a 49.9% indirect interest in the BGP. From this point it is expected that the funding of the development of the BGP will be on a prorated basis by the Company and RMX. Should either party be unable to fund their respective investment commitments in the development of the BGP then it would be expected that such party's interest would be diluted accordingly. The Directors intend to formalize the management and funding arrangements of the development of the BGP, including the construction of the mine and processing plant, once all relevant approvals are granted.

The Company believes that all value of the BGP is concentrated in Lobo and Archangel properties covered by the two MPSAs, which are the material tenements that comprise the BGP.

RMMS also indirectly controls a number of EPs and EPAs. All but one of the EPs are under renewal application and EPAs remain applications only, and thus are not considered material. A letter of intent was signed between MRL and JRC on 2nd September 2015 giving JRC the option to earn up to 75% interest in these EPs and EPAs. There is currently no work program or committed budget for any of the EPs or EPAs. Should JRC fail to perform commitments at the appropriate time then RMMS will seek to sell them to another party or relinquish the tenements.

The material Tenements indirectly held by RMMS are set out below:

Permit name	Permit number	Holder	Area (Ha)	Permit expiry	Interest
Lobo	MPSA-176-2002-IV	EGPI	1,164	20 Nov 2027	100%
Archangel	MPSA-177-2002-IV	EGPI	1,012	20 Nov 2027	100%

The MPSA is a mineral agreement under which the government grants to the MPSA holder the exclusive right to conduct mining exploration, operations and development within a contracted area. The share of the government is in the form of excise tax equivalent to two percent of the gross output. The MPSA holder is required to provide the financing, technology, management and personnel necessary to conduct its operations within the MPSA area.

Summary of key terms of the MPSAs

Both MPSAs were granted on 21st November 2002. The MPSA is a Mineral Agreement between the MPSA holder and the Republic of the Philippines. The MPSA is valid for a period of 25 years and may be renewed for a further 25 years.

An Integrated MPSA consists of two distinct phases – an Exploration Period and a Development Period. Both Lobo and Archangel MPSAs are currently in the period between the Exploration Period and the commencement of the Development Period.

The Exploration Period for the Lobo MPSA ended on 30th March 2014 and for the Archangel MPSA on 27th September 2014. During the Exploration Phase the MPSA holder must file the first draft of the EIA, which is required for the issuance of an ECC, and the first draft of the DMF with supporting documentation. The supporting documentation to the DMF is a Mining Project Feasibility; a Three Year Development and Construction or Commercial Operation Work Program and a complete geological report. The Mining Project Feasibility is a mining feasibility study but is distinct from the DFS. The DFS is not a requirement for approval of the DMF.

RMMS Group submitted the first draft of the DMF, with supporting documentation, as well as the first draft of the EIA, required for the issuance of an ECC, for both MPSAs in March 2014 prior to expiry of the Exploration Period for both MPSAs. The issuance of the ECC and approval of the DMF are the key approvals required to transition from the Exploration to the Development Period.

Following the expiry of the Exploration Period no expenditure commitments are required on the MPSAs until the approval and signing of the DMF, which is the commencement of the Development Period.

Once the ECC and DMF is approved and signed then the MPSA enters the Development Period. Once the Development Period commences the MPSA holder must comply with the following obligations:

- Reports during mining are a Timetable and Work Program for a 3 year commercial operation program. These are to be submitted 30 days before the end of each 3 year work period. Commercial reports shall also be made quarterly and annually;

- The Annual Environmental Protection and Enhancement Program (AEPEP) is to be submitted. To implement its AEPEP, the MPSA holder shall allocate annually three to five percent (3%-5%) of its direct mining and milling costs;

- Construction: EGPI shall complete the construction and development of the mine within 36 months of the DMF being signed, subject to extension by the Director of the MGB, based upon good technical and geological data;

- Mitigation and Rehabilitation: Mine Rehabilitation Fund (MRF) based on the financial requirements of the approved Environmental Protection and Enhancement Program (EPEP) as a reasonable environmental deposit to ensure satisfactory compliance with the commitments/strategies of the EPEP/AEPEP;

- The MPSA holder shall set up mitigating measures such as mine waste and mill tailings disposal system, mine rehabilitation or plan, water quality monitoring, etc. to minimize land degradation, air and water pollution, acid rock drainage and changes in hydrogeology;

- The MPSA holder shall be responsible for the submission of a final mine rehabilitation and/or decommissioning plans, including its financial requirements and incorporating the details and particulars set forth in the implementing rules and regulations of the Mining Act;

- Obligations of the MPSA holder regarding community development and benefits following DMF:

    a) To coordinate with proper authorities in the development of the mining community and for those living in the host and neighboring communities through social infrastructure, livelihood programs, education, water, electricity and medical services. Where traditional self-sustaining income and the community activities are identified to be present, the MPSA holder shall assist in the preservation and/or enhancement of such activities;

    b) To give preference to Filipino citizens who have established domicile in the neighboring communities, in the hiring of personnel for its mining operations. If necessary skills and expertise are currently not available, the MPSA holder must immediately prepare and undertake a training and recruitment program at its expense.

An MPSA may be terminated for the following reasons:

- Expiration of its term, whether the original term or its renewal;
- Withdrawal from the MPSA by the MPSA holder;
- Breach by the MPSA holder of the MPSA's terms and conditions;
- The MPSA holder's failure to pay taxes, fees/charges or financial obligations for two consecutive years;
- False statements or omission of facts made by the MPSA holder in the application for the MPSA;
- The MPSA holder's failure to perform all other obligations, including abandonment, under the MPSA;
- Violation by the MPSA holder of existing laws, policies, and rules and regulations; and/or
- Other specific grounds provided in the Mining Act, IRR, and in number of other relevant laws and regulations.

The estimate of mineral resources of the MPSAs as set out in the CPR are in the table below.

Tenement	**Resource Category**	**Tonnes**	**Au g/t**	**Au Oz**
Lobo MPSA-176	Indicated	385,000	4.9	18,000
	Inferred	219,000	2.9	64,000
	Total	**604,000**	**4.2**	**82,000**

Archangel MPSA-177	Indicated	2,582,000	2.0	166,000
	Inferred	3,004,000	2.0	197,000
	Total	**5,586,000**	**2.0**	**363,000**
Total BGP	**Indicated and Inferred**	**6,190,000**	**2.2**	**445,000**

A detailed description of a regulatory regime applicable to mining in the Philippines is summarised in Part X "Regulation" of this Document.

Batangas Gold Project Exploration History

Exploration for gold and other precious metals started in southern Batangas province in 1975, when the MGB conducted reconnaissance mapping, mineral resource evaluation and stream sediment sampling, including in the current area of the Archangel and Lobo Properties. Several potential copper prospects were documented and a stream sediment survey of the region revealed some copper-anomalous drainages.

From 1987 to 1989, Western Mining Corporation conducted exploration on the Archangel property including reconnaissance mapping, trenching, rock-chip sampling, surface soil sampling, ground magnetic surveys and a regional geochemical survey over the Archangel region prior to drilling seven diamond drill holes at what is currently known as the Pulang Lupa (Kay Tanda West) and Kay Tanda prospects both of which fall within Archangel MPSA. At the Kay Tanda prospect the drilling intersected epithermal gold mineralisation above porphyry related phyllic alteration with up to 0.6% copper per ton.

World Geoscience Corporation flew airborne magnetics and radiometric geophysical surveys over the Archangel and Lobo Properties in 1996 for BHP Billiton Ltd and then for a joint venture between BHP Billiton Ltd and Chase Resources Ltd. BHP Billiton Ltd purchased the aeromagnetic survey data from Chase Resources Ltd in 1998 after they had conducted tenement due diligence work on the Archangel Property, and interpreted a cluster of magnetic responses in the nearby region including at Archangel and on the El Paso tenements. These anomalies were interpreted as high-level intrusions with which porphyry copper-gold mineralisation could be associated.

Between 1996 and 1998, Chase Resources Ltd, in joint venture with BHP Billiton Ltd, carried out more extensive reverse circulation drilling at the Kay Tanda Prospect, which is a part of the Archangel Property. Thirteen reverse circulation drill holes totalling 1,544 m were completed by Chase Resources Ltd between January to March 1998 at Kay Tanda and Pulang Lupa on the Archangel Property. The holes intersected both the upper silicified and argillised zones at Kay Tanda and Pulang Lupa, and also underlying zones of phyllic alteration. Drilling by Chase Resources Ltd at Kay Tanda was wide-spaced, with most holes located over 100 m apart. The drill holes intersected low-grade gold mineralisation which averaged approximately 0.7 g/t gold in a 600 m by 400 m area. Mineralisation was open in several directions and a preliminary resource study was conducted in 2003.

In 1997, Egerton Gold NL of Australia entered into a deal with the then claim holder, Apical Mining, and shortly thereafter, Egerton Gold NL mineral interests were purchased by four private Philippine and Australian individuals and amalgamated into Philippines company, EGPI, which was set up to hold the Lobo and Archangel MPSAs.

On 23rd October 2000, Mindoro, through its wholly owned subsidiary, MRL, signed an option agreement with EGPI, to acquire the right to earn up to a 75% direct and indirect interest in the Batangas Gold Project tenements, including the Archangel and Lobo MPSAs. This was subsequently, on the 28th November 2008, converted to a 40% direct and 60% contractual right interest in EGPI.

From 2000 to 2012 Mindoro explored the BGP Tenements, spending approximately USD 15 million on the exploration of the BGP and resulting in the delineation of significant mineralisation at the Archangel property.

Mindoro's exploration focused on delineating a shallow dipping mineralised epithermal stockwork hosted by andesitic volcanics "domed" over a series of dacitic to dioritic intrusive centres (porphyry copper-gold targets). The program included:

- Re-processing of previous aeromagnetic data and coincident radiometric survey;
- Ground magnetic surveying;
- Regional geological mapping along the Archangel trend;
- Stream sediment sampling, regional rock chip sampling and PIMA sampling of the rock chips;
- Grid-based soil sampling (200 by 50 metres and 50 by 50 metres);
- 18,800 metres of IP (Resistivity and Chargeability) surveying;
- Reverse circulation percussion (147 holes) and 26 diamond drilling totalling 23,042.3 metres at the Archangel Property's main resource area of Kay Tanda as well as 2 holes at Balibago from March 2006 to April 2007; and,
- Metallurgical test work.

In February 2008 Mindoro released an initial CIM (NI 43-101) compliant Mineral Resource estimate for the Kay Tanda and Pulang Lupa prospects on the Archangel Property.

In September, 2008, Mindoro entered into a MOU with Avocet over the Archangel property. Avocet conducted due diligence on the Kay Tanda prospect, beginning in October 2008. The programme was aimed at re-evaluating the gold resources of the project by drilling across the strike of previous drilling and high-grade epithermal veins, and modelling the different mineralisation domains, especially the high grade veins. The due diligence work consisted of 14 diamond drill holes totalling 2,041.8 metres, focused on reviewing and determining the projections of the different mineralised structures, particularly the high grade veins. It also evaluated the potential for near-surface high-grade structures. On completion of this due diligence Avocet withdrew from the MOU in September 2009 having completed their due diligence drilling program.

Results of Avocet due diligence expertise provided data, which enabled further interpretation of the different mineralisation zones, especially the quartz-base metal veins that confirmed Mindoro's interpretation of the complex mineralisation found at Kay Tanda. Avocet provided subsequently a Mineral Resource estimate for the Archangel Property. The Mineral Resource was verified independently in 2010 by Ravensgate Pty Ltd, to comply with the JORC reporting standards.

Lobo property within the BGP area includes the historic Lobo copper mine, the SWB deposit, West Drift (Lobo), Japanese Tunnel, Camo, Acacia, Pica, Balisong and Ulupong prospects. Available data sets include soil and rock chip geochemistry, detailed surface geology mapping, aeromagnetic, radiometric, topographic data, drillhole lithology and alteration logs and drillhole assays.

Mindoro explored the Lobo Property from 2000 to 2009, focusing on a drill program, which contained a series of steeply dipping quartz-barite veins targeting high-grade gold shoots such as the SWB. This exploration programme allowed Mindoro to commission an initial Mineral Resource estimate (from Bailey Geological Consultants Canada Ltd, released in February 2005 by Mindoro).

In 2009, Gold Fields Ltd entered into three contiguous joint venture farm-in agreements to earn up to 75% interest in three joint ventures, including the Lobo property, as well as the El Paso and Talahib joint ventures. Gold Fields spent approximately USD 3 million on a regional aeromagnetic survey, soil and stream sediment geochemistry and drilling at El Paso and Lobo. At Lobo, Gold Fields further tested Pica prospect, completed three deeper holes at West Drift and one deep hole at SWB. Gold Fields also drill-tested a soil anomalous zone at Sawahan, with two holes (500 metres north of Ulupong).

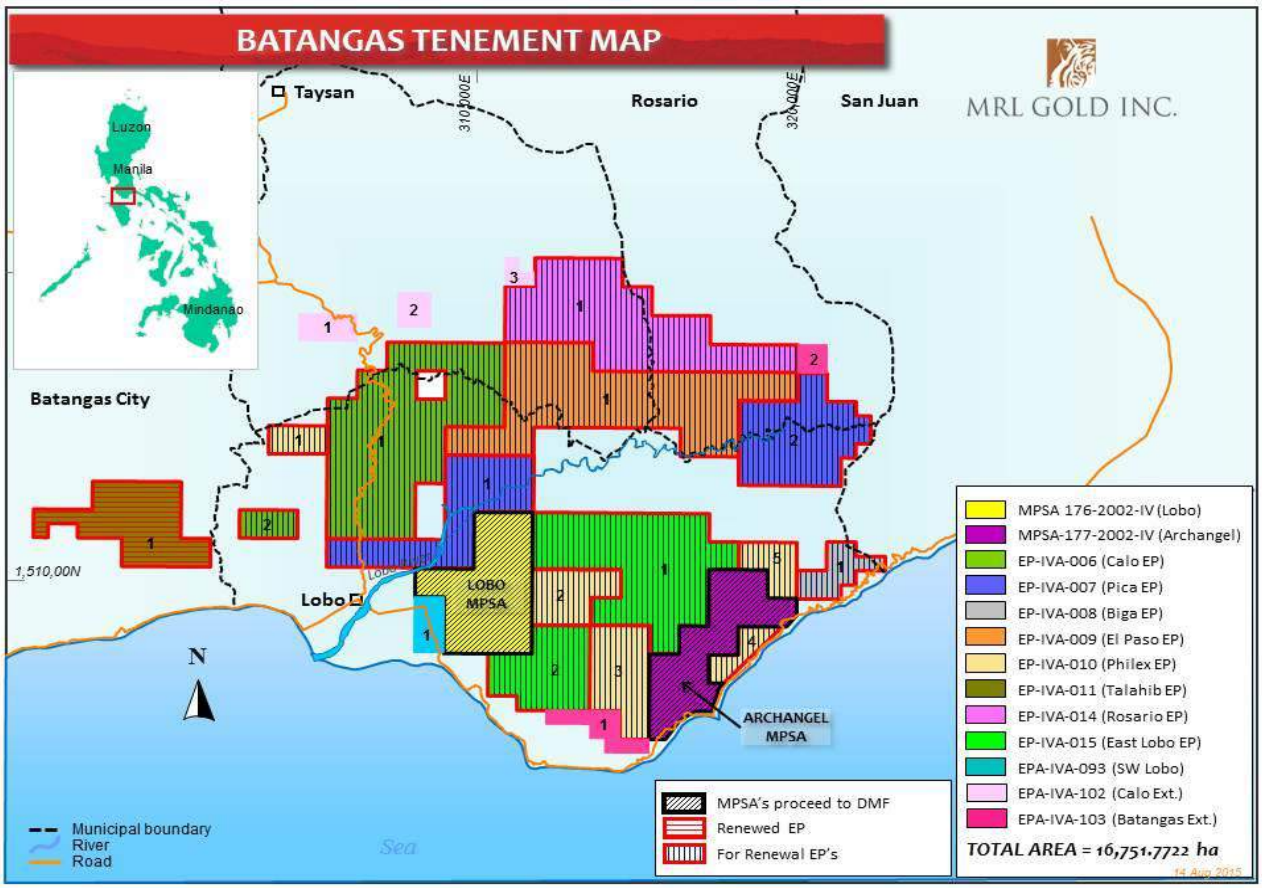
In late 2011, Mindoro completed an 8 hole (1,219.5 m) infill resource definition drill programme on SWB resource shoot.

Exploration by RMX

On the 30th October 2012, RMX completed a transaction to acquire the interests of Mindoro in the BGP tenements by acquiring a 100% interest in RMMS Group.

Prior to Red Mountain commencing exploration, over 43,300 m of drilling had been completed on the BGP, including 27,000 m completed on Archangel's Kay Tanda gold deposit. Since RMX began exploring the BGP it has drilled 72 holes at the Archangel and Lobo Properties, completed regional sampling and trenching programmes and updated the Mineral Resource Estimates at both Archangel and Lobo.

Batangas Project location map



Source: Competent Person's Report attached in Schedule 2 of the Prospectus.

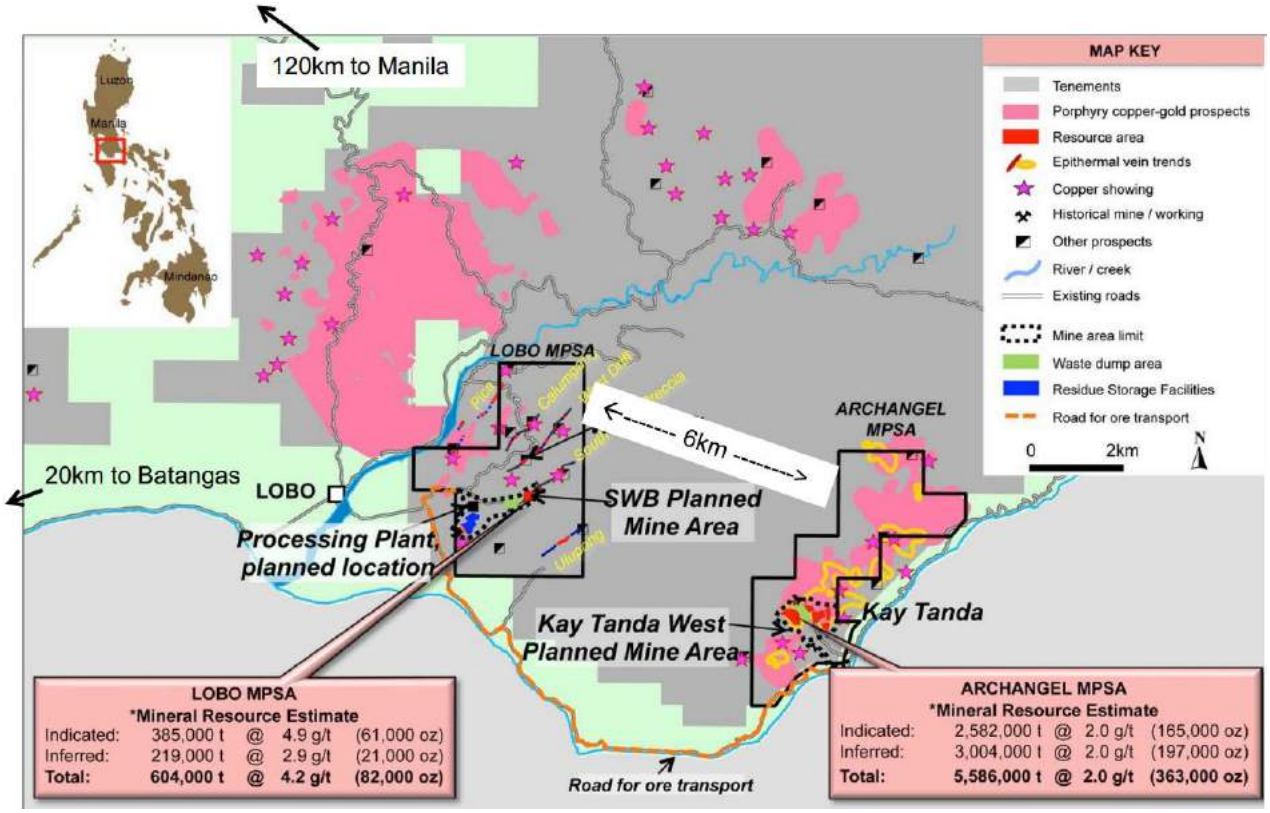
Archangel Property

After assessing the extensive historical exploration and results, RMX concentrated its initial exploration programme at Archangel on high grade "feeder zones" to the Kay Tanda resources and had the aim to identify deeper structural controls. The objectives of the programme were to better define and structurally orient the higher grade zones for resource estimate and to extend the higher grade zones at depth below the existing resources identified by Mindoro. RMX completed 10 diamond drill holes totalling 1,793 metres. All 10 drill holes intersected gold and cooper mineralisation. The drilling confirmed the structural orientation of the higher grade mineralisation. Drill hole KTD199-12 returned high-grade gold intersections (36.5 g/t gold over 2.2 m) on the intrusive/volcanic contact at the northwestern end of the resource, which remains open in that

direction. RMX believes that there is potential for extensions to the high-grade gold mineralisation on this contact. These drilling and trenching results were incorporated into the JORC 2012 Mineral Resource estimate released by RMX on 30th June 2014:

Deposit	Cut-off (Au ppm)	Classification	Tonnes	Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
Archangel	0.85	Inferred	3,004,000	2.0	1.3	197,000	124,000
		Indicated	2,582,000	2.0	5.7	166,000	471,000
Total Mineral Resource			**5,586,000**	**2.0**	**3.3**	**363,000**	**595,000**

Other potential at Archangel includes extending the mineralisation to the northeast where previous trenching on Lumbangan Ridge produced significant results including 45 m at 1.36 g/t gold. Testing other high-grade feeder results such as from the Lumbangan valley, northeast along strike from Kay Tanda and Balibago-Ahit prospect southwest of Kay Tanda, where previous trenching included 18.3 m at 3.78 g/t gold (Ahit Creek), is also planned.



Source: http://www.redmm.com.au/

Lobo Property

Based on a review of the exploration conducted on the Lobo Property, RMX highlighted the potential for the discovery of additional high-grade gold mineralisation over a 15 km strike length of epithermal vein-breccia structures that had been mapped at Lobo. Initial targets included the West Drift lode structure at depth below the historic Lobo copper mine and the SWB vein structure along strike from the existing high-grade resources at the SWB.

RMX has completed drilling programs that began in December 2012, as well as completing a concurrent trenching programme to test the SWB and the Japanese Tunnel targets. The drilling and trenching results were incorporated into the JORC 2012 Mineral Resource estimate released by RMX, 30th June 2014.

Mineral Resource tabulation for Lobo project as of June 30th 2014

June 2014 Mineral Resource - Lobo Deposits							
Deposit	**Cut-off (Au ppm)**	**Classification**	**Tonnes**	**Au (ppm)**	**Ag (ppm)**	**Au (oz)**	**Ag (oz)**
Southwest Breccia	0.85	Inferred	7,000	2.4	1.9	44,000	400
		Indicated	214,000	6.4	1.8	1,000	13,000
Japanese Tunnels	0.85	Inferred	7,000	2.2	5.3	1,000	1,000
		Indicated	26,000	3.3	5.9	3,000	5,000
West Drift	2.0	Inferred	205,000	3.0	4.3	19,000	28,000
		Indicated	145,000	3.1	4.7	14,000	22,000
CATEGORY TOTALS		Inferred	219,000	2.9	4.2	64,000	29,400
		Indicated	385,000	4.9	3.2	18,000	40,000
GRAND TOTAL			**604,000**	**4.2**	**3.6**	**82,000**	**69,400**

RMX is exploring five major epithermal vein systems with a total strike length of over 15 km on Lobo property. Drilling to date has only tested 1 km of strike length to relatively shallow depths (200 m at West Drift and 120 m at SWB). Zonation of gold grades is evident at West Drift and on SWB structure, with higher grade gold zones at lower relative elevations.

To date, RMX has completed 15 diamond drill holes at West Drift totalling 3,111 metres, where past exploration identified generally increasing gold grades with depth. Drilling at West Drift has now defined the vertical extent of a shallow plunging high grade gold shoot, located between 100 m and 150 m below surface, and delineated over a 200 m strike length within a 400 metre long target zone. High-grade drilling results are associated with a moderately plunging flexure or bend in the lode structure. The interpreted shoot has been defined over a 200 m strike length and 50 m dip-length and is open to the south and north.

RMX channel sampling programme at the Lobo Property also discovered a new high grade epithermal vein at Ulupong, where a continuous 19 m surface channel of 1 metre spaced samples along the strike of an exposed epithermal quartz-barite vein produced an intersection of 19 m grading 9.8 g/t gold. The vein is at the western end of an extensive zone of anomalous gold soil geochemistry at Ulupong-Sawahan that extends for over two kilometres in a northeast-southwest direction, sub parallel to SWB and West Drift epithermal gold vein systems.

Previous drilling at the Pica Prospect intersected a series of epithermal quartz-barite veins including in PC02: 1.5 m at 8.5 g/t of gold from the depth of 29.8 m and 13.65 m at 2.49 g/t of gold from the depth of 110 m. Regional mapping at Pica prospect has located extensions to this mineralised vein structure, which extend the structure for more than three kilometres. RMX sampled the new Pica extensions, and completed a drilling programme that tested the near surface extent of the veins for open pit mining potential.

RMX exploration during the 12 months to 30th June 2014 focused on testing high grade extensions to the SWB lode system. Trenching of a 500 m strike length zone of intermittently exposed epithermal lode material produced high-grade gold mineralisation results from three areas:

- Trench 7: 2 m at 31.1 g/t gold (ASX release dated 6 November 2013) and 3 m at 22.2 g/t gold (ASX release dated 7 January 2014), located 100 m southwest of Japanese Tunnel;

- Trench 13: 2.6 m at 28.6 g/t gold (ASX release dated 7 January 2014), located at the southwestern most lode exposure before the structure passes under younger limestone; and
- Trench 19: 8.35 m at 18.3 g/t gold and Trench 21: 6.0 m at 31.2 g/t gold (ASX release dated 12th February 2014), located immediately west of the SWB resource (SWB Extended).

Initial drilling results confirmed extensions to the surface mineralisation sampled in the trenches including:

- at SWB Extended where LB 93 intersected 3.95 m at 4.6 g/t gold from surface including 0.75 m at 15.8 g/t gold and 0.5 m at 7.16 g/t gold and 15.3 g/t silver and LB92 intersected 1.5 m at 8.07 g/t gold from 5.25 m downhole including 0.5 m at 12.0 g/t gold (ASX release dated 21st March 2014);
- at Trench 13 where LB105 intersected 0.65 m at 18 g/t gold from 10 m downhole depth, open to the southwest (ASX release dated 23rd April 2014); and
- between Japanese Tunnel and Trench 7, below Trench 20, where LB 103 intersected 1.5 m at 3.63 g/t gold from 38.7 m downhole including 0.5 m at 4.73 g/t gold (ASX release dated 23rd April 2014), indicating that the mineralisation weakens below the surface trench results but then strengthens with depth, associated with a flattening of the lode.

During early to mid 2015, and summarised in the Quarterly Activities and Cashflow Report for the quarter ending 30th June 2015, released by RMX 30th July 2015, RMX announced high-grade extensions to SWB lode and the identification of a new target at the southwest end of the 500 metre SWB lode system in the footwall of high grade trenching at Limestone Target, called Tamarind target. Planning has been completed for drill testing of the new target as part of the Stage 1 B utilisation programme, prior to the intended resource upgrade followed by completion of the DFS for the BGP. Results of the 2015 trenching programme included:

- SWB Ext. Trench 36: 4.5 m at 14.8 g/t gold including 1.0 m at 44.9 g/t gold (RMX 17th March 2015)
- SWB Ext. Trench 37: 9 m at 28.9 g/t gold (RMX 17th March 2015);
- SWB Ext. Trench 38: 3.0 m at 12.1 g/t gold including 1.0 m at 27.2 g/t gold (RMX 11th June 2015);
- SWB Ext. FW Lode: Trench 39: 2.1 m at 14.2 g/t gold incl. 0.6 m at 41.5 g/t gold (RMX 11th June 2015);
- Limestone Target, Trench 34: 3.5 m at 25.9 g/t gold including 1.5 m at 56.8 g/t gold (RMX 2nd February 2015);
- Limestone Target, Trench 33C: 2 m at 14.2 g/t gold including 0.5 m at 41.0 g/t gold (RMX 2nd February 2015).

Batangas Gold Project Development Studies

There has been no estimate of Ore Reserves at the BGP. However Red Mountain has carried out a Scoping Study, which was released to the ASX on 20th March 2014. This study confirmed the likelihood of a low-cost, early payback project based upon reasonably assumed project capital and operating costs and a gold price of USD 1,080 per ounce and an initial mine life of approximately 5 years based on the initial open cut mining and processing of the high-grade, near surface, sub-set of Indicated Resources containing approximately 100,000 oz of gold at South West Breccia and Kay Tanda West. Red Mountain intends to complete a DFS on the BGP, focussing on open pit mining at Lobo, which will allow ore reserves to be declared under the JORC Code (2012).

Based on the results of the Scoping Study, RMMS Group commenced a DFS on the BGP, focussing on open pit mining at Lobo Property.

Significant progress has been made towards completion of the DFS. The DFS metallurgical testing work is complete and recoveries are broadly in line with previous assumptions. Process engineering to determine processing plant capital and operating costs and geotechnical programmes are close to completion. Other inputs including site infrastructure (roads, water storage and power generation), administration, tax inputs and miscellaneous costs will be finalised for input into the financial model by the end of the first quarter 2016.

The resources that were the subject of the Scoping Study and the current DFS in progress are located in moderately steep terrane but are accessible via access tracks established by RMMS Group for exploration purposes. Access to carry out exploration on government land that is occupied by local landholders has been undertaken via access agreements.

Access to the resources and future reserves to allow development and construction of the mine is subject to the successful outcome of the permitting process and successful negotiation of access agreements with local landholders or access provided by the government on government land.

The key steps to establishing access to develop the resources and reserves are as follows:

i) In order to access the proposed development areas to commence construction of the mine at the BGP on the Lobo and/or Archangel MPSAs, RMMS Group requires an ECC to be issued;

ii) In addition to the ECC, to commence construction of the mine at the BGP on the Lobo and/or Archangel MPSAs, RMMS Group requires an approved DMF;

iii) Once the DMF is approved, other auxiliary local permits and agreements are required to allow various components of the development to proceed. It is premature to apply for these permits at this stage and they will be applied for once the decision is taken to construct the mine;

iv) Land access and/or purchase or lease agreements are required to undertake development and/or operational activities on the relevant lands. All land required for the project at Lobo is "government forestry land" and is occupied by local people through the grant of tax paid certificates that provide the right to benefit from the land for agricultural purposes as long as annual land taxes are paid, however the government retains ownership of the land. The Mining Act sets out the requirements for the granting of land access rights to mineral permit holders. Legal land tenants are required to reach agreement with mining companies over appropriate compensation. Should the legal land tenants and RMMS Group fail to agree the level of compensation then RMMS Group can seek the assistance of the Municipal Government or ultimately seek legal (Court) arbitration to set the level of compensation or purchase/lease cost. RMMS Group has commenced negotiating access and/or purchase or lease agreements with legal tax paid land tenants and the Company and RMMS anticipates a successful outcome to these negotiations, given that previous access agreements for exploration purposes have been in place for a number of years. It is anticipated that the land access and/or purchase or lease agreements will be in place prior to the signing of the DMF, but are not required for approval of the DMF.

PART III. DIRECTORS, SENIOR MANAGERS AND CORPORATE GOVERNANCE

1. Directors

The following table lists the names, ages and positions of the Directors and the year they were appointed:

Name	*Date of birth*	*Position*	*Appointed*
Jonathan Charles Rowell Morley-Kirk	7 September 1961	Non-Executive Director	2014
		Non-Executive Chairman	2015
Aidan Bishop	19 May 1970	Director	2014
		Executive Director	2015
Colin David Patterson	29 January 1954	Executive Director	2015
Daniel Kesdan Fox-Davies	25 July 1974	Non-Executive Director	2015
Clive Sinclair Poulton	11 January 1956	Non-Executive Director	2015

Jonathan Charles Rowell Morley-Kirk *(Non-Executive Chairman)*

Jonathan Morley-Kirk was appointed a Non-Executive Director in 2014. He has been appointed Non-Executive Chairman of the Board and Chairman of the Audit Committee.

He has many years of experience in devising structures, managing international businesses and corporate governance issues. He has worked both onshore and offshore, with great experience in dealing with investors and regulators. He focuses on the natural resources sector and emerging economies.

Mr Morley-Kirk held directoral positions at Samuel Montagu and SG Warburg in London before he moved to Jersey in 1995. He has over ten years of experience as a non executive director/chairman of AIM and TSX listed companies. He is currently a non executive director of EastSiberian PLC and Sarossa PLC. He was chairman of Fox-Davies Capital, a London based stockbroker and investment manager, that focused on the natural resources sector.

He is a fellow of the Institute of Chartered Accountants in England & Wales, a Fellow of the Chartered Institute of Securities and Investments, and a member of the Society of Trust and Estate Practitioners.

Mr Morley-Kirk's extensive experience of working on key managerial positions in publicly quoted companies, together with his skills are the reasons for his appointment as the Non-Executive Chairman of the Company.

Aidan Bishop *(Executive Director)*

Aidan Bishop is a co-founder and the Director of the Company since its incorporation in March 2014.

He has a number of years of experience in start-up businesses in the Philippines in various sectors. Mr Bishop has been an integral part in starting new businesses in the Philippines.

Since 2013, he has been founder and Director of Gourmet Society Digital Ventures Inc, a company that developed two leading smartphone applications in the restaurant loyalty sector in the Philippines. Since 2011, he has been founder and Director of PhilCocoa Ltd, a company that is investing and managing a cocoa production and trading business.

He is also the Acting Chairman of a restaurant investment company, YumYum Restaurant Ventures Inc and Director of Global PhilCoffee Inc, a company engaged in originating land for use in agricultural projects. Previously, from February 2013 to 2014, Mr Bishop was a Founding Director of Philippine Metals Ltd, a company engaged in investing into natural resource exploration in the Philippines.

He was instrumental in founding the Company and developing its business model and opportunities, which is principal reason for his appointment.

Colin David Patterson *(Executive Director)*

Colin Patterson was appointed as the Executive Director of the Company in September 2015.

Since 2000, Mr Patterson has been managing his own consultancy company, Momentum Resources International. He has more than 40 years' experience in the mining industry and is experienced in all major aspects of mining (management, production, design, exploration, evaluation, construction and corporate). He has held directorial and executive management positions at numerous mining and exploration companies and has operated and managed projects worldwide. Most recently he was executive Chairman of a Philippine listed gold producer, Apex Mining.

He is a fellow on Australian Institute of Mining and Metallurgy and Australian Institute of Company Directors. He holds a degree of a Bachelor of Science in Engineering (Mining), a Bachelor of Commerce with honours in Business Economics (Finance) and has a diploma of Company Directorship (Australia).

His extensive experience in mining industry together with substantial track record are the key factors of Mr Patterson's appointment as the Executive Director of the Company.

Daniel Kesdan Fox-Davies *(Non-Executive Director)*

Daniel Fox-Davies was appointed as a Non-Executive Director of the Company in September 2015.

He has 22 years of investment banking experience where he has focused on the natural resources sector. His experience includes equity capital raisings, private placements, IPOs through advising natural resource companies that are entering and trading on various global exchanges.

Mr Fox-Davies currently holds the office of Non-Executive Director with European Lithium. From 1999 to 2014, he served as Chief Executive Officer, Chairman and the sole owner of Fox-Davies Capital (FDC), a specialist investment banking business focussed on the natural resource sector. FDC was a UK broker dealer, advising junior resource companies. FDC was a Nominated Adviser of the AIM market of the London Stock Exchange with subsidiary offices in New York and Toronto. FDC directly advised on, or participated in, approximately USD2.5 billion of equity capital raisings.

Prior to establishing FDC he was involved in the Emerging Market Debt Markets, working in London, Vienna, Hong Kong, Moscow and New York. His extensive experience in investment banking and natural resources is a key factor for appointment of Mr Fox-Davies as a Non-Executive Director of the Company.

Clive Sinclair Poulton *(Non-Executive Director)*

Clive Sinclair Poulton was appointed as a Non-Executive Director of the Company in September 2015.

He has many years of experience working in the natural resources sector having directorial positions. From 2008 until November 2014, Mr Sinclair Poulton was the Executive Chairman of Beowulf Mining plc, an AIM listed company.

Prior to this he was a Non-Executive Director at Morning Star Holdings (Australia) Ltd, an aluminium processing and platinum exploration company listed on the ASX. Between 2004 and 2008, he held the office of the Chief Executive Officer and was the founder shareholder of Bezant Resources plc, an AIM listed exploration company whose assets included a Philippine exploration project. Prior to his involvement in the natural resource sector, Mr Sinclair Poulton was the Executive Chairman of themutual.net (now Progressive Digital Media Group plc), a UK internet service provider.

He earned a Bachelor's and Master's degree in Law from St Catharine's College (Cambridge). He is a Member of the Chartered Institute for Securities and Investment and a Member of the Egyptian Exploration Society and the Society for the Promotion of Roman Studies. He was a Chairman of the Year nominee in the 2012 Grant Thornton Quoted Company Awards. Mr Sinclair Poulton's experience of working in key managerial positions and track record in natural resource companies are the main reasons for his appointment as a Non-Executive Director of the Company.

2. Senior Management

The Company's current Senior Management, in addition to the Directors listed above, include:

Name	*Date of birth*	*Position*	*Appointed*
Charles Alexander Fordyce Barclay	18 December 1950	Chief Executive Officer	2015
Andrew David Lincoln Wright	12 February 1964	Chief Financial Officer	2015

Charles Alexander Fordyce Barclay *(Chief Executive Officer)*

Charles Barclay was appointed as the Chief Executive Officer of the Company in August 2015.

Mr Barclay has over 40 years in the gold mining industry. For the past 25 years he has been a senior executive in gold mining companies in the Asia Pacific region. He gained his mining training in South Africa between 1970 and 1990 before moving to the Fiji Islands where he became the Chief Operating Officer for Australian based Emperor Mines Ltd. In the early 2000's he was a consultant before joining Highlands Pacific Ltd. in 2003 where he was responsible for the design and development of the Kainantu gold mine in Papua New Guinea. In 2006 he joined Olympus Pacific Minerals becoming Chief Operating Officer the following year where he was responsible for the design, construction and operations of two gold mines in Vietnam. He relinquished his position in 2011 to become the Chief Technical Officer, a position which he held until mid 2013.

Over his career he has been involved in most facets of gold mining from feasibilities to management. He has a South African Metalliferous Mine Overseer's Certificate and a Metalliferous Mine Manager's Certificate.

He has had some 12 years experience working with Philippine nationals and has a high regard for their skills and work ethic. Significant skills and experience in the mining industry and experience of work in developing countries are the key factors for the appointment of Mr Barclay as the Chief Executive Officer of the Company.

Andrew David Lincoln Wright *(Chief Financial Officer)*

Andrew David Lincoln Wright was appointed Chief Financial Officer of the Company in August 2015.

Since 2007, Mr Wright has been a founding director of Etres Resources Limited, Australian based holding company for investments into exploration assets in the Philippines. Since 2009, Andrew Wright is a director of Etruscan Capital Pty Limited, a boutique investment advisory practice responsible for provision of advice to sophisticated investors across the equity, debt and property markets.

Previously, from 2003 until 2008 Mr Wright was a director of Five Finance, a finance company focused on the global sports and entertainment sectors. Mr Wright has held a number of other directorial positions in private companies. He has wide ranging experience in capital markets and has worked in Australia, the Philippines, the US and Europe.

Mr Wright holds a Post Graduate Diploma in Financial Planning from the Securities Institute of Australia, is a chartered accountant and tax agent, admitted as a chartered accountant by the Institute of Chartered Accountants in Australia. Extensive financial expertise and experience including working in the Philippines are the reasons for his appointment as the Chief Financial Officer of the Company.

3. Litigation Statement about Directors and Senior Management

At the date of the Prospectus, for at least previous five years prior to the date of the Prospectus, save for:

(i) Andrew David Lincoln Wright who, being the Founding Director of Etres Resources Limited, has put it into formal administration on 9th October 2015 due to the non-contribution of funds and prohibition for undertaking a rights issue by the largest shareholder, and

(ii) Charles Alexander Fordyce Barclay who has been Chief Operating Officer of Olympus Pacific Minerals Inc. (currently Besra Gold Inc) for the period from December 2005 until September 2011 and in October 2015 the Board of Directors of Besra Gold Inc has determined to commence restructuring proceedings under the Canadian law and on 19th October 2015 Besra Gold Inc filed a Notice of Intention to make a proposal under the Bankruptcy and Insolvency Act (Canada),

none of the members of the Board or the Senior Management have:

- had any convictions in relation to fraudulent offences;
- been adjudged bankrupt or have been a director of a company or a member of administrative, management or supervisory body or a senior manager of a company which has been bankrupt, place in receivership or liquidation;
- been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies);
- been disqualified by a court from acting as a director of a company or a member of the administrative, management or supervisory body of any company or from acting in the management or conduct of the affairs of any company;
- any family relationship with any of the other Directors or the Senior Managers; or
- had any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by or to the Company, or any such interest in any contract or arrangement subsisting at the date of the Prospectus and which is significant to the business of the Company.

4. Corporate Governance

Corporate Governance Regime

The Company is not subject to a code of corporate governance in the BVI.

The Directors are aware of the UK Corporate Governance Code that is applicable to all companies admitted to the premium segment of the Official List. The Company is seeking admission to the standard segment of the Official List and is not required to comply with the provisions of the UK Corporate Governance Code.

The Directors have responsibility for the overall corporate governance of the Company and recognise the need for appropriate standards of behaviour and accountability. The Directors are committed to the principles underlying best practice in corporate governance and intend to comply with the principles of the UK Corporate Governance Code to the extent they consider appropriate for the Company given its size, early stage of operations and complexities.

In particular, the Company intends to comply with the provisions of the UK Corporate Governance Code insofar as is appropriate, except that given the size of the Board and early stage of operations of the Company, certain provisions of the UK Corporate Governance Code (in particular provisions relating to the composition of the Board and the Audit Committee), are not being complied with by the Company as the Board considers these provisions to be inappropriate for the Company.

Board of Directors

The Board is currently comprised of three Non-Executive Directors (including the Chairman) and two Executive Directors. The Company regards all three Non-Executive Directors as independent.

The Board meetings are held on a regular basis outside the UK. Significant decisions are made by the Directors. All Directors participate in the key areas of decision-making.

The Board is responsible for the management of the Company and has all powers necessary for managing, directing and supervising the business and affairs of the Company.

To enable the Board to discharge its duties all Directors have full and timely access to all relevant information on the Company's activities.

The Board has a wide range of experience directly relevant to the Company's business. The structures and procedures of the Company ensure that no individual or group dominates the decision-making process.

The business address of the members of the Board is the registered office of the Company at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, VG1110, BVI.

The Board's committees are constituted as follows:

Committee	***Chairman***	***Members***
Audit Committee	Jonathan Charles Rowell Morley-Kirk	Clive Sinclair Poulton
Remuneration and Nomination Committee	Daniel Kesdan Fox-Davies	Clive Sinclair Poulton
Health, Safety and Security Committee	Colin David Patterson	Daniel Kesdan Fox-Davies

Audit Committee

The Audit Committee comprises currently two Non-Executive Directors who are independent non-executive directors as defined by the UK Corporate Governance Code. The Board shall appoint the chairman of the Audit Committee.

Membership

The Board shall appoint the Members of the Audit Committee. The Audit Committee shall consist of a minimum of two members. The Company secretary or its nominee shall act as the secretary to the Audit Committee. Appointments to the Audit Committee shall be for an unlimited period and the Board shall review its composition from time to time.

Quorum

The quorum necessary for the transaction of business shall be two members of the Audit Committee.

Meetings

The Audit Committee shall meet not less than two times a year at appropriate times in the reporting and audit cycle and otherwise as required. The chairman and the members of the Audit Committee have the power to request a meeting of the Audit Committee at any time he/they shall deem it necessary.

Only members have the right to attend the Audit Committee meetings. However, other officers of the Company that deals in finance matters as well as external auditors may be invited to attend. Members may participate in the meetings of the Audit Committee by means of telephone, videoconference or in person.

The secretary shall minute the proceedings and resolutions of all meetings. Minutes of the meetings shall be distributed to all members of the Audit Committee after the Audit Committee chairman has given preliminary approval.

Terms of Reference

The key duties of the Audit Committee are as follows:

- to monitor the integrity of the financial statements of the Company, including its formal announcement relating to its financial performance;
- to review financial and accounting policies of the Company;
- to review the consistency of, and any changes to, accounting policies both on a year by year basis and across the Company;
- to review whether the Company has followed appropriate accounting standards and made appropriate estimates and judgments, taking into account the views of the external auditor;
- to annually consider whether there is a need for an internal audit function and make a respective recommendation to the Board;
- to keep under review the adequacy and effectiveness of the Company's internal controls and risk management systems;

- to review the Company's systems and controls for the prevention of bribery and receive reports on non-compliance;

- to consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of the Company's external auditor;

- to oversee the relationship with the external auditor;

- to meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage;

- to review and approve the annual audit plan and ensure that it is consistent with the scope of the audit engagement having regard to the seniority, expertise and experience of the audit team; and

- to review the findings of the audit with the external auditor.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee comprises currently two Non-Executive Directors who are independent non-executive directors as defined by the UK Corporate Governance Code. The Board shall appoint the chairman of the Remuneration and Nomination Committee.

Membership

The Board shall appoint members of the Remuneration and Nomination Committee. The Remuneration and Nomination Committee shall consist of a minimum of two members. The Company secretary or its nominee shall act as the secretary to the Remuneration and Nomination Committee. Appointments to the Remuneration and Nomination Committee shall be for an unlimited period while the Board reviews its composition from time to time.

Quorum

The quorum necessary for the transaction of business shall be two members.

Meetings

The Remuneration and Nomination Committee shall meet not less than two times a year. The chairman and the members of the Remuneration and Nomination Committee have the power to request a meeting of the Remuneration and Nomination Committee at any time. The chairman of the Board may also request a meeting of the Remuneration and Nomination Committee if he/she considers that one is necessary.

Only members have the right to attend meetings of the Remuneration and Nomination Committee. However, other officers of the Company, which deal in finance matters as well as external auditors, may be invited to attend. Members may participate in the meetings of the Remuneration and Nomination Committee by means of telephone or videoconference.

The secretary shall minute the proceedings and resolutions of all meetings of the Remuneration and Nomination Committee. Minutes of the meetings shall be circulated to the chairman and then to all members of the Remuneration and Nomination Committee.

Terms of Reference

The duties of the Remuneration and Nomination Committee are as follows:

- to be responsible for identifying and nominating, upon the approval of the Board and ultimately the shareholders of the Company, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer;

- to review regularly the Board structure, size, composition and make recommendations to the Board of adjustments that are deemed necessary, in order to ensure an adequate size and a well-balanced composition of the Board and further ensure that a majority of the Board is independent, and to make determinations regarding independence of members of the Board;

- to consider annual performance evaluation of the Chief Executive Officer and all executive directors with respect to their roles;

- to make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive director as an employee of the Company subject to the provision of the law and his/her service contract;

- to ensure the development of guidelines for selecting candidates for election or re-election to the Board, or to fill vacancies on the Board; and

- to set the remuneration policy and determine the remuneration of the Executive and the Non-Executive Directors of the Company, the Chairman and the Chief Executive Officer of the Company.

Health, Safety and Environment Committee

The Health, Safety and Environment Committee comprises currently two Executive Directors. The Board shall appoint the Chairman of the Health, Safety and Environment Committee.

Membership

The Board shall appoint members of the Health, Safety and Environment Committee. The Health, Safety and Environment Committee shall consist of a minimum of two members. The Company secretary or its nominee shall act as the secretary to the Health, Safety and Environment Committee. Appointments to the Health, Safety and Environment Committee shall be for an unlimited period while the Board reviews its composition from time to time.

Quorum

The quorum necessary for the transaction of business shall be two members.

Meetings

The Health, Safety and Environment Committee shall meet not less than two times a year. The Chairman of the Health, Safety and Environment Committee, the Chairman of the Board and the members of the Health, Safety and Environment Committee have the power to request a meeting of the Health, Safety and Environment Committee at any time he/they shall deem it necessary.

Only members have the right to attend the Health, Safety and Environment Committee meetings. However, other individuals such as the Board members, managers and representatives of environmental, health and safety functions within the Company (if any) may be invited to attend. Members may participate in the meetings of the Health, Safety and Environment Committee by means of telephone, videoconference or in person.

The secretary of the Health, Safety and Environment Committee shall minute the proceedings and resolutions of all meetings. Minutes shall be distributed to all members of the Health, Safety and Environment Committee after the chairman of the Health, Safety and Environment Committee has given preliminary approval.

Terms of Reference

The key duties of the Health, Safety and Environment Committee are as follows:

- to oversee the development of policies and guidelines for the management of health, safety and environmental risks within the Group's operations;

- to evaluate the effectiveness of the Group's policies and systems for identifying and managing health, safety and environmental risks within the Group's operations;

- assess the policies and the performance of the Group with regard to the impact of health, safety and environmental decisions and actions upon employees and communities;

- to evaluate and oversee, on behalf of the Board, the quality and integrity of any reporting to the relevant persons concerning health, safety and environmental issues;

- review the results of any independent audits of the Group's performance in regard to health, safety and environmental matters, review any strategies and action plans developed by the Board in response to issues raised and, where appropriate, make recommendations to the Board concerning the same; and

- approve specific provisions for environmental costs, restatements after exploration and/or mining, abandonment costs and other related costs that appear in the Group's financial statements.

5. Directors' and senior managers' interests in the Shares

At the date of this Prospectus the following Directors and Senior Managers have the following interests in the Shares:

(i) Monza Capital Ventures Ltd, which owns 50,952,500 Shares, is ultimately owned and controlled by Oyster Trust SARL as trustee of Marco Polo Trust of which Aidan Bishop is a discretionary beneficiary;

(ii) Colin David Patterson is a sole beneficiary of the Sub Fund 283 of IS&P (Singapore) Retirement Fund for which Vistra is a trustee. In accordance with the Vistra Loan Vistra is entitled to the Shares in the Company amounting to USD220,000 to be converted at the Vistra Shares Issue Price within five business days after Admission, which amounts to 5,757,924 Shares. In addition the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan; and

(iii) Charles Alexander Fordyce Barclay, who, subject to the Board approval, is entitled to a bonus consisting of the Shares amounting to GBP20,000 after the Admission, calculated at the market price of the Shares, which is expected to be 347,826 Shares.

Except as described above no other Director or Senior Manager holds any Shares or has any interest in the Shares.

6. Conflicts of interest

The following potential conflict of interest arises for the following Director and Senior Manager:

- Colin Patterson manages his own consulting company - Momentum Resources International which is a private investment company that considers investments in the resources industry; and

- Andrew David Lincoln Wright is president of Etres Resources Limited, which has two exploration tenements in the Philippines.

Except as described above, there are no other potential conflicts of interest between any duties owed to the Company by the Directors or the Senior Managers and their private interests or duties.

PART IV. OPERATING AND FINANCIAL REVIEW

The following discussion of the results of operations and financial condition of the Group should be read in conjunction with Part VI "Selected Financial Information" of this Document and with the information relating to the business of the Group included elsewhere in this document. The discussion includes forward-looking statements that reflect the current views of Directors and management and involve risks and uncertainties. The actual results of the Group could differ materially from those contained in any forward-looking statements as a result of factors discussed below and elsewhere in this Document, particularly in the section entitled "Risk Factors". Investors should read the whole of this Document and not rely just on summarised information.

The Operation and Financial Review is broken down into the following sections:

1) *Overview*
2) *Review of Operations to Date*
   a) *Batangas Gold Project*
   b) *Copper Concentrate Trading Business*
3) *Working Capital*
4) *Use of Funds*
5) *Group Strategy*
   a) *Summary of Group Strategy*
   b) *Key Performance Indicators*
   c) *Future Cash Flows, Long Term Capital Structure and Expected Future Returns*
6) *Review of Historical Financial Results*
7) *Significant Developments since 30 June 2015*
8) *Treasury Policies*
   a) *General*
   b) *Restrictions on Treasury Operations*
   c) *Borrowings & Committed Amounts*
9) *Principal Risks and Uncertainties*
   a) *Risks specific to the Batangas Gold Project*
   b) *Risks to both the Batangas Gold Project and the Copper Concentrate Trading Business*
   c) *Risks specific to the Copper Concentrate Trading Business*

1) Overview

The Company was formed on 12th March 2014 for the purpose of engaging in exploration, mining and commodity trading in the Philippines and Australia. The Company has divested from its exploration interests in early stage exploration properties in Australia.

The Group's ongoing business is:

1. The Batangas Gold Project

The BGP will on Admission be the flagship project of the Group and it is an advanced gold exploration project. The BGP has total indicated and inferred resources of 445,000 oz Au. The Company has a JVA with RMX and RMMS, which give the Group an option to farm-in up to 50.1% of RMMS that controls and operates the BGP.

The farm-in option is done in the following three stages:

- Stage 1 A: acquire 15% of RMMS by making a USD1,000,000 investment in the BGP, part of which has already been paid by the Company to RMMS;
- Stage 1 B: acquire 10% of RMMS by making a USD700,000 investment in the BGP increasing the Company's stake to 25%;

  followed by either:

- Sole Funding Option of USD1,700,000 **OR** Stage 2 Option of USD3,800,000 investment in the BGP for an additional 25.01% in RMMS bringing the total Company's stake to 50.1%.

Stage 2 Option is triggered by the completion of Stage 2 Conditions Precedent, which are:

- completion of a DFS demonstrating a minimum internal rate of return of 25%;
- receipt of the DMF and ECC; and
- definition of proven and probable ore reserves of at least 100,000 oz's of gold.

2. Copper concentrate trading business

The Group entered into an MOA with CRRR to purchase copper concentrate on an exclusive basis for a period of 10 years.

Under the terms of the MOA the Group made a loan of PHP1,865,000 to CRRR to enable CRRR to build a copper and gold processing plant with the loan being secured against the land and the plant and equipment.

The Group buys copper concentrate from CRRR at prices that are typical in the region. The price is based upon two factors – copper content and weight. The base against which the price is calculated is fixed at PHP2.50 per kilo and PHP1 per kilo for every 1% grade of copper content. The PHP2.50 per kilo is to cover CRRR's costs of trucking and obtaining OTPs. This pricing formula price means that the Group is buying concentrate based upon a fixed copper price of PHP102,500 per MT (100% copper content equals PHP100 per kilo plus PHP2.50 per kilo equates to PHP102,500 per MT), which is approximately USD2,180 per MT and thus ensures that the Group has a significant degree of protection against fluctuations between its buying price and the LME Price.

CRRR has supply arrangements with permitted small-scale copper producers who supply CRRR with high-grade copper ore. This ore then undergoes a gravity concentration process at CRRRs plant. The Group provides technical assistance to CRRR.

Under the terms of the MOA, the Group places a CPO with CRRR for a target grade of copper concentrate and then makes a 50% advance payment to CRRR. The target grade is estimated based upon analysis of ore samples received by CRRR from the small-scale producers. Once the shipment is prepared the Group the Group sends a pre-shipment sample of the concentrate to the laboratory for analysis. The balance of payment due to CRRR is determined by the results of the pre-shipment analysis. The payment is made when the Group is in receipt of shipping documentation. Adjustments to the price are made based upon the delivered grade of concentrate to the smelter. The analysis of the delivered grade performed by the smelter or independent surveyor takes precedence over the results of any other analysis.

The Group entered into an agreement to sell copper concentrates to a local smelter, which pays the Group based upon the metal content. Copper concentrate can also contain gold and silver and as such are also considered payable metals. This agreement with the smelter expired in December 2015. The smelter has confirmed to the Company that it is willing to renew the agreement on the same terms and conditions. The formula for payment agreed with the smelter upon which the Company expects to make any further arrangements with the smelter is based upon the percentage of copper content subject to a deduction of 1%

and then to calculate a gross payment of 96.5% of the copper value based on the LME Price. The smelter operator is likely to insist upon the grade of copper content is determined by the smelter or independent surveyor based upon analysis that is undertaken upon delivery of each shipment. A TC and RC are then deducted from the gross copper value.

The Group notes that there is currently a significant difference between the formula that its buying price is based upon and the LME Price.

Under the terms of the MOA, the Group may also engage in gold trading once CRRR has been issued with an ECC for such. However, the Group has decided to focus purely on the trading of copper concentrates for at least the period of 12 months following Admission.

2) Review of Operations to Date

a) Batangas Gold Project

The Company entered into the JVA on 23rd December 2014. This was superseded by an updated JVA signed on 14th October 2015 as amended. The JVA gives the Company an option to acquire up to a 50.1% stake in RMMS.

At present USD1,000,000 has been invested as follows:

- USD280,000 was invested by the Company in RMMS. USD220,000 was invested for and on behalf of the Company by Vistra. Vistra has agreed to accept USD220,000 Shares in the Company at the Vistra Shares Issue Price within five business days of Admission in repayment of funds advanced on behalf of the Company. In addition the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan. If Admission does not occur before 15th April 2016, shares in RMX will be issued to Vistra for the extinguishment of the liability between the Company and Vistra, then there is no obligation for the Company to repay RMX in respect of USD220,000; and

- USD500,000 was loaned by RMX to RMMS as a partial payment towards the Company's Stage 1 A commitment, which should be repaid by the Company to RMMS upon Admission. RMMS will then repay its loan to RMX.

The Company will be issued Stage 1 A RMMS Shares upon repayment of the USD500,000 loan (plus interest and costs) to RMX.

Additionally USD700,000 has been borrowed from RMX to fund the Company's Stage 1 B commitment. This will be repaid to RMX upon Admission.

The BGP is an advanced exploration project with over USD 15 million spent to date on its development.

b) Copper Concentrate Trading

On 19th November 2014 WTMR entered into a MOA with a supplier to buy copper concentrates for a period of 10 years. This was superseded by an agreement between the Company, WTMR and CRRR dated 16th November 2015. During Q1 and Q2 2015 the Company developed this business, including providing CRRR with a loan to fund the construction of a copper concentrate processing plant at Pantukan in Mindanao which is located in the southern Philippines.

On 16th June 2015 WTMR entered into a CPO for 25 dry MT of copper concentrates and on 28th September 2015 a further CPO for 47 dry MT of concentrate. On 15th September 2015 the Company entered into an off-take agreement with a local smelter, which is majority owned by a major international mining company which

has now expired. The Company expects to renew this agreement in mid-April 2016.

An OTP for the first shipment of 17.76 MT was issued on 19th October 2015 and the concentrate was shipped to the smelter on 25th October 2015. The first shipment was independently surveyed on 9th December 2015 and the results of the first shipment revealed a copper content of 12.367%; gold content of 6.56 grams per ton; and silver content of 57.4 grams per ton. It has been agreed that the payment for the first shipment will be made once the smelter receives the second shipment of 54 MT. The original agreement with the smelter expired in December 2015. The smelter has confirmed to the Company that it is willing to renew the agreement on the same terms and conditions. It is currently intended for the extension documentation to be executed by the parties by mid-April 2016 once the smelter receives assay results of the pre-shipment sample of the second shipment of 54 dry MT during April 2016.

As of the date of this Document the Group has not generated any revenue from its copper trading business.

3) Working Capital

The Company is of the opinion that, taking into account the Minimum Net Proceeds, the working capital available to the Company is sufficient for its present requirements, that is for at least 12 months from the date of this Document.

The Minimum Gross Proceeds from the Placing is GBP 1,675,000. The Minimum Net Proceeds from the Placing, after estimated placing costs, is GBP 1,426,016

The Maximum Gross Proceeds from the placing is GBP 2,000,000. The Maximum Net Proceeds from the Placing, after estimated placing costs is GBP 1,734,766.

4) Use of Funds

The proceeds of the Placing will be allocated as follows. This is presented in the order of priority.

Minimum Gross Proceeds	GBP 1,675,000
Estimated placing costs	GBP 248,984
Minimum Net Proceeds	GBP 1,426,016
Repayment of RMX debt facility/Funding Stage 1 B (USD 1,200,000)	GBP 830,760
Joint Venture Contribution to BGP over 12 months (USD 100,000)	GBP 69,240
Board and Management Salaries	GBP 332,940
General and Administrative – Company	GBP 159,929
Working Capital – WTMR	GBP 20,007
General and Administrative – BBMV	GBP 13,140
Maximum Gross Proceeds	GBP 2,000,000
Estimated placing costs	GBP 265,234
Maximum Net Proceeds	GBP 1,734,766
Repayment of RMX debt facility/Funding Stage 1 B (USD 1,200,000)	GBP 830,760
Joint Venture Contribution to BGP over 12 months (USD 100,000)	GBP 69,240
Board and Administrative Salaries	GBP 332,940

General and Administrative – Company	GBP 405,679
Working Capital – WTMR	GBP 20,007
General and Administrative – BBMV	GBP 13,140
Repayment of the Bishop-Tarr Loan Facility	GBP 63,000

5) Group Strategy

a) Summary of Group Strategy

The Group's strategy is threefold:

- Development of the BGP;
- Trading copper concentrate;
- Further acquisitions and expansion of trading activities.

Development of the BGP

The Company intends to use part of the proceeds of the Placing to increase its interest in RMMS to 25%. Whilst the Company, having acquired a 25% interest, ultimately plans to increase its interest to 50.1% it does not plan to do so in the 12 months following Admission.

The Directors do not expect the permitting and approvals process to be completed during the 12-month period following Admission. Thereafter, in order to exercise either the Sole Funding or Stage 2 Options, the Company expects that it will require additional funding via a further issuance of equity in the period following 12 months after Admission.

The key objectives during the 12 months following Admission is to complete the DFS that will demonstrate an economically viable mining operation and to advance the permitting process.

Trading Copper Concentrate

The Group is seeking to renew its agreement with the smelter. The smelter has indicated that once it receives assay results of the pre-shipment sample of the second shipment of 54 dry MT that it will renew the agreement and make arrangement to make payment of the first shipment. The Group expects to develop its trading business from revenues generated from the first two shipments and to reinvest the revenue generated into subsequent shipments in order to build up monthly volumes.

The Group targets gradually increasing monthly volumes of copper concentrate to 500 MT during the 12 months following Admission. The existing plant and associated infrastructure is able to produce and support the required targeted volumes.

Further Acquisitions and expansion of trading activities

Whilst the Group is investigating new opportunities it is not expected to make any acquisitions within the period of 12 months following Admission. Once the trading business has increased monthly shipments to 500 MT on a consistent basis then the Group will seek opportunities to replicate its business model in other regions, which would require the Group to identify new suppliers and partners.

b) Key Performance Indicators

The Group's Key Performance Indicators are as follows:

Batangas Gold Project

- Completion of the DFS by Q3 2016;
- Positive results of the DFS to target delineation of 100,000 oz of proven and probable reserves;
- Positive economic model from the DFS to demonstrate an Internal Rate of Return of at least 25%;
- Advancement of the permitting process leading to the grant of the ECC and DMF; and
- Delivery of key technical and financial project milestones on time and within budget.

Commodity Trading Businesses

- Achievement of consistent monthly volumes of copper concentrates of 500 MT;
- Delivery of sustainable profitable results from the commodity trading businesses; and
- Delivery of technical assistance to CRRR that results in a greater level of efficiency.

Further Acquisitions and expansion of trading activities

- Identify suitable acquisition targets and/or trading expansion opportunities; and
- Successfully complete due diligence and negotiate terms favourable to the Group.

c) Future Cash Flows, Long Term Capital Structure and Expected Future Returns

The future cash in-flows of the Company over the short term are expected to be solely from copper concentrate trading.

The Group expects to generate trading profits within its first year of operations from trading copper concentrate. The Company will have to raise additional capital after the 12-month period following Admission should the Company wish to increase its stake in RMMS to 50.1%. Following the Company increasing its stake to 50.1%, the Company and RMX will have to consider financing options in respect to the construction of the mine and processing plant at BGP.

The Directors do not intend to consider a dividend policy until the BGP achieves positive cash flow, which is not expected to happen within the 2 years following Admission. Additionally, no share repurchases are currently intended, as any net cash flows will be reinvested in either the trading business and/or future acquisitions. The expected future returns to shareholders will be a function of share price movement and in the longer term the Company's dividend profile once the BGP is in production.

6) Review of Historical Financial Results

Revenue

The Group had no revenues during the six-month period ending 30th June 2015 (USD Nil for the period 12th March 2014 to 31st December 2014).

Cost of Sales

The Group had exploration and development costs of USD Nil in the six-month period ending 30th June 2015. In the period 12th March 2014 to 31st December 2014 there were exploration charges of USD 15,616 incurred on the exploration tenements by Currawong Resources Pty Limited.

Other Operating Income

The Group had no other operating income during the six-month period ending 30th June 2015 (USD Nil for the period 12th March 2014 to 31st December 2014).

Finance Cost

The Group incurred an interest charge on the RMX facility of USD 4,310 during the six-month period ending 30th June 2015 (USD Nil for the period 12th March 2014 to 31st December 2014).

Administrative Expenses

The Group incurred administration expenses of USD 24,726 in continuing operational costs and USD 41,529 in costs related to discontinued operations during the six-month period ending 30th June 2015 (USD 16,397 for administrative expenses for the period 12th March 2014 to 31st December 2014).

Net Loss for the Financial Period

The Group incurred a loss of USD 74,993 during the six-month period ending 30th June 2015 (USD 32,361 period 12th March 2014 to 31st December 2014).

Liquidity and Capital Resources

The Minimum Net Proceeds of the Placing will provide the Group with the required finance for its strategy for the period of 12 months following Admission.

To 30th June 2015 the Group generated its cash resources from capital contributions from Shareholders of USD290,268, in the form of placing Shares. The Group had cash outflows for the period ended 30th June 2015 of USD 15,557 (cash inflow of USD 23,305 for the period 12th March 2014 to 31st December 2014).

Operating Activities

The Group's net cash outflow from operating activities amounted to USD 15,557 for the period ended 30th June 2015. During this period the major cash movement was the group's investment in RMMS, which amounted to USD 280,000. The remainder of the investment of USD 716,528 was funded by borrowings.

The Group's net cash inflow from operating activities amounted to USD 23,305 for the period 12th March 2014 to 31st December 2014. This arose from the borrowings used to fund start up costs and costs attributable to Currawong Resources Pty Limited.

Investing Activities

The Group's net cash outflow from investing activities in the period ended 30th June 2015 amounted to USD 272,536. This was comprised of the Group's cash investment in RMMS during that period of USD 280,000, less the movement in the value of current assets USD 7,464.

Financing Activities

The Group's net cash inflow from financing activities amounted to USD 296,334 for the period ended 30th June 2015 (USD 105,467 for the period 12th March 2014 to 31st December 2014).

7) Significant Developments since 30th June 2015

The significant events that occurred after the reporting date are as follows.

Company Activities

On 2nd November 2015 the amounts due to parties associated with Messrs Bishop and Tarr amounting to USD 397,989 were converted to 4,702,970 new ordinary shares in the Company.

Batangas Gold Project

The agreements between the Company, RMMS and RMX have been varied and extended. The effect of these variations is as follows:

- Increase the Company's investment in RMMS by USD700,000 (Stage 1 B). This did not cause an increase in the total investment required to complete all the farm-in stages;

- RMX provided a loan to RMMS for USD700,000. The use of this loan is for RMMS to finance ongoing operations. This loan is to be repaid to RMX upon Admission;

- Provision of a Sole Funding Option of USD1,700,000 that may be elected by Stage 2 End Date and if exercised would decrease the total investment required in order for the Company to increase its stake to 50.1%;

Copper Concentrate Trading Business

The Company has signed an agreement with a local smelter to supply copper concentrate. This agreement expired in December 2015 and the Company is seeking to renew the agreement. The smelter has indicated that it will be renewing the agreement upon receiving assay results of the pre-shipment sample of the second shipment of 54 MT, which are expected in April 2016. The Group also made its second copper concentrate purchase on 28th September 2015.

Termination of Greenfield Exploration Program

The Company's involvement with Currawong Resources Pty Limited and Flitegold Pty Limited were terminated formally on 29th September 2015.

8) Treasury Policies

a) General

The Company has established accounting and internal control systems to ensure that the cash resources, and when applicable loan facility funds, are safeguarded appropriately according to plans set by the Board, in accordance with laws, regulations and auditing standard and practices accepted generally in the BVI.

The Group does not enter into or trade financial instruments for speculative purposes. The Group does not have currently a hedging strategy in place.

Mr Charles Barclay is the Chief Executive Officer who is responsible for financial matters. Treasury management comes under his control.

Jonathan Morley-Kirk and the Company Secretary manage the Company bank accounts. The funds are maintained mainly in US Dollars, with small amounts held in other currencies such as Pound Sterling.

Aidan Bishop and Charles Barclay manage the bank accounts of the Philippine subsidiaries. The funds are held in Philippine Pesos and US Dollars.

The Group does not have any bank loans or overdraft facilities. There are no issued loan notes, Eurobonds or other debt instruments, apart from the facilities described below in the "Borrowings and Committed Amounts" section.

b) Restrictions on Treasury Operations

There are no practical restrictions on transferring funds between operations within the Philippines. Funds from bank accounts in the Philippines can thus be applied directly to funding of the BGP.

The Philippine subsidiaries are cost centres and therefore are not expected to be in a position to loan, advance or pay dividends to the Company.

It is expected that commodity off take contracts will, where possible, be entered into directly with the Company. It is the Company therefore which will hold and disburse the majority of funds.

c) Borrowings and Committed Amounts

Other than the below, at the date of this document, the Group does not have any secured, unsecured or unguaranteed indebtedness, including direct and contingent indebtedness, apart from trade and employee creditors.

i) The Vistra Loan
ii) The RMX Loan Facility
iii) Committed Amounts
iv) Loan Notes (12th September 2015 Issue)
v) The Bishop-Tarr Loan Facility (2nd November 2015 Issue)

There will be no undrawn committed borrowing facilities after the borrowings are repaid.

It is not expected that the Company will have any borrowings apart from trade and employee creditors, the Loan Notes, and the exception below.

The Company may enter into a trade financing facility to finance the acceleration of concentrate processing volumes. The Company has not yet signed any agreements with respect to such a facility.

i) The Vistra Loan

On 25th May 2015 USD220,000 was borrowed from Vistra. This converting loan facility is repayable via the issue to Vistra of the Shares in the Company on or before 15th April 2016 at the Vistra Shares Issue Price or via stock in RMX after 15th April 2016. In addition the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan. If RMX shares are issued for the extinguishment of the liability between the Company and Vistra, then there is no obligation for the Company to repay RMX anything in respect of the USD220,000. This loan has been made by an entity related to Mr Colin David Patterson, a Director of the Company before his appointment to the board of directors of the Company.

It is expected that the Vistra Loan will be converted to Shares in the Company and therefore the conversion is not reflected in the statement of working capital.

ii) The RMX Loan Facility

USD 1,200,000 has been borrowed from RMX to fund the balance of the Group's Stage 1 A and 100% of the Stage 1 B commitment. These funds have been on lent to RMMS to finance its ongoing operations. This amount is due to be repaid by the Company from proceeds of the Placing shortly after Admission.

The RMX Loan Facility will be fully paid from the Placing proceeds.

iii) Committed Amounts

USD 100,000 has been committed by the Company to fund its 25% contribution over a 12-month period to the joint venture after Stage 1 B. This will be paid from proceeds of the Placing.

iv) Loan Notes (12th September 2015 Issue)

On 12th September 2015 the Company issued three convertible loan notes of GBP 35,000 each, raising a total of GBP105,000. The Loan Notes may be converted into the Shares of the Company at an issue price per share based on a valuation of the Company of GBP5,500,000 during the year to 11th September 2016 at the election of the investor.

Should any of the investors not wish to convert, the Loan Notes prior to 12th September 2016 then the Loan Notes will be redeemed at a nominal amount and will accrue an interest rate of 5% per annum.

The holders may serve notice on the Company to convert the Loan Notes into the Shares at any time before 11th September 2016 and it is not known if the Loan Notes will be redeemed and accordingly this not reflected in the statement of working capital.

v) The Bishop-Tarr Loan Facility (Loan Notes 2nd November 2015 Issue)

Mr Aidan Bishop and Mr Mitchell Tarr have advanced various funds to the Group in its start up phase. On 2nd November 2015 the Company entered into a formal loan agreement with Mr Aidan Bishop and Mr Mitchell Tarr wherein it formalised the repayment of these funds. The funds advanced to the Group are unsecured and interest free.

The loan agreement provided for Mr Aidan Bishop to be repaid GBP21,500 in 6 equal instalments and for Mr Mitchell Tarr to be repaid GBP41,500 in 6 equal instalments following admission. The loan repayments shall commence upon Admission, subject to the Proceeds of the Placing being sufficiently higher than the Minimum Net Proceeds in order to cover the repayments. In the event that only the Minimum Net Proceeds are available to the Company then the loan shall be considered to have a one year term from Admission and shall repaid from the profits of copper concentrate trading. If the profits are not sufficient to repay the loan then it shall be repaid from any subsequent capital raising in the period after 12 months following Admission or converted to equity upon expiration of the loan term.

9) Principal Risks and Uncertainties

The Directors consider the following risk factors are of particular relevance to the Group's activities. It should be noted that the list is not exhaustive and that other risk factors not known presently or deemed currently immaterial may apply. The risk factors are summarised below:

a) Risks specific to the Batangas Gold Project

Permitting and approvals risk

In order to commence construction of the mine at the BGP, RMMS Group requires an ECC to be issued and DMF to be approved. An ECC is issued based upon approval of the EIA. Technical evaluation of the EIA is well advanced and the Directors believe that the final review of the EIA will result in a recommendation to issue the ECC.

In order to obtain approval of the DMF, RMMS Group requires the endorsement of two of the three LGUs as well as the issuance of the ECC. The BGP received its first endorsement in January 2015 from the ten potentially affected Barangays, which collectively constitutes a single LGU approval. The second endorsement from the LMGC for project development was granted in April 2015. The LMGC withdrew its previous endorsement for the Project in July 2015, citing environmental and social acceptability concerns. However, RMMS Group lodged a "Motion for Reconsideration" with the LMGC in August 2015. RMMS Group has been informed that this will be considered after the national elections due to be held in May 2016 and is expected in the period from June to early August. The LMGC will put to a vote the Motion for Reconsideration and if carried will re-confirm their previous endorsement. If the vote is not carried then RMMS Group will need to continue to lobby the LMGC until they re-confirm their previous endorsement.

The Directors are also confident that given the stage of development of Archangel and Lobo MPSAs, issuance of the ECC is a question of due process and timing, rather than of substance. Following the issuance of the ECC and two of the three LGU endorsements, the DMF will be elevated from the regional office of the MGB to the central office of the MGB for final technical evaluation and recommendation to the DENR for approval.

Whilst the Company is confident that the ECC will be issued and DMF will be approved in due course, there is a risk that either or both will not be achieved in a timely manner or not obtained at all. This would have a significant negative impact on the Group's operations.

Funding Risk

Once the DFS has been completed the Company and RMX will assess how to fund the construction of the mine and processing plant subject to the approval of the ECC and DMF. This will require a financing package of equity and/debt. In the event that a suitable financing package is not available then it is likely that the development of the BGP will be deferred until such time a financing package is secured. The Company will also require additional capital in the period after 12 months following Admission in order to increase its stake to 50.1% in the BGP. Should the Company not be able to raise additional capital it will remain a minority partner in the BGP.

Determination of ore reserves

The Company estimates its ore reserves and mineral resources based on information compiled by competent persons as defined in accordance with the JORC Code. Reports to support these estimates are prepared each year.

There are numerous uncertainties inherent in estimating ore reserves and mineral resources, and assumptions that are valid at the time of estimation may change significantly when new information becomes available. Changes in the forecast prices of commodities, exchange rates, production costs or recovery rates may change the economic status of reserves and mineral resources and may, ultimately, result in the reserves being revised.

b) Risks to both the Batangas Gold Project and the Copper Concentrate Trading Business

Commodity prices

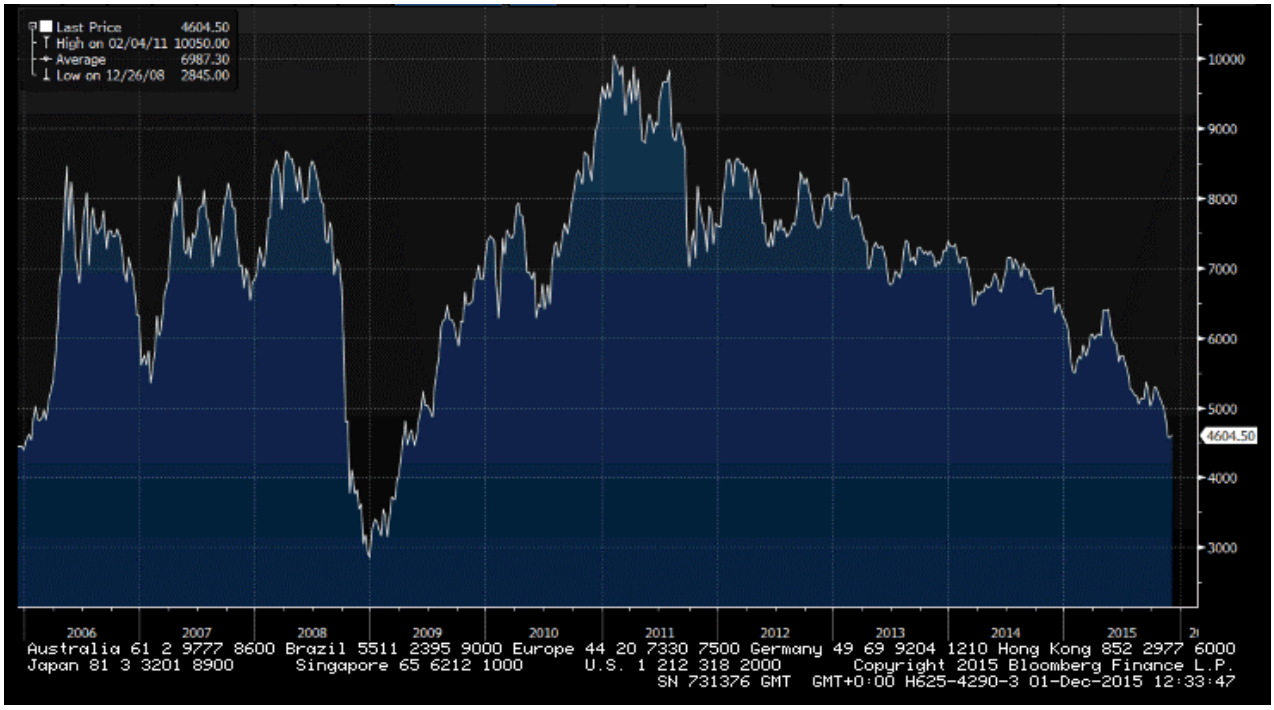
The Company will generate all its initial revenues from sales of copper concentrates. Thus, the Company's revenue will be related directly to the price of copper and to a lesser extent the price of gold and silver, which are additional credible amounts in the sale of the concentrates if present.

The market price for gold is typically the price quoted as the London PM Price. The market price for copper is the LME Price, and the market price for silver is quoted typically as the London Bullion Market Association Silver p.m. Fixing price.

Historically, the prices of these metals have fluctuated widely, and they are affected by numerous factors over which producers do not have control, including international economic and political conditions, levels of supply and demand, the availability and costs of substitutes, inventory levels maintained by producers and others and actions of participants in the commodities markets. The Company's financial performance for its copper concentrate trading business is highly dependent upon the price of copper and, to a lesser extent, the price of gold and silver. If the BGP enters the production phase the Company's financial performance will become increasingly dependent upon the price of gold. Price variations and market cycles will influence the financial results of the Company.

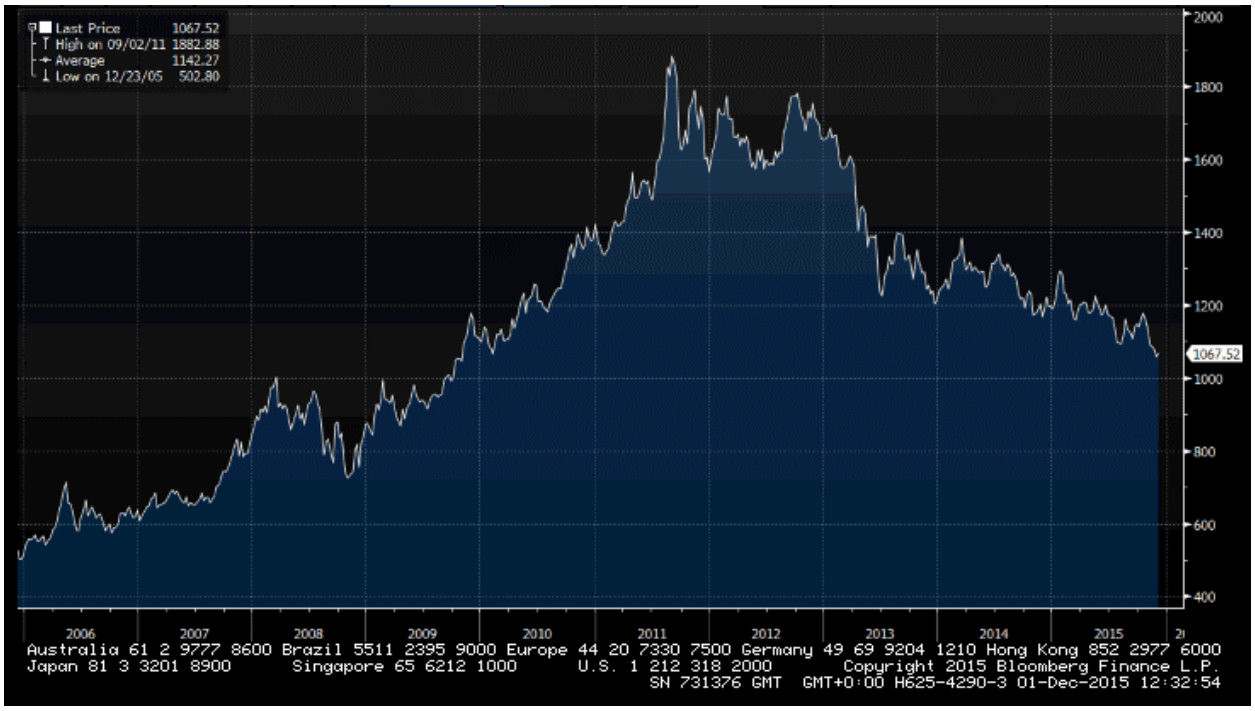
The volatility of the price of copper, gold and silver for the past ten years is illustrated in the following charts:

10 Year Copper Price



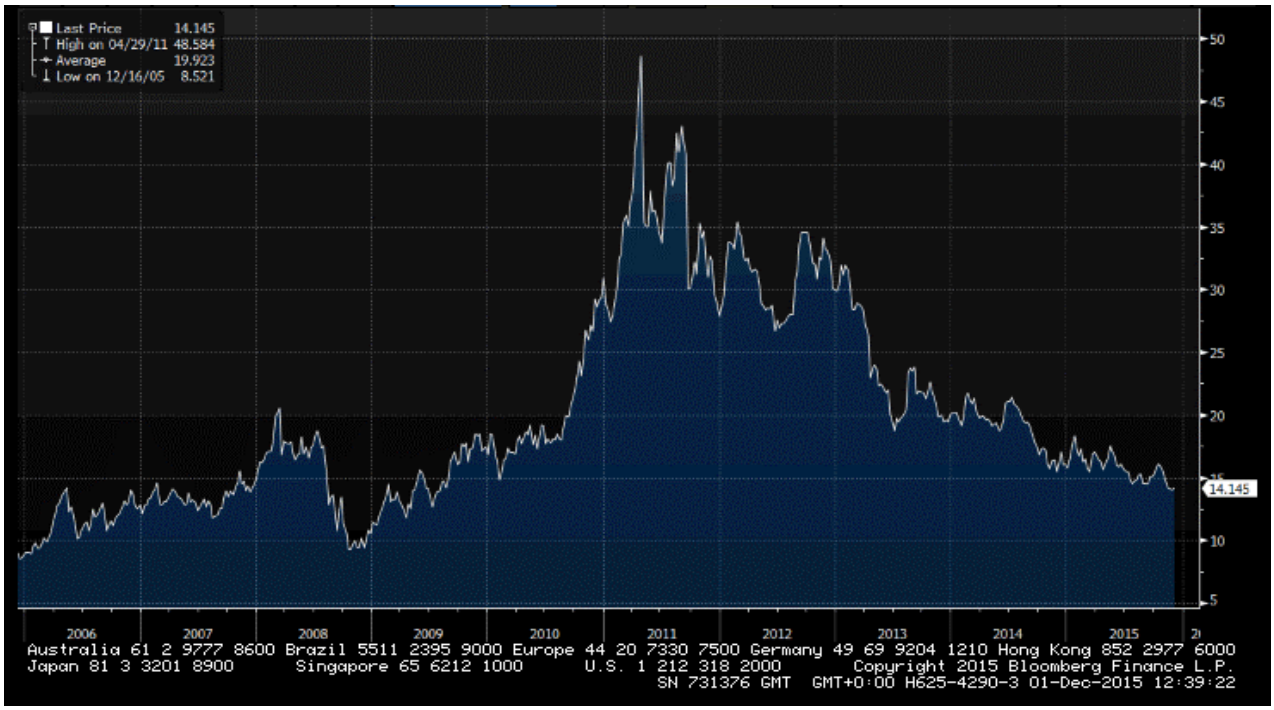
Source: Bloomberg Market Review

10 Year Gold Price



Source: Bloomberg Market Review

10 Year Silver Price



Source: Bloomberg Market Review

c) Risks specific to the Copper Concentrate Trading Business

Smelter arrangements

The Company entered into an agreement with a local smelter. This agreement expired in December 2015. The smelter has confirmed to the Company that it is willing to renew the agreement on the same terms and conditions as that of the original agreement. The Directors expect to execute the renewal of the agreement by mid-April 2016. However, no assurance can be given that the agreement will be renewed in a timely fashion, or renewed at all. The Company requires an arrangement with a smelter in order to sell its product.

Pricing mechanics

The Company will generate all its initial revenues from sales of copper concentrates and the copper, gold and silver therein. The price that the Company receives for copper, gold and silver is determined by the amount of the metal contained in its products and the average market prices for the metal over a specified period, net of certain deductions. The Company only receives payment for a certain percentage of the metal contained in the products.

The deductions that are made to the gross price are a TC and RC, as well as deductions for any impurities in the products (such as arsenic or antimony) exceeding specified thresholds.

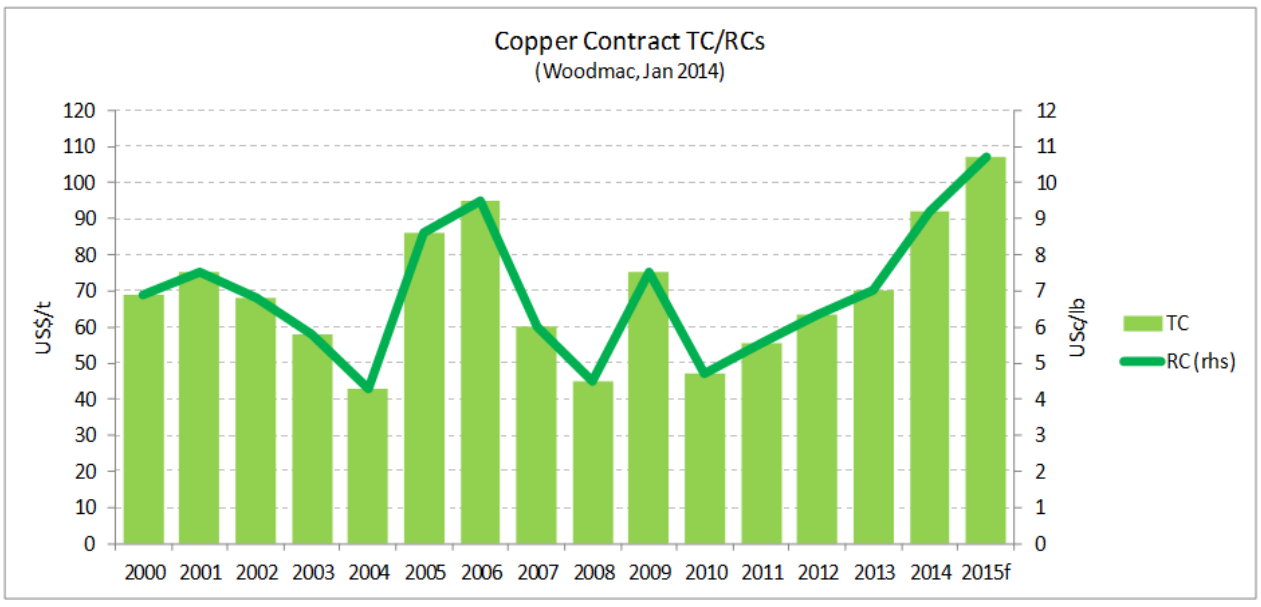
TCs and RCs

TCs and RCs are the largest deductions to the prices received for the Company's products. The Company generally negotiates TCs and RCs with smelters periodically, based upon the smelters' and the Company's expectations of future market conditions. In any given year, TCs and RCs tend to settle around benchmarks, established through negotiations between the industry's major buyers and sellers of concentrate.

The TC is a base treatment charge, which is negotiated at the then prevailing world market terms. RCs are deducted for the refining of copper, gold and silver.

Both TCs and RCs vary from time to time as is demonstrated in a price chart below for the last 10 years.

10-Year TC/RC Chart



Source: Woodmac Q4 2014 Copper LTO and December 2015 Metals Market Service reports.

Impurities

In some cases, the concentrate contains impurities, such as arsenic or antimony, which cause difficulties in the refining process or are hazardous. In these cases, smelters levy penalty charges, which are deductions from the price paid for the products. Based on assay tests on the initial purchases impurities are not expected to have a material impact on the Company's revenue.

Exchange rates

The Company's results are affected by exchange rate fluctuations between the British Pound, US dollar and the Philippine Peso.

Hedging

None of the Company's expected future copper concentrates sales is hedged.

Maintenance, infrastructure & shipping risks

In the course of trading commodities the Company understands that certain factors can affect the Group's ability to deliver copper concentrates to its clients. These factors include the maintenance of equipment and machinery by third parties; shipping delays, adverse weather and power supply interruptions.

Whilst the principal region that affects the sourcing and enrichment of copper ores is traditionally outside of the typhoon belt, heavy rainfall can occur during the December to February months, which may cause trading volumes to decline due to ore supply from the permitted small-scale miners to CRRR being constrained and affect shipping schedules. Seasonality has been taken into account when compiling cash flow forecasts and working capital assumptions.

Domestic shipping schedules from the Port of Davao, where the Group ships copper concentrates from, to Port of Cebu, which is the first transit port, has no fixed schedule for the shipping routes. Shipping schedules are weekly but with no fixed dates. Shipping schedules may cause delays that can impact the cash flow of the Company.

Mindanao area where the copper ore is collected and processed into concentrate has widespread problems with power supply particularly in more rural areas. Power interruptions may affect the timely delivery of copper concentrates to the Group, although the plant where the copper ores are enriched is equipped with standby power generators.

PART V. PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Short Form Report. The Company has included the short form report in Schedule 1.

Currencies. The functional currency of the individual Group entities varies according to the relevant economic environment in which the Group entity operates. The Company's presentation currency is the US Dollar. Solely for the convenience of the reader, certain amounts included in this Prospectus have been translated from local currencies such as the Philippine Peso into US dollars, as set forth under "Currencies and Exchange Rates". Investors in the Shares should not construe those translations as a representation that those amounts could be converted from one currency to another at any particular rate or at all.

Rounding. Certain amounts that appear in this Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

The table below list the Company and its subsidiaries.

Name of Subsidiary or Affiliate	Country of Incorporation	Percentage Ownership 30 June 2015	Percentage Ownership 31 December 2014
Yellow Dragon Mineral Trading Co	Hong Kong	-	100%
Blue Bird Merchant Ventures Inc	Republic of Philippines	99.9%	99.9%
White Tiger Mineral Resources Inc	Republic of Philippines	40%*	40%*
Red Mountain Mining Singapore	Singapore	15%**	-

* Parties associated with Aidan Bishop hold legally 60% of shares in White Tiger Mineral Resources Inc. Funds were advanced to these parties to subscribe for the shares at an amount equal to the paid in value.

** The Company is completing Stage 1 A Settlement pursuant to the Subscription and Joint Venture Agreement dated 14 October 2015, which gives it a right to receive a 15% stake in RMMS.

Market Data. Market data used in this Prospectus, including statistics in respect of the Company's competitors has been extracted from official and industry sources and other sources the Company believed to be reliable including, without limitation, in the Parts headed "Operating and Financial Review", "Investment of the Group" and "Information on the Group". Such information, data and statistics may be approximations or estimates or may use rounded numbers. The Company has relied on the accuracy of this information without independent verification. The Company confirms that this information has been reproduced accurately and that as far as the Company is aware, and is able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Company notes that these independent sources do not accept liability for the accuracy of any such information, and prospective investors are advised to consider such information with caution.

PART VI. SELECTED FINANCIAL INFORMATION

The following tables set forth, in summary form, consolidated financial statement data, segment financial data and other operating information relating to the Group. The financial information below has been extracted without material adjustment form the Price Bailey report in Schedule 1.

The information presented below should be read in conjunction with such financial information, reports and our Operating and Financial Review.

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015
(COMPARATIVE NUMBERS ARE FOR THE PERIOD 12 MARCH 2014 TO 31 DECEMBER 2014)

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
CONTINUING OPERATIONS		
Revenue	-	-
Administration costs	24,726	16,397
Exploration and development costs	-	15,616
Finance costs	4,310	-
Share of loss of associates	4,428	348
LOSS BEFORE INCOME TAX	33,464	32,361
Income tax expense	-	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	33,464	32,361
DISCONTINUED OPERATIONS		
Loss for the period from discontinued operations	41,529	-
Loss for the period	74,993	-
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	74,993	32,361
Loss attributable to:		
Members of the parent entity	66,687	27,505
Non-controlling interest	8,306	4,856
TOTAL LOSS	74,993	32,361

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015
(COMPARATIVE NUMBERS ARE FOR THE 31 DECEMBER 2014)

	30 June 2015 USD	31 December 2014 USD
ASSETS		
Current Assets		
Trade and other receivables	24,145	34,905
Cash and cash equivalents	7,748	23,305
Total Current Assets	31,893	58,210
Non Current Assets		
Investments	996,528	-
Investments in Associates	6,344	10,772
Total Non Current Assets	1,002,872	10,772
Total Assets	1,034,765	68,982
LIABILITIES		
Current Liabilities		
Trade and other payables	135,321	101,341
Borrowings	716,528	-
Total Current Liabilities	851,849	101,341
Non Current Liabilities	-	-
Total Liabilities	851,849	101,341
NET ASSETS	182,916	(32,359)
EQUITY		
Issued capital	290,270	2
Retained earnings	(94,192)	(27,505)
Non-controlling interest	(13,162)	(4,856)
TOTAL EQUITY	182,916	(32,359)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary Shares USD	Retained Earnings USD	Attributable to owners of parent USD	Non Controlling USD	Totals USD
Balance - 1 January 2015	2	(27,505)	(27,503)	(4,856)	(32,359)
Attributable loss	-	(66,687)	(66,687)	(8,306)	(74,993)
Total comprehensive loss	-	(66,687)	(66,687)	(8,306)	(74,993)
Issue of shares or Held for subscription	290,268	-	290,268	-	290,268
Balance -30 June 2015	290,270	(94,192)	196,078	(13,162)	182,916

COMPARATIVES

	Ordinary Shares USD	Retained Earnings USD	Attributable to owners of parent USD	Non Controlling USD	Totals USD
Balance - 12 March 2014	-	-	-	-	-
Attributable loss	-	(27,505)	(27,505)	(4,856)	(32,361)
Total comprehensive loss	-	(27,505)	(27,505)	(4,856)	(32,361)
Issue of shares or Held for subscription	2	-	2	-	2
Balance - 31 December 2014	2	(27,505)	(27,503)	(4,856)	(32,359)

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2015
(COMPARATIVE NUMBERS ARE FOR THE PERIOD 12 MARCH 2014 TO 31 DECEMBER 2014)

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(24,427)	(38,018)
Net cash flows provided by (used in) operating activities	(24,427)	(38,018)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	-
Purchase of other current assets	7,464	(33,023)
Purchase of investments	(280,000)	-
Purchase of interest in associates	-	(11,121)
Net cash used by investing activities	(287,464)	(44,144)
Cash flows from financing activities		
Proceeds from borrowings	6,066	105,465
Proceeds from subscription to capital	290,268	2
Net cash used by financing activities	296,334	105,467
Net (decrease) increase in cash and cash equivalents	(15,557)	23,305
Cash and cash equivalents at beginning of the period	23,305	-
Cash and cash equivalents at end of the period	7,748	23,305

PRO-FORMA

There was no significant change in the financial position of the Group that has occurred since the end of the last financial period for which financial information has been published. Thus, a pro-forma profit and loss statement is not required.

PART VII. CAPITALISATION AND INDEBTEDNESS

The following section should be read in conjunction with "Operating and Financial Review" included elsewhere in the prospectus.

The following table sets forth our cash and cash equivalents and capitalisation of the Group and the indebtedness of the Group as at 31 January 2016.

	USD
Capitalisation and indebtedness	
Total current debt	
Guaranteed	-
Secured	-
Unguaranteed / Unsecured	(2,056,094)
Total non-current debt (excluding portion of the long term debt)	
Guaranteed	-
Secured	-
Unguaranteed / Unsecured	-
Total indebtedness as at 31 January 2016	(2,056,094)

Notes:

1. On 14th October 2015 the Company extended its agreement with Red Mountain Mining Singapore and Red Mountain Mining Limited to increase its investment to 25% in, and fund its investment in, Red Mountain Mining Singapore by a total of USD700,000 in respect of Stage 1 B. This increased the indebtedness from 30 June 2015 to Red Mountain Mining Singapore to a total of USD 1,200,000 payable on Admission.

2. On 12th September 2015 the Company issued three convertible loan notes of GBP35,000 each, raising a total of GBP105,000. The loan notes loan notes are redeemable during the year to 11th September 2016 at the election of the investor or convertible, from Admission, into ordinary shares at an issue price per share based on a valuation of the Company of GBP5,500,000. This increased the total indebtedness since 30 June 2015.

3. Mr Aidan Bishop and Mr Mitchell Tarr have advanced various funds to the Group in its start up phase. On 2nd November 2015 the Company entered into a formal loan agreement with Mr Aidan Bishop and Mr Mitchell Tarr wherein it formalised the repayment of these funds. The funds advanced to the Group are unsecured and interest free. The loan agreement provided for Mr Aidan Bishop to be repaid GBP21,500 in 6 equal instalments and for Mr Mitchell Tarr to be repaid GBP41,500 in 6 equal instalments following admission. The loan repayments shall commence upon Admission, subject to the Proceeds of the Placing being sufficiently higher than the Minimum Net Proceeds in order to cover the repayments. In the event that only the Minimum Net Proceeds are available to the Company then the loan shall be considered to have a one year term from Admission and shall repaid from the profits of copper concentrate trading. If the profits are not sufficient to repay the loan then it shall be repaid from any subsequent capital raising in the period after 12 months following Admission or converted to equity upon expiration of the loan term.

4. The Company also accrued expenses in connection with Admission since 30 June 2015. The additional accruals since 30 June 2015 was USD345,888.

In summary the change in the indebtedness of the Group from 30 June 2015 to 31 January 2016 is as follows:

Indebtedness as at 30 June 2015	USD851,849
Increase in amount payable to RMMS (see Note 1 above)	USD703,472
12 September 2015 Term Notes (see Note 2 above)	USD154,885
Increase in trade creditors and accruals (see Note 4 above)	USD345,888
Indebtedness as at 31 January 2016	USD2,056,094

Other than the above, there has been no material change in the indebtedness of the Group since 31 January 2016.

Shareholders' equity	
Called up share capital	397,991
Legal Reserve	-
Other Reserve	-
Total capitalisation as at 31 January 2016	397,991

Notes:

1. Called up share capital at 30 June 2015 included USD290,268 held for subscriptions.

2. Shareholders equity does not include retained earnings.

3. Since 30th June 2015, the Company received a further USD107,721 for subscriptions. The total amount held was USD397,990 that was to be converted into ordinary shares.

4. On 2nd November 2015 USD397,989 of the amount above was converted into 4,702,970 fully paid ordinary shares. Called up share capital at 31January 2016 amounts to USD397,991.

5. On 6th April 2016 the Company granted warrants to Optiva in consideration of services provided by it, to subscribe up to 154,783 ordinary shares at the exercise price of GBP 0.0575 per each new ordinary share. The warrants may be exercised in whole or in part or parts at any time and from time to time from the date commencing on Admission until the third anniversary of the date of Admission. The warrant holders may exercise their warrants in part, if the exercise relates to a number of warrants which is equal to or more than 33.3 per cent of the warrants over ordinary shares granted to Optiva or the balance of all unexercised warrants.

In summary the change in the capitalisation of the Group from 30 June 2015 to 31 January 2016 is as follows:

Capitalisation as at 30 June 2015	USD290,270
Additional capital subscribed for to 31 January 2016	USD107,721
Total capitalisation as at 31 January 2016	USD397,991

The following table sets out the net financial indebtedness of the Group as at 31 January 2016.

	USD
Net financial indebtedness	
Cash	49
Cash equivalents	-

Trading securities	-
Total liquidity	49
Current Financial Receivable	-
Current bank debt	-
Current proportion of non-current debt	-
Other current financial debt	(2,056,094)
Current financial debt	(2,056,094)
Net current financial indebtedness	(2,056,045)
Non-current bank loans	-
Bonds issued	-
Other non-current loans	-
Non-current financial indebtedness	-
Net financial indebtedness	(2,056,045)

PART VIII. OVERVIEW OF THE MARKET

This Part VIII is based on the information that is prepared and published by the World Gold Council and the International Copper Study Group, and is publicly available on the official web sites of these organizations

1. Overview of the gold market

1.1 Introduction

Gold is a precious metal, which for centuries has been the ultimate expression of wealth and value. Until relatively recently it was the base measure of value in international finance. Following International Monetary Fund 1976 decision to unpeg the US dollar from the value of gold, its importance for international finance decreased. However, it remains desirable and valuable commodity until this day. Gold is a naturally occurring element that is found widely throughout the world. Physical characteristics of gold make it a very versatile metal with a variety of uses ranging from radio electronics to jewellery and art.

Alloying it with other metals such as silver or copper can harden gold. The term "carat" is used to indicate the percentage of gold remaining in the alloy, with 24 carats indicating pure gold and fractions thereof indicating proportionately less. Gold is measured in troy ounces and 1 troy ounce equates to 31.1 grams.

1.2 Applications and Demand

The demand for gold can be separated into a number of different markets. The main markets for gold are jewellery, technology and investment. Table 1 below shows the gold demand on the main markets in 2013-2015 as well as the average gold price for the same period:

Table 1. Gold demand in 2013-2015 (in MT)

	2013	2014	2015
Jewellery……	2,384.6	2,480.8	2,414.9
Technology…….....	408.2	346.4	330.7
Electronics……	279.1	277.5	263.3
Other Industrial……	92.8	49.0	48.6
Dentistry……	36.3	19.9	18.9
Investment…….	885.4	815.4	878.3
Total bar and coin demand……...	1,765.4	1,000.5	1,011.7
Physical bar demand…….	1,385.0	725.2	731.6
Official coin…….	276.6	203.0	212.6
Medals/imitation coin……	103.8	72.2	67.4
EFTs and similar products……	-880.0	-185.1	-133.4
Central banks and other inst.……	409.3	583.9	588.4
Gold demand……	4,087.6	4,226.4	4,212.2
LBMA Gold Price, (US$/oz)……	1,411.2	1,266.4	1,160.1

Source: World Gold Council

Demand for gold totalled 4,212.2 MT in 2015. Annual demand for jewellery declined 66 MT (-3%) to 2,414.9 MT from 2,480.8 MT in 2014. Investment demand in 2015 was up 8% on 2014 (878.3 MT vs 815.4 MT). Net purchases by central banks and official institutions in 2015 reached 588.4 MT, 1% higher than 2014' total of

583.9 MT. Volume of gold demand in Technology shrank further resulting in full year demand by 5% lower than in 2014 (330.7 MT vs 346.4 MT). Mine production in 2015 saw its first quarterly decline and its slowest annual growth rate since 2008. Annual gold recycling dropped again, hitting its lowest level since 2007.

Jewellery

Rooted deeply in a diverse tapestry of cultural traditions, the aspiration to own and give gold in the form of jewellery transcends generations and national boundaries.

The three largest markets for gold jewellery, China, India and the US, each accord the metal a unique cultural significance. Acquiring jewellery is connected to celebrations, relationships, self-expression and hopes for the future in these countries.

Jewellery demand ended 2015 on a relatively firm footing: Q4 was little changed year-on-year at 671.4 MT (-6 MT). Combined, the third and fourth quarters produced the strongest second half-year total for gold jewellery in 11 years: H2 demand expanded by 2% to 1,299.9 MT from 1,271.5 MT in H2 2014.

Looking at the full-year data, annual demand declined 66 MT (-3%) to 2,414.9 MT from 2,480.8 MT in 2014. Economic and socio-political factors caused significant declines across a number of markets during the course of the year. Jewellery demand in Turkey, the Middle Eastern markets and Russia all suffered such effects. But there were positive areas, too. India was at the forefront of these.

Central banks and other institutions

Central banks net purchases ended the year strongly at 167.2 MT in Q4 2015, up 25% from 133.9 MT in the same period of 2014. This brought net purchases for 2015 to 588.4 MT, 1% higher than 2014's total of 583.9 MT . The annual total was significantly higher than our initial expected range of 400-500 MT, and comfortably towards the top end of our revised expectation of 500-600 MT. This shows that the pivotal change in 2010 – from net sellers to net purchases – has staying power.

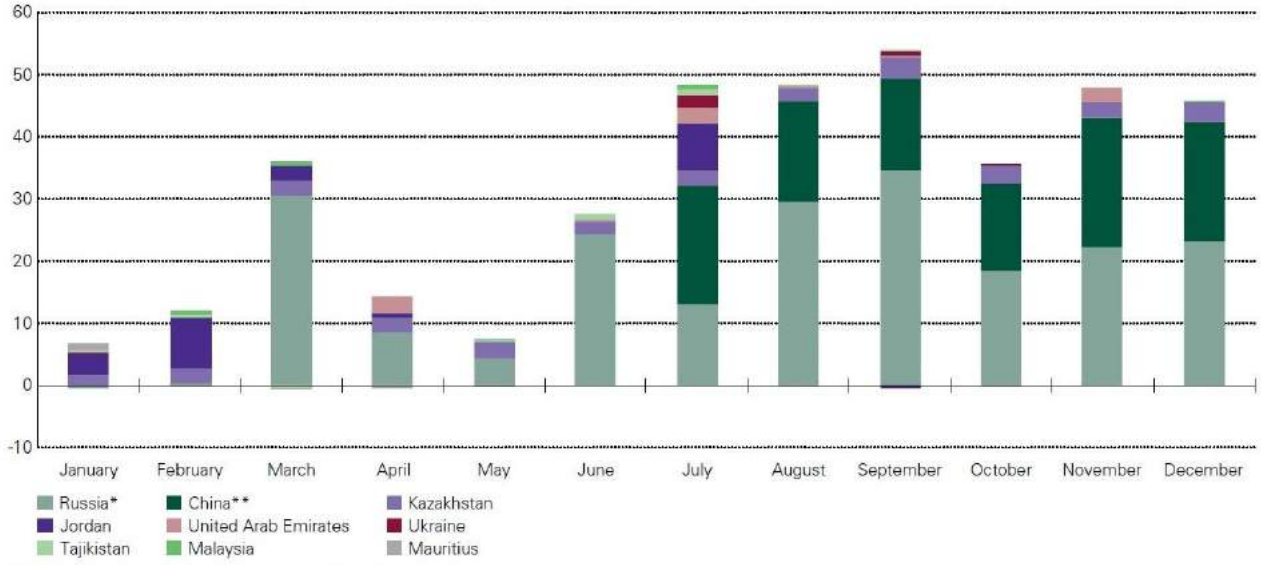
Economic and geopolitical risks continued to worry global markets. And early events in 2016 make clear that reserve management – particularly diversification away from the US dollar – remains essential. Central banks are keeping their foot firmly on the gold purchasing pedal.

Russia, mirroring 2014, once again topped the table of net purchasers. Gold reserves swelled by 185 MT over the first 11 months of 2015, with the full year figure likely to be in excess of 200 MT. This is significantly higher than the 173 MT increase in 2014. Weak oil prices and ongoing sanctions have prompted greater use of gold for risk management purposes.

China, which began regularly reporting purchases in July, bought an impressive 103.9 MT in H2 2015. This followed the announcement in July that China had accumulated 604 MT in the preceding six years – although the exact timings of purchases were not disclosed. Since April 2009 China's reported gold reserves have ballooned by 708.2 MT. 2015 marked a significant year for China as it moves towards greater involvement on the international stage. Greater transparency on its gold reserves is a welcome development.

Kazakhstan (30 MT) bought consistently throughout the year. The country has now raised gold reserves for 39 consecutive months – more than doubling the amount of gold they hold since October 2012.

Table 2. Reported central bank net purchases accelerated in the second half of 2015 (in MT)



*December net purchase for Russia is estimated.
**In July 2015, China announced an increase of 604t over the period April 2009 – June 2015. Exact monthly purchases are not confirmed so are omitted from this chart, but our data series for central bank demand includes an allocation for regular quarterly purchases during this period.

Source: World Gold Council

Technology

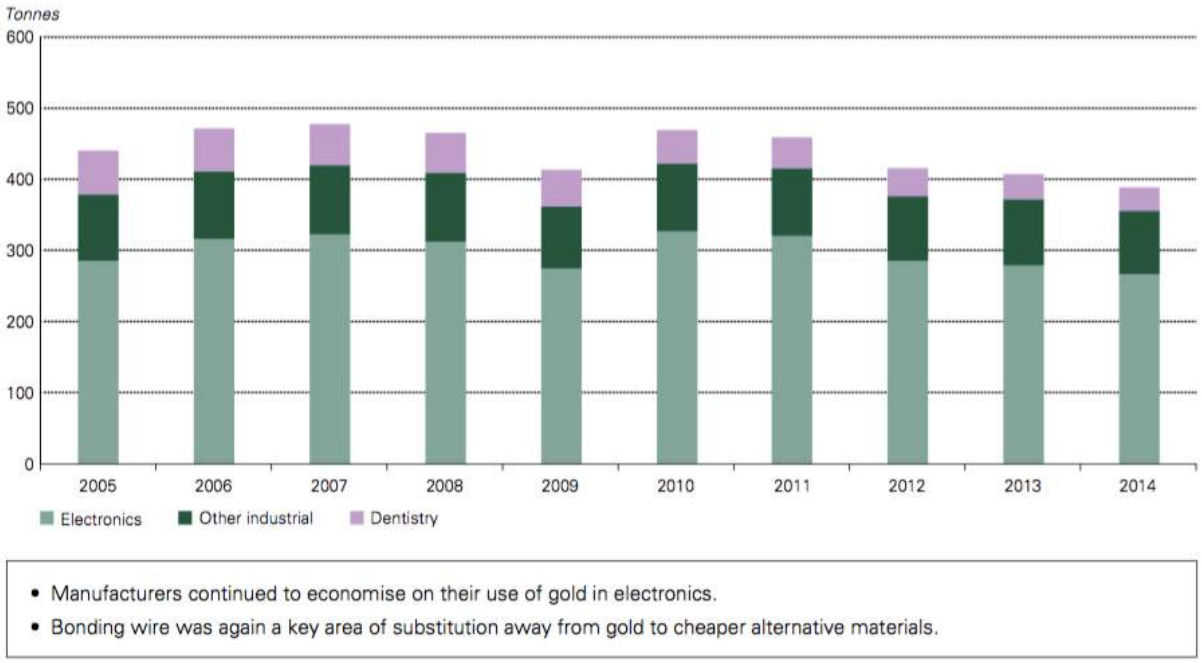
Losses in the Technology sector accelerated throughout 2015: fourth quarter demand of 84.5 MT was 7% down year-on-year. As a result, full year demand fell 5% to 330.7 MT. Substitution and thrifting were familiar themes, but demand is also now coming under pressure from slowing final product sales in key sectors.

The electronics sector generated 67.5 MT of demand in Q4 2015, a shade below the five-year quarterly average (68.3 MT). The year-on-year comparison shows a 7% drop, although this can partly be explained by the strong Q4 2014 figure.

The annual downtrend in 'other industrial and decorative' demand for gold slowed in 2015: demand was just 1% weaker than 2014 at 48.6 MT. However, the quarterly series deteriorated throughout the year, culminating in a year-on-year drop of 2% in Q4 to 12.3 MT.

2015 witnessed continued erosion in the dental sector: gold demand reached new quarterly and annual lows: of 4.6 MT (-4%) and 18.9 MT (-5%) respectively. The market is in secular decline as the trend for substitution to alternatives such as ceramics remains firmly in place.

Table 3. Technology demand during 2005-2014 (in MT)



Source: World Gold Council

1.3 Gold Supply

Total supply of gold in 2015 fell 4% to 4,258.3 MT – its lowest level since 2009 – as mine production contracted and recycling reached multi-year lows in the fourth quarter. Mine production fell 2% in Q4 2015, due to reduced output at a number of large established mines; de-hedging of 15 MT further reduced supply available to the market. Recycling continues to be squeezed in a lacklustre price environment – 227.4 MT was the lowest quarterly figure since 2007.

Mined gold

Mine production fell 2% in Q4 2015, from 841.2 MT to 824.8 MT – the first quarterly decline since the third quarter of 2008. Annual production totalled 3,186.2 MT in 2015, up just 1% from the 3,140.5 MT of gold produced in the previous year. This is the lowest level of annual growth since 2008 (Table 4).

China remains the world's largest producer of gold, although annual production steadied in 2015: domestic output was fractionally down from 2014. The slight decline was due to modest reductions in both by-product production. Reduced production capacity at copper mines – where gold is often also found in significant concentrations – led to lower gold output on a by-product basis and resulted in overall output being slightly lower year-on-year.

Many of the notable declines in production were seen at some of the world's largest gold mines. Peru's two largest mines, Yanacocha (jointly-owned by Newmont Mining and Buenaventura) and Lagunas Norte (Barrick) both registered lower gold output. Kumtor (Centerra) in Kyrgyz Republic – responsible for over 90% of the country's output – was lower year-on-year, however much of this was due to the comparison to extremely strong output in the final quarter of 2014. Production fell 2 MT year-on-year at both Pueblo Viejo (Barrick and Goldcorp) in the Dominican Republic due to a mechanical failure at an oxygen plant, and Oyu Tolgoi (Rio Tinto) in Mongolia as operations moved to a lower grade mining phase.

Similarly, both Argentina (Veladero) and Ghana (Ahafo and Obuasi) also saw lower year-on-year output in Q4 2015, primarily due to declines at established mines.

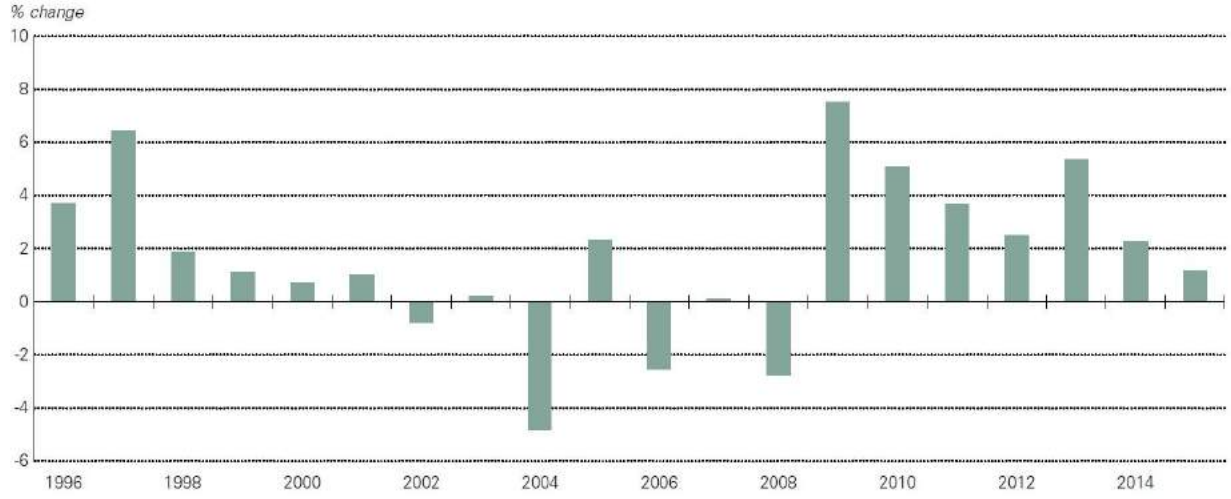
These declines should come as little surprise. Mining companies' recent focus on cost-cutting had sown the seeds for much of this lower output. Reduced exploration budgets and project development has led to lower production from existing mines as well as a curtailed project pipeline. This, combined with longstanding issues such as lower ore grades, means constrained mine supply seems likely. It's clear that the mining industry faces a number of challenges as it continues to recalibrate, and it is likely gold production will see declines over the coming quarters.

Recycled gold

Recycled gold supply in Q4 2015 totalled 227.4 MT, 12% lower than the 259 MT seen in the same period the year before. Q4 2015 marked the lowest quarterly level of gold recycling since Q3 2007 – further confirmation that prices are well-below the levels needed to tempt consumers into large-scale sales. On an annual basis, 1,092.8 MT of recycling in 2015 was the lowest level since 2007 – 7% down from 1,169.7 MT in 2014 and 37% lower than the peak of 1,728 MT in 2009.

Recycling was dominated by falling near-market stocks and unattractive price-levels throughout 2015. And the fourth quarter was no exception. China, India and the United States all saw declines as the year drew to a close. One country to buck the trend was Turkey, as continued weakness in the Turkish lira has kept local gold prices higher. While price-sensitive consumers remained on the sidelines throughout the third quarter, they found the elevated price level difficult to resist in the final three months of the year.

Table 4. Mine production in 2015 saw the lowest year-on-year growth since 2008



Source: World Gold Council

1.4 Gold Price

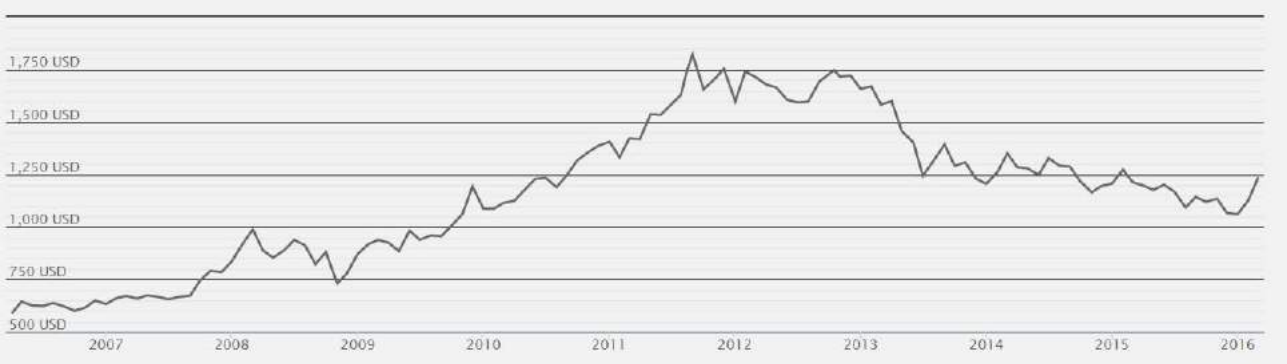
Gold has been used throughout history as a proxy for money and has been a relative standard for currency equivalents specific to economic regions or countries, until recent times. Many European countries implemented gold standards in the latter part of the 19th century until these were suspended temporarily in the financial crises involving World War I. After World War II, the Bretton Woods system pegged the United States dollar to gold at a rate of US$35 per troy ounce. The system existed until the 1971 Nixon shock, when the US unilaterally suspended the direct convertibility of the United States dollar to gold and made the transition to a flat currency system. The last currency to be divorced from gold was the Swiss Franc in 2000.

Since 1919 the most common benchmark for the price of gold has been the London gold fixing, a twice-daily meeting of representatives from five bullion-trading firms of the London bullion market. Furthermore, gold is traded continuously throughout the world based on the intra-day spot price, derived from over-the-counter gold-trading markets around the world.

Today, the price of gold is driven by supply and demand including demand for speculation. However unlike most other commodities, saving and disposal plays a larger role in affecting its price than its consumption. Most of the gold ever mined still exists in accessible form, such as bullion and mass-produced jewellery, with little value over its fine weight – and is thus potentially able to come back onto the gold market for the right price.

The chart below highlights the change in the market value of gold over the last 10 years:

Gold Price



Source: World Gold Council

The price of gold is dependent on a number of different factors including movements in foreign exchange rates, inflation, interest rates and political instability. The influence of these macroeconomic factors on the price of gold can be very complex making it difficult to quantify and predict their effect on the gold market. The price of gold has shown a downward trend over the last few years. However, since January 2016 the price of gold has had an upward trend. According to the London Bullion Market Association, the LBMA spot gold price closed at US$ 1,266.50 per troy ounce on 10 March 2016.

2. Overview of the copper market

2.1. Introduction

Copper has been one of the most important materials in the development of civilisation and continues to play a vital role in society today. Copper's chemical, physical and aesthetic properties make it a material of choice in a wide range of domestic, industrial and high technology applications. Copper is ductile, corrosion resistant, malleable and an excellent conductor of heat and electricity. Alloyed with other metals, such as zinc (to form brass), aluminium or tin (to form bronzes), or nickel, for example, it can acquire new characteristics for use in highly specialised applications.

Copper is used in building construction, power generation and transmission, electronic product manufacturing and the production of industrial machinery and transportation vehicles. Copper wiring and plumbing are integral to the appliances, heating and cooling systems and telecommunications links used every day in homes and businesses. Copper is an essential component in the motors, wiring, radiators, connectors, brakes and bearings used in cars and trucks. The average car contains 1.5 km (0.9 mile) of copper wire, and the total amount of copper ranges from 20 kilograms (44 pounds) in small cars to 45 kilograms (99 pounds) in luxury and hybrid vehicles.

One of copper's more recent applications includes its use in frequently touched surfaces (such as brass doorknobs), where copper's antimicrobial properties reduce the transfer of germs and disease. Semiconductor manufacturers have also begun using copper for circuitry in silicon chips, which enables microprocessors to operate faster and use less energy. Copper rotors have also been found recently to increase the efficiency of electric motors, which are a major consumer of electric power.

The world's production and consumption of copper has increased dramatically in the past 30 years. Over the past 20 years, the Andean region of South America has emerged as the world's most productive copper region. In 2007, about 45 percent of the world's copper was produced from the Andes Mountains.

The United States was the leading copper consumer until 2002 when it was overtaken by China. The booming economy in China contributed to a quadrupling of its annual refined copper consumption during the 12 years from 2000 to 2012.

2.2. Applications and Demand

According to preliminary International Copper Study Group (ICSG) data as of November 2015, the refined copper market for November 2015 (excluding the adjustment for changes in China's bonded stocks) showed a small apparent production deficit of around 25,000 MT. When making seasonal adjustments for world refined production and usage, November showed a small production surplus of 20,000 MT. The refined copper balance for the first eleven months of 2015 indicates a production surplus of around 50,000 MT (and a seasonally adjusted surplus of about 170,000 MT). This compares with a production deficit of around 545,000 MT (a seasonally adjusted deficit of about 430,000 MT) for the same period of 2014.

In the first eleven months of 2015, world apparent usage is estimated to have declined by around 1% (260,000 MT) compared with that in the same period of 2014. Excluding China, world usage declined by around 4%. Although Chinese apparent demand increased by around 2%, usage declined by 4% and 7% in the EU and Japan, respectively, and by 48% in Russia (following the withdrawal of Russia's cathode export tax in September 2014). On a regional basis, usage is estimated to have increased by around 1.5% in Africa and Asia, respectively while declining by around 1.5% in the Americas, 10% in Europe and 55% in Oceania.

World mine production is estimated to have increased by around 3.5% (580,000 MT) in the first eleven months of 2015 compared with production in the same period of 2014. Concentrate production increased by 4% while solvent extraction-electrowinning (SX-EW) increased by 1%. The increase in world mine production was mainly due to a recovery in production levels at operating mines in Indonesia (56% growth in Indonesian mine production as in 2014 output was constrained by a seven month ban on concentrates exports) and an 19% increase in Peruvian output (benefitting from higher production rates at operating mines and a ramp-up in production from mines that started in 2014/2015). Production increased by 0.8% and 2% in Chile and in the United States, respectively, while declining by 4% in China. On a regional basis, production rose by 4% in South America, 2% in North America, 8% in Asia and 1.5% in Europe. However, production declined by 1% and 3.5% in Africa and Oceania, respectively. The average world mine capacity utilization rate for the first eleven months of 2015 declined to around 84% from 85% in the same period of 2014.

World refined production is estimated to have increased by about 1.6% (330,000 MT) in the first eleven months of 2015 compared with refined production in the same period of 2014: primary production was up by 2% and secondary production (from scrap) remained essentially unchanged. The main contributor to growth in world refined production was China (up by 4%). Output in Chile and Japan (the second and third leading refined copper producers) declined by 1.5% and 4%, respectively, while in the United States (the fourth largest refined copper producer), production increased by 1.5%. On a regional basis, refined output is estimated to have increased in Africa (3%) and Asia (3%) and decreased in Oceania (-5%) while remaining essentially unchanged in the Americas and Europe. The average world refinery capacity utilization rate for the first eleven months of 2015 remained practically unchanged at around 83% as compared to the same period of 2014.

Based on the average of stock estimates provided by independent consultants, China's bonded stocks declined by around 155,000 MT in the first eleven months of 2015 from the year-end 2014 level. Stocks declined by 25,000 MT in the same period of 2014. In the first eleven months of 2015, the world refined copper balance adjusted for the change in Chinese bonded stocks indicates a production deficit of around 100,000 MT compared with a deficit of around 570,000 MT in the same period of 2014.

The average LME cash price for January 2016 was US$4,462.75 per tonne, down from the December average of US$4,629.00 per tonne. The 2016 high and low copper prices through the end of January were US$4,647.00 (on 5th Jan) and US$4,310.50 per tonne (on 15th Jan), respectively, and the year-to-date average was US$4,462.75 per tonne (19% below 2015 annual average). As of the end of January 2016, copper stocks held at the major metal exchanges (LME, COMEX, SHFE) totalled 510,729 MT, an increase of 28,861 MT (6%) from stocks held at the end of December 2015.

2.3. Copper Market Forecast 2015-2016

Projections for 2015 indicate that the market should essentially remain balanced, while in 2016 a small deficit of around 130,000 MT is expected as demand growth outpaces production growth. However, Directors believe that such projections may be affected negatively in case of decrease of copper demand in China.

World mine production after adjusting for historical disruption factors is expected to increase by around 1.2% in 2015 (a similar growth to 2014) to reach 18.8 MT. Despite announced production cuts, higher growth of around 4% is expected in 2016 as additional supply is expected to arise from expansions at existing operations, ramp-up in production from mines that have recently come on stream and output from a few new mine projects. Growth in 2015 and 2016 is expected to be in the form of copper in concentrate as SX-EW production is envisaged to decline mainly due to the announced production cuts being almost entirely at SX-EW mines.

In 2016, world refined copper production is expected to grow by around 2.5% to 23.2 mmt, as larger growth of 4% in primary electrolytic production will be partially offset by a further 4% decline in SX-EW production.

For 2016, the growth in world apparent refined usage is expected at around 3% with underlying Chinese industrial demand growth expected at around 4%. Usage in the rest of the world is expected to increase by about 2%.

World Refined Copper Usage and Supply Trends, 2011-2015

Thousand metric tonnes, copper

	2011	2012	2013	2014	2014	2015	2015			
					Jan-Nov		Aug	Sep	Oct	Nov
World Mine Production	16,056	16,767	18,240	18,499	16,872	17,451	1,593	1,592	1,651	1,613
World Mine Capacity	19,407	19,923	20,699	21,508	19,770	20,677	1,935	1,880	1,950	1,895
Mine Capacity Utilization (%)	82.7	84.2	88.1	86.0	85.3	84.4	82.3	84.7	84.7	85.1
Primary Refined Production	16,132	16,604	17,255	18,557	16,909	17,244	1,581	1,573	1,602	1,612
Secondary Refined Production	3,468	3,596	3,803	3,915	3,572	3,569	339	340	339	347
World Refined Production (Secondary+Primary)	19,599	20,201	21,059	22,472	20,481	20,813	1,920	1,912	1,942	1,959
World Refinery Capacity	23,769	24,784	26,104	27,043	24,632	24,984	2,324	2,253	2,332	2,260
Refineries Capacity Utilization (%)	82.5	81.5	80.7	83.1	83.1	83.3	82.6	84.9	83.3	86.7
World Refined Usage 1/	19,704	20,461	21,387	22,881	21,025	20,762	1,828	1,921	1,956	1,986
World Refined Stocks End of Period	1,205	1,376	1,325	1,339	1,231	1,506	1,551	1,494	1,497	1,506
Period Stock Change	7	171	-52	14	-94	167	62	-57	3	9
Refined Balance 2/	-105	-260	-328	-409	-544	51	92	-9	-14	-27
Seasonally Adjusted Refined Balance 3/					-431	172	23	38	-15	19
Refined Balance Adjusted for Chinese bonded stock change	-166	307	-584	-422	-568	-103	-48	-45	-42	-24

Due to the nature of statistical reporting, the published data should be considered as preliminary as some figures are currently based on estimates and could change

1/ Based on EU apparent usage.

2/ Surplus/deficit is calculated using refined production minus refined usage.

3/ Surplus/deficit is calculated using seasonally adjusted refined production minus seasonally adjusted refined usage.

Source: International Copper Study Group

PART IX. TAXATION

The comments below are of a general and non-exhaustive nature based on the Directors' understanding of the current revenue law and published practice in the British Virgin Islands and the UK, which is subject to change, possibly with retrospective effect. These comments do not purport to be a complete analysis of all potential tax consequences of acquiring, holding or disposing of the Shares in the Company. The following summary does not constitute legal or tax advice and applies only to persons subscribing for the Shares as an investment (rather than as securities to be realised in the course of a trade) who are the absolute and direct beneficial owners of their Shares and who have not acquired their Shares by reason of their or another person's employment. These comments may not apply to certain classes of person, including dealers in securities, insurance companies and collective investment schemes.

Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling the Shares under the laws of their country and/or state of citizenship, domicile or residence including the consequences of distributions by the Company, either on a liquidation or otherwise.

On the Director's understanding, an investment in the Company involves a number of complex tax considerations. Changes in tax legislation in the British Virgin Islands, the United Kingdom or in any of the countries in which the Company has assets, or changes in tax treaties negotiated by those countries, on the Director's understanding, could adversely affect the returns from the Company to investors.

British Virgin Islands taxation

The Company and all dividends, interest, rents, royalties, compensations and other amounts paid by the Company to persons who are not persons resident in the BVI are exempt from the provisions of the Income Tax Act in the BVI and any capital gains realised with respect to any shares, debt obligations, or other securities of the Company by persons who are not persons resident in the BVI are exempt from all forms of taxation in the BVI. As of 1 January 2005, the Payroll Taxes Act 2004 came into force. It will not apply to the Company except to the extent that the Company has employees (and deemed employees) rendering services to the Company wholly or mainly in the BVI. The Company at present has no employees in the BVI and no intention of having any employees in the BVI.

No estate, inheritance, succession or gift tax, rate, duty, levy or other charge is payable by persons who are not persons resident in the BVI with respect to any shares, debt obligation or other securities of the Company.

All instruments relating to transfers of property to or by the Company and all instruments relating to transactions in respect of the shares, debt obligations or other securities of the Company and all instruments relating to other transactions relating to the business of the Company are exempt from the payment of stamp duty in the BVI.

There are currently no withholding taxes or exchange control regulations in the BVI applicable to the Company or its Shareholders.

United Kingdom taxation

Taxation

The following paragraphs include advice received by the Directors on the current tax position of shareholders who are resident in the UK for tax purposes and holding Shares beneficially as investments. The statements below are intended only as a general guide and do not constitute advice to any shareholder on their personal tax position and may not apply to certain classes of investor who may be subject to special rules (such as dealers in securities, insurance companies, charities, collective investment schemes or pension providers).

The comments are based on current legislation and H.M. Revenue & Customs practice at the date of this document.

Any investor who is in doubt as to their tax position or who is subject to taxation in a jurisdiction other than the UK should consult his or her own professional advisers immediately.

Shareholders should note that the levels and bases of, and relief from, taxation may change and that changes may affect benefits of investment in the Company. This summary is not exhaustive and does not generally consider tax relief or exemptions.

Taxation of dividends

The Company will not be required to withhold tax at source when paying a dividend.

For the period to 5th April 2016 an individual shareholder who is resident in the UK for tax purposes and who receives a dividend from the Company will generally be entitled to a non-refundable tax credit, which he may set off against his total income tax liability on the dividend. The tax credit will be equal to 10% of the aggregate of the dividend and the tax credit (the "gross dividend"), which is also equal to one-ninth of the cash dividend received. A UK resident individual shareholder who is liable to pay income tax at the basic rate only will be subject to tax on the dividend at the rate of 10% of the gross dividend, so that the tax credit will satisfy in full any such shareholder's liability to income tax on the dividend. A UK resident individual shareholder who is liable to pay income tax at the higher rate of 40% will be liable to pay tax on the gross dividend at the rate of 32.5%. A UK resident individual shareholder who is liable to pay income tax at the additional rate of income tax of 45% (broadly, an individual with taxable income in excess of £150,000) will be liable to pay tax on the gross dividend at the rate of 37.5%.

After taking into account the 10%. tax credit, such individuals will have to account for additional tax equal to 25% of the cash dividend received (for a higher rate tax payer) or 30.1% of cash dividends received (for an additional rate tax payer).

Trustees who are liable to pay income tax at the rate applicable to trusts (currently 45%) will pay tax on the gross dividend at the dividend trust rate of 37.5% against which they can set the tax credit. To the extent that the tax credit exceeds the trustees' liability to account for income tax the trustees will have no right to claim repayment of the tax credit.

UK resident taxpayers who are not liable to pay UK tax on dividends, including pension funds and charities, will not be entitled to claim repayment of the tax credit attaching to dividends paid by the Company.

From 6th April 2016, the Government have proposed to fundamentally change the way in which dividends are taxed on individuals. If the changes are enacted as announced the taxation of dividends will be as set out below. The notional tax credit referred to above will be withdrawn and so the cash dividend will become taxable as the gross dividend amount. While the technicalities of the new regime are currently unclear, there is likely to be a £5,000 tax-free allowance for UK resident individuals with increased tax rates of 7.5%, 32.5%, and 38.1% in the basic rate, higher rate and additional rate bands respectively. You should consult your own tax advisers if you need to consider the impact of the change in the regime for the taxation of dividends.

Subject to certain exceptions, a shareholder which is a company resident for tax purposes in the UK and which receives a dividend paid by another company resident for tax purposes in the UK will not generally have to pay corporation tax in respect of it.

Persons who are not resident in the UK should consult their own tax advisers concerning their tax liabilities on dividends received from the Company and on whether they can benefit from all or part of any tax credit in the jurisdiction in which they are resident.

Taxation of chargeable gains

If a shareholder disposes of any or all of his Shares in the Company he may incur a liability to tax on chargeable gains depending upon the shareholder's particular circumstances and subject to any available exemptions and reliefs. Companies are entitled to indexation allowance, which may also reduce the chargeable gain.

The chargeable gain is likely to be calculated as the sale proceeds less any allowable costs and expenses, including the original acquisition cost of the Shares.

Stamp duty and stamp duty reserve tax (SDRT)

No U.K. stamp duty or SDRT will be payable on the issue of the Shares or Depositary Interests. U.K. stamp duty will in principle be payable on any instrument of transfer of the Shares that is executed in the U.K. or that relates to any property situate, or to any matter or thing done or to be done, in the U.K. Investors should be aware that, even where an instrument of transfer is in principle liable to stamp duty, stamp duty is not required to be paid unless it is necessary to rely on the instrument for legal purposes, for example to register a change of ownership. An instrument of transfer need not be stamped in order for the BVI register of Shares to be updated, and the register is conclusive proof of ownership. Provided that the Shares are not registered in any register maintained in the U.K. by or on behalf of the Company and are not paired with any shares issued by a U.K. incorporated company, any agreement to transfer Shares will not be subject to U.K. SDRT. The Company currently does not intend that any register of the Shares will be maintained in the U.K. As noted above, the Directors intend to conduct the affairs of the Company so that it does not become resident in the U.K. for taxation purposes. Assuming this to be the case, no U.K. SDRT should be payable on the transfer of Depositary Interests through CREST.

Inheritance Tax

The inheritance tax status of individual Shareholder’s Shares will depend upon their personal circumstances. Shareholders should consult with their professional advisers if they are concerned with the potential inheritance tax implications of their shares in the Company.

If any Shareholder is in any doubt as to his or her taxation position, they should seek independent and professional financial advice.

PART X. REGULATION

Summary of Philippine laws and regulation applicable to mining

Regulatory Authorities

The DENR is the primary Philippines government agency responsible for the conservation, management, development, and proper use of the country's environment and natural resources, including mineral resources, as well as the licensing and regulation of all natural resources.

The MGB is the agency under the DENR directly in charge of the administration and disposition of mineral lands and mineral resources.

Mineral Rights

Under the Constitution of the Republic of the Philippines, the State owns all natural resources in the Philippines and has full control and supervision over the exploration, development and utilisation of these natural resources. The State may, however, enter into co-production, joint venture or production sharing agreements with Philippine citizens or corporations whose capital is at least 60 per cent Filipino-owned. The foreign equity limitation does not apply to large-scale exploration, development, and utilisation of minerals, hydrocarbons and other mineral oils. This exception is implemented through an FTAA in the minerals sector.

The Mining Act was enacted by Philippine Congress to implement a system for the exploration, development, utilisation and conservation of mineral resources. The Mining Act and IRR provide for several forms to explore, develop and utilise the country's mineral resources, including: (i) EPs; (ii) mineral agreements (there are three types of mineral agreements, i.e., MPSA, Co-Production Agreement and Joint Venture Agreement); and (iii) FTAA. A mining applicant has the option to choose which of the above he should use. The choice depends, inter alia on the minimum requirements under the law for a specific form and on the nature and scale of the operations planned.

Exploration Permit

The acquisition of mineral rights is a process that begins with the acquisition of an EP. An EP is a grant from the Philippine government granting the permit holder the right to conduct exploration of all minerals within a specified area. A corporation that is up to 100% foreign-owned can obtain an EP. An EP is issued by the (i) MGB Director for exploration areas inside territories designated by the Government for mining (mineral reservations), or (ii) MGB Regional Director for exploration areas outside such reservations. Under the Mining Act, the President may establish mineral reservations when the national interest so requires, such as when there is a need to preserve strategic raw materials for industries critical to national development, or certain minerals for scientific, cultural or ecological value. Mining operations in existing mineral reservations and such other reservations as may thereafter be established, shall be undertaken by the DENR or through a contractor, provided that a small scale-mining cooperative covered by Republic Act No. 7076 shall be given preferential right to apply for a small-scale mining agreement for a maximum aggregate area of twenty-five percent (25%) of such mineral reservation, subject to valid existing mining/quarrying rights as provided under Section 112 Chapter XX of the Mining Act. A private mining contractor can undertake mining operations in a government mineral reservation with the approval of government subject to a 5% royalty share of the government on the market value of the gross output to be derived from utilisation of the mineral resources within the mineral reservation.

An EP allows the holder to conduct "exploration", which is defined under the Mining Act as "searching or prospecting for mineral resources by geological, geochemical and/or geophysical surveys, remote sensing, test pitting, trenching, drilling, shaft sinking, tunnelling or any other means for the purpose of determining their existence, extent, quality and quantity and the feasibility of mining them for profit".

The term of an EP is two years from date of its issue. It can be renewed for two-year periods. An EP for non-metallic resources could only be extended once; an EP for metallic resources could be extended for two consecutive 2-year periods. The MGB will grant a renewal of the exploration period provided that the MGB has not found an EP holder to be in breach of either (i) the terms and conditions of an EP, or (ii) any provision of the Mining Act and/or IRR.

If an EP holder determines that mining operations are feasible within an EP area, an EP holder will submit a DMF during the exploration period and apply for either an MPSA or an FTAA. DMF will be DENR's basis in determination whether to grant an EP holder an MPSA or an FTAA. DMF is a document confirming presence of minerals in a specific area, which are recoverable by socially acceptable, environmentally safe and economically sound methods specified in the mine development plan, and supported by a mining project feasibility study.

In case an EP holder fails to file the DMF during the term of the exploration period, including any extensions, an EP holder may apply for further renewal of an EP for another two years to enable an EP holder to prepare or complete the feasibility studies, and to file DMF and the application for an MPSA or a FTAA. In case the term of an EP expires prior to the approval of either (i) DMF already filed with the MGB, and/or (ii) MPSA or FTAA application, an EP will be deemed extended automatically until such time the MGB issues its decision on the relevant application.

The maximum areas that an EP can cover under section 22 of the Mining Act are as follows:

1. Onshore, in any one province:

- for individuals, 20 blocks or 1,620 hectares; and

- for partnerships, corporations, cooperatives or associations, 200 blocks or 16,200 hectares.

2. Onshore, in the entire Philippines:

- for individuals, 40 blocks or 3,240 hectares; and

- for partnerships, corporations, cooperatives or associations, 400 blocks or 32,400 hectares.

3. Offshore, beyond 500 meters from the mean low tide level:

- for individuals, 100 blocks or 8,100 hectares; and

- for partnerships, corporations, cooperatives or associations, 1,000 blocks or 81,000 hectares.

Mineral Production Sharing Agreement

There are three types of mineral agreements under the Mining Act that the government can enter into with a contractor:

1. An MPSA, under which the government grants to the MPSA holder the exclusive right to conduct mining operations within a contract area. The share of the government is in the form of excise tax equivalent to a percentage of the gross output. The MPSA holder will provide the financing, technology, management and personnel necessary for the implementation of the MPSA.

2. A Co-Production Agreement, under which the government will provide contributions to the mining operations over and additional to the mineral rights.

3. A Joint Venture Agreement, under which the government and the contractor set up a joint venture company with both parties holding equity shares. In addition to earnings from the equity, the government is entitled to a financial instrument in the gross output of the mining project.

To date, the Department of Environment and Natural Resources (**DENR**) has not entered into a Joint Venture Agreement and Co-Production Agreement. These types of mineral agreements require the government to make contributions other than mineral resource or equity.

Mineral agreements grant to the contractor the exclusive right to conduct mining operations and to extract all mineral resources found in the contract area.

There are two types of MPSAs. The first type is an MPSA called an "Integrated MPSA" (covering both exploration phase and development phase) executed between the government and the contractor prior to the date DENR Administrative Order (**DAO**) 2005-15 amending the IRR became effective. The second type is an MPSA entered into after the date of DAO 2005-15 came into effect. To have this type MPSA issued the applicant must already hold an EP.

Integrated MPSA

The Exploration Period for a typical Integrated an MPSA is two years, which may be extended. The total term cannot exceed six years for non-metallic and eight years for metallic mineral exploration unless exploration is warranted beyond the six or eight year period and provided an MPSA holder has implemented substantially the Exploration Work Programme and Environmental Work Programme. In this case the MGB may grant a further renewal of the Exploration Period.

Within the term of the Exploration Period, an MPSA holder must, inter alia, file with the relevant MGB Regional Office, the draft DMF and supporting documentation including the Three-year Development and Construction or Commercial Operation Work Programme and a complete a geological report as well as an application for survey and the pertinent draft EIA required for the issuance of an ECC.

The ECC and the DMF are the key approvals required to transition from the Exploration to the Development Period. Following the expiry of the Exploration Period no expenditure commitments are required on the MPSAs until the commencement of the Development Period.

Once the ECC and DMF is approved and signed then the MPSA enters the Development Period. Once the Development Period commences the MPSA holder must comply with the following obligations:

- Reports during mining are a Timetable and Work Program for a 3 year commercial operation program. These are to be submitted 30 days before the end of each 3 year work period. Commercial reports shall also be made quarterly and annually;

- The Annual Environmental Protection and Enhancement Program (AEPEP) is to be submitted. To implement its AEPEP, the MPSA holder shall allocate annually three to five percent (3%-5%) of its direct mining and milling costs;

- Construction: the MPSA holder shall complete the construction and development of the mine within 36 months of the DMF being approved, subject to extension by the MGB Director based on good technical and geological data;

- Mitigation and Rehabilitation: Mine Rehabilitation Fund (MRF) based on the financial requirements of the approved Environmental Protection and Enhancement Program (EPEP) as a reasonable environmental deposit to ensure satisfactory compliance with the commitments/strategies of the EPEP/AEPEP;

- The MPSA holder shall set up mitigating measures such as mine waste and mill tailings disposal system, mine rehabilitation or plan, water quality monitoring, etc. to minimize land degradation, air and water pollution, acid rock drainage and changes in hydrogeology;

- The MPSA holder shall be responsible for the submission of a final mine rehabilitation and/or decommissioning plans, including its financial requirements and incorporating the details and particulars set forth in the implementing rules and regulations of the Mining Act;

- Obligations of the MPSA holder regarding community development and benefits following DMF:

    a) To coordinate with proper authorities in the development of the mining community and for those living in the host and neighboring communities through social infrastructure, livelihood programs, education, water, electricity and medical services. Where traditional self-sustaining income and the community activities are identified to be present, the MPSA holder shall assist in the preservation and/or enhancement of such activities;

    b) To give preference to Filipino citizens who have established domicile in the neighboring communities, in the hiring of personnel for its mining operations. If necessary skills and expertise are currently not available, the MPSA holder must immediately prepare and undertake a training and recruitment program at its expense.

MPSA issued post DAO 2005-15

The MPSA issued post DAO 2005-15 is originated from an EP that has been converted into an MPSA, following the filing of the DMF. Upon approval of the DMF filed under an EP, an MPSA to be granted will have a term of 25 years.

In general, an MPSA is renewable for another 25 years upon mutual agreement between the government and contractor. The renewal of an MPSA is by mutual consent of the parties. If the government decides to allow third parties to conduct mining operations in an MPSA area, a public tender must be held for such additional mining rights. The original MPSA holder will have the right to match the highest bid subject to reimbursement of all reasonable expenses of the highest bidder. The original MPSA holder has the right to match the highest bid upon reimbursement of all reasonable expenses to the highest bidder.

An MPSA holder may convert its MPSA into a FTAA, subject to the approval of the DENR Secretary.

The maximum areas that an MPSA may cover are as follows:

1. Onshore, in any one province:

- for individuals, 10 blocks or 810 hectares; and

- for partnerships, cooperatives, associations or corporations, 100 blocks or 8,100 hectares.

2. Onshore, in the entire Philippines:

- for individuals, 20 blocks or 1,620 hectares; and

- for partnerships, cooperatives, associations or corporations, 200 blocks or 16,200 hectares.

3. Offshore, in the entire Philippines:

- for individuals, 50 blocks or 4,050 hectares; and

- for partnerships, cooperatives, associations or corporations, 500 blocks or 40,500 hectares.

Under current laws, the government is entitled to a share in the gross production of the mining operation. The share of the government is taken in the form of an excise tax on the mineral products extracted under the MPSA. The excise tax on metallic and non-metallic minerals, and quarry resources is 2% of the actual market value of gross output thereof at the time of removal.

At the time of the publication of this Document, House Bill No. 5367 entitled "An Act Establishing the Fiscal Regime and Revenue Sharing Arrangement for Large-Scale Metallic Mining, and for Other Purposes" has been filed seeking to amend the mining revenue sharing scheme between the contractor and the government.

The DENR may suspend the MPSA if the MPSA holder fails: (i) to comply with any requirement of the Mining Act and/or the IRR without a valid reason; or (ii) to pay on time and in full the taxes, fees, and/or other charges owed to the government.

The MPSA will terminate or may be terminated for the following reasons:

1. expiration of its term, whether the original term or its renewal;

2. withdrawal from the MPSA by the MPSA holder;

3. breach by the MPSA holder of the MPSA's terms and conditions;

4. the MPSA holder's failure to pay taxes, fees/charges or financial obligations for two consecutive years;

5. false statements or omission of facts made by the MPSA holder in the application for the MPSA;

6. the MPSA holder's failure to perform all other obligations, including abandonment, under the MPSA;

7. violation by the MPSA holder of existing laws, policies, and rules and regulations; and/or

8. other specific grounds provided in the Mining Act, IRR, and in number of other relevant laws and regulations

All representations and statements in an MPSA are deemed conditions and essential parts thereof. Any misrepresentations in such statements or omission of facts, which may alter, change or affect substantially the facts, set forth in said representations or statements are grounds for the MPSA's revocation.

In case of termination, an MPSA holder must pay all fees and other liabilities due up to the end of the year in which the termination becomes effective. Ann MPSA holder is also required to rehabilitate immediately the MPSA area in accordance with good mining industry practice.

The following acts or omissions of an MPSA holder are deemed breaches of contract, upon which the government may exercise its right to terminate the MPSA:

1. failure of the MPSA holder without valid reason to commence commercial production within the period prescribed therein; and/or

2. failure of the MPSA holder to conduct mining operations and other activities in accordance with the approved work programmes and/or any modification thereof as approved by the MGB Director.

An MPSA holder may, by giving due notice at any time during the term of an MPSA, apply for its cancellation for causes which, in the opinion of an MPSA holder, render continued mining operation no longer feasible or viable. In this case, the DENR Secretary will decide on the application within 30 days from notice given by an

MPSA holder. The DENR Secretary's approval of the cancellation is subject to the condition that an MPSA holder has met all the accrued financial, fiscal and legal obligations under an MPSA.

Financial or Technical Assistance Agreement

The Philippine Constitution provides that the President may, on behalf of the government, enter into agreements involving either technical or financial assistance for large-scale exploration, development and utilisation of minerals under the general terms and conditions provided by law, based on real contributions to the economic growth and general welfare of the Philippines.

To implement this Constitutional provision and to promote investments from both domestic and international sources, the Mining Act authorises the President to execute and approve on behalf of the government FTAAs to be entered into with qualified entities for large-scale exploration, development and commercial utilisation of mineral resources.

The FTAA holder is granted the exclusive right to explore, mine, utilise, process, refine, market, transport, export and dispose of minerals and mineral products and by-products that may be derived or produced from the FTAA area, subject to such permit requirements that may be applicable under pertinent laws, rules and regulations.

The term of the FTAA is 25 years from the date on which the FTAA is registered (the "**Effective Date**") with the MGB Regional Office having jurisdiction over the contract area. The FTAA may be renewed upon mutual agreement between the FTAA holder and the government, for a period not exceeding 25 years. The FTAA holder must notify the government of the request for renewal not less than one year prior to the expiration of the original FTAA term. The basis of the FTAA holder's request for renewal is the identification of a mineral resource that, based on its pre-feasibility studies or feasibility studies, will require a period for utilisation longer than the remaining period of the original term.

The government and the FTAA holder must use their best efforts to mutually agree on the terms and conditions for renewal. If the terms of renewal differ from the terms and conditions of the original FTAA, the FTAA provides that the parties agree that any amendments negotiated or imposed through arbitration will result in both parties receiving benefits from the renewed FTAA that are no less favourable to each party had the terms and conditions of the renewed FTAA been the same as those of the original FTAA.

The periods of an FTAA are as follows:

1. Exploration Period

This covers a period not exceeding two years starting on the Effective Date, or if applicable, the date of grant to the FTAA holder over the contract area of a Temporary Exploration Permit. Any period between the expiration of the Temporary Exploration Permit and the Effective Date is excluded. The exploration period can be extended for another period not exceeding two years if the FTAA holder is able to justify to the MGB the need for an extension.

2. Pre-Feasibility Study Period

This phase consists of the period not exceeding two years commencing from the expiration or termination of the exploration period. "Pre-Feasibility studies" means preliminary studies, prior to the conduct of feasibility studies or further exploration of the FTAA area, which are designed to evaluate and assess the potential economic value of identified mineral resources.

3. Feasibility Study Period

This phase consists of two years commencing from the expiration or termination of the exploration or pre-feasibility study period. The DMF should be submitted during the Feasibility Study Period. The DMF must be

accompanied by the Mining Project Feasibility Study and contain, among others, a quantification of the government share and the benefits to be derived from the operation of the mine. The MGB Director will take into consideration in the approval of the DMF the expected life of the mine for a minimum of 15 years, proposed mining sequence, grade management, and the project's capability to contribute the government share and to absorb the environmental and social costs.

4. Development and Construction Period

This phase consists of the period commencing on the date of the approval of the DMF and ending on the day before the Date of Commencement of Commercial Production. Development refers to work undertaken to prepare an ore body or a mineral deposit for mining, including the construction of necessary infrastructure and related facilities. "Date of Commencement of Commercial Production" or "Commencement of Commercial Production" refers to the date of written declaration by the FTAA holder to start commercial operations after the conduct of a test run, including debugging, and its approval by the Regional Office concerned.

5. Operating Period

This phase consists of the period commencing on the Date of Commencement of Commercial Production in any mining area and ending on the termination of the term of the FTAA. At least 30 days before the expiration of the Development and Construction Period, the FTAA holder is required to submit to the MGB Regional Director, for approval by the MGB Director, an initial Work Program covering the first three years of the Operating Period. The FTAA holder must, at least 30 days before the expiration of each consecutive three-year period of the Operating Period, submit to the MGB Regional Director, for approval by the MGB Director, a Work Program covering the next three-year period. The FTAA holder will have the right to continue mining operations while approval of any Work Program is pending. During the Operating Period, the FTAA holder will have the right to continue exploration activities.

Surface areas, which are necessary and vital to the mining operations of a foreign owned FTAA holder, may be acquired by the government at the expense of the FTAA holder.

During the Exploration Period and Pre-Feasibility Study Period, the FTAA holder is required to relinquish part or parts of the FTAA area as follows:

1. on or before the end of the first two years of the exploration period, the contractor must relinquish at least 25% of the FTAA area existing on the Effective Date; and

2. during each year of the second two-year period of the exploration period and each year of the Pre-Feasibility Study Period, the FTAA holder must relinquish at least 10% of the FTAA area existing at the beginning of each such year.

A FTAA area after final relinquishment must not exceed 5,000 hectares. The MGB Director may, subject to technical verification by the MGB and with the approval of the DENR Secretary, permit the FTAA holder to hold a larger mining area if it is required reasonably by the FTAA holder due to the nature and size of the relevant mineral deposit or the anticipated surface or subsurface activities of the proposed mining operations. The FTAA holder can select the mining area at its discretion, which does not need be a single contiguous block.

The DENR Secretary upon recommendation by the MGB Director for may suspend the FTAA for the following reasons:

1. failure of the FTAA holder to comply with any provision or requirement of the FTAA, Mining Act, and IRR; or

2. failure of the FTAA holder to pay taxes and fees due the government.

The government must give prior written notice to the FTAA holder of its intention to suspend the FTAA. The suspension will be effective if the FTAA holder does not remedy (i) the failure to make any required payment within 30 days, or (ii) any nonmonetary cause for suspension within 6 months from receipt of notice.

Any failure or delay on the part of either the government or the FTAA holder in the performance of its obligations or duties will be excused to the extent attributable to force majeure, subject to the MGB's verification.

Matters on the suspension of the FTAA due to force majeure are not subject to consultation and arbitration. This means that the declaration of force majeure will depend on the MGB's determination of the existence of force majeure.

The FTAA holder may suspend mining operations in the FTTA area by notice to the MGB Director for one year if:

1. the FTAA holder's costs of production exceed income received from sales of the minerals or mineral products, determined using spot market prices; or

2. the identified mineral resource is uneconomic at current spot market prices, although the mineral resource may reasonably be expected to become economic in the future based on market prices prevailing at other times during the term of the FTAA; or

3. the development or continued exploitation of the mineral resource is prevented or made uneconomic by technical problems that cannot be overcome with generally available technology, including but not limited to difficult metallurgy, lack of proven mineral processing technology necessary to beneficiate the identified mineral resources, or lack of appropriate antipollution technology and facilities necessary to adequately protect, restore or rehabilitate the environment to the degree required by applicable environmental laws or the Environmental Protection and Enhancement Program; or

4. the development or continued exploitation of the mineral resources is prevented or made uneconomic by unanticipated marketing problems that are not within the FTAA holder's control, such as distance of the identified mineral resource from an existing market or marketing problems caused by a third party, including bankruptcy of any purchaser of minerals or mineral products or failure or refusal of any purchaser to honour existing marketing arrangements; or

5. the FTAA holder is unable to obtain debt or equity financing for mining operations on reasonable terms, under conditions then prevailing in the international financial markets, including specific requirements of international financing sources for financing of mining operations in the Philippines.

Suspension of mining operations on the basis of non-viability is subject to the MGB Director's approval.

The FTAA may be terminated for any of the following causes:

1. a material violation by either the government or the FTAA holder of the terms and conditions of the FTAA, such as, but not limited to, failure to implement approved Work Programs, timely lodging of DMF, failure to renew exploration period, noncompliance with approved plans and designs of mine facilities, equipment and/or structures;

2. failure of the FTAA holder to pay taxes and fees due the government for two consecutive years;

3. any intentional and materially false statement or omission of facts by a party;

4. failure of the FTAA holder to establish a Mine Rehabilitation Fund;

5. failure of the FTAA holder to cause the registration of the FTAA.

6. failure to perform all other obligations, including abandonment, under the permits or agreements;

7. violation of any of the terms and conditions of the Permits or Agreements; and/or

8. violation of existing laws, policies, and rules and regulations.

The FTAA will also terminate upon expiration of its term if not renewed.

Environmental Laws

The Philippines pursues vigorously a policy of protecting and advancing the right of its people to a balanced and healthy environment. The LGUs and other agencies also assist in the formulation and implementation of environmental policies.

The relevant environmental laws and regulations are as follows:

Environmental Impact Statement System

The EMB is the lead agency that implements the EIA System and handles the review and evaluation of the environmental impact of development projects. Under the EIA System, a project proponent of environmentally critical projects and projects within environmentally critical areas must obtain an ECC prior to the commencement of the project. Under the DENR regulations, resource-extractive industries, including mining, are considered environmentally critical projects.

An ECC certifies that a proposed project or undertaking will not cause significant negative environmental impact. The ECC also certifies that the proponent has complied with all the requirements of the EIA System and has committed to implement its approved Environmental Management Plan. The ECC contains specific measures and conditions that the project proponent has to undertake before and during the operation of a project, and in some cases, during the project's abandonment phase to mitigate identified environmental impacts.

Ecological Solid Waste Management Act

The Solid Waste Act provides for a national programme that will manage the control, transfer, transport, processing and disposal of solid waste in the Philippines.

Certain acts are prohibited under the Solid Waste Act, as follows:

1. Dumping waste matters in public places such as roads, canals or sidewalks;

2. Open burning of solid waste;

3. Permitting the collection of non-segregated waste;

4. Squatting in open dumps and landfills;

5. Open dumping in flood-prone areas;

6. Mixing of source-separated recyclable material with other solid waste in any container for solid waste collection;

7. Operating of open dumps, outside the provisions of the law;

8. Manufacturing or distributing non-environmentally acceptable packaging materials;

9. Importing consumer products in non-environmentally acceptable packaging materials;

10. Importing toxic wastes misrepresented as recyclable;

11. Transporting and dumping in bulk of collected domestic, commercial, industrial and institutional wastes outside of designated centres or facilities;

12. Preparing, expanding, constructing or operating waste management facilities without an ECC and without conforming to the land use plan of the LGUs;

13. Constructing any establishment within 200 meters from open or controlled dumpsites or sanitary landfills; and

14. Constructing or operating any landfills or waste disposal facility on any area or portion of an aquifer, water reservoir or watershed.

Violation of the provisions of the Solid Waste Act is punishable by a fine and/or imprisonment.

Toxic Substances and Hazardous and Nuclear Wastes Control Act

The Hazardous Waste Act provides the legal framework for the country's programme to control and manage the importation, manufacture, processing, distribution, use, transport, treatment, and disposal of toxic substances and hazardous and nuclear wastes.

The Hazardous Waste Act requires all manufacturers and importers of a new chemical to submit a pre-manufacture and pre-importation notification to the DENR. A "new chemical substance" is defined as any chemical that is not included in the Philippine Inventory of Chemicals and Chemical Substances (**PICCS**). The purpose of the pre-manufacture and pre-importation notification is to screen harmful substances before they enter the Philippines. The PICCS is a list of existing industrial chemicals and chemical substances used, sold, distributed, imported, processed, manufactured, stored, exported, treated, or transported in the Philippines.

Manufacturers and importers of new chemicals are required to notify the DENR of their intent to manufacture or import the new chemical within 90-180 days before commencing the manufacture or importation of the new chemical.

Once a chemical is listed in PICCS, it may be manufactured or imported with no control, provided it is not included in the Priority Chemicals List (**PCL**) or subject to a Chemical Control Order (**CCO**).

The PCL is a short list of chemicals that have been determined to potentially pose unreasonable risks to public health, workplace, and environment. Inclusion in the PCL is based on the selection criteria used by industrialized countries, such as persistence, toxicity, and bioaccumulation. Users, importers and manufactures of chemicals listed in the PCL are required to comply with various registration and reporting requirements.

A CCO prohibits, limits or regulates the use, manufacture, import, export, transport, processing, storage, possession and wholesale of priority chemicals that are determined to be regulated, phased-out, or banned because of the serious risks they pose to public health, the work place and the environment. The objective of a CCO is to ensure the proper management of the chemicals so that danger to human health and the environment is minimised. A CCO specifies requirements for the importation, manufacturing, use, transport and disposal of such chemicals. A CCO also requires the subsequent phase-out of the use of a particular chemical and its substitution with less harmful chemicals.

Violation of the provisions of the Hazardous Waste Act is punishable by a fine and/or imprisonment as well as administrative fines.

Clean Air Act

The Clean Air Act provides for a comprehensive air pollution control programme. Under the implementing rules and regulations of the Clean Air Act, all stationary sources of air pollution must have a valid permit to operate issued by the DENR Regional Director. New or modified sources must obtain an authority to construct from the Director. However, the DENR may reduce penalties or fines to be imposed on stationary sources provided the latter execute a consent agreement with the EMB and implement an environmental management plan with a timetable specified.

The following acts are prohibited under the Clean Air Act and its implementing rules and regulations:

- Causing or allowing the emission of particulate matter from any source whatsoever without taking reasonable precautions to prevent such emissions.

- Storing, pumping, handling, processing, unloading or using in any process, or installing volatile compound or organic solvents without applying known existing vapour emission control devices or systems deemed necessary and approved by the EMB.

- Discharging from any source whatsoever such quantities of air contaminants or other material that constitute nuisance as defined under the law.

- Burning any materials in any quantities that will cause the emission of toxic and poisonous fumes.

- Open burning of waste.

- Incineration, which is the burning of municipal, bio-medical and hazardous wastes, emitting toxic and poisonous flames.

Industries which will install pollution control devices or retrofit their existing facilities with mechanisms that reduce pollution, will be entitled to tax incentives such as but not limited to tax credits and/or accelerated depreciation deductions.

Violation of the Clean Air Act may result in civil and/or criminal prosecution of persons involved in the prohibited acts.

Clear Water Act

The Clean Water Act applies to water quality management in all water bodies. However, it applies primarily to the abatement and control of pollution from land-based sources. This notwithstanding, the water quality standards and regulations and the civil liability and penal provisions under the Clean Water Act will be enforced irrespective of sources of pollution.

The following acts, among others, are prohibited under the Clean Water Act:

- Discharging, depositing or causing to be deposited material of any kind directly or indirectly into the water bodies or along the margins of any surface water, where the same will be liable to be washed into such surface water, either by tide action or by storm, floods or otherwise, which could cause water pollution or impede natural flow in the water body;

- Discharging, injecting or allowing to seep into the soil or sub-soil any substance in any form that would pollute groundwater. In the case of geothermal projects, and subject to the approval of the DENR, regulated discharge for short-term activities (e.g., well testing, flushing, commissioning,

venting, etc.) and deep re-injection of geothermal liquids may be allowed. However, safety measures should be adopted to prevent the contamination of the groundwater;

- Operating facilities that discharge regulated water pollutants without the valid required permits or after the permit was revoked for any violation of any condition therein;

- Unauthorised transport or dumping into sea waters of sewage sludge or solid waste as defined under the Solid Waste Act;

- Transport, dumping or discharge of prohibited chemicals, substances or pollutants listed under the Hazardous Waste Act;

- Operate facilities that discharge or allow to seep, wilfully or through gross negligence, prohibited chemicals, substances or pollutants listed under the Hazardous Waste Act, into water bodies or wherein the same shall be liable to be washed into such surface, ground, coastal, and marine water;

- Undertaking activities or development and expansion of projects, or operating wastewater/sewerage facilities in violation of Presidential Decree No. 1586 and its implementing rules and regulations;

- Discharging regulated water pollutants without the valid required discharge permit pursuant to the Clean Water Act or after the permit was revoked for any violation of any condition therein.

Persons involved with perpetrating a breach of the Clean Water Act may be subject to civil or criminal liability.

Pollution Control Law

Under the Pollution Control Law, it is unlawful for a person to dispose any organic or inorganic matter or any substance in gaseous or liquid form that may cause water pollution in any Philippine water resource.

Water Code

The Water Code prohibits any person from building any works that may produce dangerous or noxious substances, or performing any act, which may result in the introduction of sewage, industrial waste, or any pollutant into any source of water supply without prior permission from the EMB.

National Environmental User's Fee of 2002

National Environmental User's Fee applies to all establishments and installations that discharge industrial and commercial wastewater into water bodies and/or land resources. Any person who will discharge in any manner industrial or commercial wastewater into Philippine water and/or land resources must secure a wastewater discharge permit from the relevant Regional Office of the EMB. A wastewater discharge permit fee will also be assessed (fixed fee and load based fee).

Health and Safety Regulation

All contractors, permittees, lessees, permit holders and service contractors shall comply strictly with all the rules and regulations embodied under Department Administrative Order No. 2000-98, otherwise known as the "Mine Safety and Health Standards".

The Regional Director of the MGB has exclusive jurisdiction and control on safety inspection of all installations, surface or underground, in mining operations at reasonable hours of the day or night and as much as possible in a manner that will not impede or obstruct work in progress of a contractor.

Employment and Labour Regulation

A contractor shall give preference to Filipino citizens in all types of mining employment within the country insofar as such citizens are qualified to perform the corresponding work with reasonable efficiency and without hazard to the safety of the operations, and to provide suitable training programme suitable to Filipino citizens in all levels of employment. The contractor, however, shall not be precluded from hiring employees of his own choosing, subject to the provisions of the Commonwealth Act No. 613, as amended, known as "Philippine Immigration Law" and Article 40 of the Labour Code of the Philippines and the Rules and Regulations of the Professional Regulations Commission for technical and specialised work which, in his judgment and with the approval of the Director, requires highly-specialised training or long experience in exploration, development or exploitation of mineral resources: provided, that in no case shall each employment exceed five (5) years or the investment recoupment period of the project as represented in original project study, whichever is longer: provided, further, that each foreigner employed as mine manager, vice-president for operations or in an equivalent managerial position in charge of mining, milling, quarrying or drilling operation shall:

(a) present evidence of his qualification and work experience; or

(b) shall pass the appropriate government licensure examination; or

(c) in special cases, may be permitted to work by the Director for a period not exceeding one (1) year: Provided, however, That if reciprocal privileges are extended to Filipino nationals in the country of domicile, the Director may grant waivers or exemptions.

The Mining Act also provides that "no person under sixteen (16) years of age shall be employed in any phase of mining operations and no person under eighteen (18) years of age shall be employed in an underground mine".

Free and Prior Consent of Indigenous Peoples/Indigenous Cultural Communications for Mining Operations within Ancestral Domains

Republic Act No. 7942 recognises and respects the rights and benefits of indigenous peoples in keeping with the provisions of Republic Act No. 8731, otherwise known as the Indigenous Peoples' Rights Act of 1997 (IPRA), as implemented by NCIP Administrative Order No. 01-98. Under the IPRA, a prior certification from the National Commission on Indigenous Peoples (**NCIP**) is required before a department of government or agency issues, renews, grants a concession, license, lease, permit, or enters into any production sharing agreement, that the area affected does not overlap any ancestral domain, or when the area affected is within ancestral domain, the free and prior informed consent of the Indigenous Cultural Communities/Indigenous Peoples is obtained.

Nevertheless property rights within the ancestral domains already existing and/or vested upon effectivity of the IPRA shall be recognized and respected.

Thus, existing contracts, licences, concessions, leases and permits for the exploitation of natural resources within the ancestral domain may continue to be in force and effect until they expire. Thereafter, such contracts, licences, concessions, leases and permits shall not be renewed without the free and prior informed consent of the IP community members and upon renegotiation of all terms and conditions thereof.

Local Government

Mining applicants, contractors, permittees, permit holders are required to consult with all the Sangguniang Panlalawigan (Provincial Legislative Council)/ Sangguniang Bayan (Municipal Legislative Council)/ Sangguniang Panlungsod (City Legislative Council)/ Sangguniang Barangay, (Barangay Legislative Council) concerned in support of mining applications and/or in the implementation of mining projects. Proof of consultation is required.

The DMO No. 09-2004 (Simplification of Procedures in the Issuance of Mining Contracts and Permits) which require the contractor to have the following:

- For exploration applications: Proof of consultation to the relevant LGUs is required.

- For projects in the development stage: Prior consultation and/ or approval or endorsement in the form of a resolution or certification by at least majority of the local government councils concerned (Barangay council, municipal or city council, and provincial council) is required before the contractor can proceed to development and/or utilization activities.

Surface Rights Regulation

The Mining Act grants permittees and contractors certain auxiliary rights in respect of the surface area. These rights are as follows:

1. Timber rights – a contractor may be granted felling rights within the mining area for its mining operations subject to forestry laws, rules and regulation;

2. Water rights – a contractor shall have water rights for mining operations upon approval of application with the appropriate government agency in accordance with existing water laws, rules and regulations promulgated thereunder;

A contractor shall have water rights for mining operations upon approval of application with the appropriate government agency in accordance with existing water laws, rules and regulations promulgated thereunder: Provided, That water rights already granted or vested through long use, recognised and acknowledged by local customs, laws, and decisions of courts shall not thereby be impaired: Provided further, That the Government reserves the right to regulate water rights and the reasonable and equitable distribution of water supply so as to prevent the monopoly of the use thereof.

3. Right to handle explosives – a contractor/exploration permittee shall have the right to handle its explosives within his contract/permit area as may be necessary for his mining operations upon approval of application to the Philippine National Police in accordance with existing laws, rules and regulations promulgated thereunder;

4. Easement rights – when mining areas are so situated, in order to ensure that mining operations are conducted in an orderly fashion it is necessary to build, construct or install on the mining areas or lands owned, occupied or leased by other persons, such infrastructure as roads, railroads, mills, waste dump sites, tailings ponds, warehouses, staging or storage areas and port facilities, tramways, runways, airports, electric transmission, telephone or telegraph lines, dams and their normal flood and catchment areas, sites for water wells, ditches, canals, new river beds, pipelines, flumes, cuts, shafts, tunnels, or mills, the contractor, upon payment of just compensation, shall be entitled to enter and occupy said mining areas or lands;

5. Right of way – subject to prior notification, holders of mining rights shall not be prevented from entry into private lands and concession areas by surface owners, occupants, or concessionaires when conducting mining operations. However, any damage done to the property of the surface owner, occupant, or concessionaire as a consequence of such operations shall be properly compensated as may be provided for in the implementing rules and regulations.

The Mining Act allows land areas to be occupied by mining infrastructures to pursue its operations. If a private individual or entity owns land, a mutual agreement must be reached between the landowner and mining contractor or permittee. Otherwise, the parties shall go into arbitration under the mining law. Just compensation must be paid to the affected landowner.

On the other hand, if the land occupied by the mining infrastructures is public in nature, the relevant government agencies must give its consent such as the Land Management Bureau or the Forrest

Management Bureau in the event felling will be required. In addition the Human Settlements Agency will have to give its consent. The necessary fees and charges will have to be paid by the mining contractor/permitee.

Drinking water requirements of the miners will have to be accommodated however the consent of the proper water resource agency such as the Local Utilities and Water Agency will be required to be obtained.

Mineral Resources and Ore Reserves Estimation

The mineral resources and ore reserves estimates are calculated in accordance with the Philippine Mineral Reporting Code. In 2010, the DENR issued DENR Administrative Order No. 2010-09 which sets the guidelines for appropriate classification and reporting standards of exploration results, mineral resources and ore reserves. It also includes guidelines on estimating mineral resources and ore reserves.

Reforms in the Philippine Mining Sector

1. On 09 July 2012, the Office of the President issued Executive Order No.79 ("**EO 79**") entitled "Institutionalizing and Implementing Reforms in the Philippine Mining Sector, Providing Policies and Guidelines to Ensure Environmental Protection and Responsible Mining in the Utilization of Mineral Resources". The DENR issued DENR Administrative Order No. 2012-07 as the Implementing Rules and Regulations (**IRR**) of EO 79.

The salient points of EO 79, and its IRR, and amendments thereto are as follows:

- **Areas closed to mining applications** – EO 79 disallows applications for mineral contracts, concessions, and agreements in the following:

    a. Areas expressly enumerated under Section 19 of RA No. 7942 and Section 15 of DENR Administrative Order No. 2010, or the IRR of the Mining Act;
    b. Protected areas categorized and established under the National Integrated Protected Areas System under RA No. 7586;
    c. Prime agricultural lands, in addition to lands covered by RA No. 6657, or the Comprehensive Agrarian Reform Law of 1988, as amended, including plantations and areas devoted to valuable crops, and strategic agriculture and fisheries development zones and fish refuge and sanctuaries declared as such by the Secretary of the Department of Agriculture;
    d. Tourism development areas, as identified in the National Tourism Development Plan; and
    e. Other critical areas, island ecosystems, and impact areas of mining as determined by current and existing mapping technologies, that the DENR may hereafter identify pursuant to existing laws, rules, and regulations, such as, but not limited to, the National Integrated Protected Areas System Act.

- **Full enforcement of environmental standards in mining** – EO 79 directs the DENR to ensure that environmental standards in mining, as prescribed by existing laws, rules and regulations are enforced fully and strictly, and appropriate sanctions meted out against violators thereof. EO 79 also states that only mining applicants who are able to strictly comply with such standards shall be eligible for the grant of mining rights.

- **Review of existing mining operations** – EO 79 requires the DENR to conduct a review of the performance of existing mining operations, based on applicable rules and regulations such as the Mining Act and the Labor Code.

- **Moratorium on the grant of new mineral agreements pending legislation** – EO 79 provides that no new mineral agreements shall be entered into until legislation rationalising existing revenue sharing schemes and mechanisms shall have taken effect. However, EO 79 authorises the DENR to continue to grant and issue EPs and states that grantees of such permits shall be given the right of first option to develop and utilise the minerals in their respective exploration areas upon the approval of the DFS and the effectivity

of the said legislation.

EO 79 also directs the DENR to undertake a review of existing mining contracts and agreements for possible renegotiation of the same, and further states that the renegotiated terms and conditions must be mutually acceptable to the government and the mining contractor.

DAO 2014-06 amended Section 7 of the DAO 2012-07, which provides that expansion of existing contract areas are not allowed, "unless there is an imminent and/or threatened economic disruption". Under DAO 2014-06, the expansion of contract areas of operating mines with available mineral resources/reserves is allowed, subject to validation by the Mining Industry Coordinating Council thru its Technical Working Group on Environmental Protection.

- **Establishment of Mineral Reservations** – EO 79 requires potential and future mining areas with known strategic mineral reserves to be declared as Mineral Reservations. EO 79 also states that this will be without prejudice to agreements, contacts, rights and obligations previously entered into between the government and mining contractors.

- **Imposition of competitive public bidding requirement** – EO 79 requires the grant of mining rights and mining tenements over areas with known or verified mineral resources and reserves, including those owned by the government and all expired tenements, to be undertaken through competitive public bidding.

- **Development of Downstream Industries** – EO 79 directs the DENR to submit, within a period of six months, a national programme and road map for the development of value-adding activities and downstream industries for strategic metallic ores.

- **Disposition of Abandoned Ores and Valuable Metals** – EO 79 also provides that "all valuable metals, mine wastes and tailings from previous and now defunct mining operations shall belong to the State and shall be similarly developed and utilised through competitive public bidding". In existing mining operations, "all valuable metals in mine wastes and/or mill tailings shall automatically belong to the State upon the expiration of the pertinent mining contracts and shall be similarly developed and utilised through public bidding".

- **Creation of a Mining Industry Coordinating Council** –This is composed of the Climate Change Adaptation and Mitigation and Economic Development Cabinet Clusters. Mining Industry Coordinating Council shall also have, as additional members, the Secretary of Justice, the Chairperson of the NCIP, and the President of the Union of Local Authorities of the Philippines.

- **Measures on Small-Scale Mining Activities** – Under EO 79, small-scale mining operations may be undertaken only within the declared People's Small-Scale Mining Areas (*Minahang Bayan*). The use of mercury in small-scale mining is also prohibited strictly.

- **Consistency of local ordinances with national laws** – EO 79 mandates the Department of the Interior and Local Government and LGUs to ensure that the exercise of the latter's powers, in relation to the mineral resources, is consistent with and conforms to the regulations, decisions and policies of the National Government.

EO 79 requires the LGUs to confine themselves only to the imposition of "reasonable limitations on mining activities conducted within their respective territorial jurisdictions that are consistent with national laws and regulations".

EO 79 also directs government agencies to ensure the timely release of the share of the LGUs, and to study the possibility of increasing the LGUs' share as well as granting them direct access to such funds.

- **Creation of One-stop Shop for all Mining Applications** – EO 79 directs the DENR to establish an inter-agency one-stop shop for all mining related applications and processes within six months.

• **Creation of a Centralised Database for the Mining Industry and Integrated Map System to Include Mining Related Maps** – EO 79 directs the DENR to create a centralised database for all mining-related information, which shall initially include all available data on the industry from all government agencies and instrumentalities, within six months.

EO 79 also mandates the creation of the integrated map system by the government to include all mining-related maps such as mining tenement maps, geo-hazard and multi-hazard maps, ancestral lands and domains, and protected areas.

• **Use of the Programmatic Environmental Impact Assessment (EIA)** – EO 79 mandates the DENR and the EMB to study the adoption of the Programmatic EIA in the implementation of the Philippine Environmental Impact Statement System.

2. On 13 April 2010, the Supreme Court of the Philippines issued A.M. 09-6-8-SC known as the "Rules of Procedure for Environmental Cases". The Supreme Court provided for, among others, the procedure for the Special Civil Action to obtain a "Writ of Kalikasan" under Rule 7 thereof.

The "Writ of Kalikasan" is a remedy available to a natural or juridical person, entity authorised by law, people's organisation, non-governmental organisation, or any public interest group accredited by or registered with any government agency, on behalf of persons whose constitutional right to a balanced and healthful ecology is violated, or threatened with violation by an unlawful act or omission of a public official or employee, or private individual or entity, involving environmental damage of such magnitude as to prejudice the life, health or property of inhabitants in two or more cities or provinces. The petition for the issuance of the Writ of Kalikasan may include, as a relief, a prayer for the issuance of a Temporary Environmental Protective Order ("**TEPO**"). Initially, an Environmental Protection Order (**EPO**) may be issued if it appears from the verified complaint, with a prayer for the issuance thereof, that the matter is of extreme urgency and the applicant will suffer grave injustice and irreparable injury. The executive judge of the multiple sala court before raffle or the presiding judge of a single-sala court, as the case may be, may issue ex parte a TEPO effective for only seventy-two (72) hours from date of the receipt of the TEPO by the party or person enjoined. Within said period, the court, where the case is assigned, shall conduct a summary hearing to determine whether the TEPO may be extended until the termination of the case. The court, after trial, may render judgment and convert the TEPO to a permanent EPO or issue a writ of continuing mandamus directing the performance of acts which shall be effective until the judgment is fully satisfied.

3. DENR Memorandum Order (**DMO**) No. 2013-01 amended the minimum authorised and paid-up capital requirements for mining applicants as provided in DMO No, 99-10. Under DMO 2013-01,the minimum authorised capital stock and paid-up capital of mining applicants were increased as follows:

	From	To
Authorised Capital	PHP10,000,000.00	PHP100,000,000.00
Paid- Up Capital	PHP 2,500,000.00	PHP 6,250,000.00

DMO 2013-01 applies to applicant for an EP, MA, and FTAA. In case of an applicant for FTAA, it shall be required to have a minimum paid up capital of PHP500,000,000.00 upon the grant of the said FTAA by the President of the Republic of the Philippines and prior to its registration with the MGB.

Summary of the applicable British Virgin Islands Law

The Company is registered in the British Virgin Islands as a BVIBC and is subject to BVI law. English law and BVI law differ in a number of areas, and certain differences are summarised below, although this is not intended to provide a comprehensive review of applicable BVI law. The Company has incorporated equivalent provisions in its Memorandum and Articles to address certain of these differences.

Shares

Subject to the BVI Companies Act and a BVIBC's memorandum and articles of association, the directors have the power to offer, issue, grant options over or otherwise dispose of shares. A BVIBC may amend its memorandum to increase, subdivide, combine or decrease its authorised or issued shares.

Financial assistance

Financial assistance to purchase shares of a BVIBC or its holding company is not prohibited under BVI law. Such financial assistance may however constitute a distribution under the BVI Companies Act, in which case the directors must determine that, following immediately the grant of the assistance, the BVIBC will be able to meet its debts as they fall due and that the value of the BVIBC's assets will exceed its liabilities (the "**Solvency Test**").

Purchase of own shares

Except for limited circumstances, and subject to satisfaction of the Solvency Test and the provisions of its memorandum and articles of association, a BVIBC may purchase, redeem or otherwise acquire its own shares.

Dividends and distribution

Subject to the provisions of its memorandum and articles of association, the directors of a BVIBC may declare dividends in money, shares or other property provided they determine the BVIBC will be able to satisfy the Solvency Test immediately after the distribution.

Protection of minorities

The BVI Companies Act provides for various remedies to be available to shareholders who allege that a BVIBC's actions are prejudicial to them, including the right to be able to apply for restraining and compliance orders, or to bring derivative actions, personal actions, and representative actions against the BVIBC.

Management

Subject to the provisions of its memorandum and articles of association, its board of directors, each of whom has authority to bind the BVIBC, manages a BVIBC. Directors are required under BVI law to act honestly and in good faith with a view to the best interests of the BVIBC, and to exercise the care, diligence and skill that a reasonable director would exercise, taking into account but without limitation (i) the nature of business and (ii) the position of the directors and the nature of the responsibilities taken.

Accounting and audit

There is no statutory requirement on a BVIBC that carries on business activities similar to the Company to audit or file annual accounts in the BVI. Under the BVI Companies Act , a BVIBC is required to keep records and underlying documentation of the company (including accounting records) with its registered agent in the BVI or to notify its registered agent where such records are kept.

Exchange control

A BVIBC is not subject to any exchange control regulations in the BVI.

Transactions with directors

Under BVI law, a transaction entered into by a BVIBC in which a director is interested is voidable unless (i) such interest was disclosed prior to the BVIBC entering into the transaction; or (ii) it was not required to be disclosed as it is a transaction between the BVIBC and the director in the ordinary course of the company's business and on usual terms and conditions. Furthermore, a transaction entered into by the BVIBC in respect of which a director is interested is not voidable by the BVIBC if (i) the material facts of the interest of the director in the transaction are known by the shareholders entitled to vote at a meeting of shareholders and the transaction is approved or ratified by a resolution of shareholders; or (ii) the BVIBC received fair value for the transaction.

Redemption of minority shares

The BVI Companies Act provides that members holding 90 per cent. or more of all the voting shares of a BVIBC may instruct the directors to redeem the shares of the remaining shareholders. The directors shall be required to redeem the shares of the minority shareholders, whether or not the shares are by their terms redeemable. The directors must notify the minority shareholders in writing of the redemption price to be paid for the shares and the manner in which the redemption is to be affected. In the event that a minority shareholder objects to the redemption price to be paid and the parties are unable to agree the redemption amount payable, the BVI Companies Act sets out a mechanism whereby the shareholder and the BVIBC may each appoint an appraiser, who will together appoint a third appraiser and all three appraisers will have the power to determine the fair value of the shares to be redeemed compulsorily. Pursuant to the BVI Companies Act, the determination of the three appraisers shall be binding on the BVIBC and the minority shareholder for all purposes.

Inspection of corporate records

Shareholders of a BVIBC may inspect, on giving written notice to the BVIBC:

a) the memorandum and articles of association;

b) the register of members;

c) the register of directors; and

d) minutes of meetings and resolutions of members and of those classes of members of which he is a member.

However, the directors may refuse such request in relation to items (b) to (d) or limit the inspection of such documents including limiting the ability to be able to make copies of or take of extracts from the documents on the grounds that inspection would be contrary to the interests of the BVIBC.

A register of charges must be maintained in the office of the BVIBC's registered agent whilst either the original or a copy of the register of directors and members will suffice. These may be inspected with the BVIBC's consent, or in limited circumstances pursuant to a court order.

Insolvency

BVI law makes provision for both voluntary and insolvent winding-up of a BVIBC, and for appointment of a liquidator. The shareholders or the directors may resolve to wind up the BVIBC voluntarily. If it is the directors who resolve to commence the winding-up, they must prepare a plan of dissolution. Where the

shareholders resolve to commence the winding-up, they will approve a plan of liquidation prepared by the directors.

The BVIBC and any creditor may petition the court, pursuant to the BVI Insolvency Act 2003, for the winding-up of the BVIBC upon various grounds, inter alia, that the BVIBC is unable to pay its debts or that it is just and equitable that it be wound up.

Takeovers

There are no provisions governing takeover offers analogous to the City Code applicable in the BVI.

Mergers

The merger or consolidation of a BVIBC requires generally shareholder approval. However, a BVIBC parent company may merge with one or more BVI subsidiaries without shareholder approval, provided that the surviving company is also a BVIBC. Shareholders dissenting from a merger are entitled to payment of the fair value of their shares unless the BVIBC is the surviving company and the shareholders continue to hold a similar interest in the surviving company. BVI law permits BVIBCs to merge with companies incorporated outside the BVI, provided the merger is lawful under the laws of the jurisdiction in which the non-BVI company is incorporated.

Under BVI law, following a domestic statutory merger or consolidation, one of the companies is subsumed into the other ('s*urviving company*') or both are subsumed into a third company (a '*consolidation*'). In either case, with effect from the effective date of the merger, the surviving company or the new consolidated company assumes all of the assets and liabilities of the other entity(ies) by operation of law and other entities cease to exist.

Corporate governance

Companies formed in the BVI are subject to a regulatory framework, which consists of statutory provisions, the common law and the provisions of the company's memorandum and articles of association and the duties of the directors of such companies are formulated on the basis of that regulatory framework. The BVI has not adopted a corporate governance code.

PART XI. MATERIAL CONTRACTS

The following is a summary of each contract (not being a contract entered into in the ordinary course of business) which has been entered into by any member of the Group: (i) within two years preceding immediately the date of this document and which is, or may be, material; or (ii) which contains any provision under which any member of the Group has any obligation or entitlement which is material to the Company as of the date hereof.

1) JVA
2) Loan agreements
3) Memorandum of Agreement between the Group and CRRR
4) Smelter arrangements
5) Convertible instruments
6) Placing Agreement
7) Warrant Deed
8) Lock-in agreements
9) Other orderly market agreements
10) Relationship agreement
11) Engagements with the Broker
12) Registrar Agreement
13) Consultancy Agreement with Peter Wallwin
14) Subscription Agreement with RMX
15) Subscription Agreement with OÜ Sycamore
16) Subscription Agreement with Sentra

1. JVA

On 23rd December 2014 the Company executed the JVA with RMMS and RMX, which was restated on 14th October 2015 as amended.

Pursuant to the JVA, the Group has the option to acquire up to a 50.1% interest in RMMS in the 3 stages outlined below.

- *Stage 1 A*

The Company has agreed to fund the DFS and permitting process at the total cost of USD1,000,000, which will give it a 15% stake in RMMS ("**Stage 1 A RMMS Shares**").

At present USD1,000,000 has been invested as follows:

- USD280,000 was invested by the Company in RMMS. USD220,000 was invested for and on behalf of the Company by Vistra. Vistra has agreed to accept USD220,000 Shares in the Company at the Vistra Shares Issue Price within five business days of Admission in repayment of funds advanced on behalf of the Company. In addition the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan. If Admission does not occur before 15th April 2016, shares in RMX will be issued to Vistra for the extinguishment of the liability between the Company and Vistra, then there is no obligation for the Company to repay RMX in respect of USD220,000;

- USD500,000 was loaned by RMX to RMMS as a partial payment towards the Company's Stage 1 A commitment, which should be repaid by the Company to RMMS upon Admission. RMMS will then repay its loan to RMX.

The Company will be issued Stage 1 A RMMS Shares upon the loan of USD500,000 (plus interest and costs) being repaid to RMX.

Upon the Company being issued with the Stage 1 A RMMS Shares then, RMX, RMMS and the Company will form a joint venture governing all aspects of managing the BGP.

Should the Company fail to repay the outstanding amount of USD500,000 loaned by RMX to RMMS on or within 5 business days following Admission, the amount of funds which have been paid by the Company prior to a default, shall be converted into RMX shares and the JVA shall be terminated.

Upon being issued Stage 1 A RMMS Shares, the Company will then have the right to appoint one director to the board of RMMS. Key decisions relating to the BGP will require the approval of the Company's nominated director.

- *Stage 1 B*

An investment of USD700,000 will convert into an additional 10% stake in RMMS ("**Stage 1 B RMMS Shares**") increasing the Company's total interest to 25%. USD700,000 has been loaned by RMX to RMMS as a payment of the Company's Stage 1 B investment commitment. The Company will be issued Stage 1 B RMMS Shares upon the loan of USD700,000 being repaid to RMX upon Admission.

The purpose of Stage 1 A and Stage 1 B investments is to complete the DFS, advance the permitting process and to meet the Stage 2 Conditions Precedent, which are:

1) for the DFS to demonstrate an economic model for the mine that demonstrates an Internal Rate of Return of at least 25%;
2) to delineate 100,000 oz of Au as proven and probable reserves;
3) the issuance of the ECC and the approval of the DMF.

Following the issuance of Stage 1 B RMMS Shares the Company may pursue two alternatives: (i) the Sole Funding Option or (ii) Stage 2 Option, to acquire a further 25.1% in RMMS to increase its total stake to 50.1%.

Sole Funding Option

The Company also has the right to elect to sole fund all costs, liabilities over expenditures of the joint venture to earn a further 25.1% interest in RMMS in consideration for the payment of USD1,700,000. This option expires on Stage 2 End Date, which is either 28th February 2017 or 13 months following Admission, whichever is later.

Should the Company elect the Sole Funding Option prior to Stage 2 End Date then the amount of can be made in staged monthly payments upon a mutually agreed budget schedule with RMX and RMMS with the balance being paid in full Stage 2 End Date.

Should the Company fail to elect the Sole Funding Option by Stage 2 End Date, then the option will lapse and the parties will fund the joint venture in proportion to their respective stakes as at the completion of Stage 1 B investment.

Should the Company elect the Sole Funding Option and then default, then the Company would maintain its interest as at the completion of Stage 1 B investment and would be required to contribute any further funding requirements in proportion to its interest in order to maintain its stake without subsequent dilution.

Stage 2 Option

Should the Company chose not to elect to exercise the Sole Funding Option, the Company could acquire an additional 25.1% stake in RMMS, which would increase it's total stake to 50.1% by paying USD3,800,000 on Stage 2 End Date, subject to Stage 2 Conditions Precedent being met. In the event that at Stage 2 End

Date, which is the later of 28th February 2017 or 13 months following Admission, the Stage 2 Conditions Precedent have not been met then the date may be extended by mutual agreement between the Company, RMMS and RMX.

Any contributions made by the Company during the period following Stage 1 B investment will be deducted from the Stage 2 Option amount payable.

Should the Company elect the Stage 2 Option and then default, then the Company would maintain its interest as at the completion of Stage 1 B investment and would be required to contribute any further funding requirements in proportion to its interest in order to maintain its stake without subsequent dilution.

Upon completing either the Sole Funding or Stage 2 Options, the Company will be able to nominate two additional directors to the Board of RMMS. At this point the composition of the Board would be three nominated directors from the Company, two nominated directors from RMX and a Singaporean resident director, independent of RMX and the Company, who would abstain from key decisions. At this point the Company would have control of the board of RMMS and operational control of the BGP.

Should neither the Sole Fund nor Stage 2 Options be elected then the joint venture will continue to operate with the respective parties being required to contribute in accordance with their respective interest in order to maintain their stake without dilution.

2. Loan agreements

RMX Loan Agreements. The Company has three loan agreements with RMMS and RMX. Under the terms of the loan agreements RMX provided loans to RMMS for the total principal amount of USD1,200,000. Any funds received by RMMS from the Company under the JVA shall be applied to the repayment of the loans and the interest accrued. The loans are to be repaid by the Company upon Admission.

Loan from founders. On 2nd November 2015 the Company entered into Loan Agreement with Mr. Aidan Bishop and Mr. Mitchell Tarr. Under the terms of the Loan Agreement, Mr. Aidan Bishop and Mr. Mitchell Tarr granted the unsecured loan in the amount of GBP63,000 to the Company, which shall be repaid by the Company in proportion of GBP21,500 to Mr. Aidan Bishop and GBP41,500 to Mr. Mitchell Tarr in equal monthly instalments within six months period from the date of Admission with no interest payable within this period.

Vistra Loan. On 25th May 2015 USD220,000 was loaned from Vistra to RMMS. The loan is deemed to be a partial payment towards the Company's Stage 1 A investment commitment. The converting loan facility is repayable via the issue to Vistra of the Shares in the Company on or before 15th April 2016 at the Vistra Shares Issue Price or via stock in RMX after 15th April 2016. In addition the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan. If RMX shares are issued for the extinguishment of the liability between the Company and Vistra, then there is no obligation for the Company to repay RMX anything in respect of the USD220,000. This loan has been made by an entity related to Mr Colin David Patterson, a Director of the Company before his appointment to the board of directors of the Company.

3. Memorandum of Agreement between the Group and CRRR

On 19th November 2014 WTMR entered into a MOA with Richard Bucog Garbo in partnership with Racel B. Paquiao, doing business under the name and style of RBGN Mineral Trading, a sole proprietorship. Richard Bucog Garbo is an accredited trader in mineral products.

A new MOA with CRRR superseded the above MOA on 16th November 2015. According to this MOA, Richard Bucog Garbo in partnership with Racel B. Paquiao is doing business under the name and style of CRRR, a sole proprietorship.

Under the terms of the new MOA the Company and/or WTMR buy gold and copper products from CRRR and provide it with loans and technical assistance relating to mineral processing. The MOA is executed for 10 years.

The key terms are as follows:

a. Loan for copper and gold processing plant

WTMR has provided a loan to CRRR in the amount of PHP 1,865,000. The use of the Loan proceeds shall be that necessary for establishing a copper and gold processing plant, including the purchase of equipment and the cost of installation;

The Loan has a term of up to 31st March 2017. It may be repaid in full, interest free, until 31st March 2016. Thereafter, CRRR shall pay interest 1.5% per month of the outstanding principal, until the date of repayment of the principal amount being 31st March 2017.

b. Copper Concentrate

The terms for the sale and purchase of copper concentrate shall be governed by CPOs, which may include the following information, among others:

i. The Company or WTMR shall give an order to CRRR for a certain amount of dry metric tons of copper concentrate targeting a certain percentage grade.

ii. The price of the copper concentrate shall be based upon the following formula: PHP2.50 per kilogram of copper concentrate delivered plus PHP1.00 per percentage grade of copper concentrate per kilo.

iii. The price to be paid for copper products shall be indicated on the CPO. A 50% advance payment is to be made to CRRR upon signing the CPO. The remaining 50% is to be paid upon the Company being in receipt of shipping documents. Adjustments will be made upon the final analysis performed by smelter that the Group delivers its product too.

c. Credit Line for purchases and processing of gold

Upon CRRR being issued an ECC to allow the processing of gold the Group will provide CRRR with a rolling interest free credit line in the amount of PHP250,000 for CRRR to purchase gold ores. The resulting share of gold produced after processing the gold ores will be distributed evenly between the Group and CRRR once the Group has been reimbursed for any credit that it has extended to CRRR. The Group may determine the method for reimbursement of the advances to be in cash or in the form of gold.

Conditional Purchase Orders.

WTMR entered into the first CPO on 16th June 2015 for 25 dry MT of copper concentrate. On 28th September 2015 the Company entered into a second CPO for 47 dry MT of copper concentrate.

Loans and collateral.

As of 4th September 2015 the total amount of the loans provided to CRRR by WTMR is PHP1,865,000 with a repayment term of up to 31st March 2017. The loans were interest free until 31st March 2016 and since then the interest has accrued at 1.5% per month of the outstanding principal, until the date of repayment of the principal amount being 31 March 2017. The loans are secured by the real property (parcel of land) provided into mortgage by Ms Racel B. Paquio, who is a partner of Mr Richard Bucog Garbo.

Any of the rights of the Company and WTMR as a creditor may be assigned to a third party.

4. Smelter arrangements

On 15th September 2015 the Company entered into an agreement with the local smelter, majority owned by an international trader. Under the terms of the agreement the Company sells to the smelter gravity copper concentrates produced by and at CRRR on order of the Company in the Philippines.

According to the agreement the smelter pays the Company based upon the metal content. Copper concentrate can also contain gold and silver and as such are also considered payable metals. The formula used by the smelter is to pay based upon the percentage of copper content subject to a deduction of 1% and then to calculate a gross payment of 96.5% of the copper value based on the LME Price. The grade of copper content is determined by the smelter or independent surveyor based upon analysis that is undertaken upon delivery of each shipment. The TC and RC are then deducted from the gross copper value. The TC is presently USD107 per MT of concentrate treated and the RC is USD0.107 per pound of refined copper. The smelter also pays based upon gold and silver content in the copper concentrate.

This agreement expired in December 2015. The smelter has confirmed to the Company that it is willing to renew the agreement on the same terms and conditions as that of the original agreement. The Directors expect to execute the renewal of the agreement by mid-April 2016.

5. Convertible instruments

On 25th May 2015 the Company entered into the Converting Loan Agreement with RMMS, RMX and Vistra. Vistra provided RMMS with a loan in the amount of USD220,000. The loan is deemed to be a partial payment towards the Company's Stage 1 A investment commitment. The loan will be satisfied by the issue to Vistra of the Shares in the Company on or before 15th April 2016 at the Vistra Shares Issue Price or via stock in RMX after 15th April 2016. In addition the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan.

On 3rd August 2015 the Company entered into the Employment Agreement with Mr. Charles Barclay. Subject to Board approval, Mr. Charles Barclay is entitled to receive a bonus consisting of Company's shares amounting to £20,000 after the date of the Admission calculated at the market price of the Company's shares.

On 12th September 2015 the Company issued to Mr. Paul Heath £35,000 of convertible loan notes, which will be convertible into the Company's shares after the Admission at an issue price per share based on a valuation of the Company of £5,500,000.

On 12th September 2015 the Company issued to Mr. Lee Diliway £35,000 of convertible loan notes, which will be convertible into the Company's shares after the Admission at an issue price per share based on a valuation of the Company of £5,500,000.

On 12th September 2015 the Company issued to Mr. Jason Barber £35,000 of convertible loan notes, which will be convertible into the Company's shares after the Admission at an issue price per share based on a valuation of the Company of £5,500,000.

On 21st September 2015 the Company entered into the Consultancy Agreement with Mr. Peter Wallwin. Subject to Board approval, Mr. Peter Wallwin is entitled to receive a bonus consisting of Company's shares amounting to £20,000 after the date of the Admission calculated at the market price of the Company's shares.

On 2nd November 2015 the Company entered into the Debt Conversion Agreement with Mr. Aidan Bishop and Mr. Mitchell Tarr. The Company agreed to convert its debt in the amount of GBP258,435 owed to Mr. Bishop and Mr. Tarr into the Company's equity based on the Company's implied value of GBP10,000,000. The Company, Mr. Bishop and Mr. Tarr agreed that the debt equals to 4,702,970 new

ordinary shares with no par value, which Mr. Bishop and Mr. Tarr have directed to be allotted to the following persons:

1)	Lugard Investments Ltd	454,947 shares in the Company;
2)	Donald Burton Carpenter	90,989 shares in the Company;
3)	Rachel Arputharajoo	109,187 shares in the Company;
4)	Hendrik Petrus Germishuijs	90,989 shares in the Company;
5)	Joost Pieter Boer	1,832,846 shares in the Company; and
6)	LDOA Holdings Ltd	2,124,012 shares in the Company.

These shares were allotted on 10th November 2015.

6. Placing Agreement

Pursuant to the Placing Agreement, Optiva has agreed as agent for the Company to use its reasonable endeavours to procure placees for the Placing Shares (excluding the Placing Shares to be subscribed for by the independent Placees under the Subscription Agreements) at the Placing Price. The Placing Agreement is conditional, inter alia, on Admission taking place not later than 8 April 2016 (or such later date as Optiva and the Company may agree, but in any event no later than 30 April 2016). Under the Placing Agreement:

(a) the Company has agreed to pay Optiva a financial advisory fee together with a commission of five per cent. of the gross aggregate value of certain of the Placing Shares at the Placing Price (plus any applicable Value Added Tax) that were introduced to the Company by Optiva;

(b) the Company has agreed to issue to Optiva warrants over Shares exercisable at the Placing Price for a period up to 3 years from the day of admission to official list equal in value of 2% of certain of the Placing Shares;

(c) the Company has agreed to pay all other costs and expenses of the Placing and the related arrangements together with value added tax on such costs; and

(d) the Company, the Directors and the Senior Managers have given certain warranties, undertakings and indemnities to Optiva as to the accuracy of the information in this document and as to other matters relating to the Group and its business.

Optiva may terminate the Placing Agreement if certain customary circumstances occur prior to Admission including a breach of the warranties referred to above.

7. Warrant Deed

On 6th April 2016 the Company granted warrants to Optiva in consideration of the services provided by it, to subscribe for up to 154,783 ordinary shares at the exercise price GBP 0.0575 per each new ordinary share. The warrants may be exercised in whole or in part or parts at any time and from time to time from the date commencing on Admission until the third anniversary of the date of Admission. The warrant holders may exercise their warrants in part, if the exercise relates to a number of warrants which is equal to or more than 33.3 per cent of the warrants over ordinary shares granted to Optiva or the balance of all unexercised warrants.

8. Lock-in Agreements

Pursuant to the Lock-in Agreement, certain shareholders, certain Directors and their connected persons have undertaken to the Company and Optiva that in respect of legal, beneficial or any other interest in any Shares or rights arising from any such shares or other securities or attached to any such shares) ("**Interest**")

held by them and their connected persons (together "**Locked-In Shares**") they shall, save for in certain specified circumstances:

- not dispose of such Interest in the first 6 months from the date of Admission ("**Restricted Period**"); and

- only dispose of such Interest for the 12 months following the expiry of the Restricted Period through Optiva or such broker as may be appointed by the Company from time to time in accordance with the requirements of Optiva in order to maintain an orderly market in the Shares.

9. Other Orderly Market Agreements

Pursuant to the Orderly Market Agreements, K.C. Investments Limited, James Hay Pension Trustees, Christopher Search, Deeanne Search and their connected persons have each undertaken to Optiva that they will only dispose of an Interest in the Locked-In Shares during the Restricted Period through Optiva or such broker as may be appointed by the Company from time to time in accordance with the requirements of Optiva in order to maintain an orderly market in the Shares.

10. Relationship Agreement

Pursuant to the Relationship Agreement dated 6th April 2016 and made between the Key Shareholders, Oyster Trust SARL, Aidan Bishop and the Company that governs the relationship between the Key Shareholders and the Company to ensure that the Company is able to carry on its business independently. The Key Shareholders have agreed that:

- all transactions and relationships between either of them and the Company shall be on an arm's length basis and on a normal commercial basis;

- that the Board shall at all times be comprised of at least two independent Directors;

- exercise its voting rights in respect of any resolution relating to a transaction, agreement or arrangement with or relating to a key shareholder or a party related to a key shareholder; or

- exercise its voting rights to procure or seek to procure any amendment to the Articles that would be inconsistent with the provisions of the Relationship Agreement.

Until after the first anniversary of Admission each of the Key Shareholders has agreed that it shall not propose or procure the proposal of a shareholders' resolution which is intended to effect any cessation of trading of the Company's shares on the Main Market or vote in favour of any such resolution unless a majority of the independent Directors have voted in favour of such proposal. Each key shareholder's obligations under the Relationship Agreement will terminate automatically (i) if it and its associates cease to control directly or indirectly at least fifteen per cent. of the issued shares of the Company and (ii) if the Company ceases to be admitted to trading on a stock exchange.

11. Engagements with Broker

The Engagement Letter dated 7th August 2015 and made between the Company and Optiva pursuant to which the Company appointed Optiva to act as a financial adviser and broker to the Company before the Admission and agreed to pay to Optiva a fee of £25,000 per annum (plus applicable VAT). The Engagement Letter envisages appointment of Optiva as a broker to the Company commencing the Admission, which will be subject to a separate engagement letter.

The Broker Agreement dated 6th April 2016 is made between the Company and Optiva pursuant to which the Company appointed Optiva to act as a broker with effect from the Admission on an on-going basis for an initial period of one year to be continued thereafter unless and until terminated by either party.

12. Registrar Agreement

A registrar agreement dated 17th November 2015 entered into between the Company and the Registrar pursuant to which the Company has appointed the Registrar as its registrar with effect from Admission, to provide general registrar, communications, share certificate, annual general meeting and annual return, dividend, reporting and treasury share services for a set up fee of GBP 1,500, a fixed annual fee of GBP 5,500 and otherwise as set out in the agreement for the individual services (as required). Either party can terminate the agreement on 6 months' notice in writing (or such lesser notice period as may be reasonably agreed where a suitable replacement registrar has been found) or for a material breach of obligations by the other party (which, if capable of being remedied, has not been remedied within 30 days) or in the event of an insolvency situation in relation to the other party.

13. Consultancy Agreement with Peter Wallwin

On 21st September 2015 the Company entered into a consultancy agreement with Peter Wallwin, according to which Mr. Wallwin was appointed to provide metallurgical consulting services, technical consulting on plant design and processes and general consulting in order to achieve maximum efficiency and profitability in the Company's trading business. The appointment is for the period of one year and may be extended automatically for 12 months subject to further approval by the Company, unless terminated in accordance with the agreement. The Company agreed to pay Peter Wallwin a fee of USD 1,250 (exclusive of VAT) per each day spent by him working under the agreement. In addition subject to Board approval, Mr. Peter Wallwin is entitled to receive a bonus consisting of Company's Shares amounting to GBP 20,000 after the date of the Admission calculated at the market price of the Company's Shares, which has been agreed to be the Placing Price.

14. Subscription Agreement with RMX

The subscription agreement entered into by RMX who has applied directly to the Company for the subscription of Placing Shares at the Placing Price, pursuant to which RMX has agreed to subscribe for 8,695,652 Placing Shares at the Placing Price. The Company will issue to RMX the Placing Shares on Admission. The Placing Agreement is conditional, inter alia, on Admission taking place not later than 8.00 a.m. on or before 8th April 2016 or such later time and date, being not later than 30th April 2016.

15. Subscription Agreement with OÜ Sycamore

The subscription agreement entered into by OÜ Sycamore who has applied directly to the Company for the subscription of Placing Shares at the Placing Price, pursuant to which OÜ Sycamore has agreed to subscribe for 1,739,130 Placing Shares at the Placing Price. The Company will issue to OÜ Sycamore the Placing Shares on Admission. The Placing Agreement is conditional, inter alia, on Admission taking place not later than 8.00 a.m. on or before 8th April 2016 or such later time and date, being not later than 30th April 2016.

16. Subscription Agreement with Sentra

The subscription agreement entered into by Sentra who has applied directly to the Company for the subscription of Placing Shares at the Placing Price, pursuant to which Sentra has agreed to subscribe for 1,913,047 Placing Shares at the Placing Price. The Company will issue to Sentra the Placing Shares on Admission. The Placing Agreement is conditional, inter alia, on Admission taking place not later than 8.00 a.m. on or before 8th April 2016 or such later time and date, being not later than 30th April 2016.

PART XII. THE PLACING

Placing arrangements

The Company is proposing to raise GBP 1,491,016 (before expenses) pursuant to the Placing by issue of 30,260,870 New Shares at the Placing Price. Pursuant to its obligations under the Placing Agreement, Optiva has conditionally placed 17,913,041 of the Placing Shares at the Placing Price with investors. Neither Optiva, nor any other person has underwritten the Placing.

The Placing Agreement contains provisions entitling Optiva to terminate the Placing Agreement at any time prior to Admission in certain circumstances which are typical for an agreement of this nature. If this right is exercised, the Placing will not proceed. Further details of the Placing Agreement are contained in "Material Contracts" of Part XI of this Document.

The Placing of the Shares under the Placing Agreement is conditional, inter alia, on:

(i) Admission having taken place not later than 8.00 a.m. on 8 April 2016 or such later time and date, being not later than 30 April 2016, as the Company and Optiva may agree;

(ii) the Placing under the Placing Agreement not having been terminated in accordance with its terms prior to Admission; and

(iii) the Minimum Net Proceeds being raised.

If the Minimum Net Proceeds are not raised, the Admission and Placing will not proceed and monies received under the Placing will be returned to investors.

If the Minimum Net Proceeds are not raised, the Admission and Placing may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the FCA.

Pursuant to the Subscription Agreements, the independent Placees have agreed conditional on Admission to subscribe for 12,347,829 of the Placing Shares at the Placing Price. Further details of the Subscription Agreements are set out in sections 14, 15 and 16 of Part XI of this Document.

The Placing Shares will rank *pari passu* with the Existing Shares in issue in all respects including the right to receive all dividends declared or paid on the ordinary shares of the Company on or after Admission.

On Admission the Company will have 184,963,840 Shares in issue and market capitalization of approximately GBP 10.64 million at the Placing Price. Applications have been made to the FCA and to the London Stock Exchange for the issued and to be issued ordinary shares of the Company following the Placing to be admitted to listing on the Official List of the UKLA and to trading on the Standard Segment of the Main Market. It is expected that Admission will become effective and that dealings will commence on 11 April 2016.

Application has been made for the Depositary Interest to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in Depositary Interests following Admission may take place within CREST system. It is expected that, subject to the satisfaction of the conditions of the Placing Agreement, the subscribers for the Placing Shares under that agreement who have indicated a desire to hold their Placing commitment in uncertificated form will have the requisite number of Depositary Interests credited to their CREST stock account subject to delivery to Optiva of the relevant Placing subscription monies.

The relevant share certificate expected to be despatched by post, at the Placee's risk, by 18 April 2016, subject to delivery of the relevant Placing subscription to Optiva or the Company (as applicable).

Pending dispatch of definitive share certificates, the registrars will certify instruments of transfer against the register. No temporary documents of title will be issued. Shares issued in a certificated form will not be settled through a Depository Interest facility.

No expenses will be directly charged to investors in connection with the Admission.

Lock-up undertakings

Certain Directors and certain shareholders have undertaken to the Company and Optiva in separate lock-in agreements subject to certain exceptions in accordance with the Listing Rules (including the ability to accept a take-over offer for the Company and to give an irrevocable undertaking to accept a take-over offer for the Company), not to dispose of or transfer the Shares in which they are interested for the period of 6 months from Admission and only dispose of such Shares in an orderly market manner for a further period of 12 months. Certain of the shareholders have also undertaken to the Company and Optiva in separate lock-in agreements only to dispose of their Shares through the Company's broker following the expiry of the first year of the lock-in period for a period of 12 months. Further details of such lock-in undertakings are contained in "Material Contracts" of Part XI of this Document.

PART XIII. ADDITIONAL INFORMATION

1. Responsibility

The Company and its Directors (whose names and principal functions appear in "Directors, Senior Managers and Corporate Governance") accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and its Directors (each of whom has taken reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Optiro Pty Ltd (in its capacity as a competent person) accepts responsibility for the information contained in the Competent Persons Report (attached in Schedule 2 to the Prospectus) in accordance with Rule 5.5.3R(2)(f) of the UK Prospectus Rules.

2. The Company and its subsidiary

The Company was incorporated with limited liability under the laws of the British Virgin Islands under the BVI Companies Act on 12 March 2014, with BVI company number 1815373, under the name Bluebird Merchant Ventures Ltd.

The British Virgin Islands Financial Services Commission does not regulate the Company. With effect from the Admission the Company will be subject to the UK Listing Rules and other regulatory instruments regulating admission to the Official List and compliance with continuing obligations of a company with securities listed in the Official List, to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

The principal legislation, pursuant to which the Shares have been created and issued, is the BVI Companies Act. The liability of the members of the Company is limited to the amount, if any, unpaid on the Shares held by them.

The Company's registered office is at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, VG1110, BVI. The Company does not have a telephone number. The telephone number of the Company's Secretary is +41 22 901 0111.

At the date of this Document the Company has one subsidiary, namely Blue Bird Merchant Ventures Inc., a company, incorporated and existing under the laws of Philippines on 8th September 2014, company number CS201417350, having its registered address at Ground Floor, CJV Bldg., 108 Aguirre St., Legaspi Village, Makati 1229.

At the date of this Document the Company has one associate company, namely White Tiger Mineral Resources Inc., a company, incorporated and existing under the laws of Philippines on 17th November 2014, company number CS201422508, having its registered address at G/F Dr No 14B, Suarez Building, Mabini Street, Magugpo South, Tagum City, Davao Del Norte.

3. Authorised and Issued Shares in the Company

The Company is authorised to issue an unlimited number of ordinary shares of a single class with no par value. The shares may be issued at such times, to such persons, for such consideration and on such terms as the Company may by a resolution of Directors determine.

On incorporation, the initial authorised shares of the Company was 50,000 Shares with par value of USD1 each.

Following incorporation, the first issued shares of the Company were USD2 divided into two Shares of USD1 each, one share per each Founding Members.

On 21st October 2015, the Company redeemed two Shares of USD1 each and re-issued two Shares of no par value.

On 21st October 2015, the Company issued 150,000,000 Shares with no par value, resulting in issued shares of 150,000,000 Shares with no par value.

On 10th November 2015 the Company issued additional 4,702,970 Shares, resulting in issued shares of 154,702,972 Shares with no par value.

On 26th November 2015 the Company redeemed 2 Shares with no par value resulting in issued shares of 154,702,970 Shares with no par value.

As at the date of this Document the issued share capital of the Company was 154,702,970 fully paid up Shares of no par value in the Company.

All Shares in issue as at the date of this Document are registered and fully paid up.

Assuming the Placing Shares are subscribed for, the issued and fully paid shares of the Company immediately following the Admission is expected to be approximately 184,963,840 Shares.

Within 5 business days after Admission, the following Shares will be issued:

(a) up to 5,757,924 Shares to Vistra pursuant to the Vistra Loan;

(b) up to 3,351,129 Shares in aggregate to Paul Heath, Lee Diliway, Jason Barber pursuant to the terms of the convertible loan agreements with the Company;

(c) up to 347,826 Shares to Peter Wallwin pursuant to his consultancy agreement with the Company;

(d) up to 347,826 Shares to Charles Barclay pursuant to his employment agreement with the Company;

(e) up to 260,870 Shares to Tom Winnifrith or its nominee for services provided to the Company;

(f) up to 104,348 Shares to Gary Middleton or its nominee for services provided to the Company;

(g) up to 5,757,924 warrants over 5,757,924 Shares to Vistra pursuant the Vistra Loan.

When admitted to trading on the Official List, the Shares will be registered with ISIN number VGG118701058 and Stock Exchange Daily Official List number BYN4G53.

The Placing Shares will on Admission, rank pari passu in all respects with the Existing Shares including the right to receive all dividends or other distributions hereafter declared, paid or made on the ordinary shares of the Company.

Otherwise than pursuant to the Placing and described in Part XIII of this Prospectus, none of the Shares have been sold, or are available in whole or in part, to the public in conjunction with the application for the entire issued shares for Admission on the Main Market.

There are no listed or unlisted securities of the Company not representing shares in the Company.

No Shares are held by or on behalf of the Company by itself or its subsidiary.

Save as disclosed in Part XI and Part XIII of this Document, there are no convertible securities, exchangeable securities or securities with warrants in the Company.

Other than the current application for Admission, the Shares are not being admitted to dealings on any recognised investment exchange, nor has any application for such admission been made, nor are there intended to be any other arrangements in place for there to be such dealings in the Shares.

None of the Shares are in issue currently and no Shares that will be in issue on Admission are entitled to a dividend on a fixed date or in a specific period and there are no specific procedures for dividends for non residents or any specified method of calculating dividends arrangements in force whereby future dividends are waived or have agreed to be waived.

Save as disclosed in Part XI and Part XIII of this Document, no person has any acquisition right over, and the Company has incurred no obligation over, the Company's authorised but unissued share capital or given any undertaking to increase the Company's shares.

Save in connection with the Placing, the Financial Adviser Warrants, convertible instruments described in "Material Contracts" of Part XI of this Document or as otherwise referred to in this Document that:

(a) no unissued share or loan capital of any member of the Company is proposed to be issued or is under option or agreed, conditionally or unconditionally, to be put under option;

(b) no shares or loan capital of the Company is in issue and no such issue is proposed;

(c) there are no acquisition rights and or obligations over authorised but unissued shares or an undertaking to increase the shares;

(d) no persons have preferential subscription rights in respect of any share or loan capital of the Company; and

(e) there is no present intention to issue any shares of the Company nor is there an undertaking to increase the shares of the Company at the date of this Document.

Conditional on Admission, the Company has granted 154,783 Financial Adviser Warrants in respect of a total of 154,783 new Shares to Optiva.

The Placees are obliged to pay the Placing Price per Placing Share in full on Admission.

On 5th April 2016, a written shareholder resolution of the Company was passed which authorised the Directors of the Company to allot on a non pre-emptive basis the following ordinary shares of no par value:

(a) up to an aggregate amount of 17,913,041 Shares in respect of the placing by Optiva on behalf of the Company;

(b) up to an aggregate amount of 8,695,652 Shares to RMX pursuant to the subscription agreement with the Company;

(c) up to an aggregate amount of 1,739,130 Shares to OÜ Sycamore pursuant to the subscription agreement with the Company;

(d) up to an aggregate amount of 1,913,047 Shares to Sentra pursuant to the subscription agreement with the Company;

(e) up to 5,757,924 Shares to Vistra pursuant to the Vistra Loan;

(f) up to 3,351,129 Shares in aggregate to Paul Heath, Lee Diliway, Jason Barber pursuant to the terms of the convertible loan agreements with the Company;

(g) up to 347,826 Shares to Peter Wallwin pursuant to his consultancy agreement with the Company;

(h) up to 347,826 Shares to Charles Barclay pursuant to his employment agreement with the Company;

(i) up to 260,870 Shares to Tom Winnifrith or its nominee for services provided to the Company;

(j) up to 104,348 Shares to Gary Middleton or its nominee for services provided to the Company;

(k) up to 154,783 warrants over 154,783 Shares to Optiva pursuant to the warrant agreement with the Company;

(l) up to 5,757,924 warrants over 5,757,924 Shares to Vistra pursuant the Vistra Loan;

(m) in any other case, up to an aggregate amount of 292,970,645 of either Shares or warrants*;*

provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the date of the next annual general meeting of the Company save that the Company may, before such expiry, make offers or agreements which would or might require Shares to be allotted and the Directors may allot Shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired. This resolution revokes and replaces all unexercised authorities previously granted to the Directors to allot Shares but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to be made pursuant to such authorities.

4. Takeovers

There are no provisions governing takeover offers analogous to the City Code applicable in the BVI. Also no equivalent provisions have been inserted into the Memorandum and Articles of Association of the Company.

5. Memorandum and Articles of Association of the Company

The Memorandum of Association of the Company provides that the Company has, subject to the BVI Companies Act and any other British Virgin Islands legislation, irrespective of corporate benefit, full capacity to carry on or undertake any business or activity, do any act or enter into any transaction and full rights, powers and privileges for these purposes.

Set out below is a summary of the provisions of the Memorandum and Articles of Association of the Company. A copy of the Memorandum and Articles is available for inspection at the address specified in Section "Documents available for inspection".

Objects

For the purposes of section 9(4) of the Act, there are no limitations on the business that the Company may carry on. The respective provisions may be found in section 5 of Memorandum of Association.

Rights attached to shares

Subject to the provisions of the Memorandum each Share in the Company confers upon the holder (i) the right to one vote at a meeting of Members of the Company or on any Resolution of Members of the Company and (ii) the right to an equal share in any dividend paid by the Company and (iii) the right to an equal share in the distribution of the surplus assets of the Company.

Variation of rights

The rights attached to any class of shares may be varied through amending the Memorandum of Association or Articles of Association by a Resolution of Members which may take the form of a resolution approved at a duly constituted meeting of the Members of the Company by the affirmative vote of a simple majority, of the votes of the Shares that were present at the meeting and entitled to vote and not abstaining or a resolution consented to in writing by a majority of the votes of Shares entitled to vote with a copy sent to all Members not consenting.

Issue of shares

The Directors are authorised to issue and allot such number of Shares as is authorised by the Resolution of Members, provided that such authority will expire at the conclusion of the next annual general meeting of the Members, unless previously renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require Shares to be allotted after such expiry and the Directors may allot Shares pursuant to such an offer or agreement as if the authority conferred hereby had not expired and provided that any authority to allot be in substitution for and supersede or revoke any earlier such authority conferred on the Directors to the extent utilised.

Save for Shares which the Company is authorised to issue in accordance with Memorandum but which are unissued, the Directors shall not have the power or authority to offer, allot (with or without conferring a right of renunciation), issue, grant options (or other security) over (or in respect of) or otherwise deal with or dispose of any Shares without prior approval of a Resolution of Members.

The Shares may be issued for consideration in any form or a combination of forms, including money, a promissory note or other written obligation to contribute money, real property, personal property (including goodwill and know-how), services rendered or a contract for future services. The consideration for a Share with par value shall not be less than the par value of the Share.

The Company shall by a Resolution of Members otherwise resolve, unissued equity securities in the Company may only be issued provided such equity securities must first be offered to existing Members on the same or more favourable terms in proportion to their respective holdings of Shares; the offer to relevant Members shall be made in proportion to the existing holdings of Shares of relevant Members (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any country or jurisdiction); the offer shall be made by written notice (the "**offer notice**") from the Directors specifying the number and price of the offer Shares and shall invite each relevant Member to state in writing within a period, not being less than 14 (fourteen) clear days, whether they are willing to accept any offer Shares and, if so, the maximum number of offer Shares they are willing to take; at the expiration of the time specified for acceptance in the offer notice the Directors shall issue the offer Shares to or amongst the relevant Members who shall have notified to the Directors their willingness to take any of the offer Shares but so that no relevant Member shall be obliged to take more than the maximum number of Shares notified by him; if any offer Shares remain unallocated after the offer, the Directors shall be entitled to issue, grant options over or otherwise dispose of those Shares to such persons on such terms and in such manner as they think fit save that those Shares shall not be disposed of on terms which are more favourable to their subscribers than the terms on which they were offered to the relevant Member.

The pre-emption rights, described above shall not apply to any allotment pursuant to the warrants issued to Optiva Securities Ltd or the New Shares to be issued at Admission.

Mandatory takeover, squeeze-out and sell out rules

The Articles and the Memorandum do not contain rules with respect to mandatory takeover, squeeze-out and sell out.

Redemption of shares

The Company may, subject to provisions of the Articles, purchase, redeem or otherwise acquire its own Shares save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of the Member whose Shares are purchased, redeemed or otherwise acquired. The Company may only offer to acquire Shares if the Directors determine by a Resolution of Directors that, immediately after the acquisition, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

Sections 60 (Process for acquisition of own shares), 61 (Offer to one or more Members) and 62 (Shares redeemed otherwise than at the option of the company) of the BVI Companies Act shall not apply to the Company.

Changes in the Shares

Memorandum of Association and Articles of Association do not contain provisions governing changes in the shares, where such conditions are more stringent than is required by law.

Appointment of Directors

The Directors shall be elected by (i) a Resolution of Members for such term as the Members determine, or by (ii) a Resolution of Directors for such term as the Directors may determine. The minimum number of Directors shall be one and the maximum number shall be twenty.

Removal, retirement of Directors

A Director may be removed from office (i) with or without cause, by a Resolution of Members at a meeting of the Members called for the purpose of removing the Director or for purposes including the removal of a Director or, by a written Resolution of Members; (ii) or with cause, by a Resolution of Directors passed at a meeting of Directors called for the purpose of removing the Director or for purposes including the removal of the Director, or by a written Resolution of Directors.

A Director may resign his office by giving written notice of his resignation to the Company and the resignation shall have effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A Director shall resign as Director if he is, or becomes disqualified to act as Director under the Act.

The Directors to retire by rotation shall be: (i) by rotation if there is any Director who wishes to retire and not to offer himself for re-election or (ii) there is any Director who has been, or who by the time of the next annual general meeting will have been, in office for 3 (three) years or more since his appointment or last re-election.

Proceedings of Directors

The Directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands as the Directors may determine to be necessary or desirable. A Director shall be deemed to be present at a meeting of Directors if he participates by telephone or other electronic means and all Directors participating in the meeting are able to hear each other.

A Director shall be given not less than 3 (three) days notice of meetings of Directors, but a meeting of Directors held without 3 (three) days notice having been given to all Directors shall be valid if all the Directors entitled to vote at the meeting who do not attend, waive notice of the meeting; and for this purpose, the presence of a Director at the meeting shall be deemed to constitute waiver on his part. The inadvertent failure to give notice of a meeting to a Director, or the fact that a Director has not received the notice, does not invalidate the meeting

At every meeting of the Directors the Chairman of the Board of Directors shall preside as chairman of the meeting. If there is no Chairman of the Board of Directors or if the Chairman of the Board of Directors is not present at the meeting the Vice Chairman of the Board of Directors shall preside.

An action that may be taken by the Directors or a committee of Directors at a meeting may also be taken by a Resolution of Directors or a committee of Directors consented to in writing or by telex, telegram, cable, facsimile or other written electronic communication by all Directors or all Members of the committee, as the case may be, without the need for any notice. The consent may be in the form of counterparts, each counterpart being signed by one or more Directors.

Alternate Director

A Director of the Company may appoint as an alternate any Director or other person who is not disqualified for the appointment as a Director under the Act to exercise the appointing Director's powers, and carry out the appointing Director's responsibilities, in relation to the taking of decisions by the Directors in the absence of the appointing Director. No person shall be appointed as an alternate Director of the Company unless he has consented in writing to act as an alternate Director.

The appointment of an alternate Director and its termination shall be in writing and written notice of the appointment and termination shall be given by the appointing Director to the Company within 14 (fourteen) days.

An alternate Director has no power to appoint an alternate, whether of the appointing Director or of the alternate Director and does not act as an agent of or for the appointing Director.

An alternate Director has the same rights as the appointing Director in relation to any Directors' meeting and any written resolution circulated for written consent.

An alternate Director is liable for his own acts and omissions as an alternate Director and is subject to the same duties and responsibilities as a Director when acting as such.

The rights of an alternate Director shall automatically terminate if the appointing Director ceases to be a Director of the Company for any reason whatsoever.

Directors' interests

A Director of the Company shall, forthwith after becoming aware of the fact that he is interested, in any way (either directly or indirectly) in a contract, arrangement, transaction entered into or proposed to be entered into by the Company and such interest conflicts or may conflict to a material extent with the interest of the Company, he shall disclose the nature and extent of his interest to the Board of the Company at which question of entering into the contract, arrangement, transaction or proposal is first considered, if he knows his interest then exists or, in any other case as soon as practical after that meeting, by notice in writing delivered to the secretary, at the first meeting of the Board after he knows that he is or has become so interested.

A Director shall not vote on (but shall still be counted in the quorum in relation to) any Resolution of the Directors or of a committee of the Directors concerning any contract, transaction, arrangement, or any other

proposal whatsoever to which the Company is or is to be a party and in which he has an interest which (together with any interest of any person connected with him within the meaning of sections 252 and 254 of the UK Companies Act 2006) is to his knowledge a material interest otherwise than by virtue of his interests in Shares or debentures or other securities of or otherwise in or through the Company, unless the resolution concerns any of the following matters: the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings; the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security; other than a rights issue offered to all of the Shareholders of the Company, any proposal concerning an offer of Shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he is or may be entitled to participate as a shareholder of securities or in the underwriting or sub-underwriting of which he is to participate; any proposal concerning any other body corporate in which he (together with persons connected with him within the meaning of sections 252 and 254 of the UK Companies Act 2006) does not to his knowledge have an interest in one per cent or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate; any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of directors or for the benefit of persons who include directors.

If any question arises at any meeting as to the materiality of a director's interest (other than the chairman's interest) or as to the entitlement of any director (other than the chairman) to vote, and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting. The chairman's ruling in relation to the director concerned shall be final and conclusive.

Officers

The Company may by a Resolution of Directors appoint officers of the Company at such times as shall be considered necessary or expedient.

The officers shall perform such duties as shall be prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by a Resolution of Directors or a Resolution of Members.

The officers of the Company shall hold office until their successors are duly elected and qualified, but any officer elected or appointed by the Directors may be removed at any time, with or without cause, by a Resolution of Directors.

Indemnification

The Company may indemnify against all expenses, including legal fees, and against all judgements, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings, any person who (i) is or was a party or is threatened to be made a party to any threatened, pending or contemplated proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a Director of the Company (ii) or is or was, at the request of the Company, serving as a Director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

The Company may only indemnify a person if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that his conduct was unlawful.

Distributions by way of dividends

The Directors of the Company may by a Resolution of Directors authorise a distribution by way of dividend at a time, and of an amount, and to any Members it thinks fit if they are satisfied, on reasonable grounds, that, immediately after the distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

The Resolution of Directors authorising the distribution by way of dividend shall contain a statement that, immediately after the distribution, in the opinion of the Directors, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

In the event that a distribution by way of dividend is made in specie the Directors shall have responsibility for establishing and recording in the Resolution of Directors authorising the distribution, a fair and proper value for the assets to be so distributed.

Notice of any distribution by way of dividend or of any other distribution that has been authorised shall be given to each Member in the manner hereinafter mentioned and all distributions by way of dividend unclaimed for 3 (three) years after having been authorised may be forfeited by a Resolution of Directors for the benefit of the Company.

Change of control

The Memorandum and the Articles of the Company do not contain provisions that would have an effect of delaying, deferring or preventing a change in control of the Company.

Disclosure of interests in shares of the Company

The provisions of Chapter 3 of the UK Disclosure and Transparency Rules shall be deemed to be incorporated into the Articles in full together with all associated definitions.

The Company may give a disclosure notice to any person whom the Company knows or has reasonable cause to believe: is Interested in Shares; or has been Interested in Shares at any time during three years immediately preceding the date on which the disclosure notice is issued (the "**Disclosure Period**").

The disclosure notice may require the person: to confirm that fact or (as the case may be) to state whether or not it is the case, and if he holds, or has during the Disclosure Period held, any such Interest, to give such further information including in respect of any other person who has received a disclosure notice as may be required in accordance with the disclosure notice.

The notice may require the person to whom it is addressed to give particulars of his own present or past Interest in Shares held by him at any time during the Disclosure Period.

The Company will keep a register of information received.

The provisions of Chapter 5 of the Disclosure and Transparency Rules ("**DTR5**") shall be deemed to be incorporated by reference into the Articles and accordingly the vote shareholder and issuer notification rules set out in DTR5 shall apply to the Company and each Shareholder.

For the purposes of the incorporation by reference of DTR5 into Articles and the application of DTR5 to the Company and each Shareholder, the Company shall be deemed to be an "**issuer**", as such term is defined in DTR5 and not, for the avoidance of doubt, a "**non-UK issuer**" (as such terms in defined in DTR5).

Defined terms in DTR5 shall bear the meaning set out in DTR5, and if the meaning of a defined term is not set out in DTR5, the defined term shall bear the meaning set out in the glossary to the United Kingdom Financial Conduct Authority Handbook (in such case, read as the definition applicable to DTR5 and any reference to a "**financial instrument**" shall, for the avoidance of doubt, include a Depositary Interest

(together with any appropriate amendments to the use of such term(s) as the Board may consider expedient from time to time.

If the Company determines that a Shareholder or a holder of financial instruments or Depositary Interests has not complied with the provisions of DTR5 (a "**Defaulting Shareholder**"), referred to above with respect to some or all of such Shares held by such holder (the "**Default Shares**") and provided that the Default Shares represent at least 0.25% of the issued Shares of the Company, the Company shall have the right by delivery of notice to the Defaulting Shareholder (a "**Default Notice**") to: suspend the right of such Defaulting Shareholder to vote the Default Shares in person or by proxy at any meeting of the Company. Such a suspension shall have effect from the date on which the Default Notice is delivered by the Company to the Defaulting Shareholder or holder of financial instruments or represented by the relevant Depositary Interests until a date that is not more than 7 days after the Board has determined in its sole discretion that the Defaulting Shareholder has cured the non-compliance with the provisions of DTR5, provided however, that the Company may at any time by subsequent written notice cancel or suspend the operation of a Default Notice; and/or withhold, without any obligation to pay interest thereon, any dividend or other amount payable with respect to the Default Shares with such amount to be payable only after the Default Notice ceases to have effect with respect to the Default Shares; and/or render ineffective any election to receive Shares of the Company instead of cash in respect of any dividend or part thereof; and/or prohibit the transfer of any Shares or financial instruments of the Company held by the Defaulting Shareholder except with the consent of the Company or if the Defaulting Shareholder can provide satisfactory evidence to the Company to the effect that, after due inquiry, such stockholder has determined that the shares to be transferred are not Default Shares.

Winding up

The Company may voluntarily commence to wind up and dissolve by a Resolution of Members.

Continuation

The Company may by a Resolution of Members or by a resolution passed unanimously by all Directors of the Company continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

6. General Meetings

The Directors of the Company may convene meetings of the Members of the Company at such times and in such manner and places within or outside the British Virgin Islands as the Directors consider necessary or desirable, provided that an annual general meeting of the Members of the Company shall be held in each year in addition to any other meetings which may be held in that year, and such meeting shall be specified as the annual general meeting in the notices calling it. Not more than 15 months shall elapse between the date of one annual general meeting and the date of the next.

Upon the written request of Members holding 10 per cent or more of the outstanding voting shares in the Company the Directors shall convene a meeting of Members.

A meeting of the Members shall be called by at least 14 days' notice. The period of notice shall in either case be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting is to be held and the notice shall be given to all Members.

A meeting of Members held in contravention of the requirement in the Articles is valid if Members holding not less than 90 per cent of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Member at the meeting shall be deemed to constitute waiver on his part.

A Member may be represented at a meeting of Members by a proxy who may speak and vote on behalf of the Member.

No business shall be transacted at any meeting of the Members or annual meeting of the Members unless a quorum is present. If a quorum is not present a Chairman of the meeting can still be chosen and this will not be treated as part of the business of the meeting. Two Members present in person or by proxy and entitled to attend and to vote on the business to be transacted shall be a quorum.

If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the next business day at the same time and place or to such other time and place as the Directors may determine.

At every meeting of Members, the Chairman of the Board of Directors shall preside as chairman of the meeting. If there is no Chairman of the Board of Directors or if the Chairman of the Board of Directors is not present at the meeting, the Members present shall choose someone of their number to be the chairman. If the Members are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by prescribed form of proxy at the meeting shall preside as chairman failing which the oldest individual Member or representative of a Member present shall take the chair.

Directors of the Company may attend and speak at any meeting of Members of the Company and at any separate meeting of the holders of any class or series of shares in the Company.

An action that may be taken by the Members at a meeting may also be taken by a Resolution of Members consented to in writing or by telex, telegram, cable, facsimile or other written electronic communication subject to the proviso that a copy of the Resolution is sent to every Member eligible and entitled to vote upon such a proposal but if any Resolution of Members is adopted otherwise than by the unanimous written consent of all Members, a copy of such resolution shall forthwith be sent to all Members not consenting to such resolution. The consent may be in the form of counterparts, each counterpart being signed by one or more Members.

7. Transfer of Shares

Shares in the Company may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee and the instrument of transfer shall be sent to the Company at the office of its registered agent for registration.

The transfer of a Share is effective when the name of the transferee is entered on the Company's Register of Members.

If the Directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by a Resolution of Directors (i) to accept such evidence of the transfer of Shares as they consider appropriate and (ii) that the transferee's name should be entered in the Register of Members notwithstanding the absence of the instrument of transfer.

The Articles do not contain provisions on restrictions for free transfer of the Shares.

8. Major Shareholders

Save as set out below, as of the date of this Prospectus the Company is not aware of any person who, directly or indirectly, was interested in 3 per cent or more of the Company's shares or voting rights:

Name of Shareholder	*Immediately before the Admission*		*% of Shares immediately after the Admission*
	Number of Shares	*% of Shares*	
Monza Capital Ventures Ltd [1]	50,952,500	32.94	27.55
LDOA Holdings Ltd [2]	36,216,512	23.41	19.58
Harwood Capital LLP [3]	15,000,000	9.70	9.99
Red Mountain Mining Ltd	Nil	-	4.70
James Hay Pension Trustees [4]	7,500,000	4.85	4.05
K.C. Investments Limited [5]	6,750,000	4.36	3.65
Christopher Search	5,625,000	3.64	3.04

[1] Monza Capital Ventures Ltd is ultimately owned and controlled by Oyster Trust SARL as Trustee of Marco Polo Trust of which Aidan Bishop is a discretionary beneficiary.

[2] LDOA Holdings Ltd is ultimately owned and controlled by Oyster Trust SARL as Trustee of the Queensbury Trust of which Mitchell Tarr is one of the discretionary beneficiaries together with Kim Tarr, Mia McCarthy and Bobby Thorpe.

[3] Harwood Capital LLP is a limited liability partnership incorporated in England and Wales under the Limited Liability Partnerships Act 2000 under Partnership No. OC304213. The Designated Members are Harwood Capital Management Limited and J J Brade.

[4] James Hay Pension Trustees belongs to the James Hay Partnership. All the companies within the James Hay Partnership are wholly owned subsidiaries of the IFG Group Plc.

[5] K.C. Investments Limited is ultimately owned and controlled by Keith Catchpole.

The Company's shares consist of one class of Shares with equal voting rights. All Shareholders have the same voting rights and no major Shareholder has any different voting rights from the other Shareholders.

Save for the Shareholders who hold 3 per cent of the Existing Shares at the date of this Document, the Company is not aware of any person who exercises, or could exercise, directly or indirectly, jointly or severally control over the Company.

There are no arrangements the operation of which may at a subsequent date result in change in control of the Company, as far as the Company is aware.

Save as disclosed in this Part XIII, as at the date of this Document, so far as the Company is aware, there are no persons who are interested, directly or indirectly, in five per cent or more of the Company's Existing Shares. Any person who is directly or indirectly interested in 5 per cent or more of the Company's issued shares, will be required to notify such interests to the Company in accordance with the provisions of Chapter 5 of the DTRs, and such interests will be notified by the Company to the public.

9. Convertible loan notes and other rights to the Company's shares

On 25th May 2015 the Company entered into the Converting Loan Agreement with RMMS, RMX and Vistra as trustee for IS&P (Singapore) Retirement Fund. Pursuant to this agreement Vistra paid RMMS with an amount of USD220,000. The loan is deemed to be a partial payment towards the Company's Stage 1 A investment commitment. The loan will be satisfied by the issue to Vistra of the Shares in the Company on or before 15th April 2016 at the Vistra Shares Issue Price or via stock in RMX after 15th April 2016. In addition the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan.

On 3rd August 2015 the Company entered into the Employment Agreement with Mr. Charles Barclay. Subject to Board approval, Mr. Charles Barclay is entitled to receive a bonus consisting of Company's shares amounting to £20,000 after the Admission calculated at the market price of the Company's shares.

On 12th September 2015 the Company issued to Mr. Paul Heath £35,000 of convertible loan notes, which will be convertible into the Company's shares after the Admission at an issue price per share based on an implied valuation of the Company of £5,500,000.

On 12th September 2015 the Company issued to Mr. Lee Diliway £35,000 of convertible loan notes, which will be convertible into the Company's shares after the Admission at an issue price per share based on an implied valuation of the Company of £5,500,000.

On 12th September 2015 the Company issued to Mr. Jason Barber £35,000 of convertible loan notes, which will be convertible into the Company's shares after the Admission at an issue price per share based on an implied valuation of the Company of £5,500,000.

On 21st September 2015 the Company entered into the Consultancy Agreement with Mr. Peter Wallwin. Subject to Board approval, Mr. Peter Wallwin is entitled to receive a bonus consisting of Company's shares amounting to £20,000 after the Admission calculated at the market price of the Company's shares.

On 2nd November 2015 the Company entered into the Debt Conversion Agreement with Mr. Aidan Bishon and Mr. Mitchell Tarr. The Company agreed to convert its debt in the amount of GBP258,435 owed to Mr. Bishop and Mr. Tarr into the Company's equity based on the Company's implied value of GBP10,000,000. The Company, Mr. Bishop and Mr. Tarr agreed that the debt equals to 4,702,970 new ordinary shares with no par value, which Mr. Bishop and Mr. Tarr have directed to be allotted to the following persons:

1)	Lugard Investments Ltd	454,947 shares in the Company;
2)	Donald Burton Carpenter	90,989 shares in the Company;
3)	Rachel Arputharajoo	109,187 shares in the Company;
4)	Hendrik Petrus Germishuijs	90,989 shares in the Company;
5)	Joost Pieter Boer	1,832,846 shares in the Company; and
6)	LDOA Holdings Ltd	2,124,012 shares in the Company.

The Company has reached agreement with two of its advisers that GBP 21,000 of fees will be paid in the Shares at the Placing Price. These Shares will be issued within five business days of Admission.

10. Directors' interests in Shares

At the date of this Prospectus the following Directors and Senior Managers have the following interests in the Shares:

(i) Monza Capital Ventures Ltd, which owns 50,952,500 Shares, is ultimately owned and controlled by Oyster Trust SARL as trustee of Marco Polo Trust of which Aidan Bishop is a discretionary beneficiary;

(ii) Colin David Patterson is a sole beneficiary of the Sub Fund 283 of IS&P (Singapore) Retirement Fund for which Vistra is a trustee. In accordance with the Vistra Loan Vistra is entitled to the Shares in the Company amounting to USD220,000 to be converted at the Vistra Shares Issue Price within five business days after Admission which amounts to 5,757,924 Shares. In addition

the Company will issue the Vistra Warrants for each Share issued to Vistra under the Vistra Loan; and

(iii) Charles Alexander Fordyce Barclay, who, subject to the Board approval, is entitled to a bonus consisting of the Shares amounting to GBP20,000 after the Admission, calculated at the market price of the Shares, which is expected to be 347,826 Shares.

Save as described above no other Director or Senior Manager holds any Shares or has any interest in the Shares.

11. Directors' and Senior Management Service and Employment Agreements, Terms of Appointment and Other Details

The terms of the Directors' and Senior Managers service and employment agreements and letters of appointment are summarised below:

Name	Date of Agreement	Notice Period	Current Salary/Fees/ Bonus
Executive Directors			
Aidan Bishop	3 August 2015	6 months	USD132,000 per annum starting from the date of agreement which becomes payable from the Admission as follows: (i) the amount accrued from the date of the agreement to the Admission payable by equal monthly instalments on the last day of each calendar month within 6 (six) months from the Admission; (ii) from the Admission the salary is payable by monthly instalments on the last day of each calendar month; plus USD18,000 per annum payable by any company of the Group; plus discretionary bonus of such amount as the Board may at its sole discretion determine upon the Admission
Colin David Patterson	10 September 2015	6 months	USD100,000 per annum, starting from the Admission, payable by equal monthly instalments in arrears on the last day of each calendar month; plus discretionary bonus of such amount as the Board may at its sole discretion determine upon the Admission
Non-Executive Directors			
Jonathan Morley-Kirk	22 September 2015	6 months in case of change of control in the Company and 3 months in all other cases	GBP25,000 per annum, starting from the Admission, payable by monthly instalments on the last day of each month
Daniel Fox-Davies	28 September 2015	3 months	GBP18,000 per annum, starting from the Admission, payable by monthly instalments on the last day of each calendar month
Clive Sinclair Poulton	23 September 2015	3 months	GBP18,000 per annum, starting from the Admission, payable by monthly instalments on the last day of each calendar month

Senior Managers			
Charles Alexander Fordyce Barclay	3 August 2015	1 month	USD132,000 per annum starting from the date of agreement which becomes payable from the Admission as follows: (i) the amount accrued from the date of the agreement to the Admission payable by equal monthly instalments on the last day of each calendar month within 6 (six) months from the Admission; (ii) from the Admission the salary is payable by monthly instalments on the last day of each calendar month; plus USD18,000 per annum payable by any company of the Group; plus bonus, subject to the Board's approval, consisting of the Shares amounting to GBP20,000 after the Admission, calculated at the market price of the Shares
Andrew David Lincoln Wright	1 August 2015	1 month	USD24,000 per annum starting from the date of agreement which becomes payable from the Admission as follows: (i) the amount accrued from the date of the agreement to the Admission shall be paid immediately following the Admission; (ii) from the Admission the remuneration is payable by monthly instalments on the last day of each calendar month; plus USD50 per hour for working additional hours, subject to the Company's approval; plus USD25,237.38 for services rendered to the Company for the period ending on 31 July 2015 payable in a lump sum immediately following the Admission

The employing company for each of the Directors and the Senior Managers named above is the Company.

(A) Terms and Conditions of Engagement of Aidan Bishop *(Executive Director)*

On 3rd August 2015 the Company entered into a service agreement with Aidan Bishop in substitution for any previous agreements relating to the employment of Aidan Bishop. The service agreement provides for Aidan Bishop to act as the Executive Director of the Company at a salary of USD132,000 per annum and a discretionary bonus of such amount as the Board may at its sole discretion determine in respect of each complete financial year of the Company during which his employment subsists. In addition Mr Bishop is entitled to a salary at the rate of USD18,000 per annum payable by any company of the Group. The service agreement does not provide for any amounts set aside or accrued by the Company to provide pension, retirement or similar benefits and does not provide for benefits upon termination of employment. The employment of Mr Bishop in the Company shall continue for a period of 3 years with further renewal for each 12 months, subject to the Board's approval. The service agreement can be terminated by the Company by giving not less than six months' notice in writing given at any time. The Company has discretion to give Aidan Bishop pay in lieu of any notice of termination. Under the service agreement Aidan Bishop is entitled to 20 working days' paid holiday per year. Aidan Bishop is entitled to participate in the Company's permanent health insurance scheme approved by the Board at the Company's expense.

(B) Terms and Conditions of Engagement of Colin David Patterson *(Executive Director)*

On 10th September 2015 the Company entered into a service agreement with Colin Patterson in substitution for any previous agreements relating to the employment of Colin Patterson. The service agreement provides

for Colin Patterson to act as the Executive Director of the Company at a salary of USD100,000 per annum and a discretionary bonus of such amount as the Board may at its sole discretion determine in respect of each complete financial year of the Company during which his employment subsists. The service agreement does not provide for any amounts set aside or accrued by the Company to provide pension, retirement or similar benefits and does not provide for benefits upon termination of employment. The employment of Mr Patterson in the Company shall continue for a period of 2 years with a review after the first year. The service agreement can be terminated by the Company by giving not less than six months' notice in writing given at any time. The Company has discretion to give Colin Patterson pay in lieu of any notice of termination. Under the service agreement Colin Patterson is not entitled to annual leave.

(C) Terms and Conditions of Engagement of Jonathan Morley-Kirk *(Non-Executive Chairman)*

Pursuant to a letter of appointment dated 22nd September 2015, the Company appointed Jonathan Morley-Kirk to the office of the Non-Executive Chairman with effect from that date. The appointment of Jonathan Morley-Kirk will continue unless terminated by either party giving to the other not less than six months' notice in writing in case of change of control in the Company and not less than three months' notice in writing in all other cases. Continuation of the appointment of Jonathan Morley-Kirk is contingent on re-election at every annual general meeting of the members of the Company. If Mr Morley-Kirk is not re-elected for the next year at any annual general meeting of the members of the Company he shall be entitled to 50% of his annual compensation. Jonathan Morley-Kirk is entitled to a fixed rate of compensation for the work at GBP25,000 per annum and reimbursement for all reasonable expenses properly and necessarily incurred in the course of participation in the Company's meetings, subject to providing of receipts or other appropriate evidence of payment, provided all such expenses has been agreed with the Company in advance. The letter of appointment of Mr Morley-Kirk does not provide for any amounts set aside or accrued by the Company to provide pension, retirement or similar benefits save as described above.

(D) Terms and Conditions of Engagement of Daniel Fox-Davies (*Non-Executive Director*)

Pursuant to a letter of appointment dated 28th September 2015, the Company appointed Daniel Fox-Davies to the office of the Non-Executive Director with effect from that date. The appointment of Daniel Fox-Davies shall continue for the period of one year unless terminated by either party giving to the other not less than three months' notice in writing. Daniel Fox-Davies is entitled to a fixed rate of compensation for the work at GBP18,000 per annum. The letter of appointment of Mr Fox-Davies does not provide for any amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

(E) Terms and Conditions of Engagement of Clive Sinclair Poulton (*Non-Executive Director*)

Pursuant to a letter of appointment dated 23rd September 2015, the Company appointed Clive Sinclair Poulton to the office of the Non-Executive Director with effect from that date. The appointment of Clive Sinclair Poulton shall continue for the period of one year unless terminated by either party giving to the other not less than three months' notice in writing. Clive Sinclair Poulton is entitled to a fixed rate of compensation for the work at GBP18,000 per annum. The appointment of Mr Sinclair Poulton does not provide for any amounts set aside or accrued by the Company to provide pension, retirement or similar benefits.

(F) Terms and Conditions of Engagement of Charles Alexander Fordyce Barclay (*Chief Executive Officer*)

On 3rd August 2015 the Company entered into an employment agreement with Charles Barclay in substitution for any previous agreements relating to the employment of Charles Barclay. The employment agreement provides for Charles Barclay to act as the Chief Executive Officer of the Company at a salary of USD132,000 per annum and a discretionary bonus of such amount, at such intervals and subject to such conditions, as the Board may at its absolute discretion determine taking into account specific performance targets as agreed between Charles Barclay and the Company from time to time. In addition Mr Barclay is entitled to a salary at the rate of USD18,000 per annum payable by any company of the Group. For the services provided and works performed by Charles Barclay prior to his employment under the employment

agreement with the Company, he, subject to the Board approval, is entitled to a bonus consisting of the Shares amounting to GBP20,000 after the Admission, calculated at the market price of the Shares. The service agreement does not provide for any amounts set aside or accrued by the Company to provide pension, retirement or similar benefits and does not provide for benefits upon termination of employment. The employment of Mr Barclay in the Company shall continue for a period of 2 years with a review after the first year. The service agreement can be terminated by the Company by giving not less than one month notice in writing given at any time. The Company has discretion to give Charles Barclay pay in lieu of any notice of termination. In case of early termination of his employment Charles Barclay is entitled to the full payment of his remuneration for the respective period for reasons other than by summary notice in writing if Mr Barclay shall have: (i) been guilty of any serious misconduct or committed any serious breach or repeated or continued (after warning) any material breach of his obligations under the employment agreement; (ii) been guilty of conduct tending to bring himself or the Company or any company of the Group; (iii) failed to perform his duties to a satisfactory standard, after having received a written notice from the Company relating to the same. Under the service agreement Charles Barclay is entitled to 20 business days' paid holiday in each calendar year and shall use days of paid vacation due in each calendar year during such calendar year and any accrued but not used days of paid vacation in each calendar year may not be used by Charles Barclay in the subsequent calendar years, unless such vacation is not agreed by the Board within such calendar year. Charles Barclay is entitled to participate in the Company's permanent health insurance scheme approved by the Board at the Company's expense.

(G) Terms and Conditions of Engagement of Andrew David Lincoln Wright (*Chief Financial Officer*)

On 1st August 2015 the Company entered into an employment agreement with Andrew Wright in substitution for any previous agreements relating to the employment of Andrew Wright. The employment agreement provides for Andrew Wright to act as the Chief Financial Officer of the Company at a salary of USD24,000 (twenty four thousand) per annum and a discretionary bonus of such amount, at such intervals and subject to such conditions, as the Board may at its absolute discretion determine taking into account specific performance targets as agreed between Andrew Wright and the Company from time to time. In addition, should Andrew Wright be required to work additional hours, subject to prior consent of the Company, as are necessary for the proper performance of his duties, he shall be entitled to an additional remuneration at the rate of USD50 per hour. According to an employment agreement Mr Wright or a company related to him is owed USD25,237.38 for services rendered to the Company for the period ending on 31st July 2015 payable in a lump sum immediately following the Admission. The service agreement does not provide for any amounts set aside or accrued by the Company to provide pension, retirement or similar benefits and does not provide for benefits upon termination of employment. The employment of Mr Wright in the Company shall continue for a period of 1 year and may be extended for further 1 year period, subject to the Board approval. The service agreement can be terminated by the Company by giving not less than one month notice in writing given at any time. The Company has discretion to give Andrew Wright pay in lieu of any notice of termination.

Other than disclosed above, no service and/or employment agreement and/or letter of appointment is existing or proposed between the Company and any Director or Senior Manager.

Directors' Expertise

The Directors and the Senior Management have the relevant management and expertise as set out in "Directors, Senior Managers and Corporate Governance" in Part III.

Current and Former Directorship

The companies and partnerships of which the Directors and the Senior Management have been a member of the administrative, management or supervisory bodies or partners at any time in the previous five years (excluding the Company and its subsidiaries and also excluding subsidiaries of the companies listed below) are as follows:

	Current	***Former***
Jonathan Morley-Kirk	East Siberian Northglen Capital SPC Global Biotechnology Transfer Foundation LTD Fox Davies Capital Jersey LTD Sarossa PLC NT Jersey LTD	Longreach Oil&Gas Ltd Longreach Oil&Gas (UK) Ltd Longreach Oil&Gas Canada Ltd Central Markets Financial Group Limited Iberian Minerals Inc Jersey Oil&Gas Limited Snap Ring Joint Limited SRJ Technologies Ltd Acorn Capital Holdings Limited Cehegin Iron Ore Holdings SL
Aidan Bishop	Philcocoa Inc PhilCocoa Ltd Gourmet Society Digital Ventures Inc Bikol Mineral Resources Inc Global PhilCoffee Inc Climate Capital Group Ltd Climate Capital Markets Ltd Climate Capital Holdings Ltd Climate Capital Ltd Asia Oil Ltd Rainforest Capital Ltd First Pacific Ltd First Pacific Investment Group Ltd	Philippine Metals Ltd PhilMin Resources Ltd Green Coal Technologies Ltd
Colin David Patterson	Momentum Resources iVapps and Pipe Technologies	Apex Mining Company Inc ASVI Technical Services Group ODIN Mining & Exploration Ltd Phoenix Gold Fund Ltd Goldminex Resources Ltd
Daniel Fox-Davies	City Events Limited European Lithium Ltd Fox-Davies DWC	Donaid Tracking Systems Community Interest Company Fox-Davies Aviation Limited Brandon Hill Capital Limited World Polo Events Limited Polo Rocks Limited
Clive Sinclair Poulton	Waratah Resources Ltd Josiah Tralgan and Sons Ltd Merchant Adventurers Company Ltd Odyssey Advisers Ltd Taiga Tungsten Ltd	Anglo Tanzania Gold Ltd Beowulf Mining plc Bezant Resources plc Borak Consultancy Ltd Emerging Markets Development Ltd Institute for Orthodox Christian Studies Ltd Noble Metals Ltd Resource Catalyst Ltd Sleipner Investments Ltd South Islands Development Ltd Accedium Holdings (Ireland) Ltd

		Accedium (Ireland) Ltd AFI Morgan Ltd Griffith Resources Ltd Hatfield Resources Ltd Hawkeswood Resources Ltd Lodestar Resources Ltd
Charles Alexander Fordyce Barclay	Phuoc Son Gold Company Bong Mieu Gold Mining Company Kadabra Mining	Olympus Pacific Minerals Inc (currently Besra Gold Inc)
Andrew David Lincoln Wright	Etres Resources Limited (subsidiaries: Etruscan Resources Philippines Inc.; Tricom Minerals; Tricom Holdings; MIPSO Inc.; DBS Resources Corporation; Tao Mohin Resources Corporation). Etruscan Capital Pty Limited Niranga Pty Limited Capital Axis Pty Limited	Leccino Pty Ltd The Lodge Partnership Collina Del Re Partnership

Remuneration and Benefits for Last Full Year

The Group has not paid any remuneration and/or benefits to the Directors and/or the Senior Management as of the date of this Prospectus.

Pensions

The Group does not have a pension schemes as of the date of this Prospectus, and has no intention to set up a group pension plan in the next 24 months.

12. Working Capital

The Company is of the opinion that, taking into account the Minimum Net Proceeds, the working capital available to the Company is sufficient for its present requirements, that is for at least 12 months from the date of this Document.

If the Minimum Net Proceeds are not raised, the Admission and Placing will not proceed and monies received under the Placing will be returned to investors.

If the Minimum Net Proceeds are not raised, the Admission and Placing may only proceed where a supplementary prospectus (including a working capital statement based on a revised minimum net proceeds figure) has been prepared in relation to the Company and approved by the FCA.

13. No significant change

There has been no significant change in the financial or trading position of the Company since 30th June 2015, being the end of the last financial period of the Company for which historical financial information is included in Part VI.

The Company affirms that as of the date of this Prospectus, no material changes have occurred since the date of the Competent Persons Report, the omission of which would make the Competent Persons Report misleading.

14. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) since the Group's incorporation, which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.

15. Related Party Transactions

With the exception of the transactions mentioned in Note 18 to the historical financial information of the Group set out in Schedule 1 of this Document, Convertible Loan dated 25 May 2015 with Vistra and arrangements with WTMR as referred to in Part XI of this Document and section 11 of Part XIII of this Document, the Company has not entered into any related party transactions, of the kind set out in the Standards adopted according to Regulation (EC) No 1606/2002, between its date of incorporation and the date of this Document.

16. Consents

Optiro Pty Ltd (in its capacity as competent person) has given and has not withdrawn its written consent to the inclusion in this Prospectus of the Competent Persons' Report in "Competent Persons' Report" in the form and context in which it appears, and has authorised the contents of such parts of this Prospectus as comprise Optiro Pty Ltd Competent Persons' Report for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

Price Bailey LLP (in its capacity as reporting accountants) has given and has not withdrawn its written consent to the inclusion in this Prospectus of the short form report on the Company in "Short Form Report" and its name in the form and context in which such references are included, and has authorised the contents of such parts of this Prospectus as comprise Price Bailey LLP short form report on the Company for the purposes of Rule 5.5.3R(2)(f) of the Prospectus Rules.

17. Miscellaneous

The Company confirms that all the third party information contained in this document has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third party information has been used in this document, the source of such information has also been identified.

18. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of the Company at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, VG1110, BVI:

- this Prospectus; and
- the memorandum of association and the articles of association of the Company.

PART XIV. DEPOSITARY INTERESTS

The Company has entered into depositary arrangements to enable investors to settle and pay for interests in the Shares through the CREST System. Pursuant to arrangements put in place by the Company, a depositary will hold the Shares on trust for the Shareholders and issue dematerialised Depositary Interests to individual Shareholders' CREST accounts representing the underlying Shares as applicable.

The Depositary will issue the dematerialised Depositary Interests. The Depositary Interests will be independent securities constituted under English law which may be held and transferred through the CREST system.

The Depositary Interests will be created pursuant to and issued on the terms of a deed poll dated 26 November 2015 and executed by the Depositary in favour of the holders of the Depositary Interests from time to time (the "**Deed Poll**"). Prospective holders of Depositary Interests should note that they will have no rights against Euroclear UK & Ireland Ltd or its subsidiaries in respect of the underlying Shares or the Depositary Interests representing them.

The Shares will be transferred to the Custodian and the Depositary will issue Depositary Interests to participating members and provide the necessary custodial services. In relation to those Shares held by Shareholders in uncertificated form, although the Company's register shows the Custodian as the legal holder of the Shares, the beneficial interest in the Shares remains with the holder of Depositary Interests, who has the benefit of all the rights attaching to the Shares as if the holder of Depositary Interests were named on the certificated Share register itself.

Each Depositary Interest will be represented as one Share, for the purposes of determining, for example eligibility for any dividends. The Depositary Interests will have the same ISIN number as the underlying Shares and will not require a separate listing on the Official List. The Depositary Interests can then be traded and settlement will be within the CREST system in the same way as any other CREST securities.

Application has been made for the Depositary Interests to be admitted to CREST with effect from Admission.

Deed Poll

In summary, the Deed Poll contains provisions to the following effect, which are binding on holders of Depositary Interests.

Holders of Depositary Interests warrant, inter alia, that Shares held by the Depositary or the Custodian (on behalf of the Depositary) are free and clear of all liens, charges, encumbrances or third party interests and that such transfers or issues are not in contravention of the Company's constitutional documents or any contractual obligation, law or regulation. Each holder of Depositary Interests indemnifies the Depositary for any losses the Depositary incurs as a result of a breach of this warranty.

The Depositary and any Custodian must pass on to holders of Depositary Interests and, so far as they are reasonably able, exercise on behalf of holders of Depositary Interests all rights and entitlements received or to which they are entitled in respect of the underlying Shares which are capable of being passed on or exercised. Rights and entitlements to cash distributions, to information, to make choices and elections and to call for, attend and vote at meetings shall, subject to the Deed Poll, be passed on in the form in which they are received together with amendments and additional documentation necessary to effect such passing-on, or, as the case may be, exercised in accordance with the Deed Poll.

The Depositary will be entitled to cancel Depositary Interests and withdraw the underlying Shares in certain circumstances including where a holder of Depositary Interests has failed to perform any obligation under the Deed Poll or any other agreement or instrument with respect to the Depositary Interests.

The Deed Poll contains provisions excluding and limiting the Depositary's liability. For example, the Depositary shall not be liable to any holder of Depositary Interests or any other person for liabilities in connection with the performance or non-performance of obligations under the Deed Poll or otherwise except as may result from its negligence or wilful default or fraud. Furthermore, except in the case of personal injury or death, the Depositary's liability to a holder of Depositary Interests will be limited to the lesser of:

- the value of the Shares and other deposited property properly attributable to the Depositary Interests to which the liability relates; and

- that proportion of £5 million which corresponds to the proportion which the amount the Depositary would otherwise be liable to pay to the holder of Depositary Interests bears to the aggregate of the amounts the Depositary would otherwise be liable to pay to all such holders in respect of the same act, omission or event which gave rise to such liability or, if there are no such amounts, £5 million.

The Depositary is not liable for any losses attributable to or resulting from the Company's negligence or wilful default or fraud or that of the CREST operator.

The Depositary is entitled to charge holders of Depositary Interests fees and expenses for the provision of its services under the Deed Poll.

Each holder of Depositary Interests is liable to indemnify the Depositary and any Custodian (and their agents, officers and employees) against all liabilities arising from or incurred in connection with, or arising from any act related to, the Deed Poll so far as they relate to the property held for the account of Depositary Interests held by that holder, other than those resulting from the wilful default, negligence or fraud of the Depositary, or the Custodian or any agent, if such Custodian or agent is a member of the Depositary's group, or, if not being a member of the same group, the Depositary shall have failed to exercise reasonable care in the appointment and continued use and supervision of such Custodian or agent.

The Depositary may terminate the Deed Poll by giving not less than 30 days' prior notice. During such notice period, holders may cancel their Depositary Interests and withdraw their deposited property and, if any Depositary Interests remain outstanding after termination, the Depositary must as soon as reasonably practicable, among other things, deliver the deposited property in respect of the Depositary Interests to the relevant holder of Depositary Interests or, at its discretion sell all or part of such deposited property. It shall, as soon as reasonably practicable deliver the net proceeds of any such sale, after deducting any sums due to the Depositary, together with any other cash held by it under the Deed Poll pro rata to holders of Depositary Interests in respect of their Depositary Interests.

The Depositary or the Custodian may require from any holder, or former or prospective holder, information as to the capacity in which Depositary Interests are owned or held and the identity of any other person with any interest of any kind in such Depositary Interests or the underlying Shares and holders are bound to provide such information requested.

Furthermore, to the extent that the Company's constitutional documents require disclosure to the Company of, or limitations in relation to, beneficial or other ownership of, or interests of any kind whatsoever, in the Shares, the holders of Depositary Interests are to comply with such provisions and with the Company's instructions with respect thereto.

It should also be noted that holders of Depositary Interests may not have the opportunity to exercise all of the rights and entitlements available to holders of Shares in the Company, including, for example the ability to vote on a show of hands. In relation to voting, it will be important for holders of Depositary Interests to give prompt instructions to the Depositary or its nominated Custodian, in accordance with any voting arrangements made available to them, to vote the underlying Shares on their behalf or, to the extent possible, to take advantage of any arrangements enabling holders of Depositary Interests to vote such Shares as a proxy of the Depositary or its nominated Custodian.

A copy of the Deed Poll can be obtained on request in writing to the Depositary.

Depositary Agreement

The terms of the depositary agreement dated 27 November 2015 between the Company and the Depositary under which the Company appoints the Depositary to constitute and issue from time to time, upon the terms of the Deed Poll (as outlined above), a series of Depositary Interests representing the Shares and to provide certain other services in connection with such Depositary Interests are summarised below (the "**Depositary Agreement**").

The Depositary agrees that it will comply, and will procure certain other persons comply, with the terms of the Deed Poll and that it and they will perform their obligations in good faith and with all reasonable skill and care. The Depositary assumes certain specific obligations, including the obligation to arrange for the Depositary Interests to be admitted to CREST as participating securities and to provide copies of and access to the register of Depositary Interests. The Depositary will either itself or through its appointed Custodian hold the deposited property on trust (which includes the securities represented by the Depositary Interests) for the benefit of the holders of the Depositary Interests as tenants in common, subject to the terms of the Deed Poll. The Company agrees to provide such assistance, information and documentation to the Depositary as is reasonably required by the Depositary for the purposes of performing its duties, responsibilities and obligations under the Deed Poll and the Depositary Agreement.

In particular, the Company is to supply the Depositary with all documents it sends to its Shareholders so that the Depositary can distribute the same to all holders of Depositary Interests. The agreement sets out the procedures to be followed where the Company is to pay or make a dividend or other distribution.

The Company is to indemnify the Depositary for any loss it may suffer as a result of the performance of the Depositary Agreement except to the extent that any losses result from the Depositary's own negligence, fraud or wilful default. The Depositary is to indemnify the Company for any loss the Company may suffer as a result of or in connection with the Depositary's fraud, negligence or wilful default save that the aggregate liability of the Depositary to the Company over any 12 month period shall in no circumstances whatsoever exceed twice the amount of the fees payable to the Depositary in any 12 month period in respect of a single claim or in the aggregate.

Subject to earlier termination, the Depositary is appointed for a fixed term of one year and thereafter until terminated by either party giving not less than six months' notice.

In the event of termination, the parties agree to phase out the Depositary's operations in an efficient manner without adverse effect on the Shareholders and the Depositary shall deliver to the Company (or as it may direct) all documents, papers and other records relating to the Depositary Interests which are in its possession and which is the property of the Company.

The Company is to pay certain fees and charges, including a setup fee, an annual fee, a fee based on the number of Depositary Interests per year and certain CREST related fees. The Depositary is also entitled to recover reasonable out of pocket fees and expenses.

SCHEDULE I SHORT FORM REPORT

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7th Floor Dashwood House 69 Old Broad Street London EC2M 1QS
Telephone 020 7065 2660 Fax 020 7065 2661 E-mail city@pricebailey.co.uk Website www.pricebailey.co.uk
Price Bailey DX 311001 BISHOPS STORTFORD 4

Price Bailey
CHARTERED ACCOUNTANTS

6 April 2016

The Directors
Bluebird Merchant Ventures Ltd
Akara Building
24 De Castro Street
Wickhams Cay 1
Road Town
Tortola
VG1110, BVI

and

The Directors
Optiva Securities Limited
2 Mill Street
Mayfair
London
W1S 2AT

Dear Sirs

BLUEBIRD MERCHANT VENTURES LTD ("the Company" and with its subsidiary and associate, "the Group")

We report on the financial information set out in the attached ("the Financial Information"). The Financial Information has been prepared for inclusion in the Prospectus of Bluebird Merchant Ventures Ltd dated 6 April 2016 ("the Prospectus") on the basis of the accounting policies set out in the notes to the Financial Information. The report is required by item 20.1 of Annex I to the PD Regulations and 13.5.21R of the Listing Rules and is given for the purpose of complying with that PD Regulation and Listing Rule and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the Financial Information in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRSs").

It is our responsibility to form an opinion as to whether the Financial Information gives a true and fair view for the purposes of the Prospectus and to report our opinion to you.

Price Bailey LLP is a limited liability partnership registered in England and Wales, number OC307551 The registered office is Causeway House 1 Dane Street Bishop's Stortford Herts CM23 3BT where a list of members is kept

Price Bailey is a trading name of Price Bailey LLP

With offices in
Bishop's Stortford
Cambridge
City of London
Ely
Guernsey
Mayfair London
Norwich

Chartered Accountants and Business Advisers

Price Bailey is a member of the UK200Group, a national association of separately owned and independently managed accountancy and lawyer firms

Price Bailey is a member of IAPA, a global association of separately owned and independently managed accountancy firms

Price Bailey is registered by the Institute of Chartered Accountants in England and Wales to carry out audit work in the UK and Ireland

Financial services work is undertaken by Price Bailey Private Client LLP, an appointed representative of PB Financial Planning Ltd which is authorised and regulated by the Financial Conduct Authority

6 April 2016
The Directors, Bluebird Merchant Ventures Ltd
The Directors, Optivia Securities Limited

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation and 13.4.1R(6) of the Listing Rules, consenting to its inclusion in the Prospectus.

Basis of opinion
We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the Financial Information and whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion
In our opinion, the Financial Information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Group as at the dates stated and of its losses, cash flows and changes in equity/recognised income and expenses for the periods then ended in accordance with the basis of preparation set out in note 1 to the financial information and in accordance with IFRSs.

Declaration
For the purposes of Prospectus Rules 5.5.3R(2)(f) we are responsible for this report, as part of the Prospectus and declare that we have taken all reasonable care to ensure the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Admission Document in compliance with Item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PRICE BAILEY LLP

AUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015
(COMPARATIVE NUMBERS ARE FOR THE PERIOD 12 MARCH 2014 TO 31 DECEMBER 2014)

	Notes	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
CONTINUING OPERATIONS			
Revenue		-	-
Administration costs		24,726	16,397
Exploration and development costs		-	15,616
Finance costs	4	4,310	-
Share of loss of associates		4,428	348
LOSS BEFORE INCOME TAX		33,464	32,361
Income tax expense	5	-	-
LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		33,464	32,361
DISCONTINUED OPERATIONS			
Loss for the period from discontinued operations	6	41,529	-
Loss for the period		74,993	-
Other comprehensive income for the period		-	-
Total comprehensive loss for the period		74,993	32,361
Loss attributable to:			
Members of the parent entity		66,687	27,505
Non-controlling interest		8,306	4,856
TOTAL LOSS		74,993	32,361

AUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015
(COMPARATIVE NUMBERS ARE FOR THE 31 DECEMBER 2014)

	Notes	30 June 2015 USD	31 December 2014 USD
ASSETS			
Current Assets			
Trade and other receivables	8	24,145	34,905
Cash and cash equivalents	9	7,748	23,305
Total Current Assets		31,893	58,210
Non Current Assets			
Investments	10	996,528	-
Investments in Associates	11	6,344	10,772
Total Non Current Assets		1,002,872	10,772
Total Assets		1,034,765	68,982
LIABILITIES			
Current Liabilities			
Trade and other payables	12	135,321	101,341
Borrowings	13	716,528	-
Total Current Liabilities		851,849	101,341
Non Current Liabilities		-	-
Total Liabilities		851,849	101,341
NET ASSETS		182,916	(32,359)
EQUITY			
Issued capital	16	290,270	2
Retained earnings	17	(94,192)	(27,505)
Non-controlling interest		(13,162)	(4,856)
TOTAL EQUITY		182,916	(32,359)

AUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary Shares USD	Retained Earnings USD	Attributable to owners of parent USD	Non Controlling USD	Totals USD
Balance - 1 January 2015	2	(27,505)	(27,503)	(4,856)	(32,359)
Attributable loss	-	(66,687)	(66,687)	(8,306)	(74,993)
Total comprehensive loss	-	(66,687)	(66,687)	(8,306)	(74,993)
Issue of shares or Held for subscription	290,268	-	290,268	-	290,268
Balance -30 June 2015	290,270	(94,192)	196,078	(13,162)	182,916

COMPARATIVES

	Ordinary Shares USD	Retained Earnings USD	Attributable to owners of parent USD	Non Controlling USD	Totals USD
Balance - 12 March 2014	-	-	-	-	-
Attributable loss	-	(27,505)	(27,505)	(4,856)	(32,361)
Total comprehensive loss	-	(27,505)	(27,505)	(4,856)	(32,361)
Issue of shares or Held for subscription	2	-	2	-	2
Balance - 31 December 2014	2	(27,505)	(27,503)	(4,856)	(32,359)

AUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2015
(COMPARATIVE NUMBERS ARE FOR THE PERIOD 12 MARCH 2014 TO 31 DECEMBER 2014)

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Cash flows from operating activities		
Receipts from customers	-	-
Payments to suppliers and employees	(24,427)	(38,018)
Net cash flows provided by (used in) operating activities	(24,427)	(38,018)
Cash flows from investing activities		
Purchase of property, plant and equipment	-	-
Purchase of other current assets	7,464	(33,023)
Purchase of investments	(280,000)	-
Purchase of interest in associates	-	(11,121)
Net cash used by investing activities	(287,464)	(44,144)
Cash flows from financing activities		
Proceeds from borrowings	6,066	105,465
Proceeds from subscription to capital	290,268	2
Net cash used by financing activities	296,334	105,467
Net (decrease) increase in cash and cash equivalents	(15,557)	23,305
Cash and cash equivalents at beginning of the period	23,305	-
Cash and cash equivalents at end of the period	7,748	23,305

NOTES TO THE AUDITED FINANCIAL INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity
Bluebird Merchant Ventures Ltd is a group domiciled in the British Virgin Islands.

The parent is a private limited company with its registered office at Akara Building, 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, VG1110, BVI.

The Group is primarily involved in mining.

Basis of preparation of financial statements
The financial statements have been prepared in accordance with International Financial Reporting Standards including standards and interpretations issued by the International Accounting Standards Board. They have been prepared using the historical cost convention.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change. Where necessary, the comparatives have been reclassified or extended from the previously reported results to take into account presentational changes.

The financial statements are presented in US Dollars (USD) which is the Company's functional currency.

Basis of consolidation
The audited consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to each year. Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity so as to obtain benefits from its activities.

New Standards and interpretations applied
In preparing these financial statements the Company has reviewed all new standards and interpretations, but there are no standards effective for the year commencing 1 January 2015 requiring new interpretations to be applied.

New Standards and Interpretations adopted with no effect on the financial statements
The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements:

- IFRS 1 First-time Adoption of International Financial Reporting Standards (amended July 2014)
- IFRS 2 Share-based Payment (amended July 2014)
- IFRS 3 Business Combinations (amended July 2014)
- IFRS 8 Operating Segments (amended July 2014)
- IFRS 13 Fair Value Measurement (amended July 2014)
- IAS 16 Property, Plant and Equipment (amended July 2014)
- IAS 19 Employee Benefits (amended July 2014)
- IAS 24 Related Party Disclosures (amended July 2014)
- IAS 38 Financial Instruments: Recognition and Measurement (amended July 2014)
- IAS 40 Investment Property (amended July 2014)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year commencing 1 January 2015 and have not been applied in preparing these financial statements:

- IAS 1 Presentation of Financial Statements (amended 2014)
- IAS 16 Property, Plant and Equipment (amended 2014)
- IAS 19 Employee Benefits (amended 2014)
- IAS 27 Separate Financial Statements (amended 2014)
- IAS 28 Investments in Associates and Joint Ventures (amended 2014)
- IAS 34 Interim Financial Reporting (amended 2014)
- IAS 38 Intangible Assets (amended 2014)
- IAS 41 Agriculture (amended 2014)
- IFRS 1 First-time adoption of International Financial Reporting Standards (amended 2013)
- IFRS 2 Share-based Payment (amended 2013)
- IFRS 3 Business Combinations (amended 2013)
- IFRS 5 Non-current Assets Held for Sale and Discounted Operations (amended 2014)
- IFRS 7 Financial Instruments Disclosures (amended 2011, 2013 and 2014)
- IFRS 9 Financial Instruments (amended 2014)
- IFRS 10 Consolidated Financial Statements (amended 2014)
- IFRS 11 Joint Arrangements (amended 2014)
- IFRS 12 Disclosure of Interests in Other Entities (amended 2014)
- IFRS 14 Regulatory Deferral Accounts (issued 2014)
- IFRS 15 Revenue from Contracts with Customers (issued 2014)

The Directors do not consider that the implementation of any of these new standards will have a material impact upon reported income or reported net assets.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is not recognised until the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. All differences are taken to the statement of profit or loss and other comprehensive income.

Profit and losses of overseas subsidiary undertakings are translated into sterling at average rates for the year. The statements of financial position of overseas subsidiary undertakings are translated at the rate ruling at the statement of financial position date. Differences arising from translation of Group investments in overseas subsidiary undertakings are recognised as a separate component of equity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents
Cash and cash equivalents comprises cash on hand and time, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value. This definition is also used for the statement of cash flows.

Taxes
The Company is subject to income taxes in a number of tax jurisdictions. Income tax expense comprises current and deferred portions. Current tax is expected tax payable on taxable income for the reporting period, using tax rates enacted or substantially enacted at the reporting date and any adjustments to the tax payable in respect of previous years. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes.

Deferred tax assets are recognised for deductible temporary differences, unused tax losses and unused tax credits only if it is probable that sufficient future taxable income will be available to utilise those temporary differences and losses.

Provisions
Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money. A contingent liability is disclosed where the existence of the obligations will be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability.

Investments
Fixed asset investments are stated at cost. The investments are reviewed annually and any impairment is taken directly to the statement of profit or loss.

(i) Subsidiary undertakings
Investments in subsidiaries are valued at cost less provision for impairment.

(ii) Associated undertakings
Investments in associates are stated at the amount of the Company's share of net assets. The profit and loss account includes the Company's share of the associated companies' profit after taxation using the equity accounting basis.

NOTES TO THE FINANCIAL INFORMATION

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Exploration costs
Expenditure of the acquisition costs, exploration and evaluation on interests in licences, including related finance and administration costs, are capitalised. Such costs are carried forward in the statement of financial position under intangible assets and amortised over the minimum period of the expected commercial production of coal in respect of each are of interest where:

(a) such costs are expected to be recouped through a successful development and exploration of the area of interest or alternatively by its sale;

(b) exploration activities have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active operations in relation to the areas are continuing.

An annual impairment review is carried out by the Directors to consider whether any exploration or development costs have suffered impairment in value where a site has been abandoned or confirmed as no longer technically feasible. Accumulated costs in respect of areas of interest that have been abandoned are written off to the profit and loss account in the year in which the area is abandoned.

Exploration costs are carried at cost less any provision for impairment.

Financial instruments
Financial assets and liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

- Cash and cash equivalents comprise cash held at bank and short term deposits
- Trade payables are not interest bearing and are stated at their nominal value

Fair values
Fair value is the amount for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices adjusted for estimated transaction costs that would be incurred in an actual transaction, or by the use of established estimation techniques. The fair values at the end of the reporting period are approximately in line with their reported carrying values unless specifically mentioned in the notes to the financial statements.

Borrowings
Borrowings are classified as originated loans and are recognised at an amount equal to the proceeds received, net of transaction costs incurred. In subsequent periods they are stated at amortised cost using the effective yield method: any difference between proceeds (net of transaction Costs) and the redemption value if recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings.

Significant accounting judgements, estimates and assumptions
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year and the amounts reported for assets and liabilities at the statement of financial position date. However, the nature of estimation means that the actual outcome could differ from those estimates.

The key sources of estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are the measurement of any impairment of investment.

NOTES TO THE FINANCIAL INFORMATION

2. DIRECTORS REMUNERATON

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Remuneration	-	-
Contribution to pension scheme	-	-
Total directors remuneration	-	-

The remuneration of the highest paid director included was:

Remuneration	-	-
Contribution to pension scheme	-	-
Total directors remuneration	-	-

Subsequent to the 30 June 2015 the directors and officers of the Company have signed agreements to reflect annual compensation as follows:

Chairman	Mr Jonathan Morley-Kirk	GBP £25,000
Chief Executive Officer	Mr Charles Barclay	USD $150,000
Executive Director	Mr Aidan Bishop	USD $150,000
Executive Director	Mr Colin Patterson	USD $100,000
Non Executive Director	Mr Clive Sinclair-Poulton	GBP £18,000
Non Executive Director	Mr Daniel Fox-Davies	GBP £18,000

NOTES TO THE FINANCIAL INFORMATION

3. STAFF COSTS

The average number of persons employed by the Company, including directors, during the period was as follows:

	6 months to 30 June 2015	12 March 2014 to 31 December 2014
Management & administration	7	4

The aggregate payroll costs of these persons were as follows:

Wages	25,187	-
Social security	-	-
Other pension costs	-	-
Total payroll	25,187	-

4. FINANCE COSTS

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Interest on loans	4,310	-
	4,310	-

NOTES TO THE FINANCIAL INFORMATION

5. INCOME TAXES

Income tax recognised in profit and loss

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Current tax expense	-	-
Adjustments recognised in the current year	-	-
Deferred tax expense	-	-
Total income tax	-	-

6. ANALYSIS OF LOSS FROM DISCONTINUED OPERATIONS

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Revenue	-	-
Other gains	-	-
Expenses	41,529	-
Loss before tax	(41,529)	-
Attributable income tax expense	-	-
Loss for the year from discontinued operations	(41,529)	-

The discontinued operations related to the disposal of the 80% subsidiary Currawong Resources Pty Limited of which USD 8,306 is classed as a non-controlling interest.

7. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging:

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Impairment loss on receivables	16,342	-
Employee benefits expense	25,187	-

NOTES TO THE FINANCIAL INFORMATION

8. TRADE AND OTHER RECEIVABLES

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
GST/VAT receivable	-	1,882
Bond (to secure Currawong tenements)	-	16,342
Loans	16,681	16,681
Loans to associates	7,464	-
	24,145	34,905

9. CASH

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Cash at Bank	7,748	23,305

10. INVESTMENTS

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Cost at 1 January 2015	-	-
Additions	996,528	-
At 30 June 2015	996,528	-

Investments – Red Mountain Mining Singapore

The directors of the Company take the view that the Group's interest in Red Mountain Mining Singapore is currently an investment and it has been recorded at fair value.

The directors of the Company also note that the agreements signed with Red Mountain Mining Limited mean that, assuming the Stage 1b funding is paid at listing, the investment in Red Mountain Mining Singapore will be reclassified as an investment in an associate on listing.

It is also further expected that the agreements currently being finalised will mean that the Company will have sufficient control over this investment by the end of FY2016 for the investment to be fully consolidated as a subsidiary.

10. INVESTMENTS (continued)

A summary of the balance sheet of Red Mountain Mining Singapore is shown below:

	12 months to 30 June 2015 USD	6 months to 31 December 2014 USD
Red Mountain Mining Singapore		
Cash	124,516	27,965
Receivables	87,663	144,063
Total current assets	212,179	172,028
Deferred exploration costs	20,825,854	20,019,296
Fixed costs	26,132	43,782
Total non current assets	20,851,986	20,063,077
Total assets	21,064,165	20,235,105
Trade and other payables	188,650	238,697
Total current liabilities	188,650	238,697
Borrowings	21,734,524	20,564,042
Total non current liabilities	21,734,524	20,564,042
Total liabilities	21,923,174	20,802,739
Net assets	(859,009)	(567,634)
Issued capital	77	82
Reserves	34,420	38,168
Controlled interest	(955,174)	(1,170,411)
Non controlled interest	61,669	564,527
Total equity	(859,009)	(567,634)

NOTES TO THE FINANCIAL INFORMATION

11. INVESTMENT IN ASSOCIATES

	30 June 2015 USD
Cost	
At 1 January 2015	10,772
Share of profit (loss)	(4,428)
At 30 June 2015	6,344

Investments in Associates – White Tiger Mineral Resources Corporation

Associate companies are companies in which the Group has significant influence generally through holding, directly or indirectly, 20% or more of the voting power of the Group. Investments in associates are accounted for in the financial statements by applying the equity method of accounting whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate company. In addition, the Group's share of the profit or loss of the associate company is included in the Groups profit or loss.

The directors of the Company take the view that the Groups' interest in White Tiger Mineral Resources Corporation is sufficient to classify the investment as an investment in an associate company. 40% of White Tiger Mineral Resources Corporation's losses have been taken into account in determining the group's consolidated losses.

A summary of the balance sheet of White Tiger Mineral Resources Corporation is shown below:

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Cash	21,116	-
Trade receivables	47,507	33,512
Fixed assets	632	-
Total assets	69,255	33,512
Trade and other payables	53,393	6,582
Total liabilities	53,393	6,582
Net assets	15,862	26,930
Issues capital	27,802	27,802
Loss for the period	(11,068)	(872)
Retained earnings	(872)	-
Total equity	15,862	26,930

NOTES TO THE FINANCIAL INFORMATION

12. TRADE AND OTHER PAYABLES

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Trade payables	30,104	2,187
Amounts due to related parties	105,217	99,154
	135,321	101,341

13. BORROWINGS

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Unsecured		
Convertible notes issued to related parties	220,000	-
Loans from Red Mountain Limited	496,528	-
Total unsecured	716,528	-
Total borrowings	716,528	-

The Vistra Loan

On or around the 25 May 2015 USD $220,000 was borrowed from Vistra Trust (S) Pte Limited. This converting loan facility is repayable via the issuance of stock in the Company on or before the 16 November 2015 at market price or via stock in Red Mountain Limited (RMX) after 16 November 2015. If RMX stock is issued for the extinguishment of the liability between the Company and Vistra Trust (S) Pte Limited, then there is no obligation for the Company to repay Red Mountain Limited anything in respect of the USD $220,000.

On 31 March 2016 the stock issuance date of 16 November 2015 was extended to on or before 15 April 2016.

The RMX Loan Facility

USD $500,000 has been borrowed from Red Mountain Limited as a partial payment against the Stage 1 commitment to invest in Red Mountain Mining Singapore. This is repayable from the funds raised by the Company from the listing on the London Stock Exchange. USD $496,528 was drawn down against this facility as at 30 June 2015.

Amounts Committed

USD $800,000 has been committed by the Company to its investment in Red Mountain Mining Singapore.

NOTES TO THE FINANCIAL INFORMATION

14. RETIREMENT BENEFIT PLANS

The Company does not operate any defined contribution retirement benefit plans, nor defined benefit plans.

15. PROVISIONS

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Employee benefits	-	-
Provision	-	-
Other	-	-

16. ISSUED CAPITAL

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
2 fully paid ordinary shares	2	2
Amounts held for subscription	290,268	-
	290,270	2

2 ordinary shares were allotted as fully paid on 12 March 2014.

The USD 290,268 was converted into 3,430,040 fully paid ordinary shares on 2 November 2015.

17. RETAINED EARNINGS AND DIVIDENDS

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Balance at beginning of the period	(32,361)	-
Operating profit or loss	(66,687)	(27,505)
Minority interest	(8,306)	(4,856)
Closing balance	(107,354)	(32,361)

NOTES TO THE FINANCIAL INFORMATION

18. RELATED PARTY TRANSACTIONS

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Amounts borrowed from related parties		
Parties associated with Messrs Bishop & Tarr	99,154	99,154
Mr Jonathan Morley-Kirk	6,062	-
Parties associated with Mr Colin Patterson	220,000	-
Convertible borrowings from related parties		
Parties associated with Messrs Bishop & Tarr (note 16)	290,268	-

Amounts paid to related parties

Subsequent to the 30 June 2015 White Tiger Mineral Resource Corporation has entered into an agreement to pay the following salary to a related party of Mr Aidan Bishop: Ms Joy Bishop (office manager, Tagum office) USD 1,000 per month.

19. CONTROL RELATIONSHIPS

The Company has the following subsidiaries and associates:

Name of Subsidiary or Affiliate	Country of Incorporation	Percentage Ownership 30 June 2015	Percentage Ownership 31 December 2014
Yellow Dragon Mineral Trading Co	Hong Kong	-	100%
Blue Bird Merchant Ventures Inc	Republic of Philippines	99.9%	99.9%
White Tiger Mineral Resources Corporation	Republic of Philippines	40%*	40%*
Red Mountain Mining Singapore	Singapore	15%*	-

* see notes below

20. CONTROL RELATIONSHIPS (continued)

Yellow Dragon Mineral Trading Co held the Company's interest in White Tiger Mineral Resources Inc on a nominee basis. On 30 June 2015 these shares were transferred to the Company for book value. Additionally on 30 June 2015 the Company's shares in Yellow Dragon Mineral Trading Co were sold to a third party for a nominal sum and that Company ceased to be part of the Group. No profit or loss was made on the sale.

Parties associated with Mr Aidan Bishop hold legally 60% of shares in White Tiger Mineral Resources Inc. Funds were advanced to these parties to subscribe for the shares at an amount equal to paid in value.

The Company has entered into various contracts with Red Mountain Limited (ASX:RMX) in relation to an investment into Red Mountain Limited's Singaporean subsidiary, Red Mountain Mining Singapore (RMMS).

The Company is committed to undertake transactions which will increase its stake in Red Mountain Mining Singapore to 25%. In particular, the Company has agreed to invest (i) USD $1,000,000 which will give it a 15% stake in RMMS and (ii) USD $700,000 which will give it an additional 10% stake in RMMS.

Stage 1a Investment into Red Mountain Mining Singapore

(i) At present USD $1,000,000 has been invested as follows:

- USD $280,000 was invested directly by the Company in RMMS. An additional USD 220,000 was invested for and on behalf of the Company by Vistra on or around 25th May 2015.

- USD $500,000 has been borrowed from RMX as a partial payment towards the Company's commitment under the JVA with RMX, which should be repaid upon Admission.

The Company will be issued 15% of shares in RMMS upon repayment of the USD $500,000 loan that is to be repaid to RMX upon Admission.

Stage 1b Investment into Red Mountain Mining Singapore

(ii) At present USD $700,000 has been borrowed from RMX as a payment towards the Company's commitment under the JVA with RMX, which shall be repaid upon Admission. This transaction occurred after the balance sheet date and is reflected as a commitment.

The Company will be issued additional 10% of shares in RMMS upon repayment of the USD 700,000 loan that is to be repaid to RMX upon Admission.

21. CONTROL RELATIONSHIPS (continued)

JV Investment into Red Mountain Mining Singapore

After Stage 1b is funded, the Company and Red Mountain Limited will enter into a joint venture funding arrangement wherein the Company will fund a minimum of 25% of planned expenditure for the period through to December 2016.

When the Stage 1b commitment is paid the Company will own 25% of Red Mountain Mining Singapore.

The additional shareholding interest for funding during the JV period is dependent on whether the Company sole funds Red Mountain Mining Singapore post Stage 1b or funds 25%.

22. EVENTS AFTER THE REPORTING PERIOD

The significant events that occurred between balance date and the date of signing this report are a follows.

a. The agreements with Red Mountain Limited and Red Mountain Mining Singapore were varied on 14 October 2015. The effect of these variations was to increase the Company's investment in, and liability to fund its investment in, Red Mountain Mining Singapore by a total of USD $700,000.

b. The agreements with Red Mountain Mining Limited and Red Mountain Mining Singapore were also varied to amend the Stage 1b payment date to 15 November 2015 or on listing.

Additionally the Company has signed a Memorandum of Agreement with Philippine Associated Smelting and Refining Corporation (PASAR) for the supply of copper concentrate. This is a non adjusting event.

On 12 September 2015 the Company issued three convertible loan notes of GBP 35,000 each, raising a total of GBP 105,000. The loan notes are redeemable during the year to 11 September 2016 at the election of the investor or convertible, from Admission, into ordinary shares at an issue price per share on a valuation of the Company of GBP 5,500,000.

The Company's involvement with Currawong Resources Pty Limited and Flitegold Pty Limited were formally terminated on 29 September 2015. All assets associated with these entities had been fully provided for pre 30 June 2015.

On 24 September 2015 150,000,000 shares were issued with no par value.

During the period to 30 September 2015 the Company raised USD $107,722 which was converted into 1,272,930 fully paid ordinary shares on 2 November 2015.

USD 290,268 was converted into 3,430,040 fully paid ordinary shares on 2 November 2015.

Total shares in issue at the date of this report amount to 154,702,970.

On 13th January 2016 the Company issued a warrant to Optiva Securities Limited in consideration of the services provided by it, to subscribe at the exercise price for new fully paid ordinary shares in the Company. The warrant may be exercised in whole or in part or parts at any time and from time to time from the date commencing on Admission until the third anniversary of the date of Admission. The Warrant Holder may exercise their warrants in part, if the exercise relates to a number of warrants which is equal to or more than 33.3 per cent of the Warrant Shares or the balance of all unexercised warrants.

23. CAPITAL COMMITMENTS

Contracts for capital expenditure not provided for is as follows:

	6 months to 30 June 2015 USD	12 March 2014 to 31 December 2014 USD
Commitments	800,000	-

24. CONTINGENT LIABILITIES

Red Mountain Mining Singapore
The Company has entered into various contracts with Red Mountain Limited (ASX:RMS) and its subsidiary, Red Mountain Mining Singapore, in relation to an investment in Red Mountain Mining Singapore. The Company has recently finalised the Investment Agreement for the funding of the investment post Stage 1b. This will provide for the Company's total interest in Red Mountain Mining Singapore to reach 50.1% depending on certain conditions being satisfied.

Currawong Resources Pty Limited
In 2014 the Company entered into an Investment Agreement with Flitegold Pty Limited, an Australian company controlled by Mr Neil Trevor Mutton, to evaluate and potentially develop exploration tenements in Australia, known as the Avoca and Ballieston Tenements. On 10 September 2014 the Company subscribed to 80% of the shares on issue in Currawong Resources Pty Limited and on 20 October 2014 AUD $75,000 was loaned to Currawong Resources Pty Limited.

Prior to 30 June 2015 the board of directors of the Company resolved not to proceed with the Investment Agreement and to terminate any and all agreements with Flitegold Pty Limited.

The directors of the Company do not believe any further monies are due under the Flitegold Investment Agreement and all amounts invested have been written off. The directors do not believe there is any requirement for any provision in relation to the Investment Agreement.

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Treasury risk management
The Group manages a variety of market risks, including the effects of changes in foreign exchange rates, liquidity and counterparty risks.

Credit risk
The Group's principal financial assets are associated receivables and bank balances. The Group is consequently exposed to the risk that its associates or the credit facility provider cannot meet their obligations as they fall due.

To reduce credit risk, the Group has concentrated its main activities with a limited number of banks that have secure credit ratings. Associated receivables are secured via contract terms which area repayable on demand or through issuance of equity.

Interest rate risk
The Group financing arrangements include external debt that is subject to a fixed interest rate. The Group is therefore not exposed to cash flow volatility arising from fluctuations in market interest rates.

Foreign currency risk
The functional currency of the individual Group entities varies according to the relevant economic environment in which the Group operates. However, the currency of the primary economic environment in which the Group operates is US Dollars, this is also the currency in which the Group presents its financial statements. The Group has significant contracts which are all denominated is US Dollars.

Liquidity risk
The Group currently has no operational revenue streams. The Group has recently entered agreements that will commence significant revenue generation from sales of copper concentrates. The Group manages its liquidity requirements by the use of both short-term and long-term cash flow forecasts. To ensure funding is available as required the Group have previously obtained equity converting loans from external investors. The Group will also fulfil funding requirements through listing on the London Stock Exchange.

The financial market turbulence and associated illiquidity in credit markets during the period has had no impact on the Group's ability to meet its financing requirements.

The Group's financial liabilities are primarily trade payables and short term borrowings. All trade payables are due for payment in accordance with agreed settlement terms with suppliers and all are due within one year. All borrowings are due for payment in accordance with loan agreement terms with lenders and all are due within one year.

Fair value of financial assets and financial liabilities
All receivables are held at carrying value and are classified as loans and receivables. All payables and borrowings are held at amortised cost.

Fair value measurement
The carrying amount of receivables and payables approximates to fair value due to the short maturity of the amounts receivable and payable.

The carrying amounts of borrowings approximates to fair value due to the short maturity of the amounts payable.

The carrying amounts of investments is based on cost which is considered to approximate to fair value.

SCHEDULE II COMPETENT PERSON'S REPORT

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Bluebird Merchant Ventures Ltd
Independent Competent Person's Report on the Batangas Gold Project

J_1892

Principal Author:
Jason Froud MAusIMM, MAIG

Principal Reviewer:
Ian Glacken *FAusIMM(CP), CEng*

April 2016

Perth Office

Level 1, 16 Ord Street
West Perth WA 6005

PO Box 1646
West Perth WA 6872
Australia

Tel: +61 8 9215 0000
Fax: +61 8 9215 0011

Optiro Pty Limited
ABN: 63 131 922 739
www.optiro.com

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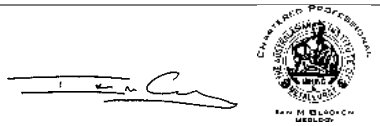
Principal Authors:	Jason Froud *MAusIMM, MAIG*	Signature:	
		Date:	6 April 2016
Contributors:			
Principal Reviewer:	Ian Glacken *FAusIMM(CP), CEng*	Signature:	
		Date:	6 April 2016

Important Information:

This Report is provided in accordance with the proposal by Optiro Pty Ltd ("Optiro") to Bluebird Merchant Ventures Ltd and the terms of Optiro's Consulting Services Agreement ("the Agreement"). Optiro has consented to the use and publication of this Report by Bluebird Merchant Ventures Ltd including within its Prospectus for admission to the official list of the London Stock Exchange's main market, and for the purposes set out in Optiro's proposal and in accordance with the Agreement. Bluebird Merchant Ventures Ltd may reproduce copies of this entire Report only for those purposes but may not and must not allow any other person to publish, copy or reproduce this Report in whole or in part without Optiro's prior written consent.

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Level 1, 16 Ord Street
West Perth WA 6005
PO Box 1646
West Perth WA 6872
Australia

T: +61 8 9215 0000
F: + 61 8 9215 0011

6 April 2016 Our Ref: J_1892

The Directors
Bluebird Merchant Ventures Ltd
Office of Mossack Fonseca & Co (BVI) Ltd
Akara Building, 24 De Castro Street
Road Town
Tortola, British Virgin Islands

and

The Directors
Optiva Securities Limited
2 Mill Street
Mayfair
London
W1S 2AT

Dear Sirs

INDEPENDENT COMPETENT PERSON'S REPORT ON THE BATANGAS GOLD PROJECT

At the request of Bluebird Merchant Ventures Ltd (**BMVL** or the **Company**), an Independent Competent Person's Report on the Batangas Gold Project located south of Manila in Luzon, Philippines, has been prepared by Mr Jason Froud (Principal) and was reviewed by Mr Ian Glacken (Principal and Director) both of Optiro Pty Ltd (**Optiro**). This Report has been prepared in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports (the VALMIN Code, 2005) and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012). Mr Jason Froud meets the competency criteria as set out under paragraph 133 (i) (a) of the European Securities and Markets Authority (**ESMA**) update of the CESR recommendations (2013) and is the Competent Person responsible for this report (**Competent Person**).

This Competent Person's Report represents an independent assessment of the geology, exploration data, Mineral Resources and exploration potential of the Batangas Gold Project. It is our understanding that this Report will be included in the Prospectus to be published by the Company in connection with the proposed admission of the shares in the Company to trading on the Standard Segment of the Main Market of the London Stock Exchange. Optiro has been informed by BMVL that the principal purpose of the offering is to raise funds to fulfil a funding agreement it entered into with Red Mountain Mining Limited (**Red Mountain or RMML**), which holds the Batangas Gold Project, and thereby to fund the completion of a definitive feasibility study, mine permitting and initial development.

The mineral assets of Red Mountain and 100% owned subsidiary Red Mountain Mining Singapore Ltd (**RMMS**) are held and operated within a Philippines ownership structure under 100% owned Philippines subsidiary MRL Gold Inc., which comprise the Batangas Gold Project, located 120 km southwest of Manila in the Philippines. The Batangas Gold Project is made up of the Lobo Mineral Production Sharing Agreement (**MPSA**) and the Archangel MPSA, as well as eight (8) Exploration Permits (**EP**) and three (3) Exploration Permit Applications. The principal prospects at Lobo are the South West Breccia target and the West Drift target, with combined current (August 2015) Inferred plus Indicated Mineral Resources of 604 kt at a gold grade of 4.2 g/t. The Archangel area, some 6 km from Lobo, contains the Kay Tanda and Kay Tanda West prospects, with current Inferred plus Indicated Mineral Resources of 5.5 Mt at a gold grade of 2.0 g/t. BMVL, under its agreement with Red Mountain, will earn up to 50.1% of the equity in RMMS and thus all of the assets of MRL Gold.

The objectives of this Report are to provide an overview of the geological setting of the Batangas Gold Project area and the associated mineralisation, outline the recent and historic exploration work undertaken over the project area, report on the Mineral Resources defined within the project and comment on the exploration potential of the project and the proposed future work.

BMVL and Red Mountain have provided to the Competent Person drilling and sampling data and other information generated by Red Mountain subsidiaries and by previous owners of the Batangas Gold Project areas including subsidiaries of Mindoro Resources Ltd. A site inspection has not been undertaken by the Competent Person; however, the Competent Person is satisfied that a site inspection was unlikely to reveal information or data that is material to this Report. The Competent Person has based its assessment of the Batangas mineral assets on a review of the technical information compiled by BMVL and Red Mountain.

Based on the Competent Person's assessment of Red Mountain's projects, it is our opinion that the Batangas Gold Project is of value and contains Indicated and Inferred gold Mineral Resources, along with additional areas that are prospective for further gold mineralisation. The Competent Person has considered the expenditure schedules, studies and programmes outlined by BMVL and Red Mountain, particularly the proposed completion of a definitive feasibility study, and considers them to be reasonable and appropriate to progress the project. However, all exploration projects are subject to the risk of impact from unforeseen future issues and events beyond the control of the company; in this sense, the Batangas Gold Project is no exception.

Consent has been sought from BMVL and Red Mountain's representatives to include technical information and opinions expressed by them. No other entities referred to in this Report have consented to the inclusion of any information or opinions and have only been referred to in the context of reporting any relevant activities.

The Competent Person has prepared this Report upon the understanding that the exploration and mining licences held by Red Mountain are currently in good legal standing, and has not independently verified Red Mountain's legal tenure over its tenements. The Competent Person is not qualified to make statements in this regard, and has relied upon information provided by BMVL and Red Mountain.

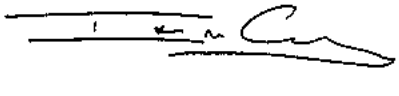
The Competent Person has endeavoured, by making reasonable enquiry of BMVL and Red Mountain, to ensure that all material information in the possession of BMVL and Red Mountain has been fully disclosed to The Competent Person. However, the Competent Person has not carried out any type of audit of the records of BMVL or Red Mountain to verify that all material documentation has been provided. A final draft version of this Report was provided to the Directors of BMVL and Red Mountain along with a request to confirm that there are no material errors or omissions in the Report and that the technical information and interpretations provided by them and reflected in the Report are factually accurate. Confirmation of these terms has been provided in writing and has

been relied upon by the Competent Person. The Competent Person has based its findings upon information supplied up until 1 February 2016.

Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The Competent Person and reviewer of this Report declare that they have no material interest in BMVL, Red Mountain, their associated entities or in the assets described in this Report. Optiro has charged BMVL a professional fee for services rendered, the quantum of which is unrelated to the outcome or the content of this Report.

Yours sincerely
OPTIRO PTY LTD

J C Froud *MAusIMM, MAIG*
Principal



I M Glacken *FAusIMM (CP), CEng*
Principal

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1. EXECUTIVE SUMMARY

1.1. PURPOSE

At the request of Bluebird Merchant Ventures Ltd (**BMVL** or the **Company**), an Independent Competent Person's Report on the Batangas Gold Project located south of Manila in Luzon, Philippines, has been prepared by Mr Jason Froud (Principal), the Competent Person, and was reviewed by Mr Ian Glacken (Principal and Director) both of Optiro Pty Ltd (**Optiro**). This Competent Person's Report represents an independent assessment of the geology, exploration data, Mineral Resources and exploration potential of the Batangas Gold Project. It is our understanding that this Report will be included in the Prospectus to be published by the Company in connection with the proposed admission of the shares in the Company to trading on the Standard Segment of the Main Market of the London Stock Exchange (the "**Admission**"). The Competent Person has been informed by BMVL that the principal purpose of the offering is to raise funding to complete a funding agreement it entered into with Red Mountain Mining Limited (**Red Mountain**), which holds the Batangas Gold Project, and thereby to fund the completion of a definitive feasibility study (**DFS**), mine permitting and preliminary development.

1.2. LOCATION AND TENURE

The Batangas Gold Project is located within the Philippines, approximately 120 km south of the capital city of Manila. The project is entirely within the Batangas province, located on the southwestern portion of Luzon Island. Access from Manila is via the high quality national highway passing through Batangas City. Local access typically comprises good quality and well maintained all weather roads to the Lobo Municipality.

The project currently comprises two granted Mineral Production Sharing Agreements (**MPSA**) covering 21.8 km^2 and eight granted Exploration Permits (**EP**) covering 137.7 km^2. A further three EPs covering 8.1 km^2 are currently in application.

1.3. GEOLOGY AND MINERALISATION

The main deposits known at present are the Archangel and Lobo deposits, located on the Archangel and Lobo MPSAs (see Section 3.1.1 Table 4.1) respectively, which together comprise the Batangas Gold Project. The mineralisation is located within the Batangas mineral district. The Batangas district is located on the northern side of the Verde Island Passage in Southern Luzon.

The Archangel deposit is a low-sulphidation epithermal system and occurs as a stockwork of quartz and quartz-carbonate-base metal veins and hydrothermal breccias. Higher gold grades are associated with discrete steeply dipping veins within hydrothermal breccias.

The Lobo area comprises a complex epithermal vein system that displays both high sulphidation and low-sulphidation characteristics. At the southwest end of the project area is the Japanese Tunnel deposit, which is typically copper, gold and silver enriched in contrast to the northeast end (Dita) where there is less copper and silver. The Japanese Tunnel sub-zone comprises a hydrothermal breccia associated with quartz-barite-sulphide gangue mineral assemblage. At West Drift, a vein breccia comprises silicified, crustiform and colloform banded quartz with associated quartz-barite-clay gangue, containing minor sulphide and clots/stains of malachite and azurite with stringers of enargite-chalcopyrite.

1.4. MINERAL RESOURCES

Defined Mineral Resources have been estimated at both the Archangel and Lobo deposits on the Archangel and Lobo MPSAs. Total Mineral Resources within the Batangas Gold Project comprise

2.97 Mt at 2.4 g/t gold of Indicated Mineral Resources and 3.22 Mt at 2.1 g/t gold of Inferred Mineral Resources. The Mineral Resources remain current as of the date of this report.

1.5. EXPLORATION POTENTIAL, DEVELOPMENT AND ACCESS

The Competent Person considers there is good exploration potential at the Batangas Gold Project but this is currently a secondary consideration to the completion of the DFS, mine permitting and development of the current Mineral Resources. In this context, mine permitting means the completion of all of the activities and fulfilment of all obligations such that permission to build and operate a mine can be granted.

Red Mountain carried out a Scoping Study that was released to the ASX on 20 March 2014. This study confirmed the likelihood of a low-cost, early payback project based upon reasonably assumed project capital and operating costs, a gold price of US$1,080 per ounce and an initial mine life of approximately 5 years based upon open cut mining and processing of a high-grade, near surface sub-set of the Indicated Mineral Resources containing approximately 100,000 ounces gold at South West Breccia - Lobo MPSA and Kay Tanda (West) - Archangel MPSA. There has been no estimate of Ore Reserves at the Batangas Gold Project as a Pre-Feasibility Study or the DFS has not been completed.

Based on the results of the Scoping Study Red Mountain commenced a DFS on the Batangas Gold Project focussing on open pit mining at Lobo and the Kay Tanda (West) deposit at Archangel which upon completion will allow Ore Reserves to be declared under the JORC Code (2012).

Significant progress has been made towards completion of the DFS. The DFS metallurgical testing work is complete and recoveries are broadly in line with previous assumptions. Process engineering to determine processing plant capital and operating costs and geotechnical programmes are close to completion. Other inputs including site infrastructure (roads, water storage and power generation, etc.), administration, tax inputs and miscellaneous costs will be finalised for input to the financial model with completion targeted for the end of the first quarter 2016.

The resources that were the subject of the Scoping Study and the current DFS in progress are located in moderately steep terrane but are accessible via access tracks established by the Company for exploration purposes. The major access to the project sites is via a double lane concrete road / Provincial Highway to the proposed mine site perimeters where there will be mine gates.

Access to carry out exploration on government land that is occupied by local land holders has been via access agreements.

Access to the resources and future reserves to allow development and construction of the mine is subject to the successful outcome of the permitting process and successful negotiation of access agreements with local landholders or access provided by the Government on government land. The key steps to establishing access to develop the resources and future reserves are as follows:

i) In order to access the proposed development areas to commence construction of the mine at the Batangas Gold Project (or **BGP**) on the Lobo and/or Archangel MPSAs, an Environmental Compliance Certificate (**ECC**) is required to be issued following approval of the Environmental Impact Assessment (**EIA**). The ECC requires signature of the Department of Environment and Natural Resources (**DENR**) Secretary following final recommendation by the Environmental Management Bureau (**EMB**).

ii) In addition to the ECC, to commence construction of the mine at the BGP on the Lobo and/or Archangel MPSAs, RMMS Group requires an approved Declaration of Mining Feasibility (**DMF**). A precursor to technical assessment of the DMF and associated documents (including the Mining Project Feasibility study; a Three Year Development

and Construction or Operation Work Program and a complete geological report) by the Philippines Mines and Geosciences Bureau (**MGB**) for approval is the endorsement of two of the three Local Government Units (**LGUs**) as well as the issuance of the ECC. Following the issuance of the ECC and two of the three LGU endorsements, the DMF will be elevated from the regional office of the MGB to the central office of the MGB for final assessment and approval and signing by the Secretary of the DENR.

iii) Once the DMF is approved, other auxiliary local permits and agreements are required to allow various components of the development to proceed, principally tree cutting permits, water take and discharge permits, construction and building permits and land access agreements. It is premature to apply for these permits at this stage and they will be applied for once the decision is taken to construct the mine. These permits are not a prerequisite to the signing of the DMF and are applied for at local government level and, with the exception of land access agreements (see below) are largely administrative in nature:

iv) Land access and/or purchase or lease agreements are required to undertake development and/or operational activities on the relevant lands. All land required for the project at Lobo is "government forestry land" and is occupied by local people through the grant of tax paid certificates that provide the right to benefit from the land for agricultural purposes as long as annual land taxes are paid. The government however retains ownership of the land.

The Mining Act sets out the requirements for the granting of land access rights to mineral permit holders. Legal land tenants are required to reach agreement with mining companies over appropriate compensation. Should the legal land tenants and RMMS Group fail to agree the level of compensation, RMMS Group can seek the assistance of the Municipal Government or ultimately seek legal (Court) arbitration to set the level of compensation or purchase/lease cost. RMMS Group has commenced negotiating access and/or purchase or lease agreements with legal tax paid land tenants and the Company and RMMS anticipates a successful outcome to these negotiations given that previous access agreements for exploration purposes have been in place for a number of years. It is anticipated that the land access and/or purchase or lease agreements will be in place prior to the signing of the DMF.

2. INTRODUCTION AND TERMS OF REFERENCE

2.1. TERMS OF REFERENCE

At the request of the Company, the Competent Person has prepared the Report on the Batangas Gold Project located in the Philippines. The main mineral assets within the Batangas Gold Project are the Archangel and Lobo gold deposits. This Report represents an independent assessment of the geology, exploration data, Mineral Resources and exploration potential of the Batangas Gold Project. It is our understanding that this Report will be included in the Prospectus to be published by the Company in connection with the proposed Admission. The Competent Person has been informed by BMVL that the principal purpose of the offering is to raise funds to complete an agreement it entered into with Red Mountain, which holds the Batangas Gold Project, and thereby to fund the completion of the DFS and mine permitting to earn up to 50% interest in the project.

2.2. PURPOSE FOR WHICH THE REPORT WAS PREPARED

BMVL is a British Virgin Island registered private company. The Competent Person understands that BMVL has entered into a binding agreement (**the Agreement**) with Red Mountain Mining Ltd (**Red Mountain** or **RMX**), a company listed on the Australian Securities Exchange (**ASX**) to provide two to

three stages of funding to earn up to 50.1% of Red Mountain subsidiary Red Mountain Mining Singapore Ltd (**RMMS**), which is the holder of the Batangas Gold Project in the Republic of the Philippines.

The key terms of the agreement, as varied are:

- Stage 1a funding: a total consideration of US$1 M to be paid by BMVL, which is convertible to a 15% stake in RMMS. Stage 1a consideration shall be completed (paid) within 10 (ten) business days after the Admission of BMVL's shares to the London Stock Exchange (LSE) or such other date as agreed in writing between RMMS, RMX and BMVL.
- Stage 1b funding: an additional consideration of US$0.7 M (total US$ 1.7 million) to be paid by BMVL, which is convertible to an additional 10% stake (for a total 25% stake) in RMMS. The timeframe for completion of the Stage 1b consideration is on or before 29 February 2016 or such other date as agreed in writing between RMMS, RMX and BMVL.
- On completion of Stage 1b funding the parties will form a 25% BMVL/75% RMX incorporated joint venture (**Incorporated JV**) and project expenditure will be funded according to the parties respective JV interests.
- Bluebird will then have two alternative options to increase its interest in RMMS from 25% to 50.1%:
    i. The **Sole Funding Option**, which may be exercised prior to the DFS and final permitting being completed, whereby BMVL will pay an additional US$1.7 M to increase equity in RMMS to 50.1%. The Sole Funding Option may be exercised at any time up to the Stage 2 End Date (see below), which is 28 February 2017 or 13 months from BMVL Admission to the LSE whichever is later and may be paid in monthly instalments and the balance must be paid in full within 20 business days of the Stage 2 End Date, or;

    ii. if the Sole Funding Option is not exercised or expires, the **Stage 2 Funding Option**, whereby an additional consideration of US$3.8 M to be paid by BMVL for an additional 25.1% (for a total 50.1%) stake in RMMS, payable on satisfaction of certain conditions precedent (**Stage 2 CPs**), being:
        - completion of a DFS satisfactory to BMVL, demonstrating an internal rate of return of at least 25%;
        - receipt of the DMF and Environmental Compliance Certificate issued by the MGB and DENR respectively, to allow commencement of development of the Batangas Gold Project; and
        - definition of Proved and Probable Ore Reserves to support a production schedule recovering at least 100,000 ounces of gold equivalent over the life of the project.

    The timeframe for completion of the Stage 2 CPs is on or before 28 February 2017 or 13 months from BMVL Admission to the LSE whichever is later (**Stage 2 End Date**) unless extended by mutual agreement between RMMS, RMX and BMVL.

    iii. The Incorporated JV will continue to operate if neither Option is exercised.

The principal focus of the Stage 1 a and Stage 1 b and Sole Funding Option or Stage 2 Funding Option investments are to advance exploration and development on the Archangel and Lobo MPSAs which together comprise the Batangas Gold Project.

It is the Competent Person's understanding that this Report will be included in the Prospectus to be published by the Company in connection with the proposed Admission. The objectives of this Report are to:

- provide an overview of the regional and local geological setting of the Batangas Gold Project area and the associated gold mineralisation;
- outline the historic and recent exploration work undertaken on the project area;
- give an opinion on the exploration potential of the Batangas Gold Project area for gold mineralisation; and
- consider the appropriateness of Red Mountain and BMVL's future work programmes.

2.3. VALIDATION OF LEGAL TENURE

The Competent Person has prepared this Report upon the understanding that all of Red Mountain's mineral licences (MPSA and EPs, see below) are currently in good standing. The Competent Person has not independently verified Red Mountain and RMMS's legal tenure over the tenements. Whilst the Competent Person has reviewed copies of RMMS's current licence documents and found them to be in good order it is not qualified to make statements in this regard and has relied upon information provided by Red Mountain and BMVL.

2.4. RESPONSIBILITY FOR THE INDEPENDENT GEOLOGISTS' REPORT

This Report was prepared by the Competent Person, Mr Jason Froud (Principal), and was reviewed by Mr Ian Glacken (Principal), both of Optiro.

The Report has been prepared in accordance with the guidelines of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (the JORC Code) and the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports, 2005 Edition (the VALMIN Code). The authors and reviewer of this Report are Members or Fellows of the Australasian Institute of Mining and Metallurgy (AusIMM), and therefore are obliged to prepare mineral asset valuations in accordance with the VALMIN Code.

In developing its technical assumptions for the Report, The Competent Person has relied upon information provided by Red Mountain, BMVL and their consultants, as well as information obtained from other public sources. The material on which this Report is based includes internal and open-file project documentation, technical reports, drillhole databases and resource models.

The Competent Person has independently reviewed all relevant technical and corporate information made available by the management of Red Mountain and BMVL, which was accepted in good faith as being true, accurate and complete, having made due enquiry of Red Mountain and BMVL. The Competent Person has additionally sourced publically available information relative to the Batangas Gold Project.

The Competent Person did not visit the Batangas Gold Project as it was considered that a site visit would not reveal information or data material to the outcome of this Report. The Competent Person is satisfied that sufficient current information was made available for these projects in order to allow an informed appraisal to be made without carrying out a site inspection.

3. LEGAL AND GEOLOGICAL OVERVIEW

3.1. PHILIPPINES

The mineral assets described in this Report are located on the island of Luzon, which is the largest and most populous island within the Republic of the Philippines. The Philippine Archipelago comprises more than 7,000 islands located in South East Asia, between the Philippine Sea and the South China Sea. The major island groups are Luzon in the north, Visayas in the centre and Mindanao in the south.

The Republic of the Philippines has been independent since July 1946 and has an estimated population of some 100 million. The majority of the population is Christian (81%) with a significant Muslim minority (5%) concentrated in the western part of the island of Mindanao in the south of the country. While Filipino is the national language, English is widely used and has the status of an official language. English is the language of instruction in all high schools and higher education institutions.

The country has an expanding well-educated middle class and an economy which depends on a range of activities from high-tech manufacturing in the cities to subsistence farming in the rural areas. Manufactured exports include electronic goods, pharmaceuticals, chemicals, furniture and other wood products. Primary exports include a range of minerals and agricultural products including timber.

3.1.1. PHILIPPINES LEGISLATION AND MINING LAW

State ownership of natural resources is the foundation of the Philippine mineral tenure system. The state can undertake the exploration, development and utilisation of natural resources or it can enter into agreements with private parties or contractors under revenue-sharing, Financial or Technical Assistance Agreement (**FTAA**) or MPSA.

The general rule, as stated in the Philippine Constitution, is that contractors, with whom the state can enter into agreements for the exploration, development, and utilisation of natural resources, must be Filipino citizens or corporations whose capital is at least 60% Filipino-owned. The foreign equity limitation is removed for large-scale exploration, development, mineral processing and utilisation of minerals and petroleum and other mineral oils. This exception is implemented through the FTAA in the minerals sector. Furthermore, an EP in the minerals sector can be obtained by a corporation that is up to 100% foreign-owned.

Under Republic Act No. 7942 or the Philippine Mining Act (the "**Mining Act**"), there are three types of mineral agreements, being the MPSA, Co-Production Agreement and Joint Venture Agreement.

Under the Implementing Rules and Regulations of the Mining Act (**IRR**), an applicant planning to conduct exploration activities in a specific area needs to apply for and obtain an EP. Depending on the exploration results, the EP may then be converted into a MPSA or a FTAA.

The Mining Act governs the exploration, development, processing and utilisation of mineral resources in the Philippines. The Mining Act and its IRR define these agreements, delineate the various mining rights recognised in the Philippines and provide the requirements to acquire these mining rights.

EXPLORATION PERMIT (EP)

The acquisition of mineral rights is a process that begins with the acquisition of an EP. An EP is a grant from the Philippines government that gives the permit holder the right to conduct exploration of all minerals within a specified area.

An EP applicant must show its financial capability and technical qualification by submitting to the Philippines Mines and Geosciences Bureau the following:

- a duly prepared two-year Exploration Work Programme; and
- proof of technical competence, including:
    - proof of financial capability to undertake the Exploration Programme; and
    - an Environmental Work Programme.

The term of an EP is two years from date of issuance and it may be renewed for two-year periods not exceeding a total term of four years for non-metallic mineral exploration or six years for metallic mineral exploration.

If the EP holder determines that mining operations are feasible within the EP area, the EP holder must then submit the DMF during the exploration period and apply for either a MPSA or a FTAA.

The maximum area that an onshore EP may cover comprises:

- In any one province:
    - 20 blocks or 1,620 Ha for individuals; and
    - 200 blocks or 16,200 Ha for partnerships, corporations, cooperatives or associations;
- In the entire Philippines:
    - 40 blocks or 3,240 Ha for individuals; and
    - 400 blocks or 32,400 Ha for partnerships, corporations, cooperatives or associations.

MINERAL PRODUCTION SHARING AGREEMENT (MPSA)

A MPSA is a mineral agreement under which the government grants to the MPSA holder the exclusive right to conduct mining operations within a contract area. The share of the government is in the form of excise tax equivalent to a percentage of the gross output. The MPSA holder will provide the financing, technology, management and personnel necessary for the implementation of the MPSA.

There are two types of MPSAs. The first is an Integrated MPSA executed between the government and the contractor prior to the effect of the Department of Environment and Natural Resources Administrative Order (DAO) 2005-15 amending the IRR, which has both an exploration phase and a development phase. The second is a MPSA entered into after the effect of DAO 2005-15, which started from an EP and converted into a MPSA after the DMF submission.

An Integrated MPSA has a typical exploration period of two years renewable for similar periods. The total term cannot exceed six years for non-metallic and eight years for metallic mineral exploration except if approval for an additional two year term (total ten years) is granted by the MGB. Within the term of the exploration period, the MPSA holder must file a draft DMF including supporting documents including the Three-year Development and Construction or Commercial Operation Work Programme; complete a geological report; as well as an application for survey and the pertinent Environmental Impact Assessment (**EIA**) to support issuance of the ECC. The MPSA holder must then complete the development of the mine including the construction of production facilities within 36 months from the approval of the DMF, subject to such extension based on justifiable reasons.

A MPSA Issued Post DAO 2005-15 is granted for a term of 25 years, renewable for a further 25 years upon mutual agreement between the government and contractor.

The maximum area that an onshore MSPA may cover comprises:

- In any one province:
    - 10 blocks or 810 Ha for individuals; and

  - 100 blocks or 8,100 Ha for partnerships, corporations, cooperatives or associations;
- In the entire Philippines:
  - 20 blocks or 1,620 Ha for individuals; and
  - 200 blocks or 16,200 Ha for partnerships, corporations, cooperatives or associations.

The government share in a MPSA is the excise tax on mineral products at the time of removal. This comprises 2% of the gross output market value for metallic minerals. In addition the government receives corporate income tax from profits generated by the operation and other taxes and charges.

FINANCIAL OR TECHNICAL ASSISTANCE AGREEMENT (FTAA)

The Philippine Constitution provides that the President may, on behalf of the government, enter into agreements involving either technical or financial assistance for large-scale exploration, development and utilisation of minerals according to the general terms and conditions provided by law, based on real contributions to the economic growth and general welfare of the Philippines.

The FTAA holder is granted the exclusive right to explore, mine, utilise, process, refine, market, transport, export and dispose of minerals and mineral products and by-products that may be derived or produced from the FTAA area, subject to such permit requirements that may be applicable under pertinent laws, rules and regulations.

The term of the FTAA is 25 years from the date on which the FTAA is registered and may be renewed upon mutual agreement between the FTAA holder and the government, for a period not exceeding 25 years.

The FTAA operator must allocate 50% of the Net Mining Revenue to the Government.

RMMS is the holder of two MPSAs and eight EPs. Two MPSAs relate to Lobo and Archangel, and the EPs relate to other areas (Table 4.1 and Figure 4.1).

4. BATANGAS GOLD PROJECT GEOLOGICAL OVERVIEW

4.1. LOCATION AND ACCESS

The Batangas Gold Project is located within the Philippines, approximately 120 km south of the capital city of Manila. The project is entirely within the Batangas province, located on the southwestern portion of Luzon Island. Access from Manila is via the high quality national highway passing through Batangas City. Local access typically comprises good quality and well maintained all weather roads to the Lobo Municipality.

The Lobo township is situated 2 km from the coast, with Mabilong na Bundok village located a further 3 km away via a well-maintained gravel road, which is in the process of being paved. The historic Lobo copper mine (directly above the West Drift gold deposit) can be reached via a 2 km old mine road from the Mabilog na Bundok village. The total travel time from Manila to the old Lobo mine is approximately 3 hours.

The Archangel property is accessible by turning south from the turn-off to Mabilog na Bundok at Sawang and following the paved coastal road east to Balibago and then a well maintained gravel road a further 2 km, a total distance of 14 kilometres from Lobo.

The area is characterised by moderate to high relief topography with a maximum elevation of approximately 400 m above sea level ("**masl**"). The central and western part of the project varies from 100 to 300 masl. The whole project area is deeply incised by numerous creeks. The central part is being drained southwest principally by the Batang Creek towards the main Lobo River. The

northern part is being drained westward by the Olango River, a main tributary to the Lobo River system.

The local climate is characterised by a short dry season from December to April and a wet season from July to November, with no pronounced maximum rainy period. The project area is not along the normal path of tropical cyclones or typhoons, but monsoonal rains from July to October bring an average monthly precipitation of 250 mm. Average temperatures range between lows of 22° to 24°C and highs of 30° to 33° C.

4.2. TENURE AND OWNERSHIP

The Batangas Gold Project currently comprises two granted MSPAs (2,176 Ha or 21.8 km^2) and eight granted EPs (13,766 Ha or 137.7 km^2) (Table 4.1 and Figure 4.1). The defined Mineral Resources at Lobo and Archangel are contained within the Lobo and Archangel MPSA respectively. A further three EPs are currently in application covering 810 Ha (8.1 km^2). The Competent Person understands that renewals have been submitted for each of the expired EP's and the Philippines Mines and Geosciences Bureau is assessing the renewal applications.

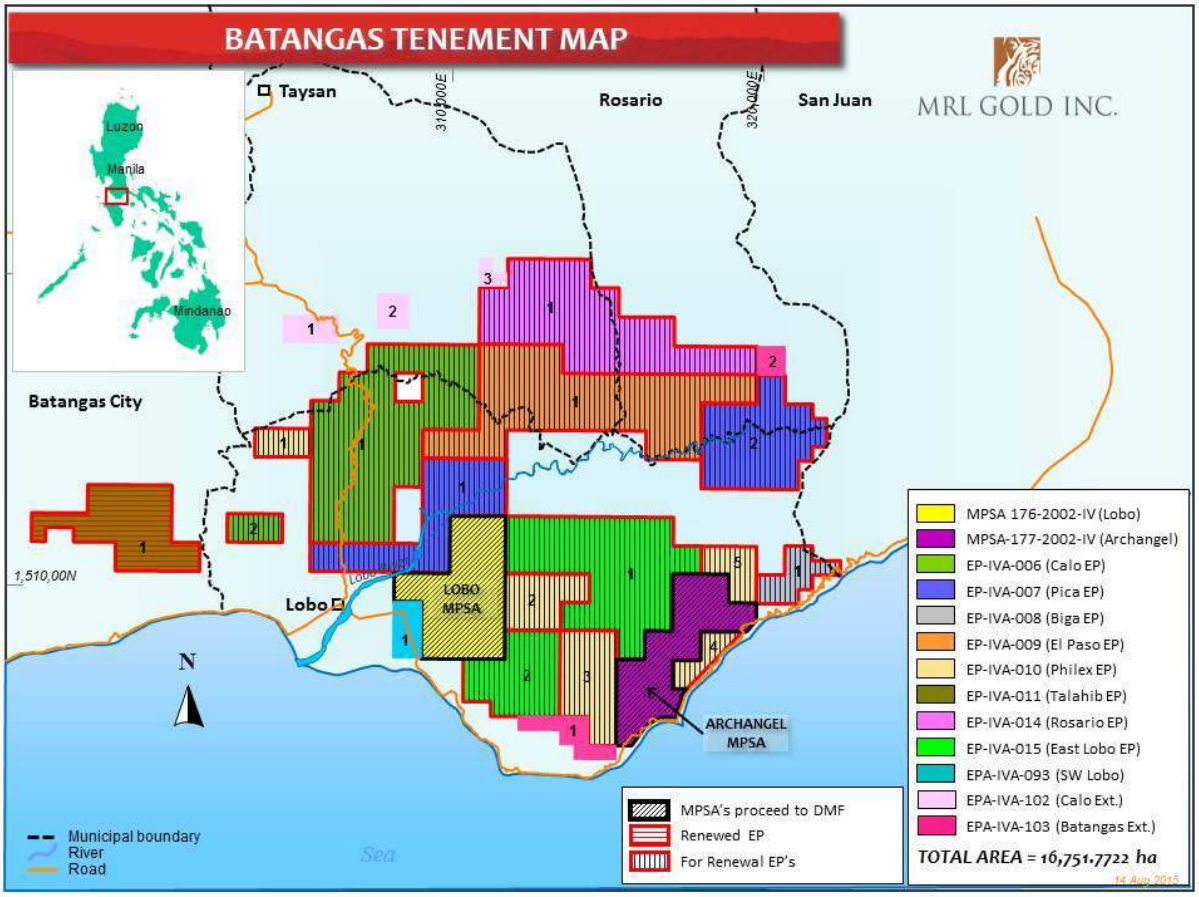
The permits form a mostly continuous package across the Lobo municipality within the Batangas Province.

Table 4.1 Batangas Gold Project tenement schedule

Permit name	Permit number	Holder	Area (Ha)	Permit term/Exploration Period expiry	Interest
Lobo	MPSA-176-2002-IV	Egerton Gold Philippines Inc.	1,164	20 Nov 2027	100%
Archangel	MPSA-177-2002-IV	Egerton Gold Philippines Inc.	1,012	20 Nov 2027	100%
Calo	EP-IVA-006	Egerton Gold Philippines Inc.	2,493	5 Sep. 2014*	100%
Pica	EP-IVA-007	Egerton Gold Philippines Inc.	2,086	5 Sep. 2014*	100%
Biga	EP-IVA-008	Egerton Gold Philippines Inc.	271	23 Oct. 2014*	100%
El Paso	EP-IVA-009	MRL Nickel Phils. Inc.	2,168	12 Apr. 2014*	100%
Philex	EP-IVA-010	Egerton Gold Philippines Inc.	1,579	23 Oct. 2014*	100%
Talahib	EP-IVA-011	Egerton Gold Philippines Inc.	873	14 July 2016	100%
Rosario	EP-IVA-014	MRL Nickel Phils. Inc.	1,835	20 Feb. 2015*	100%
East Lobo	EP-IVA-015	Egerton Gold Philippines Inc.	2,461	20 Feb. 2015*	100%
SW Lobo	EPA-IVA-093	MRL Nickel Phils. Inc.	166	Application	100%
Calo Extension	EPA-IVA-102	MRL Nickel Phils. Inc.	352	Application	100%
Batangas Extension	EPA-IVA-103	MRL Nickel Phils. Inc.	292	Application	100%

*Renewal submitted

Figure 4.1 **Batangas Gold Project tenements**

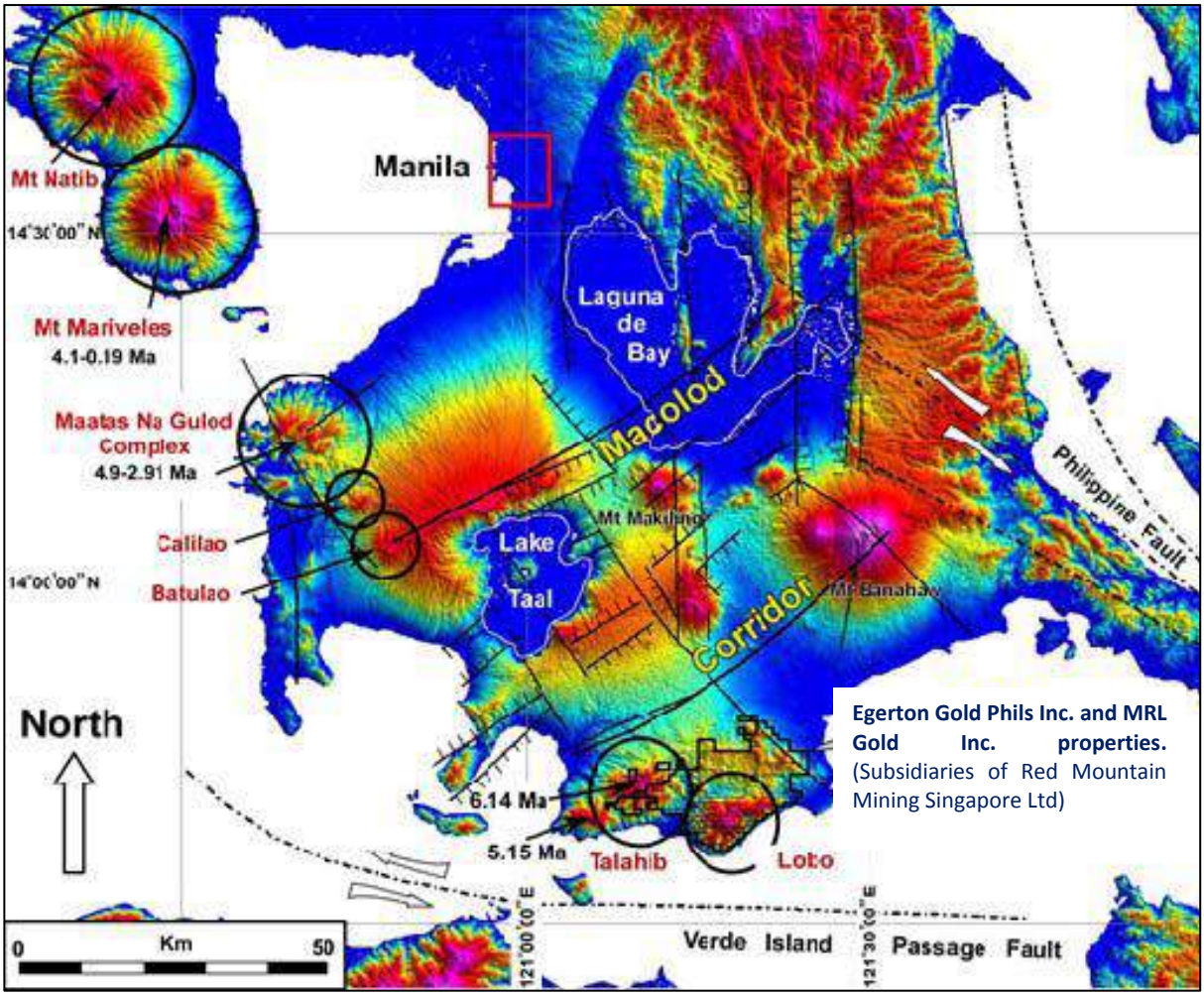


4.3. GEOLOGY

The Lobo and Archangel deposits are located within the Batangas Gold Project in the Batangas mineral district. The Batangas district is located on the northern side of the Verde Island Passage in Southern Luzon. A series of volcanic centres of Late Miocene to Recent age form part of the northwest-trending West Luzon Volcanic Arc, which is related to the eastward subduction of the South China Sea Plate at the Manila Trench. The volcanic centres that comprise this arc include the Talahib and Lobo centres of which the Lobo Volcanic Centre is the southernmost (Figure 4.2, which has been generated by MRL Gold, the Filipino subsidiary of Red Mountain).

The topography of the Batangas mineral district is dominated by the Talahib and Lobo volcanic centres, which occur within a deeply eroded, calc-alkaline, volcano-plutonic arc complex of Late Cenozoic age. A series of northwest trending arc-parallel faults transect the Batangas and Cavite provinces and may have been responsible for focusing arc magmas during the Middle Miocene. The broader Batangas region was associated with waning subduction and magmatism, as evidenced by the deeply eroded volcanic centres.

Figure 4.2 **Luzon volcanic arc, topographic image, hotter colors represent height relative to sea level**



In the Lobo and Archangel area bedrock geology consists of three formations:

- The Talahib Volcanic Sequence (Middle Miocene), a thick succession of andesite and dacite flows and tuffs. The Talahib Sequence is typically vesicular and amygdaloidal and locally displays flow banding. Regionally, it displays propylitic alteration with a strong chlorite-epidote alteration assemblage. The bulk of mineralisation at the Lobo and Archangel properties is hosted within the Talahib Sequence and alteration becomes progressively more acidic in proximity to epithermal mineralisation. Gold mineralisation observed at the Kay Tanda Prospect is a combination of the upper part of a porphyry copper gold system that was overprinted by several stages of epithermal veining.
- The Calatagan Formation (Late Miocene) consists of tuffaceous marine siltstone and coralline limestone.
- The Pimamucan Formation (Pliocene), including the Lobo Agglomerate, is a post mineralisation formation that forms prominent cliffs and shows some evidence of local hydrothermal alteration.

From a metallogenic perspective, the most important set of structures that were active during mineralisation within the Batangas Gold Project are the northeast trending faults and fault zones. Mineral prospects in the Batangas district are aligned along four separate and distinct northeast trends: the Archangel Trend, the Pica Trend, the Biga Trend and the Talahib Trend. Evidence for these northeast-trending structures being active during the main mineralising episode includes

several northeast trending anomalies including the northeast elongation of K-radiometric anomalies along the Archangel trend, and the northeast strike of mineralisation at the Lobo Property.

4.3.1. ARCHANGEL LOCAL GEOLOGY

The Archangel deposit is a low-sulphidation epithermal system, and occurs as a stockwork of quartz and quartz-carbonate-base metal veins and hydrothermal breccias hosted by andesitic volcanics and volcaniclastics generally overlying and being intruded by dacitic and dioritic intrusions and dykes. Higher gold grades are associated with discrete steeply dipping veins within the hydrothermal breccias and close to the intrusive-volcanic contact. Some supergene enrichment occurs in the more oxidised zones near surface. Mineralisation is open to the northeast.

4.3.2. LOBO LOCAL GEOLOGY

The Lobo area comprises a complex epithermal vein system that displays both high sulphidation and low-sulphidation characteristics.

Five, sub parallel extensional vein systems have been identified to date within the Lobo area.

The vein system at South West Breccia (**SWB**), centrally located on the South West Breccia Trend (Figure 4.4) is characteristically more gold rich (relative to silver and copper) and comprises multi-episodic vuggy hydrothermal quartz-barite-pyrite-clay breccias and micro-veinlet arrays. Breccias are a texturally matrix-supported, heterolithic mixture of chalcedonic quartz, crystalline barite, kaolinite to alunite clay and minor sulphides, consisting of pyrite and chalcopyrite. Vein mineralisation and silica replacement textures are also developed. Crustiform-colloform banding is a result of primary growth open-space filling textures, involving multi-episodic generations of barite, quartz and pyrite deposition. Cockade-textured breccia mineralisation styles are also developed alongside banded types. Massive replacement, often as vuggy quartz, occurs in association with pyrite and clay. This points to a dominantly low-sulphidation, epithermal style of gold mineralisation, probably overprinted onto an earlier high-sulphidation, epithermal hydrothermal system characterised by copper and silver mineralisation.

Immediately to the southwest of SWB is the Japanese Tunnel area, which is typically copper, gold and silver enriched, similar to the Camo area, at the northeast end of the SWB Trend. Both the Japanese Tunnel and Camo sub-zones comprise hydrothermal breccia associated mineralisation with quartz-barite-sulphide gangue mineral assemblage. Breccias are texturally matrix supported, heterolithic mixture of chalcedonic quartz, crystalline barite, kaolinite to alunite clay with more abundant (2% to 10%) sulphides, consisting of chalcopyrite, bornite, covellite and enargite, which is an assemblage suggestive of a high-sulphidation epithermal origin.

The vein breccia at West Drift comprises silicified, crustiform and colloform banded quartz with associated quartz-barite-clay gangue, containing minor sulphide and clots/stains of malachite and azurite with stringers of enargite-chalcopyrite suggestive of a high-sulphidation epithermal origin. Drilling by Red Mountain in 2013, below the near surface zone at West Drift, has identified vein mineralisation and silica replacement textures, involving multi-episodic generations of barite, quartz and pyrite deposition. This points to a dominantly low-sulphidation epithermal style of gold mineralisation at depth that is probably overprinted, albeit underlying, the earlier high-sulphidation, epithermal hydrothermal system characterised by copper and silver mineralisation.

4.4. EXPLORATION

4.4.1. HISTORIC EXPLORATION

The earliest recorded mining in the Batangas region dates back to the pre-Spanish era (pre 1521) when Chinese small-scale miners worked on the Kay Tanda prospect area in the Archangel property

and in its immediate vicinity. An account of the early history of mining and exploration at Balibago and at Lobo is also found in reports made by the Spaniards during their colonisation of the country. Before World War II, minor exploitation of outcropping mineralisation was conducted by the Japanese in the Balibago region. In the 1970s, Sumitomo Mining Corporation explored the same region and drilled two holes but did not intersect expected porphyry copper mineralisation. In 1975, the Mines and Geosciences Bureau of the Philippines conducted reconnaissance mapping, mineral resource evaluation and stream sediment sampling over the southern Batangas Province, including the area of the Archangel and Lobo Properties. Several copper prospects were documented and a stream sediment survey of the region revealed some copper-anomalous drainages.

From 1987 to 1989, Western Mining Corporation conducted exploration on the Archangel property including reconnaissance mapping, trenching, rock-chip sampling, surface soil sampling, ground magnetic surveys and a regional geochemical survey over the Archangel region prior to drilling seven diamond drill holes at the Pulang Lupa (Kay Tanda West) and Kay Tanda prospects. At the Kay Tanda prospect the drilling intersected epithermal gold mineralisation above porphyry related phyllic alteration with up to 0.6% copper.

World Geoscience Corporation flew airborne magnetics and radiometric geophysical surveys over the Archangel and Lobo Properties in 1996 for BHP Billiton Ltd and then for a joint venture between BHP Billiton Ltd and listed company Chase Resources Ltd. BHP Billiton Ltd purchased the aeromagnetic survey data from Chase Resources Ltd in 1998 after they had conducted tenement due diligence work on the Archangel Property, and interpreted a cluster of magnetic responses in the nearby region. These anomalies were interpreted as high-level intrusions with which porphyry copper-gold mineralisation could be associated.

Between 1995 and 1998, Chase Resources Ltd, in joint venture with BHP Billiton Ltd, carried out more extensive reverse circulation drilling at the Kay Tanda Prospect. Thirteen reverse circulation drill holes totalling 1,544 m were completed by Chase Resources Ltd between January to March 1998 at Kay Tanda and Pulang Lupa on the Archangel Property. The holes intersected both the upper silicified and argillised zones at Kay Tanda and Pulang Lupa, and also underlying zones of phyllic alteration. Drilling by Chase Resources Ltd at Kay Tanda was wide-spaced, with most holes located over 100 m apart. The drill holes intersected low-grade gold mineralisation which averaged approximately 0.7 g/t gold in a 600 m by 400 m area. Mineralisation was open in several directions and a preliminary resource study was conducted in 2003. This study has not been viewed by the Competent Person as it has been superseded by later work.

In 1997, Egerton Gold NL of Australia entered into a deal with the then claim holder, Apical Mining, and shortly thereafter the mineral interests of Egerton Gold NL were purchased by four private Philippine and Australian individuals and amalgamated into Philippines company Egerton Gold Philippines Incorporated (EGPI) which was set up to hold the Lobo and Archangel MPSAs.

4.4.2. EXPLORATION BY MINDORO

On 23 October 2000, Mindoro, through its wholly owned subsidiary, MRL Gold Philippines Inc. (MRL), signed an option agreement with EGPI, to acquire the right to earn up to a 75% direct and indirect interest in the Batangas Gold Project tenements, including the Archangel and Lobo MPSAs. This was subsequently, on the 28 November 2008, converted to a 40% direct and 60% contractual right interest in EGPI.

From 2000 to 2012 Mindoro Resources Ltd (Mindoro) explored the area, spending approximately US$15 million (based on attributed expenditure stated in Red Mountain Annual Report 2012-2013) on the exploration and development of the Batangas Gold Project and resulting in the delineation of significant mineralisation at the Archangel property.

ARCHANGEL PROPERTY

Mindoro's exploration focused on delineating a shallow dipping mineralised epithermal stockwork hosted by andesitic volcanics domed over a series of dacitic to dioritic intrusive centres (porphyry copper-gold targets). The programme included:

- re-processing of previous aeromagnetic data and coincident radiometric surveys;
- ground magnetic surveying;
- regional geological mapping along the Archangel trend;
- stream sediment sampling, regional rock chip sampling and PIMA sampling of the rock chips;
- grid-based soil sampling (200 by 50 m and 50 by 50 m);
- 18,800 metres of induced polarisation (**IP**) geophysical surveying;
- reverse circulation percussion (147 holes) and diamond drilling (26 holes) totalling 23,042.3 m at the Archangel property's main resource area of Kay Tanda as well as 2 holes at Balibago from March 2006 to April 2007; and
- metallurgical test work.

In February 2008 Mindoro released an initial CIM (NI 43-101) compliant Mineral Resource estimate for the Kay Tanda and Pulang Lupa prospects on the Archangel Property (Mindoro Resources Ltd TSXV release 6 February 2008).

In September, 2008, Mindoro entered into a Memorandum of Understanding (**MOU**) with Avocet Mining plc (Avocet) over the Archangel Property. Avocet conducted due diligence on the Kay Tanda prospect, beginning in October 2008. The programme was aimed at re-evaluating the gold resources of the project by drilling across the strike of previous drilling and high-grade epithermal veins, and modelling the different mineralisation domains, especially the high grade veins. The due diligence work consisted of 14 diamond drill holes totalling 2,041.8 metres, focused on reviewing and determining the projections of the different mineralised structures, particularly the high grade veins. It also evaluated the potential for near-surface high grade structures. Avocet withdrew from the MOU in September 2009 having completed their due diligence drilling program (Mindoro Resources Ltd TSXV release 14 September 2009).

The Avocet drilling provided important data, enabling further interpretation of the different mineralisation zones, especially the quartz-base metal veins and confirming the interpretation of the complex mineralisation found at Kay Tanda. Avocet subsequently provided a Mineral Resource estimate for the Archangel Property (Mindoro Resources Ltd TSXV release dated 5 March 2010). The Mineral Resource was independently verified in 2010 by Ravensgate Pty Ltd, to comply with the JORC 2004 reporting standards.

LOBO PROPERTY

The Lobo property within the Batangas Gold Project area includes the historic Lobo copper mine, the South West Breccia deposit, West Drift (Lobo), Japanese Tunnel, Camo, Acacia, Pica, Balisong and Ulupong prospects. Data sets available include soil and rock chip geochemistry, detailed surface geology mapping, aeromagnetic, radiometric, topographic data, drillhole lithology and alteration logs and drillhole assays. Mindoro explored the Lobo Property from 2000 to 2009, focusing on drill targeting a series of steeply dipping quartz-barite veins targeting high grade gold shoots such as the South West Breccia. A total of 38 holes were drilled on the South West Breccia deposit during this period for 2,730 m. Exploration results included:

- the definition of five sub-parallel vein systems developed on northeast trending structures, spaced 500 to 1,000 m apart and covering an area of approximately 3 km by 1.5 km;
- definition of soil anomalies over a 23.5 km^2 area;
- IP surveying over a 13.8 km^2 area;

- regional stream-sediment sampling primarily to the northeast of the broader Lobo region;
- completion of trenching programmes and a total of 74 drill holes over a range of prospects.

Based on the exploration and 38 of the holes on the South West Breccia resource an initial Mineral Resource estimate (prepared by Bailey Geological Consultants Canada Ltd.) was published by Mindoro in February 2005.

Exploration on the Pica prospect identified an epithermal vein system that is open in all directions. Mindoro drill tested an IP chargeability anomaly and coincident soil geochemistry in 2005. The drill hole intersected a stacked system of epithermal gold veins (including 1.5 m at 8.5 g/t gold from 29.8 m depth and 13.65 m at 2.49 g/t gold from 110 metres depth). This was followed by a copper-gold porphyry that produced an intercept of 39 metres at 0.13% copper and 0.13 g/t gold from the potassic zone (663 to 702 m down hole).

In 2009, Gold Fields Ltd (Gold Fields) entered into three contiguous joint venture farm-in agreements to earn up to 75% interest in three joint ventures, including the Lobo Property, as well as the El Paso and Talahib joint ventures. Gold Fields spent approximately US$3 million on a regional aeromagnetic survey, soil and stream sediment geochemistry and drilling at El Paso and Lobo (Mindoro internal report, 2010). At Lobo, Gold Fields further tested the Pica prospect, completed three deeper holes at West Drift and one deep hole at South West Breccia. Gold Fields also drill-tested a soil anomalous zone at Sawahan with two holes (500 metres north of Ulupong). By 2011, Gold Fields had refocused on a project at Far-Southeast in the Baguio district, north-central Luzon and withdrew from the joint venture.

In late 2011, Mindoro completed an 8 hole (1,219.5 m) infill resource definition drill programme on the South West Breccia resource shoot.

EXPLORATION ON OTHER COPPER-GOLD AREAS

Under the 2009 joint venture farm-in agreements, Gold Fields drilled a total of six drill holes at the El Paso copper-gold project area with permit EP-IVA-009. The diamond drilling tested outcropping mineralisation and IP anomalies. Intersections included 42.2 m at 0.5% copper.

Other exploration completed by Mindoro in 2007 included seven diamond drill holes testing the Calo porphyry copper-gold target, a large IP chargeability anomaly northwest of the Lobo Project.

EXPLORATION BY RED MOUNTAIN MINING

On 30 October 2012, RMX completed a transaction to acquire the interests of Mindoro in the Batangas Gold Project tenements by acquiring a 100% interest in the RMMS Group. Prior to Red Mountain commencing exploration, over 43,300 m of drilling had been completed on the Batangas Gold Project, including 27,000 m completed on Archangel's Kay Tanda gold deposit.

Since Red Mountain began exploring the Batangas Gold Project it has drilled 72 holes at the Archangel and Lobo Properties, completed regional sampling and trenching programmes and updated the Mineral Resource Estimates at both Archangel and Lobo.

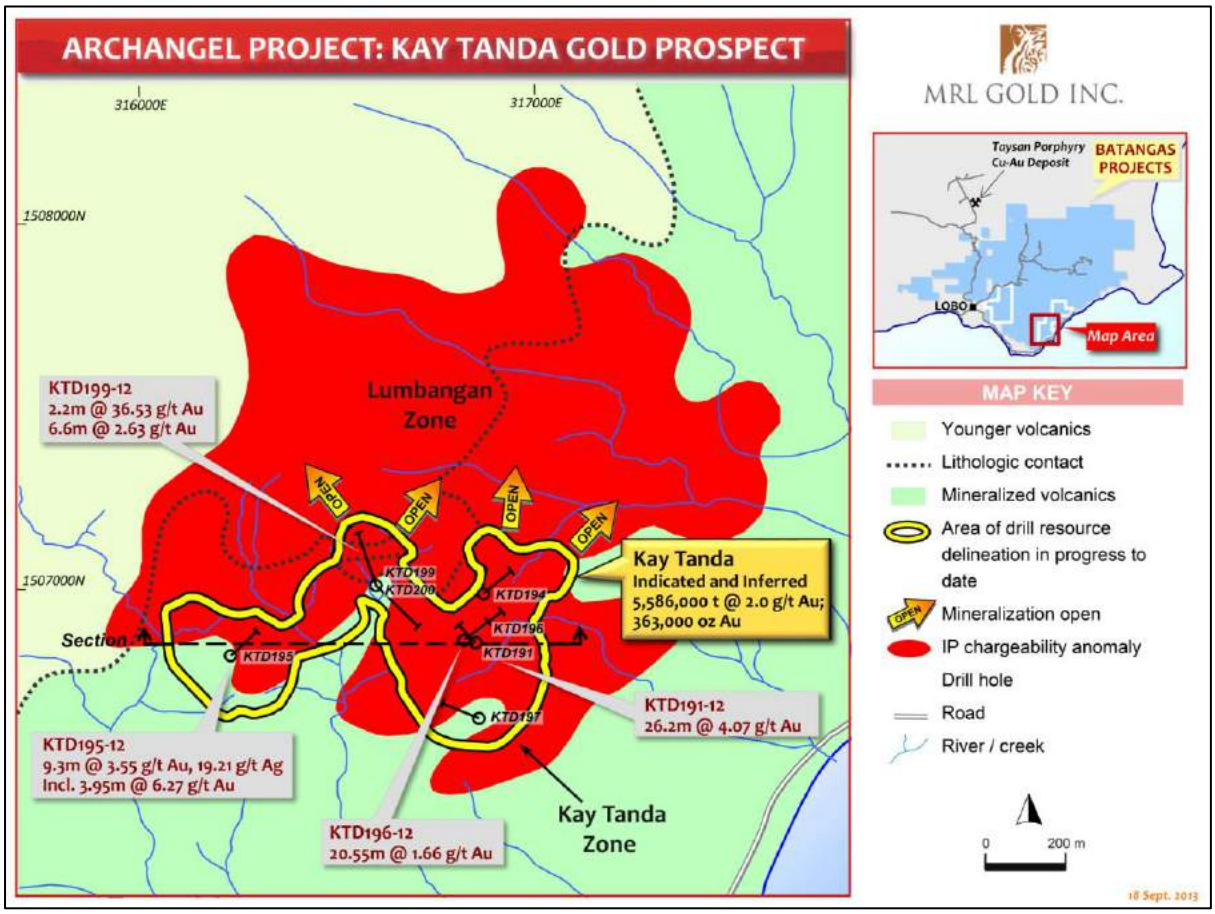
Archangel Property

After assessing the extensive historical exploration and results, Red Mountain planned an initial exploration programme at Archangel to target high grade "feeder zones" to the Kay Tanda resources as well as to identify deeper structural controls. The objectives of the programme were to better define and structurally orient the higher grade zones for resource estimation and to extend the higher grade zones at depth below the existing resources. Red Mountain completed 10 diamond drill holes totalling 1,793 metres (Figure 4.3). All 10 drill holes intersected gold mineralisation. The

drilling confirmed the structural orientation of the higher grade mineralisation. Drill hole KTD199-12 returned high grade gold intersections (36.5 g/t gold over 2.2 m) on the intrusive/volcanic contact at the northwestern end of the resource, which remains open in that direction. Red Mountain believes that there is potential for extensions to the high grade gold mineralisation on this contact.

Other potential at Archangel includes extending the mineralisation to the northeast where previous trenching on the Lumbangan Ridge produced significant results including 45 m at 1.36 g/t gold. Testing other high grade feeder results such as from the Lumbangan valley, northeast along strike from Kay Tanda and the Balibago-Ahit prospect southwest of Kay Tanda, where previous trenching included 18.3 m at 3.78 g/t gold (Ahit Creek), is also planned.

Figure 4.3 **Plan of Archangel Mineral Resource area and drilling by Red Mountain**



Lobo Property

Based on a review of the exploration conducted on the Lobo Property, Red Mountain highlighted the potential for the discovery of additional high-grade gold mineralisation over a 15 km strike length of epithermal vein-breccia structures that had been mapped at Lobo. Initial targets included the West Drift lode structure at depth below the historic Lobo copper mine and the South West Breccia vein structure along strike from the existing high grade resources at the South West Breccia.

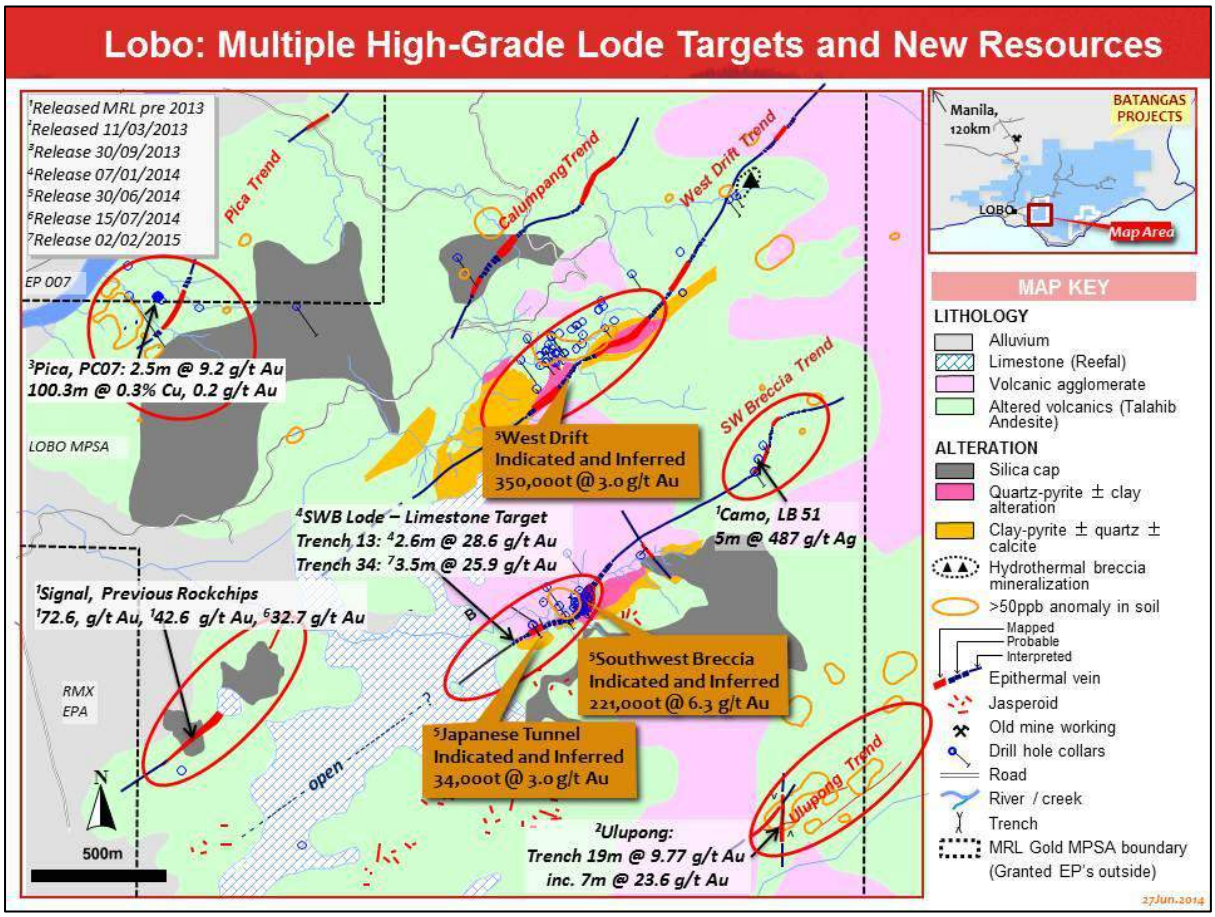
Red Mountain has completed drilling programs that began in December 2012, as well as completing a concurrent trenching programme to test the South West Breccia and the Japanese Tunnel targets (Figure 4.4). The drilling and trenching results were incorporated into the JORC 2012 Mineral Resource estimate released by Red Mountain, 30 June 2014.

Red Mountain is exploring five major epithermal vein systems with a total strike length of over 15 km on the Lobo property. Drilling to date has only tested 1 km of strike length to relatively

shallow depths (200 m at West Drift and 120 m at SWB). Zonation of gold grades is evident at West Drift and on the SWB structure, with higher grade gold zones at lower elevations.

To date, Red Mountain has completed 15 diamond drill holes at West Drift totalling 3,111 metres, where past exploration identified generally increasing gold grades with depth. Drilling at West Drift has now defined the vertical extent of a shallow plunging high grade gold shoot, located between 100 m and 150 m below surface, and delineated over a 200 m strike length within a 400 metre long target zone (Figure 4.5). High-grade drilling results are associated with a moderately plunging flexure or bend in the lode structure. The interpreted shoot has been defined over a 200 m strike length and 50 m dip-length and is open to the south and north.

Figure 4.4 **Plan of Lobo epithermal structures (Red Mountain Mining Ltd ASX released presentation dated 3 August 2015)**

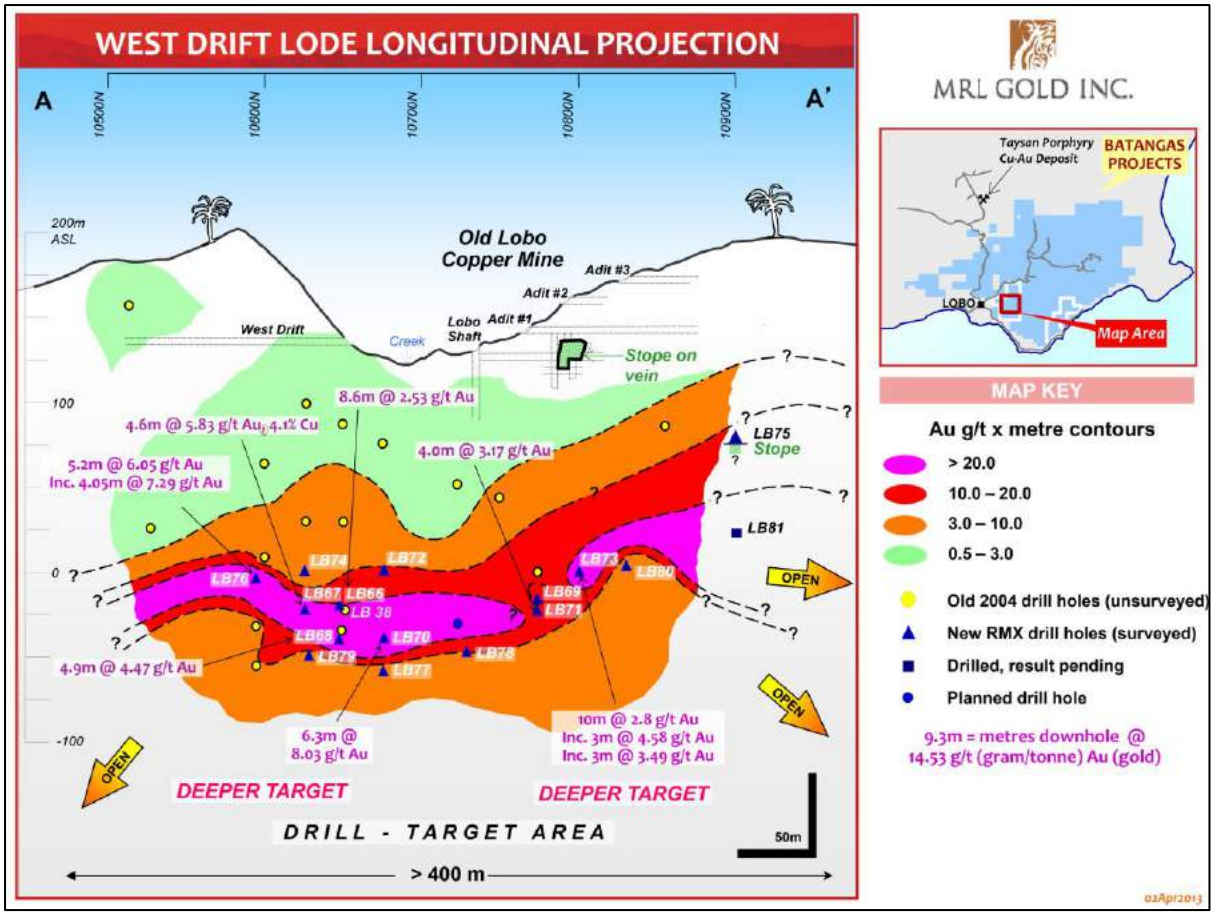


Red Mountain's channel sampling programme at the Lobo Property also discovered a new high grade epithermal vein at Ulupong, where a continuous 19 m surface channel of 1 metre spaced samples along the strike of an exposed epithermal quartz-barite vein produced an intersection of 19 m grading 9.8 g/t gold. The vein is at the western end of an extensive zone of anomalous gold soil geochemistry at Ulupong-Sawahan that extends for over two kilometres in a northeast-southwest direction, sub parallel to the South West Breccia and West Drift epithermal gold vein systems (Figure 4.4).

Previous drilling at the Pica Prospect intersected a series of epithermal quartz-barite veins including in PC02: 1.5 m at 8.5 g/t gold from 29.8 m and 13.65 m at 2.49 g/t gold from 110 m. Regional mapping at the Pica prospect by Red Mountain has located extensions to this mineralised vein structure, which extend the structure for more than three kilometres. Red Mountain sampled the new Pica extensions, and completed a drilling programme that tested the near surface extent of the veins for open pit mining potential.

Red Mountain exploration during the 12 months to 30 June 2014 focused on testing high grade extensions to the SWB lode system.

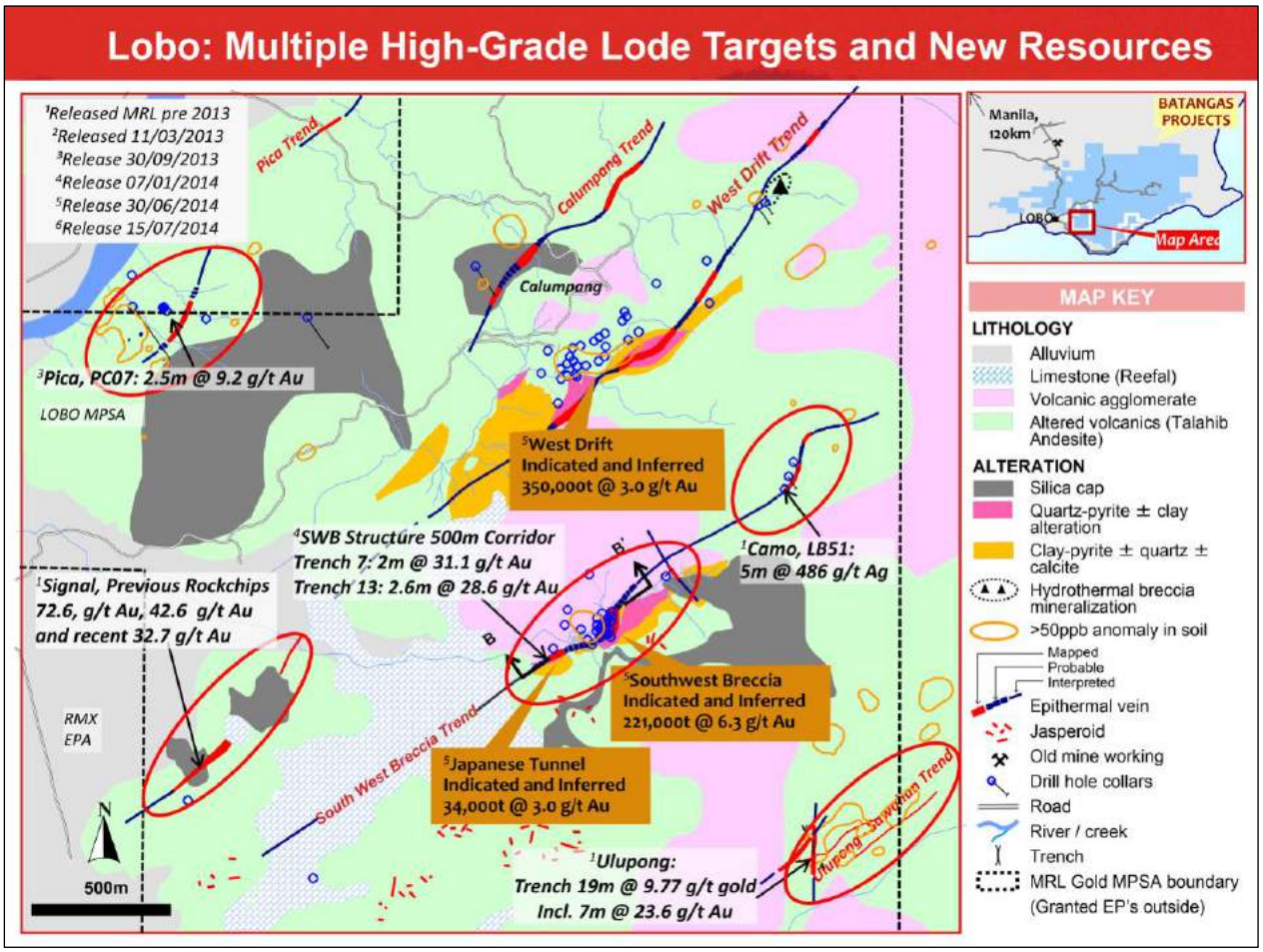
Figure 4.5 Longitudinal section at West Drift



Trenching of a 500 m strike length zone of intermittently exposed epithermal lode material produced high grade gold mineralisation results from three areas (Figure 4.6) including:

- Trench 7: 2 m at 31.1 g/t gold (ASX release dated 6 November 2013) and 3 m at 22.2 g/t gold (ASX release dated 7 January 2014), located 100 m southwest of Japanese Tunnel;
- Trench 13: 2.6 m at 28.6 g/t gold (ASX release dated 7 January 2014), located at the southwestern most lode exposure before the structure passes under younger limestone; and
- Trench 19: 8.35 m at 18.3 g/t gold and Trench 21: 6.0 m at 31.2 g/t gold (ASX release dated 12 February 2014), located immediately west of the SWB resource (SWB Extended).

Figure 4.6 **Plan of the Lobo epithermal lode structures with results and targets**

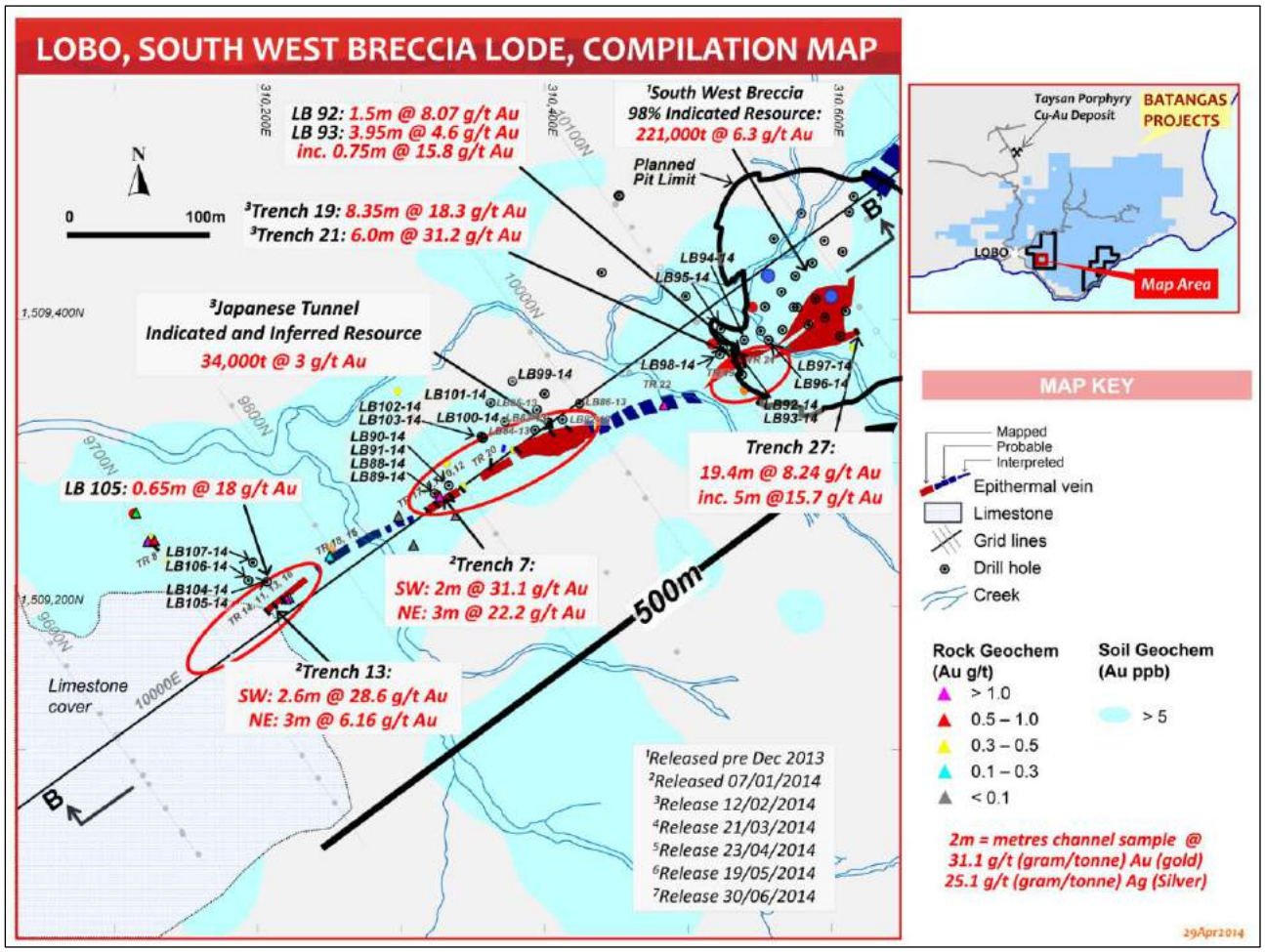


Drilling commenced testing under the high grade trenching results in February 2014. A total of 20 holes were completed within the SWB corridor for 837 m (see Figure 4.7 for locations).

Initial drilling results confirmed extensions to the surface mineralisation sampled in the trenches including:

- at SWB Extended where LB 93 intersected 3.95 m at 4.6 g/t gold from surface including 0.75 m at 15.8 g/t gold and 0.5 m at 7.16 g/t gold and 15.3 g/t silver and LB92 intersected 1.5 m at 8.07 g/t gold from 5.25 m downhole including 0.5 m at 12.0 g/t gold (ASX release dated 21 March 2014);
- at Trench 13 where LB105 intersected 0.65 m at 18 g/t gold from 10 m downhole depth, open to the southwest (ASX release dated 23 April 2014); and
- between Japanese Tunnel and Trench 7, below Trench 20, where LB 103 intersected 1.5 m at 3.63 g/t gold from 38.7 m downhole including 0.5 m at 4.73 g/t gold (ASX release dated 23 April 2014), indicating that the mineralisation weakens below the surface trench results but then strengthens with depth, associated with a flattening of the lode.

Figure 4.7 **Plan of the SWB lode with selected sampling results and Mineral Resources**



Diamond drilling and trenching also tested the northern extent and at depth below the previous SWB resource (ASX release dated 30 January 2013). A total of eight drill holes for 530 m were completed, with the additional objectives of obtaining geotechnical information and providing metallurgical samples for testing as part of the DFS program.

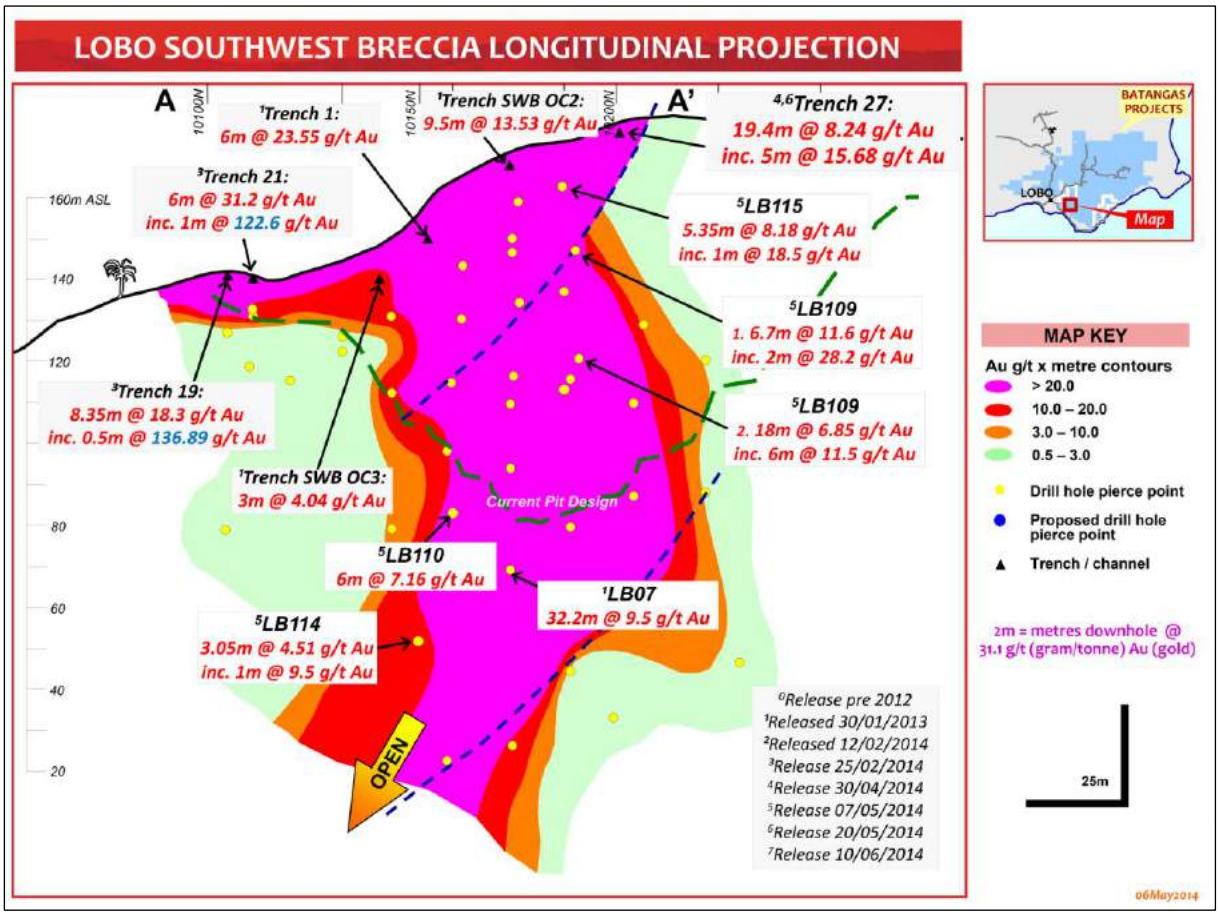
Peak intersections from the SWB lode drilling and trenching program included:

- LB109: 6.7 m at 11.6 g/t gold from *9.3 m and 18 m at 6.85 g/t gold from *31 m down hole (ASX release dated 7 May 2014);
- LB 110: 6 m at 7.16 g/t gold from *43 m including 3 m at 11.5 g/t gold (ASX release dated 7 May 2014);
- LB115: 5.35 m from surface at 8.18 g/t gold including 1 m at 18.5 g/t gold (ASX release dated 10 June 2014);
- Trench 17: At surface, 19.4 m at 8.24 g/t gold including 5.05 m at 15.7 g/t gold (ASX release dated 19 May 2014); and
- Under Trench 13, LB 105: 0.65 m at 18.0 g/t gold from *10 m (ASX release dated 23 April 2014).

**Note, all depths are downhole, approximating 1.2 x depth below collar assuming -60° hole angle.*

The SWB resource remains open at depth (see longitudinal projection in Figure 4.8). All results have been incorporated into the current Mineral Resource statement (ASX release dated 30 June 2014).

Figure 4.8 **Longitudinal projection of the SWB shoot, with recent results**



During early to mid 2015 and summarised in the Quarterly Activities and Cashflow Report for the quarter ending 30 June 2015, released by RMX 30 July 2015, RMX announced high-grade extensions to the SWB lode. Furthermore, RMX announced the identification of a new target at the southwest end of the 500 m SWB lode system in the footwall of high grade trenching at the Limestone Target, called Tamarind Target. Planning has been completed for drill testing of the new target as part of the Stage 1b Funding program, prior to a planned resource upgrade and completion of the Feasibility Study for the Batangas Gold Project. Results of the 2015 trenching programme included:

- SWB Ext. Trench 36: 4.5 m at 14.8 g/t gold including 1.0 m at 44.9 g/t gold (RMX 17 March 2015)
- SWB Ext. Trench 37: 9 m at 28.9 g/t gold (RMX 17 March 2015);
- SWB Ext. Trench 38: 3.0 m at 12.1 g/t gold including 1.0 m at 27.2 g/t gold (RMX 11/06/15);
- SWB Ext. FW Lode: Trench 39: 2.1 m at 14.2 g/t gold incl. 0.6 m at 41.5 g/t gold (RMX 11/06/15);
- Limestone Target, Trench 34: 3.5 m at 25.9 g/t gold including 1.5 m at 56.8 g/t gold (RMX 2/02/15);
- Limestone Target, Trench 33C: 2 m at 14.2 g/t gold including 0.5 m at 41.0 g/t gold (RMX 2/02/15).

Drilling has also been completed at the Camo prospect 2 km along strike to the northeast of SWB. A total of eight drillholes and two trenches/rockchip channel samples have tested the 'Anomaly 1' zone of the 500 m strike length Camo Lode (Figure 4.9).

The drilling and trench/channel sampling has tested the steeply dipping lode at approximately 25 m cross section spacing and 50 m dip spacing over a 125 m strike length and to a maximum 100 m

depth. The mineralisation is open down plunge to the northeast. Average lode true width is approximately 4.5 m.

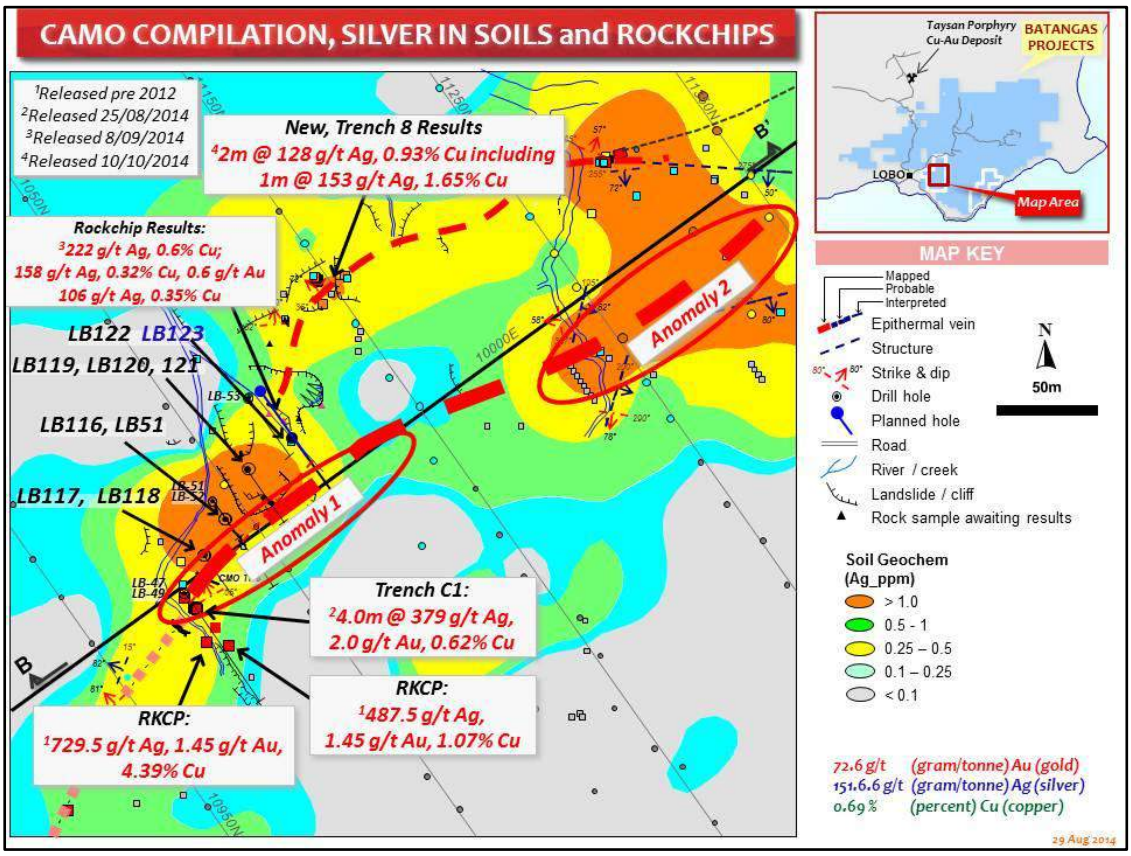
Peak intersections include:

- LB 51: 5.5 m from *25.8m at 487 g/t silver, 0.17 g/t gold and 1.83% copper (released in pre 2012);
- LB 119: 5.5 m from *27.5m at 200 g/t silver, 0.25 g/t gold, 0.65% copper and 1.25% lead + zinc (RMX release dated 2 October 2014) and
- surface Trench C1-14: *4 m at 379 g/t silver, 2.0 g/t gold and 0.62% copper (RMX release dated 25 August 2014).

**Note, all depths are downhole, approximating 1.2 x depth below collar assuming -60° hole angle.*

Further exploration will extend to the 'Anomaly 2' zone located 200 m to the northeast along strike from the Anomaly 1 area drilled to date. Anomaly 2 is characterised by highly anomalous silver and gold in surface soil sampling (Figure 4.9).

Figure 4.9 Plan of Camo lode with rockchip sample results and drillhole locations



5. MINERAL RESOURCES

5.1. ARCHANGEL PROJECT

The Kay Tanda and Kay Tanda West Mineral Resources were reviewed and re-compiled by Optiro Principal Mr Ian Glacken, a Competent Person as defined in the 2012 Edition of the JORC Code and released by Red Mountain on the ASX on 30 June 2014. This work included review of the underlying data, methodology, model and the classification of the Mineral Resources. The Competent Person considers that the Mineral Resource estimates, methodologies and underlying data used are

appropriate and confirms that the reporting and classification of the Mineral Resource estimate is in accordance with JORC Code guidelines. The Competent Person endorses the Mineral Resources as presented.

The review and JORC Table 1 compilation was based on the re-estimated Kay Tanda and Kay Tanda West Mineral Resources released by Red Mountain on the ASX on 30 January 2013, that were compiled by Mr Ted Coupland of Cube Consulting Pty Ltd (**Cube**), a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Coupland relied on information provided by Mr Jon Dugdale, FAusIMM, also a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' who has visited the project numerous times between 2006 and 2015. This work followed a due diligence on the project by Cube. The current Archangel Mineral Resource as at 30 June 2014 (JORC 2012), including Kay Tanda and Kay Tanda West, is summarised in Table 5.1. No further updated Mineral Resources have been released.

Table 5.1 Archangel current Mineral Resource estimates as of 30 June 2014 (JORC 2012)

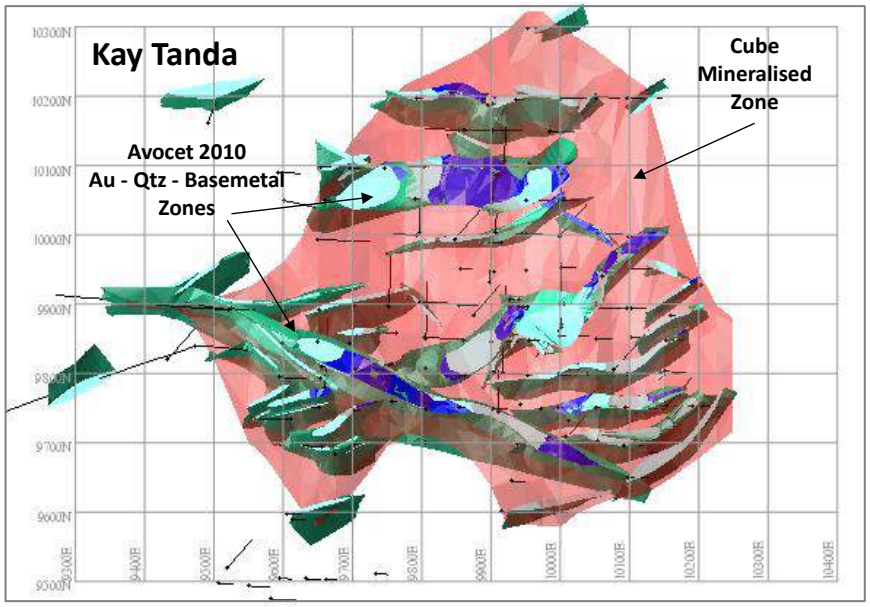
Deposit	Cut-off (Au ppm)	Classification	Tonnes	Au (g/t)	Ag (g/t)	Au (oz)	Ag (oz)
Archangel	0.85	Inferred	3,004,000	2.0	1.3	197,000	124,000
		Indicated	2,582,000	2.0	5.7	166,000	471,000
Total Mineral Resource			**5,586,000**	**2.0**	**3.3**	**363,000**	**595,000**

* Totals may not add due to rounding

The Cube Mineral Resource estimate used a different methodology from the previous 2010 Avocet Mineral Resource. Avocet attempted to identify zones of enrichment, whether pyrite alteration, quartz alteration, or base metal mineralisation and localise gold and silver grades within these zones. Cube, alternately, chose to interpret a larger zone of mineralisation as a stockwork deposit and to use geostatistical techniques, together with some geology, to identify preferential zones of mineralisation and mineralised trends (Figure 5.1).

The Cube approach essentially involved the generation of higher grade gold zones using a categorical indicator of grade at a cut-off of 0.7 g/t. This indicator (1/0 values denoting whether samples were above or below the 0.7 grade threshold) was simulated a number of times and the average of the simulations was generated to define the likely presence of higher grade gold shoots or veins

Figure 5.1 **Diagram from Cube report showing the relationship between Avocet mineralised zones and Cube mineralised zone at Kay Tanda (from Coupland, 2012)**



Gold grades above 0.7 g/t and inside the ore zones identified were estimated directly into selective mining unit (SMU) sized blocks using Ordinary Kriging. The background areas were then subject to estimation and processing using Local Uniform Conditioning (LUC). LUC is a two stage process whereby background gold grades were first estimated into large panels (40 x 20 x 5 m blocks) using Ordinary Kriging. These were then post-processed, firstly to determine the proportion of each panel above various cut-off grades (Uniform Conditioning) and finally to localise the grades to a Selective Mining Unit (SMU) level (i.e. 4 by 8 by 2.5 m blocks). Finally, the indicator estimate and the LUC estimate were combined using probability weighting. The same approach was used for both Kay Tanda and Kay Tanda West. Resource categories were allocated on the basis of grade continuity, data density and the confidence in the geological interpretation. As there was some uncertainty about the orientation of the high grade domains, especially at Kay Tanda, this deposit was largely allocated to the Inferred resource category. Silver grades were estimated directly into SMU-sized blocks from the drilling data.

5.2. LOBO PROJECT

The Lobo project Mineral Resources were compiled by Optiro Principal Mr Ian Glacken, a Competent Person as defined in the 2012 Edition of the JORC Code and released by Red Mountain on the ASX on 30 June 2014. The Competent Person has reviewed the Lobo project Mineral Resources including the underlying data, methodology, model and the classification of the Mineral Resources. The Competent Person considers that the resource estimates, methodologies and underlying data are appropriate and confirms that the reporting and classification of the Mineral Resource estimate is in accordance with JORC Code guidelines. The Competent Person endorses the Mineral Resources as presented.

The Lobo project Mineral Resource estimate encompasses three separate gold-copper-silver deposits, namely Southwest Breccia, Japanese Tunnels, and West Drift. The deposits have been delineated by surface trenches every 10 m along strike and by diamond core drillholes, which intersect the ore zones at near-perpendicular angles. Optiro was commissioned in 2014 to develop resource models for each of three deposits and worked closely with Red Mountain on the geological and mineralisation interpretations. The scope of work included statistics, geostatistics and variography, testing of estimation parameters, recommendation of appropriate estimation parameters and resource classification.

Interpretations of mineralised zones were developed on sections spaced horizontally between 10 m and 50 m apart. Wireframe models were developed on the basis of grade and geological continuity. High grade quartz/barite breccia veins were modelled at all three deposits. A lower grade argillic halo wireframe model was developed at Southwest Breccia and Japanese Tunnel. One metre composites of gold, silver and copper samples were generated within the wireframes for each domain. Variography was undertaken on all elements within each domain and provided reasonable variograms, which were subsequently used to define the extents of search ellipsoids for grade estimation. Ordinary Kriging with post-processing by LUC were used to estimate and localise grades within the wireframes. LUC provides a realistic representation of the actual grades and tonnes which may be achieved by mining at a minimum SMU size of 2 mX by 2 mY by 2.5 mZ. Validation of the block model showed good correlation of the input data to the estimated grades.

Mineral Resources have been classified on the basis of the drill spacing, geological confidence and data quality in accordance with the JORC Code 2012 Edition. In broad terms, a 25 m by 25 m sample spacing in the plane of the mineralisation should be sufficient to achieve an Indicated classification, although this cannot be guaranteed as geological confidence needs to remain at the same levels with infill drilling. Inferred Resources have been defined where the drill pattern spacing is 50 m by 50 m or worse.

The 30 June 2014 Indicated and Inferred Mineral Resource for the Lobo project, above a 0.85 g/t gold cut-off for Southwest Breccia and Japanese Tunnels, and above a 2.0 g/t gold cut-off for West Drift, is reported in Table 5.2. No further updated Mineral Resources have been released.

Table 5.2 Mineral Resource tabulation for Lobo project as of June 30 2014

June 2014 Mineral Resource - Lobo Deposits							
Deposit	**Cut-off (Au ppm)**	**Classification**	**Tonnes**	**Au (ppm)**	**Ag (ppm)**	**Au (oz)**	**Ag (oz)**
Southwest Breccia	0.85	Inferred	7,000	2.4	1.9	44,000	400
		Indicated	214,000	6.4	1.8	1,000	13,000
Japanese Tunnels	0.85	Inferred	7,000	2.2	5.3	1,000	1,000
		Indicated	26,000	3.3	5.9	3,000	5,000
West Drift	2.0	Inferred	205,000	3.0	4.3	19,000	28,000
		Indicated	145,000	3.1	4.7	14,000	22,000
CATEGORY TOTALS		Inferred	219,000	2.9	4.2	64,000	29,400
		Indicated	385,000	4.9	3.2	18,000	40,000
GRAND TOTAL			**604,000**	**4.2**	**3.6**	**82,000**	**69,400**

* Totals may not add due to rounding

6. VALUATION OF ORE RESERVES

There has been no estimate of Ore Reserves at the Batangas Gold Project, and thus no valuation can be ascribed. Red Mountain has carried out a Scoping Study, which was released to the ASX on 20 March 2014. This study confirmed the likelihood of a low-cost, early payback project based upon reasonably-assumed project capital and operating costs and a gold price of US$1,080 per ounce. Red Mountain intends to complete a Definitive Feasibility Study on the Batangas Gold Project, focussing on open pit mining at Lobo, which will allow Ore Reserves to be declared under the JORC Code (2012).

7. ENVIRONMENT, SOCIAL AND FACILIITES

No operation has yet been developed at the Batangas Gold Project, thus environmental issues are currently related to the correct construction and rehabilitation of drilling and sampling sites, in accordance with best environmental practice.

The Batangas Gold Project received endorsement from the Lobo Municipal Government Council for project development in April 2015. The Competent Person understands that the project has now been endorsed by all directly affected Local Government Unit (LGU) councils with strong community and local government support. The Lobo Municipal Council (LGMC) withdrew its previous endorsement for the Project in July 2015, citing environmental and social acceptability concerns. The original "Motion to Endorse the Project" is still valid. The "Motion to Cancel Endorsement" of the project has been filed by LMGC, however RMMS has lodged a "Motion for Reconsideration" with the LMGC which is being considered.

Community consultation and presentation of the Environmental Impact Statement has been completed. Responses to the questions raised during community consultation, as well as feedback from the Review Committee of the Philippines EMB, have been submitted to the Review Committee. RMMS is awaiting the third and final review of the EIS before the Review Committee is due to submit their final recommendation to the Head of the EMB for approval of the ECC.

The final step in the permitting process for development of the project is issue of the DMF. Once the ECC is granted and the Company has the necessary two out of three LGU endorsements, application for the DMF will proceed from the MGB Region 4 division, to the central MGB for final approval. RMMS will have an opportunity to comment on the feedback on the DMF submissions from the MGB prior to a recommendation from the MGB to the Secretary of the DENR for final approval and execution. This is the final step in the central government permitting process required to allow development of the Batangas Gold Project to commence.

8. HISTORIC PRODUCTION AND EXPENDITURES

There has been no recent production or operating expenditure at the Batangas Gold Project, however the Lobo copper mine operated from the 1940s to 1968.

9. INFRASTRUCTURE

The Batangas Gold Project is located approximately 15 km from the Ilijan power plant situated at the port city of Batangas and 20 kilometres from the San Lorenzo power plant. The City of Batangas, with a population of 305,000 provides all potential required facilities, including engineering support, power and port facilities. Locally, the Batangas Gold Project is located within the Municipality of Lobo with a population of approximately 37,000. The local, well-educated and English speaking population are readily able to provide necessary project development and operational labour.

With the second largest international seaport in the country, after Manila, the Batangas region is an economic hub for the Philippines. Sugar, coffee and livestock are an important part of the local economy.

10. SPECIAL FACTORS

The Competent Person is not aware of any additional information or special factors affecting exploration or potential future extraction activities at the Batangas Gold Project.

11. DECLARATIONS BY OPTIRO

11.1. INDEPENDENCE

Optiro is an independent consulting organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 16 Ord Street, West Perth, Western Australia, and Optiro's staff work on a variety of projects across a range of commodities worldwide.

This Report has been prepared independently and in accordance with the VALMIN and JORC Codes of the AusIMM. The authors do not hold any interest in BMVL, Red Mountain, their associated parties, or in any of the mineral properties which are the subject of this Report. Fees for the preparation of this Report are being charged at Optiro's standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this Report.

11.2. QUALIFICATIONS

The principal person responsible for the preparation of this Report, and Competent Person, is Mr Jason Froud (Principal). This Report was reviewed by Mr Ian Glacken (Principal and Director). Both Mr Froud and Mr Glacken and employed by Optiro.

Mr Jason Froud, BSc (Hons), Grad Dip (App Fin), MAusIMM, MAIG, is a geologist with over 18 years' experience in mining geology, exploration, resource definition, mining feasibility studies, reconciliation, consulting and corporate roles in gold, iron ore, base metal and uranium deposits principally in Australia and Africa. Jason has previously acted as a Competent Person and Independent Expert across a range of commodities with expertise in mineral exploration, grade control, financial analysis, reconciliation and quality assurance and quality control.

Mr Ian Glacken, BSc (Hons) Geology, MSc (Mining Geology), MSc (Geostatistics), FAusIMM(CP), MIMMM, CEng, DIC, is a geologist with over 30 years' experience worldwide in the mining industry. He specialises in resource audit and independent expert reports and has in recent times compiled IGR reports for the IPO of Tusker Gold Ltd, the Finnish assets of Vulcan Resources Ltd and a report on the assets of Aditya Birla Ltd for an IPO, and has recently generated a report on the assets of two copper companies for a merger. Ian was formerly the Group General Manager Resources and Geology for Snowden Mining Industry Consultants, a major international consulting firm.

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13. GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Term	Explanation
abbreviations	°C - degrees Celsius, ha – hectare, JV - joint venture, km – kilometre, km^2 – square kilometre, m – metre, m^3 – cubic metres, M – million, Mt – million tonnes, % - percentage, t – tonnes.
chemical elements	Au – gold, Ag – silver, Cu – copper, Zn – zinc.
alunite	A hydrated aluminium potassium sulphate mineral.
argillic	Relating to hydrothermal alteration resulting in the formation of clay minerals.
bedrock	The solid rock lying beneath superficial material such as gravel or soil.
breccia	A rock composed of broken and angular fragments of minerals or rock cemented by a fine-grained matrix often associated with faulting.
classification	A system for reporting Mineral Resources and Ore Reserves according to a number of accepted Codes.
colloform	A mineral texture having a rounded, finely banded kidney-like form.
crustiform	A vein texture displaying successive bands oriented parallel to vein walls.
cut-off grade	The grade that differentiates between mineralised material that is economic or not to mine.
dacite	A volcanic rock with intermediate composition.
diorite	An intrusive igneous rock with intermediate composition.
diamond drilling	Drilling method which produces a cylindrical core of rock by drilling with a diamond tipped bit.
epidote	A calcium aluminium iron sorosilicate mineral.
epithermal	Referring to mineral deposits formed at shallow depths associated with a boiling hot spring system.
formation	A defined interval of strata, often comprising similar rock types.
heterolithic	Referring to multiple rock types.
high sulphidation epithermal	An epithermal deposit systems develop from the reaction with host rocks of hot acidic magmatic fluids to produce characteristic zoned alteration and later sulphide and Au + Cu + Ag deposition.
Indicated Mineral Resource	'An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.' (JORC 2012)
Inferred Mineral Resource	'An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes which may be limited or of uncertain quality and reliability.' (JORC 2012)
intercept	Mineralised intersection in a borehole.
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2012.
low sulphidation epithermal	An epithermal deposit developed from dilute near neutral pH fluids.
metallurgy	Study of the physical properties of metals as affected by composition, mechanical working and heat treatment.
Mineral Resource	'A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.' (JORC 2012)
mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
ordinary kriging	A geostatistical estimation method which relies upon a model of spatial continuity as defined in a variogram.
phyllic	Referring to hydrothermal alteration characterised by a quartz + sericite + pyrite mineral assemblage.
propylitic	Referring to hydrothermal alteration characterised by a epidote+ chlorite + albite mineral assemblage.
quartz	Crystalline silica (SiO_2).
sediments	Loose, unconsolidated deposit of debris that accumulates on the Earth's surface.
siltstone	A sedimentary rock where the individual particles are predominantly between <0.05 mm in size.
stockwork	A complex system of veining, not in a solid mass.
subduction	A geological process that takes place at convergent plate boundaries where one (more dense) tectonic plate moves under another.
variography	A statistical method that investigates how variance changes as the distance is increased or decreased between observation points.
vein	A tabular or sheet like body of one or more minerals deposited in openings of fissures, joints, or faults.
volcanics	Sequence of strata formed from an erupting volcano.