

**THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the content of this document and/or the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant, or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, another appropriately authorised independent financial adviser, who specialises in advising on the acquisition of shares and other securities. The whole of the text of this document should be read. Investment in the Company is speculative and involves a high degree of risk. Your attention is drawn in particular to the section entitled "Risk Factors" at Part II of this document.**

If you have sold or otherwise transferred, or you sell or otherwise transfer, all of your holding of Existing Common Shares held in certificated form prior to the Ex-entitlement Date, please send this document and, if appropriate, the accompanying Application Form at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was or is effected, for onward delivery to the purchaser or transferee, except that such documentation should not be sent into a Restricted Jurisdiction and therefore persons into whose possession this document and any accompanying documents come should inform themselves about and observe any applicable legal or regulatory requirements. If you have sold or otherwise transferred or sell or otherwise transfer Existing Common Shares held in the Company through Depository Interests in uncertificated form prior to the Ex-entitlement Date, a claim transaction will automatically be generated by Euroclear which, on settlement will transfer the appropriate number of Open Offer Entitlements to the purchaser or transferee. Instructions regarding split applications are set out in the Application Form.

Copies of this document are available, free of charge, at the offices of the Company's solicitors, Joelson Wilson LLP, at 30 Portland Place, London W1B 1LZ until the date of Admission.

**This document is not a prospectus for the purposes of the Prospectus Rules. Accordingly, this document has not been, and will not be, reviewed or approved by the Financial Conduct Authority (in its capacity as UK Listing Authority or otherwise) pursuant to sections 85 and 87 of FSMA, the London Stock Exchange or any other authority or regulatory body. This document does not comprise an admission document under the AIM Rules and the London Stock Exchange has not itself examined or approved the contents of this document. The AIM Rules are less demanding than those of the Official List. It is emphasised that no application is being made for admission of the Open Offer Shares and/or the Clawback Shares to the Official List. The Open Offer Shares and the Clawback Shares will not be dealt on any other recognised investment exchange and no other such application will be made.**

**The Directors of the Company accept responsibility for the information contained in this document including individual and collective responsibility for compliance with the AIM Rules. To the best of the knowledge and belief of the 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 this document makes no omission likely to affect the import of such information.**

Application will be made for the Open Offer Shares and the Clawback Shares to be admitted to trading on AIM. AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. It is anticipated that Admission will become effective and that dealings in the Open Offer Shares and the Clawback Shares will commence on AIM at approximately 8.00 a.m. on 17 January 2014.

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# Richland Resources Limited

*(Incorporated in Bermuda under the Companies Act 1981 (as amended) with registered number EC33385)*

## **Proposed Placing and Open Offer to Qualifying Shareholders and Qualifying DI Holders of up to 118,148,951 Open Offer Shares in each case at an Issue Price of 3.4 pence per New Common Share**

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**Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 7 to 14 of this document.**

The distribution of this document, the Application Form and/or the transfer of Open Offer Entitlements through CREST or otherwise in jurisdictions other than the United Kingdom may be restricted by applicable laws or regulations and this document does not form part of any offer or invitation to sell or issue or the solicitation of any offer to purchase or subscribe for the Open Offer Shares or the Clawback Shares in any jurisdiction where such offer, invitation or solicitation is unlawful. Persons in jurisdictions other than the United Kingdom into whose possession this document comes should inform themselves about and observe any such applicable legal or regulatory requirements in such jurisdiction. Any failure to do so may constitute a violation of the securities laws of any such jurisdiction.

None of the Open Offer Shares or the Clawback Shares, the Open Offer Entitlements, this document or the Application Form has been, or will be, registered under the United States Securities Act of 1933, as amended, or under the securities legislation of any state of the United States or any other Restricted Jurisdiction. The relevant clearances have not been, and will not be, obtained from the securities commission of any province or territory of Canada. No document in relation to the Fundraising has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission, and no registration statement has been, or will be, filed with the Japanese Ministry of Finance in relation to the Fundraising, this document, the Application Form, the Clawback Shares, the Open Offer Shares or the Open Offer Entitlements. Accordingly, subject to certain exceptions the Clawback Shares, the Open Offer

Shares and the Open Offer Entitlements may not directly or indirectly be offered, sold, renounced, resold, taken up or delivered in or into the United States, Canada, Australia, Japan or any other Restricted Jurisdiction or offered to, sold to, renounced, taken up or delivered in favour of, or to, a person within the United States or a resident of Canada, Australia, Japan or any other Restricted Jurisdiction or to, or for the account of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of such jurisdictions or to any person in any country or territory where to do so would or might contravene local securities laws or regulations except pursuant to a relevant exemption. All persons, including nominees, custodians and trustees, must observe these restrictions and may not send or distribute this document, the Application Form or any other document connected with the Open Offer into the United States or any Restricted Jurisdiction. For more information please see paragraph 6 of Part IV of this document. This document and the shares offered hereby have not been, and will not be, filed or registered under the laws and regulations of Bermuda, nor has any regulatory authority in Bermuda passed comment upon or approved the accuracy or adequacy of this document. The Open Offer Shares and Clawback Shares may not be offered to the public in Bermuda, except in compliance with the provisions of the Investment Business Act of Bermuda which regulates the sale of securities in Bermuda and neither this document, which has not been submitted to the Bermuda Ministry of Finance, nor any offering material or information contained herein relating to the shares, may be supplied to the public in Bermuda or used in connection with any offer for the subscription or sale of shares to the public in Bermuda. The attention of Overseas Shareholders is drawn to the section headed "Overseas Shareholders" set out in paragraph 6 of Part IV of this document.

**The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 15 January 2014. The procedure for application and payment for Qualifying DI Holders is set out in paragraph 2 of Part IV of this document, and, for Qualifying Shareholders, in the accompanying Application Form.**

#### **Cautionary note regarding forward-looking statements**

This document contains statements about the Company that are or may be deemed to be "forward-looking statements".

All statements, other than statements of historical facts, included in this document may be forward-looking statements and are subject to, amongst other things, the risk factors described in Part II of this document. Without limitation, any statements preceded or followed by, or that include, the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "should", "anticipates", "estimates", "projects" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects and (ii) business and management strategies and the expansion and growth of the operations of the Company. These forward-looking statements are not guarantees of future performance and have not been reviewed by the auditors of the Company.

These forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of any such person, or industry results, to be materially different from any results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the present and future business strategies of such persons and the environment in which each will operate in the future. Investors should not place undue reliance on such forward-looking statements and, save as is required by law or regulation (including to meet the requirements of the AIM Rules, the Disclosure and Transparency Rules, the Prospectus Rules and/or FSMA), the Company does not undertake any obligation to update publicly or revise any forward-looking statements (including to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based). All subsequent oral or written forward-looking statements attributed to Richland Resources Limited or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. All forward-looking statements contained in this document are based on information available to the Directors of the Company at the date of this document, unless some other time is specified in relation to them, and the posting or receipt of this document shall not give rise to any implication that there has been no change in the facts set forth herein since such date.

Qualifying DI Holders (none of whom will receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of the Open Offer Entitlements which will be enabled for settlement on 17 January 2014. Applications under the Open Offer may only be made by the Qualifying Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim arising out of a sale or transfer of Common Shares prior to the Record Date. If the Open Offer Entitlements are for any reason not enabled by 3.00 p.m. or such later time as the Company may decide on 10 January 2014, an Application Form will be sent to each Qualifying DI Holder in substitution for the Open Offer Entitlements credited to his/her stock account in CREST. Qualifying DI Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.

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## DIRECTORS, SECRETARY AND ADVISERS

<b>Directors</b>	Edward Nealon ( <i>Non-Executive Chairman</i> ) Bernard Olivier ( <i>Chief Executive Officer</i> ) Ami Mpungwe ( <i>Non-Executive Deputy Chairman</i> ) Nicholas Sibley ( <i>Non-Executive Director</i> )
<b>Group Company Secretary</b>	Michael Allardice
<b>Registered Office</b>	Clarendon House 2 Church Street Hamilton, HM 11 Bermuda
<b>Nominated Adviser and Broker</b>	<b>RFC Ambrian Limited</b> Condor House 10 St Paul's Churchyard London EC4M 8AL
<b>Solicitors to the Company</b>	<b>Joelson Wilson LLP</b> 30 Portland Place London W1B 1LZ
<b>Solicitors to RFC Ambrian</b>	<b>Marriott Harrison LLP</b> 11 Staple Inn London WC1V 7QH
<b>Registrars and Receiving Agents</b>	<b>Computershare Investor Services PLC</b> The Pavilions Bridgwater Road Bristol BS13 8AE

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement to participate in the Open Offer	5.00 p.m. on 18 December 2013
Announcement of Fundraising	19 December 2013
Publication and posting of this document and Application Form	19 December 2013
Depository Interests marked 'ex-entitlement' by the London Stock Exchange	19 December 2013
Open Offer Entitlements credited to stock accounts in CREST of Qualifying DI Holders	20 December 2013
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 p.m. on 9 January 2014
Latest time for depositing Open Offer Entitlements into CREST	3.00 p.m. on 10 January 2014
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 13 January 2014
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 a.m. on 15 January 2014
Admission and commencement of dealings of the New Common Shares	8.00 a.m. on 17 January 2014
Clawback Shares and Open Offer Shares credited to CREST stock accounts in respect and in respect of Depository Interests in Depository Interest form	17 January 2014
Despatch of definitive share certificates for New Common Shares in certificated form	by 3 February 2014

### Notes:

- (1) References to times in this document are to London time (unless otherwise stated).
- (2) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.
- (3) The timing of the events in the above timetable and in the rest of this document is indicative only.
- (4) In order to subscribe for Open Offer Shares under the Open Offer, Qualifying DI Holders will need to follow the procedure set out in Part IV of this document and Qualifying Shareholders, will need to complete the accompanying Application Form. If Qualifying Shareholders have any queries on the procedure for application, acceptance and payment under the Open Offer, or wish to request another Application Form, they should contact Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE, Telephone 0870 707 1348, or, if calling from outside the United Kingdom, +44 (0)870 707 1348, where relevant, quoting the allotment number of their Application Form. Calls to Computershare Investor Services 0870 707 1348 number are charged at approximately 10 pence per minute (including VAT) plus any of your service provider's additional network charges. Calls to the Computershare Investor Services' +44 (0)870 707 1348 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Computershare Investor Services cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

## FUNDRAISING STATISTICS

Number of Existing Common Shares	118,148,951
Issue Price for each Clawback Share and each Open Offer Share	3.4 pence
Basis of Open Offer	1 Open Offer Share for every 1 Existing Common Share
Maximum number of Open Offer Shares	118,148,951
Maximum number of Common Shares in issue following the Placing and Open Offer <sup>(†)</sup>	236,297,902
Open Offer Shares as percentage of the Enlarged Share Capital <sup>(†)</sup>	up to 50 per cent.
Number of Clawback Shares	28,941,178
Number of Clawback as a percentage of Open Offer Shares	24.5 per cent.
Estimated maximum proceeds receivable by the Company under the Fundraising (before expenses) <sup>(†)</sup>	approximately £4.0 million

*Notes:*

(†) Assumes the maximum number of New Common Shares under the Placing and Open Offer are allotted.

(††) The Open Offer will also be extended to holders of Class A Shares but will not affect the maximum number of Open Offer Shares.

## PART I

### LETTER FROM THE CHAIRMAN OF RICHLAND RESOURCES LIMITED

*(Incorporated in Bermuda under the Companies Act 1981 (as amended) with registered number EC33385)*

*Directors:*

Edward Nealon *(Non-Executive Chairman)*  
Bernard Olivier *(Chief Executive Officer)*  
Ami Mpungwe *(Non-Executive Director)*  
Nicholas Sibley *(Non-Executive Director)*

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton, HM 11  
Bermuda

*To the holders of Common Shares and, for information only, to the holders of options over Common Shares*

19 December 2013

Dear Shareholder

#### **Proposed Placing and Open Offer of up to 118,148,951 New Common Shares at an Issue Price of 3.4 pence per New Common Share**

##### **1. Introduction**

On 19 December 2013, the Company announced that it proposes to raise up to £4.0 million (£3.9 million net of expenses) through the issue of 118,148,951 New Common Shares by way of a Placing and Open Offer at an issue price of 3.4p per New Common Share. The Open Offer is being made to all Qualifying Holders. Qualifying Holders have the right to subscribe for their Open Offer Entitlements in accordance with the terms of the Open Offer. Further details of the Open Offer are set out in Part IV of this document and, for Qualifying Shareholders, in the Application Form.

The Issue Price represents a discount of approximately 6 per cent. to the price of 3.62 pence per Existing Common Share, being the closing mid-market price of the Existing Common Shares on 18 December 2013 and at a 21.7 per cent. discount to the 5 day weighted average price of 4.3411 pence per Common Share as at 18 December 2013 (the latest practicable date prior to the posting of this document). The Open Offer is not underwritten, and accordingly, as set out below, the minimum proceeds (assuming the Placing becomes unconditional) under the Fundraising are £2.0 million (before expenses).

The purpose of this document is to provide you with details of, and the background to, the Placing and Open Offer and to explain why the Directors believe that the Placing and Open Offer is in the best interests of the Company and Shareholders.

##### **2. Reasons for the Placing and Open Offer and Use of Funds**

The Group's financial performance during the year ended 31 December 2012 and for the six months ended 30 June 2013 has been, and its current operations and results are being, severely affected by the impact of illegal underground mining into TanzaniteOne's operations from neighbouring blocks. The effect of illegal mining and violent underground incursions during 2012 and 2013 caused a compacting of the accessible mining area and had a severe and detrimental effect on the Production Profile during this period due to the inaccessible areas having a higher grade profile. This has meant that the Company has suffered significant impairment to its mining infrastructure as well as resulting in net losses after tax in the financial year 31 December 2012 and in the 6 months to 30 June 2013 of US\$13.6 million and US\$0.56 million respectively.

Following the granting of the new Mining Licence and the support TanzaniteOne has received from the Government of Tanzania to curb these illegal incursions since 30 June 2013 (referred to in the Company's Announcements dated 22 July 2013 and 9 September 2013) and the signing of the STAMICO Agreements between TanzaniteOne and STAMICO (referred to in the Company's Announcement dated 12 December 2013), the Directors are seeking to raise finance in order to, amongst other things, re-enter, secure and re-equip the areas of the mine which have not been available to TanzaniteOne over the last 18 months and to fund the work required for the re-commencement of mining operations therein.

The gross proceeds of the Placing and Open Offer will be a maximum of £4.0 million (US\$6.5 million). As set out above the minimum proceeds (being the Clawback and Committed Shares) are £2.0 million (US\$3.2 million), before expenses.

As stated above, the Company made a consolidated loss of US\$13 million in the year to 31 December 2012, and of US\$0.56 million in the 6 months to 30 June 2013, and as at 30 November 2013 has available cash resources of US\$560,000. The financial performance and position of the Company is such that the directors are of the opinion that the Company does not have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this announcement unless a minimum of £2.1 million, before expenses, is raised under the Placing and Open Offer.

The minimum proceeds of the Placing and Open Offer are £2.0 million and consequently a further £0.1 million from acceptances under the Open Offer would be required in order to meet the Company’s working capital requirements. There can be no certainty that this will be raised. In the event that this is not raised under the Open Offer, it is likely that the Company would experience difficulty in continuing to trade and the directors would be required to seek alternative sources of funding.

Actions by the Company related to this might include:

- (i) the seeking of further Placings in 2014;
- (ii) a sale (or sales) of asset(s);
- (iii) negotiation of alternative sources of finance.

In the event that the actions above are unsuccessful, the Company would be unable to continue to trade.

The minimum proceeds of the Placing and Open Offer, together with existing cash and facilities of US\$560,000 (as at 30 November 2013) and cash generated from operations, will fund capital expenditure needed at the TanzaniteOne’s mine site to allow the restart of activities at Delta and Investor Shafts (two of the TanzaniteOne’s mine shafts lost to illegal miners and recently recovered which are illustrated in Diagram 1 below, which shows longitudinal sections of Block C, indicating areas affected by illegal mining activities and the northern area of deposit cleared in August 2013) and to fund the expansion of operations, further details of which are set out below. In addition, these funds will mean that TanzaniteOne has the financial resources to settle all known claims for royalty payments for the period from 2004 to 2010 as set out in the Group’s consolidated accounts to 30 June 2013, as well as providing additional general working capital.

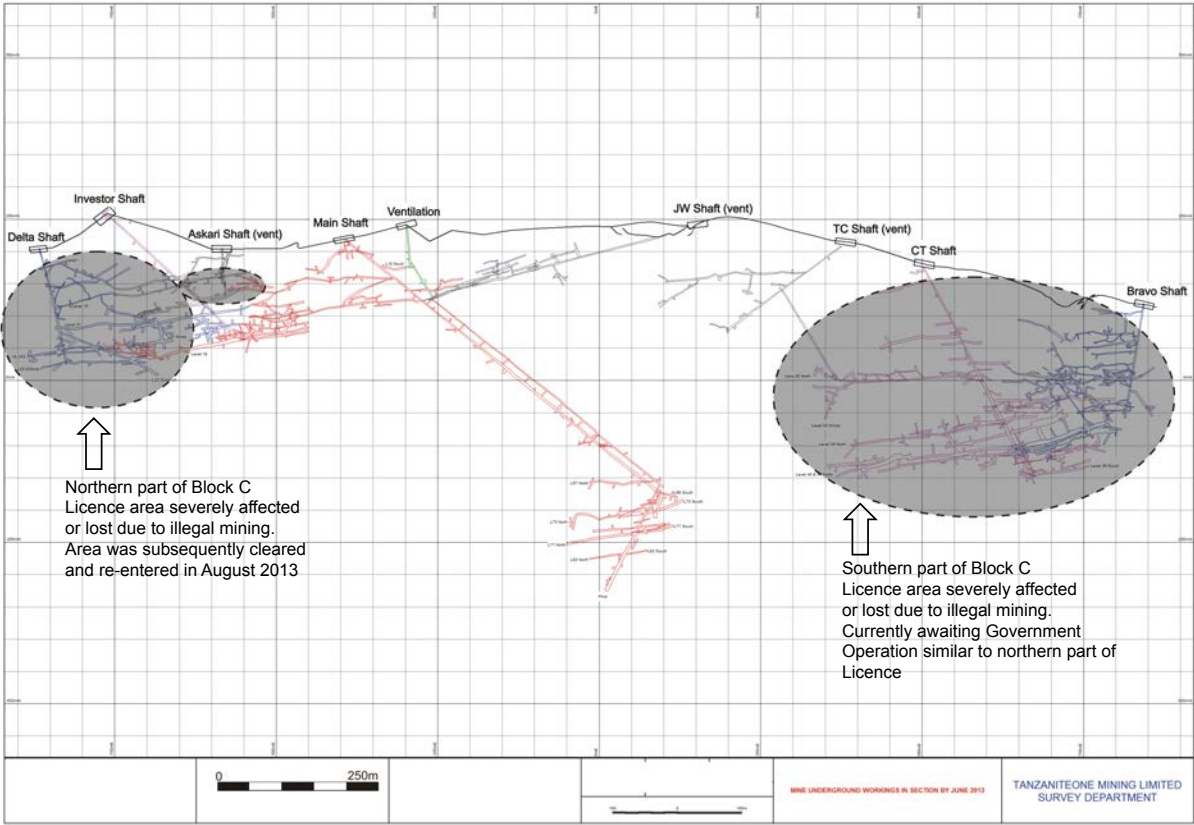


Diagram 1. Longitudinal section of Block C, indicating areas affected by illegal mining activities and northern area of deposit cleared in August 2013.



The Directors plan to use the minimum net proceeds as detailed below, but may apply the funds differently in the event of material changes in the key factors affecting the Group's current business:

	US\$m	£'m
Capital Expenditure at TanzaniteOne mine	0.3	0.2
Contingency for royalties and other Tanzanian taxes & social security payments	2.9	1.8
General Group working capital requirements	<u>0.5</u>	<u>0.3</u>
Net minimum proceeds from Clawback and Committed Shares and Existing Facilities	3.7	2.3
Additional proceeds required under Open Offer to fund capital expenditure at TanzaniteOne mine	<u>0.2</u>	<u>0.1</u>
Net minimum proceeds required under Placing and Open Offer to meet working capital requirements	<u><u>4.0*</u></u>	<u><u>2.4*</u></u>

Assuming a US\$ to £ rate of £1 = US\$1.6242

\*may not cast due to rounding

If there are proceeds from the Open Offer in excess of the minimum, then the Company intends to apply these towards an accelerated capital expenditure programme at TanzaniteOne's mine site and its diversification programme. This includes the development of the Tavorite Project and the potential exercise of the Company's option over the Sapphire Project and the development of this project and other gemstone projects at the exploration, pre-production or production stage. The potential additional proceeds are between £nil and £2.0 million.

If the current Tanzanian Government action against the illegal mining activities and associated smuggling of tanzanite is not sustained, and further extended as per the Company's expectations, then the Company will review the allocation and use of funds in Tanzania.

In the event that the Open Offer is not fully subscribed, the Directors reserve the right to seek placees, at not less than the Issue Price, in order to raise up to the maximum proceeds under the Placing and Open Offer.

### 3. Current trading & Prospects

During the six-month period to 30 June 2013 the Company reported revenue of US\$7.5 million, EBITDA of US\$0.2 million and a net loss after tax of US\$0.56 million. The results for this period were adversely affected by reduced sales volume and quality mix as a direct result of loss of production optimisation due to sustained illegal underground mining activities; although an increase in retail sales from the Tanzanite Experience to US\$1.27 million went some way to offsetting this.

Consolidated net cash for the Group at 30 June 2013 was US\$1.5 million. Combined with trade and other receivables of US\$3.8 million, US\$1.9 million of Tanzanite inventory stock and US\$1.3 million of other current assets, total current assets at 30 June 2013 amounted to US\$8.5 million. As at 30 November 2013, the group's cash and cash equivalent position was US\$560,000.

During the accounting period to 30 June 2013 a letter of intent ("LOI") was executed between STAMICO and TanzaniteOne in respect of a 50/50 joint licence ownership and on 20 June 2013 a new Mining Licence was issued on a joint 50:50 basis to TanzaniteOne and STAMICO.

Since 30 June 2013 the Tanzanian Government has assisted with removing illegal miners on the northern part of the licenced area of the mine, as shown in Diagram 1. TanzaniteOne is planning to restart mining in these areas before the end of the first quarter of 2014, subject to availability of funds and assuming continued Government assistance with security. TanzaniteOne's mine team are liaising with STAMICO and the Tanzanian Government so as to obtain their assistance for the commencement of the removal of illegal miners in the southern part of the licenced area of the mine during the 1st Quarter of 2014. Once this area is cleared, TanzaniteOne can begin the necessary work to repair the damage caused by the illegal miners to TanzaniteOne's infrastructure. Once production is restarted, the Company expects an improvement in

the Production Profile as there are known areas of higher quality material in both the northern and southern sides of the mine.

Since August 2013, the Company believes the tanzanite price has risen by, on average, approximately 5 per cent. and the Company is hopeful of further uplift as the downward pressure created by the black market selling of tanzanite illegally mined from the Mining Licence Area is reduced. In the third quarter of 2013, the Company achieved tanzanite production totalling 810,347 carats from the processing of 7,182 tonnes of material at an average grade of 108 carats per tonne for the quarter. The Company achieved approximately US\$3 million in sales for the third quarter of 2013.

On 12 September 2013, shortly after the launch of its retail website [www.tanzaniteoneonline.com](http://www.tanzaniteoneonline.com) the Company announced a polished sight holder agreement with Chow Tai Seng Jewellery Co., Ltd. for tanzanite jewellery to be marketed by Chow Tai Seng Jewellery Co., Ltd which has over 2,200 jewellery stores and counters in the People's Republic of China.

On 20 November 2013 the Company sold the Dubai Office for gross proceeds of approximately \$650,000 and net sale proceeds of approximately US\$640,000 after deduction of all costs and taxes. The Dubai Office was recorded in the Group's accounts as at 30 June 2013 at approximately US\$402,000 and these will therefore be an accounting gain of approximately US\$238,000 on the sale.

As announced on 12 December 2013 the STAMICO Agreements were signed between TanzaniteOne and STAMICO and govern the relationship between the parties, the operation of mining in the Mining Licence Area and the sharing of revenue, income and costs arising from mining in the Mining Licence Area. The STAMICO Agreements only relate to the mining operations in the Mining Licence Area and do not include other group activities in Tanzania including the Tsavorite Project and the trading activities of the Company's subsidiary TanzaniteOne Trading Limited which includes the Tanzanite Experience retail operations.

Under the STAMICO JV Agreement, both TanzaniteOne and STAMICO have a 50 per cent. undivided participating interest in the Mining Licence and STAMICO will reimburse TanzaniteOne a sum of US\$ 4 million in recognition of the expenditure incurred by TanzaniteOne in developing mine infrastructure prior to the date of the issue of the Mining Licence. This will be paid by STAMICO utilising 40 per cent. of its share of the net residual profits from mining operations under the Mining Licence payable to STAMICO until the amount is paid in full. These agreements are more fully described in paragraph 4.4 of Part V – Additional Information of this document.

TanzaniteOne and STAMICO have agreed to use their respective reasonable endeavours to curb tanzanite smuggling and illegal mining operations in the area to which the Mining Licence relates and which have had an adverse effect on the profitability of the operations under the Mining Licence and underground mining operations.

TanzaniteOne and STAMICO have agreed to work together to evaluate the graphite resource found in the Mining Licence Area with a view to re-starting graphite mining operations and developing a mechanism for financing the graphite mining operations by attracting new investment into the venture.

The exclusivity agreement, including the right of first refusal period, signed in February 2013 with a major international trading company regarding the graphite potential of Block C lapsed in August 2013 without a definitive decision being reached regarding their future interest. The Company is continuing discussions with the trading company and has also initiated discussions with other interested parties.

During 2012 TanzaniteOne received a notification from the Ministry of Energy and Minerals in Tanzania ("TMAA") regarding a claim for alleged unpaid royalties for the period from 2004 to 2010. Tanzanite One responded in July and October 2013 to the TMAA's questions and requests for additional information and is awaiting the TMAA's response. In their request for this information the TMAA referred to additional potential unpaid royalties of approximately US\$0.36 million in relation to 2010 in respect of an understatement of sales by transfer pricing.

#### 4. Details of the Placing and Open Offer

The Company is proposing to raise up to approximately £4 million (before expenses) pursuant to the Fundraising. The proposed Issue Price of 3.4 pence per Open Offer Share is the same price as the price at which the Clawback Shares are being issued under the Placing.

The Fundraising includes a Placing and the Company has entered into a Placing Agreement with RFC Ambrian pursuant to which RFC Ambrian have conditionally agreed to use their reasonable endeavours to procure subscribers for up to 28,941,178 Clawback Shares and already have commitments for 28,941,178 Clawback Shares (the “Confirmed Clawback Shares”), subject to clawback by Qualifying Holders under the Open Offer at the discretion of RFC Ambrian. Further details of the Placing Agreement are set out in Part VI of this document.

The Board is pleased to confirm that the Company has received Irrevocable Undertakings from existing investors and the Directors for 28,843,721 New Common Shares under the Open Offer (the Committed Shares).

The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Holders the opportunity to participate. The Open Offer is not underwritten. The Open Offer is not conditional upon the level of applications made to subscribe under the Open Offer. If no further applications to subscribe under the Open Offer are received the total amount that the Company would raise would be reduced to the Confirmed Clawback Shares and the Committed Shares being £2.0 million (before expenses).

The Open Offer provides Qualifying Holders with the opportunity to subscribe for Open Offer Shares at the Issue Price payable in full on application and free of expenses, *pro rata* to their holdings of Existing Common Shares as at the Record Date on the following basis:

**1 Open Offer Share**

**for every 1 Existing Common Share**

and so on in proportion for any other number of Existing Common Shares then held.

The Open Offer is subject to, amongst other things, Admission of the Open Offer Shares becoming effective by 8.00 a.m. on 17 January 2014 (or such later time or date not being later than 8.00 a.m. on 3 February 2014 as the Company may decide).

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Common Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

The Open Offer is structured to allow Qualifying Holders to subscribe for Open Offer Shares at the Open Offer price *pro rata* to their holdings of Existing Common Shares. Qualifying Holders may also make applications in excess of their *pro rata* initial entitlement. To the extent that *pro rata* entitlements to Open Offer Shares are not subscribed by Qualifying Holders, such Open Offer Shares will be available to satisfy such excess applications. To the extent that applications are received in respect of an aggregate of more than 118,148,951 Open Offer Shares, excess applications will be scaled back accordingly.

To the extent that applications for Open Offer Shares exceeds the number that have not been placed pursuant to the Placing, some or all of the Clawback Shares will be clawed back from the Placees at the discretion of RFC Ambrian and the number of shares placed pursuant to the Placing will be reduced.

**Qualifying Holders applying for Open Offer Shares should be aware of the potential mandatory bid implications of an increase in their percentage shareholding in the Company under the Bye-Laws, including those of any of the Qualifying Holder’s concert parties. A summary of the mandatory bid rules under the Bye-Laws is set out in Part II of this document. In any event, applications from Shareholders will be rejected if, and to the extent that, acceptance would result in any of them holding 30 per cent. or more of the Enlarged Share Capital following such application.**

**Qualifying Holders should note that the Open Offer is not a “rights issue”. Invitations to apply under the Open Offer are not transferable unless to satisfy *bona fide* market claims. Qualifying Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Holders should also be aware that in the Open Offer, unlike in a rights issue, any Open Offer Shares not applied for will not be sold in the market nor will they be placed for the benefit of Qualifying Holders who do not apply under the Open Offer.**

The Placing and Open Offer is conditional, among other things, on the following:

- (i) the Placing Agreement not being terminated prior to Admission and being otherwise unconditional in all respects; and
- (ii) Admission becoming effective on or before 8.00 a.m. on 17 January 2014 (or such later date and/or time as the Company and RFC Ambrian may agree, being no later than 8.00 a.m. on 3 February 2014).

Accordingly, if any of such conditions are not satisfied, or, if applicable, waived, the Placing and Open Offer will not proceed and any Open Offer Entitlements admitted to CREST will thereafter be disabled.

#### *Settlement and dealings*

Application will be made to the London Stock Exchange for the Clawback and Open Offer Shares to be admitted to trading on AIM. It is expected that such Admission will become effective and that dealings will commence at 8.00 a.m. on 17 January 2014.

#### *Overseas Shareholders*

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraph 6 of Part IV of this document.

#### *Qualifying Shareholders*

If you are a Qualifying Shareholder you will have received an Application Form which gives details of your Qualifying Shareholder's Entitlement under the Open Offer (as shown by the number of the Open Offer Entitlements allocated to you). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the accompanying Application Form in accordance with the procedure for application set out in paragraph 2.1 of Part IV of this document and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive as soon as possible and in any event no later than 11.00 a.m. on 15 January 2014.

#### *Qualifying DI Holders*

Application has been made for the Open Offer Entitlements for Qualifying DI Holders to be admitted to CREST. It is expected that the Open Offer Entitlements will be admitted to CREST on 17 January 2014. The Excess CREST Open Offer Entitlements will also be enabled for settlement in CREST on 17 January 2014. Applications through the CREST system will only be made by the Qualifying DI Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

If you are a Qualifying DI Holder, no Application Form is enclosed but you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements representing your Qualifying Holder Entitlement under the Open Offer along with the Open Offer Excess Shares for which you may apply. You should refer to the procedure for application set out in paragraph 2.2 of Part IV of this document. The relevant CREST instruction must have settled by no later than 11.00 a.m. on 15 January 2014. For Qualifying DI Holders the relevant CREST instructions must have settled as explained in this document by no later than 11.00 a.m. on 15 January 2014.

## **5. Additional Information**

Your attention is drawn to the risk factors and additional information set out in Parts II and VI of this document. **Shareholders are advised to read the whole of this document and not rely solely on the summary information presented in this letter.**

## **6. Intentions of the Directors in relation to the Open Offer**

The Directors listed below, have given irrevocable commitments to acquire Open Offer Shares pursuant to the respective Open Offer Entitlements of the Directors, their immediate families and person connected with the Directors (all of which are beneficial unless otherwise stated) as set out in column (2) below and will further subscribe for additional Open Offer Shares under the Excess Application Facility (described in paragraph 2.1.3 of Part IV) as specified in column (3) below (provided that such Excess Applications will

be rejected or scaled back accordingly to the extent that there are insufficient Open Offer Shares to satisfy those applications).

<i>(1)</i> <i>Name</i>	<i>(2)</i> <i>Open Offer Entitlements</i>	<i>(3)</i> <i>Number of Open Offer Shares intended to be applied for under the Excess Application Facility</i>
Edward Nealon	5,100,680	–
Bernard Olivier	921,746	512,974
Ami Mpungwe	3,122,343	–
Nicholas Sibley	7,155,894	–

## **7. Intentions of the Qualifying Holders in relation to the Open Offer**

The persons listed below who are not Placees have given irrevocable commitments to procure that the Qualifying Shareholders who hold shares on their behalf will acquire Open Offer Shares pursuant to their respective Open Offer Entitlements as set out in column (2) below and will further subscribe for additional Open Offer Shares under the Excess Application Facility (described in paragraph 2.2.3 of Part IV) as specified in column (3) below (provided that such Excess Applications will be rejected or scaled back accordingly to the extent that there are insufficient Open Offer Shares to satisfy those applications).

<i>(1)</i> <i>Name</i>	<i>(2)</i> <i>Open Offer Entitlements</i>	<i>(3)</i> <i>Number of Open Offer Shares intended to be applied for under the Excess Application Facility</i>
Ashwath Mehra	5,500,000	–
Tomori Enterprises Ltd.	4,530,000	–
Asian Metal Resources Ltd	980,956	–
Quantum Capital and Consulting Limited	81,128	–
Strategic Investments International	938,000	–

## **8. Action to be taken**

If you are a Qualifying Shareholder you will have received an Application Form which gives details of your maximum entitlement under the Open Offer (as shown by the number of Open Offer Entitlements for which you may apply). If you wish to apply for Open Offer Shares under the Open Offer, you should complete the enclosed Application Form in accordance with the procedure for application set out in paragraph 2 of Part IV of this document and on the Application Form itself.

If you are a Qualifying DI Holder no Application Form is enclosed and you will receive a credit to your appropriate stock account in CREST in respect of the Open Offer Entitlements and your Excess CREST Open Offer Entitlements. You should refer to the procedure for application set out in paragraph 2 of Part IV of this document.

**The latest time for applications under the Open Offer to be received is 11.00 a.m. on 15 January 2014. The procedure for application and payment depends on whether, at the time at which application and payment is made, you have an Application Form in respect of your Open Offer Entitlements, if appropriate, or have Open Offer Entitlements credited to your stock account in CREST in respect of such entitlement. The procedures for application and payment are set out in Part IV of this document.**

**Further details also appear in the Application Forms which have been sent to Qualifying Shareholders. Qualifying DI Holders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Open Offer.**

**If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser.**

## **9. Overseas Shareholders of the Company**

It is the responsibility of any person receiving a copy of this document, the Open Offer Entitlements, and/or the Application Form outside the United Kingdom to satisfy himself as to the full observance of the laws and regulatory requirements of the relevant territory in connection therewith, including obtaining any governmental or other consents which may be required or observing any other formalities required to be observed in such territory and paying any other issue, transfer or other taxes due in such other territory. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any other formalities to enable them to take up their rights. Persons (including, without limitation, nominees and trustees) receiving this document, the Open Offer Entitlements and/or the Application Form should not, in connection with the Fundraising, distribute or send it into any jurisdiction when to do so would, or might contravene local securities laws or regulations. Any person who does forward this document into any such jurisdictions should draw the recipient's attention to the contents of paragraph 6 of Part IV of this document regarding Overseas Shareholders. If you are an Overseas Shareholder, it is important that you read that part of this document.

## **10. Class A Open Offer**

At the time of the Company acquiring tanzanite assets from Afgem in 2004, a mechanism was put into place to accommodate any of Afgem's South African shareholders who wanted to maintain their investment in the tanzanite assets. This mechanism involved the creation of TanzaniteOne SA, a South African domiciled subsidiary of the Company.

TanzaniteOne SA has in issue Class A Shares, the value of which is directly linked to the value of the Company's shares traded on AIM. Consequently, all South African shareholders of Afgem that elected to remain invested received TanzaniteOne SA Class A Shares. There are currently 1,568,202 Class A Shares not held by the Company (as at 27 September 2013).

There will, in conjunction with the Open Offer, be an open offer of Class A Shares (the "Class A Open Offer") to Class A Shareholders on the same terms as the Open Offer being made to the Company's Shareholders in terms of the Issue Price and the ratio of Class A Open Offer Shares to Existing Class A Shares as between Open Offer Shares and Existing Common Shares. Class A Shareholders are being sent this Circular for information purposes along with the TanzaniteOne SA Letter. The Fundraising statistics on page 6 of this document include the Class A Offer.

## **11. Taxation**

Information regarding taxation in the United Kingdom in connection with the Placing and the Open Offer is set out in paragraph 6 of Part V of this document. Shareholders who are in any doubt as to their tax position, or who are subject to tax in any other jurisdiction, should consult their professional adviser as soon as possible.

## **12. Risks and additional information**

Shareholders' attention is drawn to the risks and additional information contained in the summary and risk factors and additional information sections of this document. Shareholders are advised to read the whole of the document and not rely only on the information presented in this letter and if they have not already done so to read the Company's announcements regarding its past and current activities.

Yours faithfully

**Edward Nealon**

*Non-Executive Chairman*

## PART II

### RISK FACTORS

**Qualifying Holders should be aware that an investment in the Company is highly speculative and involves a high degree of risk due to the nature of the exploration and development of natural resources. Before making any investment decision, prospective investors should carefully consider all the information contained in this document including, in particular, the risk factors described below, which are not presented in any order of priority and may not be exhaustive.**

**The following risk factors are all those known by the Directors which are considered to be material in their opinion. Additional risks and uncertainties not currently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Group's business, financial condition and results of operations.**

**An investment in the Company may not be suitable for all recipients of this document. Qualifying Holders are advised to consult an independent financial adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities before making a decision to invest.**

#### **Mining risks**

Delays in the construction and commissioning of mining projects or other technical difficulties may result in the Group's current or future projected target dates for production being delayed or further capital expenditure being required. The operations of the Group may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupational and health hazards, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, explosions and other acts of God. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. No assurance can be given that the Company will be able to obtain insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

The occurrence of any of these hazards can delay activities of the Company and may result in liability. The Group may become subject to liability for pollution or other hazards against which it has not insured or cannot insure, including those in respect of past mining activities for which it was not responsible.

#### **Operational risks**

The Group's mining operations in Tanzania have been and continue to be subject to surface and underground illegal trespass and undermining within the Mining Licence Area (referred to below). The incursions of illegal miners (including the use of fire arms and home-made explosive devices) have, based on the Company's own records, increased since 2011 resulting in danger to the Group's employees and substantial damage to the Group's mining infrastructure and equipment as well as the theft of high-quality gemstones. The Group has sought to protect the mining licenced area from these risks through reporting occurrences of illegal mining to the relevant governmental authorities via the correct channels and forums and has moreover employed and trained security personnel at its Tanzanian mining operation and installed fencing and CCTVs in the Mining Licence Area. However, the Group's security personnel are of limited effect against illegal miners, as the local authorities do not permit the use of force to counter threats against employees. Local Tanzanian police in the Mining Licence Area have historically been reluctant to become involved in curbing illegal activities and rarely intervene in disputes. Based on communication between the Company and the Tanzanian Government, the Company believes a Tanzanian Government exercise is being planned to clear the Mining Licence Area of illegal mines, and its success will only become apparent in time. The Group is only aware of a limited number of successful prosecutions of illegal miners to date.

The risks associated with illegal mining within the Mining Licence Area are on-going and may result in further costs to the Group due to damage to the Group's mining infrastructure, increased dangers to the Group's employees and the theft of gemstones. It is possible that the Group's employees and/or

trespassing miners may be injured or killed which may result in compensation being paid or ensuing criminal and/or civil proceedings against Group companies and/or their employees (including management personnel).

### **Volatility of prices and exchange rates**

The price of tanzanite has historically been subject to fluctuation and the Company believes factors such as jewellery demand, inflation and expectations in respect of the rate of inflation, the strength of the US\$ and other currencies, interest rates, global and regional political events and production and cost levels can all affect tanzanite prices.

There is also uncertainty as to the possibility of increases in world production of tanzanite both from existing mines and as a result of mines which are currently closed being reopened in the future, if price increases make such projects economically viable.

Furthermore, illegal mining in Tanzania has resulted in a significant level of smuggled and un-cut tanzanite being sold into the market without the payment of appropriate taxes, thereby putting downward pressure on the price of tanzanite.

Consequently as a result of the above factors, tanzanite price forecasting is difficult.

Any future Group income from its product sales will be subject to exchange rate fluctuations and could become subject to exchange controls or similar restrictions. Currency conversion may have an adverse impact on income or asset values.

The Group's ability therefore to maintain earnings, pay dividends and undertake capital expenditure may be affected in the event of tanzanite prices not decreasing or increasing.

### **Governmental regulations and processing licences**

Governmental approvals, licences, easements, permits and other agreements are, as a practical matter, subject to the discretion of the applicable governments or governmental offices. The Group must comply with known standards, existing laws and regulations that may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and the interpretation of the laws and regulations implemented by the permitting authority. New laws and regulations, amendments to existing laws and regulations, or more stringent enforcement of existing laws and regulations could have a material adverse impact on the Company's results of operations and financial condition.

The Group's exploration, mining and processing activities are dependent upon the grant of appropriate licences, concessions, easements, leases, permits and regulatory consents which may be withdrawn, require extensions or made subject to limitations. There can also be no assurance that they will be granted, renewed or extended or, if so, on satisfactory terms.

The Company's subsidiary, TanzaniteOne, was awarded a new licence to conduct mining activities in Tanzania jointly with STAMICO on 20 June 2013 on a 50:50 basis. The STAMICO JV Agreement governs the relationship between TanzaniteOne and STAMICO in relation to the mining operations to be conducted in the Mining Licence Area.

Under current regulations, TsavoriteOne Mining Limited can apply for 12 month prospecting licences and reapply to renew these on a rolling basis. As at the date of this Circular the previous one year prospecting licences have expired and renewal applications have been made for those licences which the Company believes are of value to be extended. However, to date none of the prospecting licences have been renewed and there is no guarantee that these licences will be reissued or on what terms they will be reissued.

TanzaniteOne has received a notification dated 2 October 2012 from the Ministry of Energy and Minerals in Tanzania ("TMAA") regarding a claim for alleged unpaid royalties for the 4 year period from 2004 to 2008 amounting to US\$2.1 million and informed TanzaniteOne that it would not provide any further support to the mining activities of TanzaniteOne, until its claim for unpaid royalties had been paid. As a result TanzaniteOne was effectively prohibited from exporting gemstones and on 8 October 2012 trading in the



Company's Shares was suspended. On 17 October 2012, following receipt of permission from the Ministry of Energy and Minerals to resume exportation, trading on AIM was restored. On 9 November 2012 TMAA advised that they had reduced their claim for alleged unpaid royalties from companies within the Group to US\$1.73 million and it related to the 6 year period between 2004 and 2010. To date US\$400,000 has been paid as part of on-going negotiations and discussions between TanzaniteOne and TMAA with respect to the TMAA claim for unpaid royalties for the period 2004 to 2010.

As mentioned in the 2012 Annual Report the TMAA is conducting a re-audit of financial records, which covers TanzaniteOne for the years 2010 and 2011 and has given rise to questions in relation to transfer pricing and the deductibility of expenses. Tanzanite One responded in July and October 2013 to the TMAA's questions and requests for additional information and is awaiting the TMAA's response. The TMAA, in their request for additional information, referred to additional potential unpaid royalties of approximately US\$0.36 million in relation to 2010 in respect of an understatement of sales by transfer pricing but have not quantified any other potential liabilities arising from their re-audit of 2010 and 2011. No provision has been made for any additional liabilities or adjustments to deferred tax assets that may arise from this re-audit as it is on-going and no assessments have been issued.

### **Operational delays**

Delays in restarting operations in areas previously occupied by illegal miners and upgrading and repairing mining infrastructure and equipment on an on-going basis may result in production being delayed and/or further capital expenditure being required. In common with all mining operations, there is uncertainty, and therefore risk, associated with operating parameters and costs. The Company's ability to raise further funds will depend on the success of existing operations. The Company may not be successful in procuring the further requisite funds and, if such funding is unavailable, the Company may be required to reduce the scope of its operations or anticipated expansion.

### **Future funding requirements**

It may be necessary for the Group to raise additional capital to satisfy its working capital. This may be due to delays in the restoration of infrastructure which consequentially delay the anticipated profits, or further operational difficulties due, for example, to the incursion of illegal miners, or due to certain of the claims against the Group being upheld by the relevant authorities and/or resulting in a settlement. Additional capital may be sought by way of the issue of further Common Shares and/or by way of debt financing, or through other means, to finance the Group's future operations, its working capital or capital expenditure requirements.

Additional equity issues will have a dilutive effect on Shareholders if they are unable or choose not to subscribe for such additional Common Shares and the issue of additional Common Shares by the Company, or the possibility of such an issue, may cause the market price of the Common Shares to decline.

There can be no guarantee or assurance that debt funding or additional equity will be forthcoming when required, or as to the terms and price on which such funds would be available if at all. If the Group is unable to obtain additional financing as needed, or on terms which are acceptable, it may not be able to fulfil its strategy, which could have a material adverse effect on the Group's business, financial position and prospects. It may also be required to reduce the scope of its operations or anticipated growth, forfeit its interest in some or all of its assets, incur financial penalties or reduce or terminate its operations.

### **Going Concern**

The Company made a consolidated loss of US\$13 million in the year to 31 December 2012, and of US\$0.56 million in the 6 months to 30 June 2013, and as at 30 November 2013 has available cash resources of US\$560,000. The financial performance and position of the Company is such that the directors are of the opinion that the Company does not have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this announcement unless a minimum of £2.1 million, before expenses, is raised under the Placing and Open Offer.

The minimum proceeds of the Placing and Open Offer are £2.0 million and consequently a further £0.1 million from acceptances under the Open Offer would be required in order to meet the Company's working capital requirements. There can be no certainty that this will be raised. In the event that this is not raised under the Open Offer, it is likely that the Company would experience difficulty in continuing to trade and the directors would be required to seek alternative sources of funding.

Actions by the Company related to this might include:

- (i) the seeking of further Placings in 2014;
- (ii) a sale (or sales) of asset(s);
- (iii) negotiation of alternative sources of finance.

In the event that the actions above are unsuccessful, the Company would be unable to continue to trade.

### **Bank Financing**

On 5 August 2011, TanzaniteOne entered into a facility agreement ("NBC Main Facility Agreement") with the National Bank of Commerce Limited ("NBC"), pursuant to which NBC made available certain banking facilities to TanzaniteOne. Under the terms of the facility agreement TanzaniteOne is required to maintain certain financial and other covenants. As reported in the Company's 2012 annual report, the Group's results have affected TanzaniteOne's ability to comply with those covenants. A violation of those covenants constitutes an event of default under the NBC Main Facility Agreement, which unless waived by NBC would entitle NBC right to cancel the borrowing facilities. NBC has been notified of the breach of covenant and as of the date of this Circular has not recalled or cancelled any of the borrowing facilities. However, NBC remains entitled to do so.

### **Resource estimates**

Resource figures are estimates and there can be no assurances that they will be converted into mineable reserves and recovered or that they can be brought into profitable production. Resource estimates may require revisions based on actual production experience. Furthermore, a decline in the market price of coloured gemstones or metals that the Company may discover or develop could render ore reserves containing relatively lower grades of these minerals uneconomic to recover and may ultimately result in a restatement of reserves.

### **Environmental factors**

The Group's operations are subject to environmental regulation (including regular environmental impact assessments and permitting) in Tanzania and there will most likely be similar regulations in any other jurisdictions in which the Group conducts mining operations in the future. Such regulation covers a wide variety of matters, including, without limitation, prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The Group may also be subject under such regulations to clean-up costs and liability for toxic or hazardous substances which may exist on or under any of the Group's properties or which may be produced as a result of its operations. Environmental legislation and permitting are likely to evolve in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their directors and employees.

### **Political risks**

Although political conditions in the countries in which the Group operates are generally stable, the Company is operating in developing countries where sudden and unexpected changes may occur in their political, fiscal and legal systems which might affect the ownership or operation of the Group's interests, including *inter alia*, changes in exchange control regulations, expropriation of mining rights, changes in government and in legislative and regulatory regimes and the terms and conditions under which mining and exploration licences are issued.

## **Foreign control of mining companies and holding of mining licences**

The Tanzanian Mining Act 2010 introduced a requirement that mining licences for gemstones only be granted to applicants who are Tanzanians, subject to where the TMAA determines that the development of the gemstone resource in an area subject to a mineral right is most likely to require specialised skills, technology or high level of investment. In such cases, TMAA may grant a mining licence for gemstones to an applicant that includes a non-Tanzanian where he is satisfied that the non-Tanzanian's participating share amounts to not more than 50 per cent. As a result, the new Mining Licence granted on 20 June 2013 was granted to TanzaniteOne and STAMICO jointly. TanzaniteOne has entered into the STAMICO Agreements with STAMICO regarding the terms upon which the new licence will be held, how operations will be conducted and costs and revenue will be allocated. It is understood that the joint holding of the new licence satisfies the requirements of the Tanzanian Mining Act 2010. However, there can be no assurance that the requirements of the government agencies in the countries in which the Group currently or in the future operates as to the foreign ownership and control of mining companies and the holding on mining licences for gemstones will not change.

## **Uninsured risks**

The Group, as a participant in exploration and mining programmes, may become subject to liability for hazards that cannot be insured against or against which it may elect not to be so insured because of high premium costs or other reasons. The Group may incur a liability to third parties (in excess of any insurance cover) arising from pollution or other damage or injury.

## **Dependence on management and key personnel**

The Group is dependent upon its current executive management team and key personnel. Accordingly, the loss of any key management or key personnel of the Group may have an adverse effect on the future of the Group's business.

## **Taxation**

The TRA has conducted audits of TanzaniteOne covering periods from 2008 to 2010 and has issued additional assessments (the "Additional TRA Assessments"). Additional taxes assessed, but not provided for by TanzaniteOne amounted to US\$1,900,000.

Under Tanzanian law an on account payment of up to 33 per cent. of the tax assessed is required to be paid by a taxpayer to lodge an objection against an assessment. TanzaniteOne has objected to the Additional TRA Assessments and discussions with TRA are on-going in relation to the Additional TRA Assessments. The Directors believe that the tax assessed in relation to the TRA Assessments will not be payable and consequently no provision has been made for this tax or the related interest & penalties and tax paid on account is treated as a debtor.

Under Tanzanian tax law there is no concept of group relief. Therefore the TRA will examine and assess transfer pricing between group companies and in consequence certain Group companies may be liable to pay additional tax which cannot be recouped elsewhere or may only be recouped some considerable time after the initial tax charge has been levied.

The Company has in previous years prepared and submitted its tax returns, in Mauritius and South Africa, on the basis of its interpretation and understanding of its entitlement in terms of the double tax treaty between Mauritius and South Africa (the "Double Tax Treaty") which entitles the Company to claim full credit for Mauritius tax "suffered" (the "Mauritius Tax") against the Company's South African tax liabilities.

In 2012 the SARS advised TanzaniteOne Mauritius that pursuant to a review of its Company's South African tax returns for the years 2004 to 2008 it disallowed previously accepted tax credits (the "Additional Assessments"). TanzaniteOne Mauritius has lodged an objection to these revised assessments, as it believes that the basis upon which the Additional Assessments have disallowed all previously allowed foreign tax credits is incorrect and not supported by the interpretation of the wording of the Double Tax Treaty. The tax advisers of TanzaniteOne Mauritius have confirmed the Double Tax Treaty does not specifically require proof that all income and expenses are attributable to the Mauritius Permanent Establishment ("PE") in order to claim the foreign tax credit for taxes suffered in Mauritius. Notwithstanding

this, full provision has been made in the Group's consolidated accounts to 30 June 2013 for all tax and interest in the event that the appeals against the Additional Assessments are not successful which net of a foreign exchange gain on the depreciation of the ZAR against the US\$ totals US\$3.9 million. Interest is being provided for at a rate of ZAR0.157 million per month (approximately US\$15,000 based on current exchange rates).

SARS has been disputing the validity of the filing of the original objection against the Additional Assessment but have now agreed to consider an amended objection which was filed on 4 December 2013. If SARS do not agree to the amended objection then the next stage of the appeal is for it to be referred to SARS' non-binding dispute resolution procedures and, if not agreed by these, to be heard by the Tax Court in South Africa. This process can take 1 to 2 years, but can be decided in a shorter time frame. There is no guarantee that the Company will prevail in its appeals against the Additional Assessments.

## **Legal environment**

The Group's most important assets are located in Tanzania and, while Tanzania has a track record of stability and is a signatory to the Multilateral Investment Guarantee Agency, mineral exploration and mining activities can be affected by government regulations and policy relating to the mining industry. As mentioned elsewhere in the Document, the Company had its mining operations significantly adversely affected in 2012 and 2013 by the activities of illegal mining activities in the Company's mining licence areas and whilst progress has, with the assistance of the Tanzanian Government, been made these issues have not been fully resolved and will require ongoing Government support.

The Group is a defendant against various legal cases instituted by former employees with claims as at 31 December 2012 amounting to US\$0.6 million. The Company provided for US\$0.2 million as at 31 December 2012 and will review this provision in the accounts to 31 December 2013. Having taken appropriate advice from legal counsel, it is the opinion of the Directors that no additional material liabilities are expected to crystallise from the above cases over and above what has been provided for.

Tanzania has a less developed legal system than some more established economies. It may be difficult to interpret the applicable laws and regulations in Tanzania or to obtain or enforce court rulings and arbitration awards. Enforcement of laws may depend on, and be subject to, the interpretation of such laws by the relevant local authority, and such authority may adopt an interpretation, or an aspect of local law, which differs from the advice that has previously been given to the Group. Risks associated with this include (i) the risk that it may be difficult to obtain effective legal redress in court, whether in respect of a breach of law or regulation, or in an ownership or title dispute; (ii) the risk that the Group's operations may be impacted by a higher degree of discretion or subject to corruption on the part of governmental and judicial authorities; (iii) the risk that lack of judicial or administrative guidance on interpreting applicable rules and regulations may make it difficult for the Group to guarantee its compliance with such laws and regulations; (iv) the risk that there may be inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) the risk that judicial and administrative authorities may be relatively inexperienced in adjudicating and/or regulating matters relating to the Group's activities.

The commitment of local business people, government officials and agencies and the judicial system in the jurisdictions in which the Group's assets are located to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to the Group's licences and agreements for business. These may be more susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that licences, licence applications or other legal arrangements will not be adversely affected by the actions of government authorities or others and the effectiveness of and enforcement of such arrangements in these jurisdictions cannot be assured.

Any failure by the Group to interpret the applicable laws and regulations or to obtain or enforce court rulings and arbitration awards in the jurisdictions where it operates could have a material and adverse effect on the Group's business, results of operations, financial condition and prospects.

## **Currency risk**

Currency fluctuations may affect the cash flow that the Group will realise from its operations. The Group's costs are incurred primarily in Tanzania Shillings, United States dollars, and South Africa Rand but the majority of its revenue is received in United States Dollars. Fluctuations in exchange rates between

currencies in which the Company operates may cause fluctuations in its financial results which are not necessarily related to the Group's underlying operations.

## **Risks relating to the Placing and the Open Offer**

### ***Share price volatility***

The Issue Price may not be indicative of the market price for the New Common Shares following Admission. The market price of the Common Shares could be volatile and subject to significant fluctuations due to a variety of factors, including changes in sentiment in the market regarding the Company, the sector or equities generally, any regulatory changes affecting the Group's operations, variations in the Group's operating results and/or business developments of the Group and/or its competitors, the operating and share price performance of other companies in the industries and markets in which the Group operates, news reports relating to trends in the Group's markets or the wider economy and the publication of research analysts' reports regarding the Company or the sector generally.

### ***Dilution of ownership of Common Shares***

Shareholders' (who are not Placees) proportionate ownership and voting interest in the Company will be reduced pursuant to the Placing. In addition, to the extent that Shareholders do not take up the offer of Open Offer Shares under the Open Offer, their proportionate ownership and voting interest in the Company will be further reduced and the percentage that their shareholdings represent of the common share capital of the Company will, following Admission, be reduced accordingly. Subject to certain exceptions, Shareholders in the United States and other Restricted Jurisdictions will not be able to participate in the Open Offer.

### ***Takeover provisions***

The Bye-Laws prohibit the acquisition of a relevant interest in Common Shares if, because of that transaction, a person's voting power, including those of any of the person's concert parties, in the Company directly or indirectly increases from or under 30 per cent. to over 30 per cent. or increases from a starting point that is above 30 per cent. and below 90 per cent.

A person will have a relevant interest in Common Shares if he is the holder of the Common Shares, has the power to exercise, or control the exercise of, a right to vote attached to the Common Shares or has the power to dispose of, or control the exercise of a power to dispose of, the Common Shares.

There are a number of exceptions to the prohibition, including (but not limited to) an acquisition that results from an acceptance of an offer under a takeover bid, an acquisition approved by the Company in a general meeting, an acquisition that results from a rights issue, a downstream acquisition resulting from an acquisition of relevant interests in another listed entity and acquisitions resulting from a scheme of arrangement.

The procedures in the Bye-Laws dealing with takeover bids differ depending on whether the takeover bid is an on-market bid or an off-market bid. The Bye-Laws set out a specific time-table and steps required for each type of bid. The differences between an on-market and off-market bid include (but are not limited to): consideration under a market bid must be cash only, while an off-market bid may offer any form of consideration (including cash, securities or a combination of both); offers under an on-market bid must be for all the securities in the bid class, while an off-market bid may specify a proportion of the securities in the bid class to which the offer relates; and offers under an on-market bid must be unconditional, while offers under an off-market bid may be subject to conditions that are not prohibited by the Bye-Laws.

Other relevant takeover provisions in the Bye-Laws that apply to both market and off-market bids include that a bidder may not offer any benefit to induce a person to accept the offer or disposing of Common Shares if the same benefit is not offered to all holders of Common Shares in the bid class and that consideration offered in respect of Common Shares under a takeover bid must equal or exceed the maximum consideration that the bidder or an associate provided, or agreed to provide, for Common Shares under any purchase or agreement during the 4 months before the date of the bid.

The timetable for giving information to shareholders is also set out in the Bye-Laws. For an off-market bid, the bidder must send a copy of the bidder's statement and offer document to the Company and the market

operator of the market on which the Company's securities are quoted on the same day. The bidder's statement must then be dispatched to the Company's shareholders during a 3-day period within 14 to 28 days after the bidder's statement is sent to the Company. The Company must then dispatch a target's statement to the bidder no later than 15 days after the Company receives a notice from the bidder that all the bidder's statements have been dispatched. For an on-market bid, the bidder must first make an announcement to the relevant stock exchange. The bidder must then send a copy of the bidder's statement and offer document to the Company and the market operator of the market on which the Company's securities are quoted on the same day the announcement is made. The bidder's statement must then be dispatched to the Company's shareholders within 14 days of the announcement being made. The Company must send a target's statement to the relevant stock exchange and the Company's shareholders also within 14 days of the announcement being made.

Where the bidder's existing voting power in the Company is 30 per cent. or more (or there are common directors), the target's statement must be accompanied by a report from an independent expert stating whether, in the expert's opinion "the takeover offers are fair and reasonable" and giving the reasons for forming that opinion.

The Bye-Laws also require that supplementary bidder's statements or supplementary Company's statements be prepared in certain circumstances including where the bidder or Company, as relevant, becomes aware of misleading or deceptive information or omissions from their respective statements, or if a new circumstance arises that is relevant to security holders' decisions whether to accept the bid.

The Bye-Laws contain provisions which allow the Company to require that a holder of Common Shares disclose full details of the holder's interest in the Common Shares including details of such persons who may give the holder instructions on the acquisition, disposal of or voting with such Common Shares.

Notification requirements also apply if the person has a substantial holding and there is a movement of at least 1 per cent. in their holding, or the person makes a takeover bid for securities of the Company. A "substantial holding" is defined in the Bye-Laws as a holding of Common Shares in the Company where a person or its associates has a relevant interest in 5 per cent. or more of the total number of votes attaching to Common Shares in the Company.

Where a bidder makes a bid for a specified proportion of all Common Shares in the Company, the Directors must call and arrange to hold a meeting of the shareholders for the purpose of voting on a resolution to approve the proportional bid. Unless a resolution to approve the proportional bid has been passed, the Directors must refuse to register a transfer of Common Shares giving effect to a takeover contract for a proportional bid.

### ***Common Shares traded on AIM***

The Existing Common Shares are traded, and the New Common Shares will trade, on AIM rather than the Official List of the UK Listing Authority. An investment in shares traded on AIM may carry a higher risk than an investment in shares listed on the Official List of the UK Listing Authority.

Investors should be aware that the value of the Common Shares may be volatile and may go down as well as up and investors may therefore not recover their original investment, especially as the market in the common shares on AIM may have limited liquidity.

The market price of the Common Shares may not reflect the underlying value of the Company's net assets. The price at which investors may dispose of their Common Shares may be influenced by a number of factors, some of which may pertain to the Company, and others of which are extraneous. Investors may realise less than the original amount invested.

### ***Persons holding shares in the form of Depositary Interests ("DIs") may not be able to exercise voting rights***

Under the Bye-Laws, only those persons who are Shareholders of record are entitled to exercise voting rights. Persons who hold Common Shares in the form of DIs will not be considered to be the recorded holders of the Common Shares that are on deposit with the Depositary and, accordingly, will not be able to exercise voting rights. However, the Deed Poll provides that the Depositary shall pass on, as far as it is reasonably able, rights and entitlements to vote. In order to direct the delivery of votes, holders of DIs must

deliver instructions to the Depositary by the specified date. Neither the Company nor the Depositary can guarantee that holders of DIs will receive the notice in time to instruct the Depositary as to the delivery of votes in respect of Common Shares represented by DIs and it is possible that they will not have the opportunity to direct the delivery of votes in respect of such Common Shares.

In addition, persons who beneficially own Common Shares that are registered in the name of a nominee must instruct their nominee to deliver votes on their behalf. Neither the Company nor any nominee can guarantee that holders of DIs will receive any notice of a solicitation of votes in time to instruct nominees to deliver votes on behalf of such holders and it is possible that holders of DIs and other persons who hold Common Shares through brokers, dealers or other third parties will not have the opportunity to exercise any voting rights.

**The risks above do not necessarily comprise all those faced by the Company and are not intended to be presented in any assumed order of priority.**

**The investment offered in this document may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser, who is authorised under the FSMA if you are resident in the United Kingdom or, if not, from another appropriate authorised independent financial adviser and who or which specialises in investments of this kind before making a decision to apply for New Common Shares.**

## PART III

### SOME QUESTIONS AND ANSWERS ABOUT THE PLACING AND THE OPEN OFFER

The questions and answers set out in this Part III: "Some Questions and Answers about the Placing and the Open Offer" are intended to be in general terms only and, as such, you should read Part IV: "Terms and Conditions of the Open Offer" of this document for full details of what action to take. If you are in any doubt as to the action you should take, you are recommended to seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the FSMA if you are in the United Kingdom, or if not, from another appropriately authorised independent financial adviser.

This Part III deals with general questions relating to the Open Offer and more specific questions relating principally to persons resident in the United Kingdom who hold their Common Shares in certificated form only. If you are an Overseas Shareholder, you should read paragraph 6 of Part IV: "Terms and Conditions of the Open Offer" of this document and you should take professional advice as to whether you are eligible and/or you need to observe any formalities to enable you to take up your Open Offer Entitlement. If you hold your Existing Common Shares through Depositary Interests in uncertificated form (that is, through CREST) you should read Part IV: "Terms and Conditions of the Open Offer" of this document for full details of what action you should take. If you are a CREST sponsored member, you should also consult your CREST sponsor. If you do not know whether your Existing Common Shares are in certificated or uncertificated form, please call the Shareholder helpline on 0870 707 1348 (from inside the United Kingdom) (calls to this number are charged at approximately 20 pence per minute from a BT landline, other telephone provider costs may vary), or +44 (0)870 707 1348 (from outside the United Kingdom). Please note the Shareholder helpline will be open between 9.00 a.m. to 5.00 p.m. on any Business Day. Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this document and information relating to the Company's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, financial, tax or investment advice.

The contents of this document should not be construed as legal, business, accounting, tax, investment or other professional advice. Each prospective investor should consult his, her or its own appropriate professional advisers for advice. This document is for your information only and nothing in this document is intended to endorse or recommend a particular course of action.

#### 1. What is an open offer?

An open offer is a way for companies to raise money. Companies usually do this by giving their existing shareholders a right to acquire further shares at a fixed price in proportion to their existing shareholdings. In this instance shareholders will also be offered the opportunity to apply for additional shares in excess of their entitlement to the extent that other Qualifying Holders do not take up their entitlement in full. The fixed price is normally at a discount to the market price of the Existing Common Shares prior to the announcement of the Open Offer. In this instance the fixed price is at a 6.1 per cent. discount to the price of 3.62 pence per Common Share at which the Common Shares traded on AIM on 18 December 2013 and at a 21.7 per cent. discount to the 5 day weighted average price of 4.3411 pence per Common Share as at 18 December 2013 (the latest practicable date prior to the posting of this document).

This Open Offer is an invitation by the Company to Qualifying Holders to apply to acquire up to an aggregate of 118,148,951 New Common Shares at a price of 3.4 pence per share. If you hold Common Shares on the Record Date or have a *bona fide* market claim, other than, subject to certain exceptions, where you are a Shareholder with a registered address or located in the United States, or any other Restricted Jurisdiction, you will be entitled to buy Open Offer Shares under the Open Offer.

The Open Offer is being made on the basis of 1 Open Offer Share for every 1 Existing Common Share held by Qualifying Holders on the Record Date.

The Excess Application Facility allows Qualifying Holders to apply for Open Offer Shares in excess of their Open Offer Entitlements. Applications made under the Excess Application Facility will be scaled back *pro rata* to existing shareholdings if applications are received from Qualifying Holders for more than the available number of Open Offer Shares.



Unlike in a rights issue, Application Forms are not negotiable documents and neither they nor the Open Offer Entitlements can themselves be traded.

## **2. What is the Placing? Am I eligible to participate in the Placing?**

The Placing is with certain existing institutional and other new investors and will, subject to the satisfaction of certain conditions, result in the Company issuing Clawback Shares at the Issue Price. The Clawback Shares do not form part of the Open Offer. Unless you are a Placee you will not participate in the Placing. If you are a Placee, you are not entitled to participate in the Open Offer.

Shareholders will be able to apply for up to 28,941,178 New Common Shares which are the subject of the Placing and which are being conditionally placed by RFC Ambrian pursuant to the Placing Agreement. If Shareholders apply for such shares, they will be clawed-back from the Placees and the size of the Placing will be reduced accordingly.

## **3. I hold my Existing Common Shares in certificated form. How do I know I am eligible to participate in the Open Offer?**

If you receive an Application Form and, subject to certain exceptions, are neither a holder with a registered address nor located in the United States or any other Restricted Jurisdiction, then you should be eligible to participate in the Open Offer as long as you have not sold all of your Existing Common Shares before 19 December 2013 (the time when the Existing Common Shares are expected to be marked “ex-entitlement” by the London Stock Exchange).

## **4. I hold my Existing Common Shares in certificated form. How do I know how many Open Offer Shares I am entitled to take up?**

If you hold your Existing Common Shares in certificated form and, subject to certain exceptions, do not have a registered address and are not located in the United States or any other Restricted Jurisdiction, you will be sent an Application Form that shows:

- how many Existing Common Shares you held at the close of business on the Record Date;
- how many Open Offer Shares are comprised in your Open Offer Entitlement; and
- how much you need to pay if you want to take up your right to buy all your entitlement to the Open Offer Shares.

Subject to certain exceptions, if you have a registered address in the United States or any of the other Restricted Jurisdictions, you will not receive an Application Form.

If you would like to apply for any of or all of the Open Offer Shares comprised in your Open Offer Entitlement you should complete the Application Form in accordance with the instructions printed on it and the information provided in this document. Completed Application Forms should be posted, along with a cheque or banker's draft drawn in the appropriate form, in the accompanying pre-paid envelope or returned by post or by hand (during normal office hours only), to the Receiving Agent, Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 January 2014, after which time Application Forms will not be valid.

## **5. I hold my Existing Common Shares in certificated form and am eligible to receive an Application Form. What are my choices in relation to the Open Offer?**

### **(a) If you do not want to take up your Open Offer Entitlement**

If you do not want to take up the Open Offer Shares to which you are entitled, you do not need to do anything. In these circumstances, you will not receive any Open Offer Shares. You will also not receive any money when the Open Offer Shares you could have taken up are sold, as would happen under a rights issue. You cannot sell your Application Form or your Open Offer Entitlement to anyone else. If you do not return your Application Form subscribing for the Open Offer Shares to which you are entitled by 11.00 a.m. on 15 January 2014, the Company has made arrangements under which the

Company has agreed to issue the Open Offer Shares to other Qualifying Holders under the Excess Application Facility.

If you do not take up your Open Offer Entitlement then following the issue of the Open Offer Shares pursuant to the Open Offer, your interest in the Company will be significantly diluted.

(b) ***If you want to take up some but not all of your Open Offer Entitlement***

If you want to take up some but not all of the Open Offer Shares to which you are entitled, you should write the number of Open Offer Shares you want to take up in Boxes 2 and 4 of your Application Form; for example, if you are entitled to take up 600 shares but you only want to take up 300 shares, then you should write '300' in Boxes 2 and 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '300') by £0.034, which is the price in pounds of each Open Offer Share (giving you an amount of £10.20 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope or return by post or by hand (during normal office hours only), to the Receiving Agent, Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 January 2014, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Computershare Investor Services PLC re: Richland Resources Limited Open Offer acceptance a/c and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted (see paragraph 2 of Part IV).

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 3 February 2014.

(c) ***If you want to take up all of your Open Offer Entitlement***

If you want to take up all of the Open Offer Shares to which you are entitled, all you need to do is send the Application Form (ensuring that all joint holders sign (if applicable)), together with your cheque or banker's draft for the amount (as indicated in Box 8 of your Application Form), payable to Computershare Investor Services PLC re: Richland Resources Limited Open Offer acceptance a/c and crossed "A/C payee only", in the accompanying pre-paid envelope or return by post or by hand (during

normal office hours only), to the Receiving Agent, Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 January 2014, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Computershare Investor Services PLC re: Richland Resources Limited Open Offer and crossed "A/C payee only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

A definitive share certificate will then be sent to you for the Open Offer Shares that you take up. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 3 February 2014.

(d) **If you want to apply for more than your Open Offer Entitlement**

Provided you have agreed to take up your Open Offer Entitlement in full, you can apply for further Open Offer Shares under the Excess Application Facility. You should write the number of Open Offer Shares comprised in your Open Offer Entitlement (as indicated in Box 7 of the Application Form) in Box 2 and write the number of additional Open Offer Shares for which you would like to apply in Box 3. You should then add the totals in Boxes 2 and 3 and insert the total number of Open Offer Shares for which you would like to apply in Box 4.

For example, if you have an Open Offer Entitlement for 600 Open Offer Shares but you want to apply for 900 Open Offer Shares in total, then you should write '600' in Box 2, '300' in Box 3 and '900' in Box 4. To work out how much you need to pay for the Open Offer Shares, you need to multiply the number of Open Offer Shares you want (in this example, '900') by £0.034, which is the price in pounds sterling of each Open Offer Share (giving you an amount of £30.60 in this example). You should write this amount in Box 5, rounding down to the nearest whole pence and this should be the amount your cheque or banker's draft is made out for. You should then return the completed Application Form, together with a cheque or banker's draft for that amount, in the accompanying pre-paid envelope or return by post or by hand (during normal business hours) to the Receiving Agent, Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 January 2014, after which time Application Forms will not be valid. If you post your Application Form by first-class post, you should allow at least four Business Days for delivery.

If applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to existing shareholdings. It should be noted that applications under the Excess Application Facility may not be satisfied in full. A definitive share certificate will then be sent to you for

the Open Offer Shares that you take up and otherwise successfully apply for using the Excess Application Facility. Your definitive share certificate for Open Offer Shares is expected to be despatched to you by no later than 3 February 2014.

**6. I hold my Existing Common Shares through Depository Interests in CREST. What do I need to do in relation to the Open Offer?**

Qualifying DI Holders should follow the instructions set out in Part IV: “Terms and Conditions of the Open Offer” of this document. Persons who hold Existing Common Shares through Depository Interests through a CREST member should be informed by the CREST member through which they hold their DIs of (i) the number of Open Offer Shares which they are entitled to acquire under their Open Offer Entitlement and (ii) how to apply for Open Offer Shares in excess of their Open Offer Entitlements under the Excess Application Facility provided they choose to take up their Open Offer Entitlement in full and should contact them should they not receive this information.

**7. I acquired my Existing Common Shares prior to the Record Date and hold my Existing Common Shares in certificated form. What if I do not receive an Application Form or I have lost my Application Form?**

If you do not receive an Application Form, this probably means that you are not eligible to participate in the Open Offer. Some Shareholders, however, will not receive an Application Form but may still be eligible to participate in the Open Offer, namely:

- Qualifying Shareholders who held their Existing Common Shares through Depository Interests in uncertificated form on 18 December 2013 and who have converted them to certificated form;
- Qualifying Shareholders who bought Existing Common Shares before 18 December 2013 but were not registered as the holders of those shares at the close of business on 18 December 2013; and
- certain Overseas Shareholders.

If you do not receive an Application Form but think that you should have received one or you have lost your Application Form, please contact the shareholder helpline of Computershare Services Plc, on 0870 707 1348 (from inside the United Kingdom) (calls to this number are charged at approximately 10 pence per minute from a BT landline, other telephone provider costs may vary), or +44 (0)870 707 1348 (from outside the United Kingdom), which is available between the hours of 9.00 a.m. to 5.00 p.m. on any Business Day. For legal reasons, the shareholder helpline of Computershare Services Plc, will only be able to provide information contained in this document and information relating to the Company’s register of members and will be unable to give advice on the merits of the Open Offer or to provide financial, tax or investment advice.

**8. I am a Qualifying Shareholder, do I have to apply for all the Open Offer Shares I am entitled to apply for?**

You can take up any number of the Open Offer Shares allocated to you under the Open Offer Entitlement. Your maximum Open Offer Entitlement is shown on your Application Form. Any applications by a Qualifying Shareholder for a number of Open Offer Shares which is equal to or less than that person’s Open Offer Entitlement will be satisfied, subject to the Open Offer becoming unconditional.

**9. Can I trade my Open Offer Entitlement?**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. As such, Qualifying Shareholders should also note that their Application Forms are not negotiable documents and cannot be traded. Qualifying DI Holders should note that, although the Open Offer Entitlements will be admitted to CREST they will have limited settlement capabilities (for the purposes of market claims only), the Open Offer Entitlements will not be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Holders originally entitled or by a person entitled by virtue of a *bona fide* market claim. Open Offer Shares for which application has not been made under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Holders who do not apply to take up their Open Offer Entitlement will have no rights under the Open Offer or receive any proceeds from it.

#### **10. What if I change my mind?**

If you are a Qualifying Shareholder, once you have sent your Application Form and payment to the Receiving Agent, you cannot withdraw your application or change the number of Open Offer Shares for which you have applied.

#### **11. I hold my Existing Common Shares in certificated form. What should I do if I have sold some or all of my Existing Common Shares?**

If you hold shares in the Company directly and you sell some or all of your Existing Common Shares before 18 December 2013, you should contact the buyer or the person/company through whom you sell your shares. The buyer may be entitled to apply for Open Offer Shares under the Open Offer. If you sell any of your Existing Common Shares on or after 18 December 2013, you may still take up and apply for the Open Offer Shares as set out on your Application Form.

#### **12. I hold my Existing Common Shares in certificated form. How do I pay?**

Completed Application Forms should be returned with a cheque or banker's draft drawn in the appropriate form. All payments must be in pounds sterling and made by cheque or banker's draft made payable to Computershare Investor Services PLC re: Richland Resources Limited Open Offer acceptance a/c and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right-hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder and the number of an account held in the applicant name at the building society or bank by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds) will not be accepted.

#### **13. Will the Existing Common Shares that I hold now be affected by the Open Offer?**

If you decide not to apply for any of the Open Offer Shares to which you are entitled under the Open Offer, or only apply for some of your entitlement, your proportionate ownership and voting interest in the Company will be reduced.

#### **14. I hold my Existing Common Shares in certificated form. Where do I send my Application Form?**

You should send your completed Application Form in the accompanying pre-paid envelope or return by post or by hand (during normal office hours only), together with the monies in the appropriate form, to: Computershare Investor Services PLC of The Pavilions, Bridgwater Road, Bristol BS13 8AE (who will act as receiving agent in relation to the Open Offer). If you post your Application Form by first-class post, you should allow at least four Business Days for delivery. If you do not want to take up or apply for Open Offer Shares then you need take no further action.

#### **15. I hold my Existing Common Shares in certificated form. When do I have to decide if I want to apply for Open Offer Shares?**

The Receiving Agent must receive the Application Form by no later than 11.00 a.m. on 15 January 2014, after which time Application Forms will not be valid. If an Application Form is being sent by first class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.

#### **16. How do I transfer my entitlements into the CREST system?**

If you are a Qualifying Shareholder, but are a CREST member and want your Open Offer Shares to be in the form of Depositary Interests in uncertificated form, you should complete the CREST deposit form

(contained in the Application Form), and ensure it is delivered to Euroclear Courier and Sorting Service in accordance with the instructions in the Application Form. CREST sponsored members should arrange for their CREST sponsors to do this.

**17. I hold my Existing Common Shares in certificated form. When will I receive my new share certificate?**

It is expected that Computershare Investor Services PLC will post all new share certificates by 3 February 2014.

**18. If I buy Common Shares after the Record Date, will I be eligible to participate in the Open Offer?**

If you bought your Common Shares after the Record Date, you are unlikely to be able to participate in the Open Offer in respect of such Common Shares.

**19. Will I be taxed if I take up my entitlements?**

Information on taxation with regard to the Open Offer is set out in paragraph 5 of Part V of this document. The information is intended as a general guide only and Shareholders who are in any doubt as to their tax position should consult an appropriate professional adviser immediately.

**20. What should I do if I live outside the United Kingdom?**

Your ability to apply to acquire Open Offer Shares may be affected by the laws of the country in which you live and you should take professional advice as to whether you require any governmental or other consents or need to observe any other formalities to enable you to take up your Open Offer Entitlement. Shareholders with registered addresses or who are located in the United States or any other Restricted Jurisdiction are, subject to certain exceptions, not eligible to participate in the Open Offer. Your attention is drawn to the information in paragraph 6 of Part IV: "Terms and Conditions of the Open Offer" of this document.

**21. Further assistance**

Should you require further assistance please call the shareholder helpline of Computershare Services Plc, on 0870 707 1348 (from inside the United Kingdom) (calls to this number are charged at approximately 10 pence per minute from a BT landline, other telephone provider costs may vary), or +44 (0)870 707 1348 (from outside the United Kingdom), which is available between the hours of 9.00 a.m. to 5.00 p.m. on any Business Day. Please note that, for legal reasons, the Shareholder helpline is only able to provide information contained in this document and information relating to the Company's register of members and is unable to give advice on the merits of the Open Offer or to provide legal, business, accounting, tax, investment or other professional advice.

## PART IV

### TERMS AND CONDITIONS OF THE OPEN OFFER

#### 1. INTRODUCTION

As explained in the letter from the Chairman set out in Part I of this document, the Company is proposing to raise approximately £4.0 million (approximately £3.9 million net of expenses) by way of the Open Offer. Qualifying Holders are being offered the right to subscribe for Open Offer Shares in accordance with the terms of the Open Offer.

This Part IV and, where applicable, the accompanying Application Form, contain the formal terms and conditions of the Open Offer. Your attention is drawn to the letter from your Chairman in Part I of this document, which sets out the background to and reasons for the Open Offer.

Upon completion of the Open Offer, if all Open Offer Entitlements are taken up, the New Common Shares will represent approximately 50 per cent. of the Enlarged Share Capital and the Existing Common Shares will represent approximately 50 per cent. of the Enlarged Share Capital.

The Record Date for entitlements under the Open Offer for Qualifying Holders is 5.00 p.m. on 18 December 2013. Application Forms are being posted to Qualifying Shareholders together with this document. Open Offer Entitlements are expected to be credited to stock accounts of Qualifying DI Holders in CREST as soon as possible after 8.00 a.m. on 20 December 2013. The latest time and date for receipt of completed Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 15 January 2014 with Admission and commencement of dealings in the New Common Shares expected to take place at 8.00 a.m. on 17 January 2014.

The Open Offer is an opportunity for Qualifying Holders to apply for, in aggregate, all the Open Offer Shares, with the Open Offer Entitlements determined, *pro rata* to their current holdings at the Issue Price of 3.4 pence per Open Offer Share in accordance with the terms of the Open Offer.

Any Qualifying Shareholder or Qualifying DI Holder who has sold or transferred all or part of his/her registered holding(s) of Common Shares or DIs representing Existing Common Shares prior to 5.00 p.m. on 18 December 2013 is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

#### 1.1 **Details of the Open Offer**

Qualifying Holders are hereby invited to apply for Open Offer Shares at the Issue Price, payable in full on application.

The Issue Price of 3.4 pence per Open Offer Share represents a discount of approximately 6 per cent. to the Closing Price of a Common Share of 3.62 pence on 18 December 2013 (the latest practicable date prior to the posting of this document).

The Open Offer is made on the terms and subject to the conditions set out in this Part IV and in the Application Form accompanying this document.

The Open Offer is being made to (i) Qualifying Shareholders, being eligible holders of Existing Common Shares as set out on the register of members of the Company on the Record Date, and (ii) Qualifying DI Holders, being eligible holders of Depositary Interests representing Existing Common Shares as set out on the register of Depositary Interest holders of the Depositary on the Record Date.

If you are a Qualifying Shareholder, the procedure for participating in the Open Offer is set out in paragraph 2.1 of this Part IV. If you are a Qualifying DI Holder, the procedure for participating in the Open Offer is set out in paragraph 2.2 of this Part IV.

Qualifying Holders are hereby invited to apply to subscribe for Open Offer Shares, subject to the terms and conditions below, at a price of 3.4 pence per Share (payable in full on application and free of all expenses), in respect of their Open Offer Entitlements on the following basis:

### **1 Open Offer Share for every 1 Existing Common Share**

registered in the names of Qualifying Shareholders or in respect of which Qualifying DI Holders are registered in the DI register at the Record Date.

Qualifying Shareholders, other than those with registered addresses in the Restricted Jurisdictions, will have received an Application Form with this document which sets out their Open Offer Entitlement for which they can apply. Qualifying DI Holders, other than those with registered addresses in the Restricted Jurisdictions, (none of whom will receive an Application Form) will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements as soon as possible after 8.00 a.m. on 20 December 2013. Applications by Qualifying Holders will be satisfied in full up to the amount of their individual Open Offer Entitlements.

The Open Offer Entitlement, in the case of each Qualifying Shareholder, is set out in Box B on their Application Form or, in the case of Qualifying DI Holders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Holders to apply for any whole numbers of Excess Shares in excess of their Open Offer Entitlements up to the maximum number of Excess Shares which results in no such Qualifying Holder holding 30 per cent. or more of the Company's total Enlarged Share Capital (subject to rounding). Qualifying Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete Boxes E, F and G on the Application Form. If valid applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Holders under the Excess Application Facility. Holdings of Common Shares in certificated form and holdings of Common Shares represented by Depository Interests will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

In the event that the Open Offer Entitlements and the Excess Open Offer Entitlements are equal to or greater than the maximum amount of Open Offer, then no Clawback Shares will be issued to Placees. The Company reserves the right to claw back from Placees up to 100 per cent. of the Placing.

Following the issue of the New Shares to be allotted pursuant to the Open Offer, Qualifying Holders who take up their Open Offer Entitlements in respect of the Open Offer will suffer no dilution to their percentage interests in the Company.

Qualifying Holders who do not take up any of their entitlements in respect of the Open Offer will suffer a dilution of approximately 50 per cent. to their percentage shareholding in the Company.

**The Open Offer is not a rights issue. Qualifying DI Holders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and Excess CREST Open Offer Entitlements may only be made by the Qualifying DI Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's claims processing unit. Qualifying Shareholders should note that the Application Form is not a negotiable document and cannot be traded. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply to take up their Open Offer Entitlements and Excess CREST Open Offer Entitlements. The attention of Overseas Shareholders is drawn to paragraph 6 of this Part IV.**

The Open Offer will remain open for acceptance until 11.00 a.m. on 15 January 2014.



The Open Offer Shares will, when issued and fully paid, rank in full for all dividends and other distributions declared, made or paid after the date of this document and otherwise *pari passu* in all respects with the Existing Common Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

The Open Offer is conditional on the Irrevocable Undertakings not being terminated before Admission and on Admission occurring not later than 8.00 a.m. on 17 January 2014 (or such later time and/or date as the Company and RFC Ambrian may agree being no later than 3 February 2014). All monies received by the Receiving Agent in respect of Open Offer Shares will be held in a separate account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

To the extent that application for Open Offer Shares exceeds the number that have not been placed pursuant to the Placing, some or all of the Clawback Shares will be clawed back from the Placees at the discretion of RFC Ambrian and the number of shares placed pursuant to the Placing will be reduced.

## **2. PROCEDURE FOR APPLICATION AND WITHDRAWAL RIGHTS**

**If you are in any doubt as to the action you should take, or the contents of this document, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant, fund manager or other independent adviser duly authorised under FSMA who specialises in advising on the acquisition of shares and other securities.**

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST manual for further information on the CREST procedures referred to below.

Subject to the provisions of paragraph 4 of this Part IV entitled "Settlements and Dealings", Qualifying Shareholders who hold their Common Shares in certificated form will be allotted and issued Open Offer Shares in certificated form to the extent that their entitlement to the Open Offer Shares arises as a result of holding Common Shares in certificated form. Those Shareholders who are both Qualifying Shareholders and Qualifying DI Holders in respect of their holdings will be allotted and issued Open Offer Shares represented by Depositary Interests to the extent that their entitlement to the Open Offer Shares arises as a result of holding Common Shares by Depositary Interests. Qualifying DI Holders who hold Depositary Interests will be allotted and issued Open Offer Shares represented by Depositary Interests to the extent that their entitlement to the Open Offer Shares arises as a result of holding Depositary Interests.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Application Form.

### **2.1 If you have an Application Form in respect of your entitlement under the Open Offer**

#### **2.1.1 General**

Subject as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, Qualifying Shareholders will have received an Application Form enclosed with this document. The Application Form shows the number of Common Shares registered in your name at the close of business on the Record Date. It also shows the number of Open Offer Shares which represent your Open Offer Entitlement. You may apply for more than your Open Offer Entitlement pursuant to the Excess Application Facility should you wish to do so (see

paragraph 2.1.3 below). You may also hold such an Application Form by virtue of a *bona fide* market claim.

The instructions and other terms set out in the Application Form part of the terms of the Open Offer in relation to Qualifying Shareholders.

#### 2.1.2 *Market claims*

Applications for the Open Offer Shares may only be made on the Application Form which is personal to the Qualifying Shareholder named thereon, and may not be sold, assigned or transferred, except to satisfy *bona fide* market claims in relation to purchases of Common Shares through the market prior to the date on which, pursuant to the AIM Rules, the Common Shares were marked “ex” the entitlement, to participate in the Open Offer. Application Forms may be split, but only to satisfy *bona fide* market claims, up to 3.00 p.m. on 13 January 2014. A Qualifying Shareholder who has, prior to the “ex-entitlement” date, sold or otherwise transferred some or all of their Common Shares should contact their stockbroker, bank or other agent authorised under FSMA through whom the sale or transfer was effected as soon as possible and refer to the instructions regarding split applications set out in the accompanying Application Form, since the invitation to subscribe for Open Offer Shares under the Open Offer may, under the AIM Rules, represent a benefit which can be claimed from them by purchasers or transferees.

If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedures set out in section below entitled “Deposit of Open Offer Entitlements into, and withdrawal from, CREST”.

#### 2.1.3 *Excess Applications*

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Shareholders wishing to apply for Excess Shares up to a maximum number of Excess Shares, which results in no such Qualifying Holder holding 30 per cent. or more of the Company’s Enlarged Share Capital (subject to rounding), may do so by completing Boxes E, F and G of the Application Form. The total number of Open Offer Shares is fixed and will not be increased in response to any excess applications. Applications for Excess Shares will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlements in full. If valid applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Holders under the Excess Application Facility. Excess monies in respect of applications which are not met in full will be returned to the Applicant (at the Applicant’s risk) without interest as soon as practicable thereafter by way of cheque.

#### 2.1.4 *Application procedures*

Qualifying Shareholders wishing to apply for all or any of the Open Offer Shares to which they are entitled should complete and sign the enclosed Application Form in accordance with the instructions thereon and send or deliver it, together with a remittance for the full amount payable, to “Computershare Investor Services PLC re Richland Resources Limited Open Offer”, either by post or by hand (during normal business hours only) at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to arrive as soon as possible and, in any event, so as to arrive no later than 11.00 a.m. on 15 January 2014, at which time the Open Offer will close. Application Forms received after this time will not be accepted.

Applications, once made, will be irrevocable (save for any statutory withdrawal rights arising after the publication of a document supplementing this document) and will not be acknowledged. Multiple applications will not be accepted. However, holdings of Common Shares in certificated form and holdings of Common Shares represented by Depository

Interests will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer.

RFC Ambrian and the Company reserve the right (but shall not be obliged) to treat an Application Form as valid and binding on the person(s) by whom or for whose benefit it is lodged even if such an Application Form is not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required or which otherwise does not strictly comply with the terms and conditions of the Open Offer. RFC Ambrian and the Company further reserve the right (but shall not be obliged) to accept either Application Forms and remittances received after 11.00 a.m. on 15 January 2014 but not later than 2.00 p.m. on 15 January 2014 or applications in respect of which remittances are received before 2.00 p.m. on 15 January 2014 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within two business days. If an Application Form is sent by post, Qualifying Shareholders are recommended to allow at least four working days for delivery.

#### 2.1.5 *Payments*

All payments by Qualifying Shareholders must be made by cheque or banker's draft in pounds sterling drawn on an account at a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man, which is either a settlement member of the Cheque and Credit Clearing Company Limited or of the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided for members of either of those companies, and must bear the appropriate sort code number in the top right hand corner. Any application which does not comply with these requirements will be treated as invalid.

Cheques must be drawn on the personal account of the individual shareholder where they have a sole or joint title to the funds. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by endorsing the cheque/bankers' draft to such effect. The account name should be the same as that shown on the application.

**Cheques or banker's drafts should be made payable to "Computershare Investor Services PLC re Richland Resources Limited Open Offer" and crossed "A/C Payee only".**

Any person returning an Application Form with a remittance in the form of a cheque thereby warrants that the cheque will be honoured on first presentation. If cheques or banker's drafts are presented for payment before the conditions of the Open Offer are satisfied, the monies will be kept in a separate bank account until the conditions are fully met. In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 January 2014 (or such later time and/or date, being not later than 3 February 2014, as RFC Ambrian may agree), the Open Offer will lapse and all application monies will be returned (at the Applicant's sole risk) to Applicants as soon as practicable thereafter. If any cheque is not honoured on first presentation, the relevant application may be deemed to be invalid.

Attention is drawn to paragraph 2.2.10 of this Part IV for the implications of enclosing payment for an incorrect sum. The provisions of paragraph 2.2.10 apply equally to applications made by Qualifying Shareholders where an Application Form encloses a payment for an incorrect sum.

#### 2.1.6 *Effect of application*

All documents and remittances sent by post by or to an Applicant (or as the Applicant may direct) will be sent at the Applicant's own risk. By completing and delivering an Application Form, you (as the Applicant(s)):

- (a) agree with the Company and RFC Ambrian that all applications under the Open Offer, and contracts resulting therefrom, and any non-constitutional obligations related thereto, shall be governed by, and construed in accordance with, the laws of England;
- (b) confirm to the Company and RFC Ambrian that in making the application you are not relying on any information or representation other than that contained in this document, and you accordingly agree that no person responsible solely or jointly for this document or any part, thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and you further agree that, having had the opportunity to read this document, you will be deemed to have had notice of all the information concerning the Company contained herein (including information incorporated by reference);
- (c) represent and warrant to the Company and RFC Ambrian that you are the Qualifying Shareholder originally entitled to the Open Offer Entitlement or, if you have received some or all of your Open Offer Entitlement from a person other than the Company, you are entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a *bona fide* market claim;
- (d) represent and warrant to the Company and RFC Ambrian that you have the right, power and authority, and have taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise your rights, and perform your obligations under any contracts resulting therefrom and that you are not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (e) request that the Open Offer Shares to which you will become entitled be issued to you on the terms set out in this document and the Application Form and subject to the Bye-Laws;
- (f) represent and warrant to the Company and RFC Ambrian that you are not, and you are not applying on behalf of any Shareholder who is, a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any jurisdiction outside the United Kingdom and you are not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any jurisdiction outside the United Kingdom (in each case except where proof satisfactory to the Company and RFC Ambrian has been provided to the Company that you are able to accept the invitation by the Company free of any requirement which the Company and RFC Ambrian, in their absolute discretion, regard as unduly burdensome) nor are you acting on behalf of any such person on a nondiscretionary basis;
- (g) represent and warrant to the Company and RFC Ambrian that you are not and nor are you applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986; and
- (h) confirm to the Company and RFC Ambrian that in making the application you are not relying and have not relied on RFC Ambrian or any person affiliated with RFC Ambrian in connection with any investigation of the accuracy of any information contained in this document or your investment decision.

**All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare, Corporate Actions Projects, Bristol BS99 6AH. Please note Computershare cannot provide financial advice on the merits of the Open Offer or as to whether you should take up your entitlement.**

If you do not wish to apply for the Open Offer Shares under the Open Offer, you should take no action and should not complete or return the Application Form.

## 2.2 **If your Open Offer Entitlements and Excess CREST Open Offer Entitlements are credited to your stock account in CREST**

### 2.2.1 *General*

Subject as provided in paragraph 6 of this Part IV in relation to certain Overseas Shareholders, each Qualifying DI Holder will receive a credit to his stock account in CREST of his Open Offer Entitlements under the Open Offer plus the number of Excess CREST Open Offer Entitlements to which the Qualifying DI Holder is entitled to.

The CREST stock account to be credited will be an account under the participant ID and Member Account ID that apply to the Existing DIs held on the Record Date by the Qualifying DI Holder in respect of which the Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying DI Holders cannot be credited by 8.00 a.m. on 21 December 2013 or such later time as the Company may decide, an Application Form will be sent out to each Qualifying DI Holder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted by the Company as it considers (in conjunction with RFC Ambrian) to be appropriate and the provisions of this document applicable to Qualifying Shareholders with Application Forms will apply to Qualifying DI Holders who receive Application Forms. CREST Members who wish to apply for some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Computershare on the telephone number set out on page 30 of this document. Please note that Computershare cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement. If you are a CREST Sponsored Member you should consult your CREST Sponsor if you wish to apply for Open Offer Shares as only your CREST Sponsor will be able to take the necessary action to make this application in CREST.

### 2.2.2 *Market claims*

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Qualifying DI Holder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the Euroclear claims processing unit as “cum” the Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlements will thereafter be transferred accordingly.

### 2.2.3 *Excess Applications*

Qualifying DI Holders may apply to acquire Excess Shares using the Excess Application Facility. The Excess Application Facility enables Qualifying DI Holders to apply for Excess Shares in excess of their Open Offer Entitlement up to a maximum number of Excess Shares which results in no such Qualifying DI Holder holding 30 per cent or more of the Company's Enlarged Share Capital (subject to rounding). Excess CREST Open Offer Entitlements may not be sold or otherwise transferred. Subject as provided in paragraph 6 of this Part IV in relation to Overseas Shareholders, the CREST accounts of Qualifying DI Holders will be credited with Excess CREST Open Offer Entitlements in order for any applications for Excess Shares to be settled through CREST.

Qualifying DI Holders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders and Qualifying DI Holders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying DI Holders should follow the instructions in paragraph 2.2.6 below and must not return a paper Application Form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlements and the relevant Open Offer Entitlements is transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlements claim, but will be transferred as a separate claim. Should a Qualifying DI Holder cease to hold all of his Existing DIs as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlements credited to CREST and allocated to the relevant Qualifying DI Holder will be transferred to the purchaser. Please note that a separate USE instruction must be sent to Euroclear in respect of any application under the Excess CREST Open Offer Entitlements.

Fractions of Excess Shares will not be issued under the Excess Application Facility and fractions of Excess Shares will be rounded down to the nearest whole number. Any fractional Excess Shares will be aggregated and subscribed pursuant to the Excess Application Facility.

The total number of Open Offer Shares is fixed and will not be increased in response to applications under the Excess Application Facility. Applications under the Excess Application Facility will therefore only be satisfied to the extent that other Qualifying Shareholders do not apply for their Open Offer Entitlement in full or where fractional entitlements have been aggregated and made available under the Excess Application Facility. If valid applications under the Excess Application Facility are received for more than the total number of Open Offer Shares available following take up of Open Offer Entitlements, such applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Holders under the Excess Application Facility. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

To the extent that applications for Open Offer Shares exceeds the number that have not been placed pursuant to the Placing, some or all of the Clawback Shares will be clawed back from the Placees at the discretion of RFC Ambrian and the number of shares placed pursuant to the Placing will be reduced.

**All enquiries in connection with the procedure for application for Excess Application Facility and your Excess CREST Open Offer Entitlement should be addressed to Computershare at Computershare Corporate Actions Projects, Bristol BS99 6AH. Computershare can be contacted on 0870 707 1348 or, if telephoning from outside the UK, on +44 870 707 1348 between 9.00 a.m. and 5.00 p.m. Monday to Friday. Calls to Shareholder Helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Please note Computershare cannot provide financial advice on the merits of the Open Offer or as to whether you should take up your entitlement.**

#### 2.2.4 *USE instructions*

Qualifying DI Holders who wish to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST Sponsor sends) an Unmatched Stock Event (“USE”) instruction to Euroclear which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of Computershare under the participant ID and member account ID specified below, with Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (b) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of Computershare in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 2.2.4(a) above.

#### 2.2.5 *Content of USE instructions in respect of Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement, in CREST, the following details:

- (a) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlements being delivered to Computershare);
- (b) the ISIN of the Open Offer Entitlements. This is BMG7567C1148;
- (c) the participant ID of the accepting CREST Member;
- (d) the Member Account ID of the accepting CREST Member from which the Open Offer Entitlements is to be debited;
- (e) the participant ID of Computershare, in its capacity as a CREST Receiving Agent. This is 3RA18;
- (f) the Member Account ID of Computershare, in its capacity as a CREST Receiving Agent. This is RICHLAND;
- (g) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in (a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 15 January 2014; and
- (i) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 January 2014.

In order to assist prompt settlement of the USE instruction, CREST Members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (j) a contact name and telephone number (in the free format shared note field); and
- (k) a priority of at least 80.

Qualifying DI Holders, CREST Members and, in the case of CREST Sponsored Members, their CREST Sponsors, should note that the last time at which a USE instruction may settle on 15 January 2014 in order to be valid is 11.00 a.m. on that day.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 January 2014 (or such later time and date as the Company and RFC Ambrian shall agree, being not later than 3 February 2014), the Open Offer will lapse, the Open Offer Entitlements and Excess Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund any amount paid by a Qualifying DI Holder by way of a CREST payment, without interest, within 14 days thereafter.

#### 2.2.6 *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlements being delivered to Computershare);
- (ii) the ISIN of the Excess CREST Open Offer Entitlements. This is BMG7567C1221;
- (iii) the CREST participant ID of the accepting CREST member;

- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements is to be debited;
- (v) the participant ID of Computershare in its capacity as Receiving Agent. This is 3RA18;
- (vi) the member account ID of Computershare in its capacity as Receiving Agent. This is RICHLAND;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Open Offer Shares referred to in paragraph 2.2.6(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 15 January 2014;
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of Excess CREST Open Offer Entitlements under the Open Offer to be valid, the USE instruction must comply with the requirement as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 January 2014.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

Qualifying DI Holders, CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 15 January 2014 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlements security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 17 January 2014 or such later time and date as the Company and RFC Ambrian shall agree, being not later than 3 February 2014), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying DI Holder by way of a CREST payment, without interest, as soon as practicable thereafter.

#### 2.2.7 *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Qualifying Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Application Form may be deposited into CREST as Open Offer Entitlements in respect of Depositary Interests representing Open Offer Shares (either into the account of the Qualifying Shareholder named in the Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements in respect of Depositary Interests representing Open Offer Shares held in CREST may be withdrawn from CREST so that, the entitlement under the Open Offer is reflected in an Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 15 January 2014. After depositing their Open Offer Entitlements into their CREST account,



CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlements.

In particular, having regard to normal processing times in CREST and on the part of Computershare, the recommended latest time for depositing an Application Form with the Euroclear Courier and Sorting Service, where the person entitled wishes to convert the entitlement under the Open Offer set out in such Application Form into Open Offer Entitlements or Excess CREST Open Offer Entitlements in CREST in respect of Depositary Interests representing Open Offer Shares, is 3.00 p.m. on 10 January 2014, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements or Excess CREST Open Offer Entitlements in respect of Depositary Interests representing Open Offer Shares from CREST is 4.30 p.m. on 9 January 2014, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements or Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements or Excess CREST Open Offer Entitlements prior to 11.00 a.m. on 15 January 2014

Delivery of an Application Form with the CREST deposit form duly completed whether in respect of a conversion of Open Offer Entitlement for Open Offer Shares to Open Offer Entitlements for Depositary Interests either into the account of the Qualifying Shareholder named in the Application Form or into the name of another person, shall constitute a representation and warranty to the Company, RFC Ambrian and Computershare by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the Section headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company, RFC Ambrian and Computershare from the relevant CREST Member(s) that it/they is/are not citizen(s) or resident(s) of any countries outside the United Kingdom and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST Member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

#### 2.2.8 *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 15 January 2014 will constitute a valid application under the Open Offer.

#### 2.2.9 *CREST procedures and timings*

**CREST Members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST Member concerned to take (or, if the CREST Member is a CREST Sponsored Member, to procure that his CREST Sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 15 January 2014. In this connection CREST Members and (where applicable) their CREST Sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.**

#### 2.2.10 *Incorrect or Incomplete Applications*

If a USE instruction includes a CREST payment for an incorrect sum, the Company through Computershare reserves the right:

- (a) to reject the application in full and refund the payment to the CREST Member in question (without interest);
- (b) in the case that, an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for

with that payment at the Issue Price, refunding any unutilised sum to the CREST Member in question (without interest); or

- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE instruction refunding any unutilised sum to the CREST Member in question (without interest).

#### 2.2.11 *Effect of Valid Application*

A CREST Member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (a) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to Computershare payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (b) agree with the Company and RFC Ambrian that all applications under the Open Offer and contracts resulting therefrom and any non-contractual obligations related thereto shall be governed by, and construed in accordance with, the laws of England;
- (c) confirm to the Company and RFC Ambrian that in making such application he is not relying on any information in relation to the Company other than that contained in this document and agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such other information and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information concerning the Company contained herein (including information incorporated by reference);
- (d) represent and warrant to the Company and RFC Ambrian that he is the Qualifying CREST Shareholder originally entitled to the Open Offer Entitlements and Excess Open Offer Entitlements or, if he has received some or all of his Open Offer Entitlements and Excess Open Offer Entitlements from a person other than the Company, that he has received such Open Offer Entitlements and Excess Open Offer Entitlements by virtue of a *bona fide* market claim;
- (e) represent and warrant to the Company and RFC Ambrian that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (f) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Bye-Laws;
- (g) represent and warrant to the Company and RFC Ambrian that he is not, and is not applying on behalf of any Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any jurisdiction outside the United Kingdom and he is not applying with a view to reoffering, reselling, transferring or delivering any of the Open Offer Shares which are the subject of this application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any jurisdiction outside the United Kingdom (in each case except where proof satisfactory to the Company and RFC Ambrian has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which the Company or RFC Ambrian (in their absolute discretion) regard as unduly burdensome), nor is he acting on behalf of any such person on a non-discretionary basis;
- (h) represent and warrant to the Company and RFC Ambrian that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the

increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986; and

- (i) confirm to the Company and RFC Ambrian that in making the application he is not relying and has not relied on RFC Ambrian or any person affiliated with RFC Ambrian in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

#### *2.2.12 Company's Discretion as to Rejection and Validity of Applications*

The Company and RFC Ambrian may in their sole discretion:

- (a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this Part IV;
- (b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
- (c) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which Computershare receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or Computershare have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by Computershare in connection with CREST.

### **2.3 *Withdrawal rights***

Persons wishing to exercise any statutory withdrawal rights after the publication by the Company of a document supplementing this document must do so by lodging a written notice of withdrawal (which shall include a notice sent by any form of electronic communication) with Computershare, by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be sent, not later than two Business Days after the date on which the supplementary document is published. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving agent after expiry of such period will not constitute a valid withdrawal.

## **3. MONEY LAUNDERING**

### **3.1 *Holders of Application Forms***

The verification of identity requirements of the Money Laundering Regulations 2007 will apply and verification of the identity of the Applicant(s) for Open Offer Shares may be required. If an Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations 2007, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted in the Application Form. If the value at the Issue Price of the Open Offer Shares for which you are applying does not exceed fifteen thousand euros (€15,000) (or the sterling equivalent) (and is not one of a series of linked applications, the aggregate value of

which exceeds that amount), you will not be required to satisfy the verification of identity requirements described below. However, if such a value exceeds that amount, then failure to provide the necessary evidence of identity may result in your application being treated as invalid or in delaying acceptance of your application. In order to avoid this, all payments should be made by means of a cheque drawn by the person named in the Application Form (or one of such persons). If this is not practicable and you use a cheque drawn by a third party (for example, a building society cheque or banker's draft), you should:

- 3.1.1 write the name, address and date of birth of the person named on the Application Form (or one persons) on the back of the cheque, building society cheque or banker's draft;
- 3.1.2 if a building society cheque or banker's draft is used, ask the building society or bank to endorse the name and account number of the person whose building society or bank account is being debited on the cheque or banker's draft; and
- 3.1.3 if you are making the application as agent for one or more persons, indicate on the Application Form whether you are a UK or EC regulated person or institution (e.g. a bank or broker) and specify your status. If you are not a UK or EC regulated person or institution, you should contact Computershare, Corporate Actions Projects, Bristol BS99 6AH.

If you deliver your Application Form personally by hand, you should ensure that you have with you evidence of your identity bearing your photograph (e.g. your passport). In any event, if it appears to Computershare that an Applicant is acting on behalf of some other person, further verification of the identity of any person on whose behalf the Applicant appears to be acting may be required. In relation to any application in respect of which the necessary verification of the identity of the Applicant or the person on whose behalf the Applicant appears to be acting has not been received on or before 11.00 a.m. on 15 January 2014 the Company may, in their absolute discretion, elect to treat the relevant application as invalid and/or delay the allotment of the relevant number of Open Offer Shares until the necessary verification has been provided. If an Application Form is treated as invalid the money paid in respect of the application will be returned (at the Applicants' risk and without interest).

By lodging an Application Form, each Qualifying Shareholder and Qualifying DI Holder undertakes to provide such evidence of its identity at the time of lodging the Application Form or, at the absolute discretion of the Company and RFC Ambrian, at such specified time thereafter as may be requested to ensure compliance with the Money Laundering Regulations 2007.

Computershare is entitled, in its absolute discretion, to determine whether verification of identity requirements apply to any Applicant and whether such requirements have been satisfied. Neither Computershare, nor the Company nor RFC Ambrian shall be responsible or liable to any person for any loss or damage suffered as a result of the exercise of their discretion hereunder.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, Computershare has not received evidence satisfactory to it as aforesaid, the Company or RFC Ambrian may treat the relevant application as invalid, in which event, the monies payable on acceptance of the Open Offer will be returned (at the Acceptor's risk) without interest to the account of the bank or building society on which the relevant, cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Computershare and RFC Ambrian from the applicant that the Money Laundering Regulations 2007 will not be breached by application of such remittance.

### 3.2 ***Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements and Excess CREST Open Offer Entitlements as agent, for one or more persons, and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, Computershare is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact

Computershare before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the Applicant to provide promptly to Computershare such information as may be specified by Computershare as being required for the purposes of the Money Laundering Regulations 2007. Pending the provision of evidence satisfactory to Computershare as to identity, Computershare may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

#### **4. SETTLEMENTS AND DEALINGS**

The result of the Open Offer is expected to be announced on 17 January 2014. Application will be made for the Open Offer Shares to be admitted to trading on AIM. Subject to the Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the New Shares will commence at 8.00 a.m. on 17 January 2014 for normal rolling settlement.

Application has been made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST. The conditions to such admission having already been met, the Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be admitted to CREST as soon as possible after 8.00 a.m. on 20 December 2013. Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 15 January 2014 (the latest date for applications under the Open Offer). If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 11.00 a.m. on 15 January 2014). On this day, Computershare will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Depositary Interests representing Open Offer Shares with effect from Admission (expected to be 17 January 2014). The stock accounts to be credited will be accounts under the same participant IDs and Member Account IDs in respect of which the USE instruction was given.

Subject to the conditions of the Open Offer being satisfied or waived, all Depositary Interests representing Open Offer Shares to be issued in uncertificated form are expected to be credited to the appropriate CREST stock accounts as soon as possible after 8.00 a.m. on 17 January 2014, unless the Company exercises the right to issue Shares in replacement thereof in certificated form, in which case definitive certificates are expected to be despatched by post on or before 3 February 2014. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying Shareholders will be certified against the share register held by Computershare. All documents or remittances sent by or to an Applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the Applicant. Qualifying DI Holders whose Depositary Interests representing Common Shares are held in CREST should note that they will be sent no confirmation of the credit of the Depositary Interests to their CREST stock account nor any other written communication by the Company in respect of the issue of the Depositary Interests.

Notwithstanding any other provision in this document, the Company reserves the right to send you an Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements and/or to issue any Open Offer Shares in certificated form for any reason. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST), or on the part of the facilities and systems operated by the Receiving Agent in connection with CREST. This right may be exercised if CREST member account details held by Computershare on behalf of Shareholders are incorrect or if Computershare is unable for any reason to credit the CREST member account.

## 5. TAXATION

Your attention is drawn to the section headed "Taxation" set out in paragraph 6 of Part V of this document.

## 6. OVERSEAS SHAREHOLDERS

The document has not been approved by the FCA, being the competent authority in the United Kingdom, for the purposes of Section 85 of FSMA.

### 6.1 *General*

**The making of or acceptance of the Open Offer to or by persons who have registered addresses outside the United Kingdom, or who are resident in countries outside the United Kingdom, may be affected by the laws of the relevant jurisdiction. Those persons should consult their professional advisers as to whether they require any governmental or other consent or need to observe any other formalities to enable them to take up their rights.**

It is also the responsibility of all persons (including, without limitation, custodians, nominees, agents and trustees) outside the United Kingdom wishing to take up their entitlements under the Open Offer to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. **The comments set out in this paragraph 6 are intended as a general guide only and any Shareholders who are in doubt as to their position should consult their professional adviser without delay.**

No public offer of the New Common Shares is being made by virtue of this document or the Application Forms into the United States or any jurisdiction outside the United Kingdom in which such offer would be unlawful. No action has been or will be taken by the Company, RFC Ambrian or any other person to permit a public offering or distribution of this document (or any other offering or publicity materials or Application Form(s) relating to the Open Offer Shares) or the New Common Shares in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this document and/or any Application Form and/or the crediting of any Open Offer Entitlements and/or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this document and/or an Application Form must be treated as sent for information only and should not be copied or redistributed.

Application Forms will not be sent to Shareholders with registered addresses outside the United Kingdom or their agent or intermediary, except where the Company and RFC Ambrian are satisfied at their absolute discretion that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction. Neither Open Offer Entitlements nor Excess CREST Open Offer Entitlements will be credited to the CREST accounts of DI Holders with a registered address or resident outside the United Kingdom unless the Company and RFC Ambrian are satisfied at their absolute discretion such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Application Form and/or receiving Open Offer Entitlements and/or Excess CREST Open Offer Entitlements in a stock account in CREST with a bank or financial institution in any jurisdiction other than the UK may treat the same as constituting an invitation or offer to him nor should he in any event use the Application Form unless, in the relevant jurisdiction, such an invitation or offer could lawfully be made to him or the Application Form could lawfully be used or dealt with without contravention of any registration or other legal requirements. In such circumstances, this document and the Application Form are to be treated as sent for information only and should not be copied or redistributed.

Persons (including, without limitation, custodians, nominees and trustees) receiving a copy of this document and/or an Application Form should not, in connection with the Open Offer, distribute or

send the same in or into any jurisdiction where to do so would or might contravene local security laws or regulations. If an Application Form is received by any person in any such jurisdiction, or by his agent or nominee, he must not seek to take up the Open Offer Entitlements or Excess Open Offer Entitlements referred to in the Application Form or in this document unless the Company and RFC Ambrian (at their absolute discretion) determine that such actions would not violate applicable registration or other legal or regulatory requirements. Any person (including, without limitation, custodians, nominees and trustees) who does forward this document or an Application Form into any such jurisdictions (whether pursuant to a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 6.

Subject to paragraphs 6.2 and 6.3 below, any person (including, without limitation, agents, nominees and trustees) outside the UK wishing to accept his Open Offer Entitlements, Excess Open Offer Entitlements or Excess CREST Open Offer Entitlements under the Open Offer must satisfy himself as to full observance of the applicable laws of any relevant jurisdiction, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdictions. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

The Company and RFC Ambrian reserve the right to treat as invalid and will not be bound to allot or issue any Open Offer Shares in respect of any acceptance or purported acceptance of the offer of Open Offer Shares which:

- (a) appears to the Company or its agents to have been executed, effected or despatched from outside the United Kingdom unless the Company and RFC Ambrian are satisfied that such action would not result in the contravention of any registration or other legal requirement; or
- (b) in the case of an Application Form, provides an address for delivery of the share certificates in or, in the case of a credit of Depositary Interests representing Open Offer Shares in CREST, to a CREST Member or CREST Sponsored Member whose registered address would be in any jurisdiction outside the UK in which it would be unlawful to deliver such share certificates or make such a credit unless the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 and 6.3 below.

The provisions of paragraph 2 above will apply to Overseas Shareholders who are not credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements or do not or are unable to take up Open Offer Shares provisionally credited to them because such action would result in a contravention of applicable registration or other legal or regulatory requirements. Accordingly, such Shareholders will be treated as Shareholders that have not taken up their entitlement for the purposes of paragraph 2 above.

Despite any other provision of this document, or the Application Form, the Company and RFC Ambrian reserve the right to permit any Shareholder or DI Holder to take up under the Open Offer his entitlements if the Company and RFC Ambrian in their sole and absolute discretion are satisfied that the transaction in question is exempt from or not subject to the registration or other legal or regulatory requirements giving rise to the restrictions in question.

Those Qualifying Holders who wish, and are permitted, to take up their entitlement should note that payments must be made as described in paragraphs 2.1 (Qualifying Shareholders) and 2.2 (Qualifying DI Holders) above.

Overseas Shareholders should note that all subscription monies must be in pounds sterling by cheque or banker's draft and should be drawn on a bank in the UK, made payable to "Computershare Investor Services PLC re Richland Resources Limited Open Offer" and crossed A/C payee only.

Specific restrictions relating to certain jurisdictions are set out below:

**If a Qualifying Holder is in any doubt as to his eligibility to take up New Common Shares, he should contact an appropriate professional adviser immediately.**

*Notice to investors in the European Economic Area (other than the UK)*

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a “relevant member state”) (except for the UK), with effect from and including the date on which the Prospectus Directive was implemented in that relevant member state (the “relevant implementation date”) no Open Offer Shares have been offered or will be offered pursuant to the Open Offer to the public in that relevant member state prior to the publication of a prospectus in relation to the Open Offer Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the Prospectus Directive, except that with effect from and including the relevant implementation date, offers of Open Offer Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of: (i) an average of at least 250 employees during the last financial year; (ii) a total balance sheet of more than €43 million; and (iii) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of Open Offer Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive.

For this purpose, the expression “an offer of any Open Offer Shares to the public” in relation to any Open Offer Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Open Offer and any Open Offer Shares to be offered so as to enable an investor to decide to acquire any Open Offer Shares, as the same may be varied in that relevant member state by any measure implementing the Prospectus Directive in that relevant member state.

In the case of any Open Offer Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Open Offer Shares acquired by it in the Open Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Open Offer Shares to the public other than their offer or resale in a relevant member state to qualified investors as defined in the Prospectus Directive or in circumstances in which the prior consent of the Company and RFC Ambrian has been obtained to each such proposed offer or resale.

For the purposes of this provision, the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each relevant member state

*Bermuda*

This document and the shares offered hereby have not been, and will not be, filed or registered under the laws and regulations of Bermuda, nor has any regulatory authority in Bermuda passed comment upon or approved the accuracy or adequacy of this document. The shares may not be offered to the public in Bermuda, except in compliance with the provisions of the Investment Business Act of Bermuda which regulates the sale of securities in Bermuda and neither this document, which has not been submitted to the Bermuda Ministry of Finance, nor any offering material or information contained herein relating to the shares, may be supplied to the public in Bermuda or used in connection with any offer for the subscription or sale of shares to the public in Bermuda.



## 6.2 **Representations and warranties relating to Overseas Shareholders**

The attention of Overseas Shareholders is drawn to the representations and warranties set out in paragraphs 2.1.6 (in the case of Qualifying Shareholders) and 2.2.11 (in the case of Qualifying DI Holders) of this Part IV of this document.

## 6.3 **Times and dates**

The Company shall, in agreement with RFC Ambrian and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document, and in such circumstances notify AIM, and make an announcement on a Regulatory Information Service approved by AIM and, if appropriate, by Shareholders, but Qualifying Holders may not receive any further written communication.

If a supplementary document is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary document (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## 6.4 **Further information**

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Shareholders to whom the Company has sent Application Forms, to the terms, conditions and other information printed on the accompanying Application Form.

## 6.5 **Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and RFC Ambrian in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Application Form and in the event of more than one person executing an Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

## **7. GOVERNING LAW**

The terms and conditions of the Open Offer as set out in this Part IV of this document and the Application Form shall be governed by, and construed in accordance with, the law of England. The Courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document and the Application Form.

By taking up their entitlements under the Open Offer in accordance with the instructions set out in this document and (where applicable) the Application Form, Qualifying Holders irrevocably submit to the jurisdiction of the Courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient form.

## PART V

### ADDITIONAL INFORMATION

#### 1. Responsibility

The Directors, whose names appear on page 7 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the 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 there is no omission likely to affect the import of such information.

#### 2. Directors' and others' interests

##### 2.1 *Interests in Common Shares*

As at 18 December 2013 (being the latest practicable date prior to the publication of this document) and, following Admission, the interests of the Directors, their immediate families and persons connected with the Directors (all of which are beneficial unless otherwise stated) in the issued share capital of the Company are as follows:

<i>Name</i>	<i>Prior to Admission</i>		<i>On Admission</i>	
	<i>Number of Existing Common Shares</i>	<i>Percentage of Existing Shares</i>	<i>Number of Common Shares</i>	<i>Percentage of Enlarged Share Capital<sup>(1)</sup></i>
Edward Nealon	5,100,680	4.32%	10,201,360	4.32%
Bernard Olivier	921,746	0.78%	2,356,466	1.00% <sup>(2)</sup>
Ami Mpungwe	3,122,343	2.64%	6,244,686	2.64%
Nicholas Sibley	7,155,894	6.06%	14,311,788	6.06%

1. Assuming the maximum number of New Common Shares under the Placing and Open Offer are allotted.

2. Assuming excess application applied for are satisfied in full.

2.2 As at 18 December 2013 (being the latest practicable date prior to the publication of this document), the Directors held the following options over Common Shares:

<i>Name</i>	<i>Prior to Admission</i>		<i>On Admission</i>	
	<i>Number of Existing Common Shares</i>	<i>Percentage of Existing Common Shares</i>	<i>Number of Common Shares</i>	<i>Percentage of Enlarged Share Capital<sup>(1)</sup></i>
Bernard Olivier	900,000	0.76%	900,000	0.38%

1. Assuming the maximum number of New Common Shares under the Placing and Open Offer are allotted.

2.3 Save as disclosed in this paragraph, none of the Directors (or persons connected with the Directors) has any beneficial or non-beneficial interest in any securities of the Company or its subsidiaries.

#### 3. Class A Shares in TanzaniteOne SA

When the Company acquired tanzanite assets from Afgem, a mechanism was put into place to accommodate any of Afgem's South African shareholders who desired to maintain their investment in these assets. The mechanism involved the creation of TazaniteOne SA, a South African domiciled subsidiary of the Company.

TanzaniteOne SA has in issue Class A Shares, the value of which is directly linked to the value of the Company's shares traded on AIM and is therefore denominated in Sterling. The mechanism allows for an equivalent amount of TanzaniteOne common shares held by Rembrandt Nominees Limited as to the number of Class A Shares in issue. Consequently, all South African shareholders of Afgem that elected to remain invested received TanzaniteOne SA Class A Shares.

In order to facilitate an exit for those TanzaniteOne SA Class A Shareholders, the Company made an offer to acquire all or a portion of their Class A Shares, which offer is binding on the Company for a period of 20 years from April 2004.

Upon valid acceptance of the offer by a TanzaniteOne SA Class A Shareholder, a share sale agreement will become effective between the disposing Class A Shareholder and the Company. The disposing shareholder has a choice of making a "Cash Acceptance" or "Share Acceptance" in respect of their Class A Shares. If the acceptance is a:

- (a) Share Acceptance: the disposing Class A Shareholder shall have the election to implement the purchase of their shares by exchanging one Common Share (held by Rembrandt Nominees Limited in London) for each Class A Share disposed of; or
- (b) Cash Acceptance: the Company shall procure the sale of the number of Common Shares, out of Rembrandt Nominees Limited, equal to the number of Class A Shares that the disposing Class A Shareholder wishes to sell. As such, the number of Common Shares held by Rembrandt Nominees Limited will at all times equal the number of TanzaniteOne SA Class A Shares in issue. Share costs incurred in the implementation of the Company offer shall be for the account of the disposing Class A Shareholder.

The following rights, privileges and conditions attach to the TanzaniteOne SA Class A Shares:

Each TanzaniteOne SA Class A Share is issued on the basis that:

- (i) if the Common Shares are consolidated or subdivided, the same will apply, *mutates mutandis*, to the TanzaniteOne SA Class A Shares;
- (ii) if any rights issue is implemented by the Company, TanzaniteOne SA will automatically have a rights issue in respect of the TanzaniteOne SA Class A Shares on identical terms to the rights issue implemented by the Company, which will include but not be limited to the price per rights issue share and ratio of rights shares to exiting shares; and
- (iii) if the holders of Common Shares receive shares in substitution for all their Common Shares then the number of TanzaniteOne SA Class A Shares will be automatically adjusted such that each TanzaniteOne SA Class A Shareholder will own the number of TanzaniteOne SA Class A shares as equals their existing number of TanzaniteOne SA Class A Shares, multiplied by the number of substitution shares issued for each Common Share.

The holders of the TanzaniteOne SA Class A Shares will only be entitled to a dividend if the Company declares dividends in respect of any year, and then the TanzaniteOne SA Class A Shares will be entitled to a preference dividend out of the profits of TanzaniteOne SA available for distribution per TanzaniteOne SA Limited Class A Share equal to "D" calculated in accordance with the following formula:

$$D = A \times F$$

Where

A = the dividend declared and payable by the Company in respect of each Common Share; and

F = the spot foreign exchange rate quoted by Standard Bank of South Africa Limited on the date upon which the relevant dividend is payable to the holders of Common Shares.

TanzaniteOne SA in general meeting or the directors of TanzaniteOne SA are entitled to declare preference dividends in respect of the TanzaniteOne SA Class A Shares on the basis that the preference dividend payable shall be payable, within four months after the date upon which the relevant dividend is declared to the shareholders of the Company, to the holders of the TanzaniteOne SA Class A Shares registered as such on the declaration date of the relevant Company dividend.

With respect to voting rights in TanzaniteOne SA, each TanzaniteOne SA ordinary share shall have 1,000,000 votes and each TanzaniteOne SA Class A Share shall have one vote. The holders of TanzaniteOne SA Class A Shares will be entitled to receive notice of and to attend and vote at any general meeting of TanzaniteOne SA.

Payment in respect of preference dividends and any other payments will be made in the currency of South African Rands at the risk of the relevant holder of TanzaniteOne SA Class A Shares.

All or any of the rights attaching to the issued TanzaniteOne SA Class A Shares may not be modified, altered, varied, added to or abrogated, without the prior written consent of the:

- (a) holders of at least three-quarters of the issued TanzaniteOne SA Class A Shares or the sanction of a resolution of the holders of the issued TanzaniteOne SA Class A Shares passed at a separate general meeting of such holders and at which the holders of the TanzaniteOne SA Class A Shares holding in the aggregate not less than one quarter of the total votes of all the holders of the TanzaniteOne SA Limited Class A Shares holding securities entitled to vote at the meeting are present in person or by proxy and the resolution has been passed by not less than three quarters of the total votes to which the holders of the TanzaniteOne SA A Class A Shares present in person or by proxy are entitled to vote; and
- (b) holders of three quarters of the ordinary shares.

No shares in the capital of TanzaniteOne SA, ranking in priority or *pari passu* with the TanzaniteOne SA Class A Shares of any class but excluding the issue of ordinary shares, shall be created or issued, without the prior written consent of the holders of at least three-quarters of the issued TanzaniteOne SA Class A Shares or the sanction of a resolution of the holders of the issued TanzaniteOne SA Class A Shares passed at a separate general meeting of such holders and at which the holders of TanzaniteOne SA Class A Shares holding in the aggregate not less than one quarter of the total votes of all the holders of the TanzaniteOne SA Class A Shares holding securities entitled to vote at that meeting are present in person or by proxy and the resolution has been passed by not less than three quarters of the total votes to which the holders of TanzaniteOne SA Class A Shares present in person or by proxy are entitled.

TanzaniteOne SA cannot be put into voluntary liquidation by its shareholders without the prior written consent of the holders of at least three-quarters of the issued TanzaniteOne SA Class A Shares or the sanction of a resolution of the holders of the TanzaniteOne SA Class A Shares passed at a separate general meeting of such holders and at which the holders of the TanzaniteOne SA Class A shares holding in the aggregate not less than one quarter of the total votes of all the holders of the TanzaniteOne SA Class A Shares holding securities entitled to vote at that meeting are present in person or by proxy and the resolution has been passed by not less than three quarters of the total votes to which the holders of the TanzaniteOne SA Class A Shares present in person or by proxy are entitled.

Should the Company acquire any TanzaniteOne SA Class A Shares, TanzaniteOne SA will automatically redeem out of moneys which may be lawfully applied for that purpose those TanzaniteOne SA Class A Shares on the basis that the price payable for each TanzaniteOne SA Class A Share on redemption of same will be at a redemption price of 0.01 (point zero one) cent per TanzaniteOne SA Class A Share. All the TanzaniteOne SA Class A Shares that are in issue at 21 April 2024 shall be automatically redeemed on the basis that the price payable for the redemption of each A share on redemption of same will be at a redemption price of 0.01 (point zero one) cents per TanzaniteOne Class A Share.

Upon the date of redemption of any TanzaniteOne SA Class A Shares, there shall be paid on any TanzaniteOne SA Class A Shares redeemed, all preference dividends (including any which are in arrears) accrued in respect of the same, up to the date fixed for redemption thereof, and the preference dividends thereon shall cease to accrue from that date unless, upon surrender of the share certificate in respect of the TanzaniteOne SA Class A Shares, payment of the redemption moneys is not affected by TanzaniteOne SA. Upon delivery of the relevant share certificate/s to its registered office, TanzaniteOne SA shall pay to the holder of the TanzaniteOne SA Class A Shares the amount due in respect of the redemption and shall then be entitled to cancel the relevant TanzaniteOne SA Class A Shares.

The holders of the TanzaniteOne SA Class A Shares shall not be entitled to dispose of any TanzaniteOne SA Class A Shares to any party other than the Company and the share certificates issued in respect of the TanzaniteOne SA Class A Share shall be endorsed to this effect. Notwithstanding this, a holder of the TanzaniteOne SA Class A Shares shall be entitled to transfer the relevant TanzaniteOne SA Class A Share to a family entity or a family member provided that they pay any and all costs relating to the transfer.

#### **4. Material contracts**

The following contracts have been entered into by members of the Group otherwise than in the ordinary course of business:

- (a) in the two years immediately preceding the date of this document and are or may be material; and
- (b) otherwise than in the two years immediately preceding the date of this document which contain any provision under which any member of the Group has any obligation.

#### 4.1 **Placing Agreement**

On 18 December 2013 the Company entered into the Placing Agreement with RFC Ambrian pursuant to which RFC Ambrian has agreed to use its reasonable endeavours to procure subscribers for the Clawback Shares (on terms that RFC Ambrian is able to recall such of the Clawback Shares as are required to satisfy valid applications made pursuant to the Open Offer).

The Placing Agreement is conditional, *inter alia*, on the admission of the Clawback Shares (as the case may be) and the Open Offer Shares to trading on the AIM by 17 January 2014 or such later date as the parties may agree.

RFC Ambrian may terminate the Placing Agreement in specified circumstances prior to Admission, principally in the event of a material breach of the Placing Agreement or any event occurs which would render any of the warranties the Placing Agreement untrue, inaccurate or misleading; or where any change in national or international political, military, diplomatic, terrorist, monetary, industrial, economic, financial or stock market conditions, which, in the opinion of RFC Ambrian would make it impracticable or inadvisable to proceed with the Placing or with Admission.

In consideration of the agreement of RFC Ambrian to provide its services in connection with the Placing, the Company will pay to RFC Ambrian a commission of £13,200 in connection with the Placing, payable on Admission. The Company shall also to RFC Ambrian all reasonably and properly incurred costs which are directly attributable to work carried out by RFC Ambrian in connection the Placing and Admission.

#### 4.2 **Irrevocable Undertakings**

The Company has received Irrevocable Undertakings from certain Shareholders to subscribe for the Committed Shares (further details of which are set out in paragraphs 6 and 7 of Part 1).

The Irrevocable Undertakings are conditional on the Placing Agreement being entered into and not terminated in accordance with its terms and certain other conditions which have already been satisfied.

#### 4.3 **STAMICO Agreements**

TanzaniteOne and STAMICO have entered into the STAMICO Agreements which govern the relationship between the parties the operation of mining in the Mining Licence Area and the sharing of revenue, income and costs arising from mining in the Mining Licence Area. The STAMICO Agreements only relate to the mining operations in the Mining Licence Area and do not include other group activities in Tanzania including the Tsavorite Project and the trading activities of the Company's subsidiary TanzaniteOne Trading Limited which includes the Tanzanite Experience retail operations.

Under the STAMICO JV Agreement STAMICO will reimburse TanzaniteOne a sum of US\$4 million in recognition of the expenditure incurred by TanzaniteOne in developing mine infrastructure prior to the date of the issue of the Mining Licence. This will be paid by STAMICO utilising 40 per cent. of its share of the net residual profit payable to STAMICO until the amount is paid in full.

TanzaniteOne and STAMICO have agreed to use their respective reasonable endeavours to curb tanzanite smuggling and illegal mining operations in the area to which the Mining Licence relates and which have had an adverse effect on the profitability of the operations under the Mining Licence and underground mining operations.

Under the STAMICO JV Agreement, both TanzaniteOne and STAMICO have a 50 per cent. undivided participating interest in the joint venture. Interests in the Mining Licence are not transferable to any third party without obtaining the prior consent of the other party and each party is entitled to a right-of-first-refusal on any proposed sale or transfer of the other party's interest in the Mining Licence.

The STAMICO JV Agreement will continue for 10 years from 20 June 2013 or for the term of the Mining Licence, if it is renewed or extended.

All existing assets including, but not limited to, buildings, machinery and plant and equipment currently owned by TanzaniteOne and used for the purposes of operations under the former special mining licence (the "Existing Assets") shall remain in the sole and absolute ownership of TanzaniteOne. TanzaniteOne will give STAMICO reasonable notice of any intention to sell, transfer or otherwise dispose of the Existing Assets.

The parties intend that the Mining Operation shall be self-financed from the proceeds therefore, subject to the retention from net residual profits otherwise available for distribution of an appropriate sum to cover future anticipated working capital and capital expenditure.

Under the STAMICO JV Agreement, TanzaniteOne and STAMICO shall establish a joint operating committee (the "Joint Operating Committee") which shall constitute three representatives from each party. The Joint Operating Committee will decide all matters relating to the conduct of the operations, including but not limited to, the appointment of the operator overseeing the operator of the mining operations (the "Operator"), making strategic decisions relating to the conduct of the operations, considering and approving budgets and other operation plans. Each party will receive 2.5 per cent. gross sale revenue, being the administrative charges of the joint venture. The budget of the Joint Operating Committee, which shall be deducted from the calculation of gross sales revenue, will not exceed US\$100,000 per financial year.

The parties will also establish an independent monitoring and evaluation unit (the "Monitoring Unit") with each party appointing two executives. The Monitoring Unit is mandated to monitor and evaluate implementations of the Operator.

The Appointment Contract for Operator appoints TanzaniteOne as the Operator to run the joint venture operations under the STAMICO JV Agreement. TanzaniteOne, as the Operator, shall be responsible for the day to day mining operations and all associated obligations, as well as technical and financial matters relating to the search for, milling, processing, refining, transporting, use and with prior consent from the Joint Operating Committee, market of graphite, marble, tanzanite or other minerals found to occur with those minerals. The Operator shall be paid a management fee of 1 per cent. Gross Sales Revenue.

The Appointment Contract for Marketing Tanzanite, dated 20 June 2013, has awarded Urafiki Gemstones, a wholly owned subsidiary of the Group, a 3 year contract for the cutting, polishing and marketing of tanzanite produced by the joint venture operations.

The Operator is responsible for the day to day mining operations and all associated obligations, as well as technical and financial matters relating to the search for, milling, processing, refining, transport, use and, with prior consent from the joint operating committee, market of graphite, marble, tanzanite or other minerals found to occur with those minerals. The Operator will be paid a management fee of 1 per cent. gross sales revenue.

#### **4.4 Sale and leaseback of Dubai Office**

On 20 November 2013, the Company's wholly owned subsidiary TanzaniteOne Marketing DMCC sold the Dubai Office, located in the Dubai Multi Commodities Centre for gross proceeds of approximately \$650,000 and net sale proceeds of approximately US\$640,000 after deduction of all costs and taxes. The Dubai Office was recorded in the Group Accounts as at 30 June 2013 at approximately US\$402,000 and these will therefore be an accounting gain of approximately US\$238,000 on the sale. Concurrently with the sale of the Dubai Office, TanzaniteOne Marketing DMCC entered into a 6 month rental agreement for the use of the Dubai Office for approximately US\$45,000 which was paid in advance from the Dubai Office sale proceeds.

#### **4.5 Banking facilities with National Bank of Commerce Limited**

On 5 August 2011, TanzaniteOne entered into a facility agreement ("NBC Main Facility Agreement") with the National Bank of Commerce Limited ("NBC"), pursuant to which NBC made the following banking facilities available to TanzaniteOne:

<i>Type of Facility</i>	<i>Amount</i>	<i>Expiry Date</i>
Overdraft (renewal)	US\$1,100,000	30.09.2012
Term loan (existing)	US\$719,086.01	31.08.2014
Term loan (new)	US\$1,000,000	24 months
Potential future exposure (spot/forward contract)	US\$50,000	30.09.2012

The purpose of the overdraft facility under the NBC Main Facility Agreement was to meet working capital requirements in respect of purchasing adequate stocks of gemstones and meeting mining and related activities. The purpose of the then new term loan was to enable TanzaniteOne to purchase stock from small scale miners and so protect the price of Tanzanite.

The facilities are secured by:

- a debenture over TanzaniteOne's fixed and floating assets;
- a letter of undertaking from TanzaniteOne SA covering the full loan amount;
- a confirmation of existing guarantees given to NBC; and
- an inter-company guarantee between TanzaniteOne and Tanzanite One Trading Limited.

The overdraft facility as well as the then new term loan bears an interest rate of NBC US\$ base rate (7 per cent. per annum at the time of entry into the facility agreement) which is charged every month on the outstanding amount.

The overdraft facility under the NBC Main Facility Agreement which expired on 30 September 2012 has not been formally renewed by NBC. However, it continues to be used by TanzaniteOne on a day to day basis and has not been cancelled by NBC and on 30 November 2013 the overdraft was US\$967,567.

As at 30 November 2013 the amount outstanding to NBC pursuant to the term loan facilities made under the NBC Main Facility Agreement was US\$189,538.

The NBC Main Facility Agreement requires, *inter alia*, that TanzaniteOne maintains certain financial and other covenants. As reported in the Company's 2012 annual report, the Group's results have affected TanzaniteOne's ability to comply with those covenants. A violation of those covenants constitutes an event of default under the NBC Main Facility Agreement, which unless waived by NBC would entitle NBC to cancel the borrowing facilities. NBC has been notified of the breach of covenant and, as of the date of this Circular, has not recalled or cancelled any of the borrowing facilities.

On 5 August 2011, TanzaniteOne Trading Limited entered into a facility agreement (the "NBC Trading Facility Agreement") with NBC pursuant to which NBC made the following banking facilities available TanzaniteOne Trading Limited:

<i>Type of Facility</i>	<i>Amount</i>	<i>Expiry Date</i>
Overdraft (renewal)	US\$100,000	31.09.2012
Potential future exposure (spot/forward contract)	US\$50,000	30.09.2012

The purpose of the overdraft facility under the NBC Trading Facility Agreement was to allow TanzaniteOne Trading Limited to meet working capital requirements in respect of purchasing adequate stocks of gemstones and meeting mining and related activities.

The facilities under the NBC Trading Facility Agreement are secured by:

- A debenture over TanzaniteOne Trading Limited's fixed and floating assets to cover the facility by 130 per cent.;
- Guarantee by TanzaniteOne to cover the facility by 130 per cent.; and
- Confirmation of existing guarantees.

The overdraft facility under the NBC Trading Facility Agreement bears an interest rate of NBC US\$ base rate (7 per cent. per annum at the term of entry into the facility agreement) which is charged every month on the outstanding amount.

The overdraft facility under the NBC Trading Facility Agreement which expired on 31 September 2012 has not been formally renewed by NBC. However, it continues to be used by TanzaniteOne Trading Limited on a day to day basis and has not been cancelled by NBC, but was not utilised as at 30 November 2013.

#### 4.6 Convertible loan agreements

On 18 December 2013, the Company entered into the following convertible loan agreements:

<i>Lender (the "Lenders" and each a "Lender")</i>	<i>Loan Amount (each a "Loan Amount")</i>
Nicholas Sibley	£125,000
Ed Nealon	£125,000
Ashwath Mehra	£75,000
Tomori Enterprises Limited	£75,000

(together the "Loans", and each a "Loan").

As explained in paragraphs 6 and 7 on pages 12 and 13 each Lender has provided the Company with an irrevocable undertaking to take up his full Entitlement under the Open Offer. Under the Loan Agreements the Lenders have agreed to advance the Loan Amounts to the Company as unsecured loans. The Loan Amounts are, in each case, less than each of the Lender's committed Entitlement. The Loans will, conditional on the Open Offer being completed and the Lenders taking up their committed Entitlements, be repaid by being applied towards taking up the Lender's Entitlements under the Open Offer.

The Loans have been provided on the basis that the Company is only authorised to use loan monies for normal working capital purposes including settling its liabilities to third parties or as operating costs and/or advancing the same to one of its Tanzanian subsidiaries to settle their liabilities to third parties or as operating costs.

In the event that the Open Offer is not made on or before 28 February 2014, each of the Loans is repayable on the date 12 months from the date of the respective agreements (the "Repayment Date") and the Company shall pay interest on the Loan at the rate of 12% per annum.

In the event that the Open Offer is made on or before 28 February 2014, or such other later date as the Lender may agree to in writing, the Lender:

- has irrevocably undertaken that the Qualifying Holder(s) of the Common Shares or Depositary Interests beneficially owned by the Lender in the capital of the Company will subscribe for its Qualifying Holder's Entitlement pursuant to the terms of the Open Offer; and
- has irrevocably directed that an amount of the Loan repayable by the Company equal to the Issue Price multiplied by the relevant Qualifying Holder's Entitlement be instead applied by the Company for the payment of subscription monies payable to subscribe for the Qualifying Holder's Entitlement at the Issue Price.

In the event that the Open Offer is made by the Borrower to Qualifying Holders on or before the 28 February 2014, such amount of the Loan which is equal to the amount payable by such Qualifying Holder pursuant to the Open Offer shall no longer be repayable by the Company, shall be deemed



repaid and no interest will be payable thereon. In the event that the amount owed by such Qualifying Holder pursuant to the Open Offer is less than the respective Loan, the outstanding amount of the Loan (the "Excess Amount") shall be repaid by the Company on the Repayment Date and interest shall be payable on the Excess Amount only.

#### 4.7 **Deed of assignment and assumption of the Sapphire Option and Purchase Agreement**

In 2011, the Company entered into a deed of assignment and assumption giving it the option to acquire an established sapphire project (the "Project") in Australia.

If exercised, the Project will comprise two mining leases that have previously been partially mined and have produced significant quantities of gemstone quality sapphire and are situated in a known sapphire field in Australia. The total consideration for the Project, if the Company elects to proceed, will be cash of AUD\$1,200,000 and 18,000,000 fully paid Common Shares in the Company.

### 5. **Litigation**

Save as disclosed in the Circular there are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), which during the 12 month period prior to the publication of this document may have, or have had in the recent past, significant effects on the Company or the Group's financial position or profitability.

### 6. **Taxation**

**The following information, which sets out the taxation treatment for holders of Common Shares, is based on existing law in force in the UK and what is understood to be current HM Revenue & Customs ("HMRC") practice. It is intended as a general guide only and applies to Shareholders who are resident or ordinarily resident in the UK for tax purposes (except to the extent that specific reference is made to Shareholders resident or ordinarily resident outside the UK), who hold the Common Shares as investments and who are the absolute beneficial owners of those Common Shares but is not applicable to all categories of Shareholders, and in particular, is not addressed to (i) Shareholders who do not hold their Common Shares as capital assets; (ii) Shareholders who own (directly or indirectly) 10 per cent. or more of the Company; or (iii) special classes of Shareholders such as dealers in securities or currencies, broker-dealers or investment companies.**

**The statements do not purport to be comprehensive or to describe all potential relevant tax considerations. Shareholders should note that the levels of and bases of, and relief from, taxation may change and that changes may affect the benefits of investment in the Company. This summary is not exhaustive and does not generally consider tax relief or exemptions. Shareholders who are in doubt as to their tax position, or who are subject to tax in a jurisdiction other than the UK, are strongly recommended to consult their professional advisers.**

#### ***UK taxation of dividends***

Under current United Kingdom tax legislation, no withholding tax will be deducted from dividends paid by the Company.

UK resident individuals whose income is within the lower or basic rate bands are liable to tax at 10 per cent. on their gross dividend income. Individual shareholders resident for tax purposes in the UK are entitled to a non-refundable 'notional' tax credit of an amount equal to 10 per cent. of the aggregate of the net dividend received and the tax credit (i.e. the notional credit is one ninth of the cash dividend received). The effect of this is that the tax credit attaching to the dividend will satisfy the income tax liability on UK dividends of an individual shareholder whose income is within the lower or basic rate bands. Shareholders liable to higher rate tax are liable to tax at 32.5 per cent. on their gross dividend income and will have further tax to pay of 22.5 per cent. of their gross dividend equivalent to 25 per cent. of the net cash dividend received.

Individual shareholders with annual taxable income in excess of £150,000 will be liable to tax at 37.5 per cent. on their gross dividend income and will therefore have further tax to pay of 27.5 per cent. of their

gross dividend after taking account of the notional tax credit, equivalent to 30.6 per cent. of the net cash dividend received.

UK resident trustees of discretionary or accumulation trusts are liable to income tax on UK company dividends at 37.5 per cent. of the gross dividend. After taking into account the 10 per cent. tax credit, the trustees will be liable to additional income tax of 27.5 per cent. of the gross dividend, equal to 30.6 per cent. of the net dividend.

Corporate shareholders resident in the UK for tax purposes will generally be exempt from corporation tax in relation to dividends paid by the Company.

### **UK taxation of chargeable gains**

If a shareholder who is a UK individual disposes of all or some of his Common Shares, a liability to capital gains tax ("CGT") may arise. The extent of the tax liability on any gains which may arise will depend on the availability of the annual CGT exemption and any other tax relief such as existing capital losses. CGT is currently charged at a flat rate of 18 per cent.

Corporate entities holding shares as an investment will be subject to corporation tax on any gain arising, subject to mitigation by indexation allowance and potentially by losses available for relief.

Trustees of a UK trust will be subject to tax on any gains. Any gain will be capable of mitigation by use of the annual exemption to the extent this has not been used against other gains.

### **UK stamp duty and stamp duty reserve tax**

No UK stamp duty will be payable on the issue by the Company of Common Shares.

Transfers of Common Shares for value will generally give rise to a liability to pay UK *ad valorem* stamp duty, or stamp duty reserve tax, at the rate in each case of 50p per £100 of the amount or value of the consideration (rounded up in the case of stamp duty to the nearest £5).

Transfers made under the CREST system for paperless transfers of shares will generally be liable to stamp duty reserve tax.

## **7. Overseas Shareholders**

### **7.1 General**

The Placing and Open Offer as it relates to Overseas Shareholders may be affected by the laws of their relevant jurisdictions.

Receipt of this document and/or an accompanying document will not constitute an offer in those territories in which it would be unlawful to make such an offer and, in such circumstances, this document and/or an accompanying document are being sent for information only, are confidential and should not be copied or redistributed.

Persons in Restricted Jurisdictions should consult their professional advisers as to whether they require any government or other consents or need to observe any other formalities to enable them to take up their rights. It is the responsibility of all persons resident outside the United Kingdom receiving this document and/or an accompanying document and wishing to accept the offer of Open Offer Shares to satisfy themselves as to full observance of the laws of the relevant territory, including obtaining all necessary governmental or other consents which may be required, observing all other requisite formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

The Company reserves the right, but shall not be obliged, to treat as invalid any acceptance or purported acceptance of the entitlements under the Open Offer which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if it believes or they believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of definitive share

certificates for New Common Shares in any jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Persons (including, without limitation, nominees, agents and trustees) receiving an Application Form should not distribute or send it to or into any jurisdiction where to do so would or might contravene local securities laws or regulations.

## 7.2 **United States and Canada**

None of the New Common Shares, the Open Offer Entitlements or the Application Form have been or will be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act"), the laws of any state of the United States of America or the securities legislation of any province or territory of Canada, and may not be offered, sold, renounced, taken up, delivered or transferred, directly or indirectly in or into the United States or Canada, or to or for the account or benefit of any person in the United States or Canada. Subject to certain exemptions, New Common Shares will not be allotted to a Qualifying Shareholder with a registered address in the United States or Canada.

The Company reserves the right to treat as invalid any acceptance or purported acceptance of entitlements under the Open Offer that appears to the Company or its agents to have been executed in or despatched from the United States or Canada, or that provides an address in the United States or Canada for the delivery of definitive certificates for the New Common Shares or which does not make the warranty set out in an Application Form to the effect that the persons accepting the allotment of New Common Shares does not have a registered address (and is not otherwise located in) the United States or Canada and is not acquiring rights to New Common Shares with a view to the offer, sale, resale, transfer, delivery, or distribution directly or indirectly of any such New Common Shares in the United States or Canada.

If prospective investors who are "benefit plan investors" within the meaning of Section 3(42) of ERISA become aware that they are holding or owning (directly or indirectly) such number of shares or interest in shares in the Company that, in the opinion of the Directors, results in (a) 25 per cent. or more of the issued share capital of the Company being held by "benefit plan investors" or (b) any asset of the Company or its subsidiaries from time to time being "plan assets" within the meaning of United States Department of Labor Regulation 29 C.F.R. Section 2510 101, as modified by Section 3(42) of ERISA, they must disclose this fact to the Company and transfer such shares to another person in circumstances where the shares will cease to fall within sub-paragraphs (a) and (b) above.

## 7.3 **Japan, Australia, South Africa New Zealand**

Due to restrictions under the securities laws of Japan, Australia, the Republic of South Africa and New Zealand, neither this document, the Open Offer Entitlements nor the Application Form will be sent to or credited to any Shareholders with registered addresses in, and the Open Offer Entitlements and the Open Offer Shares may not be transferred or sold to or renounced or delivered in, any of those countries. Accordingly, no offer of New Common Shares is being made under this document to Shareholders with registered addresses in, or to residents of any of, Japan, Australia, South Africa and New Zealand and neither this document nor the Application Form should be forwarded to or transmitted in or into any of these countries.

## 7.4 **Other overseas territories**

Any Qualifying Shareholder resident in other overseas territories wishing to subscribe for Open Offer Shares must satisfy himself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining all governmental or other consents, observing all other requisite formalities and paying all issue, transfer or other taxes due in such territory. Such Overseas Shareholder should consult his professional advisers about whether they require any governmental or other consents or need to observe any other formalities to enable them to take up his entitlements.

## 8. **Consents**

- 8.1 RFC Ambrian Limited of Condor House, 10 St Paul's Churchyard, London EC4M 8AL, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom, has given and

has not withdrawn its written consent to the issue of this document with references to its name being included in it in the form and context in which they appear.

#### **9. Documents available for inspection**

Copies of the following documents may be inspected at the offices of Joelson Wilson LLP, 30 Portland Place, London W1B 1LZ during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the date that is 12 months after Admission:

- 9.1 the Bye-Laws;
- 9.2 the audited consolidated accounts of the Company and its subsidiaries for the three years ended 31 December 2012;
- 9.3 the consent letter referred to in paragraph 8 above;
- 9.4 the material contracts referred to in paragraph 4 above; and
- 9.5 this document.

#### **10. Availability of the Circular**

Copies of this document will be available free of charge from the registered office of Joelson Wilson LLP, 30 Portland Place, London W1B 1LZ during normal business hours on any day (Saturdays, Sundays and public holidays excepted) from the date of this document until the date of Admission and are available at [www.richlandresourcesltd.com](http://www.richlandresourcesltd.com).

## DEFINITIONS

<b>“Admission”</b>	the admission of the Clawback Shares and the Open Offer Shares (as the case may be) to trading on the AIM becoming effective in accordance with the AIM Rules;
<b>“Afgem”</b>	African Gem Resources Limited who sold its tanzanite business to the Company in 2004;
<b>“AIM”</b>	the AIM market operated by the London Stock Exchange;
<b>“AIM Rules”</b>	the AIM rules for companies published by the London Stock Exchange (as updated from time to time) governing the admission to and the operation of AIM;
<b>“Applicant”</b>	a Qualifying Holder or a person entitled by virtue of a <i>bona fide</i> market claim who lodges an Application Form or relevant CREST instruction under the Open Offer;
<b>“Application Form”</b>	the personalised application form on which Qualifying Shareholders (other than certain Overseas Shareholders) may apply for Open Offer Shares under the Open Offer;
<b>“Appointment Contract for Marketing Tanzanite”</b>	the contract dated 12 December 2013 and entered into between TanzaniteOne, STAMICO and Urafiki Gemstones;
<b>“Appointment Contract for Operator”</b>	the contract dated 12 December 2013 between TanzaniteOne and STAMICO appointing TanzaniteOne as the operator of mining operations in the Mining Licence Area;
<b>“Australia”</b>	the Commonwealth of Australia, its states, territories or possessions;
<b>“Block C”</b>	the area covered by the Mining Licence;
<b>“Business Day”</b>	a day (other than a Saturday or Sunday) on which commercial banks are open for general business in London, England;
<b>“Bye-Laws”</b>	the bye-laws of the Company;
<b>“Canada”</b>	Canada, its provinces and territories and all areas subject to its jurisdiction and any political sub-divisions thereof;
<b>“Capital Expenditure”</b>	expenditure on physical assets including but not limited to plant and machinery, surface and underground mining equipment and mining works;
<b>“Class A Application Form”</b>	the personalized application form on which Qualifying Class A Shareholders may apply for Class A Open Offer Shares under the Class A Open Offer;
<b>“Class A Open Offer”</b>	the conditional offer to be made by TanzaniteOne SA to Qualifying Class A Shareholders inviting them to apply to subscribe for the Open Offer Class A Shares on the terms and conditions set out in this document, the TanzaniteOne SA Letter and, where relevant, in the Class A Application Form;
<b>“Class A Open Offer Entitlements”</b>	the <i>pro rata</i> entitlement of Qualifying Class A Holders to subscribe for 1 Class A Open Offer Share for every 1 Existing Class A Share, registered in their name as at the Record Date;

<b>“Class A Open Offer Shares”</b>	up to 1,568,202 new Class A Shares, representing such New Class A Shares, to be offered to Qualifying Class A Holders by TanzaniteOne SA as referred to in this document pursuant to the Class A Open Offer;
<b>“Class A Shareholders”</b>	a person recorded as a holder of Class A Shares in TanzaniteOne SA’s register of Class A shareholders;
<b>“Class A Shares”</b>	Class A shares of ZAR0.0003 each in the capital of TanzaniteOne SA;
<b>“certificated” or “certificated form”</b>	in relation to a Common Share, title to which is recorded in the relevant register of Common Shares as being held in certificated form;
<b>“Circular”</b>	this document;
<b>“Clawback Shares”</b>	up to 28,941,178 New Common Shares which are being conditionally placed by RFC Ambrian pursuant to the Placing Agreement, subject to the rights of clawback by Qualifying Holders, pursuant to the Open Offer;
<b>“Closing Price”</b>	the closing middle market quotation of a share as derived from the AIM Appendix to the Daily Official List of the London Stock Exchange;
<b>“Committed Shares”</b>	28,843,721 of the New Common Shares being offered under the Open Offer for which the Company has received Irrevocable Undertakings from existing investors and the Directors;
<b>“Common Shares”</b>	Common shares of US\$0.0003 each in the capital of the Company holders of Common Shares with registered addresses, and, where the context requires, the Depositary Interests;
<b>“Company” or “Richland”</b>	Richland Resources Limited;
<b>“Company Announcement”</b>	any announcement made by the Company via a RIS;
<b>“Company’s Current Business”</b>	all business activities currently undertaken by the Company or its subsidiaries;
<b>“Confirmed Clawback Shares”</b>	has the meaning ascribed to it in paragraph 4 of the letter from the Chairman of Richland Resources Limited;
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations);
<b>“CREST Manual”</b>	the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST international Manual. CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules. CREST Courier and Sorting Services Manual, Daily Timetable, CREST Application Procedures and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear on 15 July 1996 and as amended since);
<b>“CREST member”</b>	a person who has been admitted by Euroclear as a system-participant (as defined in the CREST Regulations);

<b>“CREST participant”</b>	a person who is, in relation to CREST, a system-participant (as defined in the CREST Regulations);
<b>“CREST payment”</b>	shall have the meaning given in the CREST Manual issued by Euroclear;
<b>“CREST Regulations”</b>	the Uncertificated Securities Regulations 2001 (SI 2001/3755);
<b>“CREST sponsor”</b>	a CREST participant admitted to CREST as a CREST sponsor;
<b>“CREST sponsored member”</b>	a CREST member admitted to CREST as a sponsored member (which includes all-CREST Personal Members (as defined in the CREST Rules));
<b>“Deed Poll”</b>	the deed dated 15 July 2004 made by the Depositary dealing with the creation and issue of depositary interests in respect of the Common Shares;
<b>“Depositary”</b>	Computershare Investor Services PLC acting in its capacity as depositary pursuant to the terms of the agreement for the provision of depositary services entered into between the Company and Computershare Investor Services PLC;
<b>“Depositary Interests” or “DIs”</b>	a depositary interest issued by the Depositary representing an entitlement to a Common Share which may be traded through CREST in dematerialised form;
<b>“Directors” or “Board”</b>	the directors of the Company whose names appear on page 7 of this document;
<b>“Disclosure and Transparency Rules”</b>	the disclosure and transparency rules of the FCA;
<b>“Dubai Office”</b>	the office of TanzaniteOne Marketing DMCC in the Dubai Multi Commodities Centre which was sold on 20th November 2013;
<b>“EEA”</b>	the European Economic Area;
<b>“enabled for settlement”</b>	in relation to Open Offer Entitlements, enabled for the limited purpose of settlement of claim transactions and USE transactions;
<b>“Enlarged Share Capital”</b>	the issued common share capital of the Company immediately following Admission;
<b>“ERISA”</b>	the United States Employee Retirement Income Security Act of 1974, as amended;
<b>“EU”</b>	the European Union;
<b>“Euroclear”</b>	Euroclear UK & Ireland Limited, the operator of CREST (formerly known as CRESTCo Limited);
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Qualifying Shareholders may apply for any number of Open Offer Shares in excess of their Open Offer Entitlement provided they have agreed to take their Open Offer Entitlement in full;
<b>“Excess CREST Open Offer Entitlements”</b>	in respect of each Qualifying DI Holder, the entitlement (in addition to their Open Offer Entitlement) to apply for Open Offer Shares to be represented by Depositary Interests registered in the DI Register, pursuant to the Excess Application Facility;

<b>“Excess Open Offer Entitlement”</b>	in respect of each Qualifying Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for Open Offer Shares, pursuant to the Excess Application Facility;
<b>“Excess Shares”</b>	Open Offer Shares applied for by Qualifying Holders under the Excess Application Facility;
<b>“Ex-entitlement date”</b>	19 December 2013
<b>“Existing Class A Shares”</b>	1,568,202 Class A Shares in issue at the date of this document other than those issued to the Company;
<b>“Existing Common Shares”</b>	the 118,148,951 Common Shares in issue at the date of this document;
<b>“Existing DIs”</b>	the Depositary Interests representing Existing Common Shares;
<b>“FCA”</b>	the Financial Conduct Authority of the UK in its capacity as the competent authority for the purposes of FSMA;
<b>“FSMA”</b>	the Financial Services and Markets Act 2000;
<b>“Fundraising”</b>	together, the Placing, the Open Offer and the Class A Open Offer;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“ID’s”</b>	identifications;
<b>“Irrevocable Undertakings”</b>	the irrevocable undertakings to take up entitlements under the Open Offer entered into by certain Shareholders, further details of which are set out in paragraphs 6 and 7 of Part 1 of this document;
<b>“ISIN”</b>	International Securities Identification Number;
<b>“Issue Price”</b>	3.4 pence per New Common Share and 0.57 Rand per New Class A Share;
<b>“London Stock Exchange”</b>	London Stock Exchange plc;
<b>“Member Account ID”</b>	the identification code or number attached to any member account in CREST;
<b>“Mining Licence”</b>	Mining Licence No.: 490/2013 issued on 20 June 2013 to STAMICO 50 per cent. and TanzaniteOne 50 per cent. (the “Licensee”) conferring on the Licensee the right to mine for graphite, marble and tanzanite in and vertically under the Mining Licence Area;
<b>“Mining Licence Area”</b>	Area at Merelani area, in Simanjiro District, Tanzanite QDS 72/1 defined by the following corner co-ordinates (ARC 1960):

<i>Corner</i>	<i>Latitude</i>	<i>Longitude</i>
1	- 03 deg. 33 min. 24.66 sec.	37 deg. 02 min. 21.56 sec.
2	- 03 deg. 34 min. 08.09 sec.	37 deg. 01 min. 39.03 sec.
3	- 03 deg. 33 min. 30.90 sec.	37 deg. 00 min. 41.82 sec.
4	- 03 deg. 31 min. 35.00 sec.	37 deg. 00 min. 38.00 sec.
5	- 03 deg. 31 min. 12.00 sec.	37 deg. 01min. 11.00 sec.
6	- 03 deg. 32 min. 39.89 sec.	37 deg. 01 min. 15.34 sec.

being an area of approximately 7.60 square kilometres;



<b>“Money Laundering Regulations 2007”</b>	the Money Laundering Regulations 1993 (SI 1993 No. 1933), as amended, and the Money Laundering Regulations 2007;
<b>“New Class A Shares”</b>	Nil to 1,568,202 new Class A Shares to be created pursuant to the Class A Open Offer;
<b>“New Common Shares”</b>	up to 118,148,951 new Common Shares to be created pursuant to the Placing and the Open Offer being the Clawback Shares and the Open Offer Shares;
<b>“Official List”</b>	the Official List of the UK Listing Authority;
<b>“Open Offer”</b>	the conditional offer made by the Company to Qualifying Holders inviting them to apply to subscribe for the Open Offer Shares on the terms and conditions set out in this document and, where relevant, in the Application Form;
<b>“Open Offer Entitlements”</b>	the <i>pro rata</i> entitlement of Qualifying Holders to subscribe for 1 Open Offer Share for every 1 Existing Common Share and, where applicable, the equivalent number of Depositary Interests representing such New Common Shares, registered in their name as at the Record Date;
<b>“Open Offer Shares”</b>	up to 118,148,951 new Common Shares, and, where applicable, the equivalent number of Depositary Interests representing such New Common Shares, to be offered to Qualifying Holders by the Company as referred to in this document pursuant to the Open Offer (and, where applicable, the equivalent number of Depositary Interests representing such New Common Shares);
<b>“Operator”</b>	the party appointed by the Appointment Contract For Operator to be the operator of mining operations under the STAMICO JV Agreement;
<b>“Overseas Shareholders”</b>	shareholders with registered addresses outside of the United Kingdom or who are citizens of, incorporated in, registered in or otherwise resident in, countries outside the United Kingdom;
<b>“participant ID”</b>	the identification code or membership number used in CREST to identify a particular CREST member or other CREST Participant;
<b>“Placees”</b>	investors in the Placing;
<b>“Placing”</b>	the conditional placing by RFC Ambrian on behalf of the Company of the Clawback Shares pursuant to the Placing Agreement;
<b>“Placing Agreement”</b>	the conditional agreement dated 18 December 2013 between the Company and RFC Ambrian relating to the Placing, a summary of which is set out in paragraph 4 of Part V of this document;
<b>“Production Profile”</b>	the quality and quantity mix of the different grades of tanzanite that are mined;
<b>“Prospectus Rules”</b>	the Prospectus Rules made in accordance with EU Prospectus Directive 2003/71/EC in relation to offers of securities to the public and admission of securities to trading on a regulated market;
<b>“Qualifying Class A Shareholder”</b>	shareholders whose names appear on the register of Class A Shareholders of TanzaniteOne SA on the Record Date and who are eligible to be offered Class A Open Offer Shares under the Class A

	Open Offer in accordance with the terms and conditions set out in this document and the TanzaniteOne SA Letter;
<b>“Qualifying DI Holders”</b>	holders of Depositary Interests on the register of Depositary Interest holders at the close of business on the Record Date and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this document;
<b>“Qualifying Holders”</b>	Qualifying Depositary Interest Holders and Qualifying Shareholders;
<b>“Qualifying Holder’s Entitlement”</b>	a Qualifying Holder’s <i>pro rata</i> entitlement to Open Offer Shares;
<b>“Qualifying Shareholder”</b>	Shareholders whose names appear on the register of members of the Company on the Record Date and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions set out in this document;
<b>“Rand”, “ZAR” or “R”</b>	South African Rand, the basic unit of currency in South Africa;
<b>“Receiving Agent”</b>	Computershare Investor Services PLC;
<b>“Record Date”</b>	the record date for the Open Offer and the Class A Open Offer being 5.00 p.m. on 18 December 2013;
<b>“Registrars”</b>	Computershare Investor Services PLC;
<b>“Restricted Jurisdiction”</b>	the United States, Australia, Canada, Japan, the Republic of South Africa, New Zealand and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law;
<b>“RFC Ambrian”</b>	RFC Ambrian Limited, nominated adviser and broker to the Company in connection with the Fundraising;
<b>“RIS”</b>	a regulatory information service as defined by the AIM Rules;
<b>“Sapphire Project”</b>	the option which the Company has over a sapphire property in Australia and referred to in the Company’s Accounts to 31 December 2012 and the Company’s Announcements on 2 June 2011 and 19 October 2011;
<b>“SARS”</b>	South African Revenue Service
<b>“Securities Act”</b>	the US Securities Act of 1933, as amended;
<b>“Shareholders”</b>	a person recorded as a holder of Common Shares in the Company’s register of members;
<b>“South Africa”</b>	The Republic of South Africa;
<b>“STAMICO”</b>	the State Mining Corporation of the United Republic of Tanzania;
<b>“STAMICO Agreements”</b>	the STAMICO JV Agreement, the Appointment Contract for Marketing Tanzanite and the Appointment Contract for Operator;
<b>“STAMICO JV Agreement”</b>	the joint venture agreement dated 5 December 2013 and entered into between TanzaniteOne and STAMICO and which governs their relationship and mining operations in the Mining Licence Area;
<b>“Sterling”, “£”, “pence” or “p”</b>	pounds sterling, the basic unit of currency in the UK;

<b>“stock account”</b>	an account within a member account in CREST to which a holding of a particular share or other security in CREST is credited;
<b>“Tanzanite Experience”</b>	the Group’s retail operation in Tanzania which operates as a franchise in Cape Town, South Africa;
<b>“TanzaniteOne”</b>	TanzaniteOne Mining Limited, a wholly owned subsidiary of the Company incorporated in Tanzania;
<b>“TanzaniteOne Mauritius”</b>	TanzaniteOne Mauritius Limited, a wholly owned subsidiary of the Group incorporated in Mauritius;
<b>“TanzaniteOne SA”</b>	TanzaniteOne (SA) Limited, a subsidiary of the Company incorporated in the Republic of South Africa with company registration number 2001/03177/06;
<b>“TanzaniteOne SA Letter”</b>	the letter to be sent by the directors of TanzaniteOne SA to Class A Shareholders explaining to them the term of the Class A Open Offer;
<b>“TRA”</b>	The Tanzanian Revenue Authority
<b>“Tavorite Project”</b>	tsavorite exploration and mining activities undertaken directly or indirectly by TavoriteOne Mining Limited or other Group companies or their joint venture partners;
<b>“UK” or “United Kingdom”</b>	the United Kingdom of Great Britain and Northern Ireland, its territories and dependencies;
<b>“UKLA” or “UK Listing Authority”</b>	the UK Listing Authority, being the FCA acting as competent authority for the purposes of Part V of FSMA;
<b>“uncertificated” or “uncertificated form”</b>	recorded on the relevant register or other record of the share or other security confirmed as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by way of CREST;
<b>“Urafiki Gemstones”</b>	Urafiki Gemstones EPZ Limited a subsidiary of the Company incorporated in Tanzania;
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
<b>“USE”</b>	unmatched stock event;
<b>“US\$”</b>	US dollars, the basic unit of currency in the United States;
<b>“USE”</b>	unmatched stock event; and
<b>“VAT”</b>	value added tax.

