

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, or as to what action you should take, you should consult an independent professional adviser authorised under the Financial Services and Markets Act 2000 (as amended), who specialises in advising on the acquisition of shares and other securities if you are resident in the UK, or, if you are not resident in the UK, from another appropriately authorised independent financial adviser in your own jurisdiction.

If you have sold or otherwise transferred all of your registered holding of Existing Ordinary Shares, please forward this document, together with the accompanying Form of Proxy, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom or by whom the sale or transfer was made, for delivery to the purchaser or transferee. However, this document and any accompanying documents should not be sent or transmitted in, or into, any jurisdiction where to do so might constitute a violation of local securities law or regulations. If you have sold only part of your holding of Existing Ordinary Shares, please contact the bank, stockbroker or other agent through whom or by whom the sale or transfer was made immediately.

This Document comprises a prospectus relating to Pembridge Resources plc (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 all of the ordinary shares in the Company (the "Ordinary 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 Ordinary 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 unconditional dealings in the Ordinary Shares will commence, at 8:00am on 21 August 2017. Dealings in Ordinary Shares before Admission will be on a "when issued" basis and will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned.

**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 ORDINARY SHARES AS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" BEGINNING ON PAGE 17 OF THIS DOCUMENT.**

The Existing Directors and the Proposed Directors of Pembridge Resources plc, whose names appear on page 33 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company, the Existing Directors and the Proposed Directors (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 does not omit anything likely to affect the import of such information.

## PEMBRIDGE RESOURCES PLC

*(Incorporated and registered in England & Wales with registered number 07352056)*

Proposed Placing of 81,095,625 New Ordinary Shares to raise £1,297,530 at a price of 1.6p per share

Proposed Subscription for up to 75,154,375 New Ordinary Shares to raise £1,202,470 at a price of 1.6p per share  
all such New Ordinary Shares to be issued with warrants attached on a one for one basis

Admission of up to 238,093,195 Ordinary Shares to the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities

and

### Notice of General Meeting

Joint Brokers  
Beaufort Securities Ltd  
SI Capital Ltd

### Expected share capital immediately following Admission

	<i>Up to</i>	<i>Up to</i>
	<i>Amount</i>	<i>Number</i>
<i>Issued and fully paid Ordinary Shares of 0.1p each</i>	£238,093.20	238,093,195

Beaufort Securities Ltd, which is authorised and regulated in the United Kingdom by the FCA, is acting as broker to the Company in connection with the matters disclosed herein and is not acting for any other person (including a recipient of this document) or otherwise responsible to any person for providing the protections afforded to clients of Beaufort Securities Ltd 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. No representation or warranty, express or implied, is made by Beaufort Securities Ltd, for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

SI Capital Ltd, which is authorised and regulated in the United Kingdom by the FCA, is acting as broker to the Company in connection with the matters disclosed herein and is not acting for any other person (including a recipient of this document) or otherwise responsible to any person for providing the protections afforded to clients of SI Capital Ltd 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. No representation or warranty, express or implied, is made by SI Capital Ltd, for the accuracy of any information or opinions contained in this document or for the omission of any material information, for which it is not responsible.

Notice convening a General Meeting of the Company to be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS on 18 August 2017 at 11.00 a.m. is set out at the end of this document. A Form of Proxy accompanies this document. To be valid, the Form of Proxy for use at the meeting must be completed and returned so as to be received at the offices of the Company's registrars, Capita Asset Services Limited, PXS1, 34 Beckenham Road, Beckenham, Kent. BR3 4ZF, United Kingdom, not later than 11.00 a.m. on 16 August 2017. The completion and depositing of a Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so.

A copy of this document is available, subject to certain restrictions relating to persons resident in any Restricted Jurisdiction, at the Company's website [www.pembridgeresources.com](http://www.pembridgeresources.com). Neither the content of the Company's website nor any website accessible by hyperlinks to the Company's website is incorporated in, or forms part of, this document.

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

This Document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary 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 Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada or Japan. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, 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 Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary 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 form, 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 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 that Act.

The distribution of this Document in or into jurisdictions other than the United Kingdom 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 Ordinary Shares have been approved or disapproved by the United States Securities and Exchange Commission (the "SEC"), any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the Ordinary 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 Ordinary Shares, to be issued and unissued pursuant to the Placing and Subscription, 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 companies with a Premium Listing which are subject to additional obligations under Listing Rules.**

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## SUMMARY

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 may 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 the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

<b>Section A – Introduction and warnings</b>		
A.1	Warning to investors	<p>This summary should be read as an introduction to this document.</p> <p>Any decision to invest in the Ordinary Shares should be based on consideration of this document as a whole by the investor.</p> <p>Where a claim relating to the information contained in this document is brought before a court the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this document before legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this document or it does not provide, when read together with the other parts of this document, key information in order to aid investors when considering whether to invest in such securities.</p>
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	<p>Not applicable; there will be no resale or final placement of securities by financial intermediaries.</p>

<b>Section B – the Issuer</b>		
B.1	Legal and commercial name	<p>The legal and commercial name of the issuer is Pembridge Resources plc.</p>
B.2	Domicile and legal form	<p>The Company was incorporated in England and Wales on 20 August 2010 as a public company with limited liability under the Companies Act 2006 with an indefinite life.</p>
B.3	Current operations/ Principal activities and markets	<p><i>Introduction</i></p> <p>The Company was originally incorporated in August 2010 to exploit a mining project in the Republic of Namibia and listed on the AIM Market on 1 August 2011. In January 2017 the Company disposed of all of its operating assets by way of a special in-specie dividend to shareholders and at the same time raised £1,000,000 to support the making of acquisitions in the mining sector and became an AIM Rule 15 cash shell. The Directors propose that the Company should now seek admission to the standard segment of the Official List as an acquisition company focused on the making of acquisitions and investments in projects and businesses involved in base and precious metals in the Americas, sub-Saharan Africa and Europe. Although a number of potential acquisition opportunities have been identified, the Company does not have any specific acquisition under consideration and does not expect to engage</p>

		<p>in substantive negotiations with any target company or business in this sector until after Admission.</p> <p>Following completion of any Acquisition, the objective of the Company will be to operate the acquired business and implement an operating strategy with a view to generating value for its shareholders through operational improvements as well as potentially through additional complementary acquisitions following an initial Acquisition. Any Acquisition by the Company will be deemed a “reverse takeover” and at that point the Company’s standard listing will be cancelled. Any subsequent acquisition may also be deemed a “reverse takeover” and the Company’s current listing may need to be cancelled. The Company would then intend to seek re-admission of the enlarged group to listing on the Official List and trading on the London Stock Exchange’s main market for listed securities but may, in certain circumstances seek admission to trading on AIM or admission to another stock exchange dependent on the nature of the specific Acquisition which may be considered by the Directors to be suited to a Premium or Standard Listing or if a smaller earlier-stage growth business, more suited to a listing on AIM.</p> <p>The Company’s efforts in identifying a prospective target company or business will be focused on the Americas, sub-Saharan Africa and Europe.</p> <p>The Company has not engaged or retained any agent or other representative to identify or locate any suitable Acquisition candidate, to conduct any research or take any measures, directly or indirectly, to locate or contact a target company or business in the upstream oil and gas and power sector. The Company may subsequently seek to raise further capital to complete any Acquisition (dependent on the size of that Acquisition) and/or to allow the expedited development of and project or business interest acquired pursuant to that Acquisition if there are commercially compelling reasons to do so.</p> <p>Unless required by applicable law or other regulatory process, no Shareholder approval will be sought by the Company in relation to the Acquisition.</p> <p><i>Failure to make the Acquisition</i></p> <p>If no Acquisition has been announced within two years of Admission, the Board will put proposals to shareholders to either wind up the Company or to extend the period for identification of a suitable Acquisition by a period of a further 12 months.</p> <p><i>Business strategy and execution</i></p> <p>The Directors will draw on their experience, in conjunction with their contacts and advisers, to target a suitable Acquisition candidate in the base and precious metals sector.</p>
B.4a	Significant trends	<p>The Company does not know with certainty if any significant trends will affect the Company and the industries that it will operate in. The Company will focus on projects located in North and South America, sub-Saharan Africa and Europe. The Company will only invest in countries within these geographies that have established mining regulations and existing mining operations. The purpose of this focus is to minimise sovereign and regulatory risk in the investments that the Company makes.</p> <p>In respect of Macro-economic trends in base and precious metals despite underlying demand growth in commodities during the period 2012 to 2015, prices generally weakened as a result of over-allocation of capital in the previous period of 2006 to 2012.</p>

B.5	Group structure	The Company has one wholly owned subsidiary, CA Funding SPV Limited, a company incorporated in England and Wales with number 10486854, which is dormant.				
B.6	Major shareholders	Each of the following persons, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under English Law:				
		Name	Number of Ordinary Shares held at present	Percentage of Issued Share Capital held at present	Number of Ordinary Shares held immediately following Admission	Percentage of Issued Share Capital held immediately following Admission
	HK ECE	15,000,000	18.32	15,000,000	6.3%	
	Weatherly International plc	5,769,232	7.05	5,769,232	2.42%	
	Grant Stephens	3,397,163	4.15	6,522,163	2.73%	
	Gati Al-Jebouri	—	—	12,500,000	5.25%	
	Mark Lancaster	—	—	9,375,000	3.94%	
B.7a	Key financial information	The tables below sets out summary financial information of the Company as derived from the consolidated financial information of the Company as at 31 December 2016:				
		<b>Statement of comprehensive income</b> <b>For the year ended 31 December 2016</b>				
		Year ended 31 December 2016 US\$'000	Year ended 31 December 2015 US\$'000	Year ended 31 December 2014 US\$'000		
	Administrative expenses	(744)	(551)	(784)		
	Impairment of investment in and amounts due from subsidiary undertaking	(3,263)	(5,378)	—		
	Other income	192	—	—		
	<b>Operating loss</b>	<b>(3,815)</b>	<b>(5,929)</b>	<b>(784)</b>		
	Finance income	—	—	—		
	Finance costs	—	—	(49)		
	<b>Loss before income tax</b>	<b>(3,815)</b>	<b>(5,929)</b>	<b>(833)</b>		
	Income tax	—	—	—		
	<b>Loss for the year attributable to the equity holders of the company</b>	<b>(3,815)</b>	<b>(5,929)</b>	<b>(833)</b>		
	Other comprehensive income	—	—	—		
	<b>Total comprehensive income for the year</b>	<b>(3,815)</b>	<b>(5,929)</b>	<b>(833)</b>		
		Year ended 31 December 2016	Year ended 31 December 2015	Year ended 31 December 2014		
	<b>Earnings per share expressed in US cents</b>					
	Basic and diluted loss per share attributable to the equity holders of the company	(14.9¢)	(25.7¢)	(3.61¢)		
	All amounts relate to continuing activities.					

**Statement of financial position**  
**As at 31 December 2016**

	31 December 2016 US\$'000	31 December 2015 US\$'000	31 December 2014 US\$'000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	—	—	6,119
Property, plant and equipment	3	—	9
Investment in subsidiary	—	3,567	—
<b>Total non-current assets</b>	<b>3</b>	<b>3,567</b>	<b>6,128</b>
<b>Current assets</b>			
Trade and other receivables	38	17	24
Cash and cash equivalents	1,163	645	1,151
<b>Total assets</b>	<b>1,204</b>	<b>4,229</b>	<b>7,303</b>
<b>Current liabilities</b>			
Trade and other payables	(184)	(68)	(178)
Borrowings	—	(200)	—
<b>Total liabilities</b>	<b>(184)</b>	<b>(268)</b>	<b>(178)</b>
<b>Net assets</b>	<b>1,020</b>	<b>3,961</b>	<b>7,125</b>
<b>Equity</b>			
Share capital	1,048	377	377
Share premium	138	6,557	6,556
Merger relief reserve	—	4,052	4,052
Other reserve	112	—	(972)
Retained deficit	(278)	(7,024)	(2,888)
<b>Equity attributable to shareholders of the company</b>	<b>1,020</b>	<b>3,961</b>	<b>7,125</b>

**Cash flow Statement  
For the year ended 31 December 2016**

	Year ended 31 December 2016 US\$'000	Year ended 31 December 2015 US\$'000	Year ended 31 December 2014 US\$'000
<b>Cash flows from operating activities</b>			
Loss for the year	(3,815)	(5,929)	(782)
Adjusted by:			
Share option charge	15	—	—
Share based payments	184	—	—
Unrealised exchange losses	—	(37)	(47)
Impairment of investment in subsidiary	3,063	—	—
Impairment of loans to subsidiaries	—	588	—
Non cash items within loans to subsidiary company	—	4,789	—
Depreciation	—	—	4
	(553)	(589)	(825)
Movements in working capital (increase)/decrease in trade and other receivables	(21)	2	53
Increase/(decrease) in trade and other payables	116	(110)	42
<b>Net cash used in operating activities</b>	<b>(458)</b>	<b>(697)</b>	<b>(730)</b>
<b>Cash flows used in investing activities</b>			
Purchase of property, plant and equipment	—	—	(88)
Payments for evaluation of feasibility studies	—	—	(88)
<b>Net cash used in investment activities</b>	<b>(3)</b>	<b>—</b>	<b>(88)</b>
<b>Cash flows used in financing activities</b>			
Proceeds from borrowings	—	(200)	—
Repayment of borrowings	(200)	—	—
Proceeds from issuance of shares	1,259	—	—
Direct cost of share issue	(80)	—	—
<b>Net cash inflow from financing activities</b>	<b>979</b>	<b>200</b>	<b>0</b>
<b>Increase/(Decrease) in cash</b>	<b>518</b>	<b>(497)</b>	<b>(818)</b>
<b>Reconciliation to net cash</b>			
Opening cash balance	645	1,105	1,922
Increase/(Decrease) in cash	518	(497)	(818)
Foreign exchange movements	—	37	47
<b>Cash and cash equivalents at year end</b>	<b>1,163</b>	<b>645</b>	<b>1,151</b>

### **Non-cash transactions**

The principal non-cash transactions not stated above comprises the distribution of subsidiary undertaking via dividend in specie amounting to \$504,000

Set out below are details of the significant changes in the financial condition, operating results and trading position of the Group during the three years ended 31 December 2014, 31 December 2016 and 31 December 2016 and for the period since 31 December 2016.

#### **Year ended 31 December 2014**

Key operational changes during the year included:

- establishing commercial terms for the purchase of concentrates from the Berg Aukas mine; and
- completion of a feasibility study of the Berg Aukas mine, demonstrating it to be a viable project.

The Group reported a net loss of US0.8 million after tax from continuing operations (2013: US%0.7 million).

As at 31 December 2014 the Group had cash balances of US\$1.2 million (2013: US\$1.9m) and intangible assets (represented by mining licences and evaluation costs) of US\$4,474m (after restatement) (2013: US\$6,329).

#### **Year ended 31 December 2015**

Key operational changes during the year included:

- reviewing options to fund the feasibility study for the Berg Aukas mine.

The Group reported a net loss of US\$0.6m, after tax, from continuing operations (2014: US\$0.8m).

As at 31 December 2015 the Group had cash balances of US\$0.7m (2014: US\$1.2m) after receipt of a loan from its parent, HK ECE in the sum of US\$200,000. Intangible assets (represented by mining licences and evaluation costs) stood at US\$3,137 (2014 (after restatement) US\$4,474).

The audit report at 31 December 2015 contained an emphasis of matter statement concerning the ability of the Group and the Company to continue as a going concern.

#### **Year ended 31 December 2016**

Key operational changes during the period included:

- distribution of the shares in the Company's 100% owned subsidiary, China Africa Resources Namibia (Pty) Ltd to the then shareholders;
- a new equity raise of US\$1,259,000;
- a shareholder approval to become an AIM Rule 15 cash shell.

The Group reported a net loss after tax of US\$3.8m (2015: US\$5.9m) primarily due to a non-cash impairment charge of US\$3.3m) to the investment in and amounts due from former subsidiary undertaking, China Africa Resources Namibia (Pty) Ltd. China Africa Resources Namibia Pty Ltd had no ability to repay the loan advanced by the company to China Africa Resources Namibia Pty Ltd to carry out exploration and feasibility studies in the Berg Aukas project. As at December 2016, the loan had been written down to US\$198,750. It was written off completely in December 2016. Writing down a loan in the financial statements does not legally release the debt, it is merely a reflection of the value that the Company could attribute to the debt. The

		<p>loan was deemed not to be recoverable and accordingly the carrying balance was written off in the financial statements and the entire loan legally written off by way of the release.</p> <p>As at 31 December 2016 the Group had cash balances of US\$1.163m (2015: US\$0.645m) due to the proceeds of a placing and subscription to raise US\$1.259m which was completed on 14 December 2016.</p> <p><b>Period following 31 December 2016</b></p> <p>Certain key operational changes have occurred since 31 December 2016:</p> <ul style="list-style-type: none"> <li>• on 17 February 2017 the Company announced the appointment of David Linsley as chief executive officer;</li> <li>• also on that date Paul Johnson and Nick O'Reilly resigned from the Board;</li> <li>• the Company made two investments, one into Global Exploration Technologies (Pty) Ltd and the other into US Lithium (Pty) Ltd by way of cash and the issue of shares to an equivalent aggregate value of US\$360,000 (net cash US\$175,000), which investments have been disposed of for cash subsequently realising in aggregate US\$190,000.</li> </ul>
B.8	Selected key <i>pro forma</i> financial information	Not applicable; <i>pro forma</i> financial information has not been presented by the Company.
B.9	Profit forecast or estimate	Not applicable; no profit forecast or estimate has been made for the Company.
B.10	Qualified audit report	Not applicable; there are no applicable qualifications.
B.11	Insufficient working capital	<p>The Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is, for at least 12 months from the date of this document.</p> <p>If the Resolutions are passed and the Fundraise proceeds, the Company is of the opinion that, taking into account existing cash balances and the Net Proceeds receivable by the Company pursuant to the Fundraise, the working capital available to the Group will be sufficient for its present requirements, being its operational requirements, that is for at least the 12 months from the date of this document.</p> <p>The Company may identify an Acquisition which will require the raising of additional capital. No Acquisition has yet been identified but should such an Acquisition be identified the Company may require to raise additional capital in order to complete the Acquisition.</p>

### Section C – Securities

C.1	Description of the type and the class of the securities being offered	The Ordinary Shares being offered in the Fundraise are ordinary shares with a nominal value of 0.1 pence each in the capital of the Company. Application will be made for the Ordinary Shares to be admitted to the Official List of the UK Listing Authority with a standard Listing and to be admitted to trading on the London Stock Exchange's Main Market for listed securities. The Ordinary Shares will be registered with ISIN number GB00B3ZW6Z85 and SEDOL number B32ZW628.
C.2	Currency of the securities issue	The currency of the securities issue is UK Pounds Sterling.

C.3	Issued share capital	81,843,195 Ordinary Shares have been issued at the date of this document, all of which have been fully paid up.
C.4	Rights attached to the securities	<p>Shareholders will have the right to receive notice of and to attend and vote at any meetings of Shareholders. 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 Ordinary Share held by him.</p> <p>Preemption rights have been disapplied (in respect of future share issues whether for cash or otherwise) up to 20% of the existing issued share capital as at the date of this document.</p> <p>In the case of joint holders of an Ordinary Share, if two or more persons hold an Ordinary Share jointly either of them may be present in person or by proxy at a meeting of Shareholders and may speak on behalf of all joint owners as a Shareholder, and if two or more joint holders are present at a meeting of Shareholders, in person or by proxy, they must vote as one.</p> <p>Subject to the Companies Act 2006, on a winding-up of the Company the assets of the Company available for distribution shall be distributed, provided there are sufficient assets available, first to the holders of Ordinary Shares in an amount up to 1 pence per share in respect of each fully paid up Ordinary Share. If, following these distributions to holders of Ordinary Shares there are any assets of the Company still available, they shall be distributed to the holders of Ordinary Shares pro rata to the number of such fully paid up Ordinary Shares held (by each holder as the case may be) relative to the total number of issued and fully paid up Ordinary Shares.</p>
C.5	Restrictions on transferability	<p>The Company's Ordinary Shares, currently consisting of both the existing issued Ordinary Shares and the New Ordinary Shares, are freely transferable and tradable and there are no restrictions on transfer.</p> <p>Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Directors may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a 'relevant system' (i.e. the CREST System) in such manner provided for, and subject as provided in, the CREST Regulations.</p>
C.6	Application for admission to trading on a regulated market	Application has been made for the Ordinary Shares to be admitted to a Standard Listing on the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in Ordinary Shares will commence at 8.00 a.m. on 21 August 2017.
C.7	Dividend policy	The Company's current intention is to retain any earnings for use in its business operations, and the Company does not anticipate declaring any dividends before the making of an Acquisition. The Company intends to pay dividends on the Ordinary Shares following the Acquisition at such times (if any) and in such amounts (if any) as the Board determines appropriate. The Company will only pay dividends to the extent that to do so is in accordance with the Companies Act 2006 and all other applicable laws.

<b>Section D – Risks</b>	
D.1 Key information on the key risks that are specific to the issuer or its industry	<ul style="list-style-type: none"> <li>● The Company does not have any specific Acquisition under consideration and does not expect to engage in substantive negotiations with any target company or business in this sector until after Admission. There is accordingly significant risk that the Company may fail in its objectives and shareholders may lose some or all of their investment.</li> <li>● There may be significant competition in some or all of the acquisition opportunities that the Company may explore, which may cause the Company to be unsuccessful in executing an Acquisition or may result in a successful Acquisition being made at a significantly higher price than would otherwise have been the case.</li> <li>● The Company may be unable to complete an Acquisition in a timely manner or at all or to fund the operations of the target business if it does not obtain additional funding following completion of the Acquisition.</li> <li>● The Company may be subject to risks particular to one or more countries in which it ultimately operates (following an Acquisition), including regulatory compliance risks and foreign investment and exchange risks. It is anticipated that the Company will invest in businesses/projects in the natural resource sector but with a particular interest in opportunities in the base and precious metals space. These sectors are closely tied to the performance of the global economy. As a result, the identified sectors may be affected by changes in general economic activity levels; changes which are beyond the Company's control.</li> <li>● The activities of the Company and the viability of its projects will be subject to fluctuations in demand and prices of Base and Precious Metals. Base and Precious Metal prices fluctuate widely and may be affected by numerous factors beyond the Company's control, including global supply and demand, political and economic conditions, speculative activities, expectations of inflation, interest rates and currency exchange rate fluctuations. The effect of these factors on the price of base and precious metals cannot accurately be predicted.</li> <li>● The estimating of mineral reserves and mineral resources is a subjective process and the estimates of mineral reserves and resources for projects are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, anticipated climatic conditions and other factors.</li> <li>● The Company currently has no assets producing positive cash flow and its ultimate success will depend on the Directors' ability to implement the strategy outlined in this document, generate cash flow from the Company's potential investments, and access equity and debt financing markets as the Company grows and develops. Whilst the Directors' are optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved.</li> <li>● Mineral exploration and development can be highly speculative in nature and involve a high degree of risk. The economics of</li> </ul>

		<p>developing mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of the minerals being mined, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.</p> <ul style="list-style-type: none"> <li>• The Company may need to raise substantial additional capital in the future to fund any Acquisition and future Base and Precious Metal prices, revenues, taxes, capital expenditures and operating expenses and geological success will all be factors which will have an impact on the amount of additional capital required. Any additional equity financing may be dilutive to Shareholders and debt financing, while widely available, may involve restrictions on financing and operating activities.</li> <li>• The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an Acquisition and the loss of the services of the Directors could materially adversely affect the Company's strategy or ability to deliver upon it in a timely manner or at all.</li> <li>• The Directors may allocate a portion of their time to other businesses leading to the potential for conflicts of interest in their determination as to how much time to devote to the Company's affairs.</li> <li>• A substantial or extended decline in commodity prices and/or consumption may adversely affect the Company's prospects, business, financial condition and results of operations.</li> <li>• The expense of meeting environmental regulations could cause a significantly negative effect on the Company's long term profitability, as could the failure to obtain certain necessary environmental permits.</li> <li>• If the Company is not granted licences, by a responsible authority or is not seen as an entity suitable to hold or own an entity holding natural resource licences by a responsible authority it could have a material adverse effect on its business, operations and prospects and the ability to make an Acquisition.</li> </ul>
D.3	Key information on the key risks that are specific to the securities	<p><i>The Ordinary Shares</i></p> <ul style="list-style-type: none"> <li>• The proposed Standard Listing of the Ordinary Shares will not afford Shareholders the opportunity to vote to approve any Acquisition.</li> <li>• A suspension or cancellation of the Company's Ordinary Shares, as a result of the FCA determining that there is insufficient information in the market about an Acquisition or a target, would materially reduce liquidity in such shares, which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation. In the event of such suspension or cancellation, the value of the investors' shareholdings may be materially reduced.</li> <li>• It will be necessary for the Company to apply for re-admission of the Company's Ordinary Shares following completion of an Acquisition constituting a reverse takeover. A cancellation of the listing of the Company's Ordinary Shares by the FCA would prevent the Company from raising equity finance on the public market, or carrying out a further acquisition using share consideration,</li> </ul>

		<p>restricting its business activities and resulting in incurring unnecessary costs.</p> <ul style="list-style-type: none"> <li>At Admission, the Company will be one of the smallest companies listed on the London Stock Exchange notwithstanding the Placing and the Subscription. Further, pending any future fundraising (the success of which cannot be assured), the Company will have limited cash resources with which to pursue its strategic objectives.</li> <li>Further equity capital raisings may be required by the Company in order to complete any Acquisition or to develop the business so acquire. If the Company does offer its Ordinary Shares as consideration in making acquisitions, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time.</li> <li>The Company has substantial numbers of outstanding warrants and options and intends to issue further warrants in connection with the Fundraise. All of their convertible instruments will have a significant dilutive effect on shareholders when and if they are exercised. The Fundraise itself will involve the issue of up to 156,250,000 New Ordinary Shares, representing 65.63% of the enlarged share capital. If all Warrants and Options were exercised, the Existing Ordinary Shares would represent 90.88% of the total Issued Share Capital of the Company.</li> </ul>
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<b>Section E – Offer</b>		
E.1	Total net proceeds/expenses	<p>The Company will raise gross proceeds of up to £2,500,000 million pursuant to the Fundraise. Of this amount £2,100,000 has been committed in the Fundraise. The costs and expenses of the Fundraise will be borne by the Company in full. These expenses (including commission and expenses payable under the Placing Agreement, registration, listing and admission fees, printing, advertising and distribution costs and professional advisory fees, including legal fees, and any other applicable expenses) are not expected to exceed £315,742 representing approximately 12.6 per cent. of the gross proceeds of the Fundraise, given that up to £2,500,000 million will be raised pursuant to the Fundraise. The aggregate of the gross proceeds of the Fundraise is £2,500,000. The total Net Fundraise Proceeds on this basis are £2,184,260.</p>
E.2a	Reasons for the offer and use of proceeds	<p>The Company has been formed to undertake an Acquisition of a target company or business in the base and precious metals sector.</p> <p>There is no specific expected target value and the Company expects that any funds not used in connection with an Acquisition will be used for future acquisitions, internal or external growth and expansion, and working capital in relation to the acquired company or business.</p> <p>Following completion of an Acquisition, the objective of the Company is to operate the acquired business and implement an operating strategy with a view to generating value for its shareholders through operational improvements as well as potentially through additional complementary acquisitions following an initial Acquisition. The Company may subsequently seek to raise further capital following any Acquisition to allow the expedited development of any project or business acquired pursuant to that acquisition if there are commercially compelling reasons to do so.</p>

		<p>Prior to completing an Acquisition, the Net Fundraise Proceeds (£2.18 million) will be held in an interest-bearing deposit account or invested in short term money market fund instruments (as approved by the Directors) and will be used for general corporate purposes, including paying the expenses of Admission and the Fundraise, and the Company's ongoing costs and expenses, including directors' fees and salaries, due diligence costs and other costs of sourcing, reviewing and pursuing the Acquisition. The Company does not anticipate the costs and expenses of investigating any particular acquisition opportunity to exceed £100,000.</p> <p>The Company's primary intention is to use the Net Fundraise Proceeds to enable it to evaluate potential Acquisition targets and to pay professional fees (i.e. due diligence, legal fees, accountants fees) in relation to an Acquisition, which may include additional complementary acquisitions following the Acquisition. Following the Acquisition, the Company intends to seek re-admission of the enlarged group to listing on the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities or admission to trading on AIM or admission to another stock exchange. Following any subsequent Acquisition, the Company may be required to seek re-admission to listing on the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities or admission to trading on AIM or admission to another stock exchange.</p>
E.3	Terms and conditions of the Fundraise	<p>The Company will issue 81,095,625 New Ordinary Shares through the Placing at the Fundraise Price of 1.6p per New Ordinary Share. The Placing is not being underwritten.</p> <p>The Company will issue up to 75,154,375 New Ordinary Shares pursuant to the Subscription at the Issue Price of 1.6p per New Ordinary Share.</p> <p>The Net Placing Proceeds after deduction of expenses, will be £2.18 million on the basis that the gross proceeds of the Placing will be £2.5 million.</p> <p>The Placing and the Subscription are conditional upon, <i>inter alia</i>:</p> <ul style="list-style-type: none"> <li>(A) the Placing Agreement becoming wholly unconditional (save as to Admission) and not having been terminated in accordance with its terms prior to Admission; and</li> <li>(B) admission occurring by 8.00am on 21 August 2017 (or such later date, not being later than 31 August 2017, as the Company and the Brokers may agree).</li> </ul> <p>The New Ordinary Shares will, upon issue, rank <i>pari passu</i> with the existing Ordinary Shares.</p>
E.4	Material interests	Not applicable; there is no interest that is material to the issue/offer.
E.5	Selling Shareholders/ Lock-up agreements	<p>Not applicable; no person or entity is offering to sell relevant securities.</p> <p>Each Director and Proposed Director has entered into a lock-in and orderly market agreement with the Company pursuant to which he has agreed that he will not offer, sell, contract to sell, pledge or otherwise dispose of any Ordinary Shares which he holds directly or indirectly in the Company, for a period of one year following completion of an Acquisition.</p> <p>The restrictions on the ability of the Directors and the Proposed Directors to transfer his Ordinary Shares are subject to certain usual and customary exceptions including: transfers pursuant to the acceptance of, or provision of an irrevocable undertaking to accept, a general offer made to all Shareholders on equal terms, transfers pursuant to an offer by or an agreement with the Company to purchase ordinary shares made</p>

		on identical terms to all Shareholders or transfers as required by an order made by a court with competent jurisdiction or competent judicial body. Each Director and Proposed Director has also agreed that, during the period commencing at Admission and ending on the second anniversary of Admission, he will not sell, pledge or otherwise dispose of any Ordinary Shares except through the Brokers and in such orderly manner as the Brokers may determine so as to ensure an orderly market for the issued share capital of the Company.
E.6	Dilution	Shareholdings immediately prior to Admission will be diluted by approximately 52.37 per cent. as a result of New Ordinary Shares issued pursuant to the Placing and the Subscription (assuming the Subscription is fully subscribed).
E.7	Expenses charged to investors	Not applicable; no expenses will be charged to the investors.

## RISK FACTORS

Any investment in the Ordinary Shares is speculative and subject to a high degree of risk. Prior to investing in the Ordinary Shares, prospective investors should carefully consider the risks and uncertainties associated with any investment in the Ordinary Shares, the Group's business and the industry in which it operates, together with all other information contained in this Prospectus, including, in particular, the risk factors described below. Any of the risks described below, as well as other risks and uncertainties discussed in this Prospectus, could have a material adverse effect on the Group's business and could therefore have a negative effect on the trading price of the Ordinary Shares. Prospective investors should note that the risks relating to the Group, its industry and the Ordinary Shares summarised in Part I: "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 Ordinary 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 Part I: "Summary" but also, among other things, the risks and uncertainties described below.

The following factors do not purport to be a complete list or explanation of all the risk factors involved in investing in the Ordinary Shares and should be used as guidance only. Additional risks and uncertainties that are not currently known to the Group, or that it currently deems immaterial, may individually or cumulatively also have an adverse effect on the Group's business, results of operations, financial condition and prospects. If this occurs, the price of the Ordinary Shares may decline and investors could lose all or part of their investment. Prospective investors should also consider carefully whether an investment in the Ordinary Shares is suitable for them in light of the information in this Prospectus and their personal circumstances.

### Risk Factors relating to the Company and its Investing Policy

#### *Industry-specific risks*

It is anticipated that the Company will invest in businesses/projects in the natural resource sector but with a particular interest in opportunities in the base and precious metals space. These sectors are closely tied to the performance of the global economy. As a result, the identified sectors may be affected by changes in general economic activity levels; changes which are beyond the Company's control.

#### *Identifying and acquiring suitable Acquisition targets*

The Company's ability to implement its Investing Policy will be limited by its ability to identify and complete suitable Acquisition targets. Suitable Acquisition targets may not always be readily available. If the Company cannot identify and/or complete an Acquisition the Company may need to raise further working capital and/or consider winding up of the Company if it transpires that the implementation of the Investing Policy is no longer viable.

The Company's initial and future Acquisition targets may be delayed or made at a relatively slow rate because, *inter alia*:

- the Company intends to conduct detailed due diligence prior to approving Acquisition targets;
- the Company may conduct extensive negotiations in order to secure and facilitate an Acquisition targets;
- it may be necessary to establish certain structures in order to facilitate an Acquisition targets;
- competition from other investors, market conditions or other factors may mean that the Company cannot identify attractive Acquisition targets or such Acquisition targets may not be available at the rate the Company currently anticipates;
- the Company may be unable to agree on acceptable terms;
- the Company may be unable to raise bank finance or other sources of finance on terms the Directors consider reasonable; or
- the Company may need to raise further capital to make investments and/or fund the assets or businesses invested in, which may not be achieved.

### *Disposals*

The Company may make investments in Acquisition targets that it cannot realise on through trade sale or flotation at an acceptable price. Some investments may be lost through insolvency. Any of these circumstances could have a negative impact on the profitability and value of the Company.

### *Unsuccessful transaction costs*

There is a risk that the Company may incur substantial legal, financial and advisory expenses arising from unsuccessful transactions.

### *Timing of investments*

As detailed above, the Company cannot accurately predict how long it will actually take to deploy the capital available to it or whether it will be able to do so at all. Any significant delay or inability to find a suitable acquisition may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

### *Success of Investing Policy not guaranteed*

The Company's level of profit will be reliant upon the performance of the investments in Acquisition targets which are made. The success of the Investing Policy depends on the Directors' ability to identify Acquisition targets in accordance with the Company's investment objectives. No assurance can be given that the strategy to be used will be successful under all or any market conditions, that the Company will be able to identify opportunities meeting the Company's investment criteria, that the Company will be able to invest its capital on attractive terms or that the Company will be able to generate positive returns for Shareholders. If the Investing Policy is not successfully implemented, this may have a material adverse effect on the business, financial condition, results of operations and prospects of the Company.

### *Change in Investing Policy*

The Investing Policy may be modified and altered from time to time with the approval of Shareholders, so it is possible that the approaches adopted to achieve the Company's investment objectives in the future may be different from those the Directors currently expect to use, and which are disclosed in this Document. If the investing objectives are changed it is possible that any sector of focus may be one in which shareholders investing in the Company now do not consider to be in keeping with their own investment objectives.

### *Volatility of Base and Precious Metals prices*

The activities of the Company and the viability of its projects will be subject to fluctuations in demand and prices of Base and Precious Metals. Base and Precious Metal prices fluctuate widely and may be affected by numerous factors beyond the Company's control, including global supply and demand, political and economic conditions, speculative activities, expectations of inflation, interest rates and currency exchange rate fluctuations. The effect of these factors on the price of base and precious metals cannot accurately be predicted.

A significant reduction in global demand for Base and Precious Metals, leading to a fall in prices, could lead to a delay in production or even abandonment of one or more of the Company's projects should such projects prove uneconomical to develop. A delay in production or the abandonment of one or more projects may have a material adverse effect on the Company's production, earnings and financial position.

### *Exploration and development risks*

Mineral exploration and development can be highly speculative in nature and involve a high degree of risk. The economics of developing mineral properties are affected by many factors including the cost of operations, variations of the grade of ore mined, fluctuations in the price of the minerals being mined, fluctuations in exchange rates, costs of development, infrastructure and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. In addition, the grade of mineralisation ultimately mined may differ from that indicated by drilling results and such differences could be material. As a result of these uncertainties, there can be no guarantee that mineral exploration and development of any of the company's investments will result in profitable commercial operations.

### *Financing*

The Company may need to raise substantial additional capital in the future to fund any Acquisition and future Base and Precious Metal prices, revenues, taxes, capital expenditures and operating expenses and geological success will all be factors which will have an impact on the amount of additional capital required. Any additional equity financing may be dilutive to Shareholders and debt financing, while widely available, may involve restrictions on financing and operating activities. If the Company is unable to obtain potential additional financing as and when needed, it could result in project delays.

### *Operating risks*

The activities of the Company are subject to all of the hazards and risks normally incidental to exploring and developing natural resource projects. These risks and uncertainties include, but are not limited to, environmental hazards, industrial accidents, labour disputes, encountering unusual or unexpected geologic formations or other geological or grade problems, unanticipated changes in metallurgical characteristics and mineral recovery, encountering unanticipated ground or water conditions, cave-ins, pit wall failures, flooding, rock bursts, periodic interruptions due to inclement or hazardous weather conditions and other acts of God or unfavourable operating conditions and losses. Should any of these risks and hazards affect the Company's exploration, development or mining activities, it may cause the cost of production to increase to a point where it would no longer be economic to produce mineral resources from the Company's investments, require the Company to write-down the carrying value of one or more investments, cause delays or a stoppage of mining and processing, result in the destruction of mineral properties or processing facilities, cause death or personal injury and related legal liability; any and all of which may have a material adverse effect on the Company.

It is not always possible to fully insure against such risks as a result of high premiums or other reasons (including those in respect of past mining activities for which the Company was not responsible). Should such liabilities arise, they could reduce or eliminate any future profitability, result in increasing costs or the loss of its assets and a decline in the value of the Ordinary Shares.

### *Weather conditions*

It may not be possible to insure fully against adverse weather conditions 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 Company's investments and a decline in the value of the Ordinary Shares.

### *Estimates of mineral reserves and resources*

The estimating of mineral reserves and mineral resources is a subjective process and the estimates of mineral reserves and resources for projects are, to a large extent, based on the interpretation of geological data obtained from drill holes and other sampling techniques and feasibility studies which derive estimates of costs based upon anticipated tonnage and grades of ores to be mined and processed, the configuration of the ore body, expected recovery rates from the ore, estimated operating costs, anticipated climatic conditions and other factors.

There is significant uncertainty in any reserve or resource estimate and the actual deposits encountered and the economic viability of mining a deposit may differ materially from the Company's estimates. The exploration of mineral rights is speculative in nature and is frequently unsuccessful. The Company's investments may be unable to successfully discover and exploit new reserves to replace those they are mining to ensure the on-going viability of its projects.

Estimated mineral reserves or mineral resources may have to be recalculated based on changes in forecast metals prices, further exploration or development activity or actual production experience. This could have a material adverse effect on estimates of the volume or grade of mineralisation, estimated recovery rates or other important factors that influence reserve or resource estimates. Market price fluctuations for base metals, increased production costs or reduced recovery rates, or other factors may render any mineral reserves of the Company uneconomical or unprofitable to develop at a particular site or sites.

### *Implementation Risk*

The Company currently has no assets producing positive cash flow and its ultimate success will depend on the Directors' ability to implement the strategy outlined in this document, generate cash

flow from the Company's potential investments, and access equity and debt financing markets as the Company grows and develops. Whilst the Directors' are optimistic about the Company's prospects, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved.

#### *Profitability & capital requirements*

Natural resource project appraisal and exploration activities are capital intensive and inherently uncertain in their outcome. The Company's future natural resource appraisals and exploration projects may involve unprofitable efforts, either from areas of exploration which ultimately prove not to contain natural resources, or from areas in which a natural resource discovery is made but is not economically recoverable at current or near future market prices when including the costs of development, operation and other costs. In addition, environmental damage could greatly increase the cost of operations, and various operating conditions may adversely and materially affect the levels of production. These conditions include delays in obtaining governmental approvals or consents, delays due to extreme weather conditions, insufficient storage or transportation capacity or adverse geological conditions. While diligent supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal operations cannot be eliminated and may adversely and materially affect the Company's revenues, cashflow, business, results of operations and financial resources and condition.

#### *Acquisition, retention and conversion of licences, permits and other regulatory approvals*

The ability of the Company's potential investments to develop and exploit natural resources depends on the Company's continued compliance with the obligations of its current exploration rights and the Company's potential investments ability to convert exploration opportunities into production and/or mining licences and or invest in mining operations that are already well advanced. The Company's potential investments depend on a number of material factors including licences whose grant and renewal are subject to the discretion of the relevant governmental authorities and cannot be assured.

#### *Government regulation and political risk*

The Company's operating activities are subject to extensive laws and regulations governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters. While the Company believes that its potential investments will comply with all material current laws and regulations affecting its activities, future changes in applicable laws, regulations, agreements or changes in their enforcement or regulatory interpretation could result in changes in legal requirements or in the terms of existing permits and agreements applicable to the Company or its investments, which could have a material adverse impact on the Company's current operations or planned development projects. Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot assure that any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with any future exploration or development of its investments.

#### *Environmental regulation*

Environmental and safety legislation (e.g. in relation to reclamation, disposal of waste products, protection of wildlife and otherwise relating to environmental protection) may change in a manner that may require stricter or additional standards than those now in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. This could impose significant costs and burdens on the Company's investments (the extent of which cannot be predicted) both in terms of compliance and potential penalties, liabilities and remediation. Breach of any environmental obligations could result in penalties and civil liabilities and/or suspension of operations, any of which could adversely affect the Company's investments.

Mining operations have inherent risks and liabilities associated with damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. Laws and regulations involving the protection and the remediation of the environment are

constantly changing and are generally becoming more restrictive. Approval is 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.

There may also be unforeseen environmental liabilities resulting from mining activities, which may be costly to remedy. If one of the Company's investments is unable to fully remedy an environmental problem, it may be required to stop or suspend operations or enter into interim compliance measures pending completion of the required remedy. The potential exposure may be significant and could have a material adverse effect on the Company.

#### *Joint venture partners*

From time to time, the Company may enter into joint venture agreements to fund a portion of the exploration and development costs associated with its investments. Moreover, other companies may from time to time operate some of the other investments in which the Company has an ownership interest. Liquidity and cash flow problems encountered by the partners and co-owners of such assets and any non-compliance by the partners and co-owners may lead to a delay in the pace of project development that may be detrimental to an investment or may otherwise have adverse consequences for the Company. In addition, any joint venture partners may be unwilling or unable to pay their share of the costs of projects as they become due. In the case of a joint venture partner, the Company may have to obtain alternative funding in order to complete the exploration and development of the assets subject to the joint venture agreement. The Company cannot assure investors that it would be able to obtain the capital necessary in order to fund this contingency. It is also possible that the interests of the Company and those of any joint venture partners are not aligned resulting in project delays or additional costs

*Should a reverse takeover be announced in the future by the Company or knowledge of the same leak into the market then the Ordinary Shares may be suspended from trading. During a period of suspension shareholders may be unable to realise value from their shares. Should the shares remain suspended for a prolonged period this may adversely affect the value of the shares*

It is the Directors' duty under the Listing Rules to contact the UKLA as early as possible if a Reverse Takeover has been agreed or is in contemplation, to discuss whether a suspension of the listing is appropriate. The UKLA retains a general power to suspend a company's securities where it considers it necessary to protect investors. The UKLA may decide to exercise such power where the Company undertakes a transaction which, because of the comparative size of the Company and any target, would be a Reverse Takeover under the Listing Rules. The Listing Rules provide that generally when a Reverse Takeover is announced or leaked, there will be insufficient information in the market about the proposed transaction and the listed company will be unable to assess accurately its financial position and inform the market appropriately, so suspension of trading in the listed company's securities will often be appropriate. Any such suspension would be likely to continue until sufficient financial information on the transaction is made public and the period during which the Ordinary Shares would be suspended may therefore be significant. Depending on the nature of an acquisition and the stage at which it is leaked or announced, it may take a substantial period of time to compile the relevant information, particularly where a target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide. A suspension of the Ordinary Shares would materially reduce liquidity in such shares which may affect an investor's ability to realise some or all of his or her investment and/or the price at which such investor can effect such realisation. If the Company's listing has been suspended from trading for more than six months, the listing will be cancelled.

Generally, the Directors would expect the Company's listing to be cancelled on completion of a Reverse Takeover and should the Company's shares not be re-admitted for trading then the liquidity and price of the Company's shares could be adversely affected.

If the UK Listing Authority decided to cancel the Company's listing, the Company would expect to seek re-admission to listing at the time of completion of any such Reverse Takeover. The process for admission following a Reverse Takeover would require publication of a prospectus and it would be necessary for the Company to meet the eligibility requirements set by the UK Listing Authority in order to be admitted. However, there is a risk that such eligibility criteria might not be met and therefore there is no certainty that such re-admission would be granted. A cancellation of the listing of the Ordinary Shares would materially reduce liquidity in such shares which may affect a

shareholder's ability to realise some or all of his or her investment and/or the price at which such shareholder can effect such realisation.

#### *Compliance costs*

The costs to the Company of complying with the continuing obligations under the Listing Rules, Prospectus Rules and Disclosure and Transparency Rules will be financially significant due to the Company's relatively small size and these costs might prove financially onerous.

The Company's listing might be cancelled if the Company fails to comply with its continuing obligations under the Listing Rules.

#### *Restrictions on offering Ordinary Shares as consideration for an acquisition or requirements to provide alternative consideration*

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as consideration for an acquisition which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly which may have an adverse effect on the results of operations of the Company.

#### *Acquisition of Controlling Interests may not be possible*

The Company's intention is to acquire controlling interests in target businesses however it may be that opportunities to acquire controlling interests may not be possible either initially or at all. The Company does not intend to acquire portfolios of non-controlling interests but may invest where participation in targets may result in enhancing shareholder value and where the participation of the Company in such targets is active rather than passive. Where non-controlling interests are secured this may limit the Company's operational strategies and reduce its ability to enhance shareholder value albeit the terms of such participation will be negotiated in such a manner as to entrench the Company's participative interest.

### **Risks Relating to Taxation**

#### *Taxation of returns from assets located outside of the UK may reduce any net return to Investors*

To the extent that the assets, company or business which the Company has acquired or may acquire is or are established outside the UK, it is possible that any return the Company receives from it may be reduced by irrecoverable foreign withholding or other local taxes and this may reduce any net return derived by investors from a shareholding in the Company.

#### *Future changes in tax legislation applicable to the Company's entities may reduce net returns to Shareholders*

The tax treatment of Group entities is subject to changes in tax legislation or practices in territories in which the Group entities are resident for tax purposes. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid. Any changes to tax legislation or practices in which the Group entities are resident for tax purposes may have a material adverse effect on the financial position of the Company, reducing net returns to Shareholders. In many jurisdictions, the resources sector is subject to particular taxation regimes which sometimes impose a comparatively heavy burden on activities within the sector and the comments made above with regard to change are particularly salient in relation to such regimes.

#### *There can be no assurance that the Company will be able to make returns to Shareholders in a tax-efficient manner*

It is intended that the Company will structure the Group to maximise returns for investors in as fiscally efficient a manner as is practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions are not borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This could alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). The level of return for Shareholders may also be adversely affected. Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

*Any change in the Company's tax status or in taxation law could negatively affect the Company's ability to provide returns to Shareholders*

Statements in this document concerning the taxation of the Group or of Shareholders are based on current tax law and practice which is subject to change. The taxation of an investment in the Company also depends on the individual circumstances of the relevant Shareholder. Any Shareholder who is in doubt as to its tax position should consult an appropriate adviser.

*Any change in the Company's United Kingdom tax status or any change in United Kingdom taxation law could affect the Company's ability to provide returns to Shareholders*

Statements in this document concerning the United Kingdom taxation of Shareholders are based on current United Kingdom tax law and practice, which are subject to change. The taxation of an investment in the Company depends on the individual circumstances of Shareholders.

## **Risks Relating to the Ordinary Shares**

*The pre-suspension share price may not reflect the actual price of the Ordinary Shares*

On Admission, there is no certainty that the share price will be valued on the same basis as it was prior to the suspension in trading on AIM on 15 June 2017 and so it is possible that the price of the Ordinary Shares may fall on that date or on later dates.

*Pembreyge Resources is a small company and so carries consequential financial risk*

At Admission, the Company will be one of the smallest companies listed on the London Stock Exchange notwithstanding the Placing and the Subscription. Further, pending any future fundraising (the success of which cannot be assured), the Company will have limited cash resources with which to pursue its strategic objectives. Smaller companies have historically often encountered difficulty when seeking to raise significant amounts of capital to develop their businesses and their shares may lack liquidity.

*The proposed Standard Listing of the Ordinary Shares will afford Shareholders a lower level of regulatory protection than a Premium Listing*

Application will be made for the Ordinary Shares to be admitted to the Standard Listing segment of 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.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out on page 26: "Consequences of a Standard Listing" on page 26 of this document.

*The Company may be unable or unwilling to transition to a Premium Listing in the future*

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be obtained. If the Company does not obtain a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to 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. This would include a period of time following a further acquisition where the Company could be operating a substantial business but would not need to comply with such higher standards. In addition, an inability to obtain a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares.

*Substantial future sales or additional offerings of Ordinary Shares could impact the market price of Ordinary Shares*

The Board cannot predict what effect, if any, future sales of Ordinary Shares, or the availability of Ordinary Shares for future sale, or the offer (by way of further issuance) of additional Ordinary Shares in the future, will have on the market price of Ordinary Shares. Sales or an additional offering of substantial numbers of Ordinary Shares in the public market, or the perception or any announcement that such sales or an additional offering could occur, could adversely affect the market price of Ordinary Shares and may make it more difficult for shareholders to sell their Ordinary Shares at a time and price which they deem appropriate.

*The Company may be required to raise cash through issuing substantial additional equity, which may dilute the percentage ownership of a Shareholder and the value of its Ordinary Shares*

The Directors believe that further equity capital raisings may be required by the Company in order to complete Acquisitions (or develop any acquired business), which may be substantial. If the Company does offer its Ordinary Shares as consideration in making acquisitions, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time. If a target has a large shareholder, the Company's issue of Ordinary Shares may result in such shareholder subsequently holding a large stake in the Company, which may, in turn, enable it to exert significant influence in the Company. The pre-emption rights contained in the Articles have also been disapplied to facilitate acquisitions. The disapplication of pre-emption rights could cause a Shareholder's percentage ownership in the Company to be reduced and the issuance of Ordinary Shares, or, as the case may be, other equity securities could also dilute the value of Ordinary Shares held by such Shareholder.

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. Investors may be required to bear the financial risk of an investment in the Ordinary Shares for an indefinite period.

It should be remembered that the price of the Ordinary Shares and any income from such Ordinary Shares, can go down as well as up.

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

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

*The Company has significant number of outstanding warrants and options which, if exercised and/or converted could have a substantial dilutive effect on existing shareholders*

The Company has issued 47,082,948 warrants in connection with previous fund raisings, such warrants being exercisable at a price of 4.34p per share. In addition the Company intends to issue up to 160,304,781 warrants to new investors and advisers in connection with the fundraise. The Company also has granted 9,000,000 options to acquire shares at a price of 4.34p to current and former directors and members of management. The combined dilutive effect of these convertible instruments would have significant dilutive effect upon existing shareholders and may impact both the future share price and the ability of attract new investors or sources of equity to invest in the Company. The Fundraise itself will involve the using of up to 156,250,000 New Ordinary Shares, representing 65.63% of the enlarged share capital. If all Warrants and Options were exercised, the Existing Ordinary Shares would represent 90.88% of the total Issued Share Capital of the Company.

*There may be volatility in the value of an investment in Ordinary Shares and the market price for Ordinary Shares may fluctuate*

The market price for the Ordinary Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Group's control, including the following: (i) actual or anticipated fluctuations in the Group's results of operations; (ii) actual or anticipated changes in oil prices and/or in the capital markets; (iii) recommendations by securities research analysts; (iv) changes in the economic performance or market valuations of other companies that investors deem comparable to the Company; (v) addition or departure of the Company's executive officers and other key personnel; (vi) sales or perceived sales of additional Ordinary Shares; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Group or its competitors; (viii) changes in laws, rules and regulations applicable to the Group and its operations; (ix) general economic, political and other conditions; (x) the Group's involvement in any litigation; and (xi) news reports relating to

trends, concerns, technological or competitive developments, regulatory changes and other related issues in the Group's industry or target markets.

Financial markets have experienced significant price and volume fluctuations in the last several years that have particularly affected the market prices of equity securities of companies and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Ordinary Shares may decline even if the Group's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. Also, certain institutional investors may base their investment decisions on consideration of the Group's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the Ordinary Shares by those institutions, which could adversely affect the trading price of the Ordinary Shares. There can be no assurance that continuing fluctuations in the price and volume of publicly traded equity securities will not occur. If such increased levels of volatility and market turmoil continue, the Group's operations could be adversely impacted and the trading price of the Ordinary Shares may be adversely affected.

*The Company does not currently intend to pay dividends and its ability to pay dividends in the future may be limited*

The Company has never declared or paid any dividends on the Ordinary Shares. The Company currently intends to retain future earnings, if any, for future operations and expansion. Therefore, at present, there is no intention to pay dividends and a dividend may never be paid. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, the Group's results of operations, financial condition and solvency and distributable reserves tests imposed by corporate law and such other factors that the Board may consider relevant.

In addition to the foregoing, the Company's ability to institute and pay dividends now or in the future may be limited by covenants contained in the agreements governing any indebtedness that the Group may incur in the future, including the terms of any credit facilities the Group may enter into with third party lenders. It is not uncommon that credit facilities will prevent a borrower from declaring or paying any dividends (excluding stock dividends) to any of its shareholders or returning any capital (including by way of dividend) to any of its shareholders. As a result of the foregoing factors, purchasers of the Ordinary Shares may not receive any return on an investment in the Ordinary Shares unless they sell such Ordinary Shares for a price greater than that which they paid for them.

*If the Company is wound up, distributions to Shareholders will be subordinated to the claims of creditors*

On a winding-up of the Company, holders of the Ordinary Shares will be entitled to be paid a distribution out of the assets of the Company available to its members only after the claims of all creditors of the Company have been met.

*Shareholders may be exposed to fluctuations in currency exchange rates*

The Ordinary Shares are priced in pounds sterling and will be quoted and traded in pounds sterling. Accordingly, a Shareholder whose functional or local currency is a currency other than pounds sterling is subject to risks arising from adverse movements in such currency against pounds sterling, which may reduce the value of the Ordinary Shares in such currency.

*The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited*

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares which are set out in the Articles and are governed by English law. These rights may differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. It may not be possible for an Overseas Shareholder to effect service of process upon the Directors and executive officers within the Overseas Shareholder's country of residence or to enforce against the Directors and executive officers judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in

civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors or executive officers who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors or executive officers in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

*The Company may be classified as a passive foreign investment company for United States federal income tax purposes*

Prospective investors are also notified that the Company may be classified as a passive foreign investment company for United States federal income tax purposes. If the Company is so classified, the Company may, but is not obliged to, provide to US holders of Ordinary Shares the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Ordinary Shares for any year in which the Company is a passive foreign investment company.

**Although the Company will seek to minimise the impact of the Risk Factors, investment in the Company should only be made by investors able to sustain a total loss of their investment. Potential investors are strongly recommended to consult an investment adviser authorised under FSMA who specialises in investments of this nature before making any decision to invest.**

## CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary 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. Listing Principles 1 and 2 as set out in Listing Rule 7.2.1 of the Listing Rules also apply to the Company, and the Company must comply with such Listing Principles. Premium Listing Principles 1 to 6 as set out in Listing Rule 7.2.1AR of the Listing Rules do not apply to the Company.

However, while the Company has a Standard Listing, it is not required to comply with the provisions of,

*inter alia*:

- 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 Placing and Admission;
- Chapter 10 of the Listing Rules relating to significant transactions. It should be noted therefore that the Acquisition will not require Shareholder consent, even if Ordinary Shares are being issued as consideration for the Acquisition;
- Chapter 11 of the Listing Rules regarding related party transactions. Nevertheless, the Company will not enter into any transaction which would constitute a 'related party transaction' as defined in Chapter 11 of the Listing Rules without the specific prior approval of the Directors;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares. In particular, the Company has not adopted a policy consistent with the provisions of Listing Rules 12.4.1 and 12.4.2. Until the Acquisition the Company will have unlimited authority to purchase Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Following the Acquisition, the Company's standard listing will be cancelled and the Company will be treated as a new applicant. At that point the Directors may seek admission as a Standard Listing or as a Premium Listing or another appropriate listing venue, based on the track record of the company or business it acquires, subject to fulfilling the relevant eligibility criteria at the time. Alternatively, it may determine to seek re-admission to a Standard Listing, subject to eligibility criteria. If admission with a Premium Listing is possible (and there can be no guarantee that it will be) and the Company decides to seek a Premium Listing, the various Listing Rules highlighted above as rules with which the Company is not required to comply will become mandatory and the Company will comply with the continuing obligations contained within the Listing Rules (and the Disclosure and Transparency Rules) in the same manner as any other company with a Premium Listing. There can be no guarantee that once an Acquisition is completed and the Company loses its standard listing that it will be eligible for admission to any public market.

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 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 so to comply.

## IMPORTANT INFORMATION

The distribution of this document and the Placing may be restricted by law in certain jurisdictions and therefore persons into whose possession this document comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

### General

No action has been or will be taken in any other jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this document or any other offering material in any other country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This document has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA, and of the Prospectus Directive. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this document may be prohibited in countries other than those in relation to which notices are given below.

### For the attention of all investors

In making an investment decision, prospective investors must rely on their own examination 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, accounting, regulatory, investment or any other matter.

Prospective investors must rely upon their own representatives, including their own legal and financial advisers and accountants, as to legal, tax, financial, 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 objective will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

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

### For the attention of European Economic Area investors

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer to the public of the Ordinary Shares may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member

States an offer to the public in that Relevant Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State subject to obtaining prior consent of the Company for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an 'offer to the public' in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC (and any amendments, thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the EEA, this Prospectus may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any member state of the EEA in which such offer or invitation would be unlawful.

The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions.

#### **For the attention of U.K. investors**

This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Rules 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.

This document is being distributed only to and is directed at persons who (if they are in the EEA) will fall within one of the categories of persons set out above in the 'Notices to Investors'. In addition, this document is being distributed only to and is directed at persons in the United Kingdom who are:

- (i) persons having professional experience in matters relating to investments falling within the definition of 'investment professionals' in Article 19(5) of the Financial Promotions Order; or
- (ii) persons who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a)-(d) of the Financial Promotions Order; or (iii) persons to whom it may otherwise be lawful to distribute (all such persons together being referred to as "**relevant persons**").

#### **Forward looking statements**

This document includes statements that are, or may be deemed to be, 'forward-looking statements'. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'targets', 'believes', 'estimates', 'anticipates', 'expects', 'intends', 'may', 'will', 'should' or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the document and include statements regarding the intentions, beliefs or current expectations of the Company and the Board of Directors concerning, *inter alia*: (i) the Company's objective, acquisition and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to acquisitions. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies may differ materially from the forward-

looking statements contained in this document. In addition, even if the Company's actual performance, results of operations, financial condition, distributions to shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the 'Risk Factors' set out in Part II of this document for a discussion of additional factors that could cause the Company's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing appearing under the heading "Forward looking statements" constitutes a qualification of the working capital statement set out in paragraph 15 of Part VII of this document.

Forward looking statements contained in this document apply only as at the date of this document. Subject to any obligations under the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

## ADMISSION, SUBSCRIPTION AND PLACING STATISTICS

Number of Existing Ordinary Shares in issue prior to the Fundraise	81,843,195
Issue Price	1.6p
Maximum number of New Ordinary Shares being issued pursuant to the Fundraise	156,250,000
Percentage of Enlarged Ordinary Share Capital represented by the Fundraise Shares*	65.63%
The Enlarged Ordinary Share Capital of the Company following the Fundraise*	238,093,195
Number of Existing Warrants in issue prior to the Fundraise	47,082,948
Investor Warrants issued pursuant to the Fundraise*	156,250,000
Adviser Warrants issued pursuant to the Fundraise**	4,054,781
The Total Warrants in issue following the Fundraise*	160,304,781
Gross proceeds of the Fundraise*	£2.5m
Estimated net proceeds of the Fundraise receivable by the Company*	£2.18m
Market capitalisation at the Issue Price*	£3.81m
New Ordinary Shares as a percentage of the total Enlarged Share Capital*	65.63%

\* Assuming the maximum number of Fundraise Shares are issued.

\*\* The market capitalisation of the Company at any given time will depend on the market price of the Ordinary Shares at that time. There can be no assurance that the market price of an Ordinary Share will equal or exceed the Issue Price.

The dealing codes for the Ordinary Shares will be as follows:

TIDM	PERE
ISIN	GB00B3ZW6Z85
SEDOL	B32ZW628

### Notes

The number of Placing Shares to be issued pursuant to the Placing is fixed at 81,095,625 Ordinary Shares. The number of Subscription Shares to be issued pursuant to the Subscription is not known as at the date of this Document but will be notified by the Company via an RNS announcement prior to each Admission.

## EXPECTED TIMETABLE OF EVENTS

	2017
Publication of this document	21 July
Latest time and date for receipt of CREST voting intentions	16 August
Latest time and date for receipt of Forms of Proxy for the General Meeting	16 August
Time and date for the General Meeting	11.00 a.m. on 18 August
Cancellation of existing AIM listing	8.00 a.m. on 21 August
Admission and dealings expected to commence in the New Ordinary Shares	21 August
CREST accounts expected to be credited with New Ordinary Shares	21 August
Expected date for definitive share certificates in respect of Ordinary Shares and certificates for the Investor Warrants and Adviser Warrants to be despatched	25 August

*References to time are to London time unless otherwise stated. Each of the dates in the above timetable is subject to change without further notice.*

## EXISTING DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

Existing Directors	Roderick Webster, <i>Non-Executive Director and acting Chairman</i> David Linsley, <i>Chief Executive Officer</i> John Bryant, <i>Non-Executive Director</i>
Proposed Directors	Frank McAllister, <i>Proposed Non-Executive Director</i> Guy Le Bel, <i>Proposed Non-Executive Director</i>
Registered of Address	Pembridge Resources PLC Suite A, 6 Honduras Street London EC1Y 0TH
Company Secretary	London Registrars Ltd Suite A, 6 Honduras Street London EC1Y 0TH
Joint broker	SI Capital Ltd 46 Bridge Street Godalming GU7 1HL
Joint broker	Beaufort Securities Ltd 63 St Mary Axe London EC3A 8AA
Legal advisers to the Company	Cooley (UK) LLP Dashwood 69 Old Broad Street London EC2M 1QS
Legal advisers to the Brokers	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Auditors and Reporting Accountant	PKF Littlejohn LLP 1 Westferry Circus Canary Wharf London E14 4HD
Registrars	Capita Asset Services Limited PKS1 34 Beckenham Road Beckenham Kent BR3 4ZF
Company's Website	<a href="http://www.pembridgeresources.com">http://www.pembridgeresources.com</a>

## DEFINITIONS

The following definitions apply throughout this Admission Document, unless the context requires otherwise:

“Act”	the Companies Act 2006 (as amended);
“Admission”	the admission of the Enlarged Ordinary Share Capital to the standard listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities;
“Adviser Warrants”	the 4,054,781 warrants to be issued to Limited, Beaufort Securities Ltd and SI Capital Ltd in connection with the Placing and the Subscription, each such warrant entitling the holder to subscribe for one New Ordinary Shares at a price of 3.2p per share, further details of which are set out in Part V;
“AIM”	the AIM market of the London Stock Exchange;
“Articles”	the articles of association of the Company;
“Beaufort”	Beaufort Securities Ltd, the Company’s joint broker at the date of this document;
“Berg Aukas Project”	the mining area near Grootfontein in northern Namibia of which two slightly overlapping mining licences, ML-14/2/3/2/1 and ML-14/2/3/2/24B form part;
“Board”	the board of directors of the Company from time to time;
“Brokers”	Beaufort and SI;
“Business Day”	a day other than a Saturday, Sunday or public holiday in England;
“CAR Namibia”	China Africa Resources Namibia (Pty) Ltd, previously a wholly owned subsidiary of the Company;
“City Code”	the City Code on Takeovers and Mergers;
“Company” or “Pembridge” or “PERE”	Pembridge Resources plc, the Company and its subsidiary undertakings;
“CREST”	the system for trading shares in uncertificated form;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time;
“Deferred Shares”	means the deferred shares of 0.9 pence each in the capital of the Company created by the subdivision;
“Directors”	the directors and proposed directors of the Company, whose names are set out on page 33 of this document;
“Disclosure and Transparency Rules”	rules relating to the disclosure of information made in accordance with section 73A(3) of the FSMA;
“Dollar” or “US\$”	the legal currency of the United States of America.
“ECE”	Hong Kong East China Non-Ferrous Mineral Resources Co., Ltd;
“Enlarged Ordinary Share Capital”	the total of the Existing Ordinary Shares and the New Ordinary Shares;
“Existing Ordinary Shares”	ordinary shares of £0.01 each in the Company;
“Existing Warrants”	the 47,082,948 warrants, each entitling the holder to subscribe for one New Ordinary Share at a price of 4.34 pence per share and which expire on 15 December 2018;
“EU”	European Union;
“Euroclear”	Euroclear UK and Ireland Limited;
“European Directive”	the directive of the European Parliament and of the Council of the European Union 2003/71/EC;
“FCA”	the United Kingdom Financial Conduct Authority

“FSMA”	the Financial Services and Markets Act 2000, as amended;
“Fundraise”	together the Placing and the Subscription;
“Investor Warrants”	the up to 156,250,000 warrants to be issued to be issued to all participants in the Placing and the Subscription, each such warrant entitling the holder to subscribe for one New Ordinary Shares at a price of 3.2p per share, further details of which are set out in Part IV;
“Issue Price”	1.6p per New Ordinary Share;
“Listing Rules”	the listing rules made by the UK Listing Authority under section 73A of FSMA as amended from time to time;
“London Stock Exchange”	London Stock Exchange Plc;
“Market Abuse Regulation”	the Market Abuse Regulation on 596/2014 of the European Parliament and of the Council which came into force in the United Kingdom on 3 July 2016;
“Net Fundraise Proceeds”	the funds received by the Company less any expenses paid or payable in connection with Admission and the Fundraise;
“New Ordinary Shares”	ordinary shares of 0.1p each in the Company issued pursuant to the Fundraise;
“Notice”	the notice of the General Meeting set out at the end of this document;
“Official List”	the Official List of the Financial Services Authority;
“Ordinary Shares”	ordinary shares in the issued share capital of the Company from time to time;
“Panel”	the Panel on Takeovers and Mergers;
“Placing”	the conditional placing by the brokers of the Placing Shares with new investors on the terms and conditions of the Placing Agreement;
“Placing Agreement”	the agreement dated 20 July 2017 and made between, <i>inter alia</i> , the Company and the brokers relating to this placing, further details of which are set out in paragraph 9.2 of Part VII of this document;
“Placing Price”	1.6p per New Ordinary Share;
“Placing Shares”	81,095,625 New Ordinary Shares to be allotted and issued in connection with the Placing;
“Premium Listing”	a premium listing under Chapter 6 of the Listing Rules;
“Prospectus Directive”	Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member state), and includes any relevant implementing measures in each EEA State that has implemented Directive 2003/71/EC;
“Prospectus Rules”	the prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA, as amended from time to time;
“QCA”	Quoted Companies Alliance;
“Regulation S”	Regulation S promulgated under the U.S. Securities Act;
“Resolutions”	the resolutions to be proposed at the General Meeting, details of which are set out in the Notice;
“RIS”	a service provided by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained at the London Stock Exchange’s website;
“Renembi” or “RMB”	the legal currency of the People’s Republic of China;

“Securities Act”	the U.S. Securities Act of 1933, as amended;
“Share Dealing Code”	the Company’s policy on directors’ dealings in securities which is consistent with the rules of the Market Abuse Regulation;
“Shareholder”	a person who is registered as holders of the Ordinary Shares from time to time;
“SI”	SI Capital Ltd, the Company’s joint broker at the date of this document;
“Standard Listing”	a standard listing under Chapter 14 of the Listing Rules;
“Subdivision”	the subdivision of the Company’s entire issued share capital on the basis of each Existing Ordinary Share being split into a New Ordinary Share of 0.1p and a Deferred Share of 0.9p;
“Subscription”	the subscription by certain persons for up to 75,154,375 Subscription Shares at the Subscription Price pursuant to the Subscription Letters;
“Subscription Letter”	the letter agreements between the Company and certain new investors pursuant to which certain new investors have agreed to subscribe for a total of up to 75,154,375 New Ordinary Shares at the Issue Price;
“Subscription Price”	1.6p per Subscription Share;
“Subscription Shares”	up to 75,154,375 new Ordinary Shares to be issued pursuant to the Subscription;
“Sterling” or “£” or “p” or “pence”	the legal currency of the UK;
“Total Warrants”	the Existing and the Adviser Warrants;
“UK Corporate Governance Code”	principles of good governance and code of best practice prepared by the Committee on Corporate Governance and published by the Financial Reporting Council in April 2016 as amended from time to time;
“uncertificated”	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
“UKLA”	the United Kingdom Listing Authority, being the FCA acting in its capacity as the component authority for the purposes of Part VII of FSMA;
“VAT”	(i) within the EU, any tax imposed by any Member State in conformity with the Directive of the Council of the European Union on the common system of value added tax (2006/112/EC), and (ii) outside the EU, any tax corresponding to, or substantially similar to, the common system of value added tax referred to in paragraph (i) of this definition; and
“Weatherly” or “WIT”	Weatherly International plc, a company incorporate din England and Wales with registered number 03954224.

## **GLOSSARY**

The following table provides an explanation of certain technical terms and abbreviations used in this document. The terms and their assigned meanings may not correspond to standard industry meaning or usage of these terms.

“Base Metals”	metals that oxidize, tarnish or corrode relatively easily when exposed to air or moisture. Base metals are widely used in commercial and industrial applications. Examples of base metals include copper, lead, nickel and zinc;
“EIA”	environmental impact assessment;
“Farm-in agreement”	an agreement under which a person is entitled to acquire an interest in (but not full ownership of) a mining tenement by carrying out exploration work, or contributing a proportionate part of the cost of exploration work to be carried out, on the area of that mining tenement after the date of the agreement;
“GDP”	gross domestic product;
“kt”	kilotonne, a unit of weight equal to 1,000 metric tons;
“Orphaned assets” or “Orphaned projects”	assets that are typically undervalued given their stage of development; and as more fully set out in paragraph 4 of Part I of this document.
“Precious metals”	rare or otherwise valuable metals. Metals are considered precious based upon their rarity, usefulness in industry, or history as an investment commodity. Examples of precious metals include, gold, palladium, platinum and silver.

# PART I: LETTER FROM THE CHAIRMAN

## PEMBRIDGE RESOURCES PLC

*Incorporated and registered in England & Wales with registered number 07352056*

*Directors:*

Roderick Webster, Non-Executive Chairman (acting)

John Bryant, Non-Executive Director

David Linsley, Chief Executive Director

*Proposed Directors:*

Francis Ralph McAllister

Guy Roger Le Bel

*Registered Office:*

Suite A, 6 Honduras Street

London EC1Y 0TH

21 July 2017

Dear Shareholder,

**Proposed Placing of 81,095,625 New Ordinary Shares to raise £1,297,530 at a price of 1.6p per share Proposed Subscription for up to 75,154,375 New Ordinary Shares to raise £1,202,470 at a price of 1.6p per share all such New Ordinary Shares to be issued with warrants attached on a one for one basis**

**Admission of up to 238,093,195 Ordinary Shares to the Official List (by way of Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's main market for listed securities**

and

### **Notice of General Meeting**

#### **1. Introduction**

The Company announced earlier today that it has successfully raised £1,297,530 through a placing of 81,095,625 New Ordinary Shares and a subscription for up to 75,154,375 New Ordinary Shares with new and existing shareholders subject to Shareholders approving certain proposals that will enable the Company to seek admission to the standard segment of the Official List and to trading on the London Stock Exchange's main market as listed securities. This document sets out the details of, and reasons for, the Resolutions.

The purpose of this document is to provide Shareholders with further information regarding the matters described above and to seek your approval of the Resolutions. The notice of General Meeting is set out at the end of this document. The Placing is conditional, among other things, on the passing of the Resolutions and Admission. If the Resolutions are approved by Shareholders, it is expected that Admission will become effective and dealings in the Enlarged Ordinary Share Capital will commence on or around 21 August 2017. The General Meeting of the Company at which the Resolutions will be proposed has been convened for 11.00 a.m. on 18 August 2017 at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London, EC2M 1QS.

You should read the whole of this document and not just rely on the information contained in this letter. In particular, you should consider carefully the "Risk Factors" set out in Part II of this document. Your attention is also drawn to the information set out in Parts III to IV of this document.

#### **2. Background to and reasons for the Resolutions**

Pemb ridge Resources PLC was originally incorporated as China Africa Resources PLC on 20 August 2010.

The Company was set up as co-operation between Weatherly International plc (an AIM traded mining company focused on projects in the Republic of Namibia) and ECE. ECE's parent entity was established in 1955 as an overseas development division of the Jiangsu Provincial government in China to focus on geological and mineral exploration and development activities outside of mainland China

The Company initially focused on a project known as "Berg Aukas" in northern Namibia. The project was essentially a set of overlapping mining licences which had been acquired by Weatherly International plc some years previously but which, as non-core investments, Weatherly International

plc did not have the financial or technical capacity to exploit. The subsidiary of Weatherly International plc which owned the mining licences was sold to the Company and a cash investment was made to the Issuer by HK ECE and the Issuer was admitted to trading on the AIM Market (with 10% of the share capital being distributed to existing shareholders of Weatherly International plc).

The Company was admitted to AIM in the summer of 2011 with the objective of carrying out a full feasibility study on the Berg Aukas Project and, subsequently, to develop that project and bring the mine back into production.

On 24 May 2014 the Company announced the results of the Pre-Feasibility Study. Whilst many of the findings were encouraging, the anticipated costs of progressing the Berg Aukas Project to the production stage were estimated at between US\$39m to US\$53m (dependent upon whether ore processing was to take place onsite or offsite). Commercial viability and more importantly, the ability to raise sufficient equity capital for the mine development phase proved to be difficult in the existing market conditions. Without the funds to complete the underground evaluation, a necessary step in producing a bankable feasibility study, it would be impossible to raise the debt component. The project viability would also be greatly enhanced if there was an obvious market for the Vanadium concentrate, which has proved problematic in the current environment.

Between 2014 and mid-2016 there were few developments of note save that ECE was retrenching from its international activities and hence the Board were faced with needing to make a clear decision with regard to the Issuer's future and solvency.

Against this background it was difficult to take funding for the Berg Aukas Project forward in any commercially justifiable way. The then Board believed that ultimately the Berg Aukas Project would be developed but was unable to give any firm timeframe and accordingly concluded that it was not an asset suited to underpin a public company, particularly given the ongoing costs of operating a listing on AIM.

On 23 November 2016 the Company put proposals to Shareholders to raise £1,000,000 million through a conditional subscription and placing. The decision to recommend this course of action to Shareholders came about due to a number of circumstances:

- (i) the Company had been holding the dormant Berg Aukas asset for several years (given economic viability issues) and was gradually using up its cash resources on basis maintenance and the expenses of being a public company;
- (ii) ECE had largely retrenched from its activities in sub-Saharan Africa and was focusing its resources on certain Asian assets. Originally it had been intended that ECE would be the partner to drive the asset forward but a global commodity price decline and the retrenching of activity to Asia led to the abandonment of that plan.

Accordingly, the Board reached the view that the best option was to pursue a new strategy and that strategy would not include the Berg Aukas asset.

The Board had been informed by the investors in the placing and subscription that they had no interest in pursuing the Berg Aukas Project as an asset of the Company. ECE and WTI however, indicated that they did believe there was potentially long-term value in the Berg Aukas Project and that they would like to have it under their direct ownership. This was achieved by the in specie distribution of the shares in CAR Namibia (which held the Berg Aukas Project) to all Shareholders, as the then Directors believed that all shareholders should share in any future potential.

Accordingly in November 2016, having conducted a capital reduction to create the required distributable reserves, the Company put proposals to shareholders to distribute the shares in the Namibian subsidiary to its shareholders by way of an in specie distribution, to raise £1,000,000 of new equity and make significant changes to the Board. These proposals were approved by shareholders on 14 December 2016 and the proposals were implemented in full in early January 2017.

As part of these proposals Paul Johnson and Nick O'Reilly joined the Board as an executive team to implement the proposed investing policy to be adopted by the Company. ECE itself had no real interest in the operations of the Company going forwards. Their interest, albeit now limited, was in the Berg Aukas asset, of which they owned 60% after the in specie distribution. The ECE directors accordingly stood down from the Board as part of the Proposals.

The existing non-executive directors, Frank Lewis and James Richards also decided to leave the Board. It was decided that John Bryant and Rod Webster would fulfil non-executive roles in the Company post the implementation of the proposals.

The disposal constituted a “disposal resulting in a fundamental change of business” under Rule 15 of the AIM Rules. As a result of this disposal, the Company became an AIM Rule 15 cash shell and consequently had six months to either, complete a Reverse Takeover, convert into an AIM Rule 8 Investing Company or be suspended from trading on AIM. Mr Johnson and Mr O'Reilly left the Board in February 2017 as a result of being faced with a scenario that was almost impossible to resolve given the strategy that had been adopted. When the Company disposed of the Berg Aukas project it became a Rule 15 cash shell, the direct consequence was that the Company was required to complete a transaction, or transactions which would constitute a reverse takeover for the purposes of AIM Rule 14 within 6 months of the disposal. The Company was able to make two small investments but neither of these investments, either alone, or in aggregate, was sufficient to trigger Rule 14. It became clear that a single investment capable of triggering Rule 14 would be a significant risk to the Company given that the strategy was focussed on speculative exploration assets; accordingly to trigger Rule 14 the Company would need to make a very substantial investment in a single asset or project, which if that asset or project proved not to be viable, could put the Company back in the position that it found itself in when its entire future was dependent on the Berg Aukas project.

In February 2017 David Linsley joined the Board as Chief Executive to a view to pursuing a strategy in a similar sector but with a focus on later stage assets (i.e. those close to the production phase or actually in production). The Board considered this to be a strategy with a substantial lower risk profile but realised that a reasonable time frame for selecting and completing an appropriate investment that would satisfy the criteria of AIM Rule 14 would not be possible in the timeframe to avoid suspension on AIM.

Having considered the options available to the Company, the decision was taken by the Directors to leave AIM and to seek admission to the Standard Segment of the Official List as an acquisition company with a focus on investing in base and precious metal projects in the Americas, sub-Saharan Africa and Europe.

### **3. Investing Policy**

The Company will target the acquisition of projects by direct investments or through farm-ins. The investments may be in companies, partnerships, special purpose vehicles, joint ventures or direct interests in mining projects. Target investments will generally be involved in projects in the development and/or producing stage and the Company may consider exploration opportunities. Such investments may take the form of equity, debt and/or other financial instruments. The Company's interest in a proposed investment may range from a minority position to 100 per cent. ownership.

The Company will focus on projects located in North and South America, sub-Saharan Africa and Europe. The Directors propose to invest in companies and/or projects within the natural resources sector with a particular focus on opportunities in selected base and precious metals.

In selecting acquisition opportunities, the Board will focus on companies and/or projects that are available at attractive valuations and hold opportunities to unlock embedded value or where there is the prospect of adding considerable value.

The Company proposes to carry out a comprehensive and thorough project review process in which all material aspects of any potential investment will be subject to appropriate due diligence. It is likely that the Company's financial resources will ultimately be invested in a limited number of projects. It is intended that any initial Acquisition will be initially be using available cash resources which will limit the size of the Acquisition target by reference to the Net Proceeds and working capital requirements. However in the event that an Acquisition target presents itself which would require the raising of additional capital the Directors have not ruled out the raising of additional equity concurrent with the Acquisition should the business case be compelling.

The Company initially intends to deliver Shareholder returns through capital growth and may, in the medium term, be in a position to distribute income via dividends.

Following completion of any Acquisition, the objective of the Company will be to operate the acquired business and implement an operating strategy with a view to generating value for its Shareholders through operational improvements as well as potentially through additional

complementary acquisitions following any Acquisition. Following any initial Acquisition and in the event that any subsequent acquisition is deemed a “reverse takeover”, the Company intends to seek re-admission of the enlarged group to listing on the Official List and trading on the London Stock Exchange or admission to another stock exchange dependent upon the nature of the target of the Acquisition and its stage of its business.

#### **4. Investment strategy and rationale**

##### *Rationale*

Given the current macro outlook for mining and mining investment, the Directors believe an opportunity exists for Pembridge to take advantage of current asset and project valuations in this stage of the mining cycle. It is the Directors' belief that base and precious metals are offering significant opportunities to invest in orphaned projects where existing management teams have been restricted of capital. The Company believes that there are a number of projects available for investment that may require not only cash but also technical and financial expertise.

Coupled with a disciplined fund management approach, the Directors believe that Pembridge will offer exposure to the next forecast “up cycle” and compete with private equity funds. In addition, the Company aims to offer investors a prospect of liquidity unavailable in a private equity/hedge fund structure.

##### *Geography*

As set out above, the Company will focus on projects located in North and South America, sub-Saharan Africa and Europe. The Company will only invest in countries within these geographies that have established mining regulations and existing mining operations. The purpose of this focus is to minimise sovereign and regulatory risk of the investments that the Company makes.

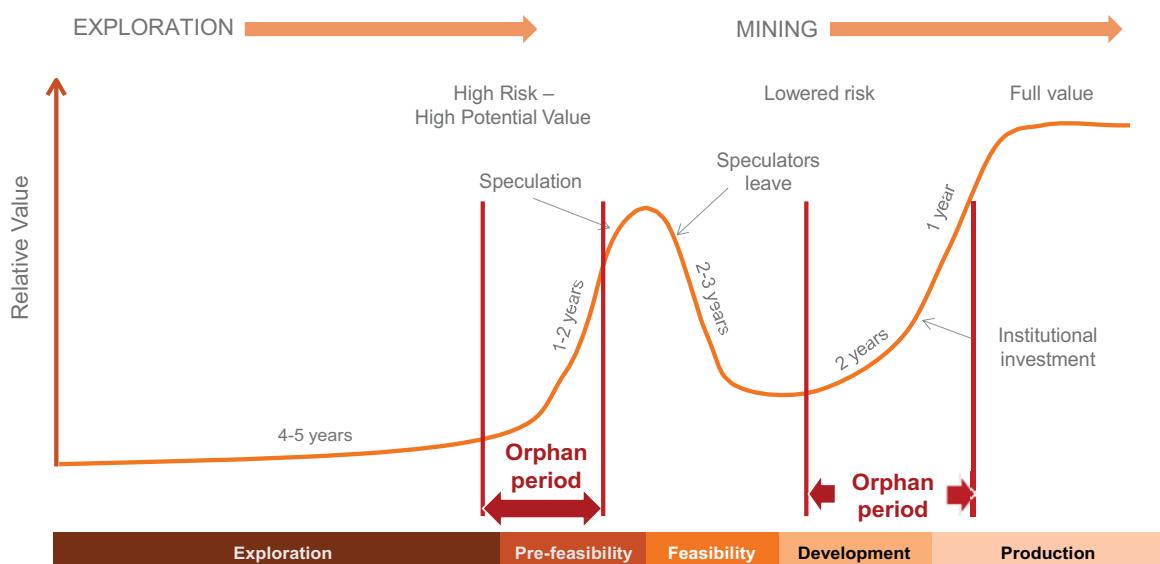
#### **Target geographies**



- North America
- South America
- Europe
- Sub-Saharan Africa

## Base and Precious Metals

The Company is targeting Base and Precious Metals for a number of reasons. First, the Company will only invest in commodities in which has expertise and a track record of success. Secondly, given the initial resources available to the Company, this precludes any material investment options within the bulk commodity space (e.g. iron ore and coal) where typical investments require a scale in the order of US\$1bn+ to be cost competitive and successful. Thirdly, for the stages in the mining cycle that the investing strategy focuses on, the Directors believe Base and Precious Metal projects typically have the most value-add potential. Finally, the Directors believe that the timing is right for base and precious metal investment, where most of the commodities in these categories have bullish consensus price forecasts for the medium-long term (see paragraph 5 of this Part I).



Source: Company internal diagram

The Directors' longer term aim is to create a portfolio of projects that are diversified along the mining cycle, targeting, in particular undervalued assets in the development and/or production stages. The Directors define Orphaned Assets as those that exhibit a transactional value proposition or have a large potential upside in value, but for whatever reason the development of the asset has been stalled either through undervaluation by markets and investors, failure to raise sufficient capital, or have been stigmatised by unmerited "deal fatigue" as a result of unfavourable macro-events.

The Company's primary target is on production or near production assets with a secondary interest in newly defined resource exploration projects, further details are set out below:

- Production assets are mines that have recently commenced production either as a new development or a past-producer which has gone through a period of shutdown;
- Near production assets have gone through the typical mining stages of development and are nearing the point of final investment decision and require funds in order to complete development to first production; and
- Newly defined resource exploration projects are those that are at an advanced stage of resource definition, with most of the necessary permitting and tenure in place.

With any of these types of investments, the Company commits to only investing in projects where it can add value to the project. This can be achieved through either updating or changing the mining methods processes, personnel, logistics, arranging capital to assist the project in expediting development, and/or through acquiring undervalued assets and creating transactional value. Where appropriate, the Company may bring in new management in order to help generate value.

## 5. Market background

### Overview

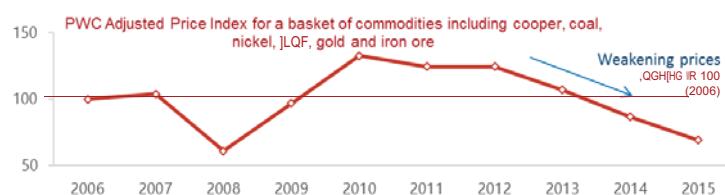
#### Geographic focus

The Company will focus on projects located in North and South America, sub-Saharan Africa and Europe. The Company will only invest in countries within these geographies that have established mining regulations and existing mining operations. The purpose of this focus is to minimise sovereign and regulatory risk in the investments that the Company makes.

#### Macro-economic trends in base and precious metals

Despite underlying demand growth in commodities during the period 2012 to 2015, prices generally weakened as a result of over-allocation of capital in the previous period of 2006 to 2012 (see chart below)

Despite underlying demand growth in commodities during the period 2012 to 2015, prices generally weakened as a result of over-allocation of capital in the previous period of 2006 to 2012 (see chart below).<sup>1</sup>



Source: Price Waterhouse Coopers Mine 2016

Investment predominantly went into reasonable quality assets, but this has depleted the next generation of projects<sup>2</sup>. Last year was a turning point for the mining sector as under-investment in the past five years has brought supply and demand back into balance.

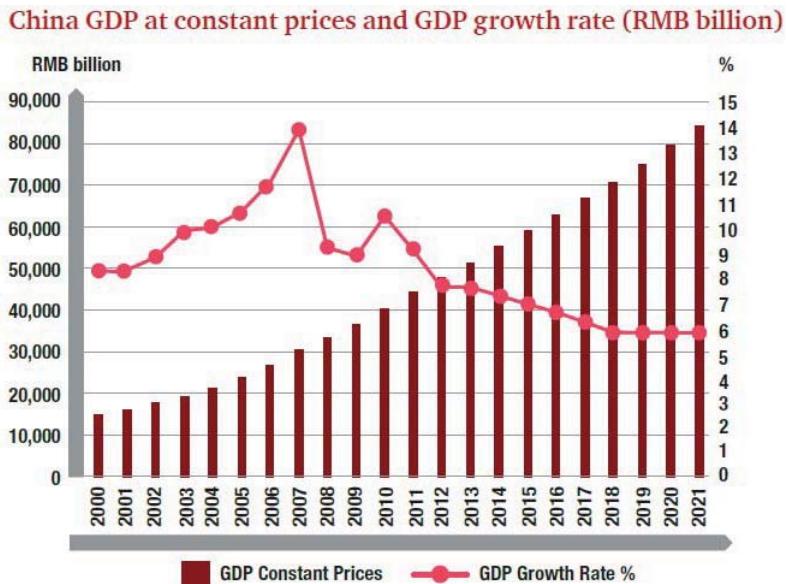
The Directors believe future performance will largely be dictated by the following macroeconomic drivers:

#### Chinese economic growth and focus

Over the past decade, global commodities' demand and prices were largely driven by unprecedented Chinese growth. In the medium-term, China will continue to be crucial to the prosperity of the mining industry. However, Chinese GDP growth is forecast to tail off and hover around 6% annually to 2020; this is a significant decline compared to recent decades. Nevertheless, as can be seen when tracking GDP at constant prices, China continues to grow and will remain a critical part of the mining industry's story.

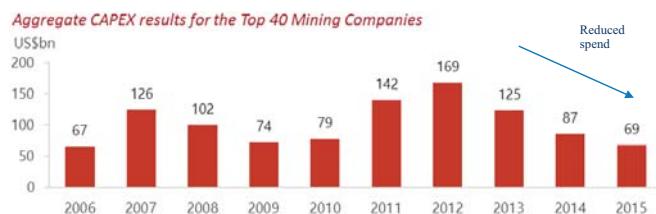
<sup>1</sup> Page 7, Mine 2016, Review of Global Trends in the Mining Industry, PWC

<sup>2</sup> Page 4, BMO Capital Markets 2017 Global Metals and Mining Conference, 27 February 2017, Glencore



Source: IMF (taken from PWC Global Mining Report 2016) Structurally lower capex looks likely to persist into the medium term

Capital expenditure by the top 40 mining companies has decreased from US\$169bn in 2012 to US\$69bn in 2015, a 60% decrease<sup>6</sup> (see chart below). This lack of new supply development is beginning to restrict the value chain at the raw material end. Therefore, maintaining existing supply is becoming increasingly challenging in many commodities, exacerbated by aging mines and falling grades, energy, water and infrastructure shortages, “social licence to operate” challenges, and growing sovereign / political risks.<sup>7</sup>



Source: Price Waterhouse Coopers Mine Report 2016

#### *Fewer economic assets discovered in the past five years*

Exploration expenditure has fallen in line with capital expenditure as weakened prices have reduced discretionary spend. No material new abundance of low-cost base metals supply has been discovered over this period. This will continue to impact supply-side constraints in the medium-term, as depleting reserves are not being replenished.

## 6. Existing investments

On 1 February 2017 the Company announced that it had made an investment in an early stage copper exploration company with exploration licences in Botswana. The Company also made an investment in an early stage lithium exploration project in the US as announced to the market on 8 February 2017. The current Directors do not consider either project to be in line with the future strategy of the Company and attach no financial value to them and disposed of the investments on 14 June 2017 and 24 May 2017 for an aggregate cash consideration of £209,000. The investments have been disposed of (albeit shortly after they were made) because they are investments in very early stage exploration assets and the new investing policy is based on identifying later stage opportunities, investing in assets which are in the production stage of the life cycle or close to it, as the policy is designed to focus on opportunities which do not carry the high level of speculative risk which attaches to exploration assets.

<sup>6</sup> Page 11, Mine 2016, Review of Global Trends in the Mining Industry, PWC

<sup>7</sup> Page 13, BMO Capital Markets 2017 Global Metals and Mining Conference, 27 February 2017, Glencore

## **7. Information on the Existing Directors, Proposed Directors and senior management team**

The Directors are responsible for the overall management and control of the Company and there are no other persons who manage the investments of the Company. The Directors will review the operations of the Company at regular meetings and it is currently intended that, the Board will meet at least 4 times a year.

The Directors have provided the Company with the necessary combination, at this stage of its development, of both specialist market sector and corporate and acquisition experience that will be key to the successful execution of the Company's strategy. Initially the Board will comprise Roderick Webster, Non-Executive Chairman, David Linsley, Chief Executive Officer and John Bryant, Non-Executive Director. Upon completion of the Fundraise Francis McAllister and Guy Le Bel will assume non-executive positions on the board. Roderick Webster will become Acting Chairman until a suitable full-time replacement is found. The Board will be reviewed to ensure that it remains appropriate for the Company such that the constitution of the Board at that time will reflect the profile of the Company and prevailing corporate governance standards.

### *Existing Directors:*

Roderick John Webster, Non-Executive Director and Acting Chairman (aged 67)

Roderick Webster is a graduate mining engineer from the University of Sydney. He has over 40 years of experience in the resources industry, including more than 16 years as chief executive officer of publicly listed Companies. From 2005 – 2015 Mr Webster was formerly chief executive officer of Weatherly International PLC, an AIM listed mining, exploration and development company with copper operations in Namibia. Between 2001 and 2005 Mr Webster was a senior executive at First Quantum Minerals Ltd (“FQM”), a Toronto Stock Exchange and AIM listed company, developing and operating copper mines in Zambia, the Democratic Republic of Congo and Mauritania. Prior to his involvement with FQM, he was a founding director and the chief executive officer of Australian base metals producer, Western Metals Ltd. During his stewardship, the company grew to be one of Australia's largest base metals producers at the time. In his earlier years, he held senior management positions with the global resource companies, Homestake Gold of Australia Ltd and BHP Minerals Ltd. He is a fellow of both the Australian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. At various stages he has been a member of the executive committees of both the Minerals Council of Australia and the International Zinc Association. He is also currently non- executive Chairman of Riversgold Ltd and a non-executive director of Coro Mining Corp.

Mr Webster is the Acting Chairman on Admission until a suitable permanent replacement is found.

David Charles Linsley, Chief Executive Officer and Executive Director (aged 52)

David Linsley is the former executive director of Behre Dolbear. Prior to his work with Behre Dolbear he was a co-founder of Northern Zinc, a group formed to acquire a near production zinc asset in upstate New York. Mr Linsley founded Sirius Investment Management LLP in 2005, a Gibraltar based multi strategy fund management group specialising in fund of funds and hedge fund products. The most notable fund launched was the Sirius Resource Fund which invested in global mining and resource transactions. Previously, in 1998, Mr Linsley was a co-founder and CEO of Cross Asset Management Ltd, a UK-based hedge fund management company which managed \$500 million in assets across multiple strategies including event driven equity and credit. As a multi-strategy Europe-focused arbitrage firm, Cross Asset Management was involved in mergers, corporate restructurings, IPOs and private placements across Europe. In 2005, Cross Asset Management was sold to RAB Capital, a specialist asset manager focusing on natural resource and long/short equity investments. Mr Linsley started his career at Lehman Brothers International in the prime brokerage and equity finance group, where he was involved with numerous hedge fund structures as an early participant in the London based hedge fund community. Mr Linsley has developed strong relationships with institutional funds internationally, including in Europe and the US. In addition, Mr Linsley has been involved in numerous financings in the mining and natural resource sectors around the world and has sat on the board of several mining companies.

John Bryant, Non-Executive Director (aged 71)

John Bryant was appointed to the Board in October 2010. He is the non-executive chairman of Weatherly, independent chairman of Balkan Zinc plc and a non-executive director of Victoria Oil and Gas plc. Mr Bryant was formerly chairman of AIM listed Gas Turbine Efficiency plc, senior

independent director of AIM listed Igas Energy plc and a board member of Attiki (Athens) Gas Company. Mr Bryant also served as President of Cinergy Global Resources Corp, responsible for all international business and global renewable power operations of this US-based electricity and gas utility provider. Before joining Cinergy, Mr Bryant's professional experience was gained with Midlands Electricity plc as Executive Director Generation, British Sugar plc, Drexel Limited, BOC Limited and Unilever plc. Mr Bryant holds an MSc from Reading University and a BA from Nottingham University, and is a fellow of the Institute of Directors and a fellow of the Royal Society of Arts.

Each of the Directors can be contacted at the registered office of the Company at Suite A, 6 Honduras Street, London, United Kingdom, EC1Y 0TH.

*Proposed Directors:*

Francis Ralph McAllister, Proposed Non-Executive Director (Aged 74)

With over 50 years' industry experience, Frank McAllister has held various senior and board positions in a number of metals and mining companies.

He worked with ASARCO Incorporated for 33 years during which he became chief financial officer in 1982 and then executive vice president of Copper operations in 1993. Eventually became ASARCO's president and chief operating officer before becoming chairman and chief executive officer in 1999.

In 1996 he became an independent director of Cliffs Natural Resources Inc and its lead director from 2004 to 2013. From 2001 to 2013, Mr McAllister was chairman and chief executive officer of Stillwater Mining Company. Mr McAllister also served as president of the National Mining Association between 2012 and 2013.

Mr McAllister holds an MBA from New York University, Bachelor of Science in Finance from the University of Utah and attended the Advanced Management Program at Harvard Business School.

Guy Roger Le Bel, Proposed Non-Executive Director (Aged 58)

Guy Le Bel brings more than 30 years of international experience in business development, strategic and financial planning to the Pembridge Board. He is currently chief financial officer of Golden Queen Mining Ltd. He was previously vice president, evaluations for Capstone Mining Corp. and vice president, business development for Quadra/FNX Mining Ltd. Mr Le Bel also held business advisory, strategy and planning, business valuation, and financial planning management roles at BHP Billiton Base Metals, Rio Algom Ltd, and Cambior Inc., together with independent consultation mandates across the industry. He provides extensive experience across precious and base metals industries in the America. Mr Le Bel has held board positions in a numerous junior exploration and mining companies.

Mr Le Bel holds an MBA Finance from Ecole des Hautes Etudes Commerciales (Montreal), a Master Applied Sciences, Mining Engineering from University of British Columbia and a B.Sc. Mining Engineering from Universite Laval. He is a professional engineer (O.I.Q.)

*Senior Management:*

Peter Bojtos, President

Peter Bojtos is a Professional Engineer with over 45 years of experience in the mining industry and a strong background in corporate management; including all facets of the industry from exploration through the feasibility study stage to mine construction, operations and decommissioning.

He graduated from the University of Leicester in 1972, following which he worked at a number of open-pit iron-ore and underground base-metal and uranium mines in West Africa, the United States and Canada.

From 1990 to 1995 he was president & chief executive officer of RFC Resource Finance Corp, president & chief executive officer of Consolidated Nevada Goldfields Corp and was chairman & chief executive officer of Greenstone Resources Ltd. He has also been an independent director of numerous Canadian, US, Australian, London or European listed mining and exploration companies over the past 18 years. These include Birim Goldfields Inc., Desert Sun Mining Corp., Queenstake Resources Ltd., European Uranium Inc., US Gold Corp., Vaaldiam Resources Ltd. and William Resources Inc.

During the course of his career Mr Bojtos has visited and evaluated properties in over 70 countries carrying out approximately 20 significant corporate acquisitions, mergers or sales that involved 24 operating mines; participating in the financing, development, building or reopening of 19 mines and has been involved in the operation of 24 producing mines.

It is the intention of the Board to appoint a Chief Financial Officer as soon as practicable post Admission.

#### Spencer Davey, Vice President, Business Development

Spencer Davey is a mining professional with 15 years' experience across Australia, China, Europe and the UK. He is the director of Southsea Consulting, where he successfully led the AIM IPO for Saffron Energy plc, a gas producer based in Italy, and advised various clients, including Rio Tinto, on corporate finance and strategy initiatives. Prior to Southsea, Mr Davey was business development manager at Fortescue Metals Group Limited, where he successfully executed approximately US\$1.3bn in transactions comprising acquisitions, asset divestments, and the establishment of a number of development joint ventures. Prior to joining Fortescue, Mr Davey spent five years at Momentum Partners where he served a number of mining clients across Australia, principally in the areas of strategy and business improvement. Spencer holds a Masters in Business Administration (MBA) from London Business School, and has Bachelors' Degrees in Mechatronics Engineering, Management, and Investment Finance.

#### Adam Peter Melnik, Vice President, Strategy

Adam Melnik has significant breadth of experience gained in the past 12 years within the natural resources industry. He is currently working with Vedanta Resources plc in strategy and corporate development in the office of its founder and chairman, Anil Agarwal. Mr Melnik has significant experience in strategic planning, M&A, operations management, organisation building, outsourcing and partnerships. He has worked alongside Anil Agarwal and his two strategic advisors, Cynthia Carroll (former chief executive officer of Anglo American plc) and Kuldip Kaura (former chief executive officer of Vedanta Resources plc), and Vedanta's chief executive officer, Tom Albanese (former chief executive officer Rio Tinto plc). Prior to his engagement at Vedanta Resources, Adam was a Metals and Mining Research Analyst with Canaccord Genuity in Toronto and London focused primarily on precious metals producers and developers. Adam holds an MBA in Finance from the Lazaridis School of Business and Economics at Wilfrid Laurier University and a BSc in Geological Engineering from the University of Waterloo.

The Company is managed by the Board and there is no separate investment manager.

#### *Management Incentive Plans*

The Board believes that the ongoing success of the Company depends to a high degree on retaining and incentivising the performance of Executive Directors and other members of the senior management team with awards of options under the Unapproved Share Option Plan. Key terms of awards will be determined by the Remuneration Committee. The key terms of the Unapproved Share Option Plan are summarised in paragraph 8 of Part VII of this Document.

Currently a total of 9,000,000 options have been granted under the Unapproved Share Option Plan to current and former directors and to certain consultants. All of these options have an exercise price of 4.34p per share.

In any future 10 year period commencing on or after Admission, not more than an additional 10% of the issued ordinary share capital of the Company may be issued or committed to be issued under employee and management share plans. In addition, in any 10 year period commencing on or after Admission, it is intended that not more than additional 5% of the issued ordinary share capital of the Company may be issued or committed to be issued under discretionary share plans adopted by the Company relating to its senior executives.

Until the Company is able to execute upon a transaction that would constitute a reverse takeover, the Directors have agreed that no salaries will be paid. When, and if such a transaction is completed, salaries will be payable to the executive management team at levels to be agreed by the Remuneration Committee.

## **8. Corporate Governance**

The Existing Directors and Proposed Directors recognise the importance of sound corporate governance and the Company will comply with QCA Code, as published by the Quoted Companies

Alliance, to the extent they consider appropriate in light of the Company's size, stage of development and resources.

The Company will hold Board meetings periodically as issues arise which require the attention of the Board. The Board will be responsible for the management of the business of the Company, setting the strategic direction of the Company, establishing the policies of the Company and appraising the making of all material investments. It will be the Board's responsibility to oversee the financial position of the Company and monitor the business and affairs of the Company on behalf of the Shareholders, to whom the Directors are accountable. The primary duty of the Board will be to act in the best interests of the Company at all times. The Board will also address issues relating to internal control and the Company's approach to risk management. The Company has also established a remuneration committee (the "Remuneration Committee") and an audit committee (the "Audit Committee") with formally delegated duties and responsibilities.

The Remuneration Committee, which will comprise John Bryant as Chairman, and David Linsley and Guy Le Bel, will meet not less than twice each year. The committee will be responsible for the review and recommendation of the scale and structure of remuneration for directors and senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and other stakeholders.

The Audit Committee, which will comprise Guy Le Bel as Chairman and Francis McAllister will meet not less than twice a year. The committee will be responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance of the Company is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Company.

The Risk and Disclosure Committee will operate as part of the Audit Committee and will review the operational risks that face the business and monitor and report upon the Company's obligations under the Disclosure and Transparency Rules regarding continuous disclosure.

The Company has adopted and will operate a share dealing code governing the share dealings of the Directors of the Company and applicable employees with a view to ensuring compliance with the Market Abuse Regulation.

The Company has adopted, with effect from Admission, a share dealing policy regulating trading and confidentiality of inside information for the Directors and other persons discharging managerial responsibilities (and their persons closely associated) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during closed periods which will be in line with the EU Market Abuse Regulation (No. 596/2014)). The Company will take all reasonable steps to ensure compliance by the Directors and any relevant employees with the terms of that share dealing policy.

## **9. Key terms of the Subscription and Placing**

### *Placing and Subscription*

The Company has conditionally raised approximately £2.09 million) before expenses pursuant to the proposed issue of up to 156,250,000 New Ordinary Shares at an Issue Price of 1.6 pence per New Ordinary Share.

The Placing and Subscription are conditional on the passing of the Resolutions by the requisite majority of the Company's Shareholders at the General Meeting. Following satisfaction of all conditions and subject to the Placing Agreement becoming unconditional in all respects, application will be made to the Existing Shares, the Placing Shares and Subscription Shares to be admitted to Listing on the Official List. It is expected that Admission will become effective and that dealings for normal settlement in the Ordinary Shares will commence on 21 August 2017.

The terms of the Placing and Subscription also provide for all participants to be issued with Investor Warrants on the basis of one Investor Warrant for each New Ordinary Share subscribed for in the Subscription and the Placing. The Investor Warrants allow the holder to subscribe for one New Ordinary Share for each Warrant held at a price of 3.2p, per New Ordinary Share. The Investor Warrants are exercisable immediately upon issue and at any time up to and including 20 August 2019. Further details of the Investor Warrants are set out in Part IV of this document.

The Placing Shares and Subscription Shares will, when issued, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive dividends and other distributions declared following Admission.

Immediately following completion of the Placing and Subscription, the Company's issued ordinary share capital will consist of up to 238,093,195 Ordinary Shares.

When admitted to trading, the Ordinary Shares (including the Placing Shares and the Subscription Shares) will continue to be registered with ISIN number GB00B3ZW6Z85 and SEDOL number B3ZW6Z8 and trade under the symbol "PERE".

#### *Placing Agreement*

The Company, the Directors and the Brokers have entered into the Placing Agreement relating to the Placing pursuant to which, subject to certain conditions, the Brokers conditionally agreed to use their reasonable endeavours to procure subscribers for the Placing Shares to be issued by the Company. The 81,095,625 New Ordinary Shares subscribed for in the Placing will represent approximately 34% of the Enlarged Ordinary Share Capital.

The Placing Agreement is conditional, amongst other things, upon Admission having become effective by not later than 8.00 am on 21 August 2017 or such later time and date as the Company and the Brokers may agree (being not later than 8.00 am on 31 August 2017).

Further details of the Placing Agreement and the Adviser Warrants are set out in Part V and paragraph 9 of Part VII of this Document.

#### *Use of Proceeds*

Pembridge will use the proceeds of the Fundraise to make targeted Acquisitions in line with its Investing Policy and to provide working capital for the day to day operations of the Company. In the absence of unforeseen circumstances, the Board anticipates that the net proceeds of the Fundraising should be fully invested (or committed to be invested) within 18 months of Admission. If no Acquisition has been announced within two years of Admission, the Board will put proposals to Shareholders to either wind up the Company or to extend the period (or identification of a suitable Acquisition by a period of a further 12 months).

#### *Lock-in and Orderly Market Arrangements*

Each of the Existing Directors and the Proposed Directors have each agreed with the Company, and the Brokers not to dispose of any of their interests in Ordinary Shares held or acquired for a period of at least twelve months from the date of Admission, save in certain limited circumstances and to sell any Ordinary Shares through a broker acting in accordance with generally accepted orderly market principles for a further twelve months thereafter.

The aggregate interests following Admission which will be subject to the lock-in and orderly market arrangements, as described above, will amount to 9,552,299 Ordinary Shares which is equivalent to approximately 4.01 per cent. of the Enlarged Share Capital.

Further details of the lock-in and orderly market arrangements are set out in paragraph 10.4(c) of Part VII of this document.

#### *Admission, Settlement and Dealings*

Application will be made for the Ordinary 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 companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.

It is expected that Admission will become effective and dealings, for normal settlement, will commence on 21 August 2017. No application has been or will be made for any of the Existing Warrants or Adviser Warrants to be admitted to trading on the Official List or on any other securities market.

The Ordinary Shares are eligible for CREST settlement. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within CREST if the relevant holder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain certificates will be able to do so.

The Investor Warrants and Adviser Warrants are not CREST eligible for settlement and will be issued in certificated form.

Pending the dispatch of definitive share certificates (as applicable), instruments of transfer will be certified against the register. No temporary documents of title will be issued.

If the Resolutions are not passed at the General Meeting, the Fundraise will not proceed and the Directors will consider alternative options for the Company.

## **10. Financial Information**

Links to historical financial information on the Company can be found in Part III of this document. Copies of the interim and annual accounts of the Company for the financial periods since the year ended 31 December 2014 may be found on the Company's website: [www.pembridgeresources.com](http://www.pembridgeresources.com)

## **11. Taxation**

Information regarding certain taxation with respect to Ordinary Shares and Admission is set out in Part VI of this document. These details are, however, intended as a general guide to the current position under UK taxation law. If you are in any doubt as to your tax position you should consult an appropriate professional adviser.

Investors subject to tax in other jurisdictions are strongly urged to contact their tax advisers about the tax consequences of holding Ordinary Shares.

## **12. The City Code**

The City Code applies to the Company. Under Rule 9 of the City Code ("Rule 9"), any person who acquires an interest in shares, whether by a series of transactions over a period of time or not, which, taken together with any interest in shares held or acquired by persons acting in concert (as defined in the City Code) with him, in aggregate carry 30 per cent. or more of the voting rights of a company, that person is normally required by the Panel to make a general offer to all of the remaining shareholders to acquire their shares.

Similarly when any person, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. of the voting rights of such a company but does not hold shares carrying more than 50 per cent. of such voting rights, a general offer will normally be required if any further interests in shares are acquired by any such person which increases the percentage of shares carrying voting rights in which they are interested.

An offer under Rule 9 must be in cash or be accompanied by a cash alternative and at the highest price paid by the person required to make the offer, or any person acting in concert with him, for any interest in shares of the company acquired during the twelve months prior to the announcement of the offer.

## **13. Warrants**

At the date of this document, the Company has 47,082,948 Warrants outstanding, each entitling the holder to subscribe for one Ordinary Share at a price of 4.34 pence. The Board proposes to issue new Investor Warrants to subscribe for up to 156,250,000 New Ordinary Shares at an exercise price of 3.2 pence per share to those new and existing Shareholders that have participated in this Placing and Subscription. The Investor Warrants have been issued on a one for one basis for each Ordinary Share purchased as part of this Placing and Subscription and are exercisable at twice the Placing and Subscription Price. The Board proposes to issue new Adviser Warrants to subscribe for up to 4,054,781 New Ordinary Shares at an exercise price of 3.2 pence per share in part compensation for their services. Details of all Existing, Investor and Adviser Warrants are set out in the table in section 14 below.

These Adviser Warrants and Investor Warrants are exercisable at any time up to the second anniversary of Admission, at which time they will lapse.

Further details of the Existing Warrants are set out in paragraph 10.8 of Part VII of this document.

#### **14. Fully diluted share capital**

The following table sets out the fully diluted share capital as at the date of this document and as at Admission:

	<b>As at the date of this document</b>	<b>At Admission</b>	<b>As a % of the Company's issued share capital at Admission</b>
Issued share capital	81,843,195	81,843,195	—
Existing Warrants @ 4.34 pence	47,082,948	47,843,948	19.78%
Existing share options	9,000,000	9,000,000	3.78%
Subscription Shares*	—	75,154,375	31.57
Placing Shares	—	81,095,625	34.06%
Investor Warrants*	—	156,250,000	65.63%
Adviser Warrants	—	4,054,781	1.70%

\* Assumes the maximum number of Subscription Shares are issued

Accordingly at Admission the issued share capital is expected to be 238,093,195 Ordinary Shares (in the event that the maximum number of New Ordinary Shares are issued in the Fundraise) with a total of 216,387,729 options and warrants outstanding. If all the options and warrants were to be exercised the Company would receive approximately £7.56 million in cash and the options and warrants would represent 90.88% of the fully diluted issued share capital.

#### **15. Dividend policy**

The nature of the Company's business means that it is unlikely that the Directors would be in a position to recommend a dividend in the early years following Admission. The Directors believe that the Company should seek to generate capital growth for its Shareholders but may recommend distributions at some future date, depending upon the generation of sustainable profits, if and when it becomes commercially prudent to do so. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

#### **16. Bribery Act 2010**

The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010 which came into force with effect from 1 July 2011. The Company has conducted a risk review into its operational procedures to consider the impact of the Bribery Act 2010 and has drafted and implemented an anti-bribery policy as adopted by the Board and also implemented appropriate procedures to ensure that the Directors, employees and consultants comply with the terms of the legislation.

#### **17. Risk Factors**

Shareholders and other prospective investors in the Company should be aware that an investment in the Company involves a high degree of risk. Your attention is drawn to the risk factors set out in Part II of this document.

#### **18. Further Information**

You should read the whole of this document and not just rely on the information contained in this Part I. Your attention is drawn to the information set out in Part II to Part VII (inclusive) of this document which contain further information on the Company.

#### **19. General Meeting**

A notice convening the General Meeting, which is to be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS at 11.00 a.m. on 18 August 2017, is set out at the end of this document. At the General Meeting, the following Resolutions will be proposed:

(a) Resolution 1 is an ordinary resolution to subdivide each of the Existing Ordinary Shares of 1p each into one New Ordinary Share and One Deferred Share;

- (b) Resolution 2, which is conditional on the passing of Resolution 2, is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £316,555, being equal to 316,555,000 New Ordinary Shares (i.e. the maximum number of New Ordinary Shares required to be issued pursuant to the Fundraising);
- (c) Resolution 3, which is conditional on the passing of Resolution 1, is a special resolution to authorise the Directors to issue and allot equity securities up to an aggregate nominal value of £316,555, being approximately equal to 316,555,000 New Ordinary Shares, pursuant to the Fundraising on a non-pre-emptive basis;
- (d) Resolution 4 is a special resolution to approve the cancellation of the Company's AIM listing which is required by AIM Rule 41;
- (e) Resolution 5 is an ordinary resolution to appoint Frank McAllister as a director of the Company;
- (f) Resolution 6 is an ordinary resolution to appoint Guy Le Bel as a director of the Company;
- (g) Resolution 7 is an ordinary resolution to authorise the Directors to allot relevant securities up to an aggregate nominal amount of £71,430, being equal to 30% of the issued share capital following the completion of the Fundraising;
- (h) Resolution 8 is a special resolution to authorise the Directors to issue and allot equity securities on a non-pre-emptive basis up to an aggregate nominal value of £23,810, being equal to 10% of the issued share capital following the completion of the Fundraising; and
- (i) Resolution 9 is an ordinary resolution to make certain specific changes to the Unapproved Share Option Plan to enable the grant of nil cost options under the rules of the Unapproved Share Option Plan.

The authorities to be granted pursuant to each of Resolutions 2 and 3 will expire on the date falling six months from the date of the passing of those Resolution (unless renewed varied or revoked by the Company before or on that date) and will be in addition to any authorities to allot relevant securities granted at the Company's annual general meeting held on 16 June 2017.

## **20. Subdivision**

The current issued capital of the Company is £818,432 divided into 81,843,195 Existing Ordinary Shares of a nominal value of 1 pence each. No other shares of the Company are in issue.

English company law prohibits a public company from issuing a new share at a price less than its nominal value. As the Issue Price is only marginally above the current nominal value of the Existing Ordinary Shares, it is proposed that each Existing Ordinary Share be sub-divided into one ordinary share of 0.1p each and one Deferred Share of 0.9p each.

New share certificates will not be issued and the existing share certificates will continue to be valid following the Subdivision. Shareholders who hold their shares in the Company through CREST should note that the Company's ISIN number will continue to be valid.

**Please note that the Subdivision itself has no economic or other effect on the rights of Shareholders. It is merely a technical process to allow the issue of the New Ordinary Shares at the Issue Price. All economic value remains in the Ordinary Shares.**

The Deferred Shares will have no income or voting rights. The only right attaching to the Deferred Shares will be to receive the amount paid up on a winding-up of the Company once the holders of New Ordinary Shares have received £1,000,000 per New Ordinary Share held. The Deferred Shares will not be transferable. The Company may purchase the Deferred Shares in issue at any time for no consideration. As such, the Deferred Shares effectively have no value. No application will be made for the Deferred Shares created by the Subdivision to be admitted to trading on any market, and no share certificates will be issued in respect of the Deferred Shares.

## **21. Action to be taken**

A Form of Proxy is enclosed for use by Shareholders at the General Meeting. Whether or not Shareholders intend to be present at the General Meeting, they are asked to complete, sign and return the Proxy Form by post or by hand to the Company's Registrars, Capita Registrars Limited, The Registry, 34 Beckenham Road, Beckenham, BR3 4TU, as soon as possible but in any event so as to arrive no later than 11.00 a.m. on 16 August 2017. The completion and return of a Form

of Proxy will not preclude a Shareholder from attending the General Meeting and voting in person should he or she wish to do so.

## **22. Recommendation**

The Directors are of the opinion that the Resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Existing Directors unanimously recommend that Shareholders vote in favour of each of these Resolutions, as the Existing Directors intend to do in respect of their own beneficial shareholdings, which amount in aggregate to 1,271,749 Existing Ordinary Shares, representing approximately 1.55 per cent. of the Existing Ordinary Share Capital.

If the Resolutions are not passed the Fundraise will not proceed and Admission will not take place. In those circumstances the Company's Existing Ordinary Shares will remain suspended on AIM. Absent an immediate alternative proposal it is almost certain that the Directors will need to put immediate plans to Shareholders to liquidate the Company and return remaining cash resources (which may be limited) to Shareholders.

## PART II: HISTORICAL FINANCIAL INFORMATION

Pembridge's audited results for the years ending 31 December 2014, 31 December 2015 and 31 December 2016 are available on its website: [www.pembridgeresources.com/investors/financial-reports](http://www.pembridgeresources.com/investors/financial-reports).

Shareholders or other recipients of this document may request a hard copy of the above information incorporated by reference from the Company at its registered office, Pembridge Resources PLC, Suite A, 6 Honduras Street, London, EC1Y 0TH or by telephoning 0207 917 2968. Such copy will be provided to the requester within 7 days. A hard copy of the information incorporated by reference will not be sent to Shareholders or other recipients of this document unless requested.

Information that is itself incorporated by reference or referred or cross-referenced to in these documents is not incorporated by reference into this document.

### Consolidated financial statements of the Group

#### Accounts for the period as at and ended

	31 December 2016	31 December 2015	31 December 2014
Consolidated income statements	Page 12	Page 13	Page 12
Consolidated Statement of Financial Position	Page 13	Page 15	Page 13
Statement of Comprehensive Income	N/A	Page 14	N/A
Principal accounting policies	N/A <sup>(1)</sup>	N/A <sup>(2)</sup>	N/A <sup>(3)</sup>
Notes to the accounts	Pages 17-28	Pages 18-37	Pages 16-28
Independent auditors' report	Page 10-11	Pages 11-12	Pages 10-11

(1) Principal accounting can be found in Note 3 to the audited financial statements contained in the 2014 Annual Report.

(2) Principal accounting policies can be found in Note 3 to the audited financial statements contained in the 2015 Annual Report.

(3) Principal accounting policies can be found in Note 3 to the audited financial statements contained in the 2016 Annual Report.

### **PART III: OPERATING AND FINANCIAL REVIEW (INCLUDING LIQUIDITY AND CAPITAL RESOURCES AND CAPITALISATION AND INDEBTEDNESS)**

*The following operating and financial review contains financial information that has been extracted or derived without material adjustment from the Company's financial information for the year ended 31 December 2016, which is the only relevant period, included in "Part II – Financial Information on the Company") prepared in accordance with IFRS.*

*This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward looking statements contained on pages 29 and 30.*

*The key risks and uncertainties, include, but are not limited to those described in the section of this document entitled "Risk Factors" on pages 17 to 26.*

#### **Overview**

The Company was incorporated on 20 August 2010 and was admitted to trading on the AIM market on 1 August 2011. The initial purpose of the Company was to exploit a mining project in the Republic of Namibia.

In January 2017 the Company disposed of all of its operating assets by way of a special in-specie dividend to shareholders and at the same time raised £1,000,000 to support the making of acquisitions in the mining sector and became an AIM Rule 15 cash shell. The Directors propose that the Company should now seek admission to the standard segment of the Official List as an acquisition company focused on the making of acquisitions and investments in projects and businesses involved in base and precious metals in the Americas, sub-Saharan Africa and Europe. Although a number of potential acquisition opportunities have been identified, the Company does not have any specific acquisition under consideration and does not expect to engage in substantive negotiations with any target company or business in this sector until after Admission.

The Company has published its financial results for the year ended 31 December 2016 on 12 May 2017, which shows cash balance of \$1,163,000. Since 14 December 2016, the Company's operations have been limited to investigating potential acquisition targets and the current cash balance reflects the operating costs. The Company has no material liabilities other than in respect of establishment costs.

#### **Capital resources**

The Company's capital resources comprise its share capital and reserves.

In the period ended 31 December 2016, being the period covered by the most recently published audited financial information, cash outflow from operations totalled \$458,000. Cash inflows from financing activities amounted to \$979,000. No dividends on Ordinary Shares or other cash flows arose during the period other than the distribution in specie to shareholders of the Company's investment in the entity holding the mining project in the Republic of Namibia at a value of US\$504,000.

The Company does not forecast any restrictions on its ability to meet financial commitments as they fall due.

#### **Capitalisation and indebtedness**

The following table shows the Company's indebtedness (distinguishing between guaranteed and unguaranteed, secured and unsecured indebtedness) as at 30 June 2017 and the Company's capitalisation as at 30 June 2017.

	<b>As at 30 June 2017 US\$'000</b>
Total current debt	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Total non-current debt (excluding current portion of non-current debt)	—
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—
Shareholders' equity	—
Share capital	1,048
Legal reserve	—
Other reserves	(28)
Total capitalisation	1,020

The following table shows the Company's net indebtedness as at 30 June 2017

	<b>As at 30 June 2017 US\$'000</b>
Cash	595
Liquidity	595
Current financial debt	—
Net current financial indebtedness	—
Non-current financial indebtedness	—
Net financial indebtedness	—

The Company had no indirect or contingent indebtedness at 30 June 2017.

There has been no material change in the capitalisation and indebtedness of the Company as at 31 December 2016 (being the last date in respect of which the Company has published audited financial information). The cash balance as at 30 June 2017 was US\$594,700 and there were as at that date no borrowings.

#### Hedging arrangements and risk management

The Company may use forward contracts, options, swaps, caps, collars and floors or other strategies or forms of derivative instruments to limit its exposure to changes in the relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates, as previously described. It is expected that the extent of risk management activities by the Company will vary based on the level of exposure and consideration of risk across the business.

The success of any hedging or other derivative transaction generally will depend on the Company's ability to correctly predict market changes. As a result, while the Company may enter into such a transaction to reduce exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Company may not seek, or be successful in establishing, an exact correlation between the instruments used in a hedging or other derivative transactions and the position being hedged and could create new risks of loss. In addition, it may not be possible to fully or perfectly limit the Company's exposure against all changes in the values of its assets, because the values of its assets are likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.

## PART IV: TERMS OF THE INVESTOR WARRANTS

The Investor Warrants are constituted by, and issued subject to and with the benefit of, the Investor Warrant Instrument.

Holders of Investor Warrants are and will be bound by all the terms and conditions set out in the Investor Warrant Instrument. The terms and conditions attached to the Investor Warrants and summarised in this Part IV. Statements made in this summary are a description of those made in the Investor Warrant Instrument.

### 1. Definitions

In this Part IV, unless the context requires otherwise, each of the following expressions has the following meanings:

Articles	the articles of association of the Company in force from time to time.
Business Day	any day (other than a Saturday or Sunday) or an English bank or public holiday.
Certificate	in relation to an Investor Warrant, a certificate evidencing a Warrantholder's entitlement to Investor Warrants.
Exercise Date	<ul style="list-style-type: none"><li>(i) in relation to an Investor Warrant which is in certificated form, the date of delivery to the registered office of the Company of the items specified in the Investor Warrant Instrument (and the date of such delivery shall be the date on which such items are received at the Company's registered office) or if not a Business Day then the immediately following Business Day; and</li><li>(ii) in relation to an Investor Warrant which is in uncertificated form, the date of receipt of the properly authenticated dematerialised instruction and/or other instruction or notification.</li></ul>
Final Subscription Date	20 August 2019
Notice of Exercise	in relation to an Investor Warrant, the duly completed notice of exercise in the form, or substantially in the form, contained in the certificate for such Investor.
Register	the register of holders of Warrants to be maintained by the Registrar.
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time).
stock account	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited.
Special Resolution	a resolution of the Warrantholders holding not less than 75 per cent. of the outstanding Investor Warrants.
Subscription Price	subject to the provisions of the Investor Warrant Instrument, 3.2p per Ordinary Share (as may be adjusted from time to time).
Subscription Rights	the rights of the Warrantholders to subscribe for Ordinary Shares pursuant to the Warrants on the terms and subject to the conditions of the Investor Warrant Instrument.
Warrantholder(s)	the person(s) in whose name(s) an Investor Warrant is registered in the Register from time to time.

## **2. Subscription Rights**

- 2.1. Warrantholders are entitled in respect of every one Investor Warrant held to subscribe for one Ordinary Share in the Company at a price per share equal to the Issue Price. The Investor Warrants registered in a Warrantholder's name will be evidenced by a Certificate issued by the Company.
- 2.2. Each Investor Warrant may be exercised by Warrantholders at any time after the date on which the Warrants are issued and before the Final Subscription Date.
- 2.3. In order to exercise the whole or any part of its holding of Investor Warrants held in certificated form, a Warrantholder must deliver to the Company before the Final Subscription Date a Notice of Exercise together with the relevant Certificate and the remittance in cleared funds of an amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warrantholder as a result of the exercise of the Investor Warrants which are being exercised.
- 2.4. In order to exercise the whole or any part of its holding of Investor Warrants in uncertificated form, a Warrantholder must deliver to the Company before the Final Subscription Date a properly authenticated dematerialised instruction and/or other instruction or notification together with the payment transfer for the aggregate amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warrantholder as a result of the exercise of the Subscription Rights.
- 2.5. Once delivered to the Company in accordance with paragraphs 2.3 and 2.4 above, a Notice of Exercise shall (save with the consent of the Company) be irrevocable.
- 2.6. To the extent that Ordinary Shares to be allotted and issued on the exercise of Investor Warrants held in certificated form, the Company shall deliver a share certificate for the Ordinary Shares so allotted to the relevant Warrantholder by no later than 28 days after such Notice of Exercise was delivered to the Company in accordance with paragraph 2.3.
- 2.7. To the extent that Ordinary Shares to be allotted and issued on the exercise of Investor Warrants held in uncertificated form through CREST, the Company shall procure that Euroclear UK & Ireland Limited is instructed to credit to the stock account of the relevant Warrantholder entitlements to such Ordinary Shares.
- 2.8. Ordinary Shares allotted pursuant to the exercise of Investor Warrants shall be allotted and issued credited as fully paid, shall have the rights set out in the Articles, shall be entitled in full to all dividends and distributions declared or paid on any date, or by reference to any date, on or after the date on which the relevant Notice of Exercise was delivered to the Company in accordance with paragraph 2.3 or 2.4 above and shall otherwise rank *pari passu* in all respects from the date of allotment with the Ordinary Shares of the Company then in issue.
- 2.9. Investor Warrants shall be deemed to be exercised on the Exercise Date.

## **3. Adjustment of Subscription Rights**

- 3.1. Upon the occurrence of a reorganisation or reclassification of the share capital of the Company, or an issue of new shares, capitalisation issue or offer by way of rights by the Company, or a sub-division, reduction or consolidation of the capital of the Company, or a merger or consolidation of the Company with or into another company or demerger, or the modification of rights attaching to the Ordinary Shares or a dividend in kind declared and/or made by the Company (each an "Adjustment Event") after the date on which any Investor Warrants are granted, the number of Ordinary Shares which are the subject of the Warrants and the Subscription Price payable on the exercise of Warrants shall be adjusted either in such manner as the Company agree in writing is appropriate or, failing agreement, in such manner as the auditors of the Company shall certify is appropriate.
- 3.2. The Company shall not implement an Adjustment Event if it would otherwise result in the Subscription Price payable per Ordinary Share on the exercise of the Investor Warrants being less than the nominal value of an Ordinary Share.
- 3.3. No exercise of Investor Warrants shall result in the issue of a fraction of an Ordinary Share. Any fractional entitlements to Ordinary Shares arising as a result of an adjustment shall be rounded down to the nearest whole Ordinary Share.

#### **4. Winding-up of the Company**

4.1. If, at any time when any Subscription Rights are exercisable, an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected then:

- (A) if such winding-up or dissolution is for the purpose of a reconstruction or amalgamation pursuant to a scheme of arrangement to which any Warrantholder has consented in writing, the terms of such scheme of arrangement will be binding on such Warrantholder; or
- (B) in any other case, the Company shall forthwith notify the Warrantholder stating that such an order has been made or resolution has been passed or other dissolution is to be effected and the Warrantholder shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the holders of Ordinary Shares, such a sum, if any, as it would have received had it been the holder of and paid for the Ordinary Shares to which it would have become entitled by virtue of such exercise, after deducting from such sum an amount equal to the amount which would have been payable by it in respect of such Ordinary Shares if it had exercised all its Investor Warrants, but nothing contained in this paragraph shall have the effect of requiring the Warrantholder to make any actual payment to the Company.

4.2. Subject to compliance with paragraph 4.1, the Investor Warrants shall lapse on a dissolution or winding-up of the Company.

#### **5. Undertakings**

5.1. Unless otherwise authorised in writing by the Warrantholder(s) holding the majority of the outstanding Investor Warrants from time to time:

- (A) the Company shall maintain all necessary authorisations pursuant to the Act to enable it to lawfully and fully perform its obligations under the Warrant Instrument to allot and issue Ordinary Shares upon the exercise of all Warrants remaining exercisable from time to time;
- (B) if at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the Ordinary Share capital of the Company, the Company will as soon as possible give notice of such offer to the Warrantholders and use its best endeavours to procure that a full and adequate opportunity is given to the Warrantholders to exercise the Investor Warrants and that a like offer, being one *pari passu* with the best terms offered to holders of Ordinary Shares, is extended in respect of any Ordinary Shares issued upon exercise of the Warrants. The publication of a scheme of arrangement under sections 895 to 899 of the Act providing for the acquisition by any person of the whole or any part of the Ordinary Share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 5.1(B) and references herein to such an offer shall be read and construed accordingly;
- (C) if at any time an offer or invitation is made by the Company to the holders of Ordinary Shares for the purchase by the Company of any of the Ordinary Shares, the Company shall simultaneously give notice thereof to the Warrantholders who shall be entitled, at any time while such offer or invitation is open for acceptance, to exercise their Investor Warrants on the terms (subject to any adjustments pursuant to paragraph 3.1 above) on which the same could have been exercised and as if the same had been exercised on the day immediately preceding the record date for such offer or invitation;
- (D) the Company shall supply to the Warrantholders copies of all notices of meetings, annual reports and accounts and all documents required by law to be annexed thereto and all statements, circulars and other communications to its shareholders at the same time as they are despatched to its shareholders.

## **6. Modification of Rights**

- 6.1. All or any of the rights for the time being attached to the Investor Warrants may from time to time (whether or not the Company is being wound up) be altered, amended or abrogated only with the prior sanction of a Special Resolution of the Warrantholders and the agreement of the Company and shall be effected by an instrument by way of deed executed by the Company and expressed to be supplemental to the Investor Warrant Instrument.
- 6.2. All the provisions of the Articles for the time being of the Company relating to general meetings shall apply *mutatis mutandis* as though the Investor Warrants were a class of shares forming part of the capital of the Company except that:
  - (A) the necessary quorum shall be Warrantholders present (in person or by proxy) entitled to subscribe for 10 per cent. in nominal amount of the Ordinary Shares attributable to the outstanding Investor Warrants;
  - (B) every Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and every Warrantholder present in person or by proxy shall be entitled on a poll to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the Investor Warrants held by him; and
  - (C) any Warrantholder present (in person or by proxy) may demand or join in demanding a poll.

## **7. Transfer**

The Investor Warrants shall be in registered form and shall be transferable by instrument in writing in the usual common form (or in such other form as the Directors may reasonably approve). A Warrantholder's holding of Investor Warrants may be transferred in whole or in part, but no transfer of a right to subscribe for a fraction of an Ordinary Share shall be affected.

## **8. Purchase**

- 8.1. The Company and its subsidiaries shall have the right to purchase Investor Warrants in the market, by tender or by private treaty or otherwise.
- 8.2. All Investor Warrants purchased or surrendered pursuant to paragraph 8.1 shall forthwith be cancelled and shall not be available for reissue or resale.

## **9. Governing Law and Jurisdiction**

The provisions of the Investor Warrant Instrument and the Investor Warrants shall be subject to and governed by English law and each of the parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Investor Warrant Instrument.

## PART V: TERMS OF THE ADVISER WARRANTS

The Adviser Warrants are constituted by, and issued subject to and with the benefit of, the Adviser Warrant Instrument.

Holders of Adviser Warrants are and will be bound by all the terms and conditions set out in the Warrant Instrument. The terms and conditions attached to the Adviser Warrants and summarised in this Part V. Statements made in this summary are a description of those made in the Adviser Warrant Instrument.

### 1. Definitions

In this Part V, unless the context requires otherwise, each of the following expressions has the following meanings:

Articles	the articles of association of the Company in force from time to time.
Business Day	any day (other than a Saturday or Sunday) or an English bank or public holiday.
Certificate	in relation to an Adviser Warrant, a certificate evidencing a Warrantholder's entitlement to Adviser Warrants.
Exercise Date	<ul style="list-style-type: none"><li>(i) in relation to an Adviser Warrant which is in certificated form, the date of delivery to the registered office of the Company of the items specified in the Adviser Warrant Instrument (and the date of such delivery shall be the date on which such items are received at the Company's registered office) or if not a Business Day then the immediately following Business Day; and</li><li>(ii) in relation to an Adviser Warrant which is in uncertificated form, the date of receipt of the properly authenticated dematerialised instruction and/or other instruction or notification.</li></ul>
Final Subscription Date	20 August 2019
Notice of Exercise	in relation to an Adviser Warrant, the duly completed notice of exercise in the form, or substantially in the form, contained in the certificate for such Adviser Warrant or, in the case of a dematerialised Warrant, the authenticated communication sent in accordance with the Regulations.
Register	the register of holders of Adviser Warrants to be maintained by the Registrar.
Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755) (as amended from time to time).
stock account	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited.
Special Resolution	a resolution of the Warrantholders holding not less than 75 per cent. of the outstanding Adviser Warrants.
Subscription Price	subject to the provisions of the Adviser Warrant Instrument, 3.2p per Ordinary Share (as may be adjusted from time to time).
Subscription Rights	the rights of the Warrantholders to subscribe for Ordinary Shares pursuant to the Adviser Warrants on the terms and subject to the conditions of the Adviser Warrant Instrument.
Warrantholder(s)	the person(s) in whose name(s) an Adviser Warrant is registered in the Register from time to time.

## **2. Subscription Rights**

- 2.1. Warranholders are entitled in respect of every one Adviser Warrant held to subscribe for one Ordinary Share in the Company at a price per share equal to the Subscription Price. The Adviser Warrants registered in a Warranholder's name will be evidenced by a Certificate issued by the Company.
- 2.2. Each Adviser Warrant may be exercised by Warranholders at any time after the date on which the Warrants are issued and before the Final Subscription Date.
- 2.3. In order to exercise the whole or any part of its holding of Adviser Warrants held in certificated form, a Warranholder must deliver to the Company before the Final Subscription Date a Notice of Exercise together with the relevant Certificate and the remittance in cleared funds of an amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warranholder as a result of the exercise of the Adviser Warrants which are being exercised.
- 2.4. In order to exercise the whole or any part of its holding of Adviser Warrants in uncertificated form, a Warranholder must deliver to the Company before the Final Subscription Date a properly authenticated dematerialised instruction and/or other instruction or notification together with the payment transfer for the aggregate amount equal to the Subscription Price multiplied by the number of Ordinary Shares to be allotted and issued to the Warranholder as a result of the exercise of the Subscription Rights.
- 2.5. Once delivered to the Company in accordance with paragraphs 2.3 and 2.4 above, a Notice of Exercise shall (save with the consent of the Company) be irrevocable.
- 2.6. To the extent that Ordinary Shares to be allotted and issued on the exercise of Adviser Warrants held in certificated form, the Company shall deliver a share certificate for the Ordinary Shares so allotted to the relevant Warranholder by no later than 28 days after such Notice of Exercise was delivered to the Company in accordance with paragraph 2.3.
- 2.7. To the extent that Ordinary Shares to be allotted and issued on the exercise of Warrants held in uncertificated form through CREST, the Company shall procure that Euroclear UK & Ireland Limited is instructed to credit to the stock account of the relevant Warranholder entitlements to such Ordinary Shares.
- 2.8. Ordinary Shares allotted pursuant to the exercise of Adviser Warrants shall be allotted and issued credited as fully paid, shall have the rights set out in the Articles, shall be entitled in full to all dividends and distributions declared or paid on any date, or by reference to any date, on or after the date on which the relevant Notice of Exercise was delivered to the Company in accordance with paragraph 2.3 or 2.4 above and shall otherwise rank *pari passu* in all respects from the date of allotment with the Ordinary Shares of the Company then in issue.
- 2.9. Adviser Warrants shall be deemed to be exercised on the Exercise Date.

## **3. Adjustment of Subscription Rights**

- 3.1. Upon the occurrence of a reorganisation or reclassification of the share capital of the Company, or an issue of new shares, capitalisation issue or offer by way of rights by the Company, or a sub-division, reduction or consolidation of the capital of the Company, or a merger or consolidation of the Company with or into another company or demerger, or the modification of rights attaching to the Ordinary Shares or a dividend in kind declared and/or made by the Company (each an "Adjustment Event") after the date on which any Adviser Warrants are granted, the number of Ordinary Shares which are the subject of the Adviser Warrants and the Subscription Price payable on the exercise of Warrants shall be adjusted either in such manner as the Company agree in writing is appropriate or, failing agreement, in such manner as the auditors of the Company shall certify is appropriate.
- 3.2. The Company shall not implement an Adjustment Event if it would otherwise result in the Subscription Price payable per Ordinary Share on the exercise of the Adviser Warrants being less than the nominal value of an Ordinary Share.
- 3.3. No exercise of Adviser Warrants shall result in the issue of a fraction of an Ordinary Share. Any fractional entitlements to Ordinary Shares arising as a result of an adjustment shall be rounded down to the nearest whole Ordinary Share.

#### **4. Winding-up of the Company**

4.1. If, at any time when any Subscription Rights are exercisable, an order is made or an effective resolution is passed for the winding-up or dissolution of the Company or if any other dissolution of the Company by operation of law is to be effected then:

- (A) if such winding-up or dissolution is for the purpose of a reconstruction or amalgamation pursuant to a scheme of arrangement to which any Warrantholder has consented in writing, the terms of such scheme of arrangement will be binding on such Warrantholder; or
- (B) in any other case, the Company shall forthwith notify the Warrantholder stating that such an order has been made or resolution has been passed or other dissolution is to be effected and the Warrantholder shall be entitled to receive out of the assets which would otherwise be available in the liquidation to the holders of Ordinary Shares, such a sum, if any, as it would have received had it been the holder of and paid for the Ordinary Shares to which it would have become entitled by virtue of such exercise, after deducting from such sum an amount equal to the amount which would have been payable by it in respect of such Ordinary Shares if it had exercised all its Adviser Warrants, but nothing contained in this paragraph shall have the effect of requiring the Warrantholder to make any actual payment to the Company.

4.2. Subject to compliance with paragraph 4.1, the Adviser Warrants shall lapse on a dissolution or winding-up of the Company.

#### **5. Undertakings**

5.1. Unless otherwise authorised in writing by the Warrantholder(s) holding the majority of the outstanding Warrants from time to time:

- (A) the Company shall maintain all necessary authorisations pursuant to the Act to enable it to lawfully and fully perform its obligations under the Warrant Instrument to allot and issue Ordinary Shares upon the exercise of all Adviser Warrants remaining exercisable from time to time;
- (B) if at any time an offer is made to all holders of Ordinary Shares (or all such holders other than the offeror and/or any company controlled by the offeror and/or persons acting in concert with the offeror) to acquire the whole or any part of the Ordinary Share capital of the Company, the Company will as soon as possible give notice of such offer to the Warrantholders and use its best endeavours to procure that a full and adequate opportunity is given to the Warrantholders to exercise the Adviser Warrants and that a like offer, being one *pari passu* with the best terms offered to holders of Ordinary Shares, is extended in respect of any Ordinary Shares issued upon exercise of the Warrants. The publication of a scheme of arrangement under sections 895 to 899 of the Act providing for the acquisition by any person of the whole or any part of the Ordinary Share capital of the Company shall be deemed to be the making of an offer for the purposes of this paragraph 5.1(B) and references herein to such an offer shall be read and construed accordingly;
- (C) if at any time an offer or invitation is made by the Company to the holders of Ordinary Shares for the purchase by the Company of any of the Ordinary Shares, the Company shall simultaneously give notice thereof to the Warrantholders who shall be entitled, at any time while such offer or invitation is open for acceptance, to exercise their Adviser Warrants on the terms (subject to any adjustments pursuant to paragraph 3.1 above) on which the same could have been exercised and as if the same had been exercised on the day immediately preceding the record date for such offer or invitation;
- (D) the Company shall supply to the Warrantholders copies of all notices of meetings, annual reports and accounts and all documents required by law to be annexed thereto and all statements, circulars and other communications to its shareholders at the same time as they are despatched to its shareholders.

## **6. Modification of Rights**

- 6.1. All or any of the rights for the time being attached to the Adviser Warrants may from time to time (whether or not the Company is being wound up) be altered, amended or abrogated only with the prior sanction of a Special Resolution of the Warrantholders and the agreement of the Company and shall be effected by an instrument by way of deed executed by the Company and expressed to be supplemental to the Adviser Warrant Instrument.
- 6.2. All the provisions of the Articles for the time being of the Company relating to general meetings shall apply *mutatis mutandis* as though the Adviser Warrants were a class of shares forming part of the capital of the Company except that:
  - (A) the necessary quorum shall be Warrantholders present (in person or by proxy) entitled to subscribe for 10 per cent. in nominal amount of the Ordinary Shares attributable to the outstanding Adviser Warrants;
  - (B) every Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and every Warrantholder present in person or by proxy shall be entitled on a poll to one vote for every Ordinary Share for which he is entitled to subscribe pursuant to the Adviser Warrants held by him; and
  - (C) any Warrantholder present (in person or by proxy) may demand or join in demanding a poll.

## **7. Transfer**

The Adviser Warrants shall be in registered form and shall be transferable by instrument in writing in the usual common form (or in such other form as the Directors may reasonably approve). A Warrantholder's holding of Warrants may be transferred in whole or in part, but no transfer of a right to subscribe for a fraction of an Ordinary Share shall be affected.

## **8. Purchase**

- 8.1. The Company and its subsidiaries shall have the right to purchase Adviser Warrants in the market, by tender or by private treaty or otherwise.
- 8.2. All Adviser Warrants purchased or surrendered pursuant to paragraph 8.1 shall forthwith be cancelled and shall not be available for reissue or resale.

## **9. Governing Law and Jurisdiction**

The provisions of the Adviser Warrant Instrument and the Adviser Warrants shall be subject to and governed by English law and each of the parties irrevocably agree that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Adviser Warrant Instrument.

## PART VI – TAXATION

### 1. General

The following statements are intended only as a general guide to certain UK tax considerations and do not purport to be a complete analysis of all potential UK tax consequences of acquiring holding or disposing of the Ordinary Shares. They are based on current UK tax legislation and what is understood to be the current published practice of HMRC as at the date of this document, both of which may change at any time, possibly with retroactive effect. They apply only to Shareholders who are resident and, in the case of individuals domiciled, for tax purposes in (and only in) the UK (except insofar as express reference is made to the treatment of non-UK residents), who hold their Ordinary Shares as an investment (other than in an individual savings account or a Self Invested Personal Pension) and who are the absolute legal and beneficial owner of both the Ordinary Shares and any dividends paid on them. The tax position of certain categories of Shareholders who are subject to special rules (such as persons acquiring their Ordinary Shares in connection with employment, dealers in securities, insurance companies and collective investment schemes) is not considered.

The statements summarise the current position and are intended as a general guide only. Prospective investors who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own professional advisers.

### 2. Taxation of Dividends

The Company is not required to withhold tax when paying a dividend. Liability to tax on dividends will depend upon the individual circumstances of a Shareholder.

#### *UK resident individual Shareholders*

An individual Shareholder who is resident for tax purposes in the UK and who receives a cash dividend from the Company will generally not pay income tax on the first £5,000 of dividend income in any tax year. An individual UK resident Shareholder who is subject to income tax at a rate or rates not exceeding the basic rate will be liable to tax on the dividend in excess of £5,000 at the rate of 7.5 per cent.

An individual UK resident Shareholder who is subject to income tax at the higher rate or the additional rate will be liable to income tax on the gross dividend at the rate of 32.5 per cent. (2017/18) or 38.1 per cent. (2017/18) respectively to the extent that such sum, when treated as the top slice of that Shareholder's income, falls above the threshold for higher rate or additional rate income tax.

An individual UK Shareholder who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty ("Treaty non-resident") and who receives or becomes entitled to dividends from the Company during that period of temporary non-residence may, if the Company is treated as a close company for UK tax purposes and certain other conditions are met, be liable for income tax on those dividends on his or her return to the UK if the temporary non-residence rules are met.

It should be noted that the draft Finance Bill 2017 originally contained provisions to reduce the tax-free dividend allowance from £5,000 to £2,000, effective 6 April 2018. However, due to the proposed general election in June, these provisions have been removed from the Finance Bill 2017 but may be included in a second finance bill later on this year.

#### *UK resident corporate Shareholders*

It is likely that most dividends paid on the Ordinary Shares to UK resident corporate shareholders would fall within one or more of the classes of dividend qualifying for exemption from corporation tax. However, it should be noted that the exemptions are not comprehensive and are also subject to anti-avoidance rules. If the conditions for exemption are not, or cease to be, satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company. Corporation tax is charged on dividends at the rate applicable to that company.

#### *UK resident exempt Shareholders*

UK resident Shareholders who are not liable to UK tax on dividends, including pension funds and charities, are not entitled to claim repayment of the tax credit.

#### *Non-UK resident Shareholders*

A Shareholder resident outside the UK may be subject to non-UK taxation on dividend income under local law. A Shareholder who is resident outside the UK for tax purposes should consult his own tax adviser concerning his tax position on dividends received from the Company.

### **3. Taxation of Disposals**

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is resident in the UK for tax purposes may, depending upon the Shareholder's circumstances and subject to any available exemption or relief (such as the annual exempt amount for individuals and indexation for corporate shareholders), give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of capital gains.

For a Shareholder within the charge to UK capital gains tax, capital gains tax is charged on gains on the disposal of Ordinary Shares to the extent that the gain exceeds any applicable annual exemption. The rate is 10 per cent. (2017/18) for individuals who are subject to income tax at the basic rate; and 20 per cent. (2017/18) for all trustees and personal representatives, and individuals who are subject to income tax at the higher or additional rates. For a corporate Shareholder within the charge to UK corporation tax, corporation tax is charged on chargeable gains at the rate at 19 per cent. (2017/18).

Shareholders who are not resident in the UK will not generally be subject to UK taxation of capital gains on the disposal or deemed disposal of Ordinary Shares unless they are carrying on a trade, profession or vocation in the UK through a branch or agency (or, in the case of a corporate Shareholder, a permanent establishment) in connection with which the Shares are used, held or acquired. Non-UK tax resident Shareholders may be subject to non-UK taxation on any gain under local law.

An individual Shareholder who has ceased to be resident for tax purposes in the UK or is treated as resident outside the UK for the purposes of a double tax treaty ("Treaty non-resident") and who disposes of all or part of their Shares during that period may be liable to capital gains tax on their return to the UK if the temporary non-residence rules are met, subject to any available exemptions or reliefs.

### **4. Stamp duty and Stamp Duty Reserve Tax ("SDRT")**

#### *The Placing*

The issue of Ordinary Shares direct to persons acquiring Ordinary Shares pursuant to the Placing will not generally give rise to stamp duty or SDRT.

#### *Subsequent Transfers*

Stamp duty at the rate of 0.5 per cent (rounded up to the next multiple of £5) of the amount or value of the consideration given is generally payable on an instrument transferring Shares. As noted above, an exemption from stamp duty is available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. A charge to SDRT will also arise on an unconditional agreement to transfer Ordinary Shares (at the rate of 0.5 per cent of the amount or value of the consideration payable). However, if within six years of the date of the agreement becoming unconditional an instrument of transfer is executed pursuant to the agreement, and stamp duty is paid on that instrument, or the instrument is otherwise exempt, any SDRT already paid will be refunded (generally, but not necessarily, with interest) provided that a claim for repayment is made, and any outstanding liability to SDRT will be cancelled. The liability to pay stamp duty or SDRT is generally satisfied by the purchaser or transferee.

#### *Ordinary Shares transferred through paperless means including CREST*

Paperless transfers of Ordinary Shares, such as those occurring within CREST, are generally liable to SDRT rather than stamp duty, at the rate of 0.5 per cent of the amount or value of the consideration. CREST is obliged to collect SDRT on relevant transactions settled within the system.

The charge is generally borne by the purchaser. Under the CREST system, no stamp duty or SDRT will arise on a transfer of Ordinary Shares into the system unless such a transfer is made

for consideration in money or money's worth, in which case a liability to SDRT (usually at a rate of 0.5 per cent) will arise.

#### *Ordinary Shares held through Clearance Systems or Depositary Receipt Arrangements*

Special rules apply where Ordinary Shares are issued or transferred to, or to a nominee or agent for, either a person whose business is or includes issuing depositary receipts within Section 67 or Section 93 of the Finance Act 1986 or a person providing a clearance service within Section 70 or Section 96 of the Finance Act 1986, under which SDRT or stamp duty may be charged at a rate of 1.5 per cent. Following litigation HMRC has confirmed that they will no longer seek to apply the 1.5 per cent. SDRT charge on an issue of shares into a clearance service or depositary receipt arrangement on the basis that the charge is not compatible with EU law. HMRC's view is that the 1.5 per cent. SDRT or stamp duty charge will continue to apply to transfers of shares into a clearance service or depositary receipt arrangement unless they are an integral part of an issue of share capital. This view is currently being challenged in further litigation.

Accordingly, specific professional advice should be sought before incurring a 1.5 per cent. stamp duty or stamp duty reserve tax charge in any circumstances.

The statements in this section apply to any holders of Ordinary Shares irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

#### **5. Inheritance Tax**

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax even if the holder is neither domiciled in the UK nor deemed to be domiciled there under certain rules relating to long residence or previous domicile. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit.

Special rules also apply to close companies and to trustees of settlements who hold shares, bringing them within the charge to inheritance tax. Shareholders should consult an appropriate tax adviser if they make a gift or transfer at less than market value or intend to hold any Ordinary Shares through trust arrangements.

## PART VII: ADDITIONAL INFORMATION

### 1. Responsibility statements

1.1 The Company, the Directors and the Proposed Directors, whose names are set out on page 33 of this document, accept responsibility for all the information contained in this document. To the best of the knowledge of the Company, the Directors and the Proposed Directors (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 does not omit anything likely to affect the import of such information.

### 2. Incorporation and Registration

2.1 The Company was incorporated and registered in England and Wales on 20 August 2010 under the Act, as a public limited company with the name China Africa Resources plc and registered number 07352056. On 7 April 2017, the Company changed its name to Pembridge Resources PLC.

2.2 The registered office of the Company and its principal place of business is Suite A,6 Honduras Street, London EC1Y 0TH. The telephone number of the Company's principal place of business is 0207 917 2968.

2.3 The Company is not regulated by the FCA or any financial services or other regulator. With effect from Admission, the Company will be subject to the Listing Rules and the Disclosure and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority), to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

2.4 The principal legislation under which the Company operates, and pursuant to which the Ordinary Shares have been created, is the Companies Act 2006 and the regulations made thereunder. The Company operates in conformity with its constitution. The Company is subject to the Listing Rules and the Disclosure and Transparency Rules (and the resulting jurisdiction of the UK Listing Authority) to the extent such rules apply to companies with a Standard Listing pursuant to Chapter 14 of the Listing Rules.

2.5 The principal legislation under which the Company operates is the Act and the regulations made thereunder.

2.6 The business of the Company and its principal activity is to act as an investing company.

### 3. Principal Subsidiary Undertakings of the Company

As at the date of this document, the Company has a single subsidiary CA Funding SPV Limited which is incorporated in England and Wales with company number 10486854 and which is dormant.

### 4. Share Capital

4.1 The issued and fully paid up share capital of the Company, as at the date of this document and as it is expected to be immediately following Admission, is as follows:

Class of shares	At present		Immediately following Admission	
	Number of shares	Nominal Value/£	Number of shares	Nominal Value/£
Ordinary Shares issued and fully paid	81,843,195	818,432	238,093,195	238,093.20
Deferred Shares	—	—	81,843,195	736,588.75

4.2 Save as disclosed in this document:

- (A) no share or loan capital of the Company has been issued or is proposed to be issued;
- (B) no person has any preferential subscription rights for any shares of the Company;
- (C) no share or loan capital of the Company is unconditionally to be put under option; or

(D) no commissions, discounts, brokerages or other special terms have been granted by the Company since its incorporation in connection with the issue or sale of any share or loan capital of the Company.

4.3 All Ordinary Shares in the capital of the Company are in registered form.

4.4 The Ordinary Shares will be listed on the standard listing segment of the Official List and will be traded on the London Stock Exchange's main market for listed securities. The Ordinary Shares are not listed or traded on, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading on any other stock exchange or securities market.

4.5 The Articles do not contain any limit on the number of Ordinary Shares which the Company may issue.

4.6 At the date of incorporation, the issued share capital of the Company was £50,000 divided into 5,000,000 Ordinary Shares of £0.01 each and issued, for nil consideration, to the subscribers to the Company's memorandum of association.

The following changes have occurred in the issued share capital of the Company since 20 August 2010, being the date of its incorporation:

(A) on 27 October 2010 the 5,000,000 Ordinary Shares issued on the incorporation of the Company were transferred by MoFo Nominees Limited to WTI;

(B) on 11 January 2011 3,250,000 Ordinary Shares held by WTI were transferred to UK ECE pursuant to an implementation agreement and the payment of £100,000 to the Company by UK ECE;

(C) on 1 August 2011, the Company allotted:

- (i) 11,750,000 Ordinary Shares pursuant to a subscription agreement at a price of 40 pence per share;
- (ii) 6,326,924 Ordinary Shares pursuant to an Acquisition Agreement at a price equivalent to 40 pence per share;

(D) on 28 September 2016 the Company completed a capital reduction by cancelling the balance standing to the credit of the share premium account to zero and applying the same to extinguish a deficit on its retained earnings account and to create distributable reserves;

(E) on 14 December 2016 the Company issued 52,762,672 Ordinary Shares at a price of 2.17 pence per share to, *inter alia*, new investors;

(F) on 1 February 2017 the Company issued 2,996,266 Ordinary Shares at a price of 3 pence per share to satisfy a cash obligation of AU\$150,000 pursuant to an agreement relating to an investment in Global Exploration Technologies (Pty) Ltd; and

(G) on 8 February 2017 the Company issued 4,164,000 Ordinary Shares at a price of 3.25 pence per share to satisfy a cash obligation of AU\$225,000 pursuant to an agreement relating to an investment in US Lithium (Pty) Ltd.

4.7 By resolution passed on 14 December 2016, the Company granted the following powers and authorities to the Directors to issue Ordinary Shares:

(A) the Directors were generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into such shares (all of which transactions are hereafter referred to as an allotment of "relevant securities") up to an aggregate nominal amount of £1,000,000; provided that this authority expires 15 months after the passing of the resolution or the conclusion of the Company's annual general meeting next following the passing of the resolution, whichever is the earlier, but may previously be revoked or varied from time to time by the Company in general meeting and so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred by the resolution had not expired or been revoked or varied;

(B) the Directors were empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred in sub-paragraph (A) above as if section 561 of the 2006 Act did not apply to any such allotment. This power is:

- (a) subject to the continuance of the authority conferred by resolution No. 1, expires 5 months after the date of the passing of this resolution or at the conclusion of the next AGM of the Company following the passing of this resolution, whichever occurs first, but may be previously revoked or varied from time to time by special resolution but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied; and
- (b) is limited to:
  - (i) the allotment of relevant equity securities pursuant to a rights issue, open offer, scrip dividend scheme or other pre-emptive offer or scheme, which is in each case in favour of holders of ordinary shares and any other persons who are entitled to participate in such issue, offer or scheme where the equity securities offered to each such holder and other person are proportionate (as nearly as may be) to the respective numbers of ordinary shares held or deemed to be held by them for the purposes of their inclusion in such issue, offer or scheme on the record date applicable thereto, but subject to such exclusions or other arrangements as the Directors may deem fit or expedient to deal with:
    - (a) fractional entitlements;
    - (b) legal or practical problems under the laws of any overseas territory;
    - (c) the requirements of any regulatory body or stock exchange in any territory;
    - (d) directions from any holders of ordinary shares or other persons to deal in some other manner with their respective entitlements; or
    - (e) any other matter whatever, which the Directors consider to require such exclusions or other arrangements with the ability for the Directors to allot relevant equity securities not taken up, to any person as they may think fit;
  - (ii) the allotment of relevant equity securities for cash pursuant to the fundraise completed on 14 December 2017 and the exercise of the warrants and director options and the fee waivers in connection with that fundraising; and
  - (iii) the allotment of relevant equity securities for cash otherwise than pursuant to subparagraphs (i) and (ii) up to an aggregate maximum nominal amount of £1,000,000.

4.8 The provisions of section 551 of the Act, which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up fully in cash, other than by way of allotment to employees under an employee share scheme (as defined in section 1166 of the Act) will apply to the Ordinary Share capital of the Company, to the extent that such rights are not disapplied by special resolution by the shareholders pursuant to section 570 of the Act in accordance with paragraph 4.4 above or otherwise.

4.9 The Subscription Shares and Placing Shares will have the rights and be subject to the restrictions referred to in paragraph 5.1 (A) of this Part VII.

4.10 The Ordinary Shares to be issued pursuant to the Subscription and Acquisition will, on Admission, be credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of this document.

4.11 Save as disclosed in this document, no commission, discounts, brokerages or other specific terms have been granted by the Company in connection with the issue or sale of any its share or loan capital.

4.12 During the period between the incorporation of the Company and Admission, more than 10 per cent. of the issued share capital of the Company, has been paid for by assets other than cash.

4.13 The Company does not have in issue any shares not representing share capital.

4.14 None of the share capital of the Company is held by or on behalf of the Company or by any subsidiary of the Company.

4.15 Save as set out below the Company does not have any convertible securities, exchangeable securities or securities with warrants currently in issue.

(A) On 14 December 2016 a total 47,082,948 warrants were issued to new investors and to placing agents. The warrants are exercisable at a price of 4.34 pence per share and are exercisable at any time up to 15 December 2018.

(B) Save in respect of the options and warrants set out, there are no acquisition rights and/or obligations over the unissued share capital of the Company and the Company has not given any undertaking to increase its share capital:

(C) A total of 9,000,000 share options are outstanding under the Company's Unapproved Share Option Plan all are exercisable at the current time at an exercise price of 4.34 pence per share.

Further details of the Company's Unapproved Share Option Plan: and its operation is set out in paragraph 8 below.

(D) In connection with the Placing and the Subscription the Company has entered into a deed poll on 20 July 2017 to create up to 4,054,781 new Adviser Warrants and 156,250,000 Investor Warrants. The Adviser Warrants and the Investor Warrants exercisable at the Issue Price, being a price of 3.2 pence per Ordinary Share and are exercisable at any time up to 20 August 2019. Further details of the Adviser Warrants and the Investor Warrants and their terms are set out in Parts IV and V of this document.

4.16 Save as disclosed in this document:

(A) no share or loan capital of the Company (or any of its subsidiaries) is under option or is the subject of an agreement, conditional or unconditional, to be put under option and there is no current intention to issue any Ordinary Shares;

(B) there are no arrangements currently in force for involving the employees in the capital of the Company other than the Company's Unapproved Share Option Plan.

4.17 None of the Directors nor members of their families have a related financial product referenced to the Ordinary Shares.

4.18 When readmitted to trading, the Ordinary Shares will be registered with the ISIN (International Security Identification Number) GB00B3ZW6Z85.

4.19 The Ordinary Shares are in registered form and, following Admission, will be capable of being held in uncertificated form, enabled through CREST. Definitive share certificates for Shareholders not settling through CREST are planned to be dispatched on or about 25 August 2017. No temporary documents of title will be issued.

## **5. Articles of Association**

### **5.1 Articles of Association**

The Articles contain no specific restrictions on the Company's objectives and therefore, by virtue of section 31(1) of the Companies Act 2006, the Company's objects are unrestricted.

The Articles (as adopted by the Company on 4 July 2011) contain, *inter alia*, provisions to the following effect (whose summary is qualified in its entirety by the full contents of the Articles):

(A) Rights attaching to Ordinary Shares

(1) Voting rights of members

Subject to disenfranchisement in the event of any non-compliance with any statutory notice requiring disclosure of the beneficial ownership of any shares as mentioned in (4) below, and subject to any special rights or restrictions as to voting for the time being attached to any shares (as to which there will be none

immediately following Admission), on a show of hands every member who, being an individual, is present in person or being a corporation, is present by a duly authorised representative shall have one vote and on a poll each member present in person or by proxy or authorised representative shall have one vote for every share of which he is a holder. In the case of joint holders, the vote of the person whose name stands first in the register of members is accepted to the exclusion of any votes tendered by any other joint holders.

(2) **Dividends**

Subject to the rights attached to any shares issued on any special terms and conditions (as to which there will be none immediately following Admission), dividends shall be declared and paid according to the amounts paid up on the shares on which the dividend is paid, but no amount paid up on a share in advance of a call shall be regarded as paid up on the share. The Board may pay fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half- yearly, or other, dates prescribed for the payment thereof and may also, from time to time, pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as it thinks fit. None of the shares in issue immediately following admission will carry the right to a fixed dividend.

(3) **Restrictions on shareholders**

If a member or any other person appearing to be interested in shares, has been given notice under section 793 of the Act and has failed to give information of their interest in any shares (the "Default Shares") within a prescribed time, not being less than 14 days, the Board may impose sanctions on such member to the effect that the member shall not be entitled in respect of the Default Shares to attend or vote either personally or by proxy at a general meeting of the Company or a meeting of the holders of any class of shares or to exercise any other right in relation to general meetings of the Company or meeting of the holders of any class of its shares.

Where the Default Shares represent 0.25 per cent. or more (in nominal value or number) of the issued shares of a class, then the Company shall be entitled to withhold any dividend (or part thereof), any right to receive shares instead of a dividend or other money which would otherwise be payable in respect of the Default Shares and the Directors may refuse to register any transfer of the Default Shares other than to a *bona fide* unconnected third party.

(4) **Transfer of shares**

A member may transfer all or any of his uncertificated shares and the Company shall register the transfer of any uncertificated shares in accordance with any applicable statutory provision. The Directors may refuse to register the transfer of an uncertificated share or any renounceable right of allotment of a share which is a participating security held in uncertificated form in accordance with the CREST Regulations to the extent that the Company is permitted to do so by the CREST Regulations, provided that where the uncertificated shares are admitted to trading on a securities market, such a refusal would not prevent dealings in the shares of that class taking place on an open and proper basis. If the board of directors refuses to register a transfer of an uncertificated share it shall, within two months of the date on which the operator instruction relating to such a transfer was received by the Company, send to the transferee notice of the refusal.

A member may transfer all or any of his certificated shares by an instrument of transfer in any usual common form, or in any other form which the Directors may approve. The instrument of transfer of a partly paid share shall be executed by or on behalf of the transferee. The Directors may, in their absolute discretion and without giving any reason therefore except as required by law, refuse to register the transfer of any share which is not fully paid up or on which the Company has a lien provided that, where any such shares are admitted to the Official List or to AIM, such a refusal would not prevent dealings in the shares of that class taking

place on an open and proper basis. The Directors may also refuse to register a transfer of a certificated share, whether or not fully paid, unless the instrument of transfer is lodged, duly stamped or adjudged or certified as not chargeable to stamp duty, at the transfer office, or such other place as the Directors may appoint and is accompanied by the certificate(s) for the share(s) to which it relates (except where the shares are registered in the name of a market nominee and no certificate has been issued for them) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer or the person renouncing to effect the renunciation. If the Directors refuse to register a transfer of a certificated share they shall, by such time as is the earlier of the period required by the rules of the London Stock Exchange, the UKLA or the FCA in force for the time being and in any event, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

The Directors may refuse to register any transfer of a certificated share unless the instrument of transfer is in respect of only one class of share and may refuse to register the transfer of any share in favour of not more than four transferees.

(5) Changes in capital

The Company may by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into shares of a larger amount than its existing shares;
- (b) sub-divide its shares, or any of them, into shares of a smaller amount than its existing shares; and
- (c) cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

Subject to the provisions of the Act and to the rights attaching to its existing shares, the Company may:

- (a) by special resolution purchase, or enter into a contract under which it will or may purchase, its own shares; and
- (b) by special resolution reduce its share capital, any capital redemption reserve share premium account or other undistributable reserve in any manner.

(6) Variation of rights

Subject to the provisions of the Act, the rights attached to any class of shares for the time being issued may from time to time be varied or abrogated with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. At any separate general meeting, the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of the class in question or, at any adjourned meeting of such holders, shall be one person holding shares of the class in question in person or by proxy whatever his or their holding. Every holder of the shares of the class present in person or by proxy shall, on a show of hands have one vote, or on a poll, have one vote in respect of every share of the class held by them respectively and a poll may be demanded in writing by any holder of shares of the class present in person or by proxy.

(7) Allotment of shares and pre-emption rights

Subject to the Companies Act 2006 and to any rights attached to existing shares, any share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution determine, or if no ordinary resolution has been passed or so far as the resolution does not make specific provision, as the Directors may determine (including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares).

In accordance with section 551 of the Companies Act 2006, the Directors may be generally and unconditionally authorised to exercise all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant ordinary resolution authorising such allotment. The authorities referred to in paragraph 3.2(a) and 3.2(b) above were included in the special resolution passed on 5 November 2015 and remain in force at the date of this document).

The provisions of section 561 of the Companies Act 2006 (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are paid up in cash) apply to the Company except to the extent disapproved by special resolution of the Company.

(8) Alteration of share capital

The Company may by ordinary resolution consolidate or divide all of its share capital into shares of larger nominal value than its existing shares, or cancel any shares which, at the date of the ordinary resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the nominal amount of shares so cancelled or sub-divide its shares, or any of them, into shares of smaller nominal value.

The Company may, in accordance with the Companies Act, reduce or cancel its share capital or any capital redemption reserve or share premium account in any manner and with and subject to any conditions, authorities and consents required by law.

(B) Directors

- (1) The number of Directors (other than alternate directors) shall not be less than two. There shall be no more than ten directors.
- (2) A Director shall not be required to hold any shares of the Company by way of qualification.
- (3) There shall be no age limit for Directors.
- (4) At each annual general meeting at least one-third of the Directors for the time being shall retire from office by rotation. The Directors to retire by rotation shall include, firstly, any Director who wishes to retire at the meeting and not offer himself for re-election and, secondly, those Directors who have been longest in office since their last appointment or reappointment, provided always that each Director shall be required to retire and offer himself for re-election at least every three years. A retiring Director shall, if willing to act, be deemed to have been reappointed, unless at the general meeting it is resolved not to fill the vacancy or a resolution for the reappointment of the Director is put to the meeting and not passed.
- (5) The Directors (other than alternate directors) shall be entitled to such remuneration by way of fees for their services in the office of a director as the Directors may determine (not exceeding £250,000 in aggregate per annum or such greater sum as the Company may, by ordinary resolution, decide). Such fee shall be divided between the Directors as they agree or, failing agreement, equally. The fees shall be distinct from any salary, remuneration or other amount payable to a Director in respect of any executive office held by him or other work performed by him which is beyond the scope of his office as a Director.
- (6) The Directors may also be paid all reasonable travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or of committees of the Directors or general meetings or separate meetings of the holders of any class of shares or of debentures of the Company.
- (7) The Directors may provide benefits, whether by the payment of gratuities or pensions or by purchasing and maintaining insurance or otherwise, for the benefit of any persons who are or were at any time Directors or the holders of any executive or comparable office of employment with the Company or any other company or undertaking which is or has been (a) a subsidiary of the Company or (b) otherwise allied to or associated with the company or a subsidiary of the

Company or (c) a predecessor in business of the Company or of any such subsidiary, or (d) for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before or after he ceases to hold such office or employment) establish, maintain, subscribe and contribute to any fund and pay premiums for the purchase or provision of any such benefit.

- (8) Subject to the provisions of the Act a Director may be a party to or otherwise interested in any contract, transaction, arrangement or proposal with the Company or in which the Company is otherwise interested either in regard to his tenure of any office or place or profit or as vendor, purchaser or otherwise. A Director may hold any other office or place of profit with the Company (except that of auditor or auditor of a subsidiary of the Company) in conjunction with the office of director on such terms as to remuneration and otherwise as the Directors may arrange. Any remuneration shall be in addition to any remuneration provided for by any other article.
- (9) A Director who to his knowledge is in any way (directly or indirectly) interested in a contract, transaction, arrangement or proposal with the Company shall declare the nature of his interest at the meeting of the Directors at which the question of entering into such contract, transaction, arrangement or proposal is first taken into consideration if he knows his interest then exists or in any other case at the first meeting of the directors after he knows that he is or has become so interested or by means of a notice to the other Directors complying with section 184 of the Act, given as soon as practicable after the interest arises or, as the case may be, the Director knows that he is or has become so interested.
- (10) A Director shall not vote or be counted in the quorum on any resolution of the Directors concerning his own appointment (including the fixing and varying of terms of appointment) as the holder of any office or place of profit with the Company or any other company in which the Company is interested. Where proposals are under consideration concerning the appointment (including the fixing or varying of terms of appointment) of two or more Directors to offices or employment with the Company or any body corporate in which the Company is interested (other than one in which the Director and any persons connected with him have such an interest as is mentioned in (11)(d) below) the proposals may be divided and considered in relation to each director separately and (provided he is not under the Articles or for any other reason precluded from voting) each of the directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.
- (11) A Director shall not vote or count in the quorum in relation to a resolution or meeting of the Directors in respect of any contract or arrangement or any other proposals whatsoever in which he has an interest which (together with any interest of a connected person) to his knowledge is a material interest. Notwithstanding the above, a Director shall be entitled to vote (and be counted in the quorum) on:
  - (a) any transaction in which he is interested by virtue of his interest in shares or debentures or other securities of or otherwise in or through the Company;
  - (b) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations undertaken by him or by any other person at the request of, or for the benefit of, the Company or any of its subsidiary undertakings; or the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
  - (c) any transaction relating to an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings issued or to be issued pursuant to any offer or invitation to Shareholders or debenture holders of the Company or any class thereof or to the public or any section thereof in

which offer the Director is or may be entitled to participate as a holder of such securities or in the underwriting or sub-underwriting of which the Director is entitled to participate;

- (d) any transaction to which the Company is or is to be a party relating to another company, including any subsidiary undertaking of the Company, in which he and any persons connected with him do not to his knowledge hold an interest in shares (as that term is used in Part 22 of the Act) whether as an officer, shareholder, creditor or otherwise representing one per cent. or more of any class of the equity share capital, or the voting rights, in that company or of any other company through which his interest is derived;
- (e) any contract, transaction, arrangement or proposal for the benefit of employees of the Company or any of its subsidiary undertakings (including in relation to a pension fund, retirement, death or disability benefits scheme or personal pension plan) which does not award him any privilege or advantage not generally awarded to the employees to whom the arrangement relates;
- (f) any contract, transaction, arrangement or proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons including Directors; and
- (g) (save in relation to any matter concerning or affecting his own participation therein) any transaction involving the adoption or modification of any share option or share incentive scheme of the Company.

(12) The provisions of the Articles relating to the permitted interests of the directors and their ability to vote thereon may be suspended or relaxed and a transaction not duly authorised thereby may be ratified, in each case by ordinary resolution.

(13) Without prejudice to any of such provisions of the Articles the Directors have power, in accordance with the Act, to authorise any interest of a Director which conflicts, or may conflict, with the interests of the Company, not being in relation to a contract or arrangement between the Director and the Company itself.

**(C) Borrowing powers**

The Board of Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital of the Company and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The board of Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (as regards subsidiary undertakings only so far as by such exercise it can secure) that the aggregate principal amount outstanding at any time in respect of all borrowings by the Company (exclusive of any borrowings which are owed by one group company to another group company) will not, without the previous sanction of an ordinary resolution of the Company, exceed an amount equal to three times the adjusted capital and reserves (as defined in the Articles of Association).

**(D) Shareholders meetings**

Subject to the provisions of the Act, an annual general meeting shall be called by at least twenty-one clear days' notice, and all other general meetings shall be called by at least fourteen clear days' notice. The notice shall specify the place, the date and the time of meeting and the general or special nature of business to be transacted. A general meeting shall, notwithstanding that it has been called by shorter notice than that specified above, be deemed to have been duly called if it is so agreed in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and in the case of any other general meeting, by a majority in number of the members having a right to attend and vote at that meeting, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right. The board of Directors may, whenever it thinks fit, and in accordance with the Act, convene a general meeting other than an annual general meeting. At general meetings the quorum shall be

two Shareholders present in person or by proxy and entitled to vote. In the case of adjourned meetings a quorum shall be one Shareholder present in person or by proxy or authorised representative.

(E) Unclaimed dividends

Any dividend which has remained unclaimed for twelve years from the date when it became due for payment shall, if the directors so resolve, be forfeited, revert to and cease to remain owing by the Company.

5.2 Requirement to disclose interests in voting shares

Shareholders are obliged to comply with the shareholding notification and disclosure requirements set out in Chapter 5 of the DTRs. A Shareholder is required pursuant to Rule 5 of the DTRs to notify the Company if, as a result of an acquisition or disposal of shares or financial instruments, the Shareholder's percentage of voting rights of the Company reaches, exceeds or falls below, 3 per cent. of the nominal value of the Company's share capital or any 1 per cent. threshold above that.

The DTRs can be accessed and downloaded from the FCA's website at <http://fshandbook.info/FS/html/FCA/DTR>. Shareholders are urged to consider their notification and disclosure obligations carefully as a failure to make a required disclosure to the Company may result in disenfranchisement.

Under provisions contained in Part 22 of the Act the Company may serve a notice on any person who it believes has, or may in the previous three years have had, an interest in its voting shares requiring them to give particulars of their interest, or, if no interest is then held, of any person to whom any previous interest was transferred. The Company must exercise its right to serve such a notice if required to do so by holders of at least 10 per cent. of its paid up voting shares. Failure to comply with a notice is a criminal offence and the Company may impose sanctions against the shareholder concerned under its Articles of Association including disenfranchisement, withholding of dividends and restrictions on transfer. "Interest" is widely defined and includes an interest of any kind in the shares, subject to certain specific exclusions, but "interest" includes, *inter alia*, an agreement to purchase shares or the right to do so by virtue of an option and a person is interested in shares held by companies which he controls or by his spouse, civil partner or children and where a person is party to an agreement between two or more persons that includes provisions for the acquisition by any one or more of them of interests in shares of the Company which imposes obligations or restrictions on any one or more of the parties with respect to their use, retention or disposal of such interests and such interests are acquired in pursuance of any agreement, each party to the agreement is regarded as interested in the shares held by each other such party.

## 6. Squeeze-out rules, sell-out rules and takeover bids

6.1 Squeeze-out

Under the Act, if an offeror makes a takeover offer for the Company and successfully acquired (or unconditionally contracted to acquire) 90 per cent. in value of the shares to which the offer relates and not less than 90 per cent. of the voting rights carried by those shares, it could then compulsorily acquire the remaining shares. It would do so by sending a notice to outstanding shareholders, within three months of the last day of which the offer can be accepted, telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the Company, which would hold the consideration on trust for outstanding shareholders. The consideration offered to the shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration that was available under the takeover offer.

6.2 Sell-out

The Act also gives minority shareholders a right to be bought out in certain circumstances by an offeror who had made a takeover offer. If a takeover offer related to all the shares in the Company and at any time before the end of the period within which the offer could be accepted the offeror held or had agreed to acquire not less than 90 per cent. in value of all

voting shares in the Company, which carry not less than 90 per cent. of the voting rights, any holder of shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those shares.

The offeror would be required to give any shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his/her rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

There have been no public takeover bids by third parties in respect of the Company's equity in the current financial year or the previous financial year.

## 7. Directors' and other relevant interests in the share capital of the Company

7.1 The Directors, their functions within the Company and their biographies are set out in paragraph 6 of Part 1 of this document.

7.2 The business address of each of the Directors is at the registered office of the Company, being Suite A, 6 Honduras Street, London EC1Y 0TH.

7.3 As at 20 July 2017, being the latest practicable business day prior to the publication of this document, insofar as known to the Company, the interests of the Directors, the Proposed Directors, their immediate families and those of any connected person (within the meaning of the provisions of the Disclosure and Transparency Rules), the existence of which is known to, or could with reasonable diligence be ascertained by, that Director (or Proposed Director) whether or not held through another party, in the share capital of the Company in respect of such capital were and are expected to be immediately following Admission as follows:

Director/Proposed Director	Number of Ordinary Shares beneficially held at present	Percentage of Issued Share Capital beneficially held at present	Number of Ordinary Shares held immediately following Admissions	Percentage of Issued Share Capital held immediately following Admission
David Linsley	—	—	3,125,000	1.31%
John Bryant	578,112	0.706%	578,112	0.24%
Rod Webster	693,637	0.848%	693,637	0.29%
Frank McAllister	—	—	4,687,500	1.97%
Guy Le Bel	—	—	468,750	0.20%

7.4 The Directors also hold the following options to subscribe for Ordinary Shares:

Name	No. of Options	Exercise Price	Expiry
John Bryant	1,500,000	4.34p	14/12/2019
Rod Webster	1,500,000	4.34p	14/12/2019

7.5 Save as disclosed above, and with regards to options in paragraph 7.4 of this Part VII, none of the Directors nor any member of his immediate family or any person connected with him holds or is beneficially or non-beneficially interested directly or indirectly, in any shares or options to subscribe for, or securities convertible into, shares of the Company.

7.6 In respect of the Directors, there are no conflicts of interest between any duties they have to the Company and their private interests and/or other duties they may have.

7.7 There are no arrangements or understandings with major Shareholders, customers, suppliers or others, pursuant to which any Directors were selected as member(s) of the Board.

7.8 There are no outstanding loans granted by the Company to the Directors or any guarantees provided by the Company for the benefit of the Directors.

7.9 No Director has or has had any interest in any transaction which is or was unusual in its nature or conditions or which is or was significant to the business of the Company and which was effected by the Company during the current or immediately preceding financial year, or which was effected during an earlier financial year and remains in any respect outstanding or unperformed.

7.10 The terms of the Directors service arrangements are summarised below:

(a) David Linsley

Mr Linsley and the Company are parties to a service agreement dated 17 February 2017 pursuant to which Mr Linsley was appointed as Chief Executive Officer of the Company with effect from 2 February 2017. Mr Linsley's employment is based on an average of 25 hours' work per week. The service agreement was for an initial fixed term of 3 months and was subsequently extended by a further 4 months on 16 May 2017. Conditional upon Admission the contract will be extended to be on a rolling 12 month basis. The service agreement contains provisions for early termination in the event, *inter alia*, of a breach of a material term of the service agreement by the director and, where such breach is capable of remedy, the director fails to remedy the breach within 30 days of notice provided by the Board or where the director ceases to be a director of the Company for any reason. The basic annual salary payable to Mr Linsley was £10,000 per month. Mr Linsley will receive no salary from Admission until such time as the Company completes an acquisition which constitutes a reverse takeover, at which point the Remuneration Committee will review the position with the objective of agreeing a salary level commensurate with the scale and nature of the acquisition. The service agreement contains restrictive covenants for a period of 12 months following termination of his employment. There is no right to any further benefits.

(b) John Bryant

Mr Bryant and the Company are parties to a letter of appointment dated 15 December 2016 whereby Mr Bryant was appointed as Non-Executive Director. The agreement may be terminated by either party serving at least three months' written notice on the other. The agreement contains provisions for early termination in the event, *inter alia*, of a breach of a material term of the agreement by the director and, where such breach is capable of remedy, the director fails to remedy the breach within 30 days of notice provided by the Board or where the director ceases to be a director of the Company for any reason. The basic annual fee payable to Mr Bryant is £5,000 per annum to be reviewed annually (without any obligation to increase the same). In the initial year it is agreed that 50% of the fee under the agreement is to be paid in cash and 50% to be satisfied in the issue of Ordinary Shares in the Company credited as fully paid at a price of 2.17p per share (all such shares having been issued). There is no right to any further benefits.

Mr Bryant's personal consultancy company, Axeman Overseas Limited entered into a consultancy contract with the Company dated 15 December 2016, pursuant to the terms of which Axeman Overseas Limited agrees to make the services of Mr Bryant available to the Company. The agreement may be terminated by either party serving at least three months' written notice on the other. The agreement contains provisions for early termination in the event, *inter alia*, of a breach of a material term of the agreement by the director and, where such breach is capable of remedy, the director fails to remedy the breach within 30 days of notice provided by the Board or where the director ceases to be a director of the Company for any reason. The basic annual fee payable to Axeman Overseas Limited is £20,000 per annum to be reviewed annually (without any obligation to increase the same). In the initial year it is agreed that 50% of the fee under the agreement is to be paid in cash and 50% to be satisfied in the issue of Ordinary Shares in the Company credited as fully paid at a price of 2.17p per share (all such shares having been issued). There is no right to any further benefits.

(c) Roderick Webster

Mr Webster and the Company are parties to a letter of appointment dated 15 December 2016 whereby Mr Webster was appointed as Non-Executive Director. The agreement may be terminated by either party serving at least three months' written notice on the other. The agreement contains provisions for early termination in the event, *inter alia*, of

a breach of a material term of the agreement by the director and, where such breach is capable of remedy, the director fails to remedy the breach within 30 days of notice provided by the Board or where the director ceases to be a director of the Company for any reason. The basic annual fee payable to Mr Webster is £25,000 per annum to be reviewed annually (without any obligation to increase the same). In the initial year it is agreed that 50% of the fee under the agreement is to be paid in cash and 50% to be satisfied in the issue of Ordinary Shares in the Company credited as fully paid at a price of 2.17p per share (all such shares having been issued). There is no right to any further benefits.

(d) Frank McAllister

Mr McAllister and the Company are parties to a letter of appointment dated 20 July 2017 whereby Mr McAllister is to be appointed as a Non-Executive Director with effect from, and conditional upon, Admission. The agreement may be terminated by either party serving at least three months' written notice on the other. The agreement contains provisions for early termination in the event, *inter alia*, of a breach of a material term of the agreement by the director and, where such breach is capable of remedy, the director fails to remedy the breach within 30 days of notice provided by the Board or where the director ceases to be a director of the Company for any reason. The basic annual fee payable to Mr McAllister is £25,000 per annum to be reviewed annually (without any obligation to increase the same). There is no right to any further benefits.

(e) Guy Le Bel

Mr Le Bel and the Company are parties to a letter of appointment dated 20 July 2017 whereby Mr Le Bel is to be appointed as a Non-Executive Director with effect from, and conditional upon, Admission. The agreement may be terminated by either party serving at least three months' written notice on the other. The agreement contains provisions for early termination in the event, *inter alia*, of a breach of a material term of the agreement by the director and, where such breach is capable of remedy, the director fails to remedy the breach within 30 days of notice provided by the Board or where the director ceases to be a director of the Company for any reason. The basic annual fee payable to Mr Le Bel is £25,000 per annum to be reviewed annually (without any obligation to increase the same). There is no right to any further benefits.

7.11 Save as set out in paragraph 7.2 there are no service contracts or consultancy agreements between any of the Directors and the Company or any of its subsidiaries and no such contract has been entered into or amended or replaced within the six months preceding the date of this document and no such contracts are proposed.

7.12 Save as set out in paragraph 7.2 the Directors receive no Ordinary Shares or options over Ordinary Shares in lieu of remuneration or as any form of compensation.

7.13 Other than as disclosed in this paragraph 7.2, the Company is not party to any service contract with any of the directors which provides for benefits on the termination of any such contract.

7.14 No Director has any accrued pension or retirement benefits. No other material benefits accrue to the Directors in connection with their appointment.

7.15 There is no arrangement under which any Director has waived or agreed to waive future emoluments.

7.16 In the year ended 31 December 2016, the total aggregate remuneration paid, and benefits-in-kind granted, to the Directors was \$68,000. The amounts payable to the Directors by the Company under the arrangements in force at the date of this document in respect of the year ended 31 December 2017 are estimated to be US\$60,000 (on the basis that no fees will be paid from the date of Admission until the date on which the Company completes an Acquisition. There are no proposals or understandings that might result in any change to the compensation to be paid to any director conditional upon the completion of any Acquisition, save that, Mr Linsley and the members of the executive management team will receive no salaries until the completion of an Acquisition, at which time their remuneration will be reviewed by the Remuneration Committee with the intent of setting appropriate salary levels (which will be dependent on the nature and sale of the Acquisition).

7.17 The Directors have not held any directorships of any company (other than companies in the Company and companies which are subsidiaries of companies of which the Director is or was also a director) or partnerships within the last five years, except as set forth below:

David Linsley	
<i>Current</i>	<i>Past</i>
Behre Dolbear Group Inc.	Northern Zinc LLC
John Bryant	
<i>Current</i>	<i>Past</i>
Axeman Overseas Limited	Blenheim Energy Limited
Balkan Zinc Plc	Blenheim Wind And Biomass Limited
Elysian Properties Limited	Blenheim Wind (UK) Limited
Montenegro Zinc Limited	Devonshire Wind Projects Limited
Victoria Oil & Gas Plc	IGas Energy plc
Weatherly International plc	
Roderick Webster	
<i>Current</i>	<i>Past</i>
Coro Mining Corp	Investar Holdings Ltd
Riversgold Ltd	Trowbridge Holdings Ltd
	Weatherly International plc
	Weatherly International Trustee Company Limited
	Weatherly (Namibian Custom Smelters) Limited
	Weatherly (Namibia SL) Limited
	Weatherly (SL) Limited
	WM Exploration Ltd.
	China Africa Resources Namibia (Pty) Ltd.
Frank McAllister	
<i>Current</i>	<i>Past</i>
Americas Tailings Inc.	Cliffs Natural Resources Inc.
Aviano Corporation	National Mining Association
	Stillwater Mining Company
Guy Le Bel	
<i>Current</i>	<i>Past</i>
Golden Queen Mining Col. Ltd.	BC Gold Corp.
RedQuest Capital Corp.	Cabia Goldhills Inc.
	Mammoth Resources Corp.

7.18 Save as disclosed in this paragraph below, none of the Directors:

- (A) has received any convictions in relation to fraudulent offences at any time in the previous five years;
- (B) has been declared bankrupt or entered into any individual voluntary arrangement at any time in the previous five years;
- (C) has, at any time in the previous five years, been a director with an executive function of any company at the time of, or within 12 months preceding, any receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with that company's creditors generally or with any class of its creditors;
- (D) has, at any time in the previous five years, been a partner in a partnership at the time of, or within 12 months preceding, any compulsory liquidation, administration or partnership voluntary arrangement of such partnership;
- (E) has, at any time in the previous five years, had any of his assets the subject of any receivership or has been a partner of a partnership at the time of, or within 12 months preceding, any assets thereof being the subject of a receivership; or

(F) has, at any time in the previous five years, been subject to any public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or has ever been disqualified by a court from acting as a director or member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company.

## **8. Company's Unapproved Share Option Plan**

The main features of the Share Option Plan are summarised below.

### *Eligibility*

All executive directors and employees of the Company and any of its subsidiaries are eligible to participate in the Share Option Plan. The remuneration committee selects the individuals to whom options are to be granted from time to time.

### *Grant of options*

Options may be granted at such time or times as the remuneration committee (or the Board, excluding any interested director, until a remuneration committee is formally established) determines.

### *Exercise price and adjustments to options*

While the Ordinary Shares are admitted to trading on the Official List, the exercise price per Ordinary Share may not be less than the average of the middle market quotations for an Ordinary Share for the five dealing days immediately prior to the date of grant. While the Ordinary Shares are not admitted to trading on AIM, the exercise price will be the amount specified by the remuneration committee. If the Ordinary Shares are newly issued the exercise price may not, in any event, be less than the nominal value of an Ordinary Share. In the event of any variation in the share capital of the Company the exercise price and/or the number of Ordinary Shares comprised in each option may be adjusted as the remuneration committee determines. No adjustment may be made which will reduce the exercise price below the nominal value of an Ordinary Share.

### *Rights and restrictions*

An option granted under the Share Option Plan is not transferable. The option certificate will specify when the option will lapse and such date may not be later than the tenth anniversary of its date of grant. Except in the circumstances referred to below, an option will only be exercisable on or after the date which is three years after the date of grant.

If the participant ceases to be employed by the Company by reason of injury, disability, ill-health or redundancy; or because the business or company that employs him is transferred out of the ultimate ownership of the Company, his option may be exercised within 6 months after such cessation or transfer. In the event of the death of a participant, the personal representatives of a participant may exercise his option within 6 months after the date of death. The extent to which an option may be exercised in these circumstances will be determined by reference to any exercise conditions and time vesting provisions set out in the option certificate unless the remuneration committee decides otherwise and is satisfied that any waiver of such provisions does not constitute a reward for failure.

On cessation of employment for any other reason (or when a participant serves or has been served with, notice of termination of such employment), the option will lapse unless the remuneration committee exercises its discretion to allow the exercise of the option for a period not exceeding 6 months from the date of such cessation or notice. In such circumstances and where exercise is permitted, the extent to which an option may be exercised will be determined by reference to any exercise conditions and time vesting provisions set out in the option certificate unless the remuneration committee decides otherwise and is satisfied that any waiver of such provisions does not constitute a reward for failure.

### *Corporate events*

Options, to the extent not already exercisable, will become exercisable immediately prior to a change in control of the Company, in the event of a takeover of the Company, in the event that an offeror becomes entitled or bound to acquire Ordinary Shares or in the event that the court sanctions a compromise or arrangement for the reconstruction of the Company or its

amalgamation with any other company. In such event, all options may be exercised for a limited period and will lapse to the extent not exercised. Options, to the extent not already exercisable, will become exercisable in the event that the Company is proposed to be voluntarily wound up and all options may be exercised within a limited period in connection with the winding up, failing which they will lapse. In such circumstances and where exercise is permitted, the extent to which an option may be exercised will be determined by reference to any exercise conditions set out in the option certificate unless the remuneration committee decides otherwise and is satisfied that any waiver of such provisions does not constitute a reward for failure.

#### *Performance conditions*

The exercise of options may be subject to the satisfaction of such performance conditions, if any, as may be specified and subsequently varied and/or waived by the remuneration committee.

#### *Issuance of Ordinary Shares*

The Ordinary Shares issued upon the exercise of options granted under the Share Option Plan will rank *pari passu* with the Company's issued Ordinary Shares on the date of exercise, save as regards any rights arising by reference to a record date prior to the date of such exercise.

#### *Plan limit*

Options may not be granted under the Share Option Plan if such grant would result in the total number of "Dilutive Shares" exceeding 25 per cent. of the issued share capital of the Company from time to time. "Dilutive Shares" means, on any date, all shares of the Company which (a) have been issued, or transferred out of treasury, on the exercise of options granted, or in satisfaction of any other awards made, under any share incentive scheme (including the Share Option Plan) in the shorter of the five years ending on (and including) that date and the period since Admission; and (b) remain capable of issue, or transfer out of treasury, under any subsisting options granted by the Company.

#### *Alternative settlement on exercise*

Instead of delivering the number of Ordinary Shares specified in the exercise notice, the remuneration committee may make a cash payment with the option holder's consent or deliver Ordinary Shares equal to the value of the Ordinary Shares over which the option is exercised less the relevant exercise price, or may deliver a combination of the two.

#### *Alteration*

The remuneration committee may alter the Share Option Plan except that (apart from minor amendments to benefit the administration of the Share Option Plan, to correct typographical or other errors, to take account of a change in legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or the Company) no alteration to the advantage of participants or to the Plan limit described above can be made without the prior approval of Shareholders in general meeting.

No amendment may have a materially adverse effect on options granted before the amendment without the relevant optionholder's consent.

#### *Termination and Plan period*

The remuneration committee may terminate or suspend the operation of the Share Option Plan at any time, whereupon no further options shall be granted but in all other respects the provisions of the Share Option Plan shall remain in force. In any event, no options may be granted after the date which is five years after the date the Share Option Plan is adopted.

### **9. Subscription and Placing arrangements**

#### **9.1 Subscription Agreements**

The Company has entered into a number of letters with subscribers for a total of 49,937,500 New Ordinary Shares at the Issue Price. The subscription letters conditional, *inter alia*, on Admission occurring by not later than 8.00 a.m. on 31 August 2017.

## 9.2 The Placing Agreement

A Placing Agreement dated 21 July 2017 between (1) the Company; (2) the Directors; (3) SI Capital Limited; and (4) Beaufort Securities Limited pursuant to the terms of which the Brokers (being, together, SI Capital Limited and Beaufort Securities Limited) have agreed to use their respective reasonable endeavours to procure placees for the New Ordinary Shares at the Issue Price, as the Company's agents. The Placing Agreement contains certain warranties and indemnities from the Company and the Directors in favour of the Brokers and is conditional, *inter alia*, on:

- (a) the allotment of the New Ordinary Shares;
- (b) there being no breach of warranty under the Placing Agreement; and
- (c) Admission occurring by not later than 8.00 a.m. on 21 August 2017 (or such other time and/or date as the Brokers and the Company may agree being not later than 31 August June 2017).

The Brokers may terminate the agreement in certain circumstances prior to Admission including, *inter alia*, if there shall have been a material adverse change or if any of the Directors or the Company fail to comply in any material respect with any of their respective obligations under the Placing Agreement.

The Placing Agreement provides for the Brokers to receive, conditional upon Admission total commission of £109,240 and 4,054,781 Adviser Warrants.

The Placing is subject to the satisfaction of conditions contained in the Placing Agreement, which will be satisfied prior to Admission, and the Placing Agreement not having been terminated. In the event that the Placing does not complete, Admission will not take place. The Company will pay the costs and expenses associated with the Placing, irrespective of whether Admission takes place. VAT will be payable where appropriate.

The following Directors and Proposed Directors are participating in the Fundraise as follows:-

Name	No. of New Ordinary Shares	Subscription Price per share	Total Subscription £
David Linsley	3,125,000	1.6p	£50,000
Frank McAllister	4,687,500	1.6p	£75,000
Guy Le Bel	468,750	1.6p	£7,500
John Bryant	—	—	—
Rod Webster	—	—	—

## 10. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company since incorporation and are or may be material:

### 10.1 Nominated Adviser Agreement

A nomad agreement, dated 30 November 2016 between SPARK Advisory Partners Limited and the Company pursuant to which SPARK Advisory Partners Limited provides the Company with certain services including acting as the Company's nominated adviser in accordance with the AIM Rules for Companies and AIM Rules for Nominated Advisers, co-ordinating communications and acting as primary contact with the AIM team, providing advice and guidance in relation to the AIM Rules for Companies, advising on the content and release of announcements through an approved Regulatory Information Service and providing preliminary advice to the Company on the anticipated market reaction to new corporate initiatives. There is an annual fee of £35,000 per annum (exclusive of VAT and disbursements), which is payable quarterly in advance and this fee will rise to £40,000 per annum after 12 months from the date of the nomad agreement. The retainer is subject to review each year on the anniversary of the date of the agreement. A separate fee is to be paid if SPARK Advisory Partners Limited acts for the Company in connection with a transaction that is not covered by the annual retainer. The nomad and broker agreement can be terminated at any time after the first anniversary of the date of the agreement by SPARK Advisory Partners Limited or the Company giving to the other not less than one month's prior written notice. The Company

provides an indemnity in favour of SPARK Advisory Partners Limited in relation to any loss suffered arising from the provision of services set out above save in respect of loss arising from the gross negligence or fraudulent behaviour of SPARK Advisory Partners Limited.

#### 10.2 Broker Agreements

The Company entered into a broker agreement dated 8 November 2016 with Beaufort Securities Limited, pursuant to which Beaufort Securities Limited agreed to act as the Company's joint corporate broker for a fixed period of 12 months and will continue thereafter on a monthly basis until terminated by either party on 3 months' prior written notice after the expiry of the initial term. Beaufort Securities Limited undertakes to provide investor roadshows when necessary, provide general market intelligence and market feedback on the Company, and provide financial advice and support in respect of fund raisings. The Company will pay Beaufort Securities Limited a broking retainer fee of £20,000 per annum (plus applicable VAT) pursuant to the terms of the agreement. Any placements are subject to a separate fee. The Company provides an indemnity in favour of Beaufort Securities Limited in relation to any loss arising from the performance of the services under the broker agreement by Beaufort Securities Limited except to the extent that such loss arises from the fraud, negligence or breach of the Agreement by Beaufort Securities Limited.

The Company entered into a further broker agreement dated 8 May 2017 with SI Capital limited pursuant to which SI Capital Limited agreed to act as the Company's joint corporate broker on a continuing basis until terminated by either party on 90 business days' written notice, only to be given on or after the first anniversary of the agreement. The Company will pay SI Capital Limited a broking retainer fee of £10,000 per annum (plus applicable VAT) pursuant to the terms of the agreement, which may be increased once per calendar year following the first anniversary of the agreement. The Company will also pay SI Capital Limited a commission of 5 per cent of all funds raised by SI Capital Limited in connection with any placing of securities and 1 per cent on all other capital raising where SI Capital Limited is engaged in the administration. The Company will also issue warrants to subscribe for a number of new ordinary shares in the Company equal to 5 per cent of the gross proceeds of funds raised by SI Capital Limited. A separate fee will be payable for any work undertaken by SI Capital Limited which is beyond the scope of the services described above. The Company provides an indemnity in favour of SI Capital Limited in relation to any loss arising from the performance of the services under the broker agreement by SI Capital Limited except to the extent that such loss arises from the fraud, negligence or breach of the Agreement by SI Capital Limited.

#### 10.3 Relationship Agreement

On 22 November 2017 the Company (1) and HK ECE (2) entered into an agreement ("the Relationship Agreement"), amending and restating an agreement originally dated 4 July 2011, for the purpose of documenting and regulating the relationship between HK ECE as the primary shareholder in the Company. The agreement remains in force for so long as HK ECE hold at least 10 per cent. of the Ordinary Shares in the Company. The Relationship Agreement contains provisions to ensure that, *inter alia*, there is no interference with the independent operation of the board of directors of the Company and that the Company's transactions with HK ECE are effected on arm's length terms. Furthermore, pursuant to the terms of the agreement HK ECE undertake not to enter into any agreement or arrangement that may result in the number of Ordinary Shares in public hands falling below 10 per cent. The terms of the Relationship Agreement are governed by and construed in accordance with English law.

#### 10.4 Lock-in and Orderly Market Agreements

##### (A) HK ECE

A lock-in and orderly market deed was entered into on 22 November 2016 between (1) HKECE and (2) the Company. Pursuant to the deed, HK ECE has undertaken to the Company that, subject to certain limited exceptions permitted by Rule 7 of the AIM Rules for Companies, it will not dispose of Ordinary Shares held by it for a period ending on 14 June 2017 and has also undertaken to only dispose of any Ordinary Shares through the Company's broker at the relevant time on the basis to maintain an orderly market in the Ordinary Shares for the period ending on 14 December 2017.

*(B) Weatherly International plc*

A lock-in and orderly market deed was entered into on 22 November 2016 between (1) Weatherly International plc and (2) the Company. Pursuant to the deed, Weatherly International plc has undertaken to the Company that, subject to certain limited exceptions permitted by Rule 7 of the AIM Rules for Companies, it will not dispose of Ordinary Shares held by it for a period ending on 14 June 2017 and has also undertaken to only dispose of any Ordinary Shares through the Company's broker at the relevant time on the basis to maintain an orderly market in the Ordinary Shares for the period ending on 14 December 2017.

*(C) The Directors*

A lock-in and orderly market deed was entered into on 20 July 2017 between (1) each of the Directors and the Proposed Directors; (2) the Company; and (3) the Brokers. Pursuant to the deed, each of the Directors and the Proposed Directors has undertaken to the Company and the Brokers, subject to certain limited exceptions permitted by Rule 7 of the AIM Rules for Companies, he will not dispose of Ordinary Shares held by it for a period ending of 12 months from Admission and has also undertaken to only dispose of any Ordinary Shares through the Company's broker at the relevant time on the basis to maintain an orderly market in the Ordinary Shares for the period ending 24 months following Admission.

**10.5 Deeds of release related to the December 2016 refinancing**

On 14 December 2016 the Company and its then wholly subsidiary, China Africa Resources Namibia (Pty) Limited, entered into a deed of release. Pursuant to the terms of this Agreement the Company released China Africa Resources Namibia (Pty) Limited from an obligation to repay US\$5,350,197 (which the Company had already written down to US\$198,750 in its accounts). Writing down a loan in the financial statements does not legally release the debt, it is merely a reflection of the value that the Company could attribute to the debt. The loan was deemed not to be recoverable and accordingly the carrying balance was written off in the financial statements and the entire loan legally written off by way of the deed of release.

On 14 December 2016 the Company executed a deed poll in favour of each of the current and certain former directors of the Company, whose names are set out in the schedule to the deed (or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased) unconditionally and irrevocably waives and releases each of the Directors or the personal representatives and their successors in title (as appropriate) of his or her estate if such Director is deceased from any and all liability that any of them has or may have to the Company and all claims and demands the Company has or may have against each of them, including, without limitation, any derivative action from or on behalf of shareholders of the Company, in connection with the making of all or part of the Special Dividend.

On 14 December 2016 the Company executed a deed poll in favour of each of the current and shareholders of the Company, unconditionally and irrevocably waives and releases each shareholder from any and all liability that any of them has or may have to the Company and all claims and demands the Company has or may have against each of them, including, without limitation, any obligation to make repayment, in connection with the making of all or part of the Special Dividend.

**10.6 The Investor Warrants and the Adviser Warrants described in Parts IV and V respectively.**

**10.7 On 14 December 2016 a total 47,082,948 warrants were issued to new investors and to placing agents. The warrants are exercisable at a price of 4.34 pence per share and are exercisable at any time up to 15 December 2018;**

**11. Related party transactions**

Save as set out in paragraph 10 of this Part VII or as referred to in the financial statements referenced in Part II of this Document and other than the consultancy agreement between the Company and Axeman Overseas Limited (under which the services of John Bryant are made available and which is summarised in paragraph 7.10(b) of this Part VIII), there are no related

party transactions that were entered into by the Company during the period covered by the financial information referenced in Part III of this Document and up to the date of this Document.

## 12. Employees

The total number of employees (including Executive Directors) employed by the Company as at 20 July 2017 being the last practicable date prior to publication of this document was 1.

## 13. Major Shareholders

As at 20 July 2017 (being the latest practicable date prior to publication of this document), and in addition to the interests of certain Directors, as set out in paragraph 7.2 above, the Company is aware of the following persons who, directly or indirectly, have or will following Admission have an interest in 3 per cent. or more of the Company's issued ordinary share capital:

Name	Number of Ordinary Shares held at present	Percentage of Issued Share Capital held at present	Number of Ordinary Shares held immediately following Admissions	Percentage of Issued Share Capital held immediately following Admission
HK ECE	15,000,000	18.32	15,000,000	6.3%
Weatherly International plc	5,769,232	7.05	5,769,232	2.42%
Grant Stephens	3,397,163	4.15	6,522,163	2.73%
Gati Al-Jebouri	—	—	12,500,000	5.25%
Mark Lancaster	—	—	9,375,000	3.94%

As at 20 July 2017 (being the latest practicable date prior to the publication of this document), the Company was not aware of any person or persons who, directly or indirectly, jointly or severally, exercise or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

Those interested, directly or indirectly, in 3 per cent. or more of the issued Ordinary Shares of the Company (as set out in paragraph 6.5 above) do not now, and following the Placing and Admission, will not, have different voting rights from other holders of Ordinary Shares.

## 14. Litigation and Arbitration Proceedings

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 Company's incorporation which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.

## 15. Working Capital

The Company is of the opinion that the Group does not have sufficient working capital for its present requirements, that is, for at least 12 months from the date of this document.

If the Resolutions are passed and the Fundraise proceeds, the Company is of the opinion that, taking into account existing cash balances and the Net Proceeds receivable by the Company pursuant to the Fundraise, the working capital available to the Group will be sufficient for its present requirements, being its operational requirements, that is for at least the 12 months from the date of this document.

The Company may identify an Acquisition which will require the raising of additional capital. No Acquisition has yet been identified but should such an Acquisition be identified the Company may require to raise additional capital in order to complete the Acquisition.

If the Resolutions are not passed, the Company is of the opinion that taking into account existing cash balances, the Company would not have sufficient working capital for its current requirements, that is for at least the 12 months from the date of this document. In the event that the Resolutions are not passed the Fundraise will not proceed and the Admission will not take place. In those circumstances the Company's Existing Ordinary Shares will remain

suspended on AIM. Absent an immediate alternative proposal it is almost certain that the Directors will need to put immediate plans to Shareholders to liquidate the Company and return remaining cash resources (which may be limited) to Shareholders.

## **16. No Significant Change**

Set out below are details of the significant changes in the financial condition, operating results and trading position of the Group during the three years ended 31 December 2014, 31 December 2016 and 31 December 2016 and for the period since 31 December 2016.

### **Year ended 31 December 2014**

Key operational changes during the year included:

- establishing commercial terms for the purchase of concentrates from the Berg Aukas mine; and
- completion of a feasibility study of the Berg Aukas mine, demonstrating it to be a viable project.
- The Group reported a net loss of US0.8 million after tax from continuing operations (2013: US\$0.7 million).

As at 31 December 2014 the Group had cash balances of US\$1.2 million (2013: US\$1.9m) and intangible assets (represented by mining licences and evaluation costs) of US\$4,474m (after restatement) (2013: US\$6,329).

### **Year ended 31 December 2015**

Key operational changes during the year included:

- reviewing options to fund the feasibility study for the Berg Aukas mine.
- The Group reported a net loss of US\$0.6m, after tax, from continuing operations (2014: US\$0.8m).

As at 31 December 2015 the Group had cash balances of US\$0.7m (2014: US\$1.2m) after receipt of a loan from its parent, HK ECE in the sum of US\$200,000. Intangible assets (represented by mining licences and evaluation costs) stood at US\$3,137 (2014 (after restatement) US\$4,474.

The audit report at 31 December 2015 contained an emphasis of matter statement concerning the ability of the Group and the Company to continue as a going concern.

### **Year ended 31 December 2016**

Key operational changes during the period included:

- distribution of the shares in the Company's 100% owned subsidiary, China Africa Resources Namibia (Pty) Ltd to the then shareholders;
- a new equity raise of US\$1,259,000;
- a shareholder approval to become an AIM Rule 15 cash shell.

The Group reported a net loss after tax of US\$3.8m (2015: US\$5.9m) primarily due to a non-cash impairment charge of US\$3.3m) to the investment in and amounts due from former subsidiary undertaking, CAR Namibia (Pty) Ltd.

CAR Namibia has no source of funds other than the Company. Following the original AIM Listing in 2016 the Company advanced cash to CAR Namibia to carry out exploration and feasibility studies in the Berg Aukas project. This activity resulted in the majority of the Company's cash resources being lent to CAR Namibia to fund these activities. Initially this loan was impaired in the Company's accounts as it became clear that the Berg Aukas project might lack economic viability. As at December 2016 the loan had been written down to US\$198,750. CAR Namibia had no ability to repay the loan and accordingly it was written off completely in December 2016. Writing down a loan in the financial statements does not legally release the debt, it is merely a reflection of the value that the Company could attribute to the debt. Accordingly when CAR Namibia left the Group it was necessary to assess

recoverability of the written down balance and reflect that position. The loan was deemed not to be recoverable and accordingly the carrying balance was written off in the financial statements and the entire loan legally written off by way of the release.

As at 31 December 2016 the Group had cash balances of US\$1.163m (2015: US\$0.645m) due to the proceeds of a placing and subscription to raise US\$1.259m which was completed on 14 December 2016.

### **Period following 31 December 2016**

31 December 2016:

- on 17 February 2017 the Company announced the appointment of David Linsley as chief executive officer;
- also on that date Paul Johnson and Nick O'Reilly resigned from the Board;
- the Company made two investments, one into Global Exploration Technologies (Pty) Ltd and the other into US Lithium (Pty) Ltd by way of cash and the issue of shares to an equivalent aggregate value of US\$360,000 (net cash US\$175,000), which investments have been disposed of for cash subsequently realising in aggregate US\$190,000.

Save as disclosed above, there has been no significant change in the financial or trading position of the Company since 31 December 2016, being the date of the last audited accounts of the Company.

### **17. Dividend policy**

The nature of the Company's business means that it is unlikely that the Directors would be in a position to recommend a dividend in the early years following Admission. The Directors believe that the Company should seek to generate capital growth for its Shareholders but may recommend distributions at some future date, depending upon the generation of sustainable profits, if and when it becomes commercially prudent to do so. There can be no assurance that the Company will declare and pay, or have the ability to declare and pay, any dividends in the future.

### **18. Current Investments**

The Company has no current investments. The Directors considered that the investments made in February 2017 in an early stage lithium exploration project and an early stage copper exploration project in Botswana, were not in line with the future strategy of the Company and disposed of both investments on 14 June 2017 and 24 May 2017 respectively.

### **19. Investments in progress**

The Company has no investments in progress.

### **20. Net Proceeds**

The total costs and expenses relating to the Placing and the Subscription which are payable by the Company are estimated to amount to £315,740 million (excluding any applicable VAT) and accordingly the net proceeds which the Company is expected to raise by the Placing and the Subscription are £2.18 million.

### **21. Consents**

21.1 SI Capital Limited has given and has not withdrawn its written consent to the inclusion in this document of its name and reference thereto in the forms and contexts in which it appears.

21.2 Beaufort Securities Limited has given and has not withdrawn its written consent to the inclusion in this document of its name and reference thereto in the forms and contexts in which it appears.

21.3 PKF Littlejohn LLP has given and has not withdrawn its written consent to the inclusion in this document of its name and reference thereto in the forms and contexts in which it appears.

## **22. CREST**

22.1 Any shares in the Company may be issued, held, registered, converted, transferred or otherwise dealt with in an uncertificated form in accordance with the CREST Regulations and practices instituted by the operator of the relevant system. Any provisions of the Articles shall not apply to any uncertificated shares to the extent that such provisions are inconsistent with:

- (A) the holding of shares in uncertificated form;
- (B) the transfer of the title of shares by means of relevant system; or
- (C) any provision of the CREST Regulations.

22.2 Subject to the CREST Regulations and facilities and requirements of the relevant system, the Board may, in its absolute discretion, determine the manner in which conversion of certificated shares into uncertificated shares may be made.

22.3 The Articles contain other provisions in respect of transactions with the shares in the Company in uncertificated form and generally provide for the modifications of certain provisions of the Articles so that they can be applied to transactions with shares in the Company in uncertificated form.

## **23. Auditors**

PKF Littlejohn LLP, a member of the Institute of Chartered Accountants of England and Wales, is the auditor of the Company.

## **24. General**

24.1 The information in this document which has sourced from third parties has been accurately reproduced and so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

24.2 Save as set out in this document, there are no patents or licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.

24.3 There have been no interruptions in the business of the Company, which may have or have had in the 12 months preceding the publication of this document a significant effect on the financial position of the Company or which are likely to have a material effect on the prospects of the Company for the next 12 months.

24.4 The Directors are not aware of any trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Company's prospects in the current financial year.

24.5 The Issue Price represents a premium of 0.6 pence over the nominal value of 1 pence per Ordinary Share. The premium arising on the Placing and the Subscription amounts to £2,343,750 in aggregate.

24.6 Save as disclosed in this document, there have been no payments by the Company to promoters in the two years prior to the date of this document and no fees have been paid in the 12 months preceding the date of this document (other than to trade suppliers) in the sum of £10,000 or more in cash or in kind.

24.7 This document does not constitute an offer to sell, or the solicitation of an offer to acquire, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful and is not for distribution in any jurisdiction in which such distribution is unlawful. The Ordinary Shares have not been, and will not be, registered under the US Securities Act or under the applicable securities laws of any state of the United States, any province or territory of Canada, Japan, South Africa or Australia (the "Excluded Territories") and may not be sold, directly or indirectly, within the United States or the Excluded Territories or to any citizen, national or resident of the United States or the Excluded Territories.

## **25. Availability of Documents**

25.1 Copies of the following documents may be inspected at the registered office of the Company at Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this document until Admission and completion of the Placing:

- (A) the memorandum and articles of association of the Company; and
- (B) this document.

25.2 In addition, this document will be published in electronic form and be available on the Company's website at [www.pembridgeresources.com](http://www.pembridgeresources.com) subject to certain access restrictions applicable to persons located or resident outside the United Kingdom.

Dated 21 July 2017

## NOTICE OF GENERAL MEETING



### PEMBRIDGE RESOURCES PLC

(Incorporated and registered in England and Wales with Registered No. 07352056)

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Pembridge Resources plc (the "Company") will be held at the offices of Cooley (UK) LLP, Dashwood, 69 Old Broad Street, London EC2M 1QS at 11.00 a.m. on 18 August 2017 for the purposes of considering and, if thought fit, passing the following resolutions which will put to the meeting of which Resolutions 1, 2, 5-7 and 9 will be proposed as ordinary resolutions and Resolutions 3, 4 and 8 will be proposed as special resolutions.

### ORDINARY RESOLUTIONS

- 1 That, each of the 81,843,195 ordinary shares of 1p each in the capital of the Company be sub-divided into one ordinary share of 0.1p each in the capital of the Company and one deferred share of 0.9p each in the capital of the Company.
- 2 That the Directors be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("2006 Act") to exercise all the powers of the Company to allot shares in the Company and grant rights to subscribe for or convert any security into such shares (all of which transactions are referred to hereafter as an allotment of "relevant securities") up to an aggregate amount of £316,555 in connection with the Fundraise and associated proposals to issue warrants set out in the circular of which this notice forms part. The authority conferred by this resolution shall expire 3 months after the date of this document, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied.

### SPECIAL RESOLUTIONS

- 3 That subject to and conditionally upon the passing of resolution No. 2 above, the Directors are empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred by resolution No. 2 up to an aggregate amount of £316,555, as if section 561 of the 2006 Act did not apply to any such allotment. This power:
  - (a) is subject to the continuance of the authority conferred by resolution No. 2, and shall expire 3 months after the date of this document, save that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require relevant securities to be allotted after such expiry, revocation or variation and the Directors may allot relevant securities in pursuance of such offer or agreement as if the authority hereby conferred had not expired or been revoked or varied; and
  - (b) is limited to the allotment of relevant equity securities for cash pursuant to any part of the Fundraise (as defined in the circular of which this notice forms part (the "Circular")) and the exercise of the Investor Warrants and Adviser Warrants (as defined in the Circular).
- 4 That the Company's AIM listing be cancelled as required by special resolution pursuant to Rule 41 of the AIM Rules for Companies.

### ORDINARY RESOLUTIONS

- 5 Frank McAllister be appointed as a director of the Company.

- 6 Guy Le Bel be appointed as a director of the Company.
- 7 In substitution for all powers granted at the annual general meeting held on 16 June 2017 but in addition to the power granted by Resolution 2 above, for the period ending on the date of the annual general meeting in 2018 or 15 months after the passing of this Resolution, whichever is the earlier, the authority and power conferred on the directors by the Company's Articles of Association to allot relevant securities up to an aggregate nominal amount equal to the section 551 amount of £142,860 representing the aggregate nominal value of two thirds of the New Ordinary Shares, provided that in relation to any allotment of relevant securities in excess of £71,430, representing the aggregate nominal value of one third of the New Ordinary Shares, such authority shall only be used if the relevant securities are equity securities (as defined in section 560(1) of the 2006 Act) and they are allotted in connection with a rights issue or other pre-emptive issues of equity shares which satisfies the conditions and may be subject to all or any of the exclusions specified in (b)(i) of Resolution 8, provided that the Company may before such expiry, variation or revocation make an offer or agreement which would or might require such relevant or equity securities to be allotted after such expiry, variation or revocation and the directors may allot relevant or equity securities pursuant to such an offer or agreement as if the authority conferred hereby had not expired or been varied or revoked.

### **SPECIAL RESOLUTION**

- 8 In substitution for all powers granted at the annual general meeting held on 16 June 2017 but in addition to the power granted by Resolution 3 above, that subject to and conditionally upon the passing of Resolution No. 7 above, the Directors are empowered pursuant to section 570 of the 2006 Act to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred by resolution No. 7 as if section 561 of the 2006 Act did not apply to any such allotment. This power:
  - (a) subject to the continuance of the authority conferred by resolution No. 7, expires 15 months after the date of the passing of this resolution or at the conclusion of the next AGM of the Company following the passing of this resolution, whichever occurs first, but may be previously revoked or varied from time to time by special resolution but so that the Company may before such expiry, revocation or variation make an offer or agreement which would or might require equity securities to be allotted after such expiry, revocation or variation and the Directors may allot equity securities in pursuance of such offer or agreement as if such power had not expired or been revoked or varied; and
  - (b) is limited to:
    - (i) the allotment of relevant equity securities pursuant to a rights issue, open offer, scrip dividend scheme or other pre-emptive offer or scheme, which is in each case in favour of holders of ordinary shares and any other persons who are entitled to participate in such issue, offer or scheme where the equity securities offered to each such holder and other person are proportionate (as nearly as may be) to the respective numbers of ordinary shares held or deemed to be held by them for the purposes of their inclusion in such issue, offer or scheme on the record date applicable thereto, but subject to such exclusions or other arrangements as the Directors may deem fit or expedient to deal with:
      - (a) fractional entitlements;
      - (b) legal or practical problems under the laws of any overseas territory;
      - (c) the requirements of any regulatory body or stock exchange in any territory;
      - (d) directions from any holders of ordinary shares or other persons to deal in some other manner with their respective entitlements; or
      - (e) any other matter whatever, which the Directors consider to require such exclusions or other arrangements with the ability for the Directors to allot relevant equity securities not taken up, to any person as they may think fit; and
    - (ii) the allotment of relevant equity securities for cash otherwise than pursuant to subparagraphs (i) and (ii) up to an aggregate maximum nominal amount of £23,810 which represents 10 per cent. of presently issued share capital.

## ORDINARY RESOLUTION

9 The rules of the Unapproved Share Option Plan be amended (the terms of such amendments being produced to the meeting and initialled by the Chairman for the purposes of identification).

Registered office:

Suite A,  
2 Honduras Street London  
EC1Y 0TH

By Order of the Board  
Company Secretary

21 July 2017

### Notes:

1. A Shareholder entitled to attend and vote at the meeting is also entitled to appoint one or more proxies to attend, speak and vote on a show of hands and on a poll instead of him or her. A proxy need not be a member of the Company. Where a Shareholder appoints more than one proxy, each proxy must be appointed in respect of different shares comprised in his or her shareholding which must be identified on the proxy form. Each such proxy will have the right to vote on a poll in respect of the number of votes attaching to the number of shares in respect of which the proxy has been appointed. Where more than one joint Shareholder purports to appoint a proxy in respect of the same shares, only the appointment by the most senior Shareholder will be accepted as determined by the order in which their names appear in the Company's register of members. If you wish your proxy to speak at the meeting, you should appoint a proxy other than the chairman of the meeting and give your instructions to that proxy.
2. To be effective an instrument appointing a proxy and any authority under which it is executed (or a notarially certified copy of such authority) must be deposited at the offices of Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF not later than 11.00 a.m. on 16 August 2017 except that, (a) should the meeting be adjourned, such deposit may be made not later than 48 hours before the time of the adjourned meeting and (b) in the case of a poll taken more than 48 hours after it was demanded, such deposit may be made not later than 24 hours before the time appointed for the taking of the poll. In calculating the said periods of 48 and 24 hours for deposit of a proxy, there is to be excluded any part of a day which is a Saturday or Sunday. A Form of Proxy is enclosed with this notice. Shareholders who intend to appoint more than one proxy can obtain additional Forms of Proxy from Capita Asset Services by telephoning them on 0871 664 0300 (calls cost 12p per minute plus any network charges and lines are open Monday to Friday 9.00 a.m. to 5.30 p.m.). Alternatively, the form provided may be photocopied prior to completion. The Forms of Proxy should be returned in the same envelope and each should indicate that it is one of more than one appointments being made.
3. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider should refer to their CREST sponsors or voting service provider(s), who will be able to take the appropriate action on their behalf.  
In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message must be transmitted so as to be received by the Company's agent, Capita Asset Services (CREST Participant ID: RA10), no later than 48 hours before the time appointed for the meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.  
CREST members and, where applicable, their CREST sponsor or voting service provider should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
4. An abstention (or "vote withheld") option has been included on the Form of Proxy. The legal effect of choosing the abstention option on any resolution is that the Shareholder concerned will be treated as not having voted on the relevant resolution. The number of votes in respect of which there are abstentions will however be counted and recorded, but disregarded in calculating the number of votes for or against each resolution.
5. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those Shareholders registered in the register of members of the Company as at close of business on 16 August 2017 or, in the event that the meeting is adjourned, in such register not later than close of business 48 hours before the time of the adjourned meeting, shall be entitled to attend, or vote (whether in person or by proxy) at the meeting in respect of the number of shares registered in their names at the relevant time. Changes after the relevant time will be disregarded in determining the rights of any person to attend or vote at the meeting.
6. None of the E-mail addresses and Fax Numbers referred to in this document may be used for any purpose other than those specified.
7. The document is also available for viewing on the Company's website ([www.pembridgeresources.com](http://www.pembridgeresources.com)).

